Social Advocates for Youth, San Diego, Inc.

Financial Statements and Supplemental Information

Years Ended June 30, 2021 and 2020
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INDEPENDENT AUDITORS’ REPORT

To the Board of Directors
of Social Advocates for Youth, San Diego, Inc.

Report on the Financial Statements
We have audited the accompanying financial statements of Social Advocates for Youth, San Diego, Inc. (a nonprofit organization) which comprise the statements of financial position, as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors’ Responsibility
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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Social Advocates for Youth, San Diego, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.
INDEPENDENT AUDITORS’ REPORT, CONTINUED

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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 February 16, 2022, on our consideration of Social Advocates for Youth, San Diego, Inc.’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Social Advocates for Youth, San Diego, Inc.’s internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
February 17, 2022
SOCIAL ADVOCATES FOR YOUTH, SAN DIEGO, INC.

Statements of Financial Position
June 30, 2021 and 2020

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,367,880</td>
<td>$4,793,511</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>77,977</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>4,296,512</td>
<td>2,647,224</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>2,225,338</td>
<td>2,023,607</td>
</tr>
<tr>
<td>Prepaid expenses and other</td>
<td>328,883</td>
<td>437,832</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>9,296,590</td>
<td>9,902,174</td>
</tr>
<tr>
<td><strong>Property and Equipment, net of accumulated depreciation</strong></td>
<td>940,362</td>
<td>807,595</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$10,236,952</td>
<td>$10,709,769</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$331,795</td>
<td>$608,145</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>1,042,037</td>
<td>818,486</td>
</tr>
<tr>
<td>Fee for service liability</td>
<td>145,882</td>
<td>58,900</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>931,025</td>
<td>1,198,370</td>
</tr>
<tr>
<td>Current portion of deferred lease incentives</td>
<td>48,899</td>
<td>48,899</td>
</tr>
<tr>
<td>Current portion of note payable</td>
<td>108,333</td>
<td>-</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>2,607,971</td>
<td>2,732,800</td>
</tr>
<tr>
<td><strong>Deferred Lease Incentives, net of current portion</strong></td>
<td>171,145</td>
<td>220,043</td>
</tr>
<tr>
<td><strong>Note Payable, net of current portion</strong></td>
<td>182,834</td>
<td>1,994,300</td>
</tr>
<tr>
<td>Total Non-Current Liabilities</td>
<td>353,979</td>
<td>2,214,343</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>2,961,950</td>
<td>4,947,143</td>
</tr>
<tr>
<td><strong>Net Assets Without Donor Restrictions</strong></td>
<td>7,275,002</td>
<td>5,762,626</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$10,236,952</td>
<td>$10,709,769</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
SOCIAL ADVOCATES FOR YOUTH, SAN DIEGO, INC.

Statements of Activities
Years Ended June 30, 2021 and 2020

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue and Support Without Donor Restriction:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost reimbursement grants</td>
<td>$10,556,798</td>
<td>$9,343,902</td>
</tr>
<tr>
<td>Performance based grants</td>
<td>3,086,979</td>
<td>3,802,834</td>
</tr>
<tr>
<td>Paycheck Protection Program loan forgiveness</td>
<td>1,994,300</td>
<td>-</td>
</tr>
<tr>
<td>Grant revenue</td>
<td>1,377,986</td>
<td>952,731</td>
</tr>
<tr>
<td>Investment income</td>
<td>668,867</td>
<td>58,247</td>
</tr>
<tr>
<td>Fee for service revenue</td>
<td>257,286</td>
<td>3,600,746</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>224,702</td>
<td>402,934</td>
</tr>
<tr>
<td>Other revenue</td>
<td>137,582</td>
<td>374,359</td>
</tr>
<tr>
<td>Contributions</td>
<td>84,744</td>
<td>265,770</td>
</tr>
<tr>
<td><strong>Total Revenue and Support Without Donor Restriction</strong></td>
<td><strong>18,389,244</strong></td>
<td><strong>18,801,523</strong></td>
</tr>
</tbody>
</table>

| Expenses: |            |            |
| Program Services: |            |            |
| Community engagement | 4,895,624 | 3,977,112 |
| Youth, adult, and family wellness | 4,687,568 | 4,875,741 |
| Child and youth development | 4,160,334 | 6,123,676 |
| Supporting Services: |            |            |
| Management and general | 2,832,599 | 3,299,033 |
| Fundraising and development | 300,743  | 567,572   |
| **Total Expenses** | **16,876,868** | **18,843,134** |

| Change in Net Assets | 1,512,376 | (41,611) |

| Net Assets Without Donor Restrictions, beginning | 5,762,626 | 5,804,237 |
| Net Assets Without Donor Restrictions, ending | $7,275,002 | $5,762,626 |

See accompanying notes to financial statements.
### SOCIAL ADVOCATES FOR YOUTH, SAN DIEGO, INC.

**Statement of Functional Expenses**

**Year Ended June 30, 2021**

See accompanying notes to financial statements.

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Engagement</td>
<td>Management and General</td>
</tr>
<tr>
<td>Youth, Adult, and Family Wellness</td>
<td></td>
</tr>
<tr>
<td>Child and Youth Development</td>
<td></td>
</tr>
<tr>
<td>Total Program Services</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Community Engagement</th>
<th>Youth, Adult, and Family Wellness</th>
<th>Child and Youth Development</th>
<th>Total Program Services</th>
<th>Management and General</th>
<th>Fundraising and Development</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and fringe benefits</td>
<td>$3,519,624</td>
<td>$3,233,068</td>
<td>$3,540,848</td>
<td>$10,293,540</td>
<td>$1,974,218</td>
<td>$150,420</td>
<td>$12,418,178</td>
</tr>
<tr>
<td>Contract services</td>
<td>417,997</td>
<td>570,160</td>
<td>58,766</td>
<td>1,046,923</td>
<td>175,692</td>
<td>436</td>
<td>1,223,051</td>
</tr>
<tr>
<td>Facilities cost</td>
<td>325,887</td>
<td>329,738</td>
<td>113,482</td>
<td>769,107</td>
<td>54,626</td>
<td>38,817</td>
<td>862,550</td>
</tr>
<tr>
<td>Wrap around services</td>
<td>196,273</td>
<td>204,653</td>
<td>6,463</td>
<td>407,389</td>
<td>-</td>
<td>91,748</td>
<td>499,137</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>203</td>
<td>429</td>
<td>18,641</td>
<td>19,273</td>
<td>499,137</td>
<td>534</td>
<td>266,545</td>
</tr>
<tr>
<td>Communication</td>
<td>77,167</td>
<td>91,890</td>
<td>69,633</td>
<td>238,690</td>
<td>16,219</td>
<td>5,486</td>
<td>260,395</td>
</tr>
<tr>
<td>In-kind goods and services</td>
<td>165,483</td>
<td>24,018</td>
<td>-</td>
<td>189,501</td>
<td>29,836</td>
<td>5,365</td>
<td>224,702</td>
</tr>
<tr>
<td>Program supplies</td>
<td>25,457</td>
<td>28,243</td>
<td>166,097</td>
<td>219,797</td>
<td>-</td>
<td>58</td>
<td>219,855</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>-</td>
<td>15,798</td>
<td>15,798</td>
<td>172,704</td>
<td>4</td>
<td>188,506</td>
</tr>
<tr>
<td>Insurance</td>
<td>19,895</td>
<td>28,882</td>
<td>95,109</td>
<td>143,886</td>
<td>33,888</td>
<td>2,366</td>
<td>180,140</td>
</tr>
<tr>
<td>Equipment purchased</td>
<td>46,778</td>
<td>81,112</td>
<td>43,064</td>
<td>170,954</td>
<td>6,046</td>
<td>-</td>
<td>177,000</td>
</tr>
<tr>
<td>Conferences, dues and subscription</td>
<td>8,922</td>
<td>4,589</td>
<td>8,968</td>
<td>22,479</td>
<td>91,279</td>
<td>1,077</td>
<td>114,835</td>
</tr>
<tr>
<td>Office expense</td>
<td>26,908</td>
<td>36,798</td>
<td>5,003</td>
<td>68,709</td>
<td>7,230</td>
<td>2,577</td>
<td>78,516</td>
</tr>
<tr>
<td>Training</td>
<td>18,056</td>
<td>26,321</td>
<td>1,106</td>
<td>45,483</td>
<td>5,420</td>
<td>-</td>
<td>50,903</td>
</tr>
<tr>
<td>Travel</td>
<td>10,384</td>
<td>16,173</td>
<td>13,419</td>
<td>39,976</td>
<td>7,638</td>
<td>-</td>
<td>47,614</td>
</tr>
<tr>
<td>Copier and printing</td>
<td>16,912</td>
<td>9,528</td>
<td>2,219</td>
<td>28,659</td>
<td>359</td>
<td>38</td>
<td>29,056</td>
</tr>
<tr>
<td>Advertising</td>
<td>19,678</td>
<td>1,966</td>
<td>1,718</td>
<td>23,362</td>
<td>26</td>
<td>1,817</td>
<td>25,205</td>
</tr>
<tr>
<td>Interest and bank fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,680</td>
<td>-</td>
<td>10,680</td>
</tr>
</tbody>
</table>

| Total                         | $4,895,624           | $4,687,568                      | $4,160,334                  | $13,743,526            | $2,832,599             | $300,743                   | $16,876,868 |

5
# Statement of Functional Expenses

## Year Ended June 30, 2020

See accompanying notes to financial statements.

<table>
<thead>
<tr>
<th>Program Services</th>
<th>Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Management and General</td>
</tr>
<tr>
<td>Community Engagement</td>
<td>Youth, Adult, and Family Wellness</td>
</tr>
<tr>
<td>Salaries and fringe benefits</td>
<td>$3,018,749</td>
</tr>
<tr>
<td>Contract services</td>
<td>168,668</td>
</tr>
<tr>
<td>Facilities cost</td>
<td>249,926</td>
</tr>
<tr>
<td>In-kind goods and services</td>
<td>221,822</td>
</tr>
<tr>
<td>Program supplies</td>
<td>42,043</td>
</tr>
<tr>
<td>Wrap around services</td>
<td>47,564</td>
</tr>
<tr>
<td>Communication</td>
<td>61,088</td>
</tr>
<tr>
<td>Insurance</td>
<td>15,205</td>
</tr>
<tr>
<td>Travel</td>
<td>41,875</td>
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<tr>
<td>Depreciation</td>
<td>-</td>
</tr>
<tr>
<td>Conferences, dues and subscription</td>
<td>8,222</td>
</tr>
<tr>
<td>Interest and bank fees</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,517</td>
</tr>
<tr>
<td>Equipment purchased</td>
<td>24,643</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>23,512</td>
</tr>
<tr>
<td>Copier and Printing</td>
<td>30,080</td>
</tr>
<tr>
<td>Training</td>
<td>15,581</td>
</tr>
<tr>
<td>Advertising</td>
<td>6,617</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,977,112</strong></td>
</tr>
</tbody>
</table>
SOCIAL ADVOCATES FOR YOUTH, SAN DIEGO, INC.

Statements of Cash Flows

Years Ended June 30, 2021 and 2020

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$1,512,376</td>
<td>$(41,611)</td>
</tr>
<tr>
<td>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>188,506</td>
<td>153,545</td>
</tr>
<tr>
<td>Net realized and unrealized loss (gains)</td>
<td>(600,016)</td>
<td>18,643</td>
</tr>
<tr>
<td>Paycheck Protection Program loan forgiveness</td>
<td>(1,994,300)</td>
<td>-</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(77,977)</td>
<td>93,177</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>(201,731)</td>
<td>(796,464)</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>108,949</td>
<td>(25,933)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(276,350)</td>
<td>355,784</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>223,551</td>
<td>(16,880)</td>
</tr>
<tr>
<td>Advanced extended day fees</td>
<td>86,982</td>
<td>(106,368)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(267,345)</td>
<td>441,724</td>
</tr>
<tr>
<td>Deferred lease incentives</td>
<td>(48,898)</td>
<td>(48,899)</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Operating Activities</strong></td>
<td>(1,346,253)</td>
<td>26,718</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(321,273)</td>
<td>(140,413)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>434,220</td>
<td>1,400,904</td>
</tr>
<tr>
<td><strong>Purchases of investments</strong></td>
<td>(1,483,492)</td>
<td>(1,458,415)</td>
</tr>
<tr>
<td><strong>Net Cash Used by Investing Activities</strong></td>
<td>(1,370,545)</td>
<td>(197,924)</td>
</tr>
<tr>
<td>Payments on debt obligations</td>
<td>(8,833)</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from debt issued</td>
<td>300,000</td>
<td>1,994,300</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Financing Activities</strong></td>
<td>291,167</td>
<td>1,994,300</td>
</tr>
<tr>
<td><strong>Net Increase (Decrease) in Cash and Cash Equivalents</strong></td>
<td>(2,425,631)</td>
<td>1,823,094</td>
</tr>
<tr>
<td>Cash and Cash Equivalents, beginning</td>
<td>4,793,511</td>
<td>2,970,417</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, ending</strong></td>
<td>$2,367,880</td>
<td>$4,793,511</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities
Social Advocates for Youth, San Diego, Inc. (Organization) is a California nonprofit organization formed in 1971 with a vision of Opportunity, Equity and Well-being for all San Diegans. Its mission is to partner with youth, families, adults and communities to reach their full potential is achieved through comprehensive and integrated programming in the areas of Child and Youth Development; Youth, Adult and Family Wellness and Community Engagement. The Organization values include supporting youth-led, family-led and community-led solutions; standing shoulder to shoulder in partnership; bridging gaps and opportunities; leading with trust and credibility; championing diverse and inclusive communities and believing in the integrity of all. The Organization achieves this with funding through private and public grants and awards, user fees and contributions.

Financial Statement Presentation
The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding their financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any donor restrictions that were temporary or perpetual in nature for the years ended June 30, 2021 and 2020.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents
The Organization includes all cash accounts that are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments with an original maturity of 90 days or less, as cash and cash equivalents.

Accounts and Grants Receivable
The accounts and grants receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts and grants receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. No allowance was considered necessary at June 30, 2021 and 2020 because management believes that all amounts are collectible.

Investments
Investments are reported at fair value with realized and unrealized gains and losses included in the change in net assets.

Property and Equipment
Acquisitions of property and equipment of $5,000 or more are capitalized. Property and equipment are recorded at cost, or if donated, at the approximate fair market value at the date of donation. Expenditures for maintenance and repairs are charged against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of five to 25 years.
Note 1 – Organization and Summary of Significant Accounting Policies, continued

Revenue and Support

Contracts
The Organization recognizes revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services.

Fee for Service
The Organization provides before and after school day care services for a fee. Generally, customers are billed monthly in advance for the services to be provided. The Organization recognizes revenue from contracts with customers when its performance obligations are satisfied, regardless of the period in which it is billed. This is typically over time as the service is provided.

Fee for Service Liability
The fee for service liability represents prepayments received by the Organization for providing before and after school day care services and funds received in advance of services performed. Revenue will be recognized as the services are performed.

Contributions
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Grants
Grants received are recognized in the period in which the related work is performed in accordance with the terms of the grant or contract. Grants receivable are recorded when revenue earned under a grant or contract exceeds the cash received. Unearned revenue is recorded when cash received under a grant or contract exceeds the revenue earned.

Contributed Materials and Services
Contributed goods are recorded at their estimated fair market value at the time of donation. Such items are capitalized or charged to operations as appropriate. The fair market value of contributed professional services is reported as in-kind donation support and expensed in the period in which the services are performed.

The Organization also receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the financial statements because the criteria for recognition as contributions of such volunteer effort have not been satisfied.

Advertising
The Organization follows the policy of charging the costs of advertising to expense as incurred.

Functional Expense Allocations
The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and related expenses (benefits, payroll taxes, etc.) and contract services are allocated on the basis of time and effort. All other expenses are broken out by accounts and are charged to the program or service based on direct usage or using full time equivalents as an allocation method.
Note 1 – Organization and Summary of Significant Accounting Policies, continued

Income Taxes
The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Organization follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2021 and 2020 and therefore no amounts have been accrued.

Fair Value Measurements
The Organization defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Organization applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

- Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying value of cash and cash equivalents, receivables, payables, and notes payable approximates fair value as of June 30, 2021 and 2020, due to the relative short maturities of these instruments.

Future Accounting Standard
The FASB has issued one substantial ASU which will become effective in a future year.

In February 2016, the FASB issued ASU No. 2016-02 Leases. The primary change in US GAAP addressed by ASU 2016-02 is the requirement for a lessee to recognize on the statement of financial position a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. ASU 2016-02 also requires qualitative and quantitative disclosures to enable users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Organization is evaluating the effect that the provisions of ASU 2016-02 will have on its financial statements and related disclosures.

Subsequent Events
The Organization has evaluated subsequent events through February 17, 2022, which is the date the financial statements were available to be issued.
Note 2 – Liquidity and Availability

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual obligations within one year of the statement of financial position date.

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$2,367,880</td>
<td>$4,793,511</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>77,977</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>4,296,512</td>
<td>2,647,224</td>
</tr>
<tr>
<td>Grants receivables</td>
<td>2,225,338</td>
<td>2,023,607</td>
</tr>
<tr>
<td><strong>Financial assets available to meet cash needs for general expenditures within one year</strong></td>
<td><strong>$8,967,707</strong></td>
<td><strong>$9,464,342</strong></td>
</tr>
</tbody>
</table>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization manages its liquidity and reserves through maintaining and reviewing budget to actual amounts and forecasted cash flows on a regular basis. The Organization also operates within a prudent range of financial soundness and stability and constantly maintains adequate liquid assets to fund near term operating needs.

Additionally, the Organization maintains a $550,000 line of credit, as discussed in more detail in Note 8. As of June 30, 2021, $550,000 remain available on the Organization’s line of credit.

Note 3 – Concentrations of Credit Risk

Cash and Cash Equivalents

The Organization maintains cash and cash equivalents in bank deposit and investment accounts. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000. The Organization’s account balances may, at times, exceed the limits.

Revenues

During the years ended June 30, 2021 and 2020, the Organization received funding of $11,799,081 (64%) and $14,707,779 (78%) from three sources, respectively. For the years ended June 30, 2021 and 2020, the Organization had grants receivable in the amount of $1,542,801 (69%) and $1,595,377 (79%) from two sources.
Note 4 – Grants Receivable

Grants receivable consist of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego Unified School District</td>
<td>$892,188</td>
<td>$161,405</td>
</tr>
<tr>
<td>County of San Diego</td>
<td>650,613</td>
<td>1,172,618</td>
</tr>
<tr>
<td>First 5 San Diego</td>
<td>267,303</td>
<td>422,759</td>
</tr>
<tr>
<td>U.S. Department of Health and Human Services</td>
<td>161,978</td>
<td>4,366</td>
</tr>
<tr>
<td>Other</td>
<td>144,292</td>
<td>213,110</td>
</tr>
<tr>
<td>California Department of Public Health</td>
<td>86,798</td>
<td>41,656</td>
</tr>
<tr>
<td>United States Department of Justice</td>
<td>22,166</td>
<td>7,693</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,225,338</strong></td>
<td><strong>$2,023,607</strong></td>
</tr>
</tbody>
</table>

Note 5 – Investments

The following table presents the fair value measurement hierarchy of investments at June 30, 2021:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mutual Funds:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large cap - domestic</td>
<td>$244,615</td>
<td>-</td>
<td>-</td>
<td>$244,615</td>
</tr>
<tr>
<td>Small cap - domestic</td>
<td>166,763</td>
<td>-</td>
<td>-</td>
<td>166,763</td>
</tr>
<tr>
<td>Fixed income - domestic</td>
<td>1,796,472</td>
<td>-</td>
<td>-</td>
<td>1,796,472</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,108,850</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity Securities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large cap - domestic</td>
<td>1,350,170</td>
<td>-</td>
<td>-</td>
<td>1,350,170</td>
</tr>
<tr>
<td>Large cap - international</td>
<td>715,943</td>
<td>-</td>
<td>-</td>
<td>715,943</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,066,113</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Money Market</strong></td>
<td>22,166</td>
<td>-</td>
<td>-</td>
<td>22,166</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,296,512</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following table presents the fair value measurement hierarchy of investments at June 30, 2020:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mutual Funds:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large cap - domestic</td>
<td>$277,528</td>
<td>-</td>
<td>-</td>
<td>$277,528</td>
</tr>
<tr>
<td>Fixed income - domestic</td>
<td>1,056,678</td>
<td>-</td>
<td>-</td>
<td>1,056,678</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,334,206</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity Securities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large cap - domestic</td>
<td>835,094</td>
<td>-</td>
<td>-</td>
<td>835,094</td>
</tr>
<tr>
<td>Large cap - international</td>
<td>455,737</td>
<td>-</td>
<td>-</td>
<td>455,737</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,290,831</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Money Market</strong></td>
<td>22,187</td>
<td>-</td>
<td>-</td>
<td>22,187</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,647,224</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12
Note 6 – Property and Equipment

Property and equipment consist of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modular classroom buildings</td>
<td>$360,555</td>
<td>$360,555</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>104,935</td>
<td>166,213</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>1,225,594</td>
<td>917,774</td>
</tr>
<tr>
<td></td>
<td>1,691,084</td>
<td>1,444,542</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(750,722)</td>
<td>(636,947)</td>
</tr>
<tr>
<td></td>
<td>$940,362</td>
<td>$807,595</td>
</tr>
</tbody>
</table>

Note 7 – Deferred Revenue

Deferred revenue consists of the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Support Services</td>
<td>$365,815</td>
<td>$341,734</td>
</tr>
<tr>
<td>Family Support Services</td>
<td>248,790</td>
<td>227,729</td>
</tr>
<tr>
<td>Other Programs</td>
<td>145,599</td>
<td>140,711</td>
</tr>
<tr>
<td>Education and Outreach</td>
<td>108,436</td>
<td>429,253</td>
</tr>
<tr>
<td>Military Family Resource Center</td>
<td>62,385</td>
<td>58,943</td>
</tr>
<tr>
<td></td>
<td>$931,025</td>
<td>$1,198,370</td>
</tr>
</tbody>
</table>

Note 8 – Line of Credit

The Organization has a $550,000 line of credit with Torrey Pines Bank that matures on January 3, 2022 and bares a variable interest rate calculated by the financial institution, which was 4.50% at June 30, 2021 and 2020. There was no outstanding balance on the Torrey Pines Bank line of credit as of June 30, 2021 and 2020.

Note 9 – Note Payable

On April 20, 2020, the Organization received loan proceeds in the amount of $1,944,300 under the Small Business Administration (SBA) Paycheck Protection Program (PPP). The Organization received forgiveness during the year ended June 30, 2021 for the full loan proceeds used to pay qualifying payroll and utility expenses. The forgiveness balance is reported as PPP loan forgiveness revenue on the statement of activities.

In October 2020, the Organization entered into an interest free loan agreement with a financial institution. Repayment of the $300,000 loan is payable in monthly installments of $8,333 beginning June 1, 2021 for twelve months and $16,667 for the following twelve months, matures June 2023.

Principal payments on note payable at June 30, 2021 are due as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$108,333</td>
</tr>
<tr>
<td>2023</td>
<td>182,834</td>
</tr>
<tr>
<td></td>
<td>$291,167</td>
</tr>
</tbody>
</table>
Note 10 – Commitments

The Organization leases certain facilities under agreements which expire at various dates to December 31, 2025. Other facilities, principally extended day care sites leased from public school districts, are currently rented on a month-to-month basis. In addition, the Organization leases certain equipment under leases expiring at various dates to April 30, 2024.

Minimum future lease payments at June 30, 2021 are due as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>759,642</td>
</tr>
<tr>
<td>2023</td>
<td>567,607</td>
</tr>
<tr>
<td>2024</td>
<td>372,687</td>
</tr>
<tr>
<td>2025</td>
<td>360,192</td>
</tr>
<tr>
<td>2026</td>
<td>184,137</td>
</tr>
<tr>
<td>Thereafter</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2,244,265</td>
</tr>
</tbody>
</table>

Rent expense for the years ended June 30, 2021 and 2020 was $781,273 and $966,691, respectively.

Note 11 – Retirement Plan

The Organization has adopted a tax shelter annuity plan covering all eligible employees. The plan provides that the Organization match employee contributions up to 4% of the participant’s compensation. The Organization’s contributions totaled $187,226 and $179,589 for the years ended June 30, 2021 and 2020, respectively, and are included in salaries and fringe benefits in the statements of functional expenses.

Note 12 – Contingencies

The Organization may periodically be a party in litigation cases incidental to its business activities. While any litigation or investigation has an element of uncertainty, management believes that the outcome of any of these matters will not have a materially adverse effect on its financial position, results of operations or liquidity.

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. On March 11, 2020 the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States of America (US) has caused business disruption through mandated and voluntary closing of businesses and shelter-in-place orders, including California, where the Organization is headquartered. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of business closures, shelter-in-place orders, and the ultimate impact of governmental initiatives. It is at least reasonably possible that this matter will negatively impact the Organization. However, the financial impact and duration cannot be reasonably estimated at this time.
SUPPLEMENTAL INFORMATION
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
of Social Advocates for Youth, San Diego, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Social Advocates for Youth, San Diego, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 17, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Social Advocates for Youth, San Diego, Inc.’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS, CONTINUED

Purpose of this Report

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

Aldrich CPAs + Advisors LLP

San Diego, California
February 17, 2022
INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
of Social Advocates for Youth, San Diego, Inc.

Report on Compliance for Each Major Federal Program

We have audited Social Advocates for Youth, San Diego, Inc.’s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Social Advocates for Youth, San Diego, Inc.’s major federal programs for the year ended June 30, 2021. Social Advocates for Youth, San Diego, Inc.’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the federal statues, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors’ Responsibility

Our responsibility is to express an opinion on compliance for each of Social Advocates for Youth, San Diego, Inc.’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Social Advocates for Youth, San Diego, Inc.’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Social Advocates for Youth, San Diego, Inc.’s compliance.

Opinion on Each Major Federal Program

In our opinion, Social Advocates for Youth, San Diego, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.
INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED

Report on Internal Control over Compliance

Management of Social Advocates for Youth, San Diego, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Social Advocates for Youth, San Diego, Inc.’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Social Advocates for Youth, San Diego, Inc.’s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
February 17, 2022
### Schedule of Expenditures of Federal Awards

#### Year Ended June 30, 2021

<table>
<thead>
<tr>
<th>Federal/Pass-Through Grantor and Program Title</th>
<th>Federal Assistance Listing Number</th>
<th>Agency or Pass-Through Grantor Number</th>
<th>Expenditures</th>
</tr>
</thead>
</table>

#### 477 Cluster

**U.S. Department of Health and Human Services**

- Pass-through programs from the County of San Diego:
  - Temporary Assistance for Needy Families
    
    **Expenditures:** $862,561
    
    **Federal Assistance Listing Number:** 93.558
    
    **Agency or Pass-Through Grantor Number:** 559474

**Total 477 Cluster:** $862,561

#### CSBG Cluster

**U.S. Department of Health and Human Services**

- Pass-through programs from the County of San Diego:
  - Community Services Block Grant
    
    **Expenditures:** $183,150
    
    **Federal Assistance Listing Number:** 93.569
    
    **Agency or Pass-Through Grantor Number:** 544428/547376

**Total CSBG Cluster:** $183,150

#### Medicaid Cluster

**U.S. Department of Health and Human Services**

- Pass-through programs from the County of San Diego:
  - Medical Assistance Program
    
    **Expenditures:** $129,037
    
    **Federal Assistance Listing Number:** 93.778
    
    **Agency or Pass-Through Grantor Number:** 555937

**Total Medicaid Cluster:** $129,037

#### U.S. Department of the Treasury

**Pass-through programs from the County of San Diego:**

- COVID-19: Coronavirus Relief Fund
  
  **Expenditures:** $267,767
  
  **Federal Assistance Listing Number:** 21.019
  
  **Agency or Pass-Through Grantor Number:** 551375/551375/551547/551550

**Total U.S. Department of the Treasury:** $267,767

#### U.S. Department of Justice

**Direct Programs:**

- Community-Based Violence Prevention Program
  
  **Expenditures:** $14,281
  
  **Federal Assistance Listing Number:** 16.123
  
  **Agency or Pass-Through Grantor Number:** 2020-M0-M0-0010

**Pass-through Programs from South Bay Community Services**

- Edward Byrne Memorial Justice Assistance Grant Program
  
  **Expenditures:** $88,847
  
  **Federal Assistance Listing Number:** 16.738
  
  **Agency or Pass-Through Grantor Number:** 551633

**Total U.S. Department of Justice:** $103,128

#### U.S. Department of Education

**Pass-through Programs from South Bay Community Services**

- Promise Neighborhood
  
  **Expenditures:** $122,226
  
  **Federal Assistance Listing Number:** 84.215N
  
  **Agency or Pass-Through Grantor Number:** U215N180049

**Total U.S. Department of Education:** $122,226

---

See independent auditors’ report and notes to schedule of expenditures of federal awards
SOCIAL ADVOCATES FOR YOUTH, SAN DIEGO, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<table>
<thead>
<tr>
<th>Federal/Pass-Through Grantor and Program Title</th>
<th>Federal Assistance Listing Number</th>
<th>Agency or Pass-Through Grantor Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Health and Human Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Programs:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthy Marriage and Responsible Fatherhood</td>
<td>93.086</td>
<td>90ZJ008</td>
<td>510,187</td>
</tr>
<tr>
<td>Sober Truth on Preventing Underage Drinking Act</td>
<td>93.243</td>
<td>SP021975-01</td>
<td>227,650</td>
</tr>
<tr>
<td><strong>Total Direct Programs</strong></td>
<td></td>
<td></td>
<td>737,837</td>
</tr>
<tr>
<td>Pass-through Programs From County of San Diego:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drug Free Communities Support</td>
<td>93.276</td>
<td>INH28CE003088</td>
<td>68,002</td>
</tr>
<tr>
<td>Promoting Safe and Stable Families</td>
<td>93.556</td>
<td>551375</td>
<td>216,962</td>
</tr>
<tr>
<td>Stephanie Tubbs Jones Child Welfare Services Program</td>
<td>93.645</td>
<td>551375</td>
<td>31,335</td>
</tr>
<tr>
<td>Block Grants for Prevention and Treatment of Substance Abuse</td>
<td>93.959</td>
<td>551547/551550</td>
<td>886,318</td>
</tr>
<tr>
<td><strong>Total U.S. Department of Health and Human Services</strong></td>
<td></td>
<td></td>
<td>1,940,454</td>
</tr>
<tr>
<td><strong>Total expenditures of federal awards</strong></td>
<td></td>
<td></td>
<td>3,608,323</td>
</tr>
</tbody>
</table>

See independent auditors’ report and notes to schedule of expenditures of federal awards.
Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Social Advocates for Youth, San Diego, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Social Advocates for Youth, San Diego, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Social Advocates for youth, San Diego, Inc.

Note 2 – Summary of Significant Accounting Policies

Social Advocates for Youth, San Diego, Inc. did not elect to use the 10% de minimus cost rate as covered in the Uniform Guidance 2.CFR.200.414 indirect costs.
Section I – Summary of Auditors’ Results

**Financial Statements**

Type of auditors’ report issued: Unmodified
Internal control over financial reporting:
  Significant deficiency(ies) identified? yes  x no
  Material weakness(es) identified? yes  x no
Noncompliance material to the financial statements noted? yes  x no

**Federal Awards**

Internal control over major programs:
  Significant deficiency(ies) identified? yes  x no
  Material weakness(es) identified? yes  x no
Type of auditors’ report issued on compliance for major programs Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2.CFR.200.516(a)? yes  x no

Identification of major programs:

<table>
<thead>
<tr>
<th>Federal Assistance Listing</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.019</td>
<td>Coronavirus Relief Fund</td>
</tr>
<tr>
<td>93.558</td>
<td>Temporary Assistance for Needy Families</td>
</tr>
<tr>
<td>93.959</td>
<td>Block Grants for Prevention and Treatment of Substance Abuse</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as a low-risk auditee under the Uniform Grant Guidance, 2.CFR.200.520? yes  x no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings

None

See independent auditors’ report.
Section IV – Schedule of Prior Year Findings

None