

Youngstown Central Area Community Improvement Corporation

Notes to Financial Statements
For the Years Ended June 30, 2023 and 2022

Note I - Rentals Under Operating Leases

The Corporation is the lessor of office space under operating leases with the State of Ohio with renewal options extending through June 30, 2029. that fall under Accounting Standards Codification (ASC) 842, Leases. The Organization has elected the lessor practical expedient within ASC 842 and recognizes revenue for services under the Organization's agreements based upon the predominant component, either the lease or non-lease component, of the contracts. Management has determined the predominant component is an operating lease.

The State of Ohio is able to exercise its option to purchase the building for \$1 at any time after the certificates of participation have been completed pursuant to the provisions of the trust agreement Management expects these leases will be renewed. Including renewals, minimum future rentals to be received on these noncancelable leases as of June 30, 2023 for each of the next five years and in the aggregate are:

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ 370,000
2024	390,000
2025	410,000
2026	430,000
2027	450,000
Thereafter	475,000
Total	<u>\$ 2,525,000</u>

Note J - Subsequent Events

The Company has evaluated subsequent events through October 13, 2023, the date the financial statements were available to be issued.

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No assurance is provided.