

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

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending March 31, 2019 totaled \$254K compared to a budget of \$276K. Revenues for the first nine months of FY2019 were \$2.52M, \$9.9K less than budgeted revenues of \$2.53M.

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 \$27.8K for March while for the first nine months of FY2019 assessment revenue was \$26.2K under 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 \$71.6K spent, resulting in a \$28.4K 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 March 31, 2019 represents \$11K.

Interest Income for the first nine months of FY 2019 was \$5.9K as compared to a budget of \$5.6K, a favorable variance of less than \$1K primarily due to the receipt of prior year assessment revenue with interest in September.

Other, net year-to-date of \$30.8K 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 March 31, 2019 totaled \$252.5K as compared to budgeted expenses of \$275.9K. Expenses for the first nine months of FY2019 were \$2.5M, \$37K lower than budgeted expenses of \$2.53M.

Security expenses were \$64.8K and \$777.3K for the month and year-to-date March, respectively, representing a favorable variance of \$10.3K for the month, but an unfavorable variance of \$149.1K year to date, as compared to budget. The year to date unfavorable variance is 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. It is anticipated that the security expenditures for the remainder of the year will be favorable to budget.

Maintenance expenses were lower than budget by \$21.3K and \$153.9K for the month and year-to-date March, respectively. The lower costs for March reflect lower clean team hours and not replacing supervisor leaving at beginning of year. 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 \$38.6K was \$13.6K lower than budget for the month of March, and \$436.9K for the first nine months was \$12.7K lower than budget as well. The lower costs were primarily due

to Garment District expenditures originally budgeted for \$25K in March being split between February and March.

Marketing and Special Events expenses are \$15.9K higher in March due to unbudgeted Laclede Landing CID marketing costs (these costs are being offset at LLCID by other favorable costs), as well as higher contracted marketing costs with Elasticity. Marketing costs for the first nine months of the fiscal year of \$30.4K were due primarily to higher contracted marketing expenses with Elasticity.

The Opportunity Fund expense was \$71.7K for the first nine months of the fiscal year, a favorable variance of \$95K which is primarily due to legal fees related to support of NLEC suit not being incurred yet (see Carryforward Usage revenue above) as well as \$50K in economic development project not yet expended.

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 nine months ending March 31, 2019, the change in net assets was \$1.3K and \$33.0K, 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 \$308K, 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 March 31, 2019 of the 2018 deferred CID revenue is \$13K, which has not really changed based on the city's most recent assessment. The balance as of March 31, 2019 for all prior years' "Deferred CID Assessment Revenue" is \$451K. Deferred CID Assessment Revenue for 2019 is \$2.53 million.

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

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 248,712.01	\$ 275,260.11	\$ (26,548.10)
Carry forward Usage	3,785.75	-	3,785.75
Payment in lieu of CID	1,250.00	-	1,250.00
Interest Income	23.41	625.00	(601.59)
Other, net	-	-	-
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Total Revenue	253,771.17	275,885.11	(22,113.94)
Expenses:			
Security	64,750.21	75,075.13	10,324.92
Maintenance	71,955.05	93,300.93	21,345.88
Economic Development	38,588.28	52,181.20	13,592.92
Marketing and Special Events	50,737.93	34,827.85	(15,910.08)
Administrative	22,703.95	18,600.00	(4,103.95)
Opportunity Fund	3,785.75	1,900.00	(1,885.75)
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Total Expenses	252,521.17	275,885.11	23,363.94
Change in Net Assets	1,273.41	-	1,273.41
Net Assets, Beginning of Period	182,989.00	161,156.02	21,832.98
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Net Assets, End of Period	<u>\$ 184,262.41</u>	<u>\$ 161,156.02</u>	<u>\$ 23,106.39</u>
 CID Contracted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 17,528.22	\$ 17,067.46	\$ (460.76)
Maintenance Personnel	11,205.26	16,413.83	5,208.57
Economic Development Personnel	19,082.47	18,097.86	(984.61)
Marketing and Special Events Personnel	14,025.26	12,947.85	(1,077.41)
Administration	15,597.48	14,431.83	(1,165.65)
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	<u>\$ 77,438.69</u>	<u>\$ 78,958.83</u>	<u>\$ 1,520.14</u>

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Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Nine Months Ending March 31, 2019

	<u>YTD March</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 2,403,656.30	\$ 2,427,552.29	\$ (23,895.99)	\$ 3,468,078.61
Carryforward Usage	71,664.65	100,000.00	(28,335.35)	100,000.00
Payment in lieu of CID	11,250.00	-	11,250.00	-
Interest Income	5,906.05	5,625.00	281.05	7,500.00
Other, net	30,769.38	-	30,769.38	-
Total Revenue	2,523,246.38	2,533,177.29	(9,930.91)	3,575,578.61
Expenses:				
Security	777,279.98	628,196.16	(149,083.82)	1,150,737.54
Maintenance	598,994.35	752,889.70	153,895.35	1,019,055.48
Economic Development	435,858.43	448,563.76	12,705.33	528,774.34
Marketing and Special Events	393,248.80	362,827.68	(30,421.12)	473,511.24
Administrative	219,074.83	174,400.00	(44,674.83)	231,500.00
Opportunity Fund	71,664.65	166,300.00	94,635.35	172,000.00
Total Expenses	2,496,121.04	2,533,177.29	37,056.25	3,575,578.61
Change in Net Assets	33,031.39	-	33,031.39	-
Net Assets, Beginning of Period	151,231.02	161,156.02	(9,925.00)	161,156.02
Net Assets, End of Period	\$ 184,262.41	\$ 161,156.02	\$ 23,106.39	\$ 161,156.02
 CID Contracted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 147,579.72	\$ 153,607.16	\$ 6,027.44	\$ 204,809.54
Maintenance Personnel	106,779.32	147,724.44	40,945.12	196,965.91
Economic Development Personnel	160,778.32	162,880.76	2,102.44	217,174.34
Marketing and Special Events Personnel	118,404.52	116,530.68	(1,873.84)	155,374.24
Non-personnel Shared Expenses	136,108.13	129,886.47	(6,221.66)	173,181.96
	\$ 669,650.01	\$ 710,629.50	\$ 40,979.49	\$ 947,506.00

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

	<u>3/31/2019</u>	<u>2/28/2019</u>	<u>6/30/2018</u>
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 2,891,241.42	\$ 3,121,468.70	\$ 2,216,183.16
CID Assessment Receivable	307,895.33	315,286.87	136,641.05
Other Receivables	10,677.40	8,327.40	4,150.00
Due from Downtown STL, Inc.	-	-	95,776.65
Prepaid Expense	18,203.08	6,562.92	11,920.48
Total Current Assets	<u>3,228,017.23</u>	<u>3,451,645.89</u>	<u>2,464,671.34</u>
Equipment, net	90,515.70	91,673.32	73,289.29
Total Assets	<u>\$ 3,318,532.93</u>	<u>\$ 3,543,319.21</u>	<u>\$ 2,537,960.63</u>
Liabilities			
Accounts Payable	\$ 123,683.53	\$ 102,521.20	\$ 156,287.71
Due to Downtown STL, Inc.	20,568.62	10,194.99	-
Other Current Liabilities	160.00	8,380.84	-
Deferred CID Revenue - Prior Years	451,050.22	450,486.12	2,225,016.71
Deferred CID Revenue - Current Year	2,533,402.61	2,784,185.07	-
Other Deferred Revenue	5,075.54	4,231.99	106.19
Total Current Liabilities	<u>3,133,940.52</u>	<u>3,360,000.21</u>	<u>2,381,410.61</u>
Other Long-Term Liabilities	330.00	330.00	330.00
Net Assets			
Equity	151,231.02	151,231.02	148,530.16
Net Gain	33,031.39	31,757.98	2,700.86
Total Net Assets	<u>184,262.41</u>	<u>182,989.00</u>	<u>151,231.02</u>
Total Liabilities and Net Assets	<u>\$ 3,318,532.93</u>	<u>\$ 3,543,319.21</u>	<u>\$ 2,532,971.63</u>

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

	For the Month Ended 03/31/2019	For the Nine Months Ending 03/31/2019
Cash Flows from Operating Activities		
Increase in Unrestricted Net Assets	\$ 1,273.41	\$ 33,031.39
Adjustments to reconcile the Change in Unrestricted Net Assets to Net Cash used by operations:		
Noncash charges and credits:		
Depreciation and Amortization	1,157.62	12,972.59
Change in Operating Assets:		
(Increase) in Accounts Receivable	(2,350.00)	(6,527.40)
(Increase)/Decrease in CID Assessment Receivable	7,391.54	(171,254.28)
Decrease in Due to/from Community Improvement District	10,373.63	116,345.27
(Increase)/Decrease in Prepaid Expense	(11,640.16)	(6,282.60)
Change in Operating Liabilities:		
Increase/(Decrease) in Accounts Payable	21,162.33	(32,604.18)
Increase/(Decrease) in Deferred Non-CID Assessment Revenue	2,093.55	4,969.35
Increase/(Decrease) in Deferred CID Assessment Revenue	(251,468.36)	759,436.12
Increase in Accrued Expenses	(8,220.84)	(4,829.00)
Total Net Cash (used)/provided by operations:	(230,227.28)	705,257.26
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	(230,227.28)	675,058.26
Cash at beginning of period	3,121,468.70	2,216,183.16
Cash at end of period	\$ 2,891,241.42	\$ 2,891,241.42

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

Budgeted Expenses	\$ 275,885
Lower Garment District expenses	(11,225)
Lower than budgeted supplemental security	(7,008)
Lower clean team hours	(6,384)
Clean team supplies lower than budget	(5,718)
Decrease maintenance payroll primarily due to resignation of Beautification Supervisor	(5,208)
St Louis Police agreement under budget	(3,074)
Higher than budgeted Elasticity costs	8,420
Higher LLCID expenditures primarily due to unbudgeted marketing expenses	7,619
Other, net	(786)
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Actual Expenses	<u><u>\$ 252,521</u></u>

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

Budgeted Expenses	\$ 2,533,177
Lower Opportunity Fund Expenses: Legal expenses and economic project not yet incurred	(94,635)
LLCID budgeted expenses not submitted	(69,327)
Lower clean team hours	(49,041)
Decrease in maintenance payroll due to resignation of Beautification Supervisor	(41,421)
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	191,663
Higher Elasticity costs than budgeted	36,596
Higher than budgeted legal expenses related to general admin	22,064
Higher accounting costs due to work associated with yearend audit	10,541
Other, net	12,504
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Actual Expenses	<u><u>\$ 2,496,121</u></u>

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