



FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

**JUST IN TIME FOR FOSTER YOUTH
FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

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 statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Leaf & Cole LLP

San Diego, California
October 23, 2019

**JUST IN TIME FOR FOSTER YOUTH
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

ASSETS

	<u>2019</u>	<u>2018</u>
<u>Current Assets:</u> (Notes 2, 4, 5 and 6)		
Cash and cash equivalents	\$ 1,089,911	\$ 1,365,797
Investments	5,819	102,061
Contributions receivable	602,417	558,884
Prepaid expenses and other assets	41,453	41,949
Total Current Assets	<u>1,739,600</u>	<u>2,068,691</u>
<u>Noncurrent Assets:</u> (Notes 2, 6, 7 and 10)		
Restricted cash	33,692	33,105
Contributions receivable, net	192,017	184,891
Property and equipment, net	197,174	6,987
Total Noncurrent Assets	<u>422,883</u>	<u>224,983</u>
TOTAL ASSETS	<u>\$ 2,162,483</u>	<u>\$ 2,293,674</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u> (Note 2)		
Accounts payable and accrued expenses	\$ 35,298	\$ 56,009
Accrued payroll and related liabilities	73,849	93,075
Deferred revenue	3,700	-
Total Current Liabilities	<u>112,847</u>	<u>149,084</u>
Total Liabilities	<u>112,847</u>	<u>149,084</u>
<u>Commitments</u> (Notes 8 and 10)		
<u>Net Assets:</u> (Notes 2 and 9)		
Without donor restrictions	1,646,903	1,613,520
With donor restrictions	402,733	531,070
Total Net Assets	<u>2,049,636</u>	<u>2,144,590</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,162,483</u>	<u>\$ 2,293,674</u>

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

**JUST IN TIME FOR FOSTER YOUTH
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenue and Support:</u>						
Contributions	\$ 1,168,277	\$ 1,337,253	\$ 2,505,530	\$ 2,596,902	\$ 899,777	\$ 3,496,679
Special events, net of related expenses of \$154,649 and \$182,748, respectively	810,978	-	810,978	582,876	-	582,876
Other income	29,707	-	29,707	25,197	-	25,197
Investment income	1,135	-	1,135	908	-	908
Net assets released from restrictions	<u>1,465,590</u>	<u>(1,465,590)</u>	<u>-</u>	<u>588,351</u>	<u>(588,351)</u>	<u>-</u>
Total Revenue and Support	<u>3,475,687</u>	<u>(128,337)</u>	<u>3,347,350</u>	<u>3,794,234</u>	<u>311,426</u>	<u>4,105,660</u>
<u>Expenses:</u>						
Program Services:						
Knowledge	794,277	-	794,277	441,773	-	441,773
Basic needs	783,936	-	783,936	623,862	-	623,862
Empowerment	471,763	-	471,763	303,577	-	303,577
Connections	<u>298,702</u>	<u>-</u>	<u>298,702</u>	<u>431,645</u>	<u>-</u>	<u>431,645</u>
Total Program Services	<u>2,348,678</u>	<u>-</u>	<u>2,348,678</u>	<u>1,800,857</u>	<u>-</u>	<u>1,800,857</u>
Supporting Services:						
General and administrative	386,708	-	386,708	215,020	-	215,020
Fundraising	<u>706,918</u>	<u>-</u>	<u>706,918</u>	<u>545,914</u>	<u>-</u>	<u>545,914</u>
Total Supporting Services	<u>1,093,626</u>	<u>-</u>	<u>1,093,626</u>	<u>760,934</u>	<u>-</u>	<u>760,934</u>
Total Expenses	<u>3,442,304</u>	<u>-</u>	<u>3,442,304</u>	<u>2,561,791</u>	<u>-</u>	<u>2,561,791</u>
Change in Net Assets	33,383	(128,337)	(94,954)	1,232,443	311,426	1,543,869
Net Assets at Beginning of Year	<u>1,613,520</u>	<u>531,070</u>	<u>2,144,590</u>	<u>381,077</u>	<u>219,644</u>	<u>600,721</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,646,903</u>	<u>\$ 402,733</u>	<u>\$ 2,049,636</u>	<u>\$ 1,613,520</u>	<u>\$ 531,070</u>	<u>\$ 2,144,590</u>

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, 2019**

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Knowledge	Basic Needs	Empowerment	Connections		General and Administrative	Fundraising		
Advertising, marketing and promotional events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,323	\$ 71,323	\$ 71,323
Conference, meetings and training	2,606	3,006	2,482	6,279	14,373	17,902	18,284	36,186	50,559
Contract labor	31,618	35,613	26,464	12,181	105,876	174,221	158,424	332,645	438,521
Depreciation	1,238	1,484	1,218	2,998	6,938	852	2,384	3,236	10,174
Insurance	1,621	1,943	1,595	3,926	9,085	1,193	3,122	4,315	13,400
Office expense	28,247	31,998	27,928	27,509	115,682	22,973	31,804	54,777	170,459
Postage and shipping	370	443	364	896	2,073	272	911	1,183	3,256
Printing	1,239	1,484	1,219	3,000	6,942	912	13,702	14,614	21,556
Program awards	455,792	419,489	128,554	49,961	1,053,796	-	-	-	1,053,796
Salaries and related expenses	271,032	288,161	281,434	190,708	1,031,335	167,705	405,975	573,680	1,605,015
Travel	514	315	505	1,244	2,578	678	989	1,667	4,245
Total Expenses	<u>\$ 794,277</u>	<u>\$ 783,936</u>	<u>\$ 471,763</u>	<u>\$ 298,702</u>	<u>\$ 2,348,678</u>	<u>\$ 386,708</u>	<u>\$ 706,918</u>	<u>\$ 1,093,626</u>	<u>\$ 3,442,304</u>

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, 2018**

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Knowledge	Basic Needs	Empowerment	Connections		General and Administrative	Fundraising		
Advertising, marketing and promotional events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,488	\$ 12,488	\$ 12,488
Conference, meetings and training	1,636	1,224	1,454	1,966	6,280	17,213	1,652	18,865	25,145
Contract labor	22,041	16,427	19,592	29,058	87,118	100,326	187,688	288,014	375,132
Depreciation	347	259	308	391	1,305	96	350	446	1,751
Insurance	2,198	1,643	1,954	2,476	8,271	611	2,220	2,831	11,102
Office expense	5,507	4,118	4,895	39,133	53,653	4,179	15,052	19,231	72,884
Postage and shipping	149	111	133	168	561	42	3,391	3,433	3,994
Printing	2,110	1,577	1,876	2,376	7,939	586	10,380	10,966	18,905
Program awards	253,192	401,180	102,909	144,181	901,462	-	-	-	901,462
Salaries and related expenses	154,465	197,228	170,343	211,598	733,634	91,932	303,664	395,596	1,129,230
Travel	128	95	113	298	634	35	9,029	9,064	9,698
Total Expenses	<u>\$ 441,773</u>	<u>\$ 623,862</u>	<u>\$ 303,577</u>	<u>\$ 431,645</u>	<u>\$ 1,800,857</u>	<u>\$ 215,020</u>	<u>\$ 545,914</u>	<u>\$ 760,934</u>	<u>\$ 2,561,791</u>

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

**JUST IN TIME FOR FOSTER YOUTH
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ (94,954)	\$ 1,543,869
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	10,174	1,751
Net realized and unrealized gain on investments	(25)	(174)
Loss on disposal of property and equipment	-	3,674
Donated stock	(67,638)	(127,627)
(Increase) Decrease in:		
Contributions receivable, net	(50,659)	(668,959)
Prepaid expenses and other assets	496	(5,500)
Increase (Decrease) in:		
Accounts payable and accrued expenses	(20,711)	24,035
Accrued payroll and related liabilities	(19,226)	41,845
Deferred revenue	3,700	-
Net Cash (Used in) Provided by Operating Activities	<u>(238,843)</u>	<u>812,914</u>
<u>Cash Flows From Investing Activities:</u>		
Investment (purchases)/sales, net	163,905	31,198
Purchase of property and equipment	(200,361)	-
Net Cash (Used in) Provided by Investing Activities	<u>(36,456)</u>	<u>31,198</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(275,299)	844,112
Cash and Cash Equivalents at Beginning of Year	<u>1,398,902</u>	<u>554,790</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,123,603</u>	<u>\$ 1,398,902</u>
<u>Cash and Cash Equivalents - Financial Statement Classification:</u>		
Cash and cash equivalents	\$ 1,089,911	\$ 1,365,797
Restricted cash	33,692	33,105
Total Cash and Cash Equivalents	<u>\$ 1,123,603</u>	<u>\$ 1,398,902</u>

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

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Note 1 - Organization:

When young people exit the foster care system, Just in Time for Foster Youth (“JIT”) welcomes them into a community of peers and caring adults who are committed to their wellbeing and success, just as a healthy family would do. Volunteers and staff work together to fill the gaps in resources, experiences, education, training, and trusting relationships for young people within San Diego County from ages 18 to 26, the average age of independence in the U.S.

As a general rule, our society allows young people ample time to finish school, begin a career, and build a support network prior to expecting them to be on their own. Yet we expect hundreds of youth who exit foster care each year to fend for themselves with no familial safety net, limited preparation and resources, and no financial security or training. It should be no surprise that a large percentage of inmates in our state penitentiary spent time in foster care, that traditionally only 3 - 6% of foster youth graduate from college, or that foster youth are particularly vulnerable to sex trafficking, homelessness, depression, and poverty.

Founded in 2003 and incorporated as a 501(c)(3) nonprofit in 2006, JIT has proven its long-term impact; for example, 80% of our 600+ College Bound youth have graduated or are still enrolled in school, and JIT surveys reveal measurable increases in earnings, savings, and durable supportive networks long after JIT participants leave our window of service. Providing a community for approximately 800 transition-age youth annually, JIT offers a broad range of services, each one designed to connect youth to a caring community and lasting relationships.

Additionally, JIT is unique in that over half of the staff are former foster youth with the lived experience that positions them to help other youth find their voices and become confident, capable, and connected.

Services provided include:

- *Basic Needs:* Emergency assistance including access to medical care and family planning; a safe, stable, supportive place to live through My First Home; and transportation equity through Changing Lanes, which offers driver training and the purchase of reliable vehicles at affordable interest rates, often critical for access to education and job opportunities.
- *Knowledge:* College Bound, Financial Fitness, Pathways to Financial Power and NEXTjobs, working together to teach participants effective ways to achieve financial stability and security through individualized coaching, financial literacy workshops, essential resources, and the encouragement every young person needs to succeed in education and employment.
- *Empowerment:* Career Horizons for Young Women, Bridges to Success for Young Men, and Rise to Resilience, where the focus is on strengthening youth mentally, physically, and emotionally to overcome Adverse Childhood Experiences (ACEs) and move toward SMART choices and healthy relationships. All work toward empowering our participants to become confident, capable, and connected young men and women for the long term.
- *Connections:* Mobilizing the power of 600+ volunteers to build a welcoming Community for all our participants is at the heart of JIT’s model for lasting change. Through events such as My First Home for the Holidays, our annual Thanksgiving dinner, the JIT Family Reunion picnic, our innovative Coach Approach to Mentoring training for participants and volunteers, and outreach through speaking engagements to build awareness, as well as on-line resources to provide easy access to current and former participants, JIT’s goal is to make sure every eligible youth has the connections they need for a sense of belonging.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Note 2 - Significant Accounting Policies:

Accounting Method

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

Financial Statement Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes thereon are classified and reported 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.

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 statements and the reported amounts of revenues and expenses during the reporting period. 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).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Note 2 - Significant Accounting Policies: (Continued)

Fair Value Measurements (Continued)

JIT's statements of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in common stock are considered Level 1 assets and are reported at fair value based on quoted prices in active markets for similar assets at the measurement date.
- Investments - Rancho Santa Fe Foundation funds are considered Level 2 assets and are reported at fair value based on the fair value of the underlying assets in the funds as reported by the fund manager, Rancho Santa Fe Foundation, since these funds are valued by the fund manager and are not traded in an active market.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding receivables. Management believes that all contributions receivable are fully collectible; therefore, no allowance for doubtful contributions receivable was recorded at June 30, 2019 and 2018.

Capitalization and Depreciation

JIT capitalizes all expenditures in excess of \$6,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as support without donor restrictions 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 support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, JIT reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. JIT reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Office equipment and computers	5 years
Vehicles	5 years
Leasehold improvements	5 years

Depreciation totaled \$10,174 and \$1,751 for the years ended June 30, 2019 and 2018, respectively.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property, furniture 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 \$46,048 and \$40,520 at June 30, 2019 and 2018, respectively, is accrued when earned and included in accrued payroll and related liabilities.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Note 2 - Significant Accounting Policies: (Continued)

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to JIT that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Special event revenue is recognized in the period that the event occurs. Deferred event revenue totaled \$3,700 and \$-0- at June 30, 2019 and 2018, respectively.

Donated Support

JIT received in-kind donations of program supplies and equipment totaling \$144,322 and \$150,645 for the years ended June 30, 2019 and 2018, respectively, which have been recorded as contributions revenue and expense in the statement of activities.

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. JIT allocates its expenses on a functional basis among its various programs and supporting services. Expenditures which can be identified with a specific program or support services are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by JIT's management.

Income Taxes

JIT 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. JIT 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. JIT is not a private foundation.

JIT's Return of Organization Exempt from Income Tax for the years ended June 30, 2019, 2018, 2017 and 2016 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

Concentration of Credit Risk

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

Cash and Cash Equivalents

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

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Note 2 - Significant Accounting Policies: (Continued)

Accounting Pronouncements Adopted

In August 2016, the FASB issued ASU 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities" (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes that affected JIT's financial statements include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (c) requiring the disclosures of quantitative and qualitative information regarding liquidity and availability of resources, (d) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. JIT has adopted this ASU as of and for the year ended June 30, 2019.

Subsequent Events

JIT has evaluated subsequent events through October 23, 2019, which is the date the financial statement is available for issuance and concluded that no other events or transactions needed to be disclosed.

Reclassification

JIT has reclassified certain prior year information to conform with the current year presentation.

Note 3 - Liquidity and Availability

JIT regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, JIT considers all expenditures related to its ongoing programs, as well as, the conduct of services undertaken to support those activities, to be general expenditures.

The table below presents financial assets available for general expenditures within one year at June 30, 2019:

Cash and cash equivalents	\$ 1,089,911
Contributions receivable	<u>602,417</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 1,692,328</u></u>

In addition to financial assets available to meet general expenditures over the next 12 months, JIT has a line-of-credit agreement with available borrowings totaling \$125,000 as described in Note 8. In addition, JIT operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Note 4 - Fair Value Measurements:

The following table summarizes assets measured at fair value by classification within the fair value hierarchy at June 30:

	2019			Balance at June 30, 2019
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments at Rancho Santa Fe Foundation	\$ -	\$ 5,819	\$ -	\$ 5,819
	<u>\$ -</u>	<u>\$ 5,819</u>	<u>\$ -</u>	<u>\$ 5,819</u>
	2018			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2018
Common stock	\$ 96,410	\$ -	\$ -	\$ 96,410
Investments at Rancho Santa Fe Foundation	-	5,651	-	5,651
	<u>\$ 96,410</u>	<u>\$ 5,651</u>	<u>\$ -</u>	<u>\$ 102,061</u>

Note 5 - Investments:

JIT's investments consist of the following at June 30:

	2019	2018
Rancho Santa Fe Foundation	\$ 5,819	\$ 5,651
Common stock	-	96,410
Total Investments	<u>\$ 5,819</u>	<u>\$ 102,061</u>

The investments held at Rancho Santa Fe Foundation (the "Foundation") are classified as without donor restrictions. The investments are held in an investment pool. The Foundation invests 43% fixed income, 32% domestic equities, 21% international equities, 2% emerging markets 2% cash and cash equivalents.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

Note 5 - Investments: (Continued)

The following schedule summarizes the investment income without donor restrictions for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 1,210	\$ 809
Realized and unrealized gains	25	174
Investment fees	(100)	(75)
Total Investment Income	<u>\$ 1,135</u>	<u>\$ 908</u>

Note 6 - Contributions Receivable:

Contributions receivable consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Current:		
Receivables due in less than one year	\$ 602,417	\$ 558,884
Total Current	<u>602,417</u>	<u>558,884</u>
Noncurrent:		
Receivables due in one to five years	196,667	185,000
Less: Discounts to present value	(4,650)	(109)
Total Noncurrent, Net	<u>192,017</u>	<u>184,891</u>
Total Contributions Receivable, Net	<u>\$ 794,434</u>	<u>\$ 743,775</u>

JIT has received a pledge in the amount of \$75,000 for which payment is conditional in nature and has not been recorded at June 30, 2019. This pledge will be recorded as contribution revenue when the conditions for payment are met.

Contributions receivable have been discounted to their present value using discount rate 0.89% at June 30, 2019 and 2018.

Note 7 - Property and Equipment:

Property and equipment consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Office equipment and computers	\$ 5,808	\$ -
Vehicle	57,098	-
Leasehold improvements	146,193	8,738
Subtotal	<u>209,099</u>	<u>8,738</u>
Less: Accumulated depreciation	(11,925)	(1,751)
Property and Equipment, Net	<u>\$ 197,174</u>	<u>\$ 6,987</u>

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Note 8 - Line-of-Credit:

JIT has a revolving line-of-credit with JP Morgan Chase & Co. in the amount of \$125,000. The line-of-credit is secured by all business property owned by JIT with an interest rate of prime plus 3.07% per annum and renews annually. There was no outstanding balance at June 30, 2019 and 2018, respectively.

Note 9 – Net Assets With Donor Restrictions:

Net assets with donor restrictions represent contributions and other inflows received by JIT, which are limited in their use by the donor-imposed stipulations. Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2019</u>	<u>2018</u>
Subject to Expenditure for Specified Purpose:		
Basic needs	\$ 67,145	\$ 130,034
Knowledge	48,388	163,804
New office	20,000	51,572
Empowerment	2,200	10,660
Total Subject to Expenditure for Specified Purpose	<u>137,733</u>	<u>356,070</u>
Subject to the Passage of Time:		
Contributions receivable, net	<u>265,000</u>	<u>175,000</u>
Total Subject to the Passage of Time	<u>265,000</u>	<u>175,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 402,733</u>	<u>\$ 531,070</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors are as follows for the years ended June 30:

	<u>2019</u>	<u>2018</u>
Purpose Restrictions Accomplished:		
Knowledge	\$ 542,387	\$ 218,553
Basic needs	304,067	-
Empowerment	278,174	-
New office	165,962	18,296
Connections	19,573	8,503
Time Restrictions Fulfilled	<u>175,000</u>	<u>342,999</u>
Total Net Assets Released From Restrictions	<u>\$ 1,485,163</u>	<u>\$ 588,351</u>

Note 10 - Commitments and Contingencies:

Operating Leases

JIT leases office space under a lease agreement that expires on April 30, 2022. Rent expense totaled \$55,909 and \$49,567 for the years ended June 30, 2019 and 2018, respectively, and is included with office expense.

JIT leases a house from a board member under a lease agreement that expires on August 31, 2022. Rent expense totaled \$38,400 and \$32,000 for the years ended June 30, 2019 and 2018, respectively, and is included with program awards.

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Note 10 - Commitments and Contingencies: (Continued)

Operating Leases (Continued)

JIT leases storage space under a lease agreement that expires on April 30, 2020. Storage expense totaled \$46,782 and \$23,767 for the years ended June 30, 2019 and 2018, respectively, and is included with program awards.

The following is a schedule of future minimum lease payments under the leases:

<u>Years Ended June 30</u>	
2020	\$ 151,483
2021	122,719
2022	110,414
2023	<u>6,400</u>
	<u>\$ 391,016</u>

401(k) Retirement Plan

In September 2018, JIT elected to terminate its 401(k) plan. The Plan provided for discretionary matching contributions on eligible elective deferrals in an amount to be determined each year by JIT. JIT made a safe harbor non-elective contribution in an amount equal to 3% of employees' eligible compensation, which was allocated to all eligible employees. JIT's contribution totaled \$4,997 and \$35,356 for the years ended June 30, 2019 and 2018, respectively and was included with salaries and related benefits.

Guarantees

In November 2017, JIT entered into an agreement with Self-Help Federal Credit Union as a guarantor in connection with JIT's automobile loan program. JIT shall maintain no less than 33% of the aggregate outstanding balance of all loans under the automobile loan program, not to be less than \$33,000, as guaranty for the Self-Help Loans for the first three years of the program. Per the agreement, JIT must maintain a restricted cash account at Self-Help Federal Credit Union to cover any losses. The restricted cash account balance totaled \$33,692 and \$33,105 at June 30, 2019 and 2018, respectively.