

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH**  
**AUDITED FINANCIAL STATEMENTS**  
**JUNE 30, 2006 AND 2005**



**HOULDSWORTH  
RUSSO & CO., PC**  
*certified public accountants*



**NEVADA PARTNERSHIP FOR HOMELESS YOUTH**

**JUNE 30, 2006 AND 2005**

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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, 2006 and 2005, 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, 2006 and 2005, 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.

*Howdsworth, Russo & Co., P.C.*

September 22, 2006

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2006 AND 2005**

	2006	2005
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 10,667	\$ 156,563
Cash, restricted	28,911	31,679
Investments	102,059	-
Grants receivable	48,580	52,133
Prepaid expenses	22,988	11,489
	213,205	251,864
<b>OTHER ASSETS</b>		
Property and equipment, net	30,488	31,285
Deposits	8,698	6,298
	39,186	37,583
	\$ 252,391	\$ 289,447
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 29,391	\$ 8,000
Accrued payroll liabilities	12,678	9,105
Refundable advance	-	50,131
	42,069	67,236
<b>NET ASSETS</b>		
Unrestricted	181,411	190,532
Temporarily restricted	28,911	31,679
	210,322	222,211
	\$ 252,391	\$ 289,447

See notes to financial statements.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

	2006	2005
<b>UNRESTRICTED NET ASSETS</b>		
Unrestricted revenue, gains and other support:		
Contributions	\$ 302,729	\$ 269,563
Grants	553,522	1,501,459
Special events, net of direct benefit expenses of \$57,836 and \$6,183	116,712	60,615
In-kind	21,400	10,500
Other	2,022	39
Released from restrictions	17,768	18,301
	<u>1,014,153</u>	<u>1,860,477</u>
Expenses:		
Program services:		
Former Foster Youth	304,924	1,348,813
Safe Place	250,623	159,428
HMIS	271,160	138,126
Support services:		
Management and general	110,455	80,426
Fundraising	86,112	57,896
	<u>1,023,274</u>	<u>1,784,689</u>
Increase (decrease) in unrestricted net assets	<u>(9,121)</u>	<u>75,788</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	15,000	10,000
Released from restrictions:		
Satisfied by payments	(17,768)	(18,301)
	<u>(2,768)</u>	<u>(8,301)</u>
Decrease in temporarily restricted net assets	<u>(2,768)</u>	<u>(8,301)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(11,889)</b>	<b>67,487</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>222,211</u>	<u>154,724</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 210,322</u>	<u>\$ 222,211</u>

See notes to financial statements.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2006 WITH  
COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2005**

	Program Services			Total Program Services
	Former Foster Youth	Safe Place	HMIS	
Salaries	\$ 67,027	\$ 113,232	\$ 47,268	\$ 227,527
Payroll taxes	5,837	9,861	4,117	19,815
Employee benefits	4,982	8,416	3,513	16,911
Accounting	-	-	-	-
Advertising	5,775	9,757	4,073	19,605
Contract labor	2,514	4,247	1,773	8,534
Depreciation	3,304	5,582	2,330	11,216
Direct services	91,301	-	-	91,301
Dues and subscriptions	786	1,328	554	2,668
Food stamps	36,508	-	-	36,508
Gift and telephone cards	3,526	-	-	3,526
Insurance	2,754	4,652	1,942	9,348
Meetings and seminars	6,741	11,388	4,754	22,883
Miscellaneous	1,556	2,629	1,098	5,283
Occupancy	8,894	15,026	6,272	30,192
Office	3,997	6,752	2,818	13,567
Outside services	-	-	182,637	182,637
Printing and postage	2,861	4,833	2,017	9,711
Professional fees	1,422	711	648	2,781
Program expenses	2,381	22,506	-	24,887
Repairs and maintenance	444	750	313	1,507
Shelter services	43,956	-	-	43,956
Telephone	3,567	6,026	2,515	12,108
Transportation	1,221	16,896	-	18,117
Travel	3,570	6,031	2,518	12,119
	<u>\$ 304,924</u>	<u>\$ 250,623</u>	<u>\$ 271,160</u>	<u>\$ 826,707</u>

See notes to financial statements.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2006 WITH  
COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2005**

	Support Services		2006 Total	2005 Total
	Management and General	Fundraising		
Salaries	\$ 51,255	\$ 46,319	\$ 325,101	\$ 281,377
Payroll taxes	4,464	4,034	28,313	26,555
Employee benefits	3,810	3,443	24,164	19,610
Accounting	13,250	-	13,250	19,565
Advertising	4,416	3,991	28,012	49,265
Contract labor	1,922	1,738	12,194	-
Depreciation	2,527	2,284	16,027	13,290
Direct services	-	-	91,301	1,159,786
Dues and subscriptions	601	543	3,812	9,620
Food stamps	-	-	36,508	1,245
Gift and telephone cards	-	-	3,526	3,446
Insurance	2,106	1,903	13,357	12,296
Meetings and seminars	5,155	4,657	32,695	21,419
Miscellaneous	1,190	1,076	7,549	3,838
Occupancy	6,801	6,147	43,140	23,922
Office	3,056	2,762	19,385	9,789
Outside services	-	-	182,637	-
Printing and postage	2,188	1,977	13,876	8,088
Professional fees	1,659	-	4,440	64,426
Program expenses	-	-	24,887	11,027
Repairs and maintenance	339	306	2,152	5,485
Shelter services	-	-	43,956	477
Telephone	2,727	2,465	17,300	12,979
Transportation	259	-	18,376	7,918
Travel	2,730	2,467	17,316	18,966
	<u>\$ 110,455</u>	<u>\$ 86,112</u>	<u>\$ 1,023,274</u>	<u>\$ 1,784,689</u>

See notes to financial statements.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (11,889)	\$ 67,487
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	16,027	13,290
Donated equipment	(6,500)	(10,500)
Net realized gain on investments	(156)	-
(Increase) decrease in operating assets:		
Grants receivable	3,553	(28,230)
Prepaid expenses	(11,499)	5,983
Deposits	(2,400)	(2,600)
Increase (decrease) in operating liabilities:		
Accounts payable	21,391	4,455
Accrued expenses	3,573	7,607
Refundable advance	(50,131)	50,131
	(38,031)	107,623
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property and equipment	(8,730)	(5,101)
Purchase of investments	(101,903)	-
	(110,633)	(5,101)
<b>NET INCREASE (DECREASE) IN CASH</b>	(148,664)	102,522
<b>CASH, BEGINNING OF YEAR</b>	188,242	85,720
<b>CASH, END OF YEAR</b>	\$ 39,578	\$ 188,242
<b>SUMMARY OF CASH ACCOUNTS</b>		
Cash	\$ 10,667	\$ 156,563
Cash, restricted	28,911	31,679
	\$ 39,578	\$ 188,242

See notes to financial statements.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006 AND 2005**

**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. 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 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 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 gently helped to make the transition to adulthood in self-sufficient, self-sustaining ways.

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.

**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, 2006 AND 2005**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2006 AND 2005**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization. Total contributed services recognized as revenue for the year ended June 30, 2006 is \$14,900.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances based on the amount of funds spent by the Organization within the guidelines of the grant contract. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. At June 30 2006, management determined the entire receivable balance to be fully collectible.

Reclassifications

Certain reclassifications have been made to the 2005 financial statements to conform to the 2006 presentation.

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, 2005, from which the summarized information was derived.

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2006 AND 2005**

NOTE 2. RELATED PARTY TRANSACTIONS

The Organization uses the services of a board member for public relations and media services. The amounts paid totaled \$53,035 and \$43,145 for the years ending June 30, 2006 and 2005, respectively.

NOTE 3. OPERATING LEASES

Currently, the Organization leases office space on a month-to-month basis. The Organization also leases four apartments for client use, all of which were prepaid through their expirations. As a result, there are no future minimum payments required under these operating leases.

NOTE 4. RESTRICTED NET ASSETS

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

	<u>2006</u>	<u>2005</u>
Capital campaign to build new center	\$ 8,200	\$ 8,200
Drop-In center	-	3,479
Purchase of new van	20,000	20,000
Strategic planning	<u>711</u>	<u>-</u>
	<u>\$ 28,911</u>	<u>\$ 31,679</u>

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2006</u>	<u>2005</u>
Machinery and equipment	\$ 64,646	\$ 55,916
Vehicles	<u>16,500</u>	<u>10,000</u>
	81,146	65,916
Less accumulated depreciation	<u>(50,658)</u>	<u>(34,631)</u>
	<u>\$ 30,488</u>	<u>\$ 31,285</u>

**NEVADA PARTNERSHIP FOR HOMELESS YOUTH**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2006 AND 2005**

NOTE 6. 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. There was no uninsured balance at June 30, 2006.

NOTE 7. INVESTMENTS

Investments at June 30, 2006 consist of the following:

	<u>2006</u>
Pooled investments	\$ <u>102,059</u>
	\$ <u>102,059</u>

Pooled investments include funds transferred to Nevada Community Foundation (a nonprofit organization) for investments in a pooled account. Nevada Community Foundation is to distribute the funds to the Organization upon request. Nevada Community Foundation had no variance power over the funds.

The Nevada Community Foundation has established a policy for the investments of monies transferred to them by other organizations. The funds that are transferred to the Nevada Community Foundation are professionally managed by money managers. These managers are selected by the investment committee at the Foundation. Related gains and losses on investments are reported as increases or decreases in unrestricted net assets. The investment return for the year was \$162, offset by \$6 in investment fees.

NOTE 8. CREDIT CARD

The Organization has a credit card through Bank of America with a \$25,000 credit limit. The interest rate is 0% and there are no annual fees. There was no balance on the credit card at June 30, 2006.