

JAMESTOWN COMMUNITY CENTER

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2020**

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INTRODUCTORY SECTION

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JAMESTOWN COMMUNITY CENTER
Financial Statements
For the Year Ended June 30, 2020

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JAMESTOWN COMMUNITY CENTER

**BOARD OF DIRECTORS AND
MANAGEMENT PERSONNEL**

JUNE 30, 2020

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
Renu Karir
Carlos R. Lopez
Paul Vega

MANAGEMENT

Nelly Sapinski, 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, 2020, 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, 2020, 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

As discussed in Note 12, Jamestown Community Center entered into an agreement with two other not-for-profit organizations to form the 701 Alabama Consortium LLC, for the purpose of purchasing real property. The Center received a \$1 million grant to be used solely for its interest in purchasing the property. In accordance with applicable accounting pronouncements, the Center is recording its interest in the property using the equity method of accounting.

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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2019. In our opinion, the summarized comparative information presented herein as of June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Pleasant Hill, California
January 20, 2021

JAMESTOWN COMMUNITY CENTER
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2020
WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2019

ASSETS	<u>2020</u>	<u>2019</u>
Current assets:		
Cash in bank	\$118,106	\$4,513
Donated stock		5,722
Accounts receivable (Note 3)	989,745	1,068,466
Prepaid expense		<u>4,515</u>
Total current assets	<u>1,107,851</u>	<u>1,083,216</u>
Noncurrent assets:		
Fixed assets, net of accumulated depreciation (Note 4)	703	1,833
Equity investment in 701 Alabama LLC (Note 12)	<u>523,333</u>	
Total noncurrent assets	<u>524,036</u>	<u>1,833</u>
Total Assets	<u><u>\$1,631,887</u></u>	<u><u>\$1,085,049</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$47,959	\$218,724
Deferred revenue (Note 5)	1,700	12,290
Deposit payable		8,823
Loan payable (Note 6)	<u>586,287</u>	<u>16,000</u>
Total current liabilities	<u>635,946</u>	<u>255,837</u>
Noncurrent liabilities:		
Line of credit (Note 7)		<u>237,000</u>
Total noncurrent liabilities		<u>237,000</u>
Total Liabilities	<u>635,946</u>	<u>492,837</u>
NET ASSETS (Note 2A)		
Net assets without donor restrictions:		
Designated for operating reserve	100,000	100,000
Undesignated	538,341	90,379
Net assets with donor restrictions (Note 8A)	<u>357,600</u>	<u>401,833</u>
Total Net Assets	<u>995,941</u>	<u>592,212</u>
Total Liabilities and Net Assets	<u><u>\$1,631,887</u></u>	<u><u>\$1,085,049</u></u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2020	2019
REVENUES				
Government grants	\$3,224,138		\$3,224,138	\$2,866,052
Individual contributions	321,024		321,024	101,349
Foundations and corporations	209,285	\$1,346,300	1,555,585	400,455
Fundraising events				228,730
Program fees	231,798		231,798	380,722
Other income	15,206		15,206	6,504
Net assets released from restrictions:				
Satisfaction of usage restrictions (Note 8B)	1,390,533	(1,390,533)		
Total Revenues	5,391,984	(44,233)	5,347,751	3,983,812
EXPENSES				
Program services	3,649,214		3,649,214	3,496,657
Management and general	458,172		458,172	397,778
Fundraising	359,969		359,969	350,099
Total Expenses	4,467,355		4,467,355	4,244,534
CHANGES IN NET ASSETS BEFORE SPECIAL ITEM	924,629	(44,233)	880,396	(260,722)
SPECIAL ITEM:				
Equity interest in 701 Alabama LLC (Note 12)	(476,667)		(476,667)	
Residual equity transfer due to merger				263,861
CHANGES IN NET ASSETS	447,962	(44,233)	403,729	3,139
Net Assets, beginning of period	190,379	401,833	592,212	589,073
Net Assets, end of period	<u>\$638,341</u>	<u>\$357,600</u>	<u>\$995,941</u>	<u>\$592,212</u>

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF PROGRAM SUPPORT, REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Fundraising	Totals	
				2020	2019
SUPPORT AND REVENUES					
Government grants	\$3,224,138			\$3,224,138	\$2,866,052
Individual contributions		\$321,024		321,024	101,349
Foundations and corporations	340,585	1,050,000	\$165,000	1,555,585	400,455
Fundraising events					228,730
Program fees	219,141	12,657		231,798	380,722
Other income		15,206		15,206	6,504
Total Support and Revenues	3,783,864	1,398,887	165,000	5,347,751	3,983,812
FUNCTIONAL EXPENSES					
Salaries and wages	2,588,001	213,129	243,577	3,044,707	2,871,010
Payroll taxes and benefits	573,935	54,660	54,660	683,255	547,923
Consultant fees	177,136	8,747	32,803	218,686	282,283
Supplies	76,781	11,101	4,625	92,507	115,919
Telephone and communication	11,094	1,305	653	13,052	10,483
Postage and shipping	846	12	317	1,175	2,171
Reproduction	3,058	93	6,116	9,267	11,026
Travel and parking	4,895	272	272	5,439	1,017
Depreciation (Note 4)		1,130		1,130	1,130
Field and camping trips	15,323			15,323	19,658
Payroll processing fees	6,529	435	290	7,254	12,516
Insurance	13,050	17,400	3,012	33,462	25,788
Rent expenses	72,494	21,265	2,900	96,659	143,277
Audit fees	11,213	2,243	1,495	14,951	13,870
Staff and volunteer development	39,330	4,796	3,837	47,963	72,455
League entrance fees	25,824			25,824	26,399
Fundraising expenses					1,699
Interest		13,317		13,317	16,108
Other services	24,434	28,321	2,777	55,532	31,604
Bad Debt	2,398	36,375	1,199	39,972	17,242
Miscellaneous	2,873	43,571	1,436	47,880	20,956
Total Functional Expenses	3,649,214	458,172	359,969	4,467,355	4,244,534
CHANGES IN NET ASSETS	\$134,650	\$940,715	(\$194,969)	\$880,396	(\$260,722)

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$403,729	\$3,139
Adjustments to reconcile to cash flows from operating activities:		
Depreciation	1,130	1,130
Decrease (Increase) in receivables	78,721	(348,530)
Decrease(Increase) in prepaids	4,515	(4,515)
(Decrease) Increase in accounts payable	(170,765)	90,943
(Decrease) Increase in deposits payable	(8,823)	5,704
(Decrease) Increase in deferred revenues	(10,590)	2,694
Total adjustments	(105,812)	(252,574)
Cash Flows (Used) Provided by Operating Activities	297,917	(249,435)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equity interest in property	(523,333)	
Sale of stock	5,722	
Receipt of donated stock		(5,722)
Cash Flows (Used) by Financing Activities	(517,611)	(5,722)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds	586,287	16,000
Repayments on loan	(16,000)	
Repayments on line of credit	(237,000)	
Borrowings on line of credit		237,000
Cash Flows Provided by Financing Activities	333,287	253,000
Net Cash Flows	113,593	(2,157)
Cash, beginning of period	4,513	6,670
Cash, end of period	\$118,106	\$4,513
Supplemental Disclosure of Cash Flow Information:		
Interest paid during the year	\$13,317	\$16,108
Non-cash activity: receipt of donated stock		\$5,722

See accompanying notes to financial statements.

JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

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.

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.

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.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 – REPORTING ENTITY (Continued)

- *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.

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.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 1 – REPORTING ENTITY (Continued)

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: Artivism, 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.

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*.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020.

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.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2020 consists of the following:

Caerus Foundation	\$60,000
California Arts Council	24,617
Department of Children Youth & Their Families	369,352
Department of Health	189,649
Grants for the Arts	25,000
Mission Economic Development Agency	218,750
San Francisco Unified School District	62,877
Unidos US	9,500
Violet World Foundation	30,000
	<hr/>
Total accounts receivable	<u>\$989,745</u>

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

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, 2020:

	Balance, July 1, 2019	Additions	Retirements	Balance, June 30, 2020
Equipment	\$7,653			\$7,653
Sub-total	7,653			7,653
Accumulated depreciation	(5,820)	(\$1,130)		(6,950)
Total fixed assets, net	\$1,833			\$703

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 related to soccer league fees.

NOTE 6 – LOAN PAYABLE

In May 2020, the Organization received a \$586,287 loan from the U.S. Small Business Administration Paycheck Protection Program (PPP), with an interest rate of 1.0% that matures in April 2022. The loan was made pursuant to sections 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 1106 of the CARES Act provides that up to the full principal amount plus interest accrued on loans guaranteed under the PPP may qualify for forgiveness if the Organization uses the loan proceeds for forgivable purposes.

The Organization intends to spend the funds in accordance with the guidelines that will make the loan forgivable.

NOTE 7 – 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 repaid \$237,000 on the line of credit, leaving a balance of \$0 as of June 30, 2020.

**JAMESTOWN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

A. Net Assets With Donor Restrictions

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

	2020	2019
Youth Apprentice Program	\$18,000	\$18,000
CA Arts Council	\$22,800	
MEDA - Program Evaluation	145,833	145,833
Caerus Foundation	60,000	
Unidos US	81,500	73,000
William & Flora Hewlett	51,500	115,000
Violet World Foundation	30,000	
Cisco System Foundation	(15,000)	50,000
Mission Economic Development Agency	175,000	
	\$569,633	\$401,833

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:

	2020	2019
CA Arts Council	\$16,200	
Caerus Foundation		\$60,000
Cisco System Foundation	50,000	
Community Vision Capital	1,000,000	
MEDA - Program Evaluation	145,833	240,782
Paul Nixon Scholarship		1,552
San Francisco Study Center		50,000
SF Foundation		30,000
Unidos US	63,500	
William and Flora Hewlett	115,000	
	\$1,390,533	\$382,334

NOTE 9 – 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 June 30, 2020**

NOTE 10 – LEASE AGREEMENT

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>
2021	\$60,000
2022	<u>60,000</u>
Total	<u><u>\$120,000</u></u>

NOTE 11 – 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, 2020:

Total current financial assets:	
Cash and cash equivalents	\$118,106
Accounts receivable	<u>989,745</u>
Total current financial assets	1,107,851
Less contractual or donor-imposed restrictions:	
Purpose restrictions	(357,600)
Accounts payable	(47,959)
Loans payable - current portion	<u>(293,144)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$409,149</u></u>

**JAMESTOWN COMMUNITY CENTER
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For the Year Ended June 30, 2020**

NOTE 12 – EQUITY INTEREST IN 701 ALABAMA CONSORTIUM LLC

The Center entered into an agreement with Mission Neighborhood Centers and the Mission Economic Development Agency, two not-for-profit organizations, to form the 701 Alabama Consortium LLC (701 Alabama), for the purpose of purchasing an undivided 1/3 interest in real property at 701 Alabama Street in San Francisco, California. The original undivided interests of the property were determined to be 33.33% owned by 701 Alabama, and the other 66.67% owned by another not-for-profit organization, Mission Language Vocational Schools (MLVS). The parties committed to preserve the property as a community asset by leasing space to community based non-profit organizations. The parties also committed to renovation of the property at some future date for the construction of affordable housing.

The 1/3 interest in the building was purchased in August 2019 for a total cost of \$6,570,000. In March 2019, the Center received a \$1 million grant that was used towards the purchase of the property, and an additional \$570,000 was deposited towards the purchase by the other parties in 701 Alabama. The remaining \$5 million was financed by 701 Alabama through a loan with the Bank of San Francisco.

In accordance with Financial Accounting Standards Board (FASB) ASC 970-323, the Center has recorded its interest in 701 Alabama using the equity method of accounting. During fiscal year ended June 30, 2020, 701 Alabama received \$45,300 in rental income, and incurred \$283,386 in expenses, including interest and depreciation.

NOTE 13 – SUBSEQUENT EVENT

The Jamestown Community Center evaluated subsequent events for recognition and disclosure through January 20, 2021, the date which these financial statements were available to be issued.

On August 12, 2020, the operating agreement for the 701 Alabama Consortium LLC was amended to include Mission Language Vocational Schools as a new member of 701 Alabama. The percentage interests of the members of 701 Alabama were updated and modified as follows:

Jamestown Community Center	25%
Mission Language Vocational Schools	41%
Mission Neighborhood Centers	32%
Mission Economic Development Agency	2%