



Financial Statements
June 30, 2017

Keystone Symposia on Molecular and Cellular Biology

(With Comparative Totals for 2016)

Keystone Symposia on Molecular and Cellular Biology

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Independent Auditor's Report

The Board of Directors
Keystone Symposia on Molecular and Cellular Biology
Silverthorne, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of Keystone Symposia on Molecular and Cellular Biology, which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 Keystone Symposia on Molecular and Cellular Biology as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Keystone Symposia on Molecular and Cellular Biology's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Eide Bailly LLP

Denver, Colorado
November 13, 2017

Keystone Symposia on Molecular and Cellular Biology

Statement of Financial Position

June 30, 2017

(with comparative totals for 2016)

	2017	2016
Assets		
Investments	\$ 15,514,867	\$ 14,771,046
Accounts receivable, net	167,054	301,750
Promises to give, net	1,272,864	3,148,458
Prepaid expenses and other assets	375,336	522,205
Property and equipment, net	163,547	201,512
Endowment investments	299,142	32,747
Total assets	\$ 17,792,810	\$ 18,977,718
Liabilities and Net Assets		
Checks issued in excess of bank balance	\$ 51,277	\$ 189,602
Accounts payable and accrued expenses	647,773	1,748,787
Deferred revenue	107,295	65,280
Capital lease obligation	63,782	81,248
Total liabilities	870,127	2,084,917
Net Assets		
Unrestricted		
Undesignated	1,225,091	854,916
Board-designated		
Reserve Fund	8,644,400	8,184,116
Growth and Enhancement Fund	1,241,983	1,405,947
Future of Science Fund	2,973,927	2,917,911
	14,085,401	13,362,890
Temporarily restricted	2,555,112	3,497,741
Permanently restricted	282,170	32,170
Total net assets	16,922,683	16,892,801
Total liabilities and net assets	\$ 17,792,810	\$ 18,977,718

Keystone Symposia on Molecular and Cellular Biology

Statement of Activities

Year Ended June 30, 2017

(with comparative totals for 2016)

	2017			Total	2016
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Revenue, Support and Gains					
Conference registration and other, net of scholarships of \$176,654 and \$211,263, respectively	\$ 10,920,219	\$ -	\$ -	\$ 10,920,219	\$ 9,216,650
Federal and state contracts and grants	445,824	-	-	445,824	558,116
Contributions and sponsorships	1,893,841	727,011	250,000	2,870,852	5,694,364
Net investment return	697,359	17,516	-	714,875	567,645
Net assets released from restrictions	1,687,156	(1,687,156)	-	-	-
Total revenue, support, and gains	15,644,399	(942,629)	250,000	14,951,770	16,036,775
Expenses					
Scientific and educational symposia	10,435,538	-	-	10,435,538	9,538,640
Supporting services expense					
Management and general	3,708,494	-	-	3,708,494	3,613,920
Fundraising and development	777,856	-	-	777,856	639,385
Total supporting services expense	4,486,350	-	-	4,486,350	4,253,305
Total expenses	14,921,888	-	-	14,921,888	13,791,945
Return of funds to donors	-	-	-	-	172,732
Change in Net Assets	722,511	(942,629)	250,000	29,882	2,072,098
Net Assets, Beginning of Year	13,362,890	3,497,741	32,170	16,892,801	14,820,703
Net Assets, End of Year	\$ 14,085,401	\$ 2,555,112	\$ 282,170	\$ 16,922,683	\$ 16,892,801

Keystone Symposia on Molecular and Cellular Biology
Statement of Functional Expenses
Year Ended June 30, 2017
(with comparative totals for 2016)

	2017			Total	2016
	Scientific and educational symposia	Management and general	Fundraising and development		
Grants and other assistance	\$ 1,585,561	\$ -	\$ -	\$ 1,585,561	\$ 1,619,492
Salaries, wages, and benefits	1,374,677	1,782,785	576,238	3,733,700	3,363,299
Payroll taxes	85,274	99,624	30,659	215,557	207,556
Professional services	95,183	327,447	3,135	425,765	346,924
Advertising and promotion	70,844	862,591	7,374	940,809	963,704
Office expenses	42,652	82,268	25,879	150,799	138,111
Information technology	72,544	16,944	3,237	92,725	83,022
Occupancy	92,751	103,133	23,128	219,012	215,414
Travel	404,511	63,521	93,916	561,948	524,795
Conferences, conventions, and meetings	5,131,910	187,344	-	5,319,254	4,640,992
Bank fees and finance charges	-	55,337	-	55,337	49,335
Insurance	16,322	18,150	4,070	38,542	39,098
Depreciation and amortization	24,251	26,966	6,047	57,264	53,113
Speaker travel	1,348,419	-	-	1,348,419	1,322,515
Organizational development	-	13,518	-	13,518	18,296
Staff education	-	35,533	1,858	37,391	40,753
Staff recruitment	-	62,592	-	62,592	97,241
Other	90,639	54,455	2,315	147,409	145,654
Total expenses by function	10,435,538	3,792,208	777,856	15,005,602	13,869,314
Less expenses included with revenues on the statement of activities					
Investment management fees	-	(83,714)	-	(83,714)	(77,369)
Total expenses included in the expense section on the statement of activities	\$ 10,435,538	\$ 3,708,494	\$ 777,856	\$ 14,921,888	\$ 13,791,945

Keystone Symposia on Molecular and Cellular Biology

Statement of Cash Flows

Year Ended June 30, 2017

(with comparative totals for 2016)

	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ 29,882	\$ 2,072,098
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	57,264	53,113
Realized and unrealized gain on investments	(390,696)	(269,276)
Contributions restricted to endowment	(250,000)	-
Endowment net investment return	(17,516)	(1,584)
Changes in operating assets and liabilities		
Accounts receivable, net	134,696	(120,267)
Promises to give, net	1,875,594	(1,390,001)
Prepaid expenses and other assets	146,869	(165,294)
Checks issued in excess of bank balance	(138,325)	189,602
Accounts payable and accrued expenses	(1,101,014)	972,598
Deferred revenue	42,015	(6,235)
Net Cash from Operating Activities	388,769	1,334,754
Cash Flows from Investing Activities		
Purchases of investments	(12,348,663)	(10,219,609)
Proceeds from sales of investments	11,995,538	8,795,441
Purchases of property and equipment	(19,299)	(32,171)
(Addition to) withdrawal from endowment	(248,879)	1,200
Net Cash used for Investing Activities	(621,303)	(1,455,139)
Cash Flows from Financing Activities		
Payment of accounts payable for property and equipment	-	(33,945)
Collections of contributions restricted to endowment	250,000	-
Principal payments on capital lease	(17,466)	(15,258)
Proceeds from draws on line of credit	125,000	-
Payments on line of credit	(125,000)	-
Net Cash from (used for) Financing Activities	232,534	(49,203)
Net Change in Cash and Cash Equivalents	-	(169,588)
Cash and Cash Equivalents, Beginning of Year	-	169,588
Cash and Cash Equivalents, End of Year	\$ -	\$ -
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 11,220	\$ 12,813

Note 1 - Principal Activity and Significant Accounting Policies**Organization**

Keystone Symposia on Molecular and Cellular Biology (Symposia) is a nonprofit science and educational organization. Symposia sponsors an annual series of conferences for the scientific community which is international in scope and focused on new and emerging areas of molecular and cellular biology as they apply to basic biology, human medicine and agriculture. Symposia obtains the majority of its revenue from registration fees paid by conference participants, contributions from corporations and charitable foundations, and federal and state contracts and grants.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Cash and Cash Equivalents

Symposia considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents, excluding cash held in investment portfolios and restricted to endowment. Checks presented in advance of cash transfers to the related disbursing account are presented in the statement of financial position as checks issued in excess of bank balance. Transfers of cash sufficient to cover all checks presented for payment were made subsequent to year-end.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees. Investments include operating investments, investments restricted for the Global Health Meeting Series, Board-designated investments, and Endowment investments.

Receivables and Credit Policies

Accounts receivable consist primarily of non-interest bearing amounts due from symposia activities. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and review of subsequent collections. Accounts receivable are written off when deemed uncollectable. No allowance was considered necessary at June 30, 2017 and 2016.

Promises to Give

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discount is included in contribution revenue in the statement of activities.

Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and review of subsequent collections. Promises to give are written off when deemed uncollectable.

Property and Equipment

Property and equipment additions over \$1,500 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to fifteen years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Symposia reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2017 and 2016.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for Reserve Fund, Growth and Enhancement Fund, and Future of Science Fund.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions of Symposia and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by the Board of Directors.

Symposia reports contributions by donors as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of Symposia. The restrictions stipulate that resources be maintained permanently but permit us to expend the income generated in accordance with the provisions of the agreements.

Revenue and Revenue Recognition

Revenue is recognized when earned. Revenue from registration fees paid in advance is deferred and recognized when the corresponding symposium has taken place. Payments under cost-reimbursable contracts received in advance are deferred to the period in which the related expenditures are incurred. Contributions and sponsorships are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods and donated professional services are recorded at fair value at the date of donation (Note 10).

Advertising Costs

Advertising costs, which are expensed as incurred, totaled \$940,809 and \$963,704 for the years ended June 30, 2017 and 2016, and included \$741,356 and \$795,726 arising from sponsorship arrangements.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

Symposia is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). Symposia is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Symposia is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. We have determined that we are not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

Symposia manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, Symposia has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of Symposia's mission.

Investments are made by diversified investment managers whose performance is monitored by management and the Investment Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of Symposia.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets. *Value added tax* totaling \$357,296 has been reclassified from *Management and general expenses* to *Registration revenue*, in the statement of activities to offset those expenses against the registration revenue received.

Subsequent Events

Symposia has evaluated subsequent events through November 13, 2017, the date the financial statements were available to be issued.

Note 2 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that Symposia can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, Symposia develops inputs using the best information available in the circumstances. Symposia has no Level 3 assets at June 30, 2017 and 2016.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to Symposia's assessment of the quality, risk or liquidity profile of the asset.

A significant portion of Symposia's investment assets are classified within Level 1 because they are comprised of equity securities with readily determinable fair values based on daily closing prices. Investments in corporate bonds and U.S. government and agency obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2.

Included within the investment line item on the statement of financial position are various investment portfolios held for different purposes. These include operating investments, investments restricted for the Global Health Meeting Series, and Board-designated investments. Operating investments are available for the Organization's general use. Investments restricted for the Global Health Meeting Series are restricted to assist in defraying the costs of attendance of scientists, physicians, fellows, students, or other health care providers from countries affected by the health issues included in the meeting content, with an emphasis on those from developing countries. Board-designated investments are available to support the activities identified by the Board of Directors (Note 9).

Keystone Symposia on Molecular and Cellular Biology

Notes to Financial Statements

June 30, 2017

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2017:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Non-endowment investments				
Operating investments				
Cash and money market funds, at cost	\$ 50,844	\$ -	\$ -	\$ -
U.S. government and agency obligations	1,529,310	-	1,529,310	-
	<u>1,580,154</u>	<u>-</u>	<u>1,529,310</u>	<u>-</u>
Investments restricted to Global Health Meeting Series				
Cash and money market funds, at cost	66,343	-	-	-
U.S. government and agency obligations	1,008,062	-	1,008,062	-
	<u>1,074,405</u>	<u>-</u>	<u>1,008,062</u>	<u>-</u>
Board-designated investments				
Cash and money market funds, at cost	449,453	-	-	-
Corporate bonds	2,699,758	-	2,699,758	-
U.S. government and agency obligations	2,390,988	-	2,390,988	-
Domestic equities	7,320,109	7,320,109	-	-
	<u>12,860,308</u>	<u>7,320,109</u>	<u>5,090,746</u>	<u>-</u>
	<u>\$ 15,514,867</u>	<u>\$ 7,320,109</u>	<u>\$ 7,628,118</u>	<u>\$ -</u>
Endowment investments				
Cash and money market funds, at cost	\$ 11,965	\$ -	\$ -	\$ -
Corporate bonds	62,820	-	62,820	-
U.S. government and agency obligations	53,846	-	53,846	-
Domestic equities	170,511	170,511	-	-
	<u>\$ 299,142</u>	<u>\$ 170,511</u>	<u>\$ 116,666</u>	<u>\$ -</u>

Keystone Symposia on Molecular and Cellular Biology

Notes to Financial Statements

June 30, 2017

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2016:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Non-endowment investments				
Operating investments				
Cash and money market funds, at cost	\$ 222,759	\$ -	\$ -	\$ -
U.S. government and agency obligations	1,762,985	-	1,762,985	-
	<u>1,985,744</u>	<u>-</u>	<u>1,762,985</u>	<u>-</u>
Investments restricted to Global Health Meeting Series				
Cash and money market funds, at cost	21,220	-	-	-
U.S. government and agency obligations	256,300	-	256,300	-
	<u>277,520</u>	<u>-</u>	<u>256,300</u>	<u>-</u>
Board-designated investments				
Cash and money market funds, at cost	398,785	-	-	-
Corporate bonds	2,687,059	-	2,687,059	-
U.S. government and agency obligations	2,435,934	-	2,435,934	-
Domestic equities	6,986,004	6,986,004	-	-
	<u>12,507,782</u>	<u>6,986,004</u>	<u>5,122,993</u>	<u>-</u>
	<u>\$ 14,771,046</u>	<u>\$ 6,986,004</u>	<u>\$ 7,142,278</u>	<u>\$ -</u>
Endowment investments				
Cash and money market funds, at cost	\$ 1,637	\$ -	\$ -	\$ -
Corporate bonds	6,877	-	6,877	-
U.S. government and agency obligations	6,222	-	6,222	-
Domestic equities	18,011	18,011	-	-
	<u>\$ 32,747</u>	<u>\$ 18,011</u>	<u>\$ 13,099</u>	<u>\$ -</u>

Note 3 - Net Investment Return

Net investment return consists of the following for the years ended June 30, 2017 and 2016:

	2017	2016
Investments		
Interest and dividends	\$ 388,615	\$ 373,940
Net realized and unrealized gain	390,696	269,276
Less investment management fees	(81,952)	(77,155)
	697,359	566,061
 Endowment investments		
Interest and dividends	7,185	970
Net realized and unrealized gain	12,093	828
Less investment management fees	(1,762)	(214)
	17,516	1,584
	\$ 714,875	\$ 567,645

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2017 and 2016:

	2017	2016
Within one year	\$ 825,449	\$ 1,749,734
In one to five years	575,000	1,587,820
	1,400,449	3,337,554
Less allowance for uncollectable promises to give	(90,000)	(90,000)
Less discount to net present value at rates averaging 5%	(37,585)	(99,096)
	\$ 1,272,864	\$ 3,148,458

Promises to give of \$107,629 and \$156,914 are restricted by donors for current year operations and were released to unrestricted net assets in accordance with Symposia's recognition policy as of June 30, 2017 and 2016, respectively.

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30, 2017 and 2016:

	2017	2016
Furniture and fixtures	\$ 212,125	\$ 273,381
Equipment	127,478	285,719
Building improvements	100,634	100,634
	440,237	659,734
Less accumulated depreciation and amortization	(276,690)	(458,222)
	\$ 163,547	\$ 201,512

Note 6 - Line of Credit

Symposia has a \$250,000 revolving line of credit with a bank, secured by accounts receivable. Borrowings under the line bear interest at the bank's prime rate plus 0.25%, or a floor of 5.00% (5.00% at June 30, 2017 and 2016). Accrued interest and principal are due at maturity on April 19, 2019. The agreement requires Symposia to comply with certain financial and non-financial covenants. No amounts were outstanding under the line of credit at June 30, 2017 and 2016.

Note 7 - Leases

Symposia leases office and storage space under various operating leases, and equipment under a capital lease. The leases expire at various dates through 2021.

Future minimum lease payments are as follows:

Years Ending June 30,	Capital Lease	Operating Leases
2018	\$ 29,226	\$ 215,549
2019	29,226	222,060
2020	19,484	228,742
2021	-	235,571
2022	-	180,644
Total minimum lease payments	77,936	\$ 1,082,566
Less amount representing interest	(14,154)	
Capital lease obligation	\$ 63,782	

Rent expense for the years ended June 30, 2017 and 2016 totaled \$219,012 and \$231,848, respectively.

Leased property under the capital lease June 30, 2017 and 2016 was comprised of copiers with a total cost of \$100,000, accumulated depreciation of \$45,000 and \$25,000, and a net book value of \$55,000 and \$75,000, respectively.

In connection with its office lease, Symposia established an irrevocable letter of credit in the amount of \$250,000 in favor of the landlord as a guaranty against early lease termination. The amount of the letter of credit, which expires on December 31, 2020, began to decline in value as of December 31, 2014, and will continue to decline in value until the final expiration date. No amounts were outstanding under the letter of credit for both years ended June 30, 2017 and 2016.

Note 8 - Endowment

Symposia has two endowment funds (Endowments). Donors established a fund to provide support for the Diversity in Life Science program and a single donor provided support to conduct one meeting each year on a topic related to cancer immunotherapy. The Endowments include only donor-restricted funds, as the Board of Directors has not designated any unrestricted net assets to function as endowment. Net assets associated with the Endowments are classified and reported based on the existence or absence of donor-imposed restrictions. Symposia's Board of Directors has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. At June 30, 2017 and 2016, there were no contrary donor stipulations. As a result of this interpretation, Symposia classifies as permanently restricted net assets: (a) the original value of gifts donated to the Endowments, (b) the original value of subsequent gifts donated to the Endowments (including promises to give net of discount and allowance for doubtful accounts), and (c) accumulations to the Endowments made in accordance with the direction of the applicable donor gift instruments at the time the accumulation is added. The remaining portion of the donor-restricted Endowments are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

As of June 30, 2017 and 2016, Symposia had the following endowment net asset composition by fund:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment as of June 30, 2017	\$ 16,972	\$ 282,170	\$ 299,142
Donor-restricted endowment as of June 30, 2016	\$ 577	\$ 32,170	\$ 32,747

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Investment and Spending Policies

Symposia has adopted investment and spending policies for the Endowments that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments.

Under these policies, as approved by the Board of Directors, endowment assets are invested in a manner intended to produce results, measured over full market cycles, which equal or exceed the price and yield results of a blended portfolio of investment securities while assuming a low-to-moderate level of investment risk. To satisfy Symposia's long-term rate-of-return objectives, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

Symposia has a policy of appropriating for distribution each year up to 4% of the three-year quarter moving market average of the fair value of the Endowments for the year ending on June 30. In establishing this policy, Symposia considered the long-term expected return on the Endowments. Accordingly, over the long term, Symposia expects the current spending policy to preserve the permanently restricted net assets of the Endowments. This is consistent with Symposia's objective to preserve the fair values of the original gifts made to the Endowment while providing an opportunity for real growth through new gifts and undistributed investment return.

Changes in Endowment net assets for the year ended June 30, 2017 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 577	\$ 32,170	\$ 32,747
Investment return			
Investment income, net of fees	5,423	-	5,423
Net realized and unrealized gain	12,093	-	12,093
	17,516	-	17,516
Contributions	-	250,000	250,000
Appropriation of endowment assets pursuant to spending-rate policy	(1,121)	-	(1,121)
Endowment net assets, end of year	\$ 16,972	\$ 282,170	\$ 299,142

Changes in Endowment net assets for the year ended June 30, 2016 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 193	\$ 32,170	\$ 32,363
Investment return			
Investment income, net of fees	756	-	756
Net realized and unrealized gain	828	-	828
	1,584	-	1,584
Appropriation of endowment assets pursuant to spending-rate policy	(1,200)	-	(1,200)
Endowment net assets, end of year	\$ 577	\$ 32,170	\$ 32,747

Note 9 - Restricted Net Assets

Temporarily Restricted

Temporarily restricted net assets at June 30, 2017 and 2016 consist of:

	2017	2016
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	\$ 516,867	\$ 1,271,770
Restricted by donors for		
Global Health Meeting Series	1,074,405	277,520
Specific meeting expense support and scholarships	280,003	-
Promises to give, the proceeds from which have been restricted by donors for specific meeting expense support and scholarships	666,865	483,588
Global Health Meeting Series	-	1,464,286
Unspent appreciation of Endowment funds which must be appropriated for expenditure before use		
Restricted by donors for		
Meeting Support	15,674	-
Diversity in Life Science program	1,298	577
	\$ 2,555,112	\$ 3,497,741

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Net assets were released from restrictions as follows during the years ended June 30, 2017 and 2016:

	2017	2016
Expiration of time restrictions	\$ 892,820	\$ 747,566
Satisfaction of purpose restrictions		
Global Health Meeting Series	703,115	158,933
Diversity in Life Science program	-	18,189
Specific meeting expense support and scholarships	90,100	158,464
Appropriation of endowment earnings	1,121	1,200
	\$ 1,687,156	\$ 1,084,352

Permanently Restricted

Permanently restricted net assets consist of an endowment fund restricted by donors for investment in perpetuity, the earnings from which are available for the Diversity in Life Science program and one meeting on a topic related to cancer immunotherapy each year.

Unrestricted Board-Designated

As of June 30, 2017, the Board of Directors has designated unrestricted net assets of \$8,644,400 for the Reserve Fund, \$1,241,983 for the Growth and Enhancement Fund, and \$2,973,927 for the Future of Science Fund. The Reserve Fund is established to provide funding for operations in times of adverse cash flow conditions in any given year. The purpose of Growth and Enhancement Fund is to provide support for new initiatives that could not be accomplished using current operating funds. The Future of Science Fund is established to provide scholarships for students who represent the next generation of academic and industrial leaders to enable them to attend the Symposia's annual series of scientific conferences with reduced expenses. The Future of Science fund may also be used for scholarships for underrepresented students and investigators, global health travel awards, general conference program support, or for specific conferences.

Distributions from the Reserve Fund, Growth and Enhancement Fund, and Future of Science Fund are made at the discretion of the Board of Directors.

Note 10 - Donated Materials and Professional Services

Symposia received donated materials and professional services as follows during the years ended June 30, 2017 and 2016:

	Scientific and educational symposia	Management and general	Total
<u>June 30, 2017</u>			
Marketing sponsorships	\$ -	\$ 741,356	\$ 741,356
Speakers' travel	110,131	-	110,131
Board of Directors' travel	-	462	462
	\$ 110,131	\$ 741,818	\$ 851,949
<u>June 30, 2016</u>			
Marketing sponsorships	\$ -	\$ 795,726	\$ 795,726
Speakers' travel	106,447	-	106,447
Software licenses	-	5,880	5,880
Conference expenses	32,933	-	32,933
Board of Directors' travel	-	500	500
	\$ 139,380	\$ 802,106	\$ 941,486

These donated materials and professional services are included in contributions and sponsorships in the statement of activities.

Note 11 - Employee Benefits

Symposia sponsors a salary deferral and discretionary profit-sharing plan under Section 401(k) of the Internal Revenue Code covering substantially all full-time employees. The plan provides that employees who have completed three consecutive months of service may voluntarily contribute up to the maximum allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year. During the years ended June 30, 2017 and 2016, Symposia matched employee voluntary contributions up to 5%, resulting in contributions to the plan of \$142,780 and \$119,767, respectively.