
JAMESTOWN COMMUNITY CENTER
FINANCIAL STATEMENTS
FOR THE PERIOD FROM
SEPTEMBER 1, 2014 THROUGH JULY 31, 2015

This Page Left Intentionally Blank

INTRODUCTORY SECTION

This Page Left Intentionally Blank

JAMESTOWN COMMUNITY CENTER
Financial Statements
For the Period From September 1, 2014 through July 31, 2015

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Table of Contents.....	i
Board of Directors and Management Personnel.....	ii
FINANCIAL SECTION	
Independent Auditor's Report.....	1
Financial Statements	
Statement of Financial Position.....	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Program Support, Revenues and Expenses.....	6
Notes to Financial Statements	7

JAMESTOWN COMMUNITY CENTER

**BOARD OF DIRECTORS AND
MANAGEMENT PERSONNEL**

JULY 31, 2015

BOARD OF DIRECTORS

Betty Pazmifio, President
Desiree Almendral
Lisa Bransten
Bob Frank
Gary Furney
Rich Gross
Renu Karir
Jessica Linares
Katie Brackenridge
Luis Barahona
Oscar Martinez

MANAGEMENT

Myrna Melgar, Executive Director

FINANCIAL SECTION

This Page Left Intentionally Blank

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Jamestown Community Center
San Francisco, California

We have audited the accompanying financial statements of the Jamestown Community Center (Center), (a nonprofit organization), which comprise the statement of financial position as of July 31, 2015, and the related statements of activities, cash flows and program support, revenues and expenses for the 11-month period from September 1, 2014 through July 31, 2015, 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 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 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 Jamestown Community Center as of July 31, 2015, and the changes in its net assets and cash flows for the period 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 Jamestown Community Center's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Maze & Associates

Pleasant Hill, California
February 16, 2016

JAMESTOWN COMMUNITY CENTER
STATEMENT OF FINANCIAL POSITION
AS OF JULY 31, 2015
WITH COMPARATIVE AMOUNTS AS OF AUGUST 31, 2014

ASSETS	<u>2015</u>	<u>2014</u>
Cash in bank (Note 3)	\$11,726	\$98,171
Accounts receivable	544,076	177,091
Prepaid expenses and deposits		984
Fixed assets, net of accumulated depreciation (Note 4)	<u>2,986</u>	<u>2,599</u>
Total Assets	<u><u>\$558,788</u></u>	<u><u>\$278,845</u></u>
LIABILITIES		
Accounts payable	\$48,985	\$25,670
Line of credit (Note 5)	150,000	22,330
Deferred revenue (Note 6)	5,810	1,955
Loans payable (Note 9)	<u>40,000</u>	<u>65,000</u>
Total Liabilities	<u>244,795</u>	<u>114,955</u>
NET ASSETS (Note 2A)		
Unrestricted:		
Designated for operating reserve	88,993	163,890
Temporarily restricted	<u>225,000</u>	<u> </u>
Total Net Assets	<u>313,993</u>	<u>163,890</u>
Total Liabilities and Net Assets	<u><u>\$558,788</u></u>	<u><u>\$278,845</u></u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF ACTIVITIES
FOR THE 11-MONTH PERIOD ENDED JULY 31, 2015
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED AUGUST 31, 2014

	Operating Account	Temporarily Restricted	Totals	
			2015	2014
REVENUES				
Government grants		\$1,242,220	\$1,242,220	\$1,087,663
Individual contributions	\$93,030		93,030	292,274
Foundations and corporations	380,737	225,000	605,737	295,756
Fundraising events	176,924		176,924	135,370
Investment earnings	4		4	44
Other income	55,659		55,659	44,381
Net assets released from restrictions: Satisfaction of usage restrictions	1,242,220	(1,242,220)		
Total Revenues	1,948,574	225,000	2,173,574	1,855,488
EXPENSES				
Program services	1,667,729		1,667,729	1,446,432
Management and general	177,157		177,157	156,977
Fundraising	178,585		178,585	159,791
Total Expenses	2,023,471		2,023,471	1,763,200
CHANGE IN NET ASSETS	(74,897)	225,000	150,103	92,288
Net Assets, beginning of period	163,890		163,890	71,602
Net Assets, end of period	<u>\$88,993</u>	<u>\$225,000</u>	<u>\$313,993</u>	<u>\$163,890</u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF CASH FLOWS
FOR THE 11-MONTH PERIOD ENDED JULY 31, 2015
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED AUGUST 31, 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficit) of support and revenues over (under) expenses	\$150,103	\$92,288
Adjustments to reconcile to cash flows from operating activities:		
Depreciation	1,162	113
(Increase) in receivables	(366,985)	(6,324)
Decrease in prepaids	984	10,597
(Decrease) in bank overdraft		(28,581)
Increase in accounts payable	23,315	23,508
Increase (decrease) in deferred revenues	3,855	(63,765)
Total adjustments	(337,669)	(64,452)
Cash Flows Provided by (Used for) Operating Activities	(187,566)	27,836
CASH FLOWS FROM CAPITAL ACTIVITIES		
Purchase of capital assets	(1,549)	(2,712)
Cash Flows Used by Capital Activities	(1,549)	(2,712)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on line of credit	150,000	22,330
Repayments on line of credit	(22,330)	(22,356)
Borrowings on loans payable	40,000	65,000
Repayment on loans payable	(65,000)	
Cash Flows Provided by Financing Activities	102,670	64,974
Net Cash Flows	(86,445)	90,098
Cash, beginning of period	98,171	8,073
Cash, end of period	\$11,726	\$98,171
Supplemental Disclosure:		
Interest paid during the year	\$1,691	

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF PROGRAM SUPPORT, REVENUES AND EXPENSES
FOR THE 11-MONTH PERIOD ENDED JULY 31, 2015
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED AUGUST 31, 2014

	Program Services	Management and General	Fundraising	Totals	
				2015	2014
SUPPORT AND REVENUES					
Government grants	\$1,242,220			\$1,242,220	\$1,087,663
Individual contributions	93,030			93,030	292,274
Foundations and corporations	358,150	\$247,587		605,737	295,756
Fundraising events			176,924	176,924	135,370
Investment earnings		4		4	44
Other income	9,871	40,222	5,566	55,659	44,381
Total Support and Revenues	1,703,271	287,813	182,490	2,173,574	1,855,488
FUNCTIONAL EXPENSES					
Director's salary	55,654	11,281	\$8,273	75,208	89,897
Other salaries and wages	1,082,219	89,124	101,856	1,273,199	971,900
Payroll taxes and benefits	171,846	16,366	16,366	204,578	206,269
Consultant fees	168,134	8,303	31,136	207,573	214,042
Supplies	53,450	7,727	3,220	64,397	93,577
Telephone	5,203	612	306	6,121	6,908
Postage and shipping	1,454	20	545	2,019	3,565
Reproduction	431	13	862	1,306	3,357
Travel and parking	108	6	6	120	580
Depreciation (Note 4)		1,162		1,162	113
Field and camping trips	23,740			23,740	21,198
Payroll processing fees	11,654	777	518	12,949	6,038
Insurance	7,842	10,455	1,810	20,107	22,198
Rent expenses	50,030	14,675	2,001	66,706	64,161
Audit fees	6,383	1,276	851	8,510	8,240
Staff and volunteer development	11,364	1,386	1,109	13,859	8,561
League entrance fees	9,395			9,395	18,340
Fundraising expenses			8,667	8,667	9,074
Interest		1,691		1,691	1,019
Other services	8,675	10,055	986	19,716	9,834
Bad debt					1,987
Miscellaneous	147	2,228	73	2,448	2,342
Total Functional Expenses	1,667,729	177,157	178,585	2,023,471	1,763,200
CHANGE IN NET ASSETS	\$35,542	\$110,656	\$3,905	\$150,103	\$92,288

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended July 31, 2015

NOTE 1 – REPORTING ENTITY

A. General

The Jamestown Community Center (Center) was incorporated on September 10, 1994. The Center is a private, nonprofit organization that provides educational, recreational, social and community services to the youth and parents in the Mission District of San Francisco.

The Center's mission is to mobilize the resources of families, neighborhood residents and other community members to help young people realize their full potential as responsible and empowered members of society.

B. Programs

For over 40 years, the Jamestown Community Center has been providing learning opportunities and safe spaces for youth in the Mission District neighborhood of San Francisco. Jamestown fulfills its mission by annually providing more than 750 zero- to eighteen-year olds with a full range of early education, educational enrichment, academic support, leadership, employment, sports, and counseling and prevention programs.

Early Education Programs:

- *Growing Together.* A weekly two-hour language and literacy acquisition class for families with children 0-18 months.
- *Playing Together.* Weekly playgroups for families who have 18-36 month old children, focusing on social-emotional development, parent-child attachment, and early literacy skill development.
- *Reading Together.* Children, ages 3-5, and their parents have the opportunity to attend this drop-in literacy program once per week, either in the morning or afternoon. Activities focus on kindergarten preparedness and the importance of reading to a child.
- *Sharing Together.* Bimonthly Friday workshops for parents with children 0-5 years old. Each lesson focuses on either "language and literacy" or "understanding children's development and play". Parents are required to attend nine of the thirteen workshops. To ensure full parent participation, childcare is provided.
- *Jumpstart.* Weekly workshops serving children, ages 4-5, and their families. Instruction focuses on early literacy. The program is offered once per year prior to the start of kindergarten, and attendance is required.

Educational Enrichment Programs:

- *Si Se Puede.* K-2nd graders are provided with academic support, as well as an enrichment or recreation activities.
- *Brain Soup.* Elementary school youth in 3rd-5th grade participate in after-school dance, multimedia, theater, recreation, and cooking classes with an emphasis on developing reading and writing skills.
- *Summer Playhouse.* Elementary school youth (K-5th grade) spend the summer season engaged in arts education and structured recreation, and also take field trips throughout San Francisco.
- *After-School Explorations (ASE).* Middle school youth take part in after-school cooking, skateboarding, and martial arts classes emphasizing decision-making and leadership skills.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended July 31, 2015**

NOTE 1 – REPORTING ENTITY (Continued)

- *Summer Voyage.* In the summer, middle school youth plan and budget weekly activities and projects around a theme. Like ASE, decision-making and leadership skills are emphasized.

Academic Tutoring Program:

- *One on One Tutoring Program.* Elementary, middle, and high school youth who are performing one or more years below grade level receive intensive, individualized tutoring from college students.

Youth Leadership and Employment Programs:

- *Peer Education Program (PEP).* Youth, ages 17 to 19, create age-appropriate violence prevention and sexual/reproductive health workshops targeted at youth in Jamestown's programs. Peer Educators also co-facilitate peer support groups.
- *Youth In Charge (YIC).* Young people who have been with Jamestown for three or more years can serve in YIC, Jamestown's leadership corps. YIC gives the Executive Director and Board advice about program directions and budgets and represents Jamestown in the community.
- *Youth Apprentices Program (YAP).* High school youth interested in working with youth receive on-the-job training as apprentices in the enrichment programs, the Jamestown office, and other community based organizations' school-based programs. These youth work closely with mentors and attend bi-weekly job readiness training.

Sports Programs:

- *Organized Teams.* Boys and girls play on soccer (year-round) and baseball (summer) teams that compete in city-wide leagues. These programs also include workshops on health, sportsmanship, and gender-specific issues.
- *Middle School Girls Soccer.* Girls at two local middle schools play on two soccer teams, learn new skills, and participate in workshops on health, sportsmanship, and gender-specific issues. The teams compete against other middle school teams in the Mission through an indoor soccer tournament that is organized collaboratively by several community based organizations.
- *Girls and Boys Sports Camp.* In the summer, girls and boys further their soccer skills and participate in new activities, such as self-defense techniques, yoga, and fencing.
- *Drop-in Recreation.* Middle and high school youth participate in supervised after-school recreation at a local public school.

Teen Guidance Program:

- *Treehouse.* Treehouse is a guidance program for young men and women designed to address prevention of risky behavior, such as sexual activity, drug and alcohol use, and gang activity. Services include social support groups, clinical case management, and prevention and education programs.

Parent Programs:

- *Convivencia.* Convivencia includes workshops that address child-rearing issues and community-building activities for families throughout the year.
- *Leadership Group.* Parents participate in leadership training, determine an issue in the community of concern and develop a campaign to address the issue.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended July 31, 2015**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting. Jamestown Community Center reports information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Temporarily restricted net assets consists of assets with time and purpose restrictions determined by the donor.

Unrestricted Net Assets – net assets that are not subject to donor-imposed stipulations.

Designated for operating reserve – the Board has designated cash due to loss of revenues or other unanticipated significant changes in expenses in the amount of \$200,000 at July 31, 2015, however, the Center did not have \$200,000 in net assets at the end of July 31, 2015, and therefore the entire balance is classified as designated.

Temporarily restricted net assets – Temporarily restricted net assets include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of the Center.

Permanently restricted net assets – net assets subject to donor imposed stipulations that are to be maintained permanently by the Center. Generally, the donors of these assets permit the Center to use all or part of the income earned or related investments for general or specific purposes. The Center currently has no permanently restricted net assets.

B. Contributions and Grants

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. Jamestown Community Center considers that all contributions for long-lived assets have implied time restrictions and classifies this support as temporarily restricted until the purpose restriction is met. When a restriction expires, that is, when a stipulated time restriction ends or the 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.

C. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended July 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Income Taxes*

The Center is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The Center paid no taxes on unrelated business income for the period ended July 31, 2015.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the organization's tax returns. Management has determined that the Center does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Center's tax returns will not be challenged by the taxing authorities and that the Center will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Center's tax returns remain open for federal income tax examination for three years from the date of filing.

E. *Functional Allocation of Expenses*

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Those expenses which cannot be specifically identified by function type have been allocated to functions based upon management's best estimate of usage.

F. *Advertising Costs*

Advertising costs, if any, are expensed as incurred.

G. *Fair Value Measurements*

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. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect the management's judgment about the assumptions that market participants would use in pricing the asset or liability.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended July 31, 2015**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Change in Fiscal Year End

On November 8, 2014, the Board of Directors approved a change in the Center's fiscal year end from August 31 to July 31. Accordingly, the current financial statements are prepared for the 11 month period beginning September 1, 2014 and ending July 31, 2015. As a result, the summarized figures for the year ended August 31, 2014 reported in the Statement of Activities, Statement of Program Support, Revenues, and Expenses, and related notes are not fully comparable.

NOTE 3 - CASH IN BANK

Cash in banks and are insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000 each.

NOTE 4 - FIXED ASSETS

Property and equipment is valued at purchase price cost or estimated fair value at date of donation and is depreciated on the straight-line basis over useful lives of three or five years. Property and equipment balances and activity are summarized below for the period ended July 31, 2015:

	Balance, 9/1/14	Additions	Balance, 7/31/15
Equipment	\$22,538	\$1,549	\$24,087
Total fixed assets	22,538	<u>\$1,549</u>	24,087
Accumulated depreciation	<u>(19,939)</u>	<u>(\$1,162)</u>	<u>(21,101)</u>
	<u>\$2,599</u>		<u>\$2,986</u>

NOTE 5 - LINE OF CREDIT

Jamestown Community Center has a \$25,000 line of credit with Bank of America. The line bears interest at 8.25%. The balance of \$22,330 owed at August 31, 2014 was repaid during Fiscal Year 2014-15.

During Fiscal Year 2014-15, the Center obtained a \$150,000 line of credit with Northern California Community Loan Fund (NCCLF). The line bears interest at 7.0%. At July 31, 2015, the Center had a balance outstanding of \$150,000.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended July 31, 2015**

NOTE 6 - DEFERRED REVENUE

The Center obtains cost-reimbursement contracts from various sources. Under the terms of these agreements, funds are advanced to finance program expenditures and are conditional on performance of the agreement. Deferred revenue constitutes the excess of advances over related program expenditures and comprised the following at July 31, 2015:

Organization	
Individual Contributions	\$5,810
Total Deferred Revenue	\$5,810

NOTE 7- RETIREMENT PLAN

The Center has a contributory retirement/savings plan. The plan covers substantially all full-time employees who meet certain service requirements. Under the terms of the plan, contributions are made under Section 403(b) of the Code and are invested, at the discretion of the plan participant, in one or more of the investment vehicles available under the plan. This program is funded only by elective deferrals by participating employees.

NOTE 8 -- LEASE AGREEMENT

On September 1, 2013, the Center entered into an agreement to lease office space. The term of the lease is through August 31, 2016, with a monthly base rent \$3,600 for the first year, increasing to \$3,650 in the second year and \$3,700 in the third year. The total future minimum rent payments are as follows:

Fiscal Year Ended	Amount
2016	\$44,400

NOTE 9 - RELATED PARTY TRANSACTIONS

During Fiscal Year 2013-14, four Board Members (lenders) of the Jamestown Community Center provided loans to the Center. The total amount of the four loans amounted to \$65,000 bearing an annual interest rate of 0.23%. The balances of these loans were paid off during Fiscal Year 2014-15.

During Fiscal Year 2014-15, the Executive Director of the Center provided loans to the Center amounting to \$40,000, bearing an annual interest rate of 0.23%. The unpaid principal and accrued interest shall be payable in full on any future date on which the lenders request repayment.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended July 31, 2015**

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 16, 2016, the date on which financial statements were available to be issued. Management concluded that no material subsequent events have occurred since July 31, 2015 that require recognition or disclosure in such financial statements.

This Page Left Intentionally Blank