

**JAMESTOWN COMMUNITY CENTER**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JULY 31, 2017**

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## **INTRODUCTORY SECTION**

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**JAMESTOWN COMMUNITY CENTER**  
**Financial Statements**  
**For the Year Ended July 31, 2017**

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**JAMESTOWN COMMUNITY CENTER**

**BOARD OF DIRECTORS AND  
MANAGEMENT PERSONNEL**

**JULY 31, 2017**

**BOARD OF DIRECTORS**

Betty Pazmiño, President

Desiree Almendral

Lisa Bransten

Bob Frank

Gary Furney

Rich Gross

Renu Karir

Katie Brackenridge

Luis Barahona

Efraim Barrera

**MANAGEMENT**

Myrna Melgar, Executive Director

## **FINANCIAL SECTION**

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## 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, 2017, and the related statements of activities, cash flows and program support, revenues and expenses 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.

### *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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 center'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 center'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.

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### ***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, 2017, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2018, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

### ***Report on Summarized Comparative Information***

We have previously audited the Jamestown Community Center's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 21, 2017. In our opinion, the summarized comparative information presented herein as of July 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Pleasant Hill, California  
January 30, 2018

JAMESTOWN COMMUNITY CENTER  
STATEMENT OF FINANCIAL POSITION  
AS OF JULY 31, 2017  
WITH COMPARATIVE AMOUNTS AS OF JULY 31, 2016

ASSETS	2017	2016
Cash in bank (Note 3)	\$60,824	\$6,750
Accounts receivable	376,843	463,290
Prepaid expenses and deposits		160
Fixed assets, net of accumulated depreciation (Note 4)	259	1,566
Total Assets	<u>\$437,926</u>	<u>\$471,766</u>
LIABILITIES		
Accounts payable	\$85,023	\$28,693
Deposit payable	640	225
Line of credit (Note 5)	75,000	150,000
Deferred revenue (Note 6)	14,245	9,027
Loans payable (Note 10)		30,000
Total Liabilities	<u>174,908</u>	<u>217,945</u>
NET ASSETS (Note 2A)		
Unrestricted:		
Designated for operating reserve	103,018	53,821
Temporarily restricted (Note 7A)	<u>160,000</u>	<u>200,000</u>
Total Net Assets	<u>263,018</u>	<u>253,821</u>
Total Liabilities and Net Assets	<u>\$437,926</u>	<u>\$471,766</u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JULY 31, 2017  
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JULY 31, 2016

	Operating Account	Temporarily Restricted	Totals	
			2017	2016
<b>REVENUES</b>				
Government grants		\$1,725,950	\$1,725,950	\$1,337,185
Individual contributions	\$117,828		117,828	85,672
Foundations and corporations	341,452	160,000	501,452	542,359
Fundraising events	193,754		193,754	169,562
Program fees	225,575		225,575	
Other income	19,233		19,233	81,697
Net assets released from restrictions:				
Satisfaction of usage restrictions (Note 7B)	1,925,950	(1,925,950)		
Total Revenues	2,823,792	(40,000)	2,783,792	2,216,475
<b>EXPENSES</b>				
Program services	2,286,532		2,286,532	1,873,163
Management and general	243,819		243,819	198,876
Fundraising	244,244		244,244	204,608
Total Expenses	2,774,595		2,774,595	2,276,647
<b>CHANGE IN NET ASSETS</b>	49,197	(40,000)	9,197	(60,172)
Net Assets, beginning of period	53,821	200,000	253,821	313,993
Net Assets, end of period	\$103,018	\$160,000	\$263,018	\$253,821

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JULY 31, 2017  
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JULY 31, 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$9,197	(\$60,172)
Adjustments to reconcile to cash flows from operating activities:		
Depreciation	1,307	1,420
Decrease in receivables	86,447	80,786
Decrease (increase) in prepaids	160	(160)
(Increase) decrease in accounts payable	56,330	(20,292)
Increase in deposits payable	415	225
Increase in deferred revenues	<u>5,218</u>	<u>3,217</u>
Total adjustments	<u>149,877</u>	<u>65,196</u>
Cash Flows Provided by Operating Activities	<u>159,074</u>	<u>5,024</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on line of credit		150,000
Repayments on line of credit	(75,000)	(150,000)
Repayment on loans payable	<u>(30,000)</u>	<u>(10,000)</u>
Cash Flows Provided (Used) by Financing Activities	<u>(105,000)</u>	<u>(10,000)</u>
Net Cash Flows	54,074	(4,976)
Cash, beginning of period	<u>6,750</u>	<u>11,726</u>
Cash, end of period	<u><u>\$60,824</u></u>	<u><u>\$6,750</u></u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid during the year	<u><u>\$1,801</u></u>	<u><u>\$8,319</u></u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER  
STATEMENT OF PROGRAM SUPPORT, REVENUES AND EXPENSES  
FOR THE YEAR ENDED JULY 31, 2017  
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JULY 31, 2016

	Program Services	Management and General	Fundraising	Totals	
				2017	2016
<b>SUPPORT AND REVENUES</b>					
Government grants	\$1,699,818	\$26,132		\$1,725,950	\$1,337,185
Individual contributions	84,733		\$33,095	117,828	85,672
Foundations and corporations	283,765	217,687		501,452	542,359
Fundraising events			193,754	193,754	169,562
Program fees	225,575			225,575	42,312
Other income	1,838		17,395	19,233	39,385
Total Support and Revenues	2,295,729	243,819	244,244	2,783,792	2,216,475
<b>FUNCTIONAL EXPENSES</b>					
Director's salary	69,055	13,998	10,265	93,318	91,042
Other salaries and wages	1,548,771	127,546	145,767	1,822,084	1,403,540
Payroll taxes and benefits	279,006	26,572	26,572	332,150	235,089
Consultant fees	165,929	8,194	30,728	204,851	231,109
Supplies	53,616	7,751	3,230	64,597	64,796
Telephone	8,719	1,026	513	10,258	9,223
Postage and shipping	1,154	16	433	1,603	4,406
Reproduction	2,270	69	4,539	6,878	2,021
Travel and parking	1,262	70	70	1,402	1,068
Depreciation (Note 4)		1,307		1,307	1,420
Field and camping trips	24,726			24,726	17,499
Payroll processing fees	17,120	1,141	761	19,022	15,065
Insurance	8,802	11,735	2,031	22,568	23,975
Rent expenses	42,893	12,582	1,716	57,191	62,249
Audit fees	6,956	1,391	928	9,275	8,900
Staff and volunteer development	18,594	2,268	1,814	22,676	27,126
League entrance fees	29,650			29,650	37,867
Fundraising expenses			13,601	13,601	13,978
Interest		5,631		5,631	8,319
Other services	7,064	8,187	803	16,054	17,717
Miscellaneous	945	14,335	473	15,753	238
Total Functional Expenses	2,286,532	243,819	244,244	2,774,595	2,276,647
<b>CHANGE IN NET ASSETS</b>					
	\$9,197			\$9,197	(\$60,172)

See accompanying notes to financial statements.

**JAMESTOWN COMMUNITY CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2017**

<b>NOTE 1 – REPORTING ENTITY</b>
----------------------------------

**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 and surrounding neighborhoods 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 and surrounding neighborhoods of San Francisco. Our number of annual youth participation has grown significantly from 750 participants to at least 1,500 participants ranging from zero- to eighteen-year olds. Jamestown fulfills its mission 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-2<sup>nd</sup> graders are provided with academic support, as well as an enrichment or recreation activities.
- *Brain Soup.* Elementary school youth in 3<sup>rd</sup>-5<sup>th</sup> 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-5<sup>th</sup> 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 Year Ended July 31, 2017**

<b>NOTE 1 – REPORTING ENTITY (Continued)</b>
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- *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.

**Counseling and Prevention Services:**

- *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.

**Phoenix Risers Program:**

- The Phoenix Risers program provides structured enrichment, homework support and breakfast to youth k-5 before school from 7:00 am until school starts at multiple school sites.



**JAMESTOWN COMMUNITY CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2017**

<b>NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>
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**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, 2017.

***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 Year Ended July 31, 2017**

<b>NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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***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 year ended July 31, 2017.

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 Year Ended July 31, 2017**

**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 year ended July 31, 2017:

	Balance, July 31, 2016	Additions	Balance, July 31, 2017
Equipment	\$24,087		\$24,087
Sub-total	24,087		24,087
Accumulated depreciation	(22,521)	(\$1,307)	(23,828)
Total fixed assets, net	<u>\$1,566</u>		<u>\$259</u>

**NOTE 5 – LINE OF CREDIT**

During fiscal year 2014-15, the Center obtained a \$150,000 line of credit with Northern California Community Loan Fund (NCCLF). During fiscal year 2015-16, the Center was approved for an extension of its Revolving Line of Credit Loan with NCCLF in the amount of \$150,000. The line bears interest at 6.5%. At July 31, 2017, the Center had a balance outstanding of \$75,000.

**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, 2017:

<u>Organization</u>	
Unearned Soccer League Fees	<u>\$14,245</u>
Total Deferred Revenue	<u><u>\$14,245</u></u>

**JAMESTOWN COMMUNITY CENTER  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended July 31, 2017**

**NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS**

**A. Temporarily Restricted Net Assets**

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

	2017	2016
Youth Apprentice Program	\$50,000	\$125,000
Development		60,000
Cesar Chavez		7,500
Buena Vista Horace Mann		7,500
Program Evaluation	80,000	
Parent Engagement	30,000	
	<u>\$160,000</u>	<u>\$200,000</u>

**B. Temporarily Restricted Net Assets Released from Donor Restriction**

Temporarily restricted net assets were released from donor restriction by incurring expenses satisfying the purpose specified by donors as follows during the year ended June 30:

	2017	2016
Buena Vista Horace Mann	\$340,015	\$245,515
Cesar Chavez	340,573	402,498
James Lick	257,051	230,360
One Purpose	113,839	30,506
League Soccer	144,501	127,814
Treehouse	103,004	50,978
Youth Apprentice Program	157,485	125,416
Winter, Fall and Summer Programs	323,318	223,251
Phoenix Risers	60,032	
Administration	86,132	847
	<u>\$1,925,950</u>	<u>\$1,437,185</u>

**NOTE 8- 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.

**JAMESTOWN COMMUNITY CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2017**

**NOTE 9 – LEASE AGREEMENT**

On September 1, 2016, the Center entered into an agreement to lease office space. The term of the lease expired on August 31, 2019. During fiscal year 2016-17, total rent expense amounted to \$45,000.

On September 1, 2016, the Center entered into an agreement to lease office space. The term of the lease is through August 31, 2019, with a monthly base rent of \$3,750 for the first year, increasing to \$3,800 in the second year and \$3,850 in the third year. The total future minimum rent payments are as follows:

<u>Fiscal Year Ended</u>	<u>Amount</u>
2018	\$45,600
2019	46,200

**NOTE 10 – RELATED PARTY TRANSACTIONS**

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%. During fiscal year 2017, the loan was paid in full.

**NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 30, 2018 the date on which financial statements were available to be issued. Management concluded that no material subsequent events have occurred since July 31, 2017 that requires recognition or disclosure in such financial statements.

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**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Jamestown Community Center (Center), as of and for the year ended July 31, 2017, and have issued our report thereon dated January 30, 2018.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated January 30, 2018 which is an integral part of our audit and should be read in conjunction with this report.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maze & Associates*

Pleasant Hill, California  
January 30, 2018