

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

YEARS ENDED JUNE 30, 2009 and 2008

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
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Independent Auditors' Report

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

We have audited the accompanying statements of financial position of Nevada Partnership for Homeless Youth (a non-profit organization) as of June 30, 2009 and 2008, 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, 2009 and 2008, 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.

December 9, 2009

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2009 AND 2008

ASSETS

	2009	2008
Current assets:		
Cash	\$ 202,062	\$ 366,123
Investments		42,403
Grants receivable	33,160	75,015
Prepaid expenses	15,434	17,355
Food inventory	3,423	2,403
Total current assets	254,079	503,299
Other assets:		
Property and equipment, net of depreciation	887,975	924,791
Deposits	7,598	9,758
Other	38,028	31,089
Total other assets	933,601	965,638
Total assets	\$ 1,187,680	\$ 1,468,937

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 22,304	\$ 21,004
Client savings payable	3,258	
Accrued payroll liabilities	2,235	9,900
Total current liabilities	27,797	30,904
Net assets:		
Unrestricted	210,235	175,684
Temporarily restricted	33,160	345,861
Permanently restricted	916,488	916,488
Total net assets	1,159,883	1,438,033
Total liabilities and net assets	\$ 1,187,680	\$ 1,468,937

The accompanying notes are an integral
part of these financial statements

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

STATEMENTS OF ACTIVITIES

YEARS ENDED 2009 AND 2008

	2009	2008
Changes in unrestricted net assets:		
Revenue:		
Contributions	\$ 563,256	\$ 805,053
Grants	557,263	443,976
Special events, net of direct benefit expenses of \$105,985 and \$119,088	(14,988)	111,698
In-kind	240,668	128,581
Other	5,322	(22)
Total unrestricted revenues	1,351,521	1,489,286
Net assets released from restrictions:		
Satisfaction of restrictions	345,861	121,975
Expenses:		
Program expenses	1,047,506	996,306
Management and general expenses	222,194	357,615
Fundraising	62,920	129,071
Total expenses	1,332,620	1,482,992
Increase in unrestricted net assets	364,762	128,269
Changes in temporarily restricted net assets:		
Contributions	33,160	132,315
Net assets released from restrictions	(345,861)	(121,975)
Increase (decrease) in temporarily restricted net assets	(312,701)	10,340
Increase in net assets	52,061	138,609
Liability adjustment		34,243
Net assets, beginning of year	1,438,033	1,265,181
Transfer to Homeless Youth Foundation	(330,211)	
Net assets, end of year	\$ 1,159,883	\$ 1,438,033

The accompanying notes are an integral
part of these financial statements

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2009

	Program Services			Supporting Activities			Total
	Mobil Crisis Intervention	Housing	Drop Center	Outreach	G&A	Fundraising	
Salaries	\$ 100,073	\$ 109,020	\$ 96,827	\$ 15,876	\$ 71,197	\$ 55,693	\$ 448,686
Payroll taxes	9,046	9,855	8,753	1,435	6,436	5,034	40,559
Accounting	4,837	4,837	4,837	4,837	4,837		24,185
Depreciation		30,722			16,166		46,888
Direct services	81	230,921	168,368	21	50		399,441
Dues and subscriptions	1,500	150	62		2,796		4,508
Insurance	6,523	7,303	7,079	184	18,618		39,707
Loss on disposal of assets					8,223		8,223
Meetings and seminars	2,882	1,455	2,391	1,459	10,609		18,796
Occupancy		925	42,861		24,581		68,367
Office	1,054	3,215	1,287	2,798	2,320		10,674
Outside services	18,792	30,022	8,832	26,040	43,105		126,791
Printing and postage	2,661	1,155	256	18,136	3,566	690	26,464
Professional fees	84	84	84	84	5,356		5,692
Repairs and maintenance	2,442	11,174	5,544	784	410		20,354
Telephone	7,539	1,257	6,075		3,301	1,503	19,675
Transportation	5,852	5,667	7,214	2,056	107		20,896
Travel	324	1,874			516		2,714
Total expenses	\$ 163,690	\$ 449,636	\$ 360,470	\$ 73,710	\$ 222,194	\$ 62,920	\$ 1,332,620
Total program services						\$ 1,047,506	

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		
	Mobil Crisis Intervention	Housing	Drop Center	Mentor Match	Outlying Area	Outreach	G&A	Fundraising	Total
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		1,252		3,566
Meetings and seminars	3,076	1,769	4,829			1,248			39,250
Occupancy	357	15,202	26,950	47	47		15,396		57,999
Office	676	369	4,552	252	195		5,693		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		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

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Cash flows from operating activities:		
Contributions	\$ 550,783	\$ 841,145
Grants	632,278	565,952
Special events, net of direct benefit expenses of \$105,985 and \$119,088	(14,988)	111,698
Direct assistance provided	(812,638)	(898,432)
Cash paid to suppliers and employees	(231,188)	(454,394)
Net cash provided by operating activities	124,247	165,969
Cash flows from investing activities:		
Transfer of investment to operating account	42,403	74,137
Payments for property and equipment	(500)	(8,185)
Net cash provided by investing activities	41,903	65,952
Cash flows from financing activities:		
Transfer to Nevada Homeless Youth Foundation	(330,211)	
Net cash used by financing activities	(330,211)	
Net increase (decrease) in cash	(164,061)	231,921
Cash, beginning of year	366,123	134,202
Cash, end of year	\$ 202,062	\$ 366,123

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, 2009 AND 2008

**Reconciliation of increase in net assets
to net cash flow from operating activities**

	2009	2008
Increase in net assets	<u>\$ 52,061</u>	<u>\$ 172,852</u>
Adjustments to reconcile excess support and revenue over expenses:		
Depreciation	46,888	42,892
Noncash donations - food and value card	(231,178)	(128,581)
Noncash donations - property and equipment	(17,795)	(20,093)
Donated services	(9,490)	(1,115)
Noncash donated expenses	231,178	128,581
Donated services expenditures	9,490	1,115
Net realized (gain)/loss on investments		22
Recognized loss on disposal of assets	8,223	1,252
(Increase) decrease in:		
Grants receivable	41,855	46,961
Prepaid expenses	1,921	(6,555)
Food inventory	(1,020)	(2,403)
Deposits	2,160	(1,300)
Other	(6,939)	(25,919)
Increase (decrease) in:		
Accounts payable	4,558	(38,528)
Accrued expenses	<u>(7,665)</u>	<u>(3,212)</u>
 Total adjustments	 <u>72,186</u>	 <u>(6,883)</u>
 Net cash provided by operating activities	 <u><u>\$ 124,247</u></u>	 <u><u>\$ 165,969</u></u>

The accompanying notes are an integral
part of these financial statements

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 and 2008

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, 2009 and 2008

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 \$17,795 and \$20,093 in 2009 and 2008, respectively. Services were donated with a fair market value of \$9,490 and \$1,115 in 2009 and 2008, respectively. Food, clothing, and value cards were donated with a fair market value of \$231,178 and \$128,581 in 2009 and 2008, 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, 2009 and 2008

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.

Grants receivable:

Grants receivable are stated at their present value of \$33,160 and \$75,015 for 2009 and 2008, respectively. The amount of funds will be received and spent by the Organization within the guidelines of the grant contract. As of June 30, 2009, 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.

Liability adjustment:

As of June 30, 2008 revenue was recorded in the amount of \$34,243 for liabilities that were improperly accrued prior to June 30, 2006.

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

JUNE 30, 2009 and 2008

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

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>2009</u>	<u>Accumulated Cost</u>	<u>Accumulated Depreciation</u>	<u>Lives</u>
Property	\$ 921,662	\$ 76,222	30 Years
Machinery and equipment	82,839	60,141	5 Years
Vehicles	<u>38,583</u>	<u>18,746</u>	5 Years
Total	<u>\$1,043,084</u>	<u>\$ 155,109</u>	
<u>2008</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>	

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, 2009 and 2008

2. Temporarily restricted net assets:

The temporarily restricted net assets are comprised of cash donations and grants receivable of \$33,160 for 2009 and \$345,861 for 2008. These funds are intended either for use in specific purposes or not intended for use in the current period 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>2009</u>	<u>2008</u>
Capital campaign to build new center	\$	\$ 240,950
I Believe in You Scholarship Fund		29,897
Grants receivable	33,160	75,014
Total temporarily restricted net assets	<u>\$ 33,160</u>	<u>\$ 345,861</u>

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>2009</u>	<u>2008</u>
State of Nevada for 3 condos	\$ 466,309	\$ 466,309
City of Henderson for 3 condos	450,179	450,179
Total permanently restricted net assets	<u>\$ 916,488</u>	<u>\$ 916,488</u>

4. Transfer of net assets:

The Organization transferred \$255,211 restricted funds and \$75,000 unrestricted funds to a newly founded related nonprofit organization. The related nonprofit organization is holding the funds that were previously restricted for use in the capital campaign to build a new center and for scholarships. The related nonprofit organization provides funding to Nevada Partnership for Homeless Youth through scholarships and grants.

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

JUNE 30, 2009 and 2008

5. Investments:

Nevada Partnership for Homeless Youth had investments in a pooled account. The pooled accounts consisted of master investment accounts. Realized and unrealized gains and losses from securities in the master investment accounts were 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 consisted 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 was \$42,403, which included investment loss of \$22 and investment fees of \$1,174. The investments in the pooled account were liquidated in July 2008.

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.

6. 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 this operating lease. Payments are \$2,329 a month as of June 30, 2009 and \$3,776 a month as of June 30, 2008 for an indefinite period of time. CAM expenses are variable and charged monthly. Total rent paid for each of the years ended June 30, 2009 and 2008 was \$35,933 and \$47,322.

The Organization also leases a housing location on a month-to-month basis. As a result, there are no future minimum payments required under this operating lease. Payments are \$1,300 a month. Total rent paid as of June 30, 2009 was \$13,897

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

JUNE 30, 2009 and 2008

6. Operating leases, continued:

Nevada Partnership for Homeless Youth also leases space from another nonprofit organization under a 58 month lease terminating in December 2013 with an option to purchase. Monthly payments are \$1,602. The nonprofit organization also donates office space. The total amount donated for the year ended June 30, 2009 was \$15,930. The future minimum annual lease payments for this lease are as follows:

July 1, 2009 through June 30, 2010	\$ 19,218
2011 - 2012	19,218
2012 - 2013	<u>9,609</u>
	<u>\$ 48,045</u>

7. Related party transactions:

The Organization uses the services of a board member for public relations and media services. The amounts paid totaled \$21,855 and \$23,948 for the years ending June 30, 2009 and 2008, respectively.

The Organization receives donated rent from a nonprofit organization as explained in note 5, where the President is a related party to Nevada Partnership for Homeless Youth.

The Organization transferred net assets to a related nonprofit organization as explained in note 4. The organizations have certain common board members and the related nonprofit organization provides funding to the Organization through scholarships and grants.

8. Concentration of credit risk:

The Organization maintains cash balances at financial institutions located in Las Vegas, Nevada. Generally, due to fluctuation in funds on deposit, cash in the bank accounts exceeds the current FDIC insurance limit. At June 30, 2009 there are no funds in excess of the limit, and at June 30, 2008, funds in excess of the insured limit were \$213,233.

9. Financial statement presentation:

Certain amounts in the June 30, 2008 financial statements have been reclassified for comparative purposes to conform with the June 30, 2009 presentation