

Downtown St. Louis Community Improvement District, Inc
Executive Summary
For the Month and Period Ended February 28, 2019

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending February 28, 2019 totaled \$225K compared to a budget of \$194K. Revenues for the first eight months of FY2019 were \$2.27M, \$12.2K more than budgeted revenues of \$2.26M.

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 more than budget by \$21K for February while for the first eight months of FY2019 assessment revenue was \$34K 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 \$67.9K spent, resulting in a \$32.1K 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 February 28, 2019 represents \$10K.

Interest Income for the first eight months of FY 2019 was \$6K as compared to a budget of \$5K, a favorable variance of \$1K primarily due to the receipt of prior year assessment revenue with interest in September.

Other, net year-to-date of \$32K 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 February 28, 2019 totaled \$224k as compared to budgeted expenses of \$194K. Expenses for the first eight months of FY2019 were \$2.24M, \$14K higher than budgeted expenses of \$2.26M.

Security expenses were \$54K and \$713K for the month and year-to-date February, respectively, representing an unfavorable variance of \$9.8K and \$159K 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 \$9K and \$133K for the month and year-to-date February, respectively. The lower costs for February reflect the acceleration of landscaping costs in the prior month. 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 \$35K was \$8.7K higher than budget for the month of February, and \$397K for the first eight months was on budget. The budget variance for February primarily represents architecture costs incurred originally budgeted for November.

Marketing and Special Events expenses are \$2.1K higher in February due to budgeted Laclede Landing CID expenses not submitted and \$15K higher than budget for the first eight months of the fiscal year due to higher contracted marketing expenses with Elasticity.

The Opportunity Fund expense was \$68K for the first eight months of the fiscal year, a favorable variance of \$97K 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 eight months ending February 28, 2019, the change in net assets was \$1K and \$32K, 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 \$315K, 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 February 28, 2019 of the 2018 deferred CID revenue is \$13K, which has decreased based on the city's most recent assessment. The balance as of February 28, 2019 for all prior years' "Deferred CID Assessment Revenue" is \$450K. Deferred CID Assessment Revenue for 2019 is \$2.78 million.

Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Month Ended February 28, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 214,579.60	\$ 193,702.69	\$ 20,876.91
Carryforward Usage	8,625.00	-	8,625.00
Payment in lieu of CID	1,250.00	-	1,250.00
Interest Income	22.67	625.00	(602.33)
Other, net	1,018.44	-	1,018.44
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Total Revenue	225,495.71	194,327.69	31,168.02
Expenses:			
Security	53,873.99	44,075.13	(9,798.86)
Maintenance	59,086.51	68,266.51	9,180.00
Economic Development	35,340.53	26,681.20	(8,659.33)
Marketing and Special Events	39,015.80	36,904.85	(2,110.95)
Administrative	28,558.11	18,000.00	(10,558.11)
Opportunity Fund	8,625.00	400.00	(8,225.00)
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Total Expenses	224,499.94	194,327.69	(30,172.25)
Change in Net Assets	1,018.44	-	1,018.44
Net Assets, Beginning of Period	181,970.56	161,156.02	20,814.54
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Net Assets, End of Period	<u>\$ 182,989.00</u>	<u>\$ 161,156.02</u>	<u>\$ 21,832.98</u>
 CID Contacted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 15,397.93	\$ 17,067.46	\$ 1,669.53
Maintenance Personnel	9,860.46	16,413.83	6,553.37
Economic Development Personnel	18,261.07	18,097.86	(163.21)
Marketing and Special Events Personnel	12,448.11	12,947.85	499.74
Administration	21,342.11	14,431.83	(6,910.28)
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	<u>\$ 77,309.68</u>	<u>\$ 78,958.83</u>	<u>\$ 1,649.15</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 Eight Months Ending February 28, 2019

	<u>YTD February</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 2,153,955.69	\$ 2,152,292.19	\$ 1,663.50	\$ 3,468,078.61
Carryforward Usage	67,878.90	100,000.00	(32,121.10)	100,000.00
Payment in lieu of CID	10,000.00	-	10,000.00	-
Interest Income	5,882.64	5,000.00	882.64	7,500.00
Other, net	31,757.98	-	31,757.98	-
Total Revenue	2,269,475.21	2,257,292.19	12,183.02	3,575,578.61
Expenses:				
Security	712,529.77	553,121.03	(159,408.74)	1,150,737.54
Maintenance	527,039.30	659,588.77	132,549.47	1,019,055.48
Economic Development	397,270.15	396,382.56	(887.59)	528,774.34
Marketing and Special Events	342,521.19	327,999.83	(14,521.36)	473,511.24
Administrative	196,360.56	155,800.00	(40,560.56)	231,500.00
Opportunity Fund	67,878.90	164,400.00	96,521.10	172,000.00
Total Expenses	2,243,599.87	2,257,292.19	13,692.32	3,575,578.61
Change in Net Assets	31,757.98	-	31,757.98	-
Net Assets, Beginning of Period	151,231.02	161,156.02	(9,925.00)	161,156.02
Net Assets, End of Period	\$ 182,989.00	\$ 161,156.02	\$ 21,832.98	\$ 161,156.02
 CID Contacted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 130,051.50	\$ 136,539.70	\$ 6,488.20	\$ 204,809.54
Maintenance Personnel	95,574.06	131,310.61	35,736.55	196,965.91
Economic Development Personnel	141,695.85	144,782.90	3,087.05	217,174.34
Marketing and Special Events Personnel	104,379.26	103,582.83	(796.43)	155,374.24
Non-personnel Shared Expenses	120,510.65	115,454.64	(5,056.01)	173,181.96
	\$ 592,211.32	\$ 631,670.67	\$ 39,459.35	\$ 947,506.00

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

	2/28/2019	1/31/2019	6/30/2018
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 3,121,468.70	\$ 3,330,403.19	\$ 2,216,183.16
CID Assessment Receivable	315,286.87	511,584.94	136,641.05
Other Receivables	8,327.40	7,277.40	4,150.00
Due from Downtown STL, Inc.	-	-	95,776.65
Prepaid Expense	6,562.92	3,617.92	11,920.48
Total Current Assets	3,451,645.89	3,852,883.45	2,464,671.34
Equipment, net	91,673.32	92,830.91	73,289.29
Total Assets	\$ 3,543,319.21	\$ 3,945,714.36	\$ 2,537,960.63
Liabilities			
Accounts Payable	\$ 102,521.20	\$ 96,880.93	\$ 156,287.71
Due to Downtown STL, Inc.	10,194.99	2,460.14	-
Other Current Liabilities	8,380.84	4,074.32	-
Deferred CID Revenue - Prior Years	450,486.12	458,494.10	2,225,016.71
Deferred CID Revenue - Current Year	2,784,185.07	3,196,920.87	-
Other Deferred Revenue	4,231.99	4,638.44	106.19
Total Current Liabilities	3,360,000.21	3,763,468.80	2,381,410.61
Other Long-Term Liabilities	330.00	275.00	330.00
Net Assets			
Equity	151,231.02	151,231.02	148,530.16
Net Gain	31,757.98	30,739.54	2,700.86
Total Net Assets	182,989.00	181,970.56	151,231.02
Total Liabilities and Net Assets	\$ 3,543,319.21	\$ 3,945,714.36	\$ 2,532,971.63

**Downtown Community Improvement District
Analysis of Budgeted Expenses
For the Month Ended February 28, 2019**

Budgeted Expenses	\$ 194,328
Increased economic development expenditures due to architect fees originally budgeted in November	13,823
Higher than budgeted Elasticity costs	4,295
Higher than budgeted supplemental security	7,364
Higher than budgeted expenses related to the Opportunity Fund due to deferral of items to February previously budgeted for January	8,225
Decrease maintenance payroll primarily due to resignation of Beautification Supervisor	(6,553)
Other, net	3,019
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Actual Expenses	<u><u>\$ 224,500</u></u>

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**Downtown Community Improvement District
Analysis of Budgeted Expenses
For the Eight Months Ending February 28, 2019**

Budgeted Expenses	\$ 2,257,292
Lower Opportunity Fund Expenses: Legal expenses not yet incurred	(96,521)
LLCID budgeted expenses not submitted	(74,384)
Lower clean team hours	(42,657)
Decrease maintenance payroll due to resignation of Beautification Supervisor	(35,736)
Purchase of new communication system capitalized rather than expensed as was budgeted	(30,000)
Purchase of new truck capitalized rather than expensed as was budgeted	(26,000)
Higher supplemental security costs	198,671
Higher Elasticity costs than budgeted	28,176
Higher than budgeted legal expenses related to general admin	20,343
Higher accounting costs due to work associated with yearend audit	11,196
Other, net	33,209
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Actual Expenses	<u><u>\$ 2,243,590</u></u>

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Downtown St. Louis Community Improvement District
Statement of Cash Flows
For the Month and Eight Months Ending February 28, 2019

	For the Month Ended 02/28/2019	For the Eight Months Ending 02/28/2019
Cash Flows from Operating Activities		
Increase in Unrestricted Net Assets	\$ 1,018.44	\$ 31,757.98
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	11,814.97
Change in Operating Assets:		
(Increase) in Accounts Receivable	(1,050.00)	(4,177.40)
(Increase)/Decrease in CID Assessment Receivable	196,298.07	(178,645.82)
Decrease in Due to/from Community Improvement District	7,734.85	105,971.64
(Increase)/Decrease in Prepaid Expense	(2,945.00)	5,357.56
Change in Operating Liabilities:		
Increase/(Decrease) in Accounts Payable	5,640.27	(53,766.51)
Increase/(Decrease) in Deferred Non-CID Assessment Revenue	(406.45)	4,125.80
Increase/(Decrease) in Deferred CID Assessment Revenue	(420,743.78)	1,009,654.48
Increase in Accrued Expenses	4,361.52	3,391.84
Total Net Cash (used)/provided by operations:	(208,934.49)	935,484.54
Cash Flows from Investing Activities		
Purchase of Furniture & Equipment	-	(30,199.00)
Total Net Cash used by Investing Activities	-	(30,199.00)
Net cash increase for period	(208,934.49)	905,285.54
Cash at beginning of period	3,330,403.19	2,216,183.16
Cash at end of period	\$ 3,121,468.70	\$ 3,121,468.70