

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012
(WITH INDEPENDENT AUDITORS' REPORT)
AND
AUDIT REPORTS RELATED TO
OFFICE OF MANAGEMENT AND BUDGET
CIRCULAR A-133
FOR THE YEAR ENDED JUNE 30, 2013**

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CIRCULAR A-133
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INDEPENDENT AUDITORS' REPORT

The Board of Directors
New York City Gay and Lesbian Anti-Violence Project, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of New York City Gay and Lesbian Anti-Violence Project, Inc. (the "Agency") which comprise the statements of financial position as of June 30, 2013 and 2012, 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.

Auditor's 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.

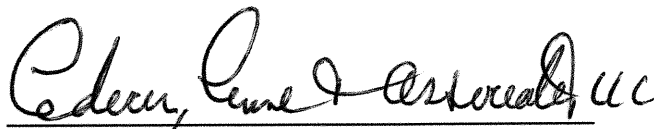
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New York City Gay and Lesbian Anti-Violence Project, Inc. as of June 30, 2013 and 2012 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2013, on our consideration of the Agency'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 the Agency's internal control over financial reporting and compliance.


Lederer, Levine & Associates, LLC

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents (Notes B and G)	\$ 43,996	\$ 1,890
Contributions receivable (Note C)	164,322	278,488
Government grants receivable (Note H)	183,106	243,917
Prepaid expenses and other assets	21,975	29,688
Property and equipment, net (Notes B and D)	33,968	49,640
Security deposits	<u>17,787</u>	<u>17,787</u>
TOTAL ASSETS	<u>\$ 465,154</u>	<u>\$ 621,410</u>
LIABILITIES		
Accrued expenses and other payables	\$ 196,657	\$ 376,696
Refundable advances	72,248	16,557
Loans payable (Note E)	68,998	220,997
Deferred rent payable (Note H)	<u>81,806</u>	<u>117,822</u>
TOTAL LIABILITIES	<u>419,709</u>	<u>732,072</u>
COMMITMENTS AND CONTINGENCIES (Note H)		
NET ASSETS (DEFICIT)		
Unrestricted (deficit) (Note J)	(404,056)	(443,352)
Temporarily restricted (Note I)	<u>449,501</u>	<u>332,690</u>
TOTAL NET ASSETS (DEFICIT)	<u>45,445</u>	<u>(110,662)</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 465,154</u>	<u>\$ 621,410</u>

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Special events-revenue	\$ 243,540	\$ 5,000	\$ 248,540	\$ 180,068	\$	\$ 180,068
Less: cost of direct benefits to donors	(76,855)		(76,855)	(30,715)		(30,715)
Net revenue from special events	166,685	5,000	171,685	149,353		149,353
Government grants (Note H)	1,470,079		1,470,079	1,440,130		1,440,130
Contributions	404,690	412,095	816,785	276,124	304,255	580,379
Donated goods and services (Note F)	342,249		342,249	366,440		366,440
Other income	57,013		57,013	56,783		56,783
Net assets released from restrictions	300,284	(300,284)		234,473	(234,473)	
TOTAL SUPPORT AND REVENUE	2,741,000	116,811	2,857,811	2,523,303	69,782	2,593,085
EXPENSES:						
Program services	1,905,872		1,905,872	2,030,596		2,030,596
Management and general	539,883		539,883	431,256		431,256
Fundraising and development	255,949		255,949	269,577		269,577
TOTAL EXPENSES	2,701,704		2,701,704	2,731,429		2,731,429
Change in Net Assets	39,296	116,811	156,107	(208,126)	69,782	(138,344)
Net Assets (Deficit) - Beginning of Year	(443,352)	332,690	(110,662)	(235,226)	262,908	27,682
Net Assets (Deficit)- End of Year	\$ (404,056)	\$ 449,501	\$ 45,445	\$ (443,352)	\$ 332,690	\$ (110,662)

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

2013

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
Salaries	\$ 937,659	\$ 200,309	\$ 125,617	\$ 1,263,585
Payroll taxes and employee benefits	<u>196,512</u>	<u>42,852</u>	<u>26,326</u>	<u>265,690</u>
Total salaries and related costs	1,134,171	243,161	151,943	1,529,275
Professional fees and consultants (Note F)				
Hotline volunteers (Note F)	267,836	179,191	42,260	489,287
Occupancy	<u>160,964</u>			<u>160,964</u>
Special events (Note F)	196,212	42,408	26,286	264,906
Program activities	7,650		86,386	86,386
Travel and transportation	37,889	5,180	1,000	7,650
Printing and design	3,270		8,198	44,069
Equipment rental	4,689	1,942	628	11,468
Repairs and maintenance	19,284	4,032	5,480	7,259
Telephone and communication	23,459	4,844	1,924	28,796
Office and program supplies	12,042	2,892	959	30,227
Postage and mailing	1,761	381	1,068	15,893
Interest expense		5,210		3,210
Insurance	5,916	1,278	792	5,210
Staff expenses and dues	14,817	210	3,748	7,986
Fees and assessments		43,641		18,775
Depreciation and amortization	15,912	3,438	2,132	43,641
Bad debt expense		2,075		21,482
Sub-total	<u>1,905,872</u>	<u>539,883</u>	<u>332,804</u>	<u>2,778,559</u>
Less: expenses deducted directly from revenues on the statements of activities			<u>76,855</u>	<u>76,855</u>
Total Expenses	<u>\$ 1,905,872</u>	<u>\$ 539,883</u>	<u>\$ 255,949</u>	<u>\$ 2,701,704</u>

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

2012

	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 1,036,154	\$ 194,488	\$ 156,834	\$ 1,387,476
Payroll taxes and employee benefits	222,377	41,713	33,569	297,659
Total salaries and related costs	1,258,531	236,201	190,403	1,685,135
Professional fees and consultants (Note F)				
Hotline volunteers (Note F)	254,696	95,143	14,310	364,149
Occupancy	164,053			164,053
Special events (Note F)	203,728	38,215	30,837	272,780
Program activities			38,228	38,228
Travel and transportation	29,065	4,560		33,625
Printing and design	22,465	6,684	200	29,349
Equipment rentals	8,922		7,011	15,933
Repairs and maintenance	5,578	1,018	821	7,417
Telephone and communication	16,612	7,623	2,995	27,230
Office and program supplies	21,940	4,075	1,921	27,936
Postage and mailing	10,809	3,039	566	14,414
Interest expense	2,098	653	1,120	3,871
Insurance		7,903		7,903
Staff expenses and dues	5,878	1,103	890	7,871
Fees and assessments	8,181	209	2,884	11,274
Depreciation and amortization		21,446	5,375	26,821
Sub-total	18,040	3,384	2,731	24,155
	2,030,596	431,256	300,292	2,762,144
Less: expenses deducted directly from revenues on the statements of activities			30,715	30,715
Total Expenses	\$ 2,030,596	\$ 431,256	\$ 269,577	\$ 2,731,429

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 156,107	\$ (138,344)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	21,482	24,155
Deferred rent	(36,016)	(28,176)
Bad debt expense	2,075	
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions receivable	112,091	(90,915)
Government grants receivable	60,811	(35,811)
Prepaid expenses and other assets	7,713	(2,300)
Security deposits		885
Increase (decrease) in liabilities:		
Accrued expenses and other payables	(180,039)	197,696
Refundable advances	55,691	5,271
Net Cash Provided (Used) by Operating Activities	<u>199,915</u>	<u>(67,539)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property and equipment acquisitions	(5,810)	(17,000)
Net Cash Used by Investing Activities	<u>(5,810)</u>	<u>(17,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans payable		165,900
Principal repayments of loans payable	(151,999)	(85,899)
Net Cash (Used) Provided by Financing Activities	<u>(151,999)</u>	<u>80,001</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	42,106	(4,538)
Cash and cash equivalents - beginning of year	1,890	6,428
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 43,996</u>	<u>\$ 1,890</u>
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 5,210</u>	<u>\$ 7,903</u>

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

Note A – Organization and Nature of Activities

The New York City Gay and Lesbian Anti-Violence Project, Inc (“AVP”) (the “Agency”) empowers lesbian, gay, bisexual, transgender, queer and HIV-affected (“LGBTQH”) communities and allies to end all forms of violence through organizing and education, and support survivors through counseling and advocacy. AVP operates a free and confidential 24-hour bilingual hotline staffed by AVP staff and trained volunteers, provides crisis intervention, safety planning, counseling and advocacy to individual survivors of violence and engages in community outreach and education about the nature and pattern of violence within and against LGBTQH communities in New York City. AVP coordinates a NYS LGBTQH Domestic Violence Network which addresses LGBTQH domestic violence throughout the state. AVP also educates non-LGBTQH service providers, including the law enforcement agencies, in NYS about violence within and against the LGBTQH communities. AVP coordinates NCAVP (“National Coalition of Anti-Violence Programs”) which is a national coalition of programs that addresses the pervasive problem of violence committed against and within the LGBTQH throughout the United States.

AVP receives its principal revenue from governmental sources and contributions from the general public.

AVP is a not-for-profit corporation exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The Agency follows accounting principles generally accepted in the United States of America (“U.S. GAAP”) which include certain specialized requirements set forth in publications of the Financial Accounting Standards Board.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is November 2, 2013.

Accounting for Uncertainty in Income Taxes

The Agency's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax. The Agency is no longer subject to examination by federal or state tax authorities for fiscal years prior to 2010.

Cash and Cash Equivalents

The Agency considers all highly liquid investments with a maturity of less than three months to be cash equivalents.

Restricted Contributions

Contributions are recognized when the donor makes a promise to give to the Agency that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012
(Continued)

Note B – Summary of Significant Accounting Policies (continued)

Contributed Services and Materials

Contributed services and materials are recorded at the estimated fair value.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. The Agency capitalizes property and equipment with a useful life of two years or more and a cost of \$1,000 or more, unless the acquisition is reimbursed by a government grant, and the grantor retains title to the property or equipment. In those instances, the purchase is expensed in the year incurred.

Fair Value Measurements

U. S. GAAP has established a fair value hierarchy organized into three levels based upon the "input" assumptions used in pricing assets. Level 1 inputs relate to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices that are observable either directly or indirectly with fair value being determined through the use of models or other valuation methodologies. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Note C – Contributions Receivable

Contributions receivable consist of the following as of June 30, 2013 and 2012:

Unconditional promises to be collected in:

	<u>2013</u>	<u>2012</u>
Less than one year	\$ 164,322	\$ 228,488
One to five years	<u>50,000</u>	<u>50,000</u>
	<u>\$ 164,322</u>	<u>\$ 278,488</u>

Unconditional promises to give that are expected to be collected in future years have not been discounted to present value as the discount amount is not material to these financial statements.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012
(Continued)

Note D – Property and Equipment

Property and equipment consist of the following as at June 30, 2013 and 2012:

	Estimated Useful Lives	2013	2012
Computers	3 years	\$ 190,412	\$ 188,086
Computer software	3 years	3,485	
Furniture and equipment	5 years	227,651	227,651
Leasehold improvements	7 to 30 years	193,248	193,249
Website	3 years	12,500	12,500
		627,296	621,486
Less: accumulated depreciation and amortization		(593,328)	(571,846)
		<u>\$ 33,968</u>	<u>\$ 49,640</u>

Note E – Loans Payable

- 1) AVP was a borrower on a demand line of credit with a bank, to a maximum of \$200,000. Interest was at the bank's prime rate plus 1.5 percent. In June, 2010, an amendment (the "Amendment") to the loan documents was executed. Under the Amendment, the payment terms changed, resulting in 60 monthly payments of fixed principal in the amount of approximately \$3,000, plus accrued interest. The maturity date of the loan is May, 2015. The interest rate is a variable rate at the bank's prime rate plus 2.50%. The interest rate at June 30, 2013 was 5.75%. At June 30, 2013, the balance on the loan was \$68,998.
- 2) During the fiscal year ending June 30, 2012, seven interest free loans totaling \$76,000 were made to AVP by various Board Members and the Executive Director. At June 30, 2013, all loans were paid in full.
- 3) During the fiscal year ending June 30, 2012, a \$40,000 interest free loan was made to AVP by a non-profit organization. At June 30, 2013 the loan was paid in full.

Principal payments on loans payable for the years subsequent to June 30, 2013 are as follows:

June 30, 2014	\$ 36,000
2015	32,998
	<u>\$ 68,998</u>

Note F – Donated Goods and Services

Donated goods and services consisted of the following for the years ended June 30, 2013 and 2012:

	2013	2012
Hotline volunteers	\$ 160,964	\$ 164,053
Consultants	82,337	138,400
Lobbying fees	39,000	42,000
Special event expenses	54,504	6,855
Space rental - program activities		3,600
Leasehold improvements		4,500
Other event expenses	3,176	4,169
Travel	1,635	1,885
Telephone	633	978
	<u>\$ 342,249</u>	<u>\$ 366,440</u>

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012
(Continued)

Note G – Concentration of Credit Risk

The Agency maintains several bank accounts at a bank which is an institution insured by the Federal Deposit Insurance Corporation (FDIC) through December 31, 2013. As of June 30, 2013 and 2012 there were no uninsured cash balances.

Note H – Commitments and Contingencies

The Agency leases real property for program and administrative purposes. Rental expense amounted to approximately \$235,000 for the years ended June 30, 2013 and 2012. The Agency has entered into various equipment lease agreements.

- 1) Approximate future minimum annual rental commitments under noncancelable lease obligations are as follows:

	<u>Office Rent</u>	<u>Equipment Rent</u>	<u>Totals</u>
For the years ended June 30, 2014	\$ 277,000	\$ 5,600	\$ 282,600
2015	<u>213,000</u>	<u>2,000</u>	<u>215,000</u>
	<u>\$ 490,000</u>	<u>\$ 7,600</u>	<u>\$ 497,600</u>

AVP records rent expense on the straight line basis as required under accounting principles generally accepted in the United States of America. Deferred rent payable amounted to \$81,806 and \$117,872 at June 30, 2013 and 2012, respectively.

- 2) A substantial amount of the Agency's revenues are government reimbursements. Revenues and related expenses are subject to audit verification by the funding agencies. The accompanying financial statements make no provision for possible disallowances. Although such disallowances could be substantial in amount, in the opinion of management, any actual disallowances would be immaterial.

Note I – Temporarily Restricted Net Assets

Temporarily restricted net assets are subject to the following restrictions at June 30:

	<u>2013</u>	<u>2012</u>
Purpose restrictions:		
Bronx program (a) (HV)	\$ 100,281	\$ 167,157
NCAVP (also time restricted)	151,794	102,417
DV program support	134,008	13,116
SV program support	30,000	50,000
HV Program support	8,579	
Other restricted purposes	<u>24,839</u>	
	<u>\$ 449,501</u>	<u>\$ 332,690</u>

- (a) Includes \$115,000 that is also subject to time restrictions

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012
(Continued)

Note J – Unrestricted Deficit

At June 30, 2013, AVP's net assets were in a surplus position of \$45,445. This reflects a shift from FY12 when net assets were in a deficit position of approximately \$111,000. This positive shift demonstrates the successful implementation of a business strategy to reduce the deficit, and is due in large part to success working with a consultant to carry out a private (individual, corporations, foundations) fundraising plan implemented at the end of FY2012. However, FY13's unrestricted funds shows a deficit, which is being addressed in FY14.

AVP will continue to increase both government and private revenue in FY14, and projects an overall surplus for FY14. To date: Government funds committed for FY14 are up 26% from what was received in FY13; 50% of the FY14 event and non-event private revenue projection has already been met in the first quarter of FY14; 52% of the foundation funding projection for FY14 has already been met as of the first quarter of FY14. These achievements, as a result of commitment by Board and staff to a strategy that addresses the unrestricted deficit, contribute to the organization's sustainability.

Consistent with the plans identified within the FY12 audit, AVP's decision to budget debt service as a priority item for FY13 resulted in payment of expenses prior to the end of the FY13 in conjunction with ongoing payments of the organizational loan. This resulted in reduction of the loan payables by 69%. The remaining loan payable will continue to be paid down in FY14.

Concurrently, AVP continued its commitment to limit new unfunded program growth and budgeted to cover the full cost of operations (including asset purchases and repairs). These efforts will continue during FY14.

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal Agency/Program Title</u>	<u>CFDA Number</u>	<u>Pass -Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice			
Passed through the NYS Office of Victim Services:			
CVB (NYS Crime Victims)	16.575	C-501111	\$ 114,292
Passed through New York State Division of Criminal Justice Service (DCJS):			
DCJS (NYS LGBT Domestic Violence Training Institute)	16.588	VW11558743	38,882
DCJS (NYS LGBT Domestic Violence Training Institute)	16.588	VW12558744	30,362
			<u>69,244</u>
OVC (VAWA)	16.582	2011-VF-GX-K026	203,200
OVW OJP	16.016	AX 007	64,333
OVW TA	16.526	AX K013	143,054
Passed through the NYS Coalition Against Sexual Assault (CASA):			
NYS CASA SASP	16.017	C-652046	<u>4,087</u>
Total U.S. Department of Justice			<u>598,210</u>
U.S. Department of Health and Human Services			
NYS DOH (Rape Crisis)	93.136	C-026623	31,700
Passed through the Office of Domestic Violence and Emergency Intervention Services:			
NYC HRA (Non-Residential Services for Victims of DV)	93.558	201-121-411762	164,677
Passed through the NYS Office of Children and Family Services (OCFS) Domestic Violence Unit:			
NYS OCFS	93.671	C-025302	28,766
NYS OCFS	93.671	C-026796	7,706
			<u>36,472</u>
Total U.S. Department of Health and Human Services			<u>232,849</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 831,059</u></u>

See independent auditors' report.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013
(Continued)

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of New York City Gay and Lesbian Anti-Violence Project, Inc. for the year ended June 30, 2013. The information in this 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*.

Expenditures reported on 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.

LEDERER, LEVINE & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**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**

The Board of Directors
New York City Gay and Lesbian Anti-Violence Project, 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 New York City Gay and Lesbian Anti-Violence Project, Inc. which comprise the statements of financial position as of June 30, 2013 and 2012 and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 2, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New York City Gay and Lesbian Anti-Violence Project, 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 New York City Gay and Lesbian Anti-Violence Project, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 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.

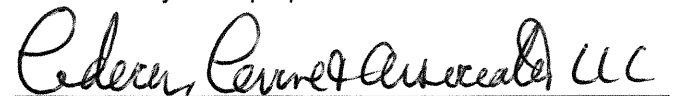
Our consideration of internal control is for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 New York City Gay and Lesbian Anti-Violence Project, Inc.'s financial statements are free of 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*.

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 the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Lederer, Levine & Associates, LLC

November 2, 2013

LEDERER, LEVINE & ASSOCIATES, LLC
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL
CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

The Board of Directors
New York City Gay and Lesbian Anti-Violence Project, Inc.

Report on Compliance for Each Major Federal Program

We have audited New York City Gay and Lesbian Anti-Violence Project, Inc.'s (the "Agency") compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of New York City Gay and Lesbian Anti-Violence Project, Inc.'s major federal programs for the year ended June 30, 2013. New York City Gay and Lesbian Anti-Violence Project, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of New York City Gay and Lesbian Anti-Violence Project, 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 New York City Gay and Lesbian Anti-Violence Project, 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 New York City Gay and Lesbian Anti-Violence Project, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, New York City Gay and Lesbian Anti-Violence Project, 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, 2013.

Report on Internal Control Over Compliance

Management of New York City Gay and Lesbian Anti-Violence Project, 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 New York City Gay and Lesbian Anti-Violence Project, 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 OMB Circular A-133, 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 New York City Gay and Lesbian Anti-Violence Project, Inc.'s internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of 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 a 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of New York City Gay and Lesbian Anti-Violence Project, Inc. as of and for the year ended June 30, 2013, and have issued our report thereon dated November 2, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related 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 schedule of expenditures of federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.


Lederer, Levine & Associates, LLC

January 30, 2014

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

Section I - Summary of Auditors' Results

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal Control Over Major Programs:

Material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported

Type of Auditor's Report Issued on Compliance for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes X No

Identification of major programs

OVC (CFDA # 16.582)
NYS DOH (CFDA # 93.136)

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low risk auditee? X Yes No

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

Prior Year Findings:

There were no findings.

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
AUDITEE'S CORRECTIVE ACTION PLAN AND CERTIFICATION
FOR THE YEAR ENDED JUNE 30, 2013**

**Federal Audit Clearinghouse
Bureau of the Census**

We hereby certify as to the management responses to the Auditors' findings enumerated in the accompanying schedule of findings and questioned costs. The contact person for this corrective plan of action is the undersigned.

NOT APPLICABLE

Printed Name/Title

Date

Signature