

DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT

FINANCIAL STATEMENTS

**ONE MONTH ENDED
OCTOBER 31, 2020**



GERDING, KORTE & CHITWOOD CPAS

Professional Corporation

Certified Public Accountants



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ACCOUNTANT'S COMPILATION REPORT

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

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PARTNERS

Fred W. Korte, Jr.
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PARTNER EMERITUS

Robert A. Gerding

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 one month ended October 31, 2020, which comprise the governmental fund balances 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.

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 selected 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.

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

November 10, 2020

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

| | General Fund | Adjustments | Statement of Net Position |
|--|-----------------|-----------------|------------------------------|
| ASSETS: | | | |
| Cash | \$ 1,604,927.09 | \$ - | \$ 1,604,927.09 |
| Investments | - | 53,556.69 | 53,556.69 |
| Utility Certificate of Deposit | - | 1,369.24 | 1,369.24 |
| Capital assets, net of accumulated depreciation | - | 2,401.00 | 2,401.00 |
| Total Assets | 1,604,927.09 | 57,326.93 | 1,662,254.02 |
| LIABILITIES: | | | |
| Credit card | - | 766.60 | 766.60 |
| Total Liabilities | - | 766.60 | 766.60 |
| FUND BALANCES / NET POSITION: | | | |
| Fund Balances | | | |
| Unassigned | 735,197.66 | (735,197.66) | - |
| Assigned | 203,115.04 | (203,115.04) | - |
| Committed | 666,614.39 | (666,614.39) | - |
| Total Fund Balances | 1,604,927.09 | (1,604,927.09) | - |
| Total Liabilities and Fund Balances | \$ 1,604,927.09 | | |
| Net Position | | | |
| Net investments in capital assets | | 2,401.00 | 2,401.00 |
| Unrestricted | | 1,604,160.49 | 1,604,160.49 |
| Restricted | | 54,925.93 | 54,925.93 |
| Total Net Position | | \$ 1,661,487.42 | \$ 1,661,487.42 |

See Accountant's Compilation Report

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

| | <u>General Fund</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|--|-------------------------|---------------------|------------------------------------|
| EXPENDITURES: | | | |
| Program management | \$ 28,590.15 | \$ 19.68 | \$ 28,609.83 |
| Environmental | 18,057.90 | - | 18,057.90 |
| Economy | 6,009.15 | - | 6,009.15 |
| Total Expenditures | <u>52,657.20</u> | <u>19.68</u> | <u>52,676.88</u> |
| REVENUES: | | | |
| Property assessment | - | 291,168.50 | 291,168.50 |
| Sales tax | 43,524.70 | 200,665.71 | 244,190.41 |
| Interest income | 1,122.80 | - | 1,122.80 |
| Total Revenues | <u>44,647.50</u> | <u>491,834.21</u> | <u>536,481.71</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (8,009.70) | 491,814.53 | 483,804.83 |
| FUND BALANCE/NET POSITION: | | | |
| Beginning balance | <u>1,612,936.79</u> | <u>(435,254.20)</u> | <u>1,177,682.59</u> |
| Ending balance | <u>\$ 1,604,927.09</u> | <u>\$ 56,560.33</u> | <u>\$ 1,661,487.42</u> |

**DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT
SELECTED INFORMATION - SUBSTANTIALLY ALL DISCLOSURES REQUIRED
BY THE MODIFIED CASH BASIS OF ACCOUNTING ARE NOT INCLUDED
OCTOBER 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>October 31, 2020</u> | <u>October 31, 2019</u> |
|--|-------------------------|-------------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS: | | |
| 1005 - Commerce Future FY Sales Tax Funds | \$ 0.00 | \$ 45,574.27 |
| 1010 - Commerce Future FY Property Tax Funds | 0.00 | 1,792.49 |
| 1020 - Commerce Sales Tax - Current FY | 0.00 | 637,941.15 |
| 1030 - FMB - Operating | 783,913.45 | 0.00 |
| 1035 - FMB - Future FY Sales Tax Funds | 568.91 | 0.00 |
| 1040 - FMB - Future FY Property Tax Funds | 590.30 | 0.00 |
| 1130 - FMB - Gateway Funds | 666,614.39 | 0.00 |
| 1135 - FMB - 6 Month Operating Funds | 153,240.04 | 0.00 |
| 1140 - Gateway Funds | 0.00 | 653,788.20 |
| 1145 - 6 Month Operating Funds | 0.00 | 151,204.22 |
| 1150 - Community Foundation Gateway Funds | 53,556.69 | 50,976.47 |
| 1800 - Prepaid Expenses | 0.00 | 1,000.00 |
| 1900 - FSCB Utility Certificate of Deposit | 1,369.24 | 0.00 |
| Total Current Assets | 1,659,853.02 | 1,542,276.80 |
| PROPERTY AND EQUIPMENT: | | |
| 1520 - Furniture & Equipment | 43,360.83 | 43,360.83 |
| 1530 - Leasehold Improvements | 3,542.44 | 3,542.44 |
| 1620 - Accumulated Depreciation | (44,502.27) | (44,266.11) |
| Net Property and Equipment | 2,401.00 | 2,637.16 |
| TOTAL ASSETS | \$ 1,662,254.02 | \$ 1,544,913.96 |
| <u>LIABILITIES AND NET POSITION</u> | | |
| LIABILITIES: | | |
| CURRENT LIABILITIES: | | |
| 2250 - FSCB MC Credit Card | \$ 766.60 | \$ 0.00 |
| 2310 - Deferred Revenue - Property Tax | 0.00 | 1,292.49 |
| Total Current Liabilities | \$ 766.60 | \$ 1,292.49 |
| NET POSITION: | | |
| 3000 - Undesignated | 253,989.97 | 95,184.53 |
| 3010 - Designated 6 Month Operating | 153,240.04 | 151,204.22 |
| 3020 - Designated - Gateway Funds | 666,614.39 | 653,788.20 |
| 3025 - Restricted - Gateways Funds | 52,593.95 | 50,976.47 |
| 3030 - Designated - Grease Storage Tank Grants | 19,875.00 | 19,875.00 |
| 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 | 483,804.83 | 542,593.05 |
| Total Net Position | 1,661,487.42 | 1,543,621.47 |
| TOTAL LIABILITIES AND NET POSITION | \$ 1,662,254.02 | \$ 1,544,913.96 |

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

| | <u>1 Month Ended</u> <u>Oct. 31, 2020</u> | <u>Total</u> <u>Budget</u> | <u>% of</u> <u>Budget</u> | <u>Remaining</u> <u>Budget</u> |
|---|--|-------------------------------|------------------------------|-----------------------------------|
| RECURRING REVENUES: | | | | |
| 4000 - Property Assessment | \$ 291,168.50 | \$ 292,182.00 | 99.65 | \$ 1,013.50 |
| 4008 - Sales Tax | 244,190.41 | 478,127.00 | 51.07 | 233,936.59 |
| 4900 - Interest Income | 1,122.80 | 9,000.00 | 12.48 | 7,877.20 |
| 4950 - Investment Income | 0.00 | 450.00 | 0.00 | 450.00 |
| Total Recurring Revenues | <u>536,481.71</u> | <u>779,759.00</u> | <u>68.80</u> | <u>243,277.29</u> |
| RECURRING EXPENDITURES: | | | | |
| Program Management | | | | |
| 7080 - Insurance | 0.00 | 7,065.00 | 0.00 | 7,065.00 |
| 7120 - Meals and Entertainment | 0.00 | 900.00 | 0.00 | 900.00 |
| 7320 - Office Equipment Repair | 0.00 | 300.00 | 0.00 | 300.00 |
| 7360 - Office Repairs & Maintenance | 0.00 | 2,100.00 | 0.00 | 2,100.00 |
| 7370 - Office Cleaning | 0.00 | 3,900.00 | 0.00 | 3,900.00 |
| 7400 - Office Supplies | 0.00 | 10,000.00 | 0.00 | 10,000.00 |
| 7440 - Parking | 0.00 | 2,400.00 | 0.00 | 2,400.00 |
| 7480 - Payroll Taxes - Admin. | 1,800.68 | 20,101.00 | 8.96 | 18,300.32 |
| 7600 - Professional Services | 420.75 | 26,500.00 | 1.59 | 26,079.25 |
| 7640 - Rent | 2,469.22 | 29,631.00 | 8.33 | 27,161.78 |
| 7680 - Salary - Administrative | 23,538.48 | 204,000.00 | 11.54 | 180,461.52 |
| 7720 - Seminars/Conferences | 0.00 | 5,500.00 | 0.00 | 5,500.00 |
| 7840 - Telephone | 166.94 | 2,200.00 | 7.59 | 2,033.06 |
| 7960 - Utilities | 194.08 | 7,900.00 | 2.46 | 7,705.92 |
| Total Program Management | <u>28,590.15</u> | <u>322,497.00</u> | <u>8.87</u> | <u>293,906.85</u> |
| Programs & Services | | | | |
| Environmental | | | | |
| Beautification/Streetscape | | | | |
| 8010 - Banner Installation | 0.00 | 21,000.00 | 0.00 | 21,000.00 |
| 8020 - City Horticulture | 0.00 | 7,500.00 | 0.00 | 7,500.00 |
| 8035 - Holiday Decor | 0.00 | 49,000.00 | 0.00 | 49,000.00 |
| 8040 - Public Art Program | 0.00 | 500.00 | 0.00 | 500.00 |
| 8041 - Public Art - Alley Door | 0.00 | 2,000.00 | 0.00 | 2,000.00 |
| 8060 - Interest Expense (Gateway) | 0.00 | 6,375.00 | 0.00 | 6,375.00 |
| Total Beautification/Streetscape | 0.00 | 86,375.00 | 0.00 | 86,375.00 |
| Cleaning and Maintenance | | | | |
| 8280 - Cleaning & Maintenance Labor | 14,497.17 | 176,804.00 | 8.20 | 162,306.83 |
| 8290 - Cleaning & Maintenance Equipment | 59.50 | 500.00 | 11.90 | 440.50 |
| 8291 - Cleaning & Maintenance - Gateway | 0.00 | 2,000.00 | 0.00 | 2,000.00 |
| Total Cleaning and Maintenance | <u>14,556.67</u> | <u>179,304.00</u> | <u>8.12</u> | <u>164,747.33</u> |
| Public Safety | | | | |
| 9548 - CPD Substation - Rent,Utilities | 430.78 | 5,169.00 | 8.33 | 4,738.22 |

See Accountant's Compilation Report

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

| | <u>1 Month Ended</u> <u>Oct. 31, 2020</u> | <u>Total</u> <u>Budget</u> | <u>% of</u> <u>Budget</u> | <u>Remaining</u> <u>Budget</u> |
|---|--|-------------------------------|------------------------------|-----------------------------------|
| 9549 - Public Safety Labor | 0.00 | 20,000.00 | 0.00 | 20,000.00 |
| Total Public Safety | 430.78 | 25,169.00 | 1.71 | 24,738.22 |
| Economy | | | | |
| Economic Development | | | | |
| 7160 - Industry Memberships | 940.00 | 2,100.00 | 44.76 | 1,160.00 |
| 7850 - TIF Expenditures | 0.00 | 12,000.00 | 0.00 | 12,000.00 |
| 8310 - Economic Devel. Business Mktg | 0.00 | 1,000.00 | 0.00 | 1,000.00 |
| 8311 - Economic Benchmarking | 0.00 | 4,000.00 | 0.00 | 4,000.00 |
| 8315 - Economic Devel. Programs | 0.00 | 500.00 | 0.00 | 500.00 |
| Total Economic Development | 940.00 | 19,600.00 | 4.80 | 18,660.00 |
| Marketing | | | | |
| 7800 - Marketing Subscription | 0.00 | 3,500.00 | 0.00 | 3,500.00 |
| 8300 - Image Marketing | 950.00 | 32,400.00 | 2.93 | 31,450.00 |
| 8305 - Promotions & Events | 1,250.00 | 11,000.00 | 11.36 | 9,750.00 |
| 8307 - Online Marketing | 2,869.15 | 20,000.00 | 14.35 | 17,130.85 |
| 8308 - Postage | 0.00 | 800.00 | 0.00 | 800.00 |
| 8309 - Printing | 0.00 | 14,000.00 | 0.00 | 14,000.00 |
| 8316 - Graphic Designer | 0.00 | 10,000.00 | 0.00 | 10,000.00 |
| Total Marketing | 5,069.15 | 91,700.00 | 5.53 | 86,630.85 |
| Total Programs & Services | 20,996.60 | 402,148.00 | 5.22 | 381,151.40 |
| Total Recurring Expenditures | 49,586.75 | 724,645.00 | 6.84 | 675,058.25 |
| RECURRING SURPLUS/(DEFICIT) | 486,894.96 | 55,114.00 | 883.43 | (431,780.96) |
| NON-RECURRING EXPENDITURES: | | | | |
| Environmental | | | | |
| Beautification/Streetscape | | | | |
| 9030 - Broadway Gateway | 3,070.45 | 1,043,547.00 | 0.29 | 1,040,476.55 |
| 9034 - Infrastructure Programs | 0.00 | 30,000.00 | 0.00 | 30,000.00 |
| Total Beautification/Streetscape | 3,070.45 | 1,073,547.00 | 0.29 | 1,070,476.55 |
| Contingency | | | | |
| 9671 - Contingency | 0.00 | 25,000.00 | 0.00 | 25,000.00 |
| Total Contingency | 0.00 | 25,000.00 | 0.00 | 25,000.00 |
| Total Non-Recurring Expenditures | 3,070.45 | 1,098,547.00 | 0.28 | 1,095,476.55 |
| NON-CASH TRANSACTIONS: | | | | |
| 9600 - Depreciation | 19.68 | 0.00 | 0.00 | (19.68) |
| 9650 - Unrealized (Gain)/Loss | 0.00 | 300.00 | 0.00 | 300.00 |
| Total Non-Cash Transactions | 19.68 | 300.00 | 6.56 | 280.32 |
| REVENUES OVER (UNDER) EXPENDITURES | <u>\$ 483,804.83</u> | <u>\$ (1,043,733.00)</u> | <u>(46.35)</u> | <u>\$ (1,527,537.83)</u> |

See Accountant's Compilation Report