

Downtown St. Louis Community Improvement District, Inc
Executive Summary
For the Month and Nine-Month Period Ended March 31, 2020

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending March 31, 2020 totaled \$342K as compared to a budget of \$262K, reflecting a favorable variance of \$80K for the month. Revenues for the first nine months of FY2020 were \$2.69M, \$223K more than budgeted revenues of \$2.467M.

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 higher than budget by \$89K for the month of March, and \$120K for the year-to-date period.

Carryforward Usage revenues are related to prior years’ CID assessments. For the month of December \$125K was incurred for 7th Street Streetscape project (\$100K) and LightMySTL (\$25K). Another \$13K was incurred earlier in the year for Laclede’s Landing projects. No additional amounts were incurred in March, resulting in an unfavorable variance of \$8K for the month. The December charges resulted in a favorable variance of \$64K year-to-date.

Payment in Lieu of CID was \$1K for the month of March, and \$11K year-to-date, representing an unfavorable variance to budget of \$2K and \$20K, respectively. The amount received through March 2020 funds received from St Louis Custom House regarding the Old Post Office. The budget mistakenly over budgeted the payments from the Old Post Office, therefore revenue is anticipated to be below budget for the remainder of the year.

Other Income, Net is \$500 for March, and \$54K year-to-date. This amount primarily represents income for work performed at 600 Washington.

Expenses

Total Expenses for March totaled \$341K and \$2.66 million for the year-to-date period as compared to budgeted expenses of \$262K and \$2.47 million, respectively. See below for detailed explanation of the expense categories.

Security expenses were \$103K and \$653K for the month and year-to-date March, respectively, representing unfavorable variances of \$21K and \$8K for the month and year-to-date as compared to budget. In December, the CID contributed \$100K for the LightMySTL project. Of this amount, \$75K was allocated to the security budget. The security budget had anticipated this contribution, but later in the year, partially contributing to the variance. Additionally, the month and year-to-date variance is due to a donation for COVID 19 relief to the Community Foundation to be used for downtown businesses, partially offset by lower than anticipated supplemental security with The City’s Finest due to COVID 19.

Maintenance expenses were \$6K lower than the budget of \$92K for the month of March. Year-to-date costs were \$28K lower than the budget of \$724K. The favorable variance for the month is due to lower costs associated with the SFP contract. The year-to-date positive variance is due deferral of costs associated with tree planting and SFP Landscaping contract until the Spring. Expenses are anticipated to be on budget for the year.

Economic Development expense of \$73K for the month of March is unfavorable to budget for the month by \$44K. This variance is primarily because of the aforementioned grant for COVID relief related to Economic Development for the month. Additionally, Economic Development expense of \$383K year-to-date was unfavorable to budget by \$31K for the year-to-date. The year to date variance primarily reflects the unbudgeted COVID grant, partially offset by the loss of staff earlier in the year that was budgeted to Economic Development.

Marketing and Special Events expenses were \$5K higher than the budgeted amount of \$38K in March. Year-to-date costs were \$39K higher than the budget of \$409K. The unfavorable variances for the month and year-to-date are primarily attributed the increased costs associated with the marketing agreement with a new marketing firm, that was not factored into the budget.

Administrative expenses were \$23K for the month of March, which was \$5K higher than the budgeted amount of \$18K. Year-to-date March expenses were \$215K, which is \$44K higher than budgeted. Expenses year-to-date were mainly higher due to audit related costs, legal fees, and consulting expenses paid to the former Director of Economic Development.

CID 2022 expenses were \$12K for the month and \$123K year-to-date March, which represents spending for the new CID in 2022. This was not included in the budget, and funds are being used from the prior years' unused assessment revenue.

There were no opportunity fund expenses for the month, while there have been \$139K year-to-date. The December spending relates to a contribution for the 7th Street Streetscape project (\$100K) and LightMySTL project (\$25K of the \$100K contribution noted above). The remaining costs incurred to date relate to Laclede Landing projects. There is \$25K in remaining unearmarked opportunity costs.

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 represents 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 \$404K, 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 March 31, 2020 for all prior years' Deferred CID Assessment Revenue is \$.5M, with remaining Deferred CID Assessment for 2020 at \$2.5 M.

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

| | 3/31/2020 | 6/30/2019 |
|---|------------------------|------------------------|
| Assets | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 2,935,176.76 | \$ 2,309,446.98 |
| CID Assessment Receivable | 404,313.30 | 256,425.46 |
| Other Receivables | 41,095.66 | 11,210.00 |
| Prepaid Expense | 4,657.94 | 5,691.89 |
| Total Current Assets | 3,385,243.66 | 2,582,774.33 |
| Equipment, net | 27,419.11 | 37,136.14 |
| Total Assets | \$ 3,412,662.77 | \$ 2,619,910.47 |
| Liabilities | | |
| Accounts Payable | \$ 52,689.40 | \$ 200,721.91 |
| Due to Downtown STL, Inc. | 120,551.23 | 25,303.48 |
| Other Current Liabilities | 24,862.44 | 3,175.00 |
| Deferred CID Revenue - Prior Years | 453,990.27 | 459,114.66 |
| Deferred CID Revenue - 2019 | 69,970.63 | 1,780,577.27 |
| Deferred CID Revenue - Current Year | 2,507,188.36 | - |
| Total Current Liabilities | 3,229,252.33 | 2,468,892.32 |
| Other Long-Term Liabilities | 695.00 | 550.00 |
| Net Assets | | |
| Equity | 150,468.15 | 148,837.02 |
| Change in Net Assets | 32,247.29 | 1,631.13 |
| Total Net Assets | 182,715.44 | 150,468.15 |
| Total Liabilities and Net Assets | \$ 3,412,662.77 | \$ 2,619,910.47 |

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 March 31, 2020

| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
|---|----------------------|----------------------|-----------------------|
| Revenues: | | | |
| CID Assessment | \$ 338,272.51 | \$ 249,281.74 | \$ 88,990.77 |
| Carryforward Usage | - | 8,333.33 | (8,333.33) |
| Payment in lieu of CID | 1,250.00 | 3,494.08 | (2,244.08) |
| Interest Income | 1,482.09 | 625.00 | 857.09 |
| Other, net | 549.58 | - | 549.58 |
| | <u>341,554.18</u> | <u>261,734.15</u> | <u>79,820.03</u> |
| Expenses: | | | |
| Security | 103,321.17 | 82,489.93 | (20,831.24) |
| Maintenance | 85,278.11 | 91,614.86 | 6,336.75 |
| Economic Development | 73,371.54 | 29,570.71 | (43,800.83) |
| Marketing and Special Events | 43,293.75 | 37,941.62 | (5,352.13) |
| Administrative | 23,298.70 | 18,217.03 | (5,081.67) |
| CID 2022 | 12,380.40 | - | (12,380.40) |
| Opportunity Fund | - | 1,900.00 | 1,900.00 |
| | <u>340,943.67</u> | <u>261,734.15</u> | <u>(79,209.52)</u> |
| Change in Net Assets | 610.51 | 0.00 | 610.51 |
| Net Assets, Beginning of Period | 182,104.93 | 161,156.02 | 20,948.91 |
| | <u>182,104.93</u> | <u>161,156.02</u> | <u>20,948.91</u> |
| Net Assets, End of Period | <u>\$ 182,715.44</u> | <u>\$ 161,156.02</u> | <u>\$ 21,559.42</u> |
| CID Contracted Expenses with Downtown STL, Inc. | | | |
| Security Personnel | \$ 16,912.06 | \$ 17,121.36 | \$ 209.30 |
| Maintenance Personnel | 49,226.82 | 11,068.18 | (38,158.64) |
| Economic Development Personnel | 19,750.33 | 18,654.05 | (1,096.28) |
| Marketing and Special Events Personnel | 12,680.57 | 13,311.63 | 631.06 |
| Administration | 47,296.63 | 12,617.03 | (34,679.60) |
| | <u>\$ 145,866.41</u> | <u>\$ 72,772.25</u> | <u>\$ (73,094.16)</u> |

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Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Nine Months Ending March 31, 2020

| | <u>YTD March</u> | <u>YTD Budget</u> | <u>YTD Variance</u> | <u>Annual Budget</u> |
|--|------------------------|-----------------------|-------------------------|--------------------------|
| Revenues: | | | | |
| CID Assessment | \$ 2,474,963.13 | \$ 2,355,000.74 | \$ 119,962.39 | \$ 3,371,500.93 |
| Carryforward Usage | 139,335.50 | 75,000.00 | 64,335.50 | 100,000.00 |
| Payment in lieu of CID | 11,250.00 | 31,446.75 | (20,196.75) | 41,929.00 |
| Interest Income | 10,287.73 | 5,625.00 | 4,662.73 | 7,500.00 |
| Other, net | 53,848.08 | - | 53,848.08 | - |
| Total Revenue | <u>2,689,684.44</u> | <u>2,467,072.49</u> | <u>222,611.95</u> | <u>3,520,929.93</u> |
| Expenses: | | | | |
| Security | 652,986.16 | 645,318.43 | (7,667.73) | 1,144,884.22 |
| Maintenance | 695,884.02 | 723,629.74 | 27,745.72 | 974,316.32 |
| Economic Development | 383,486.84 | 352,069.40 | (31,417.44) | 464,448.55 |
| Marketing and Special Events | 447,822.48 | 409,301.60 | (38,520.88) | 538,376.48 |
| Administrative | 214,712.49 | 170,453.27 | (44,259.22) | 226,904.36 |
| CID 2022 | 123,209.66 | - | (123,209.66) | - |
| Opportunity Fund | 139,335.50 | 166,300.00 | 26,964.50 | 172,000.00 |
| Total Expenses | <u>2,657,437.15</u> | <u>2,467,072.44</u> | <u>(190,364.71)</u> | <u>3,520,929.93</u> |
| Change in Net Assets | 32,247.29 | 0.05 | 32,247.24 | (0.00) |
| Net Assets, Beginning of Period | 150,468.15 | 161,156.02 | (10,687.87) | 161,156.02 |
| Net Assets, End of Period | <u>\$ 182,715.44</u> | <u>\$ 161,156.07</u> | <u>\$ 21,559.37</u> | <u>\$ 161,156.02</u> |
| CID Contracted Expenses with Downtown STL, Inc. | | | | |
| Security Personnel | \$ 156,158.38 | \$ 154,092.21 | \$ (2,066.17) | \$ 205,456.29 |
| Maintenance Personnel | 461,084.40 | 99,613.66 | (361,470.74) | 132,818.22 |
| Economic Development Personnel | 172,659.58 | 167,886.46 | (4,773.12) | 223,848.62 |
| Marketing and Special Events Personnel | 115,070.82 | 119,804.65 | 4,733.83 | 159,739.53 |
| Non-personnel Shared Expenses | 295,283.14 | 113,553.26 | (181,729.88) | 151,404.35 |
| | <u>\$ 1,200,256.32</u> | <u>\$ 654,950.24</u> | <u>\$ (545,306.08)</u> | <u>\$ 873,267.00</u> |

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Downtown St. Louis Community Improvement District
Statement of Cash Flows
For the Month and Nine Months Ending March 31, 2020

| | For the Month Ending 3/31/2020 | For the Nine Months Ending 3/31/2020 |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Change in Unrestricted Net Assets | \$ 610.51 | \$ 32,247.29 |
| Adjustments to reconcile the Change in Unrestricted Net Assets to Net Cash provided/(used) by operations: | | |
| Noncash charges and credits: | | |
| Depreciation and Amortization | 1,079.67 | 9,717.03 |
| Change in Operating Assets: | | |
| (Increase) in Accounts Receivable | (18,869.09) | (29,885.66) |
| Decrease/(Increase) in CID Assessment Receivable | 38,926.09 | (147,887.84) |
| (Increase)/Decrease in Due to/from Community Improvement District | (26,043.01) | 95,247.75 |
| Decrease in Prepaid Expense | 238.33 | 1,033.95 |
| Change in Operating Liabilities: | | |
| (Decrease) in Accounts Payable | (11,435.00) | (148,032.51) |
| (Decrease) in Deferred Non-CID Assessment Revenue | (1,250.00) | - |
| (Decrease)/Increase in Deferred CID Assessment Revenue | (340,098.11) | 791,457.33 |
| Increase in Accrued Expenses | 1,205.00 | 21,832.44 |
| Total Net Cash (used) /provided by operations | (355,635.61) | 625,729.78 |
| Cash at beginning of period | 3,290,812.37 | 2,309,446.98 |
| Cash at end of period | \$ 2,935,176.76 | \$ 2,935,176.76 |

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

| | |
|--|-----------------------------|
| Budgeted Expenses | \$ 262 |
| 2022 CID expenses | 12 |
| Grant provided to Community Foundation for COVID 19 relief for downtown businesses | 100 |
| Higher Marketing expenses | 5 |
| Lower Security expenses than budgeted due to less need for security due to COVID 19 | (30) |
| Lower Laclede Landing expenses as reimbursements have not been submitted for CY 2020 | (10) |
| Other, net | 2 |
| | <hr/> |
| Actual Expenses | <u><u>\$ 341</u></u> |

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Downtown Community Improvement District, Inc.
Analysis of Budgeted Expenses
For the Nine Months Ending March 31, 2020
(in thousands)

| | | |
|--|-----------|--------------|
| Budgeted Expenses | \$ | 2,467 |
| CID 2022 costs | | 123 |
| Acceleration of payment for LightMySTL contribution that was budgeted for later in the year | | 100 |
| Acceleration of payment for 7th Street Streetscape contribution that was budgeted for later in the year | | 100 |
| Grant provided to Community Foundation for COVID 19 relief for downtown businesses | | 100 |
| Higher Marketing expenses than budgeted due to acceleration of costs with new Marketing firm | | 29 |
| Lower supplemental security | | (158) |
| Deferred unearmarked opportunity costs | | (27) |
| Lower Laclede Landing Expenses than budgeted | | (20) |
| Lower maintenance costs due to deferral of tree planting and costs associated with SFP contract until Spring | | (7) |
| Other, net | | (50) |
| | | _____ |
| Actual Expenses | \$ | 2,657 |