

A.B.L.E. Youth, Inc.
Financial Statements
December 31, 2009 and 2008

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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, 2009 and 2008, 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.

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

McKerley & Noonan, P.C.
November 16, 2010

A.B.L.E. Youth, Inc.
Statements of Financial Position
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Current Assets:		
Cash in Bank	\$ 38,947	\$ 41,154
Accounts Receivable	1,153	1,017
Prepaid Insurance	0	2,200
Total Current Assets	<u>40,100</u>	<u>44,371</u>
Fixed Assets:		
Sports & Office Equipment	38,959	32,297
Trailer	1,200	1,200
Less: Accumulated Depreciation	<u>(27,556)</u>	<u>(19,928)</u>
Net Fixed Assets	<u>12,603</u>	<u>13,569</u>
Total Assets	<u><u>\$ 52,703</u></u>	<u><u>\$ 57,940</u></u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 2,192	\$ 2,115
Net Assets:		
Unrestricted Net Assets	46,511	55,825
Temporarily Restricted Net Assets	<u>4,000</u>	<u>-</u>
Total Net Assets	<u>50,511</u>	<u>55,825</u>
Total Liabilities and Net Assets	<u><u>\$ 52,703</u></u>	<u><u>\$ 57,940</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, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues and Support:						
Contributions	\$ 50,406	\$ 24,718	\$ 75,124	\$ 36,411	\$ 25,930	\$ 62,341
Special Events	35,159	-	35,159	34,835	-	34,835
Interest Income	51		51	440		440
Net Assets Released from Restriction	20,718	(20,718)	-	28,330	(28,330)	-
Total Revenues and Support	106,334	4,000	110,334	100,016	(2,400)	97,616
Expenses:						
Program Services	86,781	-	86,781	78,450	-	78,450
Supporting Services:						
Fundraising	18,414	-	18,414	13,429	-	13,429
General and Administrative	10,453	-	10,453	14,398	-	14,398
Total Supporting Services	28,867	-	28,867	27,827	-	27,827
Total Expenses	115,648	-	115,648	106,277	-	106,277
Change in Net Assets	(9,314)	4,000	(5,314)	(6,261)	(2,400)	(8,661)
Net Assets, Beginning of the Year	55,825	-	55,825	62,086	2,400	64,486
Net Assets - End of the Year	\$ 46,511	\$ 4,000	\$ 50,511	\$ 55,825	\$ -	\$ 55,825

See Accompanying Notes and Accountants' Review Report

A.B.L.E. Youth, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities:		
Decrease in Net Assets	\$ (5,314)	\$ (8,661)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	7,628	5,728
Increase in Accounts Receivable	(136)	(1,017)
Decrease in Prepaid Insurance	2,200	-
Increase (Decrease) in Current Liabilities	77	(166)
Total Adjustments	<u>9,769</u>	<u>4,545</u>
Net Cash Provided (Used) by Operating Activities	<u>4,455</u>	<u>(4,116)</u>
 Cash Flows from Investing Activities:		
Payments for the Purchase of Fixed Assets	<u>(6,662)</u>	<u>(2,385)</u>
Net Cash Used by Investing Activities	<u>(6,662)</u>	<u>(2,385)</u>
 Net Decrease in Cash and Cash Equivalents	<u>(2,207)</u>	<u>(6,501)</u>
 Cash in Bank, Beginning of the Year	<u>41,154</u>	<u>47,655</u>
 Cash in Bank, End of Year	<u><u>\$ 38,947</u></u>	<u><u>\$ 41,154</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, 2009 and 2008

	2009				2008			
	Program Services	Supporting Services		Total	Program Services	Supporting Services		Total
		Fundraising	General and Administrative			Fundraising	General and Administrative	
Wages and Benefits	\$ 42,492	\$ 5,310	\$ 5,310	\$ 53,112	\$ 42,591	\$ 5,323	\$ 5,323	\$ 53,237
Accounting & Bookkeeping	-	-	677	677	-	-	4371	4,371
Adaptive Snow Ski Program	-	-	-	-	5,605	-	-	5,605
Auto Expense - mileage	1,644	392	-	2,036	2,128	409	-	2,537
Bank Fees	-	-	63	63	-	-	71	71
Basketball/Cheerleading Program	16,232	-	-	16,232	2,896	-	-	2,896
Contract Labor	-	5,000	-	5,000	-	-	-	-
Contributions	1,950	-	-	1,950	800	-	-	800
Depreciation	7,388	120	120	7,628	4,298	715	715	5,728
Deep Sea/Dolphin Trip	-	-	-	-	2,655	-	-	2,655
Dues & Entry Fees	695	-	-	695	822	-	-	822
Fundraising Video & Brochures	-	485	-	485	-	500	-	500
Golf Tournament	-	6,122	-	6,122	-	5,323	-	5,323
Independence Camp	2,756	-	-	2,756	3,884	-	-	3,884
Insurance	4,865	-	1,622	6,487	3,981	-	1,327	5,308
Miscellaneous	440	-	-	440	693	-	40	733
Office Rent	-	-	2,400	2,400	-	-	2,250	2,250
Office Supplies	-	514	128	642	-	564	142	706
Postage & Shipping	-	54	13	67	-	195	49	244
Sea Otter Program	-	-	-	-	1,925	-	-	1,925
Storage	2,160	-	-	2,160	2,160	-	-	2,160
Telephone & Fax	840	240	120	1,200	770	220	110	1,100
Supplies	1,283	-	-	1,283	1,026	-	-	1,026
Travel & Lodging	4,036	-	-	4,036	2,216	-	-	2,216
Website	-	177	-	177	-	180	-	180
Total Functional Expenses	\$ 86,781	\$ 18,414	\$ 10,453	\$ 115,648	\$ 78,450	\$ 13,429	\$ 14,398	\$ 106,277

See Accompanying Notes and Accountants' Review Report

A.B.L.E. Youth, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

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

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable on the balance sheet represents credit card charges accepted for the annual golf tournament which were remitted to A.B.L.E. Youth subsequent to December 31. As a result, management believes that all accounts receivable are fully collectible and therefore, no allowance for bad debt has been recognized.

Financial Statement Presentation

For financial statements 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.

A.B.L.E. Youth, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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, 2009 temporarily restricted net assets totaled \$4,000 and were restricted for the purchase of a sports wheelchair.

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, 2009 and 2008, 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 \$7,628 and \$5,728 for the years ended December 31, 2009 and 2008, 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, 2009 and 2008

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.

Effective January 1, 2009, the Organization adopted the guidance in ASC 740 on accounting for uncertainty in income taxes (formerly FIN 48). There was no effect on beginning net assets as a result of this accounting change. 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. The Organization is no longer subject to income tax examinations by U.S. federal taxing authorities for years before 2006.

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,

	<u>2009</u>	<u>2008</u>
Fundraising brochures	\$ -	\$ 500
Storage facility rental	2,160	2,160
Total In-Kind Contributions	<u>\$ 2,160</u>	<u>\$ 2,660</u>

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

Note 4 – Related Party Transactions

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

Note 5 – Simple IRA

Beginning in 2008, the Organization authorized matching IRA contributions of 100% of the first 3% contributed by the executive director. The Organization's contributions to the plan for 2009 and 2008 were \$1,440 each year.

Note 6 - Subsequent Events

Subsequent events have been evaluated through the date the financial statements were made available for issuance on November 16, 2010.