



**FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**JUST IN TIME FOR FOSTER YOUTH  
FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

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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

### **Opinion**

We have audited the accompanying financial statements of Just in Time for Foster Youth (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Just in Time for Foster Youth as of June 30, 2022 and 2021, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Just in Time for Foster Youth, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Just in Time for Foster Youth's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Just in Time for Foster Youth's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Just in Time for Foster Youth's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Leaf & Cole LLP*

San Diego, California  
November 4, 2022

**JUST IN TIME FOR FOSTER YOUTH  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

**ASSETS**

	<u>2022</u>	<u>2021</u>
<b><u>Current Assets:</u></b> (Notes 2, 4, 5 and 6)		
Cash and cash equivalents	\$ 3,496,280	\$ 2,441,811
Investments	6,530	7,387
Contributions receivable	279,866	481,697
Prepaid expenses and other assets	35,909	51,292
Total Current Assets	<u>3,818,585</u>	<u>2,982,187</u>
<b><u>Noncurrent Assets:</u></b> (Notes 2, 6, 7, 8 and 10)		
Restricted cash	33,000	33,000
Contributions receivable, net	249,563	434,062
Property and equipment, net	169,927	174,408
Total Noncurrent Assets	<u>452,490</u>	<u>641,470</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,271,075</u>	<u>\$ 3,623,657</u>

**LIABILITIES AND NET ASSETS**

<b><u>Current Liabilities:</u></b> (Note 2)		
Accounts payable and accrued expenses	\$ 112,747	\$ 130,647
Accrued payroll and related liabilities	179,435	154,162
Deferred revenue	2,030	250
Total Current Liabilities	<u>294,212</u>	<u>285,059</u>
Total Liabilities	<u>294,212</u>	<u>285,059</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	3,114,487	2,170,133
With donor restrictions	862,376	1,168,465
Total Net Assets	<u>3,976,863</u>	<u>3,338,598</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,271,075</u>	<u>\$ 3,623,657</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, 2022 AND 2021**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support:</b>						
Contributions	\$ 3,019,988	\$ 1,296,974	\$ 4,316,962	\$ 2,369,479	\$ 1,744,081	\$ 4,113,560
Special events, net of related expenses of \$166,119 and \$196,951, respectively	904,743	-	904,743	819,111	-	819,111
In-kind contributions	171,173	-	171,173	289,427	-	289,427
Other income	14,306	-	14,306	6,672	-	6,672
Investment (loss) income	(10,199)	-	(10,199)	3,121	-	3,121
Net assets released from restrictions	1,603,063	(1,603,063)	-	1,175,828	(1,175,828)	-
Total Revenue and Support	<u>5,703,074</u>	<u>(306,089)</u>	<u>5,396,985</u>	<u>4,663,638</u>	<u>568,253</u>	<u>5,231,891</u>
<b>Expenses:</b>						
<b>Program Services:</b>						
Connections	1,660,236	-	1,660,236	1,325,609	-	1,325,609
Basic needs	839,068	-	839,068	852,331	-	852,331
Knowledge	716,366	-	716,366	705,991	-	705,991
Empowerment	301,433	-	301,433	292,121	-	292,121
Total Program Services	<u>3,517,103</u>	<u>-</u>	<u>3,517,103</u>	<u>3,176,052</u>	<u>-</u>	<u>3,176,052</u>
<b>Supporting Services:</b>						
General and administrative	449,279	-	449,279	351,862	-	351,862
Fundraising	792,338	-	792,338	735,074	-	735,074
Total Supporting Services	<u>1,241,617</u>	<u>-</u>	<u>1,241,617</u>	<u>1,086,936</u>	<u>-</u>	<u>1,086,936</u>
Total Expenses	<u>4,758,720</u>	<u>-</u>	<u>4,758,720</u>	<u>4,262,988</u>	<u>-</u>	<u>4,262,988</u>
Change in Net Assets	944,354	(306,089)	638,265	400,650	568,253	968,903
Net Assets at Beginning of Year	<u>2,170,133</u>	<u>1,168,465</u>	<u>3,338,598</u>	<u>1,769,483</u>	<u>600,212</u>	<u>2,369,695</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 3,114,487</u>	<u>\$ 862,376</u>	<u>\$ 3,976,863</u>	<u>\$ 2,170,133</u>	<u>\$ 1,168,465</u>	<u>\$ 3,338,598</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, 2022**

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Connections	Basic Needs	Knowledge	Empowerment		General and Administrative	Fundraising		
Advertising, marketing and promotional events	\$ 400	\$ -	\$ 700	\$ -	\$ 1,100	\$ -	\$ 24,587	\$ 24,587	\$ 25,687
Conference, meetings and training	705	-	88	-	793	43,228	7,301	50,529	51,322
Contract labor	77,697	3,978	4,673	71,560	157,908	167,878	194,960	362,838	520,746
Depreciation	11,412	37,399	2,867	2,515	54,193	5,607	3,942	9,549	63,742
Insurance	10,633	2,494	3,174	1,995	18,296	635	3,741	4,376	22,672
Office expense	101,175	42,091	25,154	17,727	186,147	39,312	63,422	102,734	288,881
Postage and shipping	55	55	813	615	1,538	130	6,649	6,779	8,317
Printing	2,087	772	10,170	3,016	16,045	1,306	12,627	13,933	29,978
Program related expenses	276,761	447,215	395,927	66,497	1,186,400	-	-	-	1,186,400
Salaries and related benefits	1,177,333	304,909	272,294	137,306	1,891,842	188,243	474,060	662,303	2,554,145
Travel	1,978	155	506	202	2,841	2,940	1,049	3,989	6,830
Total Expenses	<u>\$ 1,660,236</u>	<u>\$ 839,068</u>	<u>\$ 716,366</u>	<u>\$ 301,433</u>	<u>\$ 3,517,103</u>	<u>\$ 449,279</u>	<u>\$ 792,338</u>	<u>\$ 1,241,617</u>	<u>\$ 4,758,720</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, 2021**

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Connections	Basic Needs	Knowledge	Empowerment		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  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ 638,265	\$ 968,903
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	63,742	51,239
Net realized and unrealized loss (gain) on investments	11,018	(1,402)
Donated stock	(411,929)	(303,116)
<b>(Increase) Decrease in:</b>		
Contributions receivable, net	386,330	(488,691)
Prepaid expenses and other assets	15,383	29,968
<b>Increase (Decrease) in:</b>		
Accounts payable and accrued expenses	(17,900)	75,280
Accrued payroll and related liabilities	25,273	18,851
Deferred revenue	1,780	(335,797)
Net Cash Provided by Operating Activities	<u>711,962</u>	<u>15,235</u>
 <b><u>Cash Flows From Investing Activities:</u></b>		
Investment (purchases)/sales, net	401,768	303,090
Purchase of property and equipment	(59,261)	(49,464)
Net Cash Provided by Investing Activities	<u>342,507</u>	<u>253,626</u>
 Net Increase in Cash and Cash Equivalents and Restricted Cash	1,054,469	268,861
 Cash and Cash Equivalents and Restricted Cash at Beginning of Year	<u>2,474,811</u>	<u>2,205,950</u>
 <b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR</b>	 <u><u>\$ 3,529,280</u></u>	 <u><u>\$ 2,474,811</u></u>

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

**JUST IN TIME FOR FOSTER YOUTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**Note 1 - Organization:**

When young people exit the foster care system without family support, Just in Time for Foster Youth (“JIT”) welcomes them into a reliable, responsive, real community of peers and caring adults committed to their well-being and success, just as a healthy family would do. Volunteers and staff work together to fill critical gaps in resources, experiences, education, training, and, most important of all, access to trusting relationships for young people, ages 18 to 26, within San Diego County.

Historically, our society allows young people ample time to finish school, begin a career, and build a support network as they prepare to be on their own. Yet, hundreds of youth exit foster care each year to fend for themselves with a lack of preparation and resources, limited financial training or security, and no dependable safety net. It should be no surprise that a large percentage are unstable, under-employed, and set up to fail. Nationally, only 3-6% of foster youth graduate from college, and 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 long-term impact. For example, 76% of our 800+ 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 1,900 transition-age youth and alumni annually, JIT offers a broad range of services and resources, each designed to connect youth to a caring community and lasting relationships.

Additionally, JIT is unique in that former foster youth make up over half of the staff positions, using their lived experience expertise 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 through a partnering financial institution.
- *Knowledge:* College Bound, Financial Fitness, Pathways to Financial Power, and NEXTjobs work 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, with the focus on strengthening youth mentally, physically, and emotionally to overcome Adverse Childhood Experiences (ACEs) and move toward life-changing choices and healthy relationships.
- *Connections:* 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. Events throughout the year – Empower Parties, the JIT Family Reunion Picnic, annual Thanksgiving Dinner and My First Home for the Holidays - create opportunities to build and strengthen relationships for the long term. Plus, our innovative Coach Approach training for participants and volunteers builds community through effective communication and our JIT Network extends the JIT community online 24/7. JIT’s goal is to make sure every eligible youth has access to the connections they need for a sense of belonging.

**JUST IN TIME FOR FOSTER YOUTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

**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, 2022 AND 2021**

**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, 2022 and 2021.

**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 property 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 \$63,742 and \$51,239 for the years ended June 30, 2022 and 2021, 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 \$102,930 and \$111,474 at June 30, 2022 and 2021, 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, 2022 AND 2021**

**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 \$2,030 and \$250 at June 30, 2022 and 2021, 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, 2022 and 2021 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 \$154,373 and \$272,627 for the years ended June 30, 2022 and 2021, respectively, which have been recorded as in-kind 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, 2022 and 2021 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.

**JUST IN TIME FOR FOSTER YOUTH  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021**

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

**Donated Materials and Facilities (Continued)**

The following table summarizes donated services and goods measured at fair value received for the years ended June 30:

<b>2022</b>				
<b>Items Donated</b>	<b>Revenue Recognized</b>	<b>Utilization in Programs/Activities</b>	<b>Donor Restrictions</b>	<b>Valuation Techniques and Inputs</b>
Program supplies	\$152,125	Various program services	No associated donor restrictions	Estimated the fair value on the basis of estimate of current market price that would be received for selling similar products in the United States.
Rent	\$16,800	General and Administrative	No associated donor restrictions	Estimated the fair value on the basis of similar properties available in commercial real estate listings
Auction items	\$2,248	Fundraising event	Donor restriction – auction items for event	Donated auction items are valued at the gross selling price received.
<b>2021</b>				
<b>Items Donated</b>	<b>Revenue Recognized</b>	<b>Utilization in Programs/Activities</b>	<b>Donor Restrictions</b>	<b>Valuation Techniques and Inputs</b>
Program supplies	\$272,627	Various program services	No associated donor restrictions	Estimated the fair value on the basis of estimate of current market price that would be received for selling similar products in the United States.
Rent	\$16,800	General and Administrative	No associated donor restrictions	Estimated the fair value on the basis of similar properties available in commercial real estate listings

**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, 2022 AND 2021**

**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, 2022, 2021, 2020, and 2019 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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,496,280	\$ 2,441,811
Restricted cash	33,000	33,000
Total Cash and Cash Equivalents and Restricted Cash	<u>\$ 3,529,280</u>	<u>\$ 2,474,811</u>

**Accounting Pronouncement Adopted**

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. ASU 2020-07 improves transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit entities. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure movements. This standard is applied on a retrospective basis. The adoption had no effect on the 2022 financial statements.

**Subsequent Events**

JIT has evaluated subsequent events through November 4, 2022, 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.

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**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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,496,280	\$ 2,441,811
Contributions receivable	<u>279,866</u>	<u>481,697</u>
Financial assets available to meet general expenditures within one year	<u>\$ 3,776,146</u>	<u>\$ 2,923,508</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:

	2022			Balance at June 30, 2022
	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	\$ -	\$ 6,530	\$ -	\$ 6,530
	\$ -	\$ 6,530	\$ -	\$ 6,530
	2021			Balance at June 30, 2021
	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	\$ -	\$ 7,387	\$ -	\$ 7,387
	\$ -	\$ 7,387	\$ -	\$ 7,387



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**Note 5 - Investments:**

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

	<u>2022</u>	<u>2021</u>
Rancho Santa Fe Foundation	\$ 6,530	\$ 7,387
Total Investments	<u>\$ 6,530</u>	<u>\$ 7,387</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 26% fixed income, 37% domestic equities, 16% international equities, 5% emerging markets, 10% cash and cash equivalents and 6% real assets.

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

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 892	\$ 1,817
Realized and unrealized (loss) gain	(11,018)	1,402
Investment fees	(73)	(98)
Total Investment (Loss) Income	<u>\$ (10,199)</u>	<u>\$ 3,121</u>

**Note 6 - Contributions Receivable:**

Contributions receivable consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Current:		
Receivables due in less than one year	\$ 279,866	\$ 481,697
Total Current	<u>279,866</u>	<u>481,697</u>
Noncurrent:		
Receivables due in one-to-five years	250,000	435,000
Less: Discounts to present value	(437)	(938)
Total Noncurrent, Net	<u>249,563</u>	<u>434,062</u>
Total Contributions Receivable, Net	<u>\$ 529,429</u>	<u>\$ 915,759</u>

Contributions receivable have been discounted to their present value, using a discount rate ranging from .07% to .17% at June 30, 2022 and 2021, respectively.

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**Note 7 - Property and Equipment:**

Property and equipment consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Office equipment and computers	\$ 59,605	\$ 53,797
Vehicle	57,098	57,098
Leasehold improvements	<u>223,408</u>	<u>169,955</u>
Subtotal	340,111	280,850
Less: Accumulated depreciation	<u>(170,184)</u>	<u>(106,442)</u>
Property and Equipment, Net	<u>\$ 169,927</u>	<u>\$ 174,408</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, 2022 and 2021.

**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>2022</u>	<u>2021</u>
<b>Subject to Expenditure for Specified Purpose:</b>		
Basic needs	\$ 216,489	\$ 107,940
Knowledge	78,314	-
Connections	66,327	120,727
Other restricted	15,000	-
Empowerment	<u>5,715</u>	<u>57,373</u>
Total Subject to Expenditure for Specified Purpose	381,845	286,040
<b>Subject to the Passage of Time:</b>		
Contributions receivable, net	<u>480,531</u>	<u>882,425</u>
Total Subject to the Passage of Time	480,531	882,425
Total Net Assets With Donor Restrictions	<u>\$ 862,376</u>	<u>\$ 1,168,465</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>2022</u>	<u>2021</u>
<b>Purpose Restrictions Accomplished:</b>		
Knowledge	\$ 459,526	\$ 526,518
Basic needs	370,856	199,202
Empowerment	239,885	158,090
Connections	76,400	80,823
Other restricted	10,000	-
Administrative	-	5,573
<b>Time Restrictions Fulfilled</b>	<u>446,396</u>	<u>205,622</u>
Total Net Assets Released From Restrictions	<u>\$ 1,603,063</u>	<u>\$ 1,175,828</u>

**Note 10 - Commitments and Contingencies:**

**Operating Leases**

JIT leases office space under a lease agreement that expires on June 30, 2027. Rent expense totaled \$86,837 and \$84,329 for the years ended June 30, 2022 and 2021, respectively, and is included with office expense.

JIT leases storage space under a lease agreement that expires on April 30, 2023. Storage expense totaled \$65,416 and \$58,134 for the years ended June 30, 2022 and 2021, 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>	
2023	\$ 182,622
2024	140,238
2025	145,847
2026	151,681
2027	<u>157,749</u>
	<u>\$ 778,137</u>

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**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 each of the years ended June 30, 2022 and 2021. The aggregate outstanding balance of all loans under the automobile loan program totaled \$44,154 and \$51,234 at June 30, 2022 and 2021, respectively.

**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.