Just in Time FOR FOSTER YOUTH

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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

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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, 2023 and 2022, 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, 2023 and 2022, 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 audits. 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.

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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.

Change in Accounting Principle

As described in Note 2 to the financial statements, Just in Time for Foster Youth adopted accounting standards changes related to accounting for and disclosing of lease arrangements. Our opinion is not modified with respect to this matter.

Leaf & Cole LLP

San Diego, California
October 25, 2023

JUST IN TIME FOR FOSTER YOUTH
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
Current Assets: (Notes 2, 4, 5 and 6)		
Cash and cash equivalents	$ 2,024,999	$ 3,496,280
Investments	810,640	6,530
Accounts receivable	20,078	-
Contributions receivable	864,998	279,866
Prepaid expenses and other assets	51,645	35,909
Total Current Assets	3,772,360	3,818,585
Noncurrent Assets: (Notes 2, 6, 7, 8 and 10)		
Restricted cash	33,000	33,000
Contributions receivable, net	501,800	249,563
Property and equipment, net	258,888	169,927
Right-of-use assets - operating leases, net	835,518	-
Total Noncurrent Assets	1,629,206	452,490
TOTAL ASSETS	$ 5,401,566	$ 4,271,075

LIABILITIES AND NET ASSETS

	2023	2022
Current Liabilities: (Notes 2 and 10)		
Accounts payable and accrued expenses	$ 242,908	$ 112,747
Accrued payroll and related liabilities	197,240	179,435
Deferred revenue	-	2,030
Operating lease liability	185,174	-
Total Current Liabilities	625,322	294,212
Noncurrent liabilities: (Notes 2 and 10)		
Operating lease liability, net of current portion	680,559	-
Total Noncurrent Liabilities	680,559	-
Total Liabilities	1,305,881	294,212
Commitments and Contingencies (Notes 8 and 10)		
Net Assets: (Notes 2 and 9)		
Without donor restrictions	2,552,498	3,114,487
With donor restrictions	1,543,187	862,376
Total Net Assets	4,095,685	3,976,863
TOTAL LIABILITIES AND NET ASSETS	$ 5,401,566	$ 4,271,075

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, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contributions	$ 2,844,574	$ 1,869,486	$ 4,714,060	$ 3,019,988	$ 1,296,974	$ 4,316,962
Special events, net of related expenses of $156,832 and $166,119, respectively	1,059,990	-	1,059,990	904,743	-	904,743
In-kind contributions	133,958	-	133,958	171,173	-	171,173
Investment income (loss)	83,470	-	83,470	(10,199)	-	(10,199)
Other income	445	-	445	14,306	-	14,306
Net assets released from restrictions	1,188,675	(1,188,675)	-	1,603,063	(1,603,063)	-
Total Revenue and Support	5,311,112	680,811	5,991,923	5,703,074	(306,089)	5,396,985
Expenses:						
Program Services:						
Connections	2,163,311	-	2,163,311	1,660,236	-	1,660,236
Knowledge	845,056	-	845,056	716,366	-	716,366
Basic needs	951,304	-	951,304	839,068	-	839,068
Empowerment	475,829	-	475,829	301,433	-	301,433
Total Program Services	4,435,500	-	4,435,500	3,517,103	-	3,517,103
Supporting Services:						
General and administrative	435,052	-	435,052	449,279	-	449,279
Fundraising	1,002,549	-	1,002,549	792,338	-	792,338
Total Supporting Services	1,437,601	-	1,437,601	1,241,617	-	1,241,617
Total Expenses	5,873,101	-	5,873,101	4,758,720	-	4,758,720
Change in Net Assets	(561,989)	680,811	118,822	944,354	(306,089)	638,265
Net Assets at Beginning of Year	3,114,487	862,376	3,976,863	2,170,133	1,168,465	3,338,598
NET ASSETS AT END OF YEAR	$ 2,552,498	$ 1,543,187	$ 4,095,685	$ 3,114,487	$ 862,376	$ 3,976,863

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, 2023

	Program Services					Supporting Services			
	Connections	Knowledge	Basic Needs	Empowerment	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Advertising, marketing and promotional events	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,051	$ 31,051	$ 31,051
Conference, meetings and training	14,652	86	72	1,060	15,870	45,514	26,628	72,142	88,012
Contract labor	166,470	7,567	6,334	19,472	199,843	201,976	167,108	369,084	568,927
Depreciation	17,264	4,905	39,208	10,650	72,027	6,610	6,079	12,689	84,716
Insurance	12,710	3,794	2,981	2,385	21,870	759	4,472	5,231	27,101
Office expense	137,556	34,480	68,784	38,128	278,948	68,736	90,783	159,519	438,467
Postage and shipping	120	435	246	250	1,051	302	9,595	9,897	10,948
Printing	28,038	5,179	6,693	2,627	42,537	1,564	24,919	26,483	69,020
Program related expenses	297,275	583,534	445,819	81,982	1,408,610	-	-	-	1,408,610
Salaries and related benefits	1,474,693	309,378	274,463	318,923	2,377,457	106,858	640,455	747,313	3,124,770
Travel	14,533	1,946	456	352	17,287	2,733	1,459	4,192	21,479
Total Expenses	$ 2,163,311	$ 951,304	$ 845,056	$ 475,829	$ 4,435,500	$ 435,052	$ 1,002,549	$ 1,437,601	$ 5,873,101

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					Supporting Services			
	Connections	Basic Needs	Knowledge	Empowerment	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
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	$ 1,660,236	$ 839,068	$ 716,366	$ 301,433	$ 3,517,103	$ 449,279	$ 792,338	$ 1,241,617	$ 4,758,720

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, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities:		
Change in net assets	$ 118,822	$ 638,265
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	84,716	63,742
Net realized and unrealized (gain) loss on investments	(47,688)	11,018
Donated stock	(75,166)	(411,929)
Right-of-use assets – operating leases, net	171,713	-
(Increase) Decrease in:		
Accounts receivable	(20,078)	
Contributions receivable, net	(837,369)	386,330
Prepaid expenses and other assets	(15,736)	15,383
Increase (Decrease) in:		
Accounts payable and accrued expenses	130,161	(17,900)
Accrued payroll and related liabilities	17,805	25,273
Deferred revenue	(2,030)	1,780
Operating lease liability	(141,498)	-
Net Cash (Used in) Provided by Operating Activities	(616,348)	711,962
Cash Flows From Investing Activities:		
Investment (purchases)/sales, net	(681,256)	401,768
Purchase of property and equipment	(173,677)	(59,261)
Net Cash (Used in) Provided by Investing Activities	(854,933)	342,507
Net (Decrease) Increase in Cash and Cash Equivalents and Restricted Cash	(1,471,281)	1,054,469
Cash and Cash Equivalents and Restricted Cash at Beginning of Year	3,529,280	2,474,811
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$ 2,057,999	$ 3,529,280
Supplemental Disclosure of Cash Flow Information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	$ 193,660	$ -
Right-of-use assets upon ASC 842 implementation:		
Operating leases	$ 1,007,231	$ -
Right-of-use assets after ASC 842 implementation:		
Operating leases	$ 835,518	$ -

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

Note 1 - Organization:

Just in Time for Foster Youth (JIT) is a San Diego based nonprofit that creates access to the essential lasting relationships and critical resources leading to more equitable outcomes for young people impacted by foster care. Since 2003, JIT has partnered with the transition age youth it serves, ages 18-26, leveraging their lived expertise to design, implement, and evolve the eco-system of services offered through a reliable, responsive, and real community of support. As JIT focuses on long-term empowerment and impacts, it identifies innovative ideas and best practices to share with others whose missions and values are aligned and who want to join JIT in leading change.

Most young people have 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.

Just in Time offers a very different future for young people impacted by foster care. It has proven that meaningful connections to caring adults, staff with lived experience in foster care, and peers who also strive to succeed result in long-term positive impacts. For example, 77% of JIT's 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 its window of service. JIT offers a broad range of services and resources, each designed to connect youth to a caring community and lasting relationships. These 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.

• *Knowledge*: College Bound, Financial Fitness, Pathways to Financial Power, and NEXTjobs provide tools and support for success in education, employment, and financial stability.

• *Empowerment:* Rise to Resilience, My Life My Story, and on-site Therapy focus on strengthening youth mentally, physically, and emotionally to mitigate the toxic stress of 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 its participants is at the heart of JIT's model for lasting change. Every JIT event and activity is an opportunity to build valuable connections.

In addition to the direct services JIT provides, JIT recently published a book called *Life Changing Choices: The 7 Essential Choices at the Heart of Transformational Change for Foster Youth and Your Community.* The book is a call to action for child welfare systems and other communities across the U.S. to embrace a very different mental model, including seven significant, life-altering choices that are critical to changing the outcomes for foster youth. JIT is currently working with like-minded nonprofits throughout the United States so that all young people impacted by foster care can benefit from JIT's community-based model.

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.

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.

- Jewish Community 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, Jewish Community Foundation.

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 accounts receivable and contributions receivable are fully collectible; therefore, no allowance for doubtful accounts receivable and contributions receivable was recorded at June 30, 2023 and 2022.

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 $84,716 and $63,742 for the years ended June 30, 2023 and 2022, 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.

Note 2 - Significant Accounting Policies: (Continued)

Compensated Absences

Accumulated unpaid vacation totaling $125,747 and $102,930 at June 30, 2023 and 2022, respectively, is accrued when earned, and included in accrued payroll and related liabilities.

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 $-0- and $2,030 at June 30, 2023 and 2022, 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, 2023 and 2022 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 $117,158 and $154,373 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022, 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.

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:

2023

Items Donated	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Program supplies	$117,158	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

2022

Items Donated	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
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.

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.

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, 2023, 2022, 2021 and 2020 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:

	2023	2022
Cash and cash equivalents	$ 2,024,999	$ 3,496,280
Restricted cash	33,000	33,000
Total Cash and Cash Equivalents and Restricted Cash	$ 2,057,999	$ 3,529,280

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification *("ASC") 842, Leases ("FASB ASC 842")* to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the statements of financial position by lessees, and the disclosures of key information about leasing arrangements.

JIT adopted this guidance Accounting Standards Codification (ASC) 842 in 2022 using the effective date transition method which allows JIT to apply the guidance for the current year presentation and not adjust the prior year numbers. JIT elected the package of practical expedients that allows an entity to not reassess (i) whether any expired or existing contracts are or contain leases, (ii) lease classification for any expired or existing leases and (iii) initial direct costs for any expired or existing leases. JIT did not elect to use hindsight for leases existing at the adoption date.

As a result of the adoption of FASB ASC 842 on July 1, 2022, right of use assets of $1,007,231 and operating lease liability of $1,007,231 were recorded.

Note 2 - Significant Accounting Policies: (Continued)

Lease

JIT leases office space under a lease agreement that expires on June 30, 2027. JIT leases storage space under a lease agreement that expires on April 30, 2028. Pursuant to the guidance for accounting for leases, JIT accounts for the operating leases as noted below.

JIT determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of, and obtain substantially all of the economic benefits from, the use of an asset for a period of time in exchange for consideration.

Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. JIT use the risk-free rate in determining the present value of the lease payments.

The operating lease right-of-use asset also includes any lease payments made, and excludes lease incentives. The lease term may include options to extend or terminate the lease when it is reasonably certain that JIT will exercise that option. The lease does not contain any material residual value guarantee or material restrictive covenants. Lease expense for lease payments is recognized on the straight-line basis over the lease term.

Subsequent Events

JIT has evaluated subsequent events through October 25, 2023, 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.

Reclassification

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

Note 3 - Liquidity and Availability

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

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

	2023	2022
Cash and cash equivalents	$ 2,024,999	$ 3,496,280
Investments	810,640	6,530
Accounts receivable	20,078	-
Contributions receivable	864,998	279,866
Financial assets available to meet general expenditures within one year	$ 3,720,715	$ 3,782,676

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:

	2023			
	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, 2023
Investments at Rancho Santa Fe Foundation	$ -	$ 6,981	$ -	$ 6,981
Investments at Jewish Community Foundation	-	803,659	-	803,659
	$ -	$ 810,640	$ -	$ 810,640

	2022			
	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, 2022
Investments at Rancho Santa Fe Foundation	$ -	$ 6,530	$ -	$ 6,530
	$ -	$ 6,530	$ -	$ 6,530

Note 5 - Investments:

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

	2023	2022
Rancho Santa Fe Foundation	$ 6,981	$ 6,530
Jewish Community Foundation	803,659	-
Total Investments	$ 810,640	$ 6,530

The investments held at Rancho Santa Fe Foundation ("RSF") are classified as without donor restrictions. The investments are held in an investment pool. RSF invests in 63% equities, 30% fixed income, 5% real assets/REITs and 2% cash and cash equivalents. The investments held at Jewish Community Foundation ("JCF") are classified as without donor restrictions. The investments are held in a Long Term investment pool. JCF invests in 75% equities and 25% fixed income.

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

	2023	2022
Interest and dividend income	$ 39,517	$ 892
Realized and unrealized gain (loss)	47,688	(11,018)
Investment fees	(3,735)	(73)
Total Investment Income (Loss)	$ 83,470	$ (10,199)

Note 6 - Contributions Receivable:

Contributions receivable consist of the following at June 30:

	2023	2022
Current:		
Receivables due in less than one year	$ 864,998	$ 279,866
Total Current	864,998	279,866
Noncurrent:		
Receivables due in one-to-five years	555,000	250,000
Less: Discounts to present value	(53,200)	(437)
Total Noncurrent, Net	501,800	249,563
Total Contributions Receivable, Net	$ 1,366,798	$ 529,429

Contributions receivable have been discounted to their present value, using a discount rate ranging from .07% to 5.42%, and from .07% to .17%, at June 30, 2023 and 2022, respectively.

Note 7 - Property and Equipment:

Property and equipment consist of the following at June 30:

	2023	2022
Office equipment and computers	$ 65,413	$ 59,605
Vehicle	391,277	57,098
Leasehold improvements	57,098	223,408
Subtotal	513,788	340,111
Less: Accumulated depreciation	(254,900)	(170,184)
Property and Equipment, Net	$ 258,888	$ 169,927

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 11.32% per annum, and renews annually. There was no outstanding balance at June 30, 2023 and 2022.

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:

	2023	2022
Subject to Expenditure for Specified Purpose:		
Basic needs	$ 377,201	$ 216,489
Knowledge	137,141	78,314
Empowerment	39,998	5,715
Connections	21,610	66,327
Other restricted	-	15,000
Total Subject to Expenditure for Specified Purpose	575,950	381,845
Subject to the Passage of Time:		
Contributions receivable, net	967,237	480,531
Total Subject to the Passage of Time	967,237	480,531
Total Net Assets With Donor Restrictions	$ 1,543,187	$ 862,376

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:

	2023	2022
Purpose Restrictions Accomplished:		
Knowledge	$ 325,830	$ 459,526
Basic needs	233,939	370,856
Connections	232,895	76,400
Empowerment	122,717	239,885
Other restricted	15,000	10,000
Time Restrictions Fulfilled	258,294	446,396
Total Net Assets Released From Restrictions	$ 1,188,675	$ 1,603,063

Note 10 - Commitments and Contingencies:

Operating Leases

JIT leases office space under a lease agreement that expires on June 30, 2027. Rent expense totaled $146,390 and $86,837 for the years ended June 30, 2023 and 2022, respectively, and is included with office expense. JIT leases storage space under a lease agreement that expires on April 30, 2028. Storage expense totaled $88,617 and $65,416 for the years ended June 30, 2023 and 2022, respectively, and is included with program-related expenses.

The following summarizes the line items on the statement of financial position for the operating lease at June 30, 2023:

Right-of-use assets - operating leases, net	$ 835,518
Operating lease liability - current portion	$ 185,174
Operating lease liability - noncurrent portion	680,559
Total Operating Lease Liabilities	$ 865,733

The following summarizes the weighted average remaining lease term and discount rate at June 30, 2023:

Weighted average remaining lease term - operating	53 months
Weighted average discount rate – operating	2.69%

The following summarizes the line items in the statement of activities which include the components of lease expense for the year ended June 30, 2023:

Operating lease expense	$ 235,007
Total Operating Lease Cost	$ 235,007

Note 10 - Commitments and Contingencies: (Continued)

Operating Leases (Continued)

The following summarizes cash flow information related to leases for the year ended June 30, 2023:

Operating cash outflows from operating leases	$ 193,660

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

Years Ended June 30	
2024	$ 208,122
2025	213,731
2026	219,385
2027	225,452
2028	56,570
Total Lease Payments	$ 923,260
Less: Discount	(57,527)
Present Value of Lease Liabilities	865,733

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, 2023 and 2022. The aggregate outstanding balance of all loans under the automobile loan program totaled $15,906 and $44,154 at June 30, 2023 and 2022, respectively.