



FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

**JUST IN TIME FOR FOSTER YOUTH
FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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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, 2021 and 2020, 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, 2021 and 2020, 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 20, 2021

**JUST IN TIME FOR FOSTER YOUTH
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

ASSETS

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| <u>Current Assets:</u> (Notes 2, 4, 5 and 6) | | |
| Cash and cash equivalents | \$ 2,441,811 | \$ 2,172,950 |
| Investments | 7,387 | 5,959 |
| Contributions receivable | 481,697 | 216,416 |
| Prepaid expenses and other assets | 51,292 | 81,260 |
| Total Current Assets | <u>2,982,187</u> | <u>2,476,585</u> |
| <u>Noncurrent Assets:</u> (Notes 2, 6, 7, 8 and 10) | | |
| Restricted cash | 33,000 | 33,000 |
| Contributions receivable, net | 434,062 | 210,652 |
| Property and equipment, net | 174,408 | 176,183 |
| Total Noncurrent Assets | <u>641,470</u> | <u>419,835</u> |
| TOTAL ASSETS | <u>\$ 3,623,657</u> | <u>\$ 2,896,420</u> |

LIABILITIES AND NET ASSETS

| | | |
|--|---------------------|---------------------|
| <u>Current Liabilities:</u> (Notes 2 and 10) | | |
| Accounts payable and accrued expenses | \$ 130,647 | \$ 55,367 |
| Accrued payroll and related liabilities | 154,162 | 135,311 |
| Deferred revenue | 250 | 336,047 |
| Total Current Liabilities | <u>285,059</u> | <u>526,725</u> |
| Total Liabilities | <u>285,059</u> | <u>526,725</u> |
| <u>Commitments and Contingencies</u> (Notes 8 and 10) | | |
| <u>Net Assets:</u> (Notes 2 and 9) | | |
| Without donor restrictions | 2,170,133 | 1,769,483 |
| With donor restrictions | 1,168,465 | 600,212 |
| Total Net Assets | <u>3,338,598</u> | <u>2,369,695</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 3,623,657</u> | <u>\$ 2,896,420</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, 2021 AND 2020**

| | 2021 | | | 2020 | | |
|--|----------------------------------|-------------------------------|---------------------|----------------------------------|-------------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenue and Support: | | | | | | |
| Contributions | \$ 2,369,479 | \$ 1,744,081 | \$ 4,113,560 | \$ 1,503,305 | \$ 1,424,118 | \$ 2,927,423 |
| Special events, net of related expenses of \$196,951 and \$62,669, respectively | 819,111 | - | 819,111 | 753,217 | - | 753,217 |
| In-kind contributions | 289,427 | - | 289,427 | 138,506 | - | 138,506 |
| Other income | 6,672 | - | 6,672 | 33,575 | - | 33,575 |
| Investment income | 3,121 | - | 3,121 | 1,180 | - | 1,180 |
| Net assets released from restrictions | 1,175,828 | (1,175,828) | - | 1,226,639 | (1,226,639) | - |
| Total Revenue and Support | 4,663,638 | 568,253 | 5,231,891 | 3,656,422 | 197,479 | 3,853,901 |
| Expenses: | | | | | | |
| Program Services: | | | | | | |
| Empowerment | 1,325,609 | - | 1,325,609 | 487,818 | - | 487,818 |
| Basic needs | 852,331 | - | 852,331 | 692,196 | - | 692,196 |
| Connections | 705,991 | - | 705,991 | 663,263 | - | 663,263 |
| Knowledge | 292,121 | - | 292,121 | 626,086 | - | 626,086 |
| Total Program Services | 3,176,052 | - | 3,176,052 | 2,469,363 | - | 2,469,363 |
| Supporting Services: | | | | | | |
| General and administrative | 351,862 | - | 351,862 | 398,748 | - | 398,748 |
| Fundraising | 735,074 | - | 735,074 | 665,731 | - | 665,731 |
| Total Supporting Services | 1,086,936 | - | 1,086,936 | 1,064,479 | - | 1,064,479 |
| Total Expenses | 4,262,988 | - | 4,262,988 | 3,533,842 | - | 3,533,842 |
| Change in Net Assets | 400,650 | 568,253 | 968,903 | 122,580 | 197,479 | 320,059 |
| Net Assets at Beginning of Year | 1,769,483 | 600,212 | 2,369,695 | 1,646,903 | 402,733 | 2,049,636 |
| NET ASSETS AT END OF YEAR | \$ 2,170,133 | \$ 1,168,465 | \$ 3,338,598 | \$ 1,769,483 | \$ 600,212 | \$ 2,369,695 |

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, 2021**

| | Program Services | | | | Total Program Services | Supporting Services | | Total Supporting Services | Total Expenses |
|---|---------------------|-------------------|-------------------|-------------------|------------------------------|----------------------------------|-------------------|---------------------------------|---------------------|
| | Empowerment | Basic Needs | Connections | Knowledge | | General and Administrative | Fundraising | | |
| Advertising, marketing and promotional events | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 15,137 | \$ 15,137 | \$ 15,137 |
| Conference, meetings and training | 15,014 | - | 123 | 234 | 15,371 | 27,837 | 7,444 | 35,281 | 50,652 |
| Contract labor | 43,731 | 4,454 | 55,894 | 100,280 | 204,359 | 201,807 | 179,185 | 380,992 | 585,351 |
| Depreciation | 6,975 | 34,100 | 1,120 | 800 | 42,995 | 5,424 | 2,820 | 8,244 | 51,239 |
| Insurance | 3,910 | 1,746 | 2,457 | 2,333 | 10,446 | 1,406 | 3,601 | 5,007 | 15,453 |
| Office expense | 52,440 | 17,413 | 20,071 | 18,934 | 108,858 | 28,477 | 61,298 | 89,775 | 198,633 |
| Postage and shipping | - | 220 | 55 | 61 | 336 | 878 | 4,899 | 5,777 | 6,113 |
| Printing | 1,133 | 468 | 9,407 | 2,823 | 13,831 | 1,024 | 11,239 | 12,263 | 26,094 |
| Program related expenses | 166,228 | 516,274 | 436,894 | 29,576 | 1,148,972 | - | - | - | 1,148,972 |
| Salaries and related benefits | 1,035,551 | 276,696 | 179,392 | 136,919 | 1,628,558 | 84,418 | 448,212 | 532,630 | 2,161,188 |
| Travel | 627 | 960 | 578 | 161 | 2,326 | 591 | 1,239 | 1,830 | 4,156 |
| Total Expenses | <u>\$ 1,325,609</u> | <u>\$ 852,331</u> | <u>\$ 705,991</u> | <u>\$ 292,121</u> | <u>\$ 3,176,052</u> | <u>\$ 351,862</u> | <u>\$ 735,074</u> | <u>\$ 1,086,936</u> | <u>\$ 4,262,988</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
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

| | <u>2021</u> | <u>2020</u> |
|--|-------------------------|-------------------------|
| <u>Cash Flows From Operating Activities:</u> | | |
| Change in net assets | \$ 968,903 | \$ 320,059 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 51,239 | 43,278 |
| Net realized and unrealized gain on investments | (1,402) | (105) |
| Donated stock | (303,116) | (291,355) |
| (Increase) Decrease in: | | |
| Contributions receivable, net | (488,691) | 367,366 |
| Prepaid expenses and other assets | 29,968 | (39,807) |
| Increase (Decrease) in: | | |
| Accounts payable and accrued expenses | 75,280 | 20,069 |
| Accrued payroll and related liabilities | 18,851 | 61,462 |
| Deferred revenue | (335,797) | 332,347 |
| Net Cash Provided by Operating Activities | <u>15,235</u> | <u>813,314</u> |
| <u>Cash Flows From Investing Activities:</u> | | |
| Investment (purchases)/sales, net | 303,090 | 291,320 |
| Purchase of property and equipment | <u>(49,464)</u> | <u>(22,287)</u> |
| Net Cash Provided by Investing Activities | <u>253,626</u> | <u>269,033</u> |
| Net Increase in Cash and Cash Equivalents and Restricted Cash | 268,861 | 1,082,347 |
| Cash and Cash Equivalents and Restricted Cash at Beginning of Year | <u>2,205,950</u> | <u>1,123,603</u> |
| CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR | <u>\$ 2,474,811</u> | <u>\$ 2,205,950</u> |

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

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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:

- *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.
- *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.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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, 2021 AND 2020**

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, 2021 and 2020.

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 |
| Vehicle | 5 years |
| Leasehold improvements | 5 years |

Depreciation totaled \$51,239 and \$43,278 for the years ended June 30, 2021 and 2020, 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 \$111,474 and \$79,374 at June 30, 2021 and 2020, 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, 2021 AND 2020**

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. 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 \$250 and \$-0- at June 30, 2021 and 2020, 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 years ended June 30, 2021 and 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 \$272,627 and \$121,706 for the years ended June 30, 2021 and 2020, 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 for each of the years ended June 30, 2021 and 2020 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, 2021 AND 2020**

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, 2021, 2020, 2019, and 2018 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>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Cash and cash equivalents | \$ 2,441,811 | \$ 2,172,950 |
| Restricted cash | <u>33,000</u> | <u>33,000</u> |
| Total Cash and Cash Equivalents and Restricted Cash | <u>\$ 2,474,811</u> | <u>\$ 2,205,950</u> |

Subsequent Events

JIT has evaluated subsequent events through October 20, 2021, 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.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Cash and cash equivalents | \$ 2,441,811 | \$ 2,172,950 |
| Contributions receivable | <u>705,107</u> | <u>216,416</u> |
| Financial assets available to meet general expenditures within one year | <u>\$ 3,146,918</u> | <u>\$ 2,389,366</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.

Note 4 - Fair Value Measurements:

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

| | <u>2021</u> | | | |
|--|---|--|--|-------------------------------------|
| | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> | <u>Balance at June 30, 2021</u> |
| Investments at Rancho Santa Fe Foundation | \$ - | \$ 7,387 | \$ - | \$ 7,387 |
| | <u>\$ -</u> | <u>\$ 7,387</u> | <u>\$ -</u> | <u>\$ 7,387</u> |
| | | | | |
| | <u>2020</u> | | | |
| | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> | <u>Balance at June 30, 2020</u> |
| Investments at Rancho Santa Fe Foundation | \$ - | \$ 5,959 | \$ - | \$ 5,959 |
| | <u>\$ -</u> | <u>\$ 5,959</u> | <u>\$ -</u> | <u>\$ 5,959</u> |

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

Note 5 - Investments:

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

| | <u>2021</u> | <u>2020</u> |
|----------------------------|-----------------|-----------------|
| Rancho Santa Fe Foundation | \$ 7,387 | \$ 5,959 |
| Total Investments | <u>\$ 7,387</u> | <u>\$ 5,959</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 24% fixed income, 38% domestic equities, 17% international equities, 6% emerging markets and 15% cash and cash equivalents.

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

| | <u>2021</u> | <u>2020</u> |
|-------------------------------|-----------------|-----------------|
| Interest and dividend income | \$ 1,817 | \$ 1,175 |
| Realized and unrealized gains | 1,402 | 105 |
| Investment fees | (98) | (100) |
| Total Investment Income | <u>\$ 3,121</u> | <u>\$ 1,180</u> |

Note 6 - Contributions Receivable:

Contributions receivable consist of the following at June 30:

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------|-------------------|-------------------|
| Current: | | |
| Receivables due in less than one year | \$ 481,697 | \$ 216,416 |
| Total Current | <u>481,697</u> | <u>216,416</u> |
| Noncurrent: | | |
| Receivables due in one-to-five years | 435,000 | 213,333 |
| Less: Discounts to present value | (938) | (2,681) |
| Total Noncurrent, Net | <u>434,062</u> | <u>210,652</u> |
| Total Contributions Receivable, Net | <u>\$ 915,759</u> | <u>\$ 427,068</u> |

JIT received a pledge in the amount of \$75,000 in 2018 for which payment is conditional in nature. Payment in the amount of \$25,000 and \$25,000 has been received and recognized at June 30, 2021 and 2020, respectively. The remaining pledge amount totaling \$25,000 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 .07% to 0.17% at June 30, 2021 and 2020, respectively.

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Note 7 - Property and Equipment:

Property and equipment consist of the following at June 30:

| | <u>2021</u> | <u>2020</u> |
|--------------------------------|-------------------|-------------------|
| Office equipment and computers | \$ 53,797 | \$ 5,808 |
| Vehicle | 57,098 | 57,098 |
| Leasehold improvements | <u>169,955</u> | <u>168,480</u> |
| Subtotal | 280,850 | 231,386 |
| Less: Accumulated depreciation | <u>(106,442)</u> | <u>(55,203)</u> |
| Property and Equipment, Net | <u>\$ 174,408</u> | <u>\$ 176,183</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, 2021 and 2020, 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>2021</u> | <u>2020</u> |
|--|---------------------|-------------------|
| Subject to Expenditure for Specified Purpose: | | |
| Connections | \$ 120,727 | \$ 6,000 |
| Basic needs | 107,940 | 99,901 |
| Empowerment | 57,373 | 67,183 |
| Knowledge | - | 59,556 |
| Administrative | <u>-</u> | <u>3,587</u> |
| Total Subject to Expenditure for Specified Purpose | 286,040 | 236,227 |
| Subject to the Passage of Time: | | |
| Contributions receivable, net | <u>882,425</u> | <u>363,985</u> |
| Total Subject to the Passage of Time | 882,425 | 363,985 |
| Total Net Assets With Donor Restrictions | <u>\$ 1,168,465</u> | <u>\$ 600,212</u> |

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Note 9 - Net Assets With Donor Restrictions: (Continued)

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>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Purpose Restrictions Accomplished: | | |
| Knowledge | \$ 526,518 | \$ 537,238 |
| Basic needs | 199,202 | 409,390 |
| Empowerment | 158,090 | 190,546 |
| Connections | 80,823 | 18,451 |
| Administrative | 5,573 | - |
| New office | - | 20,000 |
| Time Restrictions Fulfilled | <u>205,622</u> | <u>51,014</u> |
| Total Net Assets Released From Restrictions | <u>\$ 1,175,828</u> | <u>\$ 1,226,639</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 \$84,329 and \$81,863 for the years ended June 30, 2021 and 2020, 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, however was terminated on August 31, 2020 and will not be renewed. Rent expense totaled \$6,400 and \$38,400 for the years ended June 30, 2021 and 2020, 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 \$58,134 and \$57,788 for the years ended June 30, 2021 and 2020, respectively, and is included with program-related expenses.

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

| <u>Years Ended June 30</u> | |
|--------------------------------|-------------------|
| 2022 | \$ 134,326 |
| 2023 | <u>47,778</u> |
| | <u>\$ 182,104</u> |

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

Note 10 - Commitments and Contingencies: (Continued)

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. 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 at June 30, 2021 and 2020. The aggregate outstanding balance of all loans under the automobile loan program totaled \$51,234 and \$50,974 at June 30, 2021 and 2020, 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. JIT has recognized \$336,047 as revenue for the year ended June 30, 2021 due to forgiveness being granted by the U.S. Small Business Administration on February 12, 2021.

Coronavirus Pandemic Contingency

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad impact on commerce and financial markets around the world. The United States and global markets experienced significant fluctuations in value resulting from uncertainty caused by the pandemic. JIT management and its Board Finance Committee is closely monitoring its investment portfolio and its liquidity and is actively working to minimize any negative impact fluctuating markets may have on JIT's investments. The extent of the impact of COVID-19 on JIT's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on JIT's donors, employees, and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact JIT's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.