

**A LEG TO STAND ON**

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**FINANCIAL REPORT**

**DECEMBER 31, 2007**

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**PUBLIC INSPECTION COPY**

**A Leg To Stand On**

**REPORT INDEX**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

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## INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF  
A LEG TO STAND ON  
NEW YORK, NEW YORK

We have audited the accompanying statement of financial position of A Leg To Stand On (“A non-profit Organization”), as of December 31, 2007, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 A Leg To Stand On as of December 31, 2007 and the changes in net assets and cash flows for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

Berger & Zelin LLP  
New York, New York  
May 23, 2008

**A LEG TO STAND ON**  
STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2007  
(With Summarized Comparative Totals for 2006)

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 624,518	\$ 258,647
Accounts Receivable	-	33,250
Other Assets	-	66
Prepaid Expenses	449	-
Property & Equipment—Net of Depreciation	<u>681</u>	<u>986</u>
 Total Assets	 <u>\$ 625,648</u>	 <u>\$ 292,949</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 9,325	\$ 33,670
Due to Related Party	-	1,100
Grants Payable	186,300	6,250
Accrued Expense	<u>3,029</u>	<u>-</u>
 Total Liabilities	 <u>\$ 198,654</u>	 <u>\$ 41,020</u>
<b>Net Assets</b>		
Unrestricted	\$ 361,994	\$ 240,929
Temporarily restricted	<u>65,000</u>	<u>11,000</u>
 Total Net Assets	 <u>\$ 426,994</u>	 <u>\$ 251,929</u>
 Total Liabilities and Net Assets	 <u>\$ 625,648</u>	 <u>\$ 292,949</u>

THE ACCOMPANY NOTES ARE AN INTEGRATED PART OF THESE FINANCIAL STATEMENTS

**A LEG TO STAND ON**  
**STATEMENT OF ACTIVITIES**

AS OF DECEMBER 31, 2007  
(With Summarized Comparative Totals for 2006)

	UNRESTRICTED	TEMPORARILY RESTRICTED	2007 TOTAL	2006 TOTAL
<b>REVENUE AND PUBLIC SUPPORT</b>	\$	\$	\$	\$
Individuals	284,402	65,000	349,402	684,404
Corporations	31,359	-	31,359	211,330
Foundations	-	-	-	38,076
Contributions-In-Kind	24,750	-	24,750	-
Special Events	227,933	-	227,933	-
Other	150	-	150	-
Investment Income	7,104	-	7,104	9,438
Net Assets Released from Restriction	11,000	(11,000)	-	-
<b>Total Revenue and Public Support</b>	<b>\$ 586,698</b>	<b>\$ 54,000</b>	<b>\$ 640,698</b>	<b>\$ 943,248</b>
<b>OPERATING EXPENSES</b>				
Program	247,075	-	247,075	344,665
Administrative	98,921	-	98,921	43,665
Fundraising	119,637	-	119,637	572,849
<b>Total Operating Expenses</b>	<b>465,633</b>	<b>-</b>	<b>465,633</b>	<b>961,179</b>
Changes in Net Assets	121,065	54,000	175,065	(17,931)
Net Assets-Beginning	240,929	11,000	251,929	269,860
<b>Net Assets</b>	<b>\$ 361,994</b>	<b>\$ 65,000</b>	<b>\$ 426,994</b>	<b>\$ 251,929</b>

THE ACCOMPANY NOTES ARE AN INTEGRATED PART OF THESE FINANCIAL STATEMENTS

## A LEG TO STAND ON NOTES TO FINANCIAL STATEMENTS

### Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Activities And Operational Information

A Leg to Stand On (“ALTSO”) was incorporated on April 23, 2002 in the State of New York and is committed to helping transform the lives of children with limb disabilities in developing countries by offering them the physical capabilities and self-esteem required to access education, work, and other community opportunities. ALTSO works in partnership with the local communities

ALTSO transforms the lives of disabled children through the use of corrective surgery and the provision of prosthetic limbs.

In December of 2002, ALTSO received approval to be treated as a non-profit organization under Section 501(c) (3) of the Internal Revenue Code and therefore is exempt from federal income taxes on related income. As such, no provisions for income taxes are noted in the financial statements.

#### Basis of Presentation

ALTSO’S policy is to prepare financial statements on the accrual basis of accounting using generally accepted accounting principles.

Donated materials are recorded at their fair value as of the date of gift. In the absence of donor imposed restrictions, gifts of long-lived assets are reported as unrestricted revenue.

#### Cash and Cash Equivalents

ALTSO considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

#### Depreciation

Property and equipment are recorded at cost for financial reporting purposes and depreciated using the straight line method over the estimated economic useful life of three to six years.

Functional Allocation of Expenses

The costs for providing various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets

The financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS 117, Storefront 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. A description of the three net asset categories is as follows.:

Unrestricted net assets have no donor-imposed restrictions

Temporarily restricted net assets have donor-imposed restrictions that will expire in the future. Temporarily Restricted Assets as of December 31, 2007 amounted to \$65,000 restricted to a program in Delhi, India.

Permanently restricted net assets have donor-imposed restrictions which do not expire. There were no permanently restricted net assets at December 31, 2007.

Note 2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Equipment	\$	1,770
Furniture and Fixtures		<u>303</u>
	\$	2,073
Accumulated Depreciation		<u>(1,392)</u>
Property and Equipment, Net	\$	<u><u>681</u></u>

### Note 3. COMMITMENTS AND CONTINGENCIES

#### Leases:

ALTSO is obligated under a noncancellable operating lease expiring December 31, 2008 at 267 Fifth Ave. The minimum monthly payment is \$ 1,500 a month. The lease includes rent, telephone, utilities and internet access.

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**INDEPENDENT AUDITORS' REPORT**

**ON**

**ADDITIONAL INFORMATION**

**TO THE BOARD OF TRUSTEES OF  
A LEG TO STAND ON  
NEW YORK, NEW YORK**

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information in the following section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

New York, New York  
May 23, 2008

**A LEG TO STAND ON**  
**STATEMENT OF FUNCTIONAL EXPENSES**

AS OF DECEMBER 31, 2007  
(With Summarized Comparative Totals for 2006)

	<u>PROGRAM</u>	<u>ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>2007 TOTAL</u>	<u>2006 TOTAL</u>
<b>Compensation and Related Expenses</b>					
Officer's Compensation	\$ 18,625	\$ 31,145	\$ 12,521	\$ 62,291	\$ 56,947
Payroll and Personnel Costs	8,131	13,552	5,422	27,105	45,556
Employee Benefits	-	8,773	-	8,773	10,445
Payroll Taxes	-	7,650	-	7,650	-
Professional Fundraising	-	-	12,202	12,202	-
Accounting Fees	-	7,390	-	7,390	-
Legal Fees	10,250	-	-	10,250	-
Supplies	15,043	1,153	60	16,256	265,542
Telephone	293	2,619	-	2,912	1,267
Postage and Shipping	364	315	5,340	6,019	-
Occupancy	-	10,875	-	10,875	12,224
Equipment Rental and Maintenance	-	-	1,050	1,050	-
Printing and Publications	-	-	3,927	3,927	-
Travel	5,863	3,222	40	9,125	-
Conferences and Meetings	1,700	225	-	1,925	-
Depreciation	101	103	101	305	-
Bank and Credit Card Processing Fees	121	5,707	-	5,828	-
Insurance	-	1,348	-	1,348	-
Other Office Expense	284	1,594	1,641	3,519	66,100
State Registration	-	3,250	-	3,250	-
Grant Expense	186,300	-	-	186,300	336,121
Mailing Campaign	-	-	77,333	77,333	177,422
	<u>\$ 247,075</u>	<u>\$ 98,921</u>	<u>\$ 119,637</u>	<u>\$ 465,633</u>	<u>\$ 971,624</u>
Total Expenses	<u>\$ 247,075</u>	<u>\$ 98,921</u>	<u>\$ 119,637</u>	<u>\$ 465,633</u>	<u>\$ 971,624</u>