



IRA L. SCHALL, CPA
DAVID C. ASHENFARB, CPA

THE OXALOSIS AND HYPEROXALURIA FOUNDATION

Audited Financial Statements

December 31, 2007

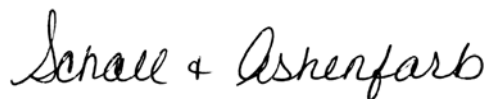
REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
The Oxalosis and Hyperoxaluria Foundation

We have audited the accompanying statement of financial position of The Oxalosis and Hyperoxaluria Foundation (“OHF”) as of December 31, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of OHF’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from OHF’s December 31, 2006 financial statements and, in our report dated November 7, 2007 we expressed an unqualified opinion on those financial statements.

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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 provides 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 The Oxalosis and Hyperoxaluria Foundation as of December 31, 2007, and the change in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 10, 2008

THE OXALOSIS AND HYPEROXALURIA FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2007
(With comparative totals at December 31, 2006)

Assets

	<u>12/31/07</u>	<u>12/31/06</u>
Current assets:		
Cash and cash equivalents (Note 2d)	\$217,326	\$169,704
Contributions receivable (Note 2c)	85,682	132,996
Prepaid expenses	4,820	3,715
Total current assets	<u>307,828</u>	<u>306,415</u>
Non-current assets:		
Investments (Notes 2f and 3)	1,580,609	1,306,219
Property and equipment - net of accumulated depreciation (Notes 2g and 4)	<u>2,431</u>	<u>1,944</u>
Total non-current assets	<u>1,583,040</u>	<u>1,308,163</u>
 Total assets	 <u><u>\$1,890,868</u></u>	 <u><u>\$1,614,578</u></u>

Liabilities and Net Assets

Liabilities:		
Accounts payable and accrued expenses	\$30,568	\$16,649
Grants payable	134,779	343,107
Total liabilities	<u>165,347</u>	<u>359,756</u>
Net assets: (Note 2b)		
Unrestricted	<u>1,725,521</u>	<u>1,254,822</u>
Total net assets	<u>1,725,521</u>	<u>1,254,822</u>
 Total liabilities and net assets	 <u><u>\$1,890,868</u></u>	 <u><u>\$1,614,578</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

THE OXALOSIS AND HYPEROXALURIA FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007
(With comparative totals for the year ended December 31, 2006)

	<u>12/31/07</u>	<u>12/31/06</u>
Unrestricted:		
Support and revenue:		
Contributions and special events (net of costs of direct benefits to donors of \$17,794)	\$724,623	\$689,752
Interest and dividend income	45,602	36,925
Net realized and unrealized gain on investments	59,225	80,184
Total support and revenue	<u>829,450</u>	<u>806,861</u>
Expenses:		
Program services	303,809	566,652
Supporting services:		
Management and general	49,827	49,030
Fundraising	5,115	4,467
Total supporting services	<u>54,942</u>	<u>53,497</u>
Total expenses	<u>358,751</u>	<u>620,149</u>
Change in net assets	470,699	186,712
Net assets - beginning	<u>1,254,822</u>	<u>1,068,110</u>
Net assets - ending	<u><u>\$1,725,521</u></u>	<u><u>\$1,254,822</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

THE OXALOSIS AND HYPEROXALURIA FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007
(With comparative totals for the year ended December 31, 2006)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses 12/31/07</u>	<u>Total Expenses 12/31/06</u>
Salaries and related taxes and benefits	\$74,102	\$13,894	\$4,631	\$92,627	\$80,050
Grant payments	111,299			111,299	429,699
Professional fees	34,485	12,429	484	47,398	37,963
Printing and postage	17,599	1,955		19,554	28,171
Conferences	44,329			44,329	7,241
Insurance		1,295		1,295	1,363
Other	21,995	7,332		29,327	25,215
Depreciation		913		913	633
Investment fees		12,009		12,009	9,814
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$303,809</u>	<u>\$49,827</u>	<u>\$5,115</u>	<u>\$358,751</u>	<u>\$620,149</u>

The attached notes and auditors' report are an integral part of these financial statements.

THE OXALOSIS AND HYPEROXALURIA FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007
(With comparative totals for the year ended December 31, 2006)

	<u>12/31/07</u>	<u>12/31/06</u>
Cash flows from operating activities:		
Change in net assets	\$470,699	\$186,712
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	913	633
Net realized and unrealized gain on investments	(59,225)	(80,184)
(Increase)/decrease in:		
Contributions receivable	47,314	(92,177)
Prepaid expenses	(1,105)	(3,715)
Increase/(decrease) in:		
Accounts payable and accrued expenses	13,919	1,438
Grants payable	(208,328)	63,200
Net cash provided by operating activities	<u>264,187</u>	<u>75,907</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(1,400)	(1,306)
Purchases of investments, net	(215,165)	(119,811)
Net cash used for investing activities	<u>(216,565)</u>	<u>(121,117)</u>
Net increase/(decrease) in cash and cash equivalents	47,622	(45,210)
Cash and cash equivalents - beginning of year	<u>169,704</u>	<u>214,914</u>
Cash and cash equivalents - end of year	<u><u>\$217,326</u></u>	<u><u>\$169,704</u></u>
Supplemental data:		
Interest paid - \$0		
Taxes paid - \$0		

The attached notes and auditors' report are an integral part of these financial statements.

THE OXALOSIS AND HYPEROXALURIA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

Note 1 - Nature of Organization

The Oxalosis and Hyperoxaluria Foundation (“OHF”) is a not-for-profit, public-benefit organization. The mission of the OHF is to promote research to find a cure for Oxalosis, PH and related stone diseases and improve the care and treatment of those it affects.

OHF is exempt from Federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. They have not been designated as a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying financial statements of OHF have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

b. Net Assets

Organizations are required to report their net assets into specific classes as follows:

- *Unrestricted* – represent those resources for which there are no restrictions by donors as to their use.
- *Temporarily restricted* – represent those resources the use of which have been restricted by donors to specific purposes or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor. Temporarily restricted contributions and grants, the requirements of which are met in the year of donation, are reported as unrestricted. OHF had no contributions or net assets of this type during the year.
- *Permanently restricted* – accounts for activity restricted by donors that must remain intact in perpetuity. OHF had no contributions or net assets of this type during the year.

c. Contributions

Contributions are recorded as revenue upon receipt of cash or unconditional pledges and are considered available for unrestricted use, unless specifically restricted by the donor, in which case they are recorded as temporarily or permanently restricted.

Contributions expected to be received within one year are recorded at their net realizable value. Long term pledges are recorded at present value using a risk free rate of return. Conditional contributions received are recorded as liabilities and are recognized as income when the conditions have been substantially met.

d. Cash and Cash Equivalents

Checking and money market accounts with local banks and highly liquid debt instruments purchased with a maturity of three months or less (excluding accounts held with investment advisors) are considered to be cash equivalents for purposes of the accompanying statements of cash flows.

e. Allowance for Doubtful Accounts

OHF bases its allowance for doubtful accounts on its historical loss experience considering the age of the receivables. At December 31, 2007, all receivables were due within one year and were collected shortly thereafter. Consequently, management did not record an allowance for doubtful accounts.

f. Investments and Investment Income

OHF reports investments in accordance with Statements of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments held by Not-for-Profit Organizations*. Under SFAS No. 124, investments are recorded at fair value in the statement of financial position. Unrealized gains and losses on investments are reflected in the statement of activities.

g. Property and Equipment

Property and equipment that exceed predetermined thresholds and have a useful life greater than one year are capitalized at cost or at their fair market values at the dates of donation. Depreciation is recorded using the straight-line method over 5 years.

h. Donated Services

Donated services that create or enhance existing assets or require specialized skills provided by individuals possessing these skills and are purchased if not provided by contributions are recorded at fair value. Although many board members contribute a significant amount of their time, OHF did not record any donated services during 2007 because they did not meet the criteria outlined above.

i. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with OHF's financial statements for the year ended December 31, 2006, from which the summarized information was derived.

j. Functional Allocation of Expenses

The costs of providing OHF's various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited in reasonable ratios determined by management.

k. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Note 3 - Investments

At December 31, 2007, investments consisted of the following:

	<u>Market Value</u>
Money markets	\$ 165,430
Corporate and government bond	477,046
Mutual funds	14,134
Common stocks	902,613
Preferred stocks	<u>21,386</u>
Total	<u>\$1,580,609</u>

Note 4 - Property and Equipment

At December 31, 2007, property and equipment consisted of the following:

Equipment	\$14,439
Accumulated depreciation	<u>(12,008)</u>
Total	<u>\$2,431</u>

Note 5 - Concentration of Credit Risk

OHF maintains cash and investment balances in several major financial institutions. At times, deposits in these accounts may be in excess of federally insured limits. However, management does not believe that OHF is subject to a significant risk of loss on any of these accounts that would be due to the failure of the financial institutions. As of December 31, 2007, OHF's cash balance exceeded insured levels by \$94,945.

Note 6 - Subsequent Events

Subsequent to December 31, 2007, volatility experienced in the financial market has resulted in a significant decline in the market value of certain investments.