

A LEG TO STAND ON, INC.

(A Nonprofit Organization)

Financial Statements

December 31, 2016

Together With Auditor's Report

A LEG TO STAND ON, INC.
(A Nonprofit Organization)

Table of Contents
December 31, 2016

Independent Auditor's Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

steven zelin, cpa LLC

certified public accountant

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
A Leg To Stand On, Inc.
New York, New York

Report on the Financial Statements

I have audited the accompanying financial statements of A Leg To Stand On, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

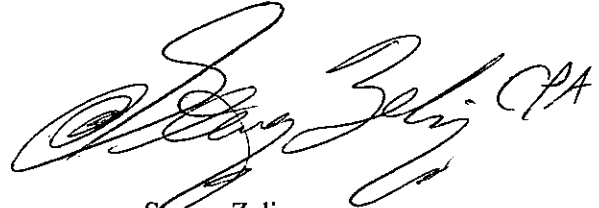
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

steven zelin, cpa LLC

certified public accountant

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A Leg To Stand On, Inc. as of December 31, 2016, 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.

A handwritten signature in black ink, reading "Steven Zelin CPA". The signature is written in a cursive, flowing style.

New York, New York
May 10, 2017

Steven Zelin
Certified Public Accountant

A LEG TO STAND ON, INC.
(A Nonprofit Organization)
Statement of Financial Position
As of December 31, 2016

Assets:

Cash and cash equivalents	\$	246,579
Investments		1,491
Accounts receivable		60,559
Grants receivable		17,000
Pledges receivable		3,976
Equipment, net of accumulated depreciation amounting to \$9,098		591
Security Deposit		309

TOTAL ASSETS **330,505**

Liabilities and Net Assets:

Liabilities:

Accounts payable and accrued expenses		11,125
Credit card payable		21,232

TOTAL LIABILITIES **32,357**

Net Assets:

Unrestricted		272,648
Temporarily restricted		25,500

TOTAL NET ASSETS **298,148**

TOTAL LIABILITIES AND NET ASSETS **\$ 330,505**

The accompanying notes are an integral part of these financial statements.

A LEG TO STAND ON, INC.
(A Nonprofit Organization)
Statement of Activities
For The Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Support and Revenue:			
Special events, net of costs of direct benefit to donors of \$212,902	\$ 448,583	\$ -	\$ 448,583
Contributions from individuals	72,531	-	72,531
Corporate contributions	34,721	-	34,721
Combined federal campaign	12,052	-	12,052
Foundation contributions	6,502	-	6,502
Investment income	299	-	299
Released from temporarily restricted revenue	25,000	(25,000)	-
TOTAL SUPPORT AND REVENUE	599,688	(25,000)	574,688
Expenses:			
Program services	397,935	-	397,935
Management and general	76,144	-	76,144
Fundraising	58,737	-	58,737
TOTAL EXPENSES	532,816	-	532,816
CHANGE IN NET ASSETS	66,872	(25,000)	41,872
Net Assets, beginning of year	205,776	50,500	256,276
Net Assets, end of year	\$ 272,648	\$ 25,500	\$ 298,148

The accompanying notes are an integral part of these financial statements.

A LEG TO STAND ON, INC.
(A Nonprofit Organization)
Statement of Functional Expenses
For The Year Ended December 31, 2016

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Salaries	\$ 155,607	\$ 19,425	\$ 26,581	201,613
Payroll taxes and employee benefits	49,062	6,124	8,380	63,566
Rocktoberfest	-	-	212,902	212,902
Program Grant Expense	157,460	-	-	157,460
Mailing campaign	-	-	15,037	15,037
Program retreat	8,470	-	-	8,470
Office expense	2,332	4,664	2,332	9,328
Occupancy	6,329	12,658	6,329	25,316
Professional fees	-	11,125	-	11,125
State registrations	-	3,326	-	3,326
Program Travel	14,094	-	-	14,094
Bank and credit card processing fees	1,528	10,840	-	12,368
Telephone	454	1,361	-	1,815
Insurance	1,070	1,071	-	2,141
Payroll processing fees	-	1,383	-	1,383
Depreciation	-	1,523	-	1,523
Business meeting expense	59	2,489	-	2,548
Postage and delivery	155	155	78	388
Miscellaneous	1,315	-	-	1,315
Subtotal	397,935	76,144	271,639	745,718
Less: Costs of direct benefits to donors reflected on the statement of activities	-	-	(212,902)	(212,902)
Total Expenses	\$ 397,935	\$ 76,144	\$ 58,737	\$ 532,816

The accompanying notes are an integral part of these financial statements.

A LEG TO STAND ON, INC.
(A Non Profit Organization)
Statement of Cash Flows
For the Year ended December 31, 2016

Cash Flows From Operations

Change in net assets	\$	41,872
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		1,523
Changes in operating assets and liabilities:		
Increase in receivables		(5,559)
Decrease in grants receivable		
Increase in pledges receivable		(3,976)
Unrealized gains/loss on investments		242
Increase in accounts payable and accrued expenses		27,722
Net cash provided by operating activities		61,824
Net change in cash		61,824
Cash and cash equivalents, beginning of year		184,755
Cash and cash equivalents, end of year	\$	246,579

The accompanying notes are an integral part of these financial statements.

A LEG TO STAND ON, INC.
(A Nonprofit Organization)
Notes to Financial Statements
For Year Ended December 31, 2016

NOTE 1: SUMMARY OF ORGANIZATION, TAX AND ACCOUNTING POLICIES

Organization

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.

Income Tax Status

In December 2002, ALTSO received approval to be treated as a nonprofit 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 have been made in the financial statements.

Financial Statement Presentation

ALTSO's policy is to prepare financial statements on the accrual basis of accounting using U.S. Generally Accepted Accounting Principles.

Cash and Cash Equivalents

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

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. ALTSO considers receivables past due or delinquent when payments have not been received in a timely manner, and receivables are written off when management deems the possibility of collecting amounts due as completely unlikely. ALTSO closely monitors outstanding balances for all receivables and adheres to a standard set of protocols for collection activities to be undertaken at certain times based upon delinquency status. At December 31, 2016, management considers all receivables to be collectible. As such, an allowance for doubtful accounts has not been established.

Property and Equipment

Equipment is recorded at cost for financial reporting purposes and depreciated using the straight line method over the estimated economic useful lives of the assets. These amounts do not purport to represent replacement or net realizable values. ALTSO has a policy to capitalize all purchases of equipment in excess of \$1,000.

Planned maintenance activities are accounted for under U.S. Generally Accepted Accounting Principles. Repairs and maintenance are expensed when incurred, while renewals and betterments are capitalized. When property is retired, sold or otherwise disposed of, the cost and accumulated depreciation are removed and any gain or loss is recognized.

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.

A LEG TO STAND ON, INC.
(A Nonprofit Organization)
Notes to Financial Statements
For Year Ended December 31, 2016

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

Basis of presentation

ALTSO 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. The classification of net assets and related support, revenue and expenses is based on the presence or absence of donor-imposed restrictions.

These classifications are defined as follows:

Unrestricted - unexpended net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted - net assets resulting from contributions and other inflows of assets whose use by the recipient is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions taken pursuant to those stipulations. When stipulations terminate or are fulfilled, the amounts involved are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted - net assets, generally of an endowment nature, resulting from contributions and other inflows of assets whose use by the recipient is limited by donor-imposed stipulation that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the recipient. ALTSO has no permanently restricted net assets.

Fair Value Measurements

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into 3 levels:

Level 1: valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets and liabilities. The fair value hierarchy gives the highest priority to level 1 inputs.

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 unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to level 3 inputs. Valuation techniques include market approach, cost approach and the income approach. Management has reviewed securities for more than temporary declines. As of December 31, 2016 these declines have not affected the financial statements.

A LEG TO STAND ON, INC.
(A Nonprofit Organization)
Notes to Financial Statements
For Year Ended December 31, 2016

ALTSO's marketable securities would be considered level 1 input that has a quoted market price in an active market with identical assets. The investments reported in the accompanying statement of financial position have been classified as unrestricted net assets.

ALTSO adopted the provisions of the Fair Value measurement standards. Under this standard, ALTSO reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the book value amount of the assets, ALTSO recognizes an impairment loss.

Donated Materials and Services

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. Donated services of specialized skill that would be purchased in the absence of this donation are recorded at the estimated market rate for the corresponding hours spent.

No amounts have been reflected in the financial statements for general donated services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the organization's program services, administration, and in its fund-raising campaigns.

Tax Status

ALTSO has no uncertain tax positions as of December 31, 2016 in accordance with Accounting Standards Codification Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions. ALTSO is no longer subject to federal or state and local income tax examinations by tax authorities for years before 2013.

Subsequent events

Management has evaluated, for potential recognition and disclosure, events and transactions that occurred subsequent to the date of the statement of financial position through May 10, 2017 the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through May 10, 2017 that would require disclosure in the financial statements.

NOTE 2: INVESTMENTS

Investments consist of marketable securities as of December 31, 2016. Investment income consisted of dividends. Investments are subject to market volatility that could change their carrying value in the near term.

As of December 31, 2016 marketable securities consisted of equity securities with a cost basis of \$754 and a market value of \$1,491. The change in the unrealized gain on equity securities was \$241. The fair value measurements for the marketable securities were valued using Level 1.

A LEG TO STAND ON, INC.
(A Nonprofit Organization)
Notes to Financial Statements
For Year Ended December 31, 2016

NOTE 3: FURNITURE AND EQUIPMENT

As of December 31, 2016 equipment consisted of:

		Estimated Useful Lives
Computers	\$ 8,289	5 Years
Furniture	<u>1,400</u>	5 Years
Total	9,689	
Less: Accumulated depreciation	<u>(9,098)</u>	
Net book value	<u>\$ 591</u>	

Depreciation expense amounted to \$1,523 for the year ended December 31, 2016

NOTE 4: COMMITMENTS

ALTSO is obligated under a month to month membership agreement with Wework at 401 Park Avenue South, New York, NY for office space. The minimum monthly payment is \$2,400 a month. The lease includes rent, telephone, utilities, internet access, printing and photocopying, and janitorial services.

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purpose at December 31, 2016:

Mobility Solutions For Children	<u>25,500</u>
	<u>\$ 25,500</u>