

# **DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT**

## **FINANCIAL STATEMENTS**

**ONE MONTH AND NINE MONTHS ENDED  
JUNE 30, 2020**



GERDING, KORTE & CHITWOOD CPAS

Professional Corporation

Certified Public Accountants



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Professional Corporation

Certified Public Accountants

## ACCOUNTANT'S COMPILATION REPORT

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

20 South Fifth Street  
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 nine months ended June 30, 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

July 06, 2020

**DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT  
STATEMENT OF NET POSITION  
AND GOVERNMENTAL FUNDS BALANCE SHEET  
MODIFIED CASH BASIS  
JUNE 30, 2020**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS:</b>			
Cash	\$ 1,738,147.24	\$ -	\$ 1,738,147.24
Investments	-	50,083.09	50,083.09
Utility Certificate of Deposit	-	1,369.24	1,369.24
Prepaid expenses	-	-	-
Capital assets, net of accumulated depreciation	-	2,479.72	2,479.72
<b>Total Assets</b>	<u>1,738,147.24</u>	<u>53,932.05</u>	<u>1,792,079.29</u>
<b>LIABILITIES:</b>			
Credit card	-	-	-
Deferred revenue	-	370,035.12	370,035.12
<b>Total Liabilities</b>	<u>-</u>	<u>370,035.12</u>	<u>370,035.12</u>
<b>FUND BALANCES / NET POSITION:</b>			
<b>Fund Balances</b>			
Unassigned	875,028.88	(875,028.88)	-
Assigned	202,624.45	(202,624.45)	-
Committed	660,493.91	(660,493.91)	-
<b>Total Fund Balances</b>	<u>1,738,147.24</u>	<u>(1,738,147.24)</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,738,147.24</u>		
<b>Net Position</b>			
Net investments in capital assets		2,479.72	2,479.72
Unrestricted		1,368,112.12	1,368,112.12
Restricted		51,452.33	51,452.33
<b>Total Net Position</b>		<u>\$ 1,422,044.17</u>	<u>\$ 1,422,044.17</u>

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 JUNE 30, 2020**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES:</b>			
Program management	\$ 23,747.30	\$ 19.68	\$ 23,766.98
Environmental	31,261.81	-	31,261.81
Economy	10,240.85	-	10,240.85
<b>Total Expenditures</b>	<u>65,249.96</u>	<u>19.68</u>	<u>65,269.64</u>
<b>REVENUES:</b>			
Property assessment	-	-	-
Sales tax	43,471.01	(43,471.01)	-
Interest income	1,963.47	-	1,963.47
<b>Total Revenues</b>	<u>45,434.48</u>	<u>(43,471.01)</u>	<u>1,963.47</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(19,815.48)	(43,490.69)	(63,306.17)
<b>FUND BALANCE/NET POSITION:</b>			
Beginning balance	1,757,962.72	(272,612.38)	1,485,350.34
Ending balance	<u>\$ 1,738,147.24</u>	<u>\$ (316,103.07)</u>	<u>\$ 1,422,044.17</u>

**DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS  
EXPENDITURES, REVENUES, AND CHANGES IN FUND BALANCES  
MODIFIED CASH BASIS  
FOR THE NINE MONTHS ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES:</b>			
Program management	\$ 238,119.43	\$ 1,434.83	\$ 239,554.26
Environmental	220,137.34	-	220,137.34
Economy	60,972.51	-	60,972.51
<b>Total Expenditures</b>	<u>519,229.28</u>	<u>1,434.83</u>	<u>520,664.11</u>
<b>REVENUES:</b>			
Property assessment	289,449.14	(3,199.52)	286,249.62
Sales tax	452,800.48	184,701.77	637,502.25
Miscellaneous Income	725.00	-	725.00
Interest income	16,469.42	-	16,469.42
Investment income	-	778.34	778.34
Unrealized gain/(loss)	-	(1,414.01)	(1,414.01)
<b>Total Revenues</b>	<u>759,444.04</u>	<u>180,866.58</u>	<u>940,310.62</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	240,214.76	179,431.75	419,646.51
<b>FUND BALANCE/NET POSITION:</b>			
Beginning balance	1,497,932.48	(495,534.82)	1,002,397.66
Ending balance	<u>\$ 1,738,147.24</u>	<u>\$ (316,103.07)</u>	<u>\$ 1,422,044.17</u>

**DOWNTOWN COMMUNITY IMPROVEMENT DISTRICT  
SELECTED INFORMATION - SUBSTANTIALLY ALL DISCLOSURES REQUIRED  
BY THE MODIFIED CASH BASIS OF ACCOUNTING ARE NOT INCLUDED  
JUNE 30, 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>June 30, 2020</u>	<u>June 30, 2019</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS:</b>		
1005 - Commerce Future FY Sales Tax Funds	\$ 0.00	\$ 106,868.65
1010 - Commerce Future FY Property Tax Funds	0.00	285,740.97
1020 - Commerce Sales Tax - Current FY	0.00	414,160.94
1030 - FMB - Operating	552,076.40	0.00
1035 - FMB - Future FY Sales Tax Funds	81,737.09	0.00
1040 - FMB - Future FY Property Tax Funds	291,090.39	0.00
1130 - FMB - Gateway Funds	660,493.91	0.00
1135 - FMB - 6 Month Operating Funds	152,749.45	0.00
1140 - Gateway Funds	0.00	553,689.55
1145 - 6 Month Operating Funds	0.00	151,100.70
1150 - Community Foundation Gateway Funds	50,083.09	49,657.18
1200 - Accounts Receivable	0.00	26.62
1900 - FSCB Utility Certificate of Deposit	1,369.24	0.00
<b>Total Current Assets</b>	<u>1,789,599.57</u>	<u>1,561,244.61</u>
<b>PROPERTY AND EQUIPMENT:</b>		
1520 - Furniture & Equipment	43,360.83	43,360.83
1530 - Leasehold Improvements	3,542.44	3,542.44
1620 - Accumulated Depreciation	(44,423.55)	(44,187.39)
<b>Net Property and Equipment</b>	<u>2,479.72</u>	<u>2,715.88</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,792,079.29</u>	<u>\$ 1,563,960.49</u>
<b><u>LIABILITIES AND NET POSITION</u></b>		
<b>LIABILITIES:</b>		
<b>CURRENT LIABILITIES:</b>		
2300 - Deferred Revenue - Sales Tax	\$ 80,585.98	\$ 106,429.72
2310 - Deferred Revenue - Property Tax	289,449.14	285,745.79
<b>Total Current Liabilities</b>	<u>\$ 370,035.12</u>	<u>\$ 392,175.51</u>
<b>NET POSITION:</b>		
3000 - Undesignated	87,826.97	(61,231.21)
3010 - Designated 6 Month Operating	152,749.45	151,100.70
3020 - Designated - Gateway Funds	660,493.91	553,689.55
3025 - Restricted - Gateways Funds	50,083.09	49,657.18
3030 - Designated - Grease Storage Tank Grants	19,875.00	27,000.00
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	419,646.51	421,568.76
<b>Total Net Position</b>	<u>1,422,044.17</u>	<u>1,171,784.98</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 1,792,079.29</u>	<u>\$ 1,563,960.49</u>



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

	<b>1 Month Ended</b>	<b>9 Months Ended</b>	<b>Total</b>	<b>% of</b>	<b>Remaining</b>
	<b>Jun. 30, 2020</b>	<b>Jun. 30, 2020</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b>RECURRING REVENUES:</b>					
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	1,963.47	16,469.42	15,000.00	109.80	(1,469.42)
4950 - Investment Income	0.00	778.34	900.00	86.48	121.66
<b>Total Recurring Revenues</b>	<u>1,963.47</u>	<u>941,724.63</u>	<u>923,150.00</u>	<u>102.01</u>	<u>(18,574.63)</u>
<b>RECURRING EXPENDITURES:</b>					
<b>Program Management</b>					
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	184.89	9,066.67	16,050.00	56.49	6,983.33
7440 - Parking	0.00	(25.00)	2,400.00	(1.04)	2,425.00
7480 - Payroll Taxes - Admin.	1,199.68	12,087.88	20,101.00	60.14	8,013.12
7600 - Professional Services	3,830.90	26,762.00	33,620.00	79.60	6,858.00
7640 - Rent	2,469.22	22,222.98	34,800.00	63.86	12,577.02
7680 - Salary - Administrative	15,692.32	156,923.20	204,000.00	76.92	47,076.80
7720 - Seminars/Conferences	10.00	2,655.12	5,500.00	48.27	2,844.88
7840 - Telephone	159.80	1,435.74	1,100.00	130.52	(335.74)
7960 - Utilities	200.49	3,880.06	7,900.00	49.11	4,019.94
7970 - Webs/Internet	0.00	50.00	0.00	0.00	(50.00)
<b>Total Program Management</b>	<u>23,747.30</u>	<u>239,377.14</u>	<u>333,531.00</u>	<u>71.77</u>	<u>94,153.86</u>
<b>Programs &amp; Services</b>					
<b>Environmental</b>					
<b>Beautification/Streetscape</b>					
8010 - Banner Installation	0.00	7,640.00	20,000.00	38.20	12,360.00
8020 - City Horticulture	625.00	5,625.00	7,500.00	75.00	1,875.00
8035 - Holiday Decor	0.00	9,900.40	49,000.00	20.20	39,099.60
8040 - Public Art Program	0.00	500.00	500.00	100.00	0.00
<b>Total Beautification/Streetscape</b>	<u>625.00</u>	<u>23,665.40</u>	<u>77,000.00</u>	<u>30.73</u>	<u>53,334.60</u>
<b>Cleaning and Maintenance</b>					
8280 - Cleaning & Maintenance Labor	28,994.34	130,202.41	173,000.00	75.26	42,797.59
8281 - Capital Janitorial Improvements	0.00	0.00	1,500.00	0.00	1,500.00
8290 - Cleaning & Maintenance Equipment	61.69	61.69	0.00	0.00	(61.69)
<b>Total Cleaning and Maintenance</b>	<u>29,056.03</u>	<u>130,264.10</u>	<u>174,500.00</u>	<u>74.65</u>	<u>44,235.90</u>
<b>Public Safety</b>					
9548 - CPD Substation - Rent,Utilities	430.78	3,877.02	5,150.00	75.28	1,272.98

See Accountant's Compilation Report

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

	<b>1 Month Ended</b>	<b>9 Months Ended</b>	<b>Total</b>	<b>% of</b>	<b>Remaining</b>
	<b>Jun. 30, 2020</b>	<b>Jun. 30, 2020</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
9549 - Public Safety Labor	1,150.00	11,643.10	65,000.00	17.91	53,356.90
9552 - Public Safety Equipment and Lighting	0.00	0.00	2,500.00	0.00	2,500.00
<b>Total Public Safety</b>	<b>1,580.78</b>	<b>15,520.12</b>	<b>72,650.00</b>	<b>21.36</b>	<b>57,129.88</b>
<b>Economy</b>					
<b>Economic Development</b>					
7160 - Industry Memberships	1,000.00	2,167.50	2,100.00	103.21	(67.50)
7850 - TIF Expenditures	630.74	12,833.36	87,292.00	14.70	74,458.64
8310 - Economic Devel. Business Mktg	1,000.00	1,000.00	1,000.00	100.00	0.00
8315 - Economic Devel. Programs	129.00	129.00	500.00	25.80	371.00
<b>Total Economic Development</b>	<b>2,759.74</b>	<b>16,129.86</b>	<b>90,892.00</b>	<b>17.75</b>	<b>74,762.14</b>
<b>Marketing</b>					
7800 - Marketing Subscription	324.99	1,852.19	3,500.00	52.92	1,647.81
8300 - Image Marketing	2,600.00	15,475.00	32,400.00	47.76	16,925.00
8301 - Media Buys	1,950.00	8,722.90	0.00	0.00	(8,722.90)
8305 - Promotions & Events	0.00	1,000.00	11,000.00	9.09	10,000.00
8307 - Online Marketing	2,515.40	9,104.09	20,000.00	45.52	10,895.91
8308 - Postage	0.00	63.75	1,700.00	3.75	1,636.25
8309 - Printing	90.72	3,898.47	14,000.00	27.85	10,101.53
8316 - Graphic Designer	0.00	4,726.25	16,000.00	29.54	11,273.75
<b>Total Marketing</b>	<b>7,481.11</b>	<b>44,842.65</b>	<b>98,600.00</b>	<b>45.48</b>	<b>53,757.35</b>
<b>Total Programs &amp; Services</b>	<b>41,502.66</b>	<b>230,422.13</b>	<b>513,642.00</b>	<b>44.86</b>	<b>283,219.87</b>
<b>Total Recurring Expenditures</b>	<b>65,249.96</b>	<b>469,799.27</b>	<b>847,173.00</b>	<b>55.45</b>	<b>377,373.73</b>
<b>RECURRING SURPLUS/(DEFICIT)</b>	<b>(63,286.49)</b>	<b>471,925.36</b>	<b>75,977.00</b>	<b>621.14</b>	<b>(395,948.36)</b>
<b>NON-RECURRING EXPENDITURES:</b>					
<b>Environmental</b>					
<b>Beautification/Streetscape</b>					
9001 - Banner Design / Production	0.00	0.00	3,000.00	0.00	3,000.00
9030 - Broadway Gateway	0.00	47,660.36	653,330.00	7.29	605,669.64
9031 - Special Streetscape Projects	0.00	0.00	21,000.00	0.00	21,000.00
<b>Total Beautification/Streetscape</b>	<b>0.00</b>	<b>47,660.36</b>	<b>677,330.00</b>	<b>7.04</b>	<b>629,669.64</b>
<b>Contingency</b>					
9671 - Contingency	0.00	3,027.36	25,000.00	12.11	21,972.64
<b>Total Contingency</b>	<b>0.00</b>	<b>3,027.36</b>	<b>25,000.00</b>	<b>12.11</b>	<b>21,972.64</b>
<b>Total Non-Recurring Expenditures</b>	<b>0.00</b>	<b>50,687.72</b>	<b>702,330.00</b>	<b>7.22</b>	<b>651,642.28</b>
<b>NON-CASH TRANSACTIONS:</b>					
9600 - Depreciation	19.68	177.12	300.00	0.00	122.88
9650 - Unrealized (Gain)/Loss	0.00	1,414.01	0.00	0.00	(1,414.01)
<b>Total Non-Cash Transactions</b>	<b>19.68</b>	<b>1,591.13</b>	<b>300.00</b>	<b>530.38</b>	<b>(1,291.13)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (63,306.17)</b>	<b>\$ 419,646.51</b>	<b>\$ (626,653.00)</b>	<b>(66.97)</b>	<b>\$ (1,046,299.51)</b>

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