

NATIONAL YOUTH ADVOCACY COALITION
FINANCIAL STATEMENTS
MARCH 31, 2008 AND 2007

NATIONAL YOUTH ADVOCACY COALITION
FINANCIAL STATEMENTS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
National Youth Advocacy Coalition

We have audited the accompanying statements of financial position of National Youth Advocacy Coalition ("NYAC") (a nonprofit organization) as of March 31, 2008 and 2007, and the related statements of activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of NYAC'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 statement. 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 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 NYAC as of March 31, 2008 and 2007, and the results of its activities, changes in fund balance, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Martin & Wall, P.C.

Washington, DC
July 31, 2008

NATIONAL YOUTH ADVOCACY COALITION
 STATEMENTS OF FINANCIAL POSITION
 MARCH 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash	\$18,318	\$27,840
Accounts and other receivables	18,018	32,333
Contracts & grants receivable (Notes 2 & 3)	34,553	22,473
Pledges receivable	7,000	0
Officers' loans	4,186	0
Employee loans	534	231
Prepaid expenses	<u>14,897</u>	<u>6,793</u>
	<u>97,506</u>	<u>89,670</u>
Equipment, furniture, and leasehold improvements (Note 2)	60,507	49,906
Less: accumulated depreciation	<u>(55,638)</u>	<u>(47,416)</u>
	<u>4,869</u>	<u>2,490</u>
Other asset - Security Deposit	<u>11,177</u>	<u>13,966</u>
TOTAL ASSETS	<u>\$113,552</u>	<u>\$106,126</u>

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

NATIONAL YOUTH ADVOCACY COALITION
 STATEMENTS OF FINANCIAL POSITION
 MARCH 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$16,293	\$33,460
Accrued expenses	19,068	3,693
Note payable - line of credit	24,357	24,342
Grants payable	0	8,000
Deferred revenue	<u>0</u>	<u>13,640</u>
	<u>59,718</u>	<u>83,135</u>
Long-term debt		
Loan payable	<u>0</u>	<u>18,250</u>
Total liabilities	<u>59,718</u>	<u>101,385</u>
Net Assets		
Restricted	25,671	0
Unrestricted	<u>28,163</u>	<u>4,741</u>
	<u>53,834</u>	<u>4,741</u>
TOTAL LIABILITES AND NET ASSETS	<u>\$113,552</u>	<u>\$106,126</u>

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

NATIONAL YOUTH ADVOCACY COALITION
 STATEMENTS OF ACTIVITIES
 FOR THE YEAR ENDED MARCH 31, 2008 AND 2007

	<u>2008</u>		
	<u>GENERAL OPERATING</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
Revenue	\$518,288	\$500	\$518,788
Expenditures	<u>495,366</u>	<u>0</u>	<u>495,366</u>
CHANGE IN NET ASSETS	<u>\$22,922</u>	<u>500</u>	<u>\$23,422</u>
		<u>2007</u>	
Revenue	\$826,191	\$0	\$826,191
Expenditures	<u>823,170</u>	<u>0</u>	<u>823,170</u>
CHANGE IN NET ASSETS	<u>\$3,021</u>	<u>\$0</u>	<u>\$3,021</u>

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

NATIONAL YOUTH ADVOCACY COALITION
 STATEMENTS OF CHANGE IN NET ASSETS
 FOR THE YEAR ENDED MARCH 31, 2008 AND 2007

	<u>2008</u>		
	<u>GENERAL</u> <u>OPERATING</u>	<u>TEMPORARILY</u> <u>RESTRICTED</u>	<u>TOTAL</u>
Net assets beginning of period	\$4,741	\$0	\$4,741
Change in net assets	22,922	500	23,422
Miscellaneous adjustment	<u>500</u>	<u>25,171</u>	<u>25,671</u>
NET ASSETS, END OF PERIOD	<u>\$28,163</u>	<u>\$25,671</u>	<u>\$53,834</u>
	<u>2007</u>		
Net assets beginning of period	\$1,720	\$0	\$1,720
Change in net assets	<u>3,021</u>	<u>0</u>	<u>3,021</u>
NET ASSETS, END OF PERIOD	<u>\$4,741</u>	<u>\$0</u>	<u>\$4,741</u>

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

NATIONAL YOUTH ADVOCACY COALITION
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATIONAL ACTIVITIES:		
Change in net assets	\$23,422	\$3,021
Adjustments to reconcile change in net assets to net cash provided:		
Depreciation and amortization	8,222	2,114
Decrease in accounts receivable	14,315	25,658
(Increase) decrease in contracts and grants received	(12,080)	7,966
(Increase) in pledges receivable	(7,000)	0
(Increase) in officers' loans	(4,186)	0
(Increase) decrease in employee loans	(303)	1,264
(Increase) in prepaid expenses	(8,104)	(707)
(Decrease) increase in accounts payable	(17,167)	2,943
Increase in accrued expenses	15,375	490
(Decrease) in grants payable	(8,000)	(36,044)
(Decrease) in deferred revenue	(13,640)	(8,376)
Miscellaneous adjustment	<u>25,671</u>	<u>0</u>
Net cash (used) provided by operational activities	<u>16,525</u>	<u>(1,671)</u>
CASH FLOWS FROM INVESTING ACTIVITIES-		
Refund of security deposit	2,789	834
Purchase of equipment and leasehold improvements	<u>(10,601)</u>	<u>0</u>
Net cash (used) provided by investing activities	<u>(7,812)</u>	<u>834</u>
CASH FLOWS FROM FINANCING ACTIVITIES-		
Proceeds from line of credit and loans	0	36,500
Payments on line of credit and loans	<u>(18,235)</u>	<u>(18,180)</u>
Net cash (used) provided by financing activities	<u>(18,235)</u>	<u>18,320</u>
Net decrease in cash	(9,522)	17,483
Cash, beginning of year	<u>27,840</u>	<u>10,357</u>
Cash, end of year	<u>\$18,318</u>	<u>\$27,840</u>

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

NATIONAL YOUTH ADVOCACY COALITION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008 AND 2007

NOTE 1 - ORGANIZATION

The National Youth Advocacy Coalition ("NYAC") is a social justice organization that empowers its members to fight injustice against lesbian, gay, bisexual, transgender, and questioning (LGBTQ) youth; and advocates to ensure their physical and emotional well-being. It is the only national organization focused solely on improving the lives of LGBTQ youth through advocacy, education, and information. NYAC is committed to supporting local and national organizing within a multi-issue justice framework whereby LGBTQ youth of all races, ethnicities, class backgrounds, and gender identities live to their fullest potential. The Coalition was founded in 1993 and began operations in Washington, DC in 1994. Prior to receiving its own 501©(3) determination letter from the Internal Revenue Service (IRS) in January 1998, the Coalition was fiscally sponsored by the Hetrick-Martin Institute in New York City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue and expenditures are recognized using the accrual basis of accounting. Revenue is recognized in the period when the contribution, pledge or unconditional promise to give is received.

Federal grant revenue is recognized as the costs for the related services are incurred. The grant receivable represents the amount of expense incurred but not received from the federal grant.

Gifts of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Fixed assets (equipment, furniture, and leasehold improvements) are stated at cost. The fixed assets are depreciated using the straight-line method over periods ranging from three to five years.

Substantial numbers of individuals and organizations have contributed goods and services to the Organization. The value of these donated goods and services has not been recorded because the donated goods and services do not meet the requirements for inclusion in the financial statements.

NATIONAL YOUTH ADVOCACY COALITION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008 AND 2007

NOTE 3 - CONTRACTS AND GRANTS RECEIVABLE

Contracts and grants receivable at March 31, 2008 and 2007 consist of the following:

	<u>2008</u>	<u>2007</u>
DHAP	\$23,553	\$22,473
OMH	<u>11,000</u>	<u>0</u>
	<u>\$34,553</u>	<u>\$22,473</u>

NATIONAL YOUTH ADVOCACY COALITION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008 AND 2007

NOTE 4 - USE OF ESTIMATES

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 5 - INCOME TAXES

NYAC is exempt from Federal income tax under Internal Revenue Code Section 501(c)(3). Also, NYAC has been designated a publicly supported organization under Section 170(b)(1)(A)(vi) of the same code. NYAC reports its activities by filing an Internal Revenue Service form 990.

NOTE 6 - COMMITMENTS

NYAC leases office space under an operating lease. The original lease term was 5 years beginning November 1, 1998. The lease was renewed in 2003 and 2006, and expires on December 31, 2009.

SUPPLEMENTARY INFORMATION

NATIONAL YOUTH ADVOCACY COALITION
SCHEDULES OF REVENUE
FOR THE YEAR ENDED MARCH 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Foundation grants	\$8,834	\$91,750
Government grant	401,720	568,438
Individual contributions	16,266	82,812
Corporate contributions	1,550	53,331
Honorariums	14,000	6,500
Conference registration and sponsorship	0	5,830
Bridges project	188	0
Rental income	66,939	16,500
Interest income	56	169
Miscellaneous	<u>9,235</u>	<u>861</u>
Total revenue	<u>\$518,788</u>	<u>\$826,191</u>

NATIONAL YOUTH ADVOCACY COALITION
 FUNCTIONAL EXPENSE SCHEDULE
 FOR THE YEAR ENDED MARCH 31, 2008

	TOTAL	PROGRAM	FUNDRAISING	GENERAL AND ADMINISTRATIVE
Salaries	\$183,555	\$167,035	\$0	\$16,520
Fringe benefits	32,984	30,015	0	2,969
Bank and credit card fees	3,483	174	0	3,309
Conference registration fees	1,685	1,062	0	623
Dues and subscriptions	1,175	0	0	1,175
Equipment rental	4,359	0	0	4,359
Facility maintenance and repairs	7,579	0	0	7,579
Miscellaneous	9,658	5,794	1,932	1,932
Rent	98,217	54,019	0	44,198
Utilities	5,147	0	0	5,147
Insurance	3,900	0	0	3,900
Postage and delivery	8,792	5,011	703	3,078
Payroll processing	1,991	0	0	1,991
Printing	4,211	1,474	969	1,768
Professional fees	56,835	34,101	568	22,166
Public relations	9,220	4,518	0	4,702
Supplies	5,741	230	402	5,109
Telephone	18,713	0	0	18,713
Travel and entertainment	23,259	18,840	2,791	1,628
Youth scholarship and travel	3,525	3,525	0	0
Depreciation	8,222	8,222	0	0
Interest expense	3,115	<u>0</u>	<u>0</u>	<u>3,115</u>
TOTALS	<u>\$495,366</u>	<u>\$334,020</u>	<u>\$7,365</u>	<u>\$153,981</u>

NATIONAL YOUTH ADVOCACY COALITION
 FUNCTIONAL EXPENSE SCHEDULE
 FOR THE YEAR ENDED MARCH 31, 2007

	TOTAL	PROGRAM	FUNDRAISING	GENERAL AND ADMINISTRATIVE
Salaries	\$374,361	\$342,376	\$0	\$31,985
Fringe benefits	68,122	62,383	0	5,739
Bank and credit card charges	3,949	179	0	3,770
Conference registration fees	2,325	1,475	0	850
Dues and subscriptions	1,065	0	0	1,065
Equipment rental	8,211	0	0	8,211
Facility maintenance and repairs	6,754	0	0	6,754
Miscellaneous	10,552	(1,878)	2,065	10,365
Rent	111,105	61,159	0	49,946
Utilities	5,844	0	0	5,844
Insurance	4,859	0	0	4,859
Postage and delivery	7,529	4,280	616	2,633
Payroll processing	2,399	0	0	2,399
Printing	4,025	1,390	915	1,720
Professional fees	106,584	64,032	1,321	41,231
Public relations	8,522	4,178	0	4,344
Supplies	12,909	575	870	11,464
Telephone	17,722	0	0	17,722
Travel and entertainment	59,914	48,296	7,406	4,212
Youth scholarship and travel	4,274	4,274	0	0
Interest expense	<u>2,145</u>	<u>0</u>	<u>0</u>	<u>2,145</u>
 TOTALS	 <u>\$823,170</u>	 <u>\$592,719</u>	 <u>\$13,193</u>	 <u>\$217,258</u>