

**EDUCATIONAL VIDEO CENTER, INC.**

**INDEPENDENT AUDITOR'S REPORT  
ON  
FINANCIAL STATEMENTS**

**AS OF AUGUST 31, 2022**

**AND**

**FOR THE YEAR THEN ENDED  
(WITH COMPARATIVE TOTALS FOR 2021)**

# EDUCATIONAL VIDEO CENTER, INC.

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MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR’S REPORT**

To the Board of Directors  
Educational Video Center, Inc.  
New York, New York

**Opinion**

We have audited the accompanying financial statements of Educational Video Center, Inc., which comprise the statement of financial position as of August 31, 2022, and the related statements of activities, functional 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 Educational Video Center, Inc. as of August 31, 2022, 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 Educational Video 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.

**Responsibilities of Management for the Financial Statements**

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

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 auditing 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 Educational Video 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 Educational Video 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 matters that we identified during the audit.

## Report on Summarized Comparative Information

We have previously audited Educational Video Center, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 29, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Winnie Law & Co., P.C.*

New York, New York  
June 26, 2023

**EDUCATIONAL VIDEO CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF AUGUST 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>ASSETS</u>		<u>2022</u>	<u>2021</u>
<b>Current Assets</b>				
Cash		\$	687,701	\$ 672,826
Accounts receivable			92,775	52,352
Grants and contributions receivable - Notes 2 and 4			793,620	419,338
Prepaid expenses			<u>1,396</u>	<u>1,332</u>
<b>Total Current Assets</b>			1,575,492	1,145,848
<b>Non-Current Assets</b>				
Grant receivable - Notes 2 and 4			44,969	-
Fixed assets, at cost, net of accumulated depreciation of \$20,903 and \$5,875 in 2022 and 2021, respectively - Notes 2 and 5			<u>64,141</u>	<u>5,650</u>
<b>Total Assets</b>		<b>\$</b>	<b><u>1,684,602</u></b>	<b><u>1,151,498</u></b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>  				
<b>Current Liabilities</b>				
Accounts and accrued expenses payable		\$	27,547	\$ 57,717
Deferred event revenue			<u>10,000</u>	<u>10,000</u>
<b>Total Liabilities</b>			<u>37,547</u>	<u>67,717</u>
<b>Net Assets</b>				
Without donor restrictions			969,086	639,404
With donor restrictions - Note 7			<u>677,969</u>	<u>444,377</u>
<b>Total Net Assets</b>			<u>1,647,055</u>	<u>1,083,781</u>
<b>Total Liabilities and Net Assets</b>		<b>\$</b>	<b><u>1,684,602</u></b>	<b><u>1,151,498</u></b>

See accompanying notes to financial statements.

**EDUCATIONAL VIDEO CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	2022	2021
<b><u>Change in Net Assets Without Donor Restrictions</u></b>		
<b>Public Support and Revenue</b>		
Grants and contributions from:		
Foundations and trusts	\$ 82,250	\$ 49,590
Governmental agency	82,833	18,000
Corporations	20,956	44,626
Individuals	18,558	20,075
In-kind contributions - Notes 2 and 8	165,670	192,100
Contract services	172,193	277,520
Special events	74,311	54,342
Interest income	97	152
Licensing fee	10,000	-
Other income	716	1,490
Gain on extinguishment of debt - Note 2	-	115,288
Net assets released from restrictions - Note 6	<u>1,053,544</u>	<u>511,480</u>
<b>Total Public Support and Revenue</b>	<u>1,681,128</u>	<u>1,284,663</u>
 <b>Expenses</b>		
<b>Program Services</b>		
Professional Development	290,318	206,311
Documentary Workshops	305,583	333,337
New Media Arts Apprenticeship	102,237	202,418
Special Projects	<u>331,236</u>	<u>32,757</u>
<b>Total Program Services</b>	<u>1,029,374</u>	<u>774,823</u>
 <b>Supporting Services</b>		
Administrative and general	166,450	174,277
Fund raising	<u>155,622</u>	<u>110,731</u>
<b>Total Supporting Services</b>	<u>322,072</u>	<u>285,008</u>
 <b>Total Expenses</b>	<u>1,351,446</u>	<u>1,059,831</u>
 <b>Net Increase in Net Assets Without Donor Restrictions</b>	<u><b>329,682</b></u>	<u><b>224,832</b></u>
 <b><u>Change in Net Assets With Donor Restrictions</u></b>		
Grants and contributions from:		
Foundations and trusts	569,969	394,116
Federation	141,000	-
Governmental agencies	536,167	151,100
Corporation	40,000	259,277
Net assets released from restrictions - Note 6	( 1,053,544)	( 511,480)
<b>Net Increase in Net Assets With Donor Restrictions</b>	<u><b>233,592</b></u>	<u><b>293,013</b></u>
 Net Increase in Net Assets	<b>563,274</b>	<b>517,845</b>
Net Assets at beginning of year	<u>1,083,781</u>	<u>565,936</u>
Net Assets at end of year	<u><b>\$ 1,647,055</b></u>	<u><b>\$ 1,083,781</b></u>

See accompanying notes to financial statements.

**EDUCATIONAL VIDEO CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	PROGRAM SERVICES					SUPPORTING SERVICES			Total Program and Supporting Services	
	Professional Development	Documentary Workshops	New Media Arts Apprenticeship	Special Projects	Total	Administrative and General	Fund Raising	Total	2022	2021
Salaries	\$ 197,160	\$ 185,780	\$ 56,910	\$ 183,807	\$ 623,657	\$ 28,802	\$ 47,415	\$ 76,217	\$ 699,874	\$ 592,456
Payroll taxes and employee benefits	25,241	23,784	7,286	23,531	79,842	3,687	6,070	9,757	89,599	88,801
<b>Total Salaries and Related Expenses</b>	<b>222,401</b>	<b>209,564</b>	<b>64,196</b>	<b>207,338</b>	<b>703,499</b>	<b>32,489</b>	<b>53,485</b>	<b>85,974</b>	<b>789,473</b>	<b>681,257</b>
Professional and consultants fees (including donated services of \$12,500 in 2022 and \$72,000 in 2021 - Notes 2 and 8)	26,002	44,236	7,505	67,372	145,115	93,710	73,689	167,399	312,514	210,081
Travel, meetings and conferences (including in-kind contribution of \$100 in 2021 - Notes 2 and 8)	2,331	7,860	644	14	10,849	3,053	459	3,512	14,361	5,937
Telephone and communications	504	1,196			1,700	6,107	329	6,436	8,136	7,777
Printing						1,035		1,035	1,035	739
Donated facilities - Notes 2 and 8	30,000	30,000	18,000	18,000	96,000	12,000	12,000	24,000	120,000	120,000
Insurance	2,154	2,832	2,114	904	8,004	1,251	1,497	2,748	10,752	10,040
Supplies and tapes	3,011	5,998	251	33,099	42,359	2,264	345	2,609	44,968	4,608
Postage and mailing		131			131	905	135	1,040	1,171	1,258
Stipends		2,625	5,917		8,542	75		75	8,617	2,637
Dues, fees and subscriptions						1,251	434	1,685	1,685	1,680
Interest expense									-	769
Bank and credit card service charges						2,598		2,598	2,598	2,259
Advertising	459	648	144		1,251	2,345	420	2,765	4,016	4,608
Equipment rental, repairs and maintenance						3,724		3,724	3,724	2,460
Staff development							12,829	12,829	12,829	-
Miscellaneous		493	10		503	36		36	539	1,401
<b>Total Expenses Before Depreciation</b>	<b>286,862</b>	<b>305,583</b>	<b>98,781</b>	<b>326,727</b>	<b>1,017,953</b>	<b>162,843</b>	<b>155,622</b>	<b>318,465</b>	<b>1,336,418</b>	<b>1,057,511</b>
Depreciation	3,456		3,456	4,509	11,421	3,607		3,607	15,028	2,320
<b>Total Expenses 2022</b>	<b>\$ 290,318</b>	<b>\$ 305,583</b>	<b>\$ 102,237</b>	<b>\$ 331,236</b>	<b>\$ 1,029,374</b>	<b>\$ 166,450</b>	<b>\$ 155,622</b>	<b>\$ 322,072</b>	<b>\$ 1,351,446</b>	
<b>Total Expenses 2021</b>	<b>\$ 206,311</b>	<b>\$ 333,337</b>	<b>\$ 202,418</b>	<b>\$ 32,757</b>	<b>\$ 774,823</b>	<b>\$ 174,277</b>	<b>\$ 110,731</b>	<b>\$ 285,008</b>		<b>\$ 1,059,831</b>

See accompanying notes to financial statements.



**EDUCATIONAL VIDEO CENTER, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**  
**(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>2022</u>	<u>2021</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Change in Net Assets	\$ 563,274	\$ 517,845
Adjustments to reconcile changes in Net Assets to net cash provided by operating activities		
Gain on extinguishment of debt	-	( 115,288)
Interest expense - debt issuance costs	-	769
Depreciation	15,028	2,320
Change in assets and liabilities:		
Increase in accounts receivable	( 40,423)	( 12,680)
Increase in grants and contributions receivable	( 419,251)	( 212,228)
(Increase)/decrease in prepaid expenses	( 64)	5,291
(Decrease)/increase in accounts and accrued expenses payable	( 30,170)	18,504
Increase in deferred event revenue	<u>-</u>	<u>10,000</u>
<b>Net Cash Provided by Operating Activities</b>	<u>88,394</u>	<u>214,533</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Donated computer equipment	( 33,170)	-
Acquisition of fixed assets	<u>(40,349)</u>	<u>(5,030)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(73,519)</u>	<u>(5,030)</u>
<b>Net Increase in Cash</b>	14,875	209,503
Cash balance at beginning of year	<u>672,826</u>	<u>463,323</u>
Cash balance at end of year	<u>\$ 687,701</u>	<u>\$ 672,826</u>
<b><u>Supplemental disclosures of cash flow information:</u></b>		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>
Donated computer equipment	<u>\$ 33,170</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**EDUCATIONAL VIDEO CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 1 ORGANIZATION**

Educational Video Center, Inc. ("EVC") is a non-profit youth media organization dedicated to teaching young people to make documentary videos as a means to develop their artistic, critical literacy, and career skills, while nurturing their idealism and commitment to social change.

Founded in 1984, EVC has evolved from a single video workshop for teenagers from Manhattan's Lower East Side to become an internationally acclaimed leader in youth media education. EVC's teaching methodology brings together the powerful traditions of student-oriented progressive education and independent community documentary.

EVC is exempt from income taxes under Section 501(c)3 of the Internal Revenue Code and similar provisions of the State Code. Contributions to EVC are tax deductible to donors under Section 170 of the IRC. EVC is not classified as a private foundation.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

EVC prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America for not-for-profit entities. The significant accounting and reporting policies used by EVC are described below to enhance the usefulness and understandability of the financial statements.

**Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting.

**Support**

EVC recognizes government and private grants as either contributions or exchange transaction revenues, depending on whether the transaction is reciprocal or not. For those recognized as contributions, revenue is recognized when a contract or grant becomes unconditional, that is, when the conditions on which they depend are substantially met. Contracts and grants that are treated as exchange transactions are reported as revenue without donor restrictions when expenses are incurred in accordance with the terms of the agreement. The excess of amounts received in exchange transactions over the amount of expenditures incurred is classified as deferred revenue in the statement of financial position.

If a contract or grant agreement contains a right of release from the respective obligation provision on the part of the grantor, and the agreement also contains a barrier to overcome, EVC recognizes revenue for these conditional contributions when the related barrier to entitlement has been overcome.

(Continue)

**EDUCATIONAL VIDEO CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Grants and contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Unconditional promises to give that are expected to be collected in less than one year are reflected as current promises to give and are reported at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are reflected as long-term promises to give and are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible receivables is determined based on management's evaluation of the collectibility of pledges and invoices.

Cash and Cash Equivalents

Cash consists of cash held in checking and money market accounts and cash on hand. EVC maintains its cash in three bank accounts in a high quality financial institution, which at times, may exceed the current insured amount under Federal Deposit Insurance Corporation ("FDIC") protection. EVC has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk therein.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

(Continue)

**EDUCATIONAL VIDEO CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

Fixed Assets

EVC capitalizes all significant expenditures for fixed assets. These assets are recorded at cost when purchased. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation of equipment are provided for on a straight line basis over the estimated useful lives of the assets.

Forgivable Loans

EVC's policy is to account for the forgivable loans received through the Small Business Administration ("SBA") under the *Coronavirus Aid, Relief, and Economic Security Act* ("*CARES Act*") Paycheck Protection Program ("PPP") as debt in accordance with Accounting Standards Codification ("ASC") 470, *Debt*, and other related accounting pronouncements. The forgiveness of debt, in whole or in part, is recognized once the debt is extinguished, which occurs when EVC is legally released from the liability by the SBA. Any portion of debt forgiven, adjusted for accrued interest forgiven and unamortized debt issuance costs, is recorded as a gain on extinguishment of debt, and presented in the non-operating activities section on the statement of activities.

Debt issuance costs incurred in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the two-year term of the debt using a straight-line method, which approximates the effective interest method. The unamortized amount is presented as a reduction of long-term debt on the balance sheet.

Program Revenue

Revenue from program fees and fees for service are recognized over the terms of the program and the period of services provided. Amounts collected in advance but unearned are reflected in the statement of financial position as deferred revenue.

Special Events

The portion of sponsorship revenue and attendee fees that relates to the commensurate value the sponsor and attendee received in return is recognized when the related events are held and performance obligations are met.

In-Kind Contributions

Donated facilities, equipment and other non-cash donations are recorded as contributions at their fair values at the time of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions.

(Continue)

**EDUCATIONAL VIDEO CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

EVC reports expirations of donor restrictions when the donated assets are placed in service, if applicable, as instructed by the donor. EVC reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would otherwise be purchased by EVC. EVC also received donated services from other contributors and volunteers that do not meet the criteria for recognition, and therefore, are excluded from the financial statements.

Use of Estimates

The preparation of financial statements 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 and expenses during the reporting period. On an ongoing basis, EVC's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. EVC's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with EVC's financial statements for the year ended August 31, 2021, from which the summarized information was derived.

Accounting for Uncertainty in Income Taxes

EVC adopted *Financial Accounting Standards Board* ("FASB") guidance on uncertain income tax positions in its financial statements. EVC recognizes the effect of tax positions only when they are more likely than not of being sustained. Management is not aware of any violation of its tax status as an organization exempt from income taxes.

**EDUCATIONAL VIDEO CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 3 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of August 31, 2022 are:

Financial Assets:	
Cash	\$ 687,701
Accounts receivable	92,775
Grants and contributions receivable	<u>838,589</u>
Total Financial Assets	1,619,065
Less financial assets not available within one year:	
Grant receivable (Note 4)	( 44,969)
Less financial assets held to meet donor-imposed restrictions:	
Purpose-restricted net assets (Note 7)	( <u>521,833</u> )
Amount available for general Expenditures within one year	
	<u>\$ 1,052,263</u>

As part of the liquidity management plan, EVC invests cash in excess of daily requirements in short-term money market accounts. In addition, to manage liquidity, EVC has trade credit with a major credit card company for an available balance of \$30,000. As of August 31, 2022, there was a balance of \$5,857. This amount is reported as accounts and accrued expenses payable in the statement of position.

**NOTE 4 PROMISES TO GIVE**

Unconditional promises to give as of August 31, 2022 are as follows:

Receivable in less than one year	\$ 793,620
Receivable in one to five years	<u>45,000</u>
Total unconditional promises to give	838,620
Less: net present value discount	( <u>31</u> )
Net unconditional promises to give	<u>\$ 838,589</u>
Current	\$ 793,620
Non-current	<u>44,969</u>
Net unconditional promises to give	<u>\$ 838,589</u>

(Continue)

**EDUCATIONAL VIDEO CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2022**

**NOTE 4 PROMISES TO GIVE - (Continued)**

Long-term promises to give are recognized at fair value, using present value techniques and a discount rate of 3.45%.

**NOTE 5 FIXED ASSETS**

As of August 31, 2022, the costs and accumulated depreciation were as follows:

Equipment		\$ 85,044
Less: accumulated depreciation		( <u>20,903</u> )
Net		<u>\$ 64,141</u>

Depreciation expense for the year was \$15,128.

**NOTE 6 NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets released from restrictions during the year ended August 31, 2022 were as follows:

Satisfaction of purpose restrictions:		
Archive B2B Project		\$ 214,276
Documentary Workshops		245,717
Hire Deputy and Development Directors		140,000
New Media Arts Apprenticeship		102,001
Professional Development		256,550
Strategic Planning		20,000
Youth Powered Video and Curriculum		<u>50,000</u>
		1,028,544
Satisfaction of time restrictions:		
General Support designated for 2022		<u>25,000</u>
Total		<u>\$ 1,053,544</u>

**EDUCATIONAL VIDEO CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2022**

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

As of August 31, 2021, net assets with donor restrictions are available for the following:

Purpose restrictions, available for spending:	
Documentary Workshops	\$ 119,167
Hire Deputy and Development Directors	140,000
Leading Edge Fellowship Competition	141,000
New Media Arts Apprenticeship	13,333
Professional Development	98,333
Strategic Planning	<u>10,000</u>
	521,833
Time restrictions:	
Time restricted support, which are unavailable for spending until the time stipulated by donors	<u>156,136</u>
Total	<u>\$ 677,969</u>

**NOTE 8 IN-KIND CONTRIBUTIONS**

EVC occupies without charge, certain premises donated by City-As-School. The estimated value of the donated facilities is \$120,000 per year. EVC also received donated services of \$12,500 and donated computer equipment of \$33,170 during the fiscal year. Total amount of \$165,670 was reported as support in the statement of activities.

**NOTE 9 FUNCTIONAL ALLOCATION OF EXPENSES**

The cost of providing EVC's services have been summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted using a reasonable allocation method that is consistently applied.

Administrative and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. Fund raising costs are expensed as incurred, even though they may result in contributions received in future years.



**EDUCATIONAL VIDEO CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

**NOTE 10 SUBSEQUENT EVENTS**

EVC has evaluated subsequent events through June 26, 2023, which is the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.

**NOTE 11 RECENT ACCOUNTING PRONOUNCEMENTS**

In September 2020, the Financial Accounting Standards Board (“FASB”) issued the Accounting Standards Update (“ASU”) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. EVC has adopted and implemented this pronouncement on September 1, 2021 using the prospective method of application.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This update includes a lease accounting model that recognizes two types of leases -- finance leases and operating lease. The standard requires that a lessee recognize on the balance sheet assets and liabilities relating to leases with terms of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will depend on its classification as a finance or operating lease. This ASU is effective for fiscal years beginning after December 15, 2021. Management does not expect this ASU to have a significant impact on EVC’s financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) and in June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions received and Contributions Made*. The amendments in this update should assist in evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional. EVC had adopted both ASU 2014-09 and 2019-08 in fiscal year 2020 and the adoption did not have a material impact on its financial statements.