



Financial Statements
June 30, 2020

Keystone Symposia on Molecular and Cellular Biology

(With Comparative Totals for 2019)

Keystone Symposia on Molecular and Cellular Biology

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June 30, 2020

(with comparative totals for 2019)

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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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2019. In our opinion the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Eide Bailly LLP

Denver, Colorado
October 26, 2020

Keystone Symposia on Molecular and Cellular Biology

Statement of Financial Position

June 30, 2020

(with comparative totals for 2019)

	2020	2019
Assets		
Cash and cash equivalents	\$ 421,674	\$ -
Investments	14,961,185	17,448,066
Accounts receivable	1,186,099	254,979
Promises to give, net	1,187,655	2,339,437
Prepaid expenses and other assets	340,105	247,539
Property and equipment, net	136,266	180,575
Endowment investments	494,706	461,405
Total assets	\$ 18,727,690	\$ 20,932,001
Liabilities and Net Assets		
Checks issued in excess of bank balance	\$ -	\$ 191,263
Accounts payable and accrued expenses	508,734	768,616
Deferred revenue	104,336	162,621
Refundable advance - PPP loan	532,900	-
Capital lease obligations	57,952	96,194
Total liabilities	1,203,922	1,218,694
Net Assets		
Without donor restrictions		
Undesignated	1,592,608	1,711,300
Board-designated		
Reserve Fund	8,027,568	9,582,822
Growth and Enhancement Fund	2,554,874	1,982,668
Future of Science Fund	3,032,616	3,044,301
	15,207,666	16,321,091
With donor restrictions	2,316,102	3,392,216
Total net assets	17,523,768	19,713,307
Total liabilities and net assets	\$ 18,727,690	\$ 20,932,001

Keystone Symposia on Molecular and Cellular Biology
Statement of Activities
Year Ended June 30, 2020
(with comparative totals for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue, Support and Gains				
Conference registration and other, net of scholarships of \$185,061 and \$322,140, respectively	\$ 5,102,299	\$ -	\$ 5,102,299	\$ 11,233,512
Federal and state contracts and grants	386,700	-	386,700	514,969
Contributions and sponsorships	1,527,818	272,477	1,800,295	5,971,216
Gain on insurance proceeds	1,039,930	-	1,039,930	-
Net investment (loss) return	(56,495)	3,301	(53,194)	971,363
Net assets released from restrictions	1,101,914	(1,101,914)	-	-
Total revenue, support, and gains	<u>9,102,166</u>	<u>(826,136)</u>	<u>8,276,030</u>	<u>18,691,060</u>
Expenses and Losses				
Scientific and educational symposia	6,328,130	-	6,328,130	10,658,598
Supporting services expense				
Management and general	3,077,050	-	3,077,050	4,440,094
Fundraising and development	810,411	-	810,411	868,341
Total supporting services expense	<u>3,887,461</u>	<u>-</u>	<u>3,887,461</u>	<u>5,308,435</u>
Total expenses	<u>10,215,591</u>	<u>-</u>	<u>10,215,591</u>	<u>15,967,033</u>
Loss on uncollectable promises to give	-	249,978	249,978	308,447
Total expenses and losses	<u>10,215,591</u>	<u>249,978</u>	<u>10,465,569</u>	<u>16,275,480</u>
Change in Net Assets	(1,113,425)	(1,076,114)	(2,189,539)	2,415,580
Net Assets, Beginning of Year	16,321,091	3,392,216	19,713,307	17,297,727
Net Assets, End of Year	<u>\$ 15,207,666</u>	<u>\$ 2,316,102</u>	<u>\$ 17,523,768</u>	<u>\$ 19,713,307</u>

Keystone Symposia on Molecular and Cellular Biology

Statement of Functional Expenses

Year Ended June 30, 2020

(with comparative totals for 2019)

	2020			Total	2019
	Scientific and Educational Symposia	Management and General	Fundraising and Development		
Salaries, wages, and benefits	\$ 1,508,796	\$ 1,798,704	\$ 631,935	\$ 3,939,435	\$ 4,009,856
Conferences, conventions, and meetings	2,341,675	103,662	-	2,445,337	5,292,091
Grants and other assistance	770,998	-	-	770,998	1,565,904
Speaker travel	755,323	-	-	755,323	1,495,121
Travel and meals	320,914	68,016	30,482	419,412	584,510
Professional services	72,850	282,920	9,000	364,770	544,870
Office expenses	135,924	164,856	45,544	346,324	329,456
Advertising and promotion	65,677	253,168	3,188	322,033	1,100,563
Occupancy	92,769	122,541	26,150	241,460	234,879
Payroll taxes	92,772	99,048	38,557	230,377	237,564
Other	112,713	30,152	4,162	147,027	175,711
Depreciation	22,907	30,259	6,457	59,623	68,343
Information technology	18,365	28,047	4,503	50,915	87,612
Insurance	16,447	21,727	4,636	42,810	38,636
Bank fees and finance charges	-	38,749	-	38,749	71,140
Staff education	-	25,394	574	25,968	45,557
Staff recruitment	-	4,757	5,223	9,980	85,220
Bad debt	-	5,050	-	5,050	-
Total expenses	\$ 6,328,130	\$ 3,077,050	\$ 810,411	\$ 10,215,591	\$ 15,967,033

Keystone Symposia on Molecular and Cellular Biology

Statement of Cash Flows

Year Ended June 30, 2020

(with comparative totals for 2019)

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ (2,189,539)	\$ 2,415,580
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	59,623	68,343
Realized and unrealized loss (gain) on investments	399,769	(549,649)
Loss on uncollectible promises to give	249,978	308,447
Contributions restricted to endowment	(30,000)	(50,000)
Endowment net investment return	(3,301)	(28,836)
Changes in operating assets and liabilities		
Accounts receivable	(931,120)	(69,015)
Promises to give, net	901,804	(1,223,547)
Prepaid expenses and other assets	(92,566)	203,190
Checks issued in excess of bank balance	(191,263)	191,263
Accounts payable and accrued expenses	(259,882)	(296,675)
Deferred revenue	(58,285)	33,346
Proceeds from refundable advance - PPP loan	532,900	-
Net Cash (used for) from Operating Activities	(1,611,882)	1,002,447
Cash Flows from Investing Activities		
Purchases of investments	(14,335,672)	(20,414,464)
Proceeds from sales of investments	16,422,784	19,496,961
Purchases of property and equipment	(15,312)	(15,826)
Net additions to endowment	(30,000)	(36,797)
Net Cash from (used for) Investing Activities	2,041,800	(970,126)
Cash Flows from Financing Activities		
Payment of accounts payable for property and equipment	-	(98,264)
Collections of contributions restricted to endowment	30,000	50,000
Principal payments on capital lease	(38,244)	(42,109)
Proceeds from draws on line of credit	-	200,000
Payments on line of credit	-	(200,000)
Net Cash (used for) Financing Activities	(8,244)	(90,373)
Net Change in Cash and Cash Equivalents	421,674	(58,052)
Cash and Cash Equivalents, Beginning of Year	-	58,052
Cash and Cash Equivalents, End of Year	\$ 421,674	\$ -

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.

Impact of COVID-19

The outbreak of the 2019 coronavirus disease ("COVID-19"), which was declared a global pandemic by the World Health Organization, and the related responses by public health and governmental authorities to contain the combat its outbreak and spread, adversely affected workplaces, economies, and financial markets globally.

Beginning in March 2020, Symposia was required to cancel 28 meetings across the United States and globally due to limitations on large gatherings imposed by local, state and international jurisdictions. No in-person meetings have been held to-date. Symposia continued to bring content to the scientific community through virtual outreach and had taken necessary cost-cutting measures whenever possible. Subsequent to year end Symposia has cancelled additional in-person meetings in response to continuing spread of the virus, which resulted in approximately \$430,000 of cancellation penalties and fees.

Management is closely monitoring the operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the financial position is not known, however, investment values have continued to improve since the announcement of the pandemic due to favorable market factors.

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, 2019, from which the summarized information was derived.

Adoption of FASB Accounting Standards Update

As of July 1, 2019, Symposia adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, which provides a comprehensive revenue recognition model for all contracts with customers. The new model requires revenue recognition to depict the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. Symposia implemented Topic 606 and adjusted the presentation in these financial statements accordingly. The amendments have been applied retrospectively to all periods presented, with no effect on net assets.

As of July 1, 2019, FASB has issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. This standard assists in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. Symposia implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

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.

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 (loss) 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 and custodial expenses. 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, 2020 and 2019.

Receivables from contracts with customers are reported as accounts receivable and contract liabilities are reported as deferred revenue in the accompanying statement of financial position.

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, 2020 and 2019, the allowance was \$184,000 and \$90,000, respectively.

Property and Equipment

Property and equipment additions over \$2,500 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, 2020 and 2019.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor 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) 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 (Note 10).

Net Assets with Donor Restrictions – Net assets subject to donor (or certain grantor) 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.

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 11).

Revenue and Revenue Recognition

Registration revenue is recognized when obligations under the terms of a contract with the customer are satisfied; generally, this occurs at the time of admission to a conference. Payments received for future conferences are deferred to the applicable period. 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, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Symposia received advance payment under the Paycheck Protection Program (PPP) of \$532,900 that has not been recognized at June 30, 2020 because qualifying expenditures have not yet been submitted for forgiveness (Note 7).

Advertising Costs

Advertising costs, which are expensed as incurred, totaled \$322,033 and \$1,100,563 and included \$154,220 and \$933,440 arising from sponsorship arrangements for the years ended June 30, 2020 and 2019, respectively

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.

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, information and technology, and insurance, which are allocated on a square footage basis, as well as, salaries, wages and benefits, conferences, conventions, and meetings, travel and meals, professional services, advertising and promotion, payroll taxes, 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, qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. 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 October 26, 2020, 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:

	2020	2019
Cash and cash equivalents	\$ 421,674	\$ -
Investments	744,289	1,969,177
Accounts receivable, due in one year	1,186,099	254,979
Promises to give, due in one year	1,012,655	1,127,215
Endowment spending-rate distributions	19,788	18,456
	<u>\$ 3,384,505</u>	<u>\$ 3,369,827</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 net assets without donor restrictions 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 10).

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, 2020 and 2019.

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 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.

Keystone Symposia on Molecular and Cellular Biology

Notes to Financial Statements

June 30, 2020

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 to 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 10).

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2020:

	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	\$ 23,115	\$ -	\$ -	\$ -
U.S. government and agency obligations	721,174	-	721,174	-
	<u>744,289</u>	<u>-</u>	<u>721,174</u>	<u>-</u>
Investments restricted to Global Health Meeting Series				
U.S. government and agency obligations	601,838	-	601,838	-
Board-designated investments				
Cash and money market funds, at cost	913,800	-	-	-
Corporate bonds	2,940,403	-	2,940,403	-
U.S. government and agency obligations	1,752,306	-	1,752,306	-
Domestic equities	8,008,549	8,008,549	-	-
	<u>13,615,058</u>	<u>8,008,549</u>	<u>4,692,709</u>	<u>-</u>
	<u>\$ 14,961,185</u>	<u>\$ 8,008,549</u>	<u>\$ 6,015,721</u>	<u>\$ -</u>
Endowment investments				
Cash and money market funds, at cost	\$ 30,306	\$ -	\$ -	\$ -
Corporate bonds	107,511	-	107,511	-
U.S. government and agency obligations	64,070	-	64,070	-
Domestic equities	292,819	292,819	-	-
	<u>\$ 494,706</u>	<u>\$ 292,819</u>	<u>\$ 171,581</u>	<u>\$ -</u>

Keystone Symposia on Molecular and Cellular Biology

Notes to Financial Statements

June 30, 2020

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2019:

	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	\$ 133,931	\$ -	\$ -	\$ -
U.S. government and agency obligations	2,026,509	-	2,026,509	-
	<u>2,160,440</u>	<u>-</u>	<u>2,026,509</u>	<u>-</u>
Investments restricted to Global Health Meeting Series				
Cash and money market funds, at cost	158,881	-	-	-
U.S. government and agency obligations	518,954	-	518,954	-
	<u>677,835</u>	<u>-</u>	<u>518,954</u>	<u>-</u>
Board-designated investments				
Cash and money market funds, at cost	210,629	-	-	-
Corporate bonds	2,814,113	-	2,814,113	-
U.S. government and agency obligations	3,524,677	-	3,524,677	-
Domestic equities	8,060,372	8,060,372	-	-
	<u>14,609,791</u>	<u>8,060,372</u>	<u>6,338,790</u>	<u>-</u>
	<u>\$ 17,448,066</u>	<u>\$ 8,060,372</u>	<u>\$ 8,884,253</u>	<u>\$ -</u>
Endowment investments				
Cash and money market funds, at cost	\$ 18,457	\$ -	\$ -	\$ -
Corporate bonds	87,667	-	87,667	-
U.S. government and agency obligations	101,509	-	101,509	-
Domestic equities	253,772	253,772	-	-
	<u>\$ 461,405</u>	<u>\$ 253,772</u>	<u>\$ 189,176</u>	<u>\$ -</u>

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Within one year	\$ 1,204,991	\$ 1,127,215
In one to five years	175,000	1,386,950
	<u>1,379,991</u>	<u>2,514,165</u>
Less allowance for uncollectable promises to give	(184,000)	(90,000)
Less discount to net present value at rates averaging 5%	(8,336)	(84,728)
	<u>\$ 1,187,655</u>	<u>\$ 2,339,437</u>

Promises to give of \$1,204,991 and \$208,947 are restricted by donors for current year operations which were released to net assets without donor restrictions in accordance with Symposia's recognition policy as of June 30, 2020 and 2019, respectively.

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 188,638	\$ 188,638
Equipment	214,329	212,749
Building improvements	100,634	100,634
	<u>503,601</u>	<u>502,021</u>
Less accumulated depreciation and amortization	(367,335)	(321,446)
	<u>\$ 136,266</u>	<u>\$ 180,575</u>

Note 6 - Line of Credit

Symposia has a \$300,000 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, 2020 and 2019). Accrued interest and principal are due at maturity on April 20, 2021. 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, 2020 and 2019.

Note 7 - Refundable Advance - Paycheck Protection Program (PPP) Loan

Symposia was granted a \$532,900 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. Symposia is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. Symposia has initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and right to return of the PPP loan. Proceeds from the loan are eligible for forgiveness if they are used for certain payroll, rent, and utility expenses. No contribution revenue has been recorded for the year ended June 30, 2020. Symposia will be required to repay any remaining balance, plus interest accrued at 1 percent, in monthly payments commencing upon notification of forgiveness or partial forgiveness.

Note 8 - 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,	Capital Lease	Operating Leases
2021	\$ 21,602	\$ 235,571
2022	21,602	180,644
2023	18,002	-
Total minimum lease payments	61,206	\$ 416,215
Less amount representing interest	(3,254)	
Capital lease obligations	\$ 57,952	

Rent expense for the years ended June 30, 2020 and 2019 totaled \$241,460 and \$234,879, respectively.

In connection with its office lease, Symposia established a declining-balance irrevocable letter of credit in the amount of \$250,000 in favor of the landlord as a guaranty against early lease termination. The maximum drawable amount of the letter of credit totaled \$35,715 and \$71,428, at June 30, 2020 and 2019, respectively. The maximum drawable amount will continue to decline until it expires on December 31, 2020. No amounts were outstanding under the letter of credit for both years ended June 30, 2020 and 2019.

Note 9 - Endowment

Symposia has three endowment funds (Endowments) restricted by donors to provide support for the Diversity in Life Science program, to conduct one meeting each year on a topic related to cancer immunotherapy, and for scholarships. 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, 2020 and 2019, 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.

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, 2020 and 2019, Symposia had the following endowment net asset composition by fund:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>June 30, 2020</u>			
Original donor-restricted gift amount required to be maintained in perpetuity by donors	\$ -	\$ 462,170	\$ 462,170
Accumulated investment gains	-	32,536	32,536
	<u>\$ -</u>	<u>\$ 494,706</u>	<u>\$ 494,706</u>
<u>June 30, 2019</u>			
Original donor-restricted gift amount required to be maintained in perpetuity by donors	\$ -	\$ 432,170	\$ 432,170
Accumulated investment gains	-	29,235	29,235
	<u>\$ -</u>	<u>\$ 461,405</u>	<u>\$ 461,405</u>

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Notes to Financial Statements

June 30, 2020

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

Changes in Endowment net assets for the years ended June 30, 2020 and 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Year ended June 30, 2020</u>			
Endowment net assets, beginning of year	\$ -	\$ 461,405	\$ 461,405
Investment return, net	-	3,301	3,301
Contributions	-	30,000	30,000
Endowment net assets, end of year	\$ -	\$ 494,706	\$ 494,706
<u>Year ended June 30, 2019</u>			
Endowment net assets, beginning of year	\$ -	\$ 395,771	\$ 395,771
Investment return, net	-	28,836	28,836
Contributions	-	50,000	50,000
Appropriation of endowment assets pursuant to spending-rate policy	-	(13,202)	(13,202)
Endowment net assets, end of year	\$ -	\$ 461,405	\$ 461,405

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Notes to Financial Statements

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Note 10 - Net Assets With and Without Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2020 and 2019:

	2020	2019
Subject to the passage of time:	\$ 366,668	\$ 732,816
Subject to expenditure for specified purpose:		
Global Health Meeting Series	1,360,746	1,895,542
Diversity in Life Science program	18,224	13,771
Specific meeting support	75,758	288,682
	1,821,396	2,930,811
Endowments:		
Subject to appropriation and expenditure when a specified event occurs - restricted by donors for:		
Meeting support	29,691	26,668
Diversity in Life Science program	2,845	2,567
	32,536	29,235
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:		
Meeting support	400,000	400,000
Diversity in Life Science program	32,170	32,170
Scholarships	30,000	-
	462,170	432,170
Total endowments	494,706	461,405
	\$ 2,316,102	\$ 3,392,216

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 years ended June 30, 2020 and 2019:

	2020	2019
Expiration of time restrictions:	\$ 468,647	\$ 567,025
Satisfaction of purpose restrictions:		
Global Health Meeting Series	534,796	532,073
Diversity in Life Science program	13,772	8,776
Specific meeting support	84,699	223,725
	633,267	764,574
Restricted-purpose spending-rate distributions and appropriations:		
Meeting support	-	12,262
Diversity in Life Science program	-	940
	-	13,202
	\$ 1,101,914	\$ 1,344,801

Board-Designated Net Assets

As of June 30, 2020 and 2019, the Board of Directors has designated net assets without donor restrictions of \$8,027,568 and \$9,582,822 for the Reserve Fund, \$2,554,874 and \$1,982,668 for the Growth and Enhancement Fund, and \$3,032,616 and \$3,044,301 for the Future of Science Fund, respectively. 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 11 - Donated Materials and Professional Services

Symposia received donated materials and professional services as follows during the years ended June 30, 2020 and 2019:

	Scientific and Educational Symposia	Management and General	Total
<u>June 30, 2020</u>			
Marketing sponsorships	\$ -	\$ 306,458	\$ 306,458
Speakers' travel	94,940	-	94,940
	<u>\$ 94,940</u>	<u>\$ 306,458</u>	<u>\$ 401,398</u>
<u>June 30, 2019</u>			
Marketing sponsorships	\$ -	\$ 756,370	\$ 756,370
Speakers' travel	35,000	-	35,000
Conference space and services	164,050	-	164,050
Board of Directors' travel	444,838	-	444,838
	<u>\$ 643,888</u>	<u>\$ 756,370</u>	<u>\$ 1,400,258</u>

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

Note 12 - 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, 2020 and 2019, Symposia matched employee voluntary contributions up to 6%, resulting in contributions to the plan of \$144,287 and \$164,282, respectively.