



Financial Statements
June 30, 2018

Keystone Symposia on Molecular and Cellular Biology

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, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, Keystone Symposia on Molecular and Cellular Biology has adopted the provisions of FASB Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-For-Profit Entities*. Net assets at June 30, 2017 have been restated to combine temporarily restricted and permanently restricted net assets into a single category of net assets with donor restrictions. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Denver, Colorado
November 13, 2018

Keystone Symposia on Molecular and Cellular Biology

Statement of Financial Position

June 30, 2018

Assets	
Cash and cash equivalents	\$ 58,052
Investments	15,980,915
Accounts receivable, net	185,964
Promises to give, net	1,424,337
Prepaid expenses and other assets	450,729
Property and equipment, net	233,092
Endowment investments	395,771
Total assets	<u>\$ 18,728,860</u>
Liabilities and Net Assets	
Accounts payable and accrued expenses	\$ 1,163,555
Deferred revenue	129,275
Capital lease obligations	138,303
Total liabilities	<u>1,431,133</u>
Net Assets	
Without donor restrictions	
Undesignated	1,449,583
Board-designated	
Reserve Fund	9,000,589
Growth and Enhancement Fund	1,459,642
Future of Science Fund	2,976,935
	<u>14,886,749</u>
With donor restrictions	2,410,978
Total net assets	<u>17,297,727</u>
Total liabilities and net assets	<u>\$ 18,728,860</u>

Keystone Symposia on Molecular and Cellular Biology
Statement of Activities
Year Ended June 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Support and Gains			
Conference registration and other, net of scholarships of \$196,463	\$ 11,181,734	\$ -	\$ 11,181,734
Federal and state contracts and grants	470,080	-	470,080
Contributions and sponsorships	2,488,097	921,281	3,409,378
Net investment return	535,689	13,642	549,331
Net assets released from restrictions	1,361,227	(1,361,227)	-
Total revenue, support, and gains	<u>16,036,827</u>	<u>(426,304)</u>	<u>15,610,523</u>
Expenses			
Scientific and educational symposia	10,485,957	-	10,485,957
Supporting services expense			
Management and general	4,026,683	-	4,026,683
Fundraising and development	722,839	-	722,839
Total supporting services expense	<u>4,749,522</u>	<u>-</u>	<u>4,749,522</u>
Total expenses	<u>15,235,479</u>	<u>-</u>	<u>15,235,479</u>
Change in Net Assets	801,348	(426,304)	375,044
Net Assets, Beginning of Year (Restated)	<u>14,085,401</u>	<u>2,837,282</u>	<u>16,922,683</u>
Net Assets, End of Year	<u>\$ 14,886,749</u>	<u>\$ 2,410,978</u>	<u>\$ 17,297,727</u>

Keystone Symposia on Molecular and Cellular Biology
Statement of Functional Expenses
Year Ended June 30, 2018

	Scientific and Educational Symposia	Management and General	Fundraising and Development	Total
Conferences, conventions, and meetings	\$ 5,275,960	\$ 196,795	\$ -	\$ 5,472,755
Salaries, wages, and benefits	1,331,129	1,923,668	503,883	3,758,680
Grants and other assistance	1,532,070	-	-	1,532,070
Speaker travel	1,360,171	-	-	1,360,171
Advertising and promotion	74,429	893,979	4,737	973,145
Travel and meals	413,493	71,695	81,089	566,277
Professional services	88,417	363,426	15,143	466,986
Occupancy	87,592	115,723	24,685	228,000
Payroll taxes	86,053	109,521	29,685	225,259
Office expenses	60,800	68,442	39,273	168,515
Other	63,920	50,716	4,103	118,739
Information technology	61,866	22,522	3,923	88,311
Staff recruitment	-	68,221	2,211	70,432
Insurance	25,509	33,702	7,189	66,400
Depreciation and amortization	24,548	29,100	6,918	60,566
Bank fees and finance charges	-	49,434	-	49,434
Staff education	-	29,739	-	29,739
Total expenses	<u>\$ 10,485,957</u>	<u>\$ 4,026,683</u>	<u>\$ 722,839</u>	<u>\$ 15,235,479</u>

Keystone Symposia on Molecular and Cellular Biology

Statement of Cash Flows
Year Ended June 30, 2018

Cash Flows from Operating Activities	
Change in net assets	\$ 375,044
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation and amortization	60,566
Realized and unrealized gain on investments	(157,966)
Contributions restricted to endowment	(100,000)
Endowment net investment return	(13,642)
Changes in operating assets and liabilities	
Accounts receivable, net	(18,910)
Promises to give, net	(151,473)
Prepaid expenses and other assets	(75,393)
Checks issued in excess of bank balance	(51,277)
Accounts payable and accrued expenses	515,782
Deferred revenue	21,980
Net Cash from Operating Activities	<u>404,711</u>
 Cash Flows from Investing Activities	
Purchases of investments	(9,216,188)
Proceeds from sales of investments	8,908,106
Purchases of property and equipment	(84,401)
Net additions to endowment	(82,987)
Net Cash used for Investing Activities	<u>(475,470)</u>
 Cash Flows from Financing Activities	
Collections of contributions restricted to endowment	100,000
Principal payments on capital lease	(23,743)
Proceeds from lease incentive	52,554
Net Cash from Financing Activities	<u>128,811</u>
Net Change in Cash and Cash Equivalents	58,052
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 58,052</u></u>
 Supplemental Disclosure of Cash Flow Information	
Cash paid during the year for interest	<u><u>\$ 11,220</u></u>
 Supplemental Disclosure of Non-cash Investing and Financing Activity	
Equipment financed through capital lease arrangement	<u><u>\$ 98,264</u></u>

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.

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.

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 external and internal investment expenses.

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, 2018.

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 year ended June 30, 2018.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a Reserve Fund, Growth and Enhancement Fund, and Future of Science Fund.

Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Symposia reports contributions by donors as increases in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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 \$973,145 for the year ended June 30, 2018, and included \$777,705 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 statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include, occupancy, depreciation and amortization, insurance, and information technology, which are allocated on a square footage basis, as well as, salaries, wages and benefits, payroll taxes, professional services, advertising and promotion, travel, and other, which are allocated on the basis of estimates of time and effort.

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. Symposia has determined that it is not subject to unrelated business income tax and has 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.

Subsequent Events

Symposia has evaluated subsequent events through November 13, 2018, the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 58,052
Investments	1,981,356
Accounts receivable, net	185,964
Promises to give, net	922,500
Endowment spending-rate distributions	15,831
	<u>\$ 3,163,703</u>

Symposia's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

Symposia's governing board has designated a portion of unrestricted net assets for the Reserve Fund, Growth and Enhancement Fund, and Future of Science Fund. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board (Note 9).

Symposia also has a line of credit available to meet short-term needs (Note 6).

Note 3 - 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, 2018.

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 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, 2018

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2018:

	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	\$ 222,671	\$ -	\$ -	\$ -
U.S. government and agency obligations	1,758,685	-	1,758,685	-
	<u>1,981,356</u>	<u>-</u>	<u>1,758,685</u>	<u>-</u>
Investments restricted to Global Health Meeting Series				
Cash and money market funds, at cost	42,903	-	-	-
U.S. government and agency obligations	519,490	-	519,490	-
	<u>562,393</u>	<u>-</u>	<u>519,490</u>	<u>-</u>
Board-designated investments				
Cash and money market funds, at cost	395,985	-	-	-
Corporate bonds	2,861,544	-	2,861,544	-
U.S. government and agency obligations	2,364,889	-	2,364,889	-
Domestic equities	7,814,748	7,814,748	-	-
	<u>13,437,166</u>	<u>7,814,748</u>	<u>5,226,433</u>	<u>-</u>
	<u>\$ 15,980,915</u>	<u>\$ 7,814,748</u>	<u>\$ 7,504,608</u>	<u>\$ -</u>
Endowment investments				
Cash and money market funds, at cost	\$ 3,926	\$ -	\$ -	\$ -
Corporate bonds	86,364	-	86,364	-
U.S. government and agency obligations	70,661	-	70,661	-
Domestic equities	234,820	234,820	-	-
	<u>\$ 395,771</u>	<u>\$ 234,820</u>	<u>\$ 157,025</u>	<u>\$ -</u>

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2018:

Within one year	\$ 922,500
In one to five years	625,000
	1,547,500
Less allowance for uncollectable promises to give	(90,000)
Less discount to net present value at rates averaging 5%	(33,163)
	\$ 1,424,337

Included in the above are promises to give of \$140,803 restricted by donors for current year operations which were released to net assets without donor restrictions in accordance with Symposia's recognition policy at June 30, 2018.

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30, 2018:

Furniture and fixtures	\$ 310,390
Equipment	97,657
Building improvements	100,634
	508,681
Less accumulated depreciation and amortization	(275,589)
	\$ 233,092

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, 2018). 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, 2018.

Note 7 - Leases

Symposia leases office and storage space under various operating leases, and equipment under capital leases. The leases expire at various dates through 2023.

Future minimum lease payments are as follows:

Years Ending June 30, 2018	Capital Lease	Operating Leases
2019	\$ 51,482	\$ 222,060
2020	42,578	228,742
2021	21,602	235,571
2022	21,602	180,644
2023	18,002	-
Total minimum lease payments	155,266	\$ 867,017
Less amount representing interest	(16,963)	
Capital lease obligations	\$ 138,303	

Rent expense for the year ended June 30, 2018 totaled \$228,000.

In connection with its office lease, Symposia established a declining-balance irrevocable letter of credit in favor of the landlord as a guaranty against early lease termination. The balance of the letter of credit, \$107,143 at June 30, 2018, will continue to decline until it expires on December 31, 2020. To date, no amounts have been drawn against the letter of credit.

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 net assets without donor restrictions 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, 2018, there were no contrary donor stipulations. As a result of this interpretation, Symposia retains in perpetuity: (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

Keystone Symposia on Molecular and Cellular Biology

Notes to Financial Statements

June 30, 2018

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, 2018, Symposia had the following endowment net asset composition by fund:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor-restricted gift amount required to be maintained in perpetuity by donors	\$ -	\$ 382,170	\$ 382,170
Accumulated investment gains	-	13,601	13,601
	\$ -	\$ 395,771	\$ 395,771

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 12-quarter moving average of the fair value of the Endowments for the preceding three years. 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.

Keystone Symposia on Molecular and Cellular Biology

Notes to Financial Statements

June 30, 2018

Changes in Endowment net assets for the year ended June 30, 2018 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 299,142	\$ 299,142
Investment return, net	-	13,642	13,642
Contributions	-	100,000	100,000
Appropriation of endowment assets pursuant to spending-rate policy	-	(17,013)	(17,013)
Endowment net assets, end of year	\$ -	\$ 395,771	\$ 395,771

Note 9 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2018:

Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due		\$ 830,554
For expenditure in future years		125,000
Subject to expenditure for specified purpose:		
Global Health Meeting Series		562,393
Diversity in Life Science program		8,776
Promises to give, the proceeds from which have been restricted by donors for specific meeting support		488,484
		2,015,207
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for meeting support		
Meeting support		12,263
Diversity in Life Science program		1,338
		13,601
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:		
Meeting support		350,000
Diversity in Life Science program		32,170
		382,170
Total endowments		395,771
		\$ 2,410,978

Keystone Symposia on Molecular and Cellular Biology

Notes to Financial Statements

June 30, 2018

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2018:

Expiration of time restrictions	\$ 641,900
Satisfaction of purpose restrictions	
Global Health Meeting Series	512,011
Specific meeting support and scholarships	190,303
	702,314
Restricted-purpose spending-rate distributions and appropriations	
Meeting Support	15,674
Diversity in Life Science program	1,339
	17,013
	\$ 1,361,227

Board-Designated Net Assets

As of June 30, 2018, the Board of Directors has designated net assets without donor restrictions of \$9,000,589 for the Reserve Fund, \$1,459,642 for the Growth and Enhancement Fund, and \$2,976,935 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 the 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 at a reduced cost. 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 year ended June 30, 2018:

	Scientific and educational symposia	Management and general	Total
Marketing sponsorships	\$ -	\$ 614,965	\$ 614,965
Speakers' travel	71,643	-	71,643
Conference space and services	309,654		309,654
Board of Directors' travel	-	1,029	1,029
	\$ 381,297	\$ 615,994	\$ 997,291

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 year ended June 30, 2018, Symposia matched employee voluntary contributions up to 5%, resulting in contributions to the plan of \$155,159.

Note 12 - Adoption of Accounting Standards Update 2016-14

Symposia early adopted the provisions of FASB Accounting Standards Update 2014-16, *Presentation of financial Statements of Not-For-Profit Entities*, as of July 1, 2017 because management believes the standard improves the usefulness and understandability of Symposia's financial statement reporting.

The following financial statement line items for the year ended June 30, 2017 were restated as a result of the adoption:

	As Previously Reported	Adoption of ASU 2016-14	As Restated
Temporarily restricted net assets	\$ 2,555,112	\$ (2,555,112)	\$ -
Permanently restricted net assets	\$ 282,170	\$ (282,170)	\$ -
Net assets with donor restrictions	\$ -	\$ 2,837,282	\$ 2,837,282