

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

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2009

GIVING ALTERNATIVE LEARNERS UPLIFTING OPPORTUNITIES, INC.
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To the Board of Directors of
Giving Alternative Learners Uplifting Opportunities, Inc.
New York, NY

We have reviewed the accompanying statement of financial position of Giving Alternative Learners Uplifting Opportunities, Inc. (a nonprofit organization) as of December 31, 2009, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Giving Alternative Learners Uplifting Opportunities, Inc.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying schedule of functional expenses is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

D'Arcangelo & Co., LLP

February 8, 2010
Poughkeepsie, New York

GIVING ALTERNATIVE LEARNERS UPLIFTING OPPORTUNITIES, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2009

ASSETS

Current assets

Cash	\$ 97,064	
Prepaid expenses	<u>3,975</u>	
Total current assets		\$ 101,039

Property and equipment

Equipment	5,304	
Accumulated depreciation	<u>(1,010)</u>	
Total property and equipment		<u>4,294</u>

Total assets		<u>\$ 105,333</u>
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LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable		\$ 1,971
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Net assets, unrestricted		<u>103,362</u>
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Total liabilities and net assets		<u>\$ 105,333</u>
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GIVING ALTERNATIVE LEARNERS UPLIFTING OPPORTUNITIES, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2009

UNRESTRICTED NET ASSETS

Support and revenue

Riding fees	107,921	
Less: tuition waivers	<u>(60,935)</u>	
Net riding fees	46,986	
Grants	25,800	
Contributions	73,380	
Contributed services	70,080	
Special events	18,812	
Interest income	496	
Other income	<u>32</u>	
Total support and revenue		\$ 235,586

Expenses

<i>Program services</i>		
Therapeutic horseback riding program	203,149	
<i>Support services</i>		
Management and general	<u>28,176</u>	
Total expenses		<u>231,325</u>

Change in unrestricted net assets 4,261

Net assets, unrestricted, beginning 99,101

Net assets, unrestricted, ending \$ 103,362

GIVING ALTERNATIVE LEARNERS UPLIFTING OPPORTUNITIES, INC.
STATEMENT OF CASH FLOWS
Year ended December 31, 2009

Cash flows from operating activities

Change in unrestricted net assets		\$ 4,261
<i>Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities</i>		
Depreciation	\$ 758	
Increase in prepaid expenses	(3,975)	
Increase in accounts payable	<u>772</u>	<u>(2,445)</u>
Net cash provided by operating activities		1,816
Cash, beginning		<u>95,248</u>
Cash, ending		<u><u>\$ 97,064</u></u>

GIVING ALTERNATIVE LEARNERS UPLIFTING OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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 and 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

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, 2009 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, continued
December 31, 2009

1. Nature of Organization and Summary of Significant Accounting Policies, continued

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 temporarily 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.

Advertising

Advertising costs are expensed as they are incurred. Advertising expenses for the year ended December 31, 2009 amounted to \$1,500.

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 Generally 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 nongovernmental 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 Organizations'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 and disclosure of subsequent events not addressed in other applicable generally accepted accounting principles. The Organization has evaluated events subsequent to December 31, 2009 and through February 8, 2010, the date on which the financial statements were available to be issued. The adoption of the new standard had no impact on the Organization's financial statements.

GIVING ALTERNATIVE LEARNERS UPLIFTING OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS, continued
December 31, 2009

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, 2009 amounted to \$60,935 and is reported separately on the statement of activities.

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 year ended December 31, 2009 are as follows:

Revenue	\$ 18,812
Expense	<u>(8,163)</u>
Net profit	<u>\$ 10,649</u>

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, 2009 amounted to \$70,080. Of this amount, \$60,000 represents the salary and employee benefits of an individual who served as the Executive Director and \$10,080 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.

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, 2009 amounted to \$2,833.

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.

7. Subsequent Events

Management has evaluated subsequent events through February 8, 2010, 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, 2009

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
	<u>Therapeutic Horseback Riding Program</u>	<u>Management and General</u>	
Payroll	\$ 61,523	\$ -	\$ 61,523
Payroll taxes	6,762	-	6,762
Contract labor	11,818	6,356	18,174
Contributed services	58,080	12,000	70,080
Horse rental	38,545	-	38,545
Repairs & maintenance	3,115	-	3,115
Special events	8,163	-	8,163
Contributions	2,146	-	2,146
Advertising	1,500	-	1,500
Professional fees	-	4,500	4,500
Dues and subscriptions	1,301	-	1,301
Office rent	-	2,833	2,833
Insurance	1,303	915	2,218
Conferences, travel & meals	1,437	-	1,437
Supplies	4,757	-	4,757
Office expense	1,042	-	1,042
Depreciation	758	-	758
Bank and filing fees	-	523	523
Payroll fees	-	732	732
Permits	-	310	310
Miscellaneous	899	7	906
	<u>899</u>	<u>7</u>	<u>906</u>
Total expenses	<u>\$ 203,149</u>	<u>\$ 28,176</u>	<u>\$ 231,325</u>