

HELLMAN FELLOWS FUND
(A Nonprofit Organization)

Financial Statements
as of December 31, 2010,
and for the Period from
April 1, 2010 (inception) to December 31, 2010
and Independent Auditors' Report

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HELLMAN FELLOWS FUND

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee and Directors of
Hellman Fellows Fund

We have audited the accompanying statement of financial position of Hellman Fellows Fund (a nonprofit organization) (the "Fund") as of December 31, 2010, and the related statements of activities and cash flows for the period from April 1, 2010 (inception) to December 31, 2010. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hellman Fellows Fund as of December 31, 2010, and the change in its net deficit and its cash flows for the period from April 1, 2010 (inception) to December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

Comyns, Smith, McCleary & Deaver, LLP

August 11, 2011

Financial Statements

HELLMAN FELLOWS FUND
(A Nonprofit Organization)

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010

ASSETS:

Cash	\$ 2,348
TOTAL ASSETS	<u>\$ 2,348</u>

LIABILITIES AND NET DEFICIT:

LIABILITIES:

Accounts payable	\$ 24,807
Grants payable	<u>10,852,624</u>
Total liabilities	10,877,431

NET DEFICIT - Unrestricted (10,875,083)

TOTAL LIABILITIES AND NET DEFICIT \$ 2,348

See accompanying notes to financial statements.

HELLMAN FELLOWS FUND
(A Nonprofit Organization)

STATEMENT OF ACTIVITIES
PERIOD FROM APRIL 1, 2010 (INCEPTION) TO DECEMBER 31, 2010

REVENUES, GAINS AND SUPPORT:	
Contributions	\$ 5,000
	<hr/>
Total revenues, gains and support	5,000
	<hr/>
EXPENSES:	
Program services - grants	10,852,624
General and administrative expenses	27,459
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Total expenses	10,880,083
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CHANGE IN NET DEFICIT	(10,875,083)
NET DEFICIT beginning of period	-
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NET DEFICIT end of period	\$ (10,875,083)
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See accompanying notes to financial statements.

HELLMAN FELLOWS FUND
(A Nonprofit Organization)

STATEMENT OF CASH FLOWS
PERIOD FROM APRIL 1, 2010 (INCEPTION) TO DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net deficit	\$ (10,875,083)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Discount on grants payable	(1,092,376)
Changes in:	
Accounts payable	24,807
Grants payable	<u>11,945,000</u>
Net cash provided by operating activities	<u>2,348</u>
Net increase in cash and equivalents	2,348
CASH, beginning of period	<u>-</u>
CASH, end of period	<u><u>\$ 2,348</u></u>

See accompanying notes to financial statements.

HELLMAN FELLOWS FUND
(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS
PERIOD FROM APRIL 1, 2010 (INCEPTION) TO DECEMBER 31, 2010

1. DESCRIPTION OF FUND

Hellman Fellows Fund (the “Fund”) was formed and commenced operations in April 2010. The Fund is a private foundation that supports education programs, specifically Arts, Humanities & Social Sciences and Sciences & Engineering. The source of contributions to the Fund is Mr. and Mrs. F. Warren Hellman.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The accounts of the Fund are maintained on the accrual basis of accounting as determined using U.S. generally accepted accounting principles.

Basis of Presentation – The Fund’s financial statement presentation follows the recommendations of U.S. generally accepted accounting principles, “GAAP” whereby the Fund is required to report 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. As of December 31, 2010, the Fund had no temporarily or permanently restricted net assets. Unrestricted balances consist of funds undesignated and currently available for all Fund activities.

Grants Awarded – Grants awarded are recognized when the unconditional promise to give is approved by the Board of Trustees and communicated to the grantee through a grant award letter. Conditional promises to give are recognized as grant expense in the period that the recipient meets the terms of the condition. There were no conditional promises to give at December 31, 2010.

Net Deficit – The Fund’s management intends to operate the Fund with a net deficit and to obtain contributions to fund current operations on an as-needed basis. The Fund’s management expects that Mr. and Mrs. Hellman have the intent and ability to fund the current and future grant commitments through cash and non-cash contributions.

Revenue Recognition – Contributions received are recognized as revenue when received or unconditionally promised. The Fund received contributions in the form of cash from Mr. and Mrs. Hellman totaling \$5,000 during the period from April 1, 2010 to December 31, 2010.

Income Taxes - The Fund is recognized for federal and state purposes as a tax-exempt private foundation under Internal Revenue Code Section 501(c)(3). In accordance with the applicable provisions of the Tax Reform Act of 1969, the Fund is only subject to federal excise taxes based on net investment income, including realized gains as defined in the Act.

HELLMAN FELLOWS FUND
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NOTES TO FINANCIAL STATEMENTS
PERIOD FROM APRIL 1, 2010 (INCEPTION) TO DECEMBER 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events - For the purposes of the accompanying financial statements, subsequent events have been evaluated through August 11, 2011, which represents the date the financial statements were available to be issued.

3. GRANTS PAYABLE

Grants awarded, but unpaid, are payable as of December 31, 2010 as follows:

	2011	\$	2,245,000
	2012		2,425,000
	2013		2,425,000
	2014		2,425,000
	2015		2,425,000
			<u>11,945,000</u>
Less discount			<u>(1,092,376)</u>
Grants payable		\$	<u><u>10,852,624</u></u>

4. CONCENTRATION OF CREDIT RISK

For the year ended December 31, 2010, 100% of contributions received by the Fund were made by Mr. and Mrs. Hellman.

The Fund's management does not expect any adverse financial consequences as a result of the aforementioned concentration of credit risk.

5. RELATED PARTY TRANSACTIONS

The Fund's Secretary is also the principal in a consulting firm that provides services to the Fund. The Fund recognized expenses of \$23,800 related to services provide by this consulting firm during the period from April 1, 2010 to December 31, 2010, which remained unpaid at December 31, 2010.

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NOTES TO FINANCIAL STATEMENTS
PERIOD FROM APRIL 1, 2010 (INCEPTION) TO DECEMBER 31, 2010

6. SUBSEQUENT EVENT

In January 2011, the Fund received a cash contribution of \$2,300,000 from Mr. and Mrs. Hellman.

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