

JAMESTOWN COMMUNITY CENTER
FINANCIAL STATEMENTS
FOR THE 11-MONTH PERIOD ENDED
JUNE 30, 2018

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INTRODUCTORY SECTION

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**JAMESTOWN COMMUNITY CENTER
Financial Statements
For the 11-Month Period Ended June 30, 2018**

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**

JUNE 30, 2018

BOARD OF DIRECTORS

Betty Pazmiño, President

Lisa Bransten

Bob Frank

Gary Furney

Rich Gross

Renu Karir

Katie Brackenridge

Luis Barahona

Efrain 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 June 30, 2018, and the related statements of activities, cash flows, and program support, revenues and expenses for the 11-month period 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. 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.

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 June 30, 2018, and the changes in its net assets and cash flows for the 11-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Jamestown Community Center changed its fiscal year end from July 31 to June 30, commencing with this fiscal year ended June 30, 2018, therefore its 2018 financial statements cover an 11-month period from August 1, 2017 through June 30, 2018.

The emphasis of this matter does not constitute a change in our opinion.

Report on Summarized Comparative Information

We have previously audited the Jamestown Community Center's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 30, 2018. In our opinion, the summarized comparative information presented herein as of July 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Maze & Associates

Pleasant Hill, California
December 19, 2018

JAMESTOWN COMMUNITY CENTER
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2018
WITH COMPARATIVE AMOUNTS AS OF JULY 31, 2017

ASSETS	<u>2018</u>	<u>2017</u>
Cash in bank (Note 3)	\$6,670	\$60,824
Accounts receivable	719,936	376,843
Fixed assets, net of accumulated depreciation (Note 4)	<u>2,963</u>	<u>259</u>
Total Assets	<u><u>\$729,569</u></u>	<u><u>\$437,926</u></u>
LIABILITIES		
Accounts payable	\$127,781	\$85,023
Deposit payable	3,119	640
Line of credit (Note 5)		75,000
Deferred revenue (Note 6)	<u>9,596</u>	<u>14,245</u>
Total Liabilities	<u>140,496</u>	<u>174,908</u>
NET ASSETS (Note 2A)		
Unrestricted:		
Designated for operating reserve	100,000	103,018
Undesignated	59,073	
Temporarily restricted (Note 7A)	<u>430,000</u>	<u>160,000</u>
Total Net Assets	<u>589,073</u>	<u>263,018</u>
Total Liabilities and Net Assets	<u><u>\$729,569</u></u>	<u><u>\$437,926</u></u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF ACTIVITIES
FOR THE 11-MONTH PERIOD ENDED JUNE 30, 2018
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JULY 31, 2017

	Operating Account	Temporarily Restricted	Totals	
			2018	2017
REVENUES				
Government grants	\$1,652,862		\$1,652,862	\$1,725,950
Individual contributions	170,806		170,806	117,828
Foundations and corporations	445,507	\$430,000	875,507	501,452
Fundraising events	150,910		150,910	193,754
Program fees	318,159		318,159	225,575
Other income	31,441		31,441	19,233
Net assets released from restrictions:				
Satisfaction of usage restrictions (Note 7B)	160,000	(160,000)		
Total Revenues	2,929,685	270,000	3,199,685	2,783,792
EXPENSES				
Program services	2,370,856		2,370,856	2,286,532
Management and general	256,929		256,929	243,819
Fundraising	245,845		245,845	244,244
Total Expenses	2,873,630		2,873,630	2,774,595
CHANGE IN NET ASSETS	56,055	270,000	326,055	9,197
Net Assets, beginning of period	103,018	160,000	263,018	253,821
Net Assets, end of period	<u>\$159,073</u>	<u>\$430,000</u>	<u>\$589,073</u>	<u>\$263,018</u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF CASH FLOWS
FOR THE 11-MONTH PERIOD ENDED JUNE 30, 2018
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JULY 31, 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$326,055	\$9,197
Adjustments to reconcile to cash flows from operating activities:		
Depreciation	688	1,307
Decrease in receivables	(343,093)	86,447
Decrease (increase) in prepaids		160
(Increase) decrease in accounts payable	42,758	56,330
Increase in deposits payable	2,479	415
Increase in deferred revenues	(4,649)	5,218
Total adjustments	(301,817)	149,877
Cash Flows Provided by Operating Activities	24,238	159,074
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,392)	
Cash Flows (Used) by Financing Activities	(3,392)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on line of credit	(75,000)	(75,000)
Repayment on loans payable		(30,000)
Cash Flows Provided (Used) by Financing Activities	(75,000)	(105,000)
Net Cash Flows	(54,154)	54,074
Cash, beginning of period	60,824	6,750
Cash, end of period	\$6,670	\$60,824
Supplemental Disclosure of Cash Flow Information:		
Interest paid during the year	\$5,741	\$5,631

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF PROGRAM SUPPORT, REVENUES AND EXPENSES
FOR THE 11-MONTH PERIOD ENDED JUNE 30, 2018
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JULY 31, 2017

	Program Services	Management and General	Fundraising	Totals	
				2018	2017
SUPPORT AND REVENUES					
Government grants	\$1,652,862			\$1,652,862	\$1,725,950
Individual contributions		\$99,326	\$71,480	170,806	117,828
Foundations and corporations	752,934	122,573		875,507	501,452
Fundraising events			150,910	150,910	193,754
Program fees	291,115	27,044		318,159	225,575
Other income		7,986	23,455	31,441	19,233
Total Support and Revenues	2,696,911	256,929	245,845	3,199,685	2,783,792
FUNCTIONAL EXPENSES					
Director's salary	65,776	13,333	9,778	88,887	93,318
Other salaries and wages	1,650,573	135,930	155,348	1,941,851	1,822,084
Payroll taxes and benefits	310,928	29,612	29,612	370,152	332,150
Consultant fees	124,960	6,171	23,141	154,272	204,851
Supplies	47,015	6,797	2,832	56,644	64,597
Telephone and communication	8,973	1,056	528	10,557	10,258
Postage and shipping	688	10	258	956	1,603
Reproduction	1,446	44	2,891	4,381	6,878
Travel and parking	3,743	208	208	4,159	1,402
Depreciation (Note 4)		688		688	1,307
Field and camping trips	5,832			5,832	24,726
Payroll processing fees	18,225	1,215	810	20,250	19,022
Insurance	7,765	10,354	1,792	19,911	22,568
Rent expenses	52,331	15,350	2,093	69,774	57,191
Audit fees	7,223	1,445	963	9,631	9,275
Staff and volunteer development	24,824	3,027	2,422	30,273	22,676
League entrance fees	26,569			26,569	29,650
Fundraising expenses			11,311	11,311	13,601
Interest		5,741		5,741	5,631
Other services	13,290	15,404	1,510	30,204	16,054
Miscellaneous	695	10,544	348	11,587	15,753
Total Functional Expenses	2,370,856	256,929	245,845	2,873,630	2,774,595
CHANGE IN NET ASSETS	\$326,055			\$326,055	\$9,197

See accompanying notes to financial statements.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended June 30, 2018**

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 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.

During 2018, the Center elected to change its fiscal year end from July 31 to June 30. The accompanying financial statements include the financial statement information for the 11-month period from August 1, 2017 through June 30, 2018. Comparative information shown is for the full 12-month fiscal year ended July 31, 2017.

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.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended June 30, 2018**

NOTE 1 – REPORTING ENTITY (Continued)

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.
- *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.
- *CAM – Tobacco Prevention Program:* Community action model focused on leadership development among teens to work on reducing the use and abuse of Tobacco products among teens in the community.
- *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.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended June 30, 2018**

NOTE 1 – REPORTING ENTITY (Continued)

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.

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.

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 \$159,073 at June 30, 2018.

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.

JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended June 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 11-month period ended June 30, 2018.

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.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended June 30, 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 11-month period ended June 30, 2018:

	Balance, July 31, 2017	Additions	Retirements	Balance, June 30, 2018
Equipment	\$24,087	\$3,392	\$19,826	\$7,653
Sub-total	24,087	\$3,392	\$19,826	7,653
Accumulated depreciation	(23,828)	(\$688)	\$19,826	(4,690)
Total fixed assets, net	<u>\$259</u>			<u>\$2,963</u>

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended June 30, 2018**

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 the 11-month period ended June 30, 2018, the balance was fully repaid and the line of credit was terminated.

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 June 30, 2018:

Unearned Soccer League Fees	\$9,596
Total Deferred Revenue	\$9,596

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

A. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at:

	June 30, 2018	July 31, 2017
Youth Apprentice Program		\$50,000
Program Evaluation	\$310,000	80,000
Parent Engagement		30,000
Time Restriction	120,000	
	\$430,000	\$160,000

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended June 30, 2018**

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS (Continued)

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:

	2018	2017
Buena Vista Horace Mann		\$340,015
Cesar Chavez		340,573
James Lick		257,051
One Purpose		113,839
League Soccer		144,501
Treehouse		103,004
Youth Apprentice Program	\$50,000	157,485
Winter, Fall and Summer Programs		323,318
Phoenix Risers		60,032
Administration		86,132
Program Evaluation	80,000	
Parent Engagement	30,000	
	\$160,000	\$1,925,950

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.

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 the 11-month period ended June 30, 2018, total rent expense amounted to \$69,774.

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:

Fiscal Year Ended	Amount
2019	\$46,200

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the 11-Month Period Ended June 30, 2018**

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 19, 2018 the date on which financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2018 that requires recognition or disclosure in such financial statements.