



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

THE OXALOSIS AND HYPEROXALURIA FOUNDATION

Audited Financial Statements

December 31, 2009

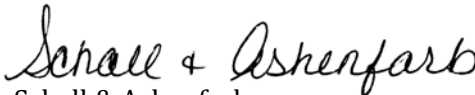
REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
The Oxalosis & Hyperoxaluria Foundation

We have audited the accompanying statement of financial position of The Oxalosis & Hyperoxaluria Foundation ("OHF") as of December 31, 2009, 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, 2008 financial statements and, in our report dated July 28, 2009 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 & Hyperoxaluria Foundation as of December 31, 2009, and the changes 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

August 11, 2010

THE OXALOSIS AND HYPEROXALURIA FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2009
(With comparative totals at December 31, 2008)

Assets

	12/31/09	12/31/08
Current assets:		
Cash and cash equivalents (Notes 2d and 2e)	\$217,806	\$272,048
Investments (Notes 2g and 3)	1,375,738	1,184,978
Contributions receivable (Notes 2c and 2f)	14,380	52,314
Prepaid expenses	1,000	4,895
Total current assets	1,608,924	1,514,235
Non-current assets:		
Property and equipment - net of accumulated depreciation (Notes 2h and 4)	1,952	2,812
Total non-current assets	1,952	2,812
Total assets	\$1,610,876	\$1,517,047

Liabilities and Net Assets

Liabilities:		
Accounts payable and accrued expenses	\$29,258	\$35,871
Grants payable (Note 5)	298,886	181,500
Total liabilities	328,144	217,371
Net assets: (Note 2b)		
Unrestricted	1,282,732	1,292,129
Temporarily restricted (Note 6)	0	7,547
Total net assets	1,282,732	1,299,676
Total liabilities and net assets	\$1,610,876	\$1,517,047

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, 2009
(With comparative totals for the year ended December 31, 2008)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 12/31/09</u>	<u>Total 12/31/08</u>
Support and revenue:				
Contributions and special events (net of costs of direct benefits to donors of \$13,568)	\$511,902		\$511,902	\$612,467
Interest and dividend income	45,282		45,282	56,415
Net assets released from restrictions	7,547	(7,547)	0	0
	<u>564,731</u>	<u>(7,547)</u>	<u>557,184</u>	<u>668,882</u>
Total support and revenue				
Expenses:				
Program services	664,311		664,311	549,297
Supporting services:				
Management and general	60,248		60,248	82,274
Fundraising	6,307		6,307	7,391
Total supporting services	<u>66,555</u>	<u>0</u>	<u>66,555</u>	<u>89,665</u>
Total expenses	<u>730,866</u>	<u>0</u>	<u>730,866</u>	<u>638,962</u>
Change in net assets from operations	(166,135)	(7,547)	(173,682)	29,920
Non-operating revenue:				
Net realized and unrealized gain/(loss) on investments	156,738		156,738	(455,765)
Change in net assets	(9,397)	(7,547)	(16,944)	(425,845)
Net assets - beginning	<u>1,292,129</u>	<u>7,547</u>	<u>1,299,676</u>	<u>1,725,521</u>
Net assets - ending	<u><u>\$1,282,732</u></u>	<u><u>\$0</u></u>	<u><u>\$1,282,732</u></u>	<u><u>\$1,299,676</u></u>

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THE OXALOSIS AND HYPEROXALURIA FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009
(With comparative totals for the year ended December 31, 2008)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses 12/31/09</u>	<u>Total Expenses 12/31/08</u>
Salaries and related taxes and benefits	\$126,640	\$12,828	\$5,871	\$145,339	\$123,130
Grant expense	479,997			479,997	336,513
Professional fees	16,170	13,844		30,014	50,765
Printing and postage	16,429	562	88	17,079	22,501
Conferences	23,782	8,116	348	32,246	74,218
Insurance		1,201		1,201	1,101
Computer software		4,558		4,558	5,314
Other	1,293	7,920		9,213	11,441
Depreciation		896		896	1,101
Investment fees		10,323		10,323	12,878
 Total expenses	 <u>\$664,311</u>	 <u>\$60,248</u>	 <u>\$6,307</u>	 <u>\$730,866</u>	 <u>\$638,962</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, 2009
(With comparative totals for the year ended December 31, 2008)

	<u>12/31/09</u>	<u>12/31/08</u>
Cash flows from operating activities:		
Change in net assets	(\$16,944)	(\$425,845)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	896	1,101
Net realized and unrealized (gain)/loss on investments	(156,738)	455,765
(Increase)/decrease in:		
Contributions receivable	37,934	33,369
Prepaid expenses	3,895	(75)
Increase/(decrease) in:		
Accounts payable and accrued expenses	(6,613)	5,302
Grants payable	117,386	46,721
Net cash (used for)/provided by operating activities	<u>(20,184)</u>	<u>116,338</u>
Cash flows from investing activities:		
Acquisition of property and equipment	(36)	(1,482)
Purchases of investments	(1,006,551)	(341,557)
Proceeds from sales of investments	972,529	281,423
Net cash used for investing activities	<u>(34,058)</u>	<u>(61,616)</u>
Net (decrease)/increase in cash and cash equivalents	(54,242)	54,722
Cash and cash equivalents - beginning of year	<u>272,048</u>	<u>217,326</u>
Cash and cash equivalents - end of year	<u><u>\$217,806</u></u>	<u><u>\$272,048</u></u>
Supplemental data:		
Interest paid	<u>\$0</u>	<u>\$0</u>
Taxes paid	<u>\$0</u>	<u>\$0</u>

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, 2009

Note 1 - Nature of Organization

The Oxalosis & 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

As a not-for-profit organization, OHF is 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.
- *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 at the earlier of an unconditional promise being made or cash having been received. Contributions 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 fair value, based on market conditions using the income approach. Conditional contributions 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. Concentration of Credit Risk

Financial instruments which potentially subject OHF to concentration of credit risk consist of cash, money market accounts and investment securities.

OHF places its temporary cash and money market accounts with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. A significant portion of the funds is not insured by the FDIC or related entity, however OHF has not experienced any losses from these accounts.

f. 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, 2009, all receivables were due within one year and were collected shortly thereafter. Consequently, management did not record an allowance for doubtful accounts.

g. Investments

Investments are recorded at fair market value. Unrealized gains and losses are included in income on the statement of activities. OHF follows FASB Accounting Standards Codification (ASC) 820, (formerly SFAS No. 157) to determine fair market value. Under ASC 820, fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

h. 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.

i. 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 2009 because they did not meet the criteria outlined above.

j. 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, 2008, from which the summarized information was derived.

k. 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.

l. 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.

m. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through DATE TO DETERMINED, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

Note 3 - Investments

ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the securities based on market data obtained from sources independent of OHF. Unobservable inputs reflect OHF's assumptions about the inputs that market participants would use in pricing the security developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that OHF has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investment assets measured at fair value as of December 31, 2009, comprise:

<u>Description</u>	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>
Money markets	\$25,529	\$25,529	\$0
Common stocks	607,989	607,989	0
Mutual fund-fixed income	381,764	381,764	0
Corporate and Government bonds	<u>360,456</u>	<u>0</u>	<u>360,456</u>
Total	<u>\$1,375,738</u>	<u>\$1,015,282</u>	<u>\$360,456</u>

Note 4 - Property and Equipment

At December 31, 2009, property and equipment consisted of the following:

Equipment	\$4,759
Accumulated depreciation	<u>(2,807)</u>
Total	<u>\$1,952</u>

Note 5 - Grants Payable

Grants payable accrued of \$298,886 are due to be paid as follows:

Year Ending:

December 31, 2010	\$243,181
December 31, 2011	<u>55,705</u>
Total	<u>\$298,886</u>

Note 6 - Temporarily Restricted Net Assets

At December 31, 2009, temporarily restricted net assets consisted of the following:

	<u>Net Assets 1/1/09</u>	<u>Contributions</u>	<u>Released from Restrictions</u>	<u>Net Assets 12/31/09</u>
Registry program	<u>\$7,547</u>	<u>\$0</u>	<u>(\$7,547)</u>	<u>\$0</u>
Total	<u>\$7,547</u>	<u>\$0</u>	<u>(\$7,547)</u>	<u>\$0</u>