

NEVADA PARTNERSHIP FOR HOMELESS YOUTH

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2005 AND 2004



NEVADA PARTNERSHIP FOR HOMELESS YOUTH

JUNE 30, 2005 AND 2004

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Nevada Partnership for Homeless Youth

We have audited the accompanying statements of financial position of Nevada Partnership for Homeless Youth as of June 30, 2005 and 2004, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on the 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 audits 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 financial statements referred to above present fairly, in all material respects, the financial position of Nevada Partnership for Homeless Youth as of June 30, 2005 and 2004, and the 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.

Houldsworth, Russo & Co., P.C.

September 23, 2005

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2005 AND 2004**

	2005	2004
ASSETS		
CURRENT ASSETS		
Cash	\$ 156,563	\$ 47,756
Cash, restricted	31,679	37,964
Grants receivable	52,133	23,903
Prepaid expenses	11,489	17,472
Deposits	6,298	3,698
	258,162	130,793
PROPERTY AND EQUIPMENT, NET	31,285	28,973
	\$ 289,447	\$ 159,766
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 8,000	\$ 3,545
Accrued payroll liabilities	9,105	1,497
Refundable advance	50,131	-
	67,236	5,042
NET ASSETS		
Unrestricted	190,532	116,760
Temporarily restricted	31,679	37,964
	222,211	154,724
	\$ 289,447	\$ 159,766

See notes to financial statements.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

	2005	2004
UNRESTRICTED NET ASSETS		
Unrestricted revenue, gains and other support:		
Contributions	\$ 269,563	\$ 174,712
Grants	1,501,459	572,787
Special events, net of direct benefit expenses of \$6,183 and \$2,950	60,615	24,688
In-kind	10,500	3,225
Other	39	112
Released from restrictions	18,301	3,215
	<u>1,860,477</u>	<u>778,739</u>
Expenses:		
Program services:		
Former Foster Youth	1,348,813	428,074
Safe Place	159,428	150,304
HMIS	138,126	61,527
Support services:		
Management and general	80,426	135,081
Fundraising	57,896	10,519
	<u>1,784,689</u>	<u>785,505</u>
Increase (decrease) in unrestricted net assets	<u>75,788</u>	<u>(6,766)</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	10,000	6,000
Released from restrictions:		
Satisfied by payments	(18,301)	(3,215)
	<u>(8,301)</u>	<u>2,785</u>
Increase (decrease) in temporarily restricted net assets	<u>(8,301)</u>	<u>2,785</u>
INCREASE (DECREASE) IN NET ASSETS	<u>67,487</u>	<u>(3,981)</u>
NET ASSETS, BEGINNING OF YEAR	154,724	360,314
NET ASSETS TRANSFERRED (NOTE 5)	<u>-</u>	<u>(201,609)</u>
NET ASSETS, END OF YEAR	<u>\$ 222,211</u>	<u>\$ 154,724</u>

See notes to financial statements.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2005 WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2004**

	Program Services			Total Program Services
	Former Foster Youth	Safe Place	HMIS	
Salaries	\$ 89,928	\$ 57,823	\$ 71,779	\$ 219,530
Payroll taxes	8,487	5,457	6,774	20,718
Employee benefits	6,267	4,030	5,003	15,300
Accounting	-	-	-	-
Advertising	9,353	35,916	2,074	47,343
Depreciation	4,247	2,731	3,390	10,368
Direct services	1,159,786	-	-	1,159,786
Dues and subscriptions	3,075	1,977	2,454	7,506
Food stamps	1,245	-	-	1,245
Gift and telephone cards	3,446	-	-	3,446
Insurance	3,930	2,527	3,137	9,594
Meetings and seminars	6,846	4,402	5,464	16,712
Miscellaneous	1,323	850	1,056	3,229
Occupancy	7,645	4,916	6,103	18,664
Office	3,129	2,012	2,497	7,638
Printing and postage	2,585	1,662	2,063	6,310
Professional fees	21,991	12,182	16,623	50,796
Program expenses	990	9,876	161	11,027
Repairs and maintenance	1,753	1,127	1,399	4,279
Shelter services	477	-	-	477
Telephone	4,148	2,667	3,311	10,126
Transportation	2,100	5,375	-	7,475
Travel	6,062	3,898	4,838	14,798
	<u>\$ 1,348,813</u>	<u>\$ 159,428</u>	<u>\$ 138,126</u>	<u>\$ 1,646,367</u>

See notes to financial statements.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005 WITH
COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2004**

	Support Services			
	Management		2005 Total	2004 Total
	and General	Fundraising		
Salaries	\$ 30,923	\$ 30,924	\$ 281,377	\$ 140,328
Payroll taxes	2,918	2,919	26,555	14,773
Employee benefits	2,155	2,155	19,610	7,646
Accounting	19,565	-	19,565	7,900
Advertising	1,922	-	49,265	78,273
Depreciation	1,461	1,461	13,290	7,955
Direct services	-	-	1,159,786	364,107
Dues and subscriptions	1,057	1,057	9,620	1,109
Food stamps	-	-	1,245	11,250
Gift and telephone cards	-	-	3,446	3,420
Insurance	1,351	1,351	12,296	6,386
Meetings and seminars	2,354	2,353	21,419	3,440
Miscellaneous	455	454	4,138	2,772
Occupancy	2,629	2,629	23,922	20,773
Office	1,076	1,075	9,789	11,868
Printing and postage	889	889	8,088	2,828
Professional fees	7,115	6,515	64,426	47,547
Program expenses	-	-	11,027	25,031
Repairs and maintenance	603	603	5,485	501
Shelter services	-	-	477	8,568
Telephone	1,426	1,427	12,979	11,224
Transportation	443	-	7,918	3,573
Travel	2,084	2,084	18,966	4,233
	<u>\$ 80,426</u>	<u>\$ 57,896</u>	<u>\$ 1,784,689</u>	<u>\$ 785,505</u>

See notes to financial statements.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 67,487	\$ (3,981)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	13,290	7,955
Loss on theft of office equipment	-	2,862
Donated equipment	(10,500)	(3,225)
(Increase) decrease in operating assets:		
Grants receivable	(28,230)	65,367
Prepaid expenses	5,983	(7,821)
Deposits	(2,600)	(3,203)
Increase (decrease) in operating liabilities:		
Accounts payable	4,455	2,893
Accrued expenses	7,607	(570)
Refundable advance	50,131	-
Deferred revenue	-	(77,246)
	107,623	(16,969)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(5,101)	(13,857)
NET INCREASE (DECREASE) IN CASH	102,522	(30,826)
CASH, BEGINNING OF YEAR	85,720	116,546
CASH, END OF YEAR	\$ 188,242	\$ 85,720
SUMMARY OF CASH ACCOUNTS		
Cash	\$ 156,563	\$ 47,756
Cash, restricted	31,679	37,964
	\$ 188,242	\$ 85,720

SUPPLEMENTAL DISCLOSURES

Noncash financing activities:

During 2004, the Organization transferred equipment and other assets with a net book value of \$201,609 to Street Teens, a former program of the Organization that became a separate nonprofit organization.

See notes to financial statements.

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005 AND 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Nevada Partnership for Homeless Youth (the Organization) was incorporated as a nonprofit corporation under the laws of the State of Nevada in December 2000. The Organization provides special services including food and shelter, and acts as an advocate for homeless youth in Nevada. The Organization's support comes primarily from government grants and corporate donations.

The Former Foster Youth program assists former foster youth between ages 18 and 21 in transitioning from living with foster parents to self-sufficiency.

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 into a secure location and a Nevada Partnership for Homeless Youth shelter provider is called to transport the child to safety.

The Homeless Management Information System (HMIS) is a data collection program in southern Nevada enumerating homeless adults and determining if they were homeless youth.

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.

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.

Estimates

Timely preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts, some of which may require revision in future periods.

NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005 AND 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same period received, are reported as unrestricted support.

Statement of Cash Flows

For the purposes of the statement of cash flows, cash consists of cash on hand and demand deposits.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Expense Allocation

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

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005 AND 2004**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2004, from which the summarized information was derived.

NOTE 2. RESTRICTED NET ASSETS

Temporarily restricted net assets consist of cash donations restricted for the following purposes:

	<u>2005</u>	<u>2004</u>
Sanctuary Drop-In Center	\$ 3,479	\$ 6,979
Capital campaign to build new center	8,200	8,200
Purchase of new van	20,000	20,000
Gift cards	<u>-</u>	<u>2,785</u>
	<u>\$ 31,679</u>	<u>\$ 37,964</u>

NOTE 3. OPERATING LEASE

During 2004, the Organization had a noncancelable operating lease for office space that expired August 31, 2004. Currently, the Organization leases office space on a month-to-month basis. As a result, there are no future minimum payments required under this operating lease.

NOTE 4. REFUNDABLE ADVANCE

The Organization received 74% and 52% of its program support from the AB94 agreement with the State of Nevada for the years ended June 30, 2005 and 2004, respectively. As of June 30, 2005, the Organization terminated its contract with the State. Terms of the agreement required the Organization to repay any grant funds that were not expended at the date of termination. The amount payable to the State of Nevada totaled \$50,131 at June 30, 2005. On August 18, 2005 and September 2, 2005, the Organization made payments towards this advance in the amounts of \$42,177 and \$7,954, respectively, for a total of \$50,131.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2005 AND 2004**

NOTE 5. NET ASSETS TRANSFERRED

On July 1, 2003, the Organization transferred the Sanctuary Drop-In Center to Street Teens, a nonprofit, volunteer based organization dedicated to helping homeless and at-risk teens. The Organization transferred an operating lease and related security deposit, as well as the majority of assets located at the Sanctuary. The effect of this transaction reduced net property and equipment by \$198,639, deposits by \$2,970 and net assets by \$201,609.

NOTE 6. RELATED PARTY TRANSACTIONS

The Organization uses the services of a board member for public relations and media services. The amounts paid totaled \$43,145 and \$62,606 for the years ending June 30, 2005 and 2004, respectively.

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2005	2004
Machinery and equipment	\$ 55,916	\$ 50,315
Vehicle	10,000	-
	65,916	50,315
Less accumulated depreciation	(34,631)	(21,342)
	\$ 31,285	\$ 28,973

NOTE 8. CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at a financial institution located in Las Vegas, Nevada. The accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000. The Organization's uninsured balances totaled \$98,061 at June 30, 2005. There was no uninsured balance at June 30, 2004.