

A.B.L.E. Youth, Inc.

Financial Statements
December 31, 2011, and 2010

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Independent Accountants' Review Report

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

We have reviewed the accompanying statements of financial condition of A.B.L.E. Youth, Inc. (a non-profit organization) as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 accounting principles generally accepted in the United States of America.



McKerley & Noonan, P.C.
April 4, 2012

A.B.L.E. Youth, Inc.
Statements of Financial Position
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets		
Current Assets		
Cash in Bank	\$ 89,062	\$ 59,913
Prepaid Insurance	2,081	-
Total Current Assets	<u>91,143</u>	<u>59,913</u>
Fixed Assets		
Sports & Office Equipment	43,166	43,166
Trailer	1,200	1,200
Less: Accumulated Depreciation	<u>(35,220)</u>	<u>(31,180)</u>
Net Fixed Assets	<u>9,146</u>	<u>13,186</u>
Total Assets	<u><u>\$ 100,289</u></u>	<u><u>\$ 73,099</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable & Accrued Expenses	\$ 2,327	\$ 1,303
Net Assets:		
Unrestricted Net Assets	83,462	66,796
Temporarily Restricted Net Assets	<u>14,500</u>	<u>5,000</u>
Total Net Assets	<u>97,962</u>	<u>71,796</u>
Total Liabilities and Net Assets	<u><u>\$ 100,289</u></u>	<u><u>\$ 73,099</u></u>

A.B.L.E. Youth, Inc.
Statements of Activities and Changes in Net Assets
For the Years Ended December 31, 2011 and 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support & Revenue						
Contributions & Grants	\$ 121,050	\$ 24,900	\$ 145,950	\$ 84,906	\$ 35,245	\$ 120,151
In-Kind Contributions	1,720	-	1,720	1,320	-	1,320
Net Assets Released from Restrictions	15,400	(15,400)	-	34,245	(34,245)	-
Total Support & Revenue	138,170	9,500	147,670	120,471	1,000	121,471
Expenses						
Program Services	95,644	-	95,644	73,905	-	73,905
Supporting Services:						
Fundraising	15,324	-	15,324	14,076	-	14,076
General & Administrative	10,537	-	10,537	12,205	-	12,205
Total Supporting Services	25,860	-	25,860	26,281	-	26,281
Total Expenses	121,504	-	121,504	100,186	-	100,186
Change in Net Assets	16,666	9,500	26,166	20,285	1,000	21,285
Net Assets, Beginning of Year	66,796	5,000	71,796	46,511	4,000	50,511
Net Assets, End of Year	\$ 83,462	\$ 14,500	\$ 97,962	\$ 66,796	\$ 5,000	\$ 71,796

A.B.L.E. Youth, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 26,166	\$ 21,285
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	4,040	3,624
Decrease in Accounts Receivable	-	1,153
Increase in Prepaid Insurance	(2,081)	-
Increase (Decrease) in Accounts Payable & Accrued Liabilities	1,024	(889)
Total Adjustments	<u>2,983</u>	<u>3,888</u>
Net Cash Provided by Operating Activities	29,149	25,173
Cash Flows from Investing Activities		
Purchase of Fixed Assets	-	(4,207)
Net Cash Used by Investing Activities	<u>-</u>	<u>(4,207)</u>
Net Increase (Decrease) in Cash	29,149	20,966
Cash in Bank Beginning of Year	<u>59,913</u>	<u>38,947</u>
Cash in Bank End of Year	<u>\$ 89,062</u>	<u>\$ 59,913</u>
Interest Paid during the year	\$ -	\$ -

A.B.L.E. Youth, Inc.
Statements of Functional Expenses
For the Years Ended December 31, 2011 and 2010

	2011				2010			
	Supporting Services				Supporting Services			
	Program Services	Fundraising	General and Administrative	Total	Program Services	Fundraising	General and Administrative	Total
Wages and Benefits	\$ 45,777	\$ 5,722	\$ 5,722	\$ 57,221	\$ 41,738	\$ 5,217	\$ 5,217	\$ 52,173
Accounting & Bookkeeping	-	-	499	499	-	-	3,351	3,351
Auto Expense - mileage	1,465	258	-	1,723	1,494	264	-	1,758
Bank Fees	-	-	88	88	-	-	40	40
Basketball/Cheerleading Program	26,458	-	-	26,458	8,856	-	-	8,856
Christmas party	527	-	-	527	340	-	-	340
Contract Labor	-	6,000	550	6,550	-	6,000	495	6,495
Contributions	1,150	-	-	1,150	1,000	-	-	1,000
Depreciation	4,040	-	-	4,040	3,624	-	-	3,624
Dues & Entry Fees	722	-	100	822	295	-	100	395
Fundraising Video & Brochures	-	449	-	449	-	-	-	-
Golf Tournament	1,462	-	-	1,462	780	-	-	780
Independence Camp	2,428	-	-	2,428	2,592	-	-	2,592
Insurance	1,353	-	729	2,082	922	-	496	1,418
Meals & Entertainment	-	486	-	486	-	-	-	-
Miscellaneous	-	1,268	-	1,268	1,112	1,267	-	2,379
Office Rent	-	-	2,600	2,600	-	-	2,200	2,200
Office Supplies	-	404	101	505	-	666	166	832
Postage & Shipping	-	71	18	89	-	114	29	143
Sea Otter Program	2,193	-	-	2,193	3,288	-	-	3,288
Storage	1,320	-	-	1,320	1,320	-	-	1,320
Super Sports Saturday	901	-	-	901	505	-	-	505
Telecommunications	910	260	130	1,300	770	220	110	1,100
Repairs & Maintenance	170	-	-	170	-	-	-	-
Travel & Lodging	4,768	-	-	4,768	5,269	-	-	5,269
Website	-	405	-	405	-	328	-	328
Total Functional Expenses	\$ 95,644	\$ 15,324	\$ 10,537	\$ 121,504	\$ 73,905	\$ 14,076	\$ 12,205	\$ 100,186

A.B.L.E. Youth, Inc.

Notes to Financial Statements

December 31, 2011, and 2010

NOTE 1 - DESCRIPTION AND PURPOSE OF THE 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. The Organization receives support from individual donors as well as contributions and grants from other organizations.

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 statement presentation, the Organization reports its financial information 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

Unrestricted net assets are donations 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.

Temporarily Restricted Net Assets

Temporarily restricted net assets are donations 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 expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At December 31, 2011 and 2010 there were \$14,500 and \$5,000, respectively, of funds subject to various donor-imposed restrictions.

Permanently Restricted Net Assets

Permanently restricted net assets are donations 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, 2011 and 2010, and the Organization did not have any funds permanently restricted.

Fixed Assets

Property and equipment are recorded at cost, when purchased, or at estimated fair value, when gifted to the Organization. Significant additions and betterments are capitalized. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred. 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 \$4,040 and \$3,624 for the years ended December 31, 2011 and 2010, respectively.

Donated Goods & Services

The Organization reports any gifts of equipment or materials as unrestricted support, absent any explicit donor restrictions as to how the assets must be used. Gifts of long-lived assets and/or support that are restricted to the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

Donated facilities and materials are recorded as gifts in the period received at their estimated fair value, if there is an objective and measurable basis for determining such value.

Donated services are recognized if they create or enhance non-financial assets or if the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by the Organization if not donated. Such services are recognized at estimated fair value as support and expense in the period the services are performed.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and non-financial data or reasonable subjective methods determined by management.

Program and Supporting Services

The following program and supporting services classifications are included in the accompanying financial statements:

Program Service

Relate directly to the programmatic mission of the organization.

Supporting Services:

Management and General – Relates to the overall direction of the Organization. These expenses are not identifiable with a particular program or with fund raising, but are indispensable to the conduct of those activities and essential to the organization. Specific activities include organizational oversight, business management, record-keeping, budgeting, financing, and other administrative activities.

Fundraising – Includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitation and creation and distribution of fund raising materials.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for federal or state income taxes is applicable.

Effective January 1, 2009, the Organization adopted the guidance in ASC 740 on accounting for uncertainty in income taxes. For all tax positions taken by the Organization, management believes it is clear that the likelihood is greater than 50 percent that the full amount of the tax positions taken will be ultimately realized. With few exceptions, the Organization is no longer subject to U.S. federal tax examinations by tax authorities for years before 2008. The Organization incurred no interest or penalties during the year ended December 31, 2011.

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,

	2011	2010
Storage Facility Rental	\$ 1,320	\$ 1,320
Physical Therapists for Basketbrawl	\$ 400	-
Total In-Kind Contributions	<u>\$ 1,720</u>	<u>\$ 1,320</u>

NOTE 4 – RELATED PARTY PAYABLE

The Organization reimburses the director \$200 per month for an office maintained in his home.

NOTE 5 – SIMPLE IRA

The Organization has authorized matching IRA contributions of 100% of the first 3% contributed by the executive director. The Organizations contributions to the plan for 2011 and 2010 were \$1,470 and \$1,390 respectively.

NOTE 6 – CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and investments, pledges receivable, and accounts receivable. Cash balances are maintained with financial institutions and are insured up to \$250,000 by the Federal Deposit Insurance Corporation. There were no investments, pledges receivable, or accounts receivable as of December 31, 2011 and 2010.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 4, 2012, the date that the financial statements were available to be issued.