

FINANCIAL STATEMENTS AND  
INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**PARTNERSHIP FOR CHILDREN**  
(A Non-Profit Organization)

*June 30, 2011 and 2010*

**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)

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

**A For the 2010 calendar year, or tax year beginning JUL 1, 2010 and ending JUN 30, 2011**

<b>B</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	<b>C Name of organization</b> <b>PARTNERSHIP FOR CHILDREN</b> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>PO BOX 8134</b> City or town, state or country, and ZIP + 4 <b>MISSOULA, MT 59807-8134</b> <b>F Name and address of principal officer: GEOFF BIRNBAUM</b> <b>SAME AS C ABOVE</b>	<b>D Employer identification number</b> <b>81-0526281</b> <b>E Telephone number</b> <b>406-721-2704</b> <b>G Gross receipts \$</b> <b>1,643,326.</b> <b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c) Group exemption number</b> ▶
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J Website:</b> ▶ <b>N/A</b>		
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L Year of formation:</b> <b>1999</b> <b>M State of legal domicile:</b> <b>MT</b>

**Part I Summary**

	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>TREATMENT FOR CHILDREN WITH ATTACHMENT DISORDERS.</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
<b>Activities &amp; Governance</b>	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) .....	<b>3</b>	<b>10</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) .....	<b>4</b>	<b>10</b>
	<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a) .....	<b>5</b>	<b>54</b>
	<b>6</b> Total number of volunteers (estimate if necessary) .....	<b>6</b>	<b>0</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 .....	<b>7a</b>	<b>0.</b>
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 .....	<b>7b</b>	<b>0.</b>
	<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) .....	<b>Prior Year</b> 39,533.
<b>9</b> Program service revenue (Part VIII, line 2g) .....		1,508,499.	1,576,909.
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) .....		16,330.	23,353.
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) .....		0.	0.
<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) .....		1,564,362.	1,643,326.
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) .....		0.	0.
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) .....		0.	0.
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) .....		1,033,441.	1,048,951.
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) .....		0.	0.
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>1,494.</b>			
<b>Expenses</b>	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) .....	488,282.	504,597.
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) .....	1,521,723.	1,553,548.
	<b>19</b> Revenue less expenses. Subtract line 18 from line 12 .....	42,639.	89,778.
	<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) .....	<b>Beginning of Current Year</b> 1,656,172.
<b>21</b> Total liabilities (Part X, line 26) .....		246,072.	227,562.
<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 .....		1,410,100.	1,596,837.

**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.

<b>Sign Here</b>	Signature of officer <b>GEOFF BIRNBAUM, EXECUTIVE DIRECTOR</b> Type or print name and title	Date			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>MICHAEL A FUCHS, CPA</b>	Preparer's signature <b>MICHAEL A FUCHS, CP</b>	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶ <b>GALUSHA, HIGGINS &amp; GALUSHA, PC</b>	Firm's EIN ▶		Phone no. <b>406-728-1800</b>	
	Firm's address ▶ <b>101 E. FRONT STREET #301</b> <b>MISSOULA, MT 59802</b>				

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

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 No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

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 \$ 948,947. including grants of \$ ) (Revenue \$ 1,085,297. ) 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 \$ 410,904. including grants of \$ ) (Revenue \$ 491,612. ) 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 1,359,851.

**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	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <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	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	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>	X	
b	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>	X	
c	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>		X
d	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>		X
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f	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 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a	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
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>		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, Parts I and IV</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, Parts II and IV</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, Parts III and IV</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
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> 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
<b>22</b> 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
<b>23</b> 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
<b>24a</b> 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>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a Section 501(c)(3) and 501(c)(4) organizations.</b> 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>b</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
<b>26</b> 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
<b>27</b> 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
<b>28</b> 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):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</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
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> 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
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> 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
<b>33</b> 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
<b>34</b> 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	
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>a</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>36 Section 501(c)(3) organizations.</b> 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
<b>37</b> 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
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Input box for Schedule O response

Main table with columns for question ID, question text, and Yes/No response columns. Includes rows 1a through 14b.

**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.

Check if Schedule O contains a response to any question in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b>	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
<b>3</b>	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
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Does the organization have members or stockholders?		X
<b>7a</b>	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
<b>7b</b>	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	The governing body?	X	
<b>8b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	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
<b>10a</b>	Does the organization have local chapters, branches, or affiliates?		X
<b>10b</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?		
<b>11a</b>	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b>	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
<b>13</b>	Does the organization have a written whistleblower policy?	X	
<b>14</b>	Does the organization have a written document retention and destruction policy?	X	
<b>15</b>	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?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>15b</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.)		
<b>16a</b>	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>16b</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**

Check if Schedule O contains a response to any question in this Part VII

**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.

- 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, if any. 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 neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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.
MEAGHAN LEE VICE PRESIDENT	1.00	X		X				0.	0.	0.
SARAH KRAGELUND DIRECTOR	1.00	X						0.	0.	0.
JANET CRANDALL DIRECTOR	1.00	X						0.	0.	0.
LOREE WEST SECRETARY/TREASURER	1.00	X		X				0.	0.	0.
HARRIET CROWLEY DIRECTOR	1.00	X						0.	0.	0.
DAN SEMMENS DIRECTOR	1.00	X						0.	0.	0.
KRAIG MICHELS DIRECTOR	1.00	X						0.	0.	0.
GYDA SWANEY DIRECTOR	1.00	X						0.	0.	0.
LOU BAHIN DIRECTOR	1.00	X						0.	0.	0.
JIM FITZGERALD MANAGING EXECUTIVE DIRECTO	40.00			X				0.	0.	0.
GEOFF BIRNBAUM EXECUTIVE DIRECTOR	40.00			X				0.	0.	0.
BARBARA COWAN DIRECTOR OF OPERATIONS	40.00			X				61,180.	0.	0.



**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
<b>1b Sub-total</b> .....								61,180.	0.	0.
<b>c Total from continuation sheets to Part VII, Section A</b> .....								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b> .....								61,180.	0.	0.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **0**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> .....		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> .....		X
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> .....		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. **NONE**

(A) Name and business address	(B) Description of services	(C) Compensation

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **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					
	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	43,064.				
	g	Noncash contributions included in lines 1a-1f: \$						
	h	<b>Total.</b> Add lines 1a-1f		43,064.				
	Program Service Revenue	2 a	<b>PROGRAM SERVICE REVENUE</b>	Business Code 624100	1,576,909.	1,576,909.		
b								
c								
d								
e								
f		All other program service revenue						
g		<b>Total.</b> Add lines 2a-2f		1,576,909.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		23,353.			23,353.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross Rents	(i) Real	(ii) Personal				
		Less: rental expenses						
		Rental income or (loss)						
		Net rental income or (loss)						
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		Less: cost or other basis and sales expenses						
		Gain or (loss)						
		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					
		Less: direct expenses	b					
		Net income or (loss) from fundraising events						
	9 a	Gross income from gaming activities. See Part IV, line 19	a					
Less: direct expenses		b						
Net income or (loss) from gaming activities								
10 a	Gross sales of inventory, less returns and allowances	a						
	Less: cost of goods sold	b						
	Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code					
11 a								
	b							
	c							
	d	All other revenue						
	e	<b>Total.</b> Add lines 11a-11d						
12	<b>Total revenue.</b> See instructions.			1,643,326.	1,576,909.	0.	23,353.	

**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 .....	61,180.	61,180.		
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 .....	762,247.	762,247.		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) .....	15,538.	15,538.		
9 Other employee benefits .....	81,846.	81,846.		
10 Payroll taxes .....	128,140.	128,140.		
11 Fees for services (non-employees):				
a Management .....	168,052.		168,052.	
b Legal .....				
c Accounting .....	4,500.		4,500.	
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17 .....				
f Investment management fees .....				
g Other .....				
12 Advertising and promotion .....				
13 Office expenses .....				
14 Information technology .....				
15 Royalties .....				
16 Occupancy .....	6,418.	6,418.		
17 Travel .....	36,548.	36,548.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials .....				
19 Conferences, conventions, and meetings .....				
20 Interest .....	7,408.	7,408.		
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	36,305.	36,305.		
23 Insurance .....	25,425.	25,425.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.) .....				
a <b>PURCHASED SERVICES</b> .....	74,782.	74,782.		
b <b>EQUIPMENT RENTAL/ MAINT</b> .....	26,469.	26,469.		
c <b>FOOD</b> .....	21,313.	21,313.		
d <b>UTILITIES</b> .....	14,866.	14,866.		
e <b>CHILD RELATED EXPENSES</b> .....	14,297.	14,297.		
f All other expenses .....	68,214.	47,069.	19,651.	1,494.
25 <b>Total functional expenses.</b> Add lines 1 through 24f .....	1,553,548.	1,359,851.	192,203.	1,494.
26 <b>Joint costs.</b> Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). 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	
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	271,172.	<b>1</b>	231,314.	
	<b>2</b> Savings and temporary cash investments .....		<b>2</b>		
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>		
	<b>4</b> Accounts receivable, net .....	142,779.	<b>4</b>	168,588.	
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>		
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) .....		<b>6</b>		
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>		
	<b>8</b> Inventories for sale or use .....		<b>8</b>		
	<b>9</b> Prepaid expenses and deferred charges .....	5,578.	<b>9</b>	4,222.	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 1,039,031.			
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 410,610.	664,726.	<b>10c</b>	628,421.
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>		
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	571,917.	<b>12</b>	791,854.	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>		
	<b>14</b> Intangible assets .....		<b>14</b>		
	<b>15</b> Other assets. See Part IV, line 11 .....		<b>15</b>		
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	1,656,172.	<b>16</b>	1,824,399.		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	135,727.	<b>17</b>	125,504.	
	<b>18</b> Grants payable .....		<b>18</b>		
	<b>19</b> Deferred revenue .....		<b>19</b>		
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>		
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>		
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>		
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	110,345.	<b>23</b>	102,058.	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>		
	<b>25</b> Other liabilities. Complete Part X of Schedule D .....		<b>25</b>		
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	246,072.	<b>26</b>	227,562.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>				
	<b>27</b> Unrestricted net assets .....	1,410,100.	<b>27</b>	1,596,837.	
	<b>28</b> Temporarily restricted net assets .....		<b>28</b>		
	<b>29</b> Permanently restricted net assets .....		<b>29</b>		
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>				
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>		
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>		
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>		
	<b>33 Total net assets or fund balances</b> .....	1,410,100.	<b>33</b>	1,596,837.	
<b>34 Total liabilities and net assets/fund balances</b> .....	1,656,172.	<b>34</b>	1,824,399.		

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,643,326.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,553,548.
3	Revenue less expenses. Subtract line 2 from line 1	3	89,778.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,410,100.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	96,959.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	1,596,837.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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?	X	
2b	Were the organization's financial statements audited by an independent accountant?		X
2c	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.	X	
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 separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> 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?		X
3b	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.		

SCHEDULE A  
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2010

Department of the Treasury  
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Open to Public Inspection

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

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

- The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)
1 [ ] A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2 [ ] A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
3 [ ] A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4 [ ] A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state:
5 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
6 [ ] A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7 [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
8 [ ] A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
9 [ ] An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
10 [ ] An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
a [ ] Type I b [ ] Type II c [ ] Type III - Functionally integrated d [ ] Type III - Other
e [ ] By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box [ ]
g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
(ii) A family member of a person described in (i) above?
(iii) A 35% controlled entity of a person described in (i) or (ii) above?
h Provide the following information about the supported organization(s).

Table with 3 rows (11g(i), 11g(ii), 11g(iii)) and 2 columns (Yes, No) for tracking contributions from disqualified persons.

Main table with 7 columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization in col. (i) listed in your governing document?, (v) Did you notify the organization in col. (i) of your support?, (vi) Is the organization in col. (i) organized in the U.S., (vii) Amount of support.

**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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	33,718.	34,611.	26,569.	39,533.	43,064.	177,495.
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 <b>Total.</b> Add lines 1 through 3 .....	33,718.	34,611.	26,569.	39,533.	43,064.	177,495.
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 <b>Public support.</b> Subtract line 5 from line 4.						177,495.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4 .....	33,718.	34,611.	26,569.	39,533.	43,064.	177,495.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....	18,154.	19,022.	18,751.	16,330.	23,353.	95,610.
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 <b>Total support.</b> Add lines 7 through 10						273,105.
12 Gross receipts from related activities, etc. (see instructions) .....					12	7,525,585.
13 <b>First five years.</b> 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 <b>stop here</b> .....	<input type="checkbox"/>					

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) .....	14	64.99	%
15 Public support percentage from 2009 Schedule A, Part II, line 14 .....	15	66.29	%
16a <b>33 1/3% support test - 2010.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....	<input checked="" type="checkbox"/>		
16b <b>33 1/3% support test - 2009.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>		
17a <b>10% -facts-and-circumstances test - 2010.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>		
17b <b>10% -facts-and-circumstances test - 2009.</b> 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 <b>stop here.</b> 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 <b>Private foundation.</b> 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 or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> 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 .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</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 .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>13 Total support</b> (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**

<b>15</b> Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>		%
<b>16</b> Public support percentage from 2009 Schedule A, Part III, line 15 .....	<b>16</b>		%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2010</b> (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>		%
<b>18</b> Investment income percentage from <b>2009</b> Schedule A, Part III, line 17 .....	<b>18</b>		%

**19a 33 1/3% support tests - 2010.** 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 - 2009.** 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 D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ 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.

OMB No. 1545-0047

**2010**

Open to Public  
Inspection

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.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate contributions to (during year) .....		
3 Aggregate grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education)       Preservation of an historically important land area

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**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.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ..... ▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ..... ▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ..... ▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X ..... ▶ \$ \_\_\_\_\_

**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 the 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	<b>1c</b>
d Additions during the year	<b>1d</b>
e Distributions during the year	<b>1e</b>
f Ending balance	<b>1f</b>

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	<b>3a(i)</b>	
(ii) related organizations	<b>3a(ii)</b>	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	<b>3b</b>	

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

**Part VI 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.		303,905.	548,951.
c Leasehold improvements				
d Equipment	108,225.		106,705.	1,520.
e Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				<b>628,421.</b>

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other		
(A) <b>TRADING SECURITIES</b>	791,854.	<b>END-OF-YEAR MARKET VALUE</b>
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶	791,854.	

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount	
(1) Federal income taxes		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		

**Total.** (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶

FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

<b>Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements</b>		
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

<b>Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return</b>		
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

<b>Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return</b>		
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.

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**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

OMB No. 1545-0047

**2010**

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 5, CHANGES IN NET ASSETS:

NET UNREALIZED GAINS ON INVESTMENTS: 96,959.

FORM 990, PART XII, LINE 2C

ORGANIZATION OVERSIGHT OVER REVIEWED FINANCIAL STATEMENTS

THE PROCESS HAS NOT CHANGED FROM 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.

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	(g) Section 512(b)(13) controlled entity?	
						Yes	No
YOUTH HOMES - 81-0331313 550 CALIFORNIA STREET MISSOULA, MT 59802	GROUP YOUTH HOMES AND FOSTER CARE	MONTANA	501(C)(3)	170(B)(1)(A)			X
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)			X

**Part III Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportion- ate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

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

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

**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?

	Yes	No
<b>a</b> Receipt of <b>(i)</b> interest <b>(ii)</b> annuities <b>(iii)</b> royalties or <b>(iv)</b> rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to other organization(s) .....		X
<b>c</b> Gift, grant, or capital contribution from other organization(s) .....		X
<b>d</b> Loans or loan guarantees to or for other organization(s) .....		X
<b>e</b> Loans or loan guarantees by other organization(s) .....		X
<b>f</b> Sale of assets to other organization(s) .....		X
<b>g</b> Purchase of assets from other organization(s) .....		X
<b>h</b> Exchange of assets .....		X
<b>i</b> Lease of facilities, equipment, or other assets to other organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets from other organization(s) .....		X
<b>k</b> Performance of services or membership or fundraising solicitations for other organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations by other organization(s) .....	X	
<b>m</b> Sharing of facilities, equipment, mailing lists, or other assets .....		X
<b>n</b> Sharing of paid employees .....		X
<b>o</b> Reimbursement paid to other organization for expenses .....	X	
<b>p</b> Reimbursement paid by other organization for expenses .....		X
<b>q</b> Other transfer of cash or property to other organization(s) .....		X
<b>r</b> 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	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) YOUTH HOMES	L	168,052.	AUDITED FS
(2) YOUTH HOMES	O	3,867.	AUDITED FS
(3)			
(4)			
(5)			
(6)			







**PARTNERSHIP FOR CHILDREN**  
*June 30, 2011 and 2010*  
(See Independent Accountant's Review Report)

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## INDEPENDENT ACCOUNTANT'S REVIEW 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, 2011 and 2010, and the related statements of activities, cash flows and functional expenses for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, 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.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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.

Missoula, Montana  
October 28, 2011

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

ASSETS		<u>2011</u>	<u>2010</u>
<b>CURRENT ASSETS</b>			
Cash		\$ 231,314	\$ 271,172
Investments		791,854	571,917
Fees receivable (net of allowance of \$2,180 in 2011 and \$0 in 2010)		168,588	142,779
Other assets		4,222	5,578
Total current assets		<u>1,195,978</u>	<u>991,446</u>
<b>PROPERTY AND EQUIPMENT</b>			
Land, building and equipment		1,039,031	1,039,031
Accumulated depreciation		(410,610)	(374,305)
Net property and equipment		<u>628,421</u>	<u>664,726</u>
		<u>\$ 1,824,399</u>	<u>\$ 1,656,172</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable		\$ 10,904	\$ 12,240
YH payable		12,944	20,727
Accrued expenses and other liabilities		76,717	77,115
Pension plan payable		24,939	25,645
Current portion long-term debt		11,517	7,638
Total current liabilities		<u>137,021</u>	<u>143,365</u>
LONG-TERM DEBT, Less current portion		<u>90,541</u>	<u>102,707</u>
Total liabilities		<u>227,562</u>	<u>246,072</u>
<b>NET ASSETS</b>			
Unrestricted		<u>1,596,837</u>	<u>1,410,100</u>
		<u>\$ 1,824,399</u>	<u>\$ 1,656,172</u>

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

**PARTNERSHIP FOR CHILDREN**  
**STATEMENT OF ACTIVITIES**  
*for the year ended June 30, 2011*  
(See Independent Accountant's Review Report)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
<u>Public support</u>			
Contributions - cash	\$ 43,064	\$ -	\$ 43,064
<u>Revenue</u>			
State contracted fees	1,562,370	-	1,562,370
USDA school lunch program	14,538	-	14,538
Interest and dividend income	23,353	-	23,353
Realized/unrealized gain on investments	96,960	-	96,960
Total revenue	<u>1,697,221</u>	<u>-</u>	<u>1,697,221</u>
Total public support and revenue	<u>1,740,285</u>	<u>-</u>	<u>1,740,285</u>
<b>EXPENSES</b>			
<u>Program services</u>			
Foster care program	476,003	-	476,003
Group care program	1,077,545	-	1,077,545
Total program services	<u>1,553,548</u>	<u>-</u>	<u>1,553,548</u>
<b>CHANGE IN NET ASSETS</b>	186,737	-	186,737
<b>NET ASSETS - Beginning of year</b>	<u>1,410,100</u>	<u>-</u>	<u>1,410,100</u>
<b>NET ASSETS - End of year</b>	<u>\$ 1,596,837</u>	<u>\$ -</u>	<u>\$ 1,596,837</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 Review Report)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
<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 on investments	5,078	-	5,078
Total revenue	<u>1,529,907</u>	<u>-</u>	<u>1,529,907</u>
Total public support and revenue	<u>1,569,440</u>	<u>-</u>	<u>1,569,440</u>
<b>EXPENSES</b>			
<u>Program services</u>			
Foster care program	467,445	-	467,445
Group care program	1,054,275	-	1,054,275
Total program services	<u>1,521,720</u>	<u>-</u>	<u>1,521,720</u>
<b>CHANGE IN NET ASSETS</b>	47,720	-	47,720
<b>NET ASSETS - Beginning of year</b>	<u>1,362,380</u>	<u>-</u>	<u>1,362,380</u>
<b>NET ASSETS - End of year</b>	<u>\$ 1,410,100</u>	<u>\$ -</u>	<u>\$ 1,410,100</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 Review Report)

	<b>2011</b>	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<b>\$ 186,737</b>	\$ 47,720
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	<b>36,305</b>	37,771
Increase (decrease) bad debt provision	<b>2,180</b>	(3,686)
Net realized/unrealized gain on investments	<b>(96,960)</b>	(5,078)
(Increase) decrease in		
Receivables	<b>(27,989)</b>	2,858
Other assets	<b>1,356</b>	38
Increase (decrease) in		
Payables	<b>(9,119)</b>	13,360
Accruals and other liabilities	<b>(1,104)</b>	6,794
<b>Net cash from operating activities</b>	<b>91,406</b>	99,777
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Maturities (purchases) of investments	<b>(241,191)</b>	(410,727)
Sales of investments	<b>118,214</b>	333,936
<b>Net cash from investing activities</b>	<b>(122,977)</b>	(76,791)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on long-term debt	<b>(8,287)</b>	(8,816)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(39,858)</b>	14,170
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>271,172</b>	257,002
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 231,314</b>	\$ 271,172
<b>INTEREST PAID DURING THE YEAR</b>	<b>\$ 7,372</b>	\$ 7,698

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



**PARTNERSHIP FOR CHILDREN**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
*for the year ended June 30, 2011*  
(See Independent Accountant's Review Report)

	Foster Care	Group Care	Total Expenses
Accounting services	\$ 2,250	\$ 2,250	\$ 4,500
Bad debt expense	2,762	4,143	6,905
Bank charges and interest	13,749	3,211	16,960
Benefits and payroll taxes	56,572	169,907	226,479
Child related expenses	2,365	11,932	14,297
Combined insurance	8,183	17,242	25,425
Direct management costs	48,547	119,505	168,052
Dues	1,732	1,732	3,464
Equipment expenses	5,585	20,884	26,469
Food	-	21,313	21,313
Fundraising	526	968	1,494
Miscellaneous	7,884	3,941	11,825
Office supplies	3,553	2,284	5,837
Postage, printing and publications	1,968	1	1,969
Purchased services	58,293	16,489	74,782
Rent	6,418	-	6,418
Salary and wages	210,512	611,960	822,472
Staff development	4,528	6,398	10,926
Supplies	-	5,948	5,948
Taxes	-	183	183
Telephone	5,917	4,194	10,111
Transportation and per diem	24,621	11,927	36,548
Utilities	-	14,866	14,866
	<u>465,965</u>	<u>1,051,278</u>	<u>1,517,243</u>
Total expenses before depreciation			
Depreciation	<u>10,038</u>	<u>26,267</u>	<u>36,305</u>
Total expenses	<u>\$ 476,003</u>	<u>\$ 1,077,545</u>	<u>\$ 1,553,548</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 Review Report)

	Foster Care	Group Care	Total Expenses
Accounting services	\$ 1,751	\$ 1,751	\$ 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	1,697	3,395
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	-	149	149
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**  
**NOTES TO FINANCIAL STATEMENTS**

*June 30, 2011 and 2010*

(See Independent Accountant's Review Report)

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**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization. Intermountain of Helena and Youth Homes established Partnership for Children (the Partnership). The Partnership provides services for Missoula area children who have experienced significant early childhood trauma.

The Partnership for Children's Rosemary Gallagher Children's Home and the Sherry Mahon Francetich Children's Home work with children ages 4-14, attempting to heal their pain, improve their social functioning and prepare them to return home or successfully transition into a foster-adoptive family. The Family Care Program works with biological, kinship, foster and adoptive families in their homes, stabilizing and supporting the relationship between the child and his or her caregivers.

The children we treat are those who have demonstrated an inability to regulate their emotions and ensuing behaviors through a healthy adult child relationship due to early and significant abuse, neglect and disrupted caregiver relationships. 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 healthy adult child relationships 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. However, donor-restricted contributions, whose restrictions are met in the same period as the restricted gift was received, are reported as an increase to unrestricted net assets.

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

**PARTNERSHIP FOR CHILDREN**  
**NOTES TO FINANCIAL STATEMENTS**

*June 30, 2011 and 2010*

(See Independent Accountant's Review Report)

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**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 2007 through 2011 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 \$0 and \$2,726 for the years ended June 30, 2011 and 2010, 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 \$2,180 and \$0 as of June 30, 2011 and 2010, 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.

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**PARTNERSHIP FOR CHILDREN**  
**NOTES TO FINANCIAL STATEMENTS**

*June 30, 2011 and 2010*

(See Independent Accountant's Review 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.

	<b>Assets at Fair Value as of June 30, 2011</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Long Term Government Securities</b>	\$ 7,179	\$ -	\$ -	\$ 7,179
<b>Long Term Corporate Bonds</b>	10,332	-	-	10,332
<b>Mutual Funds</b>				
<b>Long Term Bond</b>	129,348	-	-	129,348
<b>Small Cap Blend</b>	20,107	-	-	20,107
<b>Mid Cap Blend</b>	20,113	-	-	20,113
<b>Large Cap Blend</b>	269,384	-	-	269,384
<b>Small/Mid/Large Cap Blend</b>	169,307	-	-	169,307
<b>Foreign Blend</b>	118,407	-	-	118,407
<b>Commodities</b>	47,677	-	-	47,677
	<b>\$ 791,854</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 791,854</b>
<b>Total assets at fair value</b>	<b>\$ 791,854</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 791,854</b>

Continued

**PARTNERSHIP FOR CHILDREN**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011 and 2010*  
(See Independent Accountant's Review Report)

**NOTE B FAIR VALUE MEASUREMENTS, continued**

	Assets at Fair Value as of June 30, 2010			
	Level 1	Level 2	Level 3	Total
Long Term Government Securities	\$ 9,554	\$ -	\$ -	\$ 9,554
Long Term Corporate Bonds	10,766	-	-	10,766
Mutual Funds				
Long Term Bond	82,109	-	-	82,109
Small Cap Blend	12,947	-	-	12,947
Mid Cap Blend	13,629	-	-	13,629
Large Cap Blend	180,547	-	-	180,547
Small/Mid/Large Cap Blend	140,524	-	-	140,524
Foreign Blend	63,232	-	-	63,232
Commodities	35,302	-	-	35,302
Market Neutral Funds	22,523	-	-	22,523
Certificates of Deposit	784	-	-	784
Total assets at fair value	\$ 571,917	\$ -	\$ -	\$ 571,917

**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, 2011, and June 30, 2010. 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:

	2011		2010	
	Cost	Market	Cost	Market
Securities	\$ 6,621	\$ 7,179	\$ 8,905	\$ 8,905
Bonds	10,012	10,332	10,174	10,174
Mutual Funds	699,224	774,343	575,526	550,813
Certificates of Deposit	-	-	784	784
Total investments	\$ 715,857	\$ 791,854	\$ 595,389	\$ 571,917

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**PARTNERSHIP FOR CHILDREN**  
**NOTES TO FINANCIAL STATEMENTS**  
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(See Independent Accountant's Review Report)

**NOTE D PROPERTY AND EQUIPMENT**

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

	<u>2011</u>	<u>2010</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>(410,610)</u>	<u>(374,305)</u>
	<u>\$ 628,421</u>	<u>\$ 664,726</u>

**NOTE E COMMITMENTS 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, 2011 and 2010, the Partnership paid \$168,052 and \$165,443 for direct management fees and \$3,867 and \$76,856 in expense reimbursements to Youth Homes, respectively. The Youth Homes payable balance at June 30, 2011 and 2010 was \$12,944 and \$20,727, respectively.

**NOTE G LONG-TERM DEBT**

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

	<u>2011</u>	<u>2010</u>
Note payable due in monthly installments of \$1,260 through October 2020, at a rate of 4.8%; secured by investments.	\$ 102,058	\$ 110,345
Less current portion	<u>( 11,517)</u>	<u>( 7,638)</u>
	<u>\$ 90,541</u>	<u>\$ 102,707</u>

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

2012	\$ 11,517
2013	11,954
2014	12,407
2015	12,878
2016 and after	<u>53,302</u>
	<u>\$ 102,058</u>

Continued

**PARTNERSHIP FOR CHILDREN**  
**NOTES TO FINANCIAL STATEMENTS**  
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(See Independent Accountant's Review Report)

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**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 Partnership 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 Partnership is determined annually as a percent of gross wages for the preceding year. For the years ended June 30, 2011 and 2010, the Partnership contributed 3% of eligible gross wages in the amount of \$15,538 and \$19,359, 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, 2011 through the date of our report, October 28, 2011. Management has determined that there are no subsequent events that require recognition or disclosure in these financial statements.