

The Oxalosis & Hyperoxaluria Foundation

Financial Statements
Year Ended December 31, 2020

The Oxalosis & Hyperoxaluria Foundation

Financial Statements
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The Oxalosis & Hyperoxaluria Foundation

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Independent Auditor's Report

The Board of Directors
The Oxalosis & Hyperoxaluria Foundation
New York, New York

Opinion

We have audited the financial statements of The Oxalosis & Hyperoxaluria Foundation (OHF), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of OHF as of December 31, 2020, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of OHF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about OHF's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 OHF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about OHF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

November 12, 2021

The Oxalosis & Hyperoxaluria Foundation

Statement of Financial Position

December 31, 2020

Assets	
Cash and cash equivalents	\$ 1,444,743
Investments, at fair value	3,791,285
Contributions receivable	9,970
Fixed assets, net	688
Total Assets	\$ 5,246,686
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	\$ 73,602
Grants payable	511,648
Loan payable - Paycheck Protection Program	34,100
Total Liabilities	619,350
Commitments and Contingencies (Note 9)	
Net Assets	
Net assets without donor restrictions	4,545,731
Net assets with donor restrictions	81,605
Total Net Assets	4,627,336
Total Liabilities and Net Assets	\$ 5,246,686

See accompanying notes to financial statements.

The Oxalosis & Hyperoxaluria Foundation

Statement of Activities

Year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Public Support			
Contributions	\$ 507,201	\$ -	\$ 507,201
Special events, net of direct expenses of \$20,468	864,832	-	864,832
Program income	355,000	-	355,000
Interest and dividend income	73,571	-	73,571
Net assets released from restrictions	322,176	(322,176)	-
Total Revenue and Public Support	2,122,780	(322,176)	1,800,604
Expenses			
Program services	911,483	-	911,483
Supporting services:			
Management and general	79,904	-	79,904
Fundraising	10,938	-	10,938
Total Supporting Services	90,842	-	90,842
Total Expenses	1,002,325	-	1,002,325
Change in Net Assets, before nonoperating revenue	1,120,455	(322,176)	798,279
Nonoperating Revenue			
Investment income, net of fees of \$26,697	193,709	-	193,709
Change in Net Assets	1,314,164	(322,176)	991,988
Net Assets, beginning of year	3,231,567	403,781	3,635,348
Net Assets, end of year	\$ 4,545,731	\$ 81,605	\$ 4,627,336

See accompanying notes to financial statements.

The Oxalosis & Hyperoxaluria Foundation

Statement of Functional Expenses

Year ended December 31, 2020

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and related taxes and benefits	\$ 256,938	\$ 18,144	\$ 7,679	\$ 25,823	\$ 282,761
Grant expense	440,014	-	-	-	440,014
Professional fees	191,991	31,086	522	31,608	223,599
Conferences	17,076	8,454	450	8,904	25,980
Printing and postage	21	2	1	3	24
Computer software	1,909	4,802	2,187	6,989	8,898
Insurance	-	3,063	-	3,063	3,063
Depreciation	-	344	-	344	344
Other expenses	3,534	14,009	99	14,108	17,642
Total Expenses	\$ 911,483	\$ 79,904	\$ 10,938	\$ 90,842	\$ 1,002,325

See accompanying notes to financial statements.

The Oxalosis & Hyperoxaluria Foundation

Statement of Cash Flows

Year ended December 31, 2020

Cash Flows from Operating Activities	
Change in net assets	\$ 991,988
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	344
Net realized gain on investments	(158,875)
Net unrealized gain on investments	(61,531)
Decrease (increase) in:	
Contributions receivable	26,734
Other receivables	30,459
Increase (decrease) in:	
Accounts payable and accrued expenses	43,229
Deferred revenue	(55,000)
Grants payable	(267,430)
Net Cash Provided by Operating Activities	549,918
Cash Flows from Investing Activities	
Purchases of investments	(1,075,543)
Proceeds from sales of investments	1,028,963
Purchases of fixed assets	(1,032)
Net Cash Used in Investing Activities	(47,612)
Cash Flows from Financing Activities	
Proceeds from loan payable - Paycheck Protection Program	34,100
Net Cash Provided by Financing Activities	34,100
Net Increase in Cash and Cash Equivalents	536,406
Cash and Cash Equivalents, beginning of year	908,337
Cash and Cash Equivalents, end of year	\$ 1,444,743

See accompanying notes to financial statements.

The Oxalosis & Hyperoxaluria Foundation

Notes to Financial Statements

1. Description of Organization

The Oxalosis & Hyperoxaluria Foundation (OHF) is a not-for-profit, public benefit organization. The mission of OHF is to promote research to find a cure for oxalosis, primary hyperoxaluria, and related stone diseases and improve the care and treatment of those they affect.

OHF is dedicated to finding treatments and a cure for all forms of hyperoxaluria. Funding raised are used to fund research through various grants. OHF has supported thousands of healthcare professionals, patients, and their families, and aims to raise awareness on the advances in this disease.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on an accrual basis, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are presented according to their maturity resulting in the use of cash.

Net Asset Classification

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

With Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time, and/or purpose restrictions. OHF reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. When a donor restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

See Note 11 for more information on the composition of net assets with donor restrictions and the releases from restrictions, respectively.

Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Trustees (the Board) and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

The Oxalosis & Hyperoxaluria Foundation

Notes to Financial Statements

Cash and Cash Equivalents

OHF considers all highly liquid instruments purchased with a maturity of three months or less and money market accounts to be cash equivalents.

Financial Instruments and Fair Value

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, established a hierarchy for inputs used in measuring fair value that maximized the use of observable inputs and minimized the use of unobservable inputs, requiring that inputs that are most observable be used when available. Observable inputs are those that market participants operating within the same marketplace as OHF would use in pricing OHF's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of OHF are traded. OHF estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants who have investments in the same or similar assets would use, as determined by the money managers for each investment based on best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

Level 1 - Valuation is based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuation is based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3 - Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

Investment income is recognized when earned and consists of interest and dividends. Dividends are recorded on the ex-dividend rate. Purchases and sales are recorded on a trade-date basis.

Contributions Receivable

OHF recognizes as revenue the estimated realizable value of all unconditional promises to contribute to its operations in the year such promise is made. If contributions receivable are to be paid to OHF over a period greater than one year following December 31, 2020, they are recorded at the present value of their estimated future cash flows using the effective discount rate. See Note 6.

Fixed Assets, Net

Fixed assets, net are recorded at cost when purchased. Expenditures for additions, renewals, and betterments are capitalized; expenditures for maintenance and repairs are charged to expenses as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The estimated useful life of computer software is three years.

It is OHF's policy to capitalize all fixed-asset purchases greater than \$1,000.

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Notes to Financial Statements

Impairment of Long-Lived Assets

OHF follows the provision of ASC 360-10-35, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which requires OHF to review long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. For the year ended December 31, 2020, there have been no such losses.

Grants Expense and Grants Payable

Grants and related costs to support medical research are treated as expenses when they are considered unconditional.

Revenue Recognition

Contributions received are recorded as with or without donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If donor-restricted contributions are reclassified in the same period they were received, they are classified as without donor restrictions. Contributions are nonexchange transactions in which no commensurate value is exchanged. Therefore, contributions fall under the purview of ASC Topic 958, *Not-for-Profit Entities*.

Contributions are evaluated for conditions that may exist. Factors indicating the existence of a conditional contribution include the presence of a barrier that must be overcome and either a right of return of assets transferred or a right of release of a funder's obligation to transfer the assets. Revenue from grant contributions is recognized when the conditions are satisfied, which is generally when the service has been performed or expenditures have been incurred. Any unearned revenue is classified as deferred revenue on the statement of financial position.

OHF conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Revenue is recognized when events take place. Revenue from special events is reported at the amount that reflects the consideration to which OHF expects to be entitled in exchange for the direct cost of the benefits received by the attendees at the events. Performance obligations are determined based on the nature of the services provided by OHF. Revenue for performance obligations satisfied over a period of time is generally recognized when goods are provided to attendees over a period of time and OHF does not believe that it is required to provide additional goods or services related to that sale. OHF determines that the transaction price based on standard charges for goods and services provided. At December 31, 2020, there were no liabilities pertaining to special events revenue. All proceeds received, net of direct cost of the benefits received by the participant, are recorded as special events revenue in the accompanying statement of activities.

Functional Allocation of Expenses

The majority of expenses can generally be directly identified with program or supporting services to which they relate and are allocated accordingly. Other expenses have been allocated among

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program and supporting service classifications. These expenses include salaries and related taxes and benefits, printing and postage, and certain other expenses. These expenses are allocated based on time and effort or other equitable bases established by management.

Income Taxes

OHF is exempt from federal, state, and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, has made no provision for income taxes in the accompanying financial statements. In addition, OHF has been determined by the Internal Revenue Service (IRS) not to be a "private foundation" within the meaning of Section 509(a) of the Code.

Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. OHF does not believe that it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. OHF has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, OHF has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended December 31, 2020, there were no income tax-related interest or penalties recorded or included in the statement of activities. Management believes that OHF is no longer subject to income tax examinations for years prior to 2017.

Concentrations of Credit Risk

Financial instruments that potentially subject OHF to concentration of credit risk consist primarily of cash and cash equivalents. At various times, OHF has cash deposits at financial institutions, which exceed the Federal Deposit Insurance Corporation insurance limits. The financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make assumptions that affect the reported amounts of assets and liabilities, the 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.

Risk and Uncertainties

OHF's investments consist of a variety of investment securities and investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of OHF's investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Accounting Pronouncements Issued but Not Yet Adopted

Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, with effective dates deferred for all entities by ASU 2019-10, and further deferred for nonpublic entities by ASU 2020-05. The core

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principle of ASU 2016-02 is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for OHF's fiscal years beginning after December 15, 2021, with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

3. Risks and Uncertainties

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. As a result of the spread of COVID-19, economic uncertainties have arisen that may negatively affect the financial position, changes in net assets, and cash flows of OHF, including, but not limited to, reduction in contributions, and possible changes in the values of investment securities reported in the accompanying statement of financial position. The full impact of COVID-19 outbreak continues to evolve as of the date of this report and the duration of these uncertainties, and the ultimate financial effects, cannot be reasonably estimated at this time.

Management is actively assessing the situation and will continue to assess and address the potential impact on its financial condition, liquidity, operations and workforce as more information becomes available.

4. Liquidity and Availability of Resources

OHF's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

December 31, 2020

Cash and cash equivalents	\$	1,444,743
Investments, at fair value		3,791,285
Contributions receivable		9,970
Total Current Assets		5,245,998
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions		(81,605)
Total Financial Assets Available to Management for General Expenditures Within One Year	\$	5,164,393

Liquidity Management

As part of OHF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, OHF invests cash in excess of daily requirements in short-term investments.

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Notes to Financial Statements

5. Investments, at Fair Value

OHF's assets recorded at fair value have been categorized based upon a fair value hierarchy, in accordance with ASC 820. See Note 2 for the discussion of OHF's policies regarding this hierarchy.

A description of the valuation techniques applied to OHF's major categories of assets measured at fair value are as follows. There have been no changes in valuation methodology as of December 31, 2020.

Money Market Fund - These are valued at cost plus interest, which approximates fair value.

Equities and Mutual Funds - These are priced using nationally recognized pricing services based on observable market data and are classified as Level 1.

Corporate Bonds and Government Securities - These investments are priced by the investment managers using nationally recognized pricing services. These investments are classified as Level 2.

There were no transfers between levels during the year ended December 31, 2020.

The summary of inputs used to value OHF's investments that are carried at fair value is as follows:

December 31, 2020

	Level 1	Level 2	Level 3	Total
Money markets	\$ 70,482	\$ -	\$ -	\$ 70,482
Mutual funds	1,307,247	-	-	1,307,247
Equities	1,675,150	-	-	1,675,150
Corporate bonds	-	413,396	-	413,396
Government securities	-	325,010	-	325,010
	\$ 3,052,879	\$ 738,406	\$ -	\$ 3,791,285

6. Contributions Receivable, Net

OHF's contributions receivable, which amounted to \$9,970 at December 31, 2020, are collectible within one year of the statement of financial position date. As of the date of the financial statements, \$7,500 has been subsequently collected.

7. Fixed Assets, Net

Fixed assets, net, consists of the following:

December 31, 2020

Computer equipment and software	\$	2,351
Less: accumulated depreciation and amortization		(1,663)
Fixed Assets, Net	\$	688

Depreciation and amortization expense was \$344 for the year ended 2020.

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Notes to Financial Statements

8. Grants Payable

Grants approved by OHF are payable to grantees and are subject to satisfaction of certain conditions by the grantees before payment is made. At December 31, 2020, grants payable totaled \$551,648. Future grant payments are expected to be made within one year of the statement of financial position date.

9. Loan Payable - Paycheck Protection Program

OHF has applied for, and on May 6, 2020 received, loan proceeds in the amount of \$34,100, pursuant to the Paycheck Protection Program (the PPP), under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). Funds from the loan may only be used for payroll costs, costs used to continue group health benefits, mortgage interest payments, rent, and utilities. The proceeds were used in accordance with the loan agreement. The loan is serviced by First Home Bank and has an interest rate of 1% per annum and matures on April 24, 2022. In April 2021, the Small Business Administration authorized full forgiveness in the amount of \$34,100.

10. Employee Benefit Plan

Effective January 1, 2016, OHF set up a SIMPLE IRA plan, which allows employees to voluntarily contribute a portion of their salary (limited by statutory rates) to the plan to be used for retirement. OHF provides a 3% match on an annual basis to its employees. Total employer contributions made to the plan were \$7,633 for the year ended December 31, 2020.

11. Net Assets with Donor Restrictions

At December 31, 2020, net assets with donor restrictions totaling \$81,605 are restricted for the Medical Registry program.

During the year ended December 31, 2020, net assets with donor restrictions of \$322,176 for the Medical Registry program were expended satisfying the restriction stipulated by the donor and, accordingly, were released from restrictions.

12. Related-Party Transactions

OHF has received gifts from board members. For the year ended December 31, 2020, gifts from board members totaled \$150,210, which are included in contributions and special events in the statement of activities.

13. Subsequent Events

On March 10, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law. This bill provides additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. OHF has not applied for and does not expect to apply for any of the ARPA funding or benefits.

OHF's management has performed additional subsequent event procedures through November 12, 2021, which is the date of the financial statements were available to be issued, and

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there were no other subsequent events requiring adjustments to the financial statements or disclosures.