

HUNTER'S HOPE  
FOUNDATION, INC.

Financial Statements with  
Independent Auditors' Report

December 31, 2020 and 2019

HUNTER'S HOPE FOUNDATION, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 15

\* \* \* \* \*

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Hunter's Hope Foundation, Inc.:

### Report on the Financial Statements

We have audited the accompanying financial statements of Hunter's Hope Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hunter's Hope Foundation, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

EFPR Group, CPAs, PLLC

Williamsville, New York  
April 9, 2021

HUNTER'S HOPE FOUNDATION, INC.  
Statements of Financial Position  
December 31, 2020 and 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and equivalents	\$ 367,716	373,111
Pledges receivable, current portion	20,000	45,000
Prepaid expenses	<u>7,618</u>	<u>7,623</u>
Total current assets	<u>395,334</u>	<u>425,734</u>
Investments, at fair value	<u>662,642</u>	<u>646,450</u>
Property and equipment, at cost	41,127	41,127
Less accumulated depreciation	<u>(34,395)</u>	<u>(30,755)</u>
Net property and equipment	<u>6,732</u>	<u>10,372</u>
Pledges receivable, less current portion and allowance for doubtful accounts of \$1,218 in 2020 and \$2,978 in 2019	<u>9,228</u>	<u>26,474</u>
Total assets	<u>\$ 1,073,936</u>	<u>1,109,030</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	5,448	14,741
Grants payable	<u>117,250</u>	<u>156,625</u>
Total current liabilities	<u>122,698</u>	<u>171,366</u>
Commitment (note 9)	<u>          </u>	<u>          </u>
Net assets:		
Net assets without donor restrictions	869,190	639,435
Net assets with donor restrictions	<u>82,048</u>	<u>298,229</u>
Total net assets	<u>951,238</u>	<u>937,664</u>
Total liabilities and net assets	<u>\$ 1,073,936</u>	<u>1,109,030</u>

See accompanying notes to financial statements.

HUNTER'S HOPE FOUNDATION, INC.  
 Statements of Activities  
 Years ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue:</b>						
Contributions and donations	\$ 731,925	-	731,925	993,407	-	993,407
Investment income	26,371	-	26,371	42,462	-	42,462
Grant revenue - payroll protection program loan forgiven	<u>55,520</u>	<u>-</u>	<u>55,520</u>	<u>-</u>	<u>-</u>	<u>-</u>
	813,816	-	813,816	1,035,869	-	1,035,869
Net assets released from restrictions - satisfaction of donor restrictions	<u>216,181</u>	<u>(216,181)</u>	<u>-</u>	<u>195,100</u>	<u>(195,100)</u>	<u>-</u>
Total revenue	<u>1,029,997</u>	<u>(216,181)</u>	<u>813,816</u>	<u>1,230,969</u>	<u>(195,100)</u>	<u>1,035,869</u>
<b>Expenses:</b>						
Program services:						
Education and awareness	211,991	-	211,991	155,609	-	155,609
Family assistance	429,322	-	429,322	700,872	-	700,872
Research	<u>9,933</u>	<u>-</u>	<u>9,933</u>	<u>29,692</u>	<u>-</u>	<u>29,692</u>
Total program services	<u>651,246</u>	<u>-</u>	<u>651,246</u>	<u>886,173</u>	<u>-</u>	<u>886,173</u>
Supporting services:						
Fundraising	80,303	-	80,303	60,511	-	60,511
General and administrative	<u>68,693</u>	<u>-</u>	<u>68,693</u>	<u>66,274</u>	<u>-</u>	<u>66,274</u>
Total supporting services	<u>148,996</u>	<u>-</u>	<u>148,996</u>	<u>126,785</u>	<u>-</u>	<u>126,785</u>
Total expenses	<u>800,242</u>	<u>-</u>	<u>800,242</u>	<u>1,012,958</u>	<u>-</u>	<u>1,012,958</u>
Change in net assets	229,755	(216,181)	13,574	218,011	(195,100)	22,911
Net assets at beginning of year	<u>639,435</u>	<u>298,229</u>	<u>937,664</u>	<u>421,424</u>	<u>493,329</u>	<u>914,753</u>
Net assets at end of year	<u>\$ 869,190</u>	<u>82,048</u>	<u>951,238</u>	<u>639,435</u>	<u>298,229</u>	<u>937,664</u>

See accompanying notes to financial statements.

HUNTER'S HOPE FOUNDATION, INC.  
Statement of Functional Expenses  
Year ended December 31, 2020  
(with comparative totals for 2019)

	Program Services				Supporting Services			Total	
	Education and awareness	Family assistance	Research	Total program services	Fundraising	General and administrative	Total supporting services	2020	2019
Salaries and wages	\$ 121,182	98,518	7,070	226,770	49,400	33,807	83,207	309,977	243,019
Payroll taxes and fringe benefits	11,342	17,359	954	29,655	4,570	5,901	10,471	40,126	31,244
Grants and contracts	-	113,486	-	113,486	-	-	-	113,486	360,636
Specific assistance and special events	-	116,922	-	116,922	-	-	-	116,922	66,875
Conferences and medical symposium	-	37,727	-	37,727	-	-	-	37,727	140,158
Outside services	26,141	9,918	458	36,517	11,135	5,094	16,229	52,746	59,516
Rent	15,682	12,935	903	29,520	6,123	1,505	7,628	37,148	33,633
Supplies	21,746	10,411	25	32,182	1,682	120	1,802	33,984	15,087
Professional fees	2,946	2,319	188	5,453	1,253	13,815	15,068	20,521	13,233
Travel and training	122	-	-	122	42	-	42	164	4,728
Insurance	2,335	1,933	129	4,397	928	3,924	4,852	9,249	8,112
Telephone and telecommunications	976	960	53	1,989	422	260	682	2,671	2,615
Postage, shipping and delivery	3,863	4,608	27	8,498	2,524	411	2,935	11,433	16,111
Printing and copying	1,543	1,621	5	3,169	1,487	26	1,513	4,682	8,053
Miscellaneous	4,113	605	121	4,839	737	190	927	5,766	5,828
Total expenses before depreciation	211,991	429,322	9,933	651,246	80,303	65,053	145,356	796,602	1,008,848
Depreciation	-	-	-	-	-	3,640	3,640	3,640	4,110
Total expenses	<u>\$ 211,991</u>	<u>429,322</u>	<u>9,933</u>	<u>651,246</u>	<u>80,303</u>	<u>68,693</u>	<u>148,996</u>	<u>800,242</u>	<u>1,012,958</u>

See accompanying notes to financial statements.

HUNTER'S HOPE FOUNDATION, INC.  
Statement of Functional Expenses  
Year ended December 31, 2019

	Program Services				Supporting Services			Total
	Education and awareness	Family assistance	Research	Total program services	Fundraising	General and administrative	Total supporting services	
Salaries and wages	\$ 84,713	76,901	20,653	182,267	25,689	35,063	60,752	243,019
Payroll taxes and fringe benefits	9,343	9,941	2,516	21,800	4,208	5,236	9,444	31,244
Grants and contracts	-	360,636	-	360,636	-	-	-	360,636
Specific assistance and special events	-	66,875	-	66,875	-	-	-	66,875
Conferences and medical symposium	-	140,102	-	140,102	56	-	56	140,158
Outside services	26,655	16,088	1,705	44,448	11,962	3,106	15,068	59,516
Rent	11,575	9,699	3,032	24,306	3,879	5,448	9,327	33,633
Supplies	6,600	6,163	144	12,907	1,945	235	2,180	15,087
Professional fees	1,999	1,845	692	4,536	817	7,880	8,697	13,233
Travel and training	581	2,472	1	3,054	1,673	1	1,674	4,728
Insurance	1,596	1,313	481	3,390	572	4,150	4,722	8,112
Telephone and telecommunications	921	844	207	1,972	273	370	643	2,615
Postage, shipping and delivery	6,578	3,248	106	9,932	5,693	486	6,179	16,111
Printing and copying	2,988	2,315	17	5,320	2,710	23	2,733	8,053
Miscellaneous	2,060	2,430	138	4,628	1,034	166	1,200	5,828
Total expenses before depreciation	155,609	700,872	29,692	886,173	60,511	62,164	122,675	1,008,848
Depreciation	-	-	-	-	-	4,110	4,110	4,110
Total expenses	<u>\$155,609</u>	<u>700,872</u>	<u>29,692</u>	<u>886,173</u>	<u>60,511</u>	<u>66,274</u>	<u>126,785</u>	<u>1,012,958</u>

See accompanying notes to financial statements.



HUNTER'S HOPE FOUNDATION, INC.  
Statements of Cash Flows  
Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 13,574	22,911
Adjustments to reconcile change in net assets to net cash flows provided by (used in) operating activities:		
Depreciation	3,640	4,110
Net realized and unrealized gains on investments	(14,109)	(31,101)
Change in allowance for doubtful accounts	(1,760)	(5,567)
Changes in:		
Prepaid expenses	5	(7,623)
Accounts payable	(9,293)	11,512
Grants payable	<u>(39,375)</u>	<u>80,625</u>
Net cash provided by (used in) operating activities	<u>(47,318)</u>	<u>74,867</u>
Cash flows from investing activities:		
Proceeds from sale of investments	346,579	232,353
Purchases of investments	<u>(348,662)</u>	<u>(347,975)</u>
Net cash used in investing activities	<u>(2,083)</u>	<u>(115,622)</u>
Cash flows from financing activities - proceeds from contributions restricted for long-term use	<u>44,006</u>	<u>96,705</u>
Change in cash and equivalents	(5,395)	55,950
Cash and equivalents at beginning of year	<u>373,111</u>	<u>317,161</u>
Cash and equivalents at end of year	<u>\$ 367,716</u>	<u>373,111</u>

See accompanying notes to financial statements.

HUNTER'S HOPE FOUNDATION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

Hunter's Hope Foundation, Inc. (the Foundation) is a New York State nonprofit corporation formed in June 1998. The purpose of the Foundation is to increase public awareness and to support and fund research efforts to find a cure for Krabbe Disease and other Leukodystrophies.

(b) Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

The Foundation's financial statements are presented in accordance with the provisions of Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities." As a result, the Foundation reports information regarding its net assets and changes therein in the following categories: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the Foundation's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Foundation.

(d) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

(e) Cash and Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(f) Investments

Investments are stated at fair value as determined by published market prices.

(g) Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Foundation. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

HUNTER'S HOPE FOUNDATION, INC.  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Pledges Receivable

The Foundation recognizes all contributions received as income in the period the pledge is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. The Foundation uses the allowance method to account for uncollectible pledges receivable. The total allowance for doubtful accounts amounted to \$1,218 and \$2,978 at December 31, 2020 and 2019, respectively.

(i) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated property and equipment. If donors stipulate how long the assets must be used, the contributions are recorded as net assets with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as net assets without donor restrictions. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities.

(j) Grants Payable

Grants are recorded as program expenses upon approval of a research contract by management of the Foundation.

(k) Contributed Services

During the years ended December 31, 2020 and 2019, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation.

(l) Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Foundation has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Foundation presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Foundation has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Foundation are subject to examination by taxing authorities.

HUNTER'S HOPE FOUNDATION, INC.  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(m) Subsequent Events

The Foundation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Foundation and its future results and financial position is not presently determinable.

Subsequent to December 31, 2020, the Foundation received a \$64,578 loan under the Small Business Administration Paycheck Protection Program.

(2) Liquidity

The Foundation has \$367,716 of financial assets available within one year of the statement of financial position date consisting of cash. Of these financial assets, \$52,820 are subject to donor or contractual restrictions for the use in a donor specified program. The remaining financial asset are for general expenditures within one year of the statement of financial position date.

(3) Pledges Receivable

Pledges receivable consisted of unconditional promises to give to support funding for the Hunter James Kelly Research Institute and Legacy Campaign. A summary of pledges receivables as of December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Pledges receivable	\$ 32,186	82,479
Less unamortized discount at 4.75%	-	(8,027)
Less unamortized discount at 3.25%	(1,740)	-
Less allowance for doubtful accounts	<u>(1,218)</u>	<u>(2,978)</u>
Unconditional promises to give, net	\$ <u>29,228</u>	<u>71,474</u>
Amounts due in:		
Less than one year	20,000	45,000
One to five years	<u>12,186</u>	<u>37,479</u>
	\$ <u>32,186</u>	<u>82,479</u>
Pledges receivable are reflected in the statements of financial position as:		
Current	20,000	45,000
Long-term	<u>9,228</u>	<u>26,474</u>
	\$ <u>29,228</u>	<u>71,474</u>

HUNTER'S HOPE FOUNDATION, INC.

Notes to Financial Statements, Continued

(4) Grant Revenue

On April 23, 2020, the Foundation received a Small Business Administration (SBA) loan under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) in the amount of \$55,520 with a 1% interest rate.

Pursuant to the terms of the CARES Act rules and regulations, the Foundation applied for the loan to be forgiven by the SBA. The Foundation was notified by the SBA that the original loan has been forgiven in its entirety and, accordingly, has recorded loan forgiveness/grant revenue of \$55,520 for the year ended December 31, 2020.

(5) Investments

Financial Instruments

The fair value of investments in marketable securities at December 31, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Exchange - traded funds	\$ 587,392	576,377
Mutual funds	<u>75,250</u>	<u>70,073</u>
Total investments	\$ <u>662,642</u>	<u>646,450</u>

Investments in marketable securities are stated at fair value. The fair value of securities is based on quotations obtained from national securities exchanges. In accordance with the policy of carrying investments at fair value, the change in net unrealized appreciation (depreciation) is included in investment income in the statements of activities.

Fair Value Measurements

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

HUNTER'S HOPE FOUNDATION, INC.  
Notes to Financial Statements, Continued

(5) Investments, Continued

Fair Value Measurements, Continued

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

All investments held by the Foundation are classified as level 1 in the fair value hierarchy.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

- Exchange-traded funds - Valued at the closing price as reported by the fund. These funds are required to publish their net asset value and transact at that price. The exchange-traded funds held by the Foundation are deemed to be actively traded.
- Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(6) Property and Equipment

Property and equipment at December 31, 2020 and 2019 is summarized as follows:

	<u>2020</u>	<u>2019</u>
Computer equipment	\$ 29,715	29,715
Furniture, fixtures and office equipment	<u>11,412</u>	<u>11,412</u>
	41,127	41,127
Less accumulated depreciation	<u>(34,395)</u>	<u>(30,755)</u>
	\$ <u>6,732</u>	<u>10,372</u>

HUNTER'S HOPE FOUNDATION, INC.  
Notes to Financial Statements, Continued

(7) Grants Payable

Grants payable at December 31, 2020 and 2019 is summarized as follows:

	<u>2020</u>	<u>2019</u>
Children's Healthcare of Atlanta	\$ 10,000	20,000
Duke University	26,250	65,625
Beyond Boundaries Therapy for Kids	9,000	9,000
John R. Oishei Children's Hospital of Buffalo	-	20,000
Massachusetts General Hospital	20,000	15,000
Children's Research Institute	3,000	3,000
Children's Hospital of Chicago	10,000	5,000
Children's National Health Center	9,000	9,000
Kennedy Krieger Institute	10,000	5,000
University of Rochester	10,000	5,000
University of Utah	<u>10,000</u>	<u>-</u>
	<u>\$ 117,250</u>	<u>156,625</u>

(8) Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2020 and 2019 is summarized as follows:

	<u>2020</u>	<u>2019</u>
Hunter's Hope Legacy*	\$ 39,460	268,559
Leukodystrophy Care Network	<u>42,588</u>	<u>29,670</u>
	<u>\$ 82,048</u>	<u>298,229</u>

\* The Hunter's Hope Legacy is restricted for the following purposes:

- Hunter James Kelly Research Institute
- Family Care, Education and Awareness, Research
- National Awareness Campaign
- Leukodystrophy Care Network

(9) Commitment

The Foundation leases contract management software under an operating lease that provides for lease payments through July 2023. Future minimum lease payments required under this operating lease are as follows:

2021	\$ 9,405
2022	9,405
2023	<u>4,702</u>
Total	<u>\$ 23,512</u>

HUNTER'S HOPE FOUNDATION, INC.  
Notes to Financial Statements, Continued

(9) Commitment, Continued

Beginning October 1, 2018, the Foundation moved locations and now occupies office facilities under an operating lease agreement that expires on September 30, 2023. In addition to the rent, the Foundation is responsible for the cost of utilities serving the tenant's rental space, which includes gas, electric, water, garbage, and 15% of annual snow removal expense. Rent expense for this lease amounted to \$34,215 and \$33,240 for the years ended December 31, 2020 and 2019, respectively. The following schedule is the future minimum rental payments under the lease as of December 31, 2020:

2021	\$ 35,235
2022	36,270
2023	<u>27,810</u>
Total	\$ <u>99,315</u>

(10) Related Party Transactions

The Foundation's investments are managed by an individual who is related to certain Board members and management of the Foundation. Fees paid to the company for which the related party works amounted to \$8,198 and \$8,061 for the years ended December 31, 2020 and 2019, respectively.

The Foundation received a contribution from Kelly for Kids Foundation, Inc. of \$125,000 for both 2020 and 2019. The Foundation shares a common board member with Kelly for Kids Foundation, Inc.

The Foundation received \$571,200 of pledges receivable from members of the Board of Directors, their families and related organizations during 2014. As of December 31, 2020 and 2019, the related pledges receivable balances were \$32,186 and \$77,479, respectively.

(11) Retirement Plan

The Foundation has a Simplified Employment Pension Plan (SEP). Eligible employees are allowed to contribute to the plan on a pre-tax basis. The Foundation does not make any contributions to the SEP.

(12) Community Foundation for Greater Buffalo

The Community Foundation for Greater Buffalo (CFGB) holds funds on behalf of the Foundation. These investments are assets of CFGB, with the Foundation being the income beneficiary in an amount which approximates the income earned on these investments. The amount of funds held by CFGB for the benefit of the Foundation was approximately \$640,000 and \$600,000 at December 31, 2020 and 2019, respectively.



HUNTER'S HOPE FOUNDATION, INC.  
Notes to Financial Statements, Continued

(13) Functional Expenses

The Foundation's purpose is to increase public awareness and to support and fund research efforts to find a cure for Krabbe Disease and other Leukodystrophies. All expenses related to these services have been allocated to program services with the exception of certain fundraising and administrative expenses. Salaries and benefits are allocated among program and support services based on time and effort. Office and other expenses are allocated on direct usage.