

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

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending May 31, 2020 totaled \$361K as compared to a budget of \$304K, reflecting a favorable variance of \$57K for the month. Revenues for the first eleven months of FY2020 were \$3.276 million, \$244K more than budgeted revenues of \$3.032M.

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 \$37K for the month of May, and \$137K 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. \$30K was incurred in May, which is \$22k higher than budget. Year to date carryforward usage totals \$162K, which is \$71k higher than budgeted amounts of \$92K. 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 May, and \$14K year-to-date, representing an unfavorable variance to budget of \$2K and \$25K, respectively. The amount received through May 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 \$600 for May, and \$55K year-to-date. This amount primarily represents income for work performed at 600 Washington and the administrative fee related to managing the security agreement between the CID and Laclede Landing and Riverside CIDs.

Expenses

Total Expenses for May totaled \$360K and \$3.242 million for the year-to-date period as compared to budgeted expenses of \$304K and \$3.032 million, respectively. See below for detailed explanation of the expense categories.

Security expenses were \$128K for May, as compared to budgeted amounts of \$97K. Representing an unfavorable May variance of \$31K, mainly due to the accelerated donation to LightMySTL budgeted later in the year, partially offset by lower than anticipated supplemental security with The City’s Finest due to reimbursed costs. While year-to-date expenses of \$833K agree to the budgeted amounts as of May, the expenses have been allocated differently than originally budgeted. The variance in budget is due to \$175k of contributions in December and May for the LightMySTL project. Of this amount, \$150K was allocated to the security budget. The security budget had anticipated this contribution, but later in June, 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 \$13K higher than the budget of \$92K for the month of May. Year-to-date costs were \$22K lower than the budget of \$891K. The unfavorable variance for the month is due to higher costs

associated with SFP for replacement pots throughout Downtown. The year-to-date positive variance is due lower than budgeted reimbursement costs related to Laclede Landing Community Improvement District maintenance expenses. Expenses are anticipated to be on budget for the year.

Economic Development expense of \$44K for the month of May is favorable to budget for the month by \$9K. This variance is because the amounts budgeted for the annual Fashion Fund were \$5k higher than the actual amount pledged. In addition to the budgeted reimbursements to Laclede Landing Community Improvement District for Economic Development projects that were never incurred in May. Additionally, Economic Development expense of \$468K year-to-date was unfavorable to budget by \$32K. The year to date variance primarily reflects the unbudgeted COVID grant, partially offset by lower than budgeted Laclede Landing Community Improvement District reimbursements related to Economic Development projects.

Marketing and Special Events expenses were \$10K lower than the budgeted amount of \$42K in May. While year-to-date costs were \$34K higher than the budget of \$494K. The favorable May variance is attributed to the cancelation of Special Events due to COVID 19, budgeted to occur in May and the refund of canceled GeoInt expenses paid earlier in the year, also canceled due to COVID 19. 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 May, which was \$3K higher than the budgeted amount of \$18K. Year-to-date May expenses were \$258K, which is \$49K 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 \$30K for the month and \$162K year-to-date May, which represents spending for the new CID in 2022. 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 remaining in 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 \$365K, 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 May 31, 2020 for all prior years' Deferred CID Assessment Revenue is \$485K, with remaining Deferred CID Assessment for 2020 at \$1.957 M.

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

	5/31/2020	6/30/2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,342,015.69	\$ 2,309,446.98
CID Assessment Receivable	364,940.80	256,425.46
Other Receivables	78,419.90	11,210.00
Prepaid Expense	5,616.28	5,691.89
Total Current Assets	2,790,992.67	2,582,774.33
Equipment, net	25,259.77	37,136.14
Total Assets	\$ 2,816,252.44	\$ 2,619,910.47
 Liabilities		
Accounts Payable	\$ 94,916.15	\$ 200,721.91
Due to Downtown STL, Inc.	92,923.27	25,303.48
Other Current Liabilities	471.50	3,175.00
Deferred CID Revenue - Prior Years	485,355.47	459,114.66
Deferred CID Revenue - Current Year	1,956,721.15	1,780,577.27
Other Deferred Revenue	1,250.00	-
Total Current Liabilities	2,631,637.54	2,468,892.32
Other Long-Term Liabilities	705.00	550.00
 Net Assets		
Equity	150,468.15	148,837.02
Change in Net Assets	33,441.75	1,631.13
Total Net Assets	183,909.90	150,468.15
 Total Liabilities and Net Assets	\$ 2,816,252.44	\$ 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 May 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 328,318.09	\$ 291,706.74	\$ 36,611.35
Carryforward Usage	30,033.55	8,333.33	21,700.22
Payment in lieu of CID	1,250.00	3,494.08	(2,244.08)
Interest Income	855.24	625.00	230.24
Other, net	606.94	-	606.94
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Total Revenue	361,063.82	304,159.15	56,904.67
Expenses:			
Security	127,686.82	96,989.93	(30,696.89)
Maintenance	104,718.50	91,914.86	(12,803.64)
Economic Development	44,349.22	53,570.71	9,221.49
Marketing and Special Events	31,944.22	41,566.62	9,622.40
Administrative	21,678.61	18,217.03	(3,461.58)
CID 2022	30,033.55	-	(30,033.55)
Opportunity Fund	-	1,900.00	1,900.00
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Total Expenses	360,410.92	304,159.15	(56,251.77)
Change in Net Assets	652.90	0.00	652.90
Net Assets, Beginning of Period	183,257.00	161,156.06	22,100.94
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Net Assets, End of Period	<u>\$ 183,909.90</u>	<u>\$ 161,156.06</u>	<u>\$ 22,753.84</u>
 CID Contracted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 16,322.00	\$ 17,121.36	\$ 799.36
Maintenance Personnel	50,713.06	11,068.18	(39,644.88)
Economic Development Personnel	18,985.06	18,654.05	(331.01)
Marketing and Special Events Personnel	12,142.13	13,311.63	1,169.50
Administration	30,640.69	12,617.03	(18,023.66)
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	<u>\$ 128,802.94</u>	<u>\$ 72,772.25</u>	<u>\$ (56,030.69)</u>

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

	<u>YTD May</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 3,031,690.47	\$ 2,894,985.22	\$ 136,705.25	\$ 3,371,500.93
Carryforward Usage	162,243.21	91,666.66	70,576.55	100,000.00
Payment in lieu of CID	13,750.00	38,434.92	(24,684.92)	41,929.00
Interest Income	12,925.75	6,875.00	6,050.75	7,500.00
Other, net	54,941.60	-	54,941.60	-
Total Revenue	3,275,551.03	3,031,961.80	243,589.23	3,520,929.93
Expenses:				
Security	832,538.13	832,594.28	56.15	1,144,884.22
Maintenance	868,616.46	890,959.46	22,343.00	974,316.32
Economic Development	467,627.76	435,210.83	(32,416.93)	464,448.55
Marketing and Special Events	527,359.30	493,809.85	(33,549.45)	538,376.48
Administrative	258,388.92	209,287.33	(49,101.59)	226,904.36
CID 2022	162,243.21	-	(162,243.21)	-
Opportunity Fund	125,335.50	170,100.00	44,764.50	172,000.00
Total Expenses	3,242,109.28	3,031,961.75	(210,147.53)	3,520,929.93
Change in Net Assets	33,441.75	0.05	33,441.70	(0.00)
Net Assets, Beginning of Period	150,468.15	161,156.02	(10,687.87)	161,156.02
Net Assets, End of Period	\$ 183,909.90	\$ 161,156.07	\$ 22,753.83	\$ 161,156.02
 CID Contracted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 188,473.79	\$ 188,334.93	\$ (138.86)	\$ 205,456.29
Maintenance Personnel	561,248.79	121,750.03	(439,498.76)	132,818.22
Economic Development Personnel	210,238.45	205,194.56	(5,043.89)	223,848.62
Marketing and Special Events Personnel	139,102.06	146,427.90	7,325.84	159,739.53
Non-personnel Shared Expenses	380,466.88	138,787.32	(241,679.56)	151,404.35
	\$ 1,479,529.97	\$ 800,494.74	\$ (679,035.23)	\$ 873,267.00

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

	For the Month Ending 5/31/2020	For the Eleven Months Ending 5/31/2020
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 652.90	\$ 33,441.75
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	11,876.37
Change in Operating Assets:		
(Increase) in Accounts Receivable	(20,838.65)	(67,209.90)
Decrease/(Increase) in CID Assessment Receivable	18,761.71	(108,515.34)
(Increase)/Decrease in Due to/from Community Improvement District	(10,818.16)	67,619.79
Decrease in Prepaid Expense	195.83	75.61
Change in Operating Liabilities:		
Increase / (Decrease) in Accounts Payable	4,372.88	(105,805.76)
(Decrease) / Increase in Deferred Non-CID Assessment Revenue	(1,250.00)	1,250.00
(Decrease)/Increase in Deferred CID Assessment Revenue	(368,710.11)	202,384.69
(Decrease) in Accrued Expenses	(883.50)	(2,548.50)
Total Net Cash (used) /provided by operations	(377,437.43)	32,568.71
Cash at beginning of period	2,719,453.12	2,309,446.98
Cash at end of period	\$ 2,342,015.69	\$ 2,342,015.69

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

Budgeted Expenses	\$ 304
Lower Supplemental Security expense	(36)
Lower Laclede Landing Expenses than budgeted for the month	(20)
Lower Economic Development costs due to lower pledge to Fashion Fund than budgeted	(5)
Lower Special Events costs as a result of event cancelations due to COVID 19	(4)
Refund for cancelled GeoInt event paid earlier in the year	(3)
Higher SFP Landscaping expenses than budgeted due to Replacement Pots purchased in May	20
2022 CID expenses	30
Acceleration of LightMySTL donation budgeted in June	75
Other, net	(1)

Actual Expenses	<u><u>\$ 360</u></u>

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

Budgeted Expenses	\$	3,032
Lower Supplemental Security expense		(228)
Deferred unearmarked opportunity costs		(50)
Lower Laclede Landing Expenses than budgeted for the year		(35)
Acceleration of expenses related to the Security Police Agreement		16
Higher Accounting Fees due to additional services provided that were budgeted to be completed by COO		24
Higher Marketing expenses than budgeted due to acceleration of costs with new marketing firm		34
Grant provided to Community Foundation for COVID 19 relief for downtown businesses		100
CID 2022 costs		162
Acceleration of payments for LightMySTL contribution budgeted for June		175
Other, net		12
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Actual Expenses	\$	<u>3,242</u>