



Sonnenberg & Company, CPAs

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Leonard C. Sonnenberg, CPA

La Jolla Village Merchants Association Audited Financial Statements June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
La Jolla Village Merchants Association

We have audited the accompanying financial statements of La Jolla Village Merchants Association (LJVMA, a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of LJVMA as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited LJVMA's June 30, 2016 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 16, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures - Budget vs. Actual, City of San Diego Contracts SBEP and BID on page 12 and the Statement of Compliance on page 13 are presented for purposes of additional analysis and not required parts of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

October 23, 2017



Sonnenberg & Company, CPAs

La Jolla Village Merchants Association

STATEMENT OF FINANCIAL POSITION

June 30, 2017

(With Comparative Totals for 2016)

| | June 2017 | | | June 2016 |
|---|------------------|------------------|------------------|------------------|
| | LJVMA | LJCAP | Total | Total |
| ASSETS: | | | | |
| Cash and Cash Equivalents | \$ 39,948 | \$ 7,907 | \$ 47,855 | 15,527 |
| Accounts Receivable | 9,884 | 4,825 | 14,709 | 8,424 |
| Accounts Receivable - City of San Diego | | 24,000 | 24,000 | 22,740 |
| Prepaid Insurance | 2,965 | | 2,965 | 5,046 |
| Prepaid Rent | | | - | 275 |
| Furniture & Equipment | 39,363 | | 39,363 | 39,363 |
| Website | 21,050 | | 21,050 | 21,050 |
| Less: Accumulated Depreciation | (59,302) | | (59,302) | (54,398) |
| TOTAL ASSETS | \$ 53,908 | \$ 36,732 | \$ 90,640 | \$ 58,027 |
| LIABILITIES: | | | | |
| Accounts Payable | \$ 982 | | \$ 982 | \$ - |
| Prepaid Income | | | - | 4,672 |
| TOTAL LIABILITIES | 982 | - | 982 | 4,672 |
| NET ASSETS: | | | | |
| Unrestricted | 52,926 | 36,732 | 89,658 | 53,355 |
| TOTAL LIABILITIES & NET ASSETS | \$ 53,908 | \$ 36,732 | \$ 90,640 | \$ 58,027 |

The Accompanying Notes are an Integral Part of the Financial Statements

La Jolla Village Merchants Association
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017
(With Comparative Totals for 2016)

| | June 2017 | | | June 2016 |
|--|------------|-----------|------------|------------|
| | LJVMA | LJCAP | Total | Total |
| Revenue and support: | | | | |
| City of San Diego - BID | \$ 174,760 | \$ 24,000 | \$ 198,760 | \$ 203,362 |
| City of San Diego - SBEP | 21,829 | | 21,829 | 21,953 |
| City of San Diego - BID Technical Assist | 5,000 | | 5,000 | 5,000 |
| Program - Sparkle and Shine | 20,154 | | 20,154 | - |
| Program - Banner | 17,939 | | 17,939 | - |
| Parking Pass | | 62,400 | 62,400 | 63,440 |
| Event Income | 7,450 | | 7,450 | 10,207 |
| Donations | 2,936 | | 2,936 | 4,031 |
| Other Income | 450 | | 450 | 17,805 |
| Total revenue and support | 250,518 | 86,400 | 336,918 | 325,798 |
| Expenses: | | | | |
| Program Services | 198,370 | 48,155 | 246,525 | 248,104 |
| Supporting Services | 50,550 | 3,540 | 54,090 | 54,207 |
| Total expenses | 248,920 | 51,695 | 300,615 | 302,311 |
| Change in net assets | \$ 1,598 | \$ 34,705 | \$ 36,303 | \$ 23,487 |
| Interfund Transfer | 21,600 | (21,600) | - | - |
| Net assets, beginning of year | 29,728 | 23,627 | 53,355 | 29,868 |
| Net assets, end of year | \$ 52,926 | \$ 36,732 | \$ 89,658 | \$ 53,355 |

The Accompanying Notes are an Integral Part of the Financial Statements

La Jolla Village Merchants Association
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2017
(With Comparative Totals for 2016)

| | June 2017 | | | | June 2016 | |
|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------------|-------------------|
| | LJVMA Program Services | LJVMA Support Services | LJCAP Program Services | LJCAP Support Services | Total | Total |
| Expenses: | | | | | | |
| Payroll | | | | | | |
| Salaries and Wages | \$ 86,429 | \$ 28,810 | \$ | \$ | \$ 115,239 | \$ 113,814 |
| Payroll Taxes | 7,667 | 2,556 | | | 10,223 | 8,129 |
| Insurance - Workers Comp | 347 | 116 | | | 462 | 3,547 |
| Employee Benefits | 5,196 | 1,732 | | | 6,928 | 5,304 |
| Total Payroll | <u>99,639</u> | <u>33,213</u> | - | - | <u>132,852</u> | <u>130,794</u> |
| Audit | 3,675 | 925 | | | 4,600 | 4,500 |
| Contract Services | 6,469 | 7,931 | | | 14,400 | 14,400 |
| Depreciation | 3,678 | 1,226 | | | 4,904 | 7,586 |
| Design/Beautification | | | | | | |
| Sparkle and Shine | 19,565 | | | | 19,565 | 17,597 |
| Landscaping | 15,817 | | | | 15,817 | 16,403 |
| Banner / Benches / Other | 5,512 | | | | 5,512 | 3,463 |
| Dues and Subscriptions | 822 | 274 | | | 1,096 | 1,395 |
| Election Costs | 1,445 | 482 | | | 1,926 | 988 |
| Equipment & Furniture | | | | | - | 4,698 |
| Event Expenses | 10,623 | | | | 10,623 | 9,555 |
| Insurance - General Liability | 5,640 | 1,880 | | | 7,520 | 2,569 |
| Internet | 2,334 | 778 | | | 3,112 | 2,032 |
| Office Expense | 2,513 | 838 | | 240 | 3,590 | 4,186 |
| Outreach/Promotion | 11,627 | | | | 11,627 | 5,185 |
| Office Equipment | 362 | 121 | | | 483 | 484 |
| Parking - Staff | 197 | 66 | | | 262 | 385 |
| Parking Passes | | | 48,155 | | 48,155 | 60,785 |
| Professional Fees | 425 | 142 | | | 566 | 1,000 |
| Rent | 6,544 | 2,181 | | 3,300 | 12,025 | 11,362 |
| Telephone | 1,485 | 495 | | | 1,980 | 2,944 |
| Total Expenses | <u>\$ 198,370</u> | <u>\$ 50,550</u> | <u>\$ 48,155</u> | <u>\$ 3,540</u> | <u>\$ 300,615</u> | <u>\$ 302,311</u> |

The Accompanying Notes are an Integral part of the Financial Statements

La Jolla Village Merchants Association

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2017
(With Comparative Totals for 2016)

| | <u>June 2017</u> | <u>June 2016</u> |
|---|------------------|------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 36,303 | \$ 23,487 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 4,904 | 7,586 |
| Changes in operating assets and liabilities: | | |
| (Increase) Decrease in Accounts Receivable | (7,545) | (18,706) |
| (Increase) Decrease in Prepaid Insurance | 2,081 | (2,803) |
| (Increase) Decrease in Prepaid Rent | 275 | (275) |
| Increase (Decrease) in Accounts Payable | 982 | (3,066) |
| Increase (Decrease) in Accrued Payroll | - | (4,197) |
| Increase (Decrease) in Accrued Payroll Tax | - | (2,547) |
| Increase (Decrease) in Deferred Income | (4,672) | 4,672 |
| Net cash provided (used) by operating activities | <u>32,328</u> | <u>4,151</u> |
| Cash flows from investing activities: | | |
| Security Deposits | - | 9,500 |
| Security Deposit Collected on Sublease | - | (8,500) |
| Net cash provided (used) by investing activities | <u>-</u> | <u>1,000</u> |
| Net increase (decrease) in cash and cash equivalents | 32,328 | 5,151 |
| Cash and cash equivalents, beginning of year | <u>15,527</u> | <u>10,376</u> |
| Cash and cash equivalents, end of year | <u>\$ 47,855</u> | <u>\$ 15,527</u> |

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

La Jolla Village Merchants Association
Notes to Financial Statements
For the Year Ended June 30, 2017

Note 1. Organization and Nature of Activities

The La Jolla Village Merchants Association (LJVMA) was formed in May 2011 as a non-profit mutual benefit corporation. Its purpose is to enhance the growth and improvement of the La Jolla downtown area, through partnerships created with the community's business and property owners. These partnerships provide the means to promote economic growth while preventing deterioration of the community.

Currently, LJVMA administers the La Jolla Business Improvement District (BID), in partnership with the City of San Diego. This District includes businesses and property owners located within a 30-block area of the District. LJVMA's Board of Directors includes owners of businesses or property located within the Improvement District as well as Associate members. LJVMA's activities include promotion, economic restructuring, organization via newsletter and directory, design, Small Business Enhancement Program Funds (SBEP), and promotional materials.

LJVMA became the Fiduciary Agent for the La Jolla Coastal Access and Parking (LJCAP) Agency on January 1, 2013. LJVMA manages an employee discounted parking program in La Jolla, California.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

LJVMA's financial statements have been prepared on the accrual basis of accounting. The BID Agreement requires an audit in accordance with U.S. generally accepted accounting principles (GAAP). However, some portions of the BID Agreement are not in accordance with GAAP. GAAP requires matching revenues and expenses by period, and the BID Agreement does not allow for accounts receivable or accounts payable.

Under the BID Agreement, LJVMA does not have entitlement per se to the BID revenue. Their income source is the City of San Diego and the amount is the funding the City of San Diego provides. Under GAAP, the cash expended in a period should match with the income generated in that period. However, LJVMA does not receive BID Assessments directly from the businesses, it only collects them from the City after the fact. LJVMA does not receive a detailed list of the business or the date of the billing. LJVMA may be collecting funds months after the year end, with no ability to identify the funds as to which month or year they belong. There is no way to determine what they were budgeted to collect and what the write off or bad debt amounts would be. Therefore, BID revenue from the City is recorded only when received.

Funds collected by the City of San Diego for a prior year are not required to be paid to LJVMA. BID Funds which were collected by the City of San Diego and not disbursed by the City of San Diego are considered carryover funds. However, since LJVMA does not have entitlement to the funds they cannot be recorded as accounts receivable. They may receive the funds in the following year, depending on the current terms of the Council approved budget and agreement. The funds would then be then recorded as income in the following year when received.

La Jolla Village Merchants Association
Notes to Financial Statements
For the Year Ended June 30, 2017

Note 2. Summary of Significant Accounting Policies (continued)

Accounting for Net Assets

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of LJVMA are maintained in accordance with the principles of net asset accounting. That is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

Unrestricted. These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Temporarily Restricted. LJVMA reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from program or capital restrictions. LJVMA had no temporarily restricted net assets at June 30, 2017.

Permanently Restricted. These net assets are restricted by donors who stipulate that resources are to be maintained permanently, but permit LJVMA to expend all of the income (or other economic benefits) derived from the donated assets. LJVMA had no permanently restricted net assets at June 30, 2017.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Certain expense allocations were based on a percentage of payroll and other expense allocations were based on space allocations or other estimates.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with LJVMA's audited financial statements for the year ended June 30, 2016, from which the summarized information was derived.

La Jolla Village Merchants Association
Notes to Financial Statements
For the Year Ended June 30, 2017

Note 2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the dates and for the periods presented.

Cash and cash equivalents

For purposes of the statements of cash flows, LJVMA considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are receivables from governmental agencies. Therefore, no allowance for doubtful accounts has been provided.

Donated Goods and Services

Donated goods and services are recognized as contributions in the period received if the goods or services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by LJVMA.

Impairment of Long-lived Assets

LJVMA evaluates its investment in long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the estimated future cash flows (undiscounted and without interest charges) from the use or disposition of an asset are less than the carrying value, a write-down will be recorded to reduce the related asset to its estimated fair value. To date, no such write-downs have occurred.

Property and equipment

Property and equipment are recorded at purchased cost or at fair value at the date of donation if donated. Maintenance and repairs costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$1,000 and the useful life is greater than one year. During the year ended June 30, 2017, LJVMA did not purchase any capital assets.

While the City has retained title to these assets and in the event of contract non-compliance or termination, the City may recover the capital equipment and transfer it to another entity. LJVMA's policy is to capitalize such assets in accordance with GAAP. Accordingly this equipment has been capitalized on the statement of financial position and is being depreciated. Depreciation expense for the year ended June 30, 2017 was \$4,904 and was provided over the 3-5 year estimated useful lives of the respective assets on a straight-line basis.

La Jolla Village Merchants Association
Notes to Financial Statements
For the Year Ended June 30, 2017

Note 3. Service Contracts - Grants

LJVMA's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, LJVMA has no provisions for the possible disallowance of program costs on its financial statements.

LJVMA has an annual service contract with the City of San Diego through the La Jolla Business Improvement District (BID) to enhance the growth and improvement of the La Jolla downtown area. The BID estimates the Assessments to be collected in a year and LJVMA makes its budget based on that amount. For the year ended June 30, 2017, \$174,760 was collected by the City of San Diego and transferred to LJVMA.

LJVMA has a Small Business Enhancement Program (SBEP) Grant with the City of San Diego. The grant was for \$21,829. The grant was to be used only for payroll, payroll taxes, fringe benefits, and office bookkeeping.

LJVMA has a La Jolla Business Improvement District (BID) Technical Assistance and Bookkeeping Grant with the City of San Diego. The grant was for \$8,000 which included \$3,000 for city event offset costs. However, there were no events including city offset costs and LJVMA was not allowed to claim them. LJVMA claimed a total of \$5,000.

Note 4. Income Tax Status

LJVMA is a California nonprofit corporation exempt from federal income tax under Internal Revenue Code Section 501(c)(6). The exemption is effective as of December 29, 1989. LJVMA is also exempt from state income taxes under California State Tax Code 23701(e). LJVMA currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

LJVMA adopted the provisions of FASB ASC 740-10-25 (formerly FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes ["Fin 48"]). Under FASB ASC 740-10-25, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of Fin 48 had no impact on LJVMA's financial statements. LJVMA does not believe that there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended June 30, 2017, there were no interest or penalties recorded or included in the financial statements.

LJVMA's federal and state Exempt Organization Tax Returns are subject to examination, generally for three years after they were filed.

La Jolla Village Merchants Association
Notes to Financial Statements
For the Year Ended June 30, 2017

Note 5. Concentration of Credit Risk

LJVMA maintains its cash in a checking account at two financial institutions. The Federal Deposit Insurance Corporation (FDIC) limit per depositor is \$250,000. LJVMA's cash balance did not exceed the FDIC limit during the fiscal year. Concentration of credit risks with respect to trade receivables are limited, as the majority of LJVMA's receivables consist of earned fees from reimbursement-contracts granted by the City of San Diego.

Note 6. Concentration of Revenues

LJVMA received 62% of its revenue from the BID Contract and 19% from the LJCAP Parking passes during the year ending June 30, 2017. Discontinuance of these grants could impact LJVMA negatively.

Note 7. Date of Management's Review

LJVMA's management has evaluated subsequent events through October 23, 2017, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require adjustment to, or disclosures in, the financial statements.

Note 8. Lease Agreements

An office location is a month to month lease from a private party, LJVMA's former Board President, at the rate of \$1,500 per month. Rent in the amount of \$1,225 was forgiven for a period of one year. LJCAP paid \$275 per month for 12 months. LJVMA paid \$1,225 for seven months.

Note 9. Interfund Transactions

LJCAP was to pay \$1,200 to LJVMA per month beginning in October 2014. The total amount to be transferred for the year ended June 30, 2017 was \$14,400. LJCAP transferred a total of \$21,600 during the year ended June 30, 2017. Therefore, interfund transfers total \$21,600.

La Jolla Village Merchants Association

SCHEDULE OF EXPENDITURES

Budget vs Actual

City of San Diego Contracts - SBEP and BID

July 2016 through June 2017

| | BID Funds | | | SBEP | | |
|-------------------------------------|----------------|----------------|---------------------------|---------------|---------------|---------------------------|
| | Actual | Budget | Over (Under) Budget | Actual | Budget | Over (Under) Budget |
| Funds Available | | | | | | |
| BID Income | \$ 174,760 | \$ 200,000 | \$ (25,240) | \$ - | \$ - | \$ - |
| BID - Prior Years Overage | | 20,000 | (20,000) | | | |
| SBEP - M | | | | 21,829 | 21,000 | (829) |
| SBEP - FS | | | | 5,000 | 8,000 | 3,000 |
| Total Funds Available | 174,760 | 220,000 | (45,240) | 26,829 | 29,000 | 2,171 |
| Personnel | | | | | | |
| Salaries and Wages | 63,025 | 71,300 | | 21,829 | 17,200 | (4,629) |
| Payroll Taxes | 8,418 | 8,900 | | | | |
| Benefits | 6,015 | 3,000 | | | 3,800 | 3,800 |
| Total Personnel | 77,458 | 83,200 | (5,742) | 21,829 | 21,000 | (829) |
| Office Administration | | | | | | |
| Accounting/Bookkeeping | 10,200 | 4,500 | 5,700 | 3,000 | 3,000 | - |
| Audit | 4,600 | | 4,600 | | | |
| Dues/Subscriptions/Fees | 985 | 2,000 | (1,015) | | | |
| Election Costs | 1,926 | 2,000 | (74) | | | |
| Insurance | 4,977 | 4,375 | 602 | | | |
| Internet | 3,049 | 1,100 | 1,949 | | | |
| Office Supplies | 3,095 | 8,225 | (5,130) | | | |
| Professional Fees | 566 | 1,600 | (1,034) | | | |
| Rent / Utilities | 7,900 | 21,600 | (13,700) | | | |
| Office and Cell Phones | 1,976 | 3,000 | (1,024) | | | |
| Total Office Administration | 39,274 | 48,400 | (9,126) | 3,000 | 3,000 | - |
| Design | | | | | | |
| Benches | 495 | 1,000 | (505) | | | |
| Decorative (Roof Line) Lighting | 15,817 | 12,000 | 3,817 | | | |
| Landscaping | 19,565 | 20,000 | (435) | | | |
| Total Design | 35,877 | 33,000 | 2,877 | - | - | - |
| Special Events | 10,623 | 16,700 | (6,077) | - | 3,000 | 3,000 |
| Outreach and Promotion | | | | | | |
| Marketing / Newsletter | 2,614 | 2,700 | (86) | | | |
| IT - Maintenance | | 3,000 | (3,000) | | | |
| Website Maintenance | 6,914 | 3,000 | 3,914 | 2,000 | 2,000 | |
| Total Outreach and Promotion | 9,528 | 8,700 | 828 | 2,000 | 2,000 | - |
| Contingency | 2,000 | 30,000 | (28,000) | - | - | - |
| Total Expenditures | 174,760 | 220,000 | (45,240) | 26,829 | 29,000 | 2,171 |
| | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

See Independent Auditor's Report



STATEMENT OF COMPLIANCE

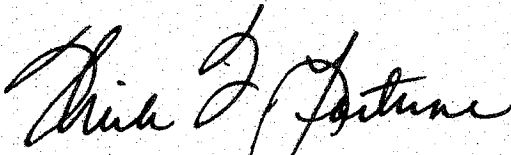
October 20, 2017

To The City of San Diego:

The La Jolla Village Merchants Association is in compliance with all City of San Diego requirements, such as general requirements, compensation and reimbursement, record keeping and insurance as set forth in the agreements between the City of San Diego and the La Jolla Village Merchants Association.

All required reports and disclosures have been submitted.

Respectfully,



Sheila Fortune
Executive Director

See Independent Auditor's Report