



**DOWNTOWN**  
**LONG BEACH**  
A L L I A N C E

**Consolidated Financial Statements**  
**September 30, 2017 and 2016**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Downtown Long Beach Alliance

### **Report on Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Downtown Long Beach Alliance (the Organization), (a nonprofit organization), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Downtown Long Beach Alliance as of September 30, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as whole. The supplemental consolidating statement of financial position and the consolidating statement of activities on pages 16 and 17 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Long Beach, California  
December 22, 2017

**DOWNTOWN LONG BEACH ALLIANCE**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	<b>September 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,219,537	\$ 1,169,905
Accounts receivable	418,106	346,373
Other receivables	37,489	-
Prepaid expenses	27,196	109,467
	<u>1,702,328</u>	<u>1,625,745</u>
<b>FURNITURE AND EQUIPMENT, net</b>	120,980	168,226
<b>OTHER ASSETS</b>		
Deposits	16,434	16,434
	<u>16,434</u>	<u>16,434</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,839,742</u>	<u>\$ 1,810,405</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 375,923	\$ 264,862
Unearned revenue	-	875
Capital lease obligation, current portion	1,544	3,766
Deferred revenue (Note 3)	1,457,613	1,528,086
	<u>1,835,080</u>	<u>1,797,589</u>
<b>NONCURRENT LIABILITIES</b>		
Capital lease obligation, net of current portion	-	1,316
<b>COMMITMENTS AND CONTINGENCY (Note 4)</b>		
<b>UNRESTRICTED NET ASSETS</b>	<u>4,662</u>	<u>11,500</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,839,742</u>	<u>\$ 1,810,405</u>

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

**DOWNTOWN LONG BEACH ALLIANCE**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**

	<b>For the Year Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>SUPPORT AND REVENUES</b>		
City of Long Beach:		
Downtown Parking and Business Improvement Area (DPBIA) funds	\$ 655,256	\$ 618,776
City funds	697,872	726,115
Property Based Improvement District (PBID) funds	2,505,465	2,779,850
	3,858,593	4,124,741
<b>OTHER SUPPORT</b>		
Sponsorships	517,215	730,195
Program service revenue	273,237	278,379
Interest income	3,534	3,059
	793,986	1,011,633
Total Support and Revenues	4,652,579	5,136,374
<b>EXPENSES</b>		
Program		
Marketing and promotions	2,161,449	2,777,420
Operating expense	1,700,956	1,530,855
	3,862,405	4,308,275
Support		
General and administrative	797,012	816,599
Total Expenses	4,659,417	5,124,874
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	(6,838)	11,500
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	11,500	-
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	\$ 4,662	\$ 11,500

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

**DOWNTOWN LONG BEACH ALLIANCE**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Year Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in unrestricted net assets	\$ (6,838)	\$ 11,500
Adjustments to reconcile change in unrestricted net assets to net cash from operating activities:		
Depreciation	47,246	39,621
(Increase) decrease in:		
Accounts receivable	(71,733)	(52,395)
Other receivables	(37,489)	-
Prepaid expenses	82,271	(88,464)
Deposits	-	(12,672)
Increase (decrease) in:		
Accounts payable and accrued expenses	111,061	1,793
Unearned revenue	(875)	875
Deferred revenue	(70,473)	(239,266)
Net Cash Provided By (Used In) Operating Activities	53,170	(339,008)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	-	(77,901)
Proceeds from sale of investments	-	250,000
Net Cash Provided By Investing Activities	-	172,099
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease obligation	(3,538)	(3,315)
Net Cash Used In Financing Activities	(3,538)	(3,315)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	49,632	(170,224)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	1,169,905	1,340,129
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 1,219,537	\$ 1,169,905

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

## DOWNTOWN LONG BEACH ALLIANCE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2017 AND 2016

#### NOTE 1 – Summary of Significant Accounting Policies

##### *Organization*

Downtown Long Beach Alliance (DLBA) is a California nonprofit corporation organized to attract, stimulate and enhance business activity in downtown Long Beach (the City). To meet these goals, DLBA conducts marketing and public relations campaigns, holds special events, and provides a range of services, including maintenance functions and a guide program for downtown businesses and residents. DLBA also addresses specific merchant issues in order to improve the business atmosphere in the City.

Long Beach Downtown Development Corporation (DDC) was incorporated on March 2, 2011 as a California nonprofit corporation. The Executive Committee of DLBA serves as the Board of Directors of DDC. DDC was organized to stimulate public and private investment, community partnerships and resources to support the revitalization of downtown Long Beach.

##### *Consolidation*

The consolidated financial statements include the accounts of DLBA and DDC (collectively referred to as the Organization). All significant intercompany accounts and transactions have been eliminated in consolidation.

##### *Basis of Presentation of Financial Statements*

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. Accordingly, the net assets of the Organization are classified and reported as described below:

**Unrestricted Net Assets** – Net assets not subject to donor-imposed restrictions. At September 30, 2017 and 2016, all net assets of the Organization were unrestricted.

**Temporarily Restricted Net Assets** – Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time. As restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.



**DOWNTOWN LONG BEACH ALLIANCE**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017 AND 2016**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

*Basis of Presentation of Financial Statements (Continued)*

**Permanently Restricted Net Assets** – Net assets subject to donor-imposed restrictions that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions. Such income generally includes interest, dividends, and realized and unrealized earnings from the invested corpus.

*Contributions*

Contributions, including endowment gifts and pledges, are recognized as support in the period received or pledged. Unconditional promises to give that are expected to be collected within one year are recorded at their 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. The cash flows are discounted at a discount rate commensurate with the risks involved, at the date the promise was made. When considered necessary, an allowance is recorded based on management's estimate of uncollectability, including such factors as prior collection history, type of contributions, and nature of fund-raising activities. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor's stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

*Use of Estimates and Assumptions*

Management uses estimates and assumptions in preparing consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported support and revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the consolidated financial statements.

**DOWNTOWN LONG BEACH ALLIANCE**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017 AND 2016**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

***Cash and Cash Equivalents and Concentration of Credit Risk***

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

At September 30, 2017 and at various times during the year, the Organization maintained cash balances with financial institutions in excess of federally insured limits.

***Accounts Receivable***

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Based on management's assessment of the credit history and relationships regarding outstanding balances, it has concluded that realization of losses on balances outstanding at year-end will be immaterial.

***Furniture and Equipment***

Furniture and equipment are stated at cost. Depreciation expense has been computed using the straight-line method over the estimated useful lives of three to nine years. Expenditures for repairs are expensed as incurred and major additions, renewals, and betterments are capitalized.

***Advertising Costs***

The Organization expenses its advertising and promotion costs as incurred. Total advertising costs for the years ended September 30, 2017 and 2016 were \$45,409 and \$56,889, respectively.

**DOWNTOWN LONG BEACH ALLIANCE**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017 AND 2016**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

***Support and Revenue Recognition***

The Economic Development contract with the Downtown Parking and Business Improvement Area (DPBIA) has a special assessment associated with business licenses in the area. This contract has the same fiscal year as the Organization and has been ratified by the Long Beach City Council for the year ending September 30, 2018. The Organization is being provided these funds to promote business in downtown Long Beach.

The Economic Development contract with the Property Based Improvement District (PBID) has a special assessment associated with the real properties in the area. The PBID contract was adopted by the City Council in January 2013, is effective through December 2022, and includes provisions for review and adjustment after five years. The Organization is being provided these funds to promote business in downtown Long Beach.

The Organization recognizes contract revenue from its City contracts when the revenues are fixed and determinable. The contract is adjusted monthly based on expenditures for the year. Any excess funds over expenditures are classified as deferred revenue and carried over into the next period.

The above contracts are contingent upon changes in rates on a year-to-year basis, success in collection of the above funds from the residents and businesses, and continued support from the Long Beach City Council. Also, in the event that the Organization does not contract with the City in any year, the Organization will return any funds in excess of expenditures classified as deferred revenue.

***Income Taxes***

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(6) and exempt from California franchise tax under Revenue and Taxation Code Section 23701(e).

DDC has received tax-exempt status from the Internal Revenue Service and California Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code, respectively. Accordingly, no provision for income taxes is included in the accompanying consolidated financial statements.

## DOWNTOWN LONG BEACH ALLIANCE

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2017 AND 2016

#### NOTE 1 – Summary of Significant Accounting Policies (Continued)

##### *Income Taxes (Continued)*

The Organization recognizes the financial statement benefit of tax positions, such as its filing status as tax-exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal purposes is three years and for California purposes is four years.

##### *Recently Issued Accounting Pronouncements*

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. The Organization is currently evaluating the impact that the standard will have on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Organization is currently evaluating the impact of the adoption of the new standard on the consolidated financial statements.

In August 2016, the FASB released ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The update amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes relate to: (a) presentation of classes of net assets, (b) the presentation of underwater endowment funds and related disclosures, (c) recognition of the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) statement of functional expense, (e) disclosure of quantitative and qualitative information regarding liquidity and availability of resources; and a few smaller items. The ASU is effective for fiscal years beginning after December 15, 2017. The Organization is currently evaluating the impact of the adoption of the new standard on the consolidated financial statements.

**DOWNTOWN LONG BEACH ALLIANCE**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017 AND 2016**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

*Subsequent Events*

The Organization’s management has evaluated subsequent events from the consolidated statement of financial position date through December 22, 2017, the date the consolidated financial statements were available to be issued for the year ended September 30, 2017, and determined that there were no other items to disclose.

**NOTE 2 – Furniture and Equipment**

Furniture and equipment consists of the following:

	<u>September 30,</u>	
	<u>2017</u>	<u>2016</u>
Office equipment	\$ 156,904	\$ 156,904
Operational equipment	134,535	134,535
Office furniture	<u>86,562</u>	<u>86,562</u>
	378,001	378,001
Less accumulated depreciation	<u>(257,021)</u>	<u>(209,775)</u>
	<u>\$ 120,980</u>	<u>\$ 168,226</u>

Depreciation expense for the years ended September 30, 2017 and 2016 was \$47,246 and \$39,621, respectively.

**DOWNTOWN LONG BEACH ALLIANCE**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017 AND 2016**

**NOTE 3 – DPBIA and PBID Revenue**

As discussed in Note 1, deferred revenue is recognized on contract revenue in excess of expenditures and is recorded as an increase (or decrease) of current year contract revenue.

Revenue reported consists of the following:

	<b>For the Year Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>
Downtown Parking and Business Improvement Area funds (DPBIA)	\$ 679,598	\$ 638,556
Deferral adjustment	<u>(24,342)</u>	<u>(19,780)</u>
	<u>\$ 655,256</u>	<u>\$ 618,776</u>
Property Based Improvement District funds (PBID)	\$ 2,390,406	\$ 2,446,009
Deferral adjustment	<u>115,059</u>	<u>333,841</u>
	<u>\$ 2,505,465</u>	<u>\$ 2,779,850</u>

As of September 30, 2017, deferred revenue represents funds required to be reserved by contract or that are designated by the Board of Directors for future projects should the contract with the City be discontinued (see Note 1) as follows:

Three-month reserve for PBID contract	\$ 619,462
Unallocated PBID from 2016-2017	52,524
Reserve for DPIA	190,415
Planning and consulting	36,409
Marketing and special events	35,453
Equipment expense	116,968
Operations	75,789
Economic development	8,461
Capital improvements	<u>322,132</u>
	<u>\$ 1,457,613</u>

**DOWNTOWN LONG BEACH ALLIANCE**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017 AND 2016**

**NOTE 4 – Commitments and Contingency**

*Operating Leases*

The Organization entered into operating leases for the rental of an office facility and equipment through May 2023. Future minimum lease commitments are as follows:

<b>For the Year Ending September 30,</b>	
2018	\$ 132,481
2019	136,455
2020	140,549
2021	144,765
2022	149,108
Thereafter	<u>101,374</u>
	<u>\$ 804,732</u>

Office facility rental expense for the years ended September 30, 2017 and 2016 was \$162,159 and \$145,730, respectively. Equipment rental expense for the years ended September 30, 2017 and 2016 were \$23,636 and \$22,394, respectively.

*Maintenance Service Contracts*

The Organization entered into an agreement for contracted maintenance services through June 2018. Minimum annual maintenance service expense associated with this agreement is approximately \$585,000. The annual equipment rental associated with this contract is approximately \$35,000. The Organization also has a contract to include additional restroom host services through June 2018. The minimum annual service expense related to this contract is approximately \$445,000. In addition, the Organization has entered into two contracts for pressure washing services through September 2019. Minimum annual expense for these contracts is \$266,200.

**DOWNTOWN LONG BEACH ALLIANCE**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017 AND 2016**

**NOTE 4 – Commitments and Contingency (Continued)**

*Contingency*

An audit may be performed by a City of Long Beach representative regarding the PBID and DPBIA contracts. Should such audit disclose any unallowable costs, the Organization may be liable to the City of Long Beach for reimbursement of such costs. In the opinion of the Organization’s management, the effect of any disallowed costs would be immaterial to the consolidated financial statements at September 30, 2017.

**NOTE 5 – Capital Lease Obligation**

*Capital Lease*

The Organization leases equipment under a capital lease. The lease agreement has no stated interest rate and, therefore, interest has been imputed at a rate of approximately 6.54%. The lease is secured by the related equipment.

The equipment classification presented in Note 2 includes the following amounts for the capitalized lease as of September 30, 2017:

Operational equipment	\$ 15,400
Less accumulated depreciation	<u>(14,245)</u>
	<u>\$ 1,155</u>

Future minimum lease payments consist of the following:

**Year Ending  
September 30,**

2018	\$ 1,772
Less amounts representing interest	<u>(228)</u>
	<u>\$ 1,544</u>



**DOWNTOWN LONG BEACH ALLIANCE**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017 AND 2016**

**NOTE 6 – Retirement Plans**

The Organization sponsors a discretionary salary savings plan, including a 401(k) provision, which allows employee contributions. The plan covers all salaried employees meeting certain eligibility requirements. Employer contributions for the years ended September 30, 2017 and 2016 was \$21,545 and \$15,727, respectively.

**NOTE 7 – Supplemental Disclosures of Cash Flow Information**

	<b>For the Year Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>
Cash paid during the year for:		
Interest	\$ 228	\$ 451
Income taxes	-	-

**DOWNTOWN LONG BEACH ALLIANCE**

**SUPPLEMENTARY INFORMATION  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2017**

**ASSETS**

	<u>DLBA</u>	<u>DDC</u>	<u>Elimination Entries</u>	<u>Consolidated Balance</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,200,715	\$ 18,822		\$ 1,219,537
Accounts receivable	430,704	-	\$ (12,598)	418,106
Other receivables	34,989	2,500	-	37,489
Prepaid expenses	<u>27,196</u>	<u>-</u>	<u>-</u>	<u>27,196</u>
	1,693,604	21,322	(12,598)	1,702,328
<b>FURNITURE AND EQUIPMENT, net</b>	<u>120,980</u>	<u>-</u>	<u>-</u>	<u>120,980</u>
<b>OTHER ASSETS</b>				
Deposits	<u>16,434</u>	<u>-</u>	<u>-</u>	<u>16,434</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,831,018</u>	<u>\$ 21,322</u>	<u>\$ (12,598)</u>	<u>\$ 1,839,742</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 371,861	\$ 16,660	\$ (12,598)	\$ 375,923
Capital lease obligation, current portion	1,544	-	-	1,544
Deferred revenue	<u>1,457,613</u>	<u>-</u>	<u>-</u>	<u>1,457,613</u>
	<u>1,831,018</u>	<u>16,660</u>	<u>(12,598)</u>	<u>1,835,080</u>
<b>UNRESTRICTED NET ASSETS</b>	<u>-</u>	<u>4,662</u>	<u>-</u>	<u>4,662</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,831,018</u>	<u>\$ 21,322</u>	<u>\$ (12,598)</u>	<u>\$ 1,839,742</u>

See Independent Auditors' Report

**DOWNTOWN LONG BEACH ALLIANCE**

**SUPPLEMENTARY INFORMATION  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>DLBA</u>	<u>DDC</u>	<u>Elimination Entries</u>	<u>Consolidated Balance</u>
<b>SUPPORT AND REVENUES</b>				
City of Long Beach:				
Downtown Parking and Business Improvement Area				
(DPBIA) funds	\$ 655,256			\$ 655,256
City funds	697,872			697,872
Property Based Improvement District (PBID) funds	<u>2,505,465</u>			<u>2,505,465</u>
	<u>3,858,593</u>			<u>3,858,593</u>
<b>OTHER SUPPORT</b>				
Sponsorships	509,715	\$ 22,504	\$ (15,004)	517,215
Program service revenue	273,237	-	-	273,237
Interest income	<u>3,534</u>	<u>-</u>	<u>-</u>	<u>3,534</u>
	<u>786,486</u>	<u>22,504</u>	<u>(15,004)</u>	<u>793,986</u>
 Total Support and Revenues	 <u>4,645,079</u>	 <u>22,504</u>	 <u>(15,004)</u>	 <u>4,652,579</u>
<b>EXPENSES</b>				
Program				
Marketing and promotions	2,147,111	29,342	(15,004)	2,161,449
Operating expense	<u>1,700,956</u>	<u>-</u>	<u>-</u>	<u>1,700,956</u>
	3,848,067	29,342	(15,004)	3,862,405
Support				
General and administrative	<u>797,012</u>	<u>-</u>	<u>-</u>	<u>797,012</u>
 Total Expenses	 <u>4,645,079</u>	 <u>29,342</u>	 <u>(15,004)</u>	 <u>4,659,417</u>
<b>CHANGE IN UNRESTRICTED</b>				
<b>NET ASSETS</b>	-	(6,838)	-	(6,838)
<b>UNRESTRICTED NET ASSETS,</b>				
<b>BEGINNING OF YEAR</b>	<u>-</u>	<u>11,500</u>	<u>-</u>	<u>11,500</u>
<b>UNRESTRICTED NET ASSETS,</b>				
<b>END OF YEAR</b>	<u>\$ -</u>	<u>\$ 4,662</u>	<u>\$ -</u>	<u>\$ 4,662</u>

See Independent Auditors' Report