

**San Jose Downtown Association
(A California Nonprofit Mutual
Benefit Corporation)**

Financial Statements and
Supplemental Schedule
Year Ended June 30, 2015



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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
San Jose Downtown Association
San Jose, California

We have reviewed the accompanying statement of financial position of San Jose Downtown Association (a California Nonprofit Mutual Benefit Corporation) as of June 30, 2015, and the related statements of activities and changes in net assets, functional revenue and expenses for programs and events, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplemental Schedule

The Supplemental Schedule of Management and General Expenses on page 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Armanino LLP

Armanino^{LLP}
San Jose, California

October 15, 2015

An independent firm associated with
Moore Stephens International Limited
MOORE STEPHENS

SAN JOSE DOWNTOWN ASSOCIATION
Statement of Financial Position
June 30, 2015
(See Independent Accountant's Review Report)

ASSETS

Current assets	
Cash	\$ 278,529
Contracts receivable:	
BID	225,650
City	14,944
PBID	194,843
Accounts receivable	196,042
Prepaid expenses	<u>21,126</u>
Total current assets	<u>931,134</u>
Property and equipment, at cost	
Ice rink equipment	1,065,122
Office condo	370,612
Office and computer equipment	173,781
Transportation equipment	<u>24,650</u>
	1,634,165
Accumulated depreciation	<u>(1,158,948)</u>
Total property and equipment, net	<u>475,217</u>
Total assets	<u>\$ 1,406,351</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Note payable, current portion	\$ 20,734
Mortgage payable, current portion	5,648
Accounts payable	289,942
Sales tax payable	751
Accrued expenses	99,806
Deferred revenue	<u>209,180</u>
Total current liabilities	<u>626,061</u>
Long-term liabilities	
Note payable, net of current portion	32,423
Mortgage payable, net of current portion	<u>208,234</u>
Total long-term liabilities, net of current portion	<u>240,657</u>
Total liabilities	<u>866,718</u>
Net assets	
Unrestricted net assets	<u>539,633</u>
Total liabilities and net assets	<u>\$ 1,406,351</u>

The accompanying notes are an integral part of these financial statements.

SAN JOSE DOWNTOWN ASSOCIATION
Statement of Activities and Changes in Net Assets
June 30, 2015
(See Independent Accountant's Review Report)

	Total All Funds	Unrestricted		
		San Jose Downtown Association	Business Improvement District	City (OED) Fund
Revenue				
BID contract	\$ 723,000	\$ -	\$ 723,000	\$ -
City (OED) contract	350,000	-	-	350,000
Concessions / admissions	873,023	873,023	-	-
Other contracts	466,013	466,013	-	-
Grants	449,592	449,592	-	-
Sponsorships / sales	446,386	446,386	-	-
City contracts	40,489	40,489	-	-
Participant fees	22,441	22,441	-	-
Miscellaneous income	20,554	20,554	-	-
Group sales	16,412	16,412	-	-
Administration income	12,952	12,952	-	-
Total revenue	<u>3,420,862</u>	<u>2,347,862</u>	<u>723,000</u>	<u>350,000</u>
Expenses				
Program and events				
Ice rink	1,034,791	778,791	100,000	156,000
Property business improvement district	527,537	527,537	-	-
Music in the Park	208,195	118,195	49,000	41,000
Pop Up Retail, Downtown Activation	135,802	125,802	10,000	-
Marketing, promotions and parking	128,752	46,013	52,739	30,000
Partner events	118,654	118,654	-	-
Communications	96,537	24,001	72,536	-
Farmers' market	72,841	17,841	45,000	10,000
Advocacy, research and planning	65,547	547	65,000	-
Downtown for the holidays / holiday promotions	64,769	44,769	20,000	-
World cup viewing	46,747	20,747	-	26,000
Dine downtown	45,792	10,792	30,000	5,000
SoFA street markets	43,107	14,107	-	29,000
Foundation, beautification and membership, miscellaneous	39,585	5,000	9,585	25,000
Starlight Cinemas	35,596	20,596	15,000	-
Live and local	33,206	5,206	8,000	20,000
District promotions	28,386	9,500	10,886	8,000
Equipment rental	17,404	7,234	10,170	-
HERcity	14,584	(500)	15,084	-
Total program and events expenses	<u>2,757,832</u>	<u>1,894,832</u>	<u>513,000</u>	<u>350,000</u>
Management and general	<u>649,966</u>	<u>439,966</u>	<u>210,000</u>	<u>-</u>
Total expenses	<u>3,407,798</u>	<u>2,334,798</u>	<u>723,000</u>	<u>350,000</u>
Change in net assets	13,064	13,064	-	-
Net assets, beginning of year	<u>526,569</u>	<u>526,569</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 539,633</u>	<u>\$ 539,633</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

SAN JOSE DOWNTOWN ASSOCIATION
Statement of Functional Revenue and Expenses for Programs and Events
Year Ended June 30, 2015
(See Independent Accountant's Review Report)

	Dine Downtown	Ice Rink	Farmers' Market	HERcity	Live and Local	Downtown for the Holidays / Holiday Promotions	Music in the Park	Partner Events	Communica tions	Advocacy Research & Planning	District Promotions	Starlight Cinemas	SoFA Street Markets	Equipment Rental	Marketing, Promotions and Parking	Foundation / Beautification and Membership / Miscellaneous	Property Business Improvement District	Pop Up Retail/DT Act	World Cup Viewing	Management and General	Total	
Program revenue																						
BID contract	\$ 30,000	\$ 100,000	\$ 45,000	\$ 15,084	\$ 8,000	\$ 20,000	\$ 49,000	\$ -	\$ 72,536	\$ 65,000	\$ 10,886	\$ 15,000	\$ -	\$ 10,170	\$ 52,739	\$ 9,585	\$ -	\$ 10,000	\$ -	\$ 210,000	\$ 723,000	
City (OED) contract	5,000	156,000	10,000	-	20,000	-	41,000	-	-	-	8,000	-	29,000	-	30,000	25,000	-	-	26,000	-	350,000	
Concessions / admissions	-	672,480	71	3,031	-	-	76,848	114,326	-	-	-	16	-	-	-	-	-	-	6,252	-	873,024	
Other contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	466,013	-	-	-	466,013	
Grants	-	37,740	-	-	-	-	12,950	8,379	-	-	-	13,116	16,507	-	-	-	227,400	131,000	2,500	-	449,592	
Sponsorships / sales	2,000	284,400	20,825	-	-	45,000	20,811	3,000	-	-	300	4,750	-	-	15,000	-	-	-	50,300	-	446,386	
City contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,489	-	-	-	-	-	40,489	
Participant fees	11,200	-	10,591	-	-	-	-	-	-	-	-	-	-	-	650	-	-	-	-	-	22,441	
Miscellaneous income	104	1,768	4,800	27	-	-	-	7,000	-	-	-	-	-	-	-	-	-	-	-	6,854	20,553	
Group sales	-	15,912	-	-	-	-	500	-	-	-	-	-	-	-	-	-	-	-	-	-	16,412	
Administration income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,952	
Total program revenue	48,304	1,268,300	91,287	18,142	28,000	65,000	201,109	132,705	72,536	65,000	19,186	32,882	45,507	10,170	138,878	34,585	693,413	141,000	85,052	229,806	3,420,862	
Program expenses																						
Personnel	22,000	80,000	33,500	11,000	25,799	22,000	35,000	-	69,000	65,000	27,201	15,000	14,000	12,000	69,500	32,000	290,123	10,000	27,000	450,508	1,310,631	
Subcontractors	-	25,500	5,700	-	2,750	36,000	7,500	102,211	2,475	-	-	1,800	20,780	-	-	-	231,948	64,931	-	-	501,595	
Technical support	-	408,153	13,968	-	-	-	20,367	-	-	-	-	7,936	-	2,201	-	-	-	248	9,255	-	462,128	
Event production	-	269,419	-	1,060	-	-	45,764	-	-	-	-	309	2,035	-	-	-	-	45,600	-	-	364,187	
Marketing	23,574	50,535	9,273	835	4,657	6,669	8,675	-	25,062	-	299	209	-	-	58,887	7,585	-	7,881	-	-	204,141	
Supplies and materials	-	102,827	625	3	-	-	40,347	-	-	-	-	5,256	-	703	365	-	-	2,660	4,179	7,938	164,903	
Depreciation and amortization	-	43,757	-	-	-	-	-	-	-	-	-	1,665	-	-	-	-	-	-	-	27,411	72,833	
City services	-	13,433	2,709	-	-	-	24,277	2,899	-	-	886	2,500	6,292	-	-	-	-	2,837	1,994	-	57,827	
Insurance	-	27,824	6,889	-	-	-	2,769	3,819	-	-	-	843	-	2,500	-	-	-	-	497	12,159	57,300	
Cost of concessions	-	2,571	-	1,608	-	-	18,886	9,681	-	-	-	-	-	-	-	-	-	-	25	3,822	36,593	
Other expenses	218	10,772	177	78	-	100	4,610	44	-	547	-	78	-	-	-	-	5,466	1,620	-	151,950	175,660	
Total program expenses	45,792	1,034,791	72,841	14,584	33,206	64,769	208,195	118,654	96,537	65,547	28,386	35,596	43,107	17,404	128,752	39,585	527,537	135,802	46,747	649,966	3,407,798	
Excess of revenue (expense)	\$ 2,512	\$ 233,509	\$ 18,446	\$ 3,558	\$ (5,206)	\$ 231	\$ (7,086)	\$ 14,051	\$ (24,001)	\$ (547)	\$ (9,200)	\$ (2,714)	\$ 2,400	\$ (7,234)	\$ 10,126	\$ (5,000)	\$ 165,876	\$ 5,198	\$ 38,305	\$ (420,160)	\$ 13,064	

The accompanying notes are an integral part of these financial statements.

SAN JOSE DOWNTOWN ASSOCIATION
Statement of Cash Flows
Year Ended June 30, 2015
(See Independent Accountant's Review Report)

Cash flows from operating activities	
Change in net assets	\$ 13,064
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	72,833
Change in operating assets and liabilities	
Contracts receivable	110,379
Accounts receivable	(157,050)
Prepaid expenses	8,302
Accounts payable	121,307
Sales tax payable	751
Accrued expenses	3,847
Deferred revenue	<u>(98,142)</u>
Cash provided by operating activities	<u>75,291</u>
Cash flows from investing activities	
Purchase of office and computer equipment	(1,980)
Purchase of ice rink equipment	<u>(87,583)</u>
Cash used by investing activities	<u>(89,563)</u>
Cash flows from financing activities	
Payments on mortgage payable	(5,399)
Payments on note payable	<u>(20,024)</u>
Cash used by financing activities	<u>(25,423)</u>
Decrease in cash and cash equivalents	(39,695)
Cash and cash equivalents beginning of year	<u>318,224</u>
Cash and cash equivalents, end of year	<u>\$ 278,529</u>
 Supplemental disclosure of cash flows information	
Cash paid for interest	<u>\$ 13,126</u>

The accompanying notes are an integral part of these financial statements.

SAN JOSE DOWNTOWN ASSOCIATION
Notes to Financial Statements
June 30, 2015

1. Organization and Statement of Purposes

The San Jose Downtown Association (the "Association") is a 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, property owners 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.

2. Summary of Significant Accounting Policies

Basic of accounting

The financial statements of the Association are prepared on the accrual basis of accounting 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 City of San Jose (OED) 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, these revenues are classified as unrestricted.

SAN JOSE DOWNTOWN ASSOCIATION
Notes to Financial Statements
June 30, 2015

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 revenue

Deferred revenue 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 \$1,683,462 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, 2015 is \$72,833.

Personal time off

Personal time off, representing vacation and sick days earned, but not taken as of June 30, 2015, is included in "accrued expenses" in the statement of financial position. The balance as of June 30, 2015 totaled \$72,475.

SAN JOSE DOWNTOWN ASSOCIATION
Notes to Financial Statements
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

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.

Subsequent events

Management of the Association has evaluated events and transactions subsequent to June 30, 2015 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, 2015. Subsequent events have been evaluated through the date the financial statements became available to be issued, October 15, 2015

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). BID is funded by an assessment levied on the businesses located within its boundaries and approved annually by the San Jose City Council through a public hearing process.

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

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

For the year ended June 30, 2015, a budget of \$777,000 was approved by the City of San Jose. During the year ended June 30, 2015, the City collected \$786,786 of BID assessments. During the year, \$723,000 was expended by the Association of which \$225,650 had not been reimbursed by the City as of June 30, 2015.

There is a balance of funds remaining in the separate City of San Jose BID account as of June 30, 2015 in the amount of \$178,014. The Association is reporting this amount as a current asset with a corresponding offset to deferred revenue as of June 30, 2015 and will be utilized in the year ending June 30, 2016.

A budget of \$757,000 has been approved by the City for the fiscal year ending June 30, 2016.

SAN JOSE DOWNTOWN ASSOCIATION
Notes to Financial Statements
June 30, 2015

4. OED Fund - City of San Jose

The Association received revenues under a service contract with the City of San Jose Office of Economic Development (OED). The scope of services include downtown place promotion, office retention and attraction, downtown events, and parking program.

The contract with the City of San Jose (OED) provided up to \$390,000 of reimbursements for the year ended June 30, 2015.

5. SJDA Fund - San Jose Downtown Association

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, 2015 was \$539,633.

6. PBID Fund - San Jose Downtown Property Owner's Association

On January 28, 2008 the Association entered into an agreement with San Jose Downtown Property Owners' Association ("PBID") to provide management services. The agreement has been extended several times, and continues through January 31, 2022. The entities have separate boards of directors and operate as separate entities. As compensation for the management services, the Association receives 9.9% of the total revenue received by PBID. The fee is payable semi-annually. As of June 30, 2015, the Association earned revenue from this agreement totaling \$281,013.

On January 15, 2013, SJDA on behalf of the PBID, entered into an agreement with Block by Block. The agreement was for a period of three years and expires January 14, 2016 at which time it may be renewed for two subsequent terms of one year upon SJDA's written notification and one final year upon the mutual written agreement of the parties.

7. Deferred Revenue

Deferred revenue consists of the following as of June 30, 2015:

BID	\$ 178,014
Other	<u>31,166</u>
	<u>\$ 209,180</u>

8. Concentration of Activities

Approximately \$1,522,592 was earned through contracts with and grants from the City of San Jose, including its agencies and the BID and the PBID. Activities of the Association take place in and for the benefit of the downtown San Jose, California geographic area.

SAN JOSE DOWNTOWN ASSOCIATION
Notes to Financial Statements
June 30, 2015

9. Note Payable

On December 3, 2012, the Association entered into a loan agreement with Wells Fargo Bank for \$102,000. The interest rate is a fixed rate loan at 3.450% per annum for the term of the loan, 60 monthly payments are made for \$1,855.59. The note was secured by personal property of the Association.

Total principal outstanding is \$53,157 at June 30, 2015.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 20,734
2017	<u>32,423</u>
	<u>\$ 53,157</u>

10. Mortgage Payable

On April 28, 2009, the Association entered into a loan agreement with Wells Fargo Bank for \$250,000. Management refinanced the mortgage payable on January 20, 2012. The interest rate is a fixed rate loan at 4.95% per annum for the term of the loan, 60 monthly payments are made for \$1,356.88 and a final payment of \$206,175.39 is due on January 20, 2017, plus any unpaid principal and interest. The note is secured by a Deed of Trust on 28 North First Street, Suite 1000.

Total principal outstanding is \$213,882 at June 30, 2015.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 5,648
2017	<u>208,234</u>
	<u>\$ 213,882</u>

SAN JOSE DOWNTOWN ASSOCIATION
Notes to Financial Statements
June 30, 2015

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 1.00% with a floor rate of 4.25%, secured by certain assets of the Association. Maturity date of June 18, 2016.	<u>\$ 150,000</u>

The LOC was not accessed during the year ended June 30, 2015.

12. Employee Benefit Plan

The Association established a defined contribution 401(k) pension plan effective January 1, 2010. All employees who are at least eighteen 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 matches employee contributions at the rate of 100% not to exceed 3% of compensation plus 50% of salary deferrals between 3% and 5% of employee compensation. The match is 100% vested upon contribution. In addition, the Association may make discretionary matching contributions. Administrative expenses for the plan are paid by the Association; however there are some management and expense fees based on plan assets that are deducted from participant assets proportionately. Association's management has the right to terminate the plan at anytime.

The Association's matching contribution for the year ended June 30, 2015 was \$27,128.

13. Office Condominium

The Association, through its ownership of its office condominiums located at 28 North First Street, Suites 1000 and 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 elevator, security, 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. Special assessments for an emergency fire pump totaled \$9,564 during the year ended June 30, 2015. The SJDA Executive Director is a member of the CBOA board.

SAN JOSE DOWNTOWN ASSOCIATION
Notes to Financial Statements
June 30, 2015

14. Operating Lease Commitments

The Association leases a copier under a noncancelable operating lease which expires in March 2016. The Association also leases a mailing system and modem under a noncancelable operating lease which expires in June 2016. Total lease payments related to the operating leases for the year ending June 30, 2015 was \$4,508.

Future minimum lease payments as of June 30, 2015 under the noncancelable operating lease is:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ <u>3,108</u>
Total future minimum lease payments	\$ <u>3,108</u>

SUPPLEMENTAL SCHEDULE

SAN JOSE DOWNTOWN ASSOCIATION
Schedule of Management and General Expenses
Year Ended June 30, 2015

	Total All Funds	SJDA Fund	BID Fund	City (OED) Fund
Salaries and payroll taxes	\$ 349,017	\$ 169,017	\$ 180,000	\$ -
Building expenses	88,548	88,548	-	-
Employee benefits	101,491	71,491	30,000	-
Professional services	30,070	30,070	-	-
Miscellaneous expenses	21,612	21,612	-	-
Dues and conferences	4,165	4,165	-	-
Meetings and hospitality	9,165	9,165	-	-
Utilities	13,548	13,548	-	-
Office equipment	10,805	10,805	-	-
Insurance	12,158	12,158	-	-
Office supplies	7,938	7,938	-	-
Postage/mailing services	1,449	1,449	-	-
	<u>\$ 649,966</u>	<u>\$ 439,966</u>	<u>\$ 210,000</u>	<u>\$ -</u>
Total expenses	<u>\$ 649,966</u>	<u>\$ 439,966</u>	<u>\$ 210,000</u>	<u>\$ -</u>