

DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT

FINANCIAL STATEMENTS

**ONE MONTH AND ELEVEN MONTHS ENDED
AUGUST 31, 2020**



GERDING, KORTE & CHITWOOD CPAS

Professional Corporation

Certified Public Accountants

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Downtown Community Improvement District
Columbia, Missouri

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Columbia, MO 65201
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Management is responsible for the accompanying financial statements of the governmental activities and the major fund of Downtown Community Improvement District as of and for the eleven months ended August 31, 2020, which comprise the governmental fund balance sheet / statement of net position - modified cash basis, and the related governmental fund revenues, expenditures, and changes in fund balances / statement of activities - modified cash basis, 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 statements 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.

PARTNERS

- Fred W. Korte, Jr.*
- Joseph E. Chitwood*
- Travis W. Hundley*
- Jeffrey A. Chitwood*
- Amy L. Watson*
- Heidi N. Ross*

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

PARTNER EMERITUS

Robert A. Gerding

The supplementary information contained in Schedules I-II is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

We are not independent with respect to Downtown Community Improvement District.

Gerding, Korte & Chitwood

Gerding, Korte & Chitwood, PC, CPA's

September 09, 2020

**DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION
AND GOVERNMENTAL FUNDS BALANCE SHEET
MODIFIED CASH BASIS
AUGUST 31, 2020**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS:			
Cash	\$ 1,648,620.75	\$ -	\$ 1,648,620.75
Investments	-	52,593.95	52,593.95
Utility Certificate of Deposit	-	1,369.24	1,369.24
Prepaid expenses	-	-	-
Capital assets, net of accumulated depreciation	-	2,440.36	2,440.36
Total Assets	<u>1,648,620.75</u>	<u>56,403.55</u>	<u>1,705,024.30</u>
LIABILITIES:			
Credit card	-	-	-
Deferred revenue	-	435,483.49	435,483.49
Total Liabilities	<u>-</u>	<u>435,483.49</u>	<u>435,483.49</u>
FUND BALANCES / NET POSITION:			
Fund Balances			
Unassigned	783,994.81	(783,994.81)	-
Assigned	202,910.33	(202,910.33)	-
Committed	661,715.61	(661,715.61)	-
Total Fund Balances	<u>1,648,620.75</u>	<u>(1,648,620.75)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 1,648,620.75</u>		
Net Position			
Net investments in capital assets		2,440.36	2,440.36
Unrestricted		1,213,137.26	1,213,137.26
Restricted		53,963.19	53,963.19
Total Net Position		<u>\$ 1,269,540.81</u>	<u>\$ 1,269,540.81</u>

**DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
EXPENDITURES, REVENUES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
FOR THE MONTH ENDED AUGUST 31, 2020**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES:			
Program management	\$ 21,950.97	\$ 19.68	\$ 21,970.65
Environmental	70,615.19	-	70,615.19
Economy	3,229.56	-	3,229.56
Total Expenditures	<u>95,795.72</u>	<u>19.68</u>	<u>95,815.40</u>
REVENUES:			
Sales tax	23,746.69	(23,746.69)	-
Interest income	1,228.04	-	1,228.04
Total Revenues	<u>24,974.73</u>	<u>(23,746.69)</u>	<u>1,228.04</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(70,820.99)	(23,766.37)	(94,587.36)
FUND BALANCE/NET POSITION:			
Beginning balance	1,719,441.74	(355,313.57)	1,364,128.17
Ending balance	<u>\$ 1,648,620.75</u>	<u>\$ (379,079.94)</u>	<u>\$ 1,269,540.81</u>

**DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
EXPENDITURES, REVENUES, AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
FOR THE ELEVEN MONTHS ENDED AUGUST 31, 2020**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES:			
Program management	\$ 282,575.86	\$ 1,603.38	\$ 284,179.24
Environmental	320,105.78	-	320,105.78
Economy	74,756.31	-	74,756.31
Total Expenditures	<u>677,437.95</u>	<u>1,603.38</u>	<u>679,041.33</u>
REVENUES:			
Property assessment	289,661.85	(3,412.23)	286,249.62
Sales tax	518,036.14	119,466.11	637,502.25
Miscellaneous Income	725.00	-	725.00
Interest income	19,703.23	-	19,703.23
Investment income	-	1,242.05	1,242.05
Unrealized gain/(loss)	-	762.33	762.33
Total Revenues	<u>828,126.22</u>	<u>118,058.26</u>	<u>946,184.48</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	150,688.27	116,454.88	267,143.15
FUND BALANCE/NET POSITION:			
Beginning balance	<u>1,497,932.48</u>	<u>(495,534.82)</u>	<u>1,002,397.66</u>
Ending balance	<u>\$ 1,648,620.75</u>	<u>\$ (379,079.94)</u>	<u>\$ 1,269,540.81</u>

**DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT
SELECTED INFORMATION - SUBSTANTIALLY ALL DISCLOSURES REQUIRED
BY THE MODIFIED CASH BASIS OF ACCOUNTING ARE NOT INCLUDED
AUGUST 31, 2020**

NOTE 1: RECONCILIATION OF FUND ACTIVITIES

Governmental accounting standards require very specific methods for reporting assets, liabilities, revenues and expenses in the government's general fund. Accordingly, certain adjustments are required to reconcile this fund reporting to the modified cash basis of accounting used by management in the presentation of these financial statements.

Amounts reported for general fund activities differ from amounts reported in the statement of net position because:

- Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in funds.
- Credit cards payable represent a deferred outflow of resources and, therefore, are not reported in funds.
- Required classifications of governmental fund balances as unassigned and assigned are inherently different from the presentation of net investment and restriction detail included in the net position.

Amounts reported for general fund activities differ from amounts reported in the statement of activities because:

- Governmental funds report capital outlays as expenditures. However, in the Statement of Activities capital costs are allocated over their estimated useful lives through depreciation expense.
- Repayment of credit card liabilities consumes the current financial resources but has no effect on the net position of governmental funds.
- Recognition of previously deferred revenues, which primarily consist of deferred sales and property tax receipts, increases current financial resources but has no effect on the net position of governmental funds.

SUPPLEMENTARY
INFORMATION

**DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT
SCHEDULE I - STATEMENTS OF ASSETS, LIABILITIES AND
NET POSITION - MODIFIED CASH BASIS**

	<u>August 31, 2020</u>	<u>August 31, 2019</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
1005 - Commerce Future FY Sales Tax Funds	\$ 0.00	\$ 195,278.79
1010 - Commerce Future FY Property Tax Funds	0.00	286,124.53
1020 - Commerce Sales Tax - Current FY	0.00	307,058.75
1030 - FMB - Operating	394,817.41	0.00
1035 - FMB - Future FY Sales Tax Funds	147,203.98	0.00
1040 - FMB - Future FY Property Tax Funds	291,848.42	0.00
1130 - FMB - Gateway Funds	661,715.61	0.00
1135 - FMB - 6 Month Operating Funds	153,035.33	0.00
1140 - Gateway Funds	0.00	553,737.34
1145 - 6 Month Operating Funds	0.00	151,152.86
1150 - Community Foundation Gateway Funds	52,593.95	50,598.04
1200 - Accounts Receivable	0.00	26.62
1800 - Prepaid Expenses	0.00	1,000.00
1900 - FSCB Utility Certificate of Deposit	1,369.24	0.00
Total Current Assets	1,702,583.94	1,544,976.93
PROPERTY AND EQUIPMENT:		
1520 - Furniture & Equipment	43,360.83	43,360.83
1530 - Leasehold Improvements	3,542.44	3,542.44
1620 - Accumulated Depreciation	(44,462.91)	(44,226.75)
Net Property and Equipment	2,440.36	2,676.52
TOTAL ASSETS	\$ 1,705,024.30	\$ 1,547,653.45
<u>LIABILITIES AND NET POSITION</u>		
LIABILITIES:		
CURRENT LIABILITIES:		
2300 - Deferred Revenue - Sales Tax	\$ 145,821.64	\$ 194,839.86
2310 - Deferred Revenue - Property Tax	289,661.85	286,129.35
Total Current Liabilities	\$ 435,483.49	\$ 480,969.21
NET POSITION:		
3000 - Undesignated	83,808.53	(57,147.02)
3010 - Designated 6 Month Operating	153,035.33	151,152.86
3020 - Designated - Gateway Funds	661,715.61	553,737.34
3025 - Restricted - Gateways Funds	52,593.95	50,598.04
3030 - Designated - Grease Storage Tank Grants	19,875.00	21,875.00
3035 - Designated - Enhanced Street Lighting	30,000.00	30,000.00
3040 - Restricted - City of Columbia Utility Deposit	1,369.24	0.00
Revenues Over/(Under) Expenditures	267,143.15	316,468.02
Total Net Position	1,269,540.81	1,066,684.24
TOTAL LIABILITIES AND NET POSITION	\$ 1,705,024.30	\$ 1,547,653.45

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**DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT
SCHEDULE II - STATEMENTS OF REVENUES AND EXPENDITURES
BUDGET TO ACTUAL - MODIFIED CASH BASIS**

	1 Month Ended	11 Months Ended	Total	% of	Remaining
	Aug. 31, 2020	Aug. 31, 2020	Budget	Budget	Budget
RECURRING REVENUES:					
4000 - Property Assessment	\$ 0.00	\$ 286,249.62	\$ 286,250.00	100.00	\$ 0.38
4008 - Sales Tax	0.00	637,502.25	621,000.00	102.66	(16,502.25)
4500 - Miscellaneous Income	0.00	725.00	0.00	0.00	(725.00)
4900 - Interest Income	1,228.04	19,703.23	15,000.00	131.35	(4,703.23)
4950 - Investment Income	0.00	1,242.05	900.00	138.01	(342.05)
Total Recurring Revenues	<u>1,228.04</u>	<u>945,422.15</u>	<u>923,150.00</u>	<u>102.41</u>	<u>(22,272.15)</u>
RECURRING EXPENDITURES:					
Program Management					
7080 - Insurance	0.00	2,466.00	2,450.00	100.65	(16.00)
7120 - Meals and Entertainment	0.00	273.46	900.00	30.38	626.54
7280 - Office Equipment Rental	0.00	1,050.03	710.00	147.89	(340.03)
7320 - Office Equipment Repair	0.00	0.00	500.00	0.00	500.00
7360 - Office Repairs & Maintenance	0.00	529.00	3,500.00	15.11	2,971.00
7400 - Office Supplies	1,432.76	11,087.97	16,050.00	69.08	4,962.03
7440 - Parking	0.00	(25.00)	2,400.00	(1.04)	2,425.00
7480 - Payroll Taxes - Admin.	1,200.46	14,488.86	20,101.00	72.08	5,612.14
7600 - Professional Services	648.00	29,586.50	33,620.00	88.00	4,033.50
7640 - Rent	2,469.22	27,161.42	34,800.00	78.05	7,638.58
7680 - Salary - Administrative	15,692.32	188,307.84	204,000.00	92.31	15,692.16
7720 - Seminars/Conferences	0.00	2,690.12	5,500.00	48.91	2,809.88
7840 - Telephone	162.08	1,759.90	1,100.00	159.99	(659.90)
7960 - Utilities	346.13	4,536.66	7,900.00	57.43	3,363.34
7970 - Webs/Internet	0.00	50.00	0.00	0.00	(50.00)
Total Program Management	<u>21,950.97</u>	<u>283,962.76</u>	<u>333,531.00</u>	<u>85.14</u>	<u>49,568.24</u>
Programs & Services					
Environmental					
Beautification/Streetscape					
8010 - Banner Installation	0.00	10,306.80	20,000.00	51.53	9,693.20
8020 - City Horticulture	0.00	6,250.00	7,500.00	83.33	1,250.00
8035 - Holiday Decor	39,954.85	49,855.25	49,000.00	101.75	(855.25)
8040 - Public Art Program	0.00	500.00	500.00	100.00	0.00
Total Beautification/Streetscape	<u>39,954.85</u>	<u>66,912.05</u>	<u>77,000.00</u>	<u>86.90</u>	<u>10,087.95</u>
Cleaning and Maintenance					
8280 - Cleaning & Maintenance Labor	14,497.17	159,196.75	173,000.00	92.02	13,803.25
8281 - Capital Janitorial Improvements	0.00	0.00	1,500.00	0.00	1,500.00
8290 - Cleaning & Maintenance Equipment	238.14	299.83	0.00	0.00	(299.83)
Total Cleaning and Maintenance	<u>14,735.31</u>	<u>159,496.58</u>	<u>174,500.00</u>	<u>91.40</u>	<u>15,003.42</u>
Public Safety					
9548 - CPD Substation - Rent, Utilities	430.78	4,738.58	5,150.00	92.01	411.42

See Accountant's Compilation Report

**DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT
SCHEDULE II - STATEMENTS OF REVENUES AND EXPENDITURES
BUDGET TO ACTUAL - MODIFIED CASH BASIS**

	1 Month Ended	11 Months Ended	Total	% of	Remaining
	Aug. 31, 2020	Aug. 31, 2020	Budget	Budget	Budget
9549 - Public Safety Labor	1,494.25	14,775.35	65,000.00	22.73	50,224.65
9552 - Public Safety Equipment and Lighting	0.00	0.00	2,500.00	0.00	2,500.00
Total Public Safety	1,925.03	19,513.93	72,650.00	26.86	53,136.07
Economy					
Economic Development					
7160 - Industry Memberships	485.00	2,652.50	2,100.00	126.31	(552.50)
7850 - TIF Expenditures	186.33	16,096.92	87,292.00	18.44	71,195.08
8310 - Economic Devel. Business Mktg	0.00	1,000.00	1,000.00	100.00	0.00
8315 - Economic Devel. Programs	0.00	129.00	500.00	25.80	371.00
Total Economic Development	671.33	19,878.42	90,892.00	21.87	71,013.58
Marketing					
7800 - Marketing Subscription	52.99	2,049.06	3,500.00	58.54	1,450.94
8300 - Image Marketing	1,160.00	18,145.00	32,400.00	56.00	14,255.00
8301 - Media Buys	0.00	8,722.90	0.00	0.00	(8,722.90)
8305 - Promotions & Events	50.00	1,050.00	11,000.00	9.55	9,950.00
8307 - Online Marketing	1,193.99	11,398.08	20,000.00	56.99	8,601.92
8308 - Postage	0.00	118.75	1,700.00	6.99	1,581.25
8309 - Printing	101.25	4,084.10	14,000.00	29.17	9,915.90
8316 - Graphic Designer	0.00	9,310.00	16,000.00	58.19	6,690.00
Total Marketing	2,558.23	54,877.89	98,600.00	55.66	43,722.11
Total Programs & Services	59,844.75	320,678.87	513,642.00	62.43	192,963.13
Total Recurring Expenditures	81,795.72	604,641.63	847,173.00	71.37	242,531.37
RECURRING SURPLUS/(DEFICIT)	(80,567.68)	340,780.52	75,977.00	448.53	(264,803.52)
NON-RECURRING EXPENDITURES:					
Environmental					
Beautification/Streetscape					
9001 - Banner Design / Production	0.00	0.00	3,000.00	0.00	3,000.00
9030 - Broadway Gateway	14,000.00	71,155.86	653,330.00	10.89	582,174.14
9031 - Special Streetscape Projects	0.00	0.00	21,000.00	0.00	21,000.00
Total Beautification/Streetscape	14,000.00	71,155.86	677,330.00	10.51	606,174.14
Contingency					
9671 - Contingency	0.00	3,027.36	25,000.00	12.11	21,972.64
Total Contingency	0.00	3,027.36	25,000.00	12.11	21,972.64
Total Non-Recurring Expenditures	14,000.00	74,183.22	702,330.00	10.56	628,146.78
NON-CASH TRANSACTIONS:					
9600 - Depreciation	19.68	216.48	300.00	0.00	83.52
9650 - Unrealized (Gain)/Loss	0.00	(762.33)	0.00	0.00	762.33
Total Non-Cash Transactions	19.68	(545.85)	300.00	(181.95)	845.85
REVENUES OVER (UNDER) EXPENDITURES	\$ (94,587.36)	\$ 267,143.15	\$ (626,653.00)	(42.63)	\$ (893,796.15)

See Accountant's Compilation Report