JUMA

131 STEUART STREET, SUITE 201
SAN FRANCISCO, CA 94105

ATLANTA | HOUSTON | SACRAMENTO | SAN FRANCISCO/BAY AREA |
SAN JOSE | SEATTLE | T 415 371 0727 | F 415 371 1634 | JUMA.ORG

Dear Supporter,

Juma's 2017 was exciting and pivotal, with the organization investing in new sites, completing a detailed strategic review, and selecting a new CEO. While these events resulted in negative net income, they positioned Juma to build a stronger core program, increase impact on youth served, and implement a financial model to sustain the organization going forward.

Strategic Focus:
Juma invested in rapid growth of sites, youth served, and budget over the last five years. This growth strained our financial and human resources and challenged us to focus our strategy on building a more sustainable program that best aligns to our core mission. As a result, at the end of 2017 we decided to pause geographic expansion, assess each site's financial viability, and deepen the organization's impact on youth. At the conclusion of the 2017 strategy process, we emerged with a clear plan to maximize impact and achieve financial sustainability, all while serving more youth.

Leadership Change:
Juma's CEO resigned 3Q 2017. The national board governance committee, working with an outside search firm, completed a thorough search for a CEO positioned to execute on Juma's new strategic focus and financial model. I was humbled and honored to be selected as the CEO of Juma in December of 2017. Unfortunately, the CEO turnover resulted in lower than expected revenue results, not unusual for organizations of Juma's size experiencing leadership turnover.

Financial Results:
In 2017, Juma's operating revenue was $6,778,668 versus operating expenses of $7,637,429, resulting in total operating losses of $858,761, which were funded through a decrease in Juma's unrestricted net assets. As mentioned above, years of expansion, model replication efforts, the spend down of non-renewing grants, and a change in executive leadership led to the 2017 operating loss. The board of directors approved a FY 2018 budget which invested in Juma's new strategic focus, key human capital resource, executes a series of cost-cutting efficiency measures, and positions the agency to achieve positive net income in FY 2019. With the investments made in 2017 and subsequently in 2018, we are looking forward to reporting on success in both impact and increased financial strength in the present and moving forward.

The team is confident that Juma is positioned for a very strong future *making possible, possible* for thousands of highly motivated youth who are not given the chance to build a career. Our confidence comes from knowing that Juma has demonstrated a strong financial track record over the past 25 years and maintains a strong base of support from more than 80 corporate, private, and government entities. Our current strategic financial models show Juma is poised to achieve positive operating income in 2019 and beyond.

Should you have any questions, please don't hesitate to get in contact with me (adrianea@juma.org) or Juma's Chief Development Officer, Heather Saunders (heathers@juma.org).

Thank you for joining us on this journey as we strive to Make Possible, Possible for young people across America.

In partnership,

Adr

Adriane Armstrong, CEO

JUMA VENTURES

DECEMBER 31, 2017

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

Juma Ventures

Independent Auditors' Report and Financial Statements

Independent Auditors' Report

THE BOARD OF DIRECTORS
JUMA VENTURES
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of **JUMA VENTURES, (Juma Ventures or Juma)** which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Juma'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 Juma'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 Juma Ventures as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, Juma concluded the year ended December 31, 2017 with a deficit in its unrestricted net assets of $82,272 as a result of a current year operating loss of $504,201. Management's plan in regard to these matters are also described in Note 2. Our opinion is not modified with respect to this matter.

Other Matter

Report on Summarized Comparative Information

We have previously audited Juma Ventures' 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 7, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Francisco, California
October 4, 2018

Juma Ventures

Statement of Financial Position

December 31, 2017 (with comparative totals for 2016)	2017	2016
Assets		
Cash and cash equivalents	$ 875,428	$ 1,887,998
Grants and contributions receivable, net	748,559	343,530
Accounts receivable	147,081	118,950
Investments	156,043	155,189
Restricted cash	869,245	1,421,841
Prepaid expenses and other assets	188,756	158,451
Total assets	$ 2,985,112	$ 4,085,959
Liabilities and Net Assets		
Liabilities:		
Line of credit	$ 148,012	
Accounts payable and accrued expenses	336,989	$ 339,770
Individual development accounts (IDA)	199,597	322,657
Agency payable		143,248
Deferred revenue	387,669	508,677
Total current liabilities	1,072,267	1,314,352
Net Assets:		
Unrestricted (Note 2)	(82,272)	421,929
Temporarily restricted	1,995,117	2,349,678
Total net assets	1,912,845	2,771,607
Total liabilities and net assets	$ 2,985,112	$ 4,085,959

See accompanying notes to financial statements.

Juma Ventures

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2017 (with comparative totals for 2016)

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
Revenues and Support:				
Grants and contributions	$ 1,743,762	$ 2,009,926	$ 3,753,688	$ 3,811,714
Employment projects	3,018,333		3,018,333	3,934,819
Investment income	1,828		1,828	2,702
Special events (net of direct expenses of $133,414 for 2017)	100,290	53,476	153,766	196,911
Miscellaneous income	99,900		99,900	77,164
Net assets released from restrictions	2,417,963	(2,417,963)	-	-
Total revenues and support	7,382,076	(354,561)	7,027,515	8,023,310
Expenses:				
Program services	5,655,389		5,655,389	6,411,450
Supporting services:				
Management and general	1,178,527		1,178,527	564,298
Fundraising	1,052,361		1,052,361	849,682
Total expenses	7,886,277		7,886,277	7,825,430
Change in Net Assets	(504,201)	(354,561)	(858,762)	197,880
Net Assets - Beginning of the year	421,929	2,349,678	2,771,607	2,573,727
Net Assets - End of the year	$ (82,272)	$ 1,995,117	$ 1,912,845	$ 2,771,607

See accompanying notes to financial statements.

Juma Ventures

Statement of Functional Expenses

Year Ended December 31, 2017 (with comparative totals for 2016)

	Program Services				Supporting Services				
	Business Employment	Workforce Resources	Replication	Total	Management and General	Fundraising	Total	2017 Total	2016 Total
Employee Compensation:									
Salaries	$ 2,124,173	$ 915,775	$ 170,060	$ 3,210,008	$ 516,324	$ 778,520	$ 1,294,844	$ 4,504,852	$ 4,239,929
Payroll taxes and benefits	308,936	168,097	31,735	508,768	99,033	142,746	241,779	750,547	700,513
Total personnel	2,433,109	1,083,872	201,795	3,718,776	615,357	921,266	1,536,623	5,255,399	4,940,442
Other Expenses:									
Consultants and professional	93,041	7,141	26,593	126,775	199,643	5,798	205,441	332,216	311,719
Cost of goods sold and concession fees	1,067,695			1,067,695			-	1,067,695	1,513,871
Equipment	24,884	8,830		33,714	13,780	1,539	15,319	49,033	33,187
Financial assistance		269,492		269,492			-	269,492	148,657
Grants and contracts				-			-	-	10,950
Insurance and property taxes	23,124	7,895		31,019	15,432		15,432	46,451	46,819
Marketing and public relations	1,717	68		1,785		12,397	12,397	14,182	45,038
Meeting expenses	12,951	33,310		46,261	6,270	16,958	23,228	69,489	70,235
Postage, printing, and supplies	25,135	14,049	69	39,253	6,487	19,383	25,870	65,123	60,330
Rent		58,978		58,978	240,378		240,378	299,356	266,247
Repairs and maintenance	2,213			2,213		269	269	2,482	20,824
Telephone, internet, email	24,997	29,977		54,974	21,895	37,982	59,877	114,851	63,037
Training stipend and supplies costs	55,315	192		55,507			-	55,507	55,122
Travel and transportation	19,333	69,971	5,100	94,404	14,439	30,478	44,917	139,321	114,088
Union Fee	7,624			7,624			-	7,624	8,544
Utilities	594	3,720		4,314	7,271		7,271	11,585	2,267
Depreciation and amortization	2,936			2,936	13,866		13,866	16,802	25,869
Bad debt expense				-	13,500	4,000	17,500	17,500	28,000
Other expenses	35,173	4,496		39,669	10,209	2,291	12,500	52,169	60,184
Total expenses	$ 3,829,841	$ 1,591,991	$ 233,557	$ 5,655,389	$ 1,178,527	$ 1,052,361	$ 2,230,888	$ 7,886,277	$ 7,825,430

See accompanying notes to financial statements.

Juma Ventures

Statement of Cash Flows

Year Ended December 31, 2017 (with comparative totals for 2016)	2017	2016
Cash Flows from Operating Activities:		
Change in net assets	$ (858,762)	$ 197,880
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	16,802	25,869
Allowance for doubtful accounts	36,000	87,000
(Increase) decrease in operating assets:		
Grants and contributions receivable	(441,029)	320,029
Accounts receivable	(28,131)	(30,739)
Prepaid expenses and other assets	(47,961)	(14,179)
Accounts payable and accrued expenses	(2,781)	90,044
Individual development accounts (IDA)	(123,060)	26,820
Agency payable	(143,248)	15,407
Deferred revenue	(121,008)	93,692
Net cash (used) provided by operating activities	(1,713,178)	811,823
Cash Flows from Financing Activities:		
Proceeds from line of credit	175,000	
Repayments on line of credit	(26,988)	
Net cash provided by financing activities	148,012	-
Change in Cash and Cash Equivalents	(1,565,166)	811,823
Cash and Cash Equivalents - Beginning of year	3,309,839	2,498,016
Cash and Cash Equivalents - End of year	$ 1,744,673	$ 3,309,839
Components of Cash and Cash Equivalents:		
Cash and cash equivalents	$ 875,428	$ 1,887,998
Restricted cash	869,245	1,421,841
	$ 1,744,673	$ 3,309,839

See accompanying notes to financial statements.

Note 1 - Description of the Organization:

Juma Ventures (or Juma) is a nonprofit, youth development organization whose mission is to break the cycle of poverty by paving the way to work, education and financial capability for youth across America. Founded in 1993, Juma empowers youth from underserved communities to make successful transitions to independence in adulthood.

Juma is a unique social enterprise that operates concessions businesses at major sports and entertainment venues with the purpose of providing meaningful employment and workforce development training opportunities to youth from low-income backgrounds. The experience youth receive working at Juma's social enterprise is complemented by Juma's unique programming that combines financial capability, education and career supportive services.

Juma receives the majority of its revenues through grants, contributions, and sales generated from its employment projects.

Employment and Workforce Resources: Through Juma's integrated and comprehensive suite of services, Juma ensures that young people have the tools to break the cycle of poverty.

- **Job skills training and part-time employment:** The enterprise concessions businesses serve as a learning laboratory for youth to gain skills, confidence and work experience, laying a foundation for future employment and independent adulthood. Youth complete a professional skills curriculum that covers essential components of workplace etiquette with an emphasis on communication and soft skills development. Every youth also undergoes training in customer service, money handling, and position specific skills to prepare them as baristas, vendors and cashiers. High-performing youth are promoted into leadership positions for which they receive additional training in staff supervision and management.

- **Financial capability and asset building services:** Juma provides youth with the opportunity to develop lifelong savings habits and money management skills. Youth are supported to open basic bank accounts and complete a combination of online and in-person financial literacy workshops. College-bound youth open matched savings accounts that allow them to leverage their earned income. Juma provides at least a 1:1 savings match that can be used for college expenses.

- **Education services:** Juma's Pathways program supports low-income youth who strive to become the first in their family to go to college. Juma provides integrated and comprehensive services that ensures youth graduate from high school and enter post-secondary ready for college success. In the Bay Area, Juma participants receive case-management and develop an education plan with the support of their Youth Development Coordinator. Youth participate in college and career tours with major employers that aid youth in understanding the relevance of college. Outside of the Bay Area, Juma partners with organizations through a collective impact model to provide Juma youth with education, college access and other supportive services.

Juma's Youth Connect program supports youth aged 16-24 who have become disconnected from both school and work for the last six months (Opportunity Youth). Juma provides career-focused supportive services to help youth overcome barriers to employment and provide a launchpad into future career and education pathways. Juma's Career Coaches help youth 1:1 to overcome initial barriers to successful employment, build professional skills while on the job at our social enterprise and set career goals. Youth also participate in a series of career panels to expose youth to a range of job and educational pathways and complete job attainment skills workshops such as resume writing and mock interviews. After utilizing Juma's social enterprise as a training ground, Juma helps connect youth with continued education pathways and/or permanent work that has the potential to move them from low-skill to middle-skill work, and towards a family sustaining income.

- **Replication:** Juma's replication efforts comprise the establishment of new enterprise and programmatic operations in new and existing markets. Key replication activities include staff travel, infrastructure development, and start-up of new social enterprise operations at major sports and entertainment venues. In 2016, Juma operated in San Francisco, Oakland, Santa Clara, Sacramento, Seattle, New Orleans, Atlanta, and New York. In 2017, Juma opened two new locations in Dallas and Houston. In 2018, Juma ceased operations at the Dallas and New Orleans locations.

Note 2 - Deficit in Unrestricted Net Assets and Operating Loss:

Juma Ventures concluded the December 31, 2017 year-end with a loss in Change in Net Assets of $858,762, which resulted in a deficit of $82,272 in Unrestricted Net Assets at the end of the year. The Statement of Cash Flows also reflected a use of cash from operating activities of $1,713,178. These losses were primarily driven by several years of expansion and model replication efforts, followed by a change in programmatic strategy and executive leadership in 2017.

As of September 30, 2018, Juma's operations reflected a loss in Change in Net Assets of approximately $1,732,000. During 2018, the Board of Directors and Juma leadership have executed deep cost reductions along with focusing development efforts on regions that have a positive cash flow and terminating contracts in regions that do not provide a positive cash flow. With these changes, Juma projects a decrease in expenses of approximately $538,000 by the end of 2019 and expect positive operating results in 2019. The budget process for 2019 will be focused on sustainability, in addition to maintaining a proper cash balance to fulfill requirements related to temporarily restricted net asset obligations. Juma is confident that all financial obligations over the next 12 months will be met.

Note 3 - Summary of Significant Accounting Policies:

a. Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The financial statements have been presented on the basis of unrestricted, temporarily restricted and permanently restricted net assets predicated upon the existence of donor-imposed restrictions. As of December 31, 2017, Juma did not have any permanently restricted net assets.

Unrestricted Net Assets

Unrestricted net assets represent the portion of net assets that is neither temporarily restricted nor permanently restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets

Temporarily restricted net assets represent the portion of net assets the use of which by Juma is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Juma.

b. Revenue Recognition

Contributions and grants are recognized at their fair value when the donor/grantor makes an unconditional promise to give to Juma Ventures. Contributions restricted by the donor are reported as an increase in unrestricted net assets if the restriction is met in the same reporting period in which the support is received. If the restriction is released in a different reporting period, such revenue is reported as temporarily restricted support and then reclassified to unrestricted net assets upon expiration of the restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows when a material impact is noted and are discounted at an appropriate discount rate. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Government grants and contracts are recognized when Juma incurs expenditures related to the required services. Amounts billed or received in advance are recorded as deferred revenue until the related services are performed. Amounts due at December 31, 2017 are included in grants and contributions receivable.

Revenue from employment projects is presented in the statement of activities before deduction of related costs. Related costs of goods sold and concession fees of $1,067,695 for the year ended December 31, 2017 are presented in the statement of functional expenses. Net revenue from employment projects is $1,950,638 after deduction for these costs.

c. Cash and Cash Equivalents

Juma Ventures considers investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash in banks, certificates of deposit, and money market funds.

In addition, Juma maintains restricted cash balances as required by its program agreements. At December 31, 2017, total restricted cash for Individual Development Accounts (IDA) was approximately $224,000 and total cash restricted under the Assets for Independence Act (AFIA) was approximately $645,000.

d. Grants, Contributions and Accounts Receivable

Grants, contributions, and accounts receivable are stated at the amount management expects to collect from outstanding balances. Juma uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific promises made.

e. Investments

Investments consist of certificates of deposit with initial maturities greater than three months and are carried at cost, investments also include money market funds and are recorded at fair market value. Investments received through gifts are recorded at estimated fair value at the date of donation. Gains or losses are recognized in the Statement of Activities and Changes in Net Assets in the period such fluctuations occur. Dividend and interest income are accrued when earned.

Investments include money market funds with a fair value of $51,309 and are classified as Level 1 under fair value measurement inputs. Certificates of Deposit are not subject to fair value measurements as they do not meet the definition of an equity security.

f. Fair Value Measurements

Juma carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Juma classifies its financial assets and liabilities according to three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 - Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted market prices included within Level 1 for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability that are not corroborated by market data.

g. Inventory

Inventory is stated at the lower of cost or market, using the first-in, first-out method, and consists primarily of ice cream, beverages, food, and paper products.

h. Property and Equipment

Property and equipment are recorded at cost and are capitalized if these expenditures are $5,000 or more and with a useful life in excess of one year.

Depreciation is provided using the straight-line method over estimated useful lives of three to twenty years. Maintenance and repairs are charged to expense as incurred.

i. Functional Expense Allocation

Indirect expenses are allocated to program and support services based on estimates of time and usage determined by management.

j. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

k. Comparative Information

The financial information for the year ended December 31, 2016 has been presented for comparative purposes only and is not intended to be a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Juma Ventures' financial statements for the year ended December 31, 2016 from which the summarized information was obtained.

l. Tax-Exempt Status

Juma Ventures has been determined to be exempt from federal and state income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

Juma Ventures follows the guidance on accounting for uncertainty in income taxes issued by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740. As of December 31, 2017, management evaluated Juma's tax positions and concluded that Juma had maintained its tax exempt status and had taken no uncertain tax positions that required adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

m. Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standard Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is not permitted. The updated standard will be effective for annual reporting periods beginning after December 15, 2018. Juma Ventures has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In February 2016, the FASB issued amendments to ASU 2016-02. Among other things, in the amendments in ASU 2016-02, lessees will be required to recognize the following for all leases (with exception of short-term leases) at the commencement date: 1) A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and 2) A right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Nonpublic business entities should apply the amendments for fiscal years beginning after December 15, 2019 (i.e., January 1, 2020 for a calendar year entity) and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted. Juma Ventures is currently evaluating the guidance and the effect that the updated standard will have on its financial statements.

In August 2016, FASB issued ASU 2016-14 Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities. The amendments in this update are designed to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Early application is permitted. Amendments should be applied on a retrospective basis in the year the update is first applied. Juma Ventures is currently evaluating the impact of this pronouncement on its financial statements.

In November 2016, FASB issued ASU 2016-18 – Statement of Cash Flows (Topic 230): Restricted Cash. The amendments in this Update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. Juma Ventures is currently evaluating the impact of this pronouncement on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The ASU clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. It provides criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. The ASU does not apply to transfers of assets from governments to businesses. The amendments in the update are effective for fiscal years beginning after December 15, 2018. Juma Ventures is currently evaluating the impact of this pronouncement on its financial statements.

n. Subsequent Events

Juma evaluated subsequent events with respect to the financial statements for the year ended December 31, 2017 through October 4, 2018, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure, except as disclosed in Notes 1 and 2.

Note 4 - Grants, Contributions and Accounts Receivable:

Receivable consisted of the following as of December 31, 2017:

Grants and Contributions:		
Grants receivables	$	748,559
Accounts Receivable:		
Concessionaire receivables		135,922
Other receivables		11,159
Subtotal		147,081
Total	$	895,640

At December 31,2017, all receivables are due in less than one year.

During 2016, Juma received multiple multi-year conditional grants of up to $400,000 over two years. During 2017, Juma received an additional multiyear conditional grant of up to $123,000. The grants have program milestones and the grantors may cancel future payments if Juma does not meet the program goals for that year. Juma earned $237,000 under these grants during 2017.

Note 5 - Prepaid Expenses and Other Assets:

Other assets at December 31, 2017 consisted of the following:

Inventories	$	53,294
Prepaid expenses		101,145
Deposits		24,476
Furniture and equipment (net of accumulated depreciation of $310,488)		9,841
	$	188,756

Depreciation and amortization of furniture and equipment for the year ended December 31, 2017 was $16,802.

Note 6 - Individual Development Accounts:

Juma currently operates one of the largest Individual Development Account (IDA) programs for youth in the U.S. The IDA program enables Juma youth to establish savings accounts, begin to save money from their paychecks, obtain money management education, and receive matching funds to accelerate their savings toward college-related expenses. Money saved and matched in a Juma IDA can be used only for college-related expenses and is usually issued directly to the college. As of December 31, 2017, total IDA accounts held for youth was $199,597.

Note 7 - Agency Payable:

Juma assisted with the creation of the Juma Trust, a statutory trust incorporated in Delaware. Juma Trust was established to promote college access by opening and managing college savings accounts that encourage student savings through matched funding and incentives on behalf of a third party organization.

Juma resigned as Trustee and Sponsor of the Juma Trust and appointed The Children's Aid Society as successor Trustee on December 11, 2017 and transferred the related restricted cash balance and equal corresponding liability of $143,248.

Note 8 - Line of Credit:

In November 2017, Juma entered a line of credit agreement with a third party with a credit limit of $350,000. All indebtedness under this Credit Agreement is secured by Juma's accounts receivable, inventory and furniture and equipment. Borrowings under the line of credit bear interest at the greater of the lender's prime rate of 4.5% plus a margin as applied by the lender, or 4.75%. As of December 31, 2017, there was an outstanding balance on the line of credit of $148,012 and the interest rate was 5%.

Note 9 - Temporarily Restricted Net Assets:

As of December 31, 2017, temporarily restricted net assets of $1,371,609 are available for program services and employment development activities. Temporarily restricted net assets also include $623,508 that are restricted for the Individual Development Account (IDA) program participants' savings match claims over a period of up to five years from the time the participant enters the program.

During 2017, net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors of $2,417,963.

Note 10 - Commitments and Contingencies:

a. *Operating Leases*

Juma entered into several lease agreements for its headquarters and regional offices. During December 31, 2016, Juma extended the lease for its headquarters for an additional five-year period beginning January 1, 2017. The approximate future minimum lease payments related to these leases are as follows:

Year Ended December 31,		
2018	$	257,000
2019		259,000
2020		254,000
2021		252,000
2022		263,000
Thereafter		284,000
	$	1,569,000

Total rent expense for the year ended December 31, 2017 was $299,356.

b. *Contingencies*

Grant awards require the fulfillment of certain conditions as set forth in the grant instruments. Failure to fulfill the conditions could result in return of the funds to the grantors. Juma Ventures deems this contingency remote. Management is of the opinion that Juma Ventures has complied with the terms of all grants.

Note 11 - Concentrations of Credit Risk:

Juma Ventures has defined its financial instruments, which are potentially subject to credit risk as cash, investments and accounts receivable.

At December 31, 2017, Juma Ventures had approximately $1,251,000 of cash deposits in excess of federally insured limits. Investments consist of money market funds and certificates of deposit.

Grants and contributions receivables consist primarily of unsecured amounts due from foundations and governmental agencies. Approximately 38% of these receivables are due from two donors.

For the year ended December 31, 2017, one concessionaire provided approximately 58% of the employment projects revenue through exclusive contracts at multiple venues.

Note 12 - Related Party Transactions:

Juma Ventures has and may continue to have Board and committee members who are employed by corporations that provide services or donations to Juma Ventures. Juma has a conflict of interest policy which covers custodial and vendor relationships with Board, committee members, and staff. The policy requires annual disclosures and discussion of potential conflicts at meetings, so that Board Members, committee members, and staff may continue to serve Juma Ventures through their professional knowledge and expertise.