

A.B.L.E. Youth, Inc.
Financial Statements
December 31, 2007 and 2006

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McKerley & Noonan, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Review Report

To the Board of
A.B.L.E. Youth, Inc.
Nashville, TN

We have reviewed the accompanying statements of financial position of A.B.L.E. Youth, Inc. (a Tennessee not-for-profit corporation), as of December 31, 2007 and 2006, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years 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 Organization's management.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, 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.

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 accounting principles generally accepted in the United States of America.

McKerley & Noonan

McKerley & Noonan, P.C.
August 21, 2008

A.B.L.E. Youth, Inc.
Statements of Financial Position
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Assets		
Current Assets:		
Cash in Bank	\$ 47,655	\$ 46,599
Prepaid Insurance	<u>2,200</u>	<u>2,200</u>
Total Current Assets	49,855	48,799
Fixed Assets:		
Sports Equipment	29,912	26,022
Trailer	1,200	1,200
Less: Accumulated Depreciation	<u>(14,200)</u>	<u>(8,858)</u>
Net Fixed Assets	<u>16,912</u>	<u>18,364</u>
Total Assets	<u><u>\$ 66,767</u></u>	<u><u>\$ 67,163</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 2,281	\$ 2,516
Net Assets:		
Unrestricted Net Assets	62,086	64,378
Temporarily Restricted Net Assets	<u>2,400</u>	<u>269</u>
Total Net Assets	<u>64,486</u>	<u>64,647</u>
Total Liabilities and Net Assets	<u><u>\$ 66,767</u></u>	<u><u>\$ 67,163</u></u>

See Accompanying Notes and Accountants' Review Report

A.B.L.E. Youth, Inc.
Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2007 and 2006

	2007			2006		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and Support:						
Contributions	\$ 63,047	\$ 16,750	\$ 79,797	\$ 52,140	\$ 3,500	\$ 55,640
Special Events	25,681	-	25,681	18,050	-	18,050
Net Assets Released from Restriction	14,619	(14,619)	-	30,611	(30,611)	-
Total Revenues and Support	103,347	2,131	105,478	100,801	(27,111)	73,690
Expenses:						
Program Services	71,938	-	71,938	58,443	-	58,443
Supporting Services:						
Fundraising	21,610	-	21,610	14,709	-	14,709
General and Administrative	12,091	-	12,091	8,322	-	8,322
Total Supporting Services	33,701	-	33,701	23,031	-	23,031
Total Expenses	105,639	-	105,639	81,474	-	81,474
Change in Net Assets	(2,292)	2,131	(161)	19,327	(27,111)	(7,784)
Net Assets, Beginning of the Year	64,378	269	64,647	45,051	27,380	72,431
Net Assets - End of the Year	\$ 62,086	\$ 2,400	\$ 64,486	\$ 64,378	\$ 269	\$ 64,647

See Accompanying Notes and Accountants' Review Report

A.B.L.E. Youth, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash Flows from Operating Activities:		
Decrease in Net Assets	\$ (161)	\$ (7,784)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	5,342	4,768
Increase in Prepaid Insurance	-	(1,655)
Increase (Decrease) in Current Liabilities	(235)	1,586
Total Adjustments	<u>5,107</u>	<u>4,699</u>
Net Cash Provided (Used) by Operating Activities	<u>4,946</u>	<u>(3,085)</u>
 Cash Flows from Investing Activities:		
Payments for the Purchase of Fixed Assets	<u>(3,890)</u>	<u>(13,921)</u>
Net Cash Used by Investing Activities	<u>(3,890)</u>	<u>(13,921)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	1,056	(17,006)
 Cash in Bank, Beginning of the Year	<u>46,599</u>	<u>63,605</u>
 Cash in Bank, End of Year	<u><u>\$ 47,655</u></u>	<u><u>\$ 46,599</u></u>

See Accompanying Notes and Accountants' Review Report

A.B.L.E. Youth, Inc.
Statements of Functional Expenses
For the Years Ended December 31, 2007 and 2006

	2007				2006			
	Program Services	Supporting Services		Total	Program Services	Supporting Services		Total
		Fundraising	General and Administrative			Fundraising	General and Administrative	
Wages and Benefits	\$ 39,001	\$ 4,875	\$ 4,875	\$ 48,751	\$ 26,377	\$ 3,297	\$ 3,297	\$ 32,971
Accounting & Bookkeeping	-	-	4,669	4,669	-	-	3,344	3,344
Auto Expense - mileage	2,651	468	-	3,119	1,818	321	-	2,139
Bank Fees	-	-	65	65	-	-	101	101
Basketball/Cheerleading Program	5,205	-	-	5,205	7,149	-	-	7,149
Contract Labor	-	1,125	-	1,125	-	1,720	-	1,720
Contributions	775	-	-	775	850	-	-	850
Depreciation	5,342	-	-	5,342	4,768	-	-	4,768
Dues & Entry Fees	758	-	-	758	767	-	-	767
Fundraising Video	-	5,000	-	5,000	-	-	-	-
Golf Tournament	-	5,728	-	5,728	-	7,601	-	7,601
Independence Camp	4,836	-	-	4,836	1,954	-	-	1,954
Insurance	3,854	-	1,421	5,275	3,383	-	1,138	4,521
Miscellaneous	76	175	-	251	538	-	-	538
Office Supplies	-	2,537	634	3,171	-	1,577	394	1,971
Postage & Shipping	-	742	187	929	-	113	28	141
Storage	1,440	-	-	1,440	1,440	-	-	1,440
Telephone	-	960	240	1,200	-	80	20	100
Supplies	1,405	-	-	1,405	941	-	-	941
Travel & Lodging	6,595	-	-	6,595	8,458	-	-	8,458
Total Functional Expenses	\$ 71,938	\$ 21,610	\$ 12,091	\$ 105,639	\$ 58,443	\$ 14,709	\$ 8,322	\$ 81,474

See Accompanying Notes and Accountants' Review Report

A.B.L.E. Youth, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 1 - Description and Purpose of Organization

A.B.L.E. Youth, Inc. (the Organization) is a non-profit corporation organized to provide opportunities for children and youth with physical disabilities to participate in structured wheelchair sports and recreational activities. Through these activities, the children can build strength, confidence, and physical and social skills. The activities are available to children ages three through high school, who require the use of a wheelchair for independent mobility. In 2007, the age limit was increased to twenty-two or college graduation. The ultimate goal of the Organization is to have the youths become completely independent as an adult, while building strong character and positive self-esteem along the way.

Note 2 - Summary of Significant Accounting Policies:

The financial statements of the Organization have been prepared on the accrual basis of accounting which means that revenues are recognized when earned and expenses are recorded when incurred. The significant accounting policies of the Organization are described below to enhance the usefulness of the financial statements to the reader.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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.

Financial Statement Presentation

For financial statements presentation, the Organization reports its financial information in accordance with Statement of Financial Accounting Standards (SFAS) No. 117. Under SFAS No. 117, information regarding its financial position and activities is reported according to three classes of net assets (unrestricted net assets, temporarily restricted net assets and permanently restricted net assets) based on the existence or absence of donor-imposed restrictions.

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations. Monies received without restriction or released from restriction are generally used to finance the normal day-to-day operations of the Organization.

A.B.L.E. Youth, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 - Summary of Significant Accounting Policies (continued)

Temporarily Restricted Net Assets

Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the statement of activities as net assets released from restrictions. At the year ending December 31, 2007 and 2006, temporarily restricted net assets included \$ 2,400 and \$ 269, respectively, of funds subject to donor-imposed restrictions.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. As of December 31, 2007, and December 31, 2006, the Organization did not have any funds permanently restricted.

Fixed Assets

Fixed assets are recorded at cost, or estimated fair value at date of gift if donated. Improvements or betterments are capitalized, while repairs and maintenance expenditures are expensed. Depreciation is computed using accelerated methods over the estimated useful lives (ranging from 5 – 7 years) of each asset.

Depreciation expense relating to fixed assets totaled \$ 5,342 and \$ 4,768 for the years ended December 31, 2007 and 2006, respectively

Classification of Expenses

Expenses are classified functionally as a measure of service efforts and accomplishments. Direct expenses, incurred for a single function, are allocated entirely to that function. Joint expenses applicable to more than one function are allocated on the basis of objectively summarized information or management estimates.

Donated Services

Donated services that require specialized skills and would be purchased if not provided by the donor are recognized as support and expenses based on the fair value of the services received.

A.B.L.E. Youth, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 - Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made for financial statement purposes.

Note 3 – In-Kind Contributions

Revenues and Support reflected in the accompanying Statements of Activities include amounts donated to the organization as follows for the years ended December 31,

	2007	2006
Accounting and bookkeeping services	\$ 2,245	\$ 1,608
Fundraising video production	5,000	-
Storage facility rental	1,440	1,440
Total In-Kind Contributions	<u>\$ 8,685</u>	<u>\$ 3,048</u>

The Organization has reflected these in-kind contributions in contribution revenue and related expenses in the respective statements of activities.