

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Year Ended June 30, 2011

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Jose Downtown Association
(A California Nonprofit Mutual Benefit Corporation)
San Jose, California

We have audited the accompanying statement of financial position of San Jose Downtown Association (a California nonprofit mutual benefit corporation) as of June 30, 2011, and the related statements of activities, functional revenue and expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Jose Downtown Association as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Berger Lewis Accountancy Corporation".

BERGER LEWIS ACCOUNTANCY CORPORATION
San Jose, California
August 24, 2011

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

STATEMENT OF FINANCIAL POSITION

June 30, 2011

ASSETS

CURRENT ASSETS:

Cash	\$ 63,064
Contracts Receivable:	
BID	159,529
RDA	35,912
City	40,778
PBID	104,913
Accounts Receivable	220,033
Prepaid Expenses	<u>110,122</u>
Total Current Assets	<u>734,351</u>

PROPERTY AND EQUIPMENT, At Cost:

Ice Rink Equipment	773,500
Office Condo	370,612
Office and Computer Equipment	162,690
Transportation Equipment	<u>24,650</u>
	1,331,452
Accumulated Depreciation	<u>(865,110)</u>
Total Property and Equipment, Net	<u>466,342</u>

TOTAL ASSETS

\$ 1,200,693

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Mortgage Payable, Current Portion	\$ 7,627
Accounts Payable	96,384
Sales Tax Payable	9,808
Accrued Expenses	85,472
Deferred Income	<u>230,811</u>
Total Current Liabilities	<u>430,102</u>

Mortgage Payable, Net of Current Portion 227,807

 Total Long-Term Liabilities, Net of Current Portion 227,807

 Total Liabilities 657,909

NET ASSETS:

 Unrestricted Net Assets 542,784

TOTAL LIABILITIES AND NET ASSETS

\$ 1,200,693

The Accompanying Notes are an Integral Part of these Financial Statements.

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2011

	Total All Funds	Unrestricted		
		San Jose Downtown Association	Business Improvement District	Redevelopment Agency Fund
REVENUE:				
Contract Reimbursement - BID	\$ 600,000	\$ -	\$ 600,000	\$ -
Contract Reimbursement - RDA	495,000	-	-	495,000
Other Contracts	584,930	584,930	-	-
Sponsorships and Sales	391,865	391,865	-	-
Concessions and Admissions	942,846	942,846	-	-
Participant Fees	56,253	56,253	-	-
Grants	81,043	81,043	-	-
Administration Income	17,750	17,750	-	-
Property Business Improvement District	208,704	208,704	-	-
Miscellaneous Income	22,264	22,264	-	-
Total Revenue	3,400,655	2,305,655	600,000	495,000
EXPENSES:				
Program and Events:				
Music in the Park 2010	442,335	356,135	45,000	41,200
Ice Rink	988,354	788,455	100,000	99,899
Farmers' Market	62,656	25,155	28,000	9,501
Music in the Park 2011	211,309	146,309	30,000	35,000
Communications/PR	97,060	34,999	30,000	32,061
Advocacy, Research and Planning	66,290	40,290	26,000	-
Holiday and District Promotions	92,667	26,427	26,000	40,240
Public Space Programming	182,078	56,979	11,000	114,099
Marketing, Parking and Transportation Promotions	225,764	70,764	50,000	105,000
Foundation, Beautification and Membership	46,746	14,746	14,000	18,000
Property Business Improvement District	472,605	472,605	-	-
Miscellaneous	2,377	2,377	-	-
Total Program and Events Expenses	2,890,241	2,035,241	360,000	495,000
Management and General	595,593	355,593	240,000	-
Total Expenses	3,485,834	2,390,834	600,000	495,000
CHANGE IN NET ASSETS	(85,179)	(85,179)	-	-
NET ASSETS, Beginning of Year	627,963	627,963	-	-
NET ASSETS, End of Year	\$ 542,784	\$ 542,784	\$ -	\$ -

The Accompanying Notes are an Integral Part of these Financial Statements.

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

STATEMENT OF FUNCTIONAL REVENUE AND EXPENSES FOR PROGRAMS AND EVENTS

Year Ended June 30, 2011

	Music in the Park 2010	Ice Rink	Farmers' Market	Music in the Park 2011	Communi- cations/ PR	Advocacy, Research and Planning	Public Space Programming	Holiday and District Promotions	Property Business Improvement District	Marketing, Parking, & Transportation Promotions	Foundation, Beautification and Membership	Miscellaneous	Management and General	Total
PROGRAM REVENUE:														
BID Contract	\$ 45,000	\$ 100,000	\$ 28,000	\$ 30,000	\$ 30,000	\$ 26,000	\$ 11,000	\$ 26,000	\$ -	\$ 50,000	\$ 14,000	\$ -	\$ 240,000	\$ 600,000
RDA Contract	41,200	99,900	9,500	35,000	32,060	-	114,100	40,240	-	105,000	18,000	-	-	495,000
Baseline Services	-	-	-	-	-	-	-	-	357,855	-	-	-	-	357,855
Other Contracts	-	155,000	-	-	-	-	-	-	208,704	72,075	-	-	-	435,779
Sponsorships/Sales	107,930	121,250	12,825	74,500	-	-	7,150	-	-	23,000	10,000	-	-	356,655
Group Sales	-	7,964	-	-	-	-	27,246	-	-	-	-	-	-	35,210
Concessions/Admissions	295,190	523,540	-	123,085	-	-	1,031	-	-	-	-	-	-	942,846
Participant Fees	11,625	-	16,920	-	-	-	6,295	14,513	-	6,900	-	-	-	56,253
Grants	10,937	34,384	4,686	4,861	-	-	10,093	1,082	-	-	15,000	-	-	81,043
Miscellaneous Income	3,733	100	4,800	914	-	-	3,216	-	-	1,285	5,000	-	3,216	22,264
Administration Income	-	-	-	-	-	-	-	-	-	-	-	-	17,750	17,750
Total Program Revenue	515,615	1,042,138	76,731	268,360	62,060	26,000	180,131	81,835	566,559	258,260	62,000	-	260,966	3,400,655
PROGRAM EXPENSES:														
Personnel	50,000	80,000	20,000	35,000	73,100	55,940	50,200	49,995	114,000	95,000	26,000	-	389,765	1,039,000
Insurance	13,339	22,701	7,490	6,353	-	-	7,841	-	-	-	-	-	7,210	64,934
City Services	59,642	6,010	2,554	32,046	-	-	15,632	186	-	-	-	1,727	-	117,797
Marketing	19,434	54,893	13,660	7,711	23,916	-	5,174	9,461	-	128,974	5,065	-	-	268,288
Event Production	101,170	299,983	10,363	48,618	-	-	48,514	11,590	-	-	-	-	-	520,238
Technical Support	48,758	339,338	2,816	17,101	-	-	22,715	13,850	-	-	-	-	-	444,578
Supplies and Materials	50,098	54,066	4,847	18,907	44	-	21,762	4,798	-	1,750	1,096	650	11,397	169,415
Cost of Concessions	94,563	14	-	44,035	-	-	447	-	-	-	-	-	-	139,059
Subcontractors	5,180	-	775	1,538	-	10,000	9,700	2,787	358,605	-	14,507	-	-	403,092
Depreciation and Amortization	-	123,126	-	-	-	-	-	-	-	-	-	-	40,320	163,446
Other Expenses	151	8,223	151	-	-	350	93	-	-	40	78	-	146,901	155,987
Total Program Expenses	442,335	988,354	62,656	211,309	97,060	66,290	182,078	92,667	472,605	225,764	46,746	2,377	595,593	3,485,834
Excess of Revenue (Expense)	\$ 73,280	\$ 53,784	\$ 14,075	\$ 57,051	\$ (35,000)	\$ (40,290)	\$ (1,947)	\$ (10,832)	\$ 93,954	\$ 32,496	\$ 15,254	\$ (2,377)	\$ (334,627)	\$ (85,179)

The Accompanying Notes are an Integral Part of these Financial Statements.

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

STATEMENT OF CASH FLOWS

Year Ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ (85,179)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	163,446
(Increase) Decrease in Assets:	
Contracts Receivable	6,322
Accounts Receivable	(138,791)
Prepaid Expenses	(40,245)
Increase in Liabilities:	
Accounts Payable	15,273
Sales Tax Payable	358
Accrued Expenses	6,021
Deferred Revenue	<u>103,447</u>
Cash Provided by Operating Activities	<u>30,652</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Office and Computer Equipment	(15,212)
Purchase of Ice Rink Equipment	<u>(8,509)</u>
Cash Used by Investing Activities	<u>(23,721)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments on Mortgage Payable	(7,418)
Proceeds from Line of Credit	29,764
Payments on Line of Credit	(29,764)
Payments on Note Payable	<u>(19,095)</u>
Cash Used by Financing Activities	<u>(26,513)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(19,582)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>82,646</u>
CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 63,064</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:	
Cash Paid for Interest	<u>\$ 12,504</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND STATEMENT OF PURPOSES:

The San Jose Downtown Association (the "Association") is a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The Association is exempt from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code. The primary purposes of the Association are to:

- (a) Encourage, stimulate and improve the business conditions in downtown San Jose for retailers, restaurants, entertainment establishments, service businesses and professionals, and to promote retail and other commercial activities in that area.
- (b) Establish new and improve existing parking facilities in downtown San Jose for the benefit of the area and to encourage the formation of local parking districts.
- (c) Seek out public and private revenues to support its objectives.
- (d) Beautify downtown San Jose.
- (e) Promote public events and to obtain funding and programs for seasonal decorations of public spaces in the area.
- (f) Promote a positive identity for the area through advertising and public relations program and the sponsorship of public events, promotions and festivals.
- (g) Promote the preservation and renovation of historical structures in downtown San Jose and to preserve the architectural heritage and historical character of the downtown San Jose area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basic of Accounting - The financial statements of the Association is an accrual basis not-for-profit corporation with a fiscal year end of June 30.

Basis of Presentation - The Association follows standards of accounting and financial reporting for voluntary health and welfare organizations as prescribed by the American Institute of Certified Public Accountants. In accordance with accounting principles generally accepted in the United States of America, the Association reports its financial position and operating activities in three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. See Notes 3 to 6 for descriptions of the funds, including restrictions, if any.

The revenues recorded in the statement of activities regarding the Business Improvement District and Redevelopment Agency Fund are restricted as to their use per the respective contracts. Since the restrictions were met in the same period as the revenues were recorded the classification of these revenues as unrestricted.

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents include highly liquid investments and investments with a maturity of three months or less, and exclude donor restricted receipts and amounts designated for long-term purposes. The Association maintains its cash in bank deposit accounts which, at times, may exceed Federally insured limits. The Association has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash accounts.

Receivables - No allowance for uncollectible receivables has been presented since all amounts are deemed to be collectible.

Deferred Income - Deferred income results from grants, contract or sponsorship revenue received for a specific event scheduled in the following year. Revenue is recognized in the period that the related expenses are incurred.

Prepaid Expenses - Prepaid expenses result from advances or deposits on goods or services that will be received in the following year. Direct event expenses are recorded in the year the event takes place.

Donated Materials and Services - Donated materials and services, which Management estimates at approximately \$2,445,900 have not been recognized in the accompanying financial statements since the recognition requirements were not met. A number of volunteers have donated significant amounts of their time in the Association program services and administrative support. Also, media and service donations were received as part of event sponsorships.

Capitalization Policy - The Association's policy is to capitalize fixed asset purchases in excess of \$500. Any furniture, equipment or other assets purchased under a grant or a service contract are considered the property of the granting agency and will not be capitalized. Depreciation is computed using straight-line depreciation methods. Depreciation expense for the year ended June 30, 2011 is \$163,446.

Personal Time Off - Personal time off ("PTO") represents vacation and sick days earned, but not taken as of June 30, 2011, and is included in "accrued expenses" in the statement of financial position. The PTO balance as of June 30, 2011 totaled \$49,243.

Income Taxes - San Jose Downtown Association is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code and state income taxes under Section 23701(d) of the California Revenue Taxation Code. Accordingly, no provision for income taxes has been made in the accompanying statements. In addition, the Association qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code.

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Subsequent Events - Management of the Association has evaluated events and transactions subsequent to June 30, 2011 for potential recognition or disclosure in the financial statements. The Association did not have subsequent events that required recognition or disclosure in the financial statements for the year ended June 30, 2011. Subsequent events have been evaluated through the date the financial statements became available to be issued, August 24, 2011.

NOTE 3 - BID FUND - DOWNTOWN SAN JOSE BUSINESS IMPROVEMENT DISTRICT:

In October 1988, San Jose City Ordinance #22960 established and defined the Downtown San Jose Business Improvement District (BID). The "District" is funded by an assessment levied on the businesses located within the District and approved annually by the San Jose City Council through a public hearing process.

In 1989, the San Jose City Council appointed the San Jose Downtown Association as the Advisory Board for the BID, to advise the Council on the levy of assessments of the BID and the expenditure of revenues derived from the assessments.

In March 1989, the San Jose Downtown Association entered into an agreement with the City of San Jose to operate and administer the activities within the District. This agreement was amended and restated June 24, 1997.

For the year ended June 30, 2011, a budget of \$625,000 was approved by the City of San Jose. During the year ended June 30, 2011, the City collected \$636,373 of BID assessments. During the year, \$600,000 was expended by the Association of which \$159,529 had not been reimbursed by the City as of June 30, 2011.

There is a balance of BID funds remaining in the separate City of San Jose BID account as of June 30, 2011 in the amount of \$47,371. The Association is reporting this amount as a Current Asset with a corresponding offset to Deferred Income as of June 30, 2011 and will be utilized in the year ending June 30, 2012.

A budget of \$700,000 has been approved by the City for the fiscal year ending June 30, 2012.

NOTE 4 - RDA FUND - SAN JOSE REDEVELOPMENT AGENCY:

The Association received revenues under a service contract with the San Jose Redevelopment Agency, an Agency of the City of San Jose. The scope of services include promotional activities and management and coordination of activities.

The agreement with the San Jose Redevelopment Agency provided for up to \$495,000 of reimbursements for the year ended June 30, 2011. Another agreement with the San Jose Redevelopment Agency provided a separate \$155,000 of reimbursements for the Downtown Ice Rink for the year ended June 30, 2011.

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 - RDA FUND - SAN JOSE REDEVELOPMENT AGENCY (Continued):

During the year ended June 30, 2011, \$495,000 was expended by the Association against this budget of which \$35,912 has not been reimbursed as of June 30, 2011.

The agreement with the San Jose Redevelopment Agency was extended for up to \$250,000 of reimbursements for the year ended June 30, 2012.

The agreement with the San Jose Redevelopment Agency for Downtown Ice Rink funding was not extended.

NOTE 5 - SJDA FUND:

This fund accounts for resources under the discretionary control of the Association's Board of Directors, for use in carrying on the general operations of the Association. The balance in this fund as of June 30, 2011 was \$542,784.

NOTE 6 - PBID FUND - SAN JOSE DOWNTOWN PROPERTY OWNERS' ASSOCIATION:

As of January 28, 2008 the Association entered into an agreement with San Jose Downtown Property Owners' Association ("PBID") to provide management services. The agreement shall run from January 28, 2008 to January 31, 2013. The entities have separate boards of directors and operate as separate entities. As compensation for the management services, the Association will receive 9.1% of the total revenue received by PBID. The fee is payable semi-annually. As of June 30, 2011, the Association earned revenue from this agreement totaled \$208,704. In addition, the City of San Jose paid SJDA for baseline PBID services of \$357,855.

As of January 14, 2008 the Association entered into an agreement on behalf of San Jose Downtown Property Owners' Association ("PBID") with Service Group Incorporated ("SGI"). SGI provides services to allow PBID to carry out its nature of activities of maintenance of Downtown San Jose, including cleaning, safety and information, and enhancing the image of Downtown San Jose. The original agreement ran through January 13, 2011, and allowed for 3 additional one year term renewals. Either party has the right to terminate this agreement at any time, by giving written notice at least 120 days prior to termination date.

On June 16, 2010, SJDA on behalf of PBID, extended the agreement with SGI for one additional year of service. The agreement was extended to January 13, 2011, and was renewed for an additional year through January 13, 2012.

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 7 - DEFERRED INCOME:

Deferred income consists of the following as of June 30, 2011:

Music in the Park	\$ 121,258
Other	<u>109,553</u>
	<u>\$ 230,811</u>

NOTE 8 - CONCENTRATION OF ACTIVITIES:

Approximately \$1,760,973 was earned through contracts with and grants from the City of San Jose, including its agencies and the BID. Activities of the Association take place in and for the benefit of the downtown San Jose, California geographic area.

NOTE 9 - MORTGAGE PAYABLE:

On April 28, 2009, the Association entered into a loan agreement with Wells Fargo Bank for \$250,000. The interest rate is a fixed rate loan at 5.50% per annum for the term of the loan, 35 monthly payments are made for \$1,731 and a final payment of \$230,506 is due on May 20, 2012, plus any unpaid principal and interest. The note is secured by Deed of Trust on 28 North First Street, Suite 1000. Management intends to refinance the mortgage payable in February 2012.

Total principal outstanding is \$235,434 at June 30, 2011.

Scheduled estimated maturities for the above mortgage payable are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 7,627
2013	<u>227,807</u>
	<u>\$ 235,434</u>

NOTE 10 - NOTE PAYABLE:

On November 20, 2006, the Association entered into a loan agreement with Siemens Financial Services, Inc. for \$413,473 to purchase chillers for the Downtown Ice Rink. The note was revised on or about October 22, 2007 to account for approximately \$95,885 that was never drawn or used on the note. The term of the note is 7.5% per annum and was originally payable in 60 monthly installments (the first 12 payments of \$7,533 and 48 payments of \$8,510). The note, as revised is payable in 12 monthly payments of \$7,533, followed by 33 monthly payments of \$8,510, and a final payment of \$2,274 was made September 2010.

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 11 - LINE OF CREDIT ("LOC"):

	<u>Amount Available</u>
Wells Fargo Bank, revolving line of credit for a maximum amount of \$150,000. Interest is computed at the Bank's prime rate plus 1.750% with a floor rate of 5%, secured by certain assets of the Association. Maturity date of May 18, 2012.	<u>\$ 150,000</u>

The LOC was accessed for \$29,764 during fiscal year 2011 for a period of 5 days and all funds were repaid during the fiscal year.

NOTE 12 - EMPLOYEE BENEFIT PLAN:

The Association established a defined contribution 401(k) pension plan effective January 1, 2010. All employees who are at least twenty-one years old and have completed one year of service and at least one thousand hours of service are eligible to participate in the plan. Employees participating in the plan may elect to defer a percentage of their annual compensation to the plan subject to applicable limits. The Association's safe harbor matches employee contributions at the rate of 100% not to exceed 3% of your compensation plus 50% of your salary deferrals between 3% and 5% of employee compensation. The safe harbor match is 100% vested upon contribution. In addition, the Association may make discretionary matching contributions and contributions based on profit sharing. Expense to maintain the plan are paid by plan's assets and allocated to participants based on participants' assets. Association's management has the right to terminate the plan at anytime.

The Association's matching contribution for the year ended June 30, 2011 was \$26,604.

NOTE 13 - OFFICE CONDOMINIUM:

The Association, through its ownership of its office condominium Suite 1000 and Suite 200, is a member of the Commercial Building Owners' Association (CBOA). Members pay monthly dues to CBOA to cover the property management and common area expenses (such as utilities and janitorial expenses). CBOA, on an as needed basis, can request special assessments from members for major improvements or renovations to common areas of the property. There were no special assessments during the year ended June 30, 2011.

SAN JOSE DOWNTOWN ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 14 - OPERATING LEASE COMMITMENTS:

The Association leases a copier under a noncancelable operating lease which expire in February 2014. The Association also leases a mailing system and modem under a noncancelable operating lease which expire in May 2016. Total lease payments related to the operating leases for the year ending June 30, 2011 is \$3,357.

Future minimum lease payments as of June 30, 2011 under these noncancelable operating leases is:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 4,143
2013	4,143
2014	3,211
2015	1,347
2016	<u>1,123</u>
Total Future Minimum Lease Payments	<u>\$ 13,967</u>

SUPPLEMENTARY INFORMATION

SAN JOSE DOWNTOWN ASSOCIATION
(A California Nonprofit Mutual Benefit Corporation)

SCHEDULE OF MANAGEMENT AND GENERAL EXPENSES

Year Ended June 30, 2011

	Total All Funds	SJDA Fund	BID Fund	RDA Fund
Salaries and Payroll Taxes	\$ 285,458	\$ 123,981	\$ 161,477	\$ -
Employee Benefits	104,307	25,784	78,523	-
Building Expenses	94,855	94,855	-	-
Office Equipment	9,938	9,938	-	-
Utilities	13,794	13,794	-	-
Office Supplies	11,397	11,397	-	-
Insurance	7,210	7,210	-	-
Professional Services	33,600	33,600	-	-
Dues and Conferences	10,432	10,432	-	-
Meetings and Hospitality	5,712	5,712	-	-
Postage/Mailing Services	2,429	2,429	-	-
Miscellaneous Expenses	16,461	16,461	-	-
Total Expenses	\$ 595,593	\$ 355,593	\$ 240,000	\$ -