

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED MARCH 31, 2012
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2011**

ADVOCATES FOR YOUTH

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of Advocates for Youth (Advocates) as of March 31, 2012, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Advocates' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Advocates' 2011 financial statements and, in our report dated October 11, 2011, we expressed an unqualified opinion on those statements.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Advocates' internal control over financial reporting. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Advocates as of March 31, 2012, and its change in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads 'Gelman, Rosenberg & Freedman'.

September 4, 2012

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ADVOCATES FOR YOUTH
STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2012
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2011

ASSETS

	<u>2012</u>	<u>2011</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,682,806	\$ 3,494,304
Accounts receivable	8,535	46,132
Grants receivable (Note 7)	3,477,179	3,274,860
Inventory	26,771	38,026
Prepaid expenses and other assets	<u>57,713</u>	<u>66,831</u>
Total current assets	<u>6,253,004</u>	<u>6,920,153</u>
FIXED ASSETS		
Furniture and equipment	354,263	298,664
Less: Accumulated depreciation	<u>(277,748)</u>	<u>(278,242)</u>
Net fixed assets	<u>76,515</u>	<u>20,422</u>
OTHER ASSETS		
Grants receivable	-	125,000
Deposits	<u>42,357</u>	<u>48,257</u>
Total other assets	<u>42,357</u>	<u>173,257</u>
TOTAL ASSETS	<u>\$ 6,371,876</u>	<u>\$ 7,113,832</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 235,409	\$ 153,742
Accrued expenses	162,719	139,104
Deferred rent (Note 4)	<u>14,876</u>	<u>6,768</u>
Total current liabilities	<u>413,004</u>	<u>299,614</u>
LONG-TERM LIABILITIES		
Deferred rent, net of current portion (Note 4)	<u>322,206</u>	<u>337,082</u>
Total liabilities	<u>735,210</u>	<u>636,696</u>
NET ASSETS		
Unrestricted	397,962	401,355
Temporarily restricted (Note 3)	<u>5,238,704</u>	<u>6,075,781</u>
Total net assets	<u>5,636,666</u>	<u>6,477,136</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,371,876</u>	<u>\$ 7,113,832</u>

See accompanying notes to financial statements.

ADVOCATES FOR YOUTH

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2012
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2011**

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE				
Individual contributions	\$ 91,311	\$ -	\$ 91,311	\$ 109,249
Foundation and corporate grants	-	3,160,242	3,160,242	5,437,175
Government grants	-	1,618,698	1,618,698	1,313,329
Publications and merchandise	7,412	-	7,412	5,501
Program service fees	109,150	-	109,150	79,225
Other	533	-	533	9,283
Interest income	6,876	-	6,876	11,800
Loss on retirement of assets	(4,614)	-	(4,614)	-
Net assets released from donor restrictions (Note 2)	<u>5,616,017</u>	<u>(5,616,017)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>5,826,685</u>	<u>(837,077)</u>	<u>4,989,608</u>	<u>6,965,562</u>
EXPENSES				
Program Services:				
Youth Empowerment	303,580	-	303,580	290,143
Public Affairs	1,935,599	-	1,935,599	1,522,179
International Programs	649,066	-	649,066	465,942
Education and Outreach	177,036	-	177,036	146,333
HIV/AIDS Education	423,890	-	423,890	367,739
Adolescent Sexual Health Services	1,272,243	-	1,272,243	1,194,958
Public Information Services	206,717	-	206,717	236,988
Youth of Color	<u>418,833</u>	<u>-</u>	<u>418,833</u>	<u>353,220</u>
Total program services	<u>5,386,964</u>	<u>-</u>	<u>5,386,964</u>	<u>4,577,502</u>
Supporting Services:				
Management and General	8,356	-	8,356	2,391
Fundraising	<u>434,758</u>	<u>-</u>	<u>434,758</u>	<u>443,500</u>
Total supporting services	<u>443,114</u>	<u>-</u>	<u>443,114</u>	<u>445,891</u>
Total expenses	<u>5,830,078</u>	<u>-</u>	<u>5,830,078</u>	<u>5,023,393</u>
Change in net assets	(3,393)	(837,077)	(840,470)	1,942,169
Net assets at beginning of year	<u>401,355</u>	<u>6,075,781</u>	<u>6,477,136</u>	<u>4,534,967</u>
NET ASSETS AT END OF YEAR	<u>\$ 397,962</u>	<u>\$ 5,238,704</u>	<u>\$ 5,636,666</u>	<u>\$ 6,477,136</u>

See accompanying notes to financial statements.

ADVOCATES FOR YOUTH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2012
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2011

	2012				
	Program Services				
	Youth Empowerment	Public Affairs	International Programs	Education and Outreach	HIV/AIDS Education
Salaries	\$ 111,465	\$ 532,167	\$ 182,043	\$ 42,400	\$ 173,928
Payroll taxes and employee benefits (Note 5)	24,267	114,863	39,610	9,204	34,931
Printing and duplicating	1,045	10,091	7,000	32,492	162
Legal and auditing	-	439	-	-	-
Rent (Note 4)	15,803	72,569	25,640	6,230	23,218
Insurance	-	-	-	-	-
Depreciation	572	2,322	943	10	115
Telephone and fax	2,135	8,453	2,559	760	2,291
Other travel	10,814	142,992	92,772	18,467	3,875
Professional and consulting	900	162,875	2,499	23,340	26,800
Postage and mailings	3,710	2,410	2,992	(5,943)	1,310
Equipment rental, repair and maintenance	-	125	-	-	-
Office supplies and expense	1,001	2,356	262	469	49
Dues and publications	318	39,980	-	298	264
Meetings and conferences	2,711	94,492	8,288	2,156	8,284
Advertising	2,973	40,848	-	-	60
Bank fees	-	-	175	-	10
Non-capitalized equipment	199	1,683	561	-	2,731
Contributions	5,750	4,000	-	-	-
Seed grants	33,410	255,650	132,096	-	20,875
Staff development	-	-	-	-	-
Staff travel	20,967	67,435	46,483	22,094	44,564
Temporary personnel and intern stipends	7,374	36,799	18,262	6,776	2,310
Training materials	4,635	10,288	2,240	196	1,949
Computer services	1,362	30,673	740	186	703
Public relations	175	250	215	246	-
Miscellaneous	-	29	1,749	1	-
Special events	-	4,313	-	-	-
Registration fees	<u>4,600</u>	<u>12,244</u>	<u>418</u>	<u>1,196</u>	<u>14,213</u>
Sub-total	256,186	1,650,346	567,547	160,578	362,642
Management and general allocation	<u>47,394</u>	<u>285,253</u>	<u>81,519</u>	<u>16,458</u>	<u>61,248</u>
TOTAL	\$ <u>303,580</u>	\$ <u>1,935,599</u>	\$ <u>649,066</u>	\$ <u>177,036</u>	\$ <u>423,890</u>

See accompanying notes to financial statements.

2011

Adolescent Sexual Health Services	Public Information Services	Youth of Color	Total Program Services	Supporting Services			Total Expenses	Total Expenses
				Management and General	Fundraising	Total Supporting Services		
\$ 532,846	\$ 86,049	\$ 87,228	\$ 1,748,126	\$ 437,822	\$ 228,860	\$ 666,682	\$ 2,414,808	\$ 2,122,610
108,138	18,735	17,211	366,959	62,411	49,776	112,187	479,146	419,519
17,134	16,919	1,804	86,647	9,975	2,695	12,670	99,317	83,100
-	-	-	439	40,439	-	40,439	40,878	41,417
57,425	12,028	16,448	229,361	94,330	31,232	125,562	354,923	419,028
-	-	32	32	11,607	-	11,607	11,639	12,044
1,006	1,069	142	6,179	1,379	1,099	2,478	8,657	10,185
8,924	477	1,166	26,765	7,353	1,790	9,143	35,908	32,653
24,398	-	14,597	307,915	22,025	-	22,025	329,940	262,266
137,334	9,346	-	363,094	17,000	-	17,000	380,094	260,508
10,004	694	1,030	16,207	4,704	8,310	13,014	29,221	36,346
-	-	-	125	16,751	-	16,751	16,876	15,516
3,860	338	837	9,172	16,728	826	17,554	26,726	23,644
5,432	4,430	281	51,003	2,643	3,468	6,111	57,114	35,883
12,243	246	8,810	137,230	23,167	432	23,599	160,829	117,740
16,395	-	2,000	62,276	-	3,495	3,495	65,771	50,593
-	387	-	572	3,191	278	3,469	4,041	5,014
4,673	-	2,288	12,135	7,530	-	7,530	19,665	19,861
-	-	1,200	10,950	4,833	1,850	6,683	17,633	22,770
12,000	-	170,150	624,181	-	-	-	624,181	572,998
4,770	-	-	4,770	-	-	-	4,770	9,670
77,769	15	28,729	308,056	5,683	21,776	27,459	335,515	240,570
13,219	1,400	13,859	99,999	2,206	3,145	5,351	105,350	82,410
36,864	9,028	7,142	72,342	982	-	982	73,324	13,890
5,160	12,284	250	51,358	2,339	2,897	5,236	56,594	63,284
403	468	-	1,757	13,551	-	13,551	15,308	10,658
18	-	-	1,797	143	39	182	1,979	1,638
-	-	-	4,313	-	29	29	4,342	-
<u>5,225</u>	<u>1,977</u>	<u>8,150</u>	<u>48,023</u>	<u>2,619</u>	<u>4,887</u>	<u>7,506</u>	<u>55,529</u>	<u>37,578</u>
1,095,240	175,890	383,354	4,651,783	811,411	366,884	1,178,295	5,830,078	5,023,393
<u>177,003</u>	<u>30,827</u>	<u>35,479</u>	<u>735,181</u>	<u>(803,055)</u>	<u>67,874</u>	<u>(735,181)</u>	<u>-</u>	<u>-</u>
<u>\$ 1,272,243</u>	<u>\$ 206,717</u>	<u>\$ 418,833</u>	<u>\$ 5,386,964</u>	<u>\$ 8,356</u>	<u>\$ 434,758</u>	<u>\$ 443,114</u>	<u>\$ 5,830,078</u>	<u>\$ 5,023,393</u>

See accompanying notes to financial statements.

ADVOCATES FOR YOUTH

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2012
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2011**

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (840,470)	\$ 1,942,169
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	8,657	10,185
Loss on retirement of assets	4,614	-
(Increase) decrease in:		
Accounts receivable	37,597	(33,863)
Grants receivable	(77,319)	(2,136,760)
Inventory	11,255	(12,530)
Prepaid expenses and other assets	9,118	(3,168)
Deposits	5,900	-
Increase (decrease) in:		
Accounts payable	81,667	1,238
Accrued expenses	23,615	18,079
Deferred rent	<u>(6,768)</u>	<u>(561)</u>
Net cash used by operating activities	<u>(742,134)</u>	<u>(215,211)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	<u>(69,364)</u>	<u>(5,366)</u>
Net cash used by investing activities	<u>(69,364)</u>	<u>(5,366)</u>
Net decrease in cash and cash equivalents	(811,498)	(220,577)
Cash and cash equivalents at beginning of year	<u>3,494,304</u>	<u>3,714,881</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,682,806</u>	<u>\$ 3,494,304</u>

See accompanying notes to financial statements.

ADVOCATES FOR YOUTH
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

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, 2011, from which the summarized information was derived.

Cash and cash equivalents -

Advocates reports as cash and cash equivalents all cash and highly liquid investments with maturities of less than three months.

At times during the year, Advocates maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) 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 -

In June 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes. For the year ended March 31, 2012, Advocates has documented its consideration of FASB ASC 740-10 and 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, 2012

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.

The large apparent decrease in recorded revenue between fiscal year 2012 and fiscal year 2011 is explained by the influx of significant multi-year grants awarded during the year ended March 31, 2011. These grants were recorded as revenue in the period of notification, but are being used to fund programs in fiscal year 2012 and future periods.

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.

ADVOCATES FOR YOUTH

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2012

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

Advertising costs -

Advocates incurs certain costs associated with advertising. Advocates expenses these costs as they are incurred. For the year ended March 31, 2012, advertising expense totaled \$65,771.

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	\$ 276,952
Public Affairs	1,493,322
International Programs	492,817
Education and Outreach	106,022
HIV/AIDS Education	401,665
Adolescent Pregnancy Prevention Program	1,177,088
Youth of Color	<u>365,101</u>
Total program	4,312,967
Passage of Time: General Operations	<u>1,303,050</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 5,616,017</u>

3. TEMPORARILY RESTRICTED NET ASSETS

As of March 31, 2012, the temporarily restricted net assets balance consisted of the following:

Program:	
Youth Empowerment	\$ 79,227
Public Affairs	388,692
International Programs	173,469
Education and Outreach	50,411
HIV/AIDS Education	429,711
Adolescent Pregnancy Prevention Program	1,089,698
Youth of Color	<u>99,446</u>
Total program	2,310,654
Time: General Operations	<u>2,928,050</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 5,238,704</u>

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 FOR YOUTH
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

4. COMMITMENTS - OPERATING LEASES (Continued)

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, 2012 was \$337,082.

Rent and other operating costs included in rent expense for the year ended March 31, 2012 totaled \$354,923. Future minimum lease payments are as follows:

<u>Year Ended March 31,</u>	
2013	\$ 332,452
2014	351,074
2015	367,216
2016	376,396
2017	385,806
2018 and Thereafter	<u>561,914</u>
	<u>\$ 2,374,858</u>

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, 2012 totaled \$102,750 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 2012. 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.

ADVOCATES FOR YOUTH
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2012

7. GRANTS RECEIVABLE

Included in grants receivable at March 31, 2012 are the following unconditional promises to give:

Federal	\$ 1,204,362
Foundation - Restricted	<u>2,272,817</u>
TOTAL GRANTS RECEIVABLE	<u>\$ 3,477,179</u>

8. SUBSEQUENT EVENTS

In preparing these financial statements, Advocates has evaluated events and transactions for potential recognition or disclosure through September 4, 2012, the date the financial statements were issued.



**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTAL FINANCIAL INFORMATION**

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

We have audited the financial statements of Advocates for Youth (Advocates) as of and for the year ended March 31, 2012, and have issued our report thereon dated September 4, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Expenditures of Federal Awards and Findings and Questioned Costs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and are not a required part of the basic 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.

September 4, 2012

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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

ADVOCATES FOR YOUTH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2012

<u>Federal Granting Agency and Program Title</u>	<u>CFDA or Award Number</u>	<u>Expenditures</u>
Direct Assistance:		
U.S. Department of Health and Human Services - Center for Disease Control:		
Maternal, Infant and Reproductive Health: National and State Coalition Capacity Building	93.946	\$ 590,725
Building the Capacity of Societal Institutions Serving American & Latina Young Women	93.938	341,665
U.S. Department of Health and Human Services - Public Health Service:		
HIV/AIDS Health Promotion and Education	93.004	<u>318,785</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ <u>1,251,175</u>

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, 2012. 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.

ADVOCATES FOR YOUTH

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2012**

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

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

Federal Awards

- 4). Internal control over major programs:
- Material weakness(es) identified? Yes X No
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes X None Reported
- 5). Type of auditor's report issued on compliance for major programs: **Unqualified**
- 6). Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes X 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
Building the Capacity of Societal Institutions Serving American & Latina Young Women	93.938
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? X Yes No

ADVOCATES FOR YOUTH

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2012**

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.