

**ASSOCIATION FOR THE SEVERELY HANDICAPPED, INC.
(TASH)**

Report on Audits of
Financial Statements

For the Years Ended December 31, 2007 and 2006

No extracts from this report may be published without our written consent

Kahler & Associates, PC



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Association for the Severely Handicapped, Inc.
Washington, DC

We have audited the accompanying statement of financial position of the Association for the Severely Handicapped, Inc. (TASH), as of December 31, 2007 and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of TASH's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association for the Severely Handicapped as of December 31, 2007 and the results of its operations and cash flows for the year ended December 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements of TASH, Inc. taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Kahler & Associates".

July 31, 2008

ASSOCIATION FOR THE SEVERELY HANDICAPPED, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

ASSETS

Cash and cash equivalents	\$ 114,258
Investments	29,832
Unconditional promises to give	3,350
Accounts receivable - net of allowance for doubtful accounts \$5,800	97,905
Prepaid expenses	3,000
Security deposit	1,342
Net property and equipment	20,614
TOTAL ASSETS	\$ 270,301

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 102,241
Accrued payroll and vacation	8,162
Deferred dues and subscription revenue	178,595
Capital lease obligation payable	29,327
<i>Total liabilities</i>	<i>318,325</i>
Net assets:	
Unrestricted	(87,217)
Temporarily restricted	39,193
<i>Total net assets</i>	<i>(48,024)</i>
TOTAL LIABILITIES AND NET ASSETS	\$ 270,301

ASSOCIATION FOR THE SEVERELY HANDICAPPED, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Public support:			
Contributions	\$ 161,678	\$ 35,843	\$ 197,521
Grants	67,367	-	67,367
<i>Total public support</i>	229,045	35,843	264,888
Other revenue:			
Conferences and training revenue	293,496	-	293,496
Membership dues	271,725	-	271,725
Publications and educational material sales	2,095	-	2,095
Investment income	8,459	-	8,459
Other revenues	14,139	-	14,139
<i>Total other revenue</i>	589,914	-	589,914
Net Assets released from restrictions by satisfaction of time restrictions	7,100	(7,100)	-
<i>Total revenues, gains and other support</i>	826,059	28,743	854,802
EXPENSES:			
Program services	645,748	-	645,748
Supporting services:			
Management and general	158,996	-	158,996
Fund raising	62,786	-	62,786
<i>Total supporting services</i>	221,782	-	221,782
<i>Total expenses</i>	867,530	-	867,530
CHANGE IN NET ASSETS	(41,471)	28,743	(12,728)
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED	(45,746)	10,450	(35,296)
NET ASSETS AT END OF YEAR	\$ (87,217)	\$ 39,193	\$ (48,024)

ASSOCIATION FOR THE SEVERELY HANDICAPPED, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

Cash flows from operating activities:	
Change in net assets	\$ (12,728)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation expense	12,434
Unrealized and (realized) gains on investments	(4,360)
Donated stock	(955)
Loss on disposal of assets	9,452
(Increase) decrease in:	
Accounts receivable	(35,200)
Unconditional promises to give	7,100
Prepaid expenses and deposits	(918)
Security deposit	(1,342)
Increase (decrease) in:	
Accounts payable	(16,625)
Accrued wages and vacation	(9,536)
Deferred revenues	33,487
<u>Net cash used in operating activities</u>	<u>(19,191)</u>
Cash flows from investing activities:	
Purchase of equipment	(4,565)
Proceeds from sales of investments	10,842
<u>Net cash provided by investing activities</u>	<u>6,277</u>
Cash flows from financing activities:	
Long-term debt reduction (capital lease obligation)	(14,441)
<u>Net cash used in financing activities</u>	<u>(14,441)</u>
 NET DECREASE IN CASH AND EQUIVALENTS	 (27,355)
 <u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	 <u>141,613</u>
 <u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	 <u>\$ 114,258</u>