



131 STEUART STREET, SUITE 201  
SAN FRANCISCO, CA 94105

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

Dear Supporter,

Juma continues to accelerate the trend of consecutive years of positive financial results, and remains in a stable financial position. 2021 concluded with a positive change in net assets of \$947,505 and a total Net Asset position of \$2,262,037. For the year ended (2021) Juma's Statement of Cash Flows also reflected an increase in cash position of \$262,816.

Net operating income has grown steadily along a positive trend line over the past four years, and from 2020 Total Net Assets grew significantly from \$1,314,532 to \$2,262,037 (72%).

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, 2021**

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INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS

**HOOD &  
STRONG** LLP  
CERTIFIED PUBLIC ACCOUNTANTS

# **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

### **Opinion**

We have audited the financial statements of **JUMA VENTURES, (Juma Ventures or Juma)**, which comprise the statement of financial position as of December 31, 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Juma Ventures as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Juma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

As discussed in Note 3 to the financial statements, Juma concluded the year ended December 31, 2021 with a deficit in its net assets without donor restrictions of \$937,393 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.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Juma's ability to continue as a going concern for one year from the date of this report.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Juma's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-control related matters that we identified during the audit.

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

We have previously audited Juma Ventures' 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, 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. The "H" is large and loops around the "ood". The "&" is written as a simple ampersand. "Strong" is written in a similar cursive style, and "LLP" is in a slightly more formal, blocky cursive at the end.

San Francisco, California  
August 5, 2022



# Juma Ventures

## Statement of Financial Position

<i>December 31, 2021 (with comparative totals for 2020)</i>	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 1,619,159	\$ 1,356,343
Grants and contributions receivable, net	959,337	717,492
Accounts receivable	212,980	24,429
Prepaid expenses and other assets	423,083	81,021
Total assets	\$ 3,214,559	\$ 2,179,285
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 504,283	\$ 380,523
Individual development accounts (IDA)	69,842	70,515
Notes payable	156,070	191,388
Deferred revenue	222,327	222,327
Total liabilities	952,522	864,753
<b>Net Assets (Deficit):</b>		
Without donor restrictions (Note 3)	(937,393)	(1,867,930)
With donor restrictions	3,199,430	3,182,462
Total net assets	2,262,037	1,314,532
Total liabilities and net assets	\$ 3,214,559	\$ 2,179,285

See accompanying notes to financial statements.

# Juma Ventures

## Statement of Activities and Changes in Net Assets

*Year Ended December 31, 2021 (with comparative totals for 2020)*

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenues and Support:</b>				
Grants and contributions	\$ 1,044,368	\$ 2,696,300	\$ 3,740,668	\$ 4,306,691
Employment projects	1,303,192		1,303,192	201,730
Special events (net of direct expenses of \$89,861 for 2021)	246,364		246,364	165,391
Forgiveness of Paycheck Protection Program loan	896,090		896,090	983,099
Miscellaneous income	41,577		41,577	2,432
Net assets released from restrictions	2,679,332	(2,679,332)	-	-
<b>Total revenues and support</b>	<b>6,210,923</b>	<b>16,968</b>	<b>6,227,891</b>	<b>5,659,343</b>
<b>Expenses:</b>				
Program services	2,986,253		2,986,253	2,326,167
Supporting services:				
Management and general	1,076,127		1,076,127	1,147,947
Fundraising	1,231,894		1,231,894	1,185,151
<b>Total expenses</b>	<b>5,294,274</b>		<b>5,294,274</b>	<b>4,659,265</b>
<b>Change in Net Assets Before Other Changes</b>	<b>916,649</b>	<b>16,968</b>	<b>933,617</b>	<b>1,000,078</b>
<b>Other Changes in Net Assets</b>				
Other debt forgiveness (Note 7)	13,888		13,888	43,806
<b>Change in Net Assets</b>	<b>930,537</b>	<b>16,968</b>	<b>947,505</b>	<b>1,043,884</b>
<b>Net Assets (Deficit) - Beginning of the year</b>	<b>(1,867,930)</b>	<b>3,182,462</b>	<b>1,314,532</b>	<b>270,648</b>
<b>Net Assets (Deficit) - End of the year</b>	<b>\$ (937,393)</b>	<b>\$ 3,199,430</b>	<b>\$ 2,262,037</b>	<b>\$ 1,314,532</b>

See accompanying notes to financial statements.



# Juma Ventures

## Statement of Functional Expenses

Year Ended December 31, 2021 (with comparative totals for 2020)

	2021						2020	
	Program Services			Supporting Services			2021	2020
	Business Employment	Workforce Resources	Total	Management and General	Fundraising	Total	Total	Total
Salaries	\$ 1,322,602	\$ 519,794	\$ 1,842,396	\$ 625,054	\$ 922,397	\$ 1,547,451	\$ 3,389,847	\$ 2,988,441
Payroll taxes and benefits	149,548	88,805	238,353	102,644	169,192	271,836	510,189	570,938
Consultants and professional	14,059	8,756	22,815	278,574	65,701	344,275	367,090	195,867
Cost of goods sold and concession fees	333,420		333,420			-	333,420	33,655
Equipment			-	5,991		5,991	5,991	5,397
Financial assistance	100	1,325	1,425		20	20	1,445	108,568
Grants and contracts		32,125	32,125		6,000	6,000	38,125	37,875
Insurance and property taxes	19,752	829	20,581	17,233	40	17,273	37,854	39,320
Marketing and public relations	20,129	1,815	21,944	4,747	44,443	49,190	71,134	50,221
Meeting expenses	3,447	874	4,321	1,334	1,273	2,607	6,928	6,809
Postage, printing, and supplies	9,819	2,290	12,109	10,555	4,080	14,635	26,744	13,833
Rent		275,890	275,890	(9,855)		(9,855)	266,035	227,364
Repairs and maintenance	857		857			-	857	-
Telephone, internet, email	4,476	10,244	14,720	12,205	7,892	20,097	34,817	49,905
Training stipend and supplies costs	15,517	77,210	92,727			-	92,727	200,644
Travel and transportation	2,807	2,953	5,760	365	669	1,034	6,794	8,404
Union fee	48		48			-	48	-
Utilities	2,706	53,359	56,065			-	56,065	7,054
Depreciation and amortization	1,000		1,000	7,185		7,185	8,185	6,135
Other expenses	9,394	303	9,697	20,095	10,187	30,282	39,979	108,835
Expenses as shown on the Statement of Activities and Changes in Net Assets	1,909,681	1,076,572	2,986,253	1,076,127	1,231,894	2,308,021	5,294,274	4,659,265
Other expenses: Special event support costs			-		89,861	89,861	89,861	18,112
Total Expenses	\$ 1,909,681	\$ 1,076,572	\$ 2,986,253	\$ 1,076,127	\$ 1,321,755	\$ 2,397,882	\$ 5,384,135	\$ 4,677,377

See accompanying notes to financial statements.

# Juma Ventures

## Statement of Cash Flows

<i>Year Ended December 31, 2021 (with comparative totals for 2020)</i>	2021	2020
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 947,505	\$ 1,043,884
Adjustment to reconcile change in net assets to net cash used by operating activities:		
Forgiveness of Paycheck Protection Program loan	(896,090)	(983,099)
Forgiveness of other debt	(13,888)	(43,806)
Depreciation and amortization	8,185	6,135
Change in operating assets and liabilities:		
Grants and contributions receivable	(241,845)	(406,683)
Accounts receivable	(188,551)	156,962
Prepaid expenses and other assets	(340,247)	31,533
Accounts payable and accrued expenses	123,760	(53,347)
Individual development accounts (IDA)	(673)	(27,601)
Deferred revenue		(9,350)
Net cash used by operating activities	(601,844)	(285,372)
<b>Cash Flows from Investing Activities:</b>		
Purchase of equipment	(10,000)	(12,650)
Net cash used by financing activities	(10,000)	(12,650)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Paycheck Protection Program	896,090	983,099
Proceeds from other recovery program debt		13,888
Proceeds from line of credit		350,000
Proceeds from notes payable		4,555
Repayments on line of credit	(21,430)	(490,000)
Repayments on notes payable		(41,521)
Net cash provided by financing activities	874,660	820,021
<b>Change in Cash and Cash Equivalents</b>	<b>262,816</b>	<b>521,999</b>
<b>Cash and Cash Equivalents - Beginning of year</b>	<b>1,356,343</b>	<b>834,344</b>
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 1,619,159</b>	<b>\$ 1,356,343</b>
<b>Supplemental Information:</b>		
Interest paid	\$ 8,882	\$ 19,100

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.

**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.
- **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 Program Coordinators 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.



# Juma Ventures

## Notes to Financial Statements

- **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 accounting principles generally accepted in the United States of America (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 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 for which use is limited by donor-imposed stipulations must be used in accordance with those stipulations, which 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.

#### 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 and are discounted at an appropriate discount rate when a material impact is noted. 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.



# Juma Ventures

## Notes to Financial Statements

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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 \$215,000 that have not been recognized as of December 31, 2021 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 \$333,420 for the year ended December 31, 2021 are presented in the Statement of Functional Expenses. Net revenue from employment projects is \$969,772 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. As of December 31, 2021, total restricted cash for Individual Development Accounts (IDA) was \$117,900 and total cash restricted under the Assets for Independence Act (AFIA) was \$186,703.

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.



# Juma Ventures

## Notes to Financial Statements

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g. Advertising Costs

Juma expenses costs incurred for advertising when incurred. Advertising costs for 2021 amounted to \$33,263.

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, 2020 from which the summarized information was derived.

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.

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 or disclosure in the financial statements.



# Juma Ventures

## Notes to Financial Statements

### 1. Recent Accounting Pronouncements

#### *Pronouncement Effective in the Future*

In February 2016, the FASB issued Accounting Standards Update (FASB) 2016-02, *Leases*. 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, 2021 through August 5, 2022, 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 Note 3 and Note 7.

### **Note 3 - Financial Results and Pandemic:**

Juma concluded 2021 with a positive change in net assets of \$947,505. The aggregate Net Asset position was \$2,262,037 which includes a deficit in Net Assets Without Donor Restrictions of \$937,393 and a positive position in Net Assets With Donor Restrictions of \$3,199,430. For the year ended December 31, 2021, Juma's Statement of Cash Flows also reflected an increase in cash position of \$262,816. Management aims to continue these positive trendlines by continuing the same strategies employed the prior few years: cost efficiency, increasing unrestricted earned income, and increasing unrestricted donations.



# Juma Ventures

## Notes to Financial Statements

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The pandemic drove the shift in net assets from those without restrictions to those with donor restrictions for three reasons. First, with revenue only coming in sporadically from stadium enterprise operations, Juma relied more heavily on contributed revenue. Secondly, Juma's contributed revenue is nearly all restricted due to timing, especially at the end of the year since the majority accrues in the fourth quarter. Third, the restrictions are to fund Juma's core Youth Connect program and are therefore not operationally restrictive as they are in sync with the operations and expenses of the organization.

With stadiums operating more steadily in 2022, management expects the year-over-year trend of net assets without restrictions to increase relative to those with restrictions in 2022. Furthermore, Juma has been ramping up efforts to secure funding from individual donors to provide operational support rather than restricted for Juma's programs. Finally, Juma's budget for 2022 is projecting a \$100,000 surplus. At the end of June 2022, Juma's net income was ahead of budget by approximately \$671,000. Two consecutive years of significant surplus will reduce the aggregated deficit in net assets without restrictions that was accrued in 2016-2018.

Since 2017, Juma has 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 five years, Juma has been, and continues to be, confident in its ability to fulfill Juma's 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 over the last three years. Furthermore, from 2019 to 2021 total Net Assets grew significantly from \$270,648 to \$2,262,037.

### *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 consistent employment to Juma youth. Juma's internal operations were also moved online as our full-time staff continued work from home. Venues re-opened in 2021 and staff returned to regular operations. Enterprise revenue reflected the uneven sports scheduling, especially in the first two quarters of 2022, gradually stabilizing over the course of the year. The Major League Baseball strike in 2022 had a negligible impact as games were merely re-scheduled from the first two weeks until later into the season.



# Juma Ventures

## Notes to Financial Statements

During 2021, Juma applied and was approved for a \$896,090 loan under the Paycheck Protection Program 2 (PPP2), as described in Note 7. The PPP2 loan was utilized to offset the costs of the pandemic. The PPP2 funds enabled Juma to avoid any layoffs in a crisis where all social enterprise revenue was lost for a period during 2021. 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 February 7, 2021 and was forgiven on December 21, 2021.

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 2021. Under the terms of this agreement, Juma is required to provide extensive regular reporting on its cash flow and other financial metrics to meet the 12-month renewal requirements as described in Note 7.

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

Receivable consisted of the following as of December 31, 2021:

#### *Grants and Contributions:*

Grants receivables	\$ 959,337
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#### *Accounts Receivable:*

Concessionaire receivables	197,009
Other receivables	15,971

Subtotal	212,980
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Total	\$ 1,172,317
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As of December 31, 2021, all receivables were due in less than one year.



# Juma Ventures

## Notes to Financial Statements

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

Other assets at December 31, 2021 consisted of the following:

Inventories	\$ 48,959
Prepaid expenses	326,072
Deposits	29,932
Fixed assets (net of accumulated depreciation of \$336,045)	18,120
	<hr/>
	\$ 423,083

Depreciation and amortization of furniture and equipment for the year ended December 31, 2021 was \$8,185.

### 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, 2021, total IDA accounts held for youth was \$69,842.

### 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 remaining balance of the loan was \$156,070 on December 31, 2021. The note is payable in monthly payments of \$2,526, bears interest of 5.5%, and matures December 17, 2027. Subsequent to year end, on April 27, 2022, Juma repaid the loan in full.

Additionally, during 2019, a Revolving Line of Credit (LOC) was opened with Community Vision in the amount of \$350,000. The LOC bears interest of 6.25% and is subject to 12-month renewal increments in February, subject to approval by the lender. The Loan was not drawn upon in 2021, however, upon assumption of the term loan as noted above, Community Vision lowered the credit limit on the Loan to \$314,500. The LOC bears interest of 6.25% and there is no outstanding balance as of December 31, 2021. The LOC expired as of October 13, 2021 and Juma is in negotiations to extend the LOC.



# **Juma Ventures**

## **Notes to Financial Statements**

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Juma received loan proceeds in the amount of \$896,090 with a maturity date of July 28, 2021 under the Paycheck Protection Program 2 (PPP2). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provided for loans to 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 during 2021 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. The unforgiven portion of the PPP loan would have been payable over two years at an annual interest rate of 1.0%, with a deferral of payments for the first six months. Juma's use of the loan proceeds met the conditions for forgiveness of the loan and it was forgiven on December 15, 2021, Juma recognized income for the full value of the loan in the Statement of Activities and Changes in Net Assets.

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. Juma met the conditions for forgiveness of the loan on April 12, 2021, and recognized income for the full value of the loan in the Statement of Activities and Changes in Net Assets.

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

As of December 31, 2021, net assets with donor restrictions of \$3,199,430 are available for program services and employment development activities. Net assets with donor restrictions also includes \$304,603 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 2021, net assets totaling \$2,679,332 were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors.

# Juma Ventures

## Notes to Financial Statements

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

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

Financial assets at December 31, 2021:

Cash and cash equivalents	\$ 1,619,159
Contributions receivable	959,337
Accounts receivable	212,980
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Total financial assets	2,791,476
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Less net assets with donor restrictions excluding restricted cash of \$304,603	(2,894,827)
Add net assets with purpose restrictions expected to be met in less than a year	2,712,917
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	(181,910)
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Financial assets available to meet general expenditures over the next twelve months	\$ 2,609,566
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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 2022.



# 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 Ending December 31,	
2022	\$ 286,000
2023	279,000
2024	10,000
	<hr/>
	\$ 575,000

Total rent expense for the year ended December 31, 2021 was \$266,035.

#### 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 and accounts receivable.

As of December 31, 2021, Juma Ventures had various cash deposits in excess of federally insured limits.

Grants and contributions receivables consist primarily of unsecured amounts due from foundations and governmental agencies. Approximately 32% of these receivables are due from two donors.

For the year ended December 31, 2021, two concessionaires provided approximately 56% 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 members, 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. During the year ended December 31, 2021, contributions of approximately \$143,000 were from members of the Board of Directors of Juma.