



Financial Statements
June 30, 2016

**Keystone Symposia on Molecular
and Cellular Biology**
(With Comparative Totals for 2015)

Keystone Symposia on Molecular and Cellular

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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, 2016, 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, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 22, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Eide Bailly LLP

Golden, Colorado
October 21, 2016

Keystone Symposia on Molecular and Cellular Biology

Statement of Financial Position

June 30, 2016

(with comparative totals for 2015)

	2016	2015
Assets		
Cash and cash equivalents	\$ -	\$ 169,588
Investments	14,771,046	13,077,602
Accounts receivable, net	301,750	181,483
Promises to give, net	3,148,458	1,758,457
Prepaid expenses and other assets	522,205	356,911
Property and equipment, net	201,512	188,509
Endowment		
Cash	-	32,363
Investments	32,747	-
Total assets	\$ 18,977,718	\$ 15,764,913
Liabilities and Net Assets		
Checks issued in excess of bank balance	\$ 189,602	\$ -
Accounts payable and accrued expenses	1,748,787	776,189
Deferred revenue	65,280	71,515
Capital lease obligation	81,248	96,506
Total liabilities	2,084,917	944,210
Net Assets		
Unrestricted		
Undesignated	854,916	817,561
Board-designated		
Reserve Fund	8,184,116	7,800,000
Growth and Enhancement Fund	1,405,947	1,500,000
Future of Science Fund	2,917,911	2,884,869
	13,362,890	13,002,430
Temporarily restricted	3,497,741	1,786,103
Permanently restricted	32,170	32,170
Total net assets	16,892,801	14,820,703
Total liabilities and net assets	\$ 18,977,718	\$ 15,764,913

Keystone Symposia on Molecular and Cellular Biology
Statement of Activities
Year Ended June 30, 2016
(with comparative totals for 2015)

	2016			Total	2015
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Revenue, Support and Gains					
Conference registration and other, net of scholarships of \$211,264 and \$470,150, respectively	\$ 9,573,946	\$ -	\$ -	\$ 9,573,946	\$ 9,780,718
Federal and state contracts and grants	523,116	35,000	-	558,116	722,403
Contributions and sponsorships	2,776,026	2,918,338	-	5,694,364	3,309,424
Net investment return	566,061	1,584	-	567,645	215,330
Net assets released from restrictions	1,084,352	(1,084,352)	-	-	-
Total revenue, support, and gains	<u>14,523,501</u>	<u>1,870,570</u>	<u>-</u>	<u>16,394,071</u>	<u>14,027,875</u>
Expenses and Losses					
Scientific and educational symposia	9,538,640	-	-	9,538,640	9,256,328
Supporting services expenses					
Management and general	3,971,216	-	-	3,971,216	3,561,335
Fundraising and development	639,385	-	-	639,385	671,557
Total supporting services expenses	<u>4,610,601</u>	<u>-</u>	<u>-</u>	<u>4,610,601</u>	<u>4,232,892</u>
Total expenses	<u>14,149,241</u>	<u>-</u>	<u>-</u>	<u>14,149,241</u>	<u>13,489,220</u>
Return of funds to donors	<u>13,800</u>	<u>158,932</u>	<u>-</u>	<u>172,732</u>	<u>62,919</u>
Change in Net Assets	360,460	1,711,638	-	2,072,098	475,736
Net Assets, Beginning of Year	<u>13,002,430</u>	<u>1,786,103</u>	<u>32,170</u>	<u>14,820,703</u>	<u>14,344,967</u>
Net Assets, End of Year	<u>\$ 13,362,890</u>	<u>\$ 3,497,741</u>	<u>\$ 32,170</u>	<u>\$ 16,892,801</u>	<u>\$ 14,820,703</u>

Keystone Symposia on Molecular and Cellular Biology
Statement of Functional Expenses
Year Ended June 30, 2016
(with comparative totals for 2015)

	2016			Total	2015
	Scientific and educational symposia	Management and general	Fundraising and development		
Grants and other assistance	\$ 1,619,492	\$ -	\$ -	\$ 1,619,492	\$ 1,550,609
Salaries, wages, and benefits	925,948	2,049,597	387,754	3,363,299	3,119,231
Payroll taxes	61,415	119,593	26,548	207,556	196,621
Professional services	29,062	312,962	4,900	346,924	326,890
Advertising and promotion	50,259	907,447	5,998	963,704	1,103,957
Office expenses	39,469	77,887	20,755	138,111	115,794
Information technology	60,220	19,605	3,197	83,022	127,240
Occupancy	91,228	117,081	7,105	215,414	210,245
Travel	397,173	34,167	93,455	524,795	564,449
Conferences, conventions, and meetings	4,466,610	171,382	3,000	4,640,992	4,559,865
Bank fees and finance charges	-	49,335	-	49,335	41,312
Insurance	16,558	18,411	4,129	39,098	49,755
Depreciation and amortization	22,493	25,011	5,609	53,113	40,533
Speaker travel	1,322,515	-	-	1,322,515	1,306,060
Organizational development	-	18,296	-	18,296	22,579
Staff education	-	37,675	3,078	40,753	48,573
Staff recruitment	-	50,719	46,522	97,241	68,697
Other	436,198	39,417	27,335	502,950	108,852
Total expenses by function	9,538,640	4,048,585	639,385	14,226,610	13,561,262
Less expenses included with revenues on the statement of activities					
Investment management fees	-	(77,369)	-	(77,369)	(72,042)
Total expenses included in the expense section on the statement of activities	\$ 9,538,640	\$ 3,971,216	\$ 639,385	\$ 14,149,241	\$ 13,489,220

Keystone Symposia on Molecular and Cellular Biology

Statement of Cash Flows

Year Ended June 30, 2016

(with comparative totals for 2015)

	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ 2,072,098	\$ 475,736
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	53,113	40,533
Realized and unrealized (gain) loss on investments	(115,703)	23,906
Contributions restricted to endowment	-	(32,170)
Endowment net investment return	(1,584)	(193)
Changes in operating assets and liabilities		
Accounts receivable, net	(120,267)	63,505
Promises to give, net	(1,390,001)	87,973
Prepaid expenses and other assets	(165,294)	160,077
Accounts payable and accrued expenses	972,598	(205,944)
Deferred revenue	(6,235)	(7,220)
Checks issued in excess of bank balance	189,602	-
Net Cash from Operating Activities	1,488,327	606,203
Cash Flows from Investing Activities		
Purchases of investments	(10,373,182)	(10,401,506)
Proceeds from sales of investments	8,795,441	9,837,603
(Purchases of) proceeds from sale of property and equipment	(32,171)	3,942
(Addition to) withdrawal from endowment	1,200	(32,170)
Net Cash used for Investing Activities	(1,608,712)	(592,131)
Cash Flows from Financing Activities		
Payment of accounts payable for property and equipment	(33,945)	-
Collections of contributions restricted to endowment	-	32,170
Principal payments on capital lease	(15,258)	(53,001)
Net Cash used for Financing Activities	(49,203)	(20,831)
Net Change in Cash and Cash Equivalents	(169,588)	(6,759)
Cash and Cash Equivalents, Beginning of Year	169,588	176,347
Cash and Cash Equivalents, End of Year	\$ -	\$ 169,588
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 12,813	\$ 7,036
Supplemental Disclosure of Non-cash Investing and Financing Activity		
Accounts payable for property and equipment	\$ -	\$ 33,945
Equipment financed through capital lease arrangement	-	100,000
	\$ -	\$ 133,945

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, 2015, 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, 2016 and 2015.

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. At June 30, 2016, the allowance was \$90,000. No allowance was considered necessary at June 30, 2015.

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, 2016 and 2015.

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 \$963,704 and \$1,103,957 for the years ended June 30, 2016 and 2015, and included \$795,726 and \$912,684 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. Amounts previously reported as Assets Restricted to Global Health Meeting Series and Board-designated assets are now reported as Investments in the statement of financial position. In-kind marketing sponsorships approximating \$755,000 previously included in conference registrations and other revenue are now reported as Contributions and Sponsorships in the statement of activities. Amounts previously reported as additions to board-designated assets are now reported as purchases of investments in the statement of cash flows. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Symposia has evaluated subsequent events through October 21, 2016, 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, 2016 and 2015.

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, 2016

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)
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>
Total investments	<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>

Keystone Symposia on Molecular and Cellular Biology

Notes to Financial Statements

June 30, 2016

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2015:

	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)
Operating investments				
Cash and money market funds, at cost	\$ 96,627	\$ -	\$ -	\$ -
U.S. government and agency obligations	620,804	-	620,804	-
	<u>\$ 717,431</u>	<u>\$ -</u>	<u>\$ 620,804</u>	<u>\$ -</u>
Investments restricted to Global Health Meeting Series				
Cash and money market funds, at cost	\$ 23,858	\$ -	\$ -	\$ -
U.S. government and agency obligations	151,444	-	151,444	-
	<u>\$ 175,302</u>	<u>\$ -</u>	<u>\$ 151,444</u>	<u>\$ -</u>
Board-designated investments				
Cash and money market funds, at cost	\$ 646,277	\$ -	\$ -	\$ -
Corporate bonds	2,093,559	-	2,093,559	-
U.S. government and agency obligations	2,983,096	-	2,983,096	-
Domestic equities	6,461,937	6,461,937	-	-
	<u>\$ 12,184,869</u>	<u>\$ 6,461,937</u>	<u>\$ 5,076,655</u>	<u>\$ -</u>
Total investments	<u>\$ 13,077,602</u>	<u>\$ 6,461,937</u>	<u>\$ 5,848,903</u>	<u>\$ -</u>

Note 3 - Net Investment Return

Net investment return consists of the following for the year ended June 30, 2016 and 2015:

	2016	2015
Investments		
Interest and dividends	\$ 373,940	\$ 311,278
Net realized and unrealized gain (loss)	269,276	(23,906)
Less investment management fees	(77,155)	(72,042)
	\$ 566,061	\$ 215,330
	2016	2015
Endowment investments		
Interest and dividends	\$ 970	\$ 193
Net realized and unrealized gain	828	-
Less investment management fees	(214)	-
	\$ 1,584	\$ 193

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2016 and 2015:

	2016	2015
Within one year	\$ 1,749,734	\$ 1,119,000
In one to five years	1,587,820	675,000
	3,337,554	1,794,000
Less allowance for uncollectable promises to give	(90,000)	-
Less discount to net present value at rates averaging 5%	(99,096)	(35,543)
	\$ 3,148,458	\$ 1,758,457

Promises to give of \$156,914 and \$252,500 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, 2016 and 2015, respectively.

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30, 2016 and 2015:

	2016	2015
Furniture and fixtures	\$ 273,381	\$ 269,691
Equipment	285,719	248,683
Buildings and improvements	100,634	75,244
	659,734	593,618
Less accumulated depreciation and amortization	(458,222)	(405,109)
	\$ 201,512	\$ 188,509

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, 2016 and 2015). Accrued interest and principal are due at maturity on April 20, 2017.

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, 2016 and 2015.

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 Leases	Operating Leases
2017	\$ 28,636	\$ 209,307
2018	28,636	215,549
2019	28,636	222,060
2020	21,477	228,742
2021	-	235,571
Thereafter	-	180,644
Total minimum lease payments	107,385	\$ 1,291,873
Less amount representing interest	(26,137)	
Capital lease obligation	\$ 81,248	

Rent expense for the years ended June 30, 2016 and 2015 totaled \$231,848 and \$210,245, respectively.

Leased property under the capital lease at June 30, 2016 and 2015 was comprised of copiers with a total cost of \$100,000, accumulated depreciation of \$25,000 and \$5,000, and a net book value of \$75,000 and \$95,000, 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, 2016 and 2015.

Note 8 - Endowment

Symposia has a single endowment fund (the Endowment) established by donors to provide support for the Diversity in Life Science program. The Endowment includes 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 Endowment 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, 2016 and 2015, 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 Endowment, (b) the original value of subsequent gifts donated to the Endowment (including promises to give net of discount and allowance for doubtful accounts), and (c) accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted Endowment is 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

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Notes to Financial Statements

June 30, 2016

As of June 30, 2016 and 2015, Symposia had the following endowment net asset composition by fund:

	Temporarily Restricted	Permanently Restricted	Total
June 30, 2016			
Donor-restricted endowment	\$ 577	\$ 32,170	\$ 32,747
June 30, 2015			
Donor-restricted endowment	\$ 193	\$ 32,170	\$ 32,363

Investment and Spending Policies

Symposia has adopted investment and spending policies for the Endowment 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 Endowment for the year ending on June 30. In establishing this policy, Symposia considered the long-term expected return on the Endowment. Accordingly, over the long term, Symposia expects the current spending policy to preserve the permanently restricted net assets of the Endowment. 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.

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Notes to Financial Statements

June 30, 2016

Changes in Endowment net assets for the year ended June 30, 2016 and 2015 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
<u>Year ended June 30, 2016</u>			
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 (loss)	828	-	828
	1,584	-	1,584
Distributions			
Appropriation of endowment assets pursuant to spending-rate policy	(1,200)	-	(1,200)
Endowment net assets, end of year	\$ 577	\$ 32,170	\$ 32,747
<u>Year ended June 30, 2015</u>			
Endowment net assets, beginning of year	\$ -	\$ -	\$ -
Investment return			
Investment income, net of fees	193	-	193
Net realized and unrealized gain (loss)	-	-	-
	193	-	193
Contributions	-	32,170	32,170
Endowment net assets, end of year	\$ 193	\$ 32,170	\$ 32,363

Note 9 - Restricted Net Assets

Temporarily Restricted

Temporarily restricted net assets at June 30, 2016 and 2015 consist of:

	2016	2015
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	\$ 1,271,770	\$ 1,316,041
Restricted by donors for		
Global Health Meeting Series	277,520	175,302
Diversity in Life Science program	-	18,189
Specific meeting expense support and scholarships	-	86,462
Promises to give, the proceeds from which have been restricted by donors for specific meeting expense support and scholarships	483,588	189,916
Global Health Meeting Series	1,464,286	-
Unspent appreciation of Endowment funds which must be appropriated for expenditure before use		
Restricted by donors for		
Diversity in Life Science program	577	193
	\$ 3,497,741	\$ 1,786,103

Net assets were released from restrictions as follows during the years ended June 30, 2016 and 2015:

	2016	2015
Expiration of time restrictions	\$ 747,566	\$ 1,052,881
Satisfaction of purpose restrictions		
Global Health Meeting Series	158,933	776,980
Diversity in Life Science program	18,189	32,089
Specific meeting expense support and scholarships	158,464	341,588
Appropriation of endowment earnings	1,200	-
	\$ 1,084,352	\$ 2,203,538

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.

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Notes to Financial Statements

June 30, 2016

Unrestricted Board-Designated

As of June 30, 2016, the Board of Directors has designated unrestricted net assets of \$8,184,116 for the Reserve Fund, \$1,405,947 for the Growth and Enhancement Fund, and \$2,917,911 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, 2016 and 2015:

	<u>Scientific and educational symposia</u>	<u>Management and general</u>	<u>Total</u>
<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
	<u>\$ 139,380</u>	<u>\$ 802,106</u>	<u>\$ 941,486</u>
<u>June 30, 2015</u>			
Marketing sponsorships	\$ -	\$ 912,684	\$ 912,684
Speakers' travel	121,493	-	121,493
Software licenses	-	24,090	24,090
Board of Directors' travel	-	513	513
	<u>\$ 121,493</u>	<u>\$ 937,287</u>	<u>\$ 1,058,780</u>

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, 2016 and 2015, Symposia matched employee voluntary contributions up to 5%, resulting in contributions to the plan of \$119,767 and \$117,088, respectively.