



**Fogarty Institute for Innovation**  
**Consolidated Financial Statements**  
**December 31, 2016 and 2015**

Board of Directors and Audit Committee  
Fogarty Institute for Innovation  
Mountain View, California

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated financial statements of the Fogarty Institute for Innovation, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

Certified  
Public  
Accountants



Palo Alto  
San Francisco  
San Jose  
St. Helena

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Fogarty Institute for Innovation as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

*Frank, Rosenman & Co. LLP*

Palo Alto, California  
August 18, 2017

**Fogarty Institute for Innovation**  
**Consolidated Statements of Financial Position**

	December 31,	
	2016	2015
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 2,678,187	\$ 5,674,459
Investments	2,753,422	-
Pledges receivable	780,001	547,539
Accounts receivable	53,700	58,110
Prepaid expenses and other current assets	57,436	62,159
Total current assets	6,322,746	6,342,267
Pledges Receivable, net of current portion and discount	563,455	480,751
Interest in Charitable Remainder Trust	459,461	458,664
Property and Equipment, net	68,311	132,015
Investments in Innovation Companies	1,151,622	903,215
Deposit	14,775	14,775
Total assets	<u>\$ 8,580,370</u>	<u>\$ 8,331,687</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 46,336	\$ 22,327
Accrued expenses	156,018	220,988
Deferred revenue	30,000	70,167
Current maturities of notes payable	75,756	84,246
Total current liabilities	308,110	397,728
Notes Payable, net of current maturities	219,149	294,905
Commitments (Notes 7 and 8)		
Net Assets		
Unrestricted	5,630,671	5,673,900
Temporarily restricted	2,422,440	1,965,154
Total net assets	8,053,111	7,639,054
Total liabilities and net assets	<u>\$ 8,580,370</u>	<u>\$ 8,331,687</u>

See Notes to Consolidated Financial Statements

**Fogarty Institute for Innovation**  
**Consolidated Statements of Activities**  
**Years Ended December 31, 2016 (with Summarized Comparative Totals for 2015)**

	Unrestricted	Temporarily Restricted	Year Ended December 31, 2016 Total	Year Ended December 31, 2015 Total
<b>Public Support and Revenue</b>				
Foundation contributions	\$ 29,999	\$ 1,057,021	\$ 1,087,020	\$ 749,097
Individual and corporate contributions	512,801	297,225	810,026	828,244
In-kind contributions	158,389	-	158,389	293,893
Donated use of facilities	249,120	-	249,120	249,120
Government grants	13,026	-	13,026	126,581
Management and other fees	763,950	-	763,950	918,634
Clinical research data fees	36	-	36	89,420
Special events, net	155,268	-	155,268	80,219
Change in value of residual interest in charitable remainder trust	-	797	797	(37,578)
Investment income	258,301	-	258,301	167,916
Net assets released from restrictions	897,757	(897,757)	-	-
Total public support and revenue	3,038,647	457,286	3,495,933	3,465,546
<b>Expenses</b>				
Program services:				
Innovation/Cultivation	1,203,323	-	1,203,323	1,667,663
Clinical Research/Validation	12,322	-	12,322	389,169
Outreach/Education	658,984	-	658,984	259,941
	1,874,629	-	1,874,629	2,316,773
Support services:				
Management and general	762,811	-	762,811	758,226
Fundraising	444,436	-	444,436	537,837
Total expenses	3,081,876	-	3,081,876	3,612,836
Change in Net Assets	(43,229)	457,286	414,057	(147,290)
Net Assets, beginning of year	5,673,900	1,965,154	7,639,054	7,786,344
Net Assets, end of year	\$ 5,630,671	\$ 2,422,440	\$ 8,053,111	\$ 7,639,054

See Notes to Consolidated Financial Statements

**Fogarty Institute for Innovation**  
**Consolidated Statements of Functional Expenses**  
**Year Ended December 31, 2016 (with Summarized Comparative Totals for 2015)**

	Program Services			Support Services			Year Ended	Year Ended	
	Innovation/ Cultivation	Clinical Research/ Validation	Outreach/ Education	Total Program Services	Management and General	Fundraising	Total Support Services	December 31, 2016 Total	December 31, 2015 Total
Salaries	\$ 414,902	\$ -	\$ 393,456	\$ 808,358	\$ 328,660	\$ 210,460	\$ 539,120	\$ 1,347,478	\$ 1,672,327
Benefits	67,229	-	49,159	116,388	57,671	6,768	64,439	180,827	247,661
Payroll Taxes	19,215	-	20,262	39,477	26,541	10,486	37,027	76,504	90,988
Professional Fees	68,677	1,500	111,011	181,188	127,294	168,911	296,205	477,393	377,330
Recruiting	-	-	43	43	77,375	-	77,375	77,418	2,746
Fellowship Fees	-	-	-	-	-	-	-	-	127,305
Office Supplies	12,245	79	1,867	14,191	6,844	3,864	10,708	24,899	36,010
Grants and Contributions	155,021	-	10,000	165,021	-	-	-	165,021	207,370
Printing and Publications	2,966	83	160	3,209	1,120	4,431	5,551	8,760	5,852
Equipment Rental	13,570	785	1,959	16,314	4,712	2,756	7,468	23,782	13,712
Insurance	-	8,986	-	8,986	17,948	-	17,948	26,934	35,849
Advertising	2,833	-	1,414	4,247	4,059	12,451	16,510	20,757	13,542
Travel	126	-	1,555	1,681	-	1,416	1,416	3,097	4,993
Interest Expense	-	6	656	662	15,608	295	15,903	16,565	20,224
Depreciation and Amortization	52,874	-	-	52,874	10,830	-	10,830	63,704	66,870
Facility Use Fee	125,245	-	31,307	156,552	4	2,501	2,505	159,057	157,032
In-kind Expenses	10,489	-	16,176	26,665	30,921	-	30,921	57,586	190,762
Donated Rent Expense	184,890	-	9,767	194,657	39,545	14,918	54,463	249,120	249,120
Utilities	54,139	58	2,861	57,058	10,825	5,179	16,004	73,062	52,035
Other	18,902	825	7,331	27,058	2,854	-	2,854	29,912	41,108
<b>Total expenses</b>	<b>\$ 1,203,323</b>	<b>\$ 12,322</b>	<b>\$ 658,984</b>	<b>\$ 1,874,629</b>	<b>\$ 762,811</b>	<b>\$ 444,436</b>	<b>\$ 1,207,247</b>	<b>\$ 3,081,876</b>	<b>\$ 3,612,836</b>
<b>Percent of Expenses</b>	<b>39%</b>	<b>0%</b>	<b>22%</b>	<b>61%</b>	<b>25%</b>	<b>14%</b>	<b>39%</b>	<b>100%</b>	

See Notes to Consolidated Financial Statements

**Fogarty Institute for Innovation**  
**Consolidated Statements of Cash Flows**

	Years Ended December 31,	
	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ 414,057	\$ (147,290)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	63,704	66,870
Forgiveness of notes and interest payable	(100,803)	(103,131)
Discount on pledges receivable	26,856	(37,701)
Non-cash interest expense	16,557	20,870
Non-cash contribution of investments	(13,792)	-
Net unrealized loss on investments	316	-
Net unrealized gain on investments in innovation companies	(248,407)	(160,442)
Change in value of residual interest in charitable remainder trust	(797)	37,578
Changes in operating assets and liabilities:		
Pledges receivable	(342,022)	1,207,359
Accounts receivable	4,410	237,218
Prepaid expenses and other current assets	4,723	(17,914)
Accounts payable	24,009	(63,453)
Accrued expenses	(64,970)	(113,964)
Deferred revenue	(40,167)	(82,363)
Net cash provided by (used in) operating activities	(256,326)	843,637
Cash Flows from Investing Activities		
Purchase of investments, net of redemptions	(2,739,946)	-
Purchase of property and equipment	-	(1,426)
Deposit	-	(14,775)
Net cash used in investing activities	(2,739,946)	(16,201)
Net increase (decrease) in cash and cash equivalents	(2,996,272)	827,436
Cash and Cash Equivalents, beginning of year	5,674,459	4,847,023
Cash and Cash Equivalents, end of year	\$ 2,678,187	\$ 5,674,459

See Notes to Consolidated Financial Statements

## **Fogarty Institute for Innovation**

### **Notes to Consolidated Financial Statements**

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#### 1. Nature of Activities

The Fogarty Institute for Innovation (FII) was founded in December 2006 by Dr. Thomas J. Fogarty. The Institute is an educational nonprofit public benefit corporation dedicated to mentoring, training and inspiring the next generation of medical innovators. FII's mission is to promote medical innovation by providing support to promising innovators and researchers as they transform their creative ideas into practical solutions to improve patient care.

FII strives to create an environment that allows for the cost effective development of technology to benefit patients through the following three distinct programs, each representing a different aspect of medical technology innovation:

**Innovation/Cultivation:** This onsite program provides selected innovators and researchers with the environment and resources to nurture innovative ideas to fruition. FII provides these innovators with direct, sustained support in the form of facilities, ongoing mentoring by FII and industry leaders, and financial assistance.

**Clinical Research/Validation:** This adjunct program is operated through FII's Taft Center for Clinical Research. The program supports clinical trials by providing efficient, high quality management services to investigators, and provides opportunities for members of the community to participate in trials for innovative, cutting edge treatment options.

**Outreach/Education:** This developing program focuses on sharing FII's successful experiences through external educational activities, such as workshops and seminars, designed for a broader audience, including the public, industry, entrepreneurs, and physicians.

In January 2011, FII formed Fogarty Clinical Research Incorporated (FCRI) as a wholly owned subsidiary. FCRI is engaged in clinical research, including managing FII's clinical research program. Effective March 1, 2015, the rights and obligations of all active clinical research contracts held by FCRI were transferred to El Camino Hospital (the Hospital). The Institute does not have plans for FCRI to enter into any further clinical research contracts and FCRI has had minimal activity since June 30, 2015.



## **Fogarty Institute for Innovation**

### **Notes to Consolidated Financial Statements**

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#### 2. Significant Accounting Policies

##### *Principles of Consolidation:*

The consolidated financial statements include accounts of FII and FCRI (collectively, the Institute). All significant intercompany accounts and transactions have been eliminated in consolidation.

##### *Basis of Presentation:*

The Institute segregates its assets, liabilities and operations into three categories: unrestricted, temporarily restricted and permanently restricted. The Institute's net assets and changes therein are classified and reported as follows:

Unrestricted net assets consist of net assets for which there are no donor-imposed restrictions or such donor-imposed restrictions were temporary and expired during the current or previous years.

Temporarily restricted net assets consist of amounts receivable or received that are restricted by the donor for specific purposes or for subsequent periods. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Permanently restricted net assets consist of all amounts receivable or received from donors that are subject to restrictions requiring the funds to be maintained permanently for the purpose of producing support for the Institute. The Institute had no permanently restricted net assets as of December 31, 2016 or 2015.

##### *Revenue Recognition:*

The Institute recognizes grants, contributions and unconditional promises to give (pledges), as revenue at their fair value in the period the grant, contribution or pledge is made. All donor-restricted grants, contributions and pledges are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction as to time or use expires, temporarily restricted net assets are reclassified to unrestricted net assets. Grants and contributions to be received after one year are reflected at their present value of estimated future cash flows.

Clinical research data fees, management fees and mentoring fees are recognized as revenue as the services are performed. Any amounts received for these services not yet provided are classified as deferred revenue.

## **Fogarty Institute for Innovation**

### **Notes to Consolidated Financial Statements**

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#### 2. Significant Accounting Policies (continued)

##### *Recent Accounting Pronouncements Not Yet Effective:*

###### *Revenue Recognition:*

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*. This standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers that reflects the consideration to which the entity expects to be entitled to in exchange for those goods and services.

The standard will replace most existing revenue recognition guidance generally accepted in the United States of America. Topic 606 is effective for the Institute as of January 1, 2019, and permits the use of either a retrospective or cumulative effect transition method. The Institute has not selected a transition method and is currently evaluating the effect Topic 606 will have on its consolidated financial statements and related disclosures.

###### *Leases:*

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*. This standard requires all entities that lease assets under leases with terms of more than 12 months to capitalize the assets and related lease liabilities on the statement of financial position.

ASU 2016-02 is effective for the Institute as of January 1, 2020 and requires the use of a modified retrospective transition approach for its adoption. The Institute is currently evaluating the effect ASU 2016-02 will have in its consolidated financial statements and related disclosures. Management expects the assets leased under operating leases, similar to the leases disclosed in Note 8 to the consolidated financial statements, will be capitalized together with the related lease obligations on the consolidated statement of financial position upon the adoption of ASU 2016-02.

## Fogarty Institute for Innovation

### Notes to Consolidated Financial Statements

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#### 2. Significant Accounting Policies (continued)

##### *Recent Accounting Pronouncements Not Yet Effective: (continued)*

###### *Presentation of Financial Statements:*

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The standard impacts the financial reporting for not-for-profit organizations by reducing the number of net asset classes from three to two (“with donor restrictions” and “without donor restrictions”); requiring expenses to be reported by function and nature; and providing disclosures on the entity’s operating measures and liquidity. ASU 2016-14 is effective for the Institute as of January 1, 2018 and requires a retrospective transition approach for its adoption. The Institute is currently evaluating the impact of ASU 2016-14 on its consolidated financial statements and related disclosures.

###### *In-Kind Contributions:*

The Institute records various types of in-kind contributions including professional services, tangible assets and the use of tangible assets. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets, or the use thereof, are recognized when promised or received, whichever is earlier. The amounts reflected in the accompanying consolidated financial statements as in-kind contributions are: offset by like amounts of expenses; in the case of long-term assets, over the period benefited; or in the case of forgiveness of principal and interest, as a reduction in notes payable.

###### *Special Events:*

During 2016, the Institute recognized \$188,000 in revenue from special fundraising events, net of the cost of direct benefits to participants of \$33,000 (\$108,000 in revenue, net of \$28,000 of the cost of direct benefits to participants in 2015). Other costs related to these special events are included in fundraising expenses.

**Fogarty Institute for Innovation**  
**Notes to Consolidated Financial Statements**

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2. Significant Accounting Policies (continued)

*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, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

*Cash Equivalents:*

The Institute considers all short-term, highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At December 31, 2016 and 2015, cash equivalents consisted of money market funds.

*Concentrations of Credit Risk:*

Financial instruments that potentially subject the Institute to concentrations of credit risk consist primarily of cash and cash equivalents, receivables and investments. The Institute maintains all of its cash and cash equivalents at two commercial banks and the Institute's cash deposits have generally exceeded the federally insured limit in 2016 and 2015. The Institute's investments are maintained at one commercial bank and are insured up to \$500,000 by the Securities Investor Protection Corporation.

The Institute periodically evaluates the collectability of its pledges and accounts receivable. An allowance for uncollectible receivables, if needed, is provided based on management's judgment. Management believes all amounts are fully collectible. Accordingly, no allowance for uncollectible receivables has been provided at December 31, 2016 or 2015.

*Short-Term Investments:*

Bank certificates of deposit with remaining maturities of greater than three months and less than one year have been classified as short-term investments and are carried at fair value. Short-term investments were \$2,753,422 as of December 31, 2016 (none at 2015).

## **Fogarty Institute for Innovation**

### **Notes to Consolidated Financial Statements**

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#### 2. Significant Accounting Policies (continued)

##### *Property and Equipment:*

The Institute capitalizes property and equipment additions over \$500. Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging from five to seven years. Leasehold improvements are amortized over the shorter of the asset life or the remaining lease term.

Donations of property and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Donated long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

##### *Impairment of Long-Lived Assets:*

The Institute reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. When it is determined the carrying value of long-lived assets may not be recoverable, the Institute measures any impairment based on projected discounted cash flows using a discount rate commensurate with the risk inherent in its current operating model. To date, the Institute has not recorded an impairment of its long-lived assets as a result of this analysis.

##### *Income Taxes:*

FII has been determined to be exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3) of the Code. FII is also exempt from California income taxes under Section 23701(d) of the California Revenue and Taxation Code.

Although FII is recognized as tax exempt, it may be liable for tax on any unrelated business taxable income (UBTI). FII does not believe it has UBTI that would result in an income tax liability.

## **Fogarty Institute for Innovation**

### **Notes to Consolidated Financial Statements**

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#### 2. Significant Accounting Policies (continued)

##### *Income Taxes: (continued)*

FCRI is a for profit entity subject to federal and state taxes on its taxable income. Deferred income taxes result from the tax effect of transactions that are recognized in different periods for financial statement and income tax reporting purposes. FCRI's net deferred income tax assets at December 31, 2016 and 2015 total \$365,000 and \$220,000, respectively. The deferred income tax assets consist primarily of net operating losses that may be carried forward to offset future income tax liabilities. FCRI has federal and state net operating loss carryforwards of approximately \$503,000 and \$500,000, respectively, at December 31, 2016, which begin to expire in 2032 (\$506,000 and \$503,000, respectively, at December 31, 2015). The deferred net income tax assets are fully offset by a valuation allowance as their realization is not reasonably assured.

The Institute believes that it has appropriate support for any tax positions taken to date and, therefore, has no related income tax due for all years where the statute of limitations remains open. As a result, no provision for federal or state income taxes has been made in the accompanying consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17 (ASU 2015-17), *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes*. ASU 2015-17 simplifies the presentation of deferred income taxes by eliminating the separate classification of deferred income tax assets and liabilities into current and noncurrent amounts on the balance sheet. The standard requires that all deferred tax liabilities and assets be classified as noncurrent on the balance sheet. The Company has adopted this standard as of December 31, 2016 with no impact to the consolidated statement of financial position.

##### *Functional Expenses:*

The costs of providing the Institute's various programs and services have been summarized on a functional basis in the consolidated statements of functional expenses. Directly identifiable expenses are charged to the related program or service benefited. Indirect expenses are allocated to programs and services based principally on the percentage of personnel time spent in each area and percentage of office and lab space used.

## Fogarty Institute for Innovation Notes to Consolidated Financial Statements

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### 2. Significant Accounting Policies (continued)

#### *Fair Value Measurements:*

The Institute uses a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date. The three-level hierarchy prioritizes within the measurement of fair value, the use of market-based information over entity-specific information. Fair value focuses on an exit price and is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

The three-level hierarchy for fair value measurements is defined as follows:

**Level I:** Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

**Level II:** Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

**Level III:** Inputs to the valuation methodology, which are significant to the fair value measurement, are unobservable.

An investment's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The Institute's investments in equity securities, certificates of deposit and mutual funds are classified as Level I and investments in innovation companies are classified as Level III investments under the fair value hierarchy.

## **Fogarty Institute for Innovation**

### **Notes to Consolidated Financial Statements**

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#### 2. Significant Accounting Policies (continued)

##### *Fair Value Measurements:* (continued)

##### Level III Valuation Techniques:

One of the Institute's core programs is its Innovation program whereby the Institute offers both intellectual and physical resources to early-stage innovation companies whose ideas have significant technical merit and a high likelihood of benefiting patients. In exchange for providing these resources, the Institute receives an equity ownership position, or the right to a future equity position, upon the execution of the innovation contract with the individual company. The primary intent of the Innovation program is for the Institute to support companies from the formation stage through the receipt of outside funding, at which time companies become viable operating entities. Given the initial non-operational stage of these entities, the equity instruments issued to the Institute are deemed to have no value. Upon a company's completion of its first preferred equity financing with an institutional investment organization, the Institute will assign a fair value to its equity security position based on the market information available in connection with the financing transaction. Once a fair value has been established for an equity position, the Institute will continue to re-assess the assigned fair value at each reporting date, in accordance with generally accepted accounting principles, based on information received from the underlying company or other available data.

The Institute also has issued convertible promissory notes to these companies. The notes bear interest at rates between 5% and 12% and are due on demand at various dates through December 2019, if not converted. As of December 31, 2016, there were six notes that had previously matured and are due on demand by the Institute at any time. All of the notes automatically convert upon a qualified equity financing by the note holder. As with the equity ownership positions received by the Institute, given the initial non-operational stage of these entities the notes issued to the Institute are deemed to have no value until they are converted to equity, at which time a fair value will be assigned in accordance with the Institute's policy on equity investments. In 2016, the Institute issued \$50,000 of convertible promissory notes (\$100,000 in 2015), which are included in grants and contributions on the accompanying statements of functional expenses. Due to the assessment of the notes' fair value at zero, the Institute has not accrued any interest income on these notes as of December 31, 2016 or 2015.



**Fogarty Institute for Innovation**  
**Notes to Consolidated Financial Statements**

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3. Pledges Receivable

Pledges receivable that are not due within one year are recorded at their present value. Three pledges have been recorded at their present value calculated using a discount rate of 4% per annum (one pledge using a discount rate of 4% per annum in 2015).

The following table represents pledges receivable at December 31:

	<u>2016</u>	<u>2015</u>
Receivable in less than one year	\$ 780,001	\$ 547,539
Receivable after one year	<u>609,560</u>	<u>500,000</u>
	1,389,561	1,047,539
Less: unamortized discount to present value	<u>(46,105)</u>	<u>(19,249)</u>
Net pledges receivable	<u>\$ 1,343,456</u>	<u>\$ 1,028,290</u>

4. Investments

The following table presents the financial instruments carried at fair value as of December 31, 2016 by the three-level valuation hierarchy:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Investments in innovation companies	\$ -	\$ -	\$ 1,151,622	\$ 1,151,622
Equity securities	15,165	-	-	15,165
Certificates of deposit	2,718,367	-	-	2,718,367
Mutual funds	<u>19,890</u>	-	-	<u>19,890</u>
Total Investments	<u>\$ 2,753,422</u>	<u>\$ -</u>	<u>\$ 1,151,622</u>	<u>\$ 3,905,044</u>

There were no fair value transfers between the levels for the years ended December 31, 2016 or 2015. As of December 31, 2015, all investment were classified as Level III.

**Fogarty Institute for Innovation**  
**Notes to Consolidated Financial Statements**

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4. Investments (continued)

For Innovation Company investments within Level III of the fair value hierarchy, valued at \$1,151,600 at December 31, 2016 (\$903,200 at December 31, 2015), the methods described previously may produce a fair value measurement that may not be indicative of ultimate realizable value. Furthermore, while management believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial investments could result in a different estimate of fair value at the reporting date. Estimated fair values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and these differences could be material to the consolidated financial statements.

The table below includes a roll-forward of the amounts in the consolidated statements of financial position (including the change in fair value) for investments classified by the Institute within Level III of the fair value hierarchy.

Fair Value, December 31, 2014	\$ 742,800
Issuance of convertible promissory notes	100,000
Grants included in the consolidated statement of activities	(100,000)
Net unrealized gain included in the consolidated statement of activities	<u>160,400</u>
Fair Value, December 31, 2015	903,200
Issuance of convertible promissory notes	50,000
Grants included in the consolidated statement of activities	(50,000)
Net unrealized gain included in the consolidated statement of activities	<u>248,400</u>
Fair Value, December 31, 2016	<u>\$ 1,151,600</u>

**Fogarty Institute for Innovation**  
**Notes to Consolidated Financial Statements**

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5. Interest in Charitable Remainder Trust

The Institute is a remainder beneficiary of an irrevocable charitable remainder trust for which the Institute does not serve as the trustee. Provisions of this trust require distribution of a fixed percentage of the net fair value of the trust assets to the named beneficiaries during their lifetimes. The assets remaining after the death of the last income beneficiary becomes available for the Institute's unrestricted use. The portion of the trust attributable to the present value of the estimated future benefits to be received by the Institute was recorded as a temporarily restricted contribution and as a residual interest in irrevocable charitable remainder trust in the period the Institute received notification of its interest in the trust. The present value of the estimated future benefit of \$459,500 at December 31, 2016, was determined by the third party trustee using a discount rate of 24.4% and applicable mortality tables (\$458,700 at December 31, 2015, using a discount rate of 22.7%).

6. Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2016</u>	<u>2015</u>
Leasehold improvements	\$ 463,648	\$ 463,648
Machinery and equipment	112,621	112,621
Furniture	<u>46,005</u>	<u>46,005</u>
	622,274	622,274
Accumulated depreciation and amortization	<u>(553,963)</u>	<u>(490,259)</u>
	<u>\$ 68,311</u>	<u>\$ 132,015</u>

7. Borrowings

*Term Note:*

In April 2007, the Institute entered into a loan agreement with the El Camino Hospital Foundation that provides for borrowings of up to \$1,000,000. The Institute could borrow amounts of at least \$50,000 under the agreement, which are unsecured and bear interest at the prime rate listed in The Wall Street Journal plus 1% (4.75% as of December 31, 2016). In 2007, the Institute borrowed a total of \$547,871 under two notes. The notes accrue interest monthly at an average interest rate of 7.5% and principal and unpaid interest of \$664,436 was due on December 31, 2010.

**Fogarty Institute for Innovation**  
**Notes to Consolidated Financial Statements**

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7. Borrowings (continued)

*Term Note: (continued)*

In April 2011, the Institute entered into an alliance agreement (the Agreement) (Note 9) with El Camino Hospital (the Hospital), under which the notes were assumed and amended by the Hospital and consolidated under one note. Under the amended note, the Hospital forgave all accrued interest totaling \$122,792 and provided for ten annual principal installments plus accrued interest commencing in April 2012. Further, the Hospital will forgive the annual payment of principal and interest each April as long as the Institute remains a nonprofit public benefit corporation and is in compliance with its obligations under the Agreement. In 2016, the Hospital forgave principal and interest payments of \$69,000 (\$71,000 in 2015). At December 31, 2016, the Institute owed \$274,000 under the note (\$328,900 at December 31, 2015).

*Tenant Improvement Note:*

In October 2007, the Institute entered into an agreement with the Hospital to lease its facilities. Under the lease, the Institute entered into a 7% note with the Hospital to finance tenant improvements of \$230,000. The note is due in monthly principal and interest payments of \$2,673 through August 2017. The note was amended in June 2009 to reduce the monthly rent, forgive principal of \$32,400, and waive monthly principal payments through June 2010. In June 2010, the note was further amended to forgive interest expense of \$11,000 and waive the monthly payments through July 2011.

In connection with the Agreement, the Hospital amended the note to forgive all waived principal and interest payments through March 2011. In addition, the Hospital agreed to forgive principal and interest payments for each month the Agreement remains in effect. As a result, the Hospital forgave principal and interest payments of \$32,000 in 2016 (\$32,000 in 2015). At December 31, 2016, the Institute owed \$21,000 under the tenant improvement note (\$50,000 at December 31, 2015).

Future minimum payments for notes payable are as follows for years ending December 31:

2017	\$	75,800
2018		54,800
2019		54,800
2020		54,800
2021		<u>54,800</u>
Total	\$	<u>295,000</u>

## Fogarty Institute for Innovation

### Notes to Consolidated Financial Statements

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#### 8. Leases

The Institute leases its facilities under two non-cancelable operating lease agreements with the Hospital for annual rent totaling \$24. The leases, both originally scheduled to expire in 2017, require the Institute to pay certain common area expenses. In November 2016, the term of these leases was extended through August 2022.

The Institute has estimated the fair value of these favorable leases to be \$249,000 in 2016 (\$249,000 in 2015), which has been recorded as donated use of facilities revenue and donated rent expense in the consolidated statements of activities.

In March 2013, the Institute entered into a third operating lease with the Hospital for a right to use a facility through April 2016. The lease may be terminated upon 60 days' written notice of each anniversary. Total facility use fee paid during 2016 was \$155,000 (\$157,000 in 2015). The lease was amended in April 2016 to extend the term through April 30, 2018.

Future minimum facility use payments are as follows for years ending December 31:

2017	\$	160,000
2018		40,000
2018 (optional)		<u>13,000</u>
Total	\$	<u>213,000</u>

#### 9. Alliance and Services Agreements

In April 2011, the Institute and Hospital entered into an Alliance Agreement to formalize the entities' strategic alliance to: 1) foster relations between the Institute and the Hospital's physicians and medical staff who contribute innovations to patients, 2) further clinical research of technologies developed at the Institute, 3) assist the Hospital in attracting and retaining exceptional physicians, and 4) provide high quality, state-of-the-art health care to patients and the community.

As part of the Alliance Agreement, the Hospital had retained FCRI to manage its clinical research program under a services agreement through July 1, 2015, upon which date the Services Agreement was terminated. The Institute received no management fees under the services agreement in 2016 (\$315,000 in 2015).

**Fogarty Institute for Innovation**  
**Notes to Consolidated Financial Statements**

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10. Employee Retirement Plan

The Institute has a 401(k) plan for all employees. Each eligible employee may elect to contribute to the plan, and the Institute may make discretionary matching contributions of up to 6% of employee contributions. The Institute made matching contributions of \$41,000 in 2016 (\$63,000 in 2015).

11. Net Assets

Temporarily restricted net assets are restricted by donors for the purposes and periods described below. Temporarily restricted net assets consist of the following at December 31:

	<u>2016</u>	<u>2015</u>
Pledges receivable (time and purpose restrictions)	\$ 1,343,456	\$ 1,028,290
Program services (purpose restrictions)	619,523	478,200
Interest in charitable remainder trust (time restriction)	<u>459,461</u>	<u>458,664</u>
	<u>\$ 2,422,440</u>	<u>\$ 1,965,154</u>

12. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors, including the passage of time. Net assets were released from restrictions as follows in the years ended December 31:

	<u>2016</u>	<u>2015</u>
Pledges receivable (time and purpose restrictions)	\$ 715,100	\$ 1,728,751
Program services (time and purpose restrictions)	<u>182,657</u>	<u>458,690</u>
	<u>\$ 897,757</u>	<u>\$ 2,187,441</u>

**Fogarty Institute for Innovation**  
**Notes to Consolidated Financial Statements**

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13. Public Support and Revenue

The Institute had two major donors in 2016 that accounted for 44% of public support and revenue in 2016 (two major donors that accounted for 29% of public support and revenue in 2015). There were \$755,000 of pledges receivable outstanding at December 31, 2016 from one of these major donors (no pledges receivable outstanding from the major donors as of December 31, 2015). Major donors are defined as those contributing over 10% of the Institute's annual support and revenue.

The Institute earned no clinical research management fees and received donated use of facilities revenue of \$249,000 from the Hospital in 2016 (\$315,000 of clinical research management fees and \$249,000 of donated use of facilities revenue in 2015).

14. Related Party Transactions

The Institute received contributions from members of the Board of Directors and management of \$106,000 in 2016 (\$80,000 in 2015). Amounts due from members of the Board of Directors and management were \$35,000 at December 31, 2016 (\$15,000 at December 31, 2015).

15. Subsequent Events

Subsequent events have been evaluated through the date of the independent auditors' report, which is the date the consolidated financial statements were approved by the Institute and available to be issued.

Form **990**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

**2016**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**A For the 2016 calendar year, or tax year beginning and ending**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization FOGARTY INSTITUTE FOR INNOVATION Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2490 HOSPITAL DRIVE 310 City or town, state or province, country, and ZIP or foreign postal code MOUNTAIN VIEW, CA 94040 <b>F</b> Name and address of principal officer: ANN FYFE SAME AS C ABOVE	<b>D</b> Employer identification number 11-3800306 <b>E</b> Telephone number (650) 962-4464 <b>G</b> Gross receipts \$ 2,970,457. <b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ WWW.FOGARTYINSTITUTE.ORG		
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
<b>L</b> Year of formation: 2006		<b>M</b> State of legal domicile: CA

**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: <b>THE FOGARTY INSTITUTE FOR INNOVATION IS DEDICATED TO FINDING NEW WAYS TO TREAT ILLNESSES AND</b> 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a) ..... <b>3</b> <span style="float:right"><b>6</b></span> 4 Number of independent voting members of the governing body (Part VI, line 1b) ..... <b>4</b> <span style="float:right"><b>5</b></span> 5 Total number of individuals employed in calendar year 2016 (Part V, line 2a) ..... <b>5</b> <span style="float:right"><b>19</b></span> 6 Total number of volunteers (estimate if necessary) ..... <b>6</b> <span style="float:right"><b>20</b></span> 7a Total unrelated business revenue from Part VIII, column (C), line 12 ..... <b>7a</b> <span style="float:right"><b>0.</b></span> b Net unrelated business taxable income from Form 990-T, line 34 ..... <b>7b</b> <span style="float:right"><b>0.</b></span>	
<b>Revenue</b>	8 Contributions and grants (Part VIII, line 1h) ..... <b>2,150,170.</b> <span style="float:right"><b>Prior Year</b></span> 9 Program service revenue (Part VIII, line 2g) ..... <b>918,634.</b> <span style="float:right"><b>Current Year</b></span> 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) ..... <b>6,394.</b> <span style="float:right"><b>2,188,766.</b></span> 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) ..... <b>-13,778.</b> <span style="float:right"><b>763,950.</b></span> 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) ..... <b>3,061,420.</b> <span style="float:right"><b>7,641.</b></span> 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) ..... <b>207,370.</b> <span style="float:right"><b>-22,622.</b></span> 14 Benefits paid to or for members (Part IX, column (A), line 4) ..... <b>0.</b> <span style="float:right"><b>3,061,420.</b></span> 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) ..... <b>1,733,260.</b> <span style="float:right"><b>2,937,735.</b></span> 16a Professional fundraising fees (Part IX, column (A), line 11e) ..... <b>0.</b> <span style="float:right"><b>165,021.</b></span> b Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>429,518.</b> <span style="float:right"><b>0.</b></span> 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) ..... <b>1,435,103.</b> <span style="float:right"><b>1,604,809.</b></span> 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) ..... <b>3,375,733.</b> <span style="float:right"><b>993,020.</b></span> 19 Revenue less expenses. Subtract line 18 from line 12 ..... <b>-314,313.</b> <span style="float:right"><b>2,762,850.</b></span>	
<b>Expenses</b>	20 Total assets (Part X, line 16) ..... <b>8,350,031.</b> <span style="float:right"><b>Beginning of Current Year</b></span> 21 Total liabilities (Part X, line 26) ..... <b>710,977.</b> <span style="float:right"><b>End of Year</b></span> 22 Net assets or fund balances. Subtract line 21 from line 20 ..... <b>7,639,054.</b> <span style="float:right"><b>8,578,033.</b></span> <span style="float:right"><b>710,977.</b></span> <span style="float:right"><b>524,922.</b></span> <span style="float:right"><b>7,639,054.</b></span> <span style="float:right"><b>8,053,111.</b></span>	

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <b>STARR MCNAMARA, CFO</b> Type or print name and title	Date _____		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>LYNDA R. BOMAN, CPA</b>	Preparer's signature _____	Date <b>02/23/18</b>	Check <input type="checkbox"/> if self-employed PTIN <b>P00135429</b>
	Firm's name ▶ <b>BOMAN ACCOUNTING GROUP, INC.</b>	Firm's EIN ▶ <b>26-3939360</b>		
	Firm's address ▶ <b>20 UNION AVENUE CAMPBELL, CA 95008</b>	Phone no. (408) 866-2004		

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No



Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: THE FOGARTY INSTITUTE FOR INNOVATION IS DEDICATED TO FINDING NEW WAYS TO TREAT ILLNESSES AND IMPROVE THE WELL-BEING OF PATIENTS THROUGH THE PRACTICAL APPLICATION OF INNOVATIVE IDEAS AND THE EDUCATION AND MENTORING OF MEDICAL INNOVATORS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 1,007,944. including grants of \$ 165,021.) (Revenue \$ 763,950.) INNOVATION PROGRAM - FOR DECADES, THE UNITED STATES HAS BENEFITED FROM BEING HOME TO THE PRE-EMINENT MEDICAL INNOVATION ECOSYSTEM IN THE WORLD. THIS HAS ENSURED SUCCESS TO CUTTING-EDGE TREATMENT OPTIONS FOR THE NATION'S CITIZENS, HAS FUELED THE ECONOMY BY BEING A MAJOR DRIVER OF SMALL BUSINESS AND JOB CREATION, AND HAS REPRESENTED A SIGNIFICANT AND CRITICAL COMPONENT OF THE NATION'S OVERALL GLOBAL TECHNOLOGICAL LEADERSHIP. THE ULTIMATE GOAL OF THE 501(C)(3) NON-PROFIT FOGARTY INSTITUTE FOR INNOVATION IS TO SUPPORT MEDICAL INNOVATION TO BENEFIT PATIENTS. AS A NECESSARY CONSEQUENCE OF THIS EFFORT, THE INSTITUTE ADDRESSES THE FACTORS THREATENING THE NATION'S MEDICAL INNOVATION ECOSYSTEM HEAD-ON.

4b (Code: ) (Expenses \$ 633,041. including grants of \$ ) (Revenue \$ ) EDUCATION PROGRAM - THROUGH ITS EDUCATION PROGRAM, THE FOGARTY INSTITUTE MAKES ITS UNIQUE MENTORING CAPABILITY AVAILABLE TO A MUCH LARGER AUDIENCE THAN IS POSSIBLE WITH THE INNOVATION SUPPORT PROGRAM BY PROVIDING WORKSHOPS, SEMINARS AND INTERNSHIPS TO INTERESTED MEMBERS OF THE MEDICAL INNOVATION, CLINICIAN, AND ENTREPRENEUR COMMUNITIES. IN THIS WAY, WE HOPE TO NOT ONLY SUPPORT ACTIVE INNOVATORS, BUT ALSO INSPIRE THE NEXT GENERATION OF MEDICAL INNOVATORS - SUCH AS COLLEGE AND HIGH SCHOOL STUDENTS - WHO MAY BE CONSIDERING A CAREER IN MEDICAL INNOVATION.

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 1,640,985.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	X	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		X
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		X
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		X
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		X
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....		X
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		X
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	X	
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....	X	
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....		X
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....	X	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....		X
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....		X
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....	X	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		X
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		X
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		X
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		X
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		X
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....	X	
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....		X
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....		
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....	X	
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....	X	
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....	X	
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....	X	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....	X	
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? .....	X	

**Note.** All Form 990 filers are required to complete Schedule O .....

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Input box for Schedule O

Main table with columns for question number, description, and Yes/No checkboxes. Includes rows 1a-14b with various tax-related questions.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?		X
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	The governing body?	X	
<b>8b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>10b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>13</b>	Did the organization have a written whistleblower policy?	X	
<b>14</b>	Did the organization have a written document retention and destruction policy?	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>15b</b>	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>16b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **CA**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **STARR MCNAMARA - (650) 962-4464**  
**2490 HOSPITAL DRIVE, SUITE 310, MOUNTAIN VIEW, CA 94040**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) THOMAS M. KRUMMEL, M.D. CHAIRMAN	2.00	X					68,750.	0.	0.	
(2) FREDERICK ST. GOAR, M.D. VICE CHAIRMAN	2.00	X					0.	0.	0.	
(3) LEWIS WEXLER, M.D. SECRETARY	2.00	X					0.	0.	0.	
(4) J. CASEY MCGLYNN, J.D. DIRECTOR	2.00	X					0.	0.	0.	
(5) ALLAN R. WILL DIRECTOR	2.00	X					0.	0.	0.	
(6) ANDREW CLEELAND DIRECTOR	2.00	X					0.	0.	0.	
(7) ANN FYFE CHIEF EXECUTIVE OFFICER (1/1/16 - 4/	40.00			X			490,109.	0.	46,566.	
(8) STARR MCNAMARA CHIEF FINANCIAL OFFICER	40.00			X			179,299.	0.	21,283.	
(9) MICHAEL C. NEEDELS, PH.D CHIEF OPERATING OFFICER	40.00			X			256,240.	0.	47,827.	
(10) KERMIT POPE EXECUTIVE DIRECTOR, MENTOR	40.00				X		257,450.	0.	43,017.	
(11) RITA WEDELL EXECUTIVE ADMINISTRATOR	40.00					X	113,517.	0.	22,768.	

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>1b Sub-total</b>							1,365,365.	0.	181,461.	
<b>c Total from continuation sheets to Part VII, Section A</b>							0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b>							1,365,365.	0.	181,461.	

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **5**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>				
	<b>b</b> Membership dues .....	<b>1b</b>				
	<b>c</b> Fundraising events .....	<b>1c</b> 177,890.				
	<b>d</b> Related organizations .....	<b>1d</b>				
	<b>e</b> Government grants (contributions) .....	<b>1e</b> 13,027.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b> 1,997,849.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ .....	100,803.				
	<b>h Total.</b> Add lines 1a-1f .....	▶ 2,188,766.				
	<b>Program Service Revenue</b>	<b>2 a</b> INNOVATION SUPPORT .....	<b>Business Code</b> 900099	761,450.	761,450.	
<b>b</b> OTHER .....		900099	2,500.	2,500.		
<b>c</b> .....						
<b>d</b> .....						
<b>e</b> .....						
<b>f</b> All other program service revenue .....						
<b>g Total.</b> Add lines 2a-2f .....		▶ 763,950.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....	▶ 7,641.			7,641.	
	<b>4</b> Income from investment of tax-exempt bond proceeds .....	▶				
	<b>5</b> Royalties .....	▶				
	<b>6 a</b> Gross rents .....	(i) Real				
		(ii) Personal				
		<b>b</b> Less: rental expenses .....				
		<b>c</b> Rental income or (loss) .....				
	<b>d</b> Net rental income or (loss) .....	▶				
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	(i) Securities				
		(ii) Other				
		<b>b</b> Less: cost or other basis and sales expenses .....				
		<b>c</b> Gain or (loss) .....				
	<b>d</b> Net gain or (loss) .....	▶				
	<b>8 a</b> Gross income from fundraising events (not including \$ 177,890. of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b> 10,100.				
		<b>b</b> Less: direct expenses .....	<b>b</b> 32,722.			
<b>c</b> Net income or (loss) from fundraising events .....		▶ -22,622.			-22,622.	
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>a</b>					
	<b>b</b> Less: direct expenses .....	<b>b</b>				
	<b>c</b> Net income or (loss) from gaming activities .....	▶				
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>					
	<b>b</b> Less: cost of goods sold .....	<b>b</b>				
	<b>c</b> Net income or (loss) from sales of inventory .....	▶				
<b>Miscellaneous Revenue</b>		<b>Business Code</b>				
<b>11</b>	<b>a</b> .....					
	<b>b</b> .....					
	<b>c</b> .....					
	<b>d</b> All other revenue .....					
	<b>e Total.</b> Add lines 11a-11d .....	▶				
<b>12 Total revenue.</b> See instructions. .....	▶ 2,937,735.	763,950.	0.	-14,981.		



**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	165,021.	165,021.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,185,806.	646,686.	328,660.	210,460.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	161,672.	161,672.		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	180,827.	116,388.	57,671.	6,768.
10 Payroll taxes	76,504.	39,477.	26,541.	10,486.
11 Fees for services (non-employees):				
a Management	412,243.	179,688.	63,644.	168,911.
b Legal				
c Accounting	63,650.		63,650.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion	20,757.	4,247.	4,059.	12,451.
13 Office expenses	24,820.	14,112.	6,844.	3,864.
14 Information technology				
15 Royalties				
16 Occupancy	232,061.	213,552.	10,829.	7,680.
17 Travel	3,097.	1,681.		1,416.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	16,559.	656.	15,608.	295.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	63,704.	52,874.	10,830.	
23 Insurance	17,948.		17,948.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a RECRUITING	77,418.	43.	77,375.	
b OTHER	29,089.	26,233.	2,856.	
c EQUIPMENT RENTAL	22,997.	15,529.	4,712.	2,756.
d PRINTING AND PUBLICATIO	8,677.	3,126.	1,120.	4,431.
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	2,762,850.	1,640,985.	692,347.	429,518.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments .....	4,957,951.	<b>2</b>	4,699,760.
	<b>3</b> Pledges and grants receivable, net .....	1,028,290.	<b>3</b>	1,343,456.
	<b>4</b> Accounts receivable, net .....	52,954.	<b>4</b>	53,700.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges .....	57,644.	<b>9</b>	52,965.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 622,274.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 553,963.	132,015.	<b>10c</b> 68,311.
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	1,647,738.	<b>12</b>	1,885,605.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	473,439.	<b>15</b>	474,236.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	8,350,031.	<b>16</b>	8,578,033.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	261,659.	<b>17</b>	200,017.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....	70,167.	<b>19</b>	30,000.
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....	379,151.	<b>24</b>	294,905.
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....		<b>25</b>	
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	710,977.	<b>26</b>	524,922.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	5,673,900.	<b>27</b>	5,630,671.
	<b>28</b> Temporarily restricted net assets .....	1,965,154.	<b>28</b>	2,422,440.
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
<b>33</b> Total net assets or fund balances .....	7,639,054.	<b>33</b>	8,053,111.	
<b>34</b> Total liabilities and net assets/fund balances .....	8,350,031.	<b>34</b>	8,578,033.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,937,735.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,762,850.
3	Revenue less expenses. Subtract line 2 from line 1	3	174,885.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	7,639,054.
5	Net unrealized gains (losses) on investments	5	248,915.
6	Donated services and use of facilities	6	306,706.
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-316,449.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	8,053,111.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form 990 (2016)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.  
▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

**Open to Public Inspection**

Name of the organization **FOGARTY INSTITUTE FOR INNOVATION** Employer identification number **11-3800306**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
  - f Enter the number of supported organizations \_\_\_\_\_
  - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
<b>Total</b>						

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	3473637.	2116043.	3546392.	1901050.	2188766.	13225888.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...	249,000.	249,120.	262,000.	249,120.	249,120.	1258360.
<b>4 Total.</b> Add lines 1 through 3 .....	3722637.	2365163.	3808392.	2150170.	2437886.	14484248.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						4414958.
<b>6 Public support.</b> Subtract line 5 from line 4.						10069290.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
<b>7</b> Amounts from line 4 .....	3722637.	2365163.	3808392.	2150170.	2437886.	14484248.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...	50,127.	73,132.	4,511.	6,394.	7,641.	141,805.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on ...						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						14626053.

**12** Gross receipts from related activities, etc. (see instructions) ..... **12**

**13 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** .....

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	68.84 %
<b>15</b> Public support percentage from 2015 Schedule A, Part II, line 14 .....	<b>15</b>	74.10 %

**16a 33 1/3% support test - 2016.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization .....

**b 33 1/3% support test - 2015.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization .....

**17a 10% -facts-and-circumstances test - 2016.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....

**b 10% -facts-and-circumstances test - 2015.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....

**18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2015 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2015 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2016.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2015.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	Yes	No
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		



**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

<b>Section D - Distributions</b>	<b>Current Year</b>
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions	
<b>7 Total annual distributions.</b> Add lines 1 through 6	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions	
<b>9</b> Distributable amount for 2016 from Section C, line 6	
<b>10</b> Line 8 amount divided by Line 9 amount	

<b>Section E - Distribution Allocations (see instructions)</b>	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2016</b>	<b>(iii) Distributable Amount for 2016</b>
<b>1</b> Distributable amount for 2016 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2016 (reasonable cause required- explain in Part VI). See instructions			
<b>3</b> Excess distributions carryover, if any, to 2016:			
<b>a</b>			
<b>b</b>			
<b>c</b> From 2013			
<b>d</b> From 2014			
<b>e</b> From 2015			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2016 distributable amount			
<b>i</b> Carryover from 2011 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2016 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2016 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4			
<b>5</b> Remaining underdistributions for years prior to 2016, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions			
<b>6</b> Remaining underdistributions for 2016. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions			
<b>7 Excess distributions carryover to 2017.</b> Add lines 3j and 4c			
<b>8</b> Breakdown of line 7:			
<b>a</b>			
<b>b</b> Excess from 2013			
<b>c</b> Excess from 2014			
<b>d</b> Excess from 2015			
<b>e</b> Excess from 2016			

Schedule A (Form 990 or 990-EZ) 2016

**Part VI** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Horizontal lines for supplemental information input.

Public Copy

**Schedule B**

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Name of the organization

FOGARTY INSTITUTE FOR INNOVATION

Employer identification number

11-3800306

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization <b>FOGARTY INSTITUTE FOR INNOVATION</b>	Employer identification number <b>11-3800306</b>
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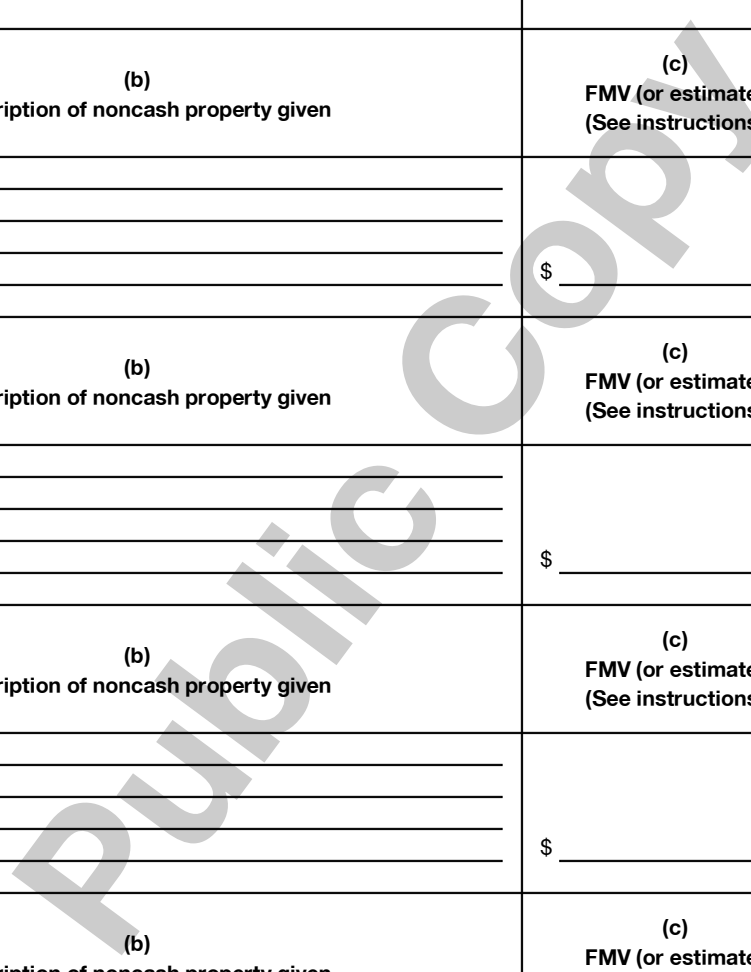
**Part I Contributors** (See instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/> <hr/>	\$ 500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/> <hr/>	\$ 1,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	<hr/> <hr/> <hr/> <hr/>	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization  <b>FOGARTY INSTITUTE FOR INNOVATION</b>	Employer identification number  <b>11-3800306</b>
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**Part II Noncash Property** (See instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____



Name of organization <b>FOGARTY INSTITUTE FOR INNOVATION</b>	Employer identification number <b>11-3800306</b>
---	---

**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**  
▶ **Attach to Form 990.**

▶ **Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No. 1545-0047

**2016**

**Open to Public Inspection**

**Name of the organization** **FOGARTY INSTITUTE FOR INNOVATION** **Employer identification number** **11-3800306**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education)  Preservation of a historically important land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 .....

(ii) Assets included in Form 990, Part X .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 .....

b Assets included in Form 990, Part X .....

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2016



**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Temporarily restricted endowment  \_\_\_\_\_ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		463,648.	429,422.	34,226.
c Leasehold improvements				
d Equipment		112,620.	97,421.	15,199.
e Other		46,006.	27,120.	18,886.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				68,311.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....	1,885,605.	END-OF-YEAR MARKET VALUE
(3) Other .....		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	1,885,605.	

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) INTEREST IN CHARITABLE REMAINDER TRUST	459,461.
(2) DEPOSIT	14,775.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	474,236.

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	3,483,613.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a	248,915.	
b	Donated services and use of facilities	2b	306,706.	
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d	-9,743.	
e	Add lines 2a through 2d	2e		545,878.
3	Subtract line 2e from line 1	3		2,937,735.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c		0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5		2,937,735.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	3,069,556.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a	306,706.	
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e		306,706.
3	Subtract line 2e from line 1	3		2,762,850.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c		0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5		2,762,850.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X, LINE 2:**

THE INSTITUTE BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN TO DATE AND, THEREFORE, HAS NO RELATED INCOME TAX DUE FOR ALL YEARS WHERE THE STATUTE OF LIMITATIONS REMAINS OPEN. AS A RESULT, NO PROVISION FOR FEDERAL OR STATE INCOME TAXES HAS BEEN MADE IN THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS.

**PART XI, LINE 2D - OTHER ADJUSTMENTS:**

SUBSIDIARY INCOME	-10,540.
CHANGE IN VALUE - CHARITABLE REMAINDER TRUST	797.
TOTAL TO SCHEDULE D, PART XI, LINE 2D	-9,743.



**SCHEDULE G**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information Regarding Fundraising or Gaming Activities**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.  
**▶ Attach to Form 990 or Form 990-EZ.**  
**▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No. 1545-0047

**2016**

Open to Public Inspection

Name of the organization **FOGARTY INSTITUTE FOR INNOVATION** Employer identification number **11-3800306**

**Part I Fundraising Activities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a  Mail solicitations
  - b  Internet and email solicitations
  - c  Phone solicitations
  - d  In-person solicitations
  - e  Solicitation of non-government grants
  - f  Solicitation of government grants
  - g  Special fundraising events
- 2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees, or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?  Yes  No
- b** If "Yes," list the 10 highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
<b>Total</b> .....						

- 3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.
- 
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**Part II Fundraising Events.** Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		WINE WITH HEART		NONE	
		(event type)	(event type)	(total number)	
Revenue	1	Gross receipts	187,990.		187,990.
	2	Less: Contributions	177,890.		177,890.
	3	Gross income (line 1 minus line 2)	10,100.		10,100.
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs	2,500.		2,500.
	7	Food and beverages	24,206.		24,206.
	8	Entertainment			
	9	Other direct expenses	6,016.		6,016.
	10	Direct expense summary. Add lines 4 through 9 in column (d)			32,722.
	11	Net income summary. Subtract line 10 from line 3, column (d)			-22,622.

**Part III Gaming.** Complete if the organization answered "Yes" on Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1	Gross revenue			
Direct Expenses	2	Cash prizes			
	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
	7	Direct expense summary. Add lines 2 through 5 in column (d)			
	8	Net gaming income summary. Subtract line 7 from line 1, column (d)			

9 Enter the state(s) in which the organization conducts gaming activities: \_\_\_\_\_  
 a Is the organization licensed to conduct gaming activities in each of these states?  Yes  No  
 b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year?  Yes  No  
 b If "Yes," explain: \_\_\_\_\_

- 11** Does the organization conduct gaming activities with nonmembers?  Yes  No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No
- 13** Indicate the percentage of gaming activity conducted in:
- |                                      |            |   |
|--------------------------------------|------------|---|
| <b>a</b> The organization's facility | <b>13a</b> | % |
| <b>b</b> An outside facility         | <b>13b</b> | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No
- b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_
- c** If "Yes," enter name and address of the third party:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

**16** Gaming manager information:

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

\_\_\_\_\_

Director/officer       Employee       Independent contractor

**17** Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Part IV** Supplemental Information *(continued)*

Multiple horizontal lines for supplemental information.

Public Copy



**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Open to Public  
Inspection

Name of the organization **FOGARTY INSTITUTE FOR INNOVATION** Employer identification number **11-3800306**

**Part I General Information on Grants and Assistance**

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
MADORRA LLC 4640 SW MACADAM AVENUE SUITE 200F PORTLAND, OR 97239	46-5745929		50,000.	0.			RESEARCH AND DEVELOPMENT
MARZ MEDICAL INC. 2500 HOSPITAL DRIVE, BUILDING 9, SU MOUNTAIN VIEW, CA 94040	46-2865546		50,000.	0.			RESEARCH AND DEVELOPMENT
LYMPHAXIS INC P.O. BOX 60487 PALO ALTO, CA 94306			10,021.	0.			RESEARCH AND DEVELOPMENT
STANFORD UNIVERSITY 450 SERRA MALL STANFORD, CA 94305			10,000.	0.			EDUCATIONAL SYMPOSIUM
INPRESS TECHNOLOGIES 1404 BROAD STREET SAN LUIS OPISPO, CA 93401			45,000.	0.			RESEARCH AND DEVELOPMENT

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶ 1.
- 3 Enter total number of other organizations listed in the line 1 table ▶ 4.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2016)

**Part III Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance

**Part IV Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

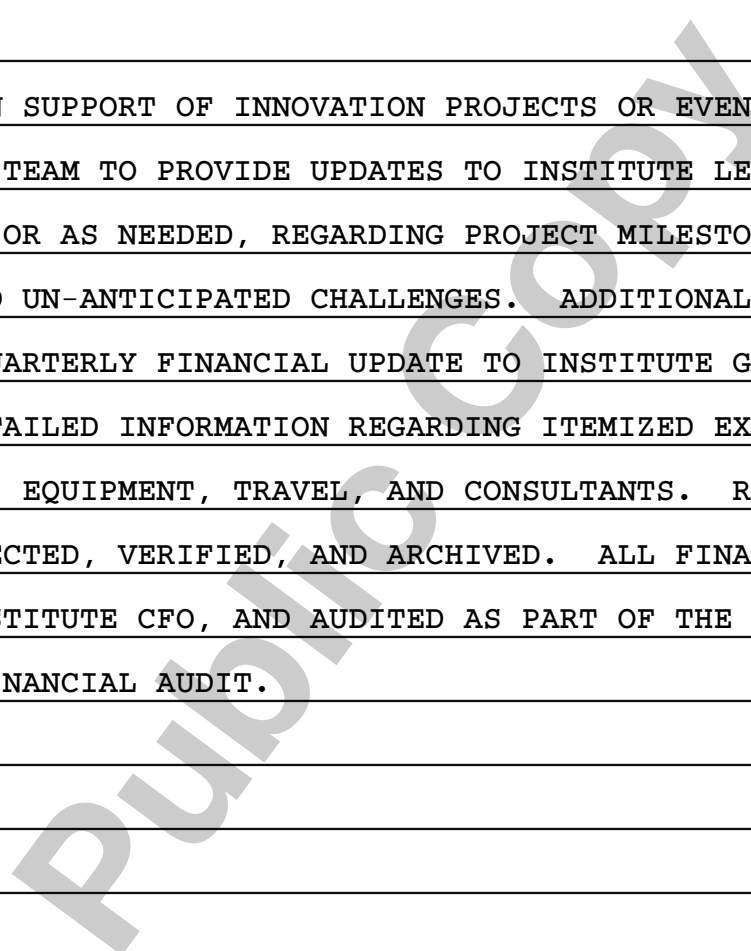
PART I, LINE 2:

THROUGH ITS ON-LINE APPLICATION PROCESS, AND RIGOROUS PHYSICIAN-DRIVEN REVIEW PROCESS, THE FOGARTY INSTITUTE SELECTS THE VERY BEST MEDICAL INNOVATIONS - THOSE HAVING THE GREATEST POTENTIAL TO BENEFIT PATIENTS. APPLICATIONS FOR SUPPORT COME FROM A BROAD CANDIDATE POOL THAT INCLUDES PHYSICIANS, STUDENTS, ENGINEERS, NURSES, AND ENTREPRENEURS. ONCE THEY BEGIN THEIR RESIDENCE AT THE INSTITUTE, INNOVATORS MEET REGULARLY - TYPICALLY TWICE PER MONTH - WITH A DESIGNATED INSTITUTE POINT-OF-CONTACT TO REVIEW PROGRESS TOWARDS AGREED UPON MILESTONES. ADDITIONALLY, INNOVATORS REPORT TO

**Part IV** Supplemental Information

THE FULL INSTITUTE LEADERSHIP, INCLUDING MEMBERS OF THE BOARD OF DIRECTORS, AFTER RESIDING AT THE INSTITUTE 6 AND 12 MONTHS. IN THESE WAYS, INNOVATOR PROGRESS AND USE OF GRANT FUNDS ARE CONSTANTLY MONITORED. IF PROGRESS WITHIN A REASONABLE AMOUNT OF TIME IS DEEMED INADEQUATE, OR USE OF FUNDS INAPPROPRIATE, THE SUPPORTED PROGRAM IS TERMINATED, AND FUNDS AND RESOURCES ARE RE-DIRECTED.

GRANTS PROVIDED IN SUPPORT OF INNOVATION PROJECTS OR EVENTS REQUIRE THE INNOVATOR PROJECT TEAM TO PROVIDE UPDATES TO INSTITUTE LEADERSHIP APPROX. ONCE PER QUARTER, OR AS NEEDED, REGARDING PROJECT MILESTONES, DEVIATIONS FROM TIMELINE, AND UN-ANTICIPATED CHALLENGES. ADDITIONALLY, THE PROJECT TEAM PROVIDES A QUARTERLY FINANCIAL UPDATE TO INSTITUTE GRANT ACCOUNTING PERSONNEL WITH DETAILED INFORMATION REGARDING ITEMIZED EXPENSES FOR PAYROLL, SUPPLIES, EQUIPMENT, TRAVEL, AND CONSULTANTS. RECEIPTS FOR EXPENSES ARE COLLECTED, VERIFIED, AND ARCHIVED. ALL FINANCIAL RECORDS ARE CHECKED BY THE INSTITUTE CFO, AND AUDITED AS PART OF THE INSTITUTE'S REQUIRED ANNUAL FINANCIAL AUDIT.



**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2016**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

**FOGARTY INSTITUTE FOR INNOVATION**

Employer identification number

**11-3800306**

**Part I Questions Regarding Compensation**

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use    |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence    |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees      |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input type="checkbox"/> Compensation committee                     | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant        | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

**6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

**7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>	X	
<b>4b</b>		X
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X
<b>9</b>		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2016

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) ANN FYFE	(i)	423,609.	66,500.	0.	6,911.	39,655.	536,675.	0.
CHIEF EXECUTIVE OFFICER (1/1/16 - 4/	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) STARR MCNAMARA	(i)	170,799.	8,500.	0.	8,827.	12,456.	200,582.	0.
CHIEF FINANCIAL OFFICER	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) MICHAEL C. NEEDELS, PH.D	(i)	243,740.	12,500.	0.	0.	47,827.	304,067.	0.
CHIEF OPERATING OFFICER	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) KERMIT POPE	(i)	244,950.	12,500.	0.	15,000.	28,017.	300,467.	0.
EXECUTIVE DIRECTOR, MENTOR	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

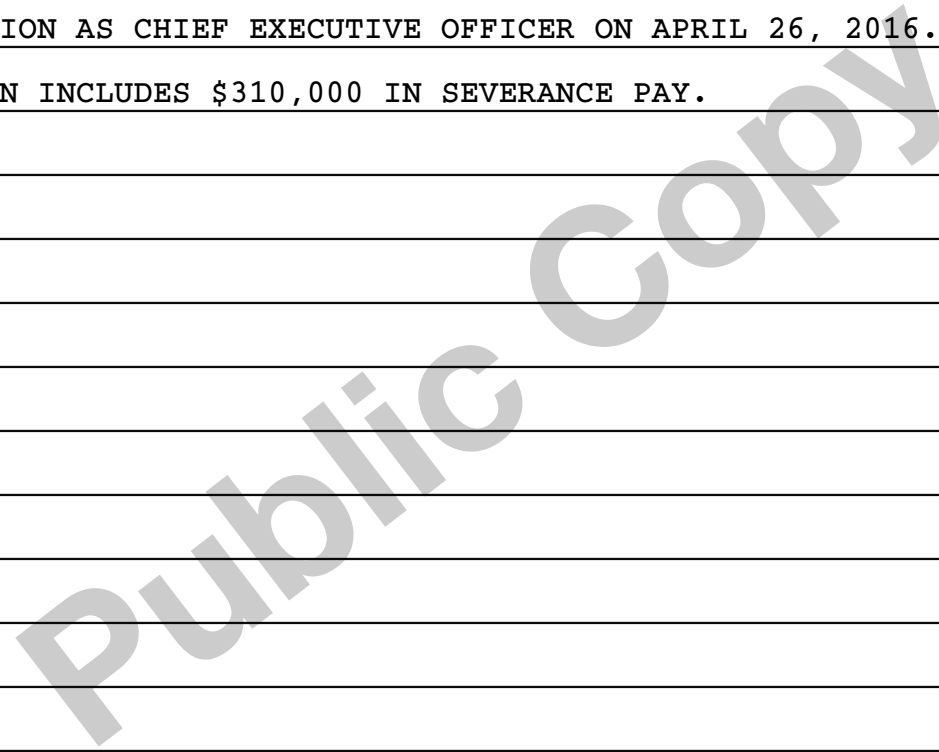
**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 4A:

ANN FYFE VACATED HER POSITION AS CHIEF EXECUTIVE OFFICER ON APRIL 26, 2016.

HER REPORTABLE COMPENSATION INCLUDES \$310,000 IN SEVERANCE PAY.





**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
THOMAS FOGARTY	OWNERSHIP INTEREST	4,795.	PURCHASED W		X
LINDSAY ANNE NEEDELS	DAUGHTER OF OFFICER	1,070.	PERFORMED M		X

**Part V Supplemental Information**

Provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: THOMAS FOGARTY

(D) DESCRIPTION OF TRANSACTION: PURCHASED WINE AND RENTED FACILITY FROM A WINERY IN WHICH THE DIRECTOR HAS AN OWNERSHIP INTEREST

(A) NAME OF PERSON: LINDSAY ANNE NEEDELS

(D) DESCRIPTION OF TRANSACTION: PERFORMED MARKETING SERVICES TO ESTABLISH SOCIAL MEDIA PRESENCE.



**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2016**

Open To Public Inspection

Department of the Treasury  
Internal Revenue Service

- ▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
- ▶ Attach to Form 990.
- ▶ Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization **FOGARTY INSTITUTE FOR INNOVATION** Employer identification number **11-3800306**

Part I Types of Property	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded				
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ( <b>LOAN FORGIVEN</b> )	<b>X</b>	<b>1</b>	<b>100,803.</b>	<b>FAIR MARKET VALUE</b>
26 Other ▶ ( )				
27 Other ▶ ( )				
28 Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which isn't required to be used for exempt purposes for the entire holding period?		<b>X</b>
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?		<b>X</b>
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		<b>X</b>
b If "Yes," describe in Part II.		
33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule M (Form 990) (2016)



**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

Open to Public  
Inspection

Name of the organization

FOGARTY INSTITUTE FOR INNOVATION

Employer identification number

11-3800306

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

IMPROVE THE WELL-BEING OF PATIENTS THROUGH THE PRACTICAL APPLICATION OF  
INNOVATIVE IDEAS AND THE EDUCATION AND MENTORING OF MEDICAL INNOVATORS.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

THE UNIQUE APPROACH OF THE INSTITUTE IS TO IDENTIFY INNOVATIONS THAT  
HAVE ESPECIALLY HIGH POTENTIAL FOR PATIENT BENEFIT. THROUGH ITS  
FLAGSHIP INNOVATION SUPPORT PROGRAM, THE FOGARTY INSTITUTE RECEIVES  
APPLICATIONS FOR SUPPORT FROM A BROAD CANDIDATE POOL THAT INCLUDES  
PHYSICIANS, STUDENTS, ENGINEERS, AND ENTREPRENEURS. INNOVATIONS HAVING  
THE GREATEST POTENTIAL FOR PATIENT BENEFIT ARE SELECTED, AND THE  
INSTITUTE SUPPORTS THE INNOVATOR'S EFFORTS TO DELIVER THEIR INNOVATIONS  
TO PATIENTS. THE TYPES OF SUPPORT PROVIDED TO SELECTED INNOVATORS BY  
THE INSTITUTE INCLUDE (A) DIRECT MENTORING BY DR. FOGARTY AND OTHER  
MEMBERS OF THE MENTOR STAFF IN THE PROCESS OF MEDICAL INNOVATION AND  
DEVELOPMENT, (B) SIGNIFICANT, UNFETTERED ACCESS TO EL CAMINO HOSPITAL  
PHYSICIANS AND FACILITIES THAT PROVIDES INNOVATORS WITH INVALUABLE  
INFORMATION THAT GUIDES MEDICAL TECHNOLOGY DEVELOPMENT, (C)  
LABORATORY/ENGINEERING SPACE, (D) FINANCIAL AID, AND (E) ACCESS TO THE  
INSTITUTE'S NETWORK OF CLINICAL EXPERTS.

THE INSTITUTE'S LAB SPACE IS CURRENTLY DEVOTED TO THE DEVELOPMENT OF  
MEDICAL TECHNOLOGIES THAT ADDRESS A RANGE OF CONDITIONS, AND THESE  
INCLUDE MATERNAL AND INFANT HEALTH, CARDIOVASCULAR DISEASE, AND A  
VARIETY OF DIAGNOSTICS TOOLS.

Name of the organization

FOGARTY INSTITUTE FOR INNOVATION

Employer identification number

11-3800306

FORM 990, PART VI, SECTION B, LINE 11B:

A COPY OF THE 990 IS REVIEWED BY THE AUDIT COMMITTEE AND PROVIDED TO THE BOARD PRIOR TO FILING

FORM 990, PART VI, SECTION B, LINE 12C:

THE BOARD REVIEWS THE CONFLICT OF INTEREST POLICY ON AN ANNUAL BASIS AND INQUIRES OF THE BOARD MEMBERS AS TO THE EXISTENCE OF RELATIONSHIPS OR TRANSACTIONS THAT COULD GIVE RISE TO CONFLICT.

FORM 990, PART VI, SECTION B, LINE 15:

OFFICER'S AND KEY EMPLOYEES' COMPENSATION IS REVIEWED AND APPROVED BY THE BOARD OF DIRECTORS. THE REVIEW PROCESS INVOLVED APPROVAL BY INDEPENDENT PERSONS, REVIEW OF COMPARABLE DATA, AND SUBSTANTIATION OF DELIBERATIONS.

FORM 990, PART VI, SECTION C, LINE 18:

COPIES OF FORM 990 ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART VI, SECTION C, LINE 19:

THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGE IN RESIDUAL TRUST	797.
SUBSIDIARY INCOME	-10,540.
IN-KIND EXPENSE (FACILITY)	-249,120.
IN-KIND EXPENSE (SERVICES)	-57,586.
TOTAL TO FORM 990, PART XI, LINE 9	-316,449.

### Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990.  
▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization **FOGARTY INSTITUTE FOR INNOVATION** Employer identification number **11-3800306**

**Part I Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

**Part II Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

**Part III Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
FOGARTY CLINICAL RESEARCH, INC. - 45-1670017 2490 HOSPITAL DRIVE MOUNTAIN VIEW, CA 94040	CLINICAL RESEARCH	CA		C CORP	1,973.	736,320.	100%	<input checked="" type="checkbox"/>	
CHARITABLE REMAINDER TRUSTS 2490 HOSPITAL DRIVE MOUNTAIN VIEW, CA 94040	TRUST	CA		TRUST					<input checked="" type="checkbox"/>

**Part V Transactions With Related Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....		X
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....		X
<b>d</b> Loans or loan guarantees to or for related organization(s) .....		X
<b>e</b> Loans or loan guarantees by related organization(s) .....		X
<b>f</b> Dividends from related organization(s) .....		X
<b>g</b> Sale of assets to related organization(s) .....		X
<b>h</b> Purchase of assets from related organization(s) .....		X
<b>i</b> Exchange of assets with related organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....		X
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....		X
<b>o</b> Sharing of paid employees with related organization(s) .....		X
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	X	
<b>q</b> Reimbursement paid by related organization(s) for expenses .....		X
<b>r</b> Other transfer of cash or property to related organization(s) .....		X
<b>s</b> Other transfer of cash or property from related organization(s) .....		X

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) FOGARTY CLINICAL RESEARCH, INC.	P	18,344.	ACTUAL REIMBURSEMENT
(2)			
(3)			
(4)			
(5)			
(6)			

**Part VI Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	



**Part VII** Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

**PART IV, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS CORP OR TRUST:**

**NAME OF RELATED ORGANIZATION:**

FOGARTY CLINICAL RESEARCH, INC.

**DIRECT CONTROLLING ENTITY:**

