

**YOUNG EISNER SCHOLARS  
(dba YES SCHOLARS)**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT**

**FOR THE SIXTEEN MONTHS  
ENDED DECEMBER 31, 2023**

**VASIN, HEYN & COMPANY**

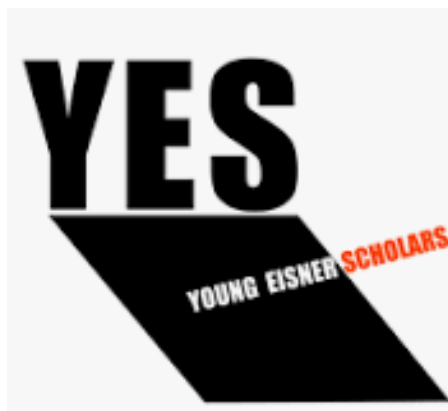
*ABOVE THE BRIGHT LINE*

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AN ACCOUNTANCY CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**YOUNG EISNER SCHOLARS  
(dba YES SCHOLARS)  
(A California Non-Profit Corporation)  
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# VASIN, HEYN & COMPANY

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AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Young Eisner Scholars (dba YES Scholars)  
(A California Non-Profit Corporation)  
Inglewood, California

### *Opinion*

We have audited the accompanying financial statements of Young Eisner Scholars (dba YES Scholars), (A California Non-Profit Corporation), which comprise the statement of financial position for the sixteen months ended December 31, 2023, and the related statements of activities, functional expenses and cash flows for the sixteen months 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 Young Eisner Scholars for the sixteen months ended December 31, 2023, and the changes in its net assets and its cash flows for the sixteen months 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Young Eisner Scholars 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 Young Eisner Scholars' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## INDEPENDENT AUDITORS' REPORT – Continued

### *Emphasis of Matter*

As described in Note 1 to the financial statements, Young Eisner Scholars changed its fiscal year end from August 31 to December 31. Our opinion is not modified with respect to that matter.

### *Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Young Eisner Scholars' 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 Young Eisner Scholars' 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.

*Yorke, Hays + Co.*

Calabasas, California  
September 20, 2024

**YOUNG EISNER SCHOLARS**  
**(dba YES SCHOLARS)**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

	2023
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,714,025
Accounts receivable and other current assets	22,533
Promises to give receivables, net of allowance	1,063,632
Student loans receivable	3,033
Investments	2,650,038
Deposits and prepaid expenses	12,763
Total assets	\$ 7,466,024
 <b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 65,529
Accrued payroll and related liabilities	107,405
Total liabilities	172,934
 <b>COMMITMENTS AND CONTINGENCIES</b>	
 <b>NET ASSETS</b>	
Without donor restrictions	
Board designated	750,000
Undesignated net assets	5,753,190
With donor restrictions	789,900
Total net assets	7,293,090
Total liabilities and net assets	\$ 7,466,024

See accompanying auditors' report and notes to financial statements

**YOUNG EISNER SCHOLARS**  
**(dba YES SCHOLARS)**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023**

	2023		
	Without Donor Restrictions	With Donor Restrictions	Totals
<b>REVENUE, SUPPORT AND RESTRICTIONS RELEASED</b>			
Contributions and grants	\$ 2,318,072	\$ 341,390	\$ 2,659,462
In-kind contributions	95,564	-	95,564
Interest and dividends earned	137,144	-	137,144
Realized and unrealized gain (loss) on investments, net	12,058	-	12,058
Other revenue	45,914	-	45,914
Restrictions released	<u>2,171,698</u>	<u>(2,171,698)</u>	<u>-</u>
 Total revenue, support and restrictions released	 4,780,450	 (1,830,308)	 2,950,142
<b>EXPENSES</b>			
Program services	2,158,796	-	2,158,796
Support services	479,450	-	479,450
Fundraising expenses	<u>306,593</u>	<u>-</u>	<u>306,593</u>
 Total expenses	 <u>2,944,839</u>	 <u>-</u>	 <u>2,944,839</u>
 <b>CHANGE IN NET ASSETS</b>	 1,835,611	 (1,830,308)	 5,303
 <b>NET ASSETS - beginning of year</b>	 <u>4,667,579</u>	 <u>2,620,208</u>	 <u>7,287,787</u>
 <b>NET ASSETS - end of year</b>	 <u>\$ 6,503,190</u>	 <u>\$ 789,900</u>	 <u>\$ 7,293,090</u>

See accompanying auditors' report and notes to financial statements

**YOUNG EISNER SCHOLARS  
(dba YES SCHOLARS)  
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STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023**

	Program Services	Support Services	Fund- raising	2023 Total Expenses
<b>Expenditures</b>				
Personnel	\$ 1,007,006	\$ 207,131	\$ 252,889	\$ 1,467,026
Volunteer development	5,255	123	2,495	7,873
Student support	322,785	1,074	19	323,878
Summer programs fees	92,037	15	-	92,052
Educational Consulting	1,200	-	-	1,200
Internships and stipends	3,552	-	-	3,552
Testing and application fee	6,395	-	-	6,395
Grant and development	-	-	3,177	3,177
Event expenses -gifts and awards	-	498	-	498
Food - events	590	327	272	1,189
Travel	123,289	9,827	6,712	139,828
Local transportation	2,046	518	20	2,584
Auto and van expense	3,644	1,098	-	4,742
Meetings	82	1,273	330	1,685
Dues and subscriptions	2,754	6,751	6,553	16,058
Professional fees	58,085	179,480	20,144	257,709
Supplies	80,486	109	557	81,152
Printing and copying	855	972	47	1,874
Postage and delivery	1,176	1,253	87	2,516
Website expense	-	272	-	272
Equipment-leased and purchased	-	13,077	-	13,077
Tuition and housing	287,289	-	-	287,289
Bank and merchant charges	357	8,526	142	9,025
Business Licenses and permits	9,025	-	4,768	13,793
Insurance	4,631	18,927	1,102	24,660
Office expenses	12,161	9,899	60	22,120
Rent	35,955	6,180	-	42,135
Utilities	1,827	-	-	1,827
Repair and maintenance	10,137	194	-	10,331
Depreciation and amortization	2,625	1,640	-	4,265
In-kind	83,469	4,883	7,212	95,564
Miscellaneous expense	83	5,403	7	5,493
Total expenses	<u>\$ 2,158,796</u>	<u>\$ 479,450</u>	<u>\$ 306,593</u>	<u>\$ 2,944,839</u>
Allocation of expenses	<u>73.31%</u>	<u>16.28%</u>	<u>10.41%</u>	<u>100.00%</u>

See accompanying auditors' report and notes to financial statements

**YOUNG EISNER SCHOLARS  
(dba YES SCHOLARS)  
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STATEMENT OF CASH FLOWS  
FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023**

	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ 5,303
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation and amortization	4,265
Realized & unrealized (gain) loss on investments, net	(12,058)
(Increase) decrease in:	
Accounts receivable and other current assets	67
Promises to give, net of allowance	549,494
Student loans receivable	(2,083)
Deposits and prepaid expenses	31,532
Right of use - operating lease amortization	1,255
Increase (decrease) in:	
Accounts payable and accrued expenses	(30,926)
Accrued payroll and related liabilities	(3,170)
Lease liability	(1,255)
Total adjustments	537,121
Net Cash Provided (Used) by Operating Activities	542,424
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Dividends from investments reinvested	(137,144)
Net Cash Provided (Used) by Investing Activities	(137,144)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	405,280
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	3,308,745
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 3,714,025
<b>Non-Cash Supplementary Disclosures:</b>	
In-kind contributions	\$ 95,564

See accompanying auditors' report and notes to financial statements



**YOUNG EISNER SCHOLARS**  
**(dba YES SCHOLARS)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023**

**1. ORGANIZATION**

Young Eisner Scholars (dba YES Scholars) was founded pursuant to the California Non-Profit Public Benefit Corporation laws and conducts its activities exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the U.S. Internal Revenue Code of 1954 under which it is qualified as a tax-exempt organization.

While half of all people from high-income families have a bachelor's degree by age 25, just 1 in 10 people from low-income families do. College persistence is just as significant - less than a quarter of first generation students persist after their first year of college. Dedicated to promoting America's promise of Equal Opportunity For Equal Talent, YES Scholars identifies promising young students from low-income communities in Los Angeles, New York City, Chicago, and rural Appalachian North Carolina, and provides them with the long-term support, resources, and educational access required for success through high school, college, and career. From neighborhoods in which fewer than 10% of adults have a college degree, 100% of YES Scholars have been accepted to college and 96% persist and graduate!

These remarkable numbers are a testament to the success of our model. YES Scholars works to address the multitude of challenges that historically have prevented low-income students from accessing academic, social, and career opportunities, and we tailor our aid to students' personal and familial situation. 90% of YES Scholars are first-generation college students and 85% are from families that qualify as low or super-low income. Although tuition payments and supplemental collegiate costs for our college students account for the largest portion of YES Scholars' programming expenses, our long-term holistic programming focuses on providing the essential preparation necessary for our Scholars to become competitive candidates for college acceptance and later, career success.

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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023**

**1. ORGANIZATION - Continued**

YES Scholars are identified in the 6th grade from our Title I middle school partners across the country. We utilize a data-driven approach to student support, consisting of three scaffolded phases, each focused on developing core skills and providing essential supplemental resources to ensure that students are competitive with their more privileged counterparts. Our middle school programming is centered around a rigorous math and logic curriculum designed to improve critical thinking, literacy, and self-expression, as well as prepare them for admittance to competitive high schools. Middle school Scholars also participate in robust summer programming designed to build cultural capital and prevent academic summer backslide. Armed with what they've learned from our thorough middle school programming, Scholars are accepted to and attend the country's most competitive high schools, including Harvard-Westlake, Exeter, Bronx Science and Whitney Young High School. The YES Scholars high school program then builds on the skills students acquired in middle school, with an even more individualized approach to student success: connections to summer programs, academic tutoring, internship opportunities, mentoring, topical workshops, social-emotional wellness, and individualized college admissions counseling, including college tours and high-level standardized test prep. This programming is specifically designed to help foster independence and self-advocacy. The third phase is focused on college success, persistence, and graduation, as well as career placement. Our staff maintains frequent contact with our college Scholars, helping to adapt them to all aspects of the more challenging environment of college. We provide our Scholars with the means to access both crucial and transformative social immersion opportunities around the country and the world, endowing them with the interpersonal, critical thinking, and communication skills necessary to become competitive candidates for the workforce. YES Scholars provides generous financial support for tuition, textbooks, testing fees, indirect school fees, travel, housing, and other key elements that lock so many low-income students out of higher education. Additionally, YES Scholars provides access to mental health, legal, and medical resources to ensure student/family health and wellness.

YES Scholars attend the most competitive high schools, colleges, and graduate programs across the nation and are excelling in profitable careers spanning every field- from medicine, law, and media to finance and engineering. Our current college scholars are attending 101 colleges and universities in 21 states. 73% of current college and graduate students attend schools on the US News & World Report "Top 100 List." Graduates are enjoying successful careers at companies including Apple, Morgan Stanley, Google, Microsoft, Hogan Lovells LLP, Disney, Goldman Sachs, Apple, LA Philharmonic, and Mercedes Benz.

YES Scholars currently serves over 700 students nationally and is growing at a rate of 60 new Scholars each year.

On June 16, 2022, the Board approved YES Scholars' fiscal year to change from September 1 through August 31 to January 1 through December 31.

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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023**  
**(CONTINUED)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

YES Scholars prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America. The significant accounting and reporting policies used by YES Scholars are described below to enhance the usefulness and understandability of the financial statements.

*Basis of Presentation*

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

*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* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets with donor restrictions* - Net assets subject to donor (or certain grantor) 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

All revenues and net gains are reported as increases in net assets without donor restrictions in the Statement of Activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses are reported as decreases in net assets without donor restrictions

*Cash and Cash Equivalents*

Cash and cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature. At December 31, 2023, YES Scholars' cash balances exceeded federally insured limits. Management believes YES Scholars is not exposed to any significant credit risk on cash and cash equivalents.

*Promises to Give, Net of Allowance*

Promises to give were recognized at fair value of the promise. Management provides for probable uncollectible amounts through a provision for an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The allowance for doubtful accounts balance at December 31, 2023 was \$37,500.

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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Student Loans Receivable*

YES Scholars provides loans to students based on grades and needs. These Student loans range from \$1,000 to \$5,000 and are interest free with no collateral requirements. These loans are short term and are due within one year when the school year ends. Some of the loans are eligible for renewal. Due to the low past due rate with these loans, they are reviewed annually and allowance for doubtful accounts is established to account any potential uncollectible loan amounts.

*Investments*

Investments in marketable securities with readily redeemable fair values and all investments in debt securities are carried at their fair market values in the Statement of Financial Position. Unrealized gains and losses (including investments brought, sold, and held during the year) are included in the Statement of Activities as gain (loss) on investments.

*Deposits and Prepaid Expenses*

Prepaid expenses and deposits consist of school tuitions, tutors and insurance expenses and are expensed ratably over their respective terms of agreement.

*Property and Equipment, Net*

Land, buildings, property, and equipment are reported in the Statement of Financial Position at cost, if purchased, and at fair value at the date of donation, if donated. All land, buildings, and property are capitalized. YES Scholars' assets will be capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Property, consisting primarily of equipment, is depreciated on a straight-line basis over estimated useful lives, generally three to five years. Fully depreciated assets are retained in the accounts at their estimated salvage value until their retirement. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Leasehold improvements	5 years
Vehicles	5 years

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

*Deferred Revenue*

Deferred revenue consists of advance payments for a fundraising event. Payments were recognized as revenue during the sixteen months resulting in no balance in deferred revenue.

**YOUNG EISNER SCHOLARS**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Revenue Recognition*

YES Scholars receives revenues mostly from contributions and grants from foundations, corporations or individuals (either with donor restrictions or without donor restrictions), and proceeds from fundraising events. All contributions are recognized when received though releases from net assets with donor restricted contributions are based on the timing of restrictions being met. Revenues from events, if paid in advance, are deferred to period in which the event takes place. Otherwise, they are recognized as received if the event is in the same fiscal year.

*Donated Goods and Services*

Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. Contributions of services are recognized if the services received meet any of these criteria: (1) if they create or enhance nonfinancial assets and (2) if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of stock are generally sold when received and recorded based on value received.

*Expense Recognition and Allocation*

The cost of providing YES Scholars' programs and other activities is summarized on a functional basis in the Statement of Activities and 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 based on total salary expense or on the time and effort of employees.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of YES Scholars.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. YES Scholars generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

*Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, YES Scholars' management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. YES Scholars' management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

*Income Taxes*

YES Scholars is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

YES Scholars is required to pay an annual filing fee to the State of California and other states it operates in. YES Scholars has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the sixteen months ended December 31, 2023, the Organization had no material unrecognized tax benefits, tax penalties or interest.

*Fair Value Measurements*

General accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level.

*Level 1* - Quoted prices in active markets for identical assets.

*Level 2* - Quoted prices in active or inactive markets for the same or similar Assets.

*Level 3* - Estimates using the best information available when there is little or no market.

The carrying amounts of cash and cash equivalents, and promises to give approximate fair value because of the terms and relatively short maturity of these financial instruments. The mutual funds and stocks are valued at quoted market prices, which represent the net asset value held by YES Scholars at December 31, 2023.

The carrying amounts of liabilities approximate fair value because of the relatively short maturity of these financial instruments.

When available, YES Scholars measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023**  
**(CONTINUED)**

**3. PROMISES TO GIVE RECEIVABLES, NET OF ALLOWANCE**

Promises to give receivables are measured as Level 1 inputs using market prices and are stated at fair value. Promises to give receivables at December 31, 2023 are as follows:

	Amount
Receivable in less than one year	\$ 1,101,132
Receivable in one to six years	-
Total promises to give	1,101,132
Less 5% allowance	(37,500)
Promises to give, net of allowance	\$ 1,063,632

The unamortized discount is based on a risk free rate and additional market risk factor.

**4. INVESTMENTS**

YES Scholars values its investments at fair value. Unrealized gains or losses (including investments brought, sold and held during the sixteen month ended) are reflected in the Statement of Activities as gain or (loss) on investments. All assets reported at fair value at December 31, 2023 are Level 1 inputs.

Investments consist of the following at December 31, 2023 and are measured at fair value:

	Total	Level 1
Mutual Funds	\$ 584,235	\$ 584,235
Stocks	2,065,803	2,065,803
Total investments	\$ 2,650,038	\$ 2,650,038

At December 31, 2023, YES Scholars does not have any investments measured using Level 2 or 3 inputs.

The composition of the investment return reported in the Statement of Activities as of December 31, 2023 is as follows:

	Amount
Interest and dividends earned	\$ 137,144
Realized and unrealized gain (loss) on investments, net	12,058
Total investment return	\$ 149,202

**YOUNG EISNER SCHOLARS  
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NOTES TO FINANCIAL STATEMENTS  
FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023  
(CONTINUED)**

**5. PROPERTY AND EQUIPMENT, NET**

Property and equipment consists of the following at December 31, 2022:

	Amount
Vehicles	\$ 74,660
Less: accumulated depreciation	<u>(74,660)</u>
Property and equipment, net	<u>\$ -</u>

Total depreciation expense for the sixteen months ended December 31, 2023 was \$4,265.

**6. IN-KIND CONTRIBUTIONS**

Donated goods and services which are recorded in the financial statements at their estimated fair value (Level 1) at date of receipt were \$95,564 and are included in in-kind revenue and program services expenses for the sixteen months ended December 31, 2023. The fair value of the contributed goods and services has been measured on a nonrecurring basis using quoted prices for identical assets in active or inactive markets for the same or similar assets and services.

In-kind contributions are recorded at their fair market value; at December 31, 2023 consist of the following:

	Amount
Donated facilities - Lennox office	\$ 16,000
Donated facilities - Downtown office	<u>79,564</u>
Total in-kind contributions	<u>\$ 95,564</u>

*In-Kind Contributions Valuation Techniques & Inputs* – In-kind contributions are valued at the estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products in the U.S.

*Donor Restrictions* – No in-kind contributions received during the sixteen months ended December 31, 2023 contained donor restrictions.

*Monetization of In-Kind Contributions* – YES Scholars does not sell donated in-kind contributions and only distributes goods or uses the services for program use.



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**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE SIXTEEN MONTHS ENDED DECEMBER 31, 2023**  
**(CONTINUED)**

**7. NET ASSETS WITH DONOR RESTRICTIONS**

Net asset with donor restrictions for the sixteen months ended December 31, 2023 are as follows:

	Amount
Student Activities	\$ 539,900
Time restricted general support	<u>250,000</u>
Total	<u>\$ 789,900</u>

Net assets released from donor restrictions the sixteen months ended December 31, 2023 are as follows:

	Amount
Satisfaction of Scholarship restrictions	\$ (70,100)
Satisfaction of student activities restrictions	(596,390)
Satisfaction of time restricted general support	<u>(1,505,208)</u>
Total	<u>\$ (2,171,698)</u>

**8. CONCENTRATION RISK**

Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits. YES Scholars deposits its cash with high quality financial institutions, and management believes the organization is not exposed to significant credit risk on those amounts.

The majority of YES Scholars' contributions and grants are received from corporations, foundations, and individuals located in Los Angeles County. As such, YES Scholars' ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the state of California. An economic downturn could cause a decrease in contributions and grants that coincides with an increase in demand for YES Scholars' services.

YES Scholars' investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to YES Scholars' financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

**YOUNG EISNER SCHOLARS**  
**(dba YES SCHOLARS)**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**9. LIQUIDITY AND FUNDS AVAILABLE**

YES Scholars regularly monitors liquidity required to its operating obligations and contractual commitments, while also striving to maximize the investment of its available funds. In addition to existing financial assets available to meet general expenditures within one year, YES Scholars receives ongoing contributions, unrestricted and restricted for programs, where such funds are used for operations and specific programs.

As of December 31, 2023, the following financial assets could readily be made available within one year of the statement of financial position date to meet its operational cash flow needs:

	December 31, 2023
Cash and cash equivalents	\$ 3,714,025
Accounts receivable and other current assets	22,533
Promises to give, net of allowance	1,063,632
Student loans receivable	3,033
Investments	<u>2,650,038</u>
Total financial assets	7,453,261
Less: Donor-imposed restrictions:	
Designated Funds (with donor restrictions)	<u>(789,900)</u>
Net financial assets after donor-imposed restrictions	<u>6,663,361</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,663,361</u>

YES Scholars' goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$550,000). As part of its liquidity plan, YES Scholars receives individual and corporate donations which typically total \$1,000,000 to \$1,500,000 annually.

**10. SUBSEQUENT EVENTS**

YES Scholars has evaluated events subsequent to December 31, 2023 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through September 20, 2024, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.