

HUNTER'S HOPE  
FOUNDATION, INC.

Financial Statements with  
Independent Auditors' Report

December 31, 2016 and 2015

HUNTER'S HOPE FOUNDATION, INC.

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## 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, 2016 and 2015, 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, 2016 and 2015, 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 6, 2017

HUNTER'S HOPE FOUNDATION, INC.  
 Statements of Financial Position  
 December 31, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and equivalents	\$ 223,195	304,932
Pledges receivable, current portion	<u>174,034</u>	<u>125,899</u>
Total current assets	<u>397,229</u>	<u>430,831</u>
Investments	<u>628,880</u>	<u>538,529</u>
Property and equipment, at cost	25,536	64,609
Less accumulated depreciation	<u>(20,952)</u>	<u>(61,138)</u>
Net property and equipment	<u>4,584</u>	<u>3,471</u>
Pledges receivable, net, less current portion, less allowance for doubtful accounts of \$14,467 in 2016	<u>173,179</u>	<u>284,681</u>
Total assets	<u>\$ 1,203,872</u>	<u>1,257,512</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	11,910	11,051
Grants payable	<u>242,428</u>	<u>244,996</u>
Total current liabilities	<u>254,338</u>	<u>256,047</u>
Net assets:		
Unrestricted	86,663	59,176
Temporarily restricted	<u>862,871</u>	<u>942,289</u>
Total net assets	<u>949,534</u>	<u>1,001,465</u>
Total liabilities and net assets	<u>\$ 1,203,872</u>	<u>1,257,512</u>

See accompanying notes to financial statements.

HUNTER'S HOPE FOUNDATION, INC.  
Statements of Activities  
For the years ended December 31, 2016 and 2015

	2016			2015		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue and other support:						
Contributions and donations	\$ 605,109	83,351	688,460	828,040	41,771	869,811
Donated investments	21,651	-	21,651	-	50,052	50,052
Gain (loss) on investments	27,827	-	27,827	(11,992)	-	(11,992)
	654,587	83,351	737,938	816,048	91,823	907,871
Net assets released from restrictions - satisfaction of donor restrictions	162,769	(162,769)	-	38,745	(38,745)	-
Total revenue and other support	817,356	(79,418)	737,938	854,793	53,078	907,871
Expenses:						
Program services:						
Education and awareness	217,717	-	217,717	302,847	-	302,847
Family assistance	309,950	-	309,950	371,801	-	371,801
Research	90,817	-	90,817	185,404	-	185,404
Total program services	618,484	-	618,484	860,052	-	860,052
Supporting services:						
Fundraising	91,065	-	91,065	82,200	-	82,200
General and administrative	80,320	-	80,320	66,207	-	66,207
Total supporting services	171,385	-	171,385	148,407	-	148,407
Total expenses	789,869	-	789,869	1,008,459	-	1,008,459
Change in net assets	27,487	(79,418)	(51,931)	(153,666)	53,078	(100,588)
Net assets at beginning of year	59,176	942,289	1,001,465	212,842	889,211	1,102,053
Net assets at end of year	\$ 86,663	862,871	949,534	59,176	942,289	1,001,465

See accompanying notes to financial statements.

HUNTER'S HOPE FOUNDATION, INC.  
Statement of Functional Expenses  
For the year ended December 31, 2016  
(with comparative totals for 2015)

	Program Services				Supporting Services			Totals	
	Education and awareness	Family assistance	Research	Total program services	Fundraising	General and administrative	Total supporting services	2016	2015
Salaries and wages	\$ 115,716	85,811	28,731	230,258	48,477	19,154	67,631	297,889	355,929
Payroll taxes and fringe benefits	9,979	7,973	3,050	21,002	4,169	3,777	7,946	28,948	45,417
Grants and contracts	-	26,772	25,000	51,772	-	-	-	51,772	180,637
Specific assistance and special events	-	42,645	-	42,645	-	-	-	42,645	84,179
Conferences and medical symposium	3,689	87,842	14,560	106,091	3,259	104	3,363	109,454	75,061
Outside services	47,851	17,122	6,192	71,165	15,520	34,276	49,796	120,961	92,785
Rent	8,932	7,010	2,326	18,268	3,379	1,581	4,960	23,228	23,096
Supplies	10,462	4,381	286	15,129	6,159	193	6,352	21,481	39,211
Professional fees	-	125	-	125	-	15,628	15,628	15,753	14,962
Travel and training	-	10,046	4,528	14,574	-	-	-	14,574	50,749
Insurance	1,397	1,727	551	3,675	367	3,792	4,159	7,834	10,030
Telephone and telecommunications	1,302	2,217	377	3,896	474	215	689	4,585	6,236
Postage, shipping and delivery	3,299	2,823	82	6,204	2,783	293	3,076	9,280	10,408
Printing and copying	8,341	6,678	218	15,237	6,172	-	6,172	21,409	12,663
Bad debt expense	4,822	4,822	4,823	14,467	-	-	-	14,467	-
Miscellaneous	1,927	1,956	93	3,976	306	72	378	4,354	4,158
	<u>217,717</u>	<u>309,950</u>	<u>90,817</u>	<u>618,484</u>	<u>91,065</u>	<u>79,085</u>	<u>170,150</u>	<u>788,634</u>	<u>1,005,521</u>
Total expenses before depreciation									
Depreciation	-	-	-	-	-	1,235	1,235	1,235	2,938
Total expenses	<u>\$ 217,717</u>	<u>309,950</u>	<u>90,817</u>	<u>618,484</u>	<u>91,065</u>	<u>80,320</u>	<u>171,385</u>	<u>789,869</u>	<u>1,008,459</u>

See accompanying notes to financial statements.

HUNTER'S HOPE FOUNDATION, INC.  
Statement of Functional Expenses  
For the year ended December 31, 2015

	Program Services				Supporting Services			Total
	Education and awareness	Family assistance	Research	Total program services	Fundraising	General and administrative	Total supporting services	
Salaries and wages	\$ 160,453	97,568	31,113	289,134	40,160	26,635	66,795	355,929
Payroll taxes and fringe benefits	19,268	9,678	3,583	32,529	4,856	8,032	12,888	45,417
Grants and contracts	2,695	35,255	142,687	180,637	-	-	-	180,637
Specific assistance and special events	-	84,179	-	84,179	-	-	-	84,179
Conferences and medical symposium	1,885	72,747	66	74,698	324	39	363	75,061
Outside services	50,581	15,698	3,886	70,165	19,875	2,745	22,620	92,785
Rent	11,074	5,970	1,871	18,915	2,541	1,640	4,181	23,096
Supplies	28,532	4,689	935	34,156	4,815	240	5,055	39,211
Professional fees	-	-	-	-	-	14,962	14,962	14,962
Travel and training	11,809	38,760	169	50,738	7	4	11	50,749
Insurance	1,393	796	238	2,427	383	7,220	7,603	10,030
Telephone and telecommunications	2,426	2,408	659	5,493	444	299	743	6,236
Postage, shipping and delivery	4,950	2,023	115	7,088	2,996	324	3,320	10,408
Printing and copying	6,767	313	-	7,080	5,517	66	5,583	12,663
Miscellaneous	1,014	1,717	82	2,813	282	1,063	1,345	4,158
Total expenses before depreciation	302,847	371,801	185,404	860,052	82,200	63,269	145,469	1,005,521
Depreciation	-	-	-	-	-	2,938	2,938	2,938
Total expenses	<u>\$ 302,847</u>	<u>371,801</u>	<u>185,404</u>	<u>860,052</u>	<u>82,200</u>	<u>66,207</u>	<u>148,407</u>	<u>1,008,459</u>

See accompanying notes to financial statements.



HUNTER'S HOPE FOUNDATION, INC.  
 Statements of Cash Flows  
 For the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (51,931)	(100,588)
Adjustments to reconcile decrease in net assets to net cash flows used in operating activities:		
Depreciation	1,235	2,938
Contributions restricted for long-term use	(83,351)	(91,823)
Net realized and unrealized (gain) loss on investments	(14,144)	30,678
Change in allowance for doubtful accounts	14,467	-
Changes in:		
Accounts payable	859	7,471
Grants payable	<u>(2,568)</u>	<u>(12,314)</u>
Net cash used in operating activities	<u>(135,433)</u>	<u>(163,638)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	603,165	715,858
Purchases of investments	(657,721)	(582,889)
Purchases of property and equipment	<u>(2,348)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(56,904)</u>	<u>132,969</u>
Cash flows from financing activities - proceeds from contributions restricted for long-term use	<u>110,600</u>	<u>206,832</u>
Increase (decrease) in cash and equivalents	(81,737)	176,163
Cash and equivalents at beginning of year	<u>304,932</u>	<u>128,769</u>
Cash and equivalents at end of year	<u>\$ 223,195</u>	<u>304,932</u>
Supplemental schedules of cash flow information:		
Donated investments	<u>\$ 21,651</u>	<u>50,052</u>
Disposal of fully depreciated equipment	<u>\$ 41,421</u>	<u>-</u>

See accompanying notes to financial statements.

HUNTER'S HOPE FOUNDATION, INC.

Notes to Financial Statements

December 31, 2016 and 2015

(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 reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Foundation had only unrestricted and temporarily restricted net assets in 2016 and 2015. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the Foundation's Board of Directors.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

(d) Use of 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.

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

(1) Summary of Significant Accounting Policies, Continued

(g) Contributions

Contributions that are restricted by the donor are reported as increases in temporarily restricted net assets in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

(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 temporarily restricted or permanently restricted support that increases those net assets classes. The Foundation uses the allowance method to account for uncollectible pledges receivable. The total allowance for doubtful accounts amounted to \$14,467 at December 31, 2016. There was no allowance for the year ended December 31, 2015.

(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 restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. 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, 2016 and 2015, 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.

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

(1) Summary of Significant Accounting Policies, Continued

(l) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(m) 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.

(n) 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.

(o) Reclassifications

Reclassifications have been made to certain 2015 balances in order to conform them to the 2016 presentation.

(2) Pledges Receivable

Pledges receivable consisted of unconditional promises to give to support funding for the Hunter James Kelly Research Institute and Legacy Campaign. Pledges receivable due beyond 2016 are discounted using a 4% rate. A summary of pledges receivables as of December 31, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Pledges receivable	\$ 387,200	443,632
Less unamortized discount at 4%	(25,520)	(33,052)
Less allowance for doubtful accounts	<u>(14,467)</u>	<u>-</u>
Unconditional promises to give, net	\$ <u>347,213</u>	<u>410,580</u>
Amounts due in:		
Less than one year	174,034	125,899
One to five years	<u>213,166</u>	<u>317,733</u>
	\$ <u>387,200</u>	<u>443,632</u>

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

(3) Investments

Financial Instruments

The cost and fair value of investments in marketable securities at December 31, 2016 and 2015 are summarized as follows:

	2016		2015	
	Cost	Fair value	Cost	Fair value
Exchange - traded funds	\$ 363,903	366,892	481,614	470,458
Common stocks	19,865	18,116	50,052	49,202
Mutual funds	<u>254,259</u>	<u>243,872</u>	<u>32,813</u>	<u>18,869</u>
Total investments	<u>\$ 638,027</u>	<u>628,880</u>	<u>564,479</u>	<u>538,529</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. A summary of investment income (loss) for the years ended December 31, 2016 and 2015 is as follows:

	2016	2015
Interest and dividend income	\$ 21,768	25,774
Realized gain (loss) on investments	(2,659)	5,083
Net unrealized appreciation (depreciation) in fair value of investments	16,803	(35,761)
Administrative fees	<u>(8,085)</u>	<u>(7,088)</u>
	<u>\$ 27,827</u>	<u>(11,992)</u>

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.

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

(3) Investments, Continued

Fair Value Measurements, Continued

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.

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.

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, 2016 and 2015.

- 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.
- Common stocks - Valued at the closing price reported on the active market on which the individual securities are 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.

HUNTER'S HOPE FOUNDATION, INC.

Notes to Financial Statements, Continued

(3) Investments, Continued

Fair Value Measurements, Continued

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2016 and 2015:

	<u>Assets at Fair Value as of December 31, 2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange - traded funds:				
Mortgage-backed securities	\$ 60,826	-	-	60,826
Bonds	219,822	-	-	219,822
Small cap funds	20,353	-	-	20,353
Mid cap funds	44,656	-	-	44,656
Large cap funds	21,235	-	-	21,235
Common stocks - precious metals	18,116	-	-	18,116
Mutual funds:				
Master limited partnerships	33,244	-	-	33,244
Bonds	114,907	-	-	114,907
Bank loan	64,651	-	-	64,651
Large value	19,590	-	-	19,590
Europe stock	<u>11,480</u>	<u>-</u>	<u>-</u>	<u>11,480</u>
Total assets at fair value	\$ <u>628,880</u>	<u>-</u>	<u>-</u>	<u>628,880</u>

	<u>Assets at Fair Value as of December 31, 2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange - traded funds:				
Mortgage-backed securities	\$ 325,900	-	-	325,900
Bonds	24,518	-	-	24,518
Mid cap funds	93,741	-	-	93,741
Large cap funds	26,299	-	-	26,299
Common stocks:				
Information technology	6,890	-	-	6,890
Staffing and outsourcing	42,312	-	-	42,312
Mutual funds:				
Master limited partnerships	10,845	-	-	10,845
Bonds	<u>8,024</u>	<u>-</u>	<u>-</u>	<u>8,024</u>
Total assets at fair value	\$ <u>538,529</u>	<u>-</u>	<u>-</u>	<u>538,529</u>

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

(4) Property and Equipment

Property and equipment at December 31, 2016 and 2015 is summarized as follows:

	<u>2016</u>	<u>2015</u>
Computer equipment	\$ 18,017	39,885
Furniture, fixtures and office equipment	<u>7,519</u>	<u>24,724</u>
	25,536	64,609
Less accumulated depreciation	<u>(20,952)</u>	<u>(61,138)</u>
	\$ <u>4,584</u>	<u>3,471</u>

(5) Grants Payable

In May 2008, the Foundation entered into an agreement with the State University of New York at Buffalo (SUNY) to establish the Hunter James Kelly Research Institute (the Institute), a partnership between SUNY and the Foundation. All of the Foundation's research is coordinated through the Institute. The original agreement provided for funding from the Foundation of \$750,000 payable to University at Buffalo Foundation, Inc. in equal quarterly installments of \$37,500 through March 2013, restricted in use to solely support research conducted by SUNY faculty in the Institute. The agreement has been extended periodically and is currently being renegotiated.

The agreement, as amended in 2009, confirmed that funding is conditional upon satisfactory completion of results as described in the agreement. Future payments are to be reviewed and authorized thirty days before the end of each agreement year for payment of the subsequent agreement year. If such results are not achieved, then no future payment shall be made. The grant payable to SUNY was \$150,000 as of December 31, 2016 and 2015.

The Foundation also agreed to use its best efforts to engage in fund raising activities to raise \$3,000,000, which will be restricted in use solely to support the Institute. It was agreed that this amount would be sufficient to generate a Foundation gift of at least \$150,000 each fiscal year to fund the operations of the Institute. The Foundation conducted separate capital campaigns in 2014 and 2012 which raised \$732,700 and \$201,500, respectively.

As of December 31, 2016 and 2015, the Foundation had other research grants payable in the amount of \$92,428 and \$94,996, respectively.



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

(5) Grants Payable, Continued

Grants payable at December 31, 2016 and 2015 is summarized as follows:

	<u>2016</u>	<u>2015</u>
State University of New York at Buffalo	\$ 150,000	150,000
Duke University	8,931	8,931
University of Kansas	16,997	16,997
University of North Carolina	50,000	65,000
University of Rochester	13,500	-
Ronald McDonald House	-	4,068
Randolph Carter	<u>3,000</u>	<u>-</u>
	<u>\$ 242,428</u>	<u>244,996</u>

(6) Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2016 and 2015 is summarized as follows:

	<u>2016</u>	<u>2015</u>
* Hunter's Hope Legacy	\$ 694,213	796,401
Leukodystrophy Care Network (LCN)	148,493	100,000
Kaden's Kisses	1,665	16,888
Blood Spot Project	-	4,000
Ralph C. Wilson Jr. Wish Gift	-	25,000
LCN Guidelines	<u>18,500</u>	<u>-</u>
	<u>\$ 862,871</u>	<u>942,289</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

(7) Leases

The Foundation leases contract management software under an operating lease that provides for lease payments through March 2018. Future minimum lease payments required under this operating lease are as follows:

2017	\$ 36,852
2018	6,142

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

(8) 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 \$8,085 and \$7,088 for the years ended December 31, 2016 and 2015, respectively.

The Foundation received a \$100,000 pledge receivable from a member of management during 2012. As of December 31, 2016 and 2015, the pledge receivable balance was \$25,200 and \$30,300, respectively.

The Foundation received a contribution from Kelly for Kids Foundation of \$100,000 in 2016 and 2015. The Foundation shares a common board member with Kelly for Kids Foundation.

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, 2016 and 2015, the related pledges receivable balances were \$296,000 and \$330,832, respectively.

(9) 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.

(10) 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 \$500,000 at December 31, 2016 and 2015.