

**GIVING ALTERNATIVE LEARNERS
UPLIFTING OPPORTUNITIES, INC.**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2010

**GIVING ALTERNATIVE LEARNERS
UPLIFTING OPPORTUNITIES, INC.**

INDEX

	<u>PAGE</u>
Independent Auditors' Report	1
Statement of Financial Position as of December 31, 2010.....	2
Statement of Activities for the Year Ended December 31, 2010	3
Statement of Cash Flows for the Year Ended December 31, 2010.....	4
Notes to Financial Statements	5-7
Supplementary Information:	
Schedule of Functional Expenses for the Year Ended December 31, 2010.....	8

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Independent Auditor's Report

To the Board of Directors of
Giving Alternative Learners Uplifting Opportunities, Inc.

We have audited the accompanying statement of financial position of Giving Alternative Learners Uplifting Opportunities, Inc. as of December 31, 2010, and the related statement of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the management of Giving Alternative Learners Uplifting Opportunities, Inc. 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 a reasonable assurance about whether the financial statements are free from 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 Giving Alternative Learners Uplifting Opportunities, Inc. as of December 31, 2010 and the result of its activities, cash flows and functional expenses for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Kenneth Cookler, CPA, P.C.

KENNETH COOKLER, CPA, P.C.

Jericho, New York
April 13, 2011

**GIVING ALTERNATIVE LEARNERS
UPLIFTING OPPORTUNITIES, INC.**

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010**

ASSETS:

Current Assets:

Cash and Cash Equivalents (Note 1)	\$ 110,139.	
Prepaid Expenses	<u>5,255.</u>	
Total Current Assets:		\$ 115,394.

Property and Equipment (Note 1):

Equipment	5,304.	
Accumulated Depreciation	<u>(1,768.)</u>	
Total Property and Equipment:		3,536.

Other Assets:

Security Deposit		<u>225.</u>
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Total Assets:		<u>\$ 119,155.</u>
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LIABILITIES AND NET ASSETS:

Current Liabilities:

Accounts Payable	\$ 2,692.	
Unearned Income	<u>1,900</u>	
Total Current Liabilities:		\$ 4,592.

Net Assets:

Unrestricted	114,563.	
Temporarily Restricted	0.	
Permanently Restricted	<u>0.</u>	
Total Net Assets:		<u>114,563.</u>

Total Liabilities and Net Assets:		<u>\$ 119,155.</u>
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**GIVING ALTERNATIVE LEARNERS
UPLIFTING OPPORTUNITIES, INC.**

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010**

Support and Revenues:

Unrestricted:

Riding Fees (Note 1)	\$ 125,475.	
Less: Tuition Waivers (Note 2)	<u>(72,756.)</u>	
Net Riding Fees	52,719.	
Grants (Note 1)	42,600.	
Contributions (Note 1)	93,215.	
Contributed Services (Note 4)	61,200.	
Special Events (Note 3)	42,515.	
Interest Income	352.	
Other Income	<u>1,327.</u>	
Total Support and Revenue:		\$ 293,928.

Expenses:

Program Services:

Therapeutic Horseback Riding Program	253,592.	
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Support Services:

Management and General	<u>29,135.</u>	
Total Expenses:		<u>282,727.</u>

Increase in Net Assets:

Unrestricted		11,201.
Temporarily Restricted		0.
Permanently Restricted		<u>0.</u>
Increase in Net Assets:		11,201.

Net Assets Beginning of Year:		<u>103,362.</u>
Net Assets, End of Year:		<u>\$ 114,563.</u>

**GIVING ALTERNATIVE LEARNERS
UPLIFTING OPPORTUNITIES, INC.**

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010**

Cash Flows from Operating Activities:

Increase in Net Assets \$ 11,201.

Adjustments to Reconcile Change in
Unrestricted Net Assets to Net Cash Provided
by Operating Activities:

Depreciation (Note 1) \$ 758.

Increase in Prepaid Expenses (1,280.)

Increase in Accounts Payable 721.

Increase in Security Deposit (225.)

Increase in Unearned Income 1,900.

Total Adjustments: 1,874.

Net Cash Provided by Operating Activities: 13,075.

Cash Flows from Investing Activities: 0.

Cash Flows from Financing Activities: 0.

Net Increase in Cash and Cash Equivalents: 13,075.

Cash and Cash Equivalents at Beginning of Year (Note 1): 97,064.

Cash and Cash Equivalents at End of Year (Note 1): \$ 110,139.

See Accountants' Report and Notes to Financial Statements.

**GIVING ALTERNATIVE LEARNERS
UPLIFTING OPPORTUNITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

NOTE 1: Nature of Organization and Summary of Significant Accounting Policies:

Nature of Organization:

Giving Alternative Learners Uplifting Opportunities, Inc. (the "Organization") is a not-for-profit corporation incorporated on June 6, 2005, in the State of Delaware, to provide therapeutic horseback riding to people in New York City, using interactions with horses to promote the growth of functional and mental abilities in a safe, supportive, and fun manner. The Organization bases its program on good horsemanship, sound riding principles, and therapeutic riding in hippotherapy standards that are approved by the North American Riding for the Handicapped Association (NARHA).

Estimates:

The preparation of Financial Statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the determination of depreciation and the allocation of costs among programs and the supporting services, among others.

Cash and Cash Equivalents:

For the purposes of the Statement of Cash Flows, cash is defined as demand deposits at banks.

Property and Equipment:

Property and equipment additions are recorded at cost, if purchased, or at the fair value at the date of the gift, if donated. Additions exceeding \$1,000 are capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Depreciation expense for the year ended December 31, 2010 amounted to \$758.

Income Taxes:

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Support and Revenue:

Grants are recorded as revenue when received. Riding fees are generally recognized when earned.

**GIVING ALTERNATIVE LEARNERS
UPLIFTING OPPORTUNITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010
(CONTINUED)**

NOTE 1: Nature of Organization and Summary of Significant Accounting Policies:

Contributions:

Contributions are recognized when the donor makes a promise to give, that is, in substance, unconditional. Unrestricted contributions are reported as increases in unrestricted net assets. Donor restricted contributions are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in temporary or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses:

The cost of providing the various programs and the supporting services has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among programs and the supporting services in reasonable ratios determined by management.

Adoption of New Accounting Pronouncement:

On July 1, 2009, the Financial Accounting Standards Board (FASB) issued FASB Statement of Financial Accounting Standards (SFAS) No. 168, "FASB Accounting Standards Codification and the Hierarchy of General Accepted Accounting Principles", which is included in FASB Accounting Standards Codification (ASC) 105 "Generally Accepted Accounting Principles". This new guidance approved the FASB ASC as the single source of authoritative non-governmental GAAP. The FASB ASC is effective for interim or annual periods ending after September 15, 2009. All existing accounting standards have been superseded and all other accounting literature not included in the FASB ASC will be considered non-authoritative. The ASC is a restructuring of GAAP designed to simply access to all authoritative literature by providing a topically organized structure. The adoption of FASB ASC did not impact the Organization's financial statements. Technical references to GAAP included in these Notes to the Financial Statements are provided under the new FASB ASC structure.

In May 2009, the Financial Accounting Standards Board issued a new standard pertaining to subsequent events (incorporated into the Subsequent Events Topic of the FASB Accounting Standards Codification) that established principles and requirements for subsequent events and applied to accounting for the disclosure of subsequent events not addressed in other applicable generally accepted accounting principles. The Organization has evaluated events subsequent to December 31, 2010 and through April 13, 2011, the date on which the Financial Statements were available to be issued. The adoption of the new standard had no impact in the Organization's Financial Statements.

**GIVING ALTERNATIVE LEARNERS
UPLIFTING OPPORTUNITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010
(CONTINUED)**

NOTE 2: Tuition Waivers:

The organization provides financial assistance in the form of tuition waivers to riders. The amount of the tuition waiver is determined by management for each rider, based on the available financial resources of the individual. Tuition waivers for the year ended December 31, 2010 amounted to \$72,756 and is reported separately on the Statement of Activities.

NOTE 3: Special Events:

The Organization hosts special events on a yearly basis to raise monies in support of its mission. Special event expenses include costs associated with hosting the events. Revenue and expense from special events for the year ended December 31, 2010 are as follows:

Revenue	\$ 42,515.
Expense	<u>(20,994.)</u>
Net Profit	<u>\$ 21,521.</u>

NOTE 4: Contributed Services:

The Organization recognizes contributions for individuals who volunteered their time. The value of donated services that were recognized as contributions in the Financial Statements as of December 31, 2010 amounted to \$61,200. Of this amount, \$60,000 represents the salary and employee benefits of an individual who served as the Executive Director and \$1,200 represents the salary of teachers who provided horse-riding lessons. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in accomplishing its mission; however, these are not recognized in the Financial Statements because they did not meet the criteria for recognition included in the Non-Profit Entities Topic of the FASB Accounting Standards Codification.

NOTE 5: Lease Commitment:

The Organization leases office space under the terms of a month-to-month lease agreement. The lease provides for 40 hours of workspace use at a minimum monthly fee of \$225 and an annual fee of \$75 for membership services and benefits. Rent expense for the year ended December 31, 2010 amounted to \$2,880.

NOTE 6: Concentration of Credit Risks:

The Organization maintains its cash accounts in a commercial bank located in New York State, which at times may exceed federally insured amounts. The Organization has not experienced losses in any such accounts and does not believe it is exposed to any significant credit risk.

NOTE 7: Subsequent Events:

Management has evaluated subsequent events through April 13, 2011, which is the date the Financial Statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

SUPPLEMENTARY INFORMATION

**GIVING ALTERNATIVE LEARNERS
UPLIFTING OPPORTUNITIES, INC.**

**SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010**

	<u>Program Services</u>	<u>Support Services</u>	
	<u>Therapeutic Horseback</u>	<u>Management</u>	
	<u>Riding Program</u>	<u>and General</u>	<u>Total</u>
Payroll	\$ 91,313.	\$ 0.	\$ 91,313.
Payroll Taxes	8,708.	0.	8,708.
Contract Labor	11,658.	5,390.	17,048.
Contributed Services (Note 4)	49,200.	12,000.	61,200.
Horse Rental	54,453.	0.	54,453.
Repairs and Maintenance	905.	0.	905.
Special Events (Note 3)	20,994.	0.	20,994.
Staff Development	0.	1,003.	1,003.
Professional Fees	0.	4,875.	4,875.
Dues and Subscriptions	844.	0.	844.
Office Rent (Note 5)	0.	2,880.	2,880.
Insurance	4,834.	1,100.	5,934.
Conferences, Travel, and Meals	503.	0.	503.
Supplies	5,807.	0.	5,807.
Office Expense	1,347.	0.	1,347.
Depreciation (Note 1)	758.	0.	758.
Bank and Filing Fees	0.	269.	269.
Payroll Fees	0.	1,395.	1,395.
Permits	0.	223.	223.
Technical Support	1,158.	0.	1,158.
Miscellaneous	<u>1,110.</u>	<u>0.</u>	<u>1,110.</u>
 Total Expenses:	 <u>\$ 253,592.</u>	 <u>\$ 29,135</u>	 <u>\$ 282,727.</u>