



**DOWNTOWN
LONG BEACH
ALLIANCE**

**Consolidated Financial Statements
September 30, 2018 and 2017**

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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, 2018 and 2017, 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, 2018 and 2017, 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 6, 2018

DOWNTOWN LONG BEACH ALLIANCE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	September 30,	
	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,440,199	\$ 1,219,537
Accounts receivable	436,216	418,106
Other receivables	177,908	37,489
Prepaid expenses	29,480	27,196
	2,083,803	1,702,328
FURNITURE AND EQUIPMENT, net	113,461	120,980
OTHER ASSETS		
Deposits	16,434	16,434
TOTAL ASSETS	\$ 2,213,698	\$ 1,839,742

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 403,110	\$ 375,923
Capital lease obligation	-	1,544
Deferred revenue (Note 3)	1,519,931	1,457,613
	1,923,041	1,835,080
COMMITMENTS AND CONTINGENCY (Note 4)		
NET ASSETS		
Unrestricted	40,657	4,662
Temporarily restricted	250,000	-
TOTAL NET ASSETS	290,657	4,662
TOTAL LIABILITIES AND NET ASSETS	\$ 2,213,698	\$ 1,839,742

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

DOWNTOWN LONG BEACH ALLIANCE

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUES			
City of Long Beach:			
Downtown Parking and Business			
Improvement Area (DPBIA) funds	\$ 627,661	\$ -	\$ 627,661
City funds	372,900	-	372,900
Property Based Improvement District (PBID) funds	2,814,185	-	2,814,185
	3,814,746	-	3,814,746
OTHER SUPPORT			
Sponsorships	186,428	275,000	461,428
Program service revenue	299,610	-	299,610
Interest income	4,579	-	4,579
Net assets released from restriction	25,000	(25,000)	-
	515,617	250,000	765,617
Total Support and Revenues	4,330,363	250,000	4,580,363
EXPENSES			
Program			
Marketing and promotions	1,862,601	-	1,862,601
Operating expense	1,687,858	-	1,687,858
	3,550,459	-	3,550,459
Support			
General and administrative	743,909	-	743,909
	-	-	-
Total Expenses	4,294,368	-	4,294,368
CHANGE IN NET ASSETS	35,995	250,000	285,995
NET ASSETS, BEGINNING OF YEAR	4,662	-	4,662
NET ASSETS, END OF YEAR	\$ 40,657	\$ 250,000	\$ 290,657

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

DOWNTOWN LONG BEACH ALLIANCE

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Unrestricted
SUPPORT AND REVENUES	
City of Long Beach:	
Downtown Parking and Business Improvement Area (DPBIA) funds	\$ 655,256
City funds	697,872
Property Based Improvement District (PBID) funds	2,505,465
	3,858,593
OTHER SUPPORT	
Sponsorships	517,215
Program service revenue	273,237
Interest income	3,534
	793,986
Total Support and Revenues	4,652,579
EXPENSES	
Program	
Marketing and promotions	2,161,449
Operating expense	1,700,956
	3,862,405
Support	
General and administrative	797,012
Total Expenses	4,659,417
CHANGE IN UNRESTRICTED NET ASSETS	(6,838)
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	11,500
UNRESTRICTED NET ASSETS, END OF YEAR	\$ 4,662

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

DOWNTOWN LONG BEACH ALLIANCE
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended September 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 285,995	\$ (6,838)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	46,960	47,246
(Increase) decrease in:		
Accounts receivable	(18,110)	(71,733)
Other receivables	(140,419)	(37,489)
Prepaid expenses	(2,284)	82,271
Increase (decrease) in:		
Accounts payable and accrued expenses	27,187	111,061
Unearned revenue	-	(875)
Deferred revenue	62,318	(70,473)
Net Cash Provided By Operating Activities	261,647	53,170
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(39,441)	-
Net Cash Used In Investing Activities	(39,441)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease obligation	(1,544)	(3,538)
Net Cash Used In Financing Activities	(1,544)	(3,538)
NET CHANGE IN CASH AND CASH EQUIVALENTS	220,662	49,632
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,219,537	1,169,905
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,440,199	\$ 1,219,537

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

DOWNTOWN LONG BEACH ALLIANCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2018 AND 2017

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, 2018 and 2017, \$40,657 and \$4,662 of net assets were unrestricted, respectively.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization 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. During the year ended September 30, 2018 DDC received a temporarily restricted contribution in the amount of \$275,000. At September 30, 2018, \$250,000 of net assets were earmarked for community based projects to be specified by the donor. At September 30, 2017, there were no temporarily restricted net assets.

DOWNTOWN LONG BEACH ALLIANCE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2018 AND 2017

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. At September 30, 2018 and 2017, there were no permanently restricted net assets.

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, 2018 AND 2017**

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, 2018 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, 2018 and 2017 were \$32,989 and \$45,409, respectively.

DOWNTOWN LONG BEACH ALLIANCE

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017**

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 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, 2018 AND 2017

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 *Leases (Topic 840)*. 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, 2018 AND 2017**

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements (Continued)

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08)*, which provides additional guidance on characterizing grants and similar contracts with resource providers as either exchange transactions or contributions, as well as distinguishing between conditional contributions and unconditional contributions. The updated standard will be effective for annual reporting periods beginning after December 15, 2018. The Organization is currently evaluating the impact of the adoption of the new standard on the financial statements.

Subsequent Events

The Organization’s management has evaluated subsequent events from the consolidated statement of financial position date through December 6, 2018, the date the consolidated financial statements were available to be issued for the year ended September 30, 2018, 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>2018</u>	<u>2017</u>
Office equipment	\$ 156,904	\$ 156,904
Operational equipment	173,976	134,535
Office furniture	<u>86,562</u>	<u>86,562</u>
	417,442	378,001
Less accumulated depreciation	<u>(303,981)</u>	<u>(257,021)</u>
	<u>\$ 113,461</u>	<u>\$ 120,980</u>

Depreciation expense for the years ended September 30, 2018 and 2017 was \$46,960 and \$47,246, respectively.

DOWNTOWN LONG BEACH ALLIANCE

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017**

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:

	For the Year Ended September 30,	
	2018	2017
Downtown Parking and Business Improvement Area funds (DPBIA)	\$ 677,760	\$ 679,598
Deferral adjustment	(50,099)	(24,342)
	\$ 627,661	\$ 655,256
Property Based Improvement District funds (PBID)	\$ 2,552,322	\$ 2,390,406
Deferral adjustment	261,863	115,059
	\$ 2,814,185	\$ 2,505,465

As of September 30, 2018, 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	\$ 638,066
Unallocated PBID from 2017-2018	41,605
Reserve for DPIA	195,515
City Funds – Parking Meter	239,854
Administration	191,318
Marketing and Communications	12,117
Special Events	24,676
Operations	2,973
Economic Development	2,549
Capital Improvements	171,258
	\$ 1,519,931

DOWNTOWN LONG BEACH ALLIANCE

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017**

NOTE 4 – Commitments and Contingency

Operating Leases

DDC has entered into a lease agreement effective through March 2019 for its use of premises on the southeast corner of Ocean Boulevard and Pine Avenue in Long Beach (the Loop). The terms of the lease provide for an annual rent payment totaling one dollar. In addition, DDC is required to pay for insurance, utilities and maintenance expenses for the premises. The fair market value of the lease is not readily determinable; therefore, the related in-kind rent and expense has not been recorded for each of the years ended September 30, 2018 and 2017 in the accompanying financial statements. The lease has a renewal option for two additional six month terms.

The Organization is obligated under various operating leases for the rental of equipment and office facilities expiring in various years through May 2023. Future minimum lease commitments are as follows:

For the Year Ending September 30,	
2019	\$ 141,773
2020	145,866
2021	150,083
2022	153,096
2023	<u>101,374</u>
	<u>\$ 692,192</u>

Office facility rental expense for the years ended September 30, 2018 and 2017 was \$154,576 and \$162,159, respectively. Equipment rental expense under cancelable and noncancelable operating leases for the years ended September 30, 2018 and 2017 were \$71,404 and \$23,636, respectively.

DOWNTOWN LONG BEACH ALLIANCE

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND 2017**

NOTE 4 – Commitments and Contingency (Continued)

Maintenance Service Contracts

The Organization has entered into two contracts for pressure washing services through September 2019. Minimum annual expense for these contracts is \$266,200. The Organization has also entered into an agreement for pressure washing services and Downtown ambassador services through December 2022. Total compensation to the vendor over the duration of the contract shall not exceed \$4.5 million unless it is formally amended. The Organization is also responsible for payment of health care costs for up to six employees of the vendor.

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, 2018.

NOTE 5 – 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, 2018 and 2017 was \$23,839 and \$21,545, respectively.

NOTE 6 – Supplemental Disclosures of Cash Flow Information

	For the Year Ended September 30,	
	2018	2017
Cash paid during the year for:		
Interest	\$ 25	\$ 228
Income taxes	\$ -	\$ -

DOWNTOWN LONG BEACH ALLIANCE

**SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2018**

ASSETS

	<u>DLBA</u>	<u>DDC</u>	<u>Elimination Entries</u>	<u>Consolidated Balance</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,146,980	\$ 293,219		\$ 1,440,199
Accounts receivable	436,216	10,000	\$ (10,000)	436,216
Other receivables	177,908	-	-	177,908
Prepaid expenses	<u>29,480</u>	<u>-</u>	<u>-</u>	<u>29,480</u>
	1,790,584	303,219	(10,000)	2,083,803
FURNITURE AND EQUIPMENT, net	113,461	-	-	113,461
OTHER ASSETS				
Deposits	<u>16,434</u>	<u>-</u>	<u>-</u>	<u>16,434</u>
TOTAL ASSETS	<u>\$ 1,920,479</u>	<u>\$ 303,219</u>	<u>\$ (10,000)</u>	<u>\$ 2,213,698</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 400,548	\$ 12,562	\$ (10,000)	\$ 403,110
Deferred revenue	<u>1,519,931</u>	<u>-</u>	<u>-</u>	<u>1,519,931</u>
	1,920,479	12,562	(10,000)	1,923,041
NET ASSETS				
Unrestricted	-	40,657	-	40,657
Temporarily Restricted	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
TOTAL NET ASSETS	<u>-</u>	<u>290,657</u>	<u>-</u>	<u>290,657</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,920,479</u>	<u>\$ 303,219</u>	<u>\$ (10,000)</u>	<u>\$ 2,213,698</u>

See Independent Auditors' Report

DOWNTOWN LONG BEACH ALLIANCE

**SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>DLBA</u>	<u>DDC</u>	<u>Elimination Entries</u>	<u>Consolidated Balance</u>
SUPPORT AND REVENUES				
City of Long Beach:				
Downtown Parking and Business Improvement Area (DPBIA) funds	\$ 627,661			\$ 627,661
City funds	372,900			372,900
Property Based Improvement District (PBID) funds	<u>2,814,185</u>			<u>2,814,185</u>
	<u>3,814,746</u>			<u>3,814,746</u>
OTHER SUPPORT				
Grants		\$ 80,000	\$ (80,000)	-
Sponsorships	152,928	373,730	(65,230)	461,428
Program service revenue	290,936	8,674	-	299,610
Interest income	<u>4,579</u>	<u>-</u>	<u>-</u>	<u>4,579</u>
	<u>448,443</u>	<u>462,404</u>	<u>(145,230)</u>	<u>765,617</u>
Total Support and Revenues	<u>4,263,189</u>	<u>462,404</u>	<u>(145,230)</u>	<u>4,580,363</u>
EXPENSES				
Program				
Marketing and promotions	1,831,422	176,409	(145,230)	1,862,601
Operating expense	<u>1,687,858</u>	<u>-</u>	<u>-</u>	<u>1,687,858</u>
	3,519,280	176,409	(145,230)	3,550,459
Support				
General and administrative	<u>743,909</u>	<u>-</u>	<u>-</u>	<u>743,909</u>
Total Expenses	<u>4,263,189</u>	<u>176,409</u>	<u>(145,230)</u>	<u>4,294,368</u>
CHANGE IN NET ASSETS	-	285,995	-	285,995
NET ASSETS, BEGINNING OF YEAR	<u>-</u>	<u>4,662</u>	<u>-</u>	<u>4,662</u>
NET ASSETS, END OF YEAR	<u>\$ -</u>	<u>\$ 290,657</u>	<u>\$ -</u>	<u>\$ 290,657</u>

See Independent Auditors' Report