



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

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**



**YOUNG EISNER SCHOLARS
(dba YES SCHOLARS)
(A California Non-Profit Corporation)
TABLE OF CONTENTS**

	Page
INDEPENDENT AUDITORS' REPORT	1
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8



VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE

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 as of December 31, 2024, 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 Young Eisner Scholars as of December 31, 2024, 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 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

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.

Yorin, Hayn + Co.

Calabasas, California
November 6, 2025

**YOUNG EISNER SCHOLARS
(dba YES SCHOLARS)
(A California Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024**

	<u>2024</u>
ASSETS	
Cash and cash equivalents	\$ 3,275,281
Student loans receivable	1,215
Investments, net of fees	2,806,019
Deposits and prepaid expenses	<u>7,763</u>
 Total assets	 <u><u>\$ 6,090,278</u></u>
 LIABILITIES	
Accounts payable and accrued expenses	\$ 102,046
Accrued payroll and related liabilities	<u>3,016</u>
 Total liabilities	 105,062
 COMMITMENTS AND CONTINGENCIES	
 NET ASSETS	
Without donor restrictions	
Board designated	750,000
Undesignated net assets	5,080,216
With donor restrictions	<u>155,000</u>
 Total net assets	 <u><u>5,985,216</u></u>
 Total liabilities and net assets	 <u><u>\$ 6,090,278</u></u>

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 YEAR ENDED DECEMBER 31, 2024**

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND RESTRICTIONS RELEASED			
Contributions and grants	\$ 291,137	\$ 463,606	\$ 754,743
In-kind contributions	73,305	-	73,305
Interest and dividends earned	123,208	-	123,208
Realized and unrealized gain (loss) on investments, net	36,529	-	36,529
Other revenue	13,106	-	13,106
Restrictions released	<u>968,606</u>	<u>(968,606)</u>	<u>-</u>
Total revenue, support and restrictions released	1,505,891	(505,000)	1,000,891
EXPENSES			
Program services	1,665,085	-	1,665,085
Support services	396,813	-	396,813
Fundraising expenses	<u>246,867</u>	<u>-</u>	<u>246,867</u>
Total expenses	<u>2,308,765</u>	<u>-</u>	<u>2,308,765</u>
CHANGE IN NET ASSETS	(802,874)	(505,000)	(1,307,874)
NET ASSETS - beginning of year	<u>6,633,090</u>	<u>660,000</u>	<u>7,293,090</u>
NET ASSETS - end of year	<u>\$ 5,830,216</u>	<u>\$ 155,000</u>	<u>\$ 5,985,216</u>

See accompanying auditors' report and notes to financial statements

**YOUNG EISNER SCHOLARS
(dba YES SCHOLARS)
(A California Non-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Services	Support Services	Fund- raising	2024 Total Expenses
Expenditures				
Personnel	759,762	229,601	186,276	\$ 1,175,639
Volunteer development	7,093	500	69	7,662
Student support	456,965	472	-	457,437
Summer programs fees	66,104	-	-	66,104
Employee personal credit card charges	-	884	-	884
Testing and application fee	4,548	-	-	4,548
Travel	2,981	1,417	1,440	5,838
Auto and van expense	5,823	-	-	5,823
Dues and subscriptions	10,146	6,207	8,301	24,654
Professional fees	153	121,939	47,164	169,256
Supplies	18,551	-	1,506	20,057
Printing and copying	203	-	136	339
Postage and delivery	405	1,250	22	1,677
Equipment-leased and purchased	-	233	-	233
Tuition and housing	184,405	-	-	184,405
Tutoring expenses	4,876	-	-	4,876
Bank and merchant charges	365	10,250	1	10,616
Business Licenses and permits	173	-	-	173
Insurance	-	16,459	-	16,459
Office expenses	20,470	3,557	1,952	25,979
Rent	37,508	3,169	-	40,677
Utilities	1,493	-	-	1,493
Repair and maintenance	9,756	875	-	10,631
In-kind	73,305	-	-	73,305
Total expenses	<u>\$ 1,665,085</u>	<u>\$ 396,813</u>	<u>\$ 246,867</u>	<u>\$ 2,308,765</u>
Allocation of expenses	<u>72%</u>	<u>17%</u>	<u>11%</u>	<u>100%</u>

See accompanying auditors' report and notes to financial statements

**YOUNG EISNER SCHOLARS
(dba YES SCHOLARS)
(A California Non-Profit Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (1,307,874)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Realized & unrealized (gain) loss on investments, net	(33,070)
(Increase) decrease in:	
Accounts receivable and other current assets	53
Promises to give receivables, net of allowance	1,086,112
Student loans receivable	1,817
Deposits and prepaid expenses	5,000
Increase (decrease) in:	
Accounts payable and accrued expenses	36,517
Accrued payroll and related liabilities	<u>(104,389)</u>
Total adjustments	<u>992,040</u>
Net Cash Provided (Used) by Operating Activities	(315,834)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Dividends from investments reinvested	<u>(122,910)</u>
Net Cash Provided (Used) by Investing Activities	<u>(122,910)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(438,744)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,714,025</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 3,275,281</u></u>
Non-Cash Supplementary Disclosures:	
In-kind contributions	<u><u>\$ 73,305</u></u>

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 YEAR ENDED DECEMBER 31, 2024

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 gaps are 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, 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 97% 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 circumstances. Over 90% of our Scholars are first-generation college students, and 87% are from low or super-low income families. 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 and career success.

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 key 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, and Bronx Science. The YES Scholars high school program builds on the skills students acquired in middle school, with 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 persistence, graduation, and career readiness. Our staff individually advises our college Scholars, helping them to adapt to all aspects of college with academic skill development, student advocacy, career counseling, and professional networking support. 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 and achieve their goals. YES Scholars also provides generous financial support for tuition, textbooks, testing 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.

YOUNG EISNER SCHOLARS
(dba YES SCHOLARS)
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. ORGANIZATION - Continued

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 117 colleges and universities in 35 states. 60% 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 750 students nationally and is growing at a rate of 60 new Scholars each year

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 without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions 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.* 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. YES Scholars' unspent contributions are classified in this class if the donor limited their use. 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. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the YES Scholar, unless the donor provides more specific directions about the period of its use.

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

**YOUNG EISNER SCHOLARS
(dba YES SCHOLARS)
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, 2024, 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.

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.

**YOUNG EISNER SCHOLARS
(dba YES SCHOLARS)
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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.

**YOUNG EISNER SCHOLARS
(dba YES SCHOLARS)
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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 year ended December 31, 2024, YES Scholars had no material unrecognized tax benefits, tax penalties or interest.

YES Scholars' Forms 990, *Return of Organization Exempt from Income Tax*, for each of the tax years ended December 31, 2023, August 31, 2023 and, 2022 are subject to examination by the IRS, generally for 3 years after they were filed.

YES Scholars' Forms 199, *California Exempt Organization Return*, for each of the tax years ended December 31, 2023, August 31, 2023, 2022 and 2021 are subject to examination by the Franchise Tax Board, generally for 4 years after they were filed.

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 receivables 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, 2024.

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.

**YOUNG EISNER SCHOLARS
(dba YES SCHOLARS)
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

3. INVESTMENTS

YES Scholars values its investments at fair value. Unrealized gains or losses (including investments brought, sold and held during the year are reflected in the Statement of Activities as gain or (loss) on investments. All assets reported at fair value at December 31, 2024 are Level 1 inputs.

Investments consist of the following at December 31, 2024 and are measured at fair value:

	Total	Level 1
Mutual Funds	\$ 600,044	\$ 600,044
Stocks	<u>2,205,975</u>	<u>2,205,975</u>
Total Investments	<u>2,806,019</u>	<u>2,806,019</u>

At December 31, 2024, 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, 2024 is as follows:

	Amount
Interest and dividends earned	\$ 123,208
Realized and unrealized gain (loss) on investments, net	<u>36,529</u>
Total investment return	<u>\$ 159,737</u>

4. PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following at December 31, 2024:

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

All assets were fully depreciation at December 31, 2024.

**YOUNG EISNER SCHOLARS
(dba YES SCHOLARS)
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

5. 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 \$73,305 and are included in in-kind revenue and program services expenses for the year ended December 31, 2024. 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, 2024 consist of the following:

	Amount
Donated facilities - Lennox office	\$ 12,000
Donated facilities - Downtown office	<u>61,305</u>
Total in-kind contributions	<u>\$ 73,305</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, 2024 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.

6. BOARD DESIGNATED NET ASSETS

YES Scholars' Board of Directors has designated a portion of net assets without donor restrictions to be used for operating reserve purpose. Board designated net assets at December 31, 2024 was \$750,000.

This designated sum is to be moved to a brokerage account. The transferred funds are now available for use as revenue to support organizational priorities, including:

College tuition & support

Summer programming

College access & admissions

Career development programs

This action was approved in accordance with the policies governing the use of Board Designated Restricted funds per the Consent to Action memo dated May 9, 2022 and has been properly recorded in our financial records.

**YOUNG EISNER SCHOLARS
(dba YES SCHOLARS)
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

7. NET ASSETS WITH DONOR RESTRICTIONS

Net asset with donor restrictions for the year ended December 31, 2024 are as follows:

	Amount
Student Activities	\$ 463,606
Time restricted general support	<u>-</u>
Total	<u>\$ 463,606</u>

Net assets released from donor restrictions the year ended December 31, 2024 are as follows:

	Amount
Satisfaction of Scholarship restrictions	\$ (418,606)
Satisfaction of student activities restrictions	(300,000)
Satisfaction of time restricted general support	<u>(250,000)</u>
Total	<u>\$ 968,606</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
FOR THE YEAR ENDED DECEMBER 31, 2024
(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, 2024, 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, 2024
Cash and cash equivalents	\$ 3,275,281
Student loans receivable	1,215
Investments	<u>2,806,316</u>
Total financial assets	6,082,812
Less: Donor-imposed restrictions:	
Designated Funds (with donor restrictions)	<u>(155,000)</u>
Net financial assets after donor-imposed restrictions	<u>5,927,812</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,927,812</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, 2024 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through November 6, 2025, 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.