
***THE KEYSTONE SYMPOSIA
ON MOLECULAR AND
CELLULAR BIOLOGY
FINANCIAL STATEMENTS
JUNE 30, 2012***

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Independent Auditors' Report

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

We have audited the accompanying statement of financial position of The Keystone Symposia on Molecular and Cellular Biology (the Symposia) as of June 30, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Symposia's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Symposia's June 30, 2011 financial statements and, in our report dated December 12, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Symposia's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Symposia as of June 30, 2012 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2012 on our consideration of the Symposia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Symposia's financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the statement of functional expenses are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The Schedule of Expenditures of Federal Awards and the statement of functional expenses have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RubinBrown LLP

December 10, 2012

THE KEYSTONE SYMPOSIA ON MOLECULAR AND CELLULAR BIOLOGY

STATEMENT OF FINANCIAL POSITION As Of June 30, 2012 (With Summarized Financial Information As Of June 30, 2011)

	Assets	
	2012	2011
Current Assets		
Cash and cash equivalents	\$ 104,553	\$ 622,247
Investments	8,428,134	8,124,928
Receivables		
Grants and contributions	826,303	1,569,827
Commissions and other	75,153	2,366
Prepaid expenses	228,137	267,974
Cash held for others	2,425	13,925
Total Current Assets	9,664,705	10,601,267
Non-Current Assets		
Property and equipment		
Furniture and equipment	277,922	277,922
Leasehold improvements	41,298	41,298
Computer equipment and software	222,886	200,093
Total Property And Equipment	542,106	519,313
Accumulated Depreciation	(354,718)	(294,070)
Property and equipment - net	187,388	225,243
Other assets	62,623	68,383
Long-term contributions receivable	1,956,365	148,015
Cash and cash equivalents - temporarily restricted	1,327,093	645,722
Total Non-Current Assets	3,533,469	1,087,363
Total Assets	\$ 13,198,174	\$ 11,688,630
Liabilities And Net Assets		
Current Liabilities		
Accounts payable	\$ 345,311	\$ 489,151
Accrued liabilities	340,825	313,692
Capital lease obligations	20,690	19,790
Deferred income	115,940	36,535
Other liabilities	2,425	13,925
Total Current Liabilities	825,191	873,093
Non-Current Liabilities		
Deferred compensation plan	33,422	33,246
Capital lease obligations	72,564	93,074
Total Non-Current Liabilities	105,986	126,320
Total Liabilities	931,177	999,413
Net Assets		
Unrestricted	8,350,321	8,551,376
Temporarily restricted	3,916,676	2,137,841
Total Net Assets	12,266,997	10,689,217
Total Liabilities and Net Assets	\$ 13,198,174	\$ 11,688,630

**THE KEYSTONE SYMPOSIA ON MOLECULAR
AND CELLULAR BIOLOGY**

**STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2012
(With Summarized Financial Information For The Year Ended June 30, 2011)**

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
Program Revenues				
Registration fees	\$ 8,988,457	\$ —	\$ 8,988,457	\$ 9,702,205
Corporate and foundation contributions	1,739,104	3,398,267	5,137,371	2,353,355
Government grants - federal	782,836	—	782,836	830,881
Government grants - other	128,948	—	128,948	120,057
Other support	33,582	—	33,582	9,061
Other program revenues	48,588	—	48,588	53,809
Released from restrictions	1,619,432	(1,619,432)	—	—
Non-Program Revenues				
Housing commissions and other	601,077	—	601,077	637,752
Interest and dividend income	284,763	—	284,763	223,896
Net exchange gains (losses)	(3,218)	—	(3,218)	11,041
Net realized and unrealized gains on investments	164,800	—	164,800	991,561
Total Revenues	14,388,369	1,778,835	16,167,204	14,933,618
Expenses				
Program expenses	12,189,598	—	12,189,598	12,448,925
Management and general expenses	1,864,216	—	1,864,216	1,791,886
Fundraising expenses	535,610	—	535,610	499,984
Total Expenses	14,589,424	—	14,589,424	14,740,795
Change In Net Assets	(201,055)	1,778,835	1,577,780	192,823
Net Assets - Beginning Of Year	8,551,376	2,137,841	10,689,217	10,496,394
Net Assets - End Of Year	\$ 8,350,321	\$ 3,916,676	\$ 12,266,997	\$ 10,689,217

**THE KEYSTONE SYMPOSIA ON MOLECULAR
AND CELLULAR BIOLOGY**

**STATEMENT OF CASH FLOW
For The Years Ended June 30, 2012
(With Summarized Financial Information For The Year Ended June 30, 2011)**

	2012	2011
Cash Flow From Operating Activities		
Change in net assets	\$ 1,577,780	\$ 192,823
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	60,648	56,050
Net realized and unrealized gain on investments	(164,800)	(991,561)
Net realized (gain) loss on sale or disposal of equipment	(150)	11,230
Changes in operating assets and liabilities:		
Receivables - grants and contributions	743,524	391,930
Receivables - commissions and other	(72,787)	71,249
Other assets	5,760	1,124
Prepaid expenses	39,837	(46,778)
Long-term contributions receivable	(1,808,350)	923,014
Accounts payable	(143,840)	(101,086)
Accrued and other liabilities	27,133	23,056
Deferred compensation	176	(17,018)
Deferred income	79,405	(62,230)
Other liabilities	(11,500)	9,250
Net Cash Provided By Operating Activities	332,836	461,053
Cash Flows From Investing Activities		
Purchase of equipment	(22,793)	(63,815)
Purchase of investments	(5,252,423)	(4,348,774)
Proceeds from sales of investments	5,114,017	3,892,986
Capital lease debt reduction from disposed assets	—	35,718
Proceeds from disposal of equipment	150	4,700
Net Cash Used In Investing Activities	(161,049)	(479,185)
Cash Flows Used In Financing Activities		
Principal payments on capital lease	(19,610)	(28,455)
Increase (Decrease) In Cash And Cash Equivalents	152,177	(46,587)
Cash And Cash Equivalents - Beginning Of Year	1,281,894	1,328,481
Cash And Cash Equivalents - End Of Year	\$ 1,434,071	\$ 1,281,894
Supplemental Information for Non-Cash Investing And Financing Activities		
Purchase of capital asset with capital lease obligation	\$ —	\$ 93,408

THE KEYSTONE SYMPOSIA ON MOLECULAR AND CELLULAR BIOLOGY

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

1. **Organization And Summary Of Significant Accounting Policies**

Organization

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

Basis Of Accounting

The financial statements are prepared on the accrual basis of accounting.

Use Of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Cash And Cash Equivalents

The Symposia considers all money market mutual funds and all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash contributions from various corporations, foundations and government agencies comprise the balance of temporarily restricted cash. The Symposia collects registration fees on behalf of a third party through its online website. Cash held for others represents third-party funds that were subsequently remitted in the following fiscal year. An offsetting liability was recorded in the statements of financial position for this amount.

THE KEYSTONE SYMPOSIA ON MOLECULAR AND CELLULAR BIOLOGY

Notes To Financial Statements (*Continued*)

Investments

Investments in equity securities and debt securities are measured at fair value in the statements of financial position. Realized and unrealized gains and losses are included in the statements of activities and classified as unrestricted unless restricted by donor or applicable law.

The Symposia invests in various securities including U.S. government securities, domestic corporate debt instruments and domestic and international corporate stocks. Marketable investments are carried at market value as quoted on major securities exchanges. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position. Investment securities received as gifts are recorded at estimated fair value at the date of donation. Dividend and interest income are recognized when earned.

Fair Value

Different assumptions and/or estimation methods may have a material effect on the estimated fair value amounts. Judgment is required to develop estimates of fair value. Accordingly, the estimates are not necessarily indicative of the amounts the Symposia could have realized in a current market exchange.

Concentrations Of Credit Risk

The Symposia's credit risk is primarily concentrated in sponsorship receivables from pharmaceutical companies and in cash balances in excess of FDIC insured limits with a financial institution. In the opinion of management, the concentrations do not result in increased risks due to their nature.

Property And Equipment

Property and equipment are stated at cost. It is the Symposia's policy to capitalize any acquisition of an individual asset and/or class of assets that has a useful life of more than 1 year and a cost of \$1,500 or more. Depreciation is provided using the straight-line method over the estimated useful life of the assets which range from 3 to 15 years. Depreciation expense was \$60,648 for the year ended June 30, 2012.

Registration Fees

Revenue from registration fees is recognized when the corresponding meeting has taken place. Any funds collected prior to that time are classified as deferred income.

THE KEYSTONE SYMPOSIA ON MOLECULAR AND CELLULAR BIOLOGY

Notes To Financial Statements (*Continued*)

Contributions

Contributions and unconditional promises to give cash and other assets are reported initially at fair value as of the date received. Contributions that are due more than one year from the balance sheet date are classified as long-term. None of these receivables have maturity periods in excess of five years. Long-term receivables are discounted based on the rate on risk-free monetary assets that have maturity dates or durations that coincide with the period covered by the expected cash flows. The Symposia utilized a 3.18% discount rate. Total amount of the discounts is \$20,635 as of June 30, 2012.

The contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are restricted as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Included in corporate and foundation contributions are contributions in-kind of \$924,346 for the year ended June 30, 2012. This type of contribution is recorded for speakers who have their company pay expenses to attend a conference so the Symposia does not have to provide the funding or advertisement.

Government Grants

Revenues from awards and contracts, considered to be exchange transactions, are recognized when expenses under the award or contract are incurred.

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for future conference expenses. During the year ended June 30, 2012, \$1,619,432 of net assets was released from donor restrictions by satisfying the restricted purposes.

Other Program Revenue

Contributions from individuals are reported at fair value as of the date received. Included in other program revenue are contributions in kind of \$21,192 for the year ended June 30, 2012.

THE KEYSTONE SYMPOSIA ON MOLECULAR AND CELLULAR BIOLOGY

Notes To Financial Statements (Continued)

2. Cash And Cash Equivalents

The Symposia maintains cash accounts in commercial banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2012 and 2011, the Symposia had funds in excess of FDIC insured limits.

Balance of Bank Deposits	2012	2011
Total deposits - bank balances	\$ 1,884,487	\$ 1,665,330
Portion insured by FDIC	(252,159)	(252,204)
Balance Of Bank Deposits - Uninsured	\$ 1,632,328	\$ 1,403,126
Summary Of Cash And Cash Equivalents		
Cash on hand	\$ 300	\$ 200
Deposit accounts	661,290	149,104
Cash held in trust accounts	772,481	1,132,590
Total Cash And Cash Equivalents	\$ 1,434,071	\$ 1,281,894

3. Investments

As of June 30, 2012 and 2011, the Symposia had investments held with investment managers for the purpose of maximizing the return on assets. Investments are comprised of unrestricted funds available for operations. Investment income for the years ended June 30, 2012 and 2011 consists of:

	2012	2011
Interest and dividends	\$ 284,763	\$ 223,896
Realized and unrealized gains on investments	164,800	991,561
Total investment income	449,563	1,215,457
Investment expenses	(78,343)	(77,398)
Net investment income	\$ 371,220	\$ 1,138,059

THE KEYSTONE SYMPOSIA ON MOLECULAR AND CELLULAR BIOLOGY

Notes To Financial Statements (Continued)

The following are the major categories of financial assets measured at fair value on a recurring basis using quoted prices in active markets (Level 1); significant observable inputs for similar assets and liabilities (Level 2); and significant unobservable inputs (Level 3) at June 30, 2012 and 2011:

	December 31, 2012		
	Level 1	Level 2	Total
Corporate stocks - domestic	\$ 4,935,539	\$ —	\$ 4,935,539
Government and agency obligations	1,929,052	—	1,929,052
Corporate obligations - domestic	—	1,563,543	1,563,543
Total	\$ 6,864,591	\$ 1,563,543	\$ 8,428,134

	December 31, 2011		
	Level 1	Level 2	Total
Corporate stocks - domestic	\$ 4,659,017	\$ —	\$ 4,659,017
Government and agency obligations	1,785,892	—	1,785,892
Corporate obligations - domestic	—	1,680,019	1,680,019
Total	\$ 6,444,909	\$ 1,680,019	\$ 8,124,928

During 2012 and 2011 there were no changes in the methods and/or assumptions utilized to derive the fair value of the Symposia's assets.

4. Receivables

Contributions receivable are due from various corporations, foundations and government agencies and are comprised of temporarily restricted contributions of \$2,782,668 as of June 30, 2012. Based on history, the risk of bad debt is minimal; therefore, management has concluded that an allowance for bad debt relating to these receivables is not considered.

THE KEYSTONE SYMPOSIA ON MOLECULAR AND CELLULAR BIOLOGY

Notes To Financial Statements (Continued)

Contributions expected to be collected in future years are recorded at the present value of their estimated cash flows.

	<u>2012</u>
Contributions due	
In less than one year	\$ 826,303
In one to five years	1,977,000
Unamortized discount	(20,635)
	<hr/>
Total	\$ 2,782,668

5. Income Taxes

The Symposia is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, but is subject to federal and state income tax on unrelated business income. During the year ended June 30, 2012, the Symposia had no taxable unrelated business income.

The Organization adopted the provision of FASB Accounting Standards Codification topic for income taxes. The topic prescribes a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken (or expected to be taken) in a tax return. The topic also provides guidance on derecognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, accounting for income taxes in interim periods and income tax disclosures.

For the year ended June 30, 2012, the Symposia had no interest or penalties recognized in the statement of activities. Additionally, the Organization has no uncertain tax provisions for which a reasonable possibility exists that the total amounts of unrecognized tax benefit will significantly increase or decrease within 12 months of June 30, 2012.

Tax years that remain subject to examination are years 2009 and forward for the United States Internal Revenue Service.

THE KEYSTONE SYMPOSIA ON MOLECULAR AND CELLULAR BIOLOGY

Notes To Financial Statements (Continued)

6. Benefit Plans

The Symposia sponsors a Simplified Employee Retirement Plan (the “401(k) Plan”), which is available to all full-time employees after three months of service, organized under Section 401(k) of the Internal Revenue Code. Under the terms of the 401(k) Plan, the Symposia contributes 2 to 1 up to a maximum of 5% of each employee’s compensation to the 401(k) Plan. The Symposia incurred contribution expense of \$90,769 during the year ended June 30, 2012.

The Symposia also sponsors a Deferred Compensation Plan (the “Plan”) under Section 457 of the Internal Revenue Code for select members of management. Under the terms of the Plan, participants may defer compensation within the limits established by the Internal Revenue Code. The fair value of the Symposia’s liability under the Plan is determined by certain investment options as selected by the participants. As of June 30, 2012, \$33,422 has been recorded as a long-term deferred compensation liability in the accompanying statement of financial position.

7. Lease Commitment

The Symposia leases office space and office equipment under operating leases. The office space lease expires December 31, 2020, with an option to renew for one period of five years. Future minimum rental payments required under the leases are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2013	\$ 195,820
2014	198,757
2015	204,720
2016	210,862
2017	217,187
Thereafter	811,861
	<u>\$ 1,839,207</u>

Rent expense under operating leases was \$212,843 for the year ended June 30, 2012.

8. Capital Lease Commitment

The Symposia acquired three photocopiers under a capital leasing arrangement. The term of the copier lease is from April 19, 2011 through April 19, 2016. Amortization expense for the year ended June 30, 2012 was \$23,201. The recorded cost of the equipment is \$116,004 with \$27,068 in accumulated depreciation at June 30, 2012.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 29,925
2014	29,925
2015	29,925
2016	24,937
Total	114,712
Portion representing interest	(21,458)
Present value of capital lease obligation	93,254
Current portion	(20,690)
Noncurrent capital lease obligation	\$ 72,564

9. Line Of Credit

The Symposia has a line of credit with Well Fargo Bank with a limit of \$250,000. The line accrues interest at the greater of a floating rate equal to the index plus 0.25% or the floor rate of 5.00%. It is secured by investments. The line of credit is subject to an annual renewal which expires on September 27, 2012. No amounts were drawn against the line of credit at June 30, 2012.

10. Letter Of Credit

The Symposia established an Irrevocable Letter of Credit in the amount of \$250,000 in favor of FirstBank as a guaranty against tenant improvements. The commission fee is 2.0% per year or a minimum of \$450. The letter of credit will expire on December 31, 2020. The amount of the letter of credit will begin to reduce in value beginning December 31, 2014 until the final expiration date.

11. Subsequent Events

Subsequent events have been evaluated through December 10, 2012, which was the date the financial statements were available to be issued.

Supplemental Schedule

THE KEYSTONE SYMPOSIA ON MOLECULAR AND CELLULAR BIOLOGY

SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES For The Years Ended June 30, 2012 And 2011

	2012				2011			
	Program	Management And General	Fund Raising	Total	Program	Management And General	Fund Raising	Total
Speaker subsidy	\$ 3,463,819	\$ —	\$ —	\$ 3,463,819	\$ 3,364,096	\$ —	\$ —	\$ 3,364,096
Food and beverage	3,444,004	—	—	3,444,004	3,963,490	—	—	3,963,490
Payroll	1,088,120	799,101	313,455	2,200,676	1,006,837	800,765	302,102	2,109,704
Printing	105,929	—	2,030	107,959	102,365	—	2,895	105,260
Travel stipends	777,021	—	—	777,021	807,145	—	—	807,145
Travel awards - affected nations	580,256	—	—	580,256	647,881	—	—	647,881
Postage	19,868	2,550	5,508	27,926	27,288	4,422	1,406	33,116
Marketing	1,118,306	—	—	1,118,306	1,072,926	—	—	1,072,926
Credit card	—	—	—	—	—	—	—	—
Merchant fees	228,183	—	—	228,183	243,119	—	—	243,119
Audio visual expenses	210,508	—	—	210,508	251,712	—	—	251,712
Office rental	—	212,843	25,040	237,883	—	173,385	19,166	192,551
Fringe benefits	212,265	154,987	90,009	457,261	191,719	140,611	77,855	410,185
Telephone	—	10,225	1,342	11,567	—	12,170	1,826	13,996
Payroll taxes	93,433	61,374	25,413	180,220	87,221	57,844	24,484	169,549
Board of directors expenses	96,820	—	—	96,820	115,606	—	—	115,606
Professional fees	—	178,071	—	178,071	7,958	192,713	—	200,671
Recruitment expense	—	17,165	407	17,572	—	21,731	—	21,731
Maintenance and repairs	—	13,933	—	13,933	—	21,626	—	21,626
Staff travel, meals and lodging	172,828	19,675	47,360	239,863	172,239	12,519	25,583	210,341
Office supplies	5,433	38,945	3,684	48,062	2,476	71,846	3,940	78,262
Insurance	—	20,577	2,428	23,005	—	20,667	2,386	23,053
Internet services	—	16,225	2,028	18,253	—	17,541	2,338	19,879
Depreciation	—	60,648	—	60,648	—	56,050	—	56,050
Loss (gain) on disposal of equipment	—	(150)	—	(150)	—	11,231	—	11,231
Conference transportation expense	17,145	—	—	17,145	23,025	—	—	23,025
Equipment rental	—	11,789	—	11,789	—	7,782	—	7,782
Other expenses	191,976	47,206	7,318	246,500	47,052	22,665	16,254	85,971
Publication cost - other	6,202	—	—	6,202	680	—	—	680
Workshops and other miscellaneous functions	—	—	3,642	3,642	—	—	11,812	11,812
Meeting room charges	56,856	—	—	56,856	67,386	—	—	67,386
Poster boards	55,157	—	—	55,157	48,582	—	—	48,582
Email stations	26,659	—	—	26,659	48,360	—	—	48,360
Banquet entertainment	24,779	—	—	24,779	26,583	—	—	26,583
Teleconferences	817	—	—	817	868	—	—	868
Travel subsidy - conference assistants	128,075	—	—	128,075	121,771	—	—	121,771
Computer supplies	—	92,663	—	92,663	—	22,383	—	22,383
Dues and subscriptions	3,837	8,740	5,144	17,721	540	8,714	4,605	13,859
Videographer	26,934	—	—	26,934	—	—	—	—
Custodial services	—	15,580	—	15,580	—	15,480	—	15,480
Staff training and functions	—	3,674	668	4,342	—	6,310	3,332	9,642
Scholars program	22,940	—	—	22,940	—	—	—	—
Meeting registration other conferences	11,428	—	—	11,428	—	—	—	—
Bank charges	—	25,203	134	25,337	—	28,193	—	28,193
Other taxes	—	8,552	—	8,552	—	7,850	—	7,850
Bad debts	—	21,657	—	21,657	—	45,874	—	45,874
Staff functions and retreats	—	22,983	—	22,983	—	11,514	—	11,514
Total	\$ 12,189,598	\$ 1,864,216	\$ 535,610	\$ 14,589,424	\$ 12,448,925	\$ 1,791,886	\$ 499,984	\$ 14,740,795

Compliance Section



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**Independent Auditors' Report On Internal
Control Over Financial Reporting And On
Compliance And Other Matters Based On An
Audit Of Financial Statements Performed In
Accordance With *Government Auditing Standards***

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

We have audited the financial statements of The Keystone Symposia on Molecular and Cellular Biology (the Symposia) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Symposia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Symposia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Symposia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Symposia's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Symposia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Symposia in a separate letter dated December 10, 2012.

This report is intended solely for the information and use of management, others within the Symposia, the Board, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

RubinBrown LLP

December 10, 2012



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**Independent Auditors' Report On Compliance
With Requirements That Could Have A Direct
And Material Effect On Each Major Program
And On Internal Control Over Compliance
In Accordance With OMB Circular A-133**

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

Compliance

We have audited The Keystone Symposia on Molecular and Cellular Biology's (the Symposia) compliance with the types of compliance requirements described in the Office of Management and Budget's (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Symposia's major federal programs for the year ended June 30, 2012. The Symposia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Symposia's management. Our responsibility is to express an opinion on the Symposia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Symposia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Symposia's compliance with those requirements.

In our opinion, the Symposia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Symposia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Symposia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Symposia's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

RubinBrown LLP

December 10, 2012

**THE KEYSTONE SYMPOSIA ON MOLECULAR
AND CELLULAR BIOLOGY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2012**

Section I - Summary Of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x no none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? _____ yes x no

Identification of major programs:

CFDA No.	Name Of Federal Program Or Cluster
93.859	Biomedical Research and Research Training

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? x yes _____ no

**THE KEYSTONE SYMPOSIA ON MOLECULAR
AND CELLULAR BIOLOGY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2012**

Section II - Financial Statement Findings

There were no findings related to the audit of the Symposia's financial statements for the year ended June 30, 2012 that are required to be reported under *Government Auditing Standards*.

Section III - Federal Award Findings And Questioned Costs

There were no findings or questioned costs for federal awards administered by the Symposia that are required to be reported under the Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Section IV - Prior Federal Award Findings And Questioned Costs

There were no findings for the June 30, 2011 audit relating to the Symposia's federal award programs that were required to be reported under *Generally Accepted Auditing Standards*.

**THE KEYSTONE SYMPOSIA ON MOLECULAR
AND CELLULAR BIOLOGY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2012**

Federal Agency/Pass-Through Grantor Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services		
National Institute of Health		
Allergy, Immunology and Transplantation Research	93.855	\$ 157,000
Cardiovascular diseases research	93.837	63,600
Lung diseases research	93.838	18,000
Biomedical research and research training	93.859	266,482
Human genome research	93.172	15,000
Child health and human development extramural research	93.865	36,000
Extramural research programs in the neurosciences and neurological disorders	93.853	44,600
Aging research	93.866	33,500
Diabetes, digestive, and kidney diseases extramural research	93.847	122,000
Arthritis, musculoskeletal and skin disease research	93.846	9,600
Drug abuse and addiction research programs	93.279	20,400
Discover and applied research for technological innovations to improve human health	93.286	15,600
Cancer biology research	93.396	<u>4,000</u>
Total U.S. Department of Health and Human Services		805,782
National Science Foundation		
Biological sciences	47.074	<u>9,600</u>
Total		<u><u>\$ 815,382</u></u>

THE KEYSTONE SYMPOSIA ON MOLECULAR AND CELLULAR BIOLOGY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS June 30, 2012

1. Basis Of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Keystone Symposia on Molecular and Cellular Biology (the Symposia) under programs of the federal government for the year ended June 30, 2012. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Symposia, it is not intended to, and does not, present the financial position, changes in net assets or changes in cash flows of the Symposia.

2. Summary Of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.