

Downtown St. Louis Community Improvement District, Inc
Executive Summary
For the Four Month Period Ended October 31, 2020

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending October 31, 2020 totaled \$298K as compared to a budget of \$303K. Revenues for the FYTD 2021 were \$1.233M, \$243K less than budgeted revenues.

CID Assessments are received in advance of the services provided and recorded as “Deferred CID Revenue” on the Statement of Financial Position. CID Assessment Revenue is recognized as CID expenses are incurred, offset by Carryforward Usage, Fees and Interest. CID Assessment Revenue was lower than budget by \$66K for the month and \$280K for the FYTD.

Carryforward Usage revenues are related to prior years’ CID assessments and is recognized when CID expenses unrelated to FY2021 are incurred. \$82K was incurred in October, which is \$61k higher than budget; while FYTD carryforward usage totaled \$213K, which is \$29K higher than budget. The Carryforward Usage revenue is related to CID FY2022 projects as well as the JLL Termination Agreement.

Payment in Lieu of CID was \$1K for the month, and \$5K year-to-date, both of which agree to the budget. These amounts received relate to funds received from St Louis Custom House regarding the Old Post Office.

Interest Income for the year was \$8K; which results in a \$5K favorable variance. This interest income is made up of interest received by Bank of America and on past due assessments received from the City.

Other Income, Net is \$3K for the year to date. This amount primarily represents income from administrative fees related to managing the security agreements with Laclede Landing and Riverside CIDs.

Expenses

Total Expenses for the month totaled \$297K and \$1.231M for the year-to-date, as compared to budgeted expenses of \$303K and \$1.476M, respectively. See below for detailed explanation of the expense categories.

Security expenses were \$54K for the month, as compared to budgeted amounts of \$99K. Additionally, the FYTD expenses of \$350K were \$200K under budget. This is due to:

- Deferral of \$25K, for the month, and \$100K, for the year, contingency budgeted for security expenses
- Lower supplemental security with The City’s Finest of \$16K for the month and \$77K for the year
- Unused funds for general security projects; \$2k for the month and \$7k for the year
- Lower costs incurred by the Laclede Landing CID

Maintenance expenses were \$51K for the month, which is \$30K lower than the budget, and \$40K lower than the budget of \$280K for the year-to-date. The favorable variances are due to lower personnel and supplies costs associated with the Clean Team, lower SFP Landscaping expenses, lower costs incurred by the Laclede Landing CID, and unused Landscaping funds for planting trees, expected to be used later in the year. Additionally, the FYTD variance is partially offset by additional SFP Landscaping expenses related to landscaping materials & replacement pots.

Economic Development expenses for the month and the FYTD were \$26K and \$151K; which results in a favorable variance of \$5K for the month and \$30K for the year. These variances are due to unused funds for

resident recruitment and retention expenses, and lower costs incurred by the Laclede Landing Community Improvement District for economic development expenses. These were partially offset by the increase in event expenses for the year, which were not expected to occur due to COVID, but were transitioned into virtual events.

Marketing and Special Events expenses were \$5K lower than the budgeted amount of \$47K for the month, while FYTD costs were \$1K lower than the budget of \$189K. The favorable variances are attributed to lower costs incurred by the Laclede Landing CID, partially offset by higher than budgeted marketing costs related to the Fleishman Hillard agreement.

Administrative expenses were \$104K for the month and \$96K for the year, which results in an \$83K and \$78K unfavorable variance. The unfavorable variances are due to the early termination of the JLL Lease and higher than budgeted legal fees.

CID 2022 expenses were \$10K for the month and \$92K for the year to date, which is \$11K lower and \$8K higher than budget, respectively. These expenses represent spending for the new CID in 2022, primarily related to marketing & legal fees. Funds are being used from the prior years' unused assessment revenue.

There were no opportunity fund expenses for the month or year to date, representing a \$3K and \$63K favorable variance to budget for the month and year to date, respectively. This primarily due to the deferral of a \$50K contingency budgeted for opportunity fund expenses, which are expected to be used later in the year. To a lesser extent, these variances are due to lower costs incurred by the Laclede Landing Community Improvement District.

Change in Net Assets

Since CID activity is a breakeven even (revenue is recognized as expenses occur), the change in net assets for the month and year represent Non-CID activity of interest income and the three percent charge to Riverside/Laclede's Landing for the supplemental security agreement with the CID.

Statement of Financial Position

CID Assessment Receivable represents assessments not yet received by the City's Collector of Revenue office and therefore not distributed to the CID. The current balance is \$334K, primarily representing the assessments due the CID for calendar year 2020.

Deferred CID Assessment Revenue represents CID assessments assessed (includes money received and still receivable) but not yet recognized as revenue. The balance as of October 31, 2020 for all prior years' Deferred CID Assessment Revenue is \$255K, with remaining Deferred CID Assessment for 2020 at \$648K.

Downtown St. Louis Community Improvement District, Inc.
Statement of Financial Position

| | 10/31/2020 | 6/30/2020 |
|---|---------------------|---------------------|
| Assets | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 817,846 | \$ 1,992,187 |
| CID Assessment Receivable | 334,199 | 364,462 |
| Other Receivables | 118,963 | 29,726 |
| Prepaid Expense | 6,379 | 2,112 |
| Total Current Assets | 1,277,387 | 2,388,487 |
| Long-term Assets | | |
| Equipment, net | 19,861 | 24,180 |
| Other Assets - Security Deposits | 3,308 | 3,308 |
| Total Long-term Assets | 23,169 | 27,488 |
| Total Assets | \$ 1,300,556 | \$ 2,415,975 |
| Liabilities | | |
| Accounts Payable | \$ 63,487 | \$ 87,780 |
| Due to Downtown STL, Inc. | 147,372 | 33,978 |
| Other Current Liabilities | 23,360 | 22,360 |
| Deferred CID Revenue - Prior Years | 254,730 | 467,772 |
| Deferred CID Revenue - Current Year | 648,391 | 1,645,919 |
| Other Deferred Revenue | 2,500 | - |
| Total Current Liabilities | 1,139,840 | 2,257,809 |
| Other Long-Term Liabilities | 630 | 710 |
| Net Assets | | |
| Unrestricted Net Assets | 160,086 | 157,456 |
| Total Net Assets | 160,086 | 157,456 |
| Total Liabilities and Net Assets | \$ 1,300,556 | \$ 2,415,975 |

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them. All Disclosures Required by GAAP Omitted.

Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Month Ended October 31, 2020

| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
|---|-------------------|-------------------|---------------------|
| Revenues: | | | |
| CID Assessment | \$ 213,673 | \$ 280,096 | \$ (66,423) |
| Carryforward Usage | 81,794 | 21,000 | 60,794 |
| Payment in lieu of CID | 1,250 | 1,250 | - |
| Interest Income | 215 | 625 | (410) |
| Other, net | 676 | - | 676 |
| | <u>297,608</u> | <u>302,971</u> | <u>(5,363)</u> |
| Expenses: | | | |
| Security | 54,424 | 98,813 | 44,389 |
| Maintenance | 50,882 | 80,739 | 29,857 |
| Economic Development | 25,750 | 31,073 | 5,323 |
| Marketing and Special Events | 51,311 | 47,213 | (4,098) |
| Administrative | 104,299 | 21,233 | (83,066) |
| CID 2022 | 10,263 | 21,000 | 10,737 |
| Opportunity Fund | - | 2,900 | 2,900 |
| | <u>296,929</u> | <u>302,971</u> | <u>6,042</u> |
| Change in Net Assets | 679 | - | 679 |
| Net Assets, Beginning of Period | 159,407 | 157,456 | 1,951 |
| | <u>159,407</u> | <u>157,456</u> | <u>1,951</u> |
| Net Assets, End of Period | <u>\$ 160,086</u> | <u>\$ 157,456</u> | <u>\$ 2,630</u> |
| CID Contracted Expenses with Downtown STL, Inc. | | | |
| Security Personnel | \$ 17,258 | \$ 16,327 | \$ (931) |
| Economic Development Personnel | 19,023 | 19,323 | 300 |
| Maintenance Personnel | 42,057 | 48,067 | 6,010 |
| Image & Comm Personnel | 8,623 | 7,365 | (1,258) |
| Special Events Personnel | 3,334 | 4,514 | 1,180 |
| Non-personnel Shared Expenses | 150,433 | 12,900 | (137,533) |
| | <u>150,433</u> | <u>12,900</u> | <u>(137,533)</u> |
| Total Contracted Expenses | <u>\$ 240,728</u> | <u>\$ 108,496</u> | <u>\$ (132,232)</u> |

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Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Four Months Ended October 31, 2020

| | <u>YTD October</u> | <u>YTD Budget</u> | <u>YTD Variance</u> | <u>Annual Budget</u> |
|---|------------------------|-----------------------|-------------------------|--------------------------|
| Revenues: | | | | |
| CID Assessment | \$ 1,004,941 | \$ 1,284,718 | \$ (279,777) | \$ 3,349,178 |
| Carryforward Usage | 213,121 | 184,000 | 29,121 | 326,000 |
| Payment in lieu of CID | 5,000 | 5,000 | - | 15,000 |
| Interest Income | 7,750 | 2,500 | 5,250 | 7,500 |
| Other, net | 2,599 | - | 2,599 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Revenue | 1,233,411 | 1,476,218 | (242,807) | 3,697,678 |
| Expenses: | | | | |
| Security | 350,433 | 550,252 | 199,819 | 1,141,352 |
| Maintenance | 279,945 | 319,557 | 39,612 | 962,922 |
| Economic Development | 151,231 | 181,224 | 29,993 | 479,473 |
| Marketing and Special Events | 189,680 | 188,851 | (829) | 555,631 |
| Administrative | 167,902 | 89,534 | (78,368) | 260,300 |
| CID 2022 | 91,590 | 84,000 | (7,590) | 126,000 |
| Opportunity Fund | - | 62,800 | 62,800 | 172,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Expenses | 1,230,781 | 1,476,218 | 245,437 | 3,697,678 |
| Change in Net Assets | 2,630 | - | 2,630 | - |
| Net Assets, Beginning of Period | 157,456 | 157,456 | - | 157,456 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net Assets, End of Period | <u>\$ 160,086</u> | <u>\$ 157,456</u> | <u>\$ 2,630</u> | <u>\$ 157,456</u> |
| CID Contracted Expenses with Downtown STL, Inc. | | | | |
| Security Personnel | \$ 64,715 | \$ 65,308 | \$ 593 | \$ 97,962 |
| Economic Development Personnel | 75,067 | 77,291 | 2,224 | 115,936 |
| Maintenance Personnel | 176,066 | 192,267 | 16,201 | 288,401 |
| Image & Comm Personnel | 340,343 | 29,461 | (310,882) | 44,192 |
| Special Events Personnel | 13,163 | 18,057 | 4,894 | 27,085 |
| Non-personnel Shared Expenses | 29,311 | 51,600 | 22,289 | 77,400 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Contracted Expenses | <u>\$ 698,665</u> | <u>\$ 433,984</u> | <u>\$ (264,681)</u> | <u>\$ 650,976</u> |

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Downtown St. Louis Community Improvement District, Inc.
Statement of Cash Flows
For the Four Months Ended October 31, 2020

| | For the Month Ended 10/31/20 | For the Four Months Ended 10/31/20 |
|--|---|---|
| Cash Flows from Operating Activities | | |
| Change in Unrestricted Net Assets | \$ 679 | \$ 2,630 |
| Adjustments to reconcile the Change in Unrestricted Net Assets to Net Cash used by operations: | | |
| Noncash charges and credits: | | |
| Depreciation and Amortization | 1,080 | 4,319 |
| Change in Operating Assets: | | |
| (Increase) in Accounts Receivable | (19,332) | (89,237) |
| (Increase) / Decrease in CID Assessment Receivable | (5,112) | 30,264 |
| Decrease in Due to/from Community Improvement District | 19,990 | 113,393 |
| Decrease / (Increase) in Prepaid Expense | 696 | (4,267) |
| Change in Operating Liabilities: | | |
| (Decrease) in Accounts Payable | (29,693) | (24,292) |
| (Decrease) / Increase in Deferred Non-CID Assessment Revenue | (1,250) | 2,500 |
| (Decrease) in Deferred CID Assessment Revenue | (289,224) | (1,210,571) |
| (Decrease) / Increase in Accrued Expenses | (7,245) | 920 |
| Total Net Cash (used) by operations | (329,411) | (1,174,341) |
| Cash at beginning of period | 1,147,257 | 1,992,187 |
| Cash at end of period | \$ 817,846 | \$ 817,846 |

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Downtown St. Louis Community Improvement District, Inc
Analysis of Budgeted Expenses
For the Month Ended October 31, 2020
(in thousands)

| | |
|---|-----------------------------|
| Budgeted Expenses | \$ 303 |
| Deferral of contingency for security expenses in October, expected to be used later in the year | (25) |
| Lower Supplemental Security expense than budgeted | (16) |
| Lower CID 2022 costs related to marketing & legal expenses | (11) |
| Lower Laclede Landing Expenses | (11) |
| Lower personnel expenses due to Anthem Refund, majority related to Clean Team | (10) |
| Unused Landscaping funds for planting trees | (5) |
| Lower SFP Landscaping fees than budgeted | (4) |
| Lower than budgeted expenses for Clean Team Supplies | (3) |
| Unused funds for general security projects | (2) |
| Higher Marketing expenses related to Fleishman Hillard Agreement than budgeted | 9 |
| Higher Legal Fees, due to CID lawsuit reserve for Insurance Deductible | 10 |
| Higher costs related to JLL Termination Agreement, not budgeted | 71 |
| Other, net | (9) |
| | _____ |
| Actual Expenses | <u><u>\$ 297</u></u> |

Downtown St. Louis Community Improvement District, Inc
Analysis of Budgeted Expenses
For the Four Months Ended October 31, 2020
(in thousands)

| | |
|--|-------------------------------|
| Budgeted Expenses | \$ 1,476 |
| Deferral of contingency for security expenses, expected to be used later in the year | (100) |
| Lower Supplemental Security expense | (77) |
| Lower Laclede Landing Expenses | (76) |
| Unused funds for Opportunity Fund, expected to be used later in the year | (50) |
| Lower Personnel Costs for Clean Team | (25) |
| Unused Economic Development funds for Resident Recruitment & Retention expenses | (10) |
| Lower than budgeted expenses for Clean Team Supplies | (10) |
| Unused funds for general security projects | (7) |
| Unused Landscaping funds for planting trees | (5) |
| Higher CID 2022 costs related to marketing & legal expenses | 8 |
| Higher Marketing expenses related to Fleishman Hillard Agreement than budgeted | 12 |
| Higher Legal Fees, in part due to CID lawsuit reserve for Insurance Deductible | 15 |
| Higher SFP Landscaping fees, related to landscaping materials & replacement pots | 20 |
| Higher costs related to JLL Termination Agreement, not budgeted | 71 |
| Other, net | (11) |
| | _____ |
| Actual Expenses | <u><u>\$ 1,231</u></u> |

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