



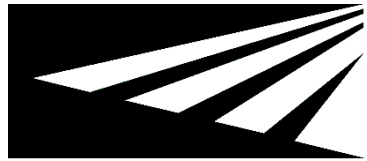
YOUTH ENVIRONMENTAL SERVICES, INC.

**FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**

**AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

**YOUTH ENVIRONMENTAL SERVICES, INC.
INDEX TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

	<u>PAGE(S)</u>
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-13



NawrockiSmith

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Youth Environmental Services, Inc.:

Opinion

We have audited the accompanying financial statements of Youth Environmental Services, Inc. (the "Organization", a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows 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 Youth Environmental Services, Inc. as of December 31, 2024 and 2023, 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

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. 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 Environmental Services, 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.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

NawrockiSmith

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 and *Government 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.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 the Organization'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 the Organization'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 23, 2025 on our consideration of the Organization's internal control over financial reporting and 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 the 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 Organization's internal control over financial reporting and compliance.

Hauppauge, New York
May 23, 2025



YOUTH ENVIRONMENTAL SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,312,406	\$ 1,493,583
Investments	280,000	266,779
Grants receivable	1,654,184	1,316,031
Patient receivables	74,539	88,148
Other receivables	9,200	5,345
Prepaid expenses	10,206	31,102
Total current assets	3,340,535	3,200,988
FIXED ASSETS, net of accumulated depreciation and amortization of \$1,674,775 and \$1,545,067, respectively	1,376,490	1,367,778
RIGHT-OF-USE LEASED ASSET - operating	2,508	3,791
Total assets	\$ 4,719,533	\$ 4,572,557
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Current portion of lease payable - operating	\$ 1,342	\$ 1,283
Accounts payable	106,249	64,913
Accrued payroll and taxes	124,613	238,602
Compensated absences	58,345	57,487
Deferred revenue	151,076	164,023
Total current liabilities	441,625	526,308
LEASE PAYABLE - operating, net of current portion	1,166	2,508
Total liabilities	442,791	528,816
NET ASSETS:		
Without donor restrictions	4,276,742	4,043,741
Total liabilities and net assets	\$ 4,719,533	\$ 4,572,557

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

YOUTH ENVIRONMENTAL SERVICES, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
REVENUES:		
Government contracts	\$ 4,314,699	\$ 3,614,163
Program fees	798,545	764,899
In-kind	149,810	166,144
Other grants	78,188	101,358
Contributions	114,137	88,734
Fundraising	39,806	80,579
Interest	36,798	29,297
Total revenues	5,531,983	4,845,174
EXPENSES:		
Program services	4,605,134	4,007,820
Management and general	682,491	712,786
Fundraising	11,357	32,510
Total expenses	5,298,982	4,753,116
Change in net assets	233,001	92,058
NET ASSETS, BEGINNING OF YEAR	4,043,741	3,951,683
NET ASSETS, END OF YEAR	\$ 4,276,742	\$ 4,043,741

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

YOUTH ENVIRONMENTAL SERVICES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024					2023				
	Program Services		Management and General	Fundraising	Total	Program Services		Management and General	Fundraising	Total
	Drug & Alcohol Services	Other Program Services				Drug & Alcohol Services	Other Program Services			
Salaries and wages	\$ 1,047,904	\$ 2,114,640	\$ 447,729	\$ -	\$ 3,610,273	\$ 1,074,220	\$ 1,586,562	\$ 450,508	\$ -	\$ 3,111,290
Payroll taxes and employee benefits	267,591	388,397	92,870	-	748,858	257,861	326,091	98,871	-	682,823
Total payroll and payroll related	1,315,495	2,503,037	540,599	-	4,359,131	1,332,081	1,912,653	549,379	-	3,794,113
Contractual services	69,307	138,654	-	-	207,961	60,283	146,018	-	-	206,301
In-kind	-	149,810	-	-	149,810	-	166,144	-	-	166,144
Professional fees	13,248	103,587	773	-	117,608	18,428	89,915	29,910	-	138,253
Supplies	15,215	58,840	-	-	74,055	10,141	61,733	-	-	71,874
Insurance	32,156	21,841	1,989	-	55,986	33,747	17,783	4,136	-	55,666
Telephone and utilities	24,054	19,680	5,879	-	49,613	21,284	13,569	4,685	-	39,538
Transportation and travel	1,294	38,513	-	-	39,807	875	21,429	-	-	22,304
Grants	-	29,369	1,070	-	30,439	-	10,622	-	-	10,622
Fees, dues and sundry	11,330	7,073	2,473	-	20,876	10,389	6,755	2,928	-	20,072
Maintenance	13,372	4,894	-	-	18,266	18,310	2,260	-	-	20,570
Staff training	279	16,480	-	-	16,759	677	18,705	-	-	19,382
Miscellaneous	259	15,850	-	-	16,109	95	30,868	239	-	31,202
Fundraising	-	-	-	11,357	11,357	-	-	-	32,510	32,510
Equipment and furniture	-	1,497	-	-	1,497	250	2,806	-	-	3,056
Total operating expenses	1,496,009	3,109,125	552,783	11,357	5,169,274	1,506,560	2,501,260	591,277	32,510	4,631,607
Depreciation and amortization	-	-	129,708	-	129,708	-	-	121,509	-	121,509
Total expenses	<u>\$ 1,496,009</u>	<u>\$ 3,109,125</u>	<u>\$ 682,491</u>	<u>\$ 11,357</u>	<u>\$ 5,298,982</u>	<u>\$ 1,506,560</u>	<u>\$ 2,501,260</u>	<u>\$ 712,786</u>	<u>\$ 32,510</u>	<u>\$ 4,753,116</u>

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

YOUTH ENVIRONMENTAL SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 233,001	\$ 92,058
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	129,708	121,509
Operating lease cost	1,283	1,226
Increase in grants receivable	(338,153)	(438,960)
(Increase) decrease in patient receivables	13,609	(422)
(Increase) decrease in other receivables	(3,855)	541
(Increase) decrease in prepaid expenses	20,896	(1,928)
Decrease in other assets	-	1,000
Increase in accounts payable	41,336	15,848
Decrease in accrued payroll and taxes	(113,989)	(22,459)
Increase (decrease) in compensated absences	858	(10,097)
Increase (decrease) in deferred revenue	(12,947)	74,033
Decrease in operating lease liabilities	(1,283)	(1,226)
	<u>(29,536)</u>	<u>(168,877)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(138,420)	(23,231)
Purchase of investments	(13,221)	(266,779)
	<u>(151,641)</u>	<u>(290,010)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(181,177)	(458,887)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,493,583</u>	<u>1,952,470</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,312,406</u>	<u>\$ 1,493,583</u>

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

**YOUTH ENVIRONMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS**

(1) Organization and operation

Youth Environmental Services, Inc. (the "Organization") is incorporated under the laws of the State of New York as a nonprofit organization to actively intervene in the lives of young people and their families by offering services that are preventive in nature and supportive in time of crisis.

The Board of Directors of the Organization manages all funds held by the Organization in accordance with its articles of incorporation.

The Organization's mission is to assist young people and adult community members in an effort to enable them to develop to their potential. The services are comprehensive and designed to respond to the complex needs of clients and their family members.

(2) Summary of significant accounting policies:

The accompanying financial statements include the assets, liabilities, revenues and expenses of the Organization's programs and administration for the years ended December 31, 2024 and 2023. The following is a summary of significant accounting policies followed by the Organization:

Financial statement presentation -

The Organization presents its financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") which require that the Organization's financial statements distinguish net assets and changes in net assets between those with and without donor restrictions. The Organization's net assets may consist of the following:

Without donor restrictions - net assets of the Organization which have not been restricted by an outside donor or by law and are therefore available for use in carrying out the operations of the Organization. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

With donor restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization did not possess any net assets with donor restrictions as of December 31, 2024 and 2023.

Cash and cash equivalents -

All highly liquid investments with an original maturity of three months or less from the date of purchase are considered to be cash equivalents.

Grants and patient receivables -

Grants and patient receivables are comprised of Federal, State, and various other monies expected to be received within the upcoming year.

YOUTH ENVIRONMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Investments -

All investments are presented at fair value. Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Realized and unrealized gains and losses on investments are determined by comparison of the actual cost to the proceeds at the time of the disposition or market values as of the end of the financial statement period. See Note 3 for discussion of fair market value.

Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the Statements of Activities and Changes in Net Assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law. Investment income includes interest, recognized on the accrual basis and dividends which are recognized on the ex-dividend date.

Fixed assets -

Fixed assets are capitalized at cost or, if donated, at fair market value as of the date of receipt. The Organization capitalizes expenditures for purchases of furniture, fixtures, and equipment in excess of \$500. Depreciation and amortization are computed by using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	20-39 years
Building improvements	11 years
Equipment	3 years
Furniture and fixtures	5-7 years

Liquidity considerations -

Quantitative

As of December 31, 2024, the Organization has \$3,330,329 of financial assets available to meet cash needs for program and supporting services expenditures within one year of the Statement of Financial Position date, which consists of the current assets per the Statement of Financial Position.

Qualitative

As of December 31, 2024, the Organization has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet one month of normal operating expenses, which are, on average, approximately \$418,000.

Conditional asset retirement obligations -

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") on accounting for conditional asset retirement and environmental obligations requires the Organization to recognize a liability for the fair value of its legal obligation to perform an asset retirement activity, even though uncertainty exists about the timing and/or method of settlement, if and when the fair value of the liability can be reasonably estimated. As of December 31, 2024 and 2023, the Organization has met the provisions of and is in compliance with these requirements and no obligation currently exists.

YOUTH ENVIRONMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Right-of-use assets and lease liabilities -

The Organization complies with the provisions of FASB Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (“Topic 842”). All leases entered into during the year were also required to be recognized and measured. Leases with an initial term of 12 months or less are not recorded on the Statements of Financial Position; rather rent expense for these leases are recognized on a straight-line basis over the lease-term, or when incurred if a month-to-month lease.

The Organization determines if an arrangement is or contains a lease at inception. The Organization’s operating lease arrangement is comprised of an equipment lease. Right-of-use (“ROU”) assets represent the Organization’s right to use the underlying assets for the lease terms and lease liabilities represent the Organization’s obligation to make lease payments arising from the leases. ROU assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease terms. As the Organization’s leases do not provide an implicit rate and the implicit rate is not readily determinable, the Organization estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments.

Impairment of long-lived assets and long-lived assets to be disposed of -

The Organization follows the provisions of the FASB ASC on accounting for the impairment or disposal of long-lived assets which require that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. There were no impairment losses recognized for the years ended December 31, 2024 and 2023.

Revenue recognition -

The Organization complies with and accounts for its revenues in accordance with FASB ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and FASB ASC 606, *Revenue from Contracts with Customers*.

The following are the significant revenue recognition accounting policies of the Organization:

Government contracts and program services - Revenue under contracts are recognized when earned. Revenue is earned when performance obligations, as defined in each contract, are fulfilled. Funds received but not yet earned are shown as deferred revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

YOUTH ENVIRONMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Grants and contributions - Grants and contributions are recognized as income when received and are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

Fundraising revenue - The portion of fundraising revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

Functional allocation of expenses -

The Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The significant expenses that are allocated include: salaries, payroll taxes and employee benefits which are allocated on the basis of estimates of time and effort. All other expenses are allocated on a systematic and rational basis.

Income taxes -

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

The use of estimates in the preparation of financial statements -

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Estimates include accounts receivable valuation allowances, depreciation, amortization and certain accrued expenses. Actual results may differ from those estimates.

Reclassifications -

Certain reclassifications of prior year balances on the Statements of Functional Expenses and Statements of Cash Flows have been made to conform to the current year presentation. These reclassifications had no effect on the change in net assets for the year ended December 31, 2023.

**YOUTH ENVIRONMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

(3) Fair value measurement

The FASB Fair Value Measurement standard clarifies the definition of fair value for financial reporting, establishes framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Organization has adopted the standard for its financial assets and liabilities measured on a recurring and nonrecurring basis.

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reported entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability.

The following table represents the Organization's fair value hierarchy for investments as of December 31, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 280,000	\$ 280,000	\$ -	\$ -
Total investments	<u>\$ 280,000</u>	<u>\$ 280,000</u>	<u>\$ -</u>	<u>\$ -</u>

The following table represents the Organization's fair value hierarchy for investments as of December 31, 2023:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 266,779	\$ 266,779	\$ -	\$ -
Total investments	<u>\$ 266,779</u>	<u>\$ 266,779</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization's investments are measured at fair value by level 1 valuation methodology. As of December 31, 2024 and 2023, the Organization did not possess any level 2 or 3 type of investments.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2024 and 2023.

Mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held. The carrying value equals fair value.

YOUTH ENVIRONMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(4) Fixed assets

Fixed assets as of December 31, 2024 and 2023 are comprised of the following:

	2024	2023
Land	\$ 293,490	\$ 293,490
Buildings	1,589,620	1,589,620
Building improvements	723,297	608,574
Equipment	401,936	380,443
Furniture and fixtures	42,922	40,718
	3,051,265	2,912,845
Less: accumulated depreciation and amortization	(1,674,775)	(1,545,067)
	\$ 1,376,490	\$ 1,367,778

Depreciation and amortization expense for the years ended December 31, 2024 and 2023 was \$129,708 and \$121,509, respectively.

(5) Leases

The Organization leases a copy machine under a long-term, non-cancelable lease agreement. The lease expires in October 2026. In the normal course of business, it is expected that leases will be renewed or replaced by similar leases.

The Organization evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities was 4.52% for operating leases.

As of December 31, 2024 the weighted-average remaining lease term for the Organization's operating lease was approximately 1.83 years.

Cash paid for operating leases for the year ended December 31, 2024 was \$1,428. There were no noncash investing and financing transactions related to leasing.

YOUTH ENVIRONMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Future maturities of operating lease liabilities are presented in the following table, for the fiscal years ending December 31:

<u>For the Fiscal Year Ending December 31,</u>	
2025	\$ 1,428
2026	<u>1,190</u>
Total	2,618
Less: discount to present value	<u>(110)</u>
Total lease liabilities	<u>\$ 2,508</u>

(6) Concentrations of credit risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

(7) Commitments and contingencies:

Government grants and contracts -

The Organization receives a portion of its funding from contracts and grants which are subject to audit by government agencies. Such audits may result in disallowances and a request for a return of funds. In addition, numerous contracts are funded on a cost reimbursement basis. Delays in receiving related funding may result in increased borrowings and related interest costs on the part of the Organization. It is the opinion of management that the effect of disallowances, if any, would be immaterial to the Organization's financial position.

(8) Subsequent events

The Organization has evaluated subsequent events through May 23, 2025, which is the date these financial statements were available to be issued. Based on this evaluation, the Organization has determined there are no matters which require disclosure or recognition in the financial statements.