

FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REPORT

PARTNERSHIP FOR CHILDREN
(A Non-Profit Organization)

June 30, 2010 and 2009

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GALUSHA, HIGGINS & GALUSHA, PC
101 E. FRONT STREET #301
MISSOULA, MT 59802

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PARTNERSHIP FOR CHILDREN
PO BOX 8134
MISSOULA, MT 59807-8134

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Galusha, Higgins & Galusha, PC
101 E. Front Street #301
Missoula MT 59802
406-728-1800

November 9, 2010

Partnership For Children
Po Box 8134
Missoula, MT 59807-8134

Dear Dann:

Enclosed is the organization's 2009 Exempt Organization return.

Specific filing instructions are as follows.

FORM 990 RETURN:

This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-EO to our office. We will transmit the return electronically to the IRS and no further action is required.

A copy of the return is enclosed for your files. We suggest that you retain this copy indefinitely.

Sincerely,

Michael A. Fuchs, CPA

Filing Instructions

Prepared for:

PARTNERSHIP FOR CHILDREN
PO BOX 8134
MISSOULA, MT 59807-8134

Prepared by:

Galusha, Higgins & Galusha, PC
101 E. Front Street #301
Missoula, MT 59802

2009 FORM 990

Electronic Filing:

This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-EO to our office. We will transmit the return electronically to the IRS and no further action is required.

Return of Organization Exempt From Income Tax
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

2009

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2009 calendar year, or tax year beginning JUL 1, 2009 and ending JUN 30, 2010

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization PARTNERSHIP FOR CHILDREN Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite PO BOX 8134 City or town, state or country, and ZIP + 4 MISSOULA, MT 59807-8134	D Employer identification number 81-0526281	E Telephone number 406-721-2704	G Gross receipts \$ 1,564,362.
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		F Name and address of principal officer: GEOFF BIRNBAUM SAME AS C ABOVE		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶	
J Website: ▶ N/A		K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1999 M State of legal domicile: MT	

Part I Summary

1	Briefly describe the organization's mission or most significant activities: TREATMENT FOR CHILDREN WITH ATTACHMENT DISORDERS.		
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
3	Number of voting members of the governing body (Part VI, line 1a)	3	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
5	Total number of employees (Part V, line 2a)	5	55
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
9	Program service revenue (Part VIII, line 2g)	26,569.	39,533.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,663,954.	1,508,499.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	18,751.	16,330.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,709,274.	1,564,362.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
14	Benefits paid to or for members (Part IX, column (A), line 4)		
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	994,998.	1,033,441.
16a	Professional fundraising fees (Part IX, column (A), line 11e)		
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 1,971.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	515,864.	488,282.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,510,862.	1,521,723.
19	Revenue less expenses. Subtract line 18 from line 12	198,412.	42,639.
20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
21	Total liabilities (Part X, line 26)	1,597,114.	1,656,172.
22	Net assets or fund balances. Subtract line 21 from line 20	234,731.	246,072.
		1,362,383.	1,410,100.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer _____ GEOFF BIRNBAUM, EXECUTIVE DIRECTOR Type or print name and title	Date		
Paid Preparer's Use Only	Preparer's signature ▶ MICHAEL A. FUCHS, CPA Firm's name (or yours if self-employed), address, and ZIP + 4 GALUSHA, HIGGINS & GALUSHA, PC 101 E. FRONT STREET #301 MISSOULA, MT 59802	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) EIN ▶ Phone no. ▶ 406-728-1800

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
TREATMENT FOR CHILDREN WITH ATTACHMENT DISORDERS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 932,761. including grants of \$) (Revenue \$ 1,049,059.)
PARTNERSHIP FOR CHILDREN PROVIDES GROUP CARE TO MISSOULA-AREA CHILDREN WHO ARE UNABLE TO ATTACH TO ADULT CAREGIVERS DUE TO EARLY ABUSE OR NEGLECT.

4b (Code:) (Expenses \$ 409,017. including grants of \$) (Revenue \$ 459,440.)
PARTNERSHIP FOR CHILDREN PROVIDES FOSTER CARE TO MISSOULA-AREA CHILDREN WHO ARE UNABLE TO ATTACH TO ADULT CAREGIVERS DUE TO EARLY ABUSE OR NEGLECT.

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 1,341,778.

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>		X
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	Yes No X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	1a 9		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
	1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a 55		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	6b		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
	7f		
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
	7h		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	8		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
	9b		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?		X
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **DANN SWALLOW - 406-721-2704**
PO BOX 8134, MISSOULA, MT 59807-8134

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
MATT GIBSON PRESIDENT	1.00	X		X				0.	0.	0.
MEGHAN LEE VICE PRESIDENT	1.00	X		X				0.	0.	0.
KRISTA PYRON DIRECTOR	1.00	X						0.	0.	0.
JANET CRANDALL DIRECTOR	1.00	X						0.	0.	0.
LOREE WEST DIRECTOR	1.00	X						0.	0.	0.
HARRIET CROWLEY DIRECTOR	1.00	X						0.	0.	0.
DAN SEMMENS DIRECTOR	1.00	X						0.	0.	0.
JIM FITZGERALD MANAGING EXECUTIVE DIREC	40.00			X				0.	0.	0.
GEOFF BIRNBAUM EXECUTIVE DIRECTOR	40.00			X				0.	0.	0.
BARBARA COWAN DIRECTOR OF OPERATIONS	40.00			X				61,897.	0.	0.

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a	39,533.				
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f			39,533.			
Program Service Revenue	2 a PROGRAM SERVICE REVENUE	Business Code	624100	1,508,499.	1,508,499.		
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			1,508,499.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			16,330.			16,330.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross Rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
		d Net gain or (loss)					
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		b Less: direct expenses	b				
		c Net income or (loss) from fundraising events					
	9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a							
	b						
	c						
	d All other revenue						
e Total. Add lines 11a-11d							
12 Total revenue. See instructions.			1,564,362.	1,508,499.	0.	16,330.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	61,897.	61,897.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	754,781.	754,781.		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	19,359.	19,359.		
9 Other employee benefits	77,653.	77,653.		
10 Payroll taxes	119,751.	119,751.		
11 Fees for services (non-employees):				
a Management	165,443.		165,443.	
b Legal				
c Accounting	3,501.		3,501.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion	2,726.	2,726.		
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	5,664.	5,664.		
17 Travel	30,978.	30,978.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	8,029.	8,029.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	37,771.	37,771.		
23 Insurance	29,694.	29,694.		
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a PURCHASED SERVICES	63,580.	63,580.		
b EQUIPMENT RENTAL/ MAINT	25,500.	25,500.		
c FOOD	20,648.	20,648.		
d STAFF DEVELOPMENT	15,779.	15,779.		
e UTILITIES	14,334.	14,334.		
f All other expenses	64,635.	53,634.	9,030.	1,971.
25 Total functional expenses. Add lines 1 through 24f	1,521,723.	1,341,778.	177,974.	1,971.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation ...				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	257,002.	1	271,172.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	141,951.	4	142,779.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	5,616.	9	5,578.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 1,039,031.		
	b Less: accumulated depreciation	10b 374,305.	702,497.	10c 664,726.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	490,048.	12	571,917.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)		1,597,114.	16	1,656,172.
Liabilities	17 Accounts payable and accrued expenses	115,570.	17	135,727.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	119,161.	23	110,345.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25		234,731.	26
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,362,383.	27	1,410,100.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	1,362,383.	33	1,410,100.	
34 Total liabilities and net assets/fund balances	1,597,114.	34	1,656,172.	

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
- b** Were the organization's financial statements audited by an independent accountant?
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
- If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a	X	
2b		X
2c	X	
3a		X
3b		

Form **990** (2009)

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	35,092.	33,718.	34,611.	26,569.	39,533.	169,523.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	35,092.	33,718.	34,611.	26,569.	39,533.	169,523.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						169,523.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	35,092.	33,718.	34,611.	26,569.	39,533.	169,523.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	13,968.	18,154.	19,022.	18,751.	16,330.	86,225.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						255,748.
12 Gross receipts from related activities, etc. (see instructions)					12	7,321,296.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	66.29 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	70.39 %
16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input checked="" type="checkbox"/>	
b 33 1/3% support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>	

Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

2009

Name of the organization

PARTNERSHIP FOR CHILDREN

Employer identification number

81-0526281

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Schedule D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2009

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization

PARTNERSHIP FOR CHILDREN

Employer identification number

81-0526281

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and two Yes/No questions regarding donor advisement.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Form for Part II Conservation Easements. Includes checkboxes for purposes of easements, a table for 'Held at the End of the Tax Year' with rows 2a-2d, and several Yes/No questions regarding monitoring and reporting.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions 1a, 1b, and 2, each with sub-questions (i) and (ii) regarding revenues and assets, and dollar amount fields.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Term endowment _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	77,950.			77,950.
b Buildings	852,856.		270,638.	582,218.
c Leasehold improvements				
d Equipment	108,225.		103,667.	4,558.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				664,726.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV.)	8
9	Total adjustments (net). Add lines 4 through 8	9
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a	Net unrealized gains on investments	2a
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV.)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV.)	4b
c	Add lines 4a and 4b	4c
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:	
a	Donated services and use of facilities	2a
b	Prior year adjustments	2b
c	Other losses	2c
d	Other (Describe in Part XIV.)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV.)	4b
c	Add lines 4a and 4b	4c
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

PARTNERSHIP FOR CHILDREN

Employer identification number

81-0526281

FORM 990, PART VI, SECTION B, LINE 11: THE 990 IS REVIEWED BY THE BOARD OF DIRECTORS PRIOR TO ITS FILING.

FORM 990, PART VI, SECTION B, LINE 12C: OFFICERS, DIRECTORS AND KEY EMPLOYEES ARE REQUIRED TO SUBMIT A CONFLICT OF INTEREST REPORT. THESE REPORTS ARE PERIODICALLY REVIEWED.

FORM 990, PART VI, SECTION B, LINE 15: THE HIRING COMMITTEE (WHICH IS MADE UP OF OFFICERS, DIRECTORS, EMPLOYEES AND OTHER OUTSIDE INDIVIDUALS) HIRES NEW EMPLOYEES AND DETERMINES SALARIES BASED ON MARKET DATA AND COMPARABLE WAGES IN THE COMMUNITY.

FORM 990, PART VI, SECTION C, LINE 19: PARTNERSHIP FOR CHILDREN MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE UPON REQUEST.

FORM 990, PART XI, LINE 2C ORGANIZATION OVERSIGHT OVER REVIEWED FINANCIAL STATEMENTS THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

Related Organizations and Unrelated Partnerships

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

2009
Open to Public
Inspection

Name of the organization **PARTNERSHIP FOR CHILDREN** **Employer identification number**
81-0526281

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
YOUTH HOMES - 81-0331313 550 CALIFORNIA STREET MISSOULA, MT 59802	GROUP YOUTH HOMES AND FOSTER CARE	MONTANA	501(C)(3)	170(B)(1)(A)(V)	
INTER-MOUNTAIN DEACONESS HOME FOR CHILDREN - 81-0231775, 500 S. LAMBORN, HELENA, MT 59601	CHILD AND FAMILY SERVICES	MONTANA	501(C)(3)	170(B)(1)(A)(V)	

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to other organization(s)		X
c Gift, grant, or capital contribution from other organization(s)		X
d Loans or loan guarantees to or for other organization(s)		X
e Loans or loan guarantees by other organization(s)		X
f Sale of assets to other organization(s)		X
g Purchase of assets from other organization(s)		X
h Exchange of assets		X
i Lease of facilities, equipment, or other assets to other organization(s)		X
j Lease of facilities, equipment, or other assets from other organization(s)		X
k Performance of services or membership or fundraising solicitations for other organization(s)		X
l Performance of services or membership or fundraising solicitations by other organization(s)	X	
m Sharing of facilities, equipment, mailing lists, or other assets		X
n Sharing of paid employees		X
o Reimbursement paid to other organization for expenses	X	
p Reimbursement paid by other organization for expenses		X
q Other transfer of cash or property to other organization(s)		X
r Other transfer of cash or property from other organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization(s)	(b) Transaction type (a-r)	(c) Amount involved
(1) YOUTH HOMES	L	165,443.
(2) YOUTH HOMES	O	76,856.
(3)		
(4)		
(5)		
(6)		

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Type or print	Name of Exempt Organization PARTNERSHIP FOR CHILDREN	Employer identification number 81-0526281
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 8134	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. MISSOULA, MT 59807-8134	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

DANN SWALLOW

- The books are in the care of ▶ **PO BOX 8134 - MISSOULA, MT 59807-8134**
 Telephone No. ▶ **406-721-2704** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until **FEBRUARY 15, 2011**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2009**, and ending **JUN 30, 2010**.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

**IRS e-file Signature Authorization
for an Exempt Organization**

For calendar year 2009, or fiscal year beginning JUL 1, 2009, and ending JUN 30, 2010

2009

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**
▶ **See instructions.**

Name of exempt organization

Employer identification number

PARTNERSHIP FOR CHILDREN

81-0526281

Name and title of officer

**GEOFF BIRNBAUM
EXECUTIVE DIRECTOR**

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b <u>1564362</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2009 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize GALUSHA, HIGGINS & GALUSHA, PC to enter my PIN 26281
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 81023247348
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2009 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So**

PARTNERSHIP FOR CHILDREN

June 30, 2010 and 2009

(See Independent Accountant's Report)

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Certified Public Accountants and Advisors

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INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors
Partnership for Children
Missoula, Montana

We have reviewed the accompanying statements of financial position of Partnership for Children, (a non-profit organization) as of June 30, 2010 and 2009, and the related statements of activities, cash flows, and functional expenses for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Partnership for Children.

A review consists principally of inquiries of the organization's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Galusha Higgins & Galusha, PC

Missoula, Montana
October 28, 2010

PARTNERSHIP FOR CHILDREN
STATEMENTS OF FINANCIAL POSITION
for the years ended June 30
(See Independent Accountant's Report)

ASSETS		<u>2010</u>	<u>2009</u>
CURRENT ASSETS			
Cash		\$ 271,172	\$ 257,002
Investments		571,917	490,048
Fees receivable (net of allowance of \$0 in 2010 and \$3,686 in 2009)		142,779	141,951
Other assets		<u>5,578</u>	<u>5,616</u>
Total current assets		<u>991,446</u>	<u>894,617</u>
PROPERTY AND EQUIPMENT			
Land, building and equipment		1,039,031	1,039,031
Accumulated depreciation		<u>(374,305)</u>	<u>(336,534)</u>
Net property, plant and equipment		<u>664,726</u>	<u>702,497</u>
		<u>\$ 1,656,172</u>	<u>\$ 1,597,114</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable		\$ 12,240	\$ 7,689
YH payable		20,727	23,871
Accrued expenses and other liabilities		77,115	70,321
Pension plan payable		25,645	13,692
Current portion long-term debt		<u>7,638</u>	<u>8,815</u>
Total current liabilities		<u>143,365</u>	<u>124,388</u>
LONG-TERM DEBT, Less current portion		<u>102,707</u>	<u>110,346</u>
Total liabilities		<u>246,072</u>	<u>234,734</u>
NET ASSETS			
Unrestricted		<u>1,410,100</u>	<u>1,362,380</u>
		<u>\$ 1,656,172</u>	<u>\$ 1,597,114</u>

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR CHILDREN
STATEMENT OF ACTIVITIES
for the year ended June 30, 2010
(See Independent Accountant's Report)

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
<u>Public support</u>			
Contributions - cash	\$ 39,533	\$ -	\$ 39,533
<u>Revenue</u>			
State contracted fees	1,494,665	-	1,494,665
USDA school lunch program	13,834	-	13,834
Interest and dividend income	16,330	-	16,330
Realized/unrealized gain (loss) on investments	5,078	-	5,078
Total revenue	1,529,907	-	1,529,907
Total public support and revenue	1,569,440	-	1,569,440
EXPENSES			
<u>Program services</u>			
Foster care program	467,445	-	467,445
Group care program	1,054,275	-	1,054,275
Total program services	1,521,720	-	1,521,720
CHANGE IN NET ASSETS	47,720	-	47,720
NET ASSETS - Beginning of year	1,362,380	-	1,362,380
NET ASSETS - End of year	\$ 1,410,100	\$ -	\$ 1,410,100

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR CHILDREN
STATEMENT OF ACTIVITIES
for the year ended June 30, 2009
(See Independent Accountant's Report)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
<u>Public support</u>			
Contributions - cash	\$ 26,569	\$ -	\$ 26,569
<u>Revenue</u>			
State contracted fees	1,651,272	-	1,651,272
Other agencies	600	-	600
USDA school lunch program	12,082	-	12,082
Interest and dividend income	18,031	-	18,031
Realized/unrealized gain (loss) on investments	<u>(77,447)</u>	<u>-</u>	<u>(77,447)</u>
Total revenue	<u>1,604,538</u>	<u>-</u>	<u>1,604,538</u>
Total public support and revenue	<u>1,631,107</u>	<u>-</u>	<u>1,631,107</u>
EXPENSES			
<u>Program services</u>			
Foster care program	502,470	-	502,470
Group care program	<u>1,008,392</u>	<u>-</u>	<u>1,008,392</u>
Total program services	<u>1,510,862</u>	<u>-</u>	<u>1,510,862</u>
CHANGE IN NET ASSETS	120,245	-	120,245
NET ASSETS - Beginning of year	<u>1,242,135</u>	<u>-</u>	<u>1,242,135</u>
NET ASSETS - End of year	<u><u>\$ 1,362,380</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,362,380</u></u>

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR CHILDREN
STATEMENTS OF CASH FLOWS
for the years ended June 30
(See Independent Accountant's Report)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 47,720	\$ 120,245
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	37,771	40,134
Increase (decrease) bad debt provision	(3,686)	3,686
Net unrealized (gain) loss on investments	(5,078)	77,447
(Increase) decrease in		
Receivables	2,858	(16,385)
Other assets	38	409
Increase (decrease) in		
Payables	13,360	2,421
Accruals and other liabilities	6,794	8,057
Net cash from operating activities	<u>99,777</u>	<u>236,014</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(11,959)
Maturities (purchases) of investments	(410,727)	(327,841)
Sales of investments	333,936	109,359
Net cash from investing activities	<u>(76,791)</u>	<u>(230,441)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	<u>(8,816)</u>	<u>(9,867)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,170	(4,294)
 CASH AND CASH EQUIVALENTS - Beginning of year	<u>257,002</u>	<u>261,296</u>
 CASH AND CASH EQUIVALENTS - End of year	<u>\$ 271,172</u>	<u>\$ 257,002</u>
 INTEREST PAID DURING THE YEAR	 <u>\$ 7,698</u>	 <u>\$ 9,268</u>

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR CHILDREN
STATEMENT OF FUNCTIONAL EXPENSES
for the year ended June 30, 2010
(See Independent Accountant's Report)

	Foster Care	Group Care	Total Expenses
Accounting services	\$ 1,751	\$ 1,750	\$ 3,501
Advertising	1,536	1,190	2,726
Bad debt expense	387	581	968
Bank charges and interest	11,098	1,597	12,695
Benefits and payroll taxes	56,351	162,215	218,566
Child related expenses	867	13,173	14,040
Combined insurance	9,605	20,089	29,694
Direct management costs	49,270	116,173	165,443
Dues	1,698	1,698	3,396
Equipment expenses	3,697	21,803	25,500
Food	-	20,648	20,648
Fundraising	656	1,312	1,968
Miscellaneous	7,682	5,279	12,961
Office supplies	3,842	1,038	4,880
Postage, printing and publications	2,005	528	2,533
Purchased services	42,324	21,256	63,580
Rent	5,664	-	5,664
Salary and wages	222,333	592,542	814,875
Staff development	4,827	10,952	15,779
Supplies	-	5,304	5,304
Taxes	-	148	148
Telephone	8,750	5,018	13,768
Transportation and per diem	23,030	7,948	30,978
Utilities	-	14,334	14,334
	<u>457,373</u>	<u>1,026,576</u>	<u>1,483,949</u>
Total expenses before depreciation			
Depreciation	<u>10,072</u>	<u>27,699</u>	<u>37,771</u>
Total expenses	<u>\$ 467,445</u>	<u>\$ 1,054,275</u>	<u>\$ 1,521,720</u>

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR CHILDREN
STATEMENT OF FUNCTIONAL EXPENSES
for the year ended June 30, 2009
(See Independent Accountant's Report)

	Foster Care	Group Care	Total Expenses
Accounting services	\$ 1,350	\$ 1,350	\$ 2,700
Advertising	449	-	449
Bad debt expense	1,904	2,857	4,761
Bank charges and interest	9,042	226	9,268
Benefits and payroll taxes	50,817	145,367	196,184
Child related expenses	1,502	12,896	14,398
Combined insurance	9,646	20,526	30,172
Direct management costs	51,916	111,471	163,387
Dues	1,675	1,674	3,349
Equipment expenses	8,355	14,232	22,587
Food	-	20,861	20,861
Miscellaneous	4,111	1,926	6,037
Office supplies	4,630	1,554	6,184
Postage, printing and publications	2,037	124	2,161
Purchased services	74,210	26,148	100,358
Rent	-	4,920	4,920
Salary and wages	232,093	566,721	798,814
Staff development	4,425	7,867	12,292
Supplies	-	7,689	7,689
Taxes	-	14	14
Telephone	6,063	5,066	11,129
Transportation and per diem	25,076	11,150	36,226
Utilities	-	16,788	16,788
	<u>489,301</u>	<u>981,427</u>	<u>1,470,728</u>
Total expenses before depreciation			
Depreciation	<u>13,169</u>	<u>26,965</u>	<u>40,134</u>
Total expenses	<u>\$ 502,470</u>	<u>\$ 1,008,392</u>	<u>\$ 1,510,862</u>

The accompanying notes are an integral part of these financial statements.

PARTNERSHIP FOR CHILDREN
NOTES TO FINANCIAL STATEMENTS

June 30, 2010 and 2009

(See Independent Accountant's Report)

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization. Intermountain of Helena and Youth Homes have established Partnership for Children (the Partnership). The Partnership brings services for Missoula area children who are unable to attach to adult caregivers due to early abuse or neglect.

The Partnership for Children provides an intense treatment option for seriously disturbed latent age children and in a neighborhood setting. The Rosemary Gallagher Children's Home and the Sherry Mahon Francetich Children's Home works with children ages 4-11, attempting to heal their pain, improve their social functioning and prepare them to return home or successfully transition into a foster-adoptive family.

The children we treat are those who have demonstrated an inability to attach appropriately to caregivers and are referred and placed by the State's Child Protection Program. Our purpose is to improve their emotional and social well-being so that they can succeed in a family. What has grown from the idea of merging treatment from Intermountain's campus with the Youth Homes knowledge of the Missoula community and its history of treating youngsters in the community is now a fully-matured organization effective in treating young children and moving them from pain to family.

Each day the Partnership serves 12 children in our 6-bed group homes and over 25 children and their families in a Therapeutic Family Care Program. Today, over one quarter of the children we serve are placed back home with birthparents, achieving attachment and safety, when the birth family is the best and most appropriate option.

Method of Accounting. The Partnership maintains its records on the accrual basis of accounting with revenues recorded when earned and expenses recorded when the obligation is incurred or the benefits are received.

Land, Buildings, Equipment and Depreciation. The Partnership capitalizes all expenditures for land, buildings, and equipment with a cost in excess of \$5,000, except donated fixed assets, which are stated at fair market value at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets ranging from 5 to 27.5 years.

Contributions. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated materials and equipment are reflected as contributions in the accompanying statement at their estimated values at date of receipt.

Continued

PARTNERSHIP FOR CHILDREN
NOTES TO FINANCIAL STATEMENTS

June 30, 2010 and 2009

(See Independent Accountant's Report)

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Income Tax Status. The Partnership is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision is made for income taxes.

The Partnership applies generally accepted principles for recognition of uncertainty in income taxes and prescribing a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken or expected to be taken in a tax return. In the course of its assessment, the Partnership has determined that it is subject to examination of its income tax filings in the United States and state jurisdictions for the 2006 through 2009 tax years. In the event that the Partnership is assessed penalties and or interest, penalties will be charged to miscellaneous expense and interest will be charged to interest expense.

Cash. For purposes of the statements of cash flows, the company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

The company maintains cash balances at several financial institutions. At times, balances may be in excess of the FDIC Insurance limit.

Advertising. Advertising costs are expensed as incurred. Advertising expense was \$2,726 and \$449 for the years ended June 30, 2010 and 2009, respectively.

Fees Receivable. Fees receivable represent amounts owing to the Partnership from foster and Medicaid service contacts. Fees receivable are predominantly for shelter contracts with the Montana State Department of Family Services and reimbursable services through Medicaid.

The Partnership aggressively pursues payment for the first 120 days and claims are re-billed if the reason for denial can be disputed. Currently, the Partnership allows for 100% of receivables over 120 days. The provision for bad debts on these accounts was \$0 and \$3,686 as of June 30, 2010 and 2009, respectively.

Investments. The Partnership adopted Statement of Financial Accounting Standards (ASC-958-320), "Accounting for Certain Investments Held by Not-for-Profit Organizations." The provisions of this standard require that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value on the balance sheet. The unrealized gain or loss on investments is reflected in the statement of activities.

Use of Estimates. The 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 and disclosures. Accordingly, actual results may differ from those estimates.

Financial Statement Presentation. The Partnership has adopted (ASC No. 958) "Financial Statements of Not-for-Profit Organizations." Under ASC No. 958, 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.

Continued

PARTNERSHIP FOR CHILDREN
NOTES TO FINANCIAL STATEMENTS

June 30, 2010 and 2009

(See Independent Accountant's Report)

NOTE B FAIR VALUE MEASUREMENTS

ASC No. 820-10-35 requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC No. 820-10-35 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC No. 820-10-35 prioritizes the inputs into three levels that may be used to measure fair value:

- Level 1: Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2: Applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3: Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Assets at Fair Value as of June 30, 2010				
	Level 1	Level 2	Level 3	Total
Securities	\$ 9,554	\$ -	\$ -	\$ 9,554
Bonds	10,766	-	-	10,766
Mutual Funds	550,813	-	-	550,813
Certificates of Deposit	784	-	-	784
Total assets at fair value	\$ 571,917	\$ -	\$ -	\$ 571,917

Assets at Fair Value as of June 30, 2009				
	Level 1	Level 2	Level 3	Total
Securities	\$ 11,434	\$ -	\$ -	\$ 11,434
Bonds	31,270	-	-	31,270
Mutual Funds	244,910	-	-	244,910
Certificates of Deposit	202,434	-	-	202,434
Total assets at fair value	\$ 490,048	\$ -	\$ -	\$ 490,048

PARTNERSHIP FOR CHILDREN
NOTES TO FINANCIAL STATEMENTS

June 30, 2010 and 2009

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NOTE C INVESTMENTS

The Partnership's investments are comprised of equity and debt securities, all of which are classified as trading securities and are carried at their fair value based on the quoted market prices of the securities at June 30, 2010, and June 30, 2009. Net realized and unrealized gains and losses on trading securities are included in changes in net assets. For purposes of determining realized gains and losses, the cost of securities sold is based on specific identification.

The composition of trading securities, classified as current assets, is as follows at June 30:

	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Securities	\$ 8,905	\$ 9,554	\$ 11,067	\$ 11,434
Bonds	10,174	10,766	30,493	31,270
Mutual Funds	575,526	550,813	294,920	244,910
Certificates of Deposit	<u>784</u>	<u>784</u>	<u>200,000</u>	<u>202,434</u>
Total investments	<u>\$ 595,389</u>	<u>\$ 571,917</u>	<u>\$ 536,480</u>	<u>\$ 490,048</u>

NOTE D LAND, BUILDING AND EQUIPMENT

The composition of fixed asset accounts at June 30 is as follows:

	<u>2010</u>	<u>2009</u>
Land	\$ 77,950	\$ 77,950
Buildings and improvements	852,856	852,856
Furniture and equipment	52,808	52,808
Vehicles	<u>55,417</u>	<u>55,417</u>
	<u>1,039,031</u>	<u>1,039,031</u>
Less accumulated depreciation	<u>(374,305)</u>	<u>(336,534)</u>
	<u>\$ 664,726</u>	<u>\$ 702,497</u>

NOTE E COMITMENTS AND CONTINGENCIES

The organization may be, from time to time, a party to various legal actions and administrative proceedings and subject to various claims arising in the ordinary course of business.

NOTE F RELATED PARTY

During the years ended June 30, 2010 and 2009, the Partnership paid \$165,443 and \$163,387 for direct management fees and \$76,856 and \$82,753 in expense reimbursements to Youth Homes, respectively. The Youth Homes payable balance at June 30, 2010 and 2009 was \$20,727 and \$23,871, respectively.

PARTNERSHIP FOR CHILDREN
NOTES TO FINANCIAL STATEMENTS

June 30, 2010 and 2009

(See Independent Accountant's Report)

NOTE G LONG-TERM DEBT

Terms and maturities on long-term debt are estimated as follows:

	<u>2010</u>	<u>2009</u>
Note payable due in monthly installments of \$1,260 through October 2020, at a rate of 7.0%; secured by investments.	\$ 110,345	\$117,467
Note payable due in monthly installments of \$287 through December 2009, at a rate of 6.5%; secured by vehicle. Paid in full during the year ended June 30, 2010.	-	1,694
	<u>110,345</u>	<u>119,161</u>
Less current portion	<u>(7,638)</u>	<u>(8,815)</u>
	\$ <u>102,707</u>	\$ <u>110,346</u>

Estimates of annual maturities on long-term debt are as follows:

2011	\$ 7,638
2012	8,190
2013	8,782
2014	9,417
2015	10,098
2016 and after	<u>66,220</u>
	\$ <u>110,345</u>

NOTE H EMPLOYEE BENEFITS

Partnership employees may participate in health insurance coverage, long-term disability coverage, tax sheltered annuity plan, simplified employee pension (SEP) plan, and flexible benefits programs.

Group health insurance and long-term disability insurance is provided and paid by the Organization to regular employees working over 30 hours per week after the first month of employment. Family health insurance coverage is provided by the employer for employees with over eight years of full-time employment.

A discretionary, profit sharing plan (SEP-IRA) is provided for employees in the third fiscal year of employment who meet minimum earnings levels in the prior fiscal year. The amount contributed by the Organization is determined annually as a percent of gross wages for the preceding year. For the years ended June 30, 2010 and 2009, the Organization contributed 3% of eligible gross wages in the amount of \$19,359 and \$11,516, respectively.

Employees are also eligible to make elective deferrals to a 403(b) Defined Contribution Retirement Plan and participate in the Partnership's Flexible Benefits Plan.

NOTE I SUBSEQUENT EVENTS

Management has evaluated all subsequent events to the balance sheet date of June 30, 2010 through the date of our report, October 28, 2010. Management has determined that there are no subsequent events that require recognition or disclosure in these financial statements.