

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

YOUTH HOMES
(A NON-PROFIT ORGANIZATION)

June 30, 2010 and 2009

YOUTH HOMES
June 30, 2010 and 2009

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Youth Homes
Missoula, Montana

We have audited the accompanying statements of financial position of Youth Homes (a non-profit organization) (the Agency) as of June 30, 2010 and 2009, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2010 and 2009, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Galusha Higgins & Galusha, PC

Missoula, Montana
October 21, 2010

YOUTH HOMES
STATEMENTS OF FINANCIAL POSITION
For the years ended June 30

ASSETS	2010	2009
Current Assets		
Cash and cash equivalents	\$ 692,226	\$ 806,630
Current investments	785,863	694,320
Accounts receivable (net of allowance of \$34,102 in 2010 and \$46,332 in 2009)	356,916	353,018
Receivable from related parties	20,727	23,870
Prepaid expenses	11,597	12,331
Total current assets	1,867,329	1,890,169
Property, Plant, and Equipment		
Furniture and equipment	96,376	96,376
Vehicles	175,632	166,744
Buildings and improvements	2,643,657	1,498,019
Construction in Progress	-	754,802
Land	409,243	369,243
Accumulated depreciation	(1,137,911)	(1,031,926)
Net property, plant and equipment	2,186,997	1,853,258
Other Assets		
Endowment	155,561	133,421
Total assets	\$ 4,209,887	\$ 3,876,848
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 72,877	\$ 61,435
Accrued payroll and payroll taxes payable	121,416	121,869
Pension plan payable	74,622	58,874
Accrued vacation payable	104,263	99,841
Funds held in trust	11,216	10,462
Casey Family Program deposit	59,049	76,862
Split-interest agreement liability	8,937	2,984
Accrued interest	1,793	835
Current portion of overpayments payable	3,443	11,180
Current portion of long-term debt payable	36,791	146,751
Total current liabilities	494,407	591,093
Long-term Liabilities		
Long-term debt payable	539,277	121,533
Total liabilities	1,033,684	712,626
NET ASSETS		
Unrestricted	2,998,434	2,951,655
Temporarily restricted	54,842	89,640
Permanently restricted	122,927	122,927
Total net assets	3,176,203	3,164,222
Total liabilities and net assets	\$ 4,209,887	\$ 3,876,848

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

YOUTH HOMES
STATEMENT OF ACTIVITY
for the year ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUES				
<u>Public Support</u>				
Donations	\$ 514,289	\$ 6,000	\$ -	\$ 520,289
<u>Revenue</u>				
Grant revenues	301,021	2,500	-	303,521
Contract services	3,807,672	-	-	3,807,672
Reimbursements	165,443	-	-	165,443
Rental income	11,100	-	-	11,100
Dividends and interest	29,667	-	-	29,667
Realized and unrealized gain on investments	86,159	-	-	86,159
Total Revenues	<u>4,401,062</u>	<u>2,500</u>	<u>-</u>	<u>4,403,562</u>
Total Public Support and Revenue	<u>4,915,351</u>	<u>8,500</u>	<u>-</u>	<u>4,923,851</u>
EXPENSES				
<u>Program Services</u>				
Program support	4,168,943	-	-	4,168,943
<u>Support Services</u>				
Fundraising	147,627	-	-	147,627
Administration	595,300	-	-	595,300
Total Support Services	<u>742,927</u>	<u>-</u>	<u>-</u>	<u>742,927</u>
Total Expenses	<u>4,911,870</u>	<u>-</u>	<u>-</u>	<u>4,911,870</u>
EXCESS OF SUPPORT AND REVENUE OVER EXPENSES	<u>3,481</u>	<u>8,500</u>	<u>-</u>	<u>11,981</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>43,298</u>	<u>(43,298)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	46,779	(34,798)	-	11,981
NET ASSETS - Beginning of year	<u>2,951,655</u>	<u>89,640</u>	<u>122,927</u>	<u>3,164,222</u>
NET ASSETS - End of year	<u>\$ 2,998,434</u>	<u>\$ 54,842</u>	<u>\$ 122,927</u>	<u>\$ 3,176,203</u>

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

YOUTH HOMES
STATEMENT OF ACTIVITY
for the year ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUES				
<u>Public Support</u>				
Donations	\$ 442,690	\$ -	\$ 4,125	\$ 446,815
<u>Revenue</u>				
Grant revenues	741,352	6,159	-	747,511
Contract services	4,133,076	-	-	4,133,076
Reimbursements	163,387	-	-	163,387
Rental income	9,379	-	-	9,379
Dividends and interest	18,607	-	-	18,607
Realized and unrealized loss on investments	(192,714)	-	-	(192,714)
Total Revenues	<u>4,873,087</u>	<u>6,159</u>	<u>-</u>	<u>4,879,246</u>
Total Public Support and Revenue	<u>5,315,777</u>	<u>6,159</u>	<u>4,125</u>	<u>5,326,061</u>
EXPENSES				
<u>Program Services</u>				
Program support	4,227,712	-	-	4,227,712
<u>Support Services</u>				
Fundraising	149,932	-	-	149,932
Administration	575,792	-	-	575,792
Total Support Services	<u>725,724</u>	<u>-</u>	<u>-</u>	<u>725,724</u>
Total Expenses	<u>4,953,436</u>	<u>-</u>	<u>-</u>	<u>4,953,436</u>
EXCESS OF SUPPORT AND REVENUE OVER EXPENSES	<u>362,341</u>	<u>6,159</u>	<u>4,125</u>	<u>372,625</u>
OTHER ITEMS				
Net asset reclassification based on change in law	(14,619)	14,619	-	-
CHANGE IN NET ASSETS	347,722	20,778	4,125	372,625
NET ASSETS - Beginning of year	<u>2,603,933</u>	<u>68,862</u>	<u>118,802</u>	<u>2,791,597</u>
NET ASSETS - End of year	<u>\$ 2,951,655</u>	<u>\$ 89,640</u>	<u>\$ 122,927</u>	<u>\$ 3,164,222</u>

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

YOUTH HOMES
STATEMENT OF FUNCTIONAL EXPENSES
for the year ended June 30, 2010

EXPENSES	Program Support	Fundraising	Administration	Total
Salaries and wages	\$ 2,183,909	\$ 83,788	\$ 314,259	\$ 2,581,956
Fringe benefits	474,434	8,972	46,849	530,255
Payroll taxes	163,985	7,513	30,602	202,100
Purchased care services	342,755	-	-	342,755
Client direct assistance	254,570	-	12,029	266,599
Bad debt expense	46,727	-	-	46,727
Interest expense	20,567	-	-	20,567
Travel	77,502	-	6,059	83,561
Professional services	7,220	-	9,882	17,102
Supplies	43,522	-	27,355	70,877
Space costs	153,710	3,000	14,408	171,118
Depreciation	92,395	-	13,590	105,985
Insurance	43,230	-	10,119	53,349
Training	22,899	-	20,845	43,744
Postage, printing, publications	12,278	4,500	19,907	36,685
Repairs and maintenance	68,436	-	27,785	96,221
Advertising	1,799	-	1,028	2,827
Miscellaneous	45,913	-	20,309	66,222
Investment fees, taxes, bank charges	1,376	-	20,274	21,650
Direct fundraising	-	2,590	-	2,590
Events expense	-	37,264	-	37,264
Youth Dynamics contract expense	111,716	-	-	111,716
Total	<u>\$ 4,168,943</u>	<u>\$ 147,627</u>	<u>\$ 595,300</u>	<u>\$ 4,911,870</u>
	<u>84.87%</u>	<u>3.01%</u>	<u>12.12%</u>	<u>100.00%</u>

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

YOUTH HOMES
STATEMENT OF FUNCTIONAL EXPENSES
for the year ended June 30, 2009

EXPENSES	Program Support	Fundraising	Administration	Total
Salaries and wages	\$ 2,111,740	\$ 82,145	\$ 327,832	\$ 2,521,717
Fringe benefits	485,659	9,259	60,039	554,957
Payroll taxes	159,110	7,310	22,895	189,315
Purchased care services	428,740	-	-	428,740
Client direct assistance	316,291	-	4,430	320,721
Bad debt expense	22,102	-	-	22,102
Interest expense	18,227	-	213	18,440
Travel	90,852	-	5,526	96,378
Professional services	7,459	-	6,624	14,083
Supplies	41,734	-	27,154	68,888
Space costs	176,563	3,000	9,271	188,834
Depreciation	71,651	-	11,040	82,691
Insurance	46,541	-	10,067	56,608
Training	21,089	-	13,150	34,239
Postage, printing, publications	6,476	4,500	23,845	34,821
Repairs and maintenance	58,150	-	23,649	81,799
Advertising	3,666	-	1,918	5,584
Miscellaneous	38,840	-	13,583	52,423
Investment fees, taxes, bank charges	10,037	-	14,556	24,593
Direct fundraising	-	6,875	-	6,875
Events expense	-	36,843	-	36,843
Youth Dynamics contract expense	112,785	-	-	112,785
Total	\$ 4,227,712	\$ 149,932	\$ 575,792	\$ 4,953,436
	<u>85.35%</u>	<u>3.03%</u>	<u>11.62%</u>	<u>100.00%</u>

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

YOUTH HOMES
STATEMENTS OF CASH FLOWS
for the years ended June 30

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 11,981	\$ 372,625
Adjustments to reconcile change in net assets to net cash from operating activities		
Allowance for doubtful accounts	(12,230)	22,102
Depreciation and amortization	105,985	82,691
Unrealized (gain) loss	(86,159)	192,714
(Increase) decrease in		
Receivables	8,332	9,642
Related party receivables	3,143	1,420
Prepaid expenses	734	(3,563)
Increase (decrease) in		
Accounts payable	11,442	(27,479)
Accrued payroll and related liabilities	19,717	19,863
Funds held in trust	754	(429)
Casey Family Program deposit	(17,813)	(5,635)
Overpayments payable	(7,737)	(15,103)
Split-interest agreement liability	5,953	153
Accrued interest	958	213
Net cash from operating activities	<u>45,060</u>	<u>649,214</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchase of fixed assets	(439,724)	(741,528)
Cash flows from investments	<u>(27,524)</u>	<u>(36,722)</u>
Net cash from investing activities	<u>(467,248)</u>	<u>(778,250)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from loan advances	459,153	7,602
Cash paid for principal on loans	<u>(151,369)</u>	<u>(24,611)</u>
Net cash from financing activities	<u>307,784</u>	<u>(17,009)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(114,404)	(146,045)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>806,630</u>	<u>952,675</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 692,226</u>	<u>\$ 806,630</u>
CASH PAID FOR INTEREST	<u>\$ 19,609</u>	<u>\$ 18,014</u>

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

YOUTH HOMES
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization. Youth Homes is a Montana private, non-profit corporation certified as a charitable organization. The Agency's corporate office is located in Missoula, Montana at 550 North California Street. Founded in 1971, Youth Homes provides three core and other services to care for and treat children and youth (ages 3 to 17) who are struggling with abuse, neglect, chaos, emotional challenges, substance abuse, family conflict, poor choices and legal problems. The Agency offers emergency shelter, longer term group and group treatment homes and family care, from foster to adoptive services and birth family support services. As a licensed child placing and adoptive agency, Youth Homes recruits, screens, trains and places children into special foster homes. In addition, the Agency provides correctional placements in individual Guide Homes and offers a Learning Lab and a Wilderness Treatment Program. Most all services are provided solely to Montana children but a few out-of-state placements are allowed in our wilderness program. Priority is given to serving children closest to their homes. We operate a shelter and 4 group homes in Missoula and single shelters in each of Hamilton and Kalispell. Our family services and family support services operate out of Missoula, Polson and Helena but serve children and youth throughout western Montana. Our efforts are always targeted at eventual family and permanent placement and a future for the children we serve beyond our treatment and care and into their adulthood.

Basis of Accounting. The Agency's financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Categories of Net Assets.

- *Unrestricted net assets* generally have no donor-imposed restriction. This category includes those revenues and expenses associated with providing adolescent care services.
- *Temporarily restricted net assets* include gifts for which donor-imposed restrictions have not been met and funds for which the ultimate purpose of the proceeds is not permanently restricted.
- *Permanently restricted net assets* result from contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Agency.

Cash and Cash Equivalents.

Cash and cash equivalents include cash in banks and on hand, and highly liquid debt instruments that are readily convertible to known amounts of cash. Such debt instruments have maturities of three months or less from the date of purchase.

Investments. Investments consist of debt instruments with original maturities to the Agency in excess of three months and equity securities. The Agency has adopted ASC No. 958-320, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. ASC No. 958-320 requires that investments in equity securities with readily determinable fair values and all investments in debt securities shall be measured at fair value with realized and unrealized gains and losses on investments reported in the Statement of Activity.

Continued

YOUTH HOMES
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Split Interest Agreements. Some donors enter into trust or other arrangements under which the Agency has a beneficial interest. The Agency will retain a remainder interest in the donated investments and will pay annuity payments to donors at future dates. For irrevocable agreements whereupon the Agency has control of the assets, assets are recorded at their estimated fair market value upon notification of the beneficial interest, provided that reliable information is available. A liability for payments to beneficiaries is estimated at the present value of the expected payments to beneficiaries and is presented as “Split-interest agreement liability” on the statement of financial position. Present value estimates use a discount rate of 5.4% and standard actuarial tables for remaining lives of donors and beneficiaries.

Inventories. The Agency does not record inventories in its financial records. Such items consist of office and operating supplies which are expensed when purchased. The amount of inventories on hand as of June 30, 2010 and 2009 are not considered material to these financial statements.

Contributed Support. The Agency recognizes all unconditional gifts and promises to give in the period notified. Contributed support is reported as unrestricted or temporarily restricted depending upon the existence of donor stipulations. Temporarily restricted contributions whose restrictions have been fulfilled in the same year as the contributions are reported as unrestricted.

Revenue Recognition. Contracts, grants, and other revenues are recognized when earned. As required by ASC No. 958-605-25, contributed service revenues result when donated services create or enhance non-financial assets or when they require specialized skills provided by people possessing those skills that would typically be purchased if not provided by donation. Contributed goods are valued at their estimated fair value at the date of contribution.

Fixed Assets. The Agency capitalizes equipment with a purchase price of at least \$5,000 and an expected life of at least 5 years. Property and equipment are carried at cost. Donated assets are valued at their estimated fair value at the date of contribution. Straight-line depreciation is used to depreciate assets over estimated lives of 5 to 27½ years.

Program Activities and Expense Classification.

- Program Support is the expenses associated with providing shelter, staff support, therapies, and activities and opportunities to the residents. Each home is designed to meet individual needs and treatment specific to the youngsters for whom the program is designed. The Agency's homes and services include:
 - *Susan Talbot Boys and Girls Home.* A six-bed residential intensive therapeutic group home designed to provide support, treatment, and supervision for severely emotionally disturbed youngsters ages twelve to eighteen with legal, emotional and family issues. The Talbot Boys and Girls Home was opened to serve youth in 1985 and moved to a more therapeutic and clinical approach in 1992.

Continued

YOUTH HOMES
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

- *Dan Fox Family Care Program* provides and supports therapeutic private family settings for the care of emotionally disturbed children, ranging in age from birth to eighteen. Settings can be in foster care, kinship care, guardianship, adoptive homes or the child's birth family. Families are recruited, screened and trained by the Agency, which holds a child-placing and adoption placement licenses from the State of Montana.

Within the Dan Fox Family Care Program, the Agency operates a distinct *Guide Homes Program*, placing youngsters who have successfully completed institutional stays in the state's two "youth correctional facilities" at Miles City (Pine Hills Boys School) and Boulder (Riverside Girls School) into families provided through recruiting, screening and training. These individuals and couples are supported from three sites (Missoula, Helena and Kalispell) in Western Montana. Youth Homes sub-contracts with Youth Dynamics to provide similar services in sites east of the continental divide with families there supported by offices in Butte, Bozeman, Great Falls and Billings.

As the Program has progressed we have developed an array of services and approaches but that all is focused on supporting children to best develop when appropriately to be in a family setting.

This program continues to provide casework and placement under contract with the Casey Family Program (CFP). On June 1, 2004, the Agency entered into a contract with the CFP, whereby Youth Homes would assume case management and support for the CFP caseload of over 100 children effective September 1, 2004 and continuing until the very youngest of these children reached age 18 or graduated from high school, whichever came later. This carries the contract forward to approximately the year 2018. In the contract the Agency assumes a caseload comprised of long-term foster care, subsidized and unsubsidized guardianship and adoption, transition and post-secondary education cases. This contract is both an opportunity and a challenge, bringing with it great responsibility for a large number of cases but also representing adequate compensation for Youth Homes and a connection to a major children's charity (The Marguerite Casey Foundation) in the United States as well as all of CFP's accumulated wisdom and practices since their inception in the 1970s. Casey is a private foundation that supports permanency in sites throughout the western United States. Over the years this caseload will reduce with no allowed intake to replace those clients who age out of the program.

- *Shirley Miller Attention Home* provides short-term shelter, respite, crisis care, and assessment to adolescents, ages from twelve to eighteen. The Shirley Miller Attention Home is in Missoula and started in 1976, and houses up to eight adolescents who are in need of help with emotional, family, or legal problems.
- *Flathead Youth Home* and the *Bitterroot Youth Home* are dual licensed programs that provide shelter and longer term group care for local youth. These programs combine the qualities of short term sheltering and longer term group care in one program that offers immediate and extended care and services. The Flathead Youth Home was opened in 1997 to serve youth in the Kalispell area and can also house up to eight youngsters. The Bitterroot Youth Home opened in 2002 and serves up to eight young people in similar need in Ravalli County. Today we are trying to develop a more comprehensive program and structure to address the varied issues (legal issues, protection, emotional challenges, etc.) and stays now ranging from as short as a day to as long as six months and more.

Continued

YOUTH HOMES
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

- *Tom Roy Youth Guidance Home* provides longer-term care and transition toward emancipation and independent living for up to eight youngsters, ages fifteen to eighteen. Often these youngsters have a history of legal, emotional, social, academic, substance abuse, or family problems. The Tom Roy Youth Guidance Home was opened in 1971. The Program also offers an apartment living program whereby we provide short term start up funding and staff support. Our Agency staff is funded for official involvement in placements into apartments range from 1 to 6 months.
- *Talbot Home for Girls* and the *Talbot Boys and Girls Home* provide intensive treatment for up to five severely emotionally disturbed adolescent females and six (coeducational) youths, ages twelve to eighteen, with relationship, trust, sexual and oppositional issues. Treatment goals include improving behavior, the ability to accept care, a level of lesser care and supervision after treatment, and the eventual placement of the youths back into family, a substitute family, or emancipation. The original Talbot Center was started in 1985 and the two homes have recently evolved into more targeted and clinically proven treatment over the years.
- *Dennis Radtke Home for Boys* provides intensive treatment of up to four severely emotionally disturbed adolescent males, ages thirteen to eighteen, with behavior and conduct-related issues. Treatment goals, as with the Talbot Homes, include improving behavior, assisting movement to and successful in lesser structure involved in care and supervision, and the eventual placement of the youths back into family, substitute family, or emancipation. The Home and program was initiated in 1997.
- *InnerRoads Wilderness Program* is a therapeutic wilderness program for at-risk youngsters, ages 13 - 17, in small groups. The Treatment comprises and focuses on wilderness, family and community with each component integrated to allow the youth to return home or to an originating placement successfully. The program includes 28 days of wilderness travel, individual, group and family therapies, a two week home-site in preparation for returning home, service learning, in-home follow-up and mentoring for 6 - 9 months after the formal program. This past year IRWP served four to six youngsters in each of three expeditions, in spring, summer and fall.
- *Missoula Learning Lab* provides an alternative learning environment for students currently unable to attend public school. The ten-student facility helps students prepare for other academic settings and daily academic and learning experience and opportunity. The lab is taught by a licensed teacher and assisted, when numbers are above 6, a classroom aid from among our relief workers from the home.
- *Fundraising* provides for the salaries and fringe benefits of a staff position and low-cost supplies and services for special events and activities designed to create public awareness and support for youth programs in the area.
- *Administration* consists of funds used for administering the Agency, staff development and training, and general management costs of the Agency such as printing and supplies.

Continued

YOUTH HOMES
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cost Allocation. The Agency allocates costs that can be identified specifically with a particular final cost objective, directly to the individual program, benefiting from those costs. Joint costs are allocated directly to individual programs using a base most appropriate to the particular cost being prorated.

Income Taxes. Youth Homes is a nonprofit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Agency applies generally accepted accounting 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 Agency has determined that it is subject to examination of our income tax filings in the United States and state jurisdictions for the 2006 through 2009 tax years. In the event that the Agency is assessed penalties and or interest, penalties will be charged to miscellaneous expense and interest will be charged to interest expense.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management make estimates and assumptions that affect the reported assets, liabilities, revenues, and expenditures during the reporting period. Actual results could differ from those estimates.

Advertising. Advertising costs are expensed when incurred and for 2010 and 2009 were \$2,827 and \$5,584, respectively.

Reclassifications. Certain amounts in the prior periods have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

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.

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YOUTH HOMES
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE B FAIR VALUE MEASUREMENTS, continued

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.

Our financial instruments consist principally of cash, accounts receivable, investments, endowment, accounts payable and accrued liabilities, and debt. We believe that the recorded values of our financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

Assets at Fair Value as of June 30, 2010				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 904,545	\$ -	\$ -	\$ 904,545
Gift Annuity Program Investments	36,879	-	-	36,879
Total assets at fair value	\$ 941,424	\$ -	\$ -	\$ 941,424
Liabilities at Fair Value as of June 30, 2010				
	Level 1	Level 2	Level 3	Total
Charitable Gift Annuity Liability	\$ -	\$ -	\$ 8,937	\$ 8,937
Assets at Fair Value as of June 30, 2009				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 799,492	\$ -	\$ -	\$ 799,492
Gift Annuity Program Investments	28,249	-	-	28,249
Total assets at fair value	\$ 827,741	\$ -	\$ -	\$ 827,741
Liabilities at Fair Value as of June 30, 2009				
	Level 1	Level 2	Level 3	Total
Charitable Gift Annuity Liability	\$ -	\$ -	\$ 2,984	\$ 2,984

Continued

YOUTH HOMES
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE C CASH AND CASH EQUIVALENTS

The Agency participates in a Sweep Repurchase Agreement through a reputable financial institution. Daily, the financial institution sells to the Agency an undivided fractional interest in the principal amount of securities or financial instruments. Market risks associated with this agreement are similar to market risks associated with the security purchased. The securities have a current market value equal to or greater than the principal amount of the transaction. The funds invested in the Sweep Agreement are not considered deposits and are not insured by the Federal Deposit Insurance Corporation; however, the funds are collateralized by the securities purchased with those funds. No amounts are considered at risk as of June 30, 2010 and 2009. Although management has expressed no intention to do so, the Agency may terminate the agreement at any time.

All funds invested in the Sweep Agreement are included in cash and cash equivalents due to the short-term nature of the investment. The funds invested in the Agreement are considered to be immediately available funds from the financial institution.

NOTE D INVESTMENTS AND ENDOWMENT

The Agency's internal investment policy requires diversification between equity holdings, fixed income securities, and cash and cash equivalents. The purpose of the investments is to increase the stability of funding for the Agency and its services through the use of investment income to cover 10% to 15% of operating costs, program development, special projects, and serves as an emergency reserve fund.

The Agency's investments consisted of the following as of June 30:

	2010		2009	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash and Money Funds	\$ -	\$ -	\$ 4,891	\$ 4,891
Mutual Funds	<u>756,450</u>	<u>941,424</u>	<u>750,450</u>	<u>822,850</u>
Total investments	<u>\$ 756,450</u>	<u>941,424</u>	<u>\$ 755,341</u>	827,741
Less Endowment		<u>155,561</u>		<u>133,421</u>
Current Investments		<u>\$ 785,863</u>		<u>\$ 694,320</u>

Of the amounts above, the Agency has an established permanent, irrevocable endowment fund in the amount of \$155,561 and \$133,421 for 2010 and 2009, respectively. The principal of restricted funds, \$122,927 and \$122,927, cannot be spent for any reason, with income earned being available for the charitable purposes of the Agency.

Continued

YOUTH HOMES
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE D INVESTMENTS AND ENDOWMENT, continued

Youth Homes' endowment consists of funds established for the support of the Agency. As required by GAAP, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Agency management has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Youth Homes classifies as permanently restricted net assets (a) the original value of gifts to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the organization and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the organization, and (7) the investment policies of the organization.

NOTE E RECEIVABLES

Accounts receivable represent amounts owed to the Agency from foster and Medicaid service contracts. Accounts receivable are predominantly for shelter contracts with the Montana State Department of Family Services and reimbursable services through Medicaid, managed care, and other third-party insurance providers.

The Agency aggressively pursues payment for the first 180 days and claims are re-billed if the reason for denial can be disputed. Currently, the Agency allows for 2% of receivables 0-30 days, 10% of 31-60 days, 20% of 61-90 days, 30% of 91-360 days, and 50% of receivables greater than 360 days. The provision for bad debts on these accounts was \$34,102 and \$46,332 as of June 30, 2010 and 2009, respectively.

NOTE F FUNDS HELD IN TRUST

The Agency serves as a conduit for receipt of funds for an unrelated agency, Backpacks for Kids. The amount of funds held by the Agency that will be remitted to appropriate agencies is \$11,216 and \$10,462 as of June 30, 2010 and 2009, respectively.

Continued

YOUTH HOMES
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE G EMPLOYEE BENEFITS

Agency 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 are provided and paid by the Agency 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 Agency is determined annually as a percent of gross wages for the preceding year. For the years ended June 30, 2010 and 2009, the Agency contributed 3% and 3% of eligible gross wages in the amount of \$51,155 and \$54,399, respectively.

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

NOTE H OVERPAYMENTS PAYABLE

The Agency's obligations under overpayments payable consist of the following at June 30:

	2010	2009
Overpayments payable with no interest, due in monthly principal payments of \$800, beginning April 2007 through March 2008 and principal payments of \$1,204 from April 2008 through March 2010.	\$ -	\$ 10,840
Overpayments payable with no interest.	3,443	340
	3,443	11,180
Less current portion	3,443	11,180
Total long-term overpayments payable	\$ -	\$ -

NOTE I UNRESTRICTED NET ASSETS

Unrestricted net assets are comprised of the following as of June 30:

	2010	2009
Unrestricted	\$ 2,212,571	\$ 2,257,335
Board Restricted	785,863	694,320
Total Unrestricted Net Assets	\$ 2,998,434	\$ 2,951,655

Continued

YOUTH HOMES
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE J LONG-TERM DEBT

The Agency's obligations under loans payable consist of the following at June 30:

	2010	2009
Mortgage note payable at 5% interest, due in monthly interest payments until December 6, 2009; secured by land, 825 East Oregon Street, Kalispell. Loan was converted to a traditional loan at 5% interest due in monthly payments of principal and interest of \$3,700 through November 5, 2024.	\$ 454,396	\$ 122,456
Mortgage note payable at 6% interest, due in monthly payments of principal and interest of \$1,079, through November 15, 2022; secured by Bitterroot Attention Home, 903 South 2nd Street, Hamilton.	111,737	117,820
Note payable at 8.05% interest, due in monthly payments of principal and interest of \$290, through December 4, 2011; secured by vehicle.	4,901	7,857
Note payable at 6.95% interest, due in monthly payments of principal and interest of \$310, through November 3, 2010; secured by vehicle.	1,516	5,001
Note payable at 6.95% interest, due in monthly payments of principal and interest of \$315, through October 3, 2010; secured by vehicle.	1,024	4,600
Note payable at 6.95% interest, due in monthly payments of principal and interest of \$307, through December 13, 2010; secured by vehicle.	1,392	4,850
Note payable at 6.35% interest, due in monthly payments of principal and interest of \$279, through October 15, 2010; secured by vehicle.	1,102	4,275
Note payable at 6.5% interest, due in monthly payments of principal and interest of \$289, through December 27, 2009; secured by vehicle.	-	1,425
	576,068	268,284
Less current portion	36,791	146,751
Total long-term debt	\$ 539,277	\$ 121,533

Loan principal matures as follows for the years ending June 30:

2011	\$ 36,791
2012	31,814
2013	32,357
2014	33,388
2015	35,176
Thereafter	406,542
	\$ 576,068

Continued

YOUTH HOMES
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE K LEASES

The Agency classifies its leases as either operating or capital leases. Currently, all leases are operating leases. The Agency leases office space in Polson for \$250 per month and Helena for \$1,235 per month.

The Agency also leases two office spaces in Missoula, Montana. The leases are at a base rate of \$873 and \$2,245 per month plus the annually determined, prorata share of taxes, utilities, and maintenance fees, currently at \$1,353 per month. The lease terms are for 7 years expiring in 2011. The lease rate may be re-determined each year corresponding to the change in the Consumer Price Index. Improvements to the leased facility were financed by the owner of the building for an additional payment of \$133 per month.

NOTE L RELATED PARTIES

On July 1, 1999, the Agency entered into a joint venture with Intermountain in Helena, Montana, to form the Partnership for Children (Partnership). The objective of the Partnership is to provide attachment based therapeutic group and foster care in Missoula, Montana.

During the years ended June 30, 2010 and 2009, the Agency received \$165,443 and \$163,387 in management fees and \$76,856 and \$82,753 in expense reimbursements from the Partnership, respectively. Receivable balances from Partnership totaled \$20,727 and 23,870 as of June 30, 2010 and 2009, respectively.

NOTE M RISK MANAGEMENT

The Agency faces a number of risks including loss or damage to property, general liability, and employee medical insurance. Commercial insurance policies are purchased for loss or damage to property, general liability and employee medical insurance.

NOTE N CONCENTRATION OF RISK

The Agency received 37% and 31% of its revenues from contracts with the State of Montana for the fiscal years ended June 30, 2010 and 2009, respectively. The Agency received another 23% and 24% of its revenues from contracts with the State of Montana Medicaid Programs for the fiscal years ended June 30, 2010 and 2009, respectively. The Agency received another 9% and 11% of its revenues from the Casey Family Program for the fiscal years ended June 30, 2010 and 2009, respectively. A significant change in these contractual arrangements may substantially affect the operations of the Agency.

NOTE O SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to June 30, 2010 to determine the need for any adjustments to and/or disclosure within the audited financial statements for the year ended June 30, 2010. Management has performed this analysis through October 21, 2010, the date the financial statements were available to be issued. We have determined the following is required to be disclosed.

In September of 2010, the old facility located in the Bitterroot was sold for \$159,000 and paid off related debt of approximately \$111,000.

Concluded

Form **990**

Return of Organization Exempt From Income Tax

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

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization YOUTH HOMES Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 550 CALIFORNIA STREET City or town, state or country, and ZIP + 4 MISSOULA, MT 59802	D Employer identification number 81-0331313 E Telephone number 406-721-2704 G Gross receipts \$ 4,837,693.
		F Name and address of principal officer: GEOFF BIRNBAUM SAME AS C ABOVE	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
		I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
		J Website: WWW.YOUTHOMES.COM	
		K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	L Year of formation: 1971 M State of legal domicile: MT

Part I Summary

	1	Briefly describe the organization's mission or most significant activities: <u>GROUP YOUTH HOMES AND FOSTER CARE</u>		
Activities & Governance	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	15
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	15
	5	Total number of employees (Part V, line 2a)	5	164
	6	Total number of volunteers (estimate if necessary)	6	0
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 1,054,516.	Current Year 589,513.
	9	Program service revenue (Part VIII, line 2g)	4,296,463.	3,973,115.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	18,607.	29,667.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	112,346.	208,134.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,481,932.	4,800,429.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	3,265,989.	3,314,311.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 110,363.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	1,650,604.	1,560,295.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	4,916,593.	4,874,606.
	19	Revenue less expenses. Subtract line 18 from line 12	565,339.	-74,177.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 3,876,848.	End of Year 4,209,887.
	21	Total liabilities (Part X, line 26)	712,626.	1,033,684.
	22	Net assets or fund balances. Subtract line 21 from line 20	3,164,222.	3,176,203.

Part II Signature Block

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

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

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

THE MISSION OF MONTANA YOUTH HOMES IS TO ENHANCE THE QUALITY OF LIFE FOR OUR YOUTH BY EXPANDING OPPORTUNITIES IN A SECURE, FAMILY ENVIRONMENT. WE WISH TO EMPOWER, ENCOURAGE, AND SUPPORT OUR YOUTH THROUGH CHANGE IN ORDER TO BECOME EFFECTIVE, CONTRIBUTING ADULTS.

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

Yes No

If "Yes," describe these new services on Schedule O.

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

Yes No

If "Yes," describe these changes on Schedule O.

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

4a (Code:) (Expenses \$ 4,168,943. including grants of \$ 303,521.) (Revenue \$ 3,779,584.) SHELTER, GROUP HOME, AND FOSTER CARE FOR ADOLESCENTS AND CHILDREN. TEMPORARY CARE, LONG-TERM CARE AND FOSTER CARE PROVIDED FOR APPROXIMATELY 400 YOUTHS PER YEAR.

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

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 \$ 4,168,943.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	1a 14		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
	1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a 164		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
b	If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
	4a		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
	7f		
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
	7h		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.	Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	8		
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?		
	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
	9b		
10 Section 501(c)(7) organizations. Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11 Section 501(c)(12) organizations. Enter:			
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a Section 4947(a)(1) non-exempt charitable trusts.	Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

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

Section A. Governing Body and Management

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

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

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?		X
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	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: **YOUTH HOMES - 406-721-2704**
550 NORTH CALIFORNIA, MISSOULA, MT 59802

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

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

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

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
SHANNONE HART PRESIDENT	1.00	X		X				0.	0.	0.
THOMAS SWENSON VICE PRESIDENT	1.00	X		X				0.	0.	0.
DORI JOHNSTON SECRETARY/TREASURER	1.00	X		X				0.	0.	0.
TOM ROY DIRECTOR	1.00	X						0.	0.	0.
MATT HAYHURST DIRECTOR	1.00	X						0.	0.	0.
BETSY SAXTON DIRECTOR	1.00	X						0.	0.	0.
LARRY FLANAGAN DIRECTOR	1.00	X						0.	0.	0.
HEATHER WILCOX DIRECTOR	1.00	X						0.	0.	0.
PATRICK CORRICK DIRECTOR	1.00	X						0.	0.	0.
KATE MURPHY DIRECTOR	1.00	X						0.	0.	0.
BETH WOODY DIRECTOR	1.00	X						0.	0.	0.
WHITNEY SCHWAB DIRECTOR	1.00	X						0.	0.	0.
BILL MILLER DIRECTOR	1.00	X						0.	0.	0.
PEGGY NELSEN DIRECTOR	1.00	X						0.	0.	0.
C.J. JOHNSON DIRECTOR	1.00	X						0.	0.	0.
GEOFFREY BIRNBAUM EXECUTIVE DIRECTOR	40.00			X				89,428.	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	(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			
1b Total							89,428.	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
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 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
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization 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	303,521.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	285,992.				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f		589,513.				
	Program Service Revenue	2 a <u>CONTRACT SERVICES</u>	Business Code 624100	3,807,672.	3,807,672.		
b <u>REIMBURSEMENTS</u>		900099	165,443.	165,443.			
c							
d							
e							
f All other program service revenue							
g Total. Add lines 2a-2f			3,973,115.				
Other Revenue		3 Investment income (including dividends, interest, and other similar amounts)		29,667.	29,667.		
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross Rents	(i) Real	11,100.				
		(ii) Personal					
		b Less: rental expenses					
		c Rental income or (loss)		11,100.			
	d Net rental income or (loss)		11,100.	11,100.			
	7 a Gross amount from sales of assets other than inventory	(i) Securities					
		(ii) Other					
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
	d Net gain or (loss)						
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a	234,298.				
		b Less: direct expenses	b	37,264.			
c Net income or (loss) from fundraising events			197,034.			197,034.	
9 a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11	a						
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions.			4,800,429.	4,013,882.	0.	197,034.	

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	89,428.		89,428.	
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	2,501,276.	2,183,909.	233,579.	83,788.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	521,507.	474,434.	38,101.	8,972.
10 Payroll taxes	202,100.	163,985.	30,602.	7,513.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion	2,827.	1,799.	1,028.	
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	171,118.	153,710.	14,408.	3,000.
17 Travel	83,561.	77,502.	6,059.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	20,567.	20,567.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	105,985.	92,395.	13,590.	
23 Insurance	53,349.	43,230.	10,119.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a PURCHASED CARE SERVICES	342,755.	342,755.		
b CLIENT DIRECT ASSISTANC	266,599.	254,570.	12,029.	
c YOUTH DYNAMICS CONTRACT	111,716.	111,716.		
d REPAIRS AND MAINTENANCE	96,221.	68,436.	27,785.	
e SUPPLIES	70,877.	43,522.	27,355.	
f All other expenses	234,720.	136,413.	91,217.	7,090.
25 Total functional expenses. Add lines 1 through 24f	4,874,606.	4,168,943.	595,300.	110,363.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation ...				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	26,098.	1	18,652.
	2 Savings and temporary cash investments	780,532.	2	673,574.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	376,888.	4	377,643.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	12,331.	9	11,597.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 3,324,908.		
	b Less: accumulated depreciation	10b 1,137,911.	1,853,258.	10c 2,186,997.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	694,320.	12	785,863.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	133,421.	15	155,561.
16 Total assets. Add lines 1 through 15 (must equal line 34)	3,876,848.	16	4,209,887.	
Liabilities	17 Accounts payable and accrued expenses	353,316.	17	386,187.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	279,464.	23	579,511.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	79,846.	25	67,986.
	26 Total liabilities. Add lines 17 through 25	712,626.	26	1,033,684.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	2,951,655.	27	2,998,434.
	28 Temporarily restricted net assets	89,640.	28	54,842.
	29 Permanently restricted net assets	122,927.	29	122,927.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	3,164,222.	33	3,176,203.	
34 Total liabilities and net assets/fund balances	3,876,848.	34	4,209,887.	

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990: Cash Accrual Other _____

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

Separate basis Consolidated basis Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

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

Public Charity Status and Public Support

2009

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

Open to Public Inspection

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

Department of the Treasury
Internal Revenue Service

Name of the organization

YOUTH HOMES

Employer identification number

81-0331313

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 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).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(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
			Yes	No	Yes	No	Yes	No	
Total									

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	607,697.	613,240.	684,143.	1,054,516.	589,513.	3,549,109.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	607,697.	613,240.	684,143.	1,054,516.	589,513.	3,549,109.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						3,549,109.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	607,697.	613,240.	684,143.	1,054,516.	589,513.	3,549,109.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	119,886.	172,669.	-31,722.	-164,728.	126,926.	223,031.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						3,772,140.
12 Gross receipts from related activities, etc. (see instructions)					12	22,570,829.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	94.09 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	94.14 %
16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input checked="" type="checkbox"/>	
b 33 1/3% support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>	

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

Schedule D
(Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ 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.

Name of the organization

YOUTH HOMES

Employer identification number

81-0331313

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 pleasure) 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	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, 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, 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 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 organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	133,421.	155,866.			
b Contributions					
c Net investment earnings, gains, and losses	22,140.	-22,445.			
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	155,561.	133,421.			

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	409,243.			409,243.
b Buildings	2,643,657.		914,511.	1,729,146.
c Leasehold improvements				
d Equipment	272,008.		223,400.	48,608.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				2,186,997.

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
Financial derivatives		
Closely-held equity interests		
Other		
MUTUAL FUNDS	785,863.	END-OF-YEAR MARKET VALUE
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶	785,863.	

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
Total. (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
Total. (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	
Federal income taxes		
CASEY FAMILY PROGRAM DEPOSIT	59,049.	
SPLIT INTEREST AGREEMENT LIABILITY	8,937.	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	67,986.	

2. FIN 48 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.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	4,800,429.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	4,874,606.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-74,177.
4	Net unrealized gains (losses) on investments	4	86,159.
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	86,159.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	11,982.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	4,923,851.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	86,159.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	37,264.
e	Add lines 2a through 2d	2e	123,423.
3	Subtract line 2e from line 1	3	4,800,428.
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	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	4,800,428.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	4,911,870.
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	37,264.
e	Add lines 2a through 2d	2e	37,264.
3	Subtract line 2e from line 1	3	4,874,606.
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	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	4,874,606.

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.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

DIRECT EVENTS EXPENSE: 37264.

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

DIRECT EVENTS EXPENSE: 37264.

SCHEDULE G
(Form 990 or 990-EZ)

**Supplemental Information Regarding
Fundraising or Gaming Activities**

OMB No. 1545-0047

2009

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

**Open To Public
Inspection**

Name of the organization **YOUTH HOMES** Employer identification number **81-0331313**

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- | | |
|--|---|
| <input type="checkbox"/> a Mail solicitations | <input type="checkbox"/> e Solicitation of non-government grants |
| <input type="checkbox"/> b Internet and email solicitations | <input type="checkbox"/> f Solicitation of government grants |
| <input type="checkbox"/> c Phone solicitations | <input type="checkbox"/> g Special fundraising events |
| <input type="checkbox"/> d In-person solicitations | |

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? **Yes** **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))	
		CHRISTMAS APPEAL	RUN EVENT	4		
		(event type)	(event type)	(total number)		
Revenue	1	Gross receipts	78,688.	57,974.	97,636.	234,298.
	2	Less: Charitable contributions	12,500.	9,220.	15,545.	37,265.
	3	Gross income (line 1 minus line 2)	66,188.	48,754.	82,091.	197,033.
Direct Expenses	4	Cash prizes				
	5	Noncash prizes				
	6	Rent/facility costs				
	7	Food and beverages				
	8	Entertainment				
	9	Other direct expenses				
	10	Direct expense summary. Add lines 4 through 9 in column (d)				
11	Net income summary. Combine line 3, column (d), and line 10					197,033.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))	
Revenue	1	Gross revenue				
Direct Expenses	2	Cash prizes				
	3	Noncash prizes				
	4	Rent/facility costs				
	5	Other direct expenses				
6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No		
7	Direct expense summary. Add lines 2 through 5 in column (d)					()
8	Net gaming income summary. Combine line 1, column (d), and line 7					

	Yes	No
9 Enter the state(s) in which the organization operates gaming activities: _____		
a Is the organization licensed to operate gaming activities in each of these states? _____	9a	
b If "No," explain: _____		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? _____	10a	
b If "Yes," explain: _____		
11 Does the organization operate gaming activities with nonmembers? _____	11	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? _____	12	

13 Indicate the percentage of gaming activity operated in:

- a The organization's facility **13a** %
- b An outside facility **13b** %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? **15a**

- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____ .
- c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

- Director/officer Employee Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? **17a**

- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

	Yes	No
13a		
13b		
14		
15a		
16		
17a		

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

YOUTH HOMES

Employer identification number

81-0331313

FORM 990, PART VI, SECTION B, LINE 11: THE ORGANIZATION IS PROVIDED A COPY OF ITS 990 AND IS APPROVED BY THE BOARD BEFORE IT IS FILED.

FORM 990, PART VI, SECTION B, LINE 12C: BOARD MEMBERS ARE REQUIRED TO SUBMIT A CONFLICT OF INTEREST REPORT. THIS POLICY IS REGULARLY REVIEWED.

FORM 990, PART VI, SECTION B, LINE 15A: ED COMPENSATION IS SET AT MARKET VALUE AND REVIEWED AND APPROVED BY BOD.

FORM 990, PART VI, SECTION C, LINE 19: YOUTH HOMES MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990 PART XI, LINE 2C
THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR.

Related Organizations and Unrelated Partnerships

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

2009
Open to Public
Inspection

Name of the organization **YOUTH HOMES** **Employer identification number**
81-0331313

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
PARTNERSHIP FOR CHILDREN - 81-0526281 PO BOX 8134 MISSOULA, MT 59807	ATTACHMENT BASED TREATMENT PROGRAM	MONTANA	501(C)(3)	170(B)(1)(A)(V)	

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?	
							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, or 36.)

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

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

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

(a) Name of other organization(s)	(b) Transaction type (a-r)	(c) Amount involved
(1) PARTNERSHIP FOR CHILDREN	K	165,443.
(2) PARTNERSHIP FOR CHILDREN	P	76,856.
(3)		
(4)		
(5)		
(6)		

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of- year assets	(f) Dispropor- tionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No