

PARTNERS FOR YOUTH WITH DISABILITIES, INC.

Financial Statements
June 30, 2011
(With Comparative Totals for 2010)



SANDBERG & CREEDEN, P.C.

Certified Public Accountants

331 Page Street

Stoughton, MA 02072

PARTNERS FOR YOUTH WITH DISABILITIES, INC.

FINANCIAL STATEMENTS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

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331 Page Street • Stoughton, MA 02072

Telephone: (781) 344-0850

Fax: (781) 344-6960

www.sandbergandcreeden.com

To the Board of Directors of
Partners for Youth with Disabilities, Inc.
Boston, Massachusetts

Independent Auditors' Report on the Financial Statements

We have audited the accompanying statement of financial position of Partners for Youth with Disabilities, Inc. as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Partners for Youth with Disabilities, Inc.'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Partners for Youth with Disabilities, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2011, on our consideration of Partners for Youth with Disabilities, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Sandberg & Creeden P.C.

SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 9, 2011

PARTNERS FOR YOUTH WITH DISABILITIES, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

ASSETS

	<u>2011</u>	<u>2010</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 433,758	\$ 371,907
Contracts receivable	72,273	73,501
Pledges receivable	37,000	
Prepaid expenses	<u>11,028</u>	<u>12,391</u>
Total current assets	554,059	457,799
<u>Fixed Assets</u>		
Furniture and equipment	13,317	13,570
Less: accumulated depreciation	<u>(10,592)</u>	<u>10,974</u>
Total property and equipment	<u>2,725</u>	<u>2,596</u>
<u>Other Assets</u>		
Long term pledges receivable – (net discount of \$762)	<u>32,237</u>	
Total other assets	<u>32,237</u>	
<u>Total Assets</u>	<u>\$ 589,021</u>	<u>\$ 460,395</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accrued expenses	\$ 12,897	\$ 12,569
Accrued vacation compensation	<u>20,830</u>	<u>25,034</u>
Total current liabilities	33,727	37,603
<u>Net Assets</u>		
Unrestricted	428,706	361,247
Temporarily restricted	<u>126,588</u>	<u>61,545</u>
Total net assets	<u>555,294</u>	<u>422,792</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 589,021</u>	<u>\$ 460,395</u>

See accompanying notes. See Independent Auditors' Report on the Financial Statements.



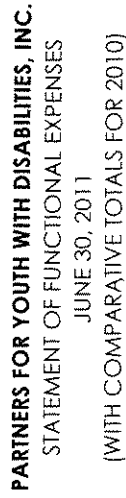
PARTNERS FOR YOUTH WITH DISABILITIES, INC.

STATEMENT OF ACTIVITIES
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	2011			2010
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
<u>Support and Revenue</u>				
Grants and contributions	\$ 188,571	\$ 308,738	\$ 497,309	\$ 414,966
In kind contributions	11,342		11,342	32,829
Special events	116,575	3,850	120,425	104,980
Released from restrictions	247,545	(247,545)		
Service fees	331,107		331,107	292,793
Interest and dividends	160		160	317
Other income	<u>1,035</u>		<u>1,035</u>	<u>28</u>
Total support and revenue	896,335	65,043	961,378	845,913
<u>Expenses</u>				
Program services	583,370		583,370	615,003
General and administrative	141,249		141,249	143,374
Fundraising	<u>104,257</u>		<u>104,257</u>	<u>131,361</u>
Total expenses	<u>828,876</u>		<u>828,876</u>	<u>889,737</u>
<u>Change in Net Assets</u>	67,459	65,043	132,502	(43,824)
<u>Net Assets - Beginning of Year</u>	<u>361,247</u>	<u>61,545</u>	<u>422,792</u>	<u>466,616</u>
<u>Net Assets - End of Year</u>	<u>\$ 428,706</u>	<u>\$ 126,588</u>	<u>\$ 555,294</u>	<u>\$ 422,792</u>

See accompanying notes. See Independent Auditors' Report on the Financial Statements.





See accompanying notes. See Independent Auditors' Report on the Financial Statements.

PARTNERS FOR YOUTH WITH DISABILITIES, INC.

STATEMENTS OF CASH FLOWS
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	<u>2011</u>	<u>2010</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 132,502	\$ (43,824)
Adjustment to reconcile increase to net cash provided by operating activities:		
Depreciation	1,272	915
(Increase) decrease in:		
Contracts receivable	1,228	(42,333)
Pledges receivable	(69,237)	103,500
Other receivables		150
Prepaid expenses	1,363	6,334
Increase (decrease) in:		
Accrued expenses	328	(4,388)
Accrued vacation compensation	<u>(4,204)</u>	<u>(993)</u>
<u>Net Cash Provided by Operating Activities</u>	<u>63,252</u>	<u>19,361</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of equipment	<u>(1,401)</u>	<u>(3,115)</u>
<u>Net Cash (Used) by Investing Activities</u>	<u>(1,401)</u>	<u>(3,115)</u>
<u>Increase in Cash and Cash Equivalents</u>	61,851	16,246
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>371,907</u>	<u>355,661</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 433,758</u>	<u>\$ 371,907</u>
<u>SUPPLEMENTAL INFORMATION:</u>		
Interest paid	\$ <u>0</u>	\$ <u>0</u>
Disposal of fully depreciated fixed assets	\$ <u>1,655</u>	\$ <u>3,805</u>

See accompanying notes. See Independent Auditors' Report on the Financial Statements.



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

Note 1. Organization

Partners for Youth with Disabilities, Inc. was organized in the Commonwealth of Massachusetts as a not-for-profit corporation in 1985.

Since its founding in 1983, Partners for Youth with Disabilities (PYD) Inc., has been a pioneer in the development and delivery of a unique mentoring service and has established innovative and effective programs serving youth with disabilities ages 6-24 in Massachusetts. In addition, the agency trains adults with and without disabilities that serve as mentors for youth, and parents of children with disabilities who need support and guidance. During FY11, the agency served over 400 individuals. Not only has PYD provided hundreds of mentors/partners for youth and young adults in over two decades of its existence through its **Mentor Match Program**, but PYD has also found creative ways to provide mentoring opportunities through new programs which address health, independence, social skills, and career development.

Current programs include:

Mentoring Division:

Mentor Match Program – This core program of the agency matches youth with disabilities with caring adults that serve as role models and mentors for the youth guiding them to achieve their personal, independent living and career goals.

National Center for Mentoring for Youth with Disabilities – This national center provides training and technical assistance to individuals and organizations interest in developing mentoring programs inclusive of youth with disabilities. The National Center conducts training and seminars and disseminates information and resources to interested parties throughout the nation.

Youth in Preparation for Independence Division:

Making Healthy Connections Program – This health promotion peer mentoring program brings together young adults with disabilities who are interested in learning how to lead active, healthy lifestyles. The goal of the program is to assist youth in transitioning to adulthood. In addition to 2 youth groups that meet in Boston and Springfield, the program offers support groups for parents.

Peer Leadership Program – This program prepares young adults with disabilities to become leaders in their communities through participating in after-school community service opportunities. Young leaders develop leadership and job readiness skills while at the same time learning the value of community service.



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2011

(Continued)

Note 1. Organization (Continued)

Education and Training Division:

Young Entrepreneurs Project – This program teaches youth with disabilities to plan for their financial future by offering training workshops to teach entrepreneurial and business skills to youth. Mentors from the business community work with youth to assist them in preparing business plans and in working on career and educational goals.

Access to Theatre Program – This is an inclusive theatre arts program that engages youth with and without disabilities in after-school and summer theatre arts activities. The program features original theatre productions created by the youth and performed at various community locations.

All of these PYD programs were developed with the understanding that youth with disabilities face many obstacles in their efforts to live independent productive lives, and that one of the greatest obstacles is a profound sense of powerlessness over the most basic circumstances of daily life. Consequently, all PYD programs are grounded in the philosophy of empowerment; programs are designed to provide opportunities for youth to gain control of their lives and to acquire the information, resources, and skills for life-long growth and full participation in their communities.

Note 2. Summary of Significant Accounting Policies

a. Standards of Accounting and Reporting

The Organization follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for 'Not-for-Profit Organizations'.

b. Financial Statement Presentation

Financial statement presentation follows the requirements 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. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. No permanently restricted assets were received or held during 2011 and 2010 and accordingly, these financials do not reflect any activity related to this class of net assets for 2011 and 2010.

c. Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a time or purpose restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

d. Fixed Assets

These assets are recorded at cost, when purchased or if donated, at their estimated fair market value at date of donation. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs and betterments that materially prolong the useful lives of assets are capitalized.

e. Depreciation

Provisions for depreciation are made in the accounts using the straight-line method over the estimated useful life of the asset. Furniture and equipment is being depreciated over 3 to 5 years.

f. Allocation of Expenses

Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the Organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

g. Use of Estimates

The presentation 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 the reported amounts of assets and liabilities and disclosures 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.

h. Cash and Cash Equivalents

For purposes of the statement of cash flows, Partners for Youth with Disabilities, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

i. Summarized Comparative Financial Statements

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

j. Service Fees

Financial awards from federal, state and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

k. Promises To Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

l. Donated Goods and 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. At June 30, 2011, in kind contributions were recorded as follows:

Donated material	\$ 3,842
Graphic design	2,500
Event support services	5,000
	<u>\$ 11,342</u>

Note 3. Tax Status

Partners for Youth with Disabilities, Inc. is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1).



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(Continued)

Note 3. Tax Status (Continued)

Unrelated business income, of which the Organization had none for the year ending June 30, 2011, would be subject to Federal and State taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Note 4. Concentration of Credit Risk

The Organization maintains cash and cash equivalents in various local financial institutions. Cash accounts at banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At June 30, 2011 the Organization's cash balances were fully insured.

Mutual funds are held at a local brokerage where balances are uninsured. The total balance in the mutual fund accounts at June 30, 2011 was \$116,791. The accounts are monitored on a regular basis by the Board of Directors.

Credit risk with respect to contracts and pledged receivable is considered low because a substantial portion of the receivables are from governmental sources and a well established foundation.

Note 5. Temporarily Restricted Net Assets

Temporarily restricted net assets consists of grants which are restricted for specific use or time by the donor as follows:

Time	\$ 90,338
Access to Theater program	1,000
Making Healthy Connections	25,000
Summer Intern	1,500
Technology Project	2,500
Young Entrepreneurs	6,250
	<u>\$ 126,588</u>

During the year ended June 30, 2011, net assets were released from donor restriction by incurring costs satisfying donor stipulations associated with the following programs:

Mentor Matching program	\$ 80,500
Young Entrepreneur program	19,545
Making Healthy Connections	14,500
Access to Theater program	70,500
Time	62,500
Total Temporarily Restricted Net Assets	<u>\$ 247,545</u>



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(Continued)

Note 6. Pledges Receivable

Pledges receivable are due to be collected as follows:

2012	<u>\$ 69,237</u>
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Note 7. Leases

The Organization leases office space under a seven-year lease expiring December 31, 2012. The lease requires monthly payments of \$3,277. Occupancy expense for the years ended June 30, 2011 and 2010, totaled \$55,036 and \$56,731 respectively, which includes parking and additional space rented for trainings. Future minimum lease payments for the years ended June 30 are as follows:

2012	\$ 39,325
2013	19,662

The Organization has a secured operating lease for a copier requiring monthly payments of \$209, expiring August 15, 2013.

Future minimum lease payments are as follows:

2012	\$ 2,510
2013	2,510
2014	418

Equipment rental totaled \$3,132 and \$5,156 for the years ended June 30, 2011 and 2010, respectively.

Note 8. Line of Credit

The Organization has a \$125,000 line of credit, with interest payable at 3.25% secured by all assets. Payments are due on demand. The outstanding balance at June 30, 2011 was \$0.

Note 9. Subsequent Event

The Organization has evaluated events through November 2, 2011, the date the financial statements were available to be issued.



331 Page Street • Stoughton, MA 02072

Telephone: (781) 344-0850

Fax: (781) 344-6960

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To the Board of Directors
Partners for Youth with Disabilities, Inc.
Boston, Massachusetts

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

We have audited the financial statements of Partners for Youth with Disabilities, Inc. (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Partners for Youth with Disabilities, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Partners for Youth with Disabilities, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Partners for Youth with Disabilities, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, the Board of Directors, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 9, 2011