

Downtown St. Louis Community Improvement District, Inc
Executive Summary
For the Month and Period Ended January 31, 2019

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending January 31, 2019 totaled \$237K compared to a budget of \$293K. Revenues for the first seven months of FY2019 were \$2.04M, \$20K less than budgeted revenues of \$2.06M.

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 less than budget by \$31K for January while for the first seven months of FY2019, assessment revenue was \$4K 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 \$59K spent, resulting in a \$41K 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 January 31, 2019 represents \$9K.

Interest Income for the first seven 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 \$31K 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 January 31, 2019 totaled \$236k as compared to budgeted expenses of \$293K. Expenses for the first seven months of FY2019 were \$2.02M, \$44K lower than budgeted expenses of \$2.06M.

Security expenses were \$54K and \$659K for the month and year-to-date January, respectively, representing an unfavorable variance of \$10K and \$150K 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 higher than budget by \$9K and lower than budget \$123K for the month and year-to-date January. The higher costs for January reflect the acceleration of landscaping costs. The year-to-date lower expenses are 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 \$21K was \$5K lower than budget for the month of January, and \$343K for the first seven months was \$7K better than budget.

Marketing and Special Events expenses are \$3.6K higher in January due to budgeted Laclede Landing CID expenses not submitted and \$12K higher than budget for the first seven months of the fiscal year due to higher contracted marketing expenses with Elasticity.

The Opportunity Fund expense was \$59K for the first seven months of the fiscal year, a favorable variance of \$105K 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 seven months ending January 31, 2019, the change in net assets was \$1K and \$31K, 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 \$511K, 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 January 31, 2019 of the 2018 deferred CID revenue is \$20K, which has not changed from the prior month. The balance as of January 31, 2019 for all prior years' "Deferred CID Assessment Revenue" is \$458K. Deferred CID Assessment Revenue for 2019 is \$3.1 million.

Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Month Ended January 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 210,961.02	\$ 242,225.69	\$ (31,264.67)
Carryforward Usage	23,590.69	50,000.00	(26,409.31)
Payment in lieu of CID	1,250.00	-	1,250.00
Interest Income	18.76	625.00	(606.24)
Other, net	1,268.76	-	1,268.76
	<u>237,089.23</u>	<u>292,850.69</u>	<u>(55,761.46)</u>
Expenses:			
Security	54,289.83	44,075.13	(10,214.70)
Maintenance	77,727.69	68,266.51	(9,461.18)
Economic Development	20,820.32	26,681.20	5,860.88
Marketing and Special Events	38,490.04	34,827.85	(3,662.19)
Administrative	20,920.66	18,600.00	(2,320.66)
Opportunity Fund	23,590.69	100,400.00	76,809.31
	<u>235,839.23</u>	<u>292,850.69</u>	<u>57,011.46</u>
Change in Net Assets	1,268.76	-	1,268.76
Net Assets, Beginning of Period	180,701.80	161,156.02	19,545.78
	<u>180,701.80</u>	<u>161,156.02</u>	<u>19,545.78</u>
Net Assets, End of Period	<u>\$ 181,970.56</u>	<u>\$ 161,156.02</u>	<u>\$ 20,814.54</u>
 CID Contacted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 16,385.11	\$ 17,067.46	\$ 682.35
Maintenance Personnel	10,658.95	16,413.83	5,754.88
Economic Development Personnel	17,663.96	18,097.86	433.90
Marketing and Special Events Personnel	13,399.87	12,947.85	(452.02)
Administration	13,571.04	14,431.83	860.79
	<u>\$ 71,678.93</u>	<u>\$ 78,958.83</u>	<u>\$ 7,279.90</u>

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 Seven Months Ending January 31, 2019

	<u>YTD January</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 1,962,966.78	\$ 1,958,589.50	\$ 4,377.28	\$ 3,468,078.61
Carryforward Usage	35,663.21	100,000.00	(64,336.79)	100,000.00
Payment in lieu of CID	8,750.00	-	8,750.00	-
Interest Income	5,859.97	4,375.00	1,484.97	7,500.00
Other, net	30,739.54	-	30,739.54	-
Total Revenue	2,043,979.50	2,062,964.50	(18,985.00)	3,575,578.61
Expenses:				
Security	658,655.78	509,045.90	(149,609.88)	1,150,737.54
Maintenance	467,952.79	591,322.25	123,369.46	1,019,055.48
Economic Development	361,929.62	369,701.37	7,771.75	528,774.34
Marketing and Special Events	303,505.39	291,094.97	(12,410.42)	473,511.24
Administrative	167,802.45	137,800.00	(30,002.45)	231,500.00
Opportunity Fund	59,253.90	164,000.00	104,746.10	172,000.00
Total Expenses	2,019,099.93	2,062,964.50	43,864.57	3,575,578.61
Change in Net Assets	30,739.54	-	30,739.54	-
Net Assets, Beginning of Period	151,231.02	161,156.02	(9,925.00)	161,156.02
Net Assets, End of Period	\$ 181,970.56	\$ 161,156.02	\$ 20,814.54	\$ 161,156.02
 CID Contacted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 114,653.57	\$ 102,404.77	\$ (12,248.80)	\$ 204,809.54
Maintenance Personnel	85,713.60	98,482.96	12,769.36	196,965.91
Economic Development Personnel	123,434.78	108,587.17	(14,847.61)	217,174.34
Marketing and Special Events Personnel	91,931.15	77,687.12	(14,244.03)	155,374.24
Non-personnel Shared Expenses	85,597.50	86,590.98	993.48	173,181.96
	\$ 501,330.60	\$ 473,753.00	\$ (27,577.60)	\$ 947,506.00

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**Downtown Community Improvement District
Analysis of Budgeted Expenses
For the Month Ended January 31, 2019**

Budgeted Expenses	\$ 292,851
Lower than budgeted expenses related to the Opportunity Fund	(76,809)
Lower than budgeted Elasticity costs. Costs to be incurred in following month	(20,880)
Acceleration of landscaping expenses	18,879
Higher than budgeted supplemental security	10,215
Decrease maintenance payroll due to resignation of Beautification Supervisor	5,754
Other, net	5,830
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Actual Expenses	<u><u>\$ 235,839</u></u>

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**Downtown Community Improvement District
Analysis of Budgeted Expenses
For the Seven Months Ending January 31, 2019**

Budgeted Expenses	\$ 2,062,965
Higher supplemental security costs	191,306
Higher Elasticity costs than budgeted	43,864
Higher than budgeted legal expenses related to general admin	18,547
Higher accounting costs due to work associated with yearend audit	10,776
Lower Opportunity Fund Expenses: Legal expenses not yet incurred	(109,972)
LLCID budgeted expenses not submitted	(67,620)
Lower clean team hours	(39,966)
Purchase of new communication system capitalized rather than expensed as was budgeted	(30,000)
Decrease maintenance payroll due to resignation of Beautification Supervisor	(29,183)
Purchase of new truck capitalized rather than expensed as was budgeted	(26,000)
Deferral of contracted landscaping work to future months	(6,154)
Other, net	537
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Actual Expenses	<u><u>\$ 2,019,100</u></u>

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

	1/31/2019	12/31/2018	6/30/2018
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 3,330,403.19	\$ 710,260.59	\$ 2,216,183.16
CID Assessment Receivable	511,584.94	3,398,359.04	136,641.05
Other Receivables	7,277.40	34,906.30	4,150.00
Due from Downtown STL, Inc.	-	-	95,776.65
Prepaid Expense	3,617.92	4,972.92	11,920.48
Total Current Assets	3,852,883.45	4,148,498.85	2,464,671.34
Equipment, net	92,830.91	93,638.50	73,289.29
Total Assets	\$ 3,945,714.36	\$ 4,242,137.35	\$ 2,537,960.63
Liabilities			
Accounts Payable	\$ 96,880.93	\$ 140,890.71	\$ 156,287.71
Due to Downtown STL, Inc.	2,460.14	2,612.40	-
Other Current Liabilities	4,074.32	12,000.00	-
Deferred CID Revenue - Prior Years	458,494.10	461,113.88	2,225,016.71
Deferred CID Revenue - Current Year	3,196,920.87	3,442,053.67	-
Other Deferred Revenue	4,638.44	2,544.89	106.19
Total Current Liabilities	3,763,468.80	4,061,215.55	2,381,410.61
Other Long-Term Liabilities	275.00	220.00	275.00
Net Assets			
Equity	151,231.02	151,231.02	148,530.16
Net Gain	30,739.54	29,470.78	2,700.86
Total Net Assets	181,970.56	180,701.80	151,231.02
Total Liabilities and Net Assets	\$ 3,945,714.36	\$ 4,242,137.35	\$ 2,532,916.63

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Downtown St. Louis Community Improvement District
Statement of Cash Flows
For the Month and Seven Months Ending January 31, 2019

	For the Month Ended 01/31/2019	For the Seven Months Ending 01/31/2019
Cash Flows from Operating Activities		
Increase in Unrestricted Net Assets	\$ 1,268.76	\$ 30,739.54
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	10,657.38
Change in Operating Assets:		
(Increase)/Decrease in Accounts Receivable	27,628.90	(3,127.40)
(Increase)/Decrease in CID Assessment Receivable	2,886,774.10	(374,943.89)
(Increase)/Decrease in Due to/from Community Improvement District	(152.26)	98,236.79
Decrease in Prepaid Expense	1,355.00	8,302.56
Change in Operating Liabilities:		
Decrease in Accounts Payable	(44,009.78)	(59,406.78)
Increase in Deferred Non-CID Assessment Revenue	2,093.55	4,532.25
(Decrease)/Increase in Deferred CID Assessment Revenue	(247,752.58)	1,430,398.26
Decrease in Accrued Expenses	(7,870.68)	(969.68)
Total Net Cash used by operations:	2,620,492.60	1,144,419.03
Cash Flows from Investing Activities		
Purchase of Furniture & Equipment	(350.00)	(30,199.00)
Total Net Cash used by Investing Activities	(350.00)	(30,199.00)
Net cash increase for period	2,620,142.60	1,114,220.03
Cash at beginning of period	710,260.59	2,216,183.16
Cash at end of period	\$ 3,330,403.19	\$ 3,330,403.19