

HOPE FUNDS FOR CANCER RESEARCH
FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020
WITH
INDEPENDENT AUDITORS' REPORTS

HOPE FUNDS FOR CANCER RESEARCH

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Hope Funds for Cancer Research
Newport, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of Hope Funds for Cancer Research (a non-profit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and change in net assets, functional expenses and cash flows for the years then ended and the related notes to the 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 audits 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 entity'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 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 financial statements.

We believe that the audit evidence 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 Hope Funds for Cancer Research as of December 31, 2021 and 2020, 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.

Golden, Gormly & Company, Ltd.

Golden, Gormly & Company, Ltd.
Wakefield, Rhode Island

May 6, 2022

HOPE FUNDS FOR CANCER RESEARCH
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

--A S S E T S--

	DECEMBER 31,	
	2021	2020
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 412,893	\$ 346,770
Investment Account	508,818	483,815
Prepaid Expense	41,033	50,206
Other Assets	9,116	9,116
TOTAL ASSETS	<u>\$ 971,860</u>	<u>\$ 889,907</u>

--LIABILITIES AND NET ASSETS--

	DECEMBER 31,	
	2021	2020
CURRENT LIABILITIES:		
Current Portion of Fellowships Payable	\$ 378,500	\$ 327,000
LONG-TERM LIABILITIES:		
Fellowships Payable	277,500	166,500
Total Liabilities	656,000	493,500
NET ASSETS:		
Without Donor Restrictions	315,860	396,407
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 971,860</u>	<u>\$ 889,907</u>

The accompanying notes are an integral part of these financial statements.

HOPE FUNDS FOR CANCER RESEARCH
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	DECEMBER 31, 2021			DECEMBER 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE & SUPPORT:						
Contributions:						
Annual Fund	\$ 597,950	\$ 0	\$ 597,950	\$ 271,488	\$ 0	\$ 271,488
In-Kind Contribution of Services	36,601	0	36,601	43,688	0	43,688
Special Events, Net	125,054	0	125,054	133,034	0	133,034
Investment Return	464	0	464	(697)	0	(697)
Net Assets Released from Restriction	0	0	0	0	0	0
Total Revenue & Support	760,069	0	760,069	447,513	0	447,513
EXPENSES:						
Program Services:						
Fellowships	697,009	0	697,009	452,821	0	452,821
Fellows - Program Costs at Events	27,510	0	27,510	0	0	0
Science, Medical & Research Information and Communication	26,424	0	26,424	13,654	0	13,654
Honoree Medals and Diplomas	10,249	0	10,249	2,457	0	2,457
Total Program Services	761,192	0	761,192	468,932	0	468,932
Supporting Services:						
Fundraising Expenses	13,336	0	13,336	14,611	0	14,611
Management and General Expenses	66,088	0	66,088	66,505	0	66,505
Total Supporting Services	79,424	0	79,424	81,116	0	81,116
Total Expenses	840,616	0	840,616	550,048	0	550,048
CHANGE IN NET ASSETS BEFORE EXCEPTIONAL ITEM	(80,547)	0	(80,547)	(102,535)	0	(102,535)
EXCEPTIONAL ITEM:						
Return of Prior Year Contributions	0	0	0	(1,463,593)	0	(1,463,593)
CHANGE IN NET ASSETS	(80,547)	0	(80,547)	(1,566,128)	0	(1,566,128)
NET ASSETS - BEGINNING OF YEAR	396,407	0	396,407	1,962,535	0	1,962,535
NET ASSETS - END OF YEAR	\$ 315,860	\$ 0	\$ 315,860	\$ 396,407	\$ 0	\$ 396,407

The accompanying notes are an integral part of these financial statements.

HOPE FUNDS FOR CANCER RESEARCH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM SERVICES		SUPPORTING SERVICES			Total Expenses
	Science, Medical and Research Information, and Communication	Research	Total	Administration	Marketing and Development	Total
Fellowship Program	\$ 0	\$ 697,009	\$ 697,009	\$ 0	\$ 0	\$ 697,009
Fellows - Program Costs at Events	27,510	0	27,510	0	0	27,510
Public Communication, Education	14,952	0	14,952	0	0	14,952
Postage, Supplies and Office	6,735	0	6,735	6,106	2,222	8,328
Professional Services	4,737	0	4,737	31,140	0	31,140
Honoree Medals and Diplomas	10,249	0	10,249	0	0	10,249
Marketing	0	0	0	0	10,539	10,539
Development - Other	0	0	0	0	575	575
Administrative Services	0	0	0	14,560	0	14,560
Rent & Utilities	0	0	0	12,600	0	12,600
Insurance	0	0	0	1,682	0	1,682
Total	\$ 64,183	\$ 697,009	\$ 761,192	\$ 66,088	\$ 13,336	\$ 79,424
						\$ 840,616

The accompanying notes are an integral part of these financial statements.

HOPE FUNDS FOR CANCER RESEARCH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	PROGRAM SERVICES		SUPPORTING SERVICES				Total Expenses
	Science, Medical and Research Information, and Communication	Research	Total	Administration	Marketing and Development	Total	
	\$	0 \$	452,821 \$	\$	0 \$	0 \$	\$
Fellowship Program							452,821
Public Communication, Education	440	0	440	0	0	0	440
Postage, Supplies and Office	13,214	0	13,214	6,147	1,830	7,977	21,191
Professional Services	0	0	0	36,888	0	36,888	36,888
Honoree Medals and Diplomas	2,457	0	2,457	0	0	0	2,457
Invitations	0	0	0	0	2,680	2,680	2,680
Marketing	0	0	0	0	10,101	10,101	10,101
Administrative Services	0	0	0	8,278	0	8,278	8,278
Rent & Utilities	0	0	0	13,560	0	13,560	13,560
Insurance	0	0	0	1,632	0	1,632	1,632
Total	\$ 16,111	\$ 452,821	\$ 468,932	\$ 66,505	\$ 14,611	\$ 81,116	\$ 550,048

The accompanying notes are an integral part of these financial statements.

HOPE FUNDS FOR CANCER RESEARCH
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (80,547)	\$ (1,566,128)
Adjustments to Reconcile Change In Net Assets to Net Cash Provided from Operating Activities:		
Unrealized Losses (Gains)	1,779	(7,834)
Realized Losses (Gains)	328	23,732
Return of Prior Year Contributions	0	1,463,593
Changes in Operating Assets and Liabilities:		
Prepaid Expenses	9,173	(10,675)
Fellowships Payable	162,500	(75,000)
Net Cash Provided From (Used By) Operating Activities	93,233	(172,312)
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES:		
Transfers from/to Investment Account	(27,110)	(260,500)
Net Sales Proceeds and Purchases	0	465,564
Net Cash Provided From (Used By) Investing Activities	(27,110)	205,064
INCREASE (DECREASE) IN CASH	66,123	32,752
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	346,770	314,018
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 412,893	\$ 346,770

The accompanying notes are an integral part of these financial statements.

HOPE FUNDS FOR CANCER RESEARCH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Hope Funds for Cancer Research (Hope Funds), a non-profit corporation, was organized under the General Laws of the State of Rhode Island on October 5, 2006 for the purpose of encouraging investigation of innovative cancer treatment, prevention and detection and to increase knowledge relating to cancer care, especially for the most difficult-to-treat cancers, through philanthropic support of scientific and medical research.

BASIS OF ACCOUNTING

The accompanying financial statements of Hope Funds have been prepared on the accrual basis of accounting which recognizes revenue when earned and expenses when incurred and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

INCOME TAXES

No provision for federal income taxes has been reflected in the accompanying financial statements since the organization qualifies as a tax-exempt organization as provided under Internal Revenue Code Section 501(c)(3).

UNCERTAIN TAX POSITIONS

Management has determined that Hope Funds does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that Hope Funds' tax returns will not be challenged by the taxing authorities and that Hope Funds will not be subject to additional tax, penalties and interest as a result of such challenge. Generally, Hope Funds' tax returns remain open for three years for federal and state income tax examination.

EXPENSE ALLOCATION AND RECOGNITION

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Fellowships and Science, Medical and Research Information, and Communication are allocated directly to Program Services as all are 100% Program related.
- Occupancy costs, professional services, administrative services and various operating costs are allocated based on actual purposes as to Administrative functions or Marketing and Development.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. Additionally, advertising and marketing costs are expensed as incurred.

HOPE FUNDS FOR CANCER RESEARCH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

NET ASSETS

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in the organizational documents and its application for tax exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed.

Hope Funds unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions and reported in the statements of activities as "net assets released from restrictions".

CONTRIBUTIONS

Hope Funds records contributions received as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the same reporting period in which the support is recognized.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ADVERTISING AND MARKETING COSTS

Advertising and marketing costs are expensed as incurred.

HOPE FUNDS FOR CANCER RESEARCH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

DONATED SERVICES

Donated services are recognized as contributions in accordance with accounting standards at their fair market value, if the services: 1) create or enhance nonfinancial assets; or 2) require specialized skills and are performed by people with those skills or would otherwise be purchased by Hope Funds. Hope Funds receives donated services for legal, marketing, accounting, design, website development and event planning activities. Since Hope Funds is an entirely volunteer organization, many individuals volunteer their time and perform a variety of professional and administrative tasks that greatly assist Hope Funds perform its daily operations. Hope Funds recognized \$10,000 of pro bono communication services from the social media company Facebook, during the years ended December 31, 2021, and 2020. Additionally, Hope Funds recognized pro bono legal services from the law firm of Morgan, Lewis & Bockius in the amount of \$26,601 and \$33,688 during the years ended December 31, 2021, and 2020, respectively. The pro bono legal services include many important administrative tasks and opinions relating to organizational and committee functions including preparation and oversight of policies and procedures, agreements and governance applications.

FAIR VALUE MEASUREMENTS

Hope Funds applies generally accepted accounting principles for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP defines fair value 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. Fair value is best determined based on independent quoted market prices. GAAP establishes 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 measurements involving unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Hope Funds has the ability to access at the measurement date.
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

As of December 31, 2021, the Investment Account balance of \$508,818 was valued using Level 1 inputs. See Note 14 for additional information.

SUBSEQUENT EVENTS

Hope Funds considers the accounting treatments, and the related disclosures in the current year's financial statements, that may be required as the result of all events or transactions that occur after the year-end through the date of the independent auditors' report, April 25, 2022, which is the date the financial statements were available to be issued.

RECLASSIFICATIONS

Certain prior year information in the accompanying financial statements has been reclassified to conform to the current-year's presentation.

HOPE FUNDS FOR CANCER RESEARCH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)

RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Under Topic 606, revenue recognition occurs when promised goods or services are transferred to customers in amounts that reflect the consideration to which the organization expects to be entitled to in exchange for those goods or services. Hope Funds adopted ASU 2014-09 effective January 1, 2020 using the modified retrospective transition method. It has concluded that no changes are necessary to conform with the new standard. Revenue consists primarily of contributions and proceeds raised from its Annual Gala (See Note 9.) Based on the preceding, there was no impact of adopting ASC 606 and therefore, no adjustment to net assets is required.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*, which clarifies the criteria for evaluating whether a transaction is a contribution or an exchange transaction and whether a contribution is conditional or unconditional. Hope Funds adopted ASU 2018-08 effective January 1, 2020 and has determined that there is no change, as a result, of the adoption of the standard.

NOTE 2 – LIQUIDITY AND AVAILABILITY RESOURCES

Hope Funds financial assets available for general use within one year of the statement of financial position date are as follows:

Cash in Bank Accounts	\$ 412,893
Investment Account	<u>508,818</u>

Financial assets available to meet cash needs for general expenditures within one year	\$ <u>921,711</u>
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Hope Funds manages its cash available to meet general expenditures using the following principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets
- Maintaining sufficient reserves to provide reasonable assurance that long-term commitments and obligations will continue to be met, ensuring the sustainability of the Organization

NOTE 3 – CASH AND CASH EQUIVALENTS

For the purposes of the accompanying statements of cash flows, Hope Funds considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents, with the exception of cash and cash equivalents held in investment accounts. Funds are kept in institutions in regular checking and money market accounts. As of December 31, 2021 the cash was invested as follows:

Cash in Bank Accounts	\$ <u>412,893</u>
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NOTE 4 – CONTRIBUTIONS RECEIVABLE

Hope Funds had no Contributions Receivable as of December 31, 2021 for future years.

HOPE FUNDS FOR CANCER RESEARCH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5 – PREPAID EXPENSES

Prepaid expense represents Hope Funds prepayment amounts for the following expense categories:

Prepaid deposits to secure Science Meeting,	
Gala and Fellows Dinner venue for future years	\$ 40,383
Office rent security deposit	<u>650</u>
	\$ <u>41,033</u>

NOTE 6 – FELLOWSHIPS PAYABLE

Hope Funds conducts a postdoctoral competition each year and awards fellowships typically covering three-year periods. Hope Funds accounts for payments to a grantee institution in respect of Fellowship Expense by recording such expense in the full amount at the time the commitment is made with the grantee institution. In 2021, Hope Funds awarded 5 new three-year grants for a total commitment of \$802,500. Two previously awarded grants were reduced or refunded during the year at the Fellow's request as to term or amount, lowering previous grant commitments by \$105,491. Due to Hope Funds commitment to pay the fellowships in the near term no present value discounts have been applied. Awards payable as of December 31, 2021 total \$656,000 are expected to be paid as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2022	\$ 378,500
2023	<u>277,500</u>
Total	\$ <u>656,000</u>

NOTE 7 – NET ASSETS – WITH DONOR RESTRICTIONS

Hope Funds had no net assets which were donor restricted for future years as of December 31, 2021.

NOTE 8 – REVENUE AND SUPPORT

Hope Funds' major forms of support include direct contributions by individuals, corporations and foundations towards its Annual Fund and Special Events to raise funds for Fellowships as well as serving to honor luminaries in the field of cancer research, treatment and philanthropy.

NOTE 9 – SPECIAL EVENTS

Since its Inaugural Awards Gala in August 2007, Hope Funds has held its Awards Galas and Fellows Dinners. The Awards Gala event and annual Fellows Dinner is held to celebrate Hope Funds' commitment to encourage innovative cancer treatment and early-state detection for the most understudied and difficult to treat cancers. It also has provided a forum for scientific discussion and presentations and raised funds for future Fellowships. The event annually brings together trustees, advisors, scientists, physicians and friends of Hope Funds for Cancer Research.

The Awards Gala brought together more than 120 trustees, advisors, scientists, physicians and friends of the Hope Funds for Cancer Research in 2021. The postdoctoral Fellows were given an outstanding forum, in the form of a scientific convening, in which to present their research findings. In 2021, the Hope Funds hosted successful panel discussions and luncheon focused on Women in Science and a Fellows Dinner. Members of the panels included Hope Funds Fellows and senior cancer researchers.

HOPE FUNDS FOR CANCER RESEARCH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 9 – SPECIAL EVENTS (CONTINUED)

Guests from industry and academia met with scientists, physicians, business people and philanthropists. The panels are used to showcase the work and achievements of the Fellows, their Mentors and Advisors.

Gross proceeds from the Gala in 2021 from sources including ticket prices, corporate support and individual donations totaled \$203,803. Total costs for this event amounted to \$91,999 or 45.1% of contributions to the Gala and have been netted against gross proceeds on the Statement of Activities and Changes in Net Assets.

Gross proceeds from the Special Events in 2021 from sources including ticket prices, corporate support and individual donations totaled \$28,350. Total costs for these events amounted to \$15,100 or 53.3% of contributions to the Special Events and have been netted against gross proceeds on the Statement of Activities and Changes in Net Assets.

NOTE 10 - SCIENCE, MEDICAL & RESEARCH INFORMATION AND COMMUNICATIONS

Expenses in this category amounted to \$36,673 in 2021 and \$16,111 in 2020. Hope Funds expanded opportunities for its Fellows and Alumni-Fellows to present their research findings in public formats and to key-opinion-leaders in the field of cancer research.

NOTE 11 – SUPPLEMENTAL CASH FLOW INFORMATION

Cash flows from operating activities as reported in the accompanying statements of cash flows for the years-ended December 31, 2021 and 2020, reflect no cash payment for interest or taxes.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Hope Funds entered into a lease for office space in Newport, RI beginning March 1, 2021 for a period of 12 months at \$1,050 per month. Subsequently, Hope Funds renewed this lease under the same terms after the expiration of the original term. The minimum lease payments due under these leases are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2022	\$ 12,600
2023	<u>2,100</u>
Total	\$ <u>14,700</u>

Total rent paid for property leases for the year ended December 31, 2021 was \$12,600.

NOTE 13 – CONCENTRATION OF CREDIT RISK

Hope Funds maintains its cash balances at a single financial institution in amounts which, at times, may be in excess of federally insured limits. Management believes that Hope Funds faces no significant risk of loss relating to a failure at this institution. The amount in excess of federally insured limits was \$426,513 as of December 31, 2021.

HOPE FUNDS FOR CANCER RESEARCH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 14 – INVESTMENT ACCOUNT

Hope Funds maintains an investment account that contains various securities, which are carried at their fair value for financial statement purposes (See Note 1). It is Hope Funds' investment policy to purchase and hold to maturity in the near term highly rated securities to fund committed and future fellowships. The aggregate cost and fair values of investment securities held as of December 31, 2021 are as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Cash Equivalents	\$ <u>508,818</u>	\$ <u>508,818</u>	\$ <u>0</u>

As portrayed above, concentration of Hope Funds' investments in excess of 10% of the fair value of its portfolio included approximately 100% in Cash Equivalents.

NOTE 15 – INVESTMENT RETURN

Components of investment return are as follows:

Investment Securities	
Interest and Dividends	\$ 2,571
Realized Gains (Losses)	(328)
Unrealized Gains (Losses)	<u>(1,779)</u>
Total Investment Return	\$ <u>464</u>

NOTE 16 – RETURN OF PRIOR CONTRIBUTIONS

In prior years, Hope Funds had received various contributions from a single donor. These donations were unrestricted and had been segregated in two separate managed investment accounts included in Hope Funds overall Investment Accounts. By mutual agreement with the donor, the Hope Funds Investment Committee authorized the transfer of the balance of these accounts back to the donor, for the donor's future use. Hope Funds has no future control or use of these funds. The fair value of the two accounts as of the dates of transfer in 2020 was \$1,463,593, which is reflected in the Statements of Activities. Hope Funds Investment Committee continues to oversee their general account with ongoing assistance from their advisor, Morgan Stanley.