

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

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending June 30, 2020 totaled \$357K as compared to a budget of \$489K, reflecting an unfavorable variance of \$132K for the month. Revenues for the full FY2020 were \$3.6 million, \$85K more than budgeted revenues of \$3.5M.

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 \$139K for the month of June, and \$2.5K lower than budget for the year.

Carryforward Usage revenues are related to prior years’ CID assessments and is recognized when CID expenses unrelated to FY2020 are incurred. \$18K was incurred in June, which is \$10k higher than budget. FY2020 carryforward usage totaled \$180K, which is \$80k higher than budgeted amounts of \$100K. The Carryforward Usage revenue is related to CID FY2022 projects.

Payment in Lieu of CID was \$1K for the month of June, and \$15K year-to-date, representing an unfavorable variance to budget of \$2K and \$27K, respectively. The amount received through for 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 below budget for the full year.

Interest for the month and year was \$150 and \$13K; which results in a \$500 unfavorable variance for June and a \$6K favorable variance for they year. This interest income is made up of interest received by Bank of America and on past due assessment received from the City.

Other Income, Net is \$435 for June, and \$28K year-to-date. This amount primarily represents income from administrative fees related to managing the security agreement between the CID and Laclede Landing and Riverside CIDs.

Expenses

Total Expenses for June totaled \$357K and \$3.6 million for the year, as compared to budgeted expenses of \$489K and \$3.5 million, respectively. See below for detailed explanation of the expense categories.

Security expenses were \$70K for June, as compared to budgeted amounts of \$312K, which represents a favorable June variance of \$242K. This is mainly due to the accelerated \$175K contributions to LightMySTL made in December and May. Of this amount, \$125K was allocated to the security budget, partially contributing to the variance. June’s variance is also partially offset by lower than anticipated supplemental security with The City’s Finest due to reimbursed costs and unused funds budgeted for various security projects. Additionally, the full FY2020 expenses of \$903K were \$242K under the budgeted expenses of \$1.1 million. The year-to-date variance can be attributed to lower than anticipated supplemental security with The City’s Finest , partially offset by the donation made earlier in the year for COVID 19 relief to the Community Foundation to be used for downtown businesses and decreased expenses related to the Security Police Agreement and various security projects.

Maintenance expenses were \$9K higher than the budget of \$83K for the month of June. Year-to-date costs were \$14K lower than the budget of \$974K. The unfavorable variance for the month is due to higher costs

associated with SFP related to additional pots and planting flowers throughout downtown, partially offset by lower than budgeted reimbursements to Laclede Landing Community Improvement District's maintenance expenses in June. While the full year's positive variance is due to lower than budgeted reimbursement costs related to Laclede Landing Community Improvement District maintenance expenses.

Economic Development expense of \$52K for the month of June is unfavorable to budget for the month by \$23K. This variance is due to \$21K additional SFP expenses related to the Garment District in June, not included in the budget. There were also expenses related to the Kindness Meal Program in June that were not budgeted. Additionally, Economic Development expense of \$519K year-to-date was unfavorable to budget by \$55K. The year to date variance primarily reflects the unbudgeted COVID grant, the Kindness Meal Program and the Garment District expenses, partially offset by lower than budgeted Laclede Landing Community Improvement District reimbursements related to Economic Development projects.

Marketing and Special Events expenses were \$5K higher than the budgeted amount of \$45K in June. While FY2020 costs were \$39K higher than the budget of \$538K. The unfavorable June and FY2020 variance is attributed to increased costs associated with the new marketing agreement, partially offset by the cancelation of Special Events due to COVID 19.

Administrative expenses were \$39K for the month of June, which was \$22K higher than the budgeted amount of \$18K. The full year's expenses were \$298K, which is \$71K higher than budgeted. June and the FY2020 expenses were mainly higher due to additional accounting and audit related costs, legal fees, and admin fees paid to Downtown STL, Inc. related to Admin Services performed throughout the year for the management of the Laclede Landing CID Subdistrict.

CID 2022 expenses were \$18K for the month and \$180K for the full year, which represents spending for the new CID in 2022. Funds are being used from the prior years' unused assessment revenue and were not originally budgeted for the year.

There were \$35K opportunity fund expenses for the month, none of which were budgeted for June. However, this expenditure was applied to the unearmarked opportunity costs remaining in the budget from previous months. For the full FY2020, there have been \$160K year-to-date spent related to the opportunity fund, a \$12K unfavorable variance to budget. The December spending relates to a contribution for the 7th Street Streetscape project (\$100K) and LightMySTL project (\$25K of the \$100K contribution noted above). Additionally, the June spending relates to UpBrand expenses related to the Welcome Back campaign.

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 \$364K, 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 June 30, 2020 for all prior years' Deferred CID Assessment Revenue is \$468K, with remaining Deferred CID Assessment for 2020 at \$1.646 M.

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

	6/30/2020	6/30/2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,992,187	\$ 2,309,447
CID Assessment Receivable	364,462	256,425
Other Receivables	29,726	11,210
Prepaid Expense	2,112	5,692
Total Current Assets	2,388,487	2,582,774
Long-term Assets		
Equipment, net	24,180	37,136
Other Assets - Security Deposits	3,308	-
Total Long-term Assets	27,488	37,136
Total Assets	\$ 2,415,975	\$ 2,619,910
 Liabilities		
Accounts Payable	\$ 87,780	\$ 200,722
Due to Downtown STL, Inc.	33,978	25,303
Other Current Liabilities	22,360	3,175
Deferred CID Revenue - Prior Years	467,772	459,115
Deferred CID Revenue - Current Year	1,645,919	1,780,577
Total Current Liabilities	2,257,809	2,468,892
Other Long-Term Liabilities	710	550
 Net Assets		
Equity	150,468	148,837
Change in Net Assets	6,988	1,631
Total Net Assets	157,456	150,468
 Total Liabilities and Net Assets	\$ 2,415,975	\$ 2,619,910

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 June 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 337,334	\$ 476,516	\$ (139,182)
Carryforward Usage	18,050	8,333	9,717
Payment in lieu of CID	1,250	3,494	(2,244)
Interest Income	148	625	(477)
Other, net	435	-	435
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Total Revenue	357,217	488,968	(131,751)
Expenses:			
Security	69,975	312,290	242,315
Maintenance	92,031	83,357	(8,674)
Economic Development	51,791	29,238	(22,553)
Marketing and Special Events	50,487	44,566	(5,921)
Administrative	39,406	17,617	(21,789)
CID 2022	18,050	-	(18,050)
Opportunity Fund	35,000	1,900	(33,100)
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Total Expenses	356,740	488,968	132,228
Change in Net Assets	477	-	477
Net Assets, Beginning of Period	156,979	161,156	(4,177)
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Net Assets, End of Period	<u>\$ 157,456</u>	<u>\$ 161,155</u>	<u>\$ (3,700)</u>
 CID Contracted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 20,885	\$ 17,121	\$ (3,764)
Economic Development Personnel	26,329	18,654	(7,675)
Maintenance Personnel	52,747	11,068	(41,679)
Image & Comm Personnel	10,038	8,253	(1,785)
Special Events Personnel	3,959	5,059	1,100
Non-personnel Shared Expenses	151,113	12,617	(138,496)
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Total Contracted Expenses	<u>\$ 265,071</u>	<u>\$ 72,772</u>	<u>\$ (192,299)</u>

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Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Twelve Months Ending June 30, 2020

	<u>YTD June</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 3,369,024	\$ 3,371,501	\$ (2,477)	\$ 3,371,501
Carryforward Usage	180,293	100,000	80,293	100,000
Payment in lieu of CID	15,000	41,929	(26,929)	41,929
Interest Income	13,073	7,500	5,573	7,500
Other, net	28,448	-	28,448	-
Total Revenue	3,605,838	3,520,930	84,908	3,520,930
Expenses:				
Security	902,514	1,144,884	242,370	1,144,884
Maintenance	960,648	974,316	13,668	974,316
Economic Development	519,419	464,449	(54,970)	464,449
Marketing and Special Events	577,845	538,377	(39,468)	538,377
Administrative	297,795	226,904	(70,891)	226,904
CID 2022	180,293	-	(180,293)	-
Opportunity Fund	160,336	172,000	11,664	172,000
Total Expenses	3,598,850	3,520,930	(77,920)	3,520,930
Change in Net Assets	6,988	-	6,988	-
Net Assets, Beginning of Period	150,468	161,156	(10,688)	161,156
Net Assets, End of Period	<u>\$ 157,456</u>	<u>\$ 161,156</u>	<u>\$ (3,700)</u>	<u>\$ 161,156</u>
CID Contracted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 209,359	\$ 205,456	\$ (3,903)	\$ 205,456
Economic Development Personnel	236,567	223,849	(12,718)	223,849
Maintenance Personnel	613,996	132,818	(481,178)	132,818
Image & Comm Personnel	105,488	99,038	(6,450)	99,038
Special Events Personnel	47,611	60,701	13,090	60,701
Non-personnel Shared Expenses	531,580	151,405	(380,175)	151,405
Total Contracted Expenses	\$ 1,744,601	\$ 873,267	\$ (871,334)	\$ 873,267

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Downtown St. Louis Community Improvement District
Statement of Cash Flows
For the Month and Twelve Months Ending June 30, 2020

	<u>For the Month Ending 6/30/2020</u>	<u>For the Twelve Months Ending 6/30/2020</u>
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ (26,454)	\$ 6,988
Adjustments to reconcile the Change in Unrestricted Net Assets to Net Cash provided/(used) by operations:		
Noncash charges and credits:		
Depreciation and Amortization	1,080	12,957
Change in Operating Assets:		
Decrease/(Increase) in Accounts Receivable	48,694	(18,516)
Decrease/(Increase) in CID Assessment Receivable	478	(108,037)
(Increase)/Decrease in Due to/from Community Improvement District	(58,945)	8,675
Decrease in Prepaid Expense	196	271
Change in Operating Liabilities:		
(Decrease) in Accounts Payable	(7,136)	(112,942)
(Decrease) in Deferred Non-CID Assessment Revenue	(1,250)	-
(Decrease) in Deferred CID Assessment Revenue	(328,386)	(126,001)
Increase in Accrued Expenses	21,894	19,345
Total Net Cash (used) by operations	<u>(349,829)</u>	<u>(317,260)</u>
Cash at beginning of period	<u>2,342,016</u>	<u>2,309,447</u>
Cash at end of period	<u>\$ 1,992,187</u>	<u>\$ 1,992,187</u>

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

Budgeted Expenses	\$	489
Acceleration of LightMySTL donation budgeted in June, but paid earlier in the year		(125)
Lower Supplemental Security expense than budgeted		(46)
Unused funds budgeted for the Camera Initiative in Security		(30)
Unused funds budgeted for the Police Agreement expenses related to equipment and training		(26)
Lower Laclede Landing Expenses than budgeted for the month		(20)
Unused funds budgeted for general security (50k additional used for LightMySTL)		(10)
Lower Special Events costs as a result of event cancelations due to COVID 19		(4)
Higher Economic Development costs related to the Kindness Meal Program		3
Higher Accounting Fees due to increased responsibilities of outsourced Accounting Firm		3
Increased Fees from Annual Admin Services provided by DSI, related to the Supplemental Security agreement with LLCID and Riverside CID		8
Higher Marketing expenses than budgeted due to acceleration of costs with new marketing firm		10
Higher Legal Fees than budgeted for the month		10
Higher SFP Landscaping fees than budgeted, related to flowers and pots		13
CID 2022 costs not anticipated in the budget		18
Higher Economic Development costs due to Landscaping charges related to the Garment District		21
Higher Opportunity Fund costs related to UpBrand expenses for the Welcome Back Campaign		35
Other, net		8
		<hr style="border-top: 1px solid black;"/>
Actual Expenses	\$	<u>357</u>

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

Budgeted Expenses	\$ 3,521
Lower Supplemental Security expense than budgeted	(259)
Unused funds budgeted for Special Events that were cancelled due to COVID	(17)
Lower Laclede Landing Expenses than budgeted for the year	(54)
Unused funds budgeted for the Camera Initiative in Security	(30)
Unused funds budgeted for the Police Agreement expenses related to equipment and training	(10)
Higher SFP Landscaping fees for the year than budgeted	5
Increased Fees from Annual Admin Services provided by DSI, related to the Supplemental Security agreement with LLCID and Riverside CID	8
Higher Opportunity Fund Expenses than budgeted for the year	12
Higher Economic Development costs related to the Kindness Meal Program	15
Higher Economic Development costs due to Landscaping charges related to the Garment District	21
Higher Accounting Fees due to increased responsibilities of outsourced Accounting Firm	21
Higher Legal Fees than budgeted for the year	34
Higher Marketing expenses than budgeted due to acceleration of costs with new marketing firm	47
Grant provided to Community Foundation for COVID 19 relief for downtown businesses	100
CID 2022 costs not anticipated in the budget	180
Other, net	5
	3,521
Actual Expenses	\$ 3,599