

**MASSACHUSETTS BIOTECHNOLOGY
EDUCATION FOUNDATION, INC.**

**FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

MASSACHUSETTS BIOTECHNOLOGY EDUCATION FOUNDATION, INC.

**CONTENTS
DECEMBER 31, 2013 AND 2012**

	<u>PAGES</u>
INDEPENDENT AUDITOR'S REPORT	1 - 1A
FINANCIAL STATEMENTS:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 11
SUPPLEMENTAL STATEMENTS:	
Supplemental Statements of Activities by Program	12 - 13

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Massachusetts Biotechnology Education Foundation, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Massachusetts Biotechnology Education Foundation, Inc. (a Massachusetts corporation, not for profit) (the Foundation), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Massachusetts Biotechnology Education Foundation, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors of
Massachusetts Biotechnology Education Foundation, Inc.
Page II

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 12 and 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Alexander, Aronson, Jennings & Co., P.C.

Boston, Massachusetts
April 11, 2014

MASSACHUSETTS BIOTECHNOLOGY EDUCATION FOUNDATION, INC.

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012**

ASSETS	2013			2012		
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
CURRENT ASSETS:						
Cash and cash equivalents	\$ 1,313,307	\$ 69,497	\$ 1,382,804	\$ 1,447,965	\$ 75,613	\$ 1,523,578
Accounts receivable	166,912	-	166,912	84,731	904	85,635
Prepaid expenses and other	<u>2,502</u>	<u>-</u>	<u>2,502</u>	<u>1,509</u>	<u>-</u>	<u>1,509</u>
Total current assets	1,482,721	69,497	1,552,218	1,534,205	76,517	1,610,722
FIXED ASSETS, net	<u>52,367</u>	<u>-</u>	<u>52,367</u>	<u>42,923</u>	<u>-</u>	<u>42,923</u>
Total assets	<u><u>\$ 1,535,088</u></u>	<u><u>\$ 69,497</u></u>	<u><u>\$ 1,604,585</u></u>	<u><u>\$ 1,577,128</u></u>	<u><u>\$ 76,517</u></u>	<u><u>\$ 1,653,645</u></u>
<u>LIABILITIES AND NET ASSETS</u>						
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	\$ 54,367	\$ -	\$ 54,367	\$ 67,388	\$ -	\$ 67,388
Due to related party	150,688	-	150,688	150,891	-	150,891
Unearned revenue	<u>1,395</u>	<u>-</u>	<u>1,395</u>	<u>12,220</u>	<u>-</u>	<u>12,220</u>
Total current liabilities	<u>206,450</u>	<u>-</u>	<u>206,450</u>	<u>230,499</u>	<u>-</u>	<u>230,499</u>
NET ASSETS:						
Unrestricted:						
Operating	1,276,271	-	1,276,271	1,303,706	-	1,303,706
Fixed assets	52,367	-	52,367	42,923	-	42,923
Temporarily restricted	<u>-</u>	<u>69,497</u>	<u>69,497</u>	<u>-</u>	<u>76,517</u>	<u>76,517</u>
Total net assets	<u>1,328,638</u>	<u>69,497</u>	<u>1,398,135</u>	<u>1,346,629</u>	<u>76,517</u>	<u>1,423,146</u>
Total liabilities and net assets	<u><u>\$ 1,535,088</u></u>	<u><u>\$ 69,497</u></u>	<u><u>\$ 1,604,585</u></u>	<u><u>\$ 1,577,128</u></u>	<u><u>\$ 76,517</u></u>	<u><u>\$ 1,653,645</u></u>

The accompanying notes are an integral part of these statements.

MASSACHUSETTS BIOTECHNOLOGY EDUCATION FOUNDATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013			2012		
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT AND REVENUE:						
Grants and contributions	\$ 296,739	\$ 305,000	\$ 601,739	\$ 365,964	\$ 286,000	\$ 651,964
Government grants and contracts	287,146	-	287,146	-	-	-
Course attendance revenue	277,715	-	277,715	235,910	-	235,910
Golf event, net of related expenses of \$67,308 and \$65,616 for the years ended December 31, 2013 and 2012, respectively	152,262	-	152,262	159,204	-	159,204
Consulting revenue	14,500	-	14,500	33,750	-	33,750
Interest and other	4,316	-	4,316	6,107	-	6,107
Net assets released from program restrictions	312,020	(312,020)	-	252,253	(252,253)	-
Total support and revenue	<u>1,344,698</u>	<u>(7,020)</u>	<u>1,337,678</u>	<u>1,053,188</u>	<u>33,747</u>	<u>1,086,935</u>
EXPENSES:						
BioTeach	560,307	-	560,307	203,932	-	203,932
Learning Center	267,043	-	267,043	220,528	-	220,528
Workforce Development	55,943	-	55,943	84,751	-	84,751
Program Development	243,214	-	243,214	269,276	-	269,276
General, Administrative and Fundraising	236,182	-	236,182	174,034	-	174,034
Total expenses	<u>1,362,689</u>	<u>-</u>	<u>1,362,689</u>	<u>952,521</u>	<u>-</u>	<u>952,521</u>
Changes in net assets	(17,991)	(7,020)	(25,011)	100,667	33,747	134,414
NET ASSETS, beginning of year	<u>1,346,629</u>	<u>76,517</u>	<u>1,423,146</u>	<u>1,245,962</u>	<u>42,770</u>	<u>1,288,732</u>
NET ASSETS, end of year	<u>\$ 1,328,638</u>	<u>\$ 69,497</u>	<u>\$ 1,398,135</u>	<u>\$ 1,346,629</u>	<u>\$ 76,517</u>	<u>\$ 1,423,146</u>

The accompanying notes are an integral part of these statements.

MASSACHUSETTS BIOTECHNOLOGY EDUCATION FOUNDATION, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (25,011)	\$ 134,414
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	16,622	1,712
Changes in operating assets and liabilities:		
Accounts receivable	(81,277)	(25,123)
Prepaid expenses and other	(993)	3,742
Accounts payable and accrued expenses	5,704	9,578
Due to related party	(203)	(8,073)
Unearned revenue	<u>(10,825)</u>	<u>6,040</u>
Net cash provided by (used in) operating activities	(95,983)	122,290
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of fixed assets	<u>(44,791)</u>	<u>(25,559)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(140,774)	96,731
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,523,578</u>	<u>1,426,847</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,382,804</u>	<u>\$ 1,523,578</u>
SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTION:		
Acquisitions of fixed assets with accounts payable	<u>\$ -</u>	<u>\$ 18,725</u>
Cost basis of fixed assets disposed of	<u>\$ 55,757</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

MASSACHUSETTS BIOTECHNOLOGY EDUCATIONAL FOUNDATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013**

(With Summarized Comparative Totals for the Year Ended December 31, 2012)

	2013						2012	
	PROGRAMS				GENERAL, ADMINIS- TRATIVE AND FUNDRAISING			
	BIOTEACH	LEARNING CENTER	WORKFORCE DEVELOPMENT	TOTAL PROGRAMS	PROGRAM DEVELOPMENT	TOTAL	TOTAL	
PERSONNEL AND RELATED:								
Salaries	\$ 126,328	\$ 68,921	\$ 4,246	\$ 199,495	\$ 145,478	\$ 104,992	\$ 449,965	\$ 388,905
Benefits	9,134	16,845	699	26,678	12,504	15,297	54,479	69,786
Payroll taxes	11,507	4,800	358	16,665	10,058	8,218	34,941	33,614
Total personnel and related	<u>146,969</u>	<u>90,566</u>	<u>5,303</u>	<u>242,838</u>	<u>168,040</u>	<u>128,507</u>	<u>539,385</u>	<u>492,305</u>
OTHER:								
Awards and grants	281,112	-	-	281,112	-	-	281,112	59,363
Professional fees	58,572	116,941	37,358	212,871	2,500	21,489	236,860	170,286
Reimbursements - related party	53,787	37,372	1,553	92,712	66,598	52,502	211,812	179,289
Event supplies and facility rental	14,287	6,048	2,336	22,671	520	-	23,191	11,599
Depreciation	-	-	-	-	-	16,622	16,622	1,712
Printing and postage	2,333	7,470	2,158	11,961	1,336	244	13,541	6,038
Travel and entertainment	3,157	248	860	4,265	841	2,952	8,058	8,835
Bank charges	90	6,898	-	6,988	-	862	7,850	8,116
Dues and subscriptions	-	-	5,625	5,625	85	625	6,335	119
Miscellaneous	-	-	750	750	1,380	3,656	5,786	2,023
Insurance	-	-	-	-	-	5,250	5,250	3,408
Telephone and internet	-	-	-	-	1,914	952	2,866	5,552
Licenses and permits	-	1,500	-	1,500	-	500	2,000	2,565
Advertising and marketing	-	-	-	-	-	2,000	2,000	1,268
Office supplies and expenses	-	-	-	-	-	21	21	43
Total other	<u>413,338</u>	<u>176,477</u>	<u>50,640</u>	<u>640,455</u>	<u>75,174</u>	<u>107,675</u>	<u>823,304</u>	<u>460,216</u>
Total expenses	<u>\$ 560,307</u>	<u>\$ 267,043</u>	<u>\$ 55,943</u>	<u>\$ 883,293</u>	<u>\$ 243,214</u>	<u>\$ 236,182</u>	<u>\$ 1,362,689</u>	<u>\$ 952,521</u>

The accompanying notes are an integral part of these statements.

MASSACHUSETTS BIOTECHNOLOGY EDUCATIONAL FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	PROGRAMS				PROGRAM DEVELOPMENT	GENERAL, ADMINIS- TRATIVE AND FUNDRAISING	TOTAL
	BIOTEACH	LEARNING CENTER	WORKFORCE DEVELOPMENT	TOTAL PROGRAMS			
PERSONNEL AND RELATED:							
Salaries	\$ 60,962	\$ 58,930	\$ 46,764	\$ 166,656	\$ 142,708	\$ 79,541	\$ 388,905
Benefits	8,782	16,587	3,618	28,987	22,991	17,808	69,786
Payroll taxes	6,470	5,340	3,999	15,809	12,898	4,907	33,614
Total personnel and related	<u>76,214</u>	<u>80,857</u>	<u>54,381</u>	<u>211,452</u>	<u>178,597</u>	<u>102,256</u>	<u>492,305</u>
OTHER:							
Awards and grants	59,213	-	150	59,363	-	-	59,363
Professional fees	31,415	103,857	12,820	148,092	-	22,194	170,286
Reimbursements - related party	32,059	14,756	13,099	59,914	84,168	35,207	179,289
Event supplies and facility rental	3,377	7,390	832	11,599	-	-	11,599
Depreciation	-	-	-	-	-	1,712	1,712
Printing and postage	815	2,288	-	3,103	819	2,116	6,038
Travel and entertainment	839	1,625	1,669	4,133	1,245	3,457	8,835
Bank charges	-	7,705	-	7,705	-	411	8,116
Dues and subscriptions	-	-	-	-	-	119	119
Miscellaneous	-	-	1,800	1,800	35	188	2,023
Insurance	-	-	-	-	-	3,408	3,408
Telephone and internet	-	-	-	-	4,412	1,140	5,552
Licenses and permits	-	2,050	-	2,050	-	515	2,565
Advertising and marketing	-	-	-	-	-	1,268	1,268
Office supplies and expenses	-	-	-	-	-	43	43
Total other	<u>127,718</u>	<u>139,671</u>	<u>30,370</u>	<u>297,759</u>	<u>90,679</u>	<u>71,778</u>	<u>460,216</u>
Total expenses	<u>\$ 203,932</u>	<u>\$ 220,528</u>	<u>\$ 84,751</u>	<u>\$ 509,211</u>	<u>\$ 269,276</u>	<u>\$ 174,034</u>	<u>\$ 952,521</u>

The accompanying notes are an integral part of these statements.

MASSACHUSETTS BIOTECHNOLOGY EDUCATION FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS AND NONPROFIT STATUS

Massachusetts Biotechnology Education Foundation, Inc. (the Foundation) was incorporated in 2001 in Massachusetts as a not for profit corporation to encourage growth of biotechnology education in Massachusetts schools.

The Foundation is exempt from Federal income taxes as an organization (not a private foundation) under Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation is also exempt from state income taxes. Donors may deduct contributions made to the Foundation within the IRC requirements.

The Foundation was formed by the Massachusetts Biotechnology Council, Inc. (a Massachusetts corporation, not for profit) (MassBio). The Foundation is co-located with MassBio, and MassBio provides financial, human resource, information technology, and other support services to the Foundation. The Foundation reimburses MassBio for these services (see Note 4).

MassBio and the Foundation have a Memorandum of Understanding formalizing the relationship between the two separate but related organizations. The memorandum was adopted in March, 2007, and revised in June, 2011, as such, MassBio and the Foundation are being presented as uncombined entities.

SIGNIFICANT ACCOUNTING POLICIES

The Foundation prepares its financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these footnotes are to the FASB Accounting Standards Codification.

Revenue Recognition

Contract revenue is recorded over the contract period as services are provided. Unrestricted grants and contributions are recognized as revenue when received or unconditionally committed. Restricted grants and contributions are recorded as temporarily restricted support and net assets, if they are received or unconditionally committed with donor stipulations that limit the use of the donated assets. When a donor restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Fundraising revenue from the golf event is recognized when the event takes place. All other income is recognized when earned.

Unearned Revenue

Unearned revenue includes fees for program courses received in advance.

Expense Allocations

Expenses related directly to a program are distributed to that program, while other expenses are allocated based upon management's estimate of the percentage attributable to each program.

MASSACHUSETTS BIOTECHNOLOGY EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets and Depreciation

Fixed assets are recorded at cost when purchased or at fair value at the time of donation (see Note 2). Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Website costs	3 years
Furniture and fixtures	5 years

Donated Services

Donated services will be recognized if the services received create or enhance non-financial assets or require specialized skills that would typically need to be purchased if not provided by donation.

The financial statements do not include amounts for donated services for which an objective basis of measurement of the value of such services is not available, or are not specialized; however, a substantial number of volunteers have donated significant amounts of their time and energy to the Foundation.

Advertising Costs

The Foundation expenses advertising costs as they are incurred.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents consist of checking and money market accounts.

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the consolidated period. Actual results could differ from those estimates.

Awards and Grants Expenses

The Foundation recognizes awards and grants expenses at the time the awards and grants are made.

MASSACHUSETTS BIOTECHNOLOGY EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

(1) **OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Unrestricted net assets are those net resources that bear no external restrictions and are generally available for use by the Foundation. The Foundation has grouped its unrestricted net assets into the following categories:

Operating net assets represent funds available to carry on the operations of the Foundation.

Fixed assets net assets reflect the net book value of the Foundation's fixed assets.

Temporarily restricted net assets consist entirely of purpose restricted net assets at December 31, 2013 and 2012.

Fair Value Measurements

The Foundation follows the *Fair Value Measurements and Disclosure* standards. These standards define fair value, establish a framework for measuring fair value under U.S. GAAP, and mandate disclosures about fair value measurements. The criterion establishes a fair value framework that prioritizes the inputs and assumptions used to measure fair value. The Foundation values its qualifying assets and liabilities using Level 1 inputs. Level 1 inputs reflect unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Accounting for Uncertainty in Income Taxes

The Foundation follows the *Accounting for Uncertainty in Income Taxes* standard, which requires the Foundation to report uncertain tax positions, related interest and penalties, and to adjust its assets and liabilities related to unrecognized tax benefits and accrued interest and penalties accordingly. As of December 31, 2013 and 2012, the Foundation determined that there are no material unrecognized tax benefits to report.

The Foundation files income tax returns in the United States Federal and Massachusetts state jurisdictions. The Foundation is no longer subject to income tax examinations for Massachusetts state or for United States Federal income taxes before 2010.

Subsequent Events

Subsequent events have been evaluated through April 11, 2014, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

MASSACHUSETTS BIOTECHNOLOGY EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)

(2) **FIXED ASSETS**

Fixed assets consist of the following at December 31:

	<u>2013</u>	<u>2012</u>
Website costs	\$ 70,350	\$100,041
Furniture and fixtures	<u>2,107</u>	<u>2,107</u>
	72,457	102,148
Less - accumulated depreciation	<u>20,090</u>	<u>59,225</u>
	<u>\$ 52,367</u>	<u>\$ 42,923</u>

Included in website costs at December 31, 2012, was \$37,284 of costs that were incurred for the development of a new website that was placed into service during 2013.

(3) **CONCENTRATION OF CREDIT RISK**

The Foundation maintains its cash and cash equivalents in a bank in Massachusetts and its balances are insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, cash balances may exceed the insured amounts. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on its cash and cash equivalents.

(4) **RELATED PARTY TRANSACTIONS**

The Foundation is related to MassBio (see Note 1). The Foundation was formed to act as the 'Education arm' of MassBio. Each organization exists as a legally separate organization and each has its own Board of Directors. By virtue of their shared mission and structure, the two are related. As of December 31, 2013 and 2012, the Foundation was owed \$51,200 and \$15,898, respectively, from MassBio and the Foundation owed \$201,888 and \$166,789, respectively, to MassBio. In addition, individuals working for the Foundation are paid through MassBio's payroll service and the Foundation also shares offices with MassBio.

During the years ended December 31, 2013 and 2012, the Foundation reimbursed \$539,385 and \$492,305, respectively, to MassBio for payroll and related expenses. These costs are reflected as personnel and related in the accompanying statements of functional expenses. In addition, the Foundation reimbursed \$211,812 and \$179,289, respectively, to MassBio for facility and other shared costs. These costs are reflected as reimbursements - related party on the accompanying statements of functional expenses.

MassBio also requests its members to donate 7% of their membership dues to the Foundation. During the years ended December 31, 2013 and 2012, the Foundation received \$180,869 and \$208,746, respectively, of contributions related to MassBio's membership, which are included in grants and contributions in the accompanying statements of activities and changes in net assets. MassBio also granted \$100,000 to the Foundation to fund general operations for each of the fiscal years 2013 and 2012.

MASSACHUSETTS BIOTECHNOLOGY EDUCATION FOUNDATION, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

(5) RETIREMENT PLAN

The Foundation participates in MassBio's 401(k) plan which covers substantially all the Foundation's employees. Participants may contribute up to 90% of their eligible compensation, not to exceed limits under the IRC. The Foundation matches 100% of participant contributions up to 3% of eligible compensation. In addition, the Foundation matches 50% of participant contributions in excess of the first 3%, but not exceeding 5%. Contributions made by the Foundation during 2013 and 2012 were \$12,366 and \$14,148, respectively, and are included in benefits in the accompanying statements of functional expenses.

(6) CONDITIONAL GRANT

An organization has awarded the Foundation a \$100,000 grant, of which \$50,000 was received and recorded in revenue in the year ended December 31, 2013. The balance of the grant of \$50,000 is a conditional grant, since it is contingent upon the Foundation meeting certain benchmarks and reporting requirements, and therefore it has not been reflected in the accompanying financial statements at December 31, 2013.

MASSACHUSETTS BIOTECHNOLOGY EDUCATIONAL FOUNDATION, INC.

SUPPLEMENTAL STATEMENT OF ACTIVITIES BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2013

(With Summarized Comparative Totals for the Year Ended December 31, 2012)

	2013						2012
	PROGRAMS				GENERAL, ADMINIS- TRATIVE AND FUNDRAISING		TOTAL
	BIOTEACH	LEARNING CENTER	WORKFORCE DEVELOPMENT	TOTAL PROGRAMS	PROGRAM DEVELOPMENT	TOTAL	TOTAL
SUPPORT AND REVENUE:							
Grants and contributions	\$ 280,100	\$ -	\$ -	\$ 280,100	\$ 5,000	\$ 316,639	\$ 651,964
Government grants and contracts	287,146	-	-	287,146	-	287,146	-
Course attendance revenue	-	277,715	-	277,715	-	277,715	235,910
Golf event, net of related expenses of \$67,308 for the year ended December 31, 2013	-	-	-	-	-	152,262	159,204
Consulting revenue	7,000	-	7,500	14,500	-	14,500	33,750
Interest and other	-	-	-	-	-	4,316	6,107
Total support and revenue	<u>574,246</u>	<u>277,715</u>	<u>7,500</u>	<u>859,461</u>	<u>5,000</u>	<u>473,217</u>	<u>1,086,935</u>
PERSONNEL AND RELATED:							
Salaries	126,328	68,921	4,246	199,495	145,478	104,992	388,905
Benefits	9,134	16,845	699	26,678	12,504	15,297	69,786
Payroll taxes	11,507	4,800	358	16,665	10,058	8,218	33,614
Total personnel and related	<u>146,969</u>	<u>90,566</u>	<u>5,303</u>	<u>242,838</u>	<u>168,040</u>	<u>128,507</u>	<u>492,305</u>
OTHER:							
Awards and grants	281,112	-	-	281,112	-	-	59,363
Professional fees	58,572	116,941	37,358	212,871	2,500	21,489	170,286
Reimbursements - related party	53,787	37,372	1,553	92,712	66,598	52,502	179,289
Event supplies and facility rental	14,287	6,048	2,336	22,671	520	-	11,599
Depreciation	-	-	-	-	-	16,622	1,712
Printing and postage	2,333	7,470	2,158	11,961	1,336	244	6,038
Travel and entertainment	3,157	248	860	4,265	841	2,952	8,835
Bank charges	90	6,898	-	6,988	-	862	8,116
Dues and subscriptions	-	-	5,625	5,625	85	625	119
Miscellaneous	-	-	750	750	1,380	3,656	2,023
Insurance	-	-	-	-	-	5,250	3,408
Telephone and internet	-	-	-	-	1,914	952	5,552
Licenses and permits	-	1,500	-	1,500	-	500	2,565
Advertising and marketing	-	-	-	-	-	2,000	1,268
Office supplies and expenses	-	-	-	-	-	21	43
Total other	<u>413,338</u>	<u>176,477</u>	<u>50,640</u>	<u>640,455</u>	<u>75,174</u>	<u>107,675</u>	<u>460,216</u>
Total expenses	<u>560,307</u>	<u>267,043</u>	<u>55,943</u>	<u>883,293</u>	<u>243,214</u>	<u>236,182</u>	<u>952,521</u>
Change in net assets	<u>\$ 13,939</u>	<u>\$ 10,672</u>	<u>\$ (48,443)</u>	<u>\$ (23,832)</u>	<u>\$ (238,214)</u>	<u>\$ 237,035</u>	<u>\$ 134,414</u>

MASSACHUSETTS BIOTECHNOLOGY EDUCATIONAL FOUNDATION, INC.

SUPPLEMENTAL STATEMENT OF ACTIVITIES BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2012

	PROGRAMS				PROGRAM DEVELOPMENT	GENERAL, ADMINIS- TRATIVE AND FUNDRAISING	TOTAL
	BIOTEACH	LEARNING CENTER	WORKFORCE DEVELOPMENT	TOTAL PROGRAMS			
SUPPORT AND REVENUE:							
Grants and contributions	\$ 216,000	\$ -	\$ 75,000	291,000	\$ -	\$ 360,964	\$ 651,964
Government grants and contracts	-	-	-	-	-	-	-
Course attendance revenue	-	235,910	-	235,910	-	-	235,910
Golf event, net of related expenses of \$65,616 for the year ended December 31, 2012	-	-	-	-	-	159,204	159,204
Consulting revenue	-	-	33,750	33,750	-	-	33,750
Interest and other	-	-	-	-	-	6,107	6,107
Total support and revenue	<u>216,000</u>	<u>235,910</u>	<u>108,750</u>	<u>560,660</u>	<u>-</u>	<u>526,275</u>	<u>1,086,935</u>
PERSONNEL AND RELATED:							
Salaries	60,962	58,930	46,764	166,656	142,708	79,541	388,905
Benefits	8,782	16,587	3,618	28,987	22,991	17,808	69,786
Payroll taxes	<u>6,470</u>	<u>5,340</u>	<u>3,999</u>	<u>15,809</u>	<u>12,898</u>	<u>4,907</u>	<u>33,614</u>
Total personnel and related	<u>76,214</u>	<u>80,857</u>	<u>54,381</u>	<u>211,452</u>	<u>178,597</u>	<u>102,256</u>	<u>492,305</u>
OTHER:							
Awards and grants	59,213	-	150	59,363	-	-	59,363
Professional fees	31,415	103,857	12,820	148,092	-	22,194	170,286
Reimbursements - related party	32,059	14,756	13,099	59,914	84,168	35,207	179,289
Event supplies and facility rental	3,377	7,390	832	11,599	-	-	11,599
Depreciation	-	-	-	-	-	1,712	1,712
Printing and postage	815	2,288	-	3,103	819	2,116	6,038
Travel and entertainment	839	1,625	1,669	4,133	1,245	3,457	8,835
Bank charges	-	7,705	-	7,705	-	411	8,116
Dues and subscriptions	-	-	-	-	-	119	119
Miscellaneous	-	-	1,800	1,800	35	188	2,023
Insurance	-	-	-	-	-	3,408	3,408
Telephone and internet	-	-	-	-	4,412	1,140	5,552
Licenses and permits	-	2,050	-	2,050	-	515	2,565
Advertising and marketing	-	-	-	-	-	1,268	1,268
Office supplies and expenses	-	-	-	-	-	43	43
Total other	<u>127,718</u>	<u>139,671</u>	<u>30,370</u>	<u>297,759</u>	<u>90,679</u>	<u>71,778</u>	<u>460,216</u>
Total expenses	<u>203,932</u>	<u>220,528</u>	<u>84,751</u>	<u>509,211</u>	<u>269,276</u>	<u>174,034</u>	<u>952,521</u>
Change in net assets	<u>\$ 12,068</u>	<u>\$ 15,382</u>	<u>\$ 23,999</u>	<u>\$ 51,449</u>	<u>\$ (269,276)</u>	<u>\$ 352,241</u>	<u>\$ 134,414</u>