

**THE C.G. JUNG INSTITUTE**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED**  
**JUNE 30, 2020 AND 2019**

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The C.G. Jung Institute

We audited the accompanying financial statements of The C.G. Jung Institute of San Francisco, a nonprofit California corporation (the "Institute"), which comprise the statements of financial position as of June 30, 2020 and 2019, and 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 the 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 the 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 the 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 of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited the Institute's 2019 financial statements, and our report dated October 23, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Ruckley Patchen*

February 14, 2021  
Walnut Creek, California

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2020 AND 2019

**ASSETS**

	2020	2019
Current Assets:		
Cash and cash equivalents	\$ 510,711	\$ 1,237,274
Accounts receivable, net	98,949	1,060,206
Prepaid expenses	11,713	19,893
Total Current Assets	621,373	2,317,373
Non-Current Assets:		
Marketable securities (Note 4)	9,914,516	8,864,007
Property and equipment (Note 5)	7,002,833	6,274,427
Total Non-Current Assets	16,917,349	15,138,434
Total Assets	\$ 17,538,722	\$ 17,455,807

**LIABILITIES AND NET ASSETS**

Current Liabilities:		
Accounts payable	\$ 171,550	\$ 48,249
Accrued vacation	75,643	53,019
Total Current Liabilities	247,193	101,268
Net Assets:		
Without Donor Restrictions		
Undesignated	16,060,143	15,549,173
With Donor Restrictions		
Subject to purpose restrictions	1,102,264	1,673,582
Perpetual in nature (Note 10)	129,122	131,784
Total Net Assets	17,291,529	17,354,539
Total Liabilities and Net Assets	\$ 17,538,722	\$ 17,455,807

The accompanying notes are an integral part of these financial statements.  
 See Independent Auditor's Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2020  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Without Restrictions	With Restrictions	Total	Total
<b>Contributions:</b>				
Contributions	\$ 268,615	\$ 52,293	\$ 320,908	\$ 1,505,929
ARAS	5,550	-	5,550	6,280
Total Contributions	<u>274,165</u>	<u>52,293</u>	<u>326,458</u>	<u>1,512,209</u>
<b>Revenue and Earned Income:</b>				
Member dues	184,708	-	184,708	183,162
Candidate tuition	98,095	-	98,095	80,252
Therapy income	132,663	-	132,663	173,202
Course fees	108,472	-	108,472	97,898
Royalties	7,857	-	7,857	5,549
Other income	101,997	-	101,997	24,351
Total Revenue and Earned Income	<u>633,792</u>	<u>-</u>	<u>633,792</u>	<u>564,414</u>
<b>Investments Income:</b>				
Dividends and interest	269,341	1,427	270,768	274,159
Net realized loss and unrealized loss in marketable securities	(121,012)	-	(121,012)	415,657
Total Investments Income	<u>148,329</u>	<u>1,427</u>	<u>149,756</u>	<u>689,816</u>
Net assets released from restrictions	<u>627,700</u>	<u>(627,700)</u>	<u>-</u>	<u>-</u>
Total Contributions and Income	<u>1,683,986</u>	<u>(573,980)</u>	<u>1,110,006</u>	<u>2,766,439</u>
<b>Expenses</b>				
Program expenses	938,665	-	938,665	942,369
Management and general	159,285	-	159,285	176,592
Fundraising	75,066	-	75,066	79,483
Total Expenses	<u>1,173,016</u>	<u>-</u>	<u>1,173,016</u>	<u>1,198,444</u>
Change in Net Assets	510,970	(573,980)	(63,010)	1,567,995
Beginning Net Assets	<u>15,549,173</u>	<u>1,805,366</u>	<u>17,354,539</u>	<u>15,786,543</u>
Ending Net Assets	<u>\$ 16,060,143</u>	<u>\$ 1,231,386</u>	<u>\$ 17,291,529</u>	<u>\$ 17,354,539</u>

The accompanying notes are an integral part of these financial statements.  
 See Independent Auditor's Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019

	Library	Extended Education	Membership	Clinic	Training Institute	Jung Journal	Other Programs	Program Expenses	Management and General	Fundraising	2020 Total	2019 Total
Expenses:												
Salaries, wages, benefits and payroll taxes	\$ 79,164	\$ 87,288	\$ 81,112	\$ 145,805	\$ 49,817	\$ 10,911	\$ 30,601	\$ 484,998	\$ 15,824	\$ 42,506	\$ 543,028	\$ 484,888
Professional services	17,836	15,620	10,190	46,070	10,191	22,060	11,723	133,689	45,025	-	178,714	182,527
Honorarium, editorial asst. and president fee	-	13,522	10,000	1,500	400	18,518	400	44,340	-	1,000	45,340	46,668
Bank charges	15	3,633	2,596	46	947	-	195	7,432	-	802	8,234	9,641
Insurance	2,652	9,964	1,782	14,448	1,506	820	8,230	39,402	8,973	1,054	49,429	64,340
Retirement plan	2,279	2,988	896	3,552	3,446	-	462	13,624	18,113	2,097	33,833	31,681
Information technology	3,208	100	-	-	-	-	-	3,308	28,259	-	31,567	26,409
Supplies	287	6,985	-	730	-	15	6,116	14,133	6,942	2,022	23,098	16,585
Copier and other equipment	1,533	2,078	1,366	2,958	964	655	1,384	10,938	2,931	-	13,869	10,842
Printing and postage	-	17,262	-	2,958	2,180	-	760	20,202	2,955	-	41,131	28,333
Utilities	1,619	2,195	1,443	3,124	1,018	692	1,462	11,553	3,851	-	15,404	14,659
IAAP dues	-	-	18,564	-	4,653	-	-	18,564	-	-	18,564	20,632
Conferences and meeting expenses	-	7,773	34,859	535	-	-	15,085	62,904	41	1,059	64,005	132,530
Building expense	3,676	2,601	1,710	4,462	1,207	820	2,092	16,570	17,192	1,682	35,444	41,389
Book and periodical purchases	12,623	-	-	-	-	-	-	12,623	-	-	12,623	7,164
Social event	-	-	-	-	-	-	9,071	9,071	-	2,525	11,596	7,668
Scholarship awards	-	-	-	-	-	-	14,714	14,714	-	-	14,714	19,632
Other expense	88	4,250	1,085	1,509	1,348	1,776	4,462	14,519	4,927	1,784	21,230	41,294
Total Expenses, Excluding Depreciation	124,981	176,258	165,604	224,737	77,678	56,267	106,758	932,284	155,031	74,506	1,161,821	1,186,882
Depreciation expense	1,455	1,231	224	2,575	784	-	112	6,381	4,254	560	11,195	11,562
Total Expenses	\$ 126,436	\$ 177,489	\$ 165,828	\$ 227,311	\$ 78,463	\$ 56,267	\$ 106,870	\$ 938,665	\$ 159,285	\$ 75,066	\$ 1,173,016	\$ 1,198,444

The accompanying notes are an integral part of these financial statements.  
See Independent Auditor's Report.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
 STATEMENTS OF CASH FLOWS  
 JUNE 30, 2020 AND 2019

	2020	2019
<b>Operating Activities:</b>		
Change in net assets	\$ (63,010)	\$ 1,567,995
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	11,195	11,562
Net realized and unrealized (gain)/loss on investments	121,012	(415,657)
Stock donations	(15,325)	(36,729)
(Increase)/Decrease in Operating Assets		
Accounts receivable	961,257	(956,072)
Prepaid expenses	8,180	7,414
Increase/(Decrease) in Operating Liabilities		
Accounts payable	123,302	(14,673)
Accrued liabilities	22,624	(8,181)
Net Cash Provided by/(used in) Operating Activities	1,169,235	155,659
<b>Investing Activities:</b>		
Jung relocation related expenses (asset holding account)	(739,601)	(451,103)
Purchases of investments	(5,636,128)	(4,928,349)
Sales of investments	4,479,931	6,355,643
Net Cash Provided by/(used in) Investing Activities	(1,895,798)	976,191
Net Increase/(Decrease) in Cash and Cash Equivalents	(726,563)	1,131,850
Cash and Cash Equivalents - Beginning of Year	1,237,274	105,424
Cash and Cash Equivalents - End of Year	\$ 510,711	\$ 1,237,274

The accompanying notes are an integral part of these financial statements.  
 See Independent Auditor's Report.



THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

Note 1 Organization:

The C.G. Jung Institute of San Francisco (the "Institute") was founded to advance a viewpoint vital to the conscious, ethical practice and utilization of analytical psychology and to disseminate knowledge central to that end. The Institute trains psychotherapists to become Jungian analysts and maintains a collegial society to provide continuing education and ethical review for member analysts. It offers education and information to other professionals and the general public and promotes research about Jungian analysis and psychotherapy.

The Institute maintains the Virginia Allan Detloff Library and the Archive for Research in Archetypal Symbolism (ARAS) as educational resources. ARAS maintains an extensive library of slides, reproductions of slides and reproductions of art objects having symbolic cross-cultural significance. No dollar amounts have been included for the ARAS collection since a value for it cannot be established.

The Institute operates the James Goodrich Whitney clinic to provide access to Jungian psychotherapy to those who are unable to afford the cost of private treatment.

Note 2 Summary of Significant Accounting Policies:

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial statement presentation

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Institute and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor-imposed restrictions.

*Net Assets with Donor Restrictions* - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or to 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.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished in the reporting period in which the revenue is 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 and reported in the statements of activities as net assets released from restrictions.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

Note 2 Summary of Significant Accounting Policies (continued):

Cash equivalents

For purposes of the statement of cash flows, the Institute considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Tax-exempt status

The Institute is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. The Institute is subject to routine audits by taxing jurisdictions; however, currently, there are no audits in progress. The Institute is no longer subject to income tax examination for years prior to 2013. The Institute has no uncertain tax positions as of June 30, 2020 and 2019.

Property and equipment

The Institute capitalizes property and equipment with a cost of over \$5,000 and an estimated life of three years or more. Property and equipment are stated at cost and are being depreciated using the straight-line method over their estimated useful lives, which range from 5 to 40 years. Minor renewals or replacements and maintenance and repairs are expensed. Major replacements and improvements are capitalized.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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.

In-kind contributions

The Institute records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

Note 2 Summary of Significant Accounting Policies (continued):

The Institute's clinical program is operated by unpaid volunteers. The value of the contributed time is not reflected in the accompanying financial statements.

Accounts receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Institute provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of patients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Institute's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. For the years ended June 30, 2020 and 2019, allowance for doubtful accounts totaled \$4,100 and \$4,100, respectively.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Allocations to Functional Expenses

Salaries and related employee expenses which apply to more than one functional category have been allocated between programs, management and administrative services and fundraising based on the time spent on these functions by specific employees as estimated by management. The remaining expenses are directly charged whenever practical, or are allocated based on other relevant factors.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for Profit- Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expense and investment return. We have implemented ASU 2016-14 and have adjusted presentation in these consolidated financial statements accordingly.

Reclassifications

Certain 2020 balances have been reclassified to conform with 2019 presentation. These reclassifications have no impact on changes in net assets.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

Note 3 Liquidity and Availability:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following at June 30, 2020 and 2019:

	2020	2019
Cash and cash equivalent	\$ 510,711	\$ 1,237,274
Accounts receivable	98,949	1,060,206
Investment at Fair value	9,914,516	8,864,007
Restricted Assets	(1,231,386)	(1,805,366)
Total	\$ 9,292,790	\$ 9,356,121

Donor-restricted assets are not available for general expenditures. Investments are not classified as a current asset on the Statement of Financial Position; however, the Institute routinely liquidates investments and transfers funds for the general operating expenses.

Note 4 Fair Value Measurements:

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that provides the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and

the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none"> <li>• Quoted prices for similar assets or liabilities in active markets;</li> <li>• Quoted prices for identical or similar assets or liabilities in inactive markets;</li> <li>• Inputs other than quoted prices that are observable for the asset or liability;</li> <li>• Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li> <li>• If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</li> </ul>
Level 3	Inputs to the valuation methodology include: <ul style="list-style-type: none"> <li>• Valuation methodology is unobservable and significant to the fair value measurement.</li> </ul>

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

Note 4 Fair Value Measurements (continued):

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Institute's assets at fair value as of June 30, 2020 and 2019:

	June 30, 2020			
	Cost	Level 1	Level 2 and 3	Total
Equity Securities	\$ 3,347,991	\$ 4,877,122	\$ -	\$ 4,877,122
Mutual Funds	1,476,949	1,476,949	-	1,476,949
Certificates of Deposit	-	-	-	-
Government Bonds	895,389	905,301	-	905,301
Corporate Bonds	2,592,219	2,655,144	-	2,655,144
Total Investments	<u>\$ 8,312,548</u>	<u>\$ 9,914,516</u>	<u>\$ -</u>	<u>\$ 9,914,516</u>
	June 30, 2019			
	Cost	Level 1	Level 2 and 3	Total
Equity Securities	\$ 3,200,708	\$ 5,098,660	\$ -	\$ 5,098,660
Mutual Funds	904,582	904,582	-	904,582
Certificates of Deposit	470,000	470,080	-	470,080
Government Bonds	300,000	302,040	-	302,040
Corporate Bonds	2,086,590	2,088,645	-	2,088,645
Total Investments	<u>\$ 6,961,880</u>	<u>\$ 8,864,007</u>	<u>\$ -</u>	<u>\$ 8,864,007</u>

The Institute paid investment management fees totaling \$53,617 and \$50,245 for the years ended June 30, 2020 and 2019, respectively.

Methodology Used to Determine Fair Value of Investments

*Level 1 Investments* – Quoted market price.

Although the Institute believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

Note 5 Property and Equipment:

Property and equipment consisted of the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 3,573,800	\$ 3,573,800
Improvements	2,346,843	2,346,843
Furniture and Equipment	<u>40,689</u>	<u>64,714</u>
Total, Gross	5,961,332	5,985,357
Less: Accumulated Depreciation	<u>(421,132)</u>	<u>(433,962)</u>
Institute Relocation (not in service)	<u>1,462,633</u>	<u>723,032</u>
Total, Net	<u>\$ 7,002,833</u>	<u>\$ 6,274,427</u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$11,195 and \$11,562, respectively.

Note 6 Risk and Uncertainties:

The Institute maintains cash and investment balances at various financial institutions. Cash accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. Throughout the year, the cash balances exceeded the FDIC insured limits. The Institute has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash for the years ended June 30, 2020 and 2019.

Note 7 Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

Note 8 Net Assets With Donor Restrictions:

The following net assets are subject to purpose restrictions for the year ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Friends of ARAS (Endowment)	\$ 96,614	\$ 99,631
Ayer Lectureship (Endowment)	32,508	32,153
Bradway - Child Fund	34,369	38,369
Bradway - Archive	-	3,079
SF Foundation	7,087	7,087
East Bay Foundation	30,618	35,000
Brickyard (Various)	85,329	114,575
Library	10,400	10,400
Detloff Fund	2,500	2,500
Building Fund	805,060	1,321,202
International Student	31,350	33,633
Van Loben Sels	70,551	82,737
Anonymous Donation	5,000	5,000
Child Training	20,000	20,000
	<u>          </u>	<u>          </u>
Total	<u>\$ 1,231,386</u>	<u>\$ 1,805,366</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2020 and 2019:

Purpose Restrictions:

	<u>2020</u>	<u>2019</u>
Friends of ARAS	\$ 4,089	\$ 10,419
Bradway - Child Fund	4,000	2,016
Bradway - Archive	3,079	2,150
SF Foundation	-	12,913
East Bay Foundation	4,382	19,277
Brickyard (Various)	29,248	10,910
Building Fund	566,765	499,592
International Student	2,283	5,160
Van Loben Sels	13,854	14,472
	<u>          </u>	<u>          </u>
Total	<u>\$ 627,700</u>	<u>\$ 576,909</u>

THE C.G. JUNG INSTITUTE OF SAN FRANCISCO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

Note 9 Retirement Plan:

The Institute adopted a 403(b) retirement plan (the "Plan"). The Institute's contribution to the plan is six percent of annual compensation for each participant, or ten percent if matched by the employee. Certain employees are presently covered by the retirement Plan. Funding is made on a monthly basis. Employer contributions to the Plan totaled \$33,833 and \$31,682 for the years ended June 30, 2020 and 2019, respectively.

Note 10 Endowment:

On July 1, 1990, a donor established the Friends of the ARAS endowment fund in honor of Joseph L. Henderson.

On February 5, 1996 the estate of Carmelia Ayer bequeathed \$30,000 to create the Elizabeth W. Ayer Lectureship. The income from this fund shall be used for an annual lecture given in the field of psychiatry or a closely related field.

**Interpretation of Relevant Law**

The Board of Directors of the Institute has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Institute classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Institute

considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Institute and the endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Institute.
- (7) The investment policies of the Institute.

**Return Objectives and Risk Parameters**

The Institute is in the process of adopting formal investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity or for a donor-specified period(s) as well as board-



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Note 10 Endowment (continued):

designated funds. Under this policy, the endowment assets are invested assuming a conservative level of investment risk.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institute targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Listed below is a summary of the endowment activity for the years ended June 30, 2020 and 2019:

	2020	2019
Endowment Net Assets, Beginning of Year	\$ 131,784	\$ 132,987
Contributions	-	-
Investment Income	1,427	9,216
Expenditures	(4,089)	(10,419)
Transfers	-	-
Endowment Net Assets, End of Year	\$ 129,122	\$ 131,784

Note 11 Jung Institute Relocation:

The Board approved the relocation of the Jung Institute to a site to be determined. The Institute has incurred various expenses in connection with relocation efforts. For the years ended June 30, 2020 and 2019, accumulated expenses associated with the relocation efforts totaled \$1,462,633 and \$723,032, respectively. These fees were capitalized and will be depreciated upon completion of the relocation. Of these expenses, \$35,775 was paid to a consultant to oversee the design and construction of the new building of the Institute for the fiscal year June 30, 2020. The consultant overseeing the relocation is also a non-voting member of the finance committee, a related party.

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Note 12 Paycheck Protection Program:

On May 7, 2020 the Institute received loan proceeds of \$100,300 from a promissory note issued by Bank of San Francisco, under the Paycheck Protection Program ("PPP") which was established under the CARES Act and is administered by the U.S. Small Business Administration. The term on the loan is two years and the annual interest rate is 1%. Payments of principal and interest are deferred for the first six months of the loan. Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loans granted under PPP. Such forgiveness will be determined based on the use of the loan proceeds for payroll costs, rent and utility expenses and the maintenance of workforce and compensation levels with certain limitations. The Organization expects to meet the PPP's eligibility criteria and has concluded that the PPP loan represents, in substance, a grant that is expected to be forgiven, and accordingly has accounted for the PPP loan as a conditional contribution. The PPP forgivable loan is considered to be conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Proceeds received under the PPP are recognized as revenue when the Institute has incurred expenditures in compliance with the promissory note provisions. For the year ended June 30, 2020, the Institute recognized \$100,300 in Paycheck Protection Program grant revenue based on qualifying expenditures under the PPP program that are expected to be forgiven.

Forgiveness of the loan is not assured. Although the Institute believes the occurrence of qualifying expenditures will result in such forgiveness, the expenditures are subject to review and/or audit under applicable administrative provisions governing the Paycheck Protection Program.

Note 13 Subsequent Events:

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which have resulted in significant volatility in the investment markets. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Subsequent events were evaluated through February 14, 2021, which is the date the financial statements were available to be issued. Management has not identified any subsequent events that would require an adjustment to the financial statements or disclosure as required under generally accepted accounting principles.