



**FINANCIAL STATEMENTS**

**JUNE 30, 2020 AND 2019**

**JUST IN TIME FOR FOSTER YOUTH  
FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

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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, 2020 and 2019, 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.

To the Board of Directors  
Just in Time for Foster Youth

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***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, 2020 and 2019, 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 28, 2020

**JUST IN TIME FOR FOSTER YOUTH  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019**

**ASSETS**

	<u>2020</u>	<u>2019</u>
<b><u>Current Assets:</u></b> (Notes 2, 4, 5 and 6)		
Cash and cash equivalents	\$ 2,172,950	\$ 1,089,911
Investments	5,959	5,819
Contributions receivable	216,416	602,417
Prepaid expenses and other assets	81,260	41,453
Total Current Assets	<u>2,476,585</u>	<u>1,739,600</u>
<b><u>Noncurrent Assets:</u></b> (Notes 2, 6, 7, 8 and 10)		
Restricted cash	33,000	33,692
Contributions receivable, net	210,652	192,017
Property and equipment, net	176,183	197,174
Total Noncurrent Assets	<u>419,835</u>	<u>422,883</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,896,420</u>	<u>\$ 2,162,483</u>

**LIABILITIES AND NET ASSETS**

<b><u>Current Liabilities:</u></b> (Notes 2 and 10)		
Accounts payable and accrued expenses	\$ 55,367	\$ 35,298
Accrued payroll and related liabilities	135,311	73,849
Deferred revenue	336,047	3,700
Total Current Liabilities	<u>526,725</u>	<u>112,847</u>
Total Liabilities	<u>526,725</u>	<u>112,847</u>
<b><u>Commitments and Contingencies</u></b> (Notes 8 and 10)		
<b><u>Net Assets:</u></b> (Notes 2 and 9)		
Without donor restrictions	1,769,483	1,646,903
With donor restrictions	600,212	402,733
Total Net Assets	<u>2,369,695</u>	<u>2,049,636</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,896,420</u>	<u>\$ 2,162,483</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, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support:</b>						
Contributions	\$ 1,641,811	\$ 1,424,118	\$ 3,065,929	\$ 1,168,277	\$ 1,337,253	\$ 2,505,530
Special events, net of related expenses of \$62,669 and \$154,649, respectively	753,217	-	753,217	810,978	-	810,978
Other income	33,575	-	33,575	29,707	-	29,707
Investment income	1,180	-	1,180	1,135	-	1,135
Net assets released from restrictions	1,226,639	(1,226,639)	-	1,465,590	(1,465,590)	-
<b>Total Revenue and Support</b>	<u>3,656,422</u>	<u>197,479</u>	<u>3,853,901</u>	<u>3,475,687</u>	<u>(128,337)</u>	<u>3,347,350</u>
<b>Expenses:</b>						
<b>Program Services:</b>						
Basic needs	692,196	-	692,196	783,936	-	783,936
Connections	663,263	-	663,263	298,702	-	298,702
Knowledge	626,086	-	626,086	794,277	-	794,277
Empowerment	487,818	-	487,818	471,763	-	471,763
<b>Total Program Services</b>	<u>2,469,363</u>	<u>-</u>	<u>2,469,363</u>	<u>2,348,678</u>	<u>-</u>	<u>2,348,678</u>
<b>Supporting Services:</b>						
General and administrative	398,748	-	398,748	386,708	-	386,708
Fundraising	665,731	-	665,731	706,918	-	706,918
<b>Total Supporting Services</b>	<u>1,064,479</u>	<u>-</u>	<u>1,064,479</u>	<u>1,093,626</u>	<u>-</u>	<u>1,093,626</u>
<b>Total Expenses</b>	<u>3,533,842</u>	<u>-</u>	<u>3,533,842</u>	<u>3,442,304</u>	<u>-</u>	<u>3,442,304</u>
Change in Net Assets	122,580	197,479	320,059	33,383	(128,337)	(94,954)
Net Assets at Beginning of Year	1,646,903	402,733	2,049,636	1,613,520	531,070	2,144,590
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,769,483</u>	<u>\$ 600,212</u>	<u>\$ 2,369,695</u>	<u>\$ 1,646,903</u>	<u>\$ 402,733</u>	<u>\$ 2,049,636</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, 2020**

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Basic Needs	Connections	Knowledge	Empowerment		General and Administrative	Fundraising		
Advertising, marketing and promotional events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,636	\$ 9,636	\$ 9,636
Conference, meetings and training	-	458	97	11	566	14,223	4,062	18,285	18,851
Contract labor	4,069	52,003	66,429	50,262	172,763	181,331	124,764	306,095	478,858
Depreciation	28,839	5,538	-	-	34,377	7,549	1,352	8,901	43,278
Insurance	1,453	3,243	2,031	1,934	8,661	1,141	2,988	4,129	12,790
Office expense	38,361	36,939	20,587	18,882	114,769	30,833	57,274	88,107	202,876
Postage and shipping	-	-	994	-	994	1,552	2,430	3,982	4,976
Printing	590	1,297	3,991	457	6,335	2,152	9,709	11,861	18,196
Program related expenses	378,831	180,053	306,028	65,419	930,331	-	-	-	930,331
Salaries and related benefits	239,267	382,060	225,294	348,625	1,195,246	156,500	452,399	608,899	1,804,145
Travel	786	1,672	635	2,228	5,321	3,467	1,117	4,584	9,905
Total Expenses	<u>\$ 692,196</u>	<u>\$ 663,263</u>	<u>\$ 626,086</u>	<u>\$ 487,818</u>	<u>\$ 2,469,363</u>	<u>\$ 398,748</u>	<u>\$ 665,731</u>	<u>\$ 1,064,479</u>	<u>\$ 3,533,842</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
	Basic Needs	Connections	Knowledge	Empowerment		General and Administrative	Fundraising		
Advertising, marketing and promotional events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,323	\$ 71,323	\$ 71,323
Conference, meetings and training	3,006	6,279	2,606	2,482	14,373	17,902	18,284	36,186	50,559
Contract labor	35,613	12,181	31,618	26,464	105,876	174,221	158,424	332,645	438,521
Depreciation	1,484	2,998	1,238	1,218	6,938	852	2,384	3,236	10,174
Insurance	1,943	3,926	1,621	1,595	9,085	1,193	3,122	4,315	13,400
Office expense	31,998	27,509	28,247	27,928	115,682	22,973	31,804	54,777	170,459
Postage and shipping	443	896	370	364	2,073	272	911	1,183	3,256
Printing	1,484	3,000	1,239	1,219	6,942	912	13,702	14,614	21,556
Program related expenses	419,489	49,961	455,792	128,554	1,053,796	-	-	-	1,053,796
Salaries and related benefits	288,161	190,708	271,032	281,434	1,031,335	167,705	405,975	573,680	1,605,015
Travel	315	1,244	514	505	2,578	678	989	1,667	4,245
Total Expenses	<u>\$ 783,936</u>	<u>\$ 298,702</u>	<u>\$ 794,277</u>	<u>\$ 471,763</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  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ 320,059	\$ (94,954)
<b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</b>		
Depreciation	43,278	10,174
Net realized and unrealized gain on investments	(105)	(25)
Donated stock	(291,355)	(67,638)
<b>(Increase) Decrease in:</b>		
Contributions receivable, net	367,366	(50,659)
Prepaid expenses and other assets	(39,807)	496
<b>Increase (Decrease) in:</b>		
Accounts payable and accrued expenses	20,069	(20,711)
Accrued payroll and related liabilities	61,462	(19,226)
Deferred revenue	332,347	3,700
Net Cash Provided by (Used in) Operating Activities	<u>813,314</u>	<u>(238,843)</u>
 <b><u>Cash Flows From Investing Activities:</u></b>		
Investment (purchases)/sales, net	291,320	163,905
Purchase of property and equipment	(22,287)	(200,361)
Net Cash Provided by (Used in) Investing Activities	<u>269,033</u>	<u>(36,456)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash	1,082,347	(275,299)
 Cash and Cash Equivalents and Restricted Cash at Beginning of Year	<u>1,123,603</u>	<u>1,398,902</u>
 <b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR</b>	 <u>\$ 2,205,950</u>	 <u>\$ 1,123,603</u>

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

**JUST IN TIME FOR FOSTER YOUTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**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.
- *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 online 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.
- *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.

**JUST IN TIME FOR FOSTER YOUTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**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, 2020 AND 2019**

**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 - 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, 2020 and 2019.

**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 \$43,278 and \$10,174 for the years ended June 30, 2020 and 2019, 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 \$79,374 and \$46,048 at June 30, 2020 and 2019, 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, 2020 AND 2019**

**Note 2 - Significant Accounting Policies: (Continued)**

**Contributions**

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.' Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Special event revenue is recognized in the period that the event occurs. Deferred event revenue totaled \$-0- and \$3,700 at June 30, 2020 and 2019, respectively.

Other income is related to various programs conducted throughout the year, and is recognized as revenue in the period in which the program relates.

**Donated Materials and Facilities**

JIT 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, 2020 did not meet the requirements above, therefore no amounts were recognized in the financial statements.

JIT received in-kind donations of program supplies and equipment totaling \$121,706 and \$144,322 for the years ended June 30, 2020 and 2019, respectively, which have been recorded as contributions and functional expenses in the statement of activities.

JIT occupied office facilities donated by North County Lifeline. Donated facilities totaled \$16,800 and \$-0- for the years ended June 30, 2020 and 2019, respectively, and were recorded at fair value at the date of donation, and have been included in contributions and functional expenses 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.

**JUST IN TIME FOR FOSTER YOUTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**Note 2 - Significant Accounting Policies: (Continued)**

**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 statements. JIT is not a private foundation.

JIT's Return of Organization Exempt from Income Tax for the years ended June 30, 2020, 2019, 2018 and 2017 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 and Restricted Cash**

For purposes of the statements 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. The following is a reconciliation of cash and cash equivalents and restricted cash reported within the statements of financial position that sum to the total in the statements of cash flows at June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,172,950	\$ 1,089,911
Restricted cash	<u>33,000</u>	<u>33,692</u>
Total Cash and Cash Equivalents and Restricted Cash	<u>\$ 2,205,950</u>	<u>\$ 1,123,603</u>

**Accounting Pronouncements Adopted**

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions, or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. The change in accounting principle was adopted on a modified prospective basis in 2020. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions, or opening net assets with donor restrictions, as of July 1, 2019. There was no effect of adopting the new accounting principles on contributions in 2020.

**JUST IN TIME FOR FOSTER YOUTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**Note 2 - Significant Accounting Policies: (Continued)**

**Accounting Pronouncements Adopted (Continued)**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). ASU 2014-09 outlines a single, comprehensive model for companies to use in accounting for revenue arising from contracts with customers. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. The change in accounting principle was adopted on the retrospective basis, which resulted in no change to revenue previously reported and also had no effect on the revenue reported for the year ended June 30, 2020.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows*. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as ‘restricted cash’ or ‘restricted cash equivalents.’ The adoption of ASU 2016-18 for the year ended June 30, 2020 had no effect on the beginning-of-period and end-of-period total amounts shown on the statements of cash flows.

**Subsequent Events**

JIT has evaluated subsequent events through October 28, 2020, which is the date the financial statements are available for issuance, and concluded that there were no events or transactions that needed to be disclosed.

**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:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,172,950	\$ 1,089,911
Contributions receivable	216,416	602,417
Financial assets available to meet general expenditures within one year	<u>\$ 2,389,366</u>	<u>\$ 1,692,328</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, 2020 AND 2019**

**Note 4 - Fair Value Measurements:**

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

	2020			
	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, 2020
Investments at Rancho Santa Fe Foundation	\$ -	\$ 5,959	\$ -	\$ 5,959
	\$ -	\$ 5,959	\$ -	\$ 5,959
	2019			
	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, 2019
Investments at Rancho Santa Fe Foundation	\$ -	\$ 5,819	\$ -	\$ 5,819
	\$ -	\$ 5,819	\$ -	\$ 5,819

**Note 5 - Investments:**

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

	2020	2019
Rancho Santa Fe Foundation	\$ 5,959	\$ 5,819
Total Investments	\$ 5,959	\$ 5,819

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 42% fixed income, 33% domestic equities, 18% international equities, 6% emerging markets and 1% cash and cash equivalents.

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

	2020	2019
Interest and dividend income	\$ 1,175	\$ 1,210
Realized and unrealized gains	105	25
Investment fees	(100)	(100)
Total Investment Income	\$ 1,180	\$ 1,135



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**Note 6 - Contributions Receivable:**

Contributions receivable consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Current:		
Receivables due in less than one year	\$ 216,416	\$ 602,417
Total Current	<u>216,416</u>	<u>602,417</u>
Noncurrent:		
Receivables due in one-to-five years	213,333	196,667
Less: Discounts to present value	<u>(2,681)</u>	<u>(4,650)</u>
Total Noncurrent, Net	<u>210,652</u>	<u>192,017</u>
Total Contributions Receivable, Net	<u>\$ 427,068</u>	<u>\$ 794,434</u>

JIT received a pledge in the amount of \$75,000 in the prior year for which payment is conditional in nature. Payment in the amount of \$25,000 has been received and recognized at June 30, 2020. The remaining pledge amount totaling \$50,000 will be recorded as contribution revenue when the conditions for payment are met.

Contributions receivable have been discounted to their present value, using a discount rate ranging from 0.17% to 0.89% at June 30, 2020 and 2019, respectively.

**Note 7 - Property and Equipment:**

Property and equipment consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Office equipment and computers	\$ 5,808	\$ 5,808
Vehicle	57,098	57,098
Leasehold improvements	<u>168,480</u>	<u>146,193</u>
Subtotal	<u>231,386</u>	<u>209,099</u>
Less: Accumulated depreciation	<u>(55,203)</u>	<u>(11,925)</u>
Property and Equipment, Net	<u>\$ 176,183</u>	<u>\$ 197,174</u>

**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, 2020 and 2019, respectively.

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**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>2020</u>	<u>2019</u>
<b>Subject to Expenditure for Specified Purpose:</b>		
Basic needs	\$ 99,901	\$ 67,145
Empowerment	67,183	2,200
Knowledge	59,556	48,388
Connections	6,000	-
Administrative	3,587	-
New office	-	20,000
Total Subject to Expenditure for Specified Purpose	236,227	137,733
<b>Subject to the Passage of Time:</b>		
Contributions receivable, net	363,985	265,000
Total Subject to the Passage of Time	363,985	265,000
Total Net Assets With Donor Restrictions	\$ 600,212	\$ 402,733

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>2020</u>	<u>2019</u>
<b>Purpose Restrictions Accomplished:</b>		
Knowledge	\$ 537,238	\$ 542,387
Basic needs	409,390	304,067
Empowerment	190,546	278,174
New office	20,000	165,962
Connections	18,451	19,573
<b>Time Restrictions Fulfilled</b>	51,014	175,000
Total Net Assets Released From Restrictions	\$ 1,226,639	\$ 1,485,163

**Note 10 - Commitments and Contingencies:**

**Operating Leases**

JIT leases office space under a lease agreement that expires on April 30, 2022. Rent expense totaled \$81,863 and \$55,909 for the years ended June 30, 2020 and 2019, 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 \$38,400 for the years ended June 30, 2020 and 2019, respectively, and is included with program-related expenses.

JIT leases storage space under a lease agreement that expires on April 30, 2023. Storage expense totaled \$57,788 and \$46,782 for the years ended June 30, 2020 and 2019, respectively, and is included with program-related expenses.

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**Note 10 - Commitments and Contingencies: (Continued)**

**Operating Leases (Continued)**

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

Years Ended <u>June 30</u>	
2021	\$ 183,217
2022	172,726
2023	<u>59,487</u>
	<u>\$ 415,430</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 \$-0- and \$4,997 for the years ended June 30, 2020 and 2019, 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 \$33,000 and \$33,692 at June 30, 2020 and 2019, respectively. The aggregate outstanding balance of all loans under the automobile loan program totaled \$50,974 and \$43,109 at June 30, 2020 and 2019, respectively.

**Payroll Protection Program Loan**

In April 2020, JIT received a loan totaling \$336,047 from the U.S. Small Business Administration, under the CARES Act Paycheck Protection Program ("PPP"). The loan is forgivable to the extent that JIT meets the terms and conditions of the PPP. Any portion of the loan that is not forgiven bears interest at 1%, and is due in April 2022. The amount received totaling \$336,047 has been included in deferred revenue at June 30, 2020. JIT expects to satisfy the terms and conditions of forgiveness of the PPP, and will recognize the amount received as revenue during the year ended June 30, 2021, when forgiveness has been granted by the lender.

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**Note 10 - Commitments and Contingencies: (Continued)**

**Coronavirus Pandemic Contingency**

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. On March 19, 2020, the Governor of California declared a health emergency and issued an order to close all nonessential businesses until further notice. JIT was not required to close its offices, as its workers were considered “essential workers” in accordance with California state guidelines. The potential impact of possible reductions in contributions and grant revenue is being monitored closely by the newly-formed Scenario Planning Taskforce, consisting of Board members and JIT management. Changes to the operating environment may also be impacted, and may have an impact on operating costs. The future effects of the coronavirus pandemic are unknown.