A LEG TO STAND ON, INC.

(A Nonprofit Organization)
Financial Statements
December 31, 2020
Together with Auditor's Report

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

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December 31, 2020

zelin& associates cpa

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
A Leg To Stand On, Inc.

We 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, 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.

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

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 from 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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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, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

ZELIN & ASSOCIATES CPA LLC

New York, New York
November 12, 2021

A LEG TO STAND ON
(A Nonprofit Organization)
Statement of Financial Position
As of December 31, 2020

Assets:		
Cash	$	380,162
Accounts receivable		27,072
Investments		9,483
Intangible assets, net of accumulated amortization of $1,083		3,917
Furniture and equipment, net of accumulated depreciation of $5,451		2,469
Security deposit		1,725
TOTAL ASSETS	**$**	**424,829**
Liabilities and Net Assets:		
Accounts payable and accrued expenses	$	144
Due to employees		856
Credit card liability		3,696
PPP loan payable		69,685
TOTAL LIABILITIES		**74,381**
Net Assets:		
Without donor restrictions		350,448
With donor restrictions		-
TOTAL NET ASSETS		**350,448**
TOTAL LIABILITIES AND NET ASSETS	**$**	**424,829**

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

A LEG TO STAND ON

(A Nonprofit Organization)

Statement of Activities

As of December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Special events	$ 309,681	$ -	$ 309,681
Corporate contributions	56,383	-	56,383
Individuals	136,841	-	136,841
Contributions - in kind	18,706	-	18,706
Foundations	80,496	10,000	90,496
Investment return, net	1,624	-	1,624
Other income	1,360		1,360
Net assets released from restrictions	10,000	(10,000)	-
TOTAL SUPPORT AND REVENUE	**605,091**	**-**	**605,091**
Expenses:			
Program services	430,286	-	430,286
Management and general	89,130	-	89,130
Fundraising	67,535	-	67,535
TOTAL EXPENSES	**586,951**	**-**	**586,951**
CHANGE IN NET ASSETS	18,140	-	18,140
Net Assets, beginning of year	332,308	-	332,308
Net Assets, end of year	**$ 350,448**	**$ -**	**$ 350,448**

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

A LEG TO STAND ON

(A Nonprofit Organization)

Statement of Functional Expenses

As of December 31, 2020

	Program Services	Management and General	Fundraising	Total Expenses
Staff salaries	$ 214,859	$ 33,211	$ 37,495	$ 285,565
Payroll taxes and employee benefits	61,620	9,525	10,753	81,898
Prosthetic and orthopedic support	79,313	-	-	79,313
Event production	33,125	-	-	33,125
Occupancy	6,883	6,884	6,886	20,653
Bank, payroll and processing fees	14,484	2,239	2,528	19,251
Software & subscriptions	3,522	12,167	757	16,446
Accounting fees	-	12,000	-	12,000
Travel	6,179	1,169	-	7,348
State registrations	-	5,764	-	5,764
Shipping, mailing and delivery	4,383	1,310	44	5,737
Consultants	3,474		1,871	5,345
Direct mail service	-	-	4,902	4,902
Telephone	915	916	916	2,747
Insurance	703	704	704	2,111
Office supplies	610	611	611	1,832
Depreciation and amortization	-	1,801	-	1,801
Miscellaneous	208	765	-	973
Meetings and meals	8	64	28	100
Marketing	-	-	40	40
Total Expenses	**$ 430,286**	**$ 89,130**	**$ 67,535**	**$ 586,951**

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

A LEG TO STAND ON

(A Nonprofit Organization)

Statement of Cash Flows

As of December 31, 2020

Cash Flows From Operations		
Change in net assets	$	18,140
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization		1,801
Rounding adjustment		(27)
Changes in operating assets and liabilities:		
Decrease in accounts receivable		14,553
Decrease in prepaid expenses		418
Decrease in security deposit		1,875
Increase in accounts payable and accrued expenses		65
Increase in amount due to employees		76
(Decrease) in credit card payable		(3,657)
Increase in PPP loan payable		69,685
NET CASH PROVIDED BY OPERATING ACTIVITIES		**102,929**
NET INCREASE IN CASH		**102,929**
Cash, beginning of year		**277,233**
Cash, end of year	**$**	**380,162**

Supplemental Disclosures of Cash Flow Information:
Cash paid during the year for:

Income taxes	-
Interest	-

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

NOTE 1: SUMMARY OF ORGANIZATION, TAX AND ACCOUNTING POLICIES

Organization
A Leg to Stand On ("ALTSO" or "the Organization") was incorporated on April 23, 2002 in the State of New York to 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, independence, and the ability to contribute to their community. ALTSO does so through the provision of free, high-quality orthopedic care including their Joshi modular prosthetic limb, prosthetic feet, appropriately-fitted wheelchairs, and customized orthotic devices. ALTSO works in partnership with local hospitals or clinics that meet stringent requirements in providing high-quality pediatric orthopedic care. In addition to providing the initial treatment, ALTSO is committed to providing each patient treated with the free, continual care they need as they grow through the age of 21, including adjustments and repairs to their mobility devices. Since 2002, ALTSO has treated more than 20,270 children throughout the developing world, providing them mobility and access to the opportunities mobility offers.

Financial Statement Presentation
ALTSO's policy is to prepare financial statements on the accrual basis of accounting using accounting principles generally accepted in the United States of America. Financial statement presentation follows the Financial Accounting Standards Board Accounting Standards Codification Topic 958 (FASB ASC 958). Under FASB ASC 958 (ASU No. 2016-14), The Organization is required to report information regarding its financial position and activities according to two classes of net assets, as applicable: net assets without donor restrictions and net assets with donor restrictions. The classification of net assets and related support, revenue and expenses are based on the presence or absence of donor-imposed restrictions.

These classifications are defined as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and are available for the general operations of the Organization. All contributions are considered to be available for use without restrictions unless specifically restricted by the donor. Restricted contributions whose restrictions are met within the same fiscal year are reported as contributions without donor restrictions. Similarly, gains and investment income that are limited to specific uses by donor-imposed restrictions are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the gains and income are recognized. Contributions are recorded at their fair value on the date of receipt.

Net assets with donor restrictions - Net assets which are subject to donor-imposed stipulations that will either be met by actions of the Organization, by the passage of time, by both actions of the Organization and the passage of time, or that neither expires with the passage of time nor can be fulfilled or removed by actions of the Organization. Amounts received that are restricted by the donor for use in future periods or for specific purposes are recorded as support with donor restrictions that increases that net asset class. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The grant received by Arthur B. Schultz was a restricted grant received in the amount of $10,000; however, it was all used in 2020 for it's program spending purpose.

NOTE 1: SUMMARY OF ORGANIZATION, TAX AND ACCOUNTING POLICIES (CONTINUED)

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 that benefited.

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.

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.

ALTSO has no uncertain tax positions as of December 31, 2020 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 2017.

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. As of December 31, 2020, management considers all receivables to be collectable. As such, an allowance for doubtful accounts has not been established.

NOTE 1: SUMMARY OF ORGANIZATION, TAX AND ACCOUNTING POLICIES (CONTINUED)

Investments and Fair Value Measurements

ALTSO's investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. ALTSO uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, ALTSO measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. There have been no changes in the methodologies used at December 31, 2020.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2020, are as follows:

Description	Fair Value	Level 1
Common stocks	$9,483	$9,483
Total	$9,483	$9,483

ALTSO's investment return for the year ended December 31, 2020 consisted of:

Net appreciation in fair values of investments	$1,375
Interest income	146
Dividends	103
	$1,624

Furniture and Equipment

Furniture and equipment are 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 proport to represent replacement or net realizable values. ALTSO has a policy to capitalize all purchases of furniture and equipment of $1,000 and above.

Planned maintenance activities are accounted for under accounting principles generally accepted in the United States of America. Repairs and maintenance are expensed when incurred, while renewals and betterments are capitalized. When furniture and equipment are retired, sold or otherwise disposed, the cost and accumulated depreciation are removed, and any gain or loss is recognized.

NOTE 1: SUMMARY OF ORGANIZATION, TAX AND ACCOUNTING POLICIES (CONTINUED)

Donated Materials and Services

Donated materials and services are reflected as in-kind support in the accompanying statement of activities 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.

During 2020, ALTSO received a donated wheelchair. This wheelchair was valued at $9,973. Additionally, during 2020 ALTSO received stock donations with a fair value of $3,388. Lastly, during 2020, ALTSO received donated consultant services for video production, editing, and live event production support. The market value of these three items totaled $18,706, and are reflected in the accompanying statement of activities as in-kind contributions. In addition, a substantial number of volunteers donated significant amounts of their time to the organization's program services, administration, and to its fundraising campaigns.

New Accounting Pronouncements: ASU No. 2014-09

In May 2014, the FASB issued ASU NO. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU is the result of a joint project of the FASB and the IASB to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and IFRS. The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards.

The ASU provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should apply the following five-step process to recognize revenue:

Step 1: Identify the contract with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For nonpublic entities, due to COVID-19 pandemic, the FASB voted to extend the effective dates for annual reporting periods beginning after December 15, 2020 and interim reporting periods within annual periods beginning after December 15, 2020. A Leg To Stand On, Inc. adopted the ASU No. 2014-09 in the current year using the modified retrospective method, and there has been no material impact.

NOTE 2: FURNITURE, EQUIPMENT AND INTANGIBLE ASSETS

As of December 31, 2020, furniture and equipment consisted of:

		Estimated Useful Lives
Computers	$7,220	5 years
Furniture	700	5 years
Total	7,920	
Less: accumulated depreciation	(5,451)	
	$2,469	

As of December 31, 2020, intangible assets consisted of:

		Estimated Useful Life
Computer software	$5,000	5 years
Less: accumulated amortization	(1,083)	
	$3,917	

The Organization incurred depreciation expense of $801 and amortization expense of $1,000 for 2020.

NOTE 3: COMMITMENTS

The Organization occupies office space in New York City on a month-to-month membership agreement with a commercial real estate company that provides flexible shared workspaces and office services. Total rent expense incurred pursuant this agreement in 2020 was $20,653.

NOTE 4: LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	$380,163
Accounts receivable	27,073
Investments	9,483
Total	$416,719

Liquidity is managed based upon actual results of previous years, as well as forecasts of spending through the end of the fiscal year. Fundraising activities, which have historically generated a predictable return, are planned and scheduled accordingly. With an annual budget below $1,100,000 and monthly expenses less than $100,000, the Organization meets its liquidity needs for operational costs through regular unrestricted and operational grants, especially individual donations. The majority of grants and donations, as well as expenditures, have been operational, enabling the Organization to match expenditures against corresponding funding. Expenses are not incurred against grants and donations with donor restrictions until the corresponding funding has been received.

NOTE 5: PPP LOAN

During the year ended December 31, 2020, A Leg To Stand On, Inc. obtained a loan from the SBA through the Paycheck Protection Program. Terms of the loan indicate that if certain conditions are met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are greater than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven. Portions that are not forgiven will be payable over a five-year period, with a ten-month deferral of payments and interest will accrue at 1%. Subsequent to year end, the Organization applied for and received forgiveness from the SBA for the full amount of the loan.

A Leg To Stand On, Inc. expects to recognize revenue from this loan consistent with ASU 2018-08, as it is considered to have traits similar to a conditional contribution.

NOTE 6: CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject A Leg To Stand On, Inc. to concentration of credit risk consist of cash which has been placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. Management feels they have little risk and A Leg To Stand On, Inc. has not experienced any losses due to bank failure.

NOTE 7: 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 November 12, 2021, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through November 12, 2021 that would require disclosure in the financial statements.

Subsequent to year end, the Organization applied for and received forgiveness from the SBA for the full amount of the PPP loan.