

Downtown St. Louis Community Improvement District, Inc
Executive Summary
For the Month and Period Ended December 31, 2018

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending December 31, 2018 totaled \$301K compared to a budget of \$273K. Revenues for the first six months of FY2019 were \$1.81M, \$43K greater than budgeted revenues of \$1.77M.

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 \$1K for December while for the first six months of FY2019, assessment revenue was \$18K 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 \$36K spent, resulting in a \$14K 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 December 31, 2018 represents \$8K.

Interest Income for the first six months of FY 2019 was \$6K as compared to a budget of \$4K, a favorable variance of \$2K primarily due to the receipt of prior year assessment revenue with interest in September.

Other, net year-to-date of \$29K represents revenue from non-CID assessment revenue primarily reflecting reimbursement of work performed at 600 Washington.

Expenses

Total Expenses for the one-month period ending December 31, 2018 totaled \$274K as compared to budgeted expenses of \$273K. Expenses for the first six months of FY2019 were \$1.78M, \$13K higher than budgeted expenses of \$1.77M.

Security expenses were \$50K and \$604K for the month and year-to-date December, respectively, representing an unfavorable variance of \$6K and \$139K 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 lower than budget by \$8K and \$133K for the month and year-to-date December 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 of \$90K was on budget for the month of December, and \$343K for the first six months was \$2K better than budget.

Marketing and Special Events expenses are \$4K lower in December due to budgeted Laclede Landing CID expenses not submitted and \$8K higher than budget for the first six 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 \$36K for the first six months of the fiscal year, a favorable variance of \$28K 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 and six months ending December 31, 2018, the change in net assets was \$27K and \$29K, respectively, as compared to budget of \$0, representing the reimbursement of work performed at 600 Washington.

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 \$3.40 million, primarily representing the assessments due the CID for calendar year 2019.

"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 December 31, 2018 of the 2018 deferred CID revenue is \$20K, down \$279K from the prior month. The balance as of December 31, 2018 for prior years' "Deferred CID Assessment Revenue" is \$443K. Deferred CID Assessment Revenue for 2019 is \$3.44 million.

Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Month Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 270,949.70	\$ 271,959.02	\$ (1,009.32)
Carryforward Usage	1,913.50	-	1,913.50
Payment in lieu of CID	1,250.00	-	1,250.00
Interest Income	4.87	625.00	(620.13)
Other, net	26,661.24	-	26,661.24
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Total Revenue	300,779.31	272,584.02	28,195.29
Expenses:			
Security	49,692.84	44,075.13	(5,617.71)
Maintenance	61,014.40	69,266.51	8,252.11
Economic Development	90,432.13	90,014.53	(417.60)
Marketing and Special Events	40,985.01	44,827.85	3,842.84
Administrative	30,080.19	24,000.00	(6,080.19)
Opportunity Fund	1,913.50	400.00	(1,513.50)
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Total Expenses	274,118.07	272,584.02	(1,534.05)
Change in Net Assets	26,661.24	-	26,661.24
Net Assets, Beginning of Period	154,040.56	161,156.02	(7,115.46)
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Net Assets, End of Period	<u>\$ 180,701.80</u>	<u>\$ 161,156.02</u>	<u>\$ 19,545.78</u>
 CID Contacted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 16,064.70	\$ 17,067.46	\$ 1,002.76
Maintenance Personnel	10,386.90	16,413.83	6,026.93
Economic Development Personnel	17,244.98	18,097.86	852.88
Marketing and Special Events Personnel	13,034.84	12,947.85	(86.99)
Administration	17,924.69	14,431.83	(3,492.86)
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	<u>\$ 74,656.11</u>	<u>\$ 78,958.83</u>	<u>\$ 4,302.72</u>

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Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Six Months Ending December 31, 2018

	<u>YTD December</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 1,734,256.28	\$ 1,716,363.81	\$ 17,892.47	\$ 3,468,078.61
Carryforward Usage	35,663.21	50,000.00	(14,336.79)	100,000.00
Payment in lieu of CID	7,500.00	-	7,500.00	-
Interest Income	5,841.21	3,750.00	2,091.21	7,500.00
Other, net	29,470.78	-	29,470.78	-
	<u>1,812,731.48</u>	<u>1,770,113.81</u>	<u>42,617.67</u>	<u>3,575,578.61</u>
Expenses:				
Security	604,365.95	464,970.77	(139,395.18)	1,150,737.54
Maintenance	390,225.10	523,055.74	132,830.64	1,019,055.48
Economic Development	341,109.30	343,020.17	1,910.87	528,774.34
Marketing and Special Events	265,015.35	256,267.12	(8,748.23)	473,511.24
Administrative	146,881.79	119,200.00	(27,681.79)	231,500.00
Opportunity Fund	35,663.21	63,600.00	27,936.79	172,000.00
	<u>1,783,260.70</u>	<u>1,770,113.81</u>	<u>(13,146.89)</u>	<u>3,575,578.61</u>
Change in Net Assets	29,470.78	-	29,470.78	-
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>\$ 180,701.80</u>	<u>\$ 161,156.02</u>	<u>\$ 19,545.78</u>	<u>\$ 161,156.02</u>
 CID Contacted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 98,268.46	\$ 102,404.77	\$ 4,136.31	\$ 204,809.54
Maintenance Personnel	75,054.65	98,482.96	23,428.31	196,965.91
Economic Development Personnel	105,770.82	108,587.17	2,816.35	217,174.34
Marketing and Special Events Personnel	78,531.28	77,687.12	(844.16)	155,374.24
Non-personnel Shared Expenses	85,597.50	86,590.98	993.48	173,181.96
	<u>\$ 443,222.71</u>	<u>\$ 473,753.00</u>	<u>\$ 30,530.29</u>	<u>\$ 947,506.00</u>

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**Downtown Community Improvement District
Analysis of Budgeted Expenses
For the Month Ended December 31, 2018**

Budgeted Expenses	\$ 272,584
Higher than budgeted supplemental security	(5,105)
Higher than budgeted legal expenses related to general admin	(3,924)
Higher than budgeted Elasticity costs	(5,920)
Delay in expenditure for VP Parade/Christmas in St. Louis	10,000
Decrease maintenance payroll due to resignation of Beautification Supervisor	8,252
Other, net	(1,769)
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Actual Expenses	<u><u>\$ 274,118</u></u>

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**Downtown Community Improvement District
Analysis of Budgeted Expenses
For the Six Months Ending December 31, 2018**

Budgeted Expenses	\$ 1,770,114
Higher supplemental security costs	182,148
Higher Elasticity costs than budgeted	21,460
Higher than budgeted legal expenses related to general admin	17,297
Higher accounting costs due to work associated with yearend audit	10,256
LLCID budgeted expenses not submitted	(60,220)
Lower clean team hours	(39,889)
Purchase of new communication system capitalized rather than expensed as was budgeted	(30,000)
Lower Opportunity Fund Expenses: Legal expenses not yet incurred	(27,937)
Purchase of new truck capitalized rather than expensed as was budgeted	(26,000)
Deferral of contracted landscaping work to future months	(25,033)
Decrease maintenance payroll due to resignation of Beautification Supervisor	(23,428)
Other, net	14,493
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Actual Expenses	<u><u>\$ 1,783,261</u></u>

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

	<u>12/31/2018</u>	<u>11/30/2018</u>	<u>6/30/2018</u>
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 710,260.59	\$ 831,435.94	\$ 2,216,183.16
CID Assessment Receivable	3,398,359.04	70,980.06	136,641.05
Other Receivables	34,906.30	7,977.40	4,150.00
Due from Downtown STL, Inc.	-	-	95,776.65
Prepaid Expense	4,972.92	3,927.92	11,920.48
Total Current Assets	<u>4,148,498.85</u>	<u>914,321.32</u>	<u>2,464,671.34</u>
Equipment, net	93,638.50	94,796.09	73,289.29
Total Assets	<u>\$ 4,242,137.35</u>	<u>\$ 1,009,117.41</u>	<u>\$ 2,537,960.63</u>
Liabilities			
Accounts Payable	\$ 140,890.71	\$ 74,368.37	\$ 156,287.71
Due to Downtown STL, Inc.	2,612.40	3,978.70	-
Other Current Liabilities	12,000.00	36,373.92	-
Deferred CID Revenue - Prior Years	440,571.04	436,650.26	453,479.86
Deferred CID Revenue - Current Year	20,542.84	299,449.26	1,771,536.85
Deferred CID Revenue - 2019	3,442,053.67	-	-
Other Deferred Revenue	2,544.89	4,201.34	106.19
Total Current Liabilities	<u>4,061,215.55</u>	<u>855,021.85</u>	<u>2,381,410.61</u>
Other Long-Term Liabilities	220.00	55.00	220.00
Net Assets			
Equity	151,231.02	151,231.02	148,530.16
Net Gain	29,470.78	2,809.54	2,700.86
Total Net Assets	<u>180,701.80</u>	<u>154,040.56</u>	<u>151,231.02</u>
Total Liabilities and Net Assets	<u>\$ 4,242,137.35</u>	<u>\$ 1,009,117.41</u>	<u>\$ 2,532,861.63</u>

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Downtown St. Louis Community Improvement District
Statement of Cash Flows
For the Month and Six Months Ending December 31, 2018

	<u>For the Month</u> <u>Ended 12/31/2018</u>	<u>For the Six Months</u> <u>Ending 12/31/2018</u>
Cash Flows from Operating Activities		
Increase in Unrestricted Net Assets	\$ 26,661.24	\$ 29,470.78
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	9,499.79
Change in Operating Assets:		
Increase in Accounts Receivable	(26,928.90)	(30,756.30)
Increase in CID Assessment Receivable	(3,327,378.98)	(3,261,717.99)
Decrease/(Increase) in Due to/from Community Improvement District	(1,366.30)	98,389.05
(Increase)/Decrease in Prepaid Expense	(1,045.00)	6,947.56
Change in Operating Liabilities:		
Increase/(Decrease) in Accounts Payable	66,522.34	(15,397.00)
Increase/(Decrease) in Deferred Non-CID Assessment Revenue	(1,656.45)	2,438.70
Increase in Deferred CID Assessment Revenue	3,175,215.87	1,678,150.84
Increase/(Decrease) in Accrued Expenses	(32,356.76)	6,901.00
Total Net Cash used by operations:	<u>(121,175.35)</u>	<u>(1,476,073.57)</u>
Cash Flows from Investing Activities		
Purchase of Furniture & Equipment	-	(29,849.00)
Total Net Cash used by Investing Activities	<u>-</u>	<u>(29,849.00)</u>
Net cash decrease for period	(121,175.35)	(1,505,922.57)
Cash at beginning of period	<u>831,435.94</u>	<u>2,216,183.16</u>
Cash at end of period	<u>\$ 710,260.59</u>	<u>\$ 710,260.59</u>