

**A LEG TO STAND ON, INC.**

**(A Nonprofit Organization)**

**Financial Statements**

**December 31, 2014**

**Together With Auditor's Report**

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

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## 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, 2014, 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.

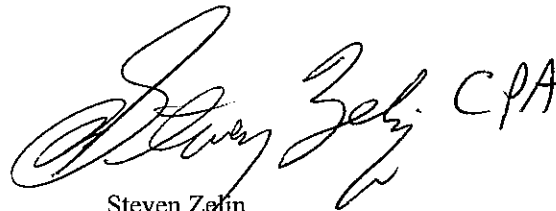
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steven zelin, cpa LLC  
*certified public accountant*

**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, 2014, 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.

New York, New York  
August 14, 2015



Steven Zelin  
Certified Public Accountant

**A LEG TO STAND ON, INC.**  
**(A Nonprofit Organization)**  
**Statement of Financial Position**  
**As of December 31, 2014**

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**Assets:**

Cash and cash equivalents	\$ 200,070
Investments	1,118
Accounts receivable	98,757
Security deposit	2,850
Equipment, net of accumulated depreciation of \$6,051	3,638

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<b>TOTAL ASSETS</b>	<b>306,433</b>
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**Liabilities and Net Assets:**

**Liabilities:**

Accounts payable and accrued expenses	15,275
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<b>TOTAL LIABILITIES</b>	<b>15,275</b>
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**Net Assets:**

Unrestricted	217,658
Temporarily restricted	73,500

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<b>TOTAL NET ASSETS</b>	<b>291,158</b>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 306,433</b>
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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, 2014**

	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue:</b>			
Special events, net of costs of direct benefit to donors of \$195,624	\$ 351,181	\$ -	\$ 351,181
Direct mailing campaign	34,777	-	34,777
Individuals	32,222	-	32,222
Contributions - In-kind	29,000	-	29,000
Corporate contributions	23,628	-	23,628
Combined federal campaign	10,413	-	10,413
Foundation contributions	27,102	32,000	59,102
Dividends and interest	63	-	63
Released from temporarily restricted revenue	41,000	(41,000)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>549,386</b>	<b>(9,000)</b>	<b>540,386</b>
<b>Expenses:</b>			
Program services	419,329	-	419,329
Management and general	70,627	-	70,627
Fundraising	53,773	-	53,773
<b>TOTAL EXPENSES</b>	<b>543,729</b>	<b>-</b>	<b>543,729</b>
<b>CHANGE IN NET ASSETS</b>	<b>5,657</b>	<b>(9,000)</b>	<b>(3,343)</b>
<b>Net Assets, beginning of year</b>	<b>212,001</b>	<b>82,500</b>	<b>294,501</b>
<b>Net Assets, end of year</b>	<b>\$ 217,658</b>	<b>\$ 73,500</b>	<b>\$ 291,158</b>

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, 2014**

	<b>Program Services</b>	<b>Supporting Services</b>		<b>Total Expenses</b>
		<b>Management and General</b>	<b>Fundraising</b>	
Salaries	\$ 146,243	\$ 16,560	\$ 26,664	\$ 189,467
Payroll taxes and employee benefits	40,031	4,533	7,299	51,863
Rocktoberfest	-	-	195,624	195,624
Grant expense	188,927	-	-	188,927
Mailing campaign	-	-	15,947	15,947
Program supplies In-Kind	29,000	-	-	29,000
Office expense	1,979	3,957	1,979	7,915
Occupancy	3,085	8,020	1,234	12,339
Professional fees	-	17,909	-	17,909
State registrations	-	3,811	-	3,811
Travel	6,128	914	-	7,042
Bank and credit card processing fees	1,126	3,941	-	5,067
Telephone	539	1,078	539	2,156
Insurance	-	2,159	-	2,159
Payroll processing fees	-	1,546	-	1,546
Depreciation	-	1,523	-	1,523
Business meeting expense	-	529	-	529
Postage and delivery	225	225	111	561
Program supplies	2,046	-	-	2,046
Miscellaneous	-	3,922	-	3,922
<b>Subtotal</b>	<b>419,329</b>	<b>70,627</b>	<b>249,397</b>	<b>739,353</b>
Less: Costs of direct benefits to donors reflected on the statement of activities	-	-	(195,624)	(195,624)
<b>Total Expenses</b>	<b>\$ 419,329</b>	<b>\$ 70,627</b>	<b>\$ 53,773</b>	<b>\$ 543,729</b>

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

**A LEG TO STAND ON, INC.**  
**(A Nonprofit Organization)**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2014**

**Cash Flows From Operations**

Change in net assets	\$	(3,343)
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		(11,414)
Decrease in investments		46
Increase in accounts payable and accrued expenses		(23,602)
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<b>Net cash used by operating activities</b>		<b>(36,790)</b>
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<b>Net change in cash</b>		<b>(36,790)</b>
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<b>Cash and cash equivalents, beginning of year</b>		<b>236,860</b>
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<b>Cash and cash equivalents, end of year</b>	\$	<b>200,070</b>

**Supplemental Disclosures of Cash Flow Information:**

**Cash paid during the year for:**

Interest	\$	-
Income taxes	\$	-

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, 2014**

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**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, 2014, 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, 2014**

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***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***

Financial statement presentation follows the Financial Accounting Standards Board Accounting Standards Codification Topic 958 (FASB ASC 958). Under FASB ASC 958, ASC 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, 2014 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, 2014**

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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 that have been established on November 15, 2009. 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 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, 2014 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 2011.

***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 August 14, 2015, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through August 14, 2015 that would require disclosure in the financial statements.

**NOTE 2: INVESTMENTS**

Investments consist of marketable securities as of December 31, 2014. 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, 2014 marketable securities consisted of equity securities with a cost basis of \$754 and a market value of \$1,118. The change in the unrealized gain on equity securities was \$46. 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, 2014**

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**NOTE 3: FURNITURE AND EQUIPMENT**

As of December 31, 2014 property and equipment consisted of:

		<b>Estimated Useful Lives</b>
Computers	\$ 8,289	5 Years
Furniture	<u>1,400</u>	5 Years
Total	9,689	
Less: Accumulated depreciation	<u>(6,051)</u>	
Net book value	<u><u>\$ 3,638</u></u>	

As of December 31, 2014 depreciation expense amounted to \$1,523.

**NOTE 4: COMMITMENTS**

ALTSO is obligated under a non-cancellable operating lease expiring February 28, 2015 at 267 Fifth Avenue, New York, NY. The minimum monthly payment is \$1,125 a month. The lease includes rent, telephone, utilities and internet access.

**NOTE 5: IN-KIND CONTRIBUTIONS**

During the year ended December 31, 2014, ALTSO received in-kind contributions of \$25,000 from A&P Technology, Inc. and Luanne M. Hartman for program supplies.

**NOTE 6: TEMPORARILY RESTRICTED NET ASSETS**

As of December 31, 2014 temporarily restricted net assets are available for the following purposes and programs:

Mobility Solutions For Cambodian Children	\$ 8,500
Vulnerable Children and rehabilitation	<u>65,000</u>
	<u><u>\$ 73,500</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

Mobility Solutions For Cambodian Children	\$ 16,000
Vulnerable Children	<u>25,000</u>
	<u><u>\$ 41,000</u></u>