A LEG TO STAND ON, INC.

(A Nonprofit Organization)
Financial Statements
December 31, 2012
Together With Auditor's Report

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

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steven zelin, cpa
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. ("ALTSO") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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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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, 2012, 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.

Steven Zelin CPA

New York, New York
November 15, 2013

Steven Zelin
Certified Public Accountant

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A LEG TO STAND ON, INC.
(A Nonprofit Organization)
Statement of Financial Position
As of December 31, 2012

Assets:		
Cash and cash equivalents	$	219,677
Investments		885
Accounts receivable		23,000
Security deposit		2,850
Equipment, net of accumulated depreciation amounting to $ 3,005		6,684
TOTAL ASSETS		**253,096**
Liabilities and Net Assets:		
Liabilities:		
Accounts payable and accrued expenses		18,500
TOTAL LIABILITIES		**18,500**
Net Assets:		
Unrestricted		234,596
TOTAL NET ASSETS		**234,596**
TOTAL LIABILITIES AND NET ASSETS	**$**	**253,096**

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, 2012

		Total
Support and Revenue:		
Support:		
Special events, net of costs of direct benefit to donors of $ 191,422	$	228,374
Direct mailing campaign		104,630
Individuals		103,691
Contributions - In-Kind		45,235
Corporate contributions		39,668
Grants		13,501
Combined federal campaign		10,139
Foundation contributions		250
TOTAL SUPPORT		545,488
Revenue:		
Unrealized gain on marketable securities		116
Dividends and interest		104
TOTAL REVENUE		220
TOTAL SUPPORT AND REVENUE		**545,708**
Expenses:		
Program services		367,355
Management and general		73,145
Fundraising		168,945
TOTAL EXPENSES		609,445
CHANGE IN NET ASSETS		(63,737)
Unrestricted Net Assets, beginning of year		298,333
Unrestricted Net Assets, end of year	**$**	**234,596**

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, 2012

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total Expenses
Salaries	$ 101,740	$ 18,914	$ 13,000	$ 133,654
Payroll taxes and employee benefits	19,781	4,725	5,019	29,525
Rocktoberfest	-	-	191,422	191,422
Grant expense	181,522	-	-	181,522
Mailing campaign	-	-	139,845	139,845
Program supplies In-Kind	45,235	-	-	45,235
Office expense	4,830	9,659	4,830	19,319
Accounting fees	-	15,075	-	15,075
Occupancy	3,075	7,995	1,230	12,300
Bad debt expense	-	10,000	-	10,000
Travel	6,932	-	-	6,932
State registrations	-	-	3,849	3,849
Bank and credit card processing fees	1,489	1,489	-	2,978
Telephone	722	1,443	722	2,887
Business meeting expense	1,098	-	366	1,464
Payroll processing fees	-	1,461	-	1,461
Insurance	-	1,367	-	1,367
Depreciation	-	932	-	932
Miscellaneous	847	-	-	847
Postage and delivery	84	85	84	253
Subtotal	**367,355**	**73,145**	**360,367**	**800,867**
Less: Costs of direct benefits to donors reflected on the statement of activities	-	-	(191,422)	(191,422)
Total Expenses	**$ 367,355**	**$ 73,145**	**$ 168,945**	**$ 609,445**

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, 2012

Cash Flows From Operations		
Change in net assets	$	(63,737)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		932
Unrealized gain on marketable securities		(131)
Changes in operating assets and liabilities:		
Decrease in receivables		30,172
Decrease in prepaid expenses		58,954
Decrease in accounts payable		(916)
Net cash provided by operating activities		25,274
Change in investing activities		
Purchase of equipment		(7,616)
Net cash used by investing activities		(7,616)
Net change in cash		17,658
Cash and cash equivalents, beginning of year		202,019
Cash and cash equivalents, end of year	**$**	**219,677**

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.

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, 2012, 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 proport 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.

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

ALTSO has adopted U.S. Accounting Principles of Financial Statements for Not-for-Profit Organizations. Accordingly, ALTSO is required to report its assets, revenue and expenses according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. When donor requirements for temporarily restricted revenues are satisfied within the same fiscal year of receipt, it is deemed unrestricted revenue.

A description of the three net asset categories follows:

Unrestricted net assets - have no donor-imposed restrictions.

Temporarily restricted – Net assets resulting from contributions and other inflows of assets whose use by ALTSO is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of ALTSO. When such stipulations end or are fulfilled, temporarily restricted net assets are released and reclassified to unrestricted net assets. ALTSO did not have any permanently restricted net assets as of December 31, 2012.

Permanently restricted - Net assets subject to donor-imposed stipulations that they be maintained in perpetuity by ALTSO. Generally, the donors of these assets would permit ALTSO to use all or part of the income earned on any related investments for general or specific purposes. ALTSO did not have any permanently restricted net assets as of December 31, 2012.

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, 2012 these declines have not affected the financial statements.

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, the entity 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.

Accounting for Uncertainty in Income Taxes

In accordance with U.S. Accounting Principles, ALTSO implemented Accounting for Uncertainty in Income Taxes, and considered its potential impact and the results of implementation. The standard provides for a recognition threshold and measurement methodology required for a tax position before recognizing it in the financial statements. Furthermore, the standard discusses derecognition, interest and penalties, accounting in interim periods, classification, disclosure and transition. This standard had no significant impact on the presentation or transactions in the financial statements.

Note 2: Investments

Investments consist of marketable securities as of December 31, 2012. 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, 2012 marketable securities consisted of equity securities with a cost basis of $754 and a market value of $884. The change in the unrealized gain on equity securities was $130. The fair value measurements for the marketable securities were valued using Level 1.

Note 3: Subsequent Events

ALTSO has evaluated for potential recognition and disclosure, events occurring subsequent to the report date through the date of issuance. No events have occurred which would require adjustment to or disclosure in the financial statements. The financial statements include all events and transactions required to be recognized in accordance with generally accepted accounting principles.

Note 4: Furniture and Equipment

As of December 31, 2012 property and equipment consisted of:

		Estimated Useful Lives
Computers	$ 8,289	5 Years
Furniture	1,400	5 Years
Total	9,689	
Less: Accumulated depreciation	(3,005)	
Net book value	$ 6,684	

As of December 31, 2012 depreciation expense amounted to $932.

Note 5: Commitments

ALTSO is obligated under a non-cancellable operating lease expiring February 28, 2013 at 267 Fifth Avenue, New York, NY. The minimum monthly payment is $1,000 a month. The lease includes rent, telephone, utilities and internet access. This commitment amounts to approximately $12,000 for the year ended December 31, 2012 and $2,000 for the year ended December 31, 2013.

Financial instruments that potentially subject ALTSO to concentrations of credit risk consist of cash deposits.
Accounts at each institution are insured by Federal Deposit Insurance Corporation (FDIC) up to $250,000.

Note 6: Related Party Transaction

The organization entered into an agreement to provide the chairman of the board with health insurance coverage on the ALTSO health insurance plan. The chairman of the board will reimburse ALTSO for the full cost of health insurance related to the coverage of the chairman. As of December 31, 2012 the receivable from the chairman is $0.

Note 7: In-Kind Contributions

During the year ended December 31, 2012, ALTSO received in-kind contributions of $8,240 from DJLW Health Services, Inc. and received $35,000 of in-kind contributions from Premier Orthopedics for program supplies.