BONK, CUSHMAN, EAGLE & GARCIA
CERTIFIED PUBLIC ACCOUNTANTS

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PACIFIC BEACH COMMUNITY DEVELOPMENT CORPORATION

dba DISCOVER PACIFIC BEACH

REVIEWED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 and 2024

TABLE OF CONTENTS Page

INDEPENDENT ACCOUNTANT'S REVIEW REPORT 1

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION 2

STATEMENTS OF ACTIVITIES 3

STATEMENT OF FUNCTIONAL EXPENSES – 2025 4

STATEMENT OF FUNCTIONAL EXPENSES – 2024 5

STATEMENTS OF CASH FLOWS 6

NOTES TO THE FINANCIAL STATEMENTS 7 – 10

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Pacific Beach Community Development Corporation dba Discover Pacific Beach

We have reviewed the accompanying financial statements of Pacific Beach Community Development Corporation dba Discover Pacific Beach (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

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

We are required to be independent of Pacific Beach Community Development Corporation dba Discover Pacific Beach and meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying years ended June 30, 2025 and 2024 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Bonk, Cushman, Eagle & Garcia

January 2, 2026

PACIFIC BEACH COMMUNITY DEVELOPMENT CORPORATION
dba DISCOVER PACIFIC BEACH
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 and 2024

	2025	2024
ASSETS:		
Cash and Cash Equivalents	$ 204,560	$ 265,413
Accounts Receivable	24,071	24,277
Less: (Allowance for Doubtful Accounts)	-	(13,380)
Total Current Assets	228,631	276,310
Leasehold Improvements	-	49,388
Office Equipment	13,012	13,012
Less: (Accumulated Depreciation & Amortization)	(13,012)	(62,400)
Total Property & Equipment	-	-
Rent Deposit	1,650	1,450
Total Other Assets	1,650	1,450
Total Assets	$ 230,281	$ 277,760
LIABILITIES:		
Accounts Payable	$ 34,698	$ 35,682
Total Current Liabilities	34,698	35,682
Total Liabilities	$ 34,698	$ 35,682
NET ASSETS:		
Without Donor Restrictions	$ 195,583	$ 242,078
Total Net Assets	195,583	242,078
Total Liabilities & Net Assets	$ 230,281	$ 277,760

See accompanying notes and independent accountant's review report

PACIFIC BEACH COMMUNITY DEVELOPMENT CORPORATION
dba DISCOVER PACIFIC BEACH
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 and 2024

	2025	2024
SUPPORT & REVENUE:		
BID Reimbursement	$ 158,254	$ 155,695
SBEP	36,217	34,231
Other Grants	57,775	49,004
Community Court	12,650	27,450
BeachFest	103,010	90,819
Farmers Market	252,054	233,273
Parking District	15,547	-
Other Special Events	62,341	65,506
Other Programs	-	12,250
Sublease	-	550
Miscellaneous	6,208	5,391
Total Support & Revenue	704,056	674,169
EXPENSES:		
Program Services	639,687	573,914
Management & General	110,863	101,172
Total Expenses	750,551	675,086
Change in Net Assets	(46,495)	(917)
Net Assets, Beginning of Year	242,078	242,995
Net Assets, End of Year	$ 195,583	$ 242,078

See accompanying notes and independent accountant's review report

PACIFIC BEACH COMMUNITY DEVELOPMENT CORPORATION
dba DISCOVER PACIFIC BEACH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services	Management & General	Total
Auto Expense	$ 2,400	$ 600	$ 3,000
Bank Fees	7,203	1,801	9,004
BeachFest	112,105	28,026	140,132
Building Repairs & Maintenance	1,710	428	2,138
Cleaning & Beautification	70,358	-	70,358
Dues and Subscriptions	454	114	568
Farmers Market	30,840	-	30,840
Health Insurance	9,120	2,280	11,400
Insurance	8,141	2,035	10,176
Meals & Entertainment	1,649	412	2,061
Miscellaneous	-	1,308	1,308
Other Special Events	34,934	8,733	43,667
Outreach	9,912	2,478	12,390
Payroll Service	936	234	1,170
Payroll Taxes	20,020	4,100	24,120
Postage	8	2	10
Printing & Publications	2,902	725	3,627
Professional Services	20,392	5,098	25,490
Rent	32,613	8,153	40,766
Salaries & Wages	238,654	35,501	274,155
Office Supplies & Equipment	4,618	1,155	5,773
Taxes	200	50	250
Telephone	3,048	762	3,810
Training & Conferences	3,980	995	4,975
Utilities	23,490	5,873	29,363
Total Expenses	$ 639,687	$ 110,863	$ 750,551

See accompanying notes and independent accountant's review report

PACIFIC BEACH COMMUNITY DEVELOPMENT CORPORATION
dba DISCOVER PACIFIC BEACH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Management & General	Total
Auto Expense	$ 2,400	$ 600	$ 3,000
Bad Debt Expense	10,705	2,676	13,381
Bank Fees	7,834	1,959	9,793
BeachFest	72,102	18,025	90,127
Cleaning & Beautification	64,130	-	64,130
Dues and Subscriptions	240	60	300
Farmers Market	44,777	-	44,777
Health Insurance	9,120	2,280	11,400
Insurance	4,377	1,094	5,471
Meals & Entertainment	670	167	837
Miscellaneous	5,805	2,674	8,479
Other Special Events	26,894	6,724	33,618
Outreach	7,326	1,832	9,158
Payroll Service	543	136	679
Payroll Taxes	17,118	3,506	20,624
Postage	111	28	139
Printing & Publications	2,980	745	3,725
Professional Services	18,050	4,513	22,563
Rent	37,978	9,494	47,472
Salaries & Wages	218,710	39,149	257,859
Office Supplies & Equipment	4,618	1,154	5,772
Taxes	248	62	310
Telephone	3,376	844	4,220
Training & Conferences	2,086	522	2,608
Utilities	11,715	2,929	14,644
Total Expenses	$ 573,914	$ 101,172	$ 675,086

See accompanying notes and independent accountant's review report

PACIFIC BEACH COMMUNITY DEVELOPMENT CORPORATION
dba DISCOVER PACIFIC BEACH
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ (46,495)	$ (917)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
(Increase) / Decrease in:		
Accounts Receivable	(13,174)	12,634
Rent Deposit	(200)	-
Increase / (Decrease) in:		
Accounts Payable	(984)	20,247
Net Cash Provided (Used) by Operating Activities	(60,853)	26,077
Net Increase (Decrease) in Cash & Cash Equivalents	(60,853)	26,077
Cash & Cash Equivalents, Beginning of Year	265,413	239,336
Cash & Cash Equivalents, End of Year	$ 204,560	$ 265,413

See accompanying notes and independent accountant's review report

Note 1. Nature of Organization

The Pacific Beach Community Development Corporation (the Organization) is a non-profit consortium of local businesses organized for the purpose of promoting, improving, and fostering business conditions in the City of San Diego in the area commonly known as Pacific Beach pursuant to a City Ordinance, which established and defined a parking and business improvement area as the Pacific Beach District under the provisions of the Parking and Business Improvement Area Law of 1979 of the State of California and enabling ordinances of the City of San Diego.

The Organization is a business improvement district (BID), and which was formed in 1997. It is the second largest BID in San Diego with 1,300 member businesses. Its area of focus is in San Diego's beach communities including Pacific Beach and Mission Beach. The Organization has a variety of project committees populated by business owners and volunteers, including Promotions, Pacific Beach Community Advisory, Design and Improvement and Hospitality Task Force.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting: The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), whereby unconditional support is recognized when received, revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation: The financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) and with the provisions of the FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: net assets without donor restrictions are the net assets that are neither invested in perpetuity, nor purpose or time restricted by donor-imposed stipulations.

Net assets with donor restrictions: net assets with donor-imposed restrictions are the net assets that are contributions subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature that either expire by the passage of time or can be fulfilled and removed by action of the Organization pursuant to these stipulations. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Note 2. Summary of Significant Accounting Policies, continued

Basis of Presentation, continued: The Organization reports unconditional contributions restricted by donors as increases in net assets with donor restrictions in the reporting period in which the revenue is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization reports conditional contributions with restrictions by donors as increases in net assets without donor restrictions in the reporting period in which the condition has been satisfied and revenue has been recognized, and when the time restriction ends, or purpose restriction is accomplished.

Cash and Cash Equivalents: The Organization has defined cash and cash equivalents as cash in banks with an initial maturity of three months or less.

Accounts Receivable: Accounts receivables are receivables from a cost-reimbursement contract with the City of San Diego and services invoiced to businesses in the district. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from past history. No allowance for doubtful accounts was considered necessary as of June 30, 2025 and 2024.

Property and Equipment: Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Maintenance and repair 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. Depreciation and amortization are computed using the straight-line method over the useful lives of the assets, which are generally five years for equipment.

Depreciation and amortization expense for the years ended June 30, 2025 and 2024 amounted to $0 and $0, respectively.

Donated Materials and Services: Donated materials and services are recognized as contributions if the materials 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 the Organization. Volunteers provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risks: The primary receivable balance outstanding on June 30, 2025 and 2024 consists of governmental contract receivables due from the City of San Diego. Concentration of credit risks with respect to trade receivables are limited, as the majority of the Organization's receivables consist of earned fees from reimbursement-contracts granted by the City of San Diego. Management has determined that net balances are collectible.

Note 2. Summary of Significant Accounting Policies, continued

Compensated Absences: Compensated absences for sick pay and personal time off have not been accrued since they cannot be reasonably estimated. The Organization's policy is to recognize these costs when actually paid.

Revenues: The Organization is funded principally by the City of San Diego through the Business Improvement District (BID), Small Business Enhancement Program Management Grant (SBEP), and grants. In addition, the Organization operates other projects and programs to promote the business environment in the area and generates income from these programs.

Functional Allocation of Expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Organization providing these services.

Note 3. Income Tax Status

The Organization is a California Not-For-Profit corporation exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California State Tax Code 23701(d), respectively, whereby only unrelated business income, as defined by Section 509(a)(1) of the Internal Revenue Code is subject to federal income tax. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

U.S. generally accepted accounting principles require Organization management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken uncertain tax positions that more-likely-than-not would not be sustained upon examination by applicable taxing authorities. Management has analyzed tax positions taken by the Organization and has concluded that, as of June 30, 2025 and 2024, there are no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or that would require disclosure in the financial statements.

The Organization is subject to routine audits by taxing jurisdictions. However, currently no audits for any tax periods are in progress.

Note 4. Commitments and Contingencies

Contracts: The Organization's 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, the Organization has no provisions for the possible disallowance of program costs on its financial statements. Management has submitted all reports required by funding agencies and is not aware of the existence of any potential disallowances.

Note 4. Commitments and Contingencies, continued

Obligations Under Operating Leases: During the year ending June 30, 2023, the office lease was extended nine months, extending the term from October 1, 2023 through June 30, 2024, with a monthly rent of $3,660.25. The Organization leased this office space from July 1, 2024 through March 2025 and moved to a co-workspace office beginning April 2025 for a 9-month term. Total lease payments under these leases amounted to $40,766 and $47,472, respectively, in the years ended June 30, 2025 and 2024.

Note 5. Liquidity and Availability of Financial Assets

The Organization's working capital and cash flows are relatively consistent throughout the year due to monthly assessments from BID and SBEP programs, and a weekly Farmers Market. For months in which special events occur the Organization receives grants, contributions and sponsorships for the events corresponding to the timing of the event. To manage liquidity the Organization maintains adequate cash balances.

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	06/30/2025	06/30/2024
Financial assets at year-end	$ 228,631	$ 276,310
Less those unavailable for general expenditures within one year: none	-	-
Financial assets available to meet cash needs for general expenditures within one year	$ 228,631	$ 276,310

Note 6. Subsequent Events

The management of the Organization have reviewed the results of operations and evaluated subsequent events for the period of time from its year end June 30, 2025 through January 2, 2026, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.