

LIFE SCIENCES RESEARCH FOUNDATION

FINANCIAL REPORT

MAY 31, 2001

LIFE SCIENCES RESEARCH FOUNDATION

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MAY 31, 2001

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To the Trustees
Life Sciences Research Foundation
Baltimore, Maryland

We have reviewed the accompanying statement of assets and liabilities arising from cash transactions of Life Sciences Research Foundation as of May 31, 2001 and 2000, and the related statements of support and revenue collected, expenses paid, and changes in net assets, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Life Sciences Research Foundation.

A review consists principally of inquiries of Foundation personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, except that unexpended restricted grants are recorded as a liability until expended. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the basis of accounting described in Note 1.

The accompanying supplementary information contained on pages 11 through 14 is presented for the purpose of additional analysis. Such information has not been subjected to the same inquiries and analytical procedures applied in the review of the basic financial statements, but has been compiled from information that is the representation of the management of Life Sciences Research Foundation, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.



WALPERT & WOLPOFF, LLP

Timonium, Maryland
August 13, 2001

LIFE SCIENCES RESEARCH FOUNDATION

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

ASSETS

	<u>May 31,</u>	
	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and Certificates of Deposit - Note 3	\$ 1,175,000	\$ 735,000
Money Market Funds - Note 2	<u>532,635</u>	<u>508,094</u>
	<u>\$ 1,707,635</u>	<u>\$ 1,243,094</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Escrow Payable - Note 5	\$ 105,364	\$ 92,525
Restricted Grant Advances - Notes 1 and 4	<u>1,046,328</u>	<u>563,796</u>
TOTAL LIABILITIES	1,151,692	656,321
COMMITMENTS - Note 4		
NET ASSETS, UNRESTRICTED	<u>555,943</u>	<u>586,773</u>
	<u>\$ 1,707,635</u>	<u>\$ 1,243,094</u>

See Accountant's Review Report.
The notes to financial statements are an integral part of this statement.

LIFE SCIENCES RESEARCH FOUNDATION

STATEMENT OF SUPPORT AND REVENUE COLLECTED,
EXPENSES PAID, AND CHANGES IN NET ASSETS

	Year Ended May 31,	
	2001	2000
<u>UNRESTRICTED NET ASSETS</u>		
SUPPORT AND REVENUE - Note 1		
Restricted Grants	\$ 1,180,415	\$ 1,546,350
Unrestricted Grants - Note 8	44,250	37,750
Unrestricted Gifts - Note 8	1,000	1,000
Interest	79,900	62,063
Grant Forfeitures - Note 6	71,667	-0-
Escrow Forfeitures - Note 5	-0-	30,104
TOTAL SUPPORT AND REVENUE	1,377,232	1,677,267
EXPENSES		
Program Services		
Research Grants Paid	1,345,832	1,343,333
Supporting Services		
Administrative Expenses	62,230	44,202
TOTAL EXPENSES	1,408,062	1,387,535
EXCESS (DEFICIT) OF SUPPORT AND REVENUE OVER EXPENSES	(30,830)	289,732
NET ASSETS (UNRESTRICTED), BEGINNING	586,773	297,041
NET ASSETS (UNRESTRICTED), ENDING	\$ 555,943	\$ 586,773

See Accountant's Review Report.
The notes to financial statements are an integral part of this statement.

LIFE SCIENCES RESEARCH FOUNDATION

STATEMENT OF CASH FLOWS

	<u>Year Ended May 31,</u>	
	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (Deficit) of Support and Revenue Over Expenses	\$ (30,830)	\$ 289,732
Adjustments to Reconcile Excess (Deficit) of Support and Revenue Over Expenses to Net Cash Provided by Operating Activities		
Change in Restricted Grant Advances	482,532	(29,630)
Change in Escrow Payable	12,839	(18,402)
Total Adjustments	<u>495,371</u>	<u>(48,032)</u>
Net Cash Provided by Operating Activities	<u>464,541</u>	<u>241,700</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in Money Market Funds	<u>(24,541)</u>	<u>(286,700)</u>
INCREASE (DECREASE) IN CASH AND CERTIFICATES OF DEPOSIT	440,000	(45,000)
CASH AND CERTIFICATES OF DEPOSIT, BEGINNING OF YEAR	<u>735,000</u>	<u>780,000</u>
CASH AND CERTIFICATES OF DEPOSIT, END OF YEAR	<u>\$ 1,175,000</u>	<u>\$ 735,000</u>

See Accountant's Review Report.
The notes to financial statements are an integral part of this statement.

LIFE SCIENCES RESEARCH FOUNDATION

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2001

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Activity

Life Sciences Research Foundation (the Foundation) has been recognized by the Internal Revenue Service as a tax-exempt organization as defined by §501(c)(3) of the Internal Revenue Code (IRC). The Foundation was incorporated in the District of Columbia on June 25, 1981, for the purpose of funding basic research in the biological sciences at various institutions. Postdoctoral fellowships are awarded to qualifying scientists selected by the Foundation's peer review committee. Funds to support the fellowships come from corporate sponsors and other foundations.

Election to be Treated as a Qualified Fund Under IRC §41(e)(6)(D)

The Foundation elected to be treated as a qualified fund under IRC §41(e)(6)(D). This election allows the Foundation to be treated as a pass-through qualifying organization, thereby enabling corporate contributions to be eligible for the credit for increased research activities. As a qualifying fund, the Foundation is subject to the rules governing private foundations.

Method of Accounting

The financial statements have been prepared on the cash basis of accounting. The only exception to the cash basis of accounting is the deferral of restricted grant revenue, which is recognized as revenue in proportion to the research grants paid. Cash basis statements do not reflect operational receivables, prepayments, payables, and accruals as is required for a fair presentation of financial position, changes in net assets, and cash flows under accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Foundation reports financial information according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of May 31, 2001 and 2000, the Foundation had only unrestricted net assets.

Contributions and Grants

Contributions received and grants paid by the Foundation are presented at their market value on the date of such contribution or grant. For tax purposes, the Foundation records all contributions received at the donor's basis.

Revenue Recognition and Restricted Grant Advances

Substantially all of the Foundation's revenue is derived from restricted grants, which are recognized as revenue in proportion to the research grants paid. Unexpended research grants received are recorded as restricted grant advances in the statement of assets and liabilities arising from cash transactions. All other sources of revenue, such as unrestricted gifts and interest, are recognized when received.

Note 2 - MONEY MARKET FUNDS

The money market funds consisted of Smith Barney Money Funds, Inc. Government Portfolio Class A, as of May 31, 2001 and 2000.

LIFE SCIENCES RESEARCH FOUNDATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

MAY 31, 2001

Note 3 - CASH AND CERTIFICATES OF DEPOSIT

Cash and certificates of deposit consisted of the following:

	May 31,	
	2001	2000
Certificate of Deposit, 5.45%, Due 5/29/01, First Indiana Bank, Indiana	\$ 95,000	\$ 95,000
Certificate of Deposit, 6.10%, Due 6/1/01, Lehman Brothers Bank, FSB, Delaware	50,000	50,000
Certificate of Deposit, 6.00%, Due 8/4/01, Old National Bank of Evansville, Indiana	95,000	95,000
Certificate of Deposit, 6.25%, Due 8/20/01, Providian National Bank, New Hampshire	95,000	95,000
Certificate of Deposit, 6.25%, Due 10/15/01, Household Bank, FSB, Illinois	55,000	55,000
Certificate of Deposit, 6.25%, Due 12/6/01, Cross Country Bank, Delaware	95,000	95,000
Certificate of Deposit, 6.95%, Due 1/17/02, Ocwen Federal Bank, FSB, New Jersey	75,000	-0-
Certificate of Deposit, 6.85%, Due 1/28/02, Household Bank, FSB, Illinois	40,000	-0-
Certificate of Deposit, 6.30%, Due 3/12/02, MBNA America Bank, N.A., Delaware	25,000	-0-
Certificate of Deposit, 6.45%, Due 4/9/02, Manufactures & Traders Trust Company, New York	40,000	-0-
Certificate of Deposit, 7.25%, Due 6/7/02, First USA Bank, N.A., Delaware	95,000	-0-
Certificate of Deposit, 6.95%, Due 8/2/02, Chevy Chase Bank, FSB, Virginia	45,000	-0-
Certificate of Deposit, 6.95%, Due 8/9/02, American National Bank & Trust, Illinois	80,000	-0-
Certificate of Deposit, 5.20%, Due 8/14/02, St. Francis Bank, FSB, Wisconsin	50,000	-0-
Certificate of Deposit, 5.00%, Due 9/16/02, Flagstar Bank FSB, Michigan	95,000	-0-
Certificate of Deposit, 5.35%, Due 2/28/03, Marine Bank, Wisconsin	95,000	-0-
Certificate of Deposit, 4.75%, Due 5/2/03, Westernbank Puerto Rico, Puerto Rico	50,000	-0-
Certificate of Deposit, 5.50%, Due 8/28/00, Flagstar Bank FSB, Michigan	-0-	80,000
Certificate of Deposit, 6.00%, Due 10/30/00, MidFirst Bank, Oklahoma	-0-	40,000
Certificate of Deposit, 6.10%, Due 12/1/00, Providian Bank, Utah	-0-	70,000
Certificate of Deposit, 5.10%, Due 2/20/01, MBNA America Bank, N.A., Delaware	-0-	60,000
	<u>\$ 1,175,000</u>	<u>\$ 735,000</u>

LIFE SCIENCES RESEARCH FOUNDATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

MAY 31, 2001

Note 4 - COMMITMENTS

As of May 13, 2001, the Foundation was committed to make the following grants:

Recipient	Sponsor	Commitment From Program Years			Total
		2001	2000	1999	
James Chou, Ph.D.	GlaxoSmithKline	\$ 110,000			\$ 110,000
Richard Gardner, Ph.D.	The Bristol-Myers Squibb Pharmaceutical Research Institute	110,000			110,000
Daniel Gitler, Ph.D.	Pfizer	120,000			120,000
Franklin Harmon, Ph.D.	Department of Energy, Energy Biosciences Research Division	110,000			110,000
Sheri Holmen, Ph.D.	Pfizer	120,000			120,000
Dana Leanne Jones, Ph.D.	Lilly Research Laboratories	110,000			110,000
Maki Kaneko, Ph.D.	The O'Donnell Foundation	120,000			120,000
Diane McFadden, Ph.D.	The Burroughs Wellcome Fund	120,000			120,000
Gretchen Murphy, Ph.D.	Merck Research Laboratories	110,000			110,000
Christine Pfund, Ph.D.	Department of Energy, Energy Biosciences Research Division	110,000			110,000
Kathrin Plath, Ph.D.	The O'Donnell Foundation	120,000			120,000
Dominique Stickens, Ph.D.	Wyeth	120,000			120,000
Rebecca Tirabassi, Ph.D.	Novartis Pharma AG	110,000			110,000
Scott Walsh, Ph.D.	The Burroughs Wellcome Fund	110,000			110,000
Robert Wheeler, Ph.D.	The Burroughs Wellcome Fund	120,000			120,000
Xuelin Wu, Ph.D.	Department of Energy, Energy Biosciences Research Division	110,000			110,000
Purnima Bhanot, Ph.D.	The Golden Family Foundation		\$ 90,000		90,000
Christina Bowers, Ph.D.	Department of Energy, Energy Biosciences Research Division		70,000		70,000
Ryan Case, Ph.D.	The Burroughs Wellcome Fund		70,000		70,000
Su Chiang, Ph.D.	The Burroughs Wellcome Fund		80,000		80,000
Seth Davis, Ph.D.	Department of Energy, Energy Biosciences Research Division		80,000		80,000
Douglas Guarnieri, Ph.D.	The Burroughs Wellcome Fund		90,000		90,000
Elizabeth Haswell, Ph.D.	Department of Energy, Energy Biosciences Research Division		80,000		80,000
Kristi Lieberman, Ph.D.	GlaxoSmithKline		80,000		80,000
Coleen Murphy, Ph.D.	The Bristol-Myers Squibb Pharmaceutical Research Institute		70,000		70,000
Yosef Refaeli, Ph.D.	Merck Research Laboratories		70,000		70,000
Aravinthan Samuel, Ph.D.	Amgen		70,000		70,000
Garth Simpson, Ph.D.	Pfizer		70,000		70,000
Carryforward	Carryforward	1,830,000	920,000	\$ -0-	2,750,000

LIFE SCIENCES RESEARCH FOUNDATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

MAY 31, 2001

Note 4 -
(Cont.)

Recipient	Sponsor	Commitment From Program Years			
		2001	2000	1999	Total
Balance Forward		\$ 1,830,000	\$ 920,000	\$ -0-	\$ 2,750,000
Erin Gaynor, Ph.D.	Schering-Plough Research Institute			30,000	30,000
Chau Huynh, Ph.D.	The Burroughs Wellcome Fund			50,000	50,000
David Mackey, Ph.D.	Department of Energy, Energy Biosciences Research Division			30,000	30,000
Barton Manning, Ph.D.	Merck Research Laboratories			50,000	50,000
Timothy McKinsey, Ph.D.	Pfizer			30,000	30,000
Peter Qin, Ph.D.	DuPont Pharmaceutical Company			30,000	30,000
Peri Tate, Ph.D.	The Burroughs Wellcome Fund			50,000	50,000
Jingdong Tian, Ph.D.	Hoffmann La Roche, Inc.			40,000	40,000
Lena Ting, Ph.D.	The O'Donnell Foundation			30,000	30,000
Erik Vollbrecht, Ph.D.	Department of Energy, Energy Biosciences Research Division			30,000	30,000
Gregory York, Ph.D.	Department of Energy, Energy Biosciences Research Division			30,000	30,000
		<u>\$ 1,830,000</u>	<u>\$ 920,000</u>	<u>\$ 400,000</u>	<u>\$ 3,150,000</u>

Note 4 - These grant commitments resulted from the fellowship awards made by the Foundation's peer review
(Cont.) committee. Most fellowships pay an established amount annually for a 3-year period. For fellowships awarded during the years ended May 31, 2001 and 2000, the annual amount is \$40,000. All committed amounts have been pledged by the sponsoring donors. As of May 31, 2001 and 2000, the Foundation had received \$1,046,328 and \$563,796, respectively, of the pledged amount from the sponsors. This amount is reflected on the statement of assets and liabilities arising from cash transactions as restricted grant advances.

Note 5 - ESCROW PAYABLE

Unexpended funds of a research grant may be held in escrow, if the recipient so elects, until the end of the 3-year fellowship. (This option is not available to recipients sponsored by the Department of Energy.) Otherwise, all unexpended funds must be returned to the sponsor. The maximum amount which can be set aside in escrow in any year is \$5,000. In order to receive the balance in the escrow fund at the end of the 3-year fellowship, the recipient cannot seek employment with a for-profit organization. All forfeited escrow balances are deemed to be gifts to the Foundation. The escrow balances do not earn interest.

As of May 31, 2001 and 2000, the escrow payable balance was \$105,364 and \$92,525, respectively. During the year ended May 31, 2000, escrow forfeitures totaled \$30,104. There were no escrow forfeitures in the current year.

Note 6 - GRANT FORFEITURES

At the discretion of the donors, any remaining restricted grant advances that are either held for recipients who terminate their research grants or remain unexpended at the end of the grant period may either be:

- a. Returned to the sponsor.
- b. Applied to another research grant recipient.
- c. Reclassified as a gift to the Foundation.

For the year ended May 31, 2001, grant forfeitures gifted to the Foundation totaled \$71,667. There were no grant forfeitures in the prior year.

Note 7 - MINIMUM INVESTMENT RETURN AND DISTRIBUTION REQUIREMENT

A private foundation must currently distribute its minimum investment return in order to avoid the excise tax for failure to distribute income. The minimum investment return is an income equivalent which is essentially determined by multiplying the aggregate fair market value of the Foundation's assets by 5%. For the years ended May 31, 2001 and 2000, the minimum amounted to \$75,346 and \$61,040, respectively.

The Foundation met these distribution requirements by making qualifying distributions in the years ended May 31, 2001 and 2000, of \$1,408,062 and \$1,387,535, respectively. The excesses generated can be applied to offset future distribution requirements.

Note 7 - A summary of the excess distribution carryovers to future years is as follows:

(Cont.)

<u>Year Incurred</u>	<u>Amount</u>	<u>Expiration Date</u>
May 31, 1997	\$1,108,208	May 31, 2002
May 31, 1998	1,137,782	May 31, 2003
May 31, 1999	1,406,454	May 31, 2004
May 31, 2000	1,326,495	May 31, 2005
May 31, 2001	<u>1,332,716</u>	May 31, 2006
	<u>\$6,311,655</u>	

Note 8 - UNRESTRICTED GRANTS AND GIFTS

The Foundation receives unrestricted grants from sponsors for administrative expenses. Administrative fees are assessed annually and are collected along with the sponsors' grant payments for fellowship awards. The total administrative fees collected for the years ended May 31, 2001 and 2000, were \$44,250 and \$37,750, respectively.

In addition, the Foundation received an unrestricted gift from The Golden Family Foundation of \$1,000 for the years ended May 31, 2001 and 2000.

LIFE SCIENCES RESEARCH FOUNDATION

SCHEDULE OF RESEARCH GRANTS PAID

		Year Ended May 31,	
		2001	2000
<u>1997 PROGRAM</u>			
Jimo Borjigin, Ph.D.	Merck Research Laboratories	\$ 8,750	\$ 26,250
Marilyn Diaz, Ph.D.	The Burroughs Wellcome Fund	-0-	35,000
Andrew Dittman, Ph.D.	The Burroughs Wellcome Fund	-0-	35,000
Jay Gulledege, Ph.D.	Department of Energy, Energy Biosciences Research Division	-0-	17,500
Kristin LeVier, Ph.D.	Department of Energy, Energy Biosciences Research Division	-0-	26,250
David Pan, Ph.D.	Lilly Research Laboratories	-0-	26,250
Jeannine Petersen, Ph.D.	The Burroughs Wellcome Fund	-0-	26,250
Allen Sessions, Ph.D.	Department of Energy, Energy Biosciences Research Division	-0-	17,500
Tae Ho Shin, Ph.D.	Schering-Plough Corporation	-0-	26,250
Ranabir Sinha Roy, Ph.D.	Warner Lambert Company/ Parke-Davis Pharmaceuticals Research Division	-0-	8,750
Gregory Smith, Ph.D.	Lilly Research Laboratories	8,750	35,000
		<u>17,500</u>	<u>280,000</u>
<u>1998 PROGRAM</u>			
John Berglund, Ph.D.	The Burroughs Wellcome Fund	30,000	40,000
Joann Conner, Ph.D.	Department of Energy, Energy Biosciences Research Division	40,000	40,000
Matthew Dalva, Ph.D.	Chiron Technologies	30,000	40,000
Enrique De La Cruz, Ph.D.	The Burroughs Wellcome Fund	30,000	40,000
Stig Hansen, Ph.D.	Novartis Pharma AG	-0- (1)	40,000
Kenneth Keiler, Ph.D.	Department of Energy, Energy Biosciences Research Division	30,000	40,000
Mary Ellen Lane, Ph.D.	The Burroughs Wellcome Fund	10,000 (1)	50,000
Amanda Hayward-Lester, Ph.D.	The Bristol-Myers Squibb Pharmaceutical Research Institute	-0- (1)	33,333
Charles Perou, Ph.D.	GlaxoSmithKline	30,000	40,000
Elizabeth Rogers, Ph.D.	Department of Energy, Energy Biosciences Research Division	30,000	40,000
Catherine Smith, Ph.D.	Pfizer	30,000	40,000
Kyle Vogan, Ph.D.	Genetics Institute	30,000	40,000
James Wingrove, Ph.D.	Abbott Laboratories	-0- (1)	40,000
		<u>290,000</u>	<u>523,333</u>
Carryforward		<u>307,500</u>	<u>803,333</u>

See Accountant's Review Report.

LIFE SCIENCES RESEARCH FOUNDATION

SCHEDULE OF RESEARCH GRANTS PAID

		Year Ended May 31,	
		2001	2000
Balance Forward		\$ 307,500	\$ 803,333
1999 PROGRAM			
Gabriel Fenteany, Ph.D.	GlaxoSmithKline	6,666 (1)	40,000
Erin Gaynor, Ph.D.	Schering-Plough Research Institute	40,000 (2)	40,000
Chau Huynh, Ph.D.	The Burroughs Wellcome Fund	40,000	30,000
David Mackey, Ph.D.	Department of Energy, Energy Biosciences Research Division	40,000 (2)	40,000
Barton Manning, Ph.D.	Merck Research Laboratories	40,000 (3)	30,000
Timothy McKinsey, Ph.D.	Pfizer	40,000 (2)	40,000
Sean Palecek, Ph.D.	Amgen	3,333 (1)	30,000
Peter Qin, Ph.D.	DuPont Pharmaceutical Company	40,000 (2)	40,000
Peri Tate, Ph.D.	The Burroughs Wellcome Fund	40,000	30,000
Jingdong Tian, Ph.D.	Hoffmann La Roche, Inc.	30,000	40,000
Lena Ting, Ph.D.	The O'Donnell Foundation	40,000	40,000
Erik Vollbrecht, Ph.D.	Department of Energy, Energy Biosciences Research Division	40,000 (2)	40,000
Gregory York, Ph.D.	Department of Energy, Energy Biosciences Research Division	40,000 (2)	40,000
		439,999	480,000
2000 PROGRAM			
Purnima Bhanot, Ph.D.	The Golden Family Foundation	30,000	-0-
Christina Bowers, Ph.D.	Department of Energy, Energy Biosciences Research Division	40,000 (2)	10,000
Ryan Case, Ph.D.	The Burroughs Wellcome Fund	40,000	10,000
Su Chiang, Ph.D.	The Burroughs Wellcome Fund	40,000	-0-
Seth Davis, Ph.D.	Department of Energy, Energy Biosciences Research Division	40,000	-0-
Douglas Guarnieri, Ph.D.	The Burroughs Wellcome Fund	30,000	-0-
Elizabeth Haswell, Ph.D.	Department of Energy, Energy Biosciences Research Division	40,000	-0-
Julia Kubanek, Ph.D.	The O'Donnell Foundation	38,333 (1)	10,000
Kristi Lieberman, Ph.D.	GlaxoSmithKline	40,000	-0-
Coleen Murphy, Ph.D.	The Bristol-Myers Squibb Pharmaceutical Research Institute	40,000	10,000
Yosef Refaeli, Ph.D.	Merck Research Laboratories	40,000 (2)	10,000
Aravinthan Samuel, Ph.D.	Amgen	40,000 (2)	10,000
Garth Simpson, Ph.D.	Pfizer	50,000 (2)	-0-
		508,333	60,000
Carryforward		1,255,832	1,343,333

See Accountant's Review Report.

LIFE SCIENCES RESEARCH FOUNDATION

SCHEDULE OF RESEARCH GRANTS PAID

		Year Ended May 31,	
		2001	2000
Balance Forward		\$ 1,255,832	\$ 1,343,333
2001 PROGRAM			
James Chou, Ph.D.	GlaxoSmithKline	10,000 (2)	-0-
Richard Gardner, Ph.D.	The Bristol-Myers Squibb Pharmaceutical Research Institute	10,000 (2)	-0-
Franklin Harmon, Ph.D.	Department of Energy, Energy Biosciences Research Division	10,000 (2)	-0-
Dana Leanne Jones, Ph.D.	Lilly Research Laboratories	10,000	-0-
Gretchen Murphy, Ph.D.	Merck Research Laboratories	10,000	-0-
Christine Pfund, Ph.D.	Department of Energy, Energy Biosciences Research Division	10,000 (2)	-0-
Rebecca Tirabassi, Ph.D.	Novartis Pharma AG	10,000 (2)	-0-
Scott Walsh, Ph.D.	The Burroughs Wellcome Fund	10,000	-0-
Xuelin Wu, Ph.D.	Department of Energy, Energy Biosciences Research Division	10,000 (2)	-0-
		90,000	-0-
 TOTAL RESEARCH GRANTS PAID		 \$ 1,345,832	 \$ 1,343,333

(1) Recipient canceled the remainder of this research grant in the year ended May 31, 2001.

(2) \$10,000 of this research grant was paid out of unrestricted funds. The sponsor's matching grant will be received in the year ending May 31, 2002.

(3) \$30,000 of this research grant was paid out of unrestricted funds. The sponsor's matching grant will be received in the year ending May 31, 2002.

See Accountant's Review Report.

LIFE SCIENCES RESEARCH FOUNDATION
SCHEDULE OF ADMINISTRATIVE EXPENSES

	<u>Year Ended May 31,</u>	
	<u>2001</u>	<u>2000</u>
Office Expenses	\$ 29,150	\$ 21,430
Annual Conference	23,477	13,506
Legal and Accounting	6,950	6,970
Peer Review Committee Meetings	<u>2,653</u>	<u>2,296</u>
	<u>\$ 62,230</u>	<u>\$ 44,202</u>

See Accountant's Review Report.