



**2017-2018  
REVISED BID BOARD of DIRECTORS MEETING AGENDA**

Date: November 29, 2018  
Location: HB Art Center  
538 Main Street  
Huntington Beach, CA 92648

Day: Thursday  
Time: 9:00 AM

<b>1. Call to Order</b>
<b>2. 2017-18 Board of Director's Roll Call</b> Board Members: Matt Peterson, Bob Bolen, Mike Williams, Lizzie Raudenbush, Dave Shenkman, Kate Leigh, Michelle Vespe, and Max Schultz. Past President: Steve Daniels HBDBID Staff: Marianne Tonjes, Darci Henderson
<b>3. Public Comments</b> <i>This is the time of the meeting for the Board of Directors to receive comments from the public regarding items of interest or agenda items. Pursuant to the Brown (Open Meetings) Act, the Board of Directors may not enter into discussion regarding items not on the agenda. Each speaker is allowed three minutes, and time may not be donated to another speaker.</i>
<b>4. Approve Minutes</b> a. <b>Recommendation:</b> Adopt the Minutes of the October 11, 2018, Board Meeting. Attachment 4a. b. <b>Recommendation:</b> Adopt the Minutes of the October 22, 2018, Special Board Meeting. Attachment 4b.
<b>5. Treasurer Report - Financials</b> a. Information: Treasurer Mike Williams will report on the current financial information provided by the CPA.  <b>Recommendation:</b> Approve the August and September financial reports for the HBDBID and Surf City Nights CPA. Attachment 5a – 5a3. b. Information: Due to the change in the Visit Huntington HB's fiscal year the HBDBID portion of the Ambassador program will be \$3,000/month through June 30, 2019, rather than \$4,000/month.
<b>6. President Report</b> a. Information: Matt Peterson will present the names of the 2018-19 HBDBID Board of



Directors.

**Recommendation:** Certify the election results and the 2018-19 Huntington Beach Downtown Business Improvement District Board of Directors.

#### 7. Executive Committee

- a. Information: Per the HBDBID Bylaws, the nominating committee met and proposed a slate for the Executive Committee from the newly elected Board of Directors. The current executive board reviewed the recommendations and will present the names of the qualified slate of officers for the entire Board of Director's to approve.

**Recommendation:** Approve the slate of officers for the 2018-19, HBDBID Board of Directors.

#### 8. 2018-19 Board of Director's Roll Call

Information: The 2017-18 HBDBID Board of Directors will be seated while the 2018-19 Board of Directors and officers proceed with overseeing the meeting.

#### Staff Reports:

##### 9. BID Manager-Contractor

Information: Marianne Tonjes will report on BID activities.

##### 10. Events Coordinator

- a. Information: Darci Henderson will report on Surf City Nights.  
b. Information: Darci Henderson will report on Halloween Fest.  
c. Information: Darci Henderson will report on Miracle on Main Street.

#### Other:

##### 11. Signatures

Information: Due to changes in the Board of Directors, we need additional Board members who can sign checks. Checks require two Board member's signatures.

**Recommendation:** Approve adding Dave Shenkman to the list of authorized Board members who can sign checks for the HBDBID.

##### 12. Security Contract

- a. Information: The pilot program has been completed and the budget approved to continue private security in the HBDBID zone. This contract is for one year but can



be terminated with a 30 day notice.

**Recommendation:** Approve the contract with EES Security through September 30, 2019. Attachment 11a.

### **13. City of HB Business Development Update**

- a. Information: A representative from the City of Huntington Beach may report on important issues regarding businesses and new development in the downtown business improvement district.
- b. Kellee Fritzel will report on Giving Meters and adding a banner at 1<sup>st</sup> and Walnut.

### **14. Announcements**

Light a Light of Love Downtown Parade and activities will be Sunday, December 2, 2018 from 3:30 – 7:00 p.m. on Main Street. This is a Waymakers' event.

### **15. Adjournment**

The next HBDBID Board Meeting is December 13, 2018.

In accordance with the Ralph M Brown Act, Huntington Beach Downtown BID agendas are available for public review outside the City of Huntington Beach Council Chambers at 2000 Main Street and the HBDBID office 315 3<sup>rd</sup> Street, Suite E at least 72 hours prior to each meeting and 24 hours prior to special meetings. Questions on agenda items may be directed to Marianne Tonjes, HBDBID Manager, at 714-536-8300.



**2017-2018**  
**BID BOARD of DIRECTORS' & STAKEHOLDER MEETING MINUTES**

Date: October 11, 2018  
Location: HB Art Center  
538 Main Street  
Huntington Beach, CA 92648

Day: Thursday  
Time: 9:00 AM

<b>1. Call to Order 9:01 AM</b>
<b>2. Roll Call</b> Board Members present: Bob Bolen, Mike Williams, Kate Leigh, Michelle Vespe, Max Schlutz and Past President: Steve Daniel. Board Members absent: Matt Peterson, Lizzie Raudenbush, and Dave Shenkman. HBDBID Staff: Marianne Tonjes, Darci Henderson Also in attendance: City Staff Kellee Fritzal and Councilpersons Patrick Brenden and Erik Peterson.
<b>3. Public Comments</b> Nicole Lido with Visit HB shared the shuttle will be running Saturday and Sunday, October 20 and 21 for the Air Show. Kate Leigh from 5 <sup>th</sup> & PCH shared they are hosting a pilot party on October 18 <sup>th</sup> with emcee Lynette Romero.
<b>4. Approve Minutes</b> <ul style="list-style-type: none"><li>a. Mike Williams motioned to approve the September 20, 2018 BID Board meeting minutes, attachment 4a, Max Schlutz seconded. Ayes:5, Noes:0.</li><li>b. Mike Williams motioned to approve the September 21, 2018 BID Board meeting minutes, attachment 4b, Max Schlutz seconded. Ayes:5, Noes:0.</li><li>c. Kate Leigh motioned to approve the October 4, 2018 BID Board meeting minutes attachment, 4c with the amendment of correcting the date, Max Schlutz seconded. Ayes:5, Noes:0.</li></ul>
<b>5. President Report</b> <ul style="list-style-type: none"><li>a. Vice President Bob Bolen reported the International Surfboard Builders Hall of Fame and Tiki festival will be held on October 13, 2018.</li></ul>
<b>6. Treasurer Report - Financials</b> <ul style="list-style-type: none"><li>a. Treasurer Mike Williams reported on the current financial information provided by the CPA. Mike Williams stated we are tightening up and using the surplus for security.  Kate Leigh motioned to approve the July financials for the HBDBID and Surf City Nights, attachment 6a, Michelle Vespe seconded. Ayes:5, Noes:0.</li><li>b. Treasurer Mike Williams discussed the revised 2018-19 budget, attachment 6b. Mike explained a budget increase for security and a reduction in marketing and contingency.  Kate Leigh motioned to approve the revised 2018-2019 HBDBID budget, attachment</li></ul>



6b, Michelle Vespe seconded. Ayes:5, Noes:0.

- c. Mike Williams also reported he will be transferring \$199,000.00 into the reserve account for a total of \$200,000.00. Mike will next combine the Surf City Nights account with the BID account.

**Staff Reports:**

**7. BID Manager-Contractor**

- a. Marianne Tonjes reported on BID activities. Marianne shared the BID has reduced to the number of events to five, but we support other events from local partners i.e. HB Art Center, International Surf Museum, and Visit HB. Halloween Fest is approaching, and we are collecting candy requests from BID businesses.

**8. Events Coordinator**

- a. Darci Henderson reported Surf City Nights continues with organization and rule implementation with vendors.
- b. Darci Henderson reported on upcoming HBDBID Halloween Fest and Miracle on Main St. We are currently planning and making a few minor changes to these next two BID events. Darci also stated there will be a bike valet on the second block of Main St and VW Buses on the first block during the Air Show.
- c. Darci Henderson postponed requesting a task force to determine the HBDBID Member booth policy and fees until the new board.

**Other Committees**

**9. Events**

- a. Pat Rogers was absent. See event coordinator report.

**10. Beautification**

- a. Bob Bolen wants to continue the discussion about a lighting project downtown. Kellee Fritzal suggested hiring a lighting or landscaping company for a plan and then working with Travis.

**11. Nomination**

- a. Steve Daniel reported the HBDBID Board of Directors elections have reopened. Applications are due by noon on Friday, October 19. New ballots must be postmarked Nov 16.

**Other**

**12. City of HB Business Development Update**

- a. Kellee Fritzal reported the parking structure bathrooms should be open before the Air Show.

**13. Announcements**



- a. Bob Bolen shared an article about cell towers and the dangers. Kellee Fritzel explained there is a difference between macro and micro sites.

**14. Adjournment**

Mike Williams motioned to adjourn the meeting, Max Schlutz seconded. Ayes:5, Noes:0. Meeting adjourned at 9:44 am.

- a. The next HBDBID Board Meeting is November 8, 2018.

**Quarterly Stakeholder Meeting**

- a. BID Manager Marianne Tonjes will provide information on how to contact the HBDBID
- i. President Matt Peterson was not present so Marianne stated that Security personnel was down to two employees per shift and there has been positive feedback from businesses. She stated Matt would make a more involved report on the Downtown Security Program and Possible Design Elements for Pathway to Pacific City at the annual Stakeholder's meeting.

In accordance with the Ralph M Brown Act, Huntington Beach Downtown BID agendas are available for public review outside the City of Huntington Beach Council Chambers at 2000 Main Street and the HBDBID office 315 3<sup>rd</sup> Street, Suite E at least 72 hours prior to each meeting and 24 hours prior to special meetings. Questions on agenda items may be directed to Marianne Tonjes, HBDBID Manager, at 714-536-8300.



**2017-2018  
BID BOARD of DIRECTORS SPECIAL MEETING MINUTES**

Date: October 22, 2018  
Location: HBDBID Office  
315 3<sup>rd</sup> Street Suite E  
Huntington Beach, CA 92648

Day: Monday  
Time: 9:00 AM

**1. Call to Order.** The meeting was called to order at 9:05 am.

Motion by Dave Shenkman, Second by Kate Leigh, Vote 7-0

**2. Roll Call**

Board Members: Matt Peterson, Bob Bolen, Mike Williams, Lizzie Raudenbush, Dave Shenkman, Kate Leigh, Michelle Vespe. Past President: Steve Daniels  
HBDBID Staff: Marianne Tonjes, Darci Henderson

**3. Public Comments**

None

**4.** The Board discussed the new Candidate slate for the 2018 HBDBID Board Elections from the Nominating Committee and polled for the ballot order.

- Tony Duran, EV Rideables
- Kate Leigh, 5th & PCH / A Street Partners
- Roxann Casaccia, Main Street Hair Co.
- Murat "Coach" Koc, Coach's Mediterranean Grill and Epic Gyro
- Malgorzata (Gosia) Napiorkowska, Luigis, Inc.
- Susie Worthy, M. E. Helme House Furnishing Co.
- Danny Othman, 602 Coffee House
- Moe Kanoudi, Main Street Optical and Boutique
- Joseph Mike Ali, Zacks HB
- Brett Barnes, Duke's Huntington Beach

Recommendation: To approve the new candidate slate for the 2018 HBDBID Board elections from the Nominating Committee and the ballot order pulled.

Motion by Dave Shenkman, Second by Kate Leigh, Vote 7-0

**5. Announcements**

Marianne Tonjes stated that the ballots will be available for two weeks and they needed to be postmarked by November 16. The counting at City Hall would be on November 27 and winners announced at the November 29 Board of Director's meeting.



**Huntington Beach Downtown Business  
Improvement District**  
[www.hbdowntown.com](http://www.hbdowntown.com)

## **6. Adjournment**

- a. The Annual Stakeholder Meeting is October 24 at 4:00 pm at the Shorebreak Hotel.

In accordance with the Ralph M Brown Act, Huntington Beach Downtown BID agendas are available for public review outside the City of Huntington Beach Council Chambers at 2000 Main Street and the HBDBID office 315 3<sup>rd</sup> Street, Suite E at least 72 hours prior to each meeting and 24 hours prior to special meetings. Questions on agenda items may be directed to Marianne Tonjes, HBDBID Manager, at 714-536-8300.



McGinty, Knudtson & Associates, LLP  
20422 Beach Blvd Ste 450  
Huntington Beach, CA 92648-8301  
714-536-7777

Downtown BID - Surf City Nights  
315 3rd St  
Suite E  
Huntington Beach, CA 92648  
714-536-8300

Management is responsible for the accompanying financial statements of Downtown BID - Surf City Nights, (a non profit corporation), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of August 31, 2018, and the related statements of revenues and expenses - modified cash basis and cash flows for the 1 Month and the 11 Months then ended in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. 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 statement 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the modified cash basis of accounting. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

McGinty, Knudtson & Associates, LLP

November 26, 2018



Downtown BID - Surf City Nights  
Statement of Assets, Liabilities, and Net Assets - Income Tax Basis  
As of August 31, 2018

Assets

Current Assets	
First Bank - Surf City Nights	\$ 252,837.42
Money Market - SCN	<u>1,000.15</u>
Total Current Assets	<u>253,837.57</u>
Property and Equipment	
Machinery & Equipment	1,659.08
Computers	1,306.31
Less Accumulated Depreciation	<u>(2,501.22)</u>
Net Property and Equipment	<u>464.17</u>
Total Assets	<u><u>\$ 254,301.74</u></u>

Downtown BID - Surf City Nights  
Statement of Assets, Liabilities, and Net Assets - Income Tax Basis  
As of August 31, 2018

Liabilities and Net Assets

Current Liabilities

Total Current Liabilities	0.00
---------------------------	------

Long-Term Liabilities

Total Long-Term Liabilities	0.00
-----------------------------	------

Total Liabilities	0.00
-------------------	------

Net Assets

Other Equity	222,921.15
--------------	------------

Retained Earnings	31,380.59
-------------------	-----------

Total Net Assets	254,301.74
------------------	------------

Total Liabilities and Net Assets	\$ 254,301.74
----------------------------------	---------------

**Downtown BID - Surf City Nights**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**Actual vs. Budget**

	1 Month Ended August 31, 2018 Actual	1 Month Ended August 31, 2018 Budget	11 Months Ended August 31, 2018 Actual	11 Months Ended August 31, 2018 Budget
<b>Sales</b>				
Surf City Nights	\$ 31,829.00	\$ 32,000.00	\$ 291,853.80	\$ 288,000.00
<b>Total Sales</b>	<u>31,829.00</u>	<u>32,000.00</u>	<u>291,853.80</u>	<u>288,000.00</u>
<b>Event Expenses</b>				
Surf City Nights - Operational Expenses	0.00	0.00	2,222.00	0.00
Contract Salaries	0.00	3,000.00	21,585.80	33,000.00
Street Cleaning	225.00	200.00	2,306.04	2,200.00
Entertainment	0.00	0.00	3,500.00	0.00
Licenses & Permits	0.00	141.66	2,932.00	1,558.34
Bank Charges	12.50	25.00	62.50	275.00
Marketing & Advertising	724.89	0.00	5,226.89	0.00
Office Supplies	0.00	0.00	117.53	0.00
Rental & Setup	2,730.00	2,500.00	27,778.78	27,500.00
Parking	1,600.00	750.00	7,890.00	8,250.00
Street Closure/City of HB	1,332.09	600.00	4,813.46	6,600.00
<b>Total Event Expenses</b>	<u>6,624.48</u>	<u>7,216.66</u>	<u>78,435.00</u>	<u>79,383.34</u>
<b>Gross Profit</b>	<u>25,204.52</u>	<u>24,783.34</u>	<u>213,418.80</u>	<u>208,616.66</u>
<b>Operating Expenses</b>				
Marketing & Advertising	0.00	2,500.00	20,744.96	29,700.00
Contract Bonus	0.00	4,800.00	29,127.22	40,000.00
Accounting	225.00	225.00	2,975.00	2,475.00
Licenses & Fees	0.00	0.00	1,496.00	0.00
Rent	0.00	0.00	700.00	0.00
Surf City Nights - Transfer to BID	12,000.00	12,000.00	131,533.42	132,000.00
<b>Total Operating Expenses</b>	<u>12,225.00</u>	<u>19,525.00</u>	<u>186,576.60</u>	<u>204,175.00</u>
<b>Operating Income (Loss)</b>	<u>12,979.52</u>	<u>5,258.34</u>	<u>26,842.20</u>	<u>4,441.66</u>
<b>Other Income (Expenses)</b>				
Interest Income	0.00	0.00	0.15	0.00
Other Income	192.00	0.00	4,538.24	0.00
<b>Total Other Income (Expenses)</b>	<u>192.00</u>	<u>0.00</u>	<u>4,538.39</u>	<u>0.00</u>
<b>Net Income (Loss) Before Taxes</b>	<u>13,171.52</u>	<u>5,258.34</u>	<u>31,380.59</u>	<u>4,441.66</u>
<b>Net Income (Loss)</b>	<u>\$ 13,171.52</u>	<u>\$ 5,258.34</u>	<u>\$ 31,380.59</u>	<u>\$ 4,441.66</u>

**Downtown BID - Surf City Nights**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**12 Month Comparison for 2018**

	10/31/17	11/30/17	12/31/17	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18	Total
<b>Sales</b>													
Surf City Nights	\$ 24,450.00	\$ 22,732.00	\$ 18,472.80	\$ 24,693.00	\$ 23,256.00	\$ 27,997.00	\$ 25,727.00	\$ 37,305.00	\$ 28,284.25	\$ 27,107.75	\$ 31,829.00	\$ 21,313.00	\$ 313,166.80
<b>Total Sales</b>	<b>24,450.00</b>	<b>22,732.00</b>	<b>18,472.80</b>	<b>24,693.00</b>	<b>23,256.00</b>	<b>27,997.00</b>	<b>25,727.00</b>	<b>37,305.00</b>	<b>28,284.25</b>	<b>27,107.75</b>	<b>31,829.00</b>	<b>21,313.00</b>	<b>313,166.80</b>
<b>Cost of Goods Sold</b>													
Surf City Nights - Operational Expenses	0.00	0.00	0.00	0.00	0.00	0.00	2,222.00	0.00	0.00	0.00	0.00	0.00	2,222.00
Contract Salaries	2,917.00	2,917.00	0.00	5,834.00	2,917.00	2,917.00	2,917.00	1,166.80	0.00	0.00	0.00	0.00	21,585.80
Street Cleaning	225.00	0.00	450.00	225.00	112.50	225.00	168.54	225.00	225.00	225.00	225.00	225.00	2,531.04
Entertainment	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00	1,500.00	0.00	0.00	0.00	0.00	3,500.00
Licenses & Permits	0.00	0.00	0.00	0.00	0.00	0.00	540.00	0.00	0.00	2,392.00	0.00	0.00	2,932.00
Bank Charges	0.00	12.50	0.00	12.50	0.00	0.00	0.00	0.00	12.50	12.50	12.50	0.00	62.50
Marketing & Advertising	0.00	0.00	2,102.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	724.89	261.72	5,488.61
Office Supplies	0.00	0.00	0.00	0.00	117.53	0.00	0.00	0.00	0.00	0.00	0.00	72.00	189.53
Rental & Setup	2,400.00	2,400.00	0.00	4,200.00	2,400.00	3,002.20	2,400.00	2,650.00	0.00	5,596.58	2,730.00	2,730.00	30,508.78
Parking	468.00	0.00	922.00	834.00	44.00	2.00	808.00	1,612.00	800.00	800.00	1,600.00	0.00	7,890.00
Street Closure/City of HB	0.00	1,157.83	1,157.83	0.00	(40.41)	0.00	0.00	1,206.12	0.00	0.00	1,332.09	0.00	4,813.46
<b>Total Cost of Goods Sold</b>	<b>6,010.00</b>	<b>6,487.33</b>	<b>4,631.83</b>	<b>11,105.50</b>	<b>5,550.62</b>	<b>8,546.20</b>	<b>11,055.54</b>	<b>8,359.92</b>	<b>1,037.50</b>	<b>9,026.08</b>	<b>6,624.48</b>	<b>3,288.72</b>	<b>81,723.72</b>
<b>Gross Profit</b>	<b>18,440.00</b>	<b>16,244.67</b>	<b>13,840.97</b>	<b>13,587.50</b>	<b>17,705.38</b>	<b>19,450.80</b>	<b>14,671.46</b>	<b>28,945.08</b>	<b>27,246.75</b>	<b>18,081.67</b>	<b>25,204.52</b>	<b>18,024.28</b>	<b>231,443.08</b>
<b>Operating Expenses</b>													
Marketing & Advertising	8,067.77	5,836.01	500.00	2,833.10	550.00	500.00	983.08	1,475.00	0.00	0.00	0.00	0.00	20,744.96
Contract Bonus	3,594.36	3,646.16	0.00	5,415.46	3,621.56	3,276.17	0.00	9,573.51	0.00	0.00	0.00	0.00	29,127.22
Accounting	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	725.00	225.00	225.00	0.00	2,975.00
Licenses & Fees	0.00	0.00	0.00	1,496.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,496.00
Rent	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	700.00
Surf City Nights - Transfer to BID	10,000.00	10,000.00	16,000.00	12,000.00	12,000.00	13,000.00	12,000.00	11,000.00	12,000.00	11,533.42	12,000.00	0.00	131,533.42
<b>Total Operating Expenses</b>	<b>22,587.13</b>	<b>19,707.17</b>	<b>16,725.00</b>	<b>21,969.56</b>	<b>16,396.56</b>	<b>17,001.17</b>	<b>13,208.08</b>	<b>22,273.51</b>	<b>12,725.00</b>	<b>11,758.42</b>	<b>12,225.00</b>	<b>0.00</b>	<b>186,576.60</b>
<b>Operating Income (Loss)</b>	<b>(4,147.13)</b>	<b>(3,462.50)</b>	<b>(2,884.03)</b>	<b>(8,382.06)</b>	<b>1,308.82</b>	<b>2,449.63</b>	<b>1,463.38</b>	<b>6,671.57</b>	<b>14,521.75</b>	<b>6,323.25</b>	<b>12,979.52</b>	<b>18,024.28</b>	<b>44,866.48</b>
<b>Other Income (Expenses)</b>													
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.15
Other Income	519.00	513.00	312.00	884.00	550.00	110.00	0.00	1,218.24	240.00	0.00	192.00	3,012.00	7,550.24
<b>Total Other Income (Expenses)</b>	<b>519.00</b>	<b>513.00</b>	<b>312.00</b>	<b>884.00</b>	<b>550.00</b>	<b>110.00</b>	<b>0.00</b>	<b>1,218.39</b>	<b>240.00</b>	<b>0.00</b>	<b>192.00</b>	<b>3,012.00</b>	<b>7,550.39</b>
<b>Net Income (Loss) Before Taxes</b>	<b>(3,628.13)</b>	<b>(2,949.50)</b>	<b>(2,572.03)</b>	<b>(7,498.06)</b>	<b>1,858.82</b>	<b>2,559.63</b>	<b>1,463.38</b>	<b>7,889.96</b>	<b>14,761.75</b>	<b>6,323.25</b>	<b>13,171.52</b>	<b>21,036.28</b>	<b>52,416.87</b>

Downtown BID - Surf City Nights  
Statement of Revenues & Expenses - Modified Cash Basis  
12 Month Comparison for 2018

	10/31/17	11/30/17	12/31/17	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18	Total
Net Income (Loss)	<u>\$ (3,628.13)</u>	<u>\$ (2,949.50)</u>	<u>\$ (2,572.03)</u>	<u>\$ (7,498.06)</u>	<u>\$ 1,858.82</u>	<u>\$ 2,559.63</u>	<u>\$ 1,463.38</u>	<u>\$ 7,889.96</u>	<u>\$ 14,761.75</u>	<u>\$ 6,323.25</u>	<u>\$ 13,171.52</u>	<u>\$ 21,036.28</u>	<u>\$ 52,416.87</u>

## Downtown BID - Surf City Nights

### General Ledger

August 1, 2018 - August 31, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
1040	First Bank - Surf City Nights			240,055.90		
08/10/18	2		08/10/18 Collections		9,930.00	
08/10/18	2		08/10/18 Collections		10,194.00	
08/10/18	2		08/10/18 Collections		4,159.00	
08/29/18	2224		City of Huntington Beach		(2,932.09)	
08/29/18	2225		Malco Maintenance Inc.		(3,345.00)	
08/29/18	2226		McGinty, Knudtson & Associates, LLP		(225.00)	
08/29/18	2227		The UPS Store		(724.89)	
08/31/18	2		08/31/18 Collections		2,494.00	
08/31/18	2		08/31/18 Collections		6,746.00	
08/31/18	Rec		Returned item		(458.00)	
08/31/18	Rec		Returned item		(336.00)	
08/31/18	Rec		Returned item		(708.00)	
08/31/18	Rec		Transfer to BID		(12,000.00)	
08/31/18	Rec		Analysis charge		(12.50)	
			Totals for First Bank - Surf City Nights		<u>12,781.52</u>	<u>252,837.42</u>
1050	Money Market - SCN			1,000.15		
			Totals for Money Market - SCN		<u>0.00</u>	<u>1,000.15</u>
1640	Machinery & Equipment			1,269.08		
08/29/18	2225		Malco Maintenance Inc. - Push Cart		240.00	
08/29/18	2225		Malco Maintenance Inc. - cardboard waste receptacles		150.00	
			Totals for Machinery & Equipment		<u>390.00</u>	<u>1,659.08</u>
1670	Computers			1,306.31		
			Totals for Computers		<u>0.00</u>	<u>1,306.31</u>
1700	Accumulated Depreciation			(2,501.22)		
			Totals for Accumulated Depreciation		<u>0.00</u>	<u>(2,501.22)</u>
3100	Unrestricted Retained Earnings			(222,921.15)		
			Totals for Unrestricted Retained Earnings		<u>0.00</u>	<u>(222,921.15)</u>
4450	Surf City Nights			(260,024.80)		
08/10/18	2		Hortencia Purses		(408.00)	
08/10/18	2		Alex's Fruits & Nuts		(336.00)	
08/10/18	2		Matterhorn Gourmet		(328.00)	
08/10/18	2		MO - Howies Beef Jerky		(416.00)	
08/10/18	2		Hypnosis		(316.00)	
08/10/18	2		Keystone Cravings		(336.00)	
08/10/18	2		Acapulco Pico		(336.00)	
08/10/18	2		Empanadas		(716.00)	
08/10/18	2		Baba Foods		(308.00)	
08/10/18	2		Anna's Bakery		(328.00)	
08/10/18	2		Gutierrez		(236.00)	
08/10/18	2		Maria' Flowers		(236.00)	
08/10/18	2		MO - Tamai		(236.00)	
08/10/18	2		Two Cookies		(77.00)	
08/10/18	2		MO - Hannah Ballons		(108.00)	
08/10/18	2		Ohana Hawaiian Jewelry		(616.00)	
08/10/18	2		Tibetan Jewelry		(308.00)	
08/10/18	2		Coach's Comfy Air Beds		(416.00)	
08/10/18	2		Ivy Couture		(336.00)	
08/10/18	2		Simple Scents		(308.00)	
08/10/18	2		Bark City		(376.00)	
08/10/18	2		Coach's Art		(316.00)	



## Downtown BID - Surf City Nights

### General Ledger

August 1, 2018 - August 31, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
08/10/18	2		Salt Lamps		(316.00)	
08/10/18	2		Little Devils & Divas		(621.00)	
08/10/18	2		Natures Pet		(316.00)	
08/10/18	2		Surf City Flags		(308.00)	
08/10/18	2		Gera's Roasted Corn		(316.00)	
08/10/18	2		Sunny Cal Farmers Market		(236.00)	
08/10/18	2		Starla's Boutique		(416.00)	
08/10/18	2		The Almond Guys		(136.00)	
08/10/18	2		Turmeric		(336.00)	
08/10/18	2		Art 4 Shore		(116.00)	
08/10/18	2		Ricky Shoots		(308.00)	
08/10/18	2		Frogs Organic Bakery		(56.00)	
08/10/18	2		Frogs Organic Bakery		(280.00)	
08/10/18	2		Divinty		(316.00)	
08/10/18	2		It Makes Scents		(316.00)	
08/10/18	2		Polynesian Designs		(316.00)	
08/10/18	2		Gama Farm		(236.00)	
08/10/18	2		Style Up Hair Clips		(308.00)	
08/10/18	2		MO - Kisses of Coconut		(316.00)	
08/10/18	2		Barbara's Kettle Corn		(316.00)	
08/10/18	2		Saltena Corner		(308.00)	
08/10/18	2		The Tamale Fiesta		(708.00)	
08/10/18	2		Churro Mex		(316.00)	
08/10/18	2		Snow Biz/Totally Nutz		(316.00)	
08/10/18	2		MO - Islander Access		(416.00)	
08/10/18	2		Edge of the World		(316.00)	
08/10/18	2		MO - Sergio's Leather		(416.00)	
08/10/18	2		Bee Ladies		(116.00)	
08/10/18	2		MO - Pro Garage		(368.00)	
08/10/18	2		HB Fire Pit		(308.00)	
08/10/18	2		Sheet Guys		(458.00)	
08/10/18	2		Redbeards Hot Sauce		(336.00)	
08/10/18	2		George Taco		(716.00)	
08/10/18	2		Istanbul Gifts		(316.00)	
08/10/18	2		Pupusas Yeni		(716.00)	
08/10/18	2		Papas & Dogs		(708.00)	
08/10/18	2		Tiffany's House		(316.00)	
08/10/18	2		MO - World Wide Plants		(316.00)	
08/10/18	2		Ride with Us		(316.00)	
08/10/18	2		Integrative Paind and Wellness Clinic		(316.00)	
08/10/18	2		Sit Means Sit		(368.00)	
08/10/18	2		Eva Designs		(408.00)	
08/10/18	2		Gerwig Avocado Ranch		(168.00)	
08/10/18	2		Your Love Inspires		(316.00)	
08/10/18	2		Bazil Chiropractic Health Ctr		(276.00)	
08/10/18	2		Baby Mini Donuts		(228.00)	
08/10/18	2		Sola Foods		(336.00)	
08/10/18	2		Dolce Monachelli's		(336.00)	
08/10/18	2		Gaytan Family Farm		(228.00)	
08/10/18	2		Back to Basics		(231.00)	
08/31/18	2		Sheet Guys		(310.00)	
08/31/18	2		Fresh from me 2 you		(328.00)	
08/31/18	2		Sheet Guys		(100.00)	
08/31/18	2		MO - Sola Foods		(50.00)	
08/31/18	2		MO - Atkins Farm		(238.00)	
08/31/18	2		MO - Kettle Corn		(336.00)	
08/31/18	2		Planet Cookies		(336.00)	
08/31/18	2		Ana's Bakery		(56.00)	

**Downtown BID - Surf City Nights**

**General Ledger**

August 1, 2018 - August 31, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
08/31/18	2		Bark City		(376.00)	
08/31/18	2		Tiffany Jewelry		(36.00)	
08/31/18	2		Chesecake in a Cup		(328.00)	
08/31/18	2		House of Bonsai		(228.00)	
08/31/18	2		West Coast Bungy		(91.00)	
08/31/18	2		Dare me Bikini		(26.00)	
08/31/18	2		Baby Mini Donuts		(80.00)	
08/31/18	2		Hawaiian Import		(54.00)	
08/31/18	2		Giddy Up Pony Rides & Petting Zoo		(108.00)	
08/31/18	2		Hawaiian Import		(81.00)	
08/31/18	2		MO - Tropical Island		(783.00)	
08/31/18	2		Diane's		(26.00)	
08/31/18	2		Welk		(1,116.00)	
08/31/18	2		HBBC Easyrider		(26.00)	
08/31/18	2		MO _ Henry's Farm		(136.00)	
08/31/18	2		Creative Mat		(316.00)	
08/31/18	2		Caricature		(54.00)	
08/31/18	2		Ricky Moseley		(308.00)	
08/31/18	2		Spiritual Orgins		(308.00)	
08/31/18	2		Hawaii Station		(416.00)	
08/31/18	2		MO - Sola Foods		(361.00)	
08/31/18	2		MO - Sheet Guys		(458.00)	
08/31/18	2		Toe Ring		(79.00)	
08/31/18	2		Toe Ring		(54.00)	
08/31/18	2		Toe Ring		(158.00)	
08/31/18	2		Fresh from me 2 you		(328.00)	
08/31/18	2		Tamai Farms		(236.00)	
08/31/18	2		Turmeric		(336.00)	
08/31/18	2		Sheet Guys		(25.00)	
08/31/18	2		Caricature		(54.00)	
08/31/18	2		Back Alley		(32.00)	
08/31/18	2		Back Alley		(280.00)	
08/31/18	Rec		Returned item		458.00	
08/31/18	Rec		Returned item		336.00	
08/31/18	Rec		Returned item		708.00	
			<b>Totals for Surf City Nights</b>		<u>(31,829.00)</u>	<u>(291,853.80)</u>
5400			Surf City Nights - Operational Expenses	2,222.00		
			<b>Totals for Surf City Nights - Operational Expenses</b>		<u>0.00</u>	<u>2,222.00</u>
5410			Contract Salaries	21,585.80		
			<b>Totals for Contract Salaries</b>		<u>0.00</u>	<u>21,585.80</u>
5420			Street Cleaning	2,081.04		
08/29/18	2225		Malco Maintenance Inc.		225.00	
			<b>Totals for Street Cleaning</b>		<u>225.00</u>	<u>2,306.04</u>
5425			Entertainment	3,500.00		
			<b>Totals for Entertainment</b>		<u>0.00</u>	<u>3,500.00</u>
5440			Licenses & Permits	2,932.00		
			<b>Totals for Licenses &amp; Permits</b>		<u>0.00</u>	<u>2,932.00</u>
5445			Bank Charges	50.00		
08/31/18	Rec		Analysis charge		12.50	
			<b>Totals for Bank Charges</b>		<u>12.50</u>	<u>62.50</u>

**Downtown BID - Surf City Nights**

**General Ledger**

August 1, 2018 - August 31, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
5450	Marketing & Advertising			4,502.00		
08/29/18	2227		The UPS Store		<u>724.89</u>	
			Totals for Marketing & Advertising		<u>724.89</u>	<u>5,226.89</u>
5455	Office Supplies			117.53		
			Totals for Office Supplies		<u>0.00</u>	<u>117.53</u>
5465	Rental & Setup			25,048.78		
08/29/18	2225		Malco Maintenance Inc.		<u>2,730.00</u>	
			Totals for Rental & Setup		<u>2,730.00</u>	<u>27,778.78</u>
5485	Parking			6,290.00		
08/29/18	2224		City of Huntington Beach		<u>800.00</u>	
08/29/18	2224		City of Huntington Beach		<u>800.00</u>	
			Totals for Parking		<u>1,600.00</u>	<u>7,890.00</u>
5490	Street Closure/City of HB			3,481.37		
08/29/18	2224		City of Huntington Beach		<u>1,332.09</u>	
			Totals for Street Closure/City of HB		<u>1,332.09</u>	<u>4,813.46</u>
7010	Marketing & Advertising			20,744.96		
			Totals for Marketing & Advertising		<u>0.00</u>	<u>20,744.96</u>
7060	Contract Bonus			29,127.22		
			Totals for Contract Bonus		<u>0.00</u>	<u>29,127.22</u>
7175	Accounting			2,750.00		
08/29/18	2226		McGinty, Knudtson & Associates, LLP		<u>225.00</u>	
			Totals for Accounting		<u>225.00</u>	<u>2,975.00</u>
7180	Licenses & Fees			1,496.00		
			Totals for Licenses & Fees		<u>0.00</u>	<u>1,496.00</u>
7290	Rent			700.00		
			Totals for Rent		<u>0.00</u>	<u>700.00</u>
7340	Surf City Nights - Transfer to BID			119,533.42		
08/31/18	Rec		Transfer to BID		<u>12,000.00</u>	
			Totals for Surf City Nights - Transfer to BID		<u>12,000.00</u>	<u>131,533.42</u>
8000	Interest Income			(0.15)		
			Totals for Interest Income		<u>0.00</u>	<u>(0.15)</u>
8100	Other Income			(4,346.24)		
08/10/18	2		Cash		<u>(4.00)</u>	
08/31/18	2		Cash - parking		<u>(188.00)</u>	
			Totals for Other Income		<u>(192.00)</u>	<u>(4,538.24)</u>
			Report Total			<u>0.00</u>
Net Profit/(Loss)						
Current Period					<u>13,171.52</u>	
Year-to-Date					<u>31,380.59</u>	

Distribution count = 142

## Downtown BID - Surf City Nights

### Journals

August 1, 2018 - August 31, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
Journal: General						
08/10/18	2	4450		Hortencia Purses		(408.00)
08/10/18	2	4450		Alex's Fruits & Nuts		(336.00)
08/10/18	2	4450		Matterhorn Gourmet		(328.00)
08/10/18	2	4450		MO - Howies Beef Jerky		(416.00)
08/10/18	2	4450		Hypnosis		(316.00)
08/10/18	2	4450		Keystone Cravings		(336.00)
08/10/18	2	4450		Acapulco Pico		(336.00)
08/10/18	2	4450		Empanadas		(716.00)
08/10/18	2	4450		Baba Foods		(308.00)
08/10/18	2	4450		Anna's Bakery		(328.00)
08/10/18	2	4450		Gutierrez		(236.00)
08/10/18	2	4450		Maria' Flowers		(236.00)
08/10/18	2	4450		MO - Tamai		(236.00)
08/10/18	2	4450		Two Cookies		(77.00)
08/10/18	2	4450		MO - Hannah Ballons		(108.00)
08/10/18	2	4450		Ohana Hawaiian Jewelry		(616.00)
08/10/18	2	4450		Tibetan Jewelry		(308.00)
08/10/18	2	4450		Coach's Comfy Air Beds		(416.00)
08/10/18	2	4450		Ivy Couture		(336.00)
08/10/18	2	4450		Simple Scents		(308.00)
08/10/18	2	4450		Bark City		(376.00)
08/10/18	2	4450		Coach's Art		(316.00)
08/10/18	2	4450		Salt Lamps		(316.00)
08/10/18	2	4450		Little Devils & Divas		(621.00)
08/10/18	2	4450		Natures Pet		(316.00)
08/10/18	2	4450		Surf City Flags		(308.00)
08/10/18	2	4450		Gera's Roasted Corn		(316.00)
08/10/18	2	4450		Sunny Cal Farmers Market		(236.00)
08/10/18	2	4450		Starla's Boutique		(416.00)
08/10/18	2	8100		Cash		(4.00)
08/10/18	2	1040		08/10/18 Collections		9,930.00
08/10/18	2	4450		The Almond Guys		(136.00)
08/10/18	2	4450		Turmeric		(336.00)
08/10/18	2	4450		Art 4 Shore		(116.00)
08/10/18	2	4450		Ricky Shoots		(308.00)
08/10/18	2	4450		Frogs Organic Bakery		(56.00)
08/10/18	2	4450		Frogs Organic Bakery		(280.00)
08/10/18	2	4450		Divinty		(316.00)
08/10/18	2	4450		It Makes Scents		(316.00)
08/10/18	2	4450		Polynesian Designs		(316.00)
08/10/18	2	4450		Gama Farm		(236.00)
08/10/18	2	4450		Style Up Hair Clips		(308.00)
08/10/18	2	4450		MO - Kisses of Coconut		(316.00)
08/10/18	2	4450		Barbara's Kettle Corn		(316.00)
08/10/18	2	4450		Saltena Corner		(308.00)
08/10/18	2	4450		The Tamale Fiesta		(708.00)
08/10/18	2	4450		Churro Mex		(316.00)
08/10/18	2	4450		Snow Biz/Totally Nutz		(316.00)
08/10/18	2	4450		MO - Islander Access		(416.00)
08/10/18	2	4450		Edge of the World		(316.00)
08/10/18	2	4450		MO - Sergio's Leather		(416.00)
08/10/18	2	4450		Bee Ladies		(116.00)
08/10/18	2	4450		MO - Pro Garage		(368.00)
08/10/18	2	4450		HB Fire Pit		(308.00)
08/10/18	2	4450		Sheet Guys		(458.00)
08/10/18	2	4450		Redbeards Hot Sauce		(336.00)
08/10/18	2	4450		George Taco		(716.00)
08/10/18	2	4450		Istanbul Gifts		(316.00)

## Downtown BID - Surf City Nights

### Journals

August 1, 2018 - August 31, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
08/10/18	2	4450		Pupusas Yeni		(716.00)
08/10/18	2	4450		Papas & Dogs		(708.00)
08/10/18	2	1040		08/10/18 Collections		10,194.00
08/10/18	2	4450		Tiffany's House		(316.00)
08/10/18	2	4450		MO - World Wide Plants		(316.00)
08/10/18	2	4450		Ride with Us		(316.00)
08/10/18	2	4450		Integrative Paind and Wellness Clinic		(316.00)
08/10/18	2	4450		Sit Means Sit		(368.00)
08/10/18	2	4450		Eva Designs		(408.00)
08/10/18	2	4450		Gerwig Avocado Ranch		(168.00)
08/10/18	2	4450		Your Love Inspires		(316.00)
08/10/18	2	4450		Bazil Chiropractic Health Ctr		(276.00)
08/10/18	2	4450		Baby Mini Donuts		(228.00)
08/10/18	2	4450		Sola Foods		(336.00)
08/10/18	2	4450		Dolce Monachelli's		(336.00)
08/10/18	2	4450		Gaytan Family Farm		(228.00)
08/10/18	2	4450		Back to Basics		(231.00)
08/10/18	2	1040		08/10/18 Collections		4,159.00
08/29/18	2224	1040	CITYHB	City of Huntington Beach		(2,932.09)
08/29/18	2224	5485	CITYHB	City of Huntington Beach		800.00
08/29/18	2224	5485	CITYHB	City of Huntington Beach		800.00
08/29/18	2224	5490	CITYHB	City of Huntington Beach		1,332.09
08/29/18	2225	1040	Malco	Malco Maintenance Inc.		(3,345.00)
08/29/18	2225	5420	Malco	Malco Maintenance Inc.		225.00
08/29/18	2225	1640	Malco	Malco Maintenance Inc. - Push Cart		240.00
08/29/18	2225	1640	Malco	Malco Maintenance Inc. - cardboard waste receptacles		150.00
08/29/18	2225	5465	Malco	Malco Maintenance Inc.		2,730.00
08/29/18	2226	1040	MKA	McGinty, Knudtson & Associates, LLP		(225.00)
08/29/18	2226	7175	MKA	McGinty, Knudtson & Associates, LLP		225.00
08/29/18	2227	1040	UPS	The UPS Store		(724.89)
08/29/18	2227	5450	UPS	The UPS Store		724.89
08/31/18	2	4450		Sheet Guys		(310.00)
08/31/18	2	4450		Fresh from me 2 you		(328.00)
08/31/18	2	4450		Sheet Guys		(100.00)
08/31/18	2	4450		MO - Sola Foods		(50.00)
08/31/18	2	4450		MO - Atkins Farm		(238.00)
08/31/18	2	4450		MO - Kettle Corn		(336.00)
08/31/18	2	4450		Planet Cookies		(336.00)
08/31/18	2	4450		Ana's Bakery		(56.00)
08/31/18	2	4450		Bark City		(376.00)
08/31/18	2	4450		Tiffany Jewelry		(36.00)
08/31/18	2	4450		Chesecake in a Cup		(328.00)
08/31/18	2	1040		08/31/18 Collections		2,494.00
08/31/18	2	8100		Cash - parking		(188.00)
08/31/18	2	4450		House of Bonsai		(228.00)
08/31/18	2	4450		West Coast Bungy		(91.00)
08/31/18	2	4450		Dare me Bikini		(26.00)
08/31/18	2	4450		Baby Mini Donuts		(80.00)
08/31/18	2	4450		Hawaiian Import		(54.00)
08/31/18	2	4450		Giddy Up Pony Rides & Petting Zoo		(108.00)
08/31/18	2	4450		Hawaiian Import		(81.00)
08/31/18	2	4450		MO - Tropical Island		(783.00)
08/31/18	2	4450		Diane's		(26.00)
08/31/18	2	4450		Welk		(1,116.00)
08/31/18	2	4450		HBBC Easyrider		(26.00)
08/31/18	2	4450		MO _ Henry's Farm		(136.00)
08/31/18	2	4450		Creative Mat		(316.00)
08/31/18	2	4450		Caricature		(54.00)

## Downtown BID - Surf City Nights

### Journals

August 1, 2018 - August 31, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
08/31/18	2	4450		Ricky Moseley		(308.00)
08/31/18	2	4450		Spiritual Orgins		(308.00)
08/31/18	2	4450		Hawaii Station		(416.00)
08/31/18	2	4450		MO - Sola Foods		(361.00)
08/31/18	2	4450		MO - Sheet Guys		(458.00)
08/31/18	2	4450		Toe Ring		(79.00)
08/31/18	2	4450		Toe Ring		(54.00)
08/31/18	2	4450		Toe Ring		(158.00)
08/31/18	2	4450		Fresh from me 2 you		(328.00)
08/31/18	2	4450		Tamai Farms		(236.00)
08/31/18	2	4450		Turmeric		(336.00)
08/31/18	2	4450		Sheet Guys		(25.00)
08/31/18	2	4450		Caricature		(54.00)
08/31/18	2	4450		Back Alley		(32.00)
08/31/18	2	4450		Back Alley		(280.00)
08/31/18	2	1040		08/31/18 Collections		6,746.00
08/31/18	Rec	1040		Returned item		(458.00)
08/31/18	Rec	4450		Returned item		458.00
08/31/18	Rec	1040		Returned item		(336.00)
08/31/18	Rec	4450		Returned item		336.00
08/31/18	Rec	1040		Returned item		(708.00)
08/31/18	Rec	4450		Returned item		708.00
08/31/18	Rec	1040		Transfer to BID		(12,000.00)
08/31/18	Rec	7340		Transfer to BID		12,000.00
08/31/18	Rec	1040		Analysis charge		(12.50)
08/31/18	Rec	5445		Analysis charge		12.50
					Transaction Balance for General	0.00

**Transaction Totals**

Total Debits	54,264.48
Total Credits	54,264.48
Account Hash Total	598545.0000

Transaction count = 128  
 Distribution count = 142

McGinty, Knudtson & Associates, LLP  
20422 Beach Blvd Ste 450  
Huntington Beach, CA 92648-8301  
714-536-7777

HB Downtown Business Improvement District  
315 3rd St  
Suite E  
Huntington Beach, CA 92648  
714-536-8300

Management is responsible for the accompanying financial statements of HB Downtown Business Improvement District, (a non profit corporation), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of August 31, 2018, and the related statements of revenues and expenses - modified cash basis and cash flows for the 1 Month and the 11 Months then ended in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. 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 statement 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the modified cash basis of accounting. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

McGinty, Knudtson & Associates, LLP

November 27, 2018





HB Downtown Business Improvement District  
Statement of Assets, Liabilities, and Net Assets - Income Tax Basis  
As of August 31, 2018

Assets

Current Assets	
First Bank - Checking	\$ 26,254.50
Accounts Receivable - Trade	250.00
Accounts Receivable - Miscellaneous	604.00
Prepaid Rent	<u>500.00</u>
Total Current Assets	<u>27,608.50</u>
Property and Equipment	
<hr/>	
Net Property and Equipment	<u>0.00</u>
Total Assets	<u><u>\$ 27,608.50</u></u>

HB Downtown Business Improvement District  
Statement of Assets, Liabilities, and Net Assets - Income Tax Basis  
As of August 31, 2018

Liabilities and Net Assets

Current Liabilities	
Accrued Payroll	\$ 64.86
Payroll Taxes Payable	<u>(853.29)</u>
Total Current Liabilities	<u>(788.43)</u>
Long-Term Liabilities	
Total Long-Term Liabilities	<u>0.00</u>
Total Liabilities	<u>(788.43)</u>
Net Assets	
Other Equity	41,741.88
Retained Earnings	<u>(13,344.95)</u>
Total Net Assets	<u>28,396.93</u>
Total Liabilities and Net Assets	<u>\$ 27,608.50</u>

**HB Downtown Business Improvement District**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**Actual vs. Budget**

	1 Month Ended August 31, 2018 Actual	1 Month Ended August 31, 2018 Budget	11 Months Ended August 31, 2018 Actual	11 Months Ended August 31, 2018 Budget
<b>Sales</b>				
BID Assessments - Prior Year	\$ 0.00	\$ 0.00	\$ 16,296.31	\$ 0.00
BID Assessments - Current Year	7,862.04	7,560.00	96,486.31	115,986.68
Chili at the Beach	0.00	0.00	30,747.47	30,000.00
Surf City Nights	12,000.00	12,000.00	131,533.42	124,000.00
Art Walk	0.00	13,000.00	0.00	13,000.00
Miracle on Main Street	0.00	0.00	1,350.00	0.00
He'e Nalu Aloha Pier Festival	0.00	0.00	14,615.00	0.00
Sponsorships	0.00	0.00	0.00	3,000.00
<b>Total Sales</b>	<u>19,862.04</u>	<u>32,560.00</u>	<u>291,028.51</u>	<u>285,986.68</u>
<b>Event Expenses</b>				
Chili at the Beach	0.00	0.00	5,906.81	15,000.00
Administration	0.00	0.00	1,375.47	0.00
Awards	0.00	0.00	1,257.79	0.00
Event Entertainment	0.00	0.00	6,738.99	0.00
Licenses & Permits	0.00	0.00	1,909.25	0.00
Marketing & Banners	0.00	0.00	1,127.52	0.00
Miscellaneous event expenses	0.00	0.00	1,491.91	0.00
Printing & Production	0.00	0.00	2,316.62	0.00
Security	0.00	0.00	1,092.00	0.00
Sponsorships	0.00	0.00	6,000.00	0.00
Parking	0.00	0.00	138.00	0.00
Halloween	0.00	0.00	5,295.00	6,000.00
Marketing & Advertising	219.00	0.00	219.00	0.00
Surf City Days	1,500.00	0.00	3,760.00	0.00
Cleaning	0.00	0.00	100.00	0.00
Marketing & Advertising	219.00	0.00	219.00	0.00
Art Walk/Main Street Late Night	0.00	13,000.00	0.00	13,000.00
Marketing & Advertising	0.00	0.00	6,632.27	0.00
Printing & Production	0.00	0.00	923.69	0.00
Holiday Beautification	2,100.00	0.00	18,725.00	30,000.00
Miracle on Main	0.00	0.00	11,839.34	10,000.00
Licenses & Permits	2,842.00	0.00	3,192.00	0.00
Marketing & Advertising-SC Days	225.00	0.00	225.00	0.00
He'e Nalu Aloha Pier Festival	0.00	0.00	17,472.29	0.00
Sandcastles	0.00	0.00	0.00	8,000.00
Surf-O-Rama	0.00	0.00	260.37	0.00
<b>Total Event Expenses</b>	<u>7,105.00</u>	<u>13,000.00</u>	<u>98,217.32</u>	<u>82,000.00</u>
<b>Gross Profit</b>	<u>12,757.04</u>	<u>19,560.00</u>	<u>192,811.19</u>	<u>203,986.68</u>
<b>Operating Expenses</b>				
Advertising & Marketing	192.90	4,816.66	12,586.77	47,049.98
Bank Charges	0.00	25.00	12.50	241.68
Donations	0.00	600.00	225.00	4,800.00
Dues & Subscriptions	0.00	83.34	6,414.08	916.65
Insurance	0.00	0.00	570.60	2,453.32
Liability Insurance	0.00	0.00	6,723.00	2,266.68
Legal	0.00	0.00	0.00	1,000.00
Accounting	531.61	375.00	5,364.01	3,791.68
Licenses & Fees	60.00	0.00	60.00	100.00
Meeting Expenses	0.00	416.67	357.93	4,583.37
Office Expense	802.43	250.00	4,078.13	2,750.00

**HB Downtown Business Improvement District**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**Actual vs. Budget**

	1 Month Ended August 31, 2018 Actual	1 Month Ended August 31, 2018 Budget	11 Months Ended August 31, 2018 Actual	11 Months Ended August 31, 2018 Budget
Office Salaries & Wages	0.00	0.00	20,989.60	0.00
Outside Services	0.00	0.00	22,900.00	0.00
Salaries & Wages	3,525.05	6,666.67	22,062.88	72,000.01
Consulting	5,416.67	0.00	16,250.01	0.00
Payroll Tax Expense	269.67	560.00	2,345.84	6,320.00
Printing & Production	0.00	0.00	2,027.97	0.00
Rent	2,800.00	910.00	10,100.00	10,036.68
Repairs & Maintenance	0.00	41.67	2,548.94	458.37
Security	4,000.00	4,000.00	70,364.00	43,000.00
Taxes	0.00	0.00	10.00	0.00
Telephone	0.00	165.00	808.31	1,988.32
Utilities	0.00	0.00	456.57	0.00
<b>Total Operating Expenses</b>	<u>17,598.33</u>	<u>18,910.01</u>	<u>207,256.14</u>	<u>203,756.74</u>
<b>Operating Income (Loss)</b>	<u>(4,841.29)</u>	<u>649.99</u>	<u>(14,444.95)</u>	<u>229.94</u>
<b>Other Income (Expenses)</b>				
Other Income	0.00	0.00	1,100.00	0.00
<b>Total Other Income (Expenses)</b>	<u>0.00</u>	<u>0.00</u>	<u>1,100.00</u>	<u>0.00</u>
<b>Net Income (Loss) Before Taxes</b>	<u>(4,841.29)</u>	<u>649.99</u>	<u>(13,344.95)</u>	<u>229.94</u>
<b>Net Income (Loss)</b>	<u>\$ (4,841.29)</u>	<u>\$ 649.99</u>	<u>\$ (13,344.95)</u>	<u>\$ 229.94</u>

**HB Downtown Business Improvement District**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**12 Month Comparison for 2018**

	10/31/17	11/30/17	12/31/17	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18	Total
<b>Sales</b>													
BID Assessments - Prior Year	\$ 0.00	\$ 16,296.31	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 16,296.31
BID Assessments - Current Year	0.00	0.00	21,012.55	0.00	13,257.63	8,640.00	14,264.40	11,137.02	0.00	20,312.67	7,862.04	0.00	96,486.31
Chili at the Beach	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,747.47	0.00	0.00	0.00	30,747.47
Surf City Nights	10,000.00	10,000.00	16,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	11,533.42	12,000.00	0.00	131,533.42
Miracle on Main Street	0.00	350.00	0.00	0.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	1,350.00
He'e Nalu Aloha Pier Festival	14,615.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,615.00
<b>Total Sales</b>	<b>24,615.00</b>	<b>26,646.31</b>	<b>37,012.55</b>	<b>12,000.00</b>	<b>25,257.63</b>	<b>20,640.00</b>	<b>27,264.40</b>	<b>23,137.02</b>	<b>42,747.47</b>	<b>31,846.09</b>	<b>19,862.04</b>	<b>0.00</b>	<b>291,028.51</b>
<b>Cost of Goods Sold</b>													
Chili at the Beach	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	4,906.81	0.00	0.00	0.00	5,906.81
Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,375.47	0.00	0.00	0.00	1,375.47
Awards	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	950.00	307.79	0.00	0.00	1,257.79
Event Entertainment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,738.99	0.00	0.00	0.00	6,738.99
Licenses & Permits	0.00	0.00	0.00	0.00	0.00	219.00	0.00	1,360.00	330.25	0.00	0.00	0.00	1,909.25
Marketing & Banners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,127.52	0.00	0.00	0.00	1,127.52
Miscellaneous event expenses	0.00	0.00	0.00	0.00	580.50	0.00	0.00	0.00	959.35	(47.94)	0.00	0.00	1,491.91
Printing & Production	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	900.00	1,416.62	0.00	0.00	2,316.62
Security	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,092.00	0.00	0.00	0.00	1,092.00
Sponsorships	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,000.00	0.00	0.00	0.00	6,000.00
Parking	0.00	116.00	0.00	22.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	138.00
Halloween	5,295.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,295.00
Marketing & Advertising	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	219.00	0.00	219.00
Printing & Production	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	205.04	205.04
Surf City Days	2,260.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00	0.00	3,760.00
Cleaning	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
Marketing & Advertising	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	219.00	2,287.50	2,506.50
Outside Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	590.00	590.00
Marketing & Advertising	1,000.00	0.00	0.00	3,632.27	1,000.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	6,632.27
Printing & Production	923.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	923.69
Holiday Beautification	0.00	16,625.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,100.00	0.00	18,725.00
Miracle on Main	515.00	11,324.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,839.34
Licenses & Permits	0.00	0.00	0.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	2,842.00	0.00	3,192.00
Marketing & Advertising-SC Days	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	225.00	0.00	225.00
He'e Nalu Aloha Pier Festival	11,397.18	6,075.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,472.29
Surf-O-Rama	0.00	0.00	0.00	260.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	260.37
<b>Total Cost of Goods Sold</b>	<b>21,390.87</b>	<b>34,140.45</b>	<b>1,000.00</b>	<b>4,264.64</b>	<b>1,580.50</b>	<b>319.00</b>	<b>1,000.00</b>	<b>1,360.00</b>	<b>24,380.39</b>	<b>1,676.47</b>	<b>7,105.00</b>	<b>3,082.54</b>	<b>101,299.86</b>
<b>Gross Profit</b>	<b>3,224.13</b>	<b>(7,494.14)</b>	<b>36,012.55</b>	<b>7,735.36</b>	<b>23,677.13</b>	<b>20,321.00</b>	<b>26,264.40</b>	<b>21,777.02</b>	<b>18,367.08</b>	<b>30,169.62</b>	<b>12,757.04</b>	<b>(3,082.54)</b>	<b>189,728.65</b>

**HB Downtown Business Improvement District**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**12 Month Comparison for 2018**

	10/31/17	11/30/17	12/31/17	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18	Total
<b>Operating Expenses</b>													
Security	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	308.00	308.00
Advertising & Marketing	0.00	3,365.00	0.00	1,064.29	0.00	1,000.00	190.00	5,125.00	1,574.53	75.05	192.90	1,626.87	14,213.64
Bank Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.50	0.00	0.00	12.50
Donations	0.00	0.00	0.00	0.00	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00	225.00
Dues & Subscriptions	0.00	0.00	0.00	5,796.90	0.00	0.00	200.00	0.00	0.00	417.18	0.00	0.00	6,414.08
Insurance	0.00	0.00	0.00	0.00	51.60	519.00	0.00	0.00	0.00	0.00	0.00	0.00	570.60
Liability Insurance	0.00	0.00	0.00	0.00	5,023.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	6,723.00
Accounting	310.74	310.74	85.74	722.74	267.87	1,458.61	436.74	316.74	556.74	365.74	531.61	0.00	5,364.01
Licenses & Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.00	0.00	60.00
Meeting Expenses	0.00	357.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	357.93
Office Expense	(87.47)	75.35	0.00	170.57	1,043.70	156.19	533.36	137.32	390.90	855.78	802.43	0.00	4,078.13
Office Salaries & Wages	0.00	0.00	0.00	0.00	5,416.67	5,416.67	5,416.67	4,739.59	0.00	0.00	0.00	0.00	20,989.60
Outside Services	7,900.00	5,000.00	0.00	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,900.00
Salaries & Wages	2,384.00	1,852.00	1,680.00	1,320.00	1,576.00	1,372.00	1,536.00	1,814.00	2,834.00	2,169.83	3,525.05	0.00	22,062.88
Consulting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,416.67	5,416.67	5,416.67	5,416.67	21,666.68
Payroll Tax Expense	182.38	141.67	128.52	463.62	202.54	176.31	197.38	200.95	216.81	165.99	269.67	0.00	2,345.84
Printing & Production	0.00	0.00	0.00	0.00	1,535.55	0.00	0.00	446.84	45.58	0.00	0.00	0.00	2,027.97
Rent	700.00	700.00	0.00	1,400.00	700.00	700.00	700.00	800.00	800.00	800.00	2,800.00	800.00	10,900.00
Repairs & Maintenance	0.00	0.00	0.00	0.00	2,400.00	148.94	0.00	0.00	0.00	0.00	0.00	0.00	2,548.94
Security	0.00	19,500.00	0.00	8,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	18,864.00	4,000.00	21,472.00	91,836.00
Taxes	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00
Telephone	0.00	0.00	0.00	0.00	0.00	0.00	152.11	151.99	336.14	168.07	0.00	167.97	976.28
Utilities	152.39	0.00	0.00	304.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	456.57
<b>Total Operating Expenses</b>	<b>11,542.04</b>	<b>31,302.69</b>	<b>1,894.26</b>	<b>29,242.30</b>	<b>22,216.93</b>	<b>14,957.72</b>	<b>13,587.26</b>	<b>19,432.43</b>	<b>16,171.37</b>	<b>29,310.81</b>	<b>17,598.33</b>	<b>29,791.51</b>	<b>237,047.65</b>
<b>Operating Income (Loss)</b>	<b>(8,317.91)</b>	<b>(38,796.83)</b>	<b>34,118.29</b>	<b>(21,506.94)</b>	<b>1,460.20</b>	<b>5,363.28</b>	<b>12,677.14</b>	<b>2,344.59</b>	<b>2,195.71</b>	<b>858.81</b>	<b>(4,841.29)</b>	<b>(32,874.05)</b>	<b>(47,319.00)</b>
<b>Other Income (Expenses)</b>													
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	1,100.00
<b>Total Other Income (Expenses)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,100.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,100.00</b>
<b>Net Income (Loss) Before Taxes</b>	<b>(8,317.91)</b>	<b>(38,796.83)</b>	<b>34,118.29</b>	<b>(21,506.94)</b>	<b>1,460.20</b>	<b>5,363.28</b>	<b>12,677.14</b>	<b>3,444.59</b>	<b>2,195.71</b>	<b>858.81</b>	<b>(4,841.29)</b>	<b>(32,874.05)</b>	<b>(46,219.00)</b>
<b>Net Income (Loss)</b>	<b>\$ (8,317.91)</b>	<b>\$ (38,796.83)</b>	<b>\$ 34,118.29</b>	<b>\$ (21,506.94)</b>	<b>\$ 1,460.20</b>	<b>\$ 5,363.28</b>	<b>\$ 12,677.14</b>	<b>\$ 3,444.59</b>	<b>\$ 2,195.71</b>	<b>\$ 858.81</b>	<b>\$ (4,841.29)</b>	<b>\$ (32,874.05)</b>	<b>\$ (46,219.00)</b>

**HB Downtown Business Improvement District**

**General Ledger**

August 1, 2018 - August 31, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
1020	First Bank - Checking			31,095.79		
08/01/18	2		Transfer from SCN		12,000.00	
08/03/18	2		City of HB		7,862.04	
08/08/18	2		City of HB - refund for CATB		382.00	
08/29/18	3218		BrightLife Designs LLC		(2,100.00)	
08/29/18	3219		City of Huntington Beach		(60.00)	
08/29/18	3220		City of Huntington Beach		(3,224.00)	
08/29/18	3221		Galitzen Properties		(800.00)	
08/29/18	3222		Dream-Cleaners		(250.00)	
08/29/18	3223		Enlarge Media Group		(1,862.50)	
08/29/18	3224		Marianne Tonjes		(5,416.67)	
08/29/18	3225		MCGINTY KNUDTSON & ASSOCIATES, LLP		(225.00)	
08/29/18	3226		Robert Koury		(2,000.00)	
08/29/18	3227		Visit Huntington Beach		(4,000.00)	
08/31/18	Payroll		August Payroll		(288.61)	
08/31/18	Payroll		August Payroll		(930.85)	
08/31/18	Payroll		August Payroll		(136.03)	
08/31/18	Payroll		August Payroll		(549.97)	
08/31/18	Payroll		August Payroll		(498.59)	
08/31/18	Payroll		August Payroll		(1,390.67)	
08/31/18	Rec		Facebook		(29.92)	
08/31/18	Rec		Buddy Punch		(49.00)	
08/31/18	Rec		EB 2018		(46.32)	
08/31/18	Rec		ADP		(120.00)	
08/31/18	Rec		Staples		(48.14)	
08/31/18	Rec		Staples		(6.47)	
08/31/18	Rec		Staples		(58.91)	
08/31/18	Rec		Microsoft 365		(62.50)	
08/31/18	Rec		Staples		(27.17)	
08/31/18	Rec		Staples		(5.11)	
08/31/18	Rec		ADP		(45.87)	
08/31/18	Rec		City of HB		(219.00)	
08/31/18	Rec		City of HB		(219.00)	
08/31/18	Rec		Indeed		(25.48)	
08/31/18	Rec		ADP		(45.87)	
08/31/18	Rec		Freshbooks		(25.00)	
08/31/18	Rec		GoDaddy.com		(16.99)	
08/31/18	Rec		ADP		(45.87)	
08/31/18	Rec		Freshbooks		(24.83)	
08/31/18	Rec		Squarespace		(216.00)	
08/31/18	Rec		Adobe		(14.99)	
			Totals for First Bank - Checking		<u>(4,841.29)</u>	<u>26,254.50</u>
1100	Accounts Receivable - Trade			250.00		
			Totals for Accounts Receivable - Trade		<u>0.00</u>	<u>250.00</u>
1140	Accounts Receivable - Miscellaneous			604.00		
			Totals for Accounts Receivable - Miscellaneous		<u>0.00</u>	<u>604.00</u>
1330	Prepaid Rent			500.00		
			Totals for Prepaid Rent		<u>0.00</u>	<u>500.00</u>
2080	Accrued Payroll			(64.86)		
			Totals for Accrued Payroll		<u>0.00</u>	<u>(64.86)</u>
2100	Payroll Taxes Payable			853.29		
			Totals for Payroll Taxes Payable		<u>0.00</u>	<u>853.29</u>
General Ledger				General Ledger	General Ledger	

**HB Downtown Business Improvement District**

**General Ledger**

August 1, 2018 - August 31, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
3100	Unrestricted		Retained Earnings	(41,741.88)		
			Totals for Unrestricted Retained Earnings		<u>0.00</u>	<u>(41,741.88)</u>
4010	BID Assessments - Prior Year			(16,296.31)		
			Totals for BID Assessments - Prior Year		<u>0.00</u>	<u>(16,296.31)</u>
4020	BID Assessments - Current Year			(88,624.27)		
08/03/18	2		City of HB		(7,862.04)	
			Totals for BID Assessments - Current Year		<u>(7,862.04)</u>	<u>(96,486.31)</u>
4100	Chili at the Beach			(30,747.47)		
			Totals for Chili at the Beach		<u>0.00</u>	<u>(30,747.47)</u>
4400	Surf City Nights			(119,533.42)		
08/01/18	2		Transfer from SCN		(12,000.00)	
			Totals for Surf City Nights		<u>(12,000.00)</u>	<u>(131,533.42)</u>
4600	Miracle on Main Street			(1,350.00)		
			Totals for Miracle on Main Street		<u>0.00</u>	<u>(1,350.00)</u>
4800	He'e Nalu Aloha Pier Festival			(14,615.00)		
			Totals for He'e Nalu Aloha Pier Festival		<u>0.00</u>	<u>(14,615.00)</u>
5100	Chili at the Beach			5,906.81		
			Totals for Chili at the Beach		<u>0.00</u>	<u>5,906.81</u>
5100.10	Administration			1,375.47		
			Totals for Administration		<u>0.00</u>	<u>1,375.47</u>
5100.20	Awards			1,257.79		
			Totals for Awards		<u>0.00</u>	<u>1,257.79</u>
5100.25	Event Entertainment			6,738.99		
			Totals for Event Entertainment		<u>0.00</u>	<u>6,738.99</u>
5100.40	Licenses & Permits			1,909.25		
			Totals for Licenses & Permits		<u>0.00</u>	<u>1,909.25</u>
5100.50	Marketing & Banners			1,127.52		
			Totals for Marketing & Banners		<u>0.00</u>	<u>1,127.52</u>
5100.60	Miscellaneous event expenses			1,491.91		
			Totals for Miscellaneous event expenses		<u>0.00</u>	<u>1,491.91</u>
5100.80	Printing & Production			2,316.62		
			Totals for Printing & Production		<u>0.00</u>	<u>2,316.62</u>
5100.90	Security			1,092.00		
			Totals for Security		<u>0.00</u>	<u>1,092.00</u>
5100.95	Sponsorships			6,000.00		
			Totals for Sponsorships		<u>0.00</u>	<u>6,000.00</u>
5140	Parking			138.00		
			Totals for Parking		<u>0.00</u>	<u>138.00</u>
5200	Halloween			5,295.00		



**HB Downtown Business Improvement District**

**General Ledger**

August 1, 2018 - August 31, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
			Totals for Halloween		<u>0.00</u>	<u>5,295.00</u>
5200.50	Marketing & Advertising			0.00		
08/31/18	Rec		City of HB		<u>219.00</u>	
			Totals for Marketing & Advertising		<u>219.00</u>	<u>219.00</u>
5400	Surf City Days			2,260.00		
08/29/18	3223		Enlarge Media Group		<u>1,500.00</u>	
			Totals for Surf City Days		<u>1,500.00</u>	<u>3,760.00</u>
5420	Cleaning			100.00		
			Totals for Cleaning		<u>0.00</u>	<u>100.00</u>
5450	Marketing & Advertising			0.00		
08/31/18	Rec		City of HB		<u>219.00</u>	
			Totals for Marketing & Advertising		<u>219.00</u>	<u>219.00</u>
5550	Marketing & Advertising			6,632.27		
			Totals for Marketing & Advertising		<u>0.00</u>	<u>6,632.27</u>
5580	Printing & Production			923.69		
			Totals for Printing & Production		<u>0.00</u>	<u>923.69</u>
5600	Holiday Beautification			16,625.00		
08/29/18	3218		BrightLife Designs LLC		<u>2,100.00</u>	
			Totals for Holiday Beautification		<u>2,100.00</u>	<u>18,725.00</u>
5610	Miracle on Main			11,839.34		
			Totals for Miracle on Main		<u>0.00</u>	<u>11,839.34</u>
5740	Licenses & Permits			350.00		
08/08/18	2		City of HB - refund for CATB		<u>(382.00)</u>	
08/29/18	3220		City of Huntington Beach		<u>3,224.00</u>	
			Totals for Licenses & Permits		<u>2,842.00</u>	<u>3,192.00</u>
5750	Marketing & Advertising-SC Days			0.00		
08/29/18	3223		Enlarge Media Group		<u>225.00</u>	
			Totals for Marketing & Advertising-SC Days		<u>225.00</u>	<u>225.00</u>
5800	He'e Nalu Aloha Pier Festival			17,472.29		
			Totals for He'e Nalu Aloha Pier Festival		<u>0.00</u>	<u>17,472.29</u>
5950	Surf-O-Rama			260.37		
			Totals for Surf-O-Rama		<u>0.00</u>	<u>260.37</u>
7010	Advertising & Marketing			12,393.87		
08/29/18	3223		Enlarge Media Group		137.50	
08/31/18	Rec		Facebook		29.92	
08/31/18	Rec		Indeed		<u>25.48</u>	
			Totals for Advertising & Marketing		<u>192.90</u>	<u>12,586.77</u>
7050	Bank Charges			12.50		
			Totals for Bank Charges		<u>0.00</u>	<u>12.50</u>
7090	Donations			225.00		
			Totals for Donations		<u>0.00</u>	<u>225.00</u>
7100	Dues & Subscriptions			6,414.08		

**HB Downtown Business Improvement District**

**General Ledger**

August 1, 2018 - August 31, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
Totals for Dues & Subscriptions					<u>0.00</u>	<u>6,414.08</u>
7150	Insurance			570.60		
Totals for Insurance					<u>0.00</u>	<u>570.60</u>
7151	Liability Insurance			6,723.00		
Totals for Liability Insurance					<u>0.00</u>	<u>6,723.00</u>
7175	Accounting			4,832.40		
08/29/18	3225		MCGINTY KNUDTSON & ASSOCIATES, LLP		225.00	
08/31/18	Rec		Buddy Punch		49.00	
08/31/18	Rec		ADP		120.00	
08/31/18	Rec		ADP		45.87	
08/31/18	Rec		ADP		45.87	
08/31/18	Rec		ADP		45.87	
Totals for Accounting					<u>531.61</u>	<u>5,364.01</u>
7180	Licenses & Fees			0.00		
08/29/18	3219		City of Huntington Beach		60.00	
Totals for Licenses & Fees					<u>60.00</u>	<u>60.00</u>
7190	Meeting Expenses			357.93		
Totals for Meeting Expenses					<u>0.00</u>	<u>357.93</u>
7210	Office Expense			3,275.70		
08/29/18	3222		Dream-Cleaners		250.00	
08/31/18	Rec		EB 2018		46.32	
08/31/18	Rec		Staples		48.14	
08/31/18	Rec		Staples		6.47	
08/31/18	Rec		Staples		58.91	
08/31/18	Rec		Microsoft 365		62.50	
08/31/18	Rec		Staples		27.17	
08/31/18	Rec		Staples		5.11	
08/31/18	Rec		Freshbooks		25.00	
08/31/18	Rec		GoDaddy.com		16.99	
08/31/18	Rec		Freshbooks		24.83	
08/31/18	Rec		Squarespace		216.00	
08/31/18	Rec		Adobe		14.99	
Totals for Office Expense					<u>802.43</u>	<u>4,078.13</u>
7220	Office Salaries & Wages			20,989.60		
Totals for Office Salaries & Wages					<u>0.00</u>	<u>20,989.60</u>
7240	Outside Services			22,900.00		
Totals for Outside Services					<u>0.00</u>	<u>22,900.00</u>
7241	Salaries & Wages			18,537.83		
08/31/18	Payroll		August Payroll		3,525.05	
Totals for Salaries & Wages					<u>3,525.05</u>	<u>22,062.88</u>
7243	Consulting			10,833.34		
08/29/18	3224		Marianne Tonjes		5,416.67	
Totals for Consulting					<u>5,416.67</u>	<u>16,250.01</u>
7250	Payroll Tax Expense			2,076.17		
08/31/18	Payroll		August Payroll		269.67	
Totals for Payroll Tax Expense					<u>269.67</u>	<u>2,345.84</u>

## HB Downtown Business Improvement District

### General Ledger

August 1, 2018 - August 31, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
7285	Printing & Production			2,027.97		
			Totals for Printing & Production		<u>0.00</u>	<u>2,027.97</u>
7290	Rent			7,300.00		
08/29/18	3221		Galitzen Properties		800.00	
08/29/18	3226		Robert Koury		<u>2,000.00</u>	
			Totals for Rent		<u>2,800.00</u>	<u>10,100.00</u>
7300	Repairs & Maintenance			2,548.94		
			Totals for Repairs & Maintenance		<u>0.00</u>	<u>2,548.94</u>
7310	Security			66,364.00		
08/29/18	3227		Visit Huntington Beach		4,000.00	
			Totals for Security		<u>4,000.00</u>	<u>70,364.00</u>
7320	Taxes			10.00		
			Totals for Taxes		<u>0.00</u>	<u>10.00</u>
7330	Telephone			808.31		
			Totals for Telephone		<u>0.00</u>	<u>808.31</u>
7360	Utilities			456.57		
			Totals for Utilities		<u>0.00</u>	<u>456.57</u>
8100	Other Income			(1,100.00)		
			Totals for Other Income		<u>0.00</u>	<u>(1,100.00)</u>
			Report Total			<u>0.00</u>
Net Profit/(Loss)						
Current Period					<u>(4,841.29)</u>	
Year-to-Date					<u>(13,344.95)</u>	

Distribution count = 78

# HB Downtown Business Improvement District

## Journals

August 1, 2018 - August 31, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
Journal: General						
08/01/18	2	1020		Transfer from SCN		12,000.00
08/01/18	2	4400		Transfer from SCN		(12,000.00)
08/03/18	2	1020		City of HB		7,862.04
08/03/18	2	4020		City of HB		(7,862.04)
08/08/18	2	1020		City of HB - refund for CATB		382.00
08/08/18	2	5740		City of HB - refund for CATB		(382.00)
08/29/18	3218	1020	BrightLife	BrightLife Designs LLC		(2,100.00)
08/29/18	3218	5600	BrightLife	BrightLife Designs LLC		2,100.00
08/29/18	3219	1020	City of HB	City of Huntington Beach		(60.00)
08/29/18	3219	7180	City of HB	City of Huntington Beach		60.00
08/29/18	3220	1020	HBSpecific	City of Huntington Beach		(3,224.00)
08/29/18	3220	5740	HBSpecific	City of Huntington Beach		3,224.00
08/29/18	3221	1020	Galitzen	Galitzen Properties		(800.00)
08/29/18	3221	7290	Galitzen	Galitzen Properties		800.00
08/29/18	3222	1020	Dream	Dream-Cleaners		(250.00)
08/29/18	3222	7210	Dream	Dream-Cleaners		250.00
08/29/18	3223	1020	EnlargeMedi	Enlarge Media Group		(1,862.50)
08/29/18	3223	5400	EnlargeMedi	Enlarge Media Group		1,500.00
08/29/18	3223	5750	EnlargeMedi	Enlarge Media Group		225.00
08/29/18	3223	7010	EnlargeMedi	Enlarge Media Group		137.50
08/29/18	3224	1020	MarianneTon	Marianne Tonjes		(5,416.67)
08/29/18	3224	7243	MarianneTon	Marianne Tonjes		5,416.67
08/29/18	3225	1020	MKB	MCGINTY KNUDTSON & ASSOCIATES, LLP		(225.00)
08/29/18	3225	7175	MKB	MCGINTY KNUDTSON & ASSOCIATES, LLP		225.00
08/29/18	3226	1020	RobertKoury	Robert Koury		(2,000.00)
08/29/18	3226	7290	RobertKoury	Robert Koury		2,000.00
08/29/18	3227	1020	VisitHB	Visit Huntington Beach		(4,000.00)
08/29/18	3227	7310	VisitHB	Visit Huntington Beach		4,000.00
08/31/18	Payroll	7241		August Payroll		3,525.05
08/31/18	Payroll	7250		August Payroll		269.67
08/31/18	Payroll	1020		August Payroll		(288.61)
08/31/18	Payroll	1020		August Payroll		(930.85)
08/31/18	Payroll	1020		August Payroll		(136.03)
08/31/18	Payroll	1020		August Payroll		(549.97)
08/31/18	Payroll	1020		August Payroll		(498.59)
08/31/18	Payroll	1020		August Payroll		(1,390.67)
08/31/18	Rec	1020		Facebook		(29.92)
08/31/18	Rec	7010		Facebook		29.92
08/31/18	Rec	1020		Buddy Punch		(49.00)
08/31/18	Rec	7175		Buddy Punch		49.00
08/31/18	Rec	1020		EB 2018		(46.32)
08/31/18	Rec	7210		EB 2018		46.32
08/31/18	Rec	1020		ADP		(120.00)
08/31/18	Rec	7175		ADP		120.00
08/31/18	Rec	1020		Staples		(48.14)
08/31/18	Rec	7210		Staples		48.14
08/31/18	Rec	1020		Staples		(6.47)
08/31/18	Rec	7210		Staples		6.47
08/31/18	Rec	1020		Staples		(58.91)
08/31/18	Rec	7210		Staples		58.91
08/31/18	Rec	1020		Microsoft 365		(62.50)
08/31/18	Rec	7210		Microsoft 365		62.50
08/31/18	Rec	1020		Staples		(27.17)
08/31/18	Rec	7210		Staples		27.17
08/31/18	Rec	1020		Staples		(5.11)
08/31/18	Rec	7210		Staples		5.11
08/31/18	Rec	1020		ADP		(45.87)
08/31/18	Rec	7175		ADP		45.87

## HB Downtown Business Improvement District

### Journals

August 1, 2018 - August 31, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
08/31/18	Rec	1020		City of HB		(219.00)
08/31/18	Rec	5200.50		City of HB		219.00
08/31/18	Rec	1020		City of HB		(219.00)
08/31/18	Rec	5450		City of HB		219.00
08/31/18	Rec	1020		Indeed		(25.48)
08/31/18	Rec	7010		Indeed		25.48
08/31/18	Rec	1020		ADP		(45.87)
08/31/18	Rec	7175		ADP		45.87
08/31/18	Rec	1020		Freshbooks		(25.00)
08/31/18	Rec	7210		Freshbooks		25.00
08/31/18	Rec	1020		GoDaddy.com		(16.99)
08/31/18	Rec	7210		GoDaddy.com		16.99
08/31/18	Rec	1020		ADP		(45.87)
08/31/18	Rec	7175		ADP		45.87
08/31/18	Rec	1020		Freshbooks		(24.83)
08/31/18	Rec	7210		Freshbooks		24.83
08/31/18	Rec	1020		Squarespace		(216.00)
08/31/18	Rec	7210		Squarespace		216.00
08/31/18	Rec	1020		Adobe		(14.99)
08/31/18	Rec	7210		Adobe		14.99
					Transaction Balance for General	<u>0.00</u>

Transaction Totals

Total Debits	<u>45,329.37</u>
Total Credits	<u>45,329.37</u>
Account Hash Total	<u>296714.5000</u>

Transaction count = 35

Distribution count = 78

McGinty, Knudtson & Associates, LLP  
20422 Beach Blvd Ste 450  
Huntington Beach, CA 92648-8301  
714-536-7777

HB Downtown Business Improvement District  
315 3rd St  
Suite E  
Huntington Beach, CA 92648  
714-536-8300

Management is responsible for the accompanying financial statements of HB Downtown Business Improvement District, (a non profit corporation), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of September 30, 2018, and the related statements of revenues and expenses - modified cash basis and cash flows for the 1 Month and the 12 Months then ended in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. 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 statement 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the modified cash basis of accounting. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

McGinty, Knudtson & Associates, LLP

November 27, 2018



HB Downtown Business Improvement District  
Statement of Assets, Liabilities, and Net Assets - Income Tax Basis  
As of September 30, 2018

Assets

Current Assets	
First Bank - Checking	\$ 934.99
Accounts Receivable - Trade	250.00
Accounts Receivable - Miscellaneous	604.00
Prepaid Rent	<u>500.00</u>
Total Current Assets	<u>2,288.99</u>
Property and Equipment	<u>                    </u>
Net Property and Equipment	<u>0.00</u>
Total Assets	<u><u>\$ 2,288.99</u></u>



HB Downtown Business Improvement District  
Statement of Assets, Liabilities, and Net Assets - Income Tax Basis  
As of September 30, 2018

Liabilities and Net Assets

Current Liabilities	
Accrued Payroll	\$ 64.86
Payroll Taxes Payable	<u>(853.29)</u>
Total Current Liabilities	<u>(788.43)</u>
Long-Term Liabilities	
Total Long-Term Liabilities	<u>0.00</u>
Total Liabilities	<u>(788.43)</u>
Net Assets	
Other Equity	41,741.88
Retained Earnings	<u>(38,664.46)</u>
Total Net Assets	<u>3,077.42</u>
Total Liabilities and Net Assets	<u>\$ 2,288.99</u>

**HB Downtown Business Improvement District**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**Actual vs. Budget**

	1 Month Ended September 30, 2018 Actual	1 Month Ended September 30, 2018 Budget	12 Months Ended September 30, 2018 Actual	12 Months Ended September 30, 2018 Budget
<b>Sales</b>				
BID Assessments - Prior Year	\$ 0.00	\$ 0.00	\$ 16,296.31	\$ 0.00
BID Assessments - Current Year	0.00	8,820.00	96,486.31	124,806.68
Chili at the Beach	0.00	0.00	30,747.47	30,000.00
Surf City Nights	12,000.00	12,000.00	143,533.42	136,000.00
Surf City Days	0.00	15,000.00	0.00	15,000.00
Art Walk	0.00	0.00	0.00	13,000.00
Miracle on Main Street	0.00	0.00	1,350.00	0.00
He'e Nalu Aloha Pier Festival	0.00	0.00	14,615.00	0.00
Other Event Revenue	0.00	16,000.00	0.00	16,000.00
Sponsorships	0.00	0.00	0.00	3,000.00
<b>Total Sales</b>	<u>12,000.00</u>	<u>51,820.00</u>	<u>303,028.51</u>	<u>337,806.68</u>
<b>Event Expenses</b>				
Chili at the Beach	0.00	0.00	5,906.81	15,000.00
Administration	0.00	0.00	1,375.47	0.00
Awards	0.00	0.00	1,257.79	0.00
Event Entertainment	0.00	0.00	6,738.99	0.00
Licenses & Permits	0.00	0.00	1,909.25	0.00
Marketing & Banners	0.00	0.00	1,127.52	0.00
Miscellaneous event expenses	0.00	0.00	1,491.91	0.00
Printing & Production	0.00	0.00	2,316.62	0.00
Security	0.00	0.00	1,092.00	0.00
Sponsorships	0.00	0.00	6,000.00	0.00
Parking	0.00	0.00	138.00	0.00
Halloween	0.00	0.00	5,295.00	6,000.00
Marketing & Advertising	0.00	0.00	219.00	0.00
Printing & Production	205.04	0.00	205.04	0.00
Surf City Days	0.00	5,000.00	3,760.00	5,000.00
Administration	235.77	0.00	235.77	0.00
Cleaning	0.00	0.00	100.00	0.00
Marketing & Advertising	2,287.50	0.00	2,506.50	0.00
Outside Services	590.00	0.00	590.00	0.00
Art Walk/Main Street Late Night	0.00	0.00	0.00	13,000.00
Marketing & Advertising	0.00	0.00	6,632.27	0.00
Printing & Production	0.00	0.00	923.69	0.00
Holiday Beautification	0.00	0.00	18,725.00	30,000.00
Miracle on Main	0.00	0.00	11,839.34	10,000.00
Licenses & Permits	0.00	0.00	3,192.00	0.00
Marketing & Advertising-SC Days	0.00	0.00	225.00	0.00
He'e Nalu Aloha Pier Festival	0.00	0.00	17,472.29	0.00
Sandcastles	0.00	0.00	0.00	8,000.00
Other Events	0.00	13,000.00	0.00	13,000.00
Surf-O-Rama	0.00	0.00	260.37	0.00
<b>Total Event Expenses</b>	<u>3,318.31</u>	<u>18,000.00</u>	<u>101,535.63</u>	<u>100,000.00</u>
<b>Gross Profit</b>	<u>8,681.69</u>	<u>33,820.00</u>	<u>201,492.88</u>	<u>237,806.68</u>
<b>Operating Expenses</b>				
Security	308.00	0.00	308.00	0.00
Advertising & Marketing	1,706.48	4,816.66	14,293.25	51,866.64
Bank Charges	0.00	25.00	12.50	266.68
Donations	0.00	600.00	225.00	5,400.00
Dues & Subscriptions	0.00	83.34	6,414.08	999.99

**HB Downtown Business Improvement District**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**Actual vs. Budget**

	1 Month Ended September 30, 2018 Actual	1 Month Ended September 30, 2018 Budget	12 Months Ended September 30, 2018 Actual	12 Months Ended September 30, 2018 Budget
Insurance	0.00	0.00	570.60	2,453.32
Liability Insurance	0.00	0.00	6,723.00	2,266.68
Legal	0.00	0.00	0.00	1,000.00
Accounting	260.74	375.00	5,624.75	4,166.68
Licenses & Fees	0.00	0.00	60.00	100.00
Meeting Expenses	200.00	416.67	557.93	5,000.04
Office Expense	139.49	250.00	4,217.62	3,000.00
Office Salaries & Wages	0.00	0.00	20,989.60	0.00
Outside Services	0.00	0.00	22,900.00	0.00
Salaries & Wages	3,279.00	6,666.67	25,341.88	78,666.68
Bonuses	0.00	5,000.00	0.00	5,000.00
Consulting	5,416.67	0.00	21,666.68	0.00
Payroll Tax Expense	250.85	560.00	2,596.69	6,880.00
Printing & Production	0.00	0.00	2,027.97	0.00
Rent	800.00	910.00	10,900.00	10,946.68
Repairs & Maintenance	0.00	41.67	2,548.94	500.04
Security	21,472.00	4,000.00	91,836.00	47,000.00
Taxes	0.00	0.00	10.00	0.00
Telephone	167.97	165.00	976.28	2,153.32
Utilities	0.00	0.00	456.57	0.00
<b>Total Operating Expenses</b>	<u>34,001.20</u>	<u>23,910.01</u>	<u>241,257.34</u>	<u>227,666.75</u>
<b>Operating Income (Loss)</b>	<u>(25,319.51)</u>	<u>9,909.99</u>	<u>(39,764.46)</u>	<u>10,139.93</u>
<b>Other Income (Expenses)</b>				
Other Income	0.00	0.00	1,100.00	0.00
Other Expenses	0.00	(1,700.00)	0.00	(1,700.00)
<b>Total Other Income (Expenses)</b>	<u>0.00</u>	<u>(1,700.00)</u>	<u>1,100.00</u>	<u>(1,700.00)</u>
<b>Net Income (Loss) Before Taxes</b>	<u>(25,319.51)</u>	<u>8,209.99</u>	<u>(38,664.46)</u>	<u>8,439.93</u>
<b>Net Income (Loss)</b>	<u>\$ (25,319.51)</u>	<u>\$ 8,209.99</u>	<u>\$ (38,664.46)</u>	<u>\$ 8,439.93</u>

**HB Downtown Business Improvement District**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**12 Month Comparison for 2018**

	10/31/17	11/30/17	12/31/17	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18	Total
<b>Sales</b>													
BID Assessments - Prior Year	\$ 0.00	\$ 16,296.31	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	16,296.31
BID Assessments - Current Year	0.00	0.00	21,012.55	0.00	13,257.63	8,640.00	14,264.40	11,137.02	0.00	20,312.67	7,862.04	0.00	96,486.31
Chili at the Beach	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,747.47	0.00	0.00	0.00	30,747.47
Surf City Nights	10,000.00	10,000.00	16,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	11,533.42	12,000.00	12,000.00	143,533.42
Miracle on Main Street	0.00	350.00	0.00	0.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	1,350.00
He'e Nalu Aloha Pier Festival	14,615.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,615.00
<b>Total Sales</b>	<b>24,615.00</b>	<b>26,646.31</b>	<b>37,012.55</b>	<b>12,000.00</b>	<b>25,257.63</b>	<b>20,640.00</b>	<b>27,264.40</b>	<b>23,137.02</b>	<b>42,747.47</b>	<b>31,846.09</b>	<b>19,862.04</b>	<b>12,000.00</b>	<b>303,028.51</b>
<b>Cost of Goods Sold</b>													
Chili at the Beach	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	4,906.81	0.00	0.00	0.00	5,906.81
Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,375.47	0.00	0.00	0.00	1,375.47
Awards	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	950.00	307.79	0.00	0.00	1,257.79
Event Entertainment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,738.99	0.00	0.00	0.00	6,738.99
Licenses & Permits	0.00	0.00	0.00	0.00	0.00	219.00	0.00	1,360.00	330.25	0.00	0.00	0.00	1,909.25
Marketing & Banners	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,127.52	0.00	0.00	0.00	1,127.52
Miscellaneous event expenses	0.00	0.00	0.00	0.00	580.50	0.00	0.00	0.00	959.35	(47.94)	0.00	0.00	1,491.91
Printing & Production	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	900.00	1,416.62	0.00	0.00	2,316.62
Security	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,092.00	0.00	0.00	0.00	1,092.00
Sponsorships	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,000.00	0.00	0.00	0.00	6,000.00
Parking	0.00	116.00	0.00	22.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	138.00
Halloween	5,295.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,295.00
Marketing & Advertising	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	219.00	0.00	219.00
Printing & Production	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	205.04	205.04
Surf City Days	2,260.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00	0.00	3,760.00
Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	235.77	235.77
Cleaning	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
Marketing & Advertising	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	219.00	2,287.50	2,506.50
Outside Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	590.00	590.00
Marketing & Advertising	1,000.00	0.00	0.00	3,632.27	1,000.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	6,632.27
Printing & Production	923.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	923.69
Holiday Beautification	0.00	16,625.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,100.00	0.00	18,725.00
Miracle on Main	515.00	11,324.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,839.34
Licenses & Permits	0.00	0.00	0.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	2,842.00	0.00	3,192.00
Marketing & Advertising-SC Days	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	225.00	0.00	225.00
He'e Nalu Aloha Pier Festival	11,397.18	6,075.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,472.29
Surf-O-Rama	0.00	0.00	0.00	260.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	260.37
<b>Total Cost of Goods Sold</b>	<b>21,390.87</b>	<b>34,140.45</b>	<b>1,000.00</b>	<b>4,264.64</b>	<b>1,580.50</b>	<b>319.00</b>	<b>1,000.00</b>	<b>1,360.00</b>	<b>24,380.39</b>	<b>1,676.47</b>	<b>7,105.00</b>	<b>3,318.31</b>	<b>101,535.63</b>
<b>Gross Profit</b>	<b>3,224.13</b>	<b>(7,494.14)</b>	<b>36,012.55</b>	<b>7,735.36</b>	<b>23,677.13</b>	<b>20,321.00</b>	<b>26,264.40</b>	<b>21,777.02</b>	<b>18,367.08</b>	<b>30,169.62</b>	<b>12,757.04</b>	<b>8,681.69</b>	<b>201,492.88</b>

**HB Downtown Business Improvement District**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**12 Month Comparison for 2018**

	10/31/17	11/30/17	12/31/17	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18	Total
<b>Operating Expenses</b>													
Security	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	308.00	308.00
Advertising & Marketing	0.00	3,365.00	0.00	1,064.29	0.00	1,000.00	190.00	5,125.00	1,574.53	75.05	192.90	1,706.48	14,293.25
Bank Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.50	0.00	0.00	12.50
Donations	0.00	0.00	0.00	0.00	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00	225.00
Dues & Subscriptions	0.00	0.00	0.00	5,796.90	0.00	0.00	200.00	0.00	0.00	417.18	0.00	0.00	6,414.08
Insurance	0.00	0.00	0.00	0.00	51.60	519.00	0.00	0.00	0.00	0.00	0.00	0.00	570.60
Liability Insurance	0.00	0.00	0.00	0.00	5,023.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	6,723.00
Accounting	310.74	310.74	85.74	722.74	267.87	1,458.61	436.74	316.74	556.74	365.74	531.61	260.74	5,624.75
Licenses & Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.00	0.00	60.00
Meeting Expenses	0.00	357.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00	557.93
Office Expense	(87.47)	75.35	0.00	170.57	1,043.70	156.19	533.36	137.32	390.90	855.78	802.43	139.49	4,217.62
Office Salaries & Wages	0.00	0.00	0.00	0.00	5,416.67	5,416.67	5,416.67	4,739.59	0.00	0.00	0.00	0.00	20,989.60
Outside Services	7,900.00	5,000.00	0.00	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,900.00
Salaries & Wages	2,384.00	1,852.00	1,680.00	1,320.00	1,576.00	1,372.00	1,536.00	1,814.00	2,834.00	2,169.83	3,525.05	3,279.00	25,341.88
Consulting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,416.67	5,416.67	5,416.67	5,416.67	21,666.68
Payroll Tax Expense	182.38	141.67	128.52	463.62	202.54	176.31	197.38	200.95	216.81	165.99	269.67	250.85	2,596.69
Printing & Production	0.00	0.00	0.00	0.00	1,535.55	0.00	0.00	446.84	45.58	0.00	0.00	0.00	2,027.97
Rent	700.00	700.00	0.00	1,400.00	700.00	700.00	700.00	800.00	800.00	800.00	2,800.00	800.00	10,900.00
Repairs & Maintenance	0.00	0.00	0.00	0.00	2,400.00	148.94	0.00	0.00	0.00	0.00	0.00	0.00	2,548.94
Security	0.00	19,500.00	0.00	8,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	18,864.00	4,000.00	21,472.00	91,836.00
Taxes	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00
Telephone	0.00	0.00	0.00	0.00	0.00	0.00	152.11	151.99	336.14	168.07	0.00	167.97	976.28
Utilities	152.39	0.00	0.00	304.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	456.57
<b>Total Operating Expenses</b>	<b>11,542.04</b>	<b>31,302.69</b>	<b>1,894.26</b>	<b>29,242.30</b>	<b>22,216.93</b>	<b>14,957.72</b>	<b>13,587.26</b>	<b>19,432.43</b>	<b>16,171.37</b>	<b>29,310.81</b>	<b>17,598.33</b>	<b>34,001.20</b>	<b>241,257.34</b>
<b>Operating Income (Loss)</b>	<b>(8,317.91)</b>	<b>(38,796.83)</b>	<b>34,118.29</b>	<b>(21,506.94)</b>	<b>1,460.20</b>	<b>5,363.28</b>	<b>12,677.14</b>	<b>2,344.59</b>	<b>2,195.71</b>	<b>858.81</b>	<b>(4,841.29)</b>	<b>(25,319.51)</b>	<b>(39,764.46)</b>
<b>Other Income (Expenses)</b>													
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	1,100.00
<b>Total Other Income (Expenses)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,100.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,100.00</b>
<b>Net Income (Loss) Before Taxes</b>	<b>(8,317.91)</b>	<b>(38,796.83)</b>	<b>34,118.29</b>	<b>(21,506.94)</b>	<b>1,460.20</b>	<b>5,363.28</b>	<b>12,677.14</b>	<b>3,444.59</b>	<b>2,195.71</b>	<b>858.81</b>	<b>(4,841.29)</b>	<b>(25,319.51)</b>	<b>(38,664.46)</b>
<b>Net Income (Loss)</b>	<b>\$ (8,317.91)</b>	<b>\$ (38,796.83)</b>	<b>\$ 34,118.29</b>	<b>\$ (21,506.94)</b>	<b>\$ 1,460.20</b>	<b>\$ 5,363.28</b>	<b>\$ 12,677.14</b>	<b>\$ 3,444.59</b>	<b>\$ 2,195.71</b>	<b>\$ 858.81</b>	<b>\$ (4,841.29)</b>	<b>\$ (25,319.51)</b>	<b>\$ (38,664.46)</b>

## HB Downtown Business Improvement District

### General Ledger

September 1, 2018 - September 30, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
1020	First Bank - Checking			26,254.50		
09/04/18	2		Transfer from SCN		12,000.00	
09/14/18	3229		Enlarge Media Group		(225.00)	
09/14/18	3230		Executive Event Services		(17,472.00)	
09/14/18	3231		The UPS Store		(205.04)	
09/14/18	3232		Time Warner Cable		(167.97)	
09/28/18	3233		Galitzen Properties		(800.00)	
09/28/18	3234		Edgar Garcia - Salt Creative		(2,062.50)	
09/28/18	3235		JODI MCKAY		(590.00)	
09/28/18	3236		Marianne Tonjes		(5,416.67)	
09/28/18	3237		Star Pro Security Patrol Inc.		(308.00)	
09/28/18	3238		The UPS Store		(1,626.87)	
09/28/18	3239		Visit Huntington Beach		(4,000.00)	
09/30/18	Payroll		September Payroll		(385.38)	
09/30/18	Payroll		September Payroll		(1,152.67)	
09/30/18	Payroll		September Payroll		(531.83)	
09/30/18	Payroll		September Payroll		(1,459.97)	
09/30/18	Rec		Facebook		(18.03)	
09/30/18	Rec		Indeed		(61.58)	
09/30/18	Rec		Buddy Punch		(49.00)	
09/30/18	Rec		Hasty Awards		(235.77)	
09/30/18	Rec		ADP		(120.00)	
09/30/18	Rec		Microsoft 365		(62.50)	
09/30/18	Rec		City of HB		(200.00)	
09/30/18	Rec		ADP		(45.87)	
09/30/18	Rec		Freshbooks		(60.00)	
09/30/18	Rec		GoDaddy.com		(16.99)	
09/30/18	Rec		ADP		(45.87)	
			Totals for First Bank - Checking		<u>(25,319.51)</u>	<u>934.99</u>
1100	Accounts Receivable - Trade			250.00		
			Totals for Accounts Receivable - Trade		<u>0.00</u>	<u>250.00</u>
1140	Accounts Receivable - Miscellaneous			604.00		
			Totals for Accounts Receivable - Miscellaneous		<u>0.00</u>	<u>604.00</u>
1330	Prepaid Rent			500.00		
			Totals for Prepaid Rent		<u>0.00</u>	<u>500.00</u>
2080	Accrued Payroll			(64.86)		
			Totals for Accrued Payroll		<u>0.00</u>	<u>(64.86)</u>
2100	Payroll Taxes Payable			853.29		
			Totals for Payroll Taxes Payable		<u>0.00</u>	<u>853.29</u>
3100	Unrestricted Retained Earnings			(41,741.88)		
			Totals for Unrestricted Retained Earnings		<u>0.00</u>	<u>(41,741.88)</u>
4010	BID Assessments - Prior Year			(16,296.31)		
			Totals for BID Assessments - Prior Year		<u>0.00</u>	<u>(16,296.31)</u>
4020	BID Assessments - Current Year			(96,486.31)		
			Totals for BID Assessments - Current Year		<u>0.00</u>	<u>(96,486.31)</u>
4100	Chili at the Beach			(30,747.47)		
			Totals for Chili at the Beach		<u>0.00</u>	<u>(30,747.47)</u>

## HB Downtown Business Improvement District

### General Ledger

September 1, 2018 - September 30, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
4400	Surf City Nights			(131,533.42)		
09/04/18	2		Transfer from SCN		(12,000.00)	
			Totals for Surf City Nights		<u>(12,000.00)</u>	<u>(143,533.42)</u>
4600	Miracle on Main Street			(1,350.00)		
			Totals for Miracle on Main Street		<u>0.00</u>	<u>(1,350.00)</u>
4800	He'e Nalu Aloha Pier Festival			(14,615.00)		
			Totals for He'e Nalu Aloha Pier Festival		<u>0.00</u>	<u>(14,615.00)</u>
5100	Chili at the Beach			5,906.81		
			Totals for Chili at the Beach		<u>0.00</u>	<u>5,906.81</u>
5100.10	Administration			1,375.47		
			Totals for Administration		<u>0.00</u>	<u>1,375.47</u>
5100.20	Awards			1,257.79		
			Totals for Awards		<u>0.00</u>	<u>1,257.79</u>
5100.25	Event Entertainment			6,738.99		
			Totals for Event Entertainment		<u>0.00</u>	<u>6,738.99</u>
5100.40	Licenses & Permits			1,909.25		
			Totals for Licenses & Permits		<u>0.00</u>	<u>1,909.25</u>
5100.50	Marketing & Banners			1,127.52		
			Totals for Marketing & Banners		<u>0.00</u>	<u>1,127.52</u>
5100.60	Miscellaneous event expenses			1,491.91		
			Totals for Miscellaneous event expenses		<u>0.00</u>	<u>1,491.91</u>
5100.80	Printing & Production			2,316.62		
			Totals for Printing & Production		<u>0.00</u>	<u>2,316.62</u>
5100.90	Security			1,092.00		
			Totals for Security		<u>0.00</u>	<u>1,092.00</u>
5100.95	Sponsorships			6,000.00		
			Totals for Sponsorships		<u>0.00</u>	<u>6,000.00</u>
5140	Parking			138.00		
			Totals for Parking		<u>0.00</u>	<u>138.00</u>
5200	Halloween			5,295.00		
			Totals for Halloween		<u>0.00</u>	<u>5,295.00</u>
5200.50	Marketing & Advertising			219.00		
			Totals for Marketing & Advertising		<u>0.00</u>	<u>219.00</u>
5380	Printing & Production			0.00		
09/14/18	3231		The UPS Store		205.04	
			Totals for Printing & Production		<u>205.04</u>	<u>205.04</u>
5400	Surf City Days			3,760.00		
			Totals for Surf City Days		<u>0.00</u>	<u>3,760.00</u>
5410	Administration			0.00		
09/30/18	Rec		Hasty Awards		235.77	

## HB Downtown Business Improvement District

### General Ledger

September 1, 2018 - September 30, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
Totals for Administration					<u>235.77</u>	<u>235.77</u>
5420	Cleaning			100.00		
Totals for Cleaning					<u>0.00</u>	<u>100.00</u>
5450	Marketing & Advertising			219.00		
09/14/18	3229		Enlarge Media Group		225.00	
09/28/18	3234		Edgar Garcia - Salt Creative		<u>2,062.50</u>	
Totals for Marketing & Advertising					<u>2,287.50</u>	<u>2,506.50</u>
5465	Outside Services			0.00		
09/28/18	3235		JODI MCKAY		<u>590.00</u>	
Totals for Outside Services					<u>590.00</u>	<u>590.00</u>
5490	Security			0.00		
09/28/18	3237		Star Pro Security Patrol Inc.		<u>308.00</u>	
Totals for Security					<u>308.00</u>	<u>308.00</u>
5550	Marketing & Advertising			6,632.27		
Totals for Marketing & Advertising					<u>0.00</u>	<u>6,632.27</u>
5580	Printing & Production			923.69		
Totals for Printing & Production					<u>0.00</u>	<u>923.69</u>
5600	Holiday Beautification			18,725.00		
Totals for Holiday Beautification					<u>0.00</u>	<u>18,725.00</u>
5610	Miracle on Main			11,839.34		
Totals for Miracle on Main					<u>0.00</u>	<u>11,839.34</u>
5740	Licenses & Permits			3,192.00		
Totals for Licenses & Permits					<u>0.00</u>	<u>3,192.00</u>
5750	Marketing & Advertising-SC Days			225.00		
Totals for Marketing & Advertising-SC Days					<u>0.00</u>	<u>225.00</u>
5800	He'e Nalu Aloha Pier Festival			17,472.29		
Totals for He'e Nalu Aloha Pier Festival					<u>0.00</u>	<u>17,472.29</u>
5950	Surf-O-Rama			260.37		
Totals for Surf-O-Rama					<u>0.00</u>	<u>260.37</u>
7010	Advertising & Marketing			12,586.77		
09/28/18	3238		The UPS Store		1,626.87	
09/30/18	Rec		Facebook		18.03	
09/30/18	Rec		Indeed		<u>61.58</u>	
Totals for Advertising & Marketing					<u>1,706.48</u>	<u>14,293.25</u>
7050	Bank Charges			12.50		
Totals for Bank Charges					<u>0.00</u>	<u>12.50</u>
7090	Donations			225.00		
Totals for Donations					<u>0.00</u>	<u>225.00</u>
7100	Dues & Subscriptions			6,414.08		
Totals for Dues & Subscriptions					<u>0.00</u>	<u>6,414.08</u>
7150	Insurance			570.60		



## HB Downtown Business Improvement District

### General Ledger

September 1, 2018 - September 30, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
Totals for Insurance					<u>0.00</u>	<u>570.60</u>
7151	Liability Insurance			6,723.00		
Totals for Liability Insurance					<u>0.00</u>	<u>6,723.00</u>
7175	Accounting			5,364.01		
09/30/18	Rec		Buddy Punch		49.00	
09/30/18	Rec		ADP		120.00	
09/30/18	Rec		ADP		45.87	
09/30/18	Rec		ADP		45.87	
Totals for Accounting					<u>260.74</u>	<u>5,624.75</u>
7180	Licenses & Fees			60.00		
Totals for Licenses & Fees					<u>0.00</u>	<u>60.00</u>
7190	Meeting Expenses			357.93		
09/30/18	Rec		City of HB		200.00	
Totals for Meeting Expenses					<u>200.00</u>	<u>557.93</u>
7210	Office Expense			4,078.13		
09/30/18	Rec		Microsoft 365		62.50	
09/30/18	Rec		Freshbooks		60.00	
09/30/18	Rec		GoDaddy.com		16.99	
Totals for Office Expense					<u>139.49</u>	<u>4,217.62</u>
7220	Office Salaries & Wages			20,989.60		
Totals for Office Salaries & Wages					<u>0.00</u>	<u>20,989.60</u>
7240	Outside Services			22,900.00		
Totals for Outside Services					<u>0.00</u>	<u>22,900.00</u>
7241	Salaries & Wages			22,062.88		
09/30/18	Payroll		September Payroll		3,279.00	
Totals for Salaries & Wages					<u>3,279.00</u>	<u>25,341.88</u>
7243	Consulting			16,250.01		
09/28/18	3236		Marianne Tonjes		5,416.67	
Totals for Consulting					<u>5,416.67</u>	<u>21,666.68</u>
7250	Payroll Tax Expense			2,345.84		
09/30/18	Payroll		September Payroll		250.85	
Totals for Payroll Tax Expense					<u>250.85</u>	<u>2,596.69</u>
7285	Printing & Production			2,027.97		
Totals for Printing & Production					<u>0.00</u>	<u>2,027.97</u>
7290	Rent			10,100.00		
09/28/18	3233		Galitzen Properties		800.00	
Totals for Rent					<u>800.00</u>	<u>10,900.00</u>
7300	Repairs & Maintenance			2,548.94		
Totals for Repairs & Maintenance					<u>0.00</u>	<u>2,548.94</u>
7310	Security			70,364.00		
09/14/18	3230		Executive Event Services		17,472.00	
09/28/18	3239		Visit Huntington Beach		4,000.00	
Totals for Security					<u>21,472.00</u>	<u>91,836.00</u>

**HB Downtown Business Improvement District**

**General Ledger**

September 1, 2018 - September 30, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
7320	Taxes			10.00		
			Totals for Taxes		<u>0.00</u>	<u>10.00</u>
7330	Telephone			808.31		
09/14/18	3232		Time Warner Cable		<u>167.97</u>	
			Totals for Telephone		<u>167.97</u>	<u>976.28</u>
7360	Utilities			456.57		
			Totals for Utilities		<u>0.00</u>	<u>456.57</u>
8100	Other Income			(1,100.00)		
			Totals for Other Income		<u>0.00</u>	<u>(1,100.00)</u>
			Report Total			<u>0.00</u>
Net Profit/(Loss)						
Current Period			<u>(25,319.51)</u>			
Year-to-Date			<u>(38,664.46)</u>			

Distribution count = 52

# HB Downtown Business Improvement District

## Journals

September 1, 2018 - September 30, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
<b>Journal: General</b>						
09/04/18	2	1020		Transfer from SCN		12,000.00
09/04/18	2	4400		Transfer from SCN		(12,000.00)
09/14/18	3229	1020	EnlargeMedi	Enlarge Media Group		(225.00)
09/14/18	3229	5450	EnlargeMedi	Enlarge Media Group		225.00
09/14/18	3230	1020	Executive E	Executive Event Services		(17,472.00)
09/14/18	3230	7310	Executive E	Executive Event Services		17,472.00
09/14/18	3231	1020	UPS	The UPS Store		(205.04)
09/14/18	3231	5380	UPS	The UPS Store		205.04
09/14/18	3232	1020	Time Warner	Time Warner Cable		(167.97)
09/14/18	3232	7330	Time Warner	Time Warner Cable		167.97
09/28/18	3233	1020	Galitzen	Galitzen Properties		(800.00)
09/28/18	3233	7290	Galitzen	Galitzen Properties		800.00
09/28/18	3234	1020	EdgarGarcia	Edgar Garcia - Salt Creative		(2,062.50)
09/28/18	3234	5450	EdgarGarcia	Edgar Garcia - Salt Creative		2,062.50
09/28/18	3235	1020	JODIMCKAY	JODI MCKAY		(590.00)
09/28/18	3235	5465	JODIMCKAY	JODI MCKAY		590.00
09/28/18	3236	1020	MarianneTon	Marianne Tonjes		(5,416.67)
09/28/18	3236	7243	MarianneTon	Marianne Tonjes		5,416.67
09/28/18	3237	1020	StarPro	Star Pro Security Patrol Inc.		(308.00)
09/28/18	3237	5490	StarPro	Star Pro Security Patrol Inc.		308.00
09/28/18	3238	1020	UPS	The UPS Store		(1,626.87)
09/28/18	3238	7010	UPS	The UPS Store		1,626.87
09/28/18	3239	1020	VisitHB	Visit Huntington Beach		(4,000.00)
09/28/18	3239	7310	VisitHB	Visit Huntington Beach		4,000.00
09/30/18	Payroll	7241		September Payroll		3,279.00
09/30/18	Payroll	7250		September Payroll		250.85
09/30/18	Payroll	1020		September Payroll		(385.38)
09/30/18	Payroll	1020		September Payroll		(1,152.67)
09/30/18	Payroll	1020		September Payroll		(531.83)
09/30/18	Payroll	1020		September Payroll		(1,459.97)
09/30/18	Rec	1020		Facebook		(18.03)
09/30/18	Rec	7010		Facebook		18.03
09/30/18	Rec	1020		Indeed		(61.58)
09/30/18	Rec	7010		Indeed		61.58
09/30/18	Rec	1020		Buddy Punch		(49.00)
09/30/18	Rec	7175		Buddy Punch		49.00
09/30/18	Rec	1020		Hasty Awards		(235.77)
09/30/18	Rec	5410		Hasty Awards		235.77
09/30/18	Rec	1020		ADP		(120.00)
09/30/18	Rec	7175		ADP		120.00
09/30/18	Rec	1020		Microsoft 365		(62.50)
09/30/18	Rec	7210		Microsoft 365		62.50
09/30/18	Rec	1020		City of HB		(200.00)
09/30/18	Rec	7190		City of HB		200.00
09/30/18	Rec	1020		ADP		(45.87)
09/30/18	Rec	7175		ADP		45.87
09/30/18	Rec	1020		Freshbooks		(60.00)
09/30/18	Rec	7210		Freshbooks		60.00
09/30/18	Rec	1020		GoDaddy.com		(16.99)
09/30/18	Rec	7210		GoDaddy.com		16.99
09/30/18	Rec	1020		ADP		(45.87)
09/30/18	Rec	7175		ADP		45.87
<b>Transaction Balance for General</b>						<u>0.00</u>

**Transaction Totals**

Total Debits	<u>49,319.51</u>
Total Credits	<u>49,319.51</u>
Account Hash Total	<u>194109.0000</u>

HB Downtown Business Improvement District

Journals

September 1, 2018 - September 30, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
------	-----------	---------	----------	-------------	------	--------

Transaction count = 24  
Distribution count = 52

McGinty, Knudtson & Associates, LLP  
20422 Beach Blvd Ste 450  
Huntington Beach, CA 92648-8301  
714-536-7777

Downtown BID - Surf City Nights  
315 3rd St  
Suite E  
Huntington Beach, CA 92648  
714-536-8300

Management is responsible for the accompanying financial statements of Downtown BID - Surf City Nights, (a non profit corporation), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of September 30, 2018, and the related statements of revenues and expenses - modified cash basis and cash flows for the 1 Month and the 12 Months then ended in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. 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 statement 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the modified cash basis of accounting. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

McGinty, Knudtson & Associates, LLP

November 26, 2018



Downtown BID - Surf City Nights  
Statement of Assets, Liabilities, and Net Assets - Income Tax Basis  
As of September 30, 2018

Assets

Current Assets	
First Bank - Surf City Nights	\$ 260,465.00
Money Market - SCN	<u>1,000.57</u>
 Total Current Assets	 <u>261,465.57</u>
 Property and Equipment	
Machinery & Equipment	2,941.08
Computers	1,306.31
Less Accumulated Depreciation	<u>(2,501.22)</u>
 Net Property and Equipment	 <u>1,746.17</u>
 Total Assets	 <u><u>\$ 263,211.74</u></u>

Downtown BID - Surf City Nights  
Statement of Assets, Liabilities, and Net Assets - Income Tax Basis  
As of September 30, 2018

Liabilities and Net Assets

Current Liabilities

Total Current Liabilities	<u>0.00</u>
---------------------------	-------------

Long-Term Liabilities

Total Long-Term Liabilities	<u>0.00</u>
-----------------------------	-------------

Total Liabilities	<u>0.00</u>
-------------------	-------------

Net Assets

Other Equity	222,921.15
--------------	------------

Retained Earnings	<u>40,290.59</u>
-------------------	------------------

Total Net Assets	<u>263,211.74</u>
------------------	-------------------

Total Liabilities and Net Assets	<u><u>\$ 263,211.74</u></u>
----------------------------------	-----------------------------



**Downtown BID - Surf City Nights**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**Actual vs. Budget**

	1 Month Ended September 30, 2018 Actual	1 Month Ended September 30, 2018 Budget	12 Months Ended September 30, 2018 Actual	12 Months Ended September 30, 2018 Budget
<b>Sales</b>				
Surf City Nights	\$ 21,223.80	\$ 20,000.00	\$ 313,077.60	\$ 308,000.00
<b>Total Sales</b>	<u>21,223.80</u>	<u>20,000.00</u>	<u>313,077.60</u>	<u>308,000.00</u>
<b>Event Expenses</b>				
Surf City Nights - Operational Expenses	0.00	0.00	2,222.00	0.00
Contract Salaries	0.00	3,000.00	21,585.80	36,000.00
Street Cleaning	225.00	200.00	2,531.04	2,400.00
Entertainment	0.00	0.00	3,500.00	0.00
Licenses & Permits	0.00	141.66	2,932.00	1,700.00
Bank Charges	37.50	25.00	100.00	300.00
Marketing & Advertising	261.72	0.00	5,488.61	0.00
Office Supplies	72.00	0.00	189.53	0.00
Rental & Setup	2,730.00	2,500.00	30,508.78	30,000.00
Parking	0.00	750.00	7,890.00	9,000.00
Street Closure/City of HB	0.00	600.00	4,813.46	7,200.00
<b>Total Event Expenses</b>	<u>3,326.22</u>	<u>7,216.66</u>	<u>81,761.22</u>	<u>86,600.00</u>
<b>Gross Profit</b>	<u>17,897.58</u>	<u>12,783.34</u>	<u>231,316.38</u>	<u>221,400.00</u>
<b>Operating Expenses</b>				
Marketing & Advertising	0.00	2,500.00	20,744.96	32,200.00
Contract Bonus	0.00	2,400.00	29,127.22	42,400.00
Accounting	0.00	225.00	2,975.00	2,700.00
Licenses & Fees	0.00	0.00	1,496.00	0.00
Rent	0.00	0.00	700.00	0.00
Surf City Nights - Transfer to BID	12,000.00	12,000.00	143,533.42	144,000.00
<b>Total Operating Expenses</b>	<u>12,000.00</u>	<u>17,125.00</u>	<u>198,576.60</u>	<u>221,300.00</u>
<b>Operating Income (Loss)</b>	<u>5,897.58</u>	<u>(4,341.66)</u>	<u>32,739.78</u>	<u>100.00</u>
<b>Other Income (Expenses)</b>				
Interest Income	0.42	0.00	0.57	0.00
Other Income	3,012.00	0.00	7,550.24	0.00
<b>Total Other Income (Expenses)</b>	<u>3,012.42</u>	<u>0.00</u>	<u>7,550.81</u>	<u>0.00</u>
<b>Net Income (Loss) Before Taxes</b>	<u>8,910.00</u>	<u>(4,341.66)</u>	<u>40,290.59</u>	<u>100.00</u>
<b>Net Income (Loss)</b>	<u>\$ 8,910.00</u>	<u>\$ (4,341.66)</u>	<u>\$ 40,290.59</u>	<u>\$ 100.00</u>

**Downtown BID - Surf City Nights**  
**Statement of Revenues & Expenses - Modified Cash Basis**  
**12 Month Comparison for 2018**

	10/31/17	11/30/17	12/31/17	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18	Total
<b>Sales</b>													
Surf City Nights	\$ 24,450.00	\$ 22,732.00	\$ 18,472.80	\$ 24,693.00	\$ 23,256.00	\$ 27,997.00	\$ 25,727.00	\$ 37,305.00	\$ 28,284.25	\$ 27,107.75	\$ 31,829.00	\$ 21,223.80	\$ 313,077.60
<b>Total Sales</b>	<b>24,450.00</b>	<b>22,732.00</b>	<b>18,472.80</b>	<b>24,693.00</b>	<b>23,256.00</b>	<b>27,997.00</b>	<b>25,727.00</b>	<b>37,305.00</b>	<b>28,284.25</b>	<b>27,107.75</b>	<b>31,829.00</b>	<b>21,223.80</b>	<b>313,077.60</b>
<b>Cost of Goods Sold</b>													
Surf City Nights - Operational Expenses	0.00	0.00	0.00	0.00	0.00	0.00	2,222.00	0.00	0.00	0.00	0.00	0.00	2,222.00
Contract Salaries	2,917.00	2,917.00	0.00	5,834.00	2,917.00	2,917.00	2,917.00	1,166.80	0.00	0.00	0.00	0.00	21,585.80
Street Cleaning	225.00	0.00	450.00	225.00	112.50	225.00	168.54	225.00	225.00	225.00	225.00	225.00	2,531.04
Entertainment	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00	1,500.00	0.00	0.00	0.00	0.00	3,500.00
Licenses & Permits	0.00	0.00	0.00	0.00	0.00	0.00	540.00	0.00	0.00	2,392.00	0.00	0.00	2,932.00
Bank Charges	0.00	12.50	0.00	12.50	0.00	0.00	0.00	0.00	12.50	12.50	12.50	37.50	100.00
Marketing & Advertising	0.00	0.00	2,102.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	724.89	261.72	5,488.61
Office Supplies	0.00	0.00	0.00	0.00	117.53	0.00	0.00	0.00	0.00	0.00	0.00	72.00	189.53
Rental & Setup	2,400.00	2,400.00	0.00	4,200.00	2,400.00	3,002.20	2,400.00	2,650.00	0.00	5,596.58	2,730.00	2,730.00	30,508.78
Parking	468.00	0.00	922.00	834.00	44.00	2.00	808.00	1,612.00	800.00	800.00	1,600.00	0.00	7,890.00
Street Closure/City of HB	0.00	1,157.83	1,157.83	0.00	(40.41)	0.00	0.00	1,206.12	0.00	0.00	1,332.09	0.00	4,813.46
<b>Total Cost of Goods Sold</b>	<b>6,010.00</b>	<b>6,487.33</b>	<b>4,631.83</b>	<b>11,105.50</b>	<b>5,550.62</b>	<b>8,546.20</b>	<b>11,055.54</b>	<b>8,359.92</b>	<b>1,037.50</b>	<b>9,026.08</b>	<b>6,624.48</b>	<b>3,326.22</b>	<b>81,761.22</b>
<b>Gross Profit</b>	<b>18,440.00</b>	<b>16,244.67</b>	<b>13,840.97</b>	<b>13,587.50</b>	<b>17,705.38</b>	<b>19,450.80</b>	<b>14,671.46</b>	<b>28,945.08</b>	<b>27,246.75</b>	<b>18,081.67</b>	<b>25,204.52</b>	<b>17,897.58</b>	<b>231,316.38</b>
<b>Operating Expenses</b>													
Marketing & Advertising	8,067.77	5,836.01	500.00	2,833.10	550.00	500.00	983.08	1,475.00	0.00	0.00	0.00	0.00	20,744.96
Contract Bonus	3,594.36	3,646.16	0.00	5,415.46	3,621.56	3,276.17	0.00	9,573.51	0.00	0.00	0.00	0.00	29,127.22
Accounting	225.00	225.00	225.00	225.00	225.00	225.00	225.00	225.00	725.00	225.00	225.00	0.00	2,975.00
Licenses & Fees	0.00	0.00	0.00	1,496.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,496.00
Rent	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	700.00
Surf City Nights - Transfer to BID	10,000.00	10,000.00	16,000.00	12,000.00	12,000.00	13,000.00	12,000.00	11,000.00	12,000.00	11,533.42	12,000.00	12,000.00	143,533.42
<b>Total Operating Expenses</b>	<b>22,587.13</b>	<b>19,707.17</b>	<b>16,725.00</b>	<b>21,969.56</b>	<b>16,396.56</b>	<b>17,001.17</b>	<b>13,208.08</b>	<b>22,273.51</b>	<b>12,725.00</b>	<b>11,758.42</b>	<b>12,225.00</b>	<b>12,000.00</b>	<b>198,576.60</b>
<b>Operating Income (Loss)</b>	<b>(4,147.13)</b>	<b>(3,462.50)</b>	<b>(2,884.03)</b>	<b>(8,382.06)</b>	<b>1,308.82</b>	<b>2,449.63</b>	<b>1,463.38</b>	<b>6,671.57</b>	<b>14,521.75</b>	<b>6,323.25</b>	<b>12,979.52</b>	<b>5,897.58</b>	<b>32,739.78</b>
<b>Other Income (Expenses)</b>													
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.42	0.57
Other Income	519.00	513.00	312.00	884.00	550.00	110.00	0.00	1,218.24	240.00	0.00	192.00	3,012.00	7,550.24
<b>Total Other Income (Expenses)</b>	<b>519.00</b>	<b>513.00</b>	<b>312.00</b>	<b>884.00</b>	<b>550.00</b>	<b>110.00</b>	<b>0.00</b>	<b>1,218.39</b>	<b>240.00</b>	<b>0.00</b>	<b>192.00</b>	<b>3,012.42</b>	<b>7,550.81</b>
<b>Net Income (Loss) Before Taxes</b>	<b>(3,628.13)</b>	<b>(2,949.50)</b>	<b>(2,572.03)</b>	<b>(7,498.06)</b>	<b>1,858.82</b>	<b>2,559.63</b>	<b>1,463.38</b>	<b>7,889.96</b>	<b>14,761.75</b>	<b>6,323.25</b>	<b>13,171.52</b>	<b>8,910.00</b>	<b>40,290.59</b>

Downtown BID - Surf City Nights  
Statement of Revenues & Expenses - Modified Cash Basis  
12 Month Comparison for 2018

	10/31/17	11/30/17	12/31/17	01/31/18	02/28/18	03/31/18	04/30/18	05/31/18	06/30/18	07/31/18	08/31/18	09/30/18	Total
Net Income (Loss)	<u>\$ (3,628.13)</u>	<u>\$ (2,949.50)</u>	<u>\$ (2,572.03)</u>	<u>\$ (7,498.06)</u>	<u>\$ 1,858.82</u>	<u>\$ 2,559.63</u>	<u>\$ 1,463.38</u>	<u>\$ 7,889.96</u>	<u>\$ 14,761.75</u>	<u>\$ 6,323.25</u>	<u>\$ 13,171.52</u>	<u>\$ 8,910.00</u>	<u>\$ 40,290.59</u>

## Downtown BID - Surf City Nights

### General Ledger

September 1, 2018 - September 30, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
1040	First Bank - Surf City Nights			252,837.42		
09/06/18	2		09/06/18 Collections		2,980.00	
09/06/18	2		09/06/18 Collections		7,533.00	
09/06/18	2		09/06/18 Collections		7,912.00	
09/14/18	2228		Malco Maintenance Inc.		(4,237.00)	
09/18/18	2		09/18/18 Surf City Days		5,900.00	
09/28/18	2229		Malco Maintenance Inc.		(72.00)	
09/28/18	2230		The UPS Store		(261.72)	
09/30/18	Rec		Transfer to BID		(12,000.00)	
09/30/18	Rec		Analysis charge		(37.50)	
09/30/18	Rec		HP Fire Pit		(10.00)	
09/30/18	Rec		Turmeric		(79.20)	
			Totals for First Bank - Surf City Nights		<u>7,627.58</u>	<u>260,465.00</u>
1050	Money Market - SCN			1,000.15		
09/30/18	AJE1		Interest on account		0.42	
			Totals for Money Market - SCN		<u>0.42</u>	<u>1,000.57</u>
1640	Machinery & Equipment			1,659.08		
09/14/18	2228		Malco Maintenance Inc. - Generator		1,282.00	
			Totals for Machinery & Equipment		<u>1,282.00</u>	<u>2,941.08</u>
1670	Computers			1,306.31		
			Totals for Computers		<u>0.00</u>	<u>1,306.31</u>
1700	Accumulated Depreciation			(2,501.22)		
			Totals for Accumulated Depreciation		<u>0.00</u>	<u>(2,501.22)</u>
3100	Unrestricted Retained Earnings			(222,921.15)		
			Totals for Unrestricted Retained Earnings		<u>0.00</u>	<u>(222,921.15)</u>
4450	Surf City Nights			(291,853.80)		
09/06/18	2		Baby Mini Donuts		(228.00)	
09/06/18	2		West Coast Bungy		(112.00)	
09/06/18	2		Gerwig Avocado Ranch		(168.00)	
09/06/18	2		Sit Means Sit		(360.00)	
09/06/18	2		211 Ocean Art		(272.00)	
09/06/18	2		Giddy Up Pony Rides and Petting Zoo		(108.00)	
09/06/18	2		Welk		(368.00)	
09/06/18	2		Bazil Chiropractic Health Ctr		(368.00)	
09/06/18	2		Spiritual Origins		(272.00)	
09/06/18	2		Back to Basics		(272.00)	
09/06/18	2		Dolce Monachelli's		(280.00)	
09/06/18	2		Hawaiian Import		(172.00)	
09/06/18	2		MO - Atkins Farm		(196.00)	
09/06/18	2		Keystone Cravings		(280.00)	
09/06/18	2		IV Couture		(280.00)	
09/06/18	2		MO - Don Betos/Gama		(196.00)	
09/06/18	2		Nature's Pet		(280.00)	
09/06/18	2		Tamai Farms		(196.00)	
09/06/18	2		Hawaii Station		(280.00)	
09/06/18	2		Surf City Flags		(272.00)	
09/06/18	2		Anna's Bakery		(272.00)	
09/06/18	2		MO - Islander Access		(416.00)	
09/06/18	2		Hortencia Purses		(136.00)	
09/06/18	2		Ohana Hawaiian Jewelry		(412.00)	
09/06/18	2		MO - Gutierrez		(197.00)	
09/06/18	2		MO - Pro Garage		(368.00)	

## Downtown BID - Surf City Nights

### General Ledger

September 1, 2018 - September 30, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
09/06/18	2		HP Fire Pit		(272.00)	
09/06/18	2		Polynesian Designs		(280.00)	
09/06/18	2		Bee Ladies		(116.00)	
09/06/18	2		MO - Kisses of Coconut		(272.00)	
09/06/18	2		Style Up Hair Clips		(272.00)	
09/06/18	2		Hannah Balloon		(116.00)	
09/06/18	2		Baba Foods		(272.00)	
09/06/18	2		House of Bonsai		(196.00)	
09/06/18	2		Redbeards Hot Sauce		(280.00)	
09/06/18	2		Hypnosis		(40.00)	
09/06/18	2		Coach's Art		(280.00)	
09/06/18	2		Ricky Shoot		(544.00)	
09/06/18	2		Turmeric		(280.00)	
09/06/18	2		Himalayan Salt Lamps		(280.00)	
09/06/18	2		Hypnosis		(240.00)	
09/06/18	2		Ride with Us		(280.00)	
09/06/18	2		Eva Designs		(328.00)	
09/06/18	2		MO - World Wide Plants		(280.00)	
09/06/18	2		MO - Howies Beef Jerky		(416.00)	
09/06/18	2		MO - Henry's Farm		(136.00)	
09/06/18	2		Back Alley Art		(280.00)	
09/06/18	2		Acapulco Pico		(280.00)	
09/06/18	2		Alex's Fruits & Nuts		(280.00)	
09/06/18	2		MO - Sunny Cal Farm		(196.00)	
09/06/18	2		The Tamale Fiesta		(416.00)	
09/06/18	2		MO - Cheesecake in a Cup		(272.00)	
09/06/18	2		Istanbul Gifts		(328.00)	
09/06/18	2		Gera's Roasted Corn		(236.00)	
09/06/18	2		MO - Sergio's Leather		(280.00)	
09/06/18	2		Saltena Corner		(228.00)	
09/06/18	2		Starla's Boutique		(336.00)	
09/06/18	2		Coach's Comfu Air Beds		(336.00)	
09/06/18	2		Frogs Organic Bakery		(280.00)	
09/06/18	2		It Makes Scents		(280.00)	
09/06/18	2		Creative Mat		(316.00)	
09/06/18	2		Snow Biz/Totally Nuts		(236.00)	
09/06/18	2		Churro Mex		(236.00)	
09/06/18	2		Art 4 Shore		(116.00)	
09/06/18	2		Barbara's Keattle Corn		(236.00)	
09/06/18	2		Sheet Guys		(336.00)	
09/06/18	2		George Taco		(416.00)	
09/06/18	2		Tibetan Jewelry		(272.00)	
09/06/18	2		Edle of the World		(280.00)	
09/18/18	2		Rosewood Enterprises		(200.00)	
09/18/18	2		West Coast Deals		(400.00)	
09/18/18	2		Artelos		(200.00)	
09/18/18	2		HB Sky Cam		(200.00)	
09/18/18	2		Silver World		(200.00)	
09/18/18	2		Suzanne Derouin		(200.00)	
09/18/18	2		Carol Gardner		(100.00)	
09/18/18	2		Polynesian Designs		(200.00)	
09/18/18	2		William Whitterghan		(200.00)	
09/18/18	2		Ricky Shoot		(300.00)	
09/18/18	2		Michel Mechael		(100.00)	
09/18/18	2		Designs by Veronica		(200.00)	
09/18/18	2		Gloria Padilla		(200.00)	
09/18/18	2		Cashe Fashions		(200.00)	
09/30/18	Rec		HP Fire Pit		10.00	

## Downtown BID - Surf City Nights

### General Ledger

September 1, 2018 - September 30, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
09/30/18	Rec		Turmeric		79.20	
			Totals for Surf City Nights		<u>(21,223.80)</u>	<u>(313,077.60)</u>
5400			Surf City Nights - Operational Expenses	2,222.00		
			Totals for Surf City Nights - Operational Expenses		<u>0.00</u>	<u>2,222.00</u>
5410			Contract Salaries	21,585.80		
			Totals for Contract Salaries		<u>0.00</u>	<u>21,585.80</u>
5420			Street Cleaning	2,306.04		
09/14/18	2228		Malco Maintenance Inc.		225.00	
			Totals for Street Cleaning		<u>225.00</u>	<u>2,531.04</u>
5425			Entertainment	3,500.00		
			Totals for Entertainment		<u>0.00</u>	<u>3,500.00</u>
5440			Licenses & Permits	2,932.00		
			Totals for Licenses & Permits		<u>0.00</u>	<u>2,932.00</u>
5445			Bank Charges	62.50		
09/30/18	Rec		Analysis charge		37.50	
			Totals for Bank Charges		<u>37.50</u>	<u>100.00</u>
5450			Marketing & Advertising	5,226.89		
09/28/18	2230		The UPS Store		261.72	
			Totals for Marketing & Advertising		<u>261.72</u>	<u>5,488.61</u>
5455			Office Supplies	117.53		
09/28/18	2229		Malco Maintenance Inc.		72.00	
			Totals for Office Supplies		<u>72.00</u>	<u>189.53</u>
5465			Rental & Setup	27,778.78		
09/14/18	2228		Malco Maintenance Inc.		2,730.00	
			Totals for Rental & Setup		<u>2,730.00</u>	<u>30,508.78</u>
5485			Parking	7,890.00		
			Totals for Parking		<u>0.00</u>	<u>7,890.00</u>
5490			Street Closure/City of HB	4,813.46		
			Totals for Street Closure/City of HB		<u>0.00</u>	<u>4,813.46</u>
7010			Marketing & Advertising	20,744.96		
			Totals for Marketing & Advertising		<u>0.00</u>	<u>20,744.96</u>
7060			Contract Bonus	29,127.22		
			Totals for Contract Bonus		<u>0.00</u>	<u>29,127.22</u>
7175			Accounting	2,975.00		
			Totals for Accounting		<u>0.00</u>	<u>2,975.00</u>
7180			Licenses & Fees	1,496.00		
			Totals for Licenses & Fees		<u>0.00</u>	<u>1,496.00</u>
7290			Rent	700.00		
			Totals for Rent		<u>0.00</u>	<u>700.00</u>
7340			Surf City Nights - Transfer to BID	131,533.42		

## Downtown BID - Surf City Nights

### General Ledger

September 1, 2018 - September 30, 2018

Date	Reference	Journal	Description	Beginning Balance	Current Amount	Period End Balance
09/30/18	Rec		Transfer to BID		12,000.00	
			Totals for Surf City Nights - Transfer to BID		<u>12,000.00</u>	<u>143,533.42</u>
8000	Interest Income			(0.15)		
09/30/18	AJE1		Interest on account		(0.42)	
			Totals for Interest Income		<u>(0.42)</u>	<u>(0.57)</u>
8100	Other Income			(4,538.24)		
09/06/18	2		Cash		(12.00)	
09/18/18	2		Cash		(3,000.00)	
			Totals for Other Income		<u>(3,012.00)</u>	<u>(7,550.24)</u>
			Report Total			<u>0.00</u>

Net Profit/(Loss)

Current Period	<u>8,910.00</u>
Year-to-Date	<u>40,290.59</u>

Distribution count = 107

## Downtown BID - Surf City Nights Journals

September 1, 2018 - September 30, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
Journal: General						
09/06/18	2	4450		Baby Mini Donuts		(228.00)
09/06/18	2	4450		West Coast Bungy		(112.00)
09/06/18	2	4450		Gerwig Avocado Ranch		(168.00)
09/06/18	2	4450		Sit Means Sit		(360.00)
09/06/18	2	4450		211 Ocean Art		(272.00)
09/06/18	2	4450		Giddy Up Pony Rides and Petting Zoo		(108.00)
09/06/18	2	4450		Welk		(368.00)
09/06/18	2	4450		Bazil Chiropractic Health Ctr		(368.00)
09/06/18	2	4450		Spiritual Origins		(272.00)
09/06/18	2	4450		Back to Basics		(272.00)
09/06/18	2	4450		Dolce Monachelli's		(280.00)
09/06/18	2	4450		Hawaiian Import		(172.00)
09/06/18	2	1040		09/06/18 Collections		2,980.00
09/06/18	2	4450		MO - Atkins Farm		(196.00)
09/06/18	2	4450		Keystone Cravings		(280.00)
09/06/18	2	4450		IV Couture		(280.00)
09/06/18	2	4450		MO - Don Betos/Gama		(196.00)
09/06/18	2	4450		Nature's Pet		(280.00)
09/06/18	2	4450		Tamai Farms		(196.00)
09/06/18	2	4450		Hawaii Station		(280.00)
09/06/18	2	4450		Surf City Flags		(272.00)
09/06/18	2	4450		Anna's Bakery		(272.00)
09/06/18	2	4450		MO - Islander Access		(416.00)
09/06/18	2	4450		Hortencia Purses		(136.00)
09/06/18	2	4450		Ohana Hawaiian Jewelry		(412.00)
09/06/18	2	4450		MO - Gutierrez		(197.00)
09/06/18	2	4450		MO - Pro Garage		(368.00)
09/06/18	2	4450		HP Fire Pit		(272.00)
09/06/18	2	4450		Polynesian Designs		(280.00)
09/06/18	2	4450		Bee Ladies		(116.00)
09/06/18	2	4450		MO - Kisses of Coconut		(272.00)
09/06/18	2	4450		Style Up Hair Clips		(272.00)
09/06/18	2	4450		Hannah Balloon		(116.00)
09/06/18	2	4450		Baba Foods		(272.00)
09/06/18	2	4450		House of Bonsai		(196.00)
09/06/18	2	4450		Redbeards Hot Sauce		(280.00)
09/06/18	2	4450		Hypnosis		(40.00)
09/06/18	2	4450		Coach's Art		(280.00)
09/06/18	2	4450		Ricky Shoot		(544.00)
09/06/18	2	4450		Turmeric		(280.00)
09/06/18	2	8100		Cash		(12.00)
09/06/18	2	4450		Himalayan Salt Lamps		(280.00)
09/06/18	2	4450		Hypnosis		(240.00)
09/06/18	2	1040		09/06/18 Collections		7,533.00
09/06/18	2	4450		Ride with Us		(280.00)
09/06/18	2	4450		Eva Designs		(328.00)
09/06/18	2	4450		MO - World Wide Plants		(280.00)
09/06/18	2	4450		MO - Howies Beef Jerky		(416.00)
09/06/18	2	4450		MO - Henry's Farm		(136.00)
09/06/18	2	4450		Back Alley Art		(280.00)
09/06/18	2	4450		Acapulco Pico		(280.00)
09/06/18	2	4450		Alex's Fruits & Nuts		(280.00)
09/06/18	2	4450		MO - Sunny Cal Farm		(196.00)
09/06/18	2	4450		The Tamale Fiesta		(416.00)
09/06/18	2	4450		MO - Cheesecake in a Cup		(272.00)
09/06/18	2	4450		Istanbul Gifts		(328.00)
09/06/18	2	4450		Gera's Roasted Corn		(236.00)
09/06/18	2	4450		MO - Sergio's Leather		(280.00)



## Downtown BID - Surf City Nights Journals

September 1, 2018 - September 30, 2018

Date	Reference	Account	Payee ID	Description	1099	Amount
09/06/18	2	4450		Saltena Corner		(228.00)
09/06/18	2	4450		Starla's Boutique		(336.00)
09/06/18	2	4450		Coach's Comfu Air Beds		(336.00)
09/06/18	2	4450		Frogs Organic Bakery		(280.00)
09/06/18	2	4450		It Makes Scents		(280.00)
09/06/18	2	4450		Creative Mat		(316.00)
09/06/18	2	4450		Snow Biz/Totally Nuts		(236.00)
09/06/18	2	4450		Churro Mex		(236.00)
09/06/18	2	4450		Art 4 Shore		(116.00)
09/06/18	2	4450		Barbara's Keattle Corn		(236.00)
09/06/18	2	4450		Sheet Guys		(336.00)
09/06/18	2	4450		George Taco		(416.00)
09/06/18	2	4450		Tibetan Jewelry		(272.00)
09/06/18	2	4450		Edle of the World		(280.00)
09/06/18	2	1040		09/06/18 Collections		7,912.00
09/14/18	2228	1040	Malco	Malco Maintenance Inc.		(4,237.00)
09/14/18	2228	5465	Malco	Malco Maintenance Inc.		2,730.00
09/14/18	2228	5420	Malco	Malco Maintenance Inc.		225.00
09/14/18	2228	1640	Malco	Malco Maintenance Inc. - Generator		1,282.00
09/18/18	2	8100		Cash		(3,000.00)
09/18/18	2	4450		Rosewood Enterprises		(200.00)
09/18/18	2	4450		West Coast Deals		(400.00)
09/18/18	2	4450		Artelos		(200.00)
09/18/18	2	4450		HB Sky Cam		(200.00)
09/18/18	2	4450		Silver World		(200.00)
09/18/18	2	4450		Suzanne Derouin		(200.00)
09/18/18	2	4450		Carol Gardner		(100.00)
09/18/18	2	4450		Polynesian Designs		(200.00)
09/18/18	2	4450		William Whitterghan		(200.00)
09/18/18	2	4450		Ricky Shoot		(300.00)
09/18/18	2	4450		Michel Mechael		(100.00)
09/18/18	2	4450		Designs by Veronica		(200.00)
09/18/18	2	4450		Gloria Padilla		(200.00)
09/18/18	2	4450		Cashe Fashions		(200.00)
09/18/18	2	1040		09/18/18 Surf City Days		5,900.00
09/28/18	2229	1040	Malco	Malco Maintenance Inc.		(72.00)
09/28/18	2229	5455	Malco	Malco Maintenance Inc.		72.00
09/28/18	2230	1040	UPS	The UPS Store		(261.72)
09/28/18	2230	5450	UPS	The UPS Store		261.72
09/30/18	AJE1	8000		Interest on account		(0.42)
09/30/18	AJE1	1050		Interest on account		0.42
09/30/18	Rec	1040		Transfer to BID		(12,000.00)
09/30/18	Rec	7340		Transfer to BID		12,000.00
09/30/18	Rec	1040		Analysis charge		(37.50)
09/30/18	Rec	5445		Analysis charge		37.50
09/30/18	Rec	1040		HP Fire Pit		(10.00)
09/30/18	Rec	4450		HP Fire Pit		10.00
09/30/18	Rec	1040		Turmeric		(79.20)
09/30/18	Rec	4450		Turmeric		79.20
Transaction Balance for General						0.00

**Transaction Totals**

Total Debits		<u>41,022.84</u>
Total Credits		<u>41,022.84</u>
Account Hash Total		<u>451155.0000</u>

Transaction count = 97  
Distribution count = 107

## **SERVICE CONTRACTOR AGREEMENT**

**THIS SERVICE CONTRACTOR AGREEMENT** (the "Agreement") is made and entered into this 1st day of October 2018, between the "HB Downtown Business Improvement District" and **Executive Event Services**.

### **WITNESSETH:**

**WHEREAS**, Service Contractor is skilled in the performance of all the Contract Duties (as defined in Section 2 below) and has agreed to perform all said Contract Duties for HB Downtown Business Improvement District with respect to security, in the City of Huntington Beach, County of Orange, State of California ("Property"); and

**WHEREAS**, HB Downtown Business Improvement District is desirous of securing the performance of all the Contract Duties by Service Contractor.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements of the parties, it is agreed as follows:

### **SECTION 1. TERM OF AGREEMENT**

Unless sooner terminated as herein provided, the term of this Agreement shall begin as of October 1, 2018 and shall end on the October 1, 2019, unless earlier terminated or otherwise extended as herein expressly provided (the "Initial Term"). Following the Initial Term, unless at least thirty (30) days' prior written notice to the contrary is given by either party hereunder, this Agreement automatically and without further instrument shall extend on a month-to-month basis for additional successive calendar-month periods on the existing terms and conditions of this Agreement (collectively, the "Term").

### **SECTION 2. CONTRACT DUTIES**

Throughout the Term, Service Contractor timely and fully shall perform all of the contract duties set forth in Exhibit A (the "Contract Duties"), which is attached hereto and incorporated by reference herein. Service Contractor further agrees to perform all of the Contract Duties in a good and workmanlike manner, and in accordance with industry standards under which those engaged in a business similar to that of Service Contractor in performance of the Contract Duties perform, as well as all applicable licensing requirements, rules, regulations, statutes, and laws of all governmental and quasi-governmental bodies, offices, officials, and agencies; and to pay for all supplies, fuel, uniforms, equipment, transportation, labor, insurance premiums of any kind or description, sales taxes, salaries, federal and state employment taxes, any similar payroll taxes relating to employees of Service Contractor, and any and all other costs, overhead, or expenses whatsoever incurred in the performance of the Contract Duties; and to perform criminal background checks and drug testing (a) upon hiring of all employees hired to perform Contract Duties on the Property, and (b) within the previous two (2) years on all current employees assigned to perform Contract Duties on the Property; and to obtain and pay for all applicable permits and governmental fees, licenses and inspections necessary and incidental to the performance of the Contract Duties and to otherwise comply with all governmental regulations pertaining to performance of the Contract Duties; and to uniform all employees, servants, and agents engaged in performing Contract Duties at the Property in a professional manner; and to provide a competent and well trained on-site supervisor for performance of the Contract Duties at all times when said Contract Duties are being performed; and to maintain a continuing employee training program so as to insure maximum efficiency of performance of the Contract Duties and to insure the safety of all persons and protection of all property on the Property; and to keep the Property free from accumulation of waste materials or rubbish arising from Service Contractor's operations. Service Contractor shall take all necessary and desirable precautions for the safety of, and provide the necessary protection to prevent damage, injury, or loss to all personnel on the Property, all materials or equipment to be provided, incorporated in, or utilized in connection with the Contract Duties and Additional Work, whether on or off the Property, other property located at the site of the Contract Duties or at the Property, and the Property itself and all components thereof.

### **SECTION 3. SERVICE CONTRACTOR'S COMPENSATION**

Throughout the Term, Service Contractor shall be compensated for Service Contractor's full and proper performance of the Contract Duties, in the amounts, at the times, and at the rates established in Exhibit B, which is attached hereto and incorporated by reference herein ("Service Fees"). Service Contractor shall issue invoices to HB Downtown Business Improvement District (at the address specified for the delivery of invoices in Section 10 below) for Service Fees and Additional Service Fees (as hereinafter defined), if any, which shall be payable to Service Contractor not more frequently than monthly and otherwise payable in accordance with Exhibit A.

### **SECTION 4. ADDITIONAL WORK**

It is understood that, from time to time during the Term, Service Contractor may be requested to perform services or provide materials that are not set forth in the Contract Duties, but are related to the services encompassed within the Contract Duties (the "Additional Work"). Service Contractor hereby agrees to perform such Additional Work so long as prior to the performance of such Additional Work, HB Downtown Business Improvement District agrees that if requested by Service Contractor to do so, it shall authorize in writing the scope of such Additional Work and compensation payable to Service Contractor for the full performance of said Additional Work ("Additional Service Fees"). In the event Service Contractor fails or elects not to secure such a writing, executed by HB Downtown Business Improvement District, relating to such Additional Work within ten (10) days following HB Downtown Business Improvement District's request for Service Contract to perform such Additional Work (regardless of whether such Additional Work is commenced or performed during such 10-day period), such failure or election shall be deemed to be Service Contractor's agreement that no Additional Service Fees will be assessed because Service Contractor deems the Additional Work to be an extension of its Contract Duties, and, thereby Service Contractor is not assessing and shall not be entitled to any Additional Service Fees relating thereto. The definition of Contract Duties shall include Additional Work to the extent Additional Work is performed. This Section 4 shall apply to each request by HB Downtown Business Improvement District that Service Contractor perform Additional Work.

### **SECTION 5. EARLY TERMINATION**

HB Downtown Business Improvement District may terminate this Agreement, at any time, and for any or no reason whatsoever, by giving Service Contractor not less than thirty (30) days advance written notice of same, which notice shall specify the effective date of early termination. Service Contractor shall receive all Service Fees (and Additional Fees, if any) for the Contract Duties and Additional Work actually performed through the said effective date of early termination. Service Contractor shall not be entitled to any compensation with respect to any period after any such early termination.

### **SECTION 6. RELATIONSHIP OF PARTIES**

Service Contractor is retained by HB Downtown Business Improvement District only for the purpose and to the extent set forth herein and Service Contractor's relationship with HB Downtown Business Improvement District shall, during the entire Term, be solely that of an independent contractor so that neither Service Contractor, nor any employee, agent, servant, officer, director, or shareholder of Service Contractor, shall be deemed to be an agent, servant, or employee of HB Downtown Business Improvement District. Service Contractor agrees to indemnify HB Downtown Business Improvement District and its affiliates, their members, partners, officers, directors, employees, shareholders, joint venturers, and investors, and its lenders, property manager, agents, successors and assigns (collectively, the "HB Downtown Business Improvement District Indemnified Parties") and hold each of them harmless of and from any and all liabilities, obligations, claims, demands, causes of action, losses, expenses, damages, fines, judgments, settlements and penalties, including, without limitation, costs, expenses, and

attorneys' fees arising from or relating to (a) any determination (whether judicially or administratively) that some relationship, other than that of independent contractor, exists between HB Downtown Business Improvement District and Service Contractor, (b) the hiring, termination, discipline, evaluation, and resolution of complaints and grievances of Service Contractor's employees, agents, servants, and contractors, and/or (c) any determination (whether judicially or administratively) that finds HB Downtown Business Improvement District to be bound by any agreement made by Service Contractor under a theory of actual or apparent authority, where Service Contractor has taken an action or done anything without such authority, it being understood, acknowledged, and agreed by Service Contractor that it has no authority whatsoever to take any action or do anything that shall be binding on HB Downtown Business Improvement District including, without limitation, making any expenditures in the performance of Contract Duties the cost of which Service Contractor contends is a debt or liability of HB Downtown Business Improvement District.

#### **SECTION 7. INSURANCE**

At all times during which Service Contractor is performing the Contract Duties and/or Additional Work, Service Contractor shall maintain, at its sole cost and expense, the insurance set forth in Exhibit C, attached hereto and incorporated by reference herein, from insurance companies and in a form reasonably satisfactory to HB Downtown Business Improvement District and with the requirements and limits of liability not less than stated in such Exhibit C. HB Downtown Business Improvement District shall have the right to inspect and review the policies in their entirety and shall be provided with copies thereof promptly following request.

#### **SECTION 8. INDEMNIFICATION**

To the fullest extent permitted by applicable law, Service Contractor shall defend, indemnify, and hold each of the HB Downtown Business Improvement District Indemnified Parties harmless from and against any and all liabilities, obligations, claims, demands, causes of action, losses, expenses, damages, fines, judgments, settlements and penalties, including, without limitation, costs, expenses, and attorneys' fees, relating to, arising out of, based upon, occasioned by, or in connection with (a) Service Contractor's performance of (or failure to perform) the Contract Duties and/or Additional Work, (b) any act or omission of Service Contractor, its employees, agents, representatives, and contractors while on the Property, (c) any violation of any laws, licenses, and/or insurance policy requirements or restrictions by Service Contractors, its employees, agents, representatives, and contractors while performing Contract Duties and/or Additional Work and/or while on the Property; and (d) any negligence, gross negligence, or willful misconduct by Service Contractor or its affiliates, subcontractors, agents, or employees during performance of the Contract Duties and/or Additional Work and/or while at the Property. The aforesaid obligation of indemnity shall be construed so as to extend to all enforcement (regardless of whether litigation is instituted), legal, defense, and investigation costs, as well as all other reasonable costs, expenses, and liabilities incurred by the party indemnified, from and after the time at which the party indemnified receives notification (whether verbal or written) that a claim or demand is to be made or may be made or such party indemnified becomes aware of the occurrence of an indemnified event or a possibility of damages relating thereto. Except as may be otherwise provided by applicable law or any governmental authority, the HB Downtown Business Improvement District Indemnified Parties' right(s) to indemnification under this section shall not be impaired or diminished by any act, omission, conduct, misconduct, negligence, or default (other than gross negligence or willful misconduct) of HB Downtown Business Improvement District or any employee or contractor of HB Downtown Business Improvement District (including any property manager) which/who contributed or may be alleged to have contributed thereto.

#### **SECTION 9. ASSIGNMENT AND DELEGATION**

Service Contractor shall be absolutely prohibited from assigning this Agreement or delegating or subcontracting any of the Contract Duties or Additional Work (or any other right, obligation, or performance of Service Contractor hereunder), it being agreed that the services to be performed hereunder are personal in nature. Any attempted assignment of this Agreement or any component or aspect thereof, or any delegation or subcontracting of the Contract Duties or Additional Work without HB Downtown Business Improvement District's prior written consent, which may be withheld in HB Downtown Business Improvement District's sole and absolute discretion, shall be void and of no force and effect.

HB Downtown Business Improvement District may assign this Agreement, at any time, in its sole and absolute discretion, to HB Downtown Business Improvement District's nominee by giving Service Contractor written notice of same, which notice shall specify the assignee and effective date of assignment. HB Downtown Business Improvement District may delegate any of its obligations under this Agreement, in HB Downtown Business Improvement District's sole discretion, to the property manager of the Property.

#### **SECTION 10. NOTICES**

Any notices or demands required to be given under this Agreement shall be in writing and shall be delivered either by (a) certified mail, return receipt requested, postage prepaid, deposited in the U.S. mail; (b) a reputable messenger service or a nationally recognized overnight courier; or (c) personal delivery with receipt acknowledged in writing. Notice shall be deemed given upon delivery, attempted delivery, or refusal by the intended recipient. All notices shall be addressed as follows:

If to HB Downtown Business Improvement District:

For invoices and  
operational matters **only**: 315 E. 3<sup>rd</sup> St. Suite E, Huntington Beach, CA 92648

If to Service Contractor: 22600 Savi Ranch Parkway, Yorba Linda, CA 92887

The foregoing addresses may be changed from time to time by notice given to the other party in the manner hereinbefore provided; provided, however, that HB Downtown Business Improvement District's property manager may specify from time to time, such other address(es), including electronic mail address(es), solely for the delivery of invoices and/or informal operational or informational communication relating to the day-to-day performance of Contract Duties.

#### **SECTION 11. NO WAIVER**

Failure of HB Downtown Business Improvement District at any time to require performance by Service Contractor of any provision hereof shall in no way affect the full right to require such performance at any time thereafter, nor shall the waiver by HB Downtown Business Improvement District of a breach of any of the provisions hereof constitute a waiver of any succeeding breach of the same or any other provision. No waiver of any kind shall be effective unless in writing, executed by the waiving party.

#### **SECTION 12. SEVERABILITY**

If any provision of this Agreement or application to any party or circumstance(s) shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstance(s), other than as to which it is so determined invalid or unenforceable shall not be affected thereby, and each provision shall be valid and shall be enforced to the fullest extent permitted by law.

#### **SECTION 13. APPLICABLE LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any action arising hereunder shall be exclusively in the state court of Orange County, California and expressly waive the right, if any, to remove any such action to federal court. **HB Downtown Business Improvement District and Service Contractor hereby knowingly and intentionally waive the right either may have to a trial by jury with respect to any litigation based hereon, or arising out of, under or in connection with this Agreement.**

#### **SECTION 14. COMPLIANCE BY SERVICE CONTRACTOR**

Service Contractor agrees at all times to remain in strict compliance with all terms, provisions, regulations and rulings relative to the Immigration Reform and Control Act of 1986 (IRCA). All employees of Service Contractor assigned to the Property will have had their identity and eligibility for work within the United States properly verified. Within three (3) days of receipt of a written request from HB Downtown

Business Improvement District, Service Contractor shall provide documentation as may be appropriate to satisfy HB Downtown Business Improvement District as to Service Contractor's compliance with IRCA to the fullest extent permitted by law. Additionally, Service Contractor covenants that it will comply throughout the Term with all laws governing transactions or business dealings with any suspected or confirmed terrorists or terrorist entities, as identified from time to time by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") or any other applicable governmental entity, and any applicable law relating to anti-money laundering or anti-terrorism, including, without limitation, those related to transacting business with Embargoed Persons or the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, U.S. Public Law 107-56, and the related regulations issued thereunder, including temporary regulations (collectively, as the same may be amended from time to time, the "Patriot Act"). Service Contractor represents and warrants to HB Downtown Business Improvement District that Service Contractor is not currently identified by OFAC, does not otherwise qualify as an Embargoed Person, is not owned or controlled by an Embargoed Person (as such terms are defined by Laws), and is in compliance with the Patriot Act. Service Contractor shall plan for, and ensure, that all personnel performing any Contract Duties or Additional Work comply with the basic provisions of OSHA Safety and Health Standards (29 CFR 1910) as such federal regulations are applicable to the specific tasks constituting the Contract Duties and Additional Work (if any). The responsibility for the implementation and enforcement of health and safety requirements lies exclusively with Service Contractor, and its safety support staff. If Service Contractor performs any Contract Duties or Additional Work contrary to or in violation of applicable law, any additional costs resulting therefrom, including the costs of correcting said Contract Duties and Additional Work in order to comply with such law. Service Contractor agrees to defend and indemnify the HB Downtown Business Improvement District Indemnified Parties from and against any claims, actions, suits or proceedings of any type whatsoever arising out of or in any way connected with Service Contractor's breach of the terms of this Section 14.

#### **SECTION 15. MISCELLANEOUS SERVICE CONTRACTOR REQUIREMENTS**

(a) Service Contractor shall, at all times, enforce strict discipline and good order among its employees and shall not employ on the Contract Duties or Additional Work any unfit person or anyone not skilled in performance of the Contract Duties or Additional Work. HB Downtown Business Improvement District has the right to require Service Contractor to remove from its work force assigned to the Property any employees or subcontractor's employees whose presence at the Property HB Downtown Business Improvement District deems, in its sole discretion, to be detrimental to the best interests or operation of the Property. In conducting the Contract Duties and Additional Work, if any, Service Contractor and all of its subcontractors shall agree to employ only labor that will not result in jurisdictional disputes or strikes or cause disharmony with other contractors, agents, and employees at the Property. Service Contractor warrants to HB Downtown Business Improvement District that all Contract Duties and Additional Work shall be performed in a safe, good, and workmanlike manner, and that the Contract Duties and Additional Work, including all materials and equipment furnished hereunder, shall conform to all requirements and specifications identified in this Agreement and shall be free from defects of any kind in materials and workmanship. Service Contractor also shall comply at all times with any rules or regulations reasonably imposed by HB Downtown Business Improvement District in connection with the safe and efficient operation of the Property and/or the performance of the Contract Duties and/or Additional Work by Service Contractor.

(b) Service Contractor shall obtain at its own cost all licenses (including professional licenses), permits, certificates, and authorizations necessary for Service Contractor to do business in all jurisdictions where any part of the Contract Duties and Additional Work are to be performed. Service Contractor also shall obtain all licenses, permits, certificates, and authorizations necessary in connection with Service Contractor's performance of the Contract Duties and Additional Work, and give all notices required under applicable law, or by any governmental entity having jurisdiction over the Contract Duties Additional Work, Service Contractor, its employees, agents, subcontractors Contractors, or the activities of any of them.

(c) Service Contractor promptly shall remedy all damage or loss to any property at the Property if such damage or loss is caused directly or indirectly, in whole or in part, by Service Contractor, any subcontractor, or anyone directly or indirectly performing the Contract Duties or Additional Work.

(d) Service Contractor shall not permit any discrimination against or segregation of any person or group of persons in connection with the performance of this Agreement on account of gender, disability, marital status, age, race, religion, color, creed, national origin or ancestry, military status, or sexual orientation, nor shall Service Contractor or any person claiming under or through Service Contractor, establish or permit any such practice or practices of discrimination or segregation in connection with the performance of the Contract Duties and Service Contractor's other obligations under this Agreement.

(e) Service Contractor agrees at all times to remain in strict compliance with all terms, provisions, regulations and rulings of HB Downtown Business Improvement District's Responsible Contractor Policy, a copy of which is attached hereto as Exhibit D and made a part hereof by reference.

(f) All studies, analyses, opinions, recommendations, reports, or other information and material of any nature, and copies thereof, (a) provided to Service Contractor by HB Downtown Business Improvement District; (b) prepared pursuant to this Agreement; and/or (c) to which Service Contractor otherwise gains access during the performance of Contract Duties or Additional Work are the property of HB Downtown Business Improvement District and are to be treated as confidential. They are not to be disclosed to others without HB Downtown Business Improvement District's prior written approval and are to be delivered to HB Downtown Business Improvement District on request and in all events at the end of the Term. Service Contractor shall advise its affiliates, subcontractors, agents and employees having access to said information of this obligation of confidentiality and bind such parties to this same obligation. No articles, papers, or treatises related to or in any way associated with the Contract Duties and/or Additional Work performed pursuant to this Agreement shall be submitted for publication without HB Downtown Business Improvement District's prior written consent.

#### **SECTION 16. LIMITATION ON LIABILITY**

Any obligation or liability whatsoever of HB Downtown Business Improvement District shall be binding only on the HB Downtown Business Improvement District, as such HB Downtown Business Improvement District expressly is identified herein (either initially or by assignment), and shall not be personally binding on nor shall resort for the enforcement thereof be had, in any respect, to any of HB Downtown Business Improvement District's officers, directors, stockholders, members, partners, employees, contractors, agents, representatives, or affiliates, whether individuals or legal entities, and regardless of whether such obligation or liability is in the nature of contract, tort, or otherwise. Any obligation or liability whatsoever of the HB Downtown Business Improvement District that may at any time arise under or pursuant to this Agreement or any obligation or liability that may be incurred by HB Downtown Business Improvement District pursuant to any other instrument, transaction, or undertaking contemplated hereby, shall be satisfied, if at all, out of the HB Downtown Business Improvement District's interest and estate, if any, in and to the Property.

#### **SECTION 17. MISCELLANEOUS**

(a) Service Contractor acknowledges that time is of the essence in regard to its performance under this Agreement. Notwithstanding the foregoing, any delay or failure by either party hereto in the performance of its obligations hereunder (other than monetary obligations) shall not constitute a default hereunder or give rise to any claim for damages if, but only to the extent and for such period of time that, (i) such delay or failure is caused by an event or occurrence beyond the reasonable control and without the fault or negligence of such party or any subcontractor, or other party acting under or through such party, and (ii) said party is unable to prevent such delay or failure through the exercise of reasonable diligence.

(b) The individual executing this Agreement on behalf of Service Contractor personally certifies and warrants that by his or her execution hereof, this Agreement shall be legally binding on and enforceable against Service Contractor. To the extent Service Contractor is not a legal entity and/or all corporate actions required for such corporate entity to execute this Agreement have not been met, then the person executing this Agreement shall be, *ipso facto*, executing this Agreement in his or her individual capacity and such person shall be the "Service Contractor" under this Agreement for all purposes. The individual executing this Agreement on behalf of HB Downtown Business Improvement District personally certifies and warrants that by his or her execution hereof, this Agreement shall be legally binding on and enforceable against HB Downtown Business Improvement District. HB Downtown Business Improvement

District makes no representation that it holds fee simple and to the Property, but represents only that it does hold such right and authority as may be necessary to permit Service Contractor to enter the Property to the extent necessary to perform this Agreement.

**SECTION 18. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties with respect to the Contract Duties, Additional Work, and Service Fees, and supersedes any and all prior negotiations, discussions, representations, or agreements, if any, relating thereto either written or oral, except to the extent that they are expressly incorporated herein. Unless otherwise expressly provided herein, no changes, alterations or modifications to this Agreement or waivers hereunder shall be effective unless in writing and signed by the respective parties hereto. Facsimile or electronic signatures appearing hereon shall be deemed originals, and this Agreement may be executed simultaneously on two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Any determination by any court of competent jurisdiction that any provision of this Agreement, or any application hereof is invalid, illegal, or unenforceable in any respect or in any instance shall not affect the validity, legality, or enforceability of such provision in any other instance, or the validity, legality, or enforceability of any other provisions of this Agreement. This Agreement shall be construed without regard to the identity of the party who drafted the various provisions hereof and/or the addition or deletion of text made during the negotiation hereof. Moreover, each and every provision of this Agreement shall be construed as though all parties hereto participated equally in the drafting thereof. As a result of the foregoing, any rule or construction that a document is to be construed against the drafting party shall not be applicable hereto.

**IN WITNESS WHEREOF**, HB Downtown Business Improvement District and Service Contractor, by their respective officers and/or authorized representatives, have caused this Agreement to be signed as of the date set forth below each signature, the latter of which shall become the date and year first above written.

**HB DOWNTOWN BUSINESS IMPROVEMENT DISTRICT:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

**SERVICE CONTRACTOR:**

**Executive Event Services**

By: Jake Mahan  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: 10/16/2018



**EXHIBIT A - CONTRACT DUTIES and COMPENSATION**

Scope of Services for Huntington Beach Business Improvement District (BID)  
Executive Event Services LLC. (EES)

Two guards are provided that operate in one two guard team. This is to cover the most ground as well as provide support as the guards work. One supervisor is provided as a part of the two guards who is responsible for speaking to BID members, speaking to the BID manager as well as maintaining the high standards that EES has for its staff.

Services that EES is currently providing are:

1. 1 guard and 1 supervisor on foot set in 1 (2) guard teams
2. Guard Shifts are 9:00AM-5:00PM Monday, Wednesday, Thursday, and Friday.
  - a) On Tuesdays the team is scheduled from 1:30PM-9:30PM in order to provide security services to the Street Fair that the BID hosts
3. A constant foot patrol that encompasses Main Street from Ruby's to Acacia Ave. 5th St from PCH to Orange Ave. PCH from 6th St. to 1st Street.
4.
  - a) Satellite businesses on the Boardwalk include Zacks, Kokomos and Naugles.
5. Security is responsible for responding to calls from the BID when a member calls requesting security assistance
6. Enforce rules for the BID areas
7.
  - a) Bicycles, skateboards, scooters must be walked on the sidewalks
  - b) No panhandling
  - c) Donation containers must be kept right in front of the person not off to the side
  - d) No one is allowed to lay down on the planters
  - e) No one is allowed to sleep in front of or block the entrance to the businesses
  - f) Walk the stairwells of the parking structure to make sure the stairwells are clear
8. Guards are patrolling all back alleys and side streets within their area of responsibility
9. All BID members are given equal treatment and none are not considered important

Fee Schedule

2018:	\$23/Hour per guard \$25/Hour per guard
2019:	\$24/Hour per guard \$26/Hour per guard