

JAMESTOWN COMMUNITY CENTER

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2019**

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INTRODUCTORY SECTION

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JAMESTOWN COMMUNITY CENTER
Financial Statements
For the Year Ended June 30, 2019

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JAMESTOWN COMMUNITY CENTER

**BOARD OF DIRECTORS AND
MANAGEMENT PERSONNEL**

JUNE 30, 2019

BOARD OF DIRECTORS

Betty Pazmiño, President
Aleks Zavaleta, Vice President
Rich Gross, Treasurer
Luis Barahona
Patricia Barraza
Efrain Barrera
Katie Brackenridge
Lisa Bransten
Bob Frank
Gary Furney
Carlos R. Lopez
Paul Vega

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, 2019, and the related statements of activities, cash flows, and program support, revenues and functional 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. 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, 2019, 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.

Emphasis of a Matter

Effective July 1, 2018, Jamestown Community Center merged with another not-for-profit organization, Loco Bloco. The residual assets of Loco Bloco were transferred to the Center in the amount of \$263,861.

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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 19, 2018. In our opinion, the summarized comparative information presented herein as of June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mazze & Associates

Pleasant Hill, California
December 16, 2019

JAMESTOWN COMMUNITY CENTER
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019
WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2018

ASSETS	2019	2018
Current assets:		
Cash in bank	\$4,513	\$6,670
Donated stock	5,722	
Accounts receivable (Note 3)	1,068,466	719,936
Prepaid expense	4,515	
Total current assets	1,083,216	726,606
Fixed assets, net of accumulated depreciation (Note 4)	1,833	2,963
Total Assets	<u>\$1,085,049</u>	<u>\$729,569</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$218,724	\$127,781
Loan payable	16,000	
Deposit payable	8,823	3,119
Deferred revenue (Note 5)	12,290	9,596
Total current liabilities	255,837	140,496
Noncurrent liabilities:		
Line of credit (Note 6)	237,000	
Total noncurrent liabilities	237,000	
Total Liabilities	492,837	140,496
NET ASSETS (Note 2A)		
Net assets without donor restrictions:		
Designated for operating reserve	100,000	100,000
Undesignated	90,379	59,073
Net assets with donor restrictions (Note 7A)	401,833	430,000
Total Net Assets	592,212	589,073
Total Liabilities and Net Assets	<u>\$1,085,049</u>	<u>\$729,569</u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED INFORMATION FOR THE 11-MONTH PERIOD ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2019	2018
REVENUES				
Government grants	\$2,866,052		\$2,866,052	\$1,652,862
Individual contributions	101,349		101,349	170,806
Foundations and corporations	176,288	\$224,167	400,455	875,507
Fundraising events	228,730		228,730	150,910
Program fees	380,722		380,722	318,159
Other income	6,504		6,504	31,441
Net assets released from restrictions:				
Satisfaction of usage restrictions (Note 7B)	382,334	(382,334)		
Total Revenues	<u>4,141,979</u>	<u>(158,167)</u>	<u>3,983,812</u>	<u>3,199,685</u>
EXPENSES				
Program services	3,496,657		3,496,657	2,370,856
Management and general	397,778		397,778	256,929
Fundraising	350,099		350,099	245,845
Total Expenses	<u>4,244,534</u>		<u>4,244,534</u>	<u>2,873,630</u>
CHANGES IN NET ASSETS BEFORE SPECIAL ITEM	(102,555)	(158,167)	(260,722)	326,055
SPECIAL ITEM:				
Residual equity transfer due to merger (Note 2L)	133,861	130,000	263,861	
CHANGES IN NET ASSETS	31,306	(28,167)	3,139	326,055
Net Assets, beginning of period	<u>159,073</u>	<u>430,000</u>	<u>589,073</u>	<u>263,018</u>
Net Assets, end of period	<u>\$190,379</u>	<u>\$401,833</u>	<u>\$592,212</u>	<u>\$589,073</u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED INFORMATION FOR THE 11-MONTH PERIOD ENDED JUNE 30, 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$3,139	\$326,055
Adjustments to reconcile to cash flows from operating activities:		
Depreciation	1,130	688
(Increase) in receivables	(348,530)	(343,093)
(Increase) in prepaids	(4,515)	
Increase in accounts payable	90,943	42,758
Increase in deposits payable	5,704	2,479
Increase (decrease) in deferred revenues	<u>2,694</u>	<u>(4,649)</u>
Total adjustments	<u>(252,574)</u>	<u>(301,817)</u>
Cash Flows (Used) Provided by Operating Activities	<u>(249,435)</u>	<u>24,238</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt of donated stock	(5,722)	
Purchase of fixed assets	<u></u>	<u>(3,392)</u>
Cash Flows (Used) by Financing Activities	<u>(5,722)</u>	<u>(3,392)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds	16,000	
Repayments on line of credit		(75,000)
Borrowings on line of credit	<u>237,000</u>	<u></u>
Cash Flows Provided (Used) by Financing Activities	<u>253,000</u>	<u>(75,000)</u>
Net Cash Flows	(2,157)	(54,154)
Cash, beginning of period	<u>6,670</u>	<u>60,824</u>
Cash, end of period	<u><u>\$4,513</u></u>	<u><u>\$6,670</u></u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid during the year	<u><u>\$16,108</u></u>	<u><u>\$5,741</u></u>
Non-cash activity: receipt of donated stock	<u><u>\$5,722</u></u>	<u><u></u></u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF PROGRAM SUPPORT, REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
WITH SUMMARIZED INFORMATION FOR THE 11-MONTH PERIOD ENDED JUNE 30, 2018

	Program Services	Management and General	Fundraising	Totals	
				2019	2018
SUPPORT AND REVENUES					
Government grants	\$2,866,052			\$2,866,052	\$1,652,862
Individual contributions	101,349			101,349	170,806
Foundations and corporations	226,813	\$173,642		400,455	875,507
Fundraising events			\$228,730	228,730	150,910
Program fees	353,490	27,232		380,722	318,159
Other income		6,504		6,504	31,441
Total Support and Revenues	<u>3,547,704</u>	<u>207,378</u>	<u>228,730</u>	<u>3,983,812</u>	<u>3,199,685</u>
FUNCTIONAL EXPENSES					
Director's salary	31,604	6,406	4,698	42,708	88,887
Other salaries and wages	2,404,057	197,981	226,264	2,828,302	1,941,851
Payroll taxes and benefits	460,255	43,834	43,834	547,923	370,152
Consultant fees	228,650	11,291	42,342	282,283	154,272
Supplies	96,213	13,910	5,796	115,919	56,644
Telephone and communication	8,911	1,048	524	10,483	10,557
Postage and shipping	1,563	22	586	2,171	956
Reproduction	3,639	110	7,277	11,026	4,381
Travel and parking	915	51	51	1,017	4,159
Depreciation (Note 4)		1,130		1,130	688
Field and camping trips	19,658			19,658	5,832
Payroll processing fees	11,264	751	501	12,516	20,250
Insurance	10,057	13,410	2,321	25,788	19,911
Rent expenses	107,458	31,521	4,298	143,277	69,774
Audit fees	10,403	2,081	1,386	13,870	9,631
Staff and volunteer development	59,413	7,246	5,796	72,455	30,273
League entrance fees	26,399			26,399	26,569
Fundraising expenses			1,699	1,699	11,311
Interest		16,108		16,108	5,741
Other services	13,906	16,118	1,580	31,604	30,204
Miscellaneous	2,292	34,760	1,146	38,198	11,587
Total Functional Expenses	<u>3,496,657</u>	<u>397,778</u>	<u>350,099</u>	<u>4,244,534</u>	<u>2,873,630</u>
CHANGES IN NET ASSETS					
	<u>\$51,047</u>	<u>(\$190,400)</u>	<u>(\$121,369)</u>	<u>(\$260,722)</u>	<u>\$326,055</u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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. Effective July 1, 2018, the Center merged its activities with Loco Bloco, a not-for-profit organization.

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 full year from July 1, 2018 through June 30, 2019. Comparative information shown is for the 11-month period from August 1, 2017 through June 30, 2018.

B. Programs

For almost 50 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 4,000 participants ranging from zero- to twenty four-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 Year Ended June 30, 2019**

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.
- *Casa:* UnidosUS funded leadership development for middle schoolers.
- *CasaCode:* UnidosUS funded leadership development for middle schoolers to build skills in coding and digital literacy.

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.
- *CMCA – Alcohol Abuse Prevention Program:* Community action model focused on leadership development among teens to work on reducing the environment and culture in the neighborhood that fosters alcohol abuse.
- *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.
- *Escalera:* UnidosUS curriculum supporting High School youth in preparing for college.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 1 – REPORTING ENTITY (Continued)

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.
- *Girls Soccer.* Girls 5th grade through High School play in recreational soccer teams, learn new skills, and participate in workshops on health, sportsmanship, and gender-specific issues. The teams compete against other schools 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.

Arts and Community Programs

- *Community Arts Education.* Loco Bloco's after-school, school day and community classes for youth ages 3-24 offer multicultural performing arts training with developmentally appropriate curriculum in dance, percussion, stilt walking, and theater arts rooted in Afro-Latino and Afro-Brazilian traditions. Arts instruction includes technique, history, skill building and performance. At the core of our curriculum are Loco Bloco's Values: Activism, Health, Inclusion, Grit, Youth Leadership, Family and Education. Our instructors use performance arts to teach these values, supporting youth to overcome injustice; adopt healthy, active, lifestyles, serve as leaders in their communities, and embrace ethnic and cultural diversity.
- *Community Arts Events.* Loco Bloco's annual Carnaval SF contingent brings together over 300 community members of all ages to present spectacular new Afro-Latino music and dance compositions and stunning visuals at the Carnaval San Francisco parade and festival. ReclaMission brings together Jamestown youth and artists from Calle 24 organizations to reclaim the traditions of Dia De Los Muertos in the Mission, and return the celebration to the communities directly connected with its origins in a physically, emotionally and culturally safe space. This uniquely SF-Mission event fuses Meso-American traditions with modern social justice practices & customs for honoring our ancestors. With our art we create a protection; of each other, our cultures, our traditions and our spaces.

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.
- *SFP (Strengthening Families Program)* A 14 week prevention and family support workshop for parents and youth targeted at families of preadolescents focused on skill building in communication, conflict resolution and family strengthening.

JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 – REPORTING ENTITY (Continued)

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 accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, *Financial Statements of Not-for-Profit Organizations*.

The Center reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions. The Board has designated \$100,000 as an operating reserve, which is included in the total Net Assets Without Donor Restrictions.

Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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B. Contributions and Grants

Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions, 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 net assets with donor restrictions until the purpose restriction is met. When a restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

D. Concentrations of Credit Risk

The Center maintains its cash in bank accounts which, at times, may exceed the FDIC insured limits. The Center has not experienced losses in any of these accounts and management believes the Center is not exposed to any significant credit risk related to these accounts.

E. Receivables

Receivables are recorded net of an allowance for expected losses. The allowance is recorded based on management's estimate of the expected collectability of the amounts.

F. 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.

G. 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 June 30, 2019.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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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.

H. Functional Allocation of Expenses

The costs for providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Those expenses which cannot be specifically identified by function type have been allocated to functions based upon management's best estimate of usage. Personnel costs, including salaries and fringe benefits, as well as direct operating expenses associated with the specific personnel, are allocated based on the estimated percentage of time each position works in each program or administration. Other shared costs are allocated using the full-time equivalent ratio for the departments.

I. Advertising Costs

Advertising costs, if any, are expensed as incurred.

J. Fair Value Measurements

The Center reports certain assets and liabilities at fair value in the financial statements. 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 observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

The three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the Center develops inputs using the best information available in the circumstances.

JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. New Accounting Pronouncement

During the year ended June 30, 2019, the Center adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14)*. The Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (see Note 10).

L. Special Item

Effective July 1, 2018, the Center merged its activities with Loco Bloco, a not-for-profit organization. All of Loco Bloco's assets and liabilities were consolidated into the Center's statement of financial position, and as a result, a net amount of \$263,861 was transferred into the Center's net assets as a result of the merger.

M. Subsequent Events

The Jamestown Community Center evaluated subsequent events for recognition and disclosure through December 16, 2019, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2019 that requires recognition or disclosure in such financial statements.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2019 consists of the following:

Mission Economic Development Agency	\$145,833
Department of Health	128,125
Department of Children Youth & Their Families	108,723
Buena Vista Horace Mann Beacon	108,668
Junior League Beacon	106,698
Unidos US	73,000
Cesar Chavez Beacon	70,687
William & Flora Hewlett	65,000
Other	261,732
Total accounts receivable	<u>\$1,068,466</u>

JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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 June 30, 2019:

	Balance, July 1, 2018	Additions	Retirements	Balance, June 30, 2019
Equipment	\$7,653			\$7,653
Sub-total	7,653			7,653
Accumulated depreciation	(4,690)	(\$1,130)		(5,820)
Total fixed assets, net	\$2,963			\$1,833

NOTE 5 – 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, 2019:

Unearned Soccer League Fees	\$12,290
Total Deferred Revenue	\$12,290

NOTE 6 – LINE OF CREDIT

During fiscal year 2018-19, the Center obtained a line of credit with Amalgamated Bank, with an interest rate of 7.25%. During the year, the Center drew down \$237,000, which is the balance as of June 30, 2019.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019**

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

A. *Net Assets With Donor Restrictions*

Net assets with donor restrictions consisted of the following at June 30:

	2019	2018
Youth Apprentice Program	\$18,000	
Program Evaluation	145,833	\$310,000
Unidos US	73,000	
William & Flora Hewlett	115,000	
Cisco System Foundation	50,000	
Time Restriction		120,000
	<u>\$401,833</u>	<u>\$430,000</u>

B. *Net Assets With Donor Restrictions Released from Donor Restriction*

Net assets with donor restrictions were released from restriction by incurring expenses satisfying the time or purpose specified by donors as follows:

	2019	2018
SF Foundation	\$30,000	
Caerus Foundation	60,000	
San Francisco Study Center	50,000	
MEDA	240,782	
Youth Apprentice Program		\$50,000
Paul Nixon Scholarship	1,552	
Program Evaluation		80,000
Parent Engagement		30,000
	<u>\$382,334</u>	<u>\$160,000</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.

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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, 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. During the period ended June 30, 2019, total rent expense amounted to \$143,277.

On February 1, 2019, the Center entered into an agreement to lease a new office space. The term of the lease is through February 1, 2029, with a monthly base rent of \$5,000. The total future minimum rent payments are as follows:

<u>Fiscal Year Ended</u>	<u>Amount</u>
2020	\$60,000
2021	<u>60,000</u>
Total	<u>\$120,000</u>

NOTE 10 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consisted of the following at June 30, 2019:

Total current financial assets:	
Cash and cash equivalents	\$4,513
Donated Stock	5,722
Accounts receivable	<u>1,068,466</u>
Total current financial assets	1,078,701
Less contractual or donor-imposed restrictions:	
Purpose restrictions	(401,833)
Accounts payable	(218,724)
Loans payable	(16,000)
Deposits payable	(8,823)
Line of credit	<u>(237,000)</u>
Financial assets available to meet cash	
needs for general expenditures within one year	<u>\$196,321</u>