



# San Jose Arena Authority

**Special Annual Meeting of the Board of Directors**  
**SAP Center at San Jose**  
**Conference Room 1**  
**525 West Santa Clara Street**  
**San Jose, CA**  
**December 3, 2019**  
**6:00 pm**

## **Agenda**

### **Expected Board Attendees**

|                  |                    |
|------------------|--------------------|
| Matthew Bright   | John Kennett       |
| Scott Bruner     | Melissa Montenegro |
| David Buchholz   | Steve O'Brien      |
| Jonathan Clough  | Colleen Reilly     |
| Eileen Consiglio | Lori Severino      |
| Dev Davis        | Kathy Sutherland   |
| Maya Esparza     | Eva Terrazas       |
| Leslee Hamilton  | Vinni Walia        |
| Carl Honaker     | Rusty Weekes       |

### **Staff**

Chris Morrissey (Executive Director)  
Shelly Wang (Administrative Assistant)  
Ed Moran (City Attorney's Office)

### **Guests**

Rich Sotelo (Sharks Sports & Entertainment)  
John Tortora (Sharks Sports & Entertainment)

### **1. Call to Order/Roll Call/Introductions**

### **2. General Business**

- a. Presentation on Activities with Sharks Sports & Entertainment (Tortora)
- b. Review and Approve October and November 2019 Board Meeting Minutes
- c. Accept Verbal Report on the San Jose Diridon Station Area Plan (Severino)

### **3. Executive Director and Staff Reports**

#### **3.1. Executive Director (Morrissey)**

- a. Accept Verbal Reports on Arena Authority Oversight
  - SAP Center at San Jose
  - Solar4America Ice at San Jose
  - Excite Ballpark Home of the San Jose Giants
- b. Accept Verbal Reports on Arena Authority Administrative Items
  - VTA/BART Downtown/Diridon Community Working Group
  - Emergency Resources Network
  - South Campus Operations Team
  - City of San Jose Emergency Resources Council

- 3.2. *Administrative Assistant (Wang)*
  - a. Accept Report on Recent and Upcoming Events at SAP Center at San Jose
  - b. Accept Verbal Report on Activities at Solar4America Ice at San Jose
  - c. Accept Verbal Report on Fiscal Year 2018-19 Arena Ticket Distribution Program

#### 4. Committee Reports

- 4.1. *Standing Executive Committee (Chair: Hamilton)*
  - a. Accept Verbal Report on 2020 Meeting Schedule
- 4.2. *Standing Finance Committee (Chair: Bright)*
  - a. Review and Approve Arena Authority Fiscal Year 2018-19 Financial Report
- 4.3. *Standing San Jose Sports Hall of Fame Committee (Chair: Reilly)*
  - a. Accept Report on the 2019 San Jose Sports Hall of Fame Induction Event
- 4.4. *Standing Facilities Committee (Co-Chairs: Buchholz, Clough)*
  - a. Accept Verbal Report on Fiscal Year 2020-21 Budget Preparations for SAP Center at San Jose and Solar4America Ice at San Jose
  - b. Accept Verbal Report on the Proposed Expansion of Solar4America Ice at San Jose
- 4.5. *Standing Excite Ballpark Home of the San Jose Giants Committee (Co-Chairs: Honaker, Kennett)*
  - a. Accept Verbal Report on Capital Work at Excite Ballpark Home of the San Jose Giants
- 4.6. *Ad Hoc Board Recruitment Committee (Chair: Sutherland)*
  - a. Accept Verbal Report on Current Board Member Vacancy
- 4.7. *Standing Community Programs Committee (Co-Chairs: Bright, Terrazas)*
  - a. Accept Verbal Report on City and Community Events Program Activity

#### 5. Open Forum/Public Comments

You may speak to the Board about any discussion item that is on the agenda. You may also speak during Public Comments on items that are not on the agenda and are within the subject matter jurisdiction of the Board. Please be advised that, by law, the Board is unable to discuss or take action on issues presented during Public Comments.

#### 6. Adjournment

All public records relating to an open session on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the office of the San Jose Arena Authority, SAP Center at San Jose, 525 W. Santa Clara Street, San Jose CA 95113 at the same time that the public records are distributed or made available to the legislative body. To request an accommodation or alternative format for City-sponsored meetings, events or printed materials, please contact the San Jose Arena Authority at 408-977-4780 or 408-977-4779 (TTY) or contact [wang@sjaa.com](mailto:wang@sjaa.com) as soon as possible but at least three business days before the meeting/event.

# San Jose Arena Authority

Regular Meeting of the Board of Directors  
SAP Center at San Jose  
President's Room  
525 West Santa Clara Street  
San Jose, CA  
October 23, 2019  
4:00 pm

## MEETING MINUTES

### Board Members in Attendance

|                  |                |
|------------------|----------------|
| Matthew Bright   | Nicole Inamine |
| Scott Bruner     | John Kennett   |
| David Buchholz   | Steve O'Brien  |
| Eileen Consiglio | Lori Severino  |
| Dev Davis        | Eva Terrazas   |
| Maya Esparza     | Vinni Walia    |
| Leslee Hamilton  | Rusty Weekes   |
| Carl Honaker     |                |

### Staff in Attendance

Chris Morrisey (Executive Director)  
Shelly Wang (Administrative Assistant)  
Elizabeth Klotz (Deputy City Attorney)

### Guests in Attendance

Lou Mouansee (Council District 6)  
Blage Zelalich (Office of Economic Development)  
Ken Caveney (Sharks Sports & Entertainment)

### Board Members Not in Attendance

|                 |                  |
|-----------------|------------------|
| Jonathan Clough | Kathy Sutherland |
| Colleen Reilly  |                  |

1. **Call to Order/Roll Call/Introductions.** The Arena Authority convened the Regular Meeting of the Board of Directors at 4:02 pm.
2. **General Business**
  - a. Review and Approve August 2019 Board Meeting Minutes. Approved with 10 approvals. 1<sup>st</sup>: Weekes, 2<sup>nd</sup>: Bright, Abstention: Bruner.
  - b. Accept Verbal Report on Downtown Development (Blage Zelalich). Blage Zelalich provided the Board with an update regarding San Jose Downtown development projects and trends.
  - c. Accept Verbal Report on the San Jose Diridon Station Area Plan (Severino). Lori Severino provided the Board with meeting dates for upcoming Diridon Station scoping and community meetings. More information can be found at [www.diridonsj.org](http://www.diridonsj.org).
3. **Executive Director and Staff Reports**
  - 3.1. Executive Director (Morrisey)
    - a. Accept Reports on Arena Authority Oversight
      - SAP Center at San Jose. In September SAP Center at San Jose held a 25-year anniversary event that was well planned and executed. The event activated the Center, Autumn Street and Arena Green. Executive Director Morrisey attended an earthquake conference hosted by the City. The Sharks opened their regular season on October 4 with a street rally before the game. Portable street barriers were employed before the 25-year anniversary event and the Sharks home opener.

- Solar4America Ice at San Jose. A public meeting on the expansion of the ice facility will be held on Thursday, October 24 at 6:30 pm. Executive Director Morrissey will be attending the meeting. Construction of the expansion is expected to begin in the spring of 2020. (See agenda item 3.1.a.)
- Excite Ballpark Home of the San Jose Giants (Verbal). The asphalt project in all the public areas inside the stadium was recently completed. Currently the City and the Giants are in discussions about replacing the stadium lights. It was recently announced by the Giants that Lance Motch is no longer working for the Giants.

b. Accept Verbal Reports on Arena Authority Administrative Items

- VTA/BART Downtown/Diridon Community Working Group. The September CWG meeting addressed options in relation to optimizing the space in and around the Diridon Station. The area is expected to serve BART, SAP Center at San Jose, Caltrain, VTA bus lines, high-speed rail and other transit and pedestrian functions in the arena/station area.
- Emergency Resources Network. At the recent ERN meeting there was discussion on creating a template that benefits facility operators and first responders in relation to preparing for and responding to a significant regional earthquake. Additionally, the City is exploring funding a comprehensive study for barriers for 20 City-owned facilities. There was also a report on the barriers employed at the 25-year SAP Center at San Jose anniversary event and the Sharks home opener.
- South Campus Operations Team. The Team continues to take measures to address property begin taken from patrons and from facilities and parks.
- City of San Jose Emergency Resources Council. No report.

3.2. Administrative Assistant (Wang)

- a. Accept Report on Recent and Upcoming Events at SAP Center at San Jose. See agenda item 3.2.a.
- b. Accept Verbal Report on Activities at Solar4America Ice at San Jose. Solar4America Ice at San Jose will host the 15<sup>th</sup> Annual Pacific District Silver Stick Tournament at the end of November.
- c. Accept Verbal Report on Fiscal Year 2018-19 Arena Ticket Distribution Program. The Arena Authority's annual ticket report is currently being finalized.

4. Committee Reports

4.1. Standing Executive Committee (Chair: Hamilton)

- a. Accept Verbal Report on Remaining 2019 Arena Authority Board Meetings. The Arena Authority's next Board meeting will take place on Tuesday, December 3 at SAP Center at San Jose.

4.2. Standing Finance Committee (Chair: Bright)

- a. Review and Approve July and August 2019 Financial Statements. Approved with 8 approvals. 1<sup>st</sup>: Bright, 2<sup>nd</sup>: Terrazas, Abstention: O'Brien; Honaker and Weekes left meeting.
- b. Accept Verbal Report of the Arena Authority Fiscal Year 2018-19 Financial Report. No report.

- 4.3. Standing San Jose Sports Hall of Fame Committee (Chair: Reilly)  
a. Accept Report on the 2019 San Jose Sports Hall of Fame Induction Event. See agenda item 4.3.a.
- 4.4. Standing Facilities Committee (Co-Chairs: Buchholz, Clough)  
a. Accept Verbal Report on Fiscal Year 2020-21 SAP Center at San Jose and Solar4America Ice at San Jose Capital Budget Planning. The capital budget review is expected to begin before the end of the year.  
b. Accept Verbal Report on the Fourth Expansion of Solar4America Ice at San Jose. See agenda item 3.1.a.
- 4.5. Standing Excite Ballpark Home of the San Jose Giants Committee (Co-Chairs: Honaker, Kennett)  
a. Accept Verbal Report on Capital Planning for Excite Ballpark Home of the San Jose Giants. See agenda item 3.1.a.
- 4.6. Ad Hoc Board Recruitment Committee (Chair: Sutherland)  
a. Accept Verbal Report on Current Board Member Vacancy. The Arena Authority continues to seek one additional Board member with neighborhood ties to the South Campus area.
- 4.7. Standing Community Programs Committee (Co-Chairs: Bright, Terrazas)  
a. Accept Report on City and Community Events Program Activity. See agenda item 4.7.a.  
b. Accept Report on Approved City and Community Event Applicant:  
• San Jose Sports Hall of Fame. See agenda item 4.7.b.
5. **Open Forum.** None.
6. **Adjournment.** The meeting adjourned at 5:09 pm.

Submitted by:



Shelly Wang

# San Jose Arena Authority

Special Meeting of the Board of Directors  
Solar4America Ice at San Jose  
1500 South Tenth Street  
San Jose, CA  
November 18, 2019  
12:00 pm

## Meeting Minutes

### Board Members in Attendance

|                  |                 |
|------------------|-----------------|
| Matthew Bright   | Leslee Hamilton |
| Scott Bruner     | John Kennett    |
| David Buchholz   | Colleen Reilly  |
| Eileen Consiglio | Eva Terrazas    |
| Dev Davis        | Rusty Weekes    |
| Maya Esparza     |                 |

### Staff in Attendance

Chris Morrisey (Executive Director)  
Shelly Wang (Administrative Assistant)  
Ed Moran (City Attorney's Office)

### Guests in Attendance

Ken Caveney (Sharks Sports & Entertainment)  
Scott Emmert (Sharks Sports & Entertainment)  
Jon Gustafson (Solar4America Ice at San Jose)  
Nanci Klein (Office of Economic Development)  
Lou Mouansee (Council District 6)  
Andres Quintero (Council District 7)

### Board Members Not in Attendance

|                    |               |
|--------------------|---------------|
| Jonathan Clough    | Lori Severino |
| Carl Honaker       | Rusty Weekes  |
| Melissa Montenegro | Vinni Walia   |
| Steve O'Brien      |               |

- Call to Order/Roll Call/Introductions.** The Arena Authority convened the Special Meeting of the Board of Directors at 12:09pm.
  - Introduction of New Mayor's Office Liaison Melissa Montenegro. N/A
  - Introduction of New City Attorney's Office Representative Ed Moran. The Arena Authority welcomes Ed Moran, City Attorney's office, to the Arena Authority Board.
- General Business**
  - Presentation on the Proposed Building Expansion of Solar4America Ice at San Jose (Nanci Klein and Jon Gustafson). Nanci Klein and Jon Gustafson presented the proposed building expansion of Solar4America Ice at San Jose to the Arena Authority Board and addressed Board member questions.
- Open Forum.** Councilmember Davis informed the group about a Diridon Station area community meeting at Leininger Center on Monday, November 18 at 6:00 pm and also advised that more information could be found at [www.diridonsj.org](http://www.diridonsj.org).
- Adjournment.** The meeting adjourned at 12:43pm.

**Special Meeting of the Board of Directors**  
**November 18, 2019**  
**Page 2**

Submitted by:

A handwritten signature in black ink, appearing to be 'Shelly Wang', written in a cursive style.

Shelly Wang

# COMING EVENTS

Event Information: 408-287-7070  
Ticketmaster: 800-745-3000



NOVEMBER

| SUN                                  | MON | TUE  | WED                                       | THU                              | FRI  | SAT  |
|--------------------------------------|-----|--|---|----------------------------------|--|--|
|                                      |     |  |   |                                  | 1 Sharks vs. Winnipeg<br>7:30pm                                      | 2 Sharks vs. Vancouver<br>7:00pm                                     |
| 3 Barracuda vs. Tucson<br>3:00pm     | 4   | 5 Sharks vs. Chicago<br>7:00pm                             | 6 Luke Combs<br>7:00pm<br>\$25.00-\$50.00 | 7 Sharks vs. Minnesota<br>7:30pm | 8 Gloria Trevi<br>8:00pm<br>\$39.95-\$349.95                         | 9 Sharks vs. Nashville<br>7:30pm                                     |
| 10 Barracuda vs. San Diego<br>5:00pm | 11  | 12 Sharks vs. Edmonton<br>7:30pm                           | 13  | 14                               | 15   | 16 Sharks vs. Detroit<br>7:30pm                                      |
| 17 Barracuda vs. Tucson<br>6:00pm    | 18  | 19 Sharks vs. Edmonton<br>7:30pm                           | 20 Barracuda vs. Tucson<br>7:00pm         | 21                               | 22 Barracuda vs. Colorado<br>7:00pm                                  | 23 Barracuda vs. Colorado 1:15pm<br>Sharks vs. N.Y. Islanders 7:30pm |
| 24                                   | 25  | 26 Trans-Siberian: Orchestra<br>8:00pm<br>\$90.00-\$815.00 | 27 Sharks vs. Winnipeg<br>7:30pm          | 28                               | 29 Sharks vs. Los Angeles 1:00pm<br>Barracuda vs. Bakersfield 6:00pm | 30   |

DECEMBER

| SUN                                    | MON | TUE                               | WED                                    | THU                                     | FRI   | SAT   |
|--|-----|-----------------------------------|--|---|---|---|
| 1                                      | 2   | 3 Sharks vs. Washington<br>7:30pm | 4                                      | 5 99.7 NOW! Presents Poptopia<br>7:00pm | 6   | 7 Not so Silent Night<br>6:00pm                                 |
| 8                                      | 9   | 10                                | 11 Barracuda vs. Bakersfield<br>7:00pm | 12 Sharks vs. N.Y. Rangers<br>7:30pm    | 13  | 14 Barracuda vs. Stockton 1:15pm<br>Sharks vs. Vancouver 7:00pm |
| 15                                     | 16  | 17 Sharks vs. Arizona<br>7:30pm   | 18 Barracuda vs. Ontario<br>7:00pm     | 19                                      | 20  | 21 Sharks vs. St. Louis<br>7:30pm                               |
| 22 Sharks vs. Vegas<br>7:00pm          | 23  | 24                                | 25                                     | 26                                      | 27 Barracuda vs. Stockton 1:15pm<br>Sharks vs. Los Angeles 7:00pm | 28 Sharks vs. Philadelphia<br>7:30pm                            |
| 29 Barracuda vs. Bakersfield<br>5:00pm | 30  | 31                                |  |   |   |   |

JANUARY

| SUN                                 | MON                               | TUE                                     | WED                                 | THU                             | FRI                               | SAT  |
|-------------------------------------|-----------------------------------|---|-------------------------------------|---------------------------------|-----------------------------------|--|
|                                     |                                   |   | 1                                   | 2                               | 3                                 | 4  |
| 5                                   | 6                                 | 7                                       | 8 Barracuda vs. Ontario<br>7:00pm   | 9 Sharks vs. Columbus<br>7:30pm | 10                                | 11 Barracuda vs. Stockton 1:15pm<br>Sharks vs. Dallas 7:30pm |
| 12 Barracuda vs. Stockton<br>3:00pm | 13                                | 14                                      | 15 Barracuda vs. Colorado<br>7:00pm | 16                              | 17 Harlem Globetrotters<br>7:00pm | 18   |
| 19 Harlem Globetrotters<br>2:00pm   | 20 Harlem Globetrotters<br>1:00pm | 21 Seventeen: Ode to You Tour<br>7:30pm | 22                                  | 23                              | 24                                | 25   |
| 26                                  | 27 Sharks vs. Anaheim<br>7:30pm   | 28                                      | 29 Sharks vs. Vancouver<br>7:30pm   | 30                              | 31                                |  |

Group Tickets are available for groups of 15 or more to many events.  
For more information, please contact our Group Sales Department at 408-977-4715 or email [grouptickets@sharksports.net](mailto:grouptickets@sharksports.net).  
525 West Santa Clara Street San Jose California 95113 [www.sapcenter.com](http://www.sapcenter.com)



**San Jose Arena Authority  
(A California Non-profit Corporation)**

Financial Statements  
For the year ended June 30, 2019  
(Unaudited)

VIVIAN XU, CPA

CERTIFIED  
PUBLIC  
ACCOUNTANTS

1625 The Alameda

San Jose, CA 95126

Tel: (408)-634-8598

To the Board of Directors of the  
San Jose Arena Authority

Management is responsible for the accompanying financial statements of San Jose Arena Authority (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activity and cash flows for the year ended, and the related notes to the financial statements in accordance U.S. generally accepted accounting principles. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Xiaoping Xu*

Vivian Xu, CPA  
San Jose, CA

November 25, 2019

**San Jose Arena Authority**  
**(A California Non-profit Corporation)**  
**Statement of Financial Position**  
**June 30, 2019**  
**(Unaudited)**

ASSETS

|                                     |                         |
|-------------------------------------|-------------------------|
| Current Assets:                     |                         |
| Cash                                | \$ 40,326               |
| Prepays and other receivable        | 4,516                   |
| Total Current Assets                | <u>44,842</u>           |
| Property and Equipment (See Note 4) |                         |
| Office Equipment & Furniture        | 63,794                  |
| Less Accumulated Depreciation       | <u>(62,001)</u>         |
| Net Property and Equipment          | <u>1,793</u>            |
| <b>TOTAL ASSETS</b>                 | <b><u>\$ 46,635</u></b> |

LIABILITIES & NET ASSETS

|   |                         |
|---|-------------------------|
| Current Liabilities                       |                         |
| Accounts payable & Misc. Accruals         | \$ 5,817                |
| Accrued wage                              | 8,892                   |
| Accrued vacation (See Note 5)             | 5,251                   |
| Total Current Liabilities                 | <u>19,960</u>           |
| Net Assets                                |                         |
| Unrestricted                              | 26,675                  |
| Temporarily restricted                    | -                       |
| Total Net Assets                          | <u>26,675</u>           |
| <b>TOTAL LIABILITIES &amp; NET ASSETS</b> | <b><u>\$ 46,635</u></b> |

See Accompanying Notes and Accountants' Compilation Report

**San Jose Arena Authority**  
**(A California Non-profit Corporation)**  
**Statement of Activities**  
**For the year ended June 30, 2019**  
**(Unaudited)**

|   | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Total</u>     |
|---|---------------------|-----------------------------------|------------------|
| Support and Revenues:                             |                     |                                   |                  |
| City of San Jose                                  | \$ -                | \$ 254,500                        | \$ 254,500       |
| Arena seat revenue                                | 1,090               | -                                 | 1,090            |
| Interest income                                   | 9                   | 33                                | 42               |
| Donated services (See Note 6)                     | 7,679               | -                                 | 7,679            |
| Satisfaction of purpose restrictions (See Note 7) | 254,533             | (254,533)                         | -                |
|   | <u>263,311</u>      | <u>-</u>                          | <u>263,311</u>   |
| Total income                                      |                     |                                   |                  |
|   | <u>263,311</u>      | <u>-</u>                          | <u>263,311</u>   |
| Expenses:   |                     |                                   |                  |
| Program expenses:                                 |                     |                                   |                  |
| Oversight of Arena                                | 59,608              | -                                 | 59,608           |
| Community and Ticket Programs                     | 42,873              | -                                 | 42,873           |
| Oversight of Ice Facility                         | 39,739              | -                                 | 39,739           |
| Oversight of Ballpark                             | 39,739              | -                                 | 39,739           |
| Emergency Resources Network                       | 39,739              | -                                 | 39,739           |
| South Campus Program                              | 19,868              | -                                 | 19,868           |
| Administrative                                    | 22,184              | -                                 | 22,184           |
|   | <u>263,750</u>      | <u>-</u>                          | <u>263,750</u>   |
| Total Expenses                                    |                     |                                   |                  |
|   | <u>263,750</u>      | <u>-</u>                          | <u>263,750</u>   |
| Decrease in Net Assets                            | <u>(439)</u>        | <u>-</u>                          | <u>(439)</u>     |
| Net Assets  |                     |                                   |                  |
| Beginning of year                                 | <u>27,114</u>       | <u>-</u>                          | <u>27,114</u>    |
| End of year                                       | <u>\$ 26,675</u>    | <u>\$ -</u>                       | <u>\$ 26,675</u> |

See Accompanying Notes and Accountants' Compilation Report

San Jose Arena Authority  
(A California Non-profit Corporation)  
Statement of Functional Expenses  
For the year ended June 30, 2019  
(Unaudited)

|                                     | Program Services                     |           |                           |                       |                             |                      |                         | Total |
|-------------------------------------|--------------------------------------|-----------|---------------------------|-----------------------|-----------------------------|----------------------|-------------------------|-------|
|                                     | Oversight of Arena & Ticket Programs | Community | Oversight of Ice Facility | Oversight of Ballpark | Emergency Resources Network | South Campus Program | Administrative Expenses |       |
| Wages                               | \$52,147                             | \$        | \$34,765                  | \$                    | \$34,764                    | \$                   | \$213,831               |       |
| Payroll taxes and employee benefits | 4,337                                | 2,828     | 2,891                     | 2,891                 | 2,892                       | 1,447                | 17,784                  |       |
| Subscriptions                       | 244                                  | 160       | 163                       | 163                   | 163                         | 81                   | 1,003                   |       |
| Accounting                          | -                                    | -         | -                         | -                     | -                           | -                    | 5,288                   |       |
| Board support expenses              | -                                    | -         | -                         | -                     | -                           | -                    | 2,355                   |       |
| Meetings                            | 183                                  | 119       | 122                       | 122                   | 122                         | 61                   | 22                      |       |
| Advocacy support                    | -                                    | 4,000     | -                         | -                     | -                           | -                    | 4,000                   |       |
| Depreciation                        | 367                                  | 239       | 245                       | 245                   | 245                         | 122                  | 42                      |       |
| Insurance                           | 1,305                                | 851       | 870                       | 870                   | 870                         | 435                  | 151                     |       |
| Repair and Maintenance              | 257                                  | 167       | 171                       | 171                   | 171                         | 85                   | 30                      |       |
| Office supplies                     | 243                                  | 158       | 162                       | 162                   | 162                         | 81                   | 28                      |       |
| Telephone and internet              | 296                                  | 193       | 197                       | 197                   | 197                         | 98                   | 34                      |       |
| Outside services                    | 120                                  | 79        | 80                        | 80                    | 80                          | 40                   | 15                      |       |
| Miscellaneous                       | 109                                  | 71        | 73                        | 73                    | 73                          | 36                   | 13                      |       |
| Donated services                    | -                                    | -         | -                         | -                     | -                           | -                    | 7,679                   |       |
| Total Expenses                      | \$59,608                             | \$        | \$39,739                  | \$                    | \$39,739                    | \$                   | \$263,750               |       |
|                                     |                                      | 42,873    | 39,739                    | 39,739                | 39,739                      | 19,868               | 22,184                  |       |

See Accompanying Notes and Accountants' Compilation Report

**San Jose Arena Authority  
(A California Non-profit Corporation)  
Statement of Cash Flows  
For the year ended June 30, 2019  
(Unaudited)**

**Cash flows from operating activities:**

|  |            |
|--|------------|
| Decrease in Net Assets   | \$ (439)   |
| Adjustments to reconcile change in net assets<br>to net cash used by operating activities: |            |
| Depreciation   | 1,505      |
| Prepaid Insurance  | (657)      |
| Accounts payable   | (4,294)    |
| Accrued liabilities  | 4,849      |
| Net cash provided by operating activities  | <u>964</u> |

**Cash flows from financing activities:**

|  |                        |
|--|------------------------|
|  | <u>-</u>               |
| Net increase (decrease) in cash and cash equivalents | 964                    |
| Cash and cash equivalents, beginning of period       | <u>39,362</u>          |
| Cash and cash equivalents, end of period             | <u><u>\$40,326</u></u> |

SAN JOSE ARENA AUTHORITY  
(A California Non-profit Corporation)  
Notes to Financial Statements  
For the Year Ended  
June 30, 2019

**NOTE 1: ORGANIZATION**

The San Jose Arena Authority (the SJAA) was incorporated on October 23, 1990 as a non-profit organization under the laws of the State of California. The SJAA was formed by resolution of the San Jose City Council to represent the City's interest in the oversight and operation of SAP Center at San Jose (Arena). The SJAA also serves as the City's community liaison concerning the day-to-day management and operation of SAP Center at San Jose (Arena). The SJAA was also designated by the San Jose City Council to oversee the management and operations of Solar 4 America Ice at San Jose (Ice Facility) and Excite Ballpark Home of the San Jose Giants (Ballpark). Additionally, the SJAA has created and now facilitates the Emergency Resources Network and the South Campus Operations Team.

The City of San Jose is the primary funding source for the operation of the San Jose Arena Authority.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRICIPLES**

**Basis of Accounting**

The financial statements of the SJAA have been prepared on the accrual method of accounting which reflects revenues and expenses in the accounts in the period in which they are considered to have been earned and incurred respectively.

**Accounting Presentation**

The SJAA reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as following:

- Unrestricted Net Assets-Net assets that are not subject to donor-imposed stipulations.
- Temporarily Restricted Net Assets-Net assets subject to donor-imposed stipulations that may or will be met either by actions of SJAA and/or the passage of time.
- Permanently Restricted Net Assets-Net assets to be held in perpetuity as directed by donors. The income from the contributions is available to support activities as designated by the donors.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law.

SAN JOSE ARENA AUTHORITY  
(A California Non-profit Corporation)  
Notes to Financial Statements  
For the Year Ended  
June 30, 2019

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Cash and Cash Equivalents**

For purpose of the statement of cash flows, the SJAA considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Property and Equipment**

Property and equipment are stated at cost. Depreciation expense is computed using the straight-line method over estimated useful lives of 5-20 years.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

The SJAA is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and Section 23701 (d) of the Revenue and Taxation Code of the State of California. Accordingly, no provision for Federal Income or California Franchise tax has been recognized in the financial statements.

**NOTE 3: FAIR VALUE MEASUREMENTS**

The SJAA measure fair value in accordance ASC Topic 820, Fair Value Measurement. ASC 820 applies to all financial instruments that are being measured and reported on a fair value basis.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the



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measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

**Level 1:** Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

**Level 2:** Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly such as quoted prices for similar assets or liabilities in active markets or inactive markets, or inputs other than quoted prices that are observable for the asset or liability.

**Level 3:** Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

**NOTE 4: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at June 30, 2019:

|                                |                 |
|--------------------------------|-----------------|
| Office Equipment and Furniture | \$63,794        |
| Less: Accumulated Depreciation | <u>(62,001)</u> |
|                                | <u>\$ 1,793</u> |

Depreciation expense for the year ended June 30, 2019 is \$ 1,505.

**NOTE 5: ACCRUED VACATION**

Vacation pay is accrued for full-time and part-time, salaried employees based upon their length of service at the following:

| <u>Service</u>                 | <u>Vacation Days</u> |
|--------------------------------|----------------------|
| 1-3 years                      | 10 days              |
| 3-5 years                      | 15 days              |
| 5-10 years                     | 20 days              |
| After 10 years and there after | 25 days              |

There is no maximum amount of accrued vacation. Accrued vacation represents vacation carried, but not taken as of June 30, 2019. The accrued vacation balance as of June 30, 2019 was \$5,251.

**NOTE 6: DONATED SERVICES**

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For the year ended June 30, 2019, the SJAA recognized \$7,679 of donated services for tax preparation and financial statement preparation.

**NOTE 7: TEMPORARILY RESTRICTED NET ASSETS**

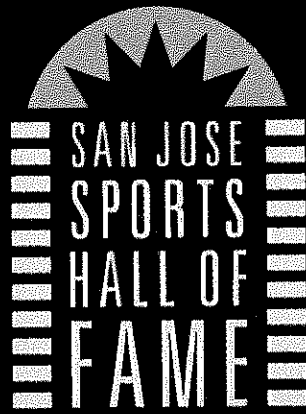
Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

Purpose restriction accomplished:

|   |                  |
|---|------------------|
| Oversight of Arena, Ice Facility and Ballpark | <u>\$254,533</u> |
|---|------------------|

**NOTE 8: SUBSEQUENT EVENTS**

The management of the SJAA have reviewed the results of operations and evaluated subsequent events for the period of time from its year end June 30, 2019 through November 25,2019, the date the compiled financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying compiled financial statements nor have any subsequent events occurred, the nature of which would require disclosure.



SAN JOSE  
SPORTS  
HALL OF  
FAME

*celebrating*

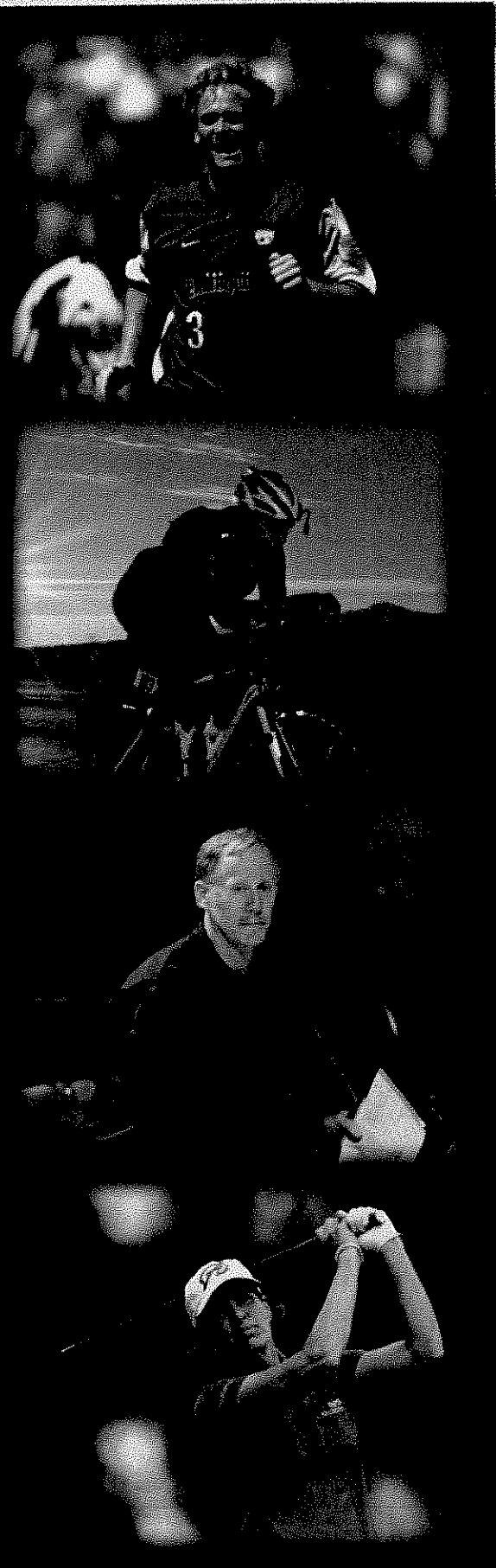


*presented by*

**HERITAGE**  
BANK OF COMMERCE

THURSDAY  
NOVEMBER 14, 2019  
INDUCTION CEREMONY  
AND DINNER

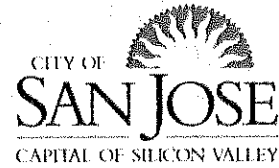
**SAP** center  
SAN JOSE



**HONORING LEGENDS WHO PLAYED IN OUR OWN BACKYARD**

EVENT PARTNERS

San Jose Arena Authority

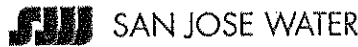


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