ABBE, INC. AND SUBSIDIARIES
Cedar Rapids, Iowa

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009 and 2008

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Clifton Gunderson LLP
Certified Public Accountants & Consultants

Independent Auditor's Report

Board of Directors
Abbe, Inc. and subsidiaries
Cedar Rapids, Iowa

We have audited the accompanying consolidated statements of financial position of Abbe, Inc. and subsidiaries as of June 30, 2009 and 2008, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of Abbe, Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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 reasonable assurance about whether the financial statements are free of 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Abbe, Inc. and subsidiaries as of June 30, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements of Abbe, Inc. and subsidiaries taken as a whole. The accompanying supplemental information, listed in the table of contents, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual entities. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Clifton Gunderson LLP

Cedar Rapids, Iowa
November 10, 2009

FINANCIAL STATEMENTS

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2009 and 2008

ASSETS

	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	$ 2,621,444	$ 1,302,686
Cash, restricted, resident trust accounts	82,266	75,536
Certificates of deposit	581,564	494,036
Receivables:		
Accounts receivable, less allowance for doubtful accounts of $181,000 in 2009 and $170,041 in 2008	2,027,479	2,734,681
Contributions receivable	653,138	661,836
Insurance receivable	-	825,000
Prepaid expenses	317,223	153,846
Total current assets	6,283,114	6,247,621
INVESTMENTS	2,799,106	3,500,308
PROPERTY AND EQUIPMENT		
Land	598,948	598,948
Buildings and improvements	6,348,987	5,798,478
Leasehold improvements	361,483	316,546
Furniture and equipment	2,755,194	2,439,279
Vehicles	357,115	302,167
Total	10,421,727	9,455,418
Less accumulated depreciation	4,325,992	3,884,827
Net property and equipment	6,095,735	5,570,591
OTHER ASSETS		
Beneficial interest in assets held by community foundations	24,087	27,192
Debt-issuance costs, less accumulated amortization of $5,906 in 2009 and $4,508 in 2008	22,050	23,448
Total other assets	46,137	50,640
TOTAL ASSETS	$ 15,224,092	$ 15,369,160

LIABILITIES AND NET ASSETS

	2009	2008
CURRENT LIABILITIES		
Accounts payable	$ 478,699	$ 850,760
Accrued expenses:		
Accrued vacations	882,259	838,520
Other accrued expenses	411,453	309,768
Due to government agencies, primarily to Linn County	159,021	-
Resident trust funds	82,266	75,536
Deferred income	121,830	18,341
Notes payable, current maturities	63,927	61,103
Current maturities of obligations under capital leases	17,867	15,337
Total current liabilities	2,217,322	2,169,365
LONG-TERM LIABILITIES		
Due to Linn County	102,842	102,842
Obligations under capital leases, less current maturities above	8,875	27,521
Notes payable, less current maturities above	1,200,124	1,261,302
Total long-term liabilities	1,311,841	1,391,665
Total liabilities	3,529,163	3,561,030
NET ASSETS		
Unrestricted	10,627,350	10,769,403
Temporarily restricted	1,049,990	1,021,138
Permanently restricted	17,589	17,589
Total net assets	11,694,929	11,808,130
TOTAL LIABILITIES AND NET ASSETS	$ 15,224,092	$ 15,369,160

The accompanying notes are an integral part of the consolidated financial statements.

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended June 30, 2009 and 2008

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
Client and resident fees	$ 17,923,965	$ -	$ -	$ 17,923,965
Grants	2,833,212	631,990	-	3,465,202
Auxiliary	185,787	-	-	185,787
Net investment loss	(344,247)	(8,105)	-	(352,352)
Rent	28,720	-	-	28,720
Contributions	214,597	-	-	214,597
Other	592,517	-	-	592,517
Equity in net loss of investee	(191)	-	-	(191)
Net assets released from restrictions	604,636	(604,636)	-	-
Total public support and revenue	22,038,996	19,249	-	22,058,245
EXPENSES				
Program services:				
Mental health services	8,230,685	-	-	8,230,685
Care facilities	7,371,500	-	-	7,371,500
Services for the aging	4,620,242	-	-	4,620,242
Total program services	20,222,427	-	-	20,222,427
Supporting activities:				
Management and general	1,594,860	-	-	1,594,860
Fundraising	20,369	-	-	20,369
Total supporting activities	1,615,229	-	-	1,615,229
Total expenses	21,837,656	-	-	21,837,656
(GAIN)/LOSS FROM FLOOD	333,790	-	-	333,790
Total expenses and gain/loss	22,171,446	-	-	22,171,446
CHANGE IN NET ASSETS	(132,450)	19,249	-	(113,201)
Net asset reclassification based on change in law	(9,603)	9,603	-	-
NET ASSETS, BEGINNING OF YEAR	10,769,403	1,021,138	17,589	11,808,130
NET ASSETS, END OF YEAR	$ 10,627,350	$ 1,049,990	$ 17,589	$ 11,694,929

2008			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
$ 16,635,495	$ -	$ -	$ 16,635,495
1,867,397	563,741	-	2,431,138
151,941	-	-	151,941
(20,980)	-	-	(20,980)
46,673	-	-	46,673
206,107	-	-	206,107
339,199	-	-	339,199
-	-	-	-
273,410	(273,410)	-	-
19,499,242	290,331	-	19,789,573
6,522,867	-	-	6,522,867
7,097,761	-	-	7,097,761
4,400,251	-	-	4,400,251
18,020,879	-	-	18,020,879
1,674,473	-	-	1,674,473
17,793	-	-	17,793
1,692,266	-	-	1,692,266
19,713,145	-	-	19,713,145
(10,981)	-	-	(10,981)
19,702,164	-	-	19,702,164
(202,922)	290,331	-	87,409
-	-	-	-
10,972,325	730,807	17,589	11,720,721
$ 10,769,403	$ 1,021,138	$ 17,589	$ 11,808,130

The accompanying notes are an integral part of the consolidated financial statements.

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (113,201)	$ 87,409
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Interest and dividends reinvested	(2,665)	(826)
Net realized and unrealized loss on investments	516,117	321,153
Provision for bad debts	64,294	152,170
Depreciation and amortization	464,175	445,355
Loss on disposal of property and equipment	60,401	607,118
Change in beneficial interest in assets held by community foundations	8,105	1,733
Amortization on below market interest rate loan	16,873	17,397
Effects of changes in operating assets and liabilities:		
Receivables	1,476,606	(1,415,955)
Prepaid expenses	(163,377)	125,430
Accounts payable and accrued expenses	(67,616)	625,503
Deferred income	103,489	(859)
Reverse effects of non-cash operating accounts acquired in merger	-	(14,560)
Net cash provided by operating activities	2,363,201	951,068
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash acquired in merger of Kingston Hill	-	70,261
Purchases of property and equipment	(1,048,322)	(654,470)
Proceeds from sales of investments	1,357,491	1,088,289
Transfer to community foundation	(5,000)	-
Purchases of investments and certificates of deposits	(1,257,269)	(751,805)
Net cash used in investing activities	(953,100)	(247,725)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(75,227)	(79,349)
Payments on capital leases	(16,116)	(14,541)
Net cash used in financing activities	(91,343)	(93,890)

	2009	2008
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,318,758	609,453
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,302,686	693,233
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,621,444	$ 1,302,686

The accompanying notes are an integral part of the consolidated financial statements.

ABBE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2009 and 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Abbe, Inc. was incorporated on August 7, 1991 in the state of Iowa for the promotion of mental health care and the prevention of mental illness through community education. Abbe, Inc. is the sole voting member of the following entities:

The Abbe Center for Community Mental Health, Inc. (the Center) provides outpatient psychiatric services, psychotherapy and supportive treatment services for persons with mental health problems and psychiatric illnesses with the purpose of assisting those persons to prevent hospitalization and remain independently functioning in the community. These services are provided to residents of Linn, Jones and Benton counties and surrounding communities through service receipts from Linn, Jones and Benton counties.

The Abbe Center for Community Care, Inc. (the Care Facility) provides housing and care for mentally disabled in need of supervision or assistance in their daily living. These services are provided to residents of Linn County and surrounding communities through per diem rates from Linn County, state and federal programs, and charges to residents.

The Penn Center, Inc. provides housing and care for mentally disabled in need of supervision or assistance in their daily living. These services are provided to residents of Delaware County and surrounding communities through per diem rates from Delaware County, state and federal programs, and charges to residents.

Aging Services, Inc. provides assistance to the elderly in the Linn County area through adult day care services and home-based support services. These services are provided through cost-sharing between the individuals and funding sources.

Pentacrest, Inc. provides assistance to the elderly in the Johnson County area through adult day care services and home-based support services. These services are provided through cost-sharing between the individuals and funding sources.

Abbe Management Corporation was established for the purpose of managing and providing behavioral health care services in Linn County, Iowa and surrounding counties. These services are provided to the managed practices under a management fee arrangement.

Witwer Center, Inc. provides a place where the elderly can meet, receive services, and take part in activities which enhance their dignity and preserve their independence. The center is a Title VII nutrition site serving Cedar Rapids and surrounding communities with on site meals. Home delivered meals are provided for those unable to make it to the congregate meal sites.

Kingston Hill operates independent housing with non-health related services for older adults. They do not provide nursing care. Residents requiring nursing care are required to relocate and make arrangements to receive nursing care in another facility. Residents pay a monthly fee based on their ability to pay when the resident entered the facility.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization's fiscal year ends on June 30. Significant accounting policies followed by the Organization are presented below.

Use of Estimates in Preparing Financial Statements

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 revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of all entities described on the previous page. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash Equivalents

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

Accounts receivable are uncollateralized customer obligations which generally require payment within thirty days from the invoice date. Accounts receivable are stated at the invoice amount. Account balances with invoices over ninety days old are considered delinquent. Payments of accounts receivable are applied to the specific invoices identified on the customers remittance advice or, if unspecified, to the earliest unpaid invoices. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. Management reviews individual accounts receivable balances that exceed ninety days from the invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. In addition, a general valuation allowance is established based principally on historical experience.

Investments

The Organization holds a noncontrolling interest in a limited liability partnership. The partnership is accounted for using the equity method wherein the Organization's investment is increased or decreased by the Organization's share of earnings or losses, less distributions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

All other investments are carried at fair value and the investment income and net appreciation or depreciation in fair value of investments is reported as an increase or decrease in unrestricted, temporarily restricted, or permanently restricted net assets, based upon donor-imposed restrictions. Interest and dividends are recorded as income when earned.

Property and Equipment

Purchased property and equipment are recorded at cost while contributed property and equipment are recorded at estimated fair value at the date of gift. Depreciation is computed primarily by the straight-line method over the estimated useful lives of the assets, which range from five to thirty-nine years. The depreciation expense on assets acquired under capital leases is included with depreciation expense on owned assets. Items with a cost over $1,000 and an expected useful life of more than one year are capitalized, as well as computer equipment even if less than $1,000.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Beneficial Interest in Assets Held by Community Foundations

Certain funds are held by various community foundations, in designated agency endowment funds, for the benefit of the Organization. The transactions with the foundations are deemed to be reciprocal and, therefore, the value of the funds held by the foundations are recognized as an asset (beneficial interest in assets held by community foundations) by the Organization.

Other designated funds held by The Greater Cedar Rapids Community Foundation (Foundation) for the benefit of the Organization have been established by separate donors who explicitly granted variance power to the Foundation in a nonreciprocal transfer. As such, these funds are not recognized as an asset by the Organization. The distributions received from the Foundation from these funds are recognized as grant revenue by the Organization upon receipt.

Debt Issuance Costs

Debt-issuance costs are being amortized over the 20 year term of the loan.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Unrestricted net assets includes all net assets which are neither temporarily or permanently restricted.

Temporarily restricted net assets includes contributed net assets for which donor-imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted. For donor-restricted endowment funds, the Organization classifies the portion of the fund in excess of the permanently restricted amount as temporarily restricted until appropriated for expenditure by the Organization.

Permanently restricted net assets includes contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Support and Revenue

Client and resident fee revenue is recognized, at estimated collectable amounts, in the period the services are performed, net of third-party contractual adjustments and foregone charges for services and supplies furnished to clients who cannot pay. Fees received in advance of services performed are recorded as deferred income.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Amounts received which are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted. When a donor restriction expires, that is, when a stipulated time 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.

Unconditional promises to give are recorded as receivables and as support when received. Conditional contributions are not recorded until all conditions have been satisfied, at which time they are recognized as support. Advances received on conditional contributions are recorded as refundable advances until all conditions have been satisfied.

Bequests are recorded when the probate court declares the will valid and the amount is determinable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue (continued)

Contributions of donated goods are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Contributed property and equipment are recorded at estimated fair value at the date of gift. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting activities benefited.

Income Taxes

All entities described earlier, with the exception of Abbe Management Corporation, are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides income tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes. In addition, all entities, with the exception of Kingston Hill, are not classified as a private foundation. Kingston Hill qualifies as an exempt private operating foundation.

For Abbe Management Corporation, deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Pronouncements

Fair Value Measurements. Effective July 1, 2008, the Organization adopted FASB Statement No. 157, "Fair Value Measurements" (FAS 157), which provides a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. Specifically, FAS 157 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. The adoption of FAS 157 did not have a material impact on the Organization's financial statements.

Endowment Investments. The Organization adopted FASB Staff Position, FAS 117-1, "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds" (FSP FAS 117-1) in the current year. The Iowa Uniform Act - Institutional Funds Management Act (IUA-IFMA) was effective for the Organization for the year ended June 30, 2009. FSP FAS 117-1 requires that the amount classified as permanently restricted shall be the amount of the fund (a) that must be retained permanently in accordance with explicit donor stipulations, or (b) that in the absence of such stipulations, the organization's governing board determines must be retained permanently consistent with the relevant law and also expands the disclosures required for both donor-restricted and board-designated endowment funds. The adoption of FSP FAS 117-1 required a reclassification of $9,603 from previously reported unrestricted net assets to temporarily restricted net assets to reflect the spending amount earned but not appropriated as of July 1, 2008.

NOTE 2 - UNCONDITIONAL PROMISES TO GIVE

Included in contributions receivable are the following unconditional promises to give, all of which are due within the next fiscal year:

	2009	2008
United Way	$ 620,947	$ 563,741
Other grants and pledges	31,191	94,945
Building campaign pledges	1,000	3,150
Total unconditional promises to give	$ 653,138	$ 661,836

NOTE 3 - CONDITIONAL PROMISES TO GIVE

The following conditional promises to give were not recognized as assets in the statement of financial position:

Witwer Center, Inc. - HUD grant, conditional upon incurrence of qualified reimbursable project costs	$ 205,279
Kingston Hill - CDBG grant, conditional upon incurrence of qualified reimbursable project costs	16,725
Total conditional promises to give	$ 222,004

NOTE 4 - INVESTMENTS

Investments consist of the following:

	Fair Value	
	2009	**2008**
Fixed income mutual funds	$ 1,199,137	$ 1,709,585
Long-term certificates of deposit	238,061	199,525
Marketable equity securities	1,358,264	1,591,198
Private equity - limited liability corporation	3,644	-
Total investments	$ 2,799,106	$ 3,500,308

NOTE 5 - FAIR VALUE OF FINANCIAL INSTRUMENTS

In determining fair value, the Organization uses various valuation approaches within the FAS 157 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

FAS 157 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. FAS 157 defines levels within the hierarchy based on the reliability of inputs as follows:

NOTE 5 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

- Level 1—Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2—Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy.

Certificates of deposit: Valued at the most recent price of the equivalent quoted yield for such securities, or those of comparable maturity, quality and type.

Mutual funds and marketable equity securities: Valued at last sales price, if listed on a national market or exchange, or if there is no sale and the market is still considered active, at the last transaction price before year-end. In less active markets or if prices are not current, the valuation is based on quoted prices for identical or similar assets.

Beneficial interest in assets held by community foundations: Valued at the pro-rata share of the community foundations' investment pool.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2009:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Certificates of deposit	$ 359,259	$ 460,366	$ -	$ 819,625
Mutual funds	1,199,137	-	-	1,199,137
Marketable equity securities	1,358,264	-	-	1,358,264
Beneficial interest in assets held by community foundations	-	-	24,087	24,087
Total assets at fair value	$ 2,916,660	$ 460,366	$ 24,087	$ 3,401,113

NOTE 5 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The table below sets forth a summary of changes in the fair value of the Organization's level 3 assets for the year ended June 30, 2009:

Balance July 1, 2008	$ 27,192
Transfer of assets to community foundation	5,000
Change in beneficial interest in assets held by community foundations	(8,105)
Balance, June 30, 2009	$ 24,087

NOTE 6 - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATIONS

The Organization has contributed funds to various community foundations in order to establish permanent designated agency endowment funds. These funds are administered by the foundations for the benefit of Witwer Center, Inc. and Pentacrest, Inc. Control over the investment or reinvestment of these funds is exercised exclusively by the foundations. A portion of the funds' earnings are made available for distribution to Witwer Center, Inc. and Pentacrest, Inc. periodically. The balance of the funds at June 30, 2009 and 2008 was $24,087 and $27,192, respectively. During the years ended June 30, 2009 and 2008, the Organization did not receive any distributions from these funds.

In addition, designated funds for the benefit of Aging Services, Inc., Abbe Center for Community Mental Health, Inc. and Witwer Center, Inc. have been established by donors with The Greater Cedar Rapids Community Foundation. In establishing a designated fund, the donor selects a specific nonprofit institution as the recipient, and grants are made to it annually as long as the named institution remains in existence and continues to fulfill its intended purpose. During the years ended June 30, 2009 and 2008, the Organization received $4,092 and $3,675, respectively, from these funds. Only the distributions received by the Organization from these designated funds at The Greater Cedar Rapids Community Foundation are included in the accompanying financial statements.

NOTE 7 - DEBT

Line of credit

The Organization has a line of credit agreement with a bank under which it can borrow up to $400,000 in current notes payable. Borrowings under this agreement, which expires in November 2009, are unsecured and bear interest at the bank's prime rate. There are no borrowings outstanding under this agreement at June 30, 2009.

NOTE 7 - DEBT (CONTINUED)

Long-term debt

	2009	2008
Obligation due to Linn County for the Center's initial reserve fund allocation. This obligation is due upon the Organization terminating certain services. The Center's contract with Linn County expires June 30, 2012, at which time the obligation will become due, unless the contract is renewed.	$ 102,842	$ 102,842

Notes payable consists of the following:

	2009	2008
Note payable to the Iowa Finance Authority with a maximum face value of $800,000, of which $631,261 had been drawn at June 30, 2009. Interest accrues at 1% per annum. The note requires monthly installments of $3,594. Final payment is due in April 2025 and the note is secured by land and building. The note is recorded net of imputed interest calculated using an interest rate of 5.25%. At June 30, 2009, the principal balance of this note, net of imputed interest, was $475,988. The discount for imputed interest is being amortized based on the maturity date of the note in 2025. The unamortized discount totals $155,273 at June 30, 2009. As part of the agreement, there are certain covenants that the Organization must comply with.	$ 475,988	$ 496,102
Office facility revenue bond issued by Linn County, Iowa, payable to bank. The bond requires monthly installments of $7,323, including interest at 5.76% until February 2012 when the rate will be adjusted for the next ten years. Final balloon payment is due in January 2022, secured by land and building. As part of the agreement, there are certain covenants that the Organization must comply with.	788,063	826,303
Total	1,264,051	1,322,405
Less current portion of notes payable	63,927	61,103
Long-term portion of notes payable	$ 1,200,124	$ 1,261,302

NOTE 7 - DEBT (CONTINUED)

Future maturities of long-term debt are as follows:

Year Ending June 30,	
2010	$ 63,927
2011	67,864
2012	71,633
2013	75,617
2014	79,830
Thereafter	905,180
Total	$ 1,264,051

Obligations under capital leases

The Organization is leasing equipment under capitalized leases, expiring between June 2010 and April 2011. The cost of the equipment, which is included in furniture and equipment, is $58,699 at June 30, 2009 and 2008, and the accumulated depreciation is $18,508 and $8,902 at June 30, 2009 and 2008, respectively.

Future minimum lease payments under these leases are as follows:

Year Ending June 30,	
2010	$ 18,754
2011	10,166
Total minimum lease payments	28,920
Less amount representing interest	2,178
Present value of minimum lease payments	$ 26,742

NOTE 8 - NATURE AND AMOUNT OF PERMANENT AND TEMPORARY RESTRICTIONS

Temporarily restricted net assets are available for the following purposes:

	2009	2008
Subsequent year's operations	$ 827,409	$ 788,880
Subsequent year's facility usage	222,581	232,258
Total temporarily restricted net assets	$ 1,049,990	$ 1,021,138

NOTE 8 - NATURE AND AMOUNT OF PERMANENT AND TEMPORARY RESTRICTIONS (CONTINUED)

Permanently restricted net assets include endowments totaling $17,589, which must be invested in perpetuity, the income from which is expendable on the Organization's operations.

NOTE 9 - ENDOWMENTS

The Organization's endowments consist of various funds established to support the general operating needs of the Organization. Its endowment consists of both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of the Organization has interpreted the Iowa Uniform Act - Institutional Funds Management Act (IUA-IFMA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Organization classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization's Board. In accordance with IUA-IFMA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

NOTE 9 - ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide current income to fund the operations of the Organization as well as to enhance the future resources available to the Organization through long-term appreciation of assets. The endowment assets are invested in a manner that is intended to provide growth of principal and income. The permanently restricted portion of the endowment assets are being held and managed by The Greater Cedar Rapids Community Foundation.

Spending Policy

Distributions, if any, are determined annually by committee and director review and approvals.

In establishing this policy, the Organization considered the long-term expected returns on its endowment investments. Accordingly, over the long term, the Organization expects the current spending policy will allow its endowment to retain the original fair value of the gifts.

Strategies Employed for Achieving Objectives

The Organization primarily follows the investment strategy of The Greater Cedar Rapids Community Foundation for the permanently restricted portion which relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). This strategy targets a diversified asset allocation that emphasizes growth instruments and equity securities to achieve its long-term objectives within prudent risk constraints.

Endowment net asset composition by type of fund as of June 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 1,498	$ 17,589	$ 19,087
Board-designated endowment funds	5,000	-	-	5,000
Total funds	$ 5,000	$ 1,498	$ 17,589	$ 24,087

NOTE 9 - ENDOWMENTS (CONTINUED)

Strategies Employed for Achieving Objectives (continued)

Changes in endowment net assets for the year ended June 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	$ 9,603	$ -	$ 17,589	$ 27,192
Net asset reclassification based on change in law	(9,603)	9,603	-	-
New transfer to community foundation	5,000	-	-	5,000
Change in beneficial interest	-	(8,105)	-	(8,105)
Net assets, end of year	$ 5,000	$ 1,498	$ 17,589	$ 24,087

Endowment net asset composition by type of fund as of June 30, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ 9,603	$ -	$ 17,589	$ 27,192
Board-designated endowment funds	-	-	-	-
Total funds	$ 9,603	$ -	$ 17,589	$ 27,192

NOTE 9 - ENDOWMENTS (CONTINUED)

Strategies Employed for Achieving Objectives (continued)

Changes in endowment net assets for the year ended June 30, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	$ 11,336	$ -	$ 17,589	$ 28,925
Change in beneficial interest	(1,733)	-	-	(1,733)
Net assets, end of year	$ 9,603	$ -	$ 17,589	$ 27,192

NOTE 10 - DISCLOSURES ABOUT CERTAIN CONCENTRATIONS

The Organization has certain concentrations of support and revenue. For the years ended June 30, 2009 and 2008, the source and amount of the funds and the approximate percentage of total support and revenue from these sources are as follows:

	2009		2008	
Source	Amount	Percentage	Amount	Percentage
Medicaid	$ 6,220,900	28%	$ 5,877,413	30%
Linn County	4,247,029	19%	3,997,082	20%

The care facility contract with Linn County expires June 30, 2012. The mental health center contract with Linn County expires June 30, 2012.

The Organization maintains deposits in one bank account in excess of the federally insured amount. The total amount on deposit was $1,998,462 at June 30, 2009. This bank account consists of repurchase agreements that are not insured by the FDIC, but are secured by the bank's bond portfolio. Management considers this to be adequate protection and has decided that earning additional interest was preferable to investing in the CDARS program to maximize FDIC coverage.

NOTE 11 - GAIN (LOSS) FROM FLOOD

During June 2008, certain facilities, equipment, and operations of the Organization sustained significant damage as a result of the flooding that occurred in Iowa. Certain facilities owned or leased by the Organization's entities were lost or damaged, certain equipment was damaged or destroyed and substantial costs were incurred to remove water and sediment and restore working operations. The following is the detail of the amounts aggregated in the line item entitled "gain/loss from flood" in the consolidated statement of activities:

	2009	2008
Insurance recovery recognized	$ -	$ 825,000
Building and equipment write-off	-	(447,059)
Cleanup costs	(261,098)	(366,960)
Relocation and moving costs	(72,692)	-
Gain (loss) from flood	$ (333,790)	$ 10,981

NOTE 12 - CASH FLOW DISCLOSURES

Cash paid for interest was $76,209 and $78,668 for the years ended June 30, 2009 and 2008, respectively. Non-cash investing and financing transactions during the year ended June 30, 2008 included the purchase of $21,509 of equipment that was seller-financed. Also, investments with a book value of $3,703,449 and property and equipment with a net book value of $881,975 were acquired in the merger of Kingston Hill.

NOTE 13 - OBLIGATIONS UNDER OPERATING LEASES

The Care Facility leases facilities and equipment from Linn County under a lease on a month-to-month basis. The annual rental totals $175,000 and the Care Facility pays for certain maintenance, utilities and insurance costs.

Abbe Management Corporation and the Mental Health Center lease administrative and office space and other buildings under various leases expiring in October 2009. The leases require monthly payments totaling $7,336.

The Center leases other facilities on a month-to-month basis, which includes the facilities of the Center.

The Organization is leasing various equipment under operating leases expiring between December 2009 and June 2013. The leases require monthly payments totaling $8,741.

Lease expense for the years ended June 30, 2009 and 2008 was $545,777 and $521,272, respectively.

NOTE 13 - OBLIGATIONS UNDER OPERATING LEASES (CONTINUED)

Future minimum lease payments for operating leases that have initial noncancelable lease terms in excess of one year are as follows:

Year Ending June 30,	
2010	$ 117,171
2011	57,906
2012	28,843
2013	6,706
Total	$ 210,626

NOTE 14 - RETIREMENT PLANS

The entities have a defined contribution retirement plan covering substantially all nonunion employees. Contributions to the plan are 6% of each covered employee's compensation and totaled $528,257 and $502,151 for the years ended June 30, 2009 and 2008, respectively. These contributions consist of a 3% employer discretionary contribution and a 3% safe harbor contribution of each covered employee's compensation, with the medical doctor class limited to $70,000 of maximum eligible compensation.

The Care Facility also sponsors a retirement plan in accordance with a negotiated labor contract. The retirement plan covers all of their union employees. Contributions, which are based on varying rates for the hours worked by the employee, totaled $132,728 and $120,412 for the years ended June 30, 2009 and 2008, respectively.

NOTE 15 - DONATED FACILITIES

The annual use of Witwer Center, Inc.'s facilities has been donated by Linn County, Iowa. At June 30, 2009 and 2008, the estimated rental values of these facilities, $0 and $53,000, respectively, have been reflected in the accompanying financial statements as support with a like amount included in occupancy expense. These facilities were damaged in the flood of June 2008 and were not used during the year ended June 30, 2009.

NOTE 16 - INCOME TAXES

Deferred tax assets consist of the following:

	2009	2008
Tax benefit of net operating loss carryforwards	$ 35,000	$ 35,000
Valuation allowance	(35,000)	(35,000)
Net deferred tax asset	$ -	$ -

A valuation allowance has been recorded on the deferred tax asset to reduce the total to an amount that management believes will ultimately be realized. Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that the carryforwards are available to reduce taxable income.

Abbe Management Corporation has approximately $175,000 available in net operating loss carryforwards which can be offset against future taxable income of the subsidiary. The carryforwards expire in various amounts from 2010 to 2026.

NOTE 17 - SELF-INSURED DENTAL PLAN INFORMATION

Dental claims of participants and dependents are processed by Employee Benefit Systems. The plan is responsible for paying dental benefits up to a pre-established maximum amount for any one participant or dependent. Claims in excess of this maximum are covered by a policy with an insurance company.

Plan obligations at June 30, 2009 for dental claims incurred by active participants but not reported at that date are calculated based on claims submitted subsequent to year end and an estimate based on plan history for unremitted claims. There were no accrued plan obligations at June 30, 2009. Management believes this accrual is adequate based on information currently known. However, claim payments based on actual claims ultimately filed could differ materially from this estimate.

NOTE 18 - PROPERTY LIEN

In consideration of a contribution received from the City of Iowa City for the purchase and establishment of a facility to provide dependent care services to low-income persons who are elderly or disabled, a lien in the amount of $300,000 has been established in favor of the City as lien holder upon the Pentacrest property. Repayment of the $300,000 is required if the Organization does not continue to provide these services for a period of thirty years. The lien will expire in June 2032.

NOTE 19 - COLLECTIVE BARGAINING AGREEMENT

Substantially all of the Care Facility's nonmanagement employees are covered by a collective bargaining agreement. The agreement is scheduled to expire September 30, 2010. The collective bargaining agreement contains a no strike clause.

NOTE 20 - SUBSEQUENT EVENT

Management evaluated subsequent events through November 10, 2009, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2009, but prior to November 10, 2009 that provided additional evidence about conditions that existed at June 30, 2009, have been recognized in the financial statements for the year ended June 30, 2009. Events or transactions that provided evidence about conditions that did not exist at June 30, 2009 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2009.

SUPPLEMENTAL INFORMATION

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2009

	Abbe, Inc.	Abbe Management Corporation	Abbe Center For Community Mental Health	Abbe Center For Community Care
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 2,318,300	$ 17,151	$ 50,666	$ 37,318
Cash, restricted, resident trust accounts	-	-	-	48,403
Certificates of deposit	233,487	-	-	-
Accounts receivable, less allowance	5,463	8,305	1,285,411	202,304
Contributions receivable	-	-	37,000	-
Insurance receivable	-	-	-	-
Due from affiliates	380,702	131,984	952,227	645,185
Notes receivable, current portion	18,399	-	-	-
Prepaid expenses	35,136	4,357	139,900	72,252
Total current assets	2,991,487	161,797	2,465,204	1,005,462
INVESTMENTS AND LONG-TERM RECEIVABLES				
Investments	40,216	-	3,644	-
Notes receivable, less current portion above	271,004	-	-	-
Total investments and long-term receivables	311,220	-	3,644	-
PROPERTY AND EQUIPMENT				
Land	249,725	-	-	-
Buildings and improvements	1,383,101	-	-	-
Leasehold improvements	-	4,666	36,070	269,392
Furniture and equipment	428,353	63,869	796,749	369,167
Vehicles	10,555	-	81,276	133,553
Total	2,071,734	68,535	914,095	772,112
Less accumulated depreciation	503,025	60,558	765,695	466,880
Net property and equipment	1,568,709	7,977	148,400	305,232
OTHER ASSETS				
Beneficial interest in assets held by community foundations	-	-	-	-
Debt-issuance costs, less accumulated amortization of $4,508	-	-	-	-
Total other assets	-	-	-	-
TOTAL ASSETS	$ 4,871,416	$ 169,774	$ 2,617,248	$ 1,310,694

Penn Center, Inc.	Aging Services, Inc.	Pentacrest, Inc.	Witwer Center, Inc.	Kingston Hill	Total	Eliminations	Consolidated
$ 20,719	$ 22,309	$ 9,404	$ 71,433	$ 74,144	$ 2,621,444	$ -	$ 2,621,444
32,293	-	1,570	-	-	82,266	-	82,266
-	207,867	17,053	123,157	-	581,564	-	581,564
146,524	262,359	48,099	67,635	1,379	2,027,479	-	2,027,479
-	470,539	15,951	100,000	29,648	653,138	-	653,138
-	-	-	-	-	-	-	-
368,178	211,565	81,234	27,155		2,798,230	(2,798,230)	-
-	-	-	-		18,399	(18,399)	-
32,257	18,732	7,157	4,733	2,699	317,223	-	317,223
599,971	1,193,371	180,468	394,113	107,870	9,099,743	(2,816,629)	6,283,114
-	-	-	264,708	2,530,754	2,839,322	(40,216)	2,799,106
-	-	-	-	-	271,004	(271,004)	-
-	-	-	264,708	2,530,754	3,110,326	(311,220)	2,799,106
-	189,223	150,000	-	10,000	598,948	-	598,948
-	2,372,115	735,112	-	1,858,659	6,348,987	-	6,348,987
28,134	-	-	23,221	-	361,483	-	361,483
106,584	444,985	89,272	257,177	199,038	2,755,194	-	2,755,194
73,159	40,896	-	-	17,676	357,115	-	357,115
207,877	3,047,219	974,384	280,398	2,085,373	10,421,727	-	10,421,727
115,376	843,972	259,500	45,579	1,265,407	4,325,992	-	4,325,992
92,501	2,203,247	714,884	234,819	819,966	6,095,735	-	6,095,735
-	-	5,000	19,087	-	24,087	-	24,087
-	22,050	-	-	-	22,050	-	22,050
					-		
-	22,050	5,000	19,087	-	46,137	-	46,137
					-		
$ 692,472	$ 3,418,668	$ 900,352	$ 912,727	$ 3,458,590	$ 18,351,941	$ (3,127,849)	$ 15,224,092

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2009

	Abbe, Inc.	Abbe Management Corporation	Abbe Center For Community Mental Health	Abbe Center For Community Care
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$ 40,390	$ 129,558	$ 101,226	$ 67,317
Accrued expenses:				
Accrued vacations	176,136	-	321,350	236,640
Other accrued expenses	28,344	-	93,249	120,438
Due to affiliates	2,625,394	-	-	-
Due to government agencies	-	-	-	159,021
Resident trust funds	-	-	-	48,403
Deferred income	-	-	119,720	-
Notes payable, current maturities	43,624	-	-	-
Current maturities of obligations under capital leases	-	-	17,867	-
Total current liabilities	2,913,888	129,558	653,412	631,819
LONG-TERM LIABILITIES				
Due to Linn County	-	-	102,842	-
Obligations under capital leases, less current maturities above	-	-	8,875	-
Notes payable, less current maturities above	744,439	-	-	-
Total long-term liabilities	744,439	-	111,717	-
Total liabilities	3,658,327	129,558	765,129	631,819
NET ASSETS				
Unrestricted	1,213,089	(265,526)	1,815,119	678,875
Temporarily restricted	-	-	37,000	-
Common stock	-	40,000	-	-
Additional paid-in capital	-	265,742	-	-
Permanently restricted	-	-	-	-
Total net assets	1,213,089	40,216	1,852,119	678,875
TOTAL LIABILITIES AND NET ASSETS	$ 4,871,416	$ 169,774	$ 2,617,248	$ 1,310,694

Penn Center, Inc.	Aging Services, Inc.	Pentacrest, Inc.	Witwer Center, Inc.	Kingston Hill	Total	Eliminations	Consolidated
$ 27,476	$ 51,476	$ 14,451	$ 36,556	$ 10,249	$ 478,699	$ -	$ 478,699
57,963	43,088	9,165	31,749	6,168	882,259	-	882,259
48,501	44,604	19,694	43,691	12,932	411,453	-	411,453
-	-	-	142,035	30,801	2,798,230	(2,798,230)	-
-	-	-	-	-	159,021	-	159,021
32,293	-	1,570	-	-	82,266	-	82,266
-	-	-	-	2,110	121,830	-	121,830
-	20,303	18,399	-	-	82,326	(18,399)	63,927
-	-	-	-	-	17,867	-	17,867
166,233	159,471	63,279	254,031	62,260	5,033,951	(2,816,629)	2,217,322
-	-	-	-	-	102,842	-	102,842
-	-	-	-	-	8,875	-	8,875
-	455,685	271,004	-	-	1,471,128	(271,004)	1,200,124
-	455,685	271,004	-	-	1,582,845	(271,004)	1,311,841
166,233	615,156	334,283	254,031	62,260	6,616,796	(3,087,633)	3,529,163
526,239	2,178,700	327,537	521,109	3,366,682	10,361,824	265,526	10,627,350
-	624,812	238,532	119,998	29,648	1,049,990	-	1,049,990
-	-	-	-	-	40,000	(40,000)	-
-	-	-	-	-	265,742	(265,742)	-
-	-	-	17,589	-	17,589	-	17,589
526,239	2,803,512	566,069	658,696	3,396,330	11,735,145	(40,216)	11,694,929
$ 692,472	$ 3,418,668	$ 900,352	$ 912,727	$ 3,458,590	$ 18,351,941	$ (3,127,849)	$ 15,224,092

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

	Abbe, Inc.	Abbe Management Corporation	Abbe Center For Community Mental Health	Abbe Center For Community Care
PUBLIC SUPPORT AND REVENUE				
Client and resident fees	$ -	$ -	$ 7,085,762	$ 6,414,771
Administrative services	1,412,900	-	-	-
Grants	115,000	-	1,175,161	-
Auxiliary	-	-	-	124,257
Net investment income (loss)	19,342	2,511	12,215	3,006
Rent	36,700	-	-	-
Contributions	10,660	-	9,797	582
Other	2,020	420,386	130,822	18,709
Equity in net loss of investee	(11,795)	-	(192)	-
Total public support and revenue	1,584,827	422,897	8,413,565	6,561,325
EXPENSES				
Program services:				
Mental health services	-	408,693	7,821,992	-
Care facilities	-	-	-	5,356,896
Services for the aging	-	-	-	-
Total program services	-	408,693	7,821,992	5,356,896
Supporting activities:				
Management and general	1,508,890	26,000	485,510	651,607
Fundraising	-	-	-	-
Total supporting activities	1,508,890	26,000	485,510	651,607
Total expenses	1,508,890	434,693	8,307,502	6,008,503
(GAIN)/LOSS FROM FLOOD	285,677	-	-	-
Total expenses and (gain) loss	1,794,567	434,693	8,307,502	6,008,503
CHANGE IN NET ASSETS	(209,740)	(11,796)	106,063	552,822
NET ASSETS, BEGINNING OF YEAR	1,422,829	52,012	1,746,056	126,053
NET ASSETS, END OF YEAR	$ 1,213,089	$ 40,216	$ 1,852,119	$ 678,875

Penn Center, Inc.	Aging Services, Inc.	Pentacrest, Inc.	Witwer Center, Inc.	Kingston Hill	Total	Eliminations	Consolidated
$ 2,065,101	$ 1,589,830	$ 485,870	$ -	$ 282,631	$ 17,923,965	$ -	$ 17,923,965
-	-	-	-	-	1,412,900	(1,412,900)	-
-	933,295	51,765	1,189,981	-	3,465,202	-	3,465,202
61,530	-	-	-	-	185,787	-	185,787
6,819	5,125	2,194	2,714	(394,317)	(340,391)	(11,961)	(352,352)
-	-	19,180	-	-	55,880	(27,160)	28,720
36,860	107,860	31,503	19,763	2,469	219,494	(4,897)	214,597
1,621	3,748	1	33,013	10,975	621,295	(28,778)	592,517
-	-	-	-	-	(11,987)	11,796	(191)
2,171,931	2,639,858	590,513	1,245,471	(98,242)	23,532,145	(1,473,900)	22,058,245
-	-	-	-	-	8,230,685	-	8,230,685
2,014,604	-	-	-	-	7,371,500	-	7,371,500
-	2,416,293	539,958	1,102,678	617,251	4,676,180	(55,938)	4,620,242
2,014,604	2,416,293	539,958	1,102,678	617,251	20,278,365	(55,938)	20,222,427
121,879	143,581	40,051	23,100	24,000	3,024,618	(1,429,758)	1,594,860
-	17,029	2,360	-	980	20,369	-	20,369
121,879	160,610	42,411	23,100	24,980	3,044,987	(1,429,758)	1,615,229
2,136,483	2,576,903	582,369	1,125,778	642,231	23,323,352	(1,485,696)	21,837,656
-	19,665	-	28,448	-	333,790	-	333,790
2,136,483	2,596,568	582,369	1,154,226	642,231	23,657,142	(1,485,696)	22,171,446
35,448	43,290	8,144	91,245	(740,473)	(124,997)	11,796	(113,201)
490,791	2,760,222	557,925	567,451	4,136,803	11,860,142	(52,012)	11,808,130
$ 526,239	$ 2,803,512	$ 566,069	$ 658,696	$ 3,396,330	$ 11,735,145	$ (40,216)	$ 11,694,929

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2009

	Program Services	Supporting Activities	Total
Personnel:			
Wages and salaries	$ 11,077,645	$ 692,093	$ 11,769,738
Employee benefits	2,495,605	210,096	2,705,701
Payroll taxes	791,108	49,967	841,075
	14,364,358	952,156	15,316,514
Resident services:			
Food	735,996	-	735,996
Pharmacy and medical supplies	75,474	-	75,474
Other services	199,754	-	199,754
	1,011,224	-	1,011,224
Consulting fees	925,670	16,056	941,726
Staff development	39,148	2,906	42,054
Computer services	246,150	54,684	300,834
Telephone services	163,405	20,482	183,887
Professional fees	29,528	79,146	108,674
Insurance	295,904	22,986	318,890
Advertising	85,000	1,140	86,140
Dues and subscriptions	21,177	2,162	23,339
Other	815,291	35,928	851,219
Occupancy	1,000,612	44,233	1,044,845
Supplies	576,680	60,516	637,196
Repairs	294,235	51,832	346,067
Provision for doubtful accounts	-	64,294	64,294
Depreciation and amortization	354,045	110,130	464,175
Interest	-	76,209	76,209
Fundraising supplies	-	20,369	20,369
	4,846,845	663,073	5,509,918
Total expenses	$ 20,222,427	$ 1,615,229	$ 21,837,656

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
PROGRAM SERVICES
Year Ended June 30, 2009

	Abbe, Inc.	Abbe Management Corporation	Abbe Center For Community Mental Health	Abbe Center For Community Care
Personnel:				
Wages and salaries	$ -	174,873	$ 4,811,759	$ 2,856,349
Employee benefits	-	52,880	694,351	936,430
Payroll taxes	-	12,614	320,649	215,079
	-	240,367	5,826,759	4,007,858
Resident services				
Food	-	-	-	254,331
Pharmacy and medical supplies	-	-	-	55,454
Other services	-	-	-	127,755
	-	-	-	437,540
Consulting fees	-	38,236	803,883	868
Staff development	-	222	23,034	7,431
Computer services	-	27,248	176,034	10,746
Telephone services	-	11,987	68,070	26,294
Professional fees	-	49	275	12,207
Insurance	-	705	105,564	78,246
Advertising	-	12,053	26,327	9,932
Dues and subscriptions	-	-	17,381	262
Other	-	12,858	237,963	71,575
Occupancy	-	51,360	391,184	357,441
Supplies	-	11,257	93,663	130,288
Repairs	-	58	2,186	144,771
Depreciation and amortization	-	2,293	49,669	61,437
	-	168,326	1,995,233	911,498
Total program services	$ -	$ 408,693	$ 7,821,992	$ 5,356,896

Penn Center, Inc.	Aging Services, Inc.	Pentacrest, Inc.	Witwer Center, Inc.	Kingston Hill	Total	Eliminations	Consolidated
$ 1,070,586	$ 1,180,620	$ 269,226	$ 406,352	$ 307,880	$ 11,077,645	$ -	$ 11,077,645
392,618	250,324	61,164	47,091	60,747	2,495,605	-	2,495,605
78,650	88,965	20,706	31,176	23,269	791,108	-	791,108
1,541,854	1,519,909	351,096	484,619	391,896	14,364,358	-	14,364,358
128,585	-	-	353,080	-	735,996	-	735,996
20,020	-	-	-	-	75,474	-	75,474
56,681	-	15,318	-	-	199,754	-	199,754
205,286	-	15,318	353,080	-	1,011,224	-	1,011,224
-	61,653	6,109	11,315	5,324	927,388	(1,718)	925,670
2,685	4,526	737	236	277	39,148	-	39,148
3,058	19,985	5,550	-	3,529	246,150	-	246,150
11,179	27,567	3,121	12,944	2,243	163,405	-	163,405
78	437	37	284	16,161	29,528	-	29,528
35,083	38,994	13,047	12,297	11,968	295,904	-	295,904
2,233	17,225	6,806	4,411	6,013	85,000	-	85,000
35	2,815	299	-	385	21,177	-	21,177
37,414	337,644	7,976	100,020	9,841	815,291	-	815,291
58,740	75,918	36,514	14,021	43,794	1,028,972	(28,360)	1,000,612
44,081	148,988	43,435	70,088	60,740	602,540	(25,860)	576,680
51,601	40,778	14,802	10,230	29,809	294,235	-	294,235
21,277	119,854	35,111	29,133	35,271	354,045	-	354,045
267,464	896,384	173,544	264,979	225,355	4,902,783	(55,938)	4,846,845
$ 2,014,604	$ 2,416,293	$ 539,958	$ 1,102,678	$ 617,251	$ 20,278,365	$ (55,938)	$ 20,222,427

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
SUPPORTING ACTIVITIES
Year Ended June 30, 2009

	Abbe, Inc.	Abbe Management Corporation	Abbe Center For Community Mental Health	Abbe Center For Community Care
Management and General				
Personnel:				
Wages and salaries	$ 692,093	$ -	$ -	$ -
Employee benefits	210,096	-	-	-
Payroll taxes	49,967	-	-	-
	952,156	-	-	-
Resident services				
Food	-	-	-	-
Pharmacy and medical supplies	-	-	-	-
Other services	-	-	-	-
	-	-	-	-
Administrative fees	-	26,000	432,000	647,000
Consulting fees	16,056	-	-	-
Staff development	2,906	-	-	-
Computer services	54,684	-	-	-
Telephone services	20,482	-	-	-
Professional fees	79,146	-	-	-
Insurance	22,986	-	-	-
Advertising	1,140	-	-	-
Dues and subscriptions	2,162	-	-	-
Other	40,825	-	-	-
Occupancy	44,233	-	-	-
Supplies	60,516	-	-	-
Repairs	51,832	-	-	-
Provision for doubtful accounts	-	-	49,948	4,607
Depreciation and amortization	110,130	-	-	-
Interest	49,636	-	3,562	-
	556,734	26,000	485,510	651,607
Fundraising				
Supplies	-	-	-	-
Total supporting services	$ 1,508,890	$ 26,000	$ 485,510	$ 651,607

	Penn Center, Inc.	Aging Services, Inc.	Pentacrest, Inc.	Witwer Center, Inc.	Kingston Hill	Total	Eliminations	Consolidated
	$ -	$ -	$ -	$ -	$ -	$ 692,093	$ -	$ 692,093
	-	-	-	-	-	210,096	-	210,096
	-	-	-	-	-	49,967	-	49,967
	-	-	-	-	-	952,156	-	952,156
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	121,000	112,000	27,800	23,100	24,000	1,412,900	(1,412,900)	-
	-	-	-	-	-	16,056	-	16,056
	-	-	-	-	-	2,906	-	2,906
	-	-	-	-	-	54,684	-	54,684
	-	-	-	-	-	20,482	-	20,482
	-	-	-	-	-	79,146	-	79,146
	-	-	-	-	-	22,986	-	22,986
	-	-	-	-	-	1,140	-	1,140
	-	-	-	-	-	2,162	-	2,162
	-	-	-	-	-	40,825	(4,897)	35,928
	-	-	-	-	-	44,233	-	44,233
	-	-	-	-	-	60,516	-	60,516
	-	-	-	-	-	51,832	-	51,832
	879	8,570	290	-	-	64,294	-	64,294
	-	-	-	-	-	110,130	-	110,130
	-	23,011	11,961	-	-	88,170	(11,961)	76,209
	121,879	143,581	40,051	23,100	24,000	2,072,462	(1,429,758)	642,704
	-	17,029	2,360	-	980	20,369	-	20,369
	$ 121,879	$ 160,610	$ 42,411	$ 23,100	$ 24,980	$ 3,044,987	$ (1,429,758)	$ 1,615,229