

Nevada Partnership for Homeless Youth

Years Ended June 30, 2008 and 2007

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
YEARS ENDED JUNE 30, 2008 AND 2007

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Independent Auditors' Report

Board of Trustees
Nevada Partnership for Homeless Youth
Las Vegas, Nevada

We have audited the accompanying statement of financial position of Nevada Partnership for Homeless Youth (a non-profit organization) as of June 30, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Nevada Partnership for Homeless Youth's management. Our responsibility is to express an opinion on these 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. 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 financial statements referred to above present fairly, in all material respects, the financial position of Nevada Partnership for Homeless Youth as of June 30, 2008 and 2007, and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

October 13, 2008

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2008 AND 2007

ASSETS

	2008	2007
Current assets:		
Cash	\$ 366,123	\$ 134,202
Investments	42,403	116,561
Grants receivable	75,015	121,975
Prepaid expenses	17,355	10,800
Food inventory	2,403	
Total current assets	503,299	383,538
Other assets:		
Property and equipment, net of depreciation	924,791	940,658
Deposits	9,758	8,458
Other	31,089	5,170
Total other assets	965,638	954,286
Total assets	\$ 1,468,937	\$ 1,337,824

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 21,004	\$ 59,531
Accrued payroll liabilities	9,900	13,112
Total current liabilities	30,904	72,643
Net assets:		
Unrestricted	175,684	72,168
Temporarily restricted	345,861	276,525
Permanently restricted	916,488	916,488
Total net assets	1,438,033	1,265,181
Total liabilities and net assets	\$ 1,468,937	\$ 1,337,824

The accompanying notes are an integral
part of these financial statements

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

STATEMENTS OF ACTIVITIES

YEARS ENDED 2008 AND 2007

	2008	2007
Changes in unrestricted net assets:		
Revenue:		
Contributions	\$ 805,053	\$ 550,345
Grants	443,976	338,066
Special events, net of direct benefit expenses of \$119,088 and \$88,893	111,698	198,019
In-kind	128,581	11,074
Other	(22)	14,502
Total unrestricted revenues	1,489,286	1,112,006
Net assets released from restrictions:		
Satisfaction of restrictions	121,975	711
Expenses:		
Program expenses	996,306	866,978
Management and general expenses	357,615	305,560
Fundraising	129,071	49,422
Total expenses	1,482,992	1,221,960
Increase in unrestricted net assets	128,269	(109,243)
Changes in temporarily restricted net assets:		
Contributions	132,315	248,325
Net assets released from restrictions	(121,975)	(711)
Increase in temporarily restricted net assets	10,340	247,614
Changes in permanently restricted net assets:		
Contributions	916,488	916,488
Increase in permanently restricted net assets	916,488	916,488
Increase in net assets	138,609	1,054,859
Liability adjustment	34,243	
Net assets, beginning of year	1,265,181	210,322
Net assets, end of year	\$ 1,438,033	\$ 1,265,181

The accompanying notes are an integral
part of these financial statements

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2008

	Program Services						Supporting Activities		Total
	Mobil Crisis Intervention	Housing	Drop Center	Mentor Match	Outlying Area	Outreach	G&A	Fundraising	
Salaries	\$ 40,350	\$ 67,201	\$ 115,791	\$ 15,683	\$ 7,753	\$ 2,298	\$ 123,914	\$ 114,831	\$ 487,821
Payroll taxes	3,747	6,240	10,752	1,456	720	213	11,506	10,662	45,296
Accounting	1,751	1,919	2,177	1,442	1,392	1,662	8,472		18,815
Depreciation		30,731					12,161		42,892
Direct services	7,518	167,784	50,119	31,691	6,938				264,050
Dues and subscriptions	1,612	82	2,069	82	82	82	2,549		6,558
Food stamps		33,003	64,995	102	605	17,400			116,105
Insurance	593	7,218	10,097	574	615	40	20,348		39,485
Loss on disposal of assets				1,472	842				3,566
Meetings and seminars	3,076	1,769	4,829			1,248			39,250
Occupancy	357	15,202	26,950	47	47				57,999
Office	676	369	4,552	252	195				11,737
Outside services	73,787	25,810	43,345	1,376	316	10,451	71,110		226,195
Printing and postage	8,642	127	2,995	48	48	48	5,731	2,575	20,214
Professional fees									10,808
Repairs and maintenance	4,491	8,381	6,293	1,255	925	321	8,279		29,945
Telephone	3,774	1,015	8,084	484	502	89	13,661	1,003	28,612
Transportation		3,877	6,062		106				10,045
Travel	1,652	944	2,596				18,407		23,599
Total expenses	\$ 152,026	\$ 371,672	\$ 361,706	\$ 55,964	\$ 21,086	\$ 33,852	\$ 357,615	\$ 129,071	\$ 1,482,992
Total program services						\$ 996,306			

The accompanying notes are an integral part of these financial statements

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH
STATEMENT OF FUNCTIONAL EXPENSES**

YEAR ENDED JUNE 30, 2007

	Program Services				Supporting Activities		Total
	Mentor Match	Safe Place	Drop Center	Other	G&A	Fundraising	
Salaries	\$ 49,027	\$ 48,249	\$ 34,296	\$ 133,284	\$ 99,514	\$ 40,546	\$ 404,916
Payroll taxes	3,734	3,674	2,612	10,150	7,578	3,088	30,836
Employee benefits					1,303		1,303
Accounting	1,016	1,016	1,065	1,806	6,461		11,364
Depreciation				14,768	10,575		25,343
Direct services	8,740	430	13,073	85,050			107,293
Dues and subscriptions	259	225	484	1,613	2,829		5,410
Food stamps	782	16	9,811	30,191			40,800
Insurance	5,478	3,275	8,232	15,520	8,399		40,904
Meetings and seminars	2,003		2,992	7,854	20,555		33,404
Miscellaneous			53	382	1,896		2,331
Occupancy	525	25	6,797	205	34,540		42,092
Office	2,000	548	6,562	8,638	7,081		24,829
Outside services	2,658	4,058	11,880	186,388	64,988		269,972
Printing and postage	95		2,374	1,377	1,937	1,950	7,733
Professional fees			283	200	18,733		19,216
Program expenses			28,162	525			28,687
Repairs and maintenance	1,232	658	5,604	10,280	7,131		24,905
Shelter services	11,429	4,100	15,948	25,583			57,060
Telephone	2,751	1,963	7,604	4,676	6,101	3,838	26,933
Transportation	99	10	347	4,140			4,596
Travel	583	1,876	1,271	2,364	5,939		12,033
Total expenses	\$ 92,411	\$ 70,123	\$ 159,450	\$ 544,994	\$ 305,560	\$ 49,422	\$ 1,221,960
Total program services				\$ 866,978			

The accompanying notes are an integral part of these financial statements

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Contributions	\$ 841,145	\$ 676,695
Grants	565,952	386,647
Special events, net of direct benefit expenses of \$119,088 and \$88,893	111,698	198,019
Transfer of investment	74,137	
Direct assistance provided	(898,432)	(846,674)
Cash paid to suppliers and employees	<u>(454,394)</u>	<u>(301,038)</u>
 Net cash provided by operating activities	 <u>240,106</u>	 <u>113,649</u>
 Cash flows from investing activities:		
Payments for property and equipment	<u>(8,185)</u>	<u>(19,025)</u>
 Net cash used by investing activities	 <u>(8,185)</u>	 <u>(19,025)</u>
 Net increase in cash	 231,921	 94,624
 Cash, beginning of year	 <u>134,202</u>	 <u>39,578</u>
 Cash, end of year	 <u>\$ 366,123</u>	 <u>\$ 134,202</u>

The accompanying notes are an integral
part of these financial statements

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

STATEMENTS OF CASH FLOWS, CONTINUED

YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
Increase in net assets	\$ 172,852	\$ 1,054,859
 Adjustments to reconcile excess support and revenue over expenses:		
Depreciation	42,892	25,343
Noncash donations - food and value card	(128,581)	(8,034)
Noncash donations - property and equipment	(20,093)	(916,488)
Donated services	(1,115)	(3,040)
Noncash donated expenses	128,581	8,034
Donated services expenditures	1,115	3,040
Net realized (gain)/loss on investments	22	(14,502)
Recognized loss on disposal of assets	1,252	
 (Increase) decrease in:		
Investments	74,137	
Grants receivable	46,961	(73,395)
Prepaid expenses	(6,555)	12,188
Food inventory	(2,403)	
Deposits	(1,300)	240
Other	(25,919)	(5,170)
 Increase (decrease) in:		
Accounts payable	(38,528)	30,140
Accrued expenses	(3,212)	434
	67,254	(941,210)
 Total adjustments	 67,254	 (941,210)
 Net cash provided by operating activities	 \$ 240,106	 \$ 113,649

The accompanying notes are an integral
part of these financial statements

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008 and 2007

1. Nature of activities and significant accounting policies:

Organization:

Nevada Partnership for Homeless Youth was organized as a nonprofit Nevada Corporation in December 2000. The Organization provides special services including food and shelter, and acts as an advocate for homeless youth in Nevada within the meaning of sections 170 and 501(c)(3) of the Internal Revenue Code. The Organization's support comes primarily from government grants and corporate donations. Nevada Partnership for Homeless Youth receives donations primarily from donors in the Southern Nevada region and provides services to those residing in the Southern Nevada region.

The Safe Place program is designed to provide immediate help for young people under the age of 18 who are experiencing a crisis situation. The child is given a snack, moved to a secure location and a Nevada Partnership for Homeless Youth shelter provider is called to transport the child to safety.

The Mobil Crisis Intervention program provides assistance to youth at Safe Place sites. Upon arrival a licensed professional provides basic medical care if necessary, and transportation to an appropriate shelter location for the youth.

The Safe Place Drop-in Center is the only full service drop-in center in Nevada. It offers onsite counseling, a small library, a shower, food pantry, clothing closet, respite room, classroom and personal business station for youth.

The Housing program is designed for youth who are experiencing problems at home, but do not have extensive needs requiring institutionalization. Unaccompanied minors between the ages of 16 and 18 are eligible to live in one of the Organization's condominium units if they are attending school and/or working full-time. Youth are assigned a case manager and given funding for food, clothing and school expenses. Upon completion of high school, youth are given full-time employment opportunities and helped to make the transition to adulthood in self-sufficient, self-sustaining ways.

The Street Outreach program finds street youth and places them in leased apartments or helps pay for emergency overnight shelter. Supplies are distributed to the street teens and tickets back to their home city are provided.

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

JUNE 30, 2008 and 2007

1. Nature of activities and significant accounting policies, continued:

Organization, continued:

Nevada Partnership for Homeless Youth is governed by a board of trustees. The Board is comprised of thirty board members and six executive committee members who are primarily community leaders and members in various local businesses in Nevada.

Basis of accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Contributions:

Contributions are recognized when the donor makes a promise to give to Nevada Partnership for Homeless Youth that is, in substance, unconditional. Contributions that are not intended to be used in the current period are reported as increases in temporarily or permanently restricted net assets. When the contribution becomes available, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization receives its support from grants as well as contributions from the general public and other organizations.

Noncash contributions:

Certain contributed services, property and equipment and supplies are recorded as support and expensed at estimated fair market value when determinable, otherwise at values indicated by the donor. During the year, the Organization received contributions of property and equipment with an estimated fair market value of \$20,093 and \$916,488 in 2008 and 2007, respectively. Services were donated with a fair market value of \$1,115 and \$3,040 in 2008 and 2007, respectively. Food, clothing, and value cards were donated with a fair market value of \$128,581 and \$8,034 in 2008 and 2007, respectively. These items donated were expensed or capitalized as received depending on the nature of the item donated and the Organization's capitalization policy. These donations are included in these financial statements. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria for recognition as contributed services.

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

JUNE 30, 2008 and 2007

1. Nature of activities and significant accounting policies, continued:

Estimates:

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 and expenses during the reporting period. Actual results could differ from those estimates.

Basis of presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and cash equivalents:

For purposes of the statements of financial position and statements of cash flows, the Organization considers all highly liquid instruments purchased with the maturity of three months or less to be cash equivalents. The cash consists of demand accounts.

Grants receivable:

Grants receivable are stated at their present value of \$75,015 and \$121,975 for 2008 and 2007, respectively. The amount of funds will be received and spent by the Organization within the guidelines of the grant contract. As of June 30, 2008, the entire amount is considered collectible.

Food Inventory:

Food inventory is comprised of food goods that the client holds in their pantry for disbursement to clients. The Organization values inventory at estimated fair value at the time of contribution or purchase.

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS, CONTINUED
JUNE 30, 2008 and 2007

1. Nature of activities and significant accounting policies, continued:

Liability adjustment:

Revenue was recorded in the amount of \$34,243 for liabilities that were improperly accrued prior to June 30, 2006.

Property and equipment:

Nevada Partnership for Homeless Youth's policy is to capitalize purchases or donations of furniture and equipment that are valued greater than \$500. The basis of valuation is cost for purchased items and fair value for contributed items. The policy for depreciation is to provide depreciation by use of the straight line method for financial reporting purposes. The cost, accumulated depreciation, and depreciable lives by asset classification are as follows:

<u>2008</u>	<u>Accumulated Cost</u>	<u>Accumulated Depreciation</u>	<u>Lives</u>
Property	\$ 921,662	\$ 45,500	30 Years
Machinery and equipment	96,422	59,934	5 Years
Vehicles	<u>25,287</u>	<u>13,146</u>	5 Years
Total	<u>\$1,043,371</u>	<u>\$ 118,580</u>	
 <u>2007</u>			
Property	\$ 922,047	\$ 14,768	30 Years
Machinery and equipment	69,324	53,144	5 Years
Vehicles	<u>25,287</u>	<u>8,088</u>	5 Years
Total	<u>\$1,016,658</u>	<u>\$ 76,000</u>	

Income tax:

Nevada Partnership for Homeless Youth has received an exemption letter from the Internal Revenue Service. The letter grants exemption from federal income taxes under current Internal Revenue Code 501(c)(3) and recognizes the Organization as a publicly supported organization as described in Internal Revenue Code section 170(b)(1)(A)(vi).

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

JUNE 30, 2008 and 2007

2. Temporarily restricted net assets:

The temporarily restricted net assets are comprised of cash donations and grants receivable of \$345,861 for 2008 and \$276,525 for 2007. These funds are intended for use in specific purposes and therefore are classified as temporarily restricted. As the time restriction expires or the purpose restriction is accomplished these assets will be reclassified to unrestricted net assets.

Temporarily restricted net assets consist of donations that are restricted for the following use:

	<u>2008</u>	<u>2007</u>
Capital campaign to build new center	\$ 240,950	\$ 154,550
I Believe in You Scholarship Fund	29,897	
Grants receivable	<u>75,014</u>	<u>121,975</u>
Total temporarily restricted net assets	<u>\$ 345,861</u>	<u>\$ 276,525</u>

The \$121,975 of grants receivable in 2007 was reclassified to unrestricted during 2008.

3. Permanently restricted net assets:

The permanently restricted net assets are comprised of six condo units that were donated with an estimated fair market value of \$916,488. These condos are intended for use as affordable housing units to be held indefinitely. If sold the funds must be used for purchasing additional affordable housing units.

Permanently restricted net assets consist of donations from the following:

	<u>2008</u>	<u>2007</u>
State of Nevada for 3 condos	\$ 466,309	\$ 466,309
City of Henderson for 3 condos	<u>450,179</u>	<u>450,179</u>
Total permanently restricted net assets	<u>\$ 916,488</u>	<u>\$ 916,488</u>

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

JUNE 30, 2008 and 2007

4. Investments:

Nevada Partnership for Homeless Youth has investments in a pooled account. The pooled accounts consist of master investment accounts. Realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly to the individual funds based on the relationship of the market value of each fund to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts. The master investment accounts consist of certificates of deposit, stocks both publicly traded and privately held, mutual funds, fixed income securities, equities, annuities, and partnerships. The fair value of the account at June 30, 2008 and 2007 was \$42,403 and \$116,561 respectively, which included investment loss of \$22 for 2008 and return of \$15,049 for 2007 and investment fees of \$1,174 and \$547 for 2008 and 2007.

The pooled account invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect account balances and the amounts reported in the statement of financial position.

5. Operating leases:

Nevada Partnership for Homeless Youth leases office space on a month-to-month basis. As a result, there are no future minimum payments required under these operating leases. Payments are \$3,776 a month for an indefinite period of time. CAM expenses are variable and charged monthly. Total rent paid for each of the years ended June 30, 2008 and 2007 was \$47,322 and \$31,930.

6. Related party transactions:

The Organization uses the services of a board member for public relations and media services. The amounts paid totaled \$23,948 and \$28,371 for the years ending June 30, 2008 and 2007, respectively.

7. Concentration of credit risk:

The Organization maintains cash balances at financial institutions located in Las Vegas, Nevada. The accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000. The funds in excess of the insured limit were \$213,233 and \$68,307 as of June 30, 2008 and 2007, respectively.