

HELLMAN FELLOWS FUND
(A Nonprofit Organization)

Financial Statements
as of December 31, 2011 and 2010,
for the Year ended December 31, 2011,
and for the Period from April 1, 2010 (inception)
to December 31, 2010
and Independent Auditors' Report

Audited by:
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Certified Public Accountants
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HELLMAN FELLOWS FUND

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Comyns, Smith, McCleary & Deaver, LLP

Certified Public Accountants

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David B. McCleary (1954-1996)*

INDEPENDENT AUDITORS' REPORT

To the Audit Committee and Directors of
Hellman Fellows Fund

We have audited the accompanying statements of financial position of Hellman Fellows Fund (a nonprofit organization) (the "Fund") as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the year ended December 31, 2011 and 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 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 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 Foundation'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 audits 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, 2011 and 2010, and the changes in its net assets (deficit) and its cash flows for the year ended December 31, 2011 and 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 9, 2012

Financial Statements

HELLMAN FELLOWS FUND
(A Nonprofit Organization)

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS:</u>		
Cash	\$ 19,589	\$ 2,348
Contributions receivable	<u>60,000,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 60,019,589</u>	<u>\$ 2,348</u>
<u>LIABILITIES AND NET ASSETS (DEFICIT):</u>		
LIABILITIES:		
Accounts payable	\$ 11,872	\$ 24,807
Grants payable, net of discount	<u>9,068,113</u>	<u>10,852,624</u>
Total liabilities	9,079,985	10,877,431
NET ASSETS (DEFICIT) - Unrestricted	<u>50,939,604</u>	<u>(10,875,083)</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 60,019,589</u>	<u>\$ 2,348</u>

See accompanying notes to financial statements.

HELLMAN FELLOWS FUND
(A Nonprofit Organization)

STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011 AND FOR THE PERIOD FROM
APRIL 1, 2010 (INCEPTION) TO DECEMBER 31, 2010

	2011	April 1, 2010 (inception) to December 31, 2010
REVENUES, GAINS AND SUPPORT:		
Contributions	\$ 62,402,645	\$ 5,000
Total revenues, gains and support	<u>62,402,645</u>	<u>5,000</u>
EXPENSES:		
Program services - grants	460,489	10,852,624
General and administrative expenses	<u>127,469</u>	<u>27,459</u>
Total expenses	<u>587,958</u>	<u>10,880,083</u>
CHANGE IN NET ASSETS (DEFICIT)	61,814,687	(10,875,083)
NET ASSETS (DEFICIT) beginning of period	<u>(10,875,083)</u>	<u>-</u>
NET ASSETS (DEFICIT) end of period	<u>\$ 50,939,604</u>	<u>\$ (10,875,083)</u>

See accompanying notes to financial statements.

HELLMAN FELLOWS FUND
(A Nonprofit Organization)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011 AND FOR THE PERIOD FROM
APRIL 1, 2010 (INCEPTION) TO DECEMBER 31, 2010

	2011	April 1, 2010 (inception) to December 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets (deficit)	\$ 61,814,687	\$ (10,875,083)
Adjustments to reconcile change in net assets (deficit) to net cash used in operating activities:		
Discount on grants payable	460,489	(1,092,376)
Changes in:		
Contributions receivable	(60,000,000)	-
Accounts payable	(12,935)	24,807
Grants payable	(2,245,000)	11,945,000
Net cash provided by operating activities	<u>17,241</u>	<u>2,348</u>
Net increase in cash and equivalents	17,241	2,348
CASH, beginning of period	<u>2,348</u>	<u>-</u>
CASH, end of period	<u>\$ 19,589</u>	<u>\$ 2,348</u>

See accompanying notes to financial statements.

HELLMAN FELLOWS FUND
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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011 AND
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 and the Hellman Family Revocable Trust.

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 accounting principles generally accepted in the United States of America.

Basis of Presentation – The Fund’s financial statement presentation follows the recommendations of accounting principles generally accepted in the United States of America, “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, 2011 and 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, 2011 or 2010.

Revenue Recognition – Contributions are recognized as revenue when received or unconditionally promised. The Fund recorded contributions of \$60,000,000 during the year ended December 31, 2011 based on an unconditional promise by the Hellman Family Revocable Trust. The Fund recorded contributions in the form of cash from Mr. and Mrs. Hellman totaling \$2,402,645 and \$5,000 during the year ended December 31, 2011 and the period from April 1, 2010 to December 31, 2010, respectively.

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.

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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011 AND
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 9, 2012, 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, 2011 as follows:

	2012	\$	2,425,000
	2013		2,425,000
	2014		2,425,000
	2015		2,425,000
			<u>9,700,000</u>
Less discount			<u>(631,887)</u>
Grants payable		\$	<u>9,068,113</u>

4. CONCENTRATIONS OF CREDIT RISK

For the year ended December 31, 2011 and the period from April 1, 2010 (inception) to December 31, 2010, 100% of contributions received by the Fund were made by Mr. and Mrs. Hellman and the Hellman Family Revocable Trust. At December 31, 2011, 100% of contributions receivable were due from the Hellman Family Revocable Trust.

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

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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011 AND
PERIOD FROM APRIL 1, 2010 (INCEPTION) TO DECEMBER 31, 2010

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 \$92,527 and \$23,800 related to services provided by this consulting firm during the year ended December 31, 2011 and the period from April 1, 2010 to December 31, 2010, respectively, of which \$7,531 remained unpaid at December 31, 2011.

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