

**THE GREATER BROADWAY
PARTNERSHIP**

**FINANCIAL STATEMENTS WITH
INDEPENDENT ACCOUNTANT'S
REVIEW REPORT**

**YEAR ENDED
DECEMBER 31, 2023**

THE GREATER BROADWAY PARTNERSHIP

TABLE OF CONTENTS DECEMBER 31, 2023

	<u>PAGE</u>
INDEPENDENT ACCOUNTANT’S REVIEW REPORT	1
FINANCIAL STATEMENTS:	
Statement of Cash Receipts and Disbursements – Cash Basis	3
Statement of Functional Expenses – Cash Basis	4
NOTES TO FINANCIAL STATEMENTS	5

INDEPENDENT ACCOUNTANT’S REVIEW REPORT

**To the Board of Directors
The Greater Broadway Partnership
Sacramento, California**

We have reviewed the accompanying financial statements of The Greater Broadway Partnership (a nonprofit organization), which comprise the statement of cash receipts and disbursements – cash basis and the related statement of functional expenses – cash basis for the year ended December 31, 2023, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant’s Responsibility

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

We are required to be independent of The Greater Broadway Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant’s Conclusion

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

To the Board of Directors
The Greater Broadway Partnership
Page two

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements have been prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

September 25, 2024

THE GREATER BROADWAY PARTNERSHIP

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS – CASH BASIS YEAR ENDED DECEMBER 31, 2023

CASH RECEIPTS:

Assessments	\$ 447,341
Grant income	252,455
Other income	<u>19,317</u>
Total cash receipts	<u>719,113</u>

CASH DISBURSEMENTS:

Professional services	288,145
Maintenance	135,027
Personnel	82,008
Marketing and advertising	45,670
Special events expense	26,405
Licenses and fees	13,792
Accounting fees	4,301
Office supplies and expense	2,359
Miscellaneous	<u>3,107</u>
Total cash disbursements	<u>600,814</u>

INCREASE IN CASH 118,299

CASH, Beginning of year 158,492

CASH, End of year \$ 276,791

THE GREATER BROADWAY PARTNERSHIP

STATEMENT OF FUNCTIONAL EXPENSES – CASH BASIS YEAR ENDED DECEMBER 31, 2023

	<u>Program services</u>			
	<u>Clean, Safe, & Beautiful</u>	<u>Economic Vitality</u>	<u>Administration</u>	<u>Total</u>
Professional services	\$ 280,063	\$ 8,082		\$ 288,145
Maintenance	135,027			135,027
Personnel	55,562	19,104	\$ 7,342	82,008
Marketing and advertising		45,670		45,670
Special events expense		26,405		26,405
Licenses and fees		4,086	9,706	13,792
Accounting fees			4,301	4,301
Office supplies and expense			2,359	2,359
Miscellaneous			3,107	3,107
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Total	<u>\$ 470,652</u>	<u>\$ 103,347</u>	<u>\$ 26,815</u>	<u>\$ 600,814</u>

THE GREATER BROADWAY PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. ORGANIZATION

The Greater Broadway Partnership (GBP) is a Property and Business Improvement District (PBID) located in Sacramento, California, along Broadway and X Street, and is bordered by 3rd Street on the West and 38th Street on the East. PBID is a district in which properties in a defined area elect to pay an assessment to fund specific service programs within a geographical area for a set period of time. GBP promotes local events and businesses within its district and provides services to promote clean and safe environments for visitors. GBP was renewed in February 2022 for an additional 10-year term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation – The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized in the financial statements. The cash basis differs from accounting principles generally accepted in the United States of America primarily because revenues are recognized when received rather than when earned and expenses are recorded when paid rather than when incurred.

Cash receipts – GBP’s cash receipts are primarily derived from assessments collected through property taxes and remitted through requests to Sacramento County. Assessments are levied on property owners in the district and are calculated based on an approved rate outlined in the PBID Management Plan.

GBP earns funds from the City of Sacramento and Sacramento County as part of the American Rescue Plan Act of 2021. Invoices are submitted on a monthly basis to the respective agencies when qualifying expenditures have been incurred. Outstanding conditional promises to give subject to qualifying expenditure requirements were \$56,421 as of December 31, 2023.

Cash and cash equivalents – GBP considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

GBP minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. GBP’s deposits held with financial institutions in excess of federal depository insurance limits was \$26,891 as of December 31, 2023. GBP has not experienced any losses in such accounts and management believes GBP is not exposed to any significant credit risk related to cash.

Functional allocation of expenses – The statement of functional expenses – cash basis presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The statement of functional expenses – cash basis reports certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Direct costs have been allocated to the programs to which they are

THE GREATER BROADWAY PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

related. Certain costs have been allocated among program and support services based on required program allocation rates outlined in the PBID Management Plan. Functional categories are comprised of the following:

Clean, Safe, & Beautiful: Security team that supports law enforcement, property owners, and businesses in overall crime prevention efforts above what the City provides while providing concierge service to customers, residents, and employees. Homeless outreach to address disruptive behaviors that compound maintenance issues and create an intimidating street atmosphere. Maintenance services that will sweep, scrub, and pressure wash sidewalks and public spaces, remove litter, trash, and graffiti, and provide/maintain landscaping throughout the district. Beautification such as installing and operating streetscape furniture, bike racks, tree lighting, information kiosks, holiday décor, and wayfinding signage.

Economic Vitality: Economic development activities to assist property owners in recruiting and retaining businesses and assist in navigating City processes. Marketing and communication activities to market the corridor and sponsor events that proactively promote a positive image of the corridor.

Administration: Administration activities that manage the programs and communicate with stakeholders and advocates on behalf of the district.

Use of estimates – The preparation of financial statements in conformity with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes – GBP is a nonprofit corporation exempt under Internal Revenue Code Section 501(c)(3) and related California code sections. However, income from certain activities not directly related to GBP’s tax-exempt purpose is subject to taxation as unrelated business income. GBP has applied the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements.

Subsequent events have been evaluated through September 25, 2024, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2023, that require recognition or disclosure in the financial statements.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

GBP’s financial assets available within one year of the statement of cash receipts and disbursements date for general expenditure consist of its cash totaling \$276,791 as of December 31, 2023.

GBP’s cash balance is sufficient to manage its liquidity needs and meet its operating expenses as they become due.