ABBE, INC. AND SUBSIDIARIES
Cedar Rapids, Iowa

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2012 and 2011

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	2
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	11
SUPPLEMENTARY INFORMATION	30
Consolidating Statement of Financial Position	31
Consolidating Statement of Activities	35
Consolidating Statement of Functional Expenses:	
Program Services	37
Supporting Activities	39

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Independent Auditors' Report

Board of Directors
Abbe, Inc.
Cedar Rapids, Iowa

We have audited the accompanying consolidated statements of financial position of Abbe, Inc. and subsidiaries (the Organization) as of June 30, 2012 and 2011, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization'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, 2012 and 2011, 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 as a whole. The consolidating financial statements included in the accompanying supplementary information are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating financial statements are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CliftonLarsonAllen LLP

Cedar Rapids, Iowa
December 17, 2012

FINANCIAL STATEMENTS

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2012 and 2011

ASSETS

	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	$ 2,715,011	$ 2,509,498
Restricted cash	112,080	46,692
Certificates of deposit	691,486	977,956
Receivables:		
Accounts receivable, less allowance for doubtful accounts of $209,600 in 2012 and $287,600 in 2011	3,673,390	2,702,414
Contributions receivable, current portion	726,652	1,554,203
Prepaid expenses	422,364	235,314
Total current assets	8,340,983	8,026,077
LONG-TERM ASSETS		
Contributions receivable, less current portion above	26,726	66,664
Investments	2,681,621	3,157,813
Total long-term assets	2,708,347	3,224,477
PROPERTY AND EQUIPMENT		
Land	401,198	598,948
Buildings and improvements	6,500,327	7,056,081
Leasehold improvements	429,069	402,173
Furniture and equipment	4,555,716	3,995,865
Vehicles	340,637	364,743
Total	12,226,947	12,417,810
Less accumulated depreciation	5,538,510	5,374,682
Total property and equipment	6,688,437	7,043,128
OTHER ASSETS		
Beneficial interest in assets held by community foundations	32,637	34,322
Debt-issuance costs, less accumulated amortization of $10,053 in 2012 and $8,664 in 2011	17,904	19,292
Total other assets	50,541	53,614
TOTAL ASSETS	$ 17,788,308	$ 18,347,296

LIABILITIES AND NET ASSETS

	2012	2011
CURRENT LIABILITIES		
Accounts payable	$ 422,156	$ 721,711
Accrued expenses:		
Accrued vacations	940,963	983,789
Other accrued expenses	466,743	470,198
Resident trust funds	53,027	46,692
Deferred income	387,127	305,456
Notes payable, current maturities	55,948	98,408
Due to Linn County	102,842	102,842
Total current liabilities	2,428,806	2,729,096
LONG-TERM LIABILITIES		
Notes payable, less current maturities above	1,400,747	2,109,845
Total long-term liabilities	1,400,747	2,109,845
Total liabilities	3,829,553	4,838,941
NET ASSETS		
Unrestricted	12,746,752	12,086,943
Temporarily restricted	1,194,414	1,403,823
Permanently restricted	17,589	17,589
Total net assets	13,958,755	13,508,355
TOTAL LIABILITIES AND NET ASSETS	$ 17,788,308	$ 18,347,296

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

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended June 30, 2012 and 2011

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE				
Client and resident fees	$ 20,293,495	$ -	$ -	$ 20,293,495
Grants	1,693,056	651,312	-	2,344,368
Auxiliary	184,660	-	-	184,660
Net investment income	77,912	-	-	77,912
Gain on disposal of fixed assets	234,890	-	-	234,890
Rent	28,780	-	-	28,780
Contributions	413,415	6,718	-	420,133
Other	800,538	-	-	800,538
Equity in net loss of investee	-	-	-	-
Net assets released from restrictions	867,439	(867,439)	-	-
Total public support and revenue	24,594,185	(209,409)	-	24,384,776
EXPENSES				
Program services:				
Mental health services	10,172,599	-	-	10,172,599
Care facilities	7,662,380	-	-	7,662,380
Services for the aging	4,336,636	-	-	4,336,636
Total program services	22,171,615	-	-	22,171,615
Supporting activities:				
Management and general	1,714,953	-	-	1,714,953
Fundraising	47,808	-	-	47,808
Total supporting activities	1,762,761	-	-	1,762,761
Total expenses	23,934,376	-	-	23,934,376
CHANGE IN NET ASSETS	659,809	(209,409)	-	450,400
NET ASSETS, BEGINNING OF YEAR	12,086,943	1,403,823	17,589	13,508,355
NET ASSETS, END OF YEAR	$ 12,746,752	$ 1,194,414	$ 17,589	$ 13,958,755

2011			
Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
$ 20,571,282	$ -	$ -	$ 20,571,282
2,545,583	648,311	-	3,193,894
180,879	-	-	180,879
466,060	4,678	-	470,738
-	-	-	-
28,740	-	-	28,740
431,237	248,708	-	679,945
698,037	-	-	698,037
(806)	-	-	(806)
661,867	(661,867)	-	-
25,582,879	239,830	-	25,822,709
10,412,039	-	-	10,412,039
7,606,407	-	-	7,606,407
4,858,052	-	-	4,858,052
22,876,498	-	-	22,876,498
1,568,331	-	-	1,568,331
69,519	-	-	69,519
1,637,850	-	-	1,637,850
24,514,348	-	-	24,514,348
1,068,531	239,830	-	1,308,361
11,018,412	1,163,993	17,589	12,199,994
$ 12,086,943	$ 1,403,823	$ 17,589	$ 13,508,355

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

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2012 and 2011

	2012		
	Program Services	**Supporting Activities**	**Total**
Personnel:			
Wages and salaries	$ 12,003,177	$ 630,150	$ 12,633,327
Employee benefits	3,130,514	207,682	3,338,196
Payroll taxes	870,058	47,050	917,108
	16,003,749	884,882	16,888,631
Resident services:			
Food	479,357	-	479,357
Pharmacy and medical supplies	97,927	-	97,927
Other services	195,211	-	195,211
	772,495	-	772,495
Consulting fees	1,127,119	30,808	1,157,927
Staff development	17,752	15,635	33,387
Computer services	275,456	56,208	331,664
Telephone services	174,243	18,358	192,601
Professional fees	68,834	119,104	187,938
Insurance	218,487	8,754	227,241
Advertising	79,226	2,714	81,940
Dues and subscriptions	26,048	500	26,548
Other	391,534	26,953	418,487
Occupancy	1,311,274	29,499	1,340,773
Supplies	557,665	35,788	593,453
Repairs	533,646	40,800	574,446
Provision for doubtful accounts	-	295,030	295,030
Depreciation and amortization	614,087	67,455	681,542
Interest	-	82,265	82,265
Fundraising supplies	-	47,808	47,808
	5,395,371	877,679	6,273,050
Total expenses	$ 22,171,615	$ 1,762,561	$ 23,934,176

2011		
Program Services	Supporting Activities	Total
$ 12,454,201	$ 666,002	$ 13,120,203
3,011,929	196,558	3,208,487
883,181	47,473	930,654
16,349,311	910,033	17,259,344
747,647	-	747,647
85,613	-	85,613
203,261	-	203,261
1,036,521	-	1,036,521
1,176,206	12,000	1,188,206
44,057	11,781	55,838
316,966	55,354	372,320
197,858	19,489	217,347
71,897	107,360	179,257
214,129	18,288	232,417
75,047	(160)	74,887
24,298	515	24,813
853,610	50,878	904,488
1,226,949	44,285	1,271,234
591,742	44,179	635,921
234,849	10,170	245,019
-	72,925	72,925
463,058	126,764	589,822
-	84,470	84,470
-	69,519	69,519
5,490,666	727,817	6,218,483
$ 22,876,498	$ 1,637,850	$ 24,514,348

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, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 450,400	$ 1,308,361
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Interest and dividends reinvested	(78,191)	(82,763)
Net realized and unrealized loss (gain) on investments	11,843	(369,127)
Provision for bad debts	295,031	72,926
Depreciation and amortization	681,542	589,822
Loss (gain) on disposal of property and equipment	(234,890)	1,159
Change in beneficial interest in assets held by community foundations	1,685	(6,615)
Amortization of below market interest rate loan	26,465	26,510
Contributions restricted for long-term purposes	(420,544)	(145,882)
Increase in restricted cash deposits	(59,054)	-
Effects of changes in operating assets and liabilities:		
Receivables	(398,517)	(1,155,754)
Prepaid expenses	(187,050)	101,233
Accounts payable, accrued expenses and due to Linn County	(341,046)	95,903
Deferred income	81,671	285,215
Net cash provided by (used in) operating activities	(170,655)	720,988
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(1,521,287)	(645,437)
Proceeds from sales of property and equipment	1,425,923	1,500
Proceeds from sales of investments	1,401,983	2,786,489
Purchases of investments and certificates of deposits	(572,972)	(2,767,773)
Net cash provided by (used in) investing activities	733,647	(625,221)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for long-term purposes	420,544	145,882
Payments on notes payable	(778,023)	(115,738)
Payments on capital leases	-	(8,875)
Net cash provided by (used in) financing activities	(357,479)	21,269

	2012	2011
NET INCREASE IN CASH AND CASH EQUIVALENTS	205,513	117,036
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,509,498	2,392,462
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,715,011	$ 2,509,498

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Abbe, Inc. (the Organization) 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. The Organization 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. Witwer Center, Inc. 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. Nursing care is not provided. 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are generally 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.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Issuance Costs

Debt-issuance costs are being amortized on a straight-line basis over the 20 year term of the loan.

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 refund

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue (continued)

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

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.

Advertising

The Organization expenses advertising costs as incurred.

Income Taxes

With the exception of Abbe Management Corporation, all entities 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.

All entities file returns in the U.S. federal jurisdiction. The Organization has adopted the Financial Accounting Standards Board's requirements for accounting for uncertain tax positions. The Organization determined that it was not required to record a liability related to uncertain tax positions. The federal returns of all entities for the year ended June 30, 2009 and thereafter are subject to examination by the IRS, generally for three years after they were filed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

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 recognized only if it is more likely than not that a tax position will be realized or sustained upon examination by the relevant taxing authority. A tax position that meets the more likely than not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. 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 2 - UNCONDITIONAL PROMISES TO GIVE

Contributions receivable consist of the following unconditional promises to give:

	2012	2011
United Way	$ 651,311	$ 648,311
Other grants and pledges	28,069	708,534
Building campaign pledges	73,998	264,022
Total unconditional promises to give	$ 753,378	$ 1,620,867

	2012	2011
Amounts due in:		
Less than one year	$ 726,652	$ 1,554,203
One to five years	26,626	42,216
More than five years	-	24,448
Total	$ 753,378	$ 1,620,867

NOTE 3 - INVESTMENTS

Investments consist of the following:

	2012	2011
Long-term certificates of deposit	$ 301,476	$ 425,116
Money market funds	15,958	35,983
Fixed income mutual funds	1,075,519	1,223,206
Equity mutual funds	1,285,535	1,470,375
Other, carried at equity	3,132	3,133
Total investments	$ 2,681,620	$ 3,157,813

NOTE 4 - FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2012 and 2011.

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 preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2012:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ 247,060	$ 745,902	$ -	$ 992,962
Mutual funds:				
Value funds	347,922	-	-	347,922
Index funds	358,363	-	-	358,363
Growth funds	448,389	-	-	448,389
International funds	68,279	-	-	68,279
Emerging markets	17,641	-	-	17,641
Commodity	17,461	-	-	17,461
Real estate	27,478	-	-	27,478
Bond funds	1,075,519	-	-	1,075,519
Money market funds	-	15,958	-	15,958
Beneficial interest in assets held by community foundations	-	-	32,637	32,637
Total assets at fair value	$ 2,608,112	$ 761,860	$ 32,637	$ 3,402,609

NOTE 4 - FAIR VALUE MEASUREMENTS (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, 2012:

Balance July 1, 2011	$ 34,322
Change in beneficial interest in assets held by community foundations	(1,685)
Balance, June 30, 2012	$ 32,637

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2011:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ 409,132	$ 993,940	$ -	$ 1,403,072
Mutual funds:				
Value funds	361,060	-	-	361,060
Index funds	345,911	-	-	345,911
Growth funds	426,389	-	-	426,389
International funds	273,432	-	-	273,432
Emerging markets	20,351	-	-	20,351
Commodity	24,657	-	-	24,657
Real estate	18,575	-	-	18,575
Bond funds	1,223,206	-	-	1,223,206
Money market funds	-	35,983	-	35,983
Beneficial interest in assets held by community foundations	-	-	34,322	34,322
Total assets at fair value	$ 3,102,713	$ 1,029,923	$ 34,322	$ 4,166,958

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, 2011:

Balance July 1, 2010	$ 27,707
Change in beneficial interest in assets held by community foundations	6,615
Balance, June 30, 2011	$ 34,322

NOTE 5 - 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, 2012 and 2011 was $32,637 and $34,322, respectively. During the years ended June 30, 2012 and 2011, 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, 2012 and 2011, the Organization received $3,331 and $3,390, 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 6 - DEBT

Line of credit

The Organization has two lines of credit agreements with a bank under which it can borrow up to $500,000 under each agreement. Borrowings under these agreements, which expire in January 2013, are unsecured and bear interest at the bank's prime rate. There are no borrowings outstanding under those agreements at June 30, 2012.

Current debt

	2012	2011
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, 2013, at which time the obligation will become due, unless the contract is renewed.	$ 102,842	$ 102,842

NOTE 6 - DEBT (CONTINUED)

Notes payable

	2012	2011
Note payable to the Iowa Finance Authority with a maximum face value of $800,000, of which $519,198 had been drawn at June 30, 2012. 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, 2012, the principal balance of this note, net of imputed interest, was $411,329. The discount for imputed interest is being amortized based on the maturity date of the note in 2025. The unamortized discount totals $107,869 at June 30, 2012. As part of the agreement, there are certain covenants that the Organization must comply with.	$ 411,329	$ 434,025
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. This was paid off during 2012.	-	694,457
Note payable to the Iowa Finance Authority with a maximum face value of $665,000, of which $601,724 had been drawn at June 30, 2012. Interest accrues at 1% per annum. The note requires monthly installments of $3,166. Final payment is due in October 2029 and the note is secured by land and building. The note is recorded net of imputed interest calculated using an interest rate of 3.50%. At June 30, 2012, the principal balance of this note, net of imputed interest, was $490,546. The discount for imputed interest is being amortized based on the maturity date of the note in 2029. The unamortized discount totals $111,178 at June 30, 2012. As part of the agreement, there are certain covenants that the Organization must comply with.	490,546	510,900

NOTE 6 - DEBT (CONTINUED)

	2012	2011
Office facility purchased at 1510 Boyson Road with payable due to Boyson, LLC. The bond requires monthly installments of $4,335, including interest at 6.75%. Final balloon payment is due in June 2018, secured by land and building. As part of the agreement, there are certain covenants that the Organization must comply with.	554,820	568,871
Total	1,456,695	2,208,253
Less current portion of notes payable	55,948	98,408
Long-term portion of notes payable	$ 1,400,747	$ 2,109,845

Future maturities of notes payable are as follows:

2013	$ 55,948
2014	62,738
2015	65,835
2016	69,099
2017	72,543
Later years	1,130,532
Total	$ 1,456,695

NOTE 7 - NATURE AND AMOUNT OF PERMANENT AND TEMPORARY RESTRICTIONS

Temporarily restricted net assets are available for the following purposes:

	2012	2011
Subsequent year’s operations	$ 1,000,865	$ 1,200,597
Subsequent year’s facility usage	193,549	203,226
Total temporarily restricted net assets	$ 1,194,414	$ 1,403,823

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 8 - 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

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.

NOTE 8 - ENDOWMENTS (CONTINUED)

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, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 8,111	$ 17,589	$ 25,700
Board-designated endowment funds	6,937	-	-	6,937
Total funds	$ 6,937	$ 8,111	$ 17,589	$ 32,637

Changes in endowment net assets for the year ended June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	$ 6,937	$ 9,796	$ 17,589	$ 34,322
Change in beneficial interest	-	(1,685)	-	(1,685)
Net assets, end of year	$ 6,937	$ 8,111	$ 17,589	$ 32,637

NOTE 8 - ENDOWMENTS (CONTINUED)

Endowment net asset composition by type of fund as of June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 9,796	$ 17,589	$ 27,385
Board-designated endowment funds	6,937	-	-	6,937
Total funds	$ 6,937	$ 9,796	$ 17,589	$ 34,322

Changes in endowment net assets for the year ended June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	$ 5,000	$ 5,118	$ 17,589	$ 27,707
Change in beneficial interest	1,937	4,678	-	6,615
Net assets, end of year	$ 6,937	$ 9,796	$ 17,589	$ 34,322

NOTE 9 - DISCLOSURES ABOUT CERTAIN CONCENTRATIONS

The Organization has certain concentrations of support and revenue. For the years ended June 30, 2012 and 2011, the source and amount of the funds and the approximate percentage of total support and revenue from these sources are as follows:

	2012		2011	
Source	Amount	Percentage	Amount	Percentage
Medicaid	$ 7,943,723	33%	$ 7,369,216	29%
Linn County	3,958,435	16%	4,415,818	17%

Accounts receivable as of June 30, 2012 includes $1,426,156 and $244,597, respectively from Medicaid and Linn County.

The care facility and mental health center contracts with Linn County expire June 30, 2013.

NOTE 9 - DISCLOSURES ABOUT CERTAIN CONCENTRATIONS (CONTINUED)

The Organization maintains deposits in certain bank accounts in excess of the federally insured amount. The total amount on deposit at these banks was $2,628,413 at June 30, 2012. $2,267,767 of this 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.

NOTE 10 - CASH FLOW DISCLOSURES

Cash paid for interest was $82,265 and $84,470 for the years ended June 30, 2012 and 2011, respectively. Non-cash investing and financing transactions during the years ended June 30, 2012 and 2011 included the purchase of $32,230 and $37,020 of property and equipment that was accrued in accounts payable at June 30, 2012 and 2011, respectively. Also, during the year ended June 30, 2011, the Organization purchased property of $570,000 that was seller-financed.

NOTE 11 - OBLIGATIONS UNDER OPERATING LEASES

The Care Facility leases certain facilities and equipment from Linn County. The annual rental for the year ended June 30, 2012 was $284,000. The lease expires in June 2013 but can be terminated by either party upon 90 days prior notice in writing. The Mental Health Center leases administrative and office space under a lease expiring in June 2015. The lease requires monthly payments of $8,333. The Center leases additional facility space under a lease expiring in December 2015. The lease requires monthly payments of $5,604. Aging Services, Inc. leases facility space under a lease expiring in December 2015. The lease requires monthly payments of $4,413.

The Organization is leasing various equipment under operating leases expiring between October 2012 and January 2017. The leases require monthly payments totaling $10,802.

Lease expense for the years ended June 30, 2012 and 2011 was $848,327 and $771,551, respectively.

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

2013	$ 419,609
2014	379,791
2015	318,055
2016	182,942
2017	114,416
Total	$ 1,414,813

NOTE 12 - RETIREMENT PLANS

The Organization has a defined contribution retirement plan covering substantially all nonunion employees. Contributions to the plan are 6% of each covered employee's compensation and totaled $506,749 and $459,997 for the years ended June 30, 2012 and 2011, 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 $114,353 and $141,418 for the years ended June 30, 2012 and 2011, respectively.

NOTE 13 - INCOME TAXES

Deferred tax assets consist of the following:

	2012	2011
Tax benefit of net operating loss carryforwards	$ 28,000	$ 33,000
Valuation allowance	(28,000)	(33,000)
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 $165,000 available in net operating loss carryforwards which can be offset against future taxable income of the subsidiary. The carryforwards expire in various amounts from 2012 to 2027.

NOTE 14 - 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.

NOTE 14 - SELF-INSURED DENTAL PLAN INFORMATION (CONTINUED)

Plan obligations at June 30, 2012 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, 2012. 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 15 - 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 16 - COLLECTIVE BARGAINING AGREEMENT

Substantially all of the Care Facility's nonmanagement employees are covered by a collective bargaining agreement. Subsequent to June 30, 2012 the agreement was extended through August 2013.

NOTE 17 - RELATED PARTY TRANSACTIONS

The Organization obtained professional services from a law firm. The firm had representatives on the Board of Directors. Total expenses paid to this firm for the year ended June 30, 2012 and 2011 was $44,452 and $39,685, respectively.

The Organization engaged in transactions with an individual who is related to an employee for property maintenance. Total expenses paid to this firm for the year ended June 30, 2012 and 2011 was $309,028 and $116,023, respectively.

Payments of these amounts were approved by Management and the Board of Directors.

NOTE 18 - RECLASSIFICATION OF AMOUNTS

Certain reclassifications have been made to the 2012 financial statement presentation to correspond to the current year's format. Total assets, net assets and change in net assets were unchanged due to these reclassifications.

NOTE 19 - SUBSEQUENT EVENTS

In July, 2012, Witwer Center, Inc. merged into Aging Services Inc. The merger had no impact on the Organization's consolidated financial statements.

In October 2012, the Organization purchased real estate totaling $135,000.

Management anticipates that effective December 1, 2012, the Organization's rent agreement with Linn County will decrease to $1 through June 30, 2013 for Abbe Center for Community Care. As of the report date, the agreement has not been signed. Amounts paid to Linn County for the time period of July through November 2012 total $93,133.

Effective January 1, 2013, the Organization is reducing their contributions to their defined contribution retirement plan from 6% to 4% for nonunion employees.

Management evaluated subsequent events through December 17, 2012, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2012, but prior to December 17, 2012 that provided additional evidence about conditions that existed at June 30, 2012, have been recognized in the financial statements for the year ended June 30, 2012. Events or transactions that provided evidence about conditions that did not exist at June 30, 2012 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, 2012.

SUPPLEMENTARY INFORMATION

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2012

	Abbe, Inc.	Abbe Management Corporation	Abbe Center For Community Mental Health	Abbe Center For Community Care
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 2,378,481	$ 3,302	$ 4,948	$ 10,727
Restricted cash	64,052	-	-	18,806
Certificates of deposit	376,398	-	-	25,373
Accounts receivable, less allowance	4,017	16,279	2,882,503	173,185
Contributions receivable, current portion	-	-	37,000	-
Due from affiliates	1,329,524	153,714	1,082	817,018
Prepaid expenses	73,197	419	167,353	78,184
Total current assets	4,225,669	173,714	3,092,886	1,123,293
LONG-TERM ASSETS				
Contributions receivable, less current portion above, less allowance	-	-	-	-
Investments	26,758	-	3,133	-
Total long-term assets	26,758	-	3,133	-
PROPERTY AND EQUIPMENT				
Land	51,975	-	-	-
Buildings and improvements	104,311	-	-	-
Leasehold improvements	-	4,666	55,434	269,392
Furniture and equipment	1,065,889	65,768	1,428,335	423,647
Vehicles	-	-	70,196	109,058
Total	1,222,175	70,434	1,553,965	802,097
Less accumulated depreciation	408,642	67,055	1,047,307	616,712
Total property and equipment	813,533	3,379	506,658	185,385
OTHER ASSETS				
Beneficial interest in assets held by community foundations	-	-	-	-
Debt-issuance costs, less accumulated amortization of $10,053	-	-	-	-
Total other assets	-	-	-	-
TOTAL ASSETS	$ 5,065,960	$ 177,093	$ 3,602,677	$ 1,308,678

Penn Center, Inc.	Aging Services, Inc.	Pentacrest, Inc.	Witwer Center, Inc.	Kingston Hill	Total	Eliminations	Consolidated
$ 20,845	$ 251,266	$ 16,339	$ 25,216	$ 3,887	$ 2,715,011	$ -	$ 2,715,011
27,641	-	1,581	-	-	112,080	-	112,080
-	228,937	10,598	50,180	-	691,486	-	691,486
216,880	322,581	53,429	1,057	3,459	3,673,390	-	3,673,390
-	530,222	31,361	100,000	28,069	726,652	-	726,652
255,083	648,474	1,924	-	184	3,207,003	(3,207,003)	-
49,429	32,849	8,883	2,368	9,682	422,364	-	422,364
569,878	2,014,329	124,115	178,821	45,281	11,547,986	(3,207,003)	8,340,983
-	26,726	-	-	-	26,726	-	26,726
-	-	-	196,880	2,481,608	2,708,379	(26,758)	2,681,621
-	26,726	-	196,880	2,481,608	2,735,105	(26,758)	2,708,347
-	189,223	150,000	-	10,000	401,198	-	401,198
-	3,088,024	1,404,198	-	1,903,794	6,500,327	-	6,500,327
59,986	-	-	39,591	-	429,069	-	429,069
137,000	651,766	102,840	449,450	231,021	4,555,716	-	4,555,716
144,561	-	-	-	16,822	340,637	-	340,637
341,547	3,929,013	1,657,038	489,041	2,161,637	12,226,947	-	12,226,947
187,632	1,215,872	457,069	179,914	1,358,307	5,538,510	-	5,538,510
153,915	2,713,141	1,199,969	309,127	803,330	6,688,437	-	6,688,437
-	-	6,937	25,700	-	32,637	-	32,637
-	17,904	-	-	-	17,904	-	17,904
					-		
-	17,904	6,937	25,700	-	50,541	-	50,541
					-		
$ 723,793	$ 4,772,100	$ 1,331,021	$ 710,528	$ 3,330,219	$ 21,022,069	$ (3,233,761)	$ 17,788,308

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2012

	Abbe, Inc.	Abbe Management Corporation	Abbe Center For Community Mental Health	Abbe Center For Community Care
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$ 21,825	$ 150,335	$ 61,269	$ 36,567
Accrued expenses:				
Accrued vacations	189,842	-	395,241	194,957
Other accrued expenses	41,352	-	122,071	135,586
Due to affiliates	1,877,134	-	1,322,129	-
Resident trust funds	-	-	-	20,926
Deferred income	-	-	91,234	272,268
Notes payable, current maturities	13,737	-	-	-
Due to Linn County	-	-	102,842	-
Total current liabilities	2,143,890	150,335	2,094,786	660,304
LONG-TERM LIABILITIES				
Notes payable, less current maturities above	541,083	-	-	-
Total long-term liabilities	541,083	-	-	-
Total liabilities	2,684,973	150,335	2,094,786	660,304
NET ASSETS				
Unrestricted	2,380,987	(278,984)	1,470,891	648,374
Temporarily restricted	-	-	37,000	-
Common stock	-	40,000	-	-
Additional paid-in capital	-	265,742	-	-
Permanently restricted	-	-	-	-
Total net assets	2,380,987	26,758	1,507,891	648,374
TOTAL LIABILITIES AND NET ASSETS	$ 5,065,960	$ 177,093	$ 3,602,677	$ 1,308,678

Penn Center, Inc.	Aging Services, Inc.	Pentacrest, Inc.	Witwer Center, Inc.	Kingston Hill	Total	Eliminations	Consolidated
$ 23,312	$ 104,318	$ 9,587	$ 1,323	$ 13,620	$ 422,156	$ -	$ 422,156
73,727	67,281	3,795	12,192	3,928	940,963	-	940,963
65,864	62,776	20,747	4,245	14,102	466,743	-	466,743
-	-	-	878	6,862	3,207,003	(3,207,003)	-
30,531	-	1,570	-	-	53,027	-	53,027
-	20,000	-	-	3,625	387,127	-	387,127
-	23,786	18,425	-	-	55,948	-	55,948
-	-	-	-	-	102,842	-	102,842
193,434	278,161	54,124	18,638	42,137	5,635,809	(3,207,003)	2,428,806
-	387,543	472,121	-	-	1,400,747	-	1,400,747
-	387,543	472,121	-	-	1,400,747	-	1,400,747
193,434	665,704	526,245	18,638	42,137	7,036,556	(3,207,003)	3,829,553
530,359	3,441,579	468,689	544,690	3,261,183	12,467,768	278,984	12,746,752
-	664,817	336,087	129,611	26,899	1,194,414	-	1,194,414
-	-	-	-	-	40,000	(40,000)	-
-	-	-	-	-	265,742	(265,742)	-
-	-	-	17,589	-	17,589	-	17,589
530,359	4,106,396	804,776	691,890	3,288,082	13,985,513	(26,758)	13,958,755
$ 723,793	$ 4,772,100	$ 1,331,021	$ 710,528	$ 3,330,219	$ 21,022,069	$ (3,233,761)	$ 17,788,308

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

	Abbe, Inc.	Abbe Management Corporation	Abbe Center For Community Mental Health	Abbe Center For Community Care
PUBLIC SUPPORT AND REVENUE				
Client and resident fees	$ -	$ -	$ 9,484,285	$ 5,587,198
Administrative services	1,467,000	-	-	-
Grants	-	-	800,868	-
Auxiliary	-	-	-	126,169
Net investment income	4,113	886	626	5,295
Gain (loss) on disposal of fixed assets	281,525	-	-	-
Rent	77,580	-	-	-
Contributions	6,000	-	7,095	140
Other	3,946	558,699	165,621	19,103
Equity in net income (loss) of investee	(20,698)	-	-	-
Total public support and revenue	1,819,466	559,585	10,458,495	5,737,905
EXPENSES				
Program services:				
Mental health services	-	552,282	9,687,592	-
Care facilities	-	-	-	5,307,925
Services for the aging	-	-	-	-
Total program services	-	552,282	9,687,592	5,307,925
Supporting activities:				
Management and general	1,394,602	28,000	740,561	666,447
Fundraising	-	-	-	-
Total supporting activities	1,394,602	28,000	740,561	666,447
Total expenses	1,394,602	580,282	10,428,153	5,974,372
CHANGE IN NET ASSETS	424,864	(20,697)	30,342	(236,467)
NET ASSETS, BEGINNING OF YEAR	1,956,123	47,455	1,477,549	884,841
NET ASSETS, END OF YEAR	$ 2,380,987	$ 26,758	$ 1,507,891	$ 648,374

Penn Center, Inc.	Aging Services, Inc.	Pentacrest, Inc.	Witwer Center, Inc.	Kingston Hill	Total	Eliminations	Consolidated
$ 2,381,104	$ 2,064,092	$ 468,792	$ 85,263	$ 222,761	$ 20,293,495	$ -	$ 20,293,495
-	-	-	-	-	1,467,000	(1,467,000)	-
-	925,704	78,341	498,046	41,409	2,344,368	-	2,344,368
58,491	-	-	-	-	184,660	-	184,660
1,622	5,753	309	6,690	52,618	77,912	-	77,912
-	(27,270)	-	(19,365)	-	234,890	-	234,890
-	-	19,200	-	-	96,780	(68,000)	28,780
6,610	292,686	63,516	14,685	35,601	426,333	(6,200)	420,133
26,456	1,078	6,982	7,235	18,383	807,503	(6,965)	800,538
-	-	-	-	-	(20,698)	20,698	-
2,474,283	3,262,043	637,140	592,554	370,772	25,912,243	(1,527,467)	24,384,776
-	-	-	-	-	10,239,874	(67,275)	10,172,599
2,354,455	-	-	-	-	7,662,380	-	7,662,380
-	2,606,936	585,253	502,999	641,648	4,336,836	(200)	4,336,636
2,354,455	2,606,936	585,253	502,999	641,648	22,239,090	(67,475)	22,171,615
131,000	141,451	47,641	19,000	26,000	3,194,702	(1,479,749)	1,714,953
-	19,490	23,485	-	5,773	48,748	(940)	47,808
131,000	160,941	71,126	19,000	31,773	3,243,450	(1,480,689)	1,762,761
2,485,455	2,767,877	656,379	521,999	673,421	25,482,540	(1,548,164)	23,934,376
(11,172)	494,166	(19,239)	70,555	(302,649)	429,703	20,697	450,400
541,531	3,612,230	824,015	621,335	3,590,731	13,555,810	(47,455)	13,508,355
$ 530,359	$ 4,106,396	$ 804,776	$ 691,890	$ 3,288,082	$ 13,985,513	$ (26,758)	$ 13,958,755

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
PROGRAM SERVICES
Year Ended June 30, 2012

	Abbe, Inc.	Abbe Management Corporation	Abbe Center For Community Mental Health	Abbe Center For Community Care
Personnel:				
Wages and salaries	$ -	242,661	$ 5,668,058	$ 2,818,913
Employee benefits	-	44,712	1,091,500	989,489
Payroll taxes	-	18,362	378,817	211,496
	-	305,735	7,138,375	4,019,898
Resident services				
Food	-	-	-	252,828
Pharmacy and medical supplies	-	-	-	72,829
Other services	-	-	-	125,052
	-	-	-	450,709
Consulting fees	-	49,419	1,039,304	5,360
Staff development	-	-	5,272	4,999
Computer services	-	37,343	179,418	10,717
Telephone services	-	16,950	87,965	19,119
Professional fees	-	350	14,662	15,684
Insurance	-	1,580	85,501	51,267
Advertising	-	15,783	30,386	6,115
Dues and subscriptions	-	-	18,917	220
Other	-	5,292	108,800	4,096
Occupancy	-	83,144	554,254	434,736
Supplies	-	21,610	100,357	101,753
Repairs	-	13,000	142,753	133,030
Depreciation and amortization	-	2,076	181,628	50,222
	-	246,547	2,549,217	837,318
Total program services	$ -	$ 552,282	$ 9,687,592	$ 5,307,925

Penn Center, Inc.	Aging Services, Inc.	Pentacrest, Inc.	Witwer Center, Inc.	Kingston Hill	Total	Eliminations	Consolidated
$ 1,232,099	$ 1,326,048	$ 265,341	$ 175,823	$ 274,234	$ 12,003,177	$ -	$ 12,003,177
501,999	313,950	66,529	34,254	88,081	3,130,514	-	3,130,514
87,392	99,044	20,389	34,474	20,084	870,058	-	870,058
1,821,490	1,739,042	352,259	244,551	382,399	16,003,749	-	16,003,749
144,514	-	-	82,015	-	479,357	-	479,357
25,098	-	-	-	-	97,927	-	97,927
50,153	-	20,006	-	-	195,211	-	195,211
219,765	-	20,006	82,015	-	772,495	-	772,495
-	17,279	6,336	916	8,505	1,127,119	-	1,127,119
2,157	3,462	982	325	555	17,752	-	17,752
10,935	28,273	5,521	1,474	1,775	275,456	-	275,456
17,709	21,443	3,212	4,933	2,912	174,243	-	174,243
11,443	14,082	135	436	12,042	68,834	-	68,834
24,367	22,294	10,694	8,481	14,303	218,487	-	218,487
4,581	6,716	4,942	680	10,223	79,426	(200)	79,226
2,098	4,114	699	-	-	26,048	-	26,048
12,916	229,960	6,175	18,301	5,994	391,534	-	391,534
77,579	117,605	36,176	17,000	58,055	1,378,549	(67,275)	1,311,274
47,172	163,190	43,346	15,448	64,789	557,665	-	557,665
70,537	97,419	12,884	25,049	38,974	533,646	-	533,646
31,706	142,057	81,886	83,390	41,122	614,087	-	614,087
313,200	867,894	212,988	176,433	259,249	5,462,846	(67,475)	5,395,371
$ 2,354,455	$ 2,606,936	$ 585,253	$ 502,999	$ 641,648	$ 22,239,090	$ (67,475)	$ 22,171,615

ABBE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
SUPPORTING ACTIVITIES
Year Ended June 30, 2012

	Abbe, Inc.	Abbe Management Corporation	Abbe Center For Community Mental Health	Abbe Center For Community Care
Personnel:				
Wages and salaries	$ 630,150	$ -	$ -	$ -
Employee benefits	207,682	-	-	-
Payroll taxes	47,050	-	-	-
	884,882	-	-	-
Resident services				
Food	-	-	-	-
Pharmacy and medical supplies	-	-	-	-
Other services	-	-	-	-
	-	-	-	-
Administrative fees	-	28,000	464,000	648,000
Consulting fees	30,808	-	-	-
Staff development	15,635	-	-	-
Computer services	56,208	-	-	-
Telephone services	18,358	-	-	-
Professional fees	119,104	-	-	-
Insurance	8,754	-	-	-
Advertising	2,914	-	-	-
Dues and subscriptions	500	-	-	-
Other	39,702	-	-	-
Occupancy	29,499	-	-	-
Supplies	35,788	-	-	-
Repairs	40,800	-	-	-
Provision for doubtful accounts	-	-	276,561	18,447
Depreciation and amortization	67,455	-	-	-
Interest	44,195	-	-	-
Fundraising supplies	-	-	-	-
	509,720	28,000	740,561	666,447
Total supporting services	$ 1,394,602	$ 28,000	$ 740,561	$ 666,447

Penn Center, Inc.	Aging Services, Inc.	Pentacrest, Inc.	Witwer Center, Inc.	Kingston Hill	Total	Eliminations	Consolidated
$ -	$ -	$ -	$ -	$ -	$ 630,150	$ -	$ 630,150
-	-	-	-	-	207,682	-	207,682
-	-	-	-	-	47,050	-	47,050
-	-	-	-	-	884,882	-	884,882
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
131,000	121,000	30,000	19,000	26,000	1,467,000	(1,467,000)	-
-	-	-	-	-	30,808	-	30,808
-	-	-	-	-	15,635	-	15,635
-	-	-	-	-	56,208	-	56,208
-	-	-	-	-	18,358	-	18,358
-	-	-	-	-	119,104	-	119,104
-	-	-	-	-	8,754	-	8,754
-	-	-	-	-	2,914		2,714
-	-	-	-	-	500	-	500
-	-	-	-	-	39,702	(12,749)	26,953
-	-	-	-	-	29,499	-	29,499
-	-	-	-	-	35,788	-	35,788
-	-	-	-	-	40,800	-	40,800
-	22	-	-	-	295,030	-	295,030
-	-	-	-	-	67,455	-	67,455
-	20,429	17,641	-	-	82,265	-	82,265
-	19,490	23,485	-	5,773	48,748	(940)	47,808
131,000	160,941	71,126	19,000	31,773	2,358,568	(1,480,689)	877,879
$ 131,000	$ 160,941	$ 71,126	$ 19,000	$ 31,773	$ 3,243,450	$ (1,480,689)	$ 1,762,761