

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

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending September 30, 2020 totaled \$298K as compared to a budget of \$359K, reflecting an unfavorable variance of \$61K for the month. Revenues for the FYTD 2021 were \$936K, \$237K less than budgeted revenues of \$1.173M.

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 \$45K for the month of September and \$213K for the FYTD 2021.

Carryforward Usage revenues are related to prior years’ CID assessments and is recognized when CID expenses unrelated to FY2021 are incurred. \$54K was incurred in September, which is \$17k lower than budget; while FYTD 2021 carryforward usage totaled \$131K, which is \$32K lower than budgeted amounts of \$163K. The Carryforward Usage revenue is related to CID FY2022 projects.

Payment in Lieu of CID was \$1K for the month of September, and \$4K 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 for the month and year was \$70 and \$8K; which results in a \$600 unfavorable variance for September and a \$6K favorable variance for the year to date. 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 \$700 for September, and \$2K for the year to date. This amount primarily represents income from administrative fees related to managing the security agreement the Laclede Landing and Riverside CIDs.

Expenses

Total Expenses for September totaled \$297K and \$934K for the year-to-date, as compared to budgeted expenses of \$359K and \$1.173M, respectively. See below for detailed explanation of the expense categories.

Security expenses were \$57K for September, as compared to budgeted amounts of \$105K, which represents a favorable September variance of \$48K. This is mainly due to the deferral of \$25K contingency budgeted for security expenses in September, which are expected to be used later in the year. The month’s variance is also due to lower than anticipated supplemental security with The City’s Finest due to reimbursed costs, lower than budgeted costs incurred by the Laclede Landing Community Improvement District for security expenses, and unused funds budgeted for general security projects, expected to be used later in the year. Additionally, the FYTD 2021 expenses of \$296K were \$155K under the budgeted expenses of \$451K. The year-to-date variance can be attributed to the deferral of \$75K contingency budgeted for security expenses that are expected to be used later in the year. The year-to-date’s variance is also due to lower than anticipated supplemental security with The City’s Finest due to reimbursed costs, lower than budgeted costs incurred by the Laclede Landing Community Improvement District for security expenses, and unused funds budgeted for the Police Agreement and general security projects, expected to be used later in the year.

Maintenance expenses were \$12K lower than the budget of \$76K for the month of September, and \$10K lower than the budget of \$239K for the year-to-date. The favorable variance for the month is due to lower than budgeted personnel costs associated with the Clean Team, lower than budgeted SFP Landscaping expenses, and unused funds budgeted for Landscaping supplies, expected to be used later in the year. Additionally, the FYTD 2021 favorable variance is due to lower than budgeted costs incurred by the Laclede Landing Community Improvement District for maintenance expenses, lower than budgeted personnel costs associated with the Clean Team, and unused funds budgeted for Maintenance supplies; partially offset by additional SFP Landscaping expenses related to landscaping materials & replacement pots.

Economic Development expenses for the month of September and the FYTD were \$31K and \$125K; which results in a favorable variance of \$1K for the month and \$25K for the year. These variances are due to unused funds budgeted for resident recruitment and retention expenses, and lower than budgeted costs incurred by the Laclede Landing Community Improvement District for economic development expenses in September, partially offset by the increase in event expenses, which were not expected to occur due to COVID, but were transitioned into virtual events.

Marketing and Special Events expenses were \$20K higher than the budgeted amount of \$47K in September, while FYTD 2021 costs were \$3K lower than the budget of \$142K. The unfavorable September variance is attributed to the implementation of virtual events not budgeted due to COVID 19, and higher costs related to Fleishman Hillard services; partially offset by lower than budgeted costs incurred by the Laclede Landing Community Improvement District for marketing and special events expenses. In addition to the aforementioned items, the favorable FYTD 2021 variance is offset by unused funds budgeted for Paid Media Expenses.

Administrative expenses were \$24K for the month of September, which was in line with the budgeted amount. The year to date expenses were \$64K, which is \$5K lower than budgeted. The favorable variance for the year to date is due to lower than anticipated accounting fees and board costs, partially offset by higher than budgeted legal fees.

CID 2022 expenses were \$54K for the month and \$81K for the year to date, which is \$33K and \$18K 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 month or year to date, representing a \$54K and \$60K favorable variance to budget for the month and year to date, respectively. This primarily due to the deferral of \$50K contingency budgeted for opportunity fund expenses in September, which are expected to be used later in the year. To a lesser extent, these variances are due to lower than budgeted costs incurred by the Laclede Landing Community Improvement District related to opportunity fund expenses.

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 \$329K, 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 September 30, 2020 for all prior years' Deferred CID Assessment Revenue is \$330K, with remaining Deferred CID Assessment for 2020 at \$862K.

Downtown St. Louis Community Improvement District, Inc.
Statement of Financial Position

	9/30/2020	6/30/2020
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,147,257	\$ 1,992,187
CID Assessment Receivable	329,087	364,462
Other Receivables	99,631	29,726
Prepaid Expense	7,075	2,112
Total Current Assets	1,583,050	2,388,487
Long-term Assets		
Equipment, net	20,941	24,180
Other Assets - Security Deposits	3,308	3,308
Total Long-term Assets	24,249	27,488
Total Assets	\$ 1,607,299	\$ 2,415,975
 Liabilities		
Accounts Payable	\$ 93,180	\$ 87,780
Due to Downtown STL, Inc.	127,382	33,978
Other Current Liabilities	30,560	22,360
Deferred CID Revenue - Prior Years	330,466	467,772
Deferred CID Revenue - Current Year	861,879	1,645,919
Other Deferred Revenue	3,750	-
Total Current Liabilities	1,447,217	2,257,809
Other Long-Term Liabilities	675	710
 Net Assets		
Unrestricted Net Assets	159,407	157,456
Total Net Assets	159,407	157,456
Total Liabilities and Net Assets	\$ 1,607,299	\$ 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 September 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 241,894	\$ 286,396	\$ (44,502)
Carryforward Usage	54,130	71,000	(16,870)
Payment in lieu of CID	1,250	1,250	-
Interest Income	69	625	(556)
Other, net	682	-	682
	<u>298,025</u>	<u>359,271</u>	<u>(61,246)</u>
Expenses:			
Security	56,879	104,813	47,934
Maintenance	64,170	76,339	12,169
Economic Development	30,601	31,573	972
Marketing and Special Events	67,559	47,213	(20,346)
Administrative	23,997	24,333	336
CID 2022	54,130	21,000	(33,130)
Opportunity Fund	-	54,000	54,000
	<u>297,336</u>	<u>359,271</u>	<u>61,935</u>
Change in Net Assets	689	-	689
Net Assets, Beginning of Period	158,718	157,456	1,262
	<u>158,718</u>	<u>157,456</u>	<u>1,262</u>
Net Assets, End of Period	<u>\$ 159,407</u>	<u>\$ 157,456</u>	<u>\$ 1,951</u>
CID Contracted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 16,465	\$ 16,327	\$ (138)
Economic Development Personnel	19,460	19,323	(137)
Maintenance Personnel	43,672	48,067	4,395
Image & Comm Personnel	8,826	7,365	(1,461)
Special Events Personnel	3,400	4,514	1,114
Non-personnel Shared Expenses	97,629	12,900	(84,729)
	<u>189,452</u>	<u>108,496</u>	<u>(80,956)</u>
Total Contracted Expenses	<u>\$ 189,452</u>	<u>\$ 108,496</u>	<u>\$ (80,956)</u>

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

	<u>YTD September</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 791,268	\$ 1,004,622	\$ (213,354)	\$ 3,349,178
Carryforward Usage	131,328	163,000	(31,672)	326,000
Payment in lieu of CID	3,750	3,750	-	15,000
Interest Income	7,534	1,875	5,659	7,500
Other, net	1,923	-	1,923	-
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Total Revenue	935,803	1,173,247	(237,444)	3,697,678
Expenses:				
Security	296,009	451,439	155,430	1,141,352
Maintenance	229,062	238,818	9,756	962,922
Economic Development	125,480	150,151	24,671	479,473
Marketing and Special Events	138,369	141,639	3,270	555,631
Administrative	63,604	68,300	4,696	260,300
CID 2022	81,328	63,000	(18,328)	126,000
Opportunity Fund	-	59,900	59,900	172,000
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Total Expenses	933,852	1,173,247	239,395	3,697,678
Change in Net Assets	1,951	-	1,951	-
Net Assets, Beginning of Period	157,456	157,456	-	157,456
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Net Assets, End of Period	<u>\$ 159,407</u>	<u>\$ 157,456</u>	<u>\$ 1,951</u>	<u>\$ 157,456</u>
 CID Contracted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 47,457	\$ 48,981	\$ 1,524	\$ 97,962
Economic Development Personnel	56,045	57,968	1,923	115,936
Maintenance Personnel	134,009	144,200	10,191	288,401
Image & Comm Personnel	25,411	22,096	(3,315)	44,192
Special Events Personnel	9,830	13,543	3,713	27,085
Non-personnel Shared Expenses	185,185	38,700	(146,485)	77,400
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Total Contracted Expenses	<u>\$ 457,937</u>	<u>\$ 325,488</u>	<u>\$ (132,449)</u>	<u>\$ 650,976</u>

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Downtown St. Louis Community Improvement District, Inc.
Statement of Cash Flows
For the Month and Three Months Ended September 30, 2020

	For the Month Ended 9/30/2020	For the Three Months Ended 9/30/2020
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 689	\$ 1,951
Adjustments to reconcile the Change in Unrestricted Net Assets to Net Cash used by operations:		
Noncash charges and credits:		
Depreciation and Amortization	1,080	3,239
Change in Operating Assets:		
(Increase) in Accounts Receivable	(27,296)	(69,905)
Decrease in CID Assessment Receivable	6,479	35,376
Decrease in Due to/from Community Improvement District	50,716	93,404
Decrease / (Increase) in Prepaid Expense	696	(4,963)
Change in Operating Liabilities:		
(Decrease) / Increase in Accounts Payable	(44,152)	5,400
Increase in Deferred Non-CID Assessment Revenue	2,500	3,750
(Decrease) in Deferred CID Assessment Revenue	(302,229)	(921,347)
Increase in Accrued Expenses	9,755	8,165
Total Net Cash (used) by operations	(301,762)	(844,930)
Cash at beginning of period	1,449,019	1,992,187
Cash at end of period	\$ 1,147,257	\$ 1,147,257

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

Budgeted Expenses	\$	359
Unused funds budgeted for Opportunity Fund, expected to be used later in the year		(50)
Deferral of contingency budgeted for security expenses in September, expected to be used later in the year		(25)
Lower Supplemental Security expense than budgeted		(22)
Lower Laclede Landing Expenses than budgeted for the month		(11)
Lower Personnel Costs for Clean Team than budgeted		(7)
Higher Marketing expenses than budgeted for the month		13
Higher CID 2022 costs related to marketing & legal expenses than budgeted for the month		33
Other, net		7

Actual Expenses	\$	297

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

Budgeted Expenses	\$ 1,173
Deferral of contingency budgeted for security expenses, expected to be used later in the year	(75)
Lower Laclede Landing Expenses than budgeted	(65)
Lower Supplemental Security expense than budgeted	(61)
Unused funds budgeted for Opportunity Fund, expected to be used later in the year	(50)
Lower Personnel Costs for Clean Team than budgeted	(15)
Unused Economic Development funds budgeted for Resident Recruitment & Retention expenses	(10)
Higher Marketing expenses than budgeted	3
Higher Legal Fees than budgeted	3
Higher CID 2022 costs related to marketing & legal expenses than budgeted for the month	18
Higher SFP Landscaping fees than budgeted, related to landscaping materials & replacement pots	24
Other, net	(11)
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Actual Expenses	<u>\$ 934</u>