Redwood City Improvement Association

Report of Independent Accountant
and
Financial Statements

As of November 30, 2024
With Summarized Comparative Totals for November 30, 2023

CONTENTS

	Page
Independent Accountant's Review Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Supplementary Information	
Budget Comparison Schedule	10

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INDEPENDENT ACCOUNTANT'S REPORT

The Board of Directors of
Redwood City Improvement Association
Redwood City, California

We have reviewed the accompanying financial statements of Redwood City Improvement Association (a California nonprofit organization), which comprise the statement of financial position as of November 30, 2024 and 2023; the statements of activities and functional expenses for the year ended November 30, 2024, with 2023 presented as comparative totals; the statement of cash flows for the years ended November 30, 2024 and 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 organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

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

Supplemental Information – Budget Comparison Schedule

The accompanying budget comparison schedule is presented for purposes of additional analysis. Management is responsible for the preparation and fair presentation of this supplemental information. This schedule is not a required part of the basic financial statements, and we have not reviewed it; accordingly, we do not express a conclusion on it.

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 accounting principles generally accepted in the United States of America.

Wang Accountancy Corp.
San Jose, California
October 6, 2025

Redwood City Improvement Association
Statement of Financial Position
November 30, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	$ 622,727	$ 462,066
Noncurrent assets		
Property and equipment	388,358	388,358
Less accumulated depreciation	(382,391)	(377,002)
Total noncurrent assets	5,967	11,356
Total assets	$ 628,694	$ 473,422
Liabilities		
Total liabilities	$ -	$ -
Net Assets		
Without donor restrictions	628,694	473,422
Total liabilities and net assets	$ 628,694	$ 473,422

The accompanying notes are an integral part of these financial statements

Redwood City Improvement Association
Statement of Activities
Year Ended November 30, 2024
With Comparative Totals for the Year Ended November 30, 2023

	2024			2023
	Without donor Restrictions	With donor Restrictions	Total	Total
Support and Revenue				
Government grant	$ -	$ 1,063,856	$ 1,063,856	$ 827,072
Net assets released from restrictions	1,063,856	(1,063,856)	-	-
Total support and revenue	1,063,856	-	1,063,856	827,072
Expenses				
Program services				
Administration and corporate operations	7,638	-	7,638	-
Contingency, city and county fees	6,982	-	6,982	53,234
District identity and signage	202,145	-	202,145	249,631
Parking management	1,814	-	1,814	43,517
Sidewalk operations and beautification	479,441	-	479,441	443,894
Depreciation	5,389	-	5,389	11,152
Management and general				
Management and oversight	205,175	-	205,175	157,272
Total expenses	908,584	-	908,584	958,701
Change in net assets	155,272	-	155,272	(131,629)
Net assets, beginning of year	473,422	-	473,422	605,051
Net assets, end of year	$ 628,694	$ -	$ 628,694	$ 473,422

The accompanying notes are an integral part of these financial statements

Redwood City Improvement Association
Statement of Functional Expenses
Year Ended November 30, 2024
With Comparative Totals for the Year Ended November 30, 2023

	2024			2023
	Program Services	Management and General	Total	Total
Administration and Corporate Operations				
Management and oversight	$ -	$ 205,175	$ 205,175	$ 155,202
Insurance	-	5,476	5,476	4
Office expenses	2,162	-	2,162	2,066
Contingency, City and County Fees				
Legal fees	6,982	-	6,982	53,234
District Identity and Signage				
Advertising	202,145	-	202,145	249,631
Parking Management	1,814	-	1,814	43,517
Sidewalk Operations and Beautification				
Maintenance fee	28,558	-	28,558	26,441
Projection mapping	396,879	-	396,879	367,454
Outside services	54,004	-	54,004	50,000
Depreciation	5,389	-	5,389	11,152
Total expenses	$ 697,933	$ 210,651	$ 908,584	$ 958,701

Redwood City Improvement Association
Statement of Cash Flows
Year Ended November 30, 2024 and 2023

	2024	2023
Operating Activities		
Change in net assets	$ 155,272	$ (131,629)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	5,389	11,152
Net cash used by operating activities	160,661	(120,477)
Investing Activities		
Sale of property and equipment	-	5,400
Net Change in Cash and Cash Equivalents	160,661	(115,077)
Cash and Cash Equivalents, Beginning of Year	462,066	577,143
Cash and Cash Equivalents, End of Year	$ 622,727	$ 462,066

The accompanying notes are an integral part of these financial statements

<u>Note 1 - Summary of Significant Accounting Policies</u>

Organization

The Redwood City Improvement Association (the Association) was incorporated in the State of California on October 15, 2014 as a nonprofit public benefit corporation. The Association provides programs and services within Downtown Redwood City and its surrounds to bring about its revitalization, its investment capital, and the increased provision of quality public improvements of educational, cultural, artistic, charitable and social services. The Association is supported primarily through grants from the City of Redwood City.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Association's reviewed financial statements as of and for the year ended November 30, 2023, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the statement of cash flows consist of cash held in checking account and available for current operations. The Association maintains cash balances in financial institutions which are insured up to $250,000. At November 30, 2024, $382,340 in the bank exceeds Federal depository insurance coverage.

Net Assets

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

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. The Association reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

At November 30, 2024 and 2023, the Association has only net assets classified as net assets without donor restrictions and are held for Redwood Downtown from the City of Redwood City.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost - reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Property and Equipment

The Association capitalizes property and equipment purchased or donated with a fair value over $5,000. Lesser amounts are expensed when purchased. Donations of property and equipment are recorded as contributions at their estimated fair value, if known. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. There is no donation of property or equipment in the current year. Routine maintenance and repairs are charged to expense as incurred. Depreciation is computed on the double decline method based on the assets' estimated useful lives ranging from three to ten years.

Donated Services, Goods, and Facilities

From time to time, there might be a number of volunteers who have donated their time and experience to the Association's program services during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Association to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Income Taxes

The Association is a nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and classified by the Internal Revenue Service (IRS) as other than a private organization. Contributions received qualify as tax deductible gifts as provided in Section 170(c)(2). The Association is also exempt from California State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Association is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Association determined that its entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report 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. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Note 2 - Liquidity and Availability

Financial assets available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of $622,727 cash and cash equivalents.

Note 3 - Market Value of Financial Assets and Liabilities

The Association determines the fair market values of certain financial instruments based on the fair value hierarchy established in FASB ASC 820-10-50, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value. The following provides a summary of the hierarchical levels used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity.

The Association did not have any assets or liabilities recorded at fair value as of November 30, 2024 or 2023.

Note 4 - Property and Equipment

Property and equipment at November 30, 2024 consisted mainly of projectors, LED tree lights, and digital lighting equipment. Depreciation expense for the year ended November 30, 2024, was $5,389.

The Association had no purchase or disposal of property and equipment in 2024.

Note 5 - Subsequent Events

The Association has evaluated subsequent events through October 6, 2025, the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.

Supplementary Information

Redwood City Improvement Association
Budget Comparison Schedule
Year Ended November 30, 2024

	Budget	Actual	Variance
Support and Revenue			
Governmental grants	$ 1,063,856	$ 1,063,856	$ -
Total support and revenue	1,063,856	1,063,856	-
Expenses			
Administration and corporate operations	186,617	212,813	(26,196)
Contingency, city and county fees	18,662	6,982	11,680
District identity and signage	186,617	202,145	(15,528)
Parking management	37,323	1,814	35,509
Sidewalk operations and beautification	503,866	479,441	24,425
Depreciation	-	5,389	(5,389)
Total expenses	933,085	908,584	24,501
Change in Net Assets	130,771	155,272	(24,501)
Net Assets, Beginning of Year	473,422	473,422	-
Net Assets, End of Year	$ 604,193	$ 628,694	$ (24,501)