

Downtown St. Louis Community Improvement District, Inc
Executive Summary
For the Five Month Period Ended November 30, 2020

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending November 30, 2020 totaled \$287K as compared to a budget of \$253K. Revenues for the FYTD 2021 were \$1.52M, \$208K 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 in line with the budget of \$230K for the month but \$280K less than the budget for the FYTD.

Carryforward Usage revenues are related to prior years’ CID assessments and are recognized when CID expenses unrelated to FY2021 are incurred. \$50K was incurred in November, which is \$29k higher than budget; while FYTD carryforward usage totaled \$263K, which is \$58K 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 \$6K 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 month was \$5K and \$13K for the year; which results in a \$4K and \$10K favorable variance, respectively. 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 \$286K and \$1.517M for the year-to-date, as compared to budgeted expenses of \$253K and \$1.729M, respectively. See below for detailed explanation of the expense categories.

Security expenses were \$54K for the month, as compared to budgeted amounts of \$46K. The month’s unfavorable variance is due to higher costs associated with The City’s Finest services and Laclede Landing CID. The FYTD expenses of \$405K were \$191K under budget. The favorable variance is due to:

- Deferral of \$100K contingency budgeted for security expenses
- Lower supplemental security with The City’s Finest of \$72K
- Unused funds for general security projects of \$8k
- Lower costs incurred by the Laclede Landing CID of \$11K

Maintenance expenses were \$71K for the month, which is \$10K lower than the budget, and \$50K lower than the budget of \$400K for the year-to-date. The favorable variances are due to lower personnel and supplies costs associated with the Clean Team, unused funds for Landscaping projects expected to be used later in the year and lower costs incurred by the Laclede Landing CID. All of which is partially offset by additional SFP Landscaping expenses related to landscaping materials, replacement pots & holiday decorations.

Economic Development expenses for the month and the FYTD were \$23K and \$174K; which results in a favorable variance of \$13K for the month and \$43K for the year. These variances are due to unused funds for general Economic Development projects and resident recruitment and retention expenses, and lower costs incurred by the Laclede Landing CID 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 \$12K and \$11K lower than the budgeted amounts of \$47K and \$236K for the month and FYTD, respectively. 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 \$53K for the month and \$221K for the year, which results in an \$32K and \$111K unfavorable variance. The unfavorable variances are due to lower Secura Insurance expenses at the receipt of the final Policy Notice in November and higher than budgeted legal fees. Additionally, the FYTD variance is due to the early termination of the JLL Lease in October.

CID 2022 expenses were \$50K for the month and \$141K for the year to date, which is \$29K and \$36K 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 year to date, representing a \$63K favorable variance to budget for the year to date. 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, this variance is 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 \$3.877M, primarily representing the assessments due to the CID for calendar year 2021.

Deferred CID Assessment Revenue represents CID assessments assessed (includes money received and still receivable) but not yet recognized as revenue. The balance as of November 30, 2020 for all prior years' Deferred CID Assessment Revenue is \$317K, with remaining Deferred CID Assessment for 2020 at \$498K and for 2021 at \$3.372M.

**Downtown St. Louis Community Improvement District
Statement of Financial Position**

	11/30/2020	6/30/2020
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 564,279	\$ 1,992,187
CID Assessment Receivable	3,877,022	364,462
Other Receivables	176,560	29,726
Prepaid Expense	6,612	2,112
Total Current Assets	4,624,473	2,388,487
Long-term Assets		
Equipment, net	18,782	24,180
Other Assets - Security Deposits	3,308	3,308
Total Long-term Assets	22,090	27,488
Total Assets	\$ 4,646,563	\$ 2,415,975
Liabilities		
Accounts Payable	\$ 169,971	\$ 87,780
Due to Downtown STL, Inc.	68,537	33,978
Other Current Liabilities	23,586	22,360
Deferred CID Revenue - Prior Years	317,141	467,772
Deferred CID Revenue - Current Year	497,544	1,645,919
Deferred CID Revenue - CY 2021	3,372,200	-
Other Deferred Revenue	36,250	-
Total Current Liabilities	4,485,229	2,257,809
Other Long-Term Liabilities	585	710
Net Assets		
Unrestricted Net Assets	160,749	157,456
Total Net Assets	160,749	157,456
Total Liabilities and Net Assets	\$ 4,646,563	\$ 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 November 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 230,368	\$ 229,697	\$ 671
Carryforward Usage	49,869	21,000	28,869
Payment in lieu of CID	1,250	1,250	-
Interest Income	4,897	625	4,272
Other, net	658	-	658
	<u>287,042</u>	<u>252,572</u>	<u>34,470</u>
Expenses:			
Security	54,194	45,813	(8,381)
Maintenance	70,731	80,740	10,009
Economic Development	23,096	36,573	13,477
Marketing and Special Events	35,172	47,213	12,041
Administrative	53,318	20,833	(32,485)
CID 2022	49,868	21,000	(28,868)
Opportunity Fund	-	400	400
	<u>286,379</u>	<u>252,572</u>	<u>(33,807)</u>
Change in Net Assets	663	-	663
Net Assets, Beginning of Period	160,086	157,456	2,630
	<u>160,086</u>	<u>157,456</u>	<u>2,630</u>
Net Assets, End of Period	<u>\$ 160,749</u>	<u>\$ 157,456</u>	<u>\$ 3,293</u>
CID Contracted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 16,192	\$ 16,327	\$ 135
Economic Development Personnel	18,235	19,323	1,088
Maintenance Personnel	40,326	48,067	7,741
Image & Comm Personnel	8,270	7,365	(905)
Special Events Personnel	3,196	4,514	1,318
Non-personnel Shared Expenses	31,261	12,900	(18,361)
	<u>117,480</u>	<u>108,496</u>	<u>(8,984)</u>

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Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Five Months Ended November 30, 2020

	<u>YTD November</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 1,235,309	\$ 1,514,415	\$ (279,106)	\$ 3,349,178
Carryforward Usage	262,991	205,000	57,991	326,000
Payment in lieu of CID	6,250	6,250	-	15,000
Interest Income	12,646	3,125	9,521	7,500
Other, net	3,257	-	3,257	-
Total Revenue	1,520,453	1,728,790	(208,337)	3,697,678
Expenses:				
Security	404,627	596,065	191,438	1,141,352
Maintenance	350,675	400,298	49,623	962,922
Economic Development	174,327	217,796	43,469	479,473
Marketing and Special Events	224,852	236,064	11,212	555,631
Administrative	221,220	110,367	(110,853)	260,300
CID 2022	141,459	105,000	(36,459)	126,000
Opportunity Fund	-	63,200	63,200	172,000
Total Expenses	1,517,160	1,728,790	211,630	3,697,678
Change in Net Assets	3,293	-	3,293	-
Net Assets, Beginning of Period	157,456	157,456	-	157,456
Net Assets, End of Period	\$ 160,749	\$ 157,456	\$ 3,293	\$ 157,456
CID Contracted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 80,907	\$ 81,635	\$ 728	\$ 97,962
Economic Development Personnel	93,303	96,614	3,311	115,936
Maintenance Personnel	216,392	240,334	23,942	288,401
Image & Comm Personnel	42,303	36,826	(5,477)	44,192
Special Events Personnel	16,359	22,571	6,212	27,085
Non-personnel Shared Expenses	366,881	64,500	(302,381)	77,400
Total Contracted Expenses	\$ 816,145	\$ 542,480	\$ (273,665)	\$ 650,976

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Downtown St. Louis Community Improvement District
Statement of Cash Flows
For the Five Months Ended November 30, 2020

	For the Month Ended 11/30/20	For the Five Months Ended 11/30/20
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 662	\$ 3,292
Adjustments to reconcile the Change in Unrestricted Net Assets to Net Cash used by operations:		
Noncash charges and credits:		
Depreciation and Amortization	1,080	5,398
Change in Operating Assets:		
(Increase) in Accounts Receivable	(57,597)	(146,834)
(Increase) in CID Assessment Receivable	(3,542,823)	(3,512,559)
(Increase) / Decrease in Due to/from Community Improvement District	(78,835)	34,558
(Increase) in Prepaid Expense	(233)	(4,500)
Change in Operating Liabilities:		
Increase in Accounts Payable	106,484	82,191
Increase in Deferred Non-CID Assessment Revenue	33,750	36,250
Increase in Deferred CID Assessment Revenue	3,283,765	2,073,194
Increase in Accrued Expenses	180	1,102
Total Net Cash (used) by operations	(253,567)	(1,427,908)
Cash at beginning of period	817,846	1,992,187
Cash at end of period	\$ 564,279	\$ 564,279

Downtown Community Improvement District, Inc
Analysis of Budgeted Expenses
For the Month Ended November 30, 2020
(in thousands)

Budgeted Expenses	\$	253
Lower Laclede Landing Expenses		(8)
Lower Personnel Costs for Clean Team		(7)
Lower Insurance expenses due to reversal of Secura Insurance at final Policy Notice		(6)
Lower Marketing expenses related to Fleishman Hillard Agreement		(6)
Unused Economic Development funds for Resident Recruitment & Retention expenses		(5)
Lower than budgeted expenses for Clean Team Supplies		(4)
Unused General Economic Development funds expected to be used later in the year		(4)
Higher SFP Landscaping fees related to holiday decorations		4
Higher Supplemental Security expense than budgeted		5
Higher CID 2022 costs related to Professional Services provided by Husch Blackwell		29
Higher Legal Fees related to Services provided by Husch Blackwell		47
Other, net		(12)
		253
Actual Expenses	\$	286

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Downtown Community Improvement District, Inc
Analysis of Budgeted Expenses
For the Five Months Ended November 30, 2020
(in thousands)

Budgeted Expenses	\$ 1,729
Deferral of contingency for security expenses, expected to be used later in the year	(100)
Lower Laclede Landing Expenses	(84)
Lower Supplemental Security expense	(72)
Unused funds for Opportunity Fund, expected to be used later in the year	(50)
Lower Personnel Costs for Clean Team	(32)
Unused Economic Development funds for Resident Recruitment & Retention expenses	(15)
Lower than budgeted expenses for Clean Team Supplies	(14)
Unused funds for general security projects	(8)
Unused General Economic Development funds expected to be used later in the year	(7)
Lower Insurance expenses due to reversal of Secura Insurance at final Policy Notice	(6)
Unused funds for Landscaping projects	(5)
Higher Marketing expenses related to Fleishman Hillard Agreement	6
Higher Legal Fees, due to CID lawsuit reserve for Insurance Deductible	10
Higher SFP Landscaping fees, related to landscaping materials, replacement pots & holiday decorations	26
Higher CID 2022 costs related to marketing & legal expenses	36
Higher Legal Fees related to Services provided by Husch Blackwell & Lashly & Baer	52
Higher costs related to JLL Termination Agreement, not budgeted	71
Other, net	(20)
	\$ 1,517
Actual Expenses	\$ 1,517

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