

PARTNERS FOR YOUTH WITH DISABILITIES, INC.

Financial Statements
June 30, 2014
(With Comparative Totals for 2013)



SANDBERG & CREEDEN, P.C.

Certified Public Accountants

331 Page Street

Stoughton, MA 02072

PARTNERS FOR YOUTH WITH DISABILITIES, INC.

FINANCIAL STATEMENTS
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

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331 Page Street • Stoughton, MA 02072
Telephone: (781) 344-0850
Fax: (781) 344-6960
www.sandbergandcreeden.com

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

Independent Auditor's Report

Report on Financial Statements

We have audited the accompanying financial statements of Partners for Youth with Disabilities, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion


In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Partners for Youth with Disabilities, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2014, on our consideration of Partners for Youth with Disabilities, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Partners for Youth with Disabilities, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Partners for Youth with Disabilities, Inc.'s 2013 financial statements, and our report dated September 18, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.


SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 5, 2014



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

ASSETS

	<u>2014</u>	<u>2013</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 402,205	\$ 377,570
Contracts receivable	40,073	96,430
Pledges receivable	103,500	70,660
Prepaid expenses	<u>13,833</u>	<u>7,910</u>
Total current assets	559,611	552,570
<u>Fixed Assets</u>		
Furniture and equipment	19,137	17,034
Less: accumulated depreciation	<u>16,539</u>	<u>14,264</u>
Total property and equipment	<u>2,598</u>	<u>2,770</u>
<u>Other Assets</u>		
Long term pledges receivable – (net discount of \$1,073)	<u>31,927</u>	<u>36,804</u>
Total other assets	<u>31,927</u>	<u>36,804</u>
<u>Total Assets</u>	<u>\$ 594,136</u>	<u>\$ 592,144</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accrued expenses	\$ 14,744	\$ 23,993
Accrued vacation compensation	<u>24,834</u>	<u>22,536</u>
Total current liabilities	39,578	46,529
<u>Net Assets</u>		
Unrestricted	336,464	370,227
Temporarily restricted	<u>218,094</u>	<u>175,388</u>
Total net assets	<u>554,558</u>	<u>545,615</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 594,136</u>	<u>\$ 592,144</u>

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



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

STATEMENT OF ACTIVITIES
 JUNE 30, 2014
 (WITH COMPARATIVE TOTALS FOR 2013)

	2014		2013	
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Grants and contributions	\$ 275,744	\$ 484,627	\$ 760,371	\$ 602,066
In kind contributions	94,517		94,517	32,637
Special events	33,764	5,000	38,764	86,921
Released from restrictions	446,921	(446,921)		
Service fees	239,074		239,074	243,361
Interest and dividends	56		56	79
Total support and revenue	1,090,076	42,706	1,132,782	965,064
<u>Expenses</u>				
Program services	722,354		722,354	661,646
General and administrative	191,230		191,230	173,137
Fundraising	210,255		210,255	215,135
Total expenses	1,123,839		1,123,839	1,049,918
<u>Change in Net Assets</u>	(33,763)	42,706	8,943	(84,854)
<u>Net Assets - Beginning of Year</u>	370,227	175,388	545,615	630,469
<u>Net Assets - End of Year</u>	\$ 336,464	\$ 218,094	\$ 554,558	\$ 545,615

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





PARTNERS FOR YOUTH WITH DISABILITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014					2013	
	Youth in						
	Preparation for Independence Program	Education/ Employment Program	Total Program Services	General and Administrative	Fundraising	Total	Total
Mentoring Program	\$ 177,288	\$ 156,631	\$ 401,165	\$ 111,406	\$ 122,588	\$ 635,159	\$ 576,763
Salaries	\$ 177,288	\$ 156,631	\$ 401,165	\$ 111,406	\$ 122,588	\$ 635,159	\$ 576,763
Payroll taxes	16,333	15,021	37,468	10,125	11,229	58,822	53,397
Fringe benefits	26,497	22,664	59,211	16,650	18,322	94,183	82,255
Salaries and related expenses	220,118	194,316	497,844	138,181	152,139	788,164	712,415
Activity fees	16,709		16,709			16,709	7,517
Advertising and recruitment	428		428		345	773	241
Bank fees				860	1,167	2,027	1,715
Charitable donation					350	350	549
Client transportation	210	155	365		1,021	1,386	1,096
Conference and meetings	143	62	240		916	1,156	1,042
Contracted services	10,785	17,861	34,675	16,750	3,669	55,094	95,685
Depreciation	635	561	1,437	399	439	2,275	2,677
Equipment rental and maintenance	1,305	1,153	2,953	820	2,184	5,957	5,624
Food	1,177	1,846	5,186			5,186	15,639
Grant expense	11,100		11,100			11,100	11,129
Insurance	5,503	4,862	12,452	3,458	3,805	19,715	19,424
Interest expense				403		403	378
Membership dues				1,410	275	1,685	1,740
Miscellaneous	1,651	270	1,982	275	3,876	6,133	6,938
Occupancy	13,627	14,398	35,189	7,970	8,770	51,929	55,928
Payroll fees				2,265		2,265	1,857
Permits and fees		200	200	447	34	681	315
Postage and delivery	310	114	543	485	726	1,754	2,113
Printing and reproduction	73	153	252	44	901	1,197	5,648
Professional fees		33,311	33,311	11,515		44,826	6,615
Publications and subscriptions	489	67	623	1,028	11,524	1,651	1,288
Special event						11,524	7,746
Supplies	2,874	4,175	7,938	678	2,615	11,231	7,402
Telephone and internet	3,085	2,704	7,023	1,748	2,062	10,833	10,870
Temporary help	12,500	15,723	31,523		482	32,005	36,869
Travel	6,061	8,636	19,856	2,348	12,794	34,998	28,604
Utilities	232	205	525	146	161	832	854
	\$ 309,015	\$ 300,772	\$ 722,354	\$ 191,230	\$ 210,255	\$ 1,123,839	\$ 1,049,918

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

PARTNERS FOR YOUTH WITH DISABILITIES, INC.

STATEMENTS OF CASH FLOWS
 JUNE 30, 2014
 (WITH COMPARATIVE TOTALS FOR 2013)

	<u>2014</u>	<u>2013</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 8,943	\$ (84,854)
Adjustment to reconcile increase to net cash provided by operating activities:		
Depreciation	2,275	2,677
(Increase) decrease in:		
Contracts receivable	56,357	(60,931)
Pledges receivable	(27,963)	(47,964)
Prepaid expenses	(5,923)	2,994
Increase (decrease) in:		
Accrued expenses	(9,249)	1,318
Accrued vacation compensation	2,298	9,417
<u>Net Cash (Used) Provided by Operating Activities</u>	<u>26,738</u>	<u>(177,343)</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of equipment	<u>(2,103)</u>	<u>0</u>
<u>Net Cash (Used) by Investing Activities</u>	<u>(2,103)</u>	<u>0</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	24,635	(177,343)
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>377,570</u>	<u>554,913</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 402,205</u>	<u>\$ 377,570</u>
<u>SUPPLEMENTAL INFORMATION:</u>		
Interest paid	<u>\$ 403</u>	<u>\$ 378</u>

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



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 1. Organization

Partners for Youth with Disabilities, Inc. (PYD) was organized in the Commonwealth of Massachusetts as a not-for-profit corporation in 1985. Since its founding in 1983, PYD has been a pioneer in the development and delivery of a unique mentoring service and has established innovative and effective programs serving youth with disabilities ages 6-24 in Massachusetts. PYD recruits, trains, guides and supports caring adults that serve as mentors for youth, as well as supporting parents and families of children with disabilities who need additional resources. In addition to providing hundreds of mentors/partners for youth and young adults through its **Mentor Match Program**, PYD has continuously met the needs of its changing community by creating and sustaining additional mentoring models and programs to address health, independence, social skills, and career development, as well as the needs of specific disabilities like autism and learning disabilities. In addition, PYD's National Center for Mentoring Youth with Disabilities offers training and technical assistance to other organizations interested in becoming more inclusive of youth with disabilities.

PYD continues to focus its efforts on offering high quality programming in a sustainable manner. In Fiscal Year 2014, PYD devoted considerable effort and resources to building up the infrastructure of the Young Entrepreneurs Project (YEP) to prepare it for replication. This effort, which included substantial pro-bono legal support, demonstrates PYD's focus on exploring potential alternative revenue streams that dovetail with expansion of service delivery.

Current PYD programs include:

Mentoring Division:

Mentor Match Program - This core program of the agency matches youth with disabilities with caring adults that serve as role models and mentors for the youth guiding them to achieve their personal, independent living and career goals. The Mentor Match Program served 115 youth during FY14 through creating new or supporting existing matches.

National Center for Mentoring Youth with Disabilities - This national center provides training and technical assistance to individuals and organizations interested in developing mentoring programs inclusive of youth with disabilities. The National Center conducts training and seminars and disseminates information and resources to interested parties throughout the nation. During FY14, PYD's National Center provided training for 212 individuals representing 135 organizations and 7 states.

Youth in Preparation for Independence Division:

Making Healthy Connections Program - This health promotion peer mentoring program brings together young adults with disabilities who are interested in learning how to lead active and healthy lifestyles. The goal of the program is to assist youth in transitioning to adulthood. In addition to 2 youth groups that meet in Boston and Springfield, the program offers support groups for parents. Making Healthy Connections served 63 youth and their families during FY14.



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 1. Organization (Continued)

Youth in Preparation for Independence Division: (Continued)

Peer Leadership Program - This program prepares young adults with disabilities to become leaders in their communities through participating in after-school community service opportunities. Young leaders develop leadership and job readiness skills while at the same time learning the value of community service. During FY14, 25 Peer Leaders participated in this program.

Education and Training Division:

Young Entrepreneurs Project - This program teaches youth with and without disabilities to plan for their financial future by offering training workshops to teach entrepreneurial and business skills to youth. Mentors from the business community work with youth to assist them in preparing business plans and in working on career and educational goals. The Young Entrepreneurs Project served 105 youth through 4 Boston Public Schools and 3 Boys and Girls Clubs in FY14. YEP also conducted a job readiness workshop for 10 youth served by the Massachusetts Commission for the Blind.

Access to Theatre Program - This is an inclusive theatre arts program that engages youth with and without disabilities in after-school and summer theatre arts activities. The program features creative workshops and original productions created by the youth and performed at community locations. The Access to Theatre Program served 32 youth during FY14 though 20 weeks of out-of-school time programming designed to acquire knowledge and skills in the arts.

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

Note 2. Summary of Significant Accounting Policies

a. Standards of Accounting and Reporting

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

b. Financial Statement Presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Accordingly, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

b. Financial Statement Presentation (Continued)

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

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

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. No permanently restricted assets were received or held during 2014 and 2013 and accordingly, these financials do not reflect any activity related to this class of net assets for 2014 and 2013.

c. Cash and Cash Equivalents

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

d. Promises To Give

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

e. Fixed Assets

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

f. Depreciation

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

g. Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

h. Restricted and Unrestricted Revenue

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

i. Service Fees

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

j. Donated Goods and Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased. At June 30, 2014, in kind contributions were recorded as follows:

	<u>2014</u>	<u>2013</u>
Donated material	\$ 18,108	\$ 11,202
Consulting	27,000	1,875
Event support services	11,215	7,048
Legal fees	<u>38,194</u>	<u>12,512</u>
	<u>\$ 94,517</u>	<u>\$ 32,637</u>

k. Allocation of Expenses

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

l. Summarized Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2013, from which the summarized information was derived.



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 3. Tax Status

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

Unrelated business income, of which the Organization had none for the year ending June 30, 2014, would be subject to Federal and State taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Accounting principles generally accepted in the United States of America require the Organization management to evaluate tax positions taken by the Organization and recognize a tax liability (or assets) if it has taken an uncertain position that more likely would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken and has conclude that as of June 30, 2014, 2013 and 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The tax returns are subject to routine audits by taxing jurisdictions, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for the years prior to 2011.

Note 4. Concentration of Credit Risk

The Organization maintains cash and cash equivalents in various local financial institutions. Cash accounts at banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At June 30, 2014 the Organization's cash balances were fully insured.

A money market account is held at a local brokerage where balances are uninsured. The total balance in the money market account at June 30, 2014 was \$116,827. The accounts are monitored on a regular basis by the Board of Directors.

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

Note 5. Pledges Receivable

Pledges receivable are due to be collected as follows:

FY2015	\$ 103,500
FY2016	<u>33,000</u>
Subtotal	136,500
Discount	<u>1,073</u>
Net pledges receivable	<u>\$ 135,427</u>

Promises to give due in more than 1 year are reflected at the present value of estimated future cash flows using a discount of 3.25%.



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 6. Line of Credit

The Organization has a \$125,000 line of credit, with interest payable at 3.25% secured by all assets. Payments are due on demand. The outstanding balance at June 30, 2014 was \$0.

Note 7. Temporarily Restricted Net Assets

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

Time	\$ 143,594
Inclusive Training Project	8,000
Inclusive Fitness Project	37,500
Mentor Match	5,000
Campus Career Connect Project	4,000
Web Project	<u>20,000</u>
	<u>\$ 218,904</u>

During the year ended June 30, 2014, net assets were released from donor restriction by incurring costs satisfying donor stipulations associated with the following programs:

Time	\$ 89,387
Harbor School Inclusion Project	10,000
Inclusive Fitness	71,250
Making Healthy Connections	58,700
Mentor Match	107,917
Campus Career Connect Project	6,000
Development Director	40,000
Inclusion Project	32,000
Young Entrepreneurs Project	<u>31,667</u>
Total Temporarily Restricted Net Assets	<u>\$ 446,921</u>

Note 8. Leases

The Organization leases office space under a five-year lease expiring December 31, 2017. The lease requires monthly payments of \$3,277. Occupancy expense for the years ended June 30, 2014 and 2013, totaled \$51,929 and \$55,928 respectively, which includes parking and additional space rented for trainings. Future minimum lease payments for the years ended June 30 are as follows:

2015	\$ 43,982
2016	44,369
2017	45,533
2018	23,154



PARTNERS FOR YOUTH WITH DISABILITIES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 8. Leases (Continued)

On August 13, 2013, the Organization secured a new operating lease for a copier. The new lease requires monthly payments of \$205. Future minimum lease payments are as follows:

FY15	\$ 2,458
FY16	2,458
FY17	273

Equipment rental totaled \$4,213 and \$4,019 for the years ended June 30, 2014 and 2013, respectively.

Note 9. Subsequent Event

The Organization has evaluated events through September 24, 2014, the date the financial statements were available to be issued.

There was no subsequent events to be disclosed based on this evaluation.



331 Page Street • Stoughton, MA 02072
Telephone: (781) 344-0850
Fax: (781) 344-6960
www.sandbergandcreeden.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Partners for Youth with Disabilities, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Partners for Youth with Disabilities, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Partners for Youth with Disabilities, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

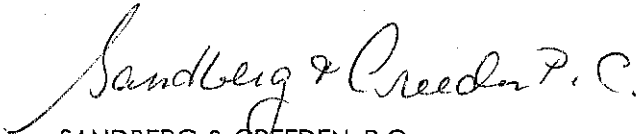
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 5, 2014

