



FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016



Leaf & Cole, LLP
Certified Public Accountants

**JUST IN TIME FOR FOSTER YOUTH
FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

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

Independent Auditor's Report

To the Board of Directors
Just in Time for Foster Youth

Report on the Financial Statements

We have audited the accompanying financial statements of Just in Time for Foster Youth, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Directors
Just in Time for Foster Youth

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Just in Time for Foster Youth as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Leaf & Cole LLP

San Diego, California
October 25, 2017

**JUST IN TIME FOR FOSTER YOUTH
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

ASSETS

	<u>2017</u>	<u>2016</u>
<u>Current Assets:</u> (Notes 2, 3, 4 and 5)		
Cash and cash equivalents	\$ 554,790	\$ 327,398
Investments	5,458	4,928
Contributions receivable	71,925	123,800
Prepaid expenses and other assets	36,449	12,473
Total Current Assets	<u>668,622</u>	<u>468,599</u>
<u>Noncurrent Assets:</u> (Notes 2 and 6)		
Contributions receivable, net	2,891	5,891
Property and equipment, net	12,412	4,898
Total Noncurrent Assets	<u>15,303</u>	<u>10,789</u>
TOTAL ASSETS	<u>\$ 683,925</u>	<u>\$ 479,388</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u> (Note 2)		
Accounts payable and accrued expenses	\$ 31,974	\$ 23,333
Accrued payroll and related liabilities	51,230	41,556
Total Current Liabilities	<u>83,204</u>	<u>64,889</u>
Total Liabilities	<u>83,204</u>	<u>64,889</u>
<u>Commitments</u> (Notes 7 and 9)		
<u>Net Assets:</u> (Notes 2 and 8)		
Unrestricted	381,077	302,100
Temporarily restricted	219,644	112,399
Total Net Assets	<u>600,721</u>	<u>414,499</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 683,925</u>	<u>\$ 479,388</u>

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

**JUST IN TIME FOR FOSTER YOUTH
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support:						
Contributions	\$ 1,254,306	\$ 379,599	\$ 1,633,905	\$ 1,269,321	\$ 338,725	\$ 1,608,046
Special event, net of related expenses of \$136,666 and \$112,733	556,011	-	556,011	280,402	-	280,402
Other income	1,200	-	1,200	-	-	-
Investment income	703	-	703	159	-	159
Net assets released from restrictions	272,354	(272,354)	-	509,548	(509,548)	-
Total Revenue and Support	<u>2,084,574</u>	<u>107,245</u>	<u>2,191,819</u>	<u>2,059,430</u>	<u>(170,823)</u>	<u>1,888,607</u>
Expenses:						
Program Expenses:						
Basic needs	278,407	-	278,407	373,546	-	373,546
Financial fitness	242,911	-	242,911	239,689	-	239,689
College bound/education	236,541	-	236,541	262,357	-	262,357
My First Home	210,799	-	210,799	210,639	-	210,639
Community	155,406	-	155,406	150,326	-	150,326
Bridges to Success	128,501	-	128,501	160,522	-	160,522
Career Horizons	113,820	-	113,820	81,633	-	81,633
Leap/Ambassador	53,836	-	53,836	52,458	-	52,458
Total Program Expenses	<u>1,420,221</u>	<u>-</u>	<u>1,420,221</u>	<u>1,531,170</u>	<u>-</u>	<u>1,531,170</u>
Supporting Services:						
Fundraising	414,724	-	414,724	364,214	-	364,214
General and administrative	170,652	-	170,652	163,536	-	163,536
Total Supporting Services	<u>585,376</u>	<u>-</u>	<u>585,376</u>	<u>527,750</u>	<u>-</u>	<u>527,750</u>
Total Program and Supporting Services	<u>2,005,597</u>	<u>-</u>	<u>2,005,597</u>	<u>2,058,920</u>	<u>-</u>	<u>2,058,920</u>
Change in Net Assets	78,977	107,245	186,222	510	(170,823)	(170,313)
Net Assets at Beginning of Year	<u>302,100</u>	<u>112,399</u>	<u>414,499</u>	<u>301,590</u>	<u>283,222</u>	<u>584,812</u>
NET ASSETS AT END OF YEAR	<u>\$ 381,077</u>	<u>\$ 219,644</u>	<u>\$ 600,721</u>	<u>\$ 302,100</u>	<u>\$ 112,399</u>	<u>\$ 414,499</u>

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

**JUST IN TIME FOR FOSTER YOUTH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017**

	Program Services								Supporting Services			Total Expenses	
	Basic Needs	My First Home	Financial Fitness	Bridges to Success	Career Horizons	College Bound/ Education	Community	Leap / Ambassador	Total Program Services	General and Administrative	Fundraising		Total Supporting Services
Salaries and related benefits	\$ 141,800	\$ 74,495	\$ 96,721	\$ 97,474	\$ 63,264	\$ 53,229	\$ 93,518	\$ 36,274	\$ 656,775	\$ 53,798	\$ 263,088	\$ 316,886	\$ 973,661
Program awards	118,625	128,437	135,515	19,227	42,690	176,570	38,320	13,067	672,451	-	-	-	672,451
Outside services	12,878	5,632	7,645	8,449	5,633	4,828	9,048	3,218	57,331	69,915	98,690	168,605	225,936
Office expense	2,400	1,050	1,425	1,575	1,050	900	6,825	600	15,825	37,967	23,516	61,483	77,308
Conference, meetings and training	887	389	527	583	388	333	2,525	222	5,854	8,001	2,192	10,193	16,047
Printing	417	182	247	274	182	156	1,186	104	2,748	132	9,339	9,471	12,219
Insurance	1,140	499	676	747	498	427	3,240	285	7,512	358	2,813	3,171	10,683
Promotional events	-	-	-	-	-	-	-	-	-	-	9,522	9,522	9,522
Travel	107	47	63	70	47	40	303	27	704	433	3,553	3,986	4,690
Postage and shipping	24	11	14	16	11	9	69	6	160	7	1,689	1,696	1,856
Depreciation	129	57	78	86	57	49	372	33	861	41	322	363	1,224
Total Program and Supporting Services Expenses	\$ 278,407	\$ 210,799	\$ 242,911	\$ 128,501	\$ 113,820	\$ 236,541	\$ 155,406	\$ 53,836	\$ 1,420,221	\$ 170,652	\$ 414,724	\$ 585,376	\$ 2,005,597

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, 2016**

	Program Expenses								Supporting Services			Total Expenses	
	Basic Needs	My First Home	Financial Fitness	Bridges to Success	Career Horizons	College Bound/ Education	Community	Leap / Ambassador	Total Program Expenses	General and Administrative	Fundraising		Total Supporting Services
Salaries and related benefits	\$ 180,301	\$ 59,581	\$ 84,246	\$ 95,431	\$ 54,889	\$ 56,469	\$ 105,096	\$ 33,678	\$ 669,691	\$ 53,103	\$ 216,277	\$ 269,380	\$ 939,071
Program awards	181,649	148,922	149,923	58,722	24,665	203,293	36,585	17,376	821,135	-	-	-	821,135
Outside services	2,279	383	1,020	1,163	383	517	1,804	269	7,818	62,113	94,813	156,926	164,744
Office expense	2,496	418	1,118	1,277	418	566	1,767	293	8,353	17,454	22,895	40,349	48,702
Other expenses	1,598	362	868	1,028	331	330	1,043	201	5,761	25,392	1,808	27,200	32,961
Printing	401	67	179	205	67	91	318	47	1,375	49	11,866	11,915	13,290
Conference, meetings and training	967	179	480	546	179	243	847	127	3,568	4,798	2,318	7,116	10,684
Insurance	2,221	373	993	1,133	373	504	1,758	262	7,617	262	2,197	2,459	10,076
Travel	1,232	287	683	811	261	253	789	157	4,473	288	4,699	4,987	9,460
Promotional events	-	-	-	-	-	-	-	-	-	29	6,177	6,206	6,206
Postage and shipping	132	22	59	68	22	30	105	16	454	15	897	912	1,366
Depreciation	270	45	120	138	45	61	214	32	925	33	267	300	1,225
Total Program and Supporting Services Expenses	\$ 373,546	\$ 210,639	\$ 239,689	\$ 160,522	\$ 81,633	\$ 262,357	\$ 150,326	\$ 52,458	\$ 1,531,170	\$ 163,536	\$ 364,214	\$ 527,750	\$ 2,058,920

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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 186,222	\$ (170,313)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,224	1,225
Unrealized (gains) losses on investments	(530)	72
(Increase) Decrease in:		
Contributions receivable	54,875	(42,557)
Prepaid expenses and other assets	(23,976)	(1,522)
Increase (Decrease) in:		
Accounts payable and accrued expenses	8,641	(5,482)
Accrued payroll and related liabilities	9,674	13,874
Net Cash Provided by (Used in) Operating Activities	<u>236,130</u>	<u>(204,703)</u>
<u>Cash Flows From Investing Activities:</u>		
Purchase of property and equipment	<u>(8,738)</u>	<u>-</u>
Net Cash Used in Investing Activities	<u>(8,738)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	227,392	(204,703)
Cash and Cash Equivalents at Beginning of Year	<u>327,398</u>	<u>532,101</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 554,790</u></u>	<u><u>\$ 327,398</u></u>

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

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

Note 1 - Organization:

When young people exit the foster care system, Just in Time for Foster Youth (“JIT”) is there to welcome them into a community of peers and caring adults who are committed to their wellbeing and success, just as a healthy family would be. Volunteers and staff work together to fill the gaps in resources, experiences, education, training and trusting relationships for young people within San Diego County from age 18 to 26, the average age of independence in the U.S.

Without JIT, the situation is dire. As a general rule, our society allows young people ample time to finish school, begin a career and build a support network prior to expecting them to be on their own. Yet, we expect over 300 youth exiting foster care each year within San Diego County to fend for themselves with no familial safety net, limited preparation and resources, and no financial security or training. It should be no surprise, then, that 70% of the inmates in our state penitentiary spent time in foster care or that only 3 - 6% of foster youth graduate from college or that foster youth are particularly vulnerable to sex trafficking, homelessness, depression, and poverty.

Founded in 2003 and incorporated as a 501(c)(3) nonprofit in 2006, JIT has proven its long-term impact, such as a 71% success rate for youth in college and measurable increases in earnings, savings, and supportive networks. Serving over 700 transition age youth annually within San Diego County, JIT offers a broad range of services, each one designed to connect youth to a caring community and lasting relationships.

Services provided are as follows:

- *Emergency Basic Needs/Healthy Practices:* Knowledge of and access to support systems, including housing, employment support, educational options, life planning, and health care
- *My First Home:* A safe, stable, supportive place to live
- *Career Horizons:* Empowerment of young women under the guidance of women coaches
- *Bridges to Success:* Connection for young men to a supportive environment of success
- *Financial Fitness:* Financial planning assistance and matched savings up to \$4,500
- *College Bound:* Resources and encouragement needed to succeed in college
- *Changing Lanes:* Driver training and the purchase of reliable vehicles at affordable rates
- *Pathways to Financial Power:* Work readiness and assistance with reaching specific goals
- *ADVANCE:* Learning about Life Planning, SMART choices and healthy relationships

A unique aspect of JIT is that over half the JIT staff are former foster youth and uniquely positioned to help other youth find their voices and become confident, capable and connected.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

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

The financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

- Unrestricted net assets – Net assets not subject to donor imposed stipulations
- Temporarily restricted net assets – Net assets subject to donor imposed stipulations that will be met by actions of JIT and/or the passage of time. When a donor stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted net assets – Net assets subject to donor imposed stipulations requiring that they be maintained permanently by JIT. The income from these assets is available for either general operations or specific programs as specified by the donor.

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).

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

Note 2 - Significant Accounting Policies: (Continued)

Fair Value Measurements (Continued)

- 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.

JIT's statement of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments - Rancho Santa Fe Foundation funds are considered Level 2 assets and are reported at fair value based on the fair value of the underlying assets in the funds as reported by the fund manager, Rancho Santa Fe Foundation, since these funds are valued by the fund manager and are not traded in an active market.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding receivables. Management believes that all contributions receivable were fully collectible; therefore, no allowance for doubtful contributions receivable was recorded at June 30, 2017 and 2016.

Capitalization and Depreciation

JIT capitalizes all expenditures in excess of \$6,000 for property and equipment at cost, while donations of furniture and equipment are recorded at their estimated fair values. Such donations are reported as unrestricted unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as restricted. 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 temporarily restricted net assets to unrestricted net assets 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
Furniture and fixtures	5 - 7 years
Leasehold improvements	5 years

Depreciation totaled \$1,224 and \$1,225 for the years ended June 30, 2017 and 2016, 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.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

Note 2 - Significant Accounting Policies: (Continued)

Compensated Absences

Accumulated unpaid vacation totaling \$24,991 and \$26,726 at June 30, 2017 and 2016, 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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Donated Services, Support 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 totaled \$800 and \$-0- for the years ended June 30, 2017 and 2016, did not meet the requirements above, therefore no amounts recognized in the financial statements.

JIT received in-kind donations of program supplies and equipment totaling \$78,136 and \$121,676 for the years ended June 30, 2017 and 2016, respectively, which have been recorded as contributions revenue and expense in the statement of activities.

JIT occupied office facilities donated by Casey Family Programs. Donated facilities totaled \$42,592 and \$51,116 for the years ended June 30, 2017 and 2016, respectively and were recorded at fair value at the date of donation, and have been included in contributions revenue and expense in the statement of activities.

Allocated Expenses

Expenses by function have been allocated among program and supporting service classifications on the basis of internal records and estimates made by JIT's management.

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 statement. JIT is not a private foundation.

JIT's Return of Organization Exempt from Income Tax for the years ended June 30, 2017, 2016, 2015 and 2014 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

Note 2 - Significant Accounting Policies: (Continued)

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

For purposes of the statement 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.

Subsequent Events

JIT has evaluated subsequent events through October 25, 2017, which is the date the financial statement is available for issuance, and concluded that no other events or transactions needed to be disclosed, except as disclosed in Note 10.

Reclassification

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

Note 3 - Fair Value Measurements:

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

	2017			
	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, 2017
Investments at Rancho Santa Fe Foundation	\$ -	\$ 5,458	\$ -	\$ 5,458

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

Note 3 - Fair Value Measurements: (Continued)

	2016			
	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, 2016
Investments at Rancho Santa Fe Foundation	\$ -	\$ 4,928	\$ -	\$ 4,928

Note 4 - Investments:

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

	2017	2016
Rancho Santa Fe Foundation	\$ 5,458	\$ 4,928
Total Investments	\$ 5,458	\$ 4,928

The investments held at Rancho Santa Fe Foundation are classified as unrestricted. The investments are held in an investment pool, which is structured for long-term, total return consisting of 35% domestic equities, 34% fixed income, 25% international equities, 4% cash and cash equivalents and 2% emerging markets.

The following schedule summarizes the unrestricted investment income for the years ended June 30:

	2017	2016
Interest and dividend income	\$ 298	\$ 346
Realized and unrealized gains (losses)	505	(87)
Investment fees	(100)	(100)
Total Investment Income	\$ 703	\$ 159

Note 5 - Contributions Receivable:

Contributions receivable consist of the following at June 30:

	2017	2016
Current:		
Receivables due in less than one year	\$ 71,925	\$ 123,800
Total Current	71,925	123,800
Noncurrent:		
Receivables due in one to five years	3,000	6,000
Less: Discounts to present value	(109)	(109)
Total Noncurrent, Net	2,891	5,891
Total Contributions Receivable, Net	\$ 74,816	\$ 129,691

Contributions receivable have been discounted to their present value using discount rate 0.89% at June 30, 2017 and 2016.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

Note 6 - Property and Equipment:

Property and equipment consist of the following at June 30:

	<u>2017</u>	<u>2016</u>
Office equipment and computers	\$ 6,122	\$ 32,897
Furniture and fixtures	-	1,554
Leasehold improvements	8,738	-
Subtotal	<u>14,860</u>	<u>34,451</u>
Less: Accumulated depreciation	<u>(2,448)</u>	<u>(29,553)</u>
Property and Equipment, Net	<u>\$ 12,412</u>	<u>\$ 4,898</u>

Note 7 - Line-of-Credit:

JIT has an unsecured line-of-credit with Western Alliance Bank in the amount of \$75,000. The line-of-credit provides for interest at the bank's prime rate plus 2% (6.25% at June 30, 2017) but not less than 6%. The line-of-credit matures on September 22, 2018. There was no outstanding balance at June 30, 2017 and 2016, respectively.

Note 8 - Temporarily Restricted Net Assets:

Temporarily restricted net assets consist of the following at June 30:

	<u>2017</u>	<u>2016</u>
College bound	\$ 77,640	\$ 97,870
New office	69,867	-
Auto ownership	33,000	-
Computer/ tech	26,742	-
Online resources	8,503	8,638
Time restriction	<u>3,892</u>	<u>5,891</u>
Total Temporarily Restricted Net Assets	<u>\$ 219,644</u>	<u>\$ 112,399</u>

Net assets totaling \$272,354 and \$509,548 were released from donor restrictions due to the satisfaction of purpose or time restrictions during the year ended June 30, 2017 and 2016, respectively.

**JUST IN TIME FOR FOSTER YOUTH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

Note 9 - Commitments:

Operating Leases

JIT leases office space under a lease agreement that expires December 31, 2017. The lessor has provided the space rent-free subject to the terms and conditions of the lease agreement.

JIT leased office space under a lease agreement that expired on April 30, 2017. Rent expense totaled \$31,500 and \$36,720 for the years ended June 30, 2017 and 2016, respectively, and is included with office expenses.

JIT also leases office space under a lease agreement that expires on April 30, 2022. Rent expense totaled \$8,254 and \$-0- for the years ended June 30, 2017 and 2016, respectively, and is included with office expenses.

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

<u>Years Ended June 30</u>	
2018	\$ 68,151
2019	70,196
2020	68,934
2021	54,163
2022	<u>46,258</u>
	<u>\$ 307,702</u>

401(k) Retirement Plan

JIT offers eligible employees the opportunity for participation in a 401(k) retirement plan (the “Plan”). Employees may contribute to the plan up to the maximum amount allowed by the Internal Revenue Code. The Plan provides for discretionary matching contributions on eligible elective deferrals in an amount to be determined each year by JIT. JIT shall make a safe harbor non-elective contribution in an amount equal to 3% of employees’ eligible compensation, which will be allocated to all eligible employees. JIT’s contributions totaled \$17,602 and \$-0- for the years ended June 30, 2017 and 2016, respectively.

Note 10 - Subsequent Event:

On September 1, 2017, JIT entered into a residential lease agreement with a donor for its Horizon House program. The lease term is five years expiring on August 31, 2022. The monthly payment is \$3,200.