The Keystone Center
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bob and peter: a conversation

Join us as we explore the past, present, and future of The Keystone Center with Peter Adler and Bob Craig.

Peter Adler, current president of The Keystone Center: Bob, bring us back to 1974 and how Keystone came about as a concept as well as an institution.

Bob Craig, Founder & President emeritus: In 1974 I had just returned from leading an expedition to the Soviet Himalayas where I was buried in an avalanche with a climbing partner who died alongside me. It made me think about what I wanted to do with the rest of my life. At that time I had been in the industrial design business for about ten years, having previously served 11 years as the first executive director of the Aspen Institute. Bob Maynard, a friend from California who was the CEO of Keystone Resort at the time, stopped by my office and asked, “Have you got another Aspen in you?”

Peter Adler: What was your response to Bob Maynard? Whereas Aspen Institute is generally recognized as a “think tank,” I always think of Keystone as a “think and do” organization—a place where we try to take the next step and actually find sustainable solutions to the world’s most pressing issues.

continues on page 13
from the president

On behalf of Board Co-Chairs David I. Greenberg and Clint Vince and the Board of Trustees, I am pleased to report our programmatic accomplishments for 2007. In our report last year I mentioned that The Keystone Center has been undergoing a profound renaissance. This year, in the pages ahead, you will see that the evolutionary path continues.

Our mission is to bring today’s leaders together to solve our most vexing problems … and to prepare the next generation to do even better. We accomplish this through a variety of innovative policy and education programs. All of our work is guided by four key principles:

First, we are independent and neutral. We don’t take sides, advocate specific educational or policy solutions, or side for or against those who have views. Instead, we bring them together to find the common ground.

Second, we place high importance on science. We strive to use the best scientific and technical information available to help inform the policy problems and current events that are critical in all of our lives.

Third, we prize the use of multiple perspectives. We insist on having different stakeholder perspectives engaged in problem formulation and problem-solving and then use a variety of sophisticated strategies and tools to get people to work together collaboratively.

Finally, we are practical. We value finding well-informed, practical solutions to tough problems and moving solutions forward.

In the pages ahead, you will see exactly how these four principles weave their way through all of our work. As always, we welcome your comments, suggestions, and ideas and commend to you our great staff and board, without whom none of this could happen.

Peter S. Adler, Ph.D.

President
Since its inception in 1994, The Keystone Center Leadership Awards program has recognized individuals and organizations whose extraordinary contributions and exemplary leadership have demonstrated positive influence on society. We choose awardees for their proven dedication to teamwork and consensus, ability and willingness to grapple with contentious societal issues, and contributions to society that reflect the spirit and mission of The Keystone Center.

On June 7th, 2007, we welcomed more than 400 guests from government, the private sector, and the NGO community at Union Station in Washington, DC. Led by award-winning journalist and event emcee Cokie Roberts, we honored four outstanding leaders in government, industry, education, and the environment.
Leadership in Government
Senator Olympia Snowe
Presented by Senator Ron Wyden
Olympia Snowe’s dedicated work in the U.S. Senate has garnered nationwide recognition as a leading policy maker in Washington. In 2005, she was named the 54th most powerful woman in the world by Forbes magazine and in 2007, Time magazine named her one of the top ten U.S. Senators. Calling her “The Caretaker,” Time magazine wrote of Snowe: “Because of her centrist views and eagerness to get beyond partisan point scoring, Maine Republican Olympia Snowe is in the center of every policy debate in Washington… But while Snowe is a major player on national issues, she is also known as one of the most effective advocates for her constituents.”

Focusing her attention on efforts to build bipartisan consensus on key issues that matter to Maine and America, Snowe has built a reputation as one of the Congress’ leading moderates. In 1999, she was cited by Congressional Quarterly for her centrist leadership, and is co-chair with Senator Joe Lieberman (D-Connecticut) of the Senate Centrist Coalition, a forum for communication and cooperation between Senate Democrats and Republicans.

Senator Snowe has worked extensively on a number of issues, such as: budget and fiscal responsibility; education, including student financial aid and education technology; national security; women’s issues; health care, including prescription drug coverage for Medicare recipients; welfare reform; oceans and fisheries issues; and campaign finance reform.

Leadership in Industry
John Hofmeister, President, Shell Oil Company
Presented by Senator Mary Landrieu
John Hofmeister is President, Shell Oil Company, a U.S. subsidiary of Royal Dutch Shell, a global group of energy and petrochemical companies operating in more than 140 countries and territories. In the U.S., Shell is currently the number one branded gasoline retailer and has been a recognized pioneer and industry leader, since the early days of the last century, in oil and gas exploration and production technologies. Today, Shell is becoming an industry leader in the development of alternative energy.

Hofmeister’s broad experience base and global professional career includes senior management positions in North America, Asia, and Europe with General Electric, Nortel, and AlliedSignal (now Honeywell) prior to joining Shell in 1997. He currently serves on the Boards of the American Petroleum Institute, United States Energy Association, National Association of Manufacturers, the National Urban League, and the Foreign Policy Association. He is also a Fellow of the National Academy of Human Resources. (Clinton School Research Center.)

Leadership in Education
Dr. Carlo Parravano, Executive Director of the Merck Institute for Science Education
Presented by Dr. Hubert Dyasi, City College of New York
Dr. Parravano, a former professor of physical chemistry at the State University of New York and a pioneer in the effort to link university and corporate researchers with K-12 teachers, joined Merck in 1992 to launch the Merck Institute for Science Education. At that time, the organization’s goal continues on page 8
Leadership in the Environment Award
1994   Gustave Speth, U.N. Development Programme Administrator
1995   Professor Florence Taylor Robinson
1996   John Sawhill, The Nature Conservancy
1997   Dr. Mildred McClain, Citizens for Environmental Justice
1998   Kathryn S. Fuller, World Wildlife Fund
1999   Fred Krupp, Environmental Defense Fund
2000   Dr. George Archibald, International Crane Foundation
2001   Patrick F. Noonan, The Conservation Fund
2002   Russell E. Train, World Wildlife Fund
2003   Teresa Heinz Kerry, Heinz Family Philanthropies
2004   Jonathan Lash, World Resources Institute
2005   Anne H. Ehrlich, Stanford University
2006   John H. Adams, Natural Resources Defense Council

Leadership in Government Award
1994   Energy Secretary Hazel O’Leary
1995   Senator Pete V. Domenici
1996   Mayor Norman Rice (Seattle, WA)
1997   Senator John Chafee
1998   Senator John Glenn
1999   Congressman Sherwood Boehlert
2000   Congressman John D. Dingell
2001   Congressman Henry Waxman
2002   Senator Richard Lugar
2003   Congressman James L. Oberstar
2004   Senator Daniel K. Inouye
2005   Congresswoman Nancy Johnson
2006   Senator Christopher Dodd

Leadership in Industry Award
1994   Frank Popoff, Dow Chemical
1995   H. Laurance Fuller, Amoco Corp.
1996   Edgar S. Woolard, DuPont
1997   Bob Burt, FMC Corporation
1998   John F. Smith, Jr., General Motors
1999   Sidney Taurel, Eli Lilly & Company
2000   Responsible Care Initiative of the Chemical Manufacturers Association
2001   Archie Dunham, Conoco
2002   Marilyn Ware, American Water Works
2003   Thomas C. Jorling, International Paper
2004   Ralph Peterson, CH2M HILL
2005   James E. Rogers, Cinergy
2006   Peter A. Darbee, PG&E Corporation

Leadership in Education Award
1998   Dr. Donald Kennedy, Stanford University
2000   Dr. Bruce Alberts, President, National Academy of Sciences
2001   Helge Wehmeier, Bayer USA
2002   Daniel Ritchie, University of Denver
2003   Jane Nelson, Harvard University
2004   Rodger Bybee, Biological Sciences Curriculum Study

The Spirit of Keystone Award
1996   Congressman W.J. Tauzin
1998   Dr. Stephan Schmidheiny, ANOVA Holding Ag
1999   Sir John Browne, BP Amoco Corp.
2001   Edward M. Gabriel, former Ambassador to Morocco
2002   Paul V. Tebo, Dupont
2003   William K. Reilly, Aqua International Partners
2005   Nicholas L. Reding
2006   Kathleen Sebelius, Governor of Kansas
Leadership in the Environment
Peter A. Seligmann,
Co-founder, Chairman, and
Chief Executive Officer,
Conservation International
Presented by U.S. Rep. Tom Udall

Peter A. Seligmann is one of today’s most dynamic leaders in the global conservation movement, where he has brought innovation and action to the forefront of biodiversity protection for more than 25 years. In 1987, he co-founded Conservation International (CI), and as Chairman and CEO he has positioned CI at the cutting edge of conservation, creating lasting solutions to biodiversity and sustainable development challenges.

Under Seligmann’s leadership, CI has pioneered conservation tools that are economically sound, scientifically based, and culturally sensitive. His work has been featured by ABC’s “Nightline,” CNN, and Fortune magazine. A strong advocate of building partnerships, Seligmann has forged groundbreaking joint projects between the environmental community and other sectors, including government and industry. In 1998, CI established the Center for Applied Biodiversity Science, and in 2001, the Center for Environmental Leadership in Business. In 2000, CI launched the Critical Ecosystem Partnership Fund in collaboration with the World Bank and the MacArthur Foundation.

Over nearly two decades, Seligmann—with CI President Russell Mittermeier and a strong multinational team—has overseen CI’s development into both an intellectual leader and a catalyst for significant conservation delivery. CI continues to be committed to finding lasting solutions to conservation issues and believes that all sectors of society must understand the costs of environmental loss and be engaged in finding solutions.
At the Center for Education, comprised of Keystone Science School and our Professional Education and Leadership programs, we work with students, teachers, and our community to stimulate critical thinking through hands-on, scientific inquiry. We are committed to increasing awareness and understanding of the natural world—and to provide learners of all ages and abilities with the very best skills needed to investigate and resolve complex problems.
Inspiring respect for self, the environment, and others

At an elevation of 9,200 feet, our historic 23-acre campus is nestled in Colorado’s scenic Snake River Valley on the site of the Old Keystone Village, a former railroad and sawmill site which supported historical silver and gold mining towns. The Ten Mile and Gore mountain ranges provide the ideal site for learning about the rich natural and cultural history of Summit County.

In this magnificent setting, we offer a variety of programs, using scientific frameworks, inquiry, and interdisciplinary academic instruction in the natural world in order to inspire respect for science, the environment, self, and others. We strive to stimulate and strengthen students’ critical thinking skills, recognize and apply relationships between classroom lessons and the natural world, enhance leadership and team-building skills, and demonstrate how collaboration can act as a tool for addressing complex environmental issues. Compelled by a sincere dedication to providing participants with powerful educational experiences, we help prepare today’s students to be tomorrow’s leaders.
In 2007, more than 4,000 students, ranging in age from six to 17, participated in our school groups program, Classroom Access to Science Education (CASE), and summer camp programs: Discovery Camp, Day Camp, Counselor Assistant Program, and Keystone Mountain Adventures.

Generous scholarship funding from individuals, foundations, and corporations enabled more than 300 students from socioeconomically disadvantaged backgrounds to attend.

Guided by our seasoned team of top-notch instructors, students learned about geology and forest ecology, studied snow science, pondered the mysteries of space, and figured out how to work together in teams. A record-breaking number of summertime participants backpacked through alpine meadows, examined bugs and flowers, and rode the rapids on the Arkansas River. With the recent addition of our new state-of-the-art telescope and observatory, many were able to join us for the first of many magical evenings of stargazing. Community and seasonal visitors of all ages joined us for hiking and snowshoeing adventures on special science and ecology tours.

Working with Leaders of the Future

One of our most exciting initiatives reaches beyond our campus... all the way to Washington, DC. For the fourth consecutive year, in partnership with the National Consortium for Specialized Secondary Schools of Mathematics, Science and Technology, we welcomed students from across the country to participate in two Youth Policy Summits. Students, paired with panels of experts and teams of The Keystone Center’s professional facilitators, grappled with two science-intensive policy issues: Childhood Obesity and Energy Efficiency. Their experience provided them with invaluable skills in research, negotiation, problem solving, and policy analysis, and resulted in formal reports with policy recommendations. The Obesity in America Summit prepared a set of thoughtful recommendations concerning the roles of education, food labeling, and the public health community, and students from the Energy Efficiency Summit not only offered recommendations to high-level policy makers, but planted the seed for the formation of the National Energy Conservation Society (NECS), a national student organization whose goal is to incorporate energy efficiency in their schools.

“Because of the Keystone Youth Policy Summit, I know that I want to be involved in a career that deals with energy efficiency.”

– Caroline Morel, Battle Creek Area Mathematics & Science Center
Bob Craig: The concept that became The Keystone Center had to be based on something different than The Aspen Institute. I told Bob, “We shouldn’t try to emulate Aspen, but find ways of addressing the emerging major conflicts between industry and the private sector and the environmental and government sectors arising out of the recently enacted National Environmental Policy Act and other emerging policies concerning clean air, clean water, and wilderness.”

Peter Adler: Furthermore, while the laws were in place, it wasn’t clear how they would be interpreted in the courts or implemented on the ground—is that right?

“The Keystone Center is above all about people”

Bob Craig: Yes. My objective was to develop a concept which became known as the Keystone Policy Dialogue process, in which we would bring together leaders from industry, the environmental community, and government with Keystone staff as the neutral convenors, using the best available science and empirical data as the basis of resolving conflict. Keystone Resort executives were intrigued by the idea, and The Center was chartered as a 501(c)(3) in early 1975. I’ve been here ever since.

Peter Adler: Keystone is certainly considered a pioneer in convening and negotiating complex conversations. What do you think has been essential to our success?

Bob Craig: I believe it has been our dedication to neutrality and the development of staff who understood the complexities of the issues being addressed. I think, too, that it was our insistence on getting the best people, individuals who were addressing the issues in the trenches—and who had the support of their CEOs—from the various sectors. This, combined with the discipline of the dialogue process and best available scientific data, has led to binding agreements that have avoided costly litigation or stalemate in the courts. Also, one of the key elements in whatever success we have had was the development

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“I have appreciated the integration of team building and responsible citizenship that Keystone Science School has been able to weave into the academic curriculum.”

– Drew Francis, Assistant Principal, Cherokee Trail Elementary School

Over the past 30 years, Keystone Science School has served more than 80,000 students. Today, the demand for our programs persists beyond our capacity to serve. Driven to provide meaningful opportunities to all students who want them, we have embarked on a multi-phased Capital Improvement Project that will allow us to do just that, while remaining true to our community, our character, and the mission of the School. The expansion of the School will eventually accommodate 25% more students and increase revenue to ensure our financially secure future. Throughout construction, we will incorporate sustainable architecture and energy-efficient design to create a lasting campus that honors its history while complementing its surroundings and the environment.

We’re already well on our way. In 2007, we re-designed and landscaped the School’s entrance and brought together an enthusiastic team of donors, volunteers, and staff to construct our new yurt and observatory. Now, just a few months later, we’re offering new, dynamic astronomy programming to our students and investigating new ideas for sharing this unique resource with our community.

Now, we’re actively seeking funding for our next phases, which will focus on the renovation and upgrade of existing dormitory and dining facilities, along with construction of staff housing and ultimately, a state-of-the-art learning center. For additional details on this exciting venture, or to find out how you can be a part of improving the future of Keystone Science School, please visit www.keystonescienceschool.org.
In order to find solutions to complex, multifaceted problems, today’s students must be exposed to teaching techniques that directly involve them in diverse interdisciplinary collaboration, the creative process, advanced technology, cross-cultural communication, economic development, and environmental ethics and values. How best to reach them? Teach their teachers.

Our Professional Education and Leadership (PEL) training programs instruct middle and high school-level teachers in our unique hands-on, interdisciplinary curricula using a non-biased scientific framework. More than 15 years ago, the Key Issues Institute was launched with the goal of bringing environmental issues into the classroom and training educators to investigate these complex issues with their students. Today, we work with hundreds of teachers annually through a variety of training programs focused on topics such as aluminum can recycling, space exploration, and global climate change. Newly energized with a fresh perspective, teachers return home with the tools to motivate and inspire their students to greater active engagement in learning, to impart a better understanding and awareness of the natural world, and to provide students with the skills they need to make the best decisions possible.

Teachers’ attendance at our workshops is sponsored by a critical mix of corporate and foundation funding. In 2007, we partnered with 46 companies and foundations to provide this important training to more than 300 teachers.

In order to expand our reach beyond the instructors who actually attend our trainings, our staff has created a no-cost system for disseminating several of our curriculum units to teachers through the internet. By going to www.keystonecurriculum.org, teachers can download our curriculum units and receive support from our staff and other teachers. The units are constantly updated and modified according to the most recently released scientific data and research, and supplementary resources are available through a multitude of additional links.

“The Key Issues Institute has exceeded all expectations and has empowered me to empower my students.”

– Jen Van Horssen, Gahanna, Ohio
In 2007, our staff embarked on an 18-month external evaluation aimed at analyzing the effectiveness of our approach. In a survey of 2006 Key Issues Institute attendees, a large majority of those who responded believed that Key Issues methods and materials increased student learning in science and student interest in science and technology careers. The survey demonstrated a high percentage of responding Key Issues teachers believe Key Issues had or will have positive effects on important areas such as science knowledge, learning engagement, critical thinking, decision-making, teamwork, and motivation for learning.

This tells us we’re doing something right. For 16 years, our programs have served as a powerful tool for teachers who want to engage their students in directing their own learning. As we move forward into an age where society faces increasingly complex issues, our goal is to continue to arm them with the very best skills possible.

### Percentage of teachers who believe Key Issues helps students in these important areas*

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Skill Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>76%</td>
<td>Motivation for learning</td>
</tr>
<tr>
<td>81%</td>
<td>Teamwork skills</td>
</tr>
<tr>
<td>83%</td>
<td>Decision-making skills</td>
</tr>
<tr>
<td>88%</td>
<td>Critical thinking skills</td>
</tr>
<tr>
<td>91%</td>
<td>Active engagement in learning</td>
</tr>
<tr>
<td>92%</td>
<td>Science knowledge/skills</td>
</tr>
</tbody>
</table>

*Survey conducted by independent evaluator CRA, LLC*
When The Keystone Center was established in 1975, staff at the Center for Science and Public Policy set out to convene leaders in the public, private, and civic sectors to solve problems and advance good public policy through neutral, independently organized, and well-managed discussions. Today, more than 30 years later, our mission is more vital than ever before. In a society faced with increasingly complex issues, we are proud to be a leader in facilitating collaborative scientific and policy deliberations.
of a board of trustees composed of the brightest people we could enlist from the various sectors represented in the Keystone policy and educational processes.

Peter Adler: Can you describe the role science has played in Keystone’s work over the years?

“Science should be taught to children at an early age”

Bob Craig: We began our application of science in the policy dialogues back in the 1970s when we examined the myriad of problems arising from the back end of the nuclear fuel cycle and the implications of high-level radiowaste, its storage, and management to the nuclear industry. One of our earliest achievements was an order by President Carter authorizing increased storage at the reactors in lieu of a permanent nuclear waste repository. We also convened a number of dialogues concerning viability of a number of geologic media for geologic storage of high-level radioactive waste. The current Yucca Mountain repository was a site that emerged from these deliberations. In the instance of the emerging debates on engineered organisms in the environment, the Keystone Biotechnology Forum came to a consensus that an overarching regulatory regime on biotechnology was not necessary. It is worth noting that in both the nuclear and biotech arenas, not to mention a wide variety of agreements involving national energy issues, Keystone’s neutrality has mandated that The Center’s success has largely remained untrumpeted.

Peter Adler: Was it your interest in science that inspired Keystone Science School?

Bob Craig: My interest in science came from a professional interest in the philosophy of science, which led to my being one of the founders of the Aspen Center for Physics. That led to a belief that science could and should be taught to children at

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The Ok Tedi Mine in Papua New Guinea is often cited as one of the worst man-made environmental disasters in the world. It is also a true sustainability dilemma. The mine produces 20% of Papua New Guinea’s gross domestic product but also puts 90,000 tons per day of rock waste and tailings into the Fly River system. The result: 50,000 indigenous lives have been changed forever. Their subsistence lifestyle of gardening and fishing along the Fly River has been devastated.

A team of our expert staff helped design and facilitate a multiparty negotiation process aimed at increased redress for people affected by river contamination from the mine. A carefully moderated discussion resulted in an agreement in which a foundation was established to give those affected a high degree of ownership and decision-making over how the settlement money would be spent. Plans include a small cash amount for every clan, investing a portion of the monies for future use, and funding projects that would improve health, education, and transportation infrastructure in this remote part of Papua New Guinea. Recognizing the important role that women and children play in developing economies, 10% of funds are earmarked specifically for programs that benefit them directly.

Putting the Public Back in Public Health

Experts say chances of a deadly worldwide outbreak of pandemic influenza are increasing. The threat of pandemic flu raises many issues for families and communities, such as how to balance health concerns with the need to have children in daycare or in schools so parents can work to maintain their livelihoods. In an effort to grapple with these and other difficult questions, we conducted a series of meetings to help inform national public health policy for pandemic influenza planning.

Two to three representatives from the organized stakeholder public were chosen from approximately ten major sectors likely to be affected by the control measures to form a 50-member national-level panel. Additionally, a sample of approximately 260 citizens from the general public representative by age, ethnicity, and gender were recruited from each of the four principal geographic regions of the United States. The group processes were structured to provide essential information to the participants, to encourage the diverse participants to engage in discussions with each other in small groups, to weigh tradeoffs, and to reach a collective viewpoint on whether or not U.S. jurisdictions should implement a package of five community-level control measures. In addition, participants were asked to identify the anticipated challenges in implementing such control measures, and what solutions might be possible for these challenges.

The data collected from these meetings will help the federal government understand the public’s values and preferences and inform the thinking of the Centers for Disease Control and Prevention and other cooperating agencies in preparing for pandemic influenza.
This customized dialogue process represents a new model for how extractive industries like mining may choose to address their most complex problems.”

—Janesse Brewer, Senior Facilitator

Assisted by expert science, careful convening, and skilled process design and management, we promote cooperative solutions with an eye toward creating enduring agreements and improved relationships through dialogue and consensus-based decision-making.

Our staff brings unique and diverse knowledge, tools, and experience to its three primary areas of focus: Energy, health, and the environment. In 2007, we began work on a variety of groundbreaking projects in a number of key areas within these practice areas, including:

» Preparing for an influenza pandemic in the U.S.
» New approaches to thinking about sustainability in agricultural production and forestry
» Analysis of key issues associated with nuclear power
» A Food and Nutrition Roundtable
» Watershed restoration and planning
» Siting and designing of highways and bridges in several states
» Environmental conservation on several continents

In these and other pressing issue areas, our efforts bring together stakeholders with different interests and backgrounds to produce consensus-driven decisions, plans, and agreements that inform and advance sound policies and practices.
The International Association for Public Participation, which seeks to promote and improve the practice of public participation affecting the public interest, awarded the “Putting the Public Back in Public Health” initiative as co-recipient of their 2007 Project of the Year.

The need for more base-load electricity generation, coupled with concerns about climate change and the high prices of energy, have prompted plans to expand nuclear power in the U.S. and abroad. These plans have raised serious concerns about nuclear spent fuel disposal, safety and security, proliferation risks, and costs.

Prompted by a letter from six environmental organizations and interviews with a variety of stakeholders across the country, we launched the Joint Fact Finding on Nuclear Power initiative, bringing together 27 individuals from a wide range of backgrounds—environmental and consumer advocates, nuclear industry representatives, academic and regulatory experts, and state and federal government officials—to help all parties gain a clearer and common understanding of this important but contentious issue. Participants reached agreement on a set of facts related to nuclear power economics, safety, waste, and proliferation issues, as well as the potential impact of nuclear expansion on greenhouse gas emissions.

The report has become a foundation for the continuing debate on balancing the risks and benefits of nuclear power and alternative technologies in meeting our energy demand and mitigating climate change. It has been cited in the U.S. and international press, on blogs and in conferences, and used as a reference in college courses. We’re now exploring a follow-on dialogue addressing the decision-making and public engagement process for interim storage of nuclear spent fuel.
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*December 31, 2007 (with comparative totals for 2006)*

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
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<td>Cash</td>
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<td>Receivables</td>
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<td>Science School inventory</td>
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<td>Prepaid expenses</td>
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<td>57,191</td>
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<td>Deposits and other</td>
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<td>11,260</td>
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<td>Investments, restricted</td>
<td>-</td>
<td>8,369</td>
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<tr>
<td>Property and equipment, net</td>
<td>3,369,479</td>
<td>3,424,057</td>
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<td><strong>Total Assets</strong></td>
<td><strong>$4,893,288</strong></td>
<td><strong>$4,627,987</strong></td>
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<tr>
<td><strong>Liabilities</strong></td>
<td></td>
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<tr>
<td>Accounts payable</td>
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<td>Accrued liabilities</td>
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<td>Deferred revenue</td>
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<td>Deferred compensation payable</td>
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<td>1,878,868</td>
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<td><strong>Total Liabilities</strong></td>
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<td><strong>$2,230,685</strong></td>
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<td><strong>Net Assets</strong></td>
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<tr>
<td>Unrestricted</td>
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<td>Temporarily restricted</td>
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<tr>
<td>Permanently restricted</td>
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<td>52,000</td>
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<td><strong>Total Net Assets</strong></td>
<td><strong>$2,635,360</strong></td>
<td><strong>$2,397,302</strong></td>
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<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$4,893,288</strong></td>
<td><strong>$4,627,987</strong></td>
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# CONSOLIDATED STATEMENT OF ACTIVITIES

*Year end December 31, 2007*

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<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
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<th>Total</th>
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<td><strong>Revenue</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Program revenue</td>
<td>$3,095,729</td>
<td>$ -</td>
<td>$ -</td>
<td>$3,095,729</td>
<td>$3,356,522</td>
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<td>Contributions</td>
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<td>2,773,392</td>
<td>-</td>
<td>3,373,324</td>
<td>3,022,312</td>
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<td>Investment income</td>
<td>15,088</td>
<td>-</td>
<td>-</td>
<td>15,088</td>
<td>11,701</td>
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<td>Miscellaneous income</td>
<td>866</td>
<td>-</td>
<td>-</td>
<td>866</td>
<td>669</td>
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<tr>
<td>Released from restrictions</td>
<td>2,648,138</td>
<td>(2,648,138)</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>$6,359,753</td>
<td>$125,254</td>
<td>-</td>
<td>$6,485,007</td>
<td>$6,391,204</td>
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<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>5,095,190</td>
<td>-</td>
<td>-</td>
<td>5,095,190</td>
<td>5,029,336</td>
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<tr>
<td>Management and general</td>
<td>560,100</td>
<td>-</td>
<td>-</td>
<td>560,100</td>
<td>587,969</td>
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<tr>
<td>Fundraising</td>
<td>591,659</td>
<td>-</td>
<td>-</td>
<td>591,659</td>
<td>459,133</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$6,246,949</td>
<td>-</td>
<td>-</td>
<td>$2,257,928</td>
<td>$6,076,438</td>
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<tr>
<td><strong>Change in net assets</strong></td>
<td>$112,804</td>
<td>125,254</td>
<td>-</td>
<td>238,058</td>
<td>314,766</td>
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<tr>
<td><strong>Net assets, beginning of year</strong></td>
<td>$1,483,794</td>
<td>861,508</td>
<td>52,000</td>
<td>2,397,302</td>
<td>2,082,536</td>
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<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$1,596,598</td>
<td>$986,762</td>
<td>$52,000</td>
<td>$2,635,360</td>
<td>$2,397,302</td>
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</tbody>
</table>
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an early age. Even in 1975 it was evident that America needed more young people enthusiastic about science. Keystone’s location in the Rocky Mountains, with its wealth of geology, streams, wetlands, and stacked ecosystems, got me thinking that it would be terrific if, while adults were grappling with scientific and ecological policy issues, young people were being excited by discoveries of nature through science instruction. It was that notion that led to the education side of the house, where not only do we inspire youth, but we also reach thousands of teachers through unique, non-biased professional development programs. Long-term, one could hope that new generations of the nation’s policy makers might emerge with more solid reasoning skills.

“let’s take on the hard stuff... leave the easy work for others.”

Peter Adler: How was it that Keystone’s education programs, including our training programs, have come to utilize “hands-on” learning approaches?

Bob Craig: Our setting in Colorado was perfect for illustrating how the scientific method and collaborative decision-making skills can come to life on a tough environmental problem. The goal was not to create budding environmentalists. The goal was always to use an outdoor classroom to create good thinkers and team problem solvers. I say team because solving energy, health, and environment problems has to be a “team sport.”

Peter Adler: Whether intimately involved in the day-to-day operations, or watching Keystone from the vantage point of Board Member and President emeritus, what are you most proud of?

Bob Craig: The evolution of The Center has not been an easy journey. We have endured some hard trials. We have had a num-
ber of imitators, which, while flattering, has meant increased competition for support. But today, more than 30 years since we began, we are flourishing. We have a dedicated and gifted staff that has taken the policy process and science education to new heights, and a committed Board of Trustees that believes in our mission and our work. The Keystone Center is above all about people and we have been very lucky to have the best and brightest working with today’s leaders on environmental, energy, and public health issues … everything from the Endangered Species Act to global climate change to childhood obesity issues.

Peter Adler: Your vision, while continuing to evolve, is largely intact. Any advice you have for our staff, trustees, friends, and contributors?

Bob Craig: Keystone clearly distinguishes itself by taking on the toughest issues and hardest problems. The title of our first Keystone Dialogue was “The Next Million Years.” I’ve always told the staff to “dare to fail.” Let’s take on the hard stuff in the world of education and public policy. Leave the easy work for others. My best advice to friends and contributors is to recognize and value our proven track record of resolving difficult policy issues and employing innovative science education programs. With the dedicated support of all our constituents, the vision that started in 1974 can continue to improve and advance in ways that benefit America’s youth and our society as a whole. »
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