

THE HALACHIC ORGAN DONOR SOCIETY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2017

(Unaudited)

THE HALACHIC ORGAN DONOR SOCIETY, INC.

TABLE OF CONTENTS

| | |
|--|------------|
| Independent accountant's review report | 1 |
| Statement of net assets | 2 |
| Statement of activities and changes in net assets | 3 |
| Statement of functional expenses | 4 |
| Statement of cash flows | 5 |
| Notes to financial statements | 6-7 |

Loketch & Partners LLP

Certified Public Accountants

1560 Broadway, Suite 1005
New York, New York 10036
Telephone: 212.869.2316
Fax: 212.869.1140

12 College Road, suite 101
Monsey, New York 10952
Telephone: 845.357.5344
Fax: 845.357.5345

Independent Accountant's Review Report

Board of Trustees
The Halachic Organ Donor Society, Inc.
New York, NY

We have reviewed the accompanying financial statements of The Halachic Organ Donor Society, Inc. which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Loketch & Partners, LLP
Certified Public Accountants

New York, New York
August 15, 2018

**THE HALACHIC ORGAN DONOR SOCIETY, INC.
STATEMENT OF NET ASSETS
DECEMBER 31, 2017**

Assets

Current assets

Cash in bank \$ 47,870

Total current assets **\$ 47,870**

Fixed assets

Equipment (net of accumulated
depreciation of \$28,715) -

Total fixed assets **-**

Other Assets

Security deposits 5,500

Total fixed assets 5,500

Total assets **\$ 53,370**

Liabilities

Current liabilities

Accounts payable and accrued expenses \$ 893
Payroll taxes payable 6,470

Total current liabilities **\$ 7,363**

Net assets 46,007

Total liabilities and net assets (Unrestricted) **\$ 53,370**

See notes and independent accountant's review report.

**THE HALACHIC ORGAN DONOR SOCIETY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Revenues

| | | | |
|-----------------------|--|----|----------------|
| Contributions | | \$ | 491,468 |
| | | | 491,468 |
| Total revenues | | | 491,468 |

Expenses

| | | | |
|-------------------------|--|--|----------------|
| Program expenses | | | 314,287 |
| Administrative expenses | | | 113,617 |
| Fundraising expenses | | | 30,854 |
| | | | 458,758 |
| Total expenses | | | 458,758 |

Change in net assets **32,710**

Net assets (unrestricted) - beginning of year **13,297**

Net assets (unrestricted) - end of year **\$ 46,007**

See notes and independent accountant's review report.

THE HALACHIC ORGAN DONOR SOCIETY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

| Expenses | <u>Program</u> | <u>Administrative</u> | <u>Fundraising</u> | <u>Total</u> |
|----------------------------------|--------------------------|------------------------------|---------------------------|--------------------------|
| Bank and credit card charges | \$ - | \$ 3,705 | \$ - | \$ 3,705 |
| Computer consulting and expense: | 5,492 | 5,491 | - | 10,983 |
| Depreciation and amortization | 84 | - | - | 84 |
| Donations | 748 | - | - | 748 |
| Dues and subscriptions | - | 832 | - | 832 |
| Fundraising expenses | - | - | 4,938 | 4,938 |
| Health insurance | 11,845 | 5,467 | 911 | 18,223 |
| Insurance | 575 | 575 | - | 1,150 |
| Interest Expense | - | 28 | - | 28 |
| Travel | 29,334 | 4,889 | 4,889 | 39,112 |
| Meals | 1,629 | 1,629 | 1,630 | 4,888 |
| Occupancy | 22,408 | 22,408 | - | 44,816 |
| Office expense | - | 7,085 | - | 7,085 |
| Other compensation | 134,474 | 20,013 | 16,192 | 170,679 |
| Payroll taxes | 5,806 | 2,398 | 100 | 8,304 |
| Petty cash | 400 | 400 | - | 800 |
| Postage and shipping | - | 1,422 | - | 1,422 |
| Professional fees | - | 5,388 | - | 5,388 |
| Public education | 35,874 | - | - | 35,874 |
| Salaries | 63,415 | 26,196 | 1,092 | 90,703 |
| Storage fees | - | 3,488 | - | 3,488 |
| Telephone | 2,203 | 2,203 | 1,102 | 5,508 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | - | - | - | - |
| Total expenses | <u>\$ 314,287</u> | <u>\$ 113,617</u> | <u>\$ 30,854</u> | <u>\$ 458,758</u> |

THE HALACHIC ORGAN DONOR SOCIETY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | | |
|---|----------------|--------------------------------|
| Cash flows from operating activities: | | |
| Increase in net assets | | \$ 32,710 |
| Adjustments to reconcile change in net assets to net cash provided from operating activities: | | |
| Depreciation | \$ 84 | |
| Increase in security deposit | - | |
| Increase in payroll taxes payable | 5,950 | |
| Increase in accounts payable and accrued expenses | <u>(2,592)</u> | |
| Total adjustments | | <u>3,442</u> |
| Net cash used by operating activities | | 36,152 |
| Decrease in cash | | 36,152 |
| Cash at beginning of year | | <u>11,718</u> |
| Cash at end of year | | <u><u>\$ 47,870</u></u> |

See notes and independent accountant's review report.

THE HALACHIC ORGAN DONOR SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - NATURE AND PURPOSE OF ORGANIZATION

The Halachic Organ Donor Society, Inc. (HOD Society) was founded in 2001, in New York State, as a not-for-profit organization. The mission of the HOD Society is to save lives by encouraging organ donation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards (SFAS) No. 117, Financial Statements for Not-for-Profit Organizations. Under SFAS NO. 117, The Organization 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.

Use of Estimates

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

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or when purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank accounts and all highly liquid investments purchased with an initial maturity of three months or less. Cash balances at December 31, 2017 consisted of various bank accounts that totaled \$47,870. The organization places its cash with financial institutions, balances of which may at times exceed the Federal Deposit Insurance Corporation insurance limit.

THE HALACHIC ORGAN DONOR SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

Income Taxes

The Organization is exempt from federal and state income taxes under the provisions of Internal Revenue Code Section 501(c)(3). The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

NOTE 3 - SECURITY DEPOSIT

In February 2016 The Organization entered into a one year lease for office space. The minimum annual obligation for the lease was \$33,000. Under the terms of the lease they were obligated to pay a security deposit of \$5,500. As of the financial statement date, the lease has not been renewed; however, the organization is continuing to pay a month-to-month rental fee equal to the lease agreement amount.

NOTE 4 - RESTRICTION OF ASSETS

As of December 31, 2017, there were no restrictions placed on the assets.

NOTE 5 - UNCERTAIN TAX POSITIONS

The organization files Form 990, Return of Organization Exempt From Taxes. Years ended December 31, 2015 and thereafter are open for examination. There are no uncertain tax positions and no prospect of assessment for those years.

NOTE 6 - SUBSEQUENT EVENTS

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through August 15, 2018 the date the financial statements are issued. Management has determined that there are no material events that would require disclosure in The Organization's financial statements.