

Downtown St. Louis Community Improvement District, Inc
Executive Summary
For the Month and Ten-Month Period Ended April 30, 2020

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending April 30, 2020 totaled \$225K as compared to a budget of \$261K, reflecting an unfavorable variance of \$36K for the month. Revenues for the first ten months of FY2020 were \$2.914 million, \$187K more than budgeted revenues of \$2.728M.

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 \$36K for the month of April, and \$100K higher than budget for the year-to-date period.

Carryforward Usage revenues are related to prior years’ CID assessments and is recognized when CID expenses unrelated to FY2020 are incurred. \$9K was incurred in April, which agrees to the monthly budget. Year to date carryforward usage totals \$132K, which is \$49k higher than budgeted amounts of \$83K. To date, the Carryforward Usage revenue is related to CID FY2022 projects, which were not originally included in the budget.

Payment in Lieu of CID was \$1K for the month of April, and \$13K year-to-date, representing an unfavorable variance to budget of \$2K and \$22K, respectively. The amount received through April 2020 relates to 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 April, and \$54K year-to-date. This amount primarily represents income for work performed at 600 Washington.

Expenses

Total Expenses for April totaled \$224K and \$2.88 million for the year-to-date period as compared to budgeted expenses of \$261K and \$2.73 million, respectively. See below for detailed explanation of the expense categories.

Security expenses were \$52K and \$705K for the month and year-to-date April, respectively, representing favorable variances of \$38K and \$31K for the month and year-to-date as compared to budget. The April variance is due to lower than anticipated supplemental security with The City’s Finest due to COVID 19. The year to date variance is due to the \$100k contribution in December 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 year-to-date variance can be attributed to a donation made earlier in the year 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 and increased expenses related to the Security Police Agreement.

Maintenance expenses were \$7K lower than the budget of \$75K for the month of April. Year-to-date costs were \$35K lower than the budget of \$799K. 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 \$40K for the month of April is unfavorable to budget for the month by \$10K. This variance relates to the reimbursements made to Laclede Landing Community Improvement District for Economic Development projects. While the reimbursements expenses were budgeted for the month, they were allocated to different projects. Additionally, Economic Development expense of \$423K year-to-date was unfavorable to budget by \$42K 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 \$43K in April. Year-to-date costs were \$43K higher than the budget of \$452K. The unfavorable April variance is attributed to the increased costs associated with the marketing agreement with a new marketing firm that was not factored into the budget, partially offset by a refund from a cancelled sponsorship paid earlier in the year. While the year-to-date unfavorable variance is mainly due to the increased costs associated with the new marketing agreement.

Administrative expenses were \$22K for the month of April, which was \$1K higher than the budgeted amount of \$21K. Year-to-date April expenses were \$237K, which is \$46K higher than budgeted. Expenses year-to-date were mainly higher due to accounting and audit related costs, legal fees, and consulting expenses paid to the former Director of Economic Development.

CID 2022 expenses were \$9K for the month and \$132K year-to-date April, 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 \$125K 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 \$50K in remaining un earmarked 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 \$384K, 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 April 30, 2020 for all prior years' Deferred CID Assessment Revenue is \$.5M, with remaining Deferred CID Assessment for 2020 at \$2.3 M.

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

	4/30/2020	6/30/2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,719,453.12	\$ 2,309,446.98
CID Assessment Receivable	383,702.51	256,425.46
Other Receivables	57,581.25	11,210.00
Prepaid Expense	5,812.11	5,691.89
Total Current Assets	3,166,548.99	2,582,774.33
Equipment, net	26,339.44	37,136.14
Total Assets	\$ 3,192,888.43	\$ 2,619,910.47
 Liabilities		
Accounts Payable	\$ 90,543.27	\$ 200,721.91
Due to Downtown STL, Inc.	103,741.43	25,303.48
Other Current Liabilities	1,360.00	3,175.00
Deferred CID Revenue - Prior Years	515,585.28	459,114.66
Deferred CID Revenue - Current Year	2,295,201.45	1,780,577.27
Other Deferred Revenue	2,500.00	-
Total Current Liabilities	3,008,931.43	2,468,892.32
Other Long-Term Liabilities	700.00	550.00
 Net Assets		
Equity	150,468.15	148,837.02
Change in Net Assets	32,788.85	1,631.13
Total Net Assets	183,257.00	150,468.15
 Total Liabilities and Net Assets	\$ 3,192,888.43	\$ 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 April 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 212,283.41	\$ 248,277.74	\$ (35,994.33)
Carryforward Usage	9,000.00	8,333.33	666.67
Payment in lieu of CID	1,250.00	3,494.08	(2,244.08)
Interest Income	1,782.78	625.00	1,157.78
Other, net	486.58	-	486.58
	<u>224,802.77</u>	<u>260,730.15</u>	<u>(35,927.38)</u>
Expenses:			
Security	51,865.15	90,285.93	38,420.78
Maintenance	68,013.94	75,414.86	7,400.92
Economic Development	39,791.70	29,570.71	(10,220.99)
Marketing and Special Events	47,592.60	42,941.62	(4,650.98)
Administrative	21,997.82	20,617.03	(1,380.79)
CID 2022	9,000.00	-	(9,000.00)
Opportunity Fund	(14,000.00)	1,900.00	15,900.00
	<u>224,261.21</u>	<u>260,730.15</u>	<u>36,468.94</u>
Change in Net Assets	541.56	0.00	541.56
Net Assets, Beginning of Period	182,715.44	161,156.02	21,559.42
	<u>182,715.44</u>	<u>161,156.02</u>	<u>21,559.42</u>
Net Assets, End of Period	<u>\$ 183,257.00</u>	<u>\$ 161,156.02</u>	<u>\$ 22,100.98</u>
CID Contracted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 15,993.41	\$ 17,121.36	\$ 1,127.95
Maintenance Personnel	49,451.33	11,068.18	(38,383.15)
Economic Development Personnel	18,593.80	18,654.05	60.25
Marketing and Special Events Personnel	11,889.11	13,311.63	1,422.52
Administration	54,543.06	12,617.03	(41,926.03)
	<u>\$ 150,470.71</u>	<u>\$ 72,772.25</u>	<u>\$ (77,698.46)</u>

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 Ten Months Ending April 30, 2020

	<u>YTD April</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 2,703,372.38	\$ 2,603,278.48	\$ 100,093.90	\$ 3,371,500.93
Carryforward Usage	132,209.66	83,333.33	48,876.33	100,000.00
Payment in lieu of CID	12,500.00	34,940.83	(22,440.83)	41,929.00
Interest Income	12,070.51	6,250.00	5,820.51	7,500.00
Other, net	54,334.66	-	54,334.66	-
Total Revenue	2,914,487.21	2,727,802.64	186,684.57	3,520,929.93
Expenses:				
Security	704,851.31	735,604.35	30,753.04	1,144,884.22
Maintenance	763,897.96	799,044.60	35,146.64	974,316.32
Economic Development	423,278.54	381,640.12	(41,638.42)	464,448.55
Marketing and Special Events	495,415.08	452,243.23	(43,171.85)	538,376.48
Administrative	236,710.31	191,070.30	(45,640.01)	226,904.36
CID 2022	132,209.66	-	(132,209.66)	-
Opportunity Fund	125,335.50	168,200.00	42,864.50	172,000.00
Total Expenses	2,881,698.36	2,727,802.60	(153,895.76)	3,520,929.93
Change in Net Assets	32,788.85	0.04	32,788.81	(0.00)
Net Assets, Beginning of Period	150,468.15	161,156.02	(10,687.87)	161,156.02
Net Assets, End of Period	\$ 183,257.00	\$ 161,156.06	\$ 22,100.94	\$ 161,156.02
CID Contracted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 172,151.79	\$ 171,213.57	\$ (938.22)	\$ 205,456.29
Maintenance Personnel	510,535.73	110,681.85	(399,853.88)	132,818.22
Economic Development Personnel	191,253.39	186,540.51	(4,712.88)	223,848.61
Marketing and Special Events Personnel	126,959.92	133,116.27	6,156.35	159,739.53
Non-personnel Shared Expenses	349,826.19	126,170.29	(223,655.90)	151,404.35
	\$ 1,350,727.02	\$ 727,722.49	\$ (623,004.53)	\$ 873,267.00

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
Statement of Cash Flows
For the Month and Ten Months Ending April 30, 2020

	For the Month Ending 4/30/2020	For the Ten Months Ending 4/30/2020
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 541.56	\$ 32,788.85
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	10,796.70
Change in Operating Assets:		
(Increase) in Accounts Receivable	(16,485.59)	(46,371.25)
Decrease/(Increase) in CID Assessment Receivable	20,610.79	(127,277.05)
(Increase)/Decrease in Due to/from Community Improvement District	(16,809.80)	78,437.95
(Increase) in Prepaid Expense	(1,154.17)	(120.22)
Change in Operating Liabilities:		
Increase / (Decrease) in Accounts Payable	37,853.87	(110,178.64)
Increase in Deferred Non-CID Assessment Revenue	2,500.00	2,500.00
(Decrease)/Increase in Deferred CID Assessment Revenue	(220,362.53)	571,094.80
(Decrease) in Accrued Expenses	(23,497.44)	(1,665.00)
Total Net Cash (used) /provided by operations	(215,723.64)	410,006.14
Cash at beginning of period	2,935,176.76	2,309,446.98
Cash at end of period	\$ 2,719,453.12	\$ 2,719,453.12

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

Budgeted Expenses	\$ 261
Lower TCF expenses than budgeted due to less need for security due to COVID 19	(38)
Lower Laclede Landing Expenses than budgeted for the month	(10)
Refund for cancelled Alliance STL Sponsorship paid earlier in the year	(10)
Lower SFP Landscaping expenses than budgeted due to reduced expenses during COVID 19	(5)
Lower Special Events costs as a result of event cancelations due to COVID 19	(5)
Higher Marketing expenses than budgeted due to higher costs with new marketing firm	19
2022 CID expenses	9
Other, net	3
	<hr/>
Actual Expenses	<u>\$ 224</u>

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 Community Improvement District, Inc.
Analysis of Budgeted Expenses
For the Ten Months Ending April 30, 2020
(in thousands)

Budgeted Expenses	\$ 2,728
Lower supplemental security than budgeted	(192)
Deferred unearmarked opportunity costs	(50)
Lower Laclede Landing Expenses than budgeted for the year	(15)
Lower maintenance costs due to deferral of tree planting and costs associated with SFP contract until Spring	(11)
CID 2022 costs not included in the budget	132
Grant provided to Community Foundation for COVID 19 relief for downtown businesses	100
Acceleration of payment for LightMySTL contribution that was budgeted for later in the year	100
Higher Marketing expenses than budgeted due to acceleration of costs with new Marketing firm	34
Higher Accounting Fees due to additional services provided that were budgeted to be completed by COO	20
Acceleration of expenses related to the Security Police Agreement	16
Other, net	20

Actual Expenses	\$ 2,882