

Downtown St. Louis Community Improvement District, Inc
Executive Summary
For the Month and Period Ended November 30, 2018

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending November 30, 2018 totaled \$254K compared to a budget of \$210K. Revenues for the first five months of FY2019 were \$1.51M, \$14K greater than budgeted revenues of \$1.50M.

CID Assessments are received in advance of the service 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 greater than budget by \$25K for November while for the first five months of FY2019, assessment revenue was \$19K over budget.

Carryforward Usage revenues are related to prior years’ CID assessments not used in that year but have been earmarked for projects in the current fiscal year. Carryforward Usage of \$100K in legal fees for support of NLEC suit has been earmarked for this year in the Annual Budget. Year-to-date there has only been \$34K spent, resulting in a \$16K favorable variance to budget. The remaining budget is expected to be incurred yet this FY.

No amount was budgeted for FY 2019 for Payment in Lieu of CID. The amount received through November 30, 2018 represents \$6K.

Interest Income for the first five months of FY 2019 was \$6K as compared to a budget of \$3K, a favorable variance of \$3K primarily due to the receipt of prior year assessment revenue with interest in September.

Other, net represents revenue from non-CID assessment revenue associated with Lunch Time Live. This amount is \$1K for November for sponsorship of Lunch Time Live events.

Expenses

Total Expenses for the one-month period ending November 30, 2018 totaled \$252K as compared to budgeted expenses of \$210K. Expenses for the first five months of FY2019 were \$1.51M, \$12K higher than budgeted expenses of \$1.50M.

Security expenses were \$82K and \$555K for the month and year-to-date November, respectively, representing an unfavorable variance of \$38K and \$134K compared to budget. These unfavorable variances are primarily due to higher than budgeted supplemental security costs partially offset by the capitalization of the purchase of equipment for the communication exchange network that was originally expensed in the budget.

Maintenance expenses were are lower than budget by \$14K and \$125K for the month and year-to-date November primarily due to the capitalization of costs associated with the purchase of a new truck that was originally expensed in the budget, lower payroll due to the resignation of the Beautification Supervisor and lower clean team hours.

Economic Development expense was \$39K as compared to a budget of \$40K for the month of November, and \$251K as compared to a budget of \$253K for first five months of FY 2019.

Marketing and Special Events expenses are \$3K lower in November due to budgeted Laclede Landing CID expenses not submitted and \$13K higher than budget for the first five months of the fiscal year due to higher contracted marketing expenses with Elasticity.

Administrative expenses are higher due to higher than budgeted legal expenses related to general administrative legal needs.

The Opportunity Fund expense was \$34K for the first five months of the fiscal year, a favorable variance of \$29K which is primarily due to legal fees related to support of NLEC suit not being incurred yet (see Carryforward Usage revenue above).

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 discussed in "Other, net" above. For the month ending November 30, 2018, the change in net assets was \$1K as compared to budget of \$0. The Change in Net Assets for the first five months of FY2019 was \$3K as compared to budget of \$0.

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 \$71K, the same as the prior month.

"Due to the Downtown STL, Inc." is the amount drawn by Downtown STL, Inc. short of that earned and is typically settled in the subsequent month.

"Deferred CID Assessment Revenue" represents CID assessments assessed (includes money received and still receivable) but not yet recognized as revenue. The balance as of November 30, 2018 of the 2018 deferred CID revenue is \$299K, down \$243K from the prior month. The balance as of November 30, 2018 for prior years' "Deferred CID Assessment Revenue" is \$437K, the same as the prior month.

Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Month Ended November 30, 2018

| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
|--|----------------------|----------------------|----------------------|
| Revenues: | | | |
| CID Assessment | \$ 234,115.57 | \$ 209,059.02 | \$ 25,056.55 |
| Carryforward Usage | 16,920.11 | - | 16,920.11 |
| Payment in lieu of CID | 1,250.00 | - | 1,250.00 |
| Interest Income | 8.74 | 625.00 | (616.26) |
| Other, net | 1,483.74 | - | 1,483.74 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenue | 253,778.16 | 209,684.02 | 44,094.14 |
| Expenses: | | | |
| Security | 82,461.78 | 44,075.13 | (38,386.65) |
| Maintenance | 55,405.52 | 69,266.51 | 13,860.99 |
| Economic Development | 38,989.14 | 40,014.53 | 1,025.39 |
| Marketing and Special Events | 34,533.58 | 37,327.85 | 2,794.27 |
| Administrative | 23,984.29 | 18,600.00 | (5,384.29) |
| Opportunity Fund | 16,920.11 | 400.00 | (16,520.11) |
| | <hr/> | <hr/> | <hr/> |
| Total Expenses | 252,294.42 | 209,684.02 | (42,610.40) |
| Change in Net Assets | 1,483.74 | - | 1,483.74 |
| Net Assets, Beginning of Period | 152,556.82 | 161,156.02 | (8,599.20) |
| | <hr/> | <hr/> | <hr/> |
| Net Assets, End of Period | <u>\$ 154,040.56</u> | <u>\$ 161,156.02</u> | <u>\$ (7,115.46)</u> |
| CID Contacted Expenses with Downtown STL, Inc. | | | |
| Security Personnel | \$ 15,951.80 | \$ 17,067.46 | \$ 1,115.66 |
| Maintenance Personnel | 10,301.08 | 16,413.83 | 6,112.75 |
| Economic Development Personnel | 17,008.34 | 18,097.86 | 1,089.52 |
| Marketing and Special Events Personnel | 12,883.78 | 12,947.85 | 64.07 |
| Administration | 12,312.03 | 14,431.83 | 2,119.80 |
| | <hr/> | <hr/> | <hr/> |
| | <u>\$ 68,457.03</u> | <u>\$ 78,958.83</u> | <u>\$ 10,501.80</u> |

Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Five Months Ending November 30, 2018

| | <u>YTD November</u> | <u>YTD Budget</u> | <u>YTD Variance</u> | <u>Annual Budget</u> |
|--|-------------------------|-----------------------|-------------------------|--------------------------|
| Revenues: | | | | |
| CID Assessment | \$ 1,463,306.58 | \$ 1,444,404.78 | \$ 18,901.80 | \$ 3,468,078.61 |
| Carryforward Usage | 33,749.71 | 50,000.00 | (16,250.29) | 100,000.00 |
| Payment in lieu of CID | 6,250.00 | - | 6,250.00 | - |
| Interest Income | 5,836.34 | 3,125.00 | 2,711.34 | 7,500.00 |
| Other, net | 2,809.54 | - | 2,809.54 | - |
| | <u>1,511,952.17</u> | <u>1,497,529.78</u> | <u>14,422.39</u> | <u>3,575,578.61</u> |
| Expenses: | | | | |
| Security | 554,673.11 | 420,895.64 | (133,777.47) | 1,150,737.54 |
| Maintenance | 329,210.70 | 453,789.23 | 124,578.53 | 1,019,055.48 |
| Economic Development | 250,677.17 | 253,005.64 | 2,328.47 | 528,774.34 |
| Marketing and Special Events | 224,030.34 | 211,439.27 | (12,591.07) | 473,511.24 |
| Administrative | 116,801.60 | 95,200.00 | (21,601.60) | 231,500.00 |
| Opportunity Fund | 33,749.71 | 63,200.00 | 29,450.29 | 172,000.00 |
| | <u>1,509,142.63</u> | <u>1,497,529.78</u> | <u>(11,612.85)</u> | <u>3,575,578.61</u> |
| Change in Net Assets | 2,809.54 | - | 2,809.54 | - |
| Net Assets, Beginning of Period | 151,231.02 | 161,156.02 | (9,925.00) | 161,156.02 |
| | <u>151,231.02</u> | <u>161,156.02</u> | <u>(9,925.00)</u> | <u>161,156.02</u> |
| Net Assets, End of Period | <u>\$ 154,040.56</u> | <u>\$ 161,156.02</u> | <u>\$ (7,115.46)</u> | <u>\$ 161,156.02</u> |
| CID Contacted Expenses with Downtown STL, Inc. | | | | |
| Security Personnel | \$ 82,203.76 | \$ 85,337.31 | \$ 3,133.55 | \$ 204,809.54 |
| Maintenance Personnel | 64,667.75 | 82,069.13 | 17,401.38 | 196,965.91 |
| Economic Development Personnel | 88,525.84 | 90,489.31 | 1,963.47 | 217,174.34 |
| Marketing and Special Events Personnel | 65,496.44 | 64,739.27 | (757.17) | 155,374.24 |
| Non-personnel Shared Expenses | 93,779.60 | 72,159.15 | (21,620.45) | 173,181.96 |
| | <u>\$ 394,673.39</u> | <u>\$ 394,794.17</u> | <u>\$ 120.78</u> | <u>\$ 947,506.00</u> |

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

| | <u>11/30/2018</u> | <u>10/31/2018</u> | <u>6/30/2018</u> |
|---|-------------------------------|-------------------------------|-------------------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | \$ 831,435.94 | \$ 1,075,669.71 | \$ 2,216,183.16 |
| CID Assessment Receivable | 70,980.06 | 70,980.06 | 136,641.05 |
| Other Receivables | 7,977.40 | 8,327.40 | 4,150.00 |
| Due from Downtown STL, Inc. | - | - | 95,776.65 |
| Prepaid Expense | <u>3,927.92</u> | <u>4,082.92</u> | <u>11,920.48</u> |
| Total Current Assets | <u>914,321.32</u> | <u>1,159,060.09</u> | <u>2,464,671.34</u> |
| Equipment, net | 94,796.09 | 95,953.68 | 73,289.29 |
| Total Assets | <u>\$ 1,009,117.41</u> | <u>\$ 1,255,013.77</u> | <u>\$ 2,537,960.63</u> |
| Liabilities | | | |
| Accounts Payable | \$ 74,368.37 | \$ 60,975.44 | \$ 156,287.71 |
| Due to Downtown STL, Inc. | 3,978.70 | 7,698.70 | - |
| Other Current Liabilities | 36,373.92 | 48,873.92 | - |
| Deferred CID Revenue - Prior Years | 436,650.26 | 436,650.26 | 453,479.86 |
| Deferred CID Revenue - Current Year | 299,449.26 | 542,345.84 | 1,771,536.85 |
| Other Deferred Revenue | <u>4,201.34</u> | <u>5,857.79</u> | <u>106.19</u> |
| Total Current Liabilities | <u>855,021.85</u> | <u>1,102,401.95</u> | <u>2,381,410.61</u> |
| Other Long-Term Liabilities | 55.00 | 55.00 | 55.00 |
| Net Assets | | | |
| Equity | 151,231.02 | 151,231.02 | 148,530.16 |
| Net Gain | <u>2,809.54</u> | <u>1,325.80</u> | <u>2,700.86</u> |
| Total Net Assets | <u>154,040.56</u> | <u>152,556.82</u> | <u>151,231.02</u> |
| Total Liabilities and Net Assets | <u>\$ 1,009,117.41</u> | <u>\$ 1,255,013.77</u> | <u>\$ 2,532,696.63</u> |

Downtown St. Louis Community Improvement District
Statement of Cash Flows
For the Month and Five Months Ending November 30, 2018

| | For the Month Ended 11/30/2018 | For the Five Months Ending 11/30/2018 |
|--|---|--|
| Cash Flows from Operating Activities | | |
| Increase in Unrestricted Net Assets | \$ 1,483.74 | \$ 2,809.54 |
| Adjustments to reconcile the Change in Unrestricted Net Assets to Net Cash used by operations: | | |
| Noncash charges and credits: | | |
| Depreciation and Amortization | 1,157.59 | 8,342.20 |
| Decrease/(Increase) in Operating Assets: | | |
| Decrease/(Increase) in Accounts Receivable | 350.00 | (3,827.40) |
| Decrease in CID Assessment Receivable | - | 65,660.99 |
| Decrease/(Increase) in Due to/from Community Improvement District | (3,720.00) | 99,755.35 |
| Decrease in Prepaid Expense | 155.00 | 7,992.56 |
| Increase/(Decrease) in Operating Liabilities: | | |
| Increase/(Decrease) in Accounts Payable | 13,392.93 | (81,919.34) |
| Increase/(Decrease) in Deferred Non-CID Assessment Revenue | (1,656.45) | 4,095.15 |
| Decrease in Deferred CID Assessment Revenue | (242,896.58) | (1,488,917.19) |
| Increase/(Decrease) in Accrued Expenses | (12,500.00) | 31,109.92 |
| Total Net Cash used by operations: | (244,233.77) | (1,354,898.22) |
| Cash Flows from Investing Activities | | |
| Purchase of Furniture & Equipment | - | (29,849.00) |
| Total Net Cash used by Investing Activities | - | (29,849.00) |
| Net cash decrease for period | (244,233.77) | (1,384,747.22) |
| Cash at beginning of period | 1,075,669.71 | 2,216,183.16 |
| Cash at end of period | \$ 831,435.94 | \$ 831,435.94 |

**Downtown Community Improvement District
Analysis of Budgeted Expenses
For the Month Ended November 30, 2018**

| | |
|--|---------------------------------|
| Budgeted Expenses | \$ 209,684 |
| Higher than budgeted supplemental security | 38,386 |
| Audit expenses budgeted in prior months but incurred in October | 7,370 |
| Higher than budgeted legal expenses related to general admin | 5,384 |
| Higher than budgeted Elasticity costs | 5,500 |
| Opportunity Fund expenses deferred to later months | (16,520) |
| Decrease maintenance payroll due to resignation of Beautification Supervisor | (5,247) |
| Other, net | 7,737 |
| | <hr/> |
| Actual Expenses | <u><u>\$ 252,294</u></u> |

**Downtown Community Improvement District
Analysis of Budgeted Expenses
For the Five Months Ending November 30, 2018**

| | |
|---|-----------------------------------|
| Budgeted Expenses | \$ 1,497,530 |
| Higher supplemental security costs | 133,777 |
| Higher Elasticity costs than budgeted | 19,723 |
| Higher general project expenses related to unbudgeted Trailnet - Tucker Blvd Project (\$10K) & Garment District expenses (\$3K) | 13,715 |
| Higher than budgeted legal expenses related to general admin | 17,448 |
| Higher rent costs due to budgeting move to new space at beginning of FY | 10,100 |
| Decrease maintenance payroll due to resignation of Beautification Supervisor | (16,536) |
| Deferral of contracted landscaping work to future months | (21,508) |
| Purchase of new truck capitalized rather than expensed as was budgeted | (26,000) |
| Purchase of new communication system capitalized rather than expensed as was budgeted | (30,000) |
| Lower clean team hours | (35,352) |
| LLCID budgeted expenses not submitted | (47,503) |
| Lower Opportunity Fund Expenses: Legal expenses not yet incurred | (29,450) |
| Other, net | 23,199 |
| | <hr/> |
| Actual Expenses | <u><u>\$ 1,509,143</u></u> |