

THE HALACHIC ORGAN DONOR SOCIETY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2016

(Unaudited)

THE HALACHIC ORGAN DONOR SOCIETY, INC.

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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, 2016, 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
May 15, 2017

**THE HALACHIC ORGAN DONOR SOCIETY, INC.
STATEMENT OF NET ASSETS
DECEMBER 31, 2016**

Assets**Current assets**

Cash in bank	<u>\$ 11,718</u>	
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Total current assets		\$ 11,718
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Fixed assets

Equipment (net of accumulated depreciation of \$28,631)	<u>84</u>	
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Total fixed assets		84
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Other Assets

Security deposits	<u>5,500</u>	
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Total fixed assets		<u>5,500</u>
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Total assets		<u><u>\$ 17,302</u></u>
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Liabilities**Current liabilities**

Accounts payable and accrued expenses	\$ 3,524	
Payroll taxes payable	<u>520</u>	

Total current liabilities		\$ 4,044
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Net assets		<u>13,258</u>
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Total liabilities and net assets (Unrestricted)		<u><u>\$ 17,302</u></u>
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See notes and independent accountant's review report.

**THE HALACHIC ORGAN DONOR SOCIETY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Revenues

Contributions		\$	<u>473,733</u>
Total revenues			473,733

Expenses

Program expenses			356,844
Administrative expenses			108,261
Fundraising expenses			<u>31,959</u>
Total expenses			<u>497,064</u>

Change in net assets **(23,331)**

Net assets (unrestricted) - beginning of year **36,589**

Net assets (unrestricted) - end of year **\$ 13,258**

See notes and independent accountant's review report.

THE HALACHIC ORGAN DONOR SOCIETY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

Expenses	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Bank and credit card charges	\$ -	\$ 3,485	\$ -	\$ 3,485
Computer consulting and expense:	2,140	2,140	-	4,280
Depreciation and amortization	167	-	-	167
Donations	-	-	-	-
Dues and subscriptions	-	999	-	999
Fundraising expenses	-	-	452	452
Health insurance	12,167	5,616	936	18,719
Insurance	1,447	1,447	-	2,894
Lecture travel	29,665	-	9,889	39,554
Local travel	1,741	1,740	1,740	5,221
Meals	1,921	1,921	1,920	5,762
Occupancy	19,500	19,500	-	39,000
Office expense	-	9,580	-	9,580
Other compensation	101,588	12,699	12,699	126,986
Payroll taxes	7,734	3,122	203	11,059
Petty cash	-	-	-	-
Postage and shipping	1,528	1,527	-	3,055
Professional fees	-	7,321	-	7,321
Public education	94,652	-	-	94,652
Salaries	76,176	30,747	2,000	108,923
Storage fees	1,484	1,484	-	2,968
Utilities	692	691	-	1,383
Telephone	4,242	4,242	2,120	10,604
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 356,844</u>	<u>\$ 108,261</u>	<u>\$ 31,959</u>	<u>\$ 497,064</u>

THE HALACHIC ORGAN DONOR SOCIETY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash flows from operating activities:		
Increase in net assets		\$ (23,331)
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation	\$ 167	
Increase in security deposit	(5,500)	
Increase in payroll taxes payable	455	
Increase in accounts payable and accrued expenses	585	
Total adjustments		<u>(4,293)</u>
Net cash used by operating activities		(27,624)
Decrease in cash		(27,624)
Cash at beginning of year		<u>39,342</u>
Cash at end of year		<u><u>\$ 11,718</u></u>

See notes and independent accountant's review report.

THE HALACHIC ORGAN DONOR SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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, 2016 consisted of various bank accounts that totaled \$11,718. 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, 2016

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, 2016, 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, 2014 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 May 15, 2017 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.