

GREATER THIRD AVENUE IMPROVEMENT ASSOCIATION

Financial Statements - unaudited
For The Year Ended December 31, 2025
and
Independent Accountant's Review Report

GREATER THIRD AVENUE IMPROVEMENT ASSOCIATION
Financial Statements - unaudited
December 31, 2025

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**Guerrero, Jimenez, Diaz
& Co. LLP**

A Certified Public Accounting Firm

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
GREATER THIRD AVENUE IMPROVEMENT ASSOCIATION
Chula Vista, California

We have reviewed the accompanying financial statements of Greater Third Avenue Improvement Association dba Downtown Chula Vista Association ("the Association"), a California nonprofit corporation, which comprise the statement of financial position – tax basis as of December 31, 2025, and the related statements of activities and changes in net assets – tax basis and cash flows for the year 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 Association 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 the basis of accounting the Association uses for income tax purposes; this includes determining that the basis of accounting the Association uses for income tax purposes is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation of and fair representation of financial statements that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct our review 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 the basis of accounting the Association uses for income tax purposes. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Greater Third Avenue Improvement Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the basis of accounting the Association uses for income tax purposes.

Emphasis of Matter

Basis of Accounting

We draw attention to note 2 of these financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the basis of accounting the Association uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.



Guerrero, Jimenez, Diaz & Co., LLP
Certified Public Accountants

San Diego, California
September 3, 2026

GREATER THIRD AVENUE IMPROVEMENT ASSOCIATION
Statement of Financial Position - Tax Basis
December 31, 2025

ASSETS

Current Assets

Cash in Bank	\$ 95,249
Total Current Assets	<u>95,249</u>

Property and Equipment, net	56,404
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Other Assets

Right-of-use Assets (Note 11)	139,875
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Total Assets	<u><u>\$ 291,528</u></u>
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LIABILITIES AND EQUITY

Liabilities

Lease Liabilities (Note 11)	\$ 139,875
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Total Liabilities	<u>139,875</u>
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Net Assets

Without Donor Restrictions	151,653
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Total Net Assets	<u>151,653</u>
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Total Liabilities and Net Assets	<u><u>\$ 291,528</u></u>
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The accompanying notes are an integral part of these financial statements.

GREATER THIRD AVENUE IMPROVEMENT ASSOCIATION
Statement of Activities and Changes in Net Assets - Tax Basis
For the Year-Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Unrestricted Net Assets:			
Revenue:			
Property Owners' Assessment	\$ 534,921	\$ -	\$ 534,921
BID Revenue	30,000	-	30,000
Events Revenues	357,447	-	357,447
Grants		50,000	50,000
Sponsorships	13,860	-	13,860
Net Assets released from restrictions	50,000	(50,000)	-
Total Revenue	<u>986,228</u>	<u>-</u>	<u>986,228</u>
Operating Expenses:			
Program Services			
District Identity and Placemaking	<u>913,172</u>	<u>-</u>	<u>913,172</u>
Total Program Services	913,172	-	913,172
Supporting Services			
General and Administrative Expenses	<u>101,464</u>	<u>-</u>	<u>101,464</u>
Total Expenses	1,014,636	-	1,014,636
Increase/(Decrease) in Unrestricted Net Assets	<u>(28,408)</u>	<u>-</u>	<u>(28,408)</u>
Net Assets, Beginning of Year	<u>180,061</u>	<u>-</u>	<u>180,061</u>
Net Assets, End of Year	<u>\$ 151,653</u>	<u>\$ -</u>	<u>\$ 151,653</u>

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

GREATER THIRD AVENUE IMPROVEMENT ASSOCIATION

Statement of Functional Expenses - Tax Basis

For the Year Ended December 31, 2025

	<u>Program</u>	<u>General & Administrative</u>	<u>Total</u>
Advertising and Promotion	63,283	7,031	70,314
Auto Expenses	3,061	340	3,401
Bank Charges	(3)	(0)	(3)
Depreciation	27,885	3,098	30,983
Dues & Subscriptions	6,217	691	6,908
Equipment Rental	1,868	208	2,075
Event Expenses	273,676	30,408	304,084
Insurance	18,405	2,045	20,450
Legal and Professional Fees	14,452	1,606	16,058
Maintenance Supplies	11,269	1,252	12,521
Meals & Entertainment	222	25	247
Office Expenses	3,991	443	4,434
Office Supplies	1,486	165	1,651
Outdoor and other Equipment	27,973	3,108	31,081
Outside Services (Note 7)	183,564	20,396	203,960
Postage & Printng	6,116	680	6,795
Rent	49,163	5,463	54,625
Salary, Benefits, and Payroll Taxes	162,214	18,024	180,238
Telephone	4,789	532	5,321
Utilities	52,182	5,798	57,980
Uniforms	1,362	151	1,513
Waste Disposal	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 913,172</u>	<u>\$ 101,464</u>	<u>\$ 1,014,636</u>

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

GREATER THIRD AVENUE IMPROVEMENT ASSOCIATION

Statement of Cash Flows - Tax Basis
For the Year Ended December 31, 2025

Cash Flows Used for Operating Activities:	
Increase/(Decrease) in Net Assets	\$ (28,408)
Adjustments to Reconcile Net Assets to	
Net Cash From /(Used) in Operating Activities:	
Depreciation	30,983
Increase/(Decrease) in Accounts Receivable	-
Increase/(Decrease) in Accounts Payable	-
Total Adjustments	<u>30,983</u>
Net Cash Provided / (Used) in Operating Activities	<u>2,575</u>
Cash Flows from Investing Activities:	-
Cash Flows from Financing Activities:	-
Net Increase / (Decrease) in Cash	<u>2,575</u>
Cash at the Beginning of the Period	<u>92,674</u>
Cash at the End of the Period	<u>\$ 95,249</u>

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

GREATER THIRD AVENUE IMPROVEMENT ASSOCIATION

Notes to Financial Statements - unaudited

December 31, 2024

NOTE 1 - Association

Greater Third Avenue Improvement Association, doing business as Downtown Chula Vista Association ("the Association"), was established on December 20, 2021, as a California 501(c)(3) not-for-profit mutual benefit corporation. The Association was established to:

- a. Enhance and promote the economic interest of Downtown Chula Vista for cultural, civic, and social activities.
- b. Encourage, stimulate, and improve the business conditions in Downtown Chula Vista for retailers, restaurants, entertainment establishments, service businesses and professionals, and to promote retail and other commercial activities in the area.
- c. Improve and preserve the appearance through enhanced maintenance activities, such as graffiti removal, power washing of sidewalks and landscaping.
- d. Organize and operate programs, events, and festivals for the promotion and betterment of business in Downtown Chula Vista.
- e. Promote a positive identity for the area through advertising and public relations programs and the sponsorship of public events, promotions, and festivals.
- f. At the September 1, 2021 board meeting of Third Avenue Village Association ("TAVA"), a 501(c)(6) non-profit association, the board approved the formation of a new non-profit association. On December 20, 2021, TAVA's Board of Directors formed Greater Third Avenue Improvement Association, with the express purpose of receiving tax deductible donations from the general public and to assume the Association's rights and obligations and continue performing the Association's duties and activities including contracts with the City of Chula Vista and payroll. On July 15, 2024, TAVA's Board of Directors authorized its staff to dissolve "TAVA" and the transfer all its assets to Greater Third Avenue Improvement Association.

NOTE 2 - Summary of significant accounting policies

Basis of Accounting

The accompanying financial statements of the Association have been prepared on the of accounting use for income tax purposes. The tax basis of accounting records revenues and expenses when funds are received or paid, respectively, and the acquisition of long live assets are expense through-out their useful lives as depreciation.

Basis of Presentation

The Association reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors or granters: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Association, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Association's ongoing programs. Nonoperating activities are limited to resources that generate return from long-term investments and other activities considered to be of a more unusual or nonrecurring nature.

Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are available to be issued. The Association recognizes in the financial statements, the effects of all subsequent events that provide additional evidence about conditions that existed at that date, including the estimates inherent in the process of preparing financial statements. The Association's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after that date and before the financial statements are available to be issued.

The Association has evaluated all subsequent events through September 3, 2026, which is the date the financial statements were available for issuance and concluded that there were no events or transactions that needed to be disclosed.

Income Taxes

The Association, a not-for-profit association operating under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue Taxation Code, is exempt from federal, state, and local income taxes. Accordingly, no provision for

income taxes is included in the financial statements. The Association's Form 990, Return of Association Exempt from Income Tax and State of CA (form 199), for the years ending 2022, 2023, and 2024 are subject to examination by the IRS and State of CA, generally for three years after they were filed.

Property and Equipment

The Association capitalizes all expenditures of property and equipment in excess of \$500. Purchased property and equipment are stated at cost. Donated property and equipment are carried at fair value at the date of donation. Depreciation is computed under the straight-line method, with estimated useful lives ranging from five to fifteen years.

Transportation Equipment	5 Years
Office Furniture and Equipment	5 Years
Design Improvements	15 years

Advertising Costs

The Association expenses advertising and communication costs as they are incurred.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Association. However, many individuals volunteer their time and perform a variety of tasks that assist the Association with various committee assignments. Contributed services through volunteers are not recorded in the financial statements for donated services as they generally do not meet the criteria described above. There were no donated services recorded in the financial statements for this year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure 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. However, management believes that differences, if any, would not be significant.

NOTE 3 - Property business improvement district funds

The Downtown Chula Vista Property-Based Improvement District (PBID) is a special benefit assessment district that conveys special benefits to the properties located within the district boundaries. The PBID is funded by an assessment levied on the property owners located within the district. The assessment is calculated using acreage and street frontage. The Association provides and contracts services

to allow the PBID to carry out its nature of activities related to the marketing and maintenance of downtown Chula Vista, including cleaning, safety and information, and enhancing the image of downtown Chula Vista. The PBID was established in 2001 and last renewed in January 2016 for ten years.

NOTE 4 - Business improvement district funds

The Business Improvement District (BID) was established in 1971 to promote events and retail trade in addition to decorating and furnishing music in public places in downtown Chula Vista. The Association provides such services on behalf of business owners located in the BID. The City of Chula Vista collects an additional amount from each business owner at the same time it levies the annual business license. The additional amount imposed by the BID varies depending on the type of business. The Association requests reimbursement for qualified expenses incurred to the extent there is a balance on hand in the BID account held by the City of Chula Vista.

NOTE 5 - Events revenues

The Association organizes and operates the Farmer's Market, Dia De Los Muertos, and Taste of Third Avenue during the year to promote Downtown Chula Vista. The primary source of the event revenue are booth rental fees, grants, and sponsorships.

NOTE 6 - Property and equipment

Property and equipment at December 31, 2025, consists of the following:

Office equipment and furniture	\$131,776
Improvements	98,302
Transportation equipment	17,527
Less accumulated depreciation	<u>(191,201)</u>
	<u>\$ 56,404</u>

NOTE 7 - Outside services

For the fiscal year ended December 31, 2025, the Association contracted the following services to outside vendors:

New City America administration of PBID & BID	\$192,000
Landscaping	<u>11,960</u>
Total	<u>\$ 203,960</u>

NOTE 8 – Liquidity and availability of resources

The Association's financial assets available for general expenditure, that is without donor restrictions limiting their use within one year of the statement of position date, are as follows:

Cash and cash equivalents	<u>\$ 95,249</u>
Total financial assets available within one year	<u>95,249</u>
Less:	
Amounts unavailable for general expenditures withing one year due to:	
Restricted by donors with purpose of restrictions	-
Amounts unavailable to management without Board of Directors approval	-
Total financial assets available to management For general expenditure within one year	<u>\$ 95,249</u>

NOTE 9 – Association’s management & staffing

In August 2021, the Third Avenue Village Association entered into an agreement with New City America , Inc. to administer the Association's PBID and BID with initial term from August 16, 2021 to December 31, 2022, with four (4) additional 1 year extension term. Greater Third Avenue Improvement Association took over this agreement in July 2024 (See also Notes 7 and 10 to the financial statements). The Association replaced the current contract with a new contract on June 11, 2025, when it entered into a new contract with New City America for the period commencing on March 15, 2025 to December 31, 2026.

NOTE 10 - Related parties

During the year ended December 31, 2025, the Association expensed payments made to New City America , Inc. in the amount of \$192,000 to manage the PBID and BID for the services from January 1 to December 31, 2025. The Association's Executive Director is also the President and owner of New City America, Inc. See also Notes 7 and 9 to the financial statements.

NOTE 11 – Lease Agreement

Effective August 1, 2025, the Association leased the office space located at 353 3rd Avenue, Chula, California from San Diego Baja Radio Advertising until December 31, 2028 for \$4,056 per month.

The right-of-use (ROU) assets represent the Association’s right to use underlying assets for the lease term, and the lease liabilities represent the Association’s obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Association has made an accounting policy

Election to use the US Treasury rate to discount future lease payments. The US Treasury rate applied to calculate lease liabilities was 4.39%.

The right-of-use assets as of December 31, 2025 is \$139,875. The future minimum base lease payments required under the lease agreement is as follows:

Year Ending December 31

2026	\$48,672
2027	48,672
2028	48,672
Less Discount	<u>(6,141)</u>
Present value of lease asset & liability	<u>\$139,875</u>