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SAN JOSE | SEATTLE | T 415 371 0727 | F 415 371 1634 | [JUMA.ORG](http://JUMA.ORG)

Dear Supporter,

Juma maintains a stable financial position, and has continued the trend of consecutive years of improving financial results. This trend is a direct result of strategic and operational decisions made in 2017, which continue to positively affect both impact and sustainability of the organization. 2020 concluded with a positive change in net assets of \$1,043,884 and a total Net Asset position of \$1,314,532. For the year ended (2020), Juma's Statement of Cash Flows also reflected an increase in cash position of \$521,999.

Net operating income has grown steadily along a positive trend line over the last three years, especially from 2019 to 2020 when Total Net Assets grew significantly from \$270,648 to \$1,314,532 (386%).

If you have any questions please don't hesitate to reach out to Andrea Coen, Juma's Chief Development Officer ([andreac@juma.org](mailto:andreac@juma.org)) or me ([adrianea@juma.org](mailto:adrianea@juma.org)).

We sincerely appreciate your support in helping us connect young people to jobs, education, and career pathways.

In Community,

A handwritten signature in black ink, appearing to read 'Adriane'.

Adriane Armstrong  
Chief Executive Officer

JUMA VENTURES

DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

# **Juma Ventures**

## **Independent Auditors' Report and Financial Statements**

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A Century Strong

## **Independent Auditors' Report**

THE BOARD OF DIRECTORS  
JUMA VENTURES  
San Francisco, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **JUMA VENTURES, (Juma Ventures or Juma)** which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows 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.

### **Auditors' 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 Juma'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 Juma'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**

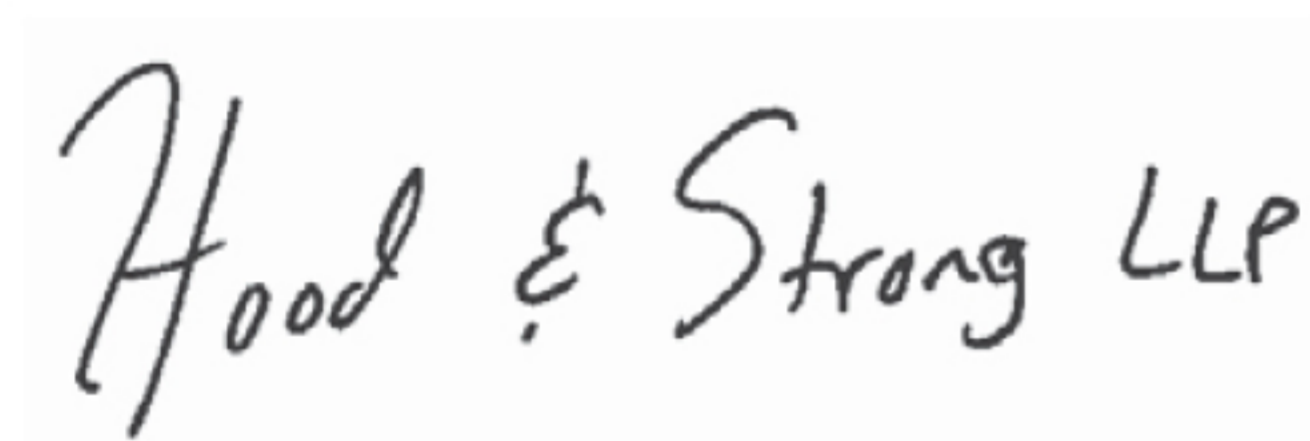
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Juma Ventures as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 3 to the financial statements, Juma concluded the year ended December 31, 2020 with a deficit in its net assets without donor restrictions of \$1,867,930 as a result of an accumulation of operating losses. Management's plan in regard to these matters is also described in Note 3. Our opinion is not modified with respect to this matter.

**Other Matter***Report on Summarized Comparative Information*

We have previously audited Juma Ventures' 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Hood & Strong LLP". The signature is written in a cursive, flowing style.

San Francisco, California  
August 18, 2021

# Juma Ventures

## Statement of Financial Position

<i>December 31, 2020 (with comparative totals for 2019)</i>	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 1,356,343	\$ 834,344
Grants and contributions receivable, net	717,492	310,809
Accounts receivable	24,429	181,391
Prepaid expenses and other assets	81,021	106,039
<b>Total assets</b>	<b>\$ 2,179,285</b>	<b>\$ 1,432,583</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 380,523	\$ 433,870
Individual development accounts (IDA)	70,515	98,116
Notes payable	191,388	398,272
Deferred revenue	222,327	231,677
<b>Total liabilities</b>	<b>864,753</b>	<b>1,161,935</b>
<b>Net Assets (Deficit):</b>		
Without donor restrictions (Note 3)	(1,867,930)	(1,821,762)
With donor restrictions	3,182,462	2,092,410
<b>Total net assets</b>	<b>1,314,532</b>	<b>270,648</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,179,285</b>	<b>\$ 1,432,583</b>

See accompanying notes to financial statements.

# Juma Ventures

## Statement of Activities and Changes in Net Assets

*Year Ended December 31, 2020 (with comparative totals for 2019)*

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<b>Revenues and Support:</b>				
Grants and contributions	\$ 1,312,405	\$ 2,994,286	\$ 4,306,691	\$ 3,862,586
Employment projects	201,730		201,730	2,365,626
Special events (net of direct expenses of \$18,122 for 2020)	165,391		165,391	307,388
Forgiveness of Paycheck Protection Program loan	983,099		983,099	
Miscellaneous income	2,432		2,432	6,231
Net assets released from restrictions	1,904,234	(1,904,234)	-	-
<b>Total revenues and support</b>	<b>4,569,291</b>	<b>1,090,052</b>	<b>5,659,343</b>	<b>6,541,831</b>
<b>Expenses:</b>				
Program services	2,326,167		2,326,167	4,252,214
Supporting services:				
Management and general	1,147,947		1,147,947	1,208,776
Fundraising	1,185,151		1,185,151	1,251,050
<b>Total expenses</b>	<b>4,659,265</b>		<b>4,659,265</b>	<b>6,712,040</b>
<b>Change in Net Assets Before Other Changes</b>	<b>(89,974)</b>	<b>1,090,052</b>	<b>1,000,078</b>	<b>(170,209)</b>
<b>Other Changes in Net Assets</b>				
Other debt forgiveness	43,806		43,806	-
<b>Change in Net Assets</b>	<b>(46,168)</b>	<b>1,090,052</b>	<b>1,043,884</b>	<b>(170,209)</b>
<b>Net Assets (Deficit) - Beginning of the year</b>	<b>(1,821,762)</b>	<b>2,092,410</b>	<b>270,648</b>	<b>440,857</b>
<b>Net Assets (Deficit) - End of the year</b>	<b>\$ (1,867,930)</b>	<b>\$ 3,182,462</b>	<b>\$ 1,314,532</b>	<b>\$ 270,648</b>

See accompanying notes to financial statements.

# Juma Ventures

## Statement of Functional Expenses

*Year Ended December 31, 2020 (with comparative totals for 2019)*

	Program Services			Supporting Services			2020 Total	2019 Total
	Business Employment	Workforce Resources	Total	Management and General	Fundraising	Total		
Salaries	\$ 821,395	\$ 588,431	\$ 1,409,826	\$ 710,521	\$ 868,094	\$ 1,578,615	\$ 2,988,441	\$ 4,051,565
Payroll taxes and benefits	125,041	99,049	224,090	190,074	156,774	346,848	570,938	689,511
Consultants and professional	14,659	9,115	23,774	106,335	65,758	172,093	195,867	178,963
Cost of goods sold and concession fees	33,655		33,655			-	33,655	768,007
Equipment	(530)		(530)	5,809	118	5,927	5,397	15,174
Financial assistance	200	108,368	108,568			-	108,568	190,901
Grants and contracts		12,875	12,875		25,000	25,000	37,875	-
Insurance and property taxes	10,747	256	11,003	28,317		28,317	39,320	70,645
Marketing and public relations		182	182	15	50,024	50,039	50,221	15,482
Meeting expenses	784	2,963	3,747	1,296	1,766	3,062	6,809	30,494
Postage, printing, and supplies	4,501	2,510	7,011	6,244	578	6,822	13,833	32,675
Rent		194,925	194,925	32,439		32,439	227,364	269,460
Repairs and maintenance			-			-	-	779
Telephone, internet, email	8,394	17,470	25,864	17,448	6,593	24,041	49,905	89,072
Training stipend and supplies costs	200,243	326	200,569		75	75	200,644	119,949
Travel and transportation	1,999	1,679	3,678	3,001	1,725	4,726	8,404	93,034
Union fee			-			-	-	2,840
Utilities		6,379	6,379	675		675	7,054	7,314
Depreciation and amortization			-	6,135		6,135	6,135	3,463
Interest and bank fees			-			-	-	45,461
Other expenses	57,562	2,989	60,551	39,638	8,646	48,284	108,835	37,251
Expenses as shown on the Statement of Activities and Changes in Net Assets	1,278,650	1,047,517	2,326,167	1,147,947	1,185,151	2,333,098	4,659,265	6,712,040
Other expenses: Special event support costs			-		18,112	18,112	18,112	134,051
<b>Total Expenses</b>	<b>\$ 1,278,650</b>	<b>\$ 1,047,517</b>	<b>\$ 2,326,167</b>	<b>\$ 1,147,947</b>	<b>\$ 1,203,263</b>	<b>\$ 2,351,210</b>	<b>\$ 4,677,377</b>	<b>\$ 6,846,091</b>

See accompanying notes to financial statements.



# Juma Ventures

## Statement of Cash Flows

<i>Year Ended December 31, 2020 (with comparative totals for 2019)</i>	2020	2019
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 1,043,884	\$ (170,209)
Adjustment to reconcile change in net assets to net cash used by operating activities:		
Forgiveness of Paycheck Protection Program loan	(983,099)	
Forgiveness of other debt	(43,806)	
Depreciation and amortization	6,135	3,463
Change in operating assets and liabilities:		
Grants and contributions receivable	(406,683)	132,785
Accounts receivable	156,962	(3,805)
Prepaid expenses and other assets	31,533	34,241
Accounts payable and accrued expenses	(53,347)	91,895
Individual development accounts (IDA)	(27,601)	(118,920)
Deferred revenue	(9,350)	(13,814)
<b>Net cash used by operating activities</b>	<b>(285,372)</b>	<b>(44,364)</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of equipment	(12,650)	(9,522)
<b>Net cash used by financing activities</b>	<b>(12,650)</b>	<b>(9,522)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Paycheck Protection Program	983,099	
Proceeds from other recovery program debt	13,888	
Proceeds from line of credit	350,000	
Proceeds from notes payable	4,555	350,000
Repayments on line of credit	(490,000)	(34,652)
Repayments on notes payable	(41,521)	(210,000)
<b>Net cash provided by financing activities</b>	<b>820,021</b>	<b>105,348</b>
<b>Change in Cash and Cash Equivalents</b>	<b>521,999</b>	<b>51,462</b>
<b>Cash and Cash Equivalents - Beginning of year</b>	<b>834,344</b>	<b>782,882</b>
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 1,356,343</b>	<b>\$ 834,344</b>
<b>Supplemental Information:</b>		
Interest paid	\$ 19,100	\$ 11,441
<b>Components of Cash and Cash Equivalents:</b>		
Cash and cash equivalents	\$  1,122,638	\$ 586,586
Restricted cash	233,705	247,758
	<b>\$ 1,356,343</b>	<b>\$ 834,344</b>

See accompanying notes to financial statements.

# Juma Ventures

## Notes to Financial Statements

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### Note 1 - Description of the Organization:

Juma Ventures (or Juma) is a nonprofit, youth development organization whose mission is to break the cycle of poverty by paving the way to work, education and financial capability for youth across America. Founded in 1993, Juma empowers youth from underserved communities to make successful transitions to independence in adulthood.

Juma is a unique social enterprise that operates concessions businesses at major sports and entertainment venues with the purpose of providing meaningful employment and workforce development training opportunities to youth from low-income backgrounds. The experience youth receive working at Juma's social enterprise is complemented by Juma's unique programming that combines financial capability, education and career supportive services.

Juma receives the majority of its revenues through grants, contributions, and sales generated from its employment projects.

Juma has been impacted by the COVID-19 pandemic. From March 2020 on, most sports and entertainment venues were closed to the public, rendering Juma youth unable to work. Juma continued virtual programming during this time. See Note 3 for summary of the effects on financial results and changes in operations.

**Business Employment and Workforce Resources:** Through Juma's integrated and comprehensive suite of services, Juma ensures that young people have the tools to break the cycle of poverty.

- **Job skills training and part-time employment:** The enterprise concessions businesses serve as a learning laboratory for youth to gain skills, confidence and work experience, laying a foundation for future employment and independent adulthood. Youth complete a professional skills curriculum that covers essential components of workplace etiquette with an emphasis on communication and soft skills development. Every youth also undergoes training in customer service, money handling, and position specific skills to prepare them as baristas, vendors and cashiers. High-performing youth are promoted into leadership positions for which they receive additional training in staff supervision and management.
- **Financial capability and asset building services:** Juma provides youth with the opportunity to develop lifelong savings habits and money management skills. Youth are supported to open basic bank accounts and complete a combination of online and in-person financial literacy workshops. College-bound youth open matched savings accounts that allow them to leverage their earned income. Juma provides at least a 1:1 savings match that can be used for college expenses.

# Juma Ventures

## Notes to Financial Statements

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- **Education services:** Juma's Youth Connect program supports youth aged 16-24 who have become disconnected from both school and work for the last six months (Opportunity Youth). Juma provides career-focused supportive services to help youth overcome barriers to employment and provide a launchpad into future career and education pathways. Juma's Career Coaches help youth 1:1 to overcome initial barriers to successful employment, build professional skills while on the job at our social enterprise and set career goals. Youth also participate in a series of career panels to expose youth to a range of job and educational pathways and complete job attainment skills workshops such as resume writing and mock interviews. After utilizing Juma's social enterprise as a training ground, Juma helps connect youth with continued education pathways and/or permanent work that has the potential to move them from low-skill to middle-skill work, and towards a family sustaining income.
- **Replication:** Juma's replication efforts comprise the establishment of new enterprise and programmatic operations in new and existing markets. Key replication activities include staff travel, infrastructure development, and start-up of new social enterprise operations at major sports and entertainment venues.

### Note 2 - Summary of Significant Accounting Policies:

#### a. Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Juma reports information regarding its financial position and activities according to two classes of net assets:

#### *Net Assets Without Donor Restrictions*

The portion of net assets that is neither subject to time or donor-imposed restrictions and may be expended for any purpose in performing the objective of Juma. Net assets without donor restrictions may be designated for use by management or the Board of Directors.

#### *Net Assets With Donor Restrictions*

The portion of net assets which use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Juma. Juma does not hold assets that are required to be maintained in perpetuity.

# Juma Ventures

## Notes to Financial Statements

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### b. Revenue Recognition

Contributions and grants are recognized at their fair value when the donor/grantor makes an unconditional promise to give to Juma Ventures. Contributions restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction is met in the same reporting period in which the support is received. If the restriction is released in a different reporting period, such revenue is reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows when a material impact is noted and are discounted at an appropriate discount rate. Amortization of the discounts is included in contribution revenue. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

A portion of Juma's revenue is derived from cost-reimbursable federal and state contracts, which are conditioned upon certain performance requirements and/ or incurring allowable qualifying expenses. Amounts received are recognized as revenue when Juma Ventures has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the Statement of Financial Position. Juma Ventures was awarded cost-reimbursable grants of approximately \$172,000 that have not been recognized at December 31, 2020 because qualifying expenditures have not yet been incurred.

Revenue from employment projects is presented in the Statement of Activities and Changes in Net Assets before deduction of related costs and revenue is recognized upon fulfilling the performance obligation. Related costs of goods sold and concession fees of \$33,655 for the year ended December 31, 2020 are presented in the Statement of Functional Expenses. Net revenue from employment projects is \$168,075 after deduction for these costs.

### c. Cash and Cash Equivalents

Cash and cash equivalents include money market accounts and certificates of deposit purchased with maturities of three months or less.

In addition, Juma maintains restricted cash balances as required by its program agreements. At December 31, 2020, total restricted cash for Individual Development Accounts (IDA) was \$115,833 and total cash restricted under the Assets for Independence Act (AFIA) was \$117,872.

# Juma Ventures

## Notes to Financial Statements

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d. Grants, Contributions, and Accounts Receivable

Grants, contributions, and accounts receivable are stated at the amount management expects to collect from outstanding balances. Juma uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific promises made.

e. Inventory

Inventory is stated at the lower of cost or market, using the first-in, first-out method, and consists primarily of ice cream, beverages, food, and paper products.

f. Fixed Assets

Fixed assets are recorded at cost and are capitalized if these expenditures are \$5,000 or more and with a useful life in excess of one year. Depreciation is provided using the straight-line method over estimated useful lives of three to twenty years. Maintenance and repairs are charged to expenses as incurred.

g. Advertising Costs

Juma expenses costs incurred for advertising when incurred. Advertising costs for 2020 amounted to \$52,020.

h. Functional Expense Allocation

The costs of providing program and other activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Expenses are charged to programs and supporting services on the basis of periodic time and expense studies as well as estimates made by management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Juma.

i. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

j. Prior Year Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include the sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with Juma's financial statements for the year ended December 31, 2019 from which the summarized information was derived.

# Juma Ventures

## Notes to Financial Statements

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### k. Tax-Exempt Status

Juma Ventures has been determined to be exempt from federal and state income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision has been made for such taxes in the accompanying financial statements.

Juma follows the guidance on accounting for uncertainty in income taxes according to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740. Management evaluated Juma's tax positions and concluded that Juma had maintained its tax-exempt status and had not taken uncertain tax positions that required adjustment to the financial statements.

### l. Recent Accounting Pronouncements

#### *Pronouncement Effective in the Future*

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Among other things, lessees will be required to recognize the following at the commencement date of all leases not classified as short term: 1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and 2) a right-of-use asset, which represents the lessee's right to use, or control the use of, a specified asset for the lease term. This guidance is effective for nonpublic entities for fiscal years beginning after December 15, 2021 (i.e., January 1, 2022 for a calendar year entity) and for interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. Juma is currently evaluating the guidance and the effect that the updated standard will have on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU changes the required presentation of in-kind contributions other than contributed services. The first element will require separate presentation on the Statement of Activities and the second element will require additional disclosure about how the in-kind gifts were utilized (in which program or as part of management and general or fundraising), donor restrictions associated with the gifts and valuation techniques employed. The ASU is effective for Juma for the fiscal year beginning after June 15, 2021 (December 31, 2022) with early application permitted. Juma is currently assessing the impact this ASU will have on its financial statements.

### m. Subsequent Events

Juma evaluated subsequent events with respect to the financial statements for the year ended December 31, 2020 through August 18, 2021, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure, except as disclosed in Notes 3 and 7.

# Juma Ventures

## Notes to Financial Statements

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### Note 3 - Financial Results and Pandemic:

#### *Financial Results:*

Juma concluded 2020 with a positive change in net assets of \$1,043,884 while the aggregate Net Asset position was \$1,314,532 which includes a deficit in Net Assets Without Donor Restrictions of (\$1,867,930) offset by a positive position in Net Assets With Donor Restrictions of \$3,182,462. For the year ended, Juma's Statement of Cash Flows also reflected an increase in cash position of \$521,999.

During 2020, the pandemic drove the shift in net assets from those without restrictions to those with donor restrictions (see pandemic section below) for three reasons. First, without revenue coming in from stadium enterprise operations, Juma relied more heavily on contributed revenue. Second, Juma's contributed revenue is nearly all restricted due to timing, especially at the end of the year since the majority accrues in the last quarter. Third, the restrictions are to fund Juma's core YouthConnect program, and are therefore in sync with the operations and expenses of Juma.

With stadiums back in operation in 2021, management expects net assets without restrictions will increase relative to those with restrictions in 2021. Furthermore, Juma has been ramping up efforts to secure funding from individual donors which is generally without restrictions. Finally, Juma's reforecasted budget for 2021 aims Juma towards about \$900,000 in surplus, nearly repeating the \$1,043,884 surplus achieved in 2020. Two consecutive years of significant surplus will reduce the aggregated net assets deficit accrued in 2016-2018. In the unlikely event that any restricted funds should cease to be available, Juma would contract the program accordingly. Additionally, Juma plans to utilize unrestricted support to reduce the deficit between assets and net assets with donor restrictions, Juma has available its line of credit of \$314,500 to draw upon if cash is needed to meet its operations.

As of July 31, 2021, Juma's operations for 2021 reflected Net Assets of \$1,159,608. Juma met 2021 budget projections through July 2021. Total agency net income was \$2,139,323 with negative variance of \$154,924. Juma is not expected to experience any cash deficits in 2021, and the Board of Directors and management expect Juma's financial position to improve for the remainder of 2021 as a result of three developments. First, the majority of stadium operations are returning to full capacity; second, PPP2 loan proceeds received in mid-April will provide added support to our operations; and third, contributed revenue is historically received disproportionately in the third and fourth quarters of the year.

In 2017, Juma executed a self-funded strategy and business model shift to achieve sustainability which led to a decrease in net assets without restrictions. For the past three years, Juma has been and continues to fulfill its ongoing financial obligations. Since the current management enacted right sizing efforts in late 2018, net operating income (excluding project grant spend-down) has grown steadily along a positive trendline. Furthermore, from 2019 to 2020 total net assets grew significantly from \$270,648 to \$1,314,532 (386%).

# Juma Ventures

## Notes to Financial Statements

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### *Pandemic:*

On March 11, 2020, the World Health Organization publicly characterized COVID-19 as a pandemic. During 2020, states of emergency were declared in many federal, state and local jurisdictions and shelter in place orders were instituted in many cities and states, which impacts general business operations in most industries and sectors.

Juma ceased normal enterprise operations as of March 17, 2021, as stadiums closed. Juma's programmatic work with youth became 100% virtual as we moved workshops online to continue delivering Juma's curriculum. Juma's full-time staff were assigned to either program design or business development efforts for the remainder of the year. Juma began exploring new business development possibilities to diversify beyond seasonal sports markets and to provide more consistency to Juma youth. Juma's internal operations were also moved online as our full-time staff continued work from home.

During 2021, the PPP loan of \$983,099 was utilized to offset the costs of the pandemic. The PPP funds enabled Juma to avoid any layoffs in a crisis where all social enterprise revenue was lost. Management carefully followed protocols to ensure 100% forgiveness as Juma continued to pay its staff at full rate, including over 300 youth whose earnings were based on education and program participation rather than direct work. Additionally, Juma continued paying operational expenses, including rent and utilities. Management applied for forgiveness on October 19, 2020, and the loan was forgiven on May 20, 2021.

Subsequent to year end, Juma applied for and was approved for a \$896,090 loan under the Paycheck Protection Program 2, see Note 7.

In addition to PPP funding, management obtained a \$350,000 line of credit in 2019 from a financial institution focused on support for nonprofits. The line was extended through 2020. Under the terms of this agreement, Juma is required to provide extensive regular reporting on its cash flow and other financial metrics in order to assure Juma's financial performance is strong and to provide an additional level of accountability.



# Juma Ventures

## Notes to Financial Statements

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### Note 4 - Grants, Contributions and Accounts Receivable:

Receivable consisted of the following as of December 31, 2020:

*Grants and Contributions:*

Grants receivables	\$ 687,492
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*Accounts Receivable:*

Concessionaire receivables	14,780
Other receivables	39,649

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Subtotal	54,429
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Total	\$ 741,921
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At December 31, 2020, all receivables are due in less than one year.

During 2020, Juma received a conditional grant for \$200,000 over two years. The grant has program milestones and the grantor may cancel future payments if Juma does not meet the program goals for each year.

### Note 5 - Prepaid Expenses and Other Assets:

Other assets at December 31, 2020 consisted of the following:

Inventories	\$ 6,700
Prepaid expenses	33,784
Deposits	24,232
Fixed assets (net of accumulated depreciation of \$327,860)	16,305

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	\$ 81,021
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Depreciation and amortization of furniture and equipment for the year ended December 31, 2020 was \$6,135.

# Juma Ventures

## Notes to Financial Statements

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### Note 6 - Individual Development Accounts:

Juma currently operates one of the largest Individual Development Account (IDA) programs for youth in the U.S. The IDA program enables Juma youth to establish savings accounts, begin to save money from their paychecks, obtain money management education, and receive matching funds to accelerate their savings toward college-related expenses. Money saved and matched in a Juma IDA can be used only for college-related expenses and is usually issued directly to the college. As of December 31, 2020, total IDA accounts held for youth was \$70,515.

### Note 7 - Line of Credit and Notes Payable:

In November 2017, Juma entered into a line of credit agreement with a third party with a credit limit of \$350,000. During 2019, the line of credit was converted to a term loan which was bought by another bank, JTS, in 2020. In order to consolidate debt with one lender, Juma worked with Community Vision who bought the loan from JTS on December 23, 2020 at a discount. The balance of the loan with JTS was \$237,297 and Community Vision bought it for \$177,500 for a savings of \$59,797. The balance of the loan was \$177,501 on December 31, 2020. The note is payable in monthly payments of \$2,526, bears interest of 5.5%, and matures December 17, 2027.

Additionally, during 2019, a Revolving Line of Credit (LOC) was opened with Community Vision in the amount of \$350,000. Upon assumption of the term loan, as noted above, Community Vision lowered the credit limit on the Loan to \$314,500 and expires October 13, 2021. The LOC bears interest of 6.25% and there is no outstanding balance as of December 31, 2020.

The note is payable as follows:

Year Ended		
December 31,		
2021	\$	21,430
2022		22,171
2023		23,439
2024		24,763
2025		26,197
Thereafter		59,501
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Total	\$	177,501

# Juma Ventures

## Notes to Financial Statements

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Juma received loan proceeds in the amount of \$983,099 with a maturity date of April 30, 2022 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest were forgiven since Juma used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintained its payroll and other personnel related levels. The amount of loan forgiveness would have been reduced if certain requirements had not been met. Juma's use of the loan proceeds met the conditions for forgiveness of the loan, and it completed the application process for forgiveness in November 2020 and the loan was forgiven on May 20, 2021. Juma recognized income for the full value of the loan in the Statement of Activities and Changes in Net Assets as of June 30, 2021.

Subsequent to year end, Juma applied for and was approved for a \$896,090 loan under the Paycheck Protection Program 2 created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for 6 months after the funding of the loan. Juma is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

In August 17, 2020, Juma entered into an agreement with the City of Sacramento for a \$13,888 loan through the CARES Act Small Business Recovery Loan program (the Loan). The Loan is non-interest bearing and is forgivable upon satisfaction of certain criteria. If the conditions are not met, the loan will become due in 49 monthly payments of \$280. The balance of the Loan was \$13,888 as December 31, 2020.

Subsequent to year end, Juma met the conditions for forgiveness of the loan on April 12, 2021.

### **Note 8 - Net Assets With Donor Restrictions:**

As of December 31, 2020, net assets with donor restrictions of \$3,182,462 are available for program services and employment development activities. Net assets with donor restrictions also include \$233,705 that are restricted for the Individual Development Account (IDA) program participants' savings match claims over a period of up to five years from the time the participant enters the program.

During 2020, net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors of \$1,896,696 and \$7,538 for IDA expenditures.

# Juma Ventures

## Notes to Financial Statements

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### Note 9 - Availability of Financial Assets and Liquidity:

Juma's financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

Financial assets at December 31, 2020:

Cash and cash equivalents	\$ 1,356,343
Contributions receivable	687,492
Accounts receivable	54,429

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Total financial assets	2,098,264
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Less net assets with donor restrictions including restricted cash of \$233,705	(2,948,757)
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Add net assets with purpose restrictions to be met in less than a year	2,695,949
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	(252,808)
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Financial assets available to meet general expenditures over the next twelve months	\$ 1,845,456
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Juma's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1.8 million). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the date of the financial statements. See Note 3 for a summary of Juma's management plan to meet its obligations during 2021.

# Juma Ventures

## Notes to Financial Statements

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### Note 10 - Commitments and Contingencies:

#### a. Operating Leases

Juma entered into several lease agreements for its headquarters and regional offices. During December 2017, Juma extended the lease for its headquarters for an additional five-year period beginning January 1, 2018. The approximate future minimum lease payments related to these leases are as follows:

Year Ended December 31,	
2021	\$ 265,000
2022	263,000
2023	274,000
2024	10,000
	<hr/>
	\$ 812,000

Total rent expense for the year ended December 31, 2020 was \$227,364.

#### b. Contingencies

Grant awards require the fulfillment of certain conditions as set forth in the grant instruments. Failure to fulfill the conditions could result in return of the funds to the grantors. Juma Ventures deems this contingency remote. Management is of the opinion that Juma Ventures has complied with the terms of all grants.

### Note 11 - Concentrations of Credit Risk:

Juma Ventures has defined its financial instruments, which are potentially subject to credit risk as cash, investments and accounts receivable.

At December 31, 2020, Juma Ventures had approximately \$652,000 of cash deposits in excess of federally insured limits.

Grants and contributions receivables consist primarily of unsecured amounts due from foundations and governmental agencies. Approximately 35% of these receivables are due from two donors.

For the year ended December 31, 2020, four concessionaires provided approximately 77% of the employment projects revenue through exclusive contracts at multiple venues.

# Juma Ventures

## Notes to Financial Statements

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### **Note 12 - Related Party Transactions:**

Juma Ventures has and may continue to have Board and committee members who are employed by corporations that provide services or donations to Juma Ventures. Juma has a conflict of interest policy which covers custodial and vendor relationships with Board, committee members, and staff. The policy requires annual disclosures and discussion of potential conflicts at meetings, so that Board Members, committee members, and staff may continue to serve Juma Ventures through their professional knowledge and expertise. Contributions of approximately \$131,000 are from members of the Board of Directors of Juma.