

**YOUTH COMMUNICATION / NEW YORK CENTER, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2025 AND 2024**

**YOUTH COMMUNICATION / NEW YORK CENTER, INC.**  
**JUNE 30, 2025 AND 2024**

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## Independent Auditor's Report

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

### **Opinion**

We have audited the accompanying financial statements of Youth Communication/ New York Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, function expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our 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, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Prior Period Financial Statements**

The financial statements as of June 30, 2024 were audited by A Gary Aaronson CPA, PLLC, who merged with Lipsky Goodkin & Co., P.C. as of January 1, 2025, whose report dated December 5, 2024 expressed an unmodified opinion on those statements.

## **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**

Our 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 our 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, we:

- 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 our 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.

We are 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 we identified during the audit.

A handwritten signature in black ink that reads "Lapsky Goodkin & Co., P.C." The signature is written in a cursive, flowing style.

New York, New York  
November 14, 2025

**YOUTH COMMUNICATION / NEW YORK CENTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

ASSETS

	<u>2025</u>	<u>2024</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 887,418	\$ 1,379,396
Grants receivable	-	165,000
Accounts receivable	74,885	193,536
Prepaid expenses	<u>13,007</u>	<u>19,952</u>
Total Current Assets	975,310	1,757,884
Property and equipment, net	69,767	86,739
Right to use - operating lease	302,695	439,419
<b>Other Asset:</b>		
Security deposits	<u>36,509</u>	<u>36,509</u>
Total Other Assets	<u>36,509</u>	<u>36,509</u>
TOTAL ASSETS	<u>\$ 1,384,281</u>	<u>\$ 2,320,551</u>

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

**YOUTH COMMUNICATION / NEW YORK CENTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2025 AND 2024**

LIABILITIES AND NET ASSETS

	<u>2025</u>	<u>2024</u>
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 41,781	\$ 54,536
Current portion of lease obligation	<u>148,824</u>	<u>143,524</u>
Total Current Liabilities	190,605	198,060
<b>Other Liabilities:</b>		
Long Term Lease Obligation - Operating Leases	<u>180,278</u>	<u>329,103</u>
Total Liabilities	370,883	527,163
<b>Net Assets:</b>		
Without donor restrictions	762,837	1,441,230
With donor restrictions	<u>250,561</u>	<u>352,158</u>
Total Net Assets	<u>1,013,398</u>	<u>1,793,388</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,384,281</u></u>	<u><u>\$ 2,320,551</u></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, 2025**

	Net Assets Without Donor <u>Restrictions</u>	Net Assets With Donor <u>Restrictions</u>	<u>Total</u>
<b>Revenue and Support</b>			
Corporations	\$ 27,413	\$ -	\$ 27,413
Foundations	392,739	238,561	631,300
Individual contributions	308,576	12,000	320,576
Professional development	296,852	-	296,852
Book income and royalty	2,709	-	2,709
Subscriptions, advertising, and permissions	125	-	125
Investment Income	26,051	-	26,051
Donated Service	8,225	-	8,225
Net Assets Released from Restrictions	<u>352,158</u>	<u>(352,158)</u>	<u>-</u>
 Total Revenues and Support	 <u>1,414,848</u>	 <u>(101,597)</u>	 <u>1,313,251</u>
<b>Expenses</b>			
Professional Development	915,178	-	915,178
Writing program	501,205	-	501,205
Administrative and general	222,616	-	222,616
Fund-raising	<u>454,242</u>	<u>-</u>	<u>454,242</u>
 Total Expenses	 <u>2,093,241</u>	 <u>-</u>	 <u>2,093,241</u>
 <b>Change in Net Assets</b>	 <b>(678,393)</b>	 <b>(101,597)</b>	 <b>(779,990)</b>
 <b>NET ASSETS - BEGINNING</b>	 <u>1,441,230</u>	 <u>352,158</u>	 <u>1,793,388</u>
 <b>NET ASSETS - ENDING</b>	 <u>\$ 762,837</u>	 <u>\$ 250,561</u>	 <u>\$ 1,013,398</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, 2024**

	Net Assets Without Donor <u>Restrictions</u>	Net Assets With Donor <u>Restrictions</u>	<u>Total</u>
<b>Revenue and Support</b>			
Corporations	\$ 16,000	\$ -	\$ 16,000
Foundations	732,521	300,826	1,033,347
Individual contributions	341,091	-	341,091
Professional development	363,068	-	363,068
Contracted services	7,800	-	7,800
Book income and royalty	2,505	-	2,505
Subscriptions, advertising, and permissions	2,075	-	2,075
Investment Income	41,430	-	41,430
Donated Service	6,418	-	6,418
Net Assets Released from Restrictions	<u>682,567</u>	<u>(682,567)</u>	<u>-</u>
 Total Revenues and Support	 <u>2,195,475</u>	 <u>(381,741)</u>	 <u>1,813,734</u>
<b>Expenses</b>			
Professional Development	868,986	-	868,986
Writing program	621,270	-	621,270
Administrative and general	195,771	-	195,771
Fund-raising	<u>374,924</u>	<u>-</u>	<u>374,924</u>
 Total Expenses	 <u>2,060,951</u>	 <u>-</u>	 <u>2,060,951</u>
 <b>Change in Net Assets</b>	 134,524	 (381,741)	 (247,217)
 <b>NET ASSETS - BEGINNING</b>	 <u>1,306,706</u>	 <u>733,899</u>	 <u>2,040,605</u>
 <b>NET ASSETS - ENDING</b>	 <u>\$ 1,441,230</u>	 <u>\$ 352,158</u>	 <u>\$ 1,793,388</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, 2025**

	<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	\$ 528,324	\$ 253,505	\$ 54,890	\$ 188,198	\$ 1,024,917
Payroll taxes	49,216	23,615	5,113	17,531	95,475
Fringe benefits	78,279	37,560	8,133	27,883	151,855
Fees and other charges	5,319	3,940	832	5,246	15,337
Consultants/contractors	84,736	47,587	121,558	120,261	374,142
Professional Fees	-	-	16,823	-	16,823
Office services and supplies	30,726	14,743	3,192	10,945	59,606
Utilities	7,930	7,930	901	1,262	18,023
Supplies	8,355	4,009	868	2,975	16,207
Postage and shipping	933	248	75	717	1,973
Lease expense, operating lease	62,416	62,416	7,093	9,929	141,854
Printing	40,757	520	1,583	770	43,630
Travel and transportation	4,011	2,648	10	343	7,012
Stipends	250	28,894	-	-	29,144
Donated Services	-	-	-	8,225	8,225
Event Expenses	-	-	-	50,622	50,622
Insurance	6,122	6,122	696	973	13,913
Depreciation	7,468	7,468	849	1,187	16,972
Bad Debt	336	-	-	7,175	7,511
<b>Total expenses</b>	<b><u>\$ 915,178</u></b>	<b><u>\$ 501,205</u></b>	<b><u>\$ 222,616</u></b>	<b><u>\$ 454,242</u></b>	<b><u>\$ 2,093,241</u></b>

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, 2024**

	<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	\$ 463,219	\$ 289,556	\$ 110,662	\$ 204,305	\$ 1,067,742
Payroll taxes	35,833	22,399	8,560	15,804	82,596
Fringe benefits	77,280	48,307	18,462	34,085	178,134
Fees and other charges	13,050	3,262	2,175	3,262	21,749
Consultants/contractors	113,798	60,218	28,043	38,360	240,419
Professional Fees	-	-	16,078	-	16,078
Office services and supplies	50,372	41,903	5,239	7,244	104,758
Utilities	6,677	11,636	382	382	19,077
Supplies	1,094	61	49	37	1,241
Postage and shipping	2,094	-	-	524	2,618
Lease expense, operating lease	49,656	86,543	2,837	2,837	141,873
Printing	34,444	765	765	2,296	38,270
Travel and transportation	5,378	1,341	-	560	7,279
Stipends	-	39,835	-	-	39,835
Donated Services	-	-	-	6,418	6,418
Event Expenses	-	-	-	55,466	55,466
Insurance	4,030	8,058	672	672	13,432
Depreciation	7,386	7,386	1,847	1,847	18,466
Bad Debt	4,675	-	-	825	5,500
<b>Total expenses</b>	<b><u>\$ 868,986</u></b>	<b><u>\$ 621,270</u></b>	<b><u>\$ 195,771</u></b>	<b><u>\$ 374,924</u></b>	<b><u>\$ 2,060,951</u></b>

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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b><u>Cash flows from operating activities:</u></b>		
Changes in Net Assets	\$ (779,990)	\$ (247,217)
Adjustments to reconcile net assets to net cash used in operating activities:		
Depreciation	16,972	18,466
Noncash portion of lease expenses - operating leases	136,724	133,203
(Increase) Decrease in operating assets		
Grants receivable	165,000	25,000
Accounts receivable	118,651	(111,138)
Prepaid expense	6,945	16,459
Decrease in operating liabilities		
Accounts payable and accrued expenses	(12,755)	(22,417)
Lease obligation - operating lease	<u>(143,525)</u>	<u>(136,607)</u>
Net cash used in operating activities	(491,978)	(324,251)
<b><u>Cash flows from investing activities:</u></b>		
Purchase of property and equipment	<u>-</u>	<u>(1,250)</u>
Net cash used in investing activities	<u>-</u>	<u>(1,250)</u>
Net Decrease in Cash and Cash Equivalents	(491,978)	(325,501)
Cash and Cash Equivalents - Beginning of Year	<u>1,379,396</u>	<u>1,704,897</u>
Cash and Cash Equivalents - End of Year	<u>\$ 887,418</u>	<u>\$ 1,379,396</u>

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

**YOUTH COMMUNICATION / NEW YORK CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**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, 2025 AND 2024**

**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.

The Center writes off receivables when there is information that indicates there is no possibility of collectibility. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Center's accounting policy election. The total amount of write-offs was immaterial to the financial statements as a whole for the years ending June 30, 2025 and 2024.

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, 2025 AND 2024**

**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, 2025 and 2024.

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.

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.

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, 2025 AND 2024**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

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.

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).

The Center files Form 990 tax returns in the U.S. federal jurisdiction. The tax returns for the years ended June 30, 2022 through June 30, 2024, are still subject to potential audit by the IRS. Management of the Center believes it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits.

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 Pronouncements

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.

**YOUTH COMMUNICATION / NEW YORK CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

New Accounting Pronouncements (Continued)

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.

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.

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.

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain

**YOUTH COMMUNICATION / NEW YORK CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

New Accounting Pronouncements (Continued)

other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Center that are subject to the guidance in FASB ASC 326 were grant and contract receivable.

The Center adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

**Note 3 - Property and Equipment**

Property and equipment consisted of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Office furniture and equipment	\$ 153,666	\$ 153,666
Leasehold improvements	<u>181,485</u>	<u>181,485</u>
	335,151	335,151
Less: accumulated depreciation	<u>(265,384)</u>	<u>(248,412)</u>
Property and equipment, net	<u>\$ 69,767</u>	<u>\$ 86,739</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$16,972 and \$18,466 respectively.

**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.

**YOUTH COMMUNICATION / NEW YORK CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**Note 4 - Concentration of Risk (Continued)**

At June 30, 2025 and 2024, the uninsured cash balance was \$88,648 and \$205,475, 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, 2025 and 2024. 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.

	2025	2024
Cash and Cash Equivalents	\$ 887,418	\$ 1,379,396
Grants receivable	-	165,000
Accounts receivable	74,885	193,536
Total financial assets	\$ 962,303	\$ 1,737,932

**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. The discount rate used in calculating the present value of the operating lease was 1.26%. As of June 30, 2025, right-of-use assets and lease liabilities were as follows:

Right-of-use assets:	
Cost	\$ 705,908
Less: Accumulated Amortization	(403,213)
	\$ 302,695

**YOUTH COMMUNICATION / NEW YORK CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

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

Lease liabilities:	
Current portion	\$ 148,824
Long-term portion	<u>180,278</u>
	<u>\$ 329,102</u>

A summary of the future minimum payments under this lease, reconciled to the lease obligations recorded at June 30, 2025 follows:

2026	\$ 152,116
2027	155,663
2028	<u>26,043</u>
	333,822
Less: Present value discount	<u>(4,720)</u>
Lease obligations recorded at June 30, 2025	329,102
Less current portion	<u>(148,824)</u>
Long-term lease obligations	<u>\$ 180,278</u>

**Note 7 - Net Assets with Donor Restrictions**

Net assets in the amounts of \$250,561 and \$352,158 at June 30, 2025 and 2024 respectively are donor-restricted by time or for specific purposes and programs.

**Note 8 - 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, 2025 AND 2024**

**Note 8 - 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 10 - Subsequent Events**

The Center evaluated events that occurred after November 14, 2025, 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.