

JUST IN TIME FOR FOSTER YOUTH

FINANCIAL STATEMENTS

JUNE 30, 2014



Leaf & Cole, LLP
Certified Public Accountants

**JUST IN TIME FOR FOSTER YOUTH
FINANCIAL STATEMENTS
JUNE 30, 2014**

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Independent Auditor's Report

To the Board of Directors
Just in Time for Foster Youth

Report on the Financial Statements

We have audited the accompanying financial statements of Just in Time for Foster Youth, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Just in Time for Foster Youth as of June 30, 2014, 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.

Report on Summarized Comparative Information

We have previously audited Just in Time for Foster Youth's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 5, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Leaf & Cole LLP

San Diego, California
November 20, 2014

**JUST IN TIME FOR FOSTER YOUTH
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

ASSETS		
	<u>2014</u>	<u>2013</u>
<u>Assets:</u> (Notes 1, 2 and 3)		
Cash and cash equivalents	\$ 295,460	\$ 228,590
Contributions receivable, net	149,094	205,773
Prepaid expenses and other assets	9,158	5,149
Furniture and equipment, net	<u>873</u>	<u>4,502</u>
TOTAL ASSETS	\$ <u>454,585</u>	\$ <u>444,014</u>
LIABILITIES AND NET ASSETS		
<u>Liabilities:</u> (Note 1)		
Accounts payable and accrued expenses	\$ 14,521	\$ 6,807
Accrued payroll and related liabilities	<u>15,095</u>	<u>14,929</u>
Total Liabilities	<u>29,616</u>	<u>21,736</u>
<u>Commitments</u> (Note 5)		
<u>Net Assets:</u> (Notes 1 and 4)		
Unrestricted	173,512	306,033
Temporarily restricted	<u>251,457</u>	<u>116,245</u>
Total Net Assets	<u>424,969</u>	<u>422,278</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>454,585</u>	\$ <u>444,014</u>

The accompanying notes are an integral part of the financial statements.

**JUST IN TIME FOR FOSTER YOUTH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013)**

	2014			2013 Total
	Unrestricted	Temporarily Restricted	Total	
<u>Revenue and Support:</u>				
Contributions	\$ 838,329	\$ 305,560	\$ 1,143,889	\$ 1,101,852
Interest income	236	-	236	305
Net assets released from restrictions	170,348	(170,348)	-	-
Revenue and Support Before Special Events	1,008,913	135,212	1,144,125	1,102,157
Special Events:				
Revenue	270,949	-	270,949	519,366
Less: Costs	(85,554)	-	(85,554)	(292,923)
Total Special Events, Net	185,395	-	185,395	226,443
Total Revenue and Support	1,194,308	135,212	1,329,520	1,328,600
<u>Expenses:</u>				
Program Services	928,552	-	928,552	801,325
Supporting Services:				
Fundraising	277,095	-	277,095	225,689
General and administrative	121,182	-	121,182	140,862
Total Supporting Services	398,277	-	398,277	366,551
Total Program and Supporting Services	1,326,829	-	1,326,829	1,167,876
Change in Net Assets	(132,521)	135,212	2,691	160,724
Net Assets at Beginning of Year	306,033	116,245	422,278	261,554
NET ASSETS AT END OF YEAR	\$ 173,512	\$ 251,457	\$ 424,969	\$ 422,278

The accompanying notes are an integral part of the financial statements.

**JUST IN TIME FOR FOSTER YOUTH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013)**

	Program Services										Supporting Services		2014 Total	2013 Total	
	Basic Needs	My First Home	Financial Fitness	Bridge to Success	Career Horizons	College Bound/ Education	Community	Contra Costa	Other	Program Administration	Total Program Services	General and Administrative			Fundraising
Salaries and related benefits	\$ 44,229	\$ 28,496	\$ 28,048	\$ 41,606	\$ 19,550	\$ 15,487	\$ 57,049	\$ 20,454	\$ 13,845	\$ 65,456	\$ 334,220	\$ 50,104	\$ 149,289	\$ 533,613	\$ 401,385
Program awards	139,845	149,370	44,791	12,863	12,270	78,531	12,040	6,574	25,268	83	481,635	-	-	481,635	481,305
Professional services	-	-	-	-	-	-	-	177	-	-	177	49,597	47,257	97,031	73,102
Office expense	4,555	3,725	3,430	3,725	2,546	1,715	5,842	2,198	7,006	17,739	52,481	10,183	29,680	92,344	80,719
Contract labor	2,331	1,879	1,740	1,879	1,322	870	2,888	20,731	731	8,977	43,348	2,609	8,837	54,794	78,390
Promotional events	-	-	-	-	-	112	-	74	1,426	-	1,612	-	31,202	32,814	14,716
Printing	362	292	271	292	206	135	449	569	114	1,396	4,086	406	4,697	9,189	12,724
Insurance	437	352	326	352	248	163	541	137	137	1,682	4,375	489	1,656	6,520	2,392
Bank fees	-	-	-	-	-	-	-	-	-	-	-	5,085	10	5,095	1,286
Conference, meetings and training	100	80	74	80	57	37	356	547	31	384	1,746	2,341	737	4,824	3,193
Depreciation	244	196	181	196	138	91	301	76	76	936	2,435	272	922	3,629	6,726
Postage and shipping	55	45	41	45	31	21	666	172	17	213	1,306	62	1,396	2,764	1,818
Travel	30	61	23	24	60	11	37	606	163	116	1,131	34	1,412	2,577	3,968
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,152
Total Program and Supporting Services Expenses	\$ <u>192,188</u>	\$ <u>184,496</u>	\$ <u>78,925</u>	\$ <u>61,062</u>	\$ <u>36,428</u>	\$ <u>97,173</u>	\$ <u>80,169</u>	\$ <u>52,315</u>	\$ <u>48,814</u>	\$ <u>96,982</u>	\$ <u>928,552</u>	\$ <u>121,182</u>	\$ <u>277,095</u>	\$ <u>1,326,829</u>	\$ <u>1,167,876</u>

The accompanying notes are an integral part of the financial statements.

**JUST IN TIME FOR FOSTER YOUTH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013)**

	<u>2014</u>	<u>2013</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 2,691	\$ 160,724
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,629	6,726
(Increase) Decrease in:		
Contributions receivable, net	56,679	(163,773)
Prepaid expenses and other assets	(4,009)	278
Inventory	-	8,107
Increase (Decrease) in:		
Accounts payable and accrued expenses	7,714	(5,179)
Accrued payroll and related liabilities	166	2,014
Deferred revenue	-	(19,350)
Net Cash Provided by (Used in) Operating Activities	<u>66,870</u>	<u>(10,453)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	66,870	(10,453)
Cash and Cash Equivalents at Beginning of Year	<u>228,590</u>	<u>239,043</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 295,460</u></u>	<u><u>\$ 228,590</u></u>

The accompanying notes are an integral part of the financial statements.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

Note 1 - Organization and Significant Accounting Policies:

Organization

Just in Time for Foster Youth (the “Organization”), a not-for-profit organization incorporated in the State of California in 2006, envisions a future in which every youth leaving the foster care system has a community of caring adults waiting for them when they turn eighteen and leave the foster care system.

The Organization believes consistent, long-term help from the heart is the foundation for the success of our youth so that they can thrive and enjoy productive, satisfying lives.

The Organization mobilizes a caring community as an extended family for transitioning foster youth. This is done through consistent relationships and emergency resources provided by individuals, agencies, businesses and foundations that share the core values and mission.

While other programs might assist with support such as transitional housing or college scholarships, the Organization looks where there is a critical need and fills that gap to ensure that motivated youth reach their goal of self-sufficient adulthood. The Organization also fills the most important gap of all: connections to caring adults, who then become a lifelong support system and the consistent community for the youth served.

Significant Accounting Policies

Method of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (GAAP) and, accordingly, reflects all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

- Unrestricted net assets – Net assets not subject to donor imposed stipulations
- Temporarily restricted net assets – Net assets subject to donor imposed stipulations that will be met by actions of the Organization and/or the passage of time. When a donor stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted net assets – Net assets subject to donor imposed stipulations requiring that they be maintained permanently by the Organization. The income from these assets is available for either general operations or specific programs as specified by the donor.

JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Estimates

The preparation of a financial statement in conformity with accounting principles generally accepted in the United States of America 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 statement. Actual results could differ from those estimates.

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). The Organization had no financial instruments at June 30, 2014 and 2013.

Allowance for Doubtful Accounts

Management believes that all contributions receivable were fully collectible; therefore, no allowance for doubtful accounts was recorded as of June 30, 2014 and 2013.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Capitalization and Depreciation

The Organization capitalizes all expenditures in excess of \$2,000 for furniture and equipment at cost, while donations of furniture and equipment are recorded at their estimated fair values. Such donations are reported as unrestricted unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as restricted. Furniture and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Furniture and fixtures	5 - 7 years
Office equipment and computers	5 years

Depreciation totaled \$3,629 and \$6,726 for the years ended June 30, 2014 and 2013, respectively.

JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Capitalization and Depreciation (Continued)

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Compensated Absences

Accumulated unpaid vacation totaling \$15,096 and \$14,929 at June 30, 2014 and 2013, respectively, is accrued when earned and included in accrued payroll and related liabilities.

Donated Services, Support and Facilities

The Organization utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the year ended June 30, 2014 and 2013, did not meet the requirements above, therefore no amounts were recognized in the financial statements.

The Organization received in-kind donations totaling \$239,615 and \$220,265 for the years ended June 30, 2014 and 2013, respectively, which have been recorded as contributions revenue and expenses in the statement of activities.

The Organization occupies office facilities donated by Casey Family Programs. Donated facilities totaled \$51,116 and \$51,116 for the years ended June 30, 2014 and 2013, respectively, were recorded at fair value at the date of donation, and have been included in contributions revenue and expenses in the statement of activities.

Allocated Expenses

Expenses by function have been allocated among program and supporting service classifications on the basis of internal records and estimates made by the Organization's management.

Income Taxes

The Organization is a public charity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statement. The Organization is not a private foundation.

The Organization's Return of Organization Exempt from Income Tax for the years ended June 30, 2014, 2013, 2012 and 2011 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

Note 1 - Organization and Significant Accounting Policies: (Continued)

Significant Accounting Policies (Continued)

Concentration of Credit Risk

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

Comparative Totals for June 30, 2013

The financial statements include certain prior year summarized comparative information in total but not by net asset class. This summarized information is for comparative purposes only, and accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2013, from which the summarized comparative information was derived.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Subsequent Events

The Organization has evaluated subsequent events through November 20, 2014, which is the date the financial statement is available for issuance, and concluded that there were no events or transactions that needed to be disclosed.

Note 2 - Contributions Receivable:

Contributions receivable consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Receivable due in less than one year	\$ 70,700	\$ 127,250
Receivable due in one to five years	80,000	80,000
Less: Discounts to present value	<u>(1,606)</u>	<u>(1,477)</u>
Contributions Receivable, Net	<u>\$ 149,094</u>	<u>\$ 205,773</u>

The contributions receivable have been discounted to their present value using a discount rate of .88% and .66% at June 30, 2014 and 2013, respectively.

JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

Note 3 - Furniture and Equipment:

Furniture and equipment consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Office equipment and computers	\$ 26,774	\$ 26,774
Furniture and fixtures	1,554	1,554
Subtotal	<u>28,328</u>	<u>28,328</u>
Less: Accumulated depreciation	(27,455)	(23,826)
Furniture and Equipment, Net	<u>\$ 873</u>	<u>\$ 4,502</u>

Note 4 - Temporarily Restricted Net Assets:

Temporarily restricted net assets consist of the following at June 30:

	<u>2014</u>	<u>2013</u>
Coaching	\$ 139,987	\$ -
Time Restriction	78,394	78,523
College Bound	25,086	27,436
Vocation	7,719	-
Computer/Tech	271	-
Career Horizons	-	5,545
Contra Costa	-	4,741
Total Temporarily Restricted Net Assets	<u>\$ 251,457</u>	<u>\$ 116,245</u>

Net assets totaling \$170,348 were released from donor restrictions due to the satisfaction of purpose or time restrictions during the year ended June 30, 2014.

Note 5 - Commitments:

The Organization has a lease for office space that expires December 31, 2015. The landlord has provided the space rent-free subject to the terms and conditions of the lease agreement. (Note 1)

The Organization leases office space under a lease agreement that expires March 31, 2016 with two, one-year options to renew. Rent expense totaled \$14,950 and \$5,861 for the years ended June 30, 2014 and 2013, respectively, and is included with office expenses on the statement of functional expenses. The related future minimum lease payments are as follows:

<u>Years Ended</u> <u>June 30</u>	
2015	\$ 18,075
2016	<u>13,859</u>
Total	<u>\$ 31,934</u>