

YOUTH COMMUNICATION / NEW YORK CENTER, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

**YOUTH COMMUNICATION / NEW YORK CENTER, INC.
JUNE 30, 2023 AND 2022**

C O N T E N T S

Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	5
Statements of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements.	10

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Independent Auditor's Report

To Board of Directors of
Youth Communication / New York Center, Inc.

Opinion

I have audited the accompanying financial statements of Youth Communication/ New York Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, function expenses and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Youth Communication/ New York Center, Inc. as of June 30, 2023 and 2022, 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Youth Communication/ New York Center, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Youth Communication/ New York Center, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Youth Communication/ New York Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Youth Communication/ New York Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.



New York, New York
December 15, 2023

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Current Assets:		
Cash and cash equivalents	\$ 1,704,897	\$ 1,263,550
Certificate of deposit	-	239,448
Grants receivable	170,000	420,000
Accounts receivable	82,398	20,083
Prepaid expenses	<u>36,411</u>	<u>21,732</u>
Total Current Assets	1,993,706	1,964,813
Property and equipment, net	103,955	120,808
Right to use - operating lease	572,622	-
Other Asset:		
Grant receivable- Net of Current	20,000	90,000
Security deposits	<u>36,509</u>	<u>94,456</u>
Total Other Assets	<u>56,509</u>	<u>184,456</u>
TOTAL ASSETS	<u>\$ 2,726,792</u>	<u>\$ 2,270,077</u>

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

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

LIABILITIES AND NET ASSETS

	<u>2023</u>	<u>2022</u>
Current Liabilities:		
Accounts payable and accrued expenses	\$ 76,953	\$ 39,057
Deferred Revenue	-	250,000
Current portion of lease obligation	<u>138,374</u>	<u>-</u>
Total Current Liabilities	215,327	289,057
Other Liabilities:		
Deferred Rent	-	30,960
Long Term Lease Obligation - Operating Leases	<u>470,860</u>	<u>-</u>
Total Liabilities	686,187	320,017
Net Assets:		
Without donor restrictions	1,306,706	1,690,060
With donor restrictions	<u>733,899</u>	<u>260,000</u>
Total Net Assets	<u>2,040,605</u>	<u>1,950,060</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,726,792</u>	<u>\$ 2,270,077</u>

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

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Net Assets Without Donor <u>Restrictions</u>	Net Assets With Donor <u>Restrictions</u>	<u>Total</u>
Revenue and Support			
Corporations	\$ 32,500	\$ -	\$ 32,500
Foundations	828,951	633,899	1,462,850
Individual contributions	294,788	-	294,788
Professional development	175,321	-	175,321
Contracted services	6,600	-	6,600
Book income and royalty	40,004	-	40,004
Subscriptions, advertising, and permissions	1,340	-	1,340
Investment Income	20,229	-	20,229
Donated Service	66,949	-	66,949
Net Assets Released from Restrictions	<u>160,000</u>	<u>(160,000)</u>	<u>-</u>
 Total Revenues and Support	 <u>1,626,682</u>	 <u>473,899</u>	 <u>2,100,581</u>
Expenses			
Professional Development	877,508	-	877,508
Writing program	520,457	-	520,457
Administrative and general	177,262	-	177,262
Fund-raising	<u>434,809</u>	<u>-</u>	<u>434,809</u>
 Total Expenses	 <u>2,010,036</u>	 <u>-</u>	 <u>2,010,036</u>
 Change in Net Assets	 (383,354)	 473,899	 90,545
 NET ASSETS - BEGINNING	 <u>1,690,060</u>	 <u>260,000</u>	 <u>1,950,060</u>
 NET ASSETS - ENDING	 <u>\$ 1,306,706</u>	 <u>\$ 733,899</u>	 <u>\$ 2,040,605</u>

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

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Net Assets Without Donor <u>Restrictions</u>	Net Assets With Donor <u>Restrictions</u>	<u>Total</u>
Revenue and Support			
Corporations	\$ 2,840	\$ -	\$ 2,840
Foundations	710,000	180,000	890,000
Individual contributions	247,465	60,000	307,465
Professional development	219,517	-	219,517
Contracted services	6,600	-	6,600
Book income and royalty	8,867	-	8,867
Subscriptions, advertising and permissions	5,825	-	5,825
Interest Income	3,545	-	3,545
Net Assets Released from Restrictions	<u>95,000</u>	<u>(95,000)</u>	<u>-</u>
 Total Revenues and Support	 <u>1,299,659</u>	 <u>145,000</u>	 <u>1,444,659</u>
Expenses			
Professional Development	731,562	-	731,562
Writing program	498,798	-	498,798
Administrative and general	217,084	-	217,084
Fund-raising	<u>285,192</u>	<u>-</u>	<u>285,192</u>
 Total Expenses	 <u>1,732,636</u>	 <u>-</u>	 <u>1,732,636</u>
 Change in Net Assets	 (432,977)	 145,000	 (287,977)
 NET ASSETS - BEGINNING	 <u>2,123,037</u>	 <u>115,000</u>	 <u>2,238,037</u>
 NET ASSETS - ENDING	 <u>\$ 1,690,060</u>	 <u>\$ 260,000</u>	 <u>\$ 1,950,060</u>

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

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Professional Development</u>	<u>Writing Program</u>	<u>Administrative and General</u>	<u>Fund- Raising</u>	
Salaries	\$ 525,430	\$ 233,792	\$ 90,843	\$ 175,595	\$ 1,025,660
Payroll taxes	39,744	17,684	6,871	13,282	77,581
Fringe benefits	85,048	37,843	14,704	28,423	166,018
Fees and other charges	14,578	1,459	4,373	8,746	29,156
Consultants/contractors	95,990	62,004	34,119	74,075	266,188
Professional Fees	-	-	14,850	-	14,850
Office services and supplies	29,318	29,318	3,666	10,993	73,295
Utilities	5,954	5,953	661	661	13,229
Supplies	619	-	-	928	1,547
Postage and shipping	1,706	85	21	319	2,131
Lease expense, operating lease	49,714	83,805	4,261	4,263	142,043
Printing	13,357	534	356	3,563	17,810
Travel and transportation	5,343	2,549	164	166	8,222
Stipends	-	31,077	-	-	31,077
Donated Services	-	-	-	66,949	66,949
Event Expenses	-	-	-	44,475	44,475
Insurance	3,647	7,294	608	607	12,156
Depreciation	<u>7,060</u>	<u>7,060</u>	<u>1,765</u>	<u>1,764</u>	<u>17,649</u>
 Total expenses	 <u>\$ 877,508</u>	 <u>\$ 520,457</u>	 <u>\$ 177,262</u>	 <u>\$ 434,809</u>	 <u>\$ 2,010,036</u>

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

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Professional</u>	<u>Writing</u>	<u>Administrative</u>	<u>Fund-</u>	
	<u>Development</u>	<u>Program</u>	<u>and General</u>	<u>Raising</u>	<u>Total</u>
Salaries	\$ 449,098	\$ 255,117	\$ 102,823	\$ 185,454	\$ 992,492
Payroll taxes	34,088	19,364	7,804	14,076	75,332
Fringe benefits	65,896	37,433	15,087	27,211	145,627
Fees and other charges	7,850	982	7,850	2,944	19,626
Consultants/contractors	70,034	28,643	40,629	45,509	184,815
Professional Fees	-	-	14,500	-	14,500
Supplies and services	20,650	20,650	7,745	2,581	51,626
Postage and shipping	4,964	213	107	53	5,337
Occupancy	50,592	88,536	15,810	3,162	158,100
Printing	18,562	1,529	874	874	21,839
Travel and transportation	741	915	35	35	1,726
Stipends	-	32,644	-	-	32,644
Insurance	2,632	6,317	1,053	526	10,528
Depreciation	<u>6,455</u>	<u>6,455</u>	<u>2,767</u>	<u>2,767</u>	<u>18,444</u>
 Total expenses	 <u>\$ 731,562</u>	 <u>\$ 498,798</u>	 <u>\$ 217,084</u>	 <u>\$ 285,192</u>	 <u>\$ 1,732,636</u>

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

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Cash flows from operating activities:</u>		
Changes in Net Assets	\$ 90,545	\$ (287,977)
Adjustments to reconcile net assets to net cash provided by (used in) operating activities:		
Depreciation	17,649	18,444
Noncash portion of lease expenses - operating leases	133,286	-
(Increase) Decrease in operating assets		
Grants receivable	320,000	(395,000)
Accounts receivable	(62,315)	8,129
Prepaid expense	(14,679)	(9,378)
Security deposits	57,947	-
Increase (Decrease) in operating liabilities		
Accounts payable and accrued expenses	37,896	20,157
Deferred Revenue	(250,000)	250,000
Deferred Rent	-	30,960
Lease obligation - operating lease	<u>(127,634)</u>	<u>-</u>
Net cash provided by (used in) operating activities	202,695	(364,665)
<u>Cash flows from investing activities:</u>		
Purchase of property and equipment	<u>(796)</u>	<u>(11,621)</u>
Net cash used in investing activities	<u>(796)</u>	<u>(11,621)</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	201,899	(376,286)
Cash, Cash Equivalents and Restricted Cash		
- Beginning of Year	<u>1,502,998</u>	<u>1,879,284</u>
Cash, Cash Equivalents and Restricted Cash		
- End of Year	<u>\$ 1,704,897</u>	<u>\$ 1,502,998</u>

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

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 1 - Organization

Youth Communication / New York Center, Inc. (the Center) was founded in 1980 in Delaware, and is a nonstock, nonprofit corporation helping youth develop their full potential through reading and writing, so that they can succeed in school and at work, and contribute to their communities.

The Center publishes true stories by teens that are developed in its rigorous writing program. These stories motivate teens to read, promote social-emotional development, and show them how their peers made responsible choices. The Center's staff training sessions and story-based curricula enable educators to create engaging educational settings that strengthen young people's social-emotional and literacy skills. The Center focuses its effort on supporting young people who are furthest from opportunity—often minority youth and those living in poverty—to succeed in school, pursue meaningful careers, and develop a sense of personal agency.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Center prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Financial Statement Presentation

The Center's net assets are classified into two categories. The classifications are related to the existence or absence of donor-imposed restrictions, as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Center.

Net Assets with Donor Restrictions - Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Center. Certain restrictions may be needed to be maintained in perpetuity.

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

Accounts Receivable

Accounts receivable are presented net of the allowance for doubtful accounts. The Center's periodic evaluation of the adequacy of the allowance is based on its past loss experience. Accounts receivable are charged off when they are deemed uncollectible.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with U.S. GAAP requires the Center's management to make estimates and assumptions. These affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Property and Equipment

Property and equipment are stated at cost if purchased or at fair market value at the date of receipt if donated. The cost of maintenance, repairs, and minor renewals is expensed as incurred, and renewals and betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives for each major depreciable classification of property and equipment are as follows:

	<u>Estimated Useful Life</u>	<u>Method</u>
Office Furniture and equipment	5 years	Straight-line
Leasehold improvements	15 years	Straight-line

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Long-Lived Asset Impairment

The Center evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2023 and 2022.

Revenue Recognition

The Center reports gifts of land, building, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Cash and Cash Equivalents

The Center considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. Fair value approximates carrying amounts.

Certificates of Deposit

Certificates of deposit have maturity dates of more than three months.

Contributions

The Center reports contributions with donor-restricted revenue if they are received with donor stipulations that limit the use of the assets. With donor-restricted net assets, when the purpose of the restriction is satisfied, the net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Income Tax Status

The Center is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, donations to the Center qualify for the charitable contribution deduction under Section 170(b)(1)(a), and the Center has been classified as a center that is not a private foundation under Section 509(a)(1).

Fair Values of Financial Instruments

The Center's financial instruments consist primarily of cash, accounts receivable and accounts payable. The carrying values of cash, accounts receivable and accounts payable are considered to be representative of their respective fair values.

New Accounting Pronouncement

Effective July 1, 2022, the Center adopted Accounting Standards Update (ASU) 2016-02, Leases (ASC Topic 842) and subsequent amendments. ASC affects all companies that enter into lease arrangements, with certain exclusions under limited scope limitations. Under ASU 2016-02, an entity recognizes right-of-use ("ROU") assets and lease obligations on the statement of financial position for all leases with a lease term of more than 12 months. Short-term rentals under year to year leases or remaining lease terms of 12 months or less are exempt from being capitalized.

In adopting the new lease standard, the Center elected to use a transition method under which existing leases were measured and capitalized as of the date of adoption, July 1, 2022, in lieu of applying the standard retrospectively to July 1, 2021. Consequently, the 2022 financial statements and disclosures do not reflect the effects of implementing the new lease standard.

Additionally, as part of the implementation, the Center elected to use a package of optional practical expedients which permit the Center to avoid reassessing previous lease identifications within contracts, the existence of initial direct costs, and the lease classifications of any expired and existing leases. Moreover, in accordance with the expedients, all leases classified as operating leases under previous U.S. Generally Accepted Accounting Principles (U.S. GAAP) are automatically classified as operating leases under the new standards, and all leases previously classified as capital leases are recorded as finance leases.

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement (Continued)

The Center has not classified any leases as finance leases. All leases are classified as operating leases since the Center does not expect to consume a major part of the economic benefits of the leased assets over the remaining lease term. Leases recognized under the new standard include leases that were not capitalized under previous U.S. GAAP.

Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. The Center has made an accounting policy election to use a risk-free rate as the discount rate in measuring its lease obligations. Under this election, the risk-free rate used is the rate for a United States Treasury instrument with a term consistent with the remaining lease term of an applicable lease.

Right-of-use assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

On July 1, 2022, the Center recorded a right-to-use asset of \$705,908 and lease obligation of \$736,868 for operating leases.

Note 3 - Property and Equipment

Property and equipment consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Office furniture and equipment	\$ 152,416	\$ 151,620
Leasehold improvements	<u>181,485</u>	<u>181,485</u>
	333,901	333,105
Less: accumulated depreciation	<u>(229,946)</u>	<u>(212,297)</u>
Property and equipment, net	<u>\$ 103,955</u>	<u>\$ 120,808</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$17,649 and \$18,444 respectively.

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 4 - Concentration of Risk

Financial instruments that potentially subject the Center to concentration of credit risk consist principally of cash and cash equivalents maintained at creditworthy financial institutions. The Center maintained cash balances in two financial institutions in checking and savings, certificates of deposit, and money market funds. At June 30, 2023 and 2022, the uninsured cash balance was \$751,988 and \$422,471, respectively. However, the Center had not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Note 5 - Availability and Liquidity

The following financial assets are available to the Center within one year of June 30, 2023 and 2022. As part of the Center’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 Center invests cash in excess of daily requirements in short-term investments.

	2023	2022
Cash and Cash Equivalents	\$ 1,704,896	\$ 1,263,550
Certificate of Deposit	-	239,448
Grants receivable	170,000	420,000
Accounts receivable	82,398	20,083
Total financial assets	\$ 1,957,294	\$ 1,943,081

Note 6 - Right of use Assets and Lease Obligations

The Center entered into a lease agreement for office space that is effective through August 31, 2027. Effective July 1, 2022, the Center adopted Accounting Standards Update (ASU) 016-02, Leases (ASC Topic 842) and subsequent amendments (see Note 2 “Adoption of New Lease Standard”) which require the Center to recognize right-of-use assets and lease obligations for all leases with a lease term of more than 12 months. As of June 30, 2023, right-of-use assets and lease liabilities were as follows:

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 6 - Right of use Assets and Lease Obligations (Continued)

Right-of-use assets:	
Cost	\$ 705,908
Less: Accumulated Amortization	<u>(133,286)</u>
	<u>\$ 572,622</u>
Lease liabilities:	
Current portion	\$ 138,374
Long-term portion	<u>470,860</u>
	<u>\$ 609,234</u>

A summary of the future minimum payments under this lease, reconciled to the lease obligations recorded at June 30, 2023 follows:

2024	\$ 145,279
2025	148,655
2026	152,116
2027	155,663
2028	<u>26,043</u>
	627,756
Less: Present value discount	<u>(18,522)</u>
Lease obligations recorded at June 30, 2023	609,234
Less current portion	<u>138,374</u>
Long-term lease obligations	<u>\$ 470,860</u>

Note 7 - Functional Allocation of Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program services and supportive services.

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 7 - Functional Allocation of Expenses (Continued)

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Payroll taxes	Salaries
Fringe benefits	Time, effort, and seniority
Fees and other charges	Time and effort
Consultants/contractors	Time and effort
Supplies and services	Time and effort
Utilities	Use of square footage
Postage and shipping	Time and effort
Occupancy	Use of square footage
Printing	Time and effort
Travel and transportation	Time and effort
Stipends	Time and effort
Donated Services	Time and effort
Event Expenses	Time and effort
Insurance	Time and effort
Depreciation	Equipment and office usage

Note 8 - Net Assets with Donor Restrictions

Net assets in the amounts of \$733,899 and \$260,000 at June 30, 2023 and 2022 respectively are donor-restricted by time or for specific purposes and programs.

Note 9 - COVID-19

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic. As a result the Center closed in person classes and implemented remote sessions. The Center now offers both in -person and internet-based classes and services. The future effects of any pandemic resurgence are unknown.

Note 10 - Cash, Cash Equivalents and Restricted Cash

In accordance with FASB Statement of Cash Flows (ASU NO. 2016-18), the accompanying cash flow statements reflect the changes in cash, cash equivalents and restricted cash. The following table provides a reconciliation of cash, cash

YOUTH COMMUNICATION / NEW YORK CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Note 10 - Cash, Cash Equivalents and Restricted Cash (Continued)

equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	2023	2022
Cash	\$ 1,704,897	\$ 1,263,550
Certificates of deposit	-	239,448
	<u>\$ 1,704,897</u>	<u>\$ 1,502,998</u>

Note 11 - Deferred Revenue

The Center entered into a two year grant agreement with The Jenesis Group for \$500,000 from June 30, 2022 to June 30, 2024. As of June 30, 2022, the first payment due for \$250,000 was included as grant receivable, which was received in July 2022. Also, the amount of \$250,000 was included as deferred revenue in the accompany 2022 financial statements. Any monies not used for the purpose of the grant must be repaid. For the year ended June 30, 2023, deferred revenue in the amount of \$250,000 was recognized as foundation income in the accompany financial statement. The remaining payment due for \$250,000 was received in February 2023, which is included as net asset with donor restrictions in the accompanying 2023 financial statement.

Note 12 - Subsequent Events

The Center evaluated events that occurred after December 15, 2023, the date of the statement of financial position, but before the date the financial statements were available to be issued, for potential recognition or disclosure in the financial statements.