

## **FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED MARCH 31, 2013  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2012**

# ADVOCATES FOR YOUTH

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Advocates for Youth  
Washington, D.C.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Advocates for Youth (Advocates), which comprise the statement of financial position as of March 31, 2013, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

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**MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL**  
**MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION**

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advocates as of March 31, 2013, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited Advocates' 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 4, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards on page I-15, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2013 on our consideration of Advocates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Advocates' internal control over financial reporting and compliance.



Bethesda, Maryland  
September 27, 2013

**ADVOCATES FOR YOUTH**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2013**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012**

<b>ASSETS</b>			
		<u><b>2013</b></u>	<u><b>2012</b></u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	2,729,493	\$ 2,682,806
Accounts receivable		23,162	8,535
Grants receivable (Note 7)		1,705,582	3,477,179
Inventory		32,524	26,771
Prepaid expenses and other assets		<u>77,082</u>	<u>57,713</u>
Total current assets		<u>4,567,843</u>	<u>6,253,004</u>
<b>FIXED ASSETS</b>			
Furniture and equipment		358,916	354,263
Less: Accumulated depreciation		<u>(295,879)</u>	<u>(277,748)</u>
Net fixed assets		<u>63,037</u>	<u>76,515</u>
<b>OTHER ASSETS</b>			
Deposits		<u>42,357</u>	<u>42,357</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>4,673,237</u></b>	<b><u>\$ 6,371,876</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$	172,906	\$ 235,409
Accrued expenses		142,945	162,719
Deferred rent, current portion (Note 4)		<u>33,498</u>	<u>14,876</u>
Total current liabilities		<u>349,349</u>	<u>413,004</u>
<b>LONG-TERM LIABILITIES</b>			
Deferred rent, net of current portion (Note 4)		<u>288,707</u>	<u>322,206</u>
Total liabilities		<u>638,056</u>	<u>735,210</u>
<b>NET ASSETS</b>			
Unrestricted		414,212	397,962
Temporarily restricted (Note 3)		<u>3,620,969</u>	<u>5,238,704</u>
Total net assets		<u>4,035,181</u>	<u>5,636,666</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>4,673,237</u></b>	<b><u>\$ 6,371,876</u></b>

See accompanying notes to financial statements.

## ADVOCATES FOR YOUTH

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2013  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012**

	<b>2013</b>			<b>2012</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	<b>Total</b>
<b>REVENUE</b>				
Individual contributions	\$ 89,062	\$ -	\$ 89,062	\$ 91,311
Foundation and corporate grants	-	2,657,569	2,657,569	3,160,242
Government grants	-	1,511,553	1,511,553	1,618,698
Publications and merchandise	11,710	-	11,710	7,412
Program service fees	33,243	-	33,243	109,150
Annual youth conference	10,500	-	10,500	-
Other	3,949	-	3,949	533
Interest income	4,300	-	4,300	6,876
Loss on retirement of assets	-	-	-	(4,614)
Net assets released from donor restrictions (Note 2)	<u>5,786,857</u>	<u>(5,786,857)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>5,939,621</u>	<u>(1,617,735)</u>	<u>4,321,886</u>	<u>4,989,608</u>
<b>EXPENSES</b>				
Program Services:				
Youth Empowerment	334,165	-	334,165	303,580
Public Affairs	1,775,762	-	1,775,762	1,935,599
International Programs	596,826	-	596,826	649,066
Education and Outreach	94,985	-	94,985	177,036
HIV/AIDS Education	790,882	-	790,882	423,890
Adolescent Sexual Health Services	1,300,663	-	1,300,663	1,272,243
Public Information Services	211,225	-	211,225	206,717
Youth of Color	<u>299,849</u>	<u>-</u>	<u>299,849</u>	<u>418,833</u>
Total program services	<u>5,404,357</u>	<u>-</u>	<u>5,404,357</u>	<u>5,386,964</u>
Supporting Services:				
Management and General	141	-	141	8,356
Fundraising	<u>518,873</u>	<u>-</u>	<u>518,873</u>	<u>434,758</u>
Total supporting services	<u>519,014</u>	<u>-</u>	<u>519,014</u>	<u>443,114</u>
Total expenses	<u>5,923,371</u>	<u>-</u>	<u>5,923,371</u>	<u>5,830,078</u>
Change in net assets	16,250	(1,617,735)	(1,601,485)	(840,470)
Net assets at beginning of year	<u>397,962</u>	<u>5,238,704</u>	<u>5,636,666</u>	<u>6,477,136</u>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ <u>414,212</u></b>	<b>\$ <u>3,620,969</u></b>	<b>\$ <u>4,035,181</u></b>	<b>\$ <u>5,636,666</u></b>

See accompanying notes to financial statements.

# ADVOCATES FOR YOUTH

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED MARCH 31, 2013 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012

	2013				
	Program Services				
	Youth Empowerment	Public Affairs	International Programs	Education and Outreach	HIV/AIDS Education
Salaries	\$ 129,239	\$ 585,022	\$ 183,048	\$ 14,583	\$ 230,281
Payroll taxes and employee benefits (Note 5)	27,568	124,563	38,921	3,161	47,251
Printing and duplicating	577	4,953	749	6,178	1,545
Legal and auditing	-	363	-	-	-
Rent (Note 4)	16,349	73,178	21,920	1,995	20,487
Insurance	-	-	-	-	-
Depreciation	1,080	4,860	1,934	-	180
Telephone and fax	1,489	5,074	2,330	290	2,433
Other travel	23,244	108,764	92,415	16,001	20,987
Professional and consulting	28,800	77,725	4,252	23,330	91,450
Postage and mailings	581	3,700	1,774	172	596
Equipment rental, repair and maintenance	-	500	-	-	-
Office supplies and expense	659	1,313	69	22	259
Dues and publications	56	42,878	55	3,140	511
Meetings and conferences	5,513	81,065	71,086	13,297	15,257
Advertising	7,657	8,458	-	-	-
Bank fees	-	28	175	-	-
Non-capitalized equipment	537	4,096	-	67	1,258
Contributions	4,300	750	-	-	1,000
Seed grants	13,164	238,500	65,400	-	247,778
Staff development	-	-	-	-	300
Staff travel	9,551	57,310	19,058	6,109	28,027
Temporary personnel and intern stipends	6,846	24,866	13,730	1,102	4,000
Training materials	1,850	24,480	1,696	-	251
Computer services	780	29,585	911	167	772
Public relations	150	779	36	-	-
Miscellaneous	3	-	35	-	-
Special events	-	1,300	-	-	-
Registration fees	<u>3,198</u>	<u>13,900</u>	<u>2,839</u>	<u>340</u>	<u>3,300</u>
Sub-total	283,191	1,518,010	522,433	89,954	717,923
Management and general allocation	<u>50,974</u>	<u>257,752</u>	<u>74,393</u>	<u>5,031</u>	<u>72,959</u>
<b>TOTAL</b>	<b>\$ <u>334,165</u></b>	<b>\$ <u>1,775,762</u></b>	<b>\$ <u>596,826</u></b>	<b>\$ <u>94,985</u></b>	<b>\$ <u>790,882</u></b>

See accompanying notes to financial statements.

									2012
				Supporting Services					
Adolescent Sexual Health Services	Public Information Services	Youth of Color	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses	
\$ 529,873	\$ 102,403	\$ 71,277	\$ 1,845,726	\$ 467,958	\$ 294,182	\$ 762,140	\$ 2,607,866	\$ 2,414,808	
105,456	22,201	14,894	384,015	39,638	63,779	103,417	487,432	479,146	
10,936	13,869	2,688	41,495	12,010	3,154	15,164	56,659	99,317	
-	-	-	363	41,927	-	41,927	42,290	40,878	
55,460	12,595	13,656	215,640	81,876	36,936	118,812	334,452	354,923	
-	-	-	-	15,472	-	15,472	15,472	11,639	
2,070	2,160	360	12,644	3,327	2,160	5,487	18,131	8,657	
10,451	411	1,189	23,667	10,649	2,191	12,840	36,507	35,908	
37,975	1,625	23,407	324,418	20,093	132	20,225	344,643	329,940	
214,011	1,325	-	440,893	95	-	95	440,988	380,094	
7,987	1,097	1,623	17,530	4,201	7,728	11,929	29,459	29,221	
-	-	-	500	13,853	-	13,853	14,353	16,876	
2,757	597	282	5,958	10,413	1,102	11,515	17,473	26,726	
10,361	12,831	299	70,131	2,745	973	3,718	73,849	57,114	
16,796	453	6,629	210,096	22,739	1,278	24,017	234,113	160,829	
7,138	225	2,778	26,256	-	1,495	1,495	27,751	65,771	
-	708	-	911	2,043	744	2,787	3,698	4,041	
900	-	-	6,858	1,959	-	1,959	8,817	19,665	
1,200	-	1,200	8,450	3,650	-	3,650	12,100	17,633	
4,500	-	95,000	664,342	-	-	-	664,342	624,181	
4,770	-	-	5,070	-	-	-	5,070	4,770	
67,897	(401)	20,608	208,159	5,429	13,470	18,899	227,058	335,515	
14,141	-	5,770	70,455	2,435	3,989	6,424	76,879	105,350	
11,805	(5,900)	3,783	37,965	-	-	-	37,965	73,324	
1,341	11,254	451	45,261	2,477	1,584	4,061	49,322	56,594	
225	-	200	1,390	9,884	247	10,131	11,521	15,308	
106	-	-	144	2,144	58	2,202	2,346	1,979	
-	-	-	1,300	-	-	-	1,300	4,342	
<u>7,007</u>	<u>1,541</u>	<u>3,390</u>	<u>35,515</u>	<u>1,512</u>	<u>4,488</u>	<u>6,000</u>	<u>41,515</u>	<u>55,529</u>	
1,125,163	178,994	269,484	4,705,152	778,529	439,690	1,218,219	5,923,371	5,830,078	
<u>175,500</u>	<u>32,231</u>	<u>30,365</u>	<u>699,205</u>	<u>(778,388)</u>	<u>79,183</u>	<u>(699,205)</u>	<u>-</u>	<u>-</u>	
<b><u>\$ 1,300,663</u></b>	<b><u>\$ 211,225</u></b>	<b><u>\$ 299,849</u></b>	<b><u>\$ 5,404,357</u></b>	<b><u>\$ 141</u></b>	<b><u>\$ 518,873</u></b>	<b><u>\$ 519,014</u></b>	<b><u>\$ 5,923,371</u></b>	<b><u>\$ 5,830,078</u></b>	

See accompanying notes to financial statements.



## ADVOCATES FOR YOUTH

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2013**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,601,485)	\$ (840,470)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	18,131	8,657
Loss on retirement of assets	-	4,614
Donated stock	(997,788)	-
(Increase) decrease in:		
Accounts receivable	(14,627)	37,597
Grants receivable	1,771,597	(77,319)
Inventory	(5,753)	11,255
Prepaid expenses and other assets	(19,369)	9,118
Deposits	-	5,900
Increase (decrease) in:		
Accounts payable	(62,503)	81,667
Accrued expenses	(19,774)	23,615
Deferred rent	<u>(14,877)</u>	<u>(6,768)</u>
Net cash used by operating activities	<u>(946,448)</u>	<u>(742,134)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	(4,653)	(69,364)
Sale of donated stock	<u>997,788</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>993,135</u>	<u>(69,364)</u>
Net increase (decrease) in cash and cash equivalents	46,687	(811,498)
Cash and cash equivalents at beginning of year	<u>2,682,806</u>	<u>3,494,304</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 2,729,493</u></b>	<b><u>\$ 2,682,806</u></b>

**ADVOCATES FOR YOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

Organization -

Advocates for Youth (Advocates) was incorporated in 1980, under the District of Columbia Nonprofit Corporation Act, for the purpose of conducting public education, information and communication programs, with the aim of reducing the incidence of unintended adolescent pregnancy and the spread of HIV infection.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Advocates' financial statements for the year ended March 31, 2012, from which the summarized information was derived.

Cash and cash equivalents -

Advocates considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year Advocates maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Fixed assets -

Furniture and equipment are stated at cost. Furniture and equipment, with costs greater than \$1,000, are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years.

Income taxes -

Advocates is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. Advocates is not a private foundation.

Uncertain tax positions -

For the year ended March 31, 2013, Advocates has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

**ADVOCATES FOR YOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**  
**(Continued)**

Inventory -

Inventory consists of publications and other merchandise, which are stated at the lower of cost or market value, using the first-in, first-out basis.

Accounts and grants receivable -

Accounts and grants receivable are stated at their fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operations of Advocates and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of Advocates and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. Restricted grants and contributions are recorded as temporarily restricted and subsequently released from restriction to the extent that expenses have been incurred for the purpose or period specified.

Use of estimates -

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

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising costs -

Advocates incurs certain costs associated with advertising. Advocates expenses these costs as they are incurred. For the year ended March 31, 2013, advertising expense totaled \$27,751.

**ADVOCATES FOR YOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**2. NET ASSETS RELEASED FROM RESTRICTIONS**

The following temporarily restricted net assets were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Program:	
Youth Empowerment	\$ 209,893
Public Affairs	1,275,197
International Programs	438,701
Education and Outreach	55,869
HIV/AIDS Education	807,976
Adolescent Pregnancy Prevention Program	1,321,008
Youth of Color	<u>259,155</u>
Total program	4,367,799
Passage of Time: General Operations	<u>1,419,058</u>
<b>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b><u>\$ 5,786,857</u></b>

**3. TEMPORARILY RESTRICTED NET ASSETS**

As of March 31, 2013, the temporarily restricted net assets balance consisted of the following:

Program:	
Youth Empowerment	\$ 688,499
Public Affairs	344,303
International Programs	99,256
Education and Outreach	30,963
HIV/AIDS Education	297,460
Adolescent Pregnancy Prevention Program	951,190
Youth of Color	<u>143,619</u>
Total program	2,555,290
Passage of Time: General Operations	<u>1,065,679</u>
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS</b>	<b><u>\$ 3,620,969</u></b>

**4. COMMITMENTS - OPERATING LEASES**

Advocates entered into a fifteen-year lease agreement for office space, which expires in August, 2018. The base rent is adjusted annually by an increase in the consumer price index and a pro-rata increase in real estate taxes.

Advocates' operating lease for its office space in Washington, D.C., provided for free rent for the first three months of the lease term. Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability on the Statement of Financial Position. The deferred rent liability for the year ended March 31, 2013 was \$322,205.

**ADVOCATES FOR YOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**4. COMMITMENTS - OPERATING LEASES (Continued)**

Rent and other operating costs included in rent expense for the year ended March 31, 2013 totaled \$334,452.

Future minimum lease payments are as follows:

<u>Year Ending March 31,</u>	
2014	\$ 351,074
2015	367,216
2016	376,396
2017	385,806
2018	395,451
2018 and Thereafter	<u>166,463</u>
	<b><u>\$ 2,042,406</u></b>

**5. PENSION PLAN**

Advocates participates in a retirement arrangement pursuant to Section 403(b) of the Internal Revenue Code for the benefit of its employees. All employees working twenty or more hours weekly and having one-year of service are eligible for employer contributions to the plan. Employees are eligible to make voluntary contributions to the plan with pre-tax dollars after completing 90 days of service. Individual contracts issued under the plan provide for full and immediate vesting of both employer and employee contributions. Advocates contributed four percent of each eligible participant's salary to the plan during the year.

Pension expense for the year ended March 31, 2013 totaled \$86,256, and is included in payroll taxes and employee benefits in the accompanying Statement of Functional Expenses.

**6. CONTINGENCY**

Advocates receives funds from government grants and contracts, which are subject to audit under the provisions of OMB Circular A-133.

The ultimate determination of amounts received under the Federal programs is based upon the allowance of costs reported to and accepted by the government as a result of the audits. Audits in accordance with the provisions of OMB Circular A-133 have been completed for all required fiscal years through 2013. Until such audits have been accepted by the government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

**7. GRANTS RECEIVABLE**

Included in grants receivable at March 31, 2013 are the following unconditional promises to give:

Federal	\$ 941,397
Foundation - Restricted	<u>764,184</u>
<b>TOTAL GRANTS RECEIVABLE</b>	<b><u>\$ 1,705,581</u></b>

**ADVOCATES FOR YOUTH**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**8. SUBSEQUENT EVENTS**

In preparing these financial statements, Advocates has evaluated events and transactions for potential recognition or disclosure through September 27, 2013, the date the financial statements were issued.

## **SUPPLEMENTAL INFORMATION**

## ADVOCATES FOR YOUTH

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MARCH 31, 2013**

<u>Federal Granting Agency and Program Title</u>	<u>CFDA or Award Number</u>	<u>Expenditures</u>
<b>Direct Assistance:</b>		
<b>U.S. Department of Health and Human Services - Center for Disease Control:</b>		
Maternal, Infant and Reproductive Health: National and State Coalition Capacity Building	93.946	\$ 788,569
Building the Capacity of Societal Institutions Serving American & Latina Young Women	93.938	707,976
<b>U.S. Department of Health and Human Services - Public Health Service:</b>		
HIV/AIDS Health Promotion and Education	93.004	<u>249,155</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ <u>1,745,700</u></b>

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal grant activity of Advocates under programs of the Federal government for the year ended March 31, 2013. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Advocates, it is not intended to and does not present the financial position, changes in net assets or cash flows of Advocates.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.



## ADVOCATES FOR YOUTH

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**Section I - Summary of Audit Results****Financial Statements**

- 1). Type of auditor's report issued: Unmodified
- 2). Internal control over financial reporting:
- Material weakness(es) identified? ☐ Yes ☒ No
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None Reported
- 3). Noncompliance material to financial statements noted? ☐ Yes ☒ No

**Federal Awards**

- 4). Internal control over major programs:
- Material weakness(es) identified? ☐ Yes ☒ No
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None Reported
- 5). Type of auditor's report issued on compliance for major programs: Unmodified
- 6). Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ☐ Yes ☒ No
- 7). Identification of major programs:

<u>Federal Program Title</u>	<u>CFDA or Award Number</u>
Maternal, Infant and Reproductive Health: National and State Coalition Capacity Building	93.946
HIV/AIDS Health Promotion and Education	93.004

- 8). Dollar threshold used to distinguish between Type A and Type B programs: \$300,000
- 9). Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

**ADVOCATES FOR YOUTH**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**Section II - Financial Statement Findings**

There were no reportable findings.

**Section III - Federal Award Findings and Questioned Costs (Circular A-133, Section .510)**

There were no reportable findings.

**Section IV - Prior Year Findings**

There were no prior year audit findings.