

Marion County Commission On Youth, Inc.

Financial Statements
Together with Independent Auditor's Report

For the Years Ended December 31, 2025 and 2024



Marion County Commission On Youth, Inc.

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Donovan CPAs

Independent Auditor's Report

To the Board of Directors
Marion County Commission On Youth, Inc.
Indianapolis, Indiana

Opinion

We have audited the accompanying financial statements of Marion County Commission On Youth, Inc., (MCCOY), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years 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 MCCOY as of December 31, 2025 and 2024, and the statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 MCCOY and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 MCCOY'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, including omissions, 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.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 MCCOY'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 MCCOY'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 dark ink, appearing to read "DONOVAN", with a stylized, cursive-like script.

Donovan CPAs
Indianapolis, Indiana
May 1, 2026

Marion County Commission On Youth, Inc.
Statements of Financial Position
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,495,953	\$ 1,462,764
Accounts receivable	51,524	106,499
Prepaid expenses	7,310	6,251
Total current assets	<u>1,554,787</u>	<u>1,575,514</u>
Fixed Assets		
Office equipment	72,595	61,749
Leasehold improvements	512,180	-
Total fixed assets	<u>584,775</u>	<u>61,749</u>
Accumulated depreciation	<u>(134,418)</u>	<u>(60,137)</u>
Net fixed assets	<u>450,357</u>	<u>1,612</u>
Long-Term assets		
Security deposit	5,314	5,314
Right of use asset - operating lease	191,517	225,348
Total long-term assets	<u>196,831</u>	<u>230,662</u>
Total Assets	<u><u>\$ 2,201,975</u></u>	<u><u>\$ 1,807,788</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 22,563	\$ 8,267
Accrued payroll-related expenses	22,162	10,058
Deferred revenue	510,253	619,083
Lease liability - operating lease, current portion	48,210	49,602
Total current liabilities	<u>603,188</u>	<u>687,010</u>
Long-Term Liabilities		
Lease liability - operating lease, net of current portion	143,307	175,746
Total long-term liabilities	<u>143,307</u>	<u>175,746</u>
Total Liabilities	<u>746,495</u>	<u>862,756</u>
Net Assets		
Net assets without donor restrictions	1,455,480	945,032
Total net assets	<u>1,455,480</u>	<u>945,032</u>
Total Liabilities and Net Assets	<u><u>\$ 2,201,975</u></u>	<u><u>\$ 1,807,788</u></u>

See independent auditor's report and notes to financial statements

Marion County Commission On Youth, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Grant	\$ 325,000	\$ 1,491,269	\$ 1,816,269
Contract	180,073	-	180,073
Special events, net of expenses (\$0)	(902)	-	(902)
Contributions	29,407	15,621	45,028
Interest and dividends	46,814	-	46,814
In-kind donations	-	-	-
Program service	14,625	-	14,625
Other	2,405	-	2,405
Net assets released from restrictions	1,506,890	(1,506,890)	-
Total operating revenue	<u>2,104,312</u>	<u>-</u>	<u>2,104,312</u>
Operating Expenses			
Program	1,101,860	-	1,101,860
Management and general	429,629	-	429,629
Fundraising	62,375	-	62,375
Total operating expenses	<u>1,593,864</u>	<u>-</u>	<u>1,593,864</u>
Net Change In Net Assets	510,448	-	510,448
Net Assets, Beginning of Year	<u>945,032</u>	<u>-</u>	<u>945,032</u>
Net Assets, End of Year	<u>\$ 1,455,480</u>	<u>\$ -</u>	<u>\$ 1,455,480</u>

See independent auditor's report and notes to financial statements

Marion County Commission On Youth, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Grant	\$ 325,763	\$ 1,217,530	\$ 1,543,293
Contract	115,878	-	115,878
Special events, net of expenses (\$21,418)	650	-	650
Contributions	25,267	2,004	27,271
Interest and dividends	52,512	-	52,512
In-kind donations	1,500	-	1,500
Program service	8,506	-	8,506
Other	268	-	268
Net assets released from restrictions	1,219,534	(1,219,534)	-
Total operating revenue	1,749,878	-	1,749,878
Operating Expenses			
Program	1,110,990	-	1,110,990
Management and general	486,471	-	486,471
Fundraising	20,467	-	20,467
Total operating expenses	1,617,928	-	1,617,928
Net Change In Net Assets	131,950	-	131,950
Net Assets, Beginning of Year	813,082	-	813,082
Net Assets, End of Year	\$ 945,032	\$ -	\$ 945,032

See independent auditor's report and notes to financial statements

Marion County Commission On Youth, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program	Management and General	Fundraising	2025 Totals
Salaries	\$ 443,347	\$ 227,477	\$ -	\$ 670,824
Payroll taxes	35,113	19,493	-	54,606
Employee benefits	80,195	41,313	-	121,508
Professional service fees	3,400	55,944	-	59,344
Office supplies	347	6,556	-	6,903
Program supplies	287,014	3,011	-	290,025
Information technology	14,014	17,153	-	31,167
Occupancy	65,545	23,409	4,682	93,635
Dues and subscriptions	3,800	2,423	-	6,223
Contracted labor	18,450	2,000	57,500	77,950
Professional development	3,523	1,029	-	4,552
Printing	1,718	4,308	-	6,026
Advertising	40,242	572	193	41,007
Travel and transportation	2,863	395	-	3,258
Insurance	-	6,046	-	6,046
Conferences and meetings	11,951	3,590	-	15,541
Fundraising	-	-	902	902
Awards	26,000	-	-	26,000
Depreciation	61,851	12,430	-	74,281
Miscellaneous	2,487	2,481	-	4,968
Total expenses	1,101,860	429,629	63,277	1,594,766
Less direct fundraising	-	-	(902)	(902)
Total operating expenses	\$ 1,101,860	\$ 429,629	\$ 62,375	\$ 1,593,864

See independent auditor's report and notes to financial statements

Marion County Commission On Youth, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program	Management and General	Fundraising	2024 Totals
Salaries	\$ 320,689	\$ 284,707	\$ 8,321	\$ 613,717
Payroll taxes	26,091	23,878	646	50,615
Employee benefits	43,577	38,549	1,676	83,802
Retirement	5,420	4,796	209	10,425
Professional service fees	1,659	43,613	2	45,274
Office supplies	2,358	3,191	73	5,622
Program supplies	484,815	265	2,034	487,114
Information technology	8,604	11,057	1	19,662
Occupancy	67,346	24,053	4,811	96,210
Dues and subscriptions	3,206	4,004	-	7,210
Contracted labor	109,086	14,850	2,500	126,436
Professional development	1,319	795	-	2,114
Printing	12,783	4,367	53	17,203
Advertising	20,000	16,160	-	36,160
Travel and transportation	813	711	-	1,524
Insurance	240	4,777	-	5,017
Conferences and meetings	1,381	1,182	-	2,563
Awards	1,440	-	-	1,440
Depreciation	-	1,949	-	1,949
In-kind	-	1,500	-	1,500
Miscellaneous	163	2,067	141	2,371
Total expenses	1,110,990	486,471	20,467	1,617,928
Less direct fundraising	-	-	-	-
Total operating expenses	<u>\$ 1,110,990</u>	<u>\$ 486,471</u>	<u>\$ 20,467</u>	<u>\$ 1,617,928</u>

See independent auditor's report and notes to financial statements

Marion County Commission On Youth, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating Activities		
Change in net assets	\$ 510,448	\$ 131,950
Adjustments to reconcile changes in net assets to net change in cash from operating activities		
Depreciation expense	74,281	1,949
Change in certain assets and liabilities:		
Accounts receivable	54,975	(69,984)
Prepaid expenses	(1,059)	3,542
Accounts payable	14,296	2,312
Accrued payroll	12,104	3,660
Deferred revenue	(108,830)	18,741
Net change in cash from operating activities	<u>556,215</u>	<u>92,170</u>
Investing Activities		
Purchase of fixed assets	(523,026)	(697)
Net change in cash from investing activities	<u>(523,026)</u>	<u>(697)</u>
Net Change in Cash and Cash Equivalents	33,189	91,473
Cash and Cash Equivalents, Beginning of Year	<u>1,462,764</u>	<u>1,371,291</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,495,953</u></u>	<u><u>\$ 1,462,764</u></u>

See independent auditor's report and notes to financial statements

Marion County Commission On Youth, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2025 and 2024

Note 1 – Nature of Activities

Background

Marion County Commission On Youth, Inc. (MCCOY) was founded in 1987 as a governmental entity and reorganized in 1993 as an independent not-for-profit entity. MCCOY serves youth and youth service providers of Marion County by providing strategic research, coordination, planning, and advocacy.

MCCOY's programs are funded principally through contracts and grants from Lilly Endowment, Indianapolis Foundation, and United Way. MCCOY also receives contributions from individuals and companies interested in its mission.

Mission Statement

MCCOY's mission is to champion the positive development of youth through leadership on key issues and support of the youth worker community.

Vision Statement

MCCOY's vision is that every young person in central Indiana has opportunities to thrive, learn, engage, and contribute.

Note 2 – Significant Accounting Policies

Accounting Method

MCCOY's financial statements are prepared on the accrual basis of accounting.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, and other changes during the reporting period. Actual results could differ from those estimates.

Subsequent Events

MCCOY evaluated subsequent events through May 1, 2026, which is the date the financial statements were available to be issued. This evaluation determined that there are no subsequent events that necessitated further disclosure in and/or adjustments to the accompanying financial statements.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, MCCOY considers all highly liquid instruments with a maturity of three months or less to be considered cash and cash equivalents. The carrying amount of cash approximates fair value due to the type of investments and the maturity dates. There are no cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount MCCOY's management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The allowance for doubtful accounts as of December 31, 2025 and 2024 is \$0 due to subsequent collection on accounts receivable.

Marion County Commission On Youth, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2025 and 2024

Note 2 – Significant Accounting Policies (Continued)

Fixed Assets

MCCOY's office equipment is stated at cost and depreciated over estimated useful lives of three to seven years using the straight-line method. MCCOY capitalizes items over \$500 that have a useful life of one year or more. Expenditures for additions are capitalized. When office equipment is sold, retired, or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is credited or charged to income.

Deferred Revenue

MCCOY's deferred revenue is grant revenue received for a particular purpose before those services are performed. When associated grant expenses are incurred, the deferred revenue is released into grant revenue. Should MCCOY not fulfill the grant stipulations, the entire amount would be due back to the grantor. Deferred revenue consists of the following at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
General programs	\$ 402,575	\$ 325,000
Summer youth programs	<u>107,678</u>	<u>294,083</u>
	<u>\$ 510,253</u>	<u>\$ 619,083</u>

Net Assets

The financial statements are prepared in accordance with Financial Statements of Not-for-Profit Organizations. This requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are classified as either without or with donor restrictions. The following class of net assets and a brief description is as follows:

Net Assets Without Donor Restrictions – These amounts are not subject to usage restrictions based on donor-imposed requirements and include general assets and liabilities of MCCOY. These amounts also include previously restricted assets where restrictions are met or expire. The net assets without donor restrictions may be used freely at the direction of management to support MCCOY's purpose and operations.

Net Assets With Donor Restrictions – These amounts are 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 management's actions. Certain assets may be restricted in perpetuity. When a restriction expires, the amount is reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions. MCCOY has no net assets with donor restrictions at December 31, 2025 and 2024.

Grants

Grants are conditioned upon certain performance requirements and incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when MCCOY has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. MCCOY has \$510,253 and \$619,083 of deferred revenue at December 31, 2025 and 2024, respectively.

Contributions

Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of the donor restrictions. Contributions are recorded when the unconditional promise to give is made. MCCOY reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Marion County Commission On Youth, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2025 and 2024

Note 2 – Significant Accounting Policies (Continued)

Contracts

Contracts are derived from cost-reimbursable state and local contracts, which are conditioned upon certain performance requirements and incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when MCCOY has incurred expenditures in compliance with specific contract provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position.

Program Service

MCCOY performs various trainings and other programs related to youth. Program services are recorded when performed.

Allocation of Functional Expenses

The costs of providing various programs and other activities are summarized on a functional basis in the statement of activities and changes in net assets and statement of functional expenses. Accordingly, personnel and staffing costs are allocated among the programs and supporting services that benefit from those costs based on estimates of time and effort spent on the related activities. Remaining other costs are actual costs recorded among the programs and supporting services that benefit.

Advertising Expense

MCCOY expenses advertising costs as they incur. During the years ended December 31, 2025 and 2024, advertising costs are \$41,006 and \$36,160, respectively.

In-kind Contributions

MCCOY receives in-kind contributions from various donors. MCCOY's policy is to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase revenue and other support by a like amount.

Income Taxes

MCCOY is exempt from federal and state income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes is made in the financial statements. MCCOY is classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

Generally accepted accounting principles in the United States require MCCOY to examine its tax positions for uncertain positions. MCCOY is not aware of any tax positions that are more likely than not to change in the next 12 months, or that would not sustain an examination by applicable taxing authorities. MCCOY's policy is to recognize penalties and interest as incurred in its statement of activities as a component of operating expenses, which total \$0 for the years ended December 31, 2025 and 2024.

MCCOY's federal and state income tax returns are subject to examination by the applicable tax authorities, generally for three years after the later of the original or extended due date.

Reclassification

Certain accounts in the 2024 financial statements are reclassified for comparative purposes to conform with the presentation in the 2025 financial statements. Total assets, liabilities, net assets, and changes in net assets are unchanged due to these reclassifications.

Marion County Commission On Youth, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2025 and 2024

Note 3 – Fiscal Agent

MCCOY has various fiscal agent agreements with newer not-for-profit organizations. All associated activities flow through the statements of financial position of MCCOY and not through the statement of activities since the transactions do not represent income or expense of MCCOY. MCCOY can charge a 5% fee for administrative services which, if charged, will be included in other income on the statement of activities and changes in net assets.

During the year ended December 31, 2024, MCCOY entered into an agreement with Healthy Souls. During the year ended December 31, 2024 and on behalf of Healthy Souls, MCCOY received \$10,000 and disbursed \$10,000. At December 31, 2025 and 2024, the amount held by MCCOY is \$0 and \$0, respectively.

Note 4 – Fiscal Sponsorship

MCCOY has a fiscal sponsorship agreement with Marion County Youth Violence Prevention Coalition (MCYVPC). This agreement was signed in August 2024. Revenues and expenses are recorded within MCCOY's financials since MCYVPC is not a 501(c)(3) organization and does not file a form 990. During the year ended December 31, 2024, revenues and expenses related to the fiscal sponsorship total \$162,403 and \$148,571, respectively. During the year ended December 31, 2025, revenues and expenses related to the fiscal sponsorship total \$150,469 and \$125,000, respectively.

Note 5 – Line of Credit

MCCOY had a line of credit for \$100,000 with National Bank of Indianapolis. Interest accrued at the bank's prime rate, not to be below 4.5% per annum or above the maximum rate allowed by applicable law as of December 31, 2025 and 2024. No draws were made on the line of credit during the years ended December 31, 2025 and 2024. Interest expense for the years ended December 31, 2025 and 2024 is \$0. The line of credit matured January 17, 2024 and was not renewed subsequently.

Note 6 – Liquidity

MCCOY's liquidity management consists of the following quantitative and qualitative measurements:

Quantitative measurement - MCCOY's resources available for general use within one year at December 31, 2025 and 2024 are:

	<u>2025</u>	<u>2024</u>
Financial assets (current assets)	\$ 1,554,787	\$ 1,575,514
Not available within one year (prepaid expenses)	<u>(7,310)</u>	<u>(6,251)</u>
Total financial assets at year end	1,547,477	1,569,263
Less current obligations without lease liability	<u>(554,978)</u>	<u>(637,408)</u>
Financial assets available for general use within one year	<u>\$ 992,499</u>	<u>\$ 931,855</u>

Marion County Commission On Youth, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2025 and 2024

Note 6 – Liquidity (Continued)

Qualitative measurement - MCCOY receives a significant amount of its support through contributions and grants. Because these contributions and grants require resources to be used in a particular manner or in a future period, MCCOY must maintain sufficient resources to meet those responsibilities to its donors and grantors. Thus, financial assets may not be available for general expenditure within one year. In the course of business, management structures MCCOY's financial assets to be available as its general expenditures, liabilities, and other obligations come due, and endeavors to maintain cash balances equal to approximately three months of annual operating expenses.

Note 7 – Accounting Service Agreement

MCCOY entered into an accounting service agreement with Foster Results, Inc., an unrelated entity. The service agreement allows a fee for monthly bookkeeping, consulting, and additional services rendered, plus additional office supplies.

Note 8 – Retirement Plan

MCCOY established a Simple IRA investment plan in 2002. An employee earning \$5,000 or more per calendar year is eligible to make a salary deduction of a selected percentage not to exceed a total of \$6,000 for a given calendar year. For each calendar year, MCCOY makes a contribution to each eligible employee's IRA, not to exceed 3% of the employee's annual compensation per year. MCCOY contributed a total of \$0 and \$10,425 during the years ended December 31, 2025 and 2024, respectively.

Note 9 – Operating Leases

MCCOY has various operating leases and assessed whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized on a straight-line basis over the lease term.

MCCOY elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of the underlying asset and are applying this expedient to all relevant asset classes. MCCOY also elected the practical expedient package to not reassess at adoption for (i) expired or existing contracts as to whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial indirect costs for existing leases.

MCCOY has various operating leases for facilities and office equipment.

Marion County Commission On Youth, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2025 and 2024

Note 9 – Operating Leases (Continued)

Facilities

MCCOY signed an office lease effective June 2016. The lease requires monthly payments of \$3,006 that increase to \$3,469 over the seven-year term until May 2023. During the year ended December 31, 2023, MCCOY extended the office lease an additional five years. The base rent is \$3,608 which increases 4% annually until May 2028. During the year ended December 31, 2024, MCCOY extended the office lease an additional two years under the same terms as the first extension. The office lease agreement has provisions for common area maintenance and improvements which are passed along to the tenants on a pro-rata basis. For the years ended December 31, 2025 and 2024, the total facility lease expense is \$48,862 and \$47,912, respectively, and is included in occupancy expenses on the statement of functional expenses.

Office Equipment

During the year ended December 31, 2021, MCCOY signed a new copier lease effective February 2021. The lease base rate is \$294 per month until January 2026 with additional usage and charges. For the years ended December 31, 2025 and 2024, total copier lease expense is \$3,532 and \$3,532, respectively, and is included in printing expense on the statement of functional expenses.

Future minimum lease payments having non-cancellable terms are as follows:

	<u>Operating Lease</u>
2026	\$ 48,210
2027	49,830
2028	51,823
2029	53,900
2030	22,825
Thereafter	<u>-</u>
Total office lease expense	\$ 226,588
Less imputed interest	<u>(35,071)</u>
	<u><u>\$ 191,517</u></u>

Marion County Commission On Youth, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2025 and 2024

Note 9 – Operating Leases (Continued)

The following table presents the components of MCCOY's lease expense and classification in the statement of functional expenses.

<u>Component of Lease Expense</u>	<u>Statement of Functional Expenses Classification</u>	<u>2025</u>	<u>2024</u>
Operating lease	Included in		
Office rent	Occupancy expenses	\$ 48,862	\$ 47,912
Copy machine	Printing expenses	3,532	3,532

As most leases do not provide an implicit rate, MCCOY uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments.

The weighted average lease terms and discount rates for the operating lease are presented below:

Weighted average remaining lease term (years)	
Operating lease	5
Weighted average discount rate	
Operating lease	7.5%

Note 10 – Concentrations

Concentrations in Credit Risk

MCCOY maintains cash balances in financial institutions. The bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The total uninsured balances in these accounts as of December 31, 2025 and 2024 are \$22,646 and \$11,671, respectively.

Concentrations in Major Contributors

MCCOY received a significant portion of total revenue from a few contributors. For the year ended December 31, 2024, two contributors make up 63% of total revenue. For the year ended December 31, 2025, three contributors make up 72% of total revenue.

Marion County Commission On Youth, Inc.
Schedule of Lead Auditor
For the Years Ended December 31, 2025 and 2024

Auditor Information: Donovan CPAs
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