Redwitz
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report and
Financial Statements and
Supplementary Information for

San Diego Tourism Marketing District
(A Nonprofit Organization)

June 30, 2025 and 2024

San Diego Tourism Marketing District
(A Nonprofit Organization)

Contents

Independent Auditors' Report ..... 1 – 2

Financial Statements

Statements of Financial Position 3

Statements of Activities 4

Statements of Functional Expenses 5

Statements of Cash Flows 6

Notes to Financial Statements ..... 7 – 13

Supplementary Information

Schedule I – Schedule of Revenues and Expenditures – TMD Agreement with City of San Diego – Modified O-20096 and O-20096 – June 30, 2025 14

Schedule II – Schedule of Revenues and Expenditures – TMD Agreement with City of San Diego – Modified O-20096, O-20096 and O-19622 – June 30, 2024 15

Schedule III – Statements of Activities by District – Modified O-20096, O-20096, and O-19622 16

Redwitz
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
San Diego Tourism Marketing District
San Diego, California

Opinion

We have audited the accompanying financial statements of San Diego Tourism Marketing District (a nonprofit organization), which comprise the statements 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of San Diego Tourism Marketing District as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of San Diego Tourism Marketing District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about San Diego Tourism Marketing District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 San Diego Tourism Marketing District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about San Diego Tourism Marketing District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules I, II, and III are presented for purposes of additional analysis and are not a required part 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Redwitz, Inc.

La Jolla, California
December 12, 2025

San Diego Tourism Marketing District

Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Current assets		
Cash	$ 5,880,138	$ 5,581,564
Accounts receivable	-	6,683,671
City holdbacks	17,069,381	19,899,955
Prepaid expenses	42,603	29,923
Total current assets	22,992,122	32,195,113
Total assets	$ 22,992,122	$ 32,195,113
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 3,828,289	$ 9,755,329
Deferred revenue	14,330,819	18,536,050
Total current liabilities	18,159,108	28,291,379
Total liabilities	18,159,108	28,291,379
Net assets		
Net assets without donor restrictions	4,833,014	3,903,734
Total net assets	4,833,014	3,903,734
Total liabilities and net assets	$ 22,992,122	$ 32,195,113

San Diego Tourism Marketing District

Statements of Activities
For the Years Ended June 30, 2025 and 2024

	2025	2024
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and support		
Tourism Marketing District revenue	$ 51,745,496	$ 52,751,443
Interest income	1,028,501	756,983
Other income	67,935	288,259
Total revenue and support	52,841,932	53,796,685
Expenses		
Program services		
Allocations to grant recipients	50,371,932	51,492,095
Total program services	50,371,932	51,492,095
Support services		
Management and general		
SDTMD operations	1,159,292	1,022,958
Administrative fee to the City of San Diego	381,428	295,475
Total support services	1,540,720	1,318,433
Increase in net assets without donor restrictions	929,280	986,157
Net assets, beginning of year	3,903,734	2,917,577
Net assets, end of year	$ 4,833,014	$ 3,903,734

San Diego Tourism Marketing District

Statements of Functional Expenses
For the Years Ended June 30, 2025 and 2024

	2025				2024			
		Support Services				Support Services		
	Program Services	SDTMD Operations	Administrative fee to the City of San Diego	Total	Program Services	SDTMD Operations	Administrative fee to the City of San Diego	Total
Advertising	$ 28,215,395	$ -	$ -	$ 28,215,395	$ 30,084,134	$ -	$ -	$ 30,084,134
Advertising agency fees	2,906,176	-	-	2,906,176	2,618,887	-	-	2,618,887
Bank service fees	-	90	-	90	-	-	-	-
Bid fees/team payouts	1,576,213	-	-	1,576,213	1,321,878	-	-	1,321,878
City administration fee	-	-	381,428	381,428	-	-	295,475	295,475
Dues/subscriptions/memberships	331,823	10,083	-	341,906	326,305	10,397	-	336,702
Entertainment	25,000	-	-	25,000	7,500	-	-	7,500
Event registration fees	308,082	-	-	308,082	253,462	-	-	253,462
Insurance	-	32,548	-	32,548	-	32,116	-	32,116
Insurance - workers compensation	-	762	-	762	-	1,268	-	1,268
Lead generation services	73,886	-	-	73,886	69,274	-	-	69,274
Marketing materials/promotional items	58,855	-	-	58,855	45,935	-	-	45,935
Meals	-	104	-	104	-	-	-	-
Occupancy	-	8,478	-	8,478	-	8,027	-	8,027
Office supplies	-	210	-	210	-	422	-	422
Outside contractors	4,768,335	747,656	-	5,515,991	4,392,999	631,884	-	5,024,883
Parking	-	64	-	64	-	-	-	-
Payroll processing	-	3,793	-	3,793	-	3,695	-	3,695
Payroll tax	-	15,084	-	15,084	-	14,525	-	14,525
Personnel benefits	1,057,932	57,628	-	1,115,560	959,198	48,712	-	1,007,910
Personnel salaries and wages	5,952,125	281,278	-	6,233,403	5,356,242	270,459	-	5,626,701
Postage and shipping	-	644	-	644	-	346	-	346
Printing and reproduction	-	870	-	870	-	1,107	-	1,107
Rentals - remote sales office	1,544	-	-	1,544	17,292	-	-	17,292
Research	555,983	-	-	555,983	642,254	-	-	642,254
Special event production	128,904	-	-	128,904	227,671	-	-	227,671
Sponsorships	562,452	-	-	562,452	1,433,501	-	-	1,433,501
Trade show	201,260	-	-	201,260	500	-	-	500
Travel	282,320	-	-	282,320	297,361	-	-	297,361
Allocated grant recipient overhead	3,365,647	-	-	3,365,647	3,437,702	-	-	3,437,702
Total expenses	$ 50,371,932	$ 1,159,292	$ 381,428	$ 51,912,652	$ 51,492,095	$ 1,022,958	$ 295,475	$ 52,810,528

See accompanying notes to financial statements

San Diego Tourism Marketing District

Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	$ 929,280	$ 986,157
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Decrease (increase) in current assets		
Accounts receivable	6,683,671	(825,885)
City holdbacks	2,830,574	5,564,275
Prepaid expenses	(12,680)	76,195
Accrued interest income	-	3,129
(Decrease) increase in current liabilities		
Accounts payable	(5,927,040)	3,482,164
Deferred revenue	(4,205,231)	(5,717,242)
Net cash provided by operating activities	298,574	3,568,793
CASH FLOWS FROM INVESTING ACTIVITIES:		
Advances to grant recipients	(5,000,000)	3,000,000
Collection of advances to grant recipients	5,000,000	(3,000,000)
Net cash provided by investing activities	-	-
Net increase in cash	298,574	3,568,793
Cash, beginning of year	5,581,564	2,012,771
Cash, end of year	$ 5,880,138	$ 5,581,564

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of business

San Diego Tourism Marketing District ("SDTMD") is a nonprofit mutual benefit corporation, incorporated on November 14, 2007, and organized under the California Nonprofit Mutual Benefit Corporation Law. SDTMD began operations on April 1, 2008. SDTMD is a funding conduit for the development and implementation of effective marketing programs and services that benefit the assessed businesses within the Tourism Marketing District ("TMD"). SDTMD is responsible for the allocation and distribution of the available revenue and contracts with qualified third-party vendors to supply marketing programs and services as required and approved by the Board of Directors. All recipients of funding are required to clearly demonstrate a measurable return on investment for the programs or services they propose, as measured by incremental new room nights generated.

The TMD was formed pursuant to San Diego City Ordinance O-19622 N.S. The ordinance allows qualifying lodging businesses to create a district within which businesses pay assessments to fund programs and services that specifically benefit the assessed lodging businesses. The TMD assessment is based upon 2% of gross room revenue from transient stays for lodging businesses with seventy (70) or more sleeping rooms operating within the City of San Diego ("City") and is remitted and reported to the City. The City oversees the collection of the assessments and ensures that the expenditure of funds is consistent with the TMD Management Plan. TMD funds are released to SDTMD after SDTMD has reimbursed its grant recipients. The original district ("O-19622") was established by a procedural ordinance for a five-year term that ended December 31, 2012.

The renewed TMD ("O-20096") was formed pursuant to San Diego City Ordinance O-20096 and was approved for thirty-nine and one-half (39.5) years with collections commencing January 1, 2013. There are two benefit categories in O-20096. Each benefit category is designed so that the activities provided in connection with that category will confer exclusive privileges and a specific benefit directly to assessed businesses. Category A which includes lodging businesses in the district with thirty (30) or more rooms with an assessment rate of 1.45% and Category B which includes all lodging businesses in the district, regardless of size, with an assessment rate of .55%. SDTMD entered into an agreement with the City to operate O-20096 for a five-year period until November 25, 2017, with a provision to extend beyond the term for three 10-year terms.

On August 2, 2016 the Council of the City of San Diego adopted Resolution Number R-310664 modifying the District Management Plan, ("Modified O-20096") eliminating the A and B funding categories, and defining lodging businesses as those with seventy (70) or more rooms. The effective date of the modification is November 1, 2016. SDTMD entered into an agreement with the City to operate the modified district for a five-year period until October 31, 2021. Effective July 1, 2020, the agreement with the City to operate the modified district was extended for a ten-year term expiring June 30, 2030.

Basis of accounting

SDTMD's financial statements have been prepared on the accrual basis of accounting.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of presentation

SDTMD's financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require SDTMD to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of SDTMD. These net assets may be used at the discretion of SDTMD's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of SDTMD or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

At June 30, 2025 and 2024, SDTMD had no net assets with donor restrictions.

Revenue and support

SDTMD's sources of revenue come from TMD assessments, penalties, and interest. The entire TMD program described in the District Management Plan includes activities paid by assessments and other non-assessment revenue. Under the provisions of SDTMD's agreement with the City, a pooled fund was established by the City for the receipt and disbursement of TMD assessments and other City administered assets. The fund, along with any interest earned on the City's investment pool, is administered by the City's auditor and comptroller. At June 30, 2025 and 2024, the estimated balance of SDTMD's share of the pooled fund is included in City holdbacks on the statements of financial position.

Revenue from assessments is recognized at a point in time in the year in which the performance obligation is met, which is the time that the offsetting liability to grant recipients is incurred and operating expenses are paid. Thus, deferred assessment revenue includes assessments collected but not expended as of June 30, 2025 and 2024.

Interest income relates to earnings from the City's investment pool. The City credits SDTMD with a portion of the interest earned from the City's investment pool based on SDTMD's average share of the pool. Penalty revenue is derived from delinquent assessments. Interest and penalty revenue are recognized at a point in time as it is reported by the City's comptroller.

Functional expenses

The costs of providing the program and administrative activities have been summarized on a functional basis in the statement of activities. By contract agreement with the City of San Diego, administrative expenses incurred by SDTMD are not allocated to program expenses as they are costs related to corporate governance.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional expenses (continued)

The cost allocation methodology approved by SDTMD for grant recipients is modeled on 2CFR Part 230. SDTMD requires general and administrative costs and other indirect costs to be pooled for allocation for grant recipients requesting assessment funds to support indirect costs. The basis of allocation is on the modified total direct cost basis. This methodology requires overhead costs to be pooled and allocated to program costs based on total program direct costs modified by removing certain direct costs from the denominator such as subcontractor and media buys, that if not removed would result in an inequitable allocation of overhead to programs. The overhead pool includes costs associated with grant recipient facility and corporate governance such as professional services, executive and administrative compensation, depreciation, corporate compliance, office supplies, liability insurance, hospitality supplies, employee morale, training, supervision, and recruitment. Grant recipients overhead allocations are approved in the budget process.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from these estimates.

Interest revenue as reported by the City is subject to change given the timing of the City's year-end close and audit; it is reasonably possible that the interest income amount may change in the near term.

Income taxes

SDTMD is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code and similar provisions of the California Revenue and Taxation code. SDTMD may be subject to income taxes on any unrelated business income over $1,000.

Management of SDTMD considers the likelihood of taxes imposed by taxing authorities and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to SDTMD's status as a nonprofit organization. Management believes SDTMD has met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore no provision for income taxes has been provided in these financial statements.

SDTMD's exempt return filings for the past three years are subject to examination by tax authorities.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurements

Fair value is defined as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The U.S. GAAP fair value framework uses a three-tiered approach and fair value measurements are classified and disclosed in one of the following three categories:

Level 1 – unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2 – quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and

Level 3 – prices or valuation techniques where little or no market data is available that requires inputs that are both significant to the fair value measurement and unobservable.

The carrying amount reflected in the statements of financial position for cash, accounts receivable, City holdbacks, prepaids, accounts payable, and deferred revenue approximates fair values due to the relative short maturities of these instruments.

Leases

The SDTMD determines if an arrangement is a lease, or contract contains a lease, at inception and classifies the lease as operating or finance. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. SDTMD recognizes a ROU lease asset for the right to use the underlying assets for the lease term and a lease liability for the obligation to make lease payments. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent.

SDTMD made an accounting policy election to not recognize ROU assets and lease liabilities for short-term leases that have terms of 12 months or less at commencement date and do not include a purchase option that the SDTMD is more than reasonably certain to exercise. Short-term leases are reported as lease expense on a straight-line basis over the lease term. SDTMD also elected an accounting policy to use a risk-free rate for a period comparable with that of the lease term for all leases and to account for lease and non-lease components separately. Lease terms may include options to extend or terminate the lease when it is reasonably certain that SDTMD will exercise that option.

Subsequent events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. The SDTMD had no subsequent events that required recognition or disclosure in the financial statements for the fiscal year ended June 30, 2025. Subsequent events were evaluated through December 12, 2025, which is the date the financial statements were available to be issued.

NOTE 2. ACCOUNTS RECEIVABLE

Accounts receivable, comprised primarily of advances receivable from the City of San Diego, were as follows:

	June 30, 2025	June 30, 2024
Beginning of year	$ 6,683,671	$ 5,857,786
End of year	$ -	$ 6,683,671

Accounts receivable - O-19622

Under O-19622, the City remits assessments collected to SDTMD as reimbursement requests are submitted to the City by SDTMD. Reimbursements of SDTMD submissions are made within 30 days of submission, beyond which they are considered delinquent. There were no delinquent reimbursements at June 30, 2025 and 2024.

Accounts receivable - O-20096 and Modified O-20096

Under O-20096 and Modified O-20096, the City remits assessments to SDTMD as collected less City holdbacks of opportunity/catastrophe reserve, and City administration fees. SDTMD receives remittances from the City on a monthly basis. The monthly remittances are comprised of assessments collected, penalty income collected, and interest income earned on pooled investments, during the prior period less City holdbacks. Subsequently, the SDTMD submits reconciliation reports to support expenditures against the City remittances.

NOTE 3. CITY HOLDBACKS

City holdbacks are assessments collected by the City and unremitted to SDTMD to fund the opportunity/catastrophe reserve. Other City holdbacks consist of assessments collected and unremitted by the City in excess of the amounts held to fund the required reserves and SDTMD budgeted expenditures.

City holdbacks (amounts that will be held in reserve for less than one year) are comprised of the following at June 30, 2025 and 2024:

	2025	2024
Opportunity/catastrophe reserve	$ 13,353,455	$ 12,199,238
Other City holdbacks	3,715,926	7,700,717
Total City holdbacks	$ 17,069,381	$ 19,899,955

NOTE 4. ACCOUNTS PAYABLE

The balances in accounts payable at June 30, 2025 and 2024 consist of the following:

	2025	2024
Unpaid reimbursement requests from grant recipients	$ 3,799,851	$ 9,704,235
Unpaid administrative invoices	28,438	51,094
Total accounts payable	$ 3,828,289	$ 9,755,329

NOTE 5. DEFERRED REVENUE

Deferred revenue consists of unspent assessments which include opportunity/catastrophe reserve required under the provision of the City contract, unbudgeted and/or unspent variable distributions from competitive applications, and under spent administrative costs. The balance in deferred revenue as of June 30, 2025 and 2024 is $14,330,819 and $18,536,050, respectively, and relates to Modified O-20096.

NOTE 6. ASSESSMENT CONTRACT

O-19622

On April 1, 2008, SDTMD entered into an agreement with the City to operate the TMD. The City collects the assessment revenue and maintains the funds in treasury. The board of directors of SDTMD contracts with local organizations to promote the San Diego lodging industry. SDTMD requests reimbursement from the City for all expended funds. SDTMD requires its grant recipients to provide detailed documentation to support their expenditures in order to ensure only eligible items are being expended with TMD funds. This agreement terminated on March 31, 2013, with the expiration of the initial district.

O-20096 and Modified O-20096

On November 26, 2012, SDTMD entered into an agreement with the City to operate the renewed TMD district and subsequently modified the TMD district on August 2, 2016. The board of directors of SDTMD contracts with local organizations to promote the San Diego lodging industry. The City collects the assessment revenue and advances the proceeds directly to SDTMD net of the budgeted opportunity/catastrophe reserve, 5% of assessments, and the City administration fees. On at least a monthly basis, SDTMD submits reconciliation reports to the City accounting for all the expended funds. SDTMD requires its grant recipients to provide detailed documentation to support their expenditures in order to ensure only eligible items are being expended with TMD funds.

As of June 30, 2025 and 2024, management of SDTMD asserts that the Organization was in compliance with the terms of the City's agreement. See supplementary Schedules I and II for budget-to-actual comparisons.

NOTE 7. CONCENTRATIONS

SDTMD maintains its cash balances in bank deposit accounts which, at times, may exceed federally insured limits. SDTMD has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash. At June 30, 2025 and 2024, SDTMD had uninsured cash balances of $7,544,640 and $5,616,108, respectively.

As of June 30, 2025 and 2024, TMD assessments and interest thereon make up 100% of the funds received by SDTMD from the City and the related accrued interest income, and City holdbacks make up approximately 74% and 83% of total assets, respectively.

NOTE 8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects SDTMD's financial assets as of June 30, 2025 and 2024 available for general expenditures within one year:

	2025	2024
Financial assets at year end:		
Cash	$ 5,880,138	$ 5,581,564
Accounts receivable	-	6,683,671
City holdbacks	17,069,381	19,899,955
Total financial assets available to meet general expenditures within one year:	$ 22,949,519	$ 32,165,190

At June 30, 2025 and 2024, none of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

SUPPLEMENTARY INFORMATION

San Diego Tourism Marketing District

Schedule I - Schedule of Revenues and Expenditures - TMD Agreement with City of San Diego - Modified O-20096 and O-20096
For the Year Ended June 30, 2025

	Modified O-20096	O-20096	Total	Budget	Difference
REVENUES					
Assessments	$ 47,537,085	$ 3,180	$ 47,540,265	$ 47,270,481	$ 269,784
Prior year deferred/budgeted reserves	18,536,050	-	18,536,050	16,626,697	1,909,353
Total assessments	66,073,135	3,180	66,076,315	63,897,178	2,179,137
Less: deferred revenue/budgeted reserves	(14,330,819)	-	(14,330,819)	(10,348,598)	(3,982,221)
Assessment revenues realized	51,742,316	3,180	51,745,496	53,548,580	(1,803,084)
Penalty income	67,140	795	67,935	-	67,935
Interest income	952,333	76,168	1,028,501	-	1,028,501
Total revenues	52,761,789	80,143	52,841,932	53,548,580	(706,648)
EXPENSES					
Competitive Applications					
Targeted Marketing and Sales Programs	25,209,739	-	25,209,739	25,818,497	(608,758)
Destination Marketing	25,162,193	-	25,162,193	25,589,595	(427,402)
Total Competitive Applications	50,371,932	-	50,371,932	51,408,092	(1,036,160)
Administration					
Personnel	354,751	-	354,751	365,592	(10,841)
Contractual services	747,657	-	747,657	860,474	(112,817)
Overhead	56,884	-	56,884	70,939	(14,055)
Contingency	-	-	-	493,483	(493,483)
Administrative fee to the City of San Diego	211,092	170,336	381,428	350,000	31,428
Total SDTMD operating expenses	1,370,384	170,336	1,540,720	2,140,488	(599,768)
Total expense	51,742,316	170,336	51,912,652	53,548,580	(1,635,928)
Increase in net assets without donor restrictions	$ 1,019,473	$ (90,193)	$ 929,280	$ -	$ 929,280
DEFERRED REVENUE					
Operations	$ 977,364	$ -	$ 977,364	$ 1,581,086	$ (603,722)
Opportunity/catastrophe reserve	13,353,455	-	13,353,455	8,767,512	4,585,943
Total deferred revenue	14,330,819	-	14,330,819	10,348,598	3,982,221
Total expenditures	51,742,316	170,336	51,912,652	53,548,580	(1,635,928)
Total expenditures and reserves	$ 66,073,135	$ 170,336	$ 66,243,471	$ 63,897,178	$ 2,346,293
BUDGET-TO-ACTUAL FOR COMPETITIVE APPLICATIONS					
San Diego Tourism Authority (SDTA)	$ 47,139,653	$ -	$ 47,139,653	$ 47,955,976	$ (816,323)
Sports San Diego					
Holiday Bowl	400,000	-	400,000	400,000	-
Sports Commission	1,068,994	-	1,068,994	1,170,000	(101,006)
California State Games	220,000	-	220,000	220,000	-
Rady's Invitational	50,000	-	50,000	50,000	-
San Diego Bayfair - Thunderboats	200,000	-	200,000	200,000	-
San Diego Bay Wine & Food Festival	61,026	-	61,026	74,500	(13,474)
La Jolla Historical Society - Concours D'Elegance	74,500	-	74,500	74,500	-
California Police Athletic Federation - United States Police & Fire	71,000	-	71,000	71,000	-
San Diego Crew Classic	156,500	-	156,500	156,500	-
San Diego Bayfest - Mission Bayfest	121,530	-	121,530	122,500	(970)
Del Mar Food and Wine Festival	64,715	-	64,715	74,500	(9,785)
Southern California Tennis Association Fdn-Billie Jean King Girl's	65,000	-	65,000	65,000	-
San Diego Diplomacy Council - SDDC International Visitors Day	18,597	-	18,597	39,606	(21,009)
Youth Tennis San Diego - USTA Adult National Championship	37,704	-	37,704	39,760	(2,056)
Visual Media Group - Day of the Dead Festival	17,100	-	17,100	69,250	(52,150)
Fast Forward Ventures, LLC - Creator West	56,199	-	56,199	65,000	(8,801)
Pro Padel League Operations	45,000	-	45,000	45,000	-
Crafter's Box	37,330	-	37,330	45,000	(7,670)
San Diego Padres - San Diego Rodeo	150,000	-	150,000	150,000	-
Gator by the Bay	67,649	-	67,649	70,000	(2,351)
Wonderfront Holdings LLC - Wonderfront	249,435	-	249,435	250,000	(565)
	$ 50,371,932	$ -	$ 50,371,932	$ 51,408,092	$ (1,036,160)

San Diego Tourism Marketing District

Schedule II - Schedule of Revenues and Expenditures - TMD Agreement with City of San Diego - Modified O-20096, O-20096, and O-19622
For the Year Ended June 30, 2024

	Modified O-2009	O-20096	O-19622	Total	Budget	Difference
REVENUES						
Assessments	$ 47,006,608	$ 6,984	$ 20,609	$ 47,034,201	$ 46,499,959	$ 534,242
Prior year deferred/budgeted reserves	18,406,215	5,847,077	-	24,253,292	23,852,582	400,710
Total assessments	65,412,823	5,854,061	20,609	71,287,493	70,352,541	934,952
Less: deferred revenue/budgeted reserves	(18,515,441)	-	(20,609)	(18,536,050)	(14,106,085)	(4,429,965)
Assessment revenues realized	46,897,382	5,854,061	-	52,751,443	56,246,456	(3,495,013)
Penalty income	287,308	951	-	288,259	-	288,259
Interest income	609,882	146,872	229	756,983	-	756,983
Total revenues	47,794,572	6,001,884	229	53,796,685	56,246,456	(2,449,771)
EXPENSES						
Competitive Applications						
Targeted Marketing and Sales Programs	19,788,767	5,847,077	-	25,635,844	25,381,038	254,806
Destination Marketing	25,856,251	-	-	25,856,251	28,196,030	(2,339,779)
Total Competitive Applications	45,645,018	5,847,077	-	51,492,095	53,577,068	(2,084,973)
Administration						
Personnel	334,964	-	-	334,964	339,800	(4,836)
Contractual services	631,884	-	-	631,884	857,021	(225,137)
Overhead	56,110	-	-	56,110	69,022	(12,912)
Contingency	-	-	-	-	1,103,545	(1,103,545)
Administrative fee to the City of San Diego	229,407	66,068	-	295,475	300,000	(4,525)
Total SDTMD operating expenses	1,252,365	66,068	-	1,318,433	2,669,388	(1,350,955)
Total expense	46,897,383	5,913,145	-	52,810,528	56,246,456	(3,435,928)
Increase in net assets without donor restriction	$ 897,189	$ 88,739	$ 229	$ 986,157	$ -	$ 986,157
DEFERRED REVENUE						
Operations	$ 921,635	$ -	$ -	$ 921,635	$ 1,436,897	$ (515,262)
Opportunity/catastrophe reserve	17,593,806	-	20,609	17,614,415	12,669,188	4,945,227
Transfer of deferred revenue to O-20096	20,609	-	(20,609)	-	-	-
Total deferred revenue	18,536,050	-	-	18,536,050	14,106,085	4,429,965
Total expenditures	46,897,383	5,913,145	-	52,810,528	56,246,456	(3,435,928)
Total expenditures and reserves	$ 65,433,433	$ 5,913,145	$ -	$ 71,346,578	$ 70,352,541	$ 994,037
BUDGET-TO-ACTUAL FOR COMPETITIVE APPLICATIONS						
San Diego Tourism Authority (SDTA)	$ 42,918,232	$ 5,847,077	$ -	$ 48,765,309	$ 50,765,068	$ (1,999,759)
Sports San Diego				-		
Holiday Bowl	435,000	-	-	435,000	435,000	-
Sports Commission	970,535	-	-	970,535	985,000	(14,465)
California State Games	181,500	-	-	181,500	181,500	-
Rady's Invitational	30,000	-	-	30,000	30,000	-
California Police Athletic Federation	70,657	-	-	70,657	71,000	(343)
Gator by the Bay	69,284	-	-	69,284	70,000	(716)
La Jolla Historical Society - Concours D'Elegance	73,887	-	-	73,887	74,500	(613)
Petco Park Events - San Diego Rodeo	150,000	-	-	150,000	150,000	-
San Diego Bay Wine & Food Festival	69,112	-	-	69,112	74,500	(5,388)
San Diego Crew Classic	127,811	-	-	127,811	145,500	(17,689)
Southern California Tennis Association - BJK	65,000	-	-	65,000	65,000	-
Southern California Tennis Association Fnd - 2023 SD Open	93,000	-	-	93,000	95,000	(2,000)
Southern California Tennis Association Fnd - 2024 SD Open	135,000	-	-	135,000	135,000	-
Youth Tennis San Diego-USTA Adult National Championship	6,000	-	-	6,000	50,000	(44,000)
Wonderlust Events, LLC - Wonderfront	250,000	-	-	250,000	250,000	-
	$ 45,645,018	$ 5,847,077	$ -	$ 51,492,095	$ 53,577,068	$ (2,084,973)

San Diego Tourism Marketing District

Schedule III - Statements of Activities by District - Modified O-20096, O-20096, and O-19622
For the Years Ended June 30, 2025 and 2024

	2025				2024			
	Modified O-20096	O-20096	O-19622	Total	Modified O-20096	O-20096	O-19622	Total
Revenue and support								
Tourism Marketing District revenue	$ 51,742,316	$ 3,180	$ -	$ 51,745,496	$ 46,897,382	$ 5,854,061	$ -	$ 52,751,443
Interest income	952,333	76,168	-	1,028,501	609,882	146,872	229	756,983
Other income	67,140	795	-	67,935	287,308	951	-	288,259
Total revenue and support	52,761,789	80,143	-	52,841,932	47,794,572	6,001,884	229	53,796,685
Expenses								
Program services								
Direct expenses to grant recipients	50,371,932	-	-	50,371,932	45,645,018	5,847,077	-	51,492,095
Total program expenses	50,371,932	-	-	50,371,932	45,645,018	5,847,077	-	51,492,095
Support services								
Management and general								
SDTMD operations	1,159,292	-	-	1,159,292	1,022,958	-	-	1,022,958
Administrative fee to the City of San Diego	211,092	170,336	-	381,428	229,407	66,068	-	295,475
Total support services expense	1,370,384	170,336	-	1,540,720	1,252,365	66,068	-	1,318,433
Increase in net assets without donor restrictions	1,019,473	(90,193)	-	929,280	897,189	88,739	229	986,157
Net assets, beginning of year	2,233,909	1,669,825	-	3,903,734	1,333,362	1,581,086	3,129	2,917,577
Net asset fund transfer	-	-	-	-	3,358	-	(3,358)	-
Net assets, end of year	$ 3,253,382	$ 1,579,632	$ -	$ 4,833,014	$ 2,233,909	$ 1,669,825	$ -	$ 3,903,734