

Downtown St. Louis Community Improvement District, Inc
Executive Summary
For the Month and Period Ended April 30, 2019

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending April 30, 2019 totaled \$274K compared to a budget of \$285K. Revenues for the first ten months of FY2019 were \$2.8M, \$15K less than budgeted revenues of \$2.82M.

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 \$16.9K for April while for the first ten months of FY2019 assessment revenue was \$34.9K 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 \$76.9K spent, resulting in a \$23.1K 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 April 30, 2019 represents \$12.5K.

Interest Income for the first ten months of FY 2019 was \$5.9K as compared to a budget of \$6.3K, 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 April 30, 2019 totaled \$270.1K as compared to budgeted expenses of \$284.9K. Expenses for the first ten months of FY2019 were \$2.77M, \$52K lower than budgeted expenses of \$2.82M.

Security expenses were \$50.2K and \$827.5K for the month and year-to-date April, respectively, representing a favorable variance of \$64.7K for the month, but an unfavorable variance of \$84.4K 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. These supplemental costs were less than budget for the month contributing to the monthly favorable variance. It is anticipated that the security expenditures for the remainder of the year will remain favorable to budget.

Maintenance expenses were higher than budget by \$17.2K for the month and lower than budget by \$136.7K year-to-date April. The higher costs for April are due to the billing of the green team hours from October 2018 to March 2019. These individuals are now part of the clean team and the adjustment to reflect that was made in April. 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 \$26.0K was \$1.2K lower than budget for the month of April, and \$461.8K for the first ten months was \$13.9K lower than budget as well.

Marketing and Special Events expenses are \$19.9K higher in April 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 ten months of the fiscal year are \$50.3K more than budget due primarily to higher contracted marketing expenses with Elasticity.

The Opportunity Fund expense was \$76.9K for the first ten months of the fiscal year, a favorable variance of \$91.3K 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 ten months ending April 30, 2019, the change in net assets was \$3.7K and \$36.7K, 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 \$268K, 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 April 30, 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 April 30, 2019 for all prior years' "Deferred CID Assessment Revenue" is \$454K. Deferred CID Assessment Revenue for 2019 is \$2.44 million.

Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Month Ended April 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 267,338.57	\$ 284,229.11	\$ (16,890.54)
Carryforward Usage	5,225.50	-	5,225.50
Payment in lieu of CID	1,250.00	-	1,250.00
Interest Income	20.84	625.00	(604.16)
Other, net	-	-	-
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Total Revenue	273,834.91	284,854.11	(11,019.20)
Expenses:			
Security	50,179.43	114,871.13	64,691.70
Maintenance	102,802.90	85,573.93	(17,228.97)
Economic Development	25,959.17	27,181.20	1,222.03
Marketing and Special Events	54,715.58	34,827.85	(19,887.73)
Administrative	31,287.45	20,500.00	(10,787.45)
Opportunity Fund	5,225.50	1,900.00	(3,325.50)
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Total Expenses	270,170.03	284,854.11	14,684.08
Change in Net Assets	3,664.88	-	3,664.88
Net Assets, Beginning of Period	184,262.41	161,156.02	23,106.39
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Net Assets, End of Period	<u>\$ 187,927.29</u>	<u>\$ 161,156.02</u>	<u>\$ 26,771.27</u>
 CID Contracted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 16,967.84	\$ 17,067.46	\$ 99.62
Maintenance Personnel	10,860.18	16,413.83	5,553.65
Economic Development Personnel	17,344.84	18,097.86	753.02
Marketing and Special Events Personnel	13,616.99	12,947.85	(669.14)
Administration	21,038.81	14,431.83	(6,606.98)
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	<u>\$ 79,828.66</u>	<u>\$ 78,958.83</u>	<u>\$ (869.83)</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 Ten Months Ending April 30, 2019

	<u>YTD April</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 2,676,890.60	\$ 2,711,781.40	\$ (34,890.80)	\$ 3,468,078.61
Carryforward Usage	76,890.15	100,000.00	(23,109.85)	100,000.00
Payment in lieu of CID	12,500.00	-	12,500.00	-
Interest Income	5,926.89	6,250.00	(323.11)	7,500.00
Other, net	30,779.70	-	30,779.70	-
Total Revenue	2,802,987.34	2,818,031.40	(15,044.06)	3,575,578.61
Expenses:				
Security	827,459.41	743,067.29	(84,392.12)	1,150,737.54
Maintenance	701,797.25	838,463.63	136,666.38	1,019,055.48
Economic Development	461,817.60	475,744.95	13,927.35	528,774.34
Marketing and Special Events	447,964.38	397,655.53	(50,308.85)	473,511.24
Administrative	250,362.28	194,900.00	(55,462.28)	231,500.00
Opportunity Fund	76,890.15	168,200.00	91,309.85	172,000.00
Total Expenses	2,766,291.07	2,818,031.40	51,740.33	3,575,578.61
Change in Net Assets	36,696.27	-	36,696.27	-
Net Assets, Beginning of Period	151,231.02	161,156.02	(9,925.00)	161,156.02
Net Assets, End of Period	\$ 187,927.29	\$ 161,156.02	\$ 26,771.27	\$ 161,156.02
 CID Contracted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 166,294.85	\$ 170,674.62	\$ 4,379.77	\$ 204,809.54
Maintenance Personnel	118,772.76	164,138.26	45,365.50	196,965.91
Economic Development Personnel	180,002.90	180,978.62	975.72	217,174.34
Marketing and Special Events Personnel	133,444.96	129,478.53	(3,966.43)	155,374.24
Non-personnel Shared Expenses	182,288.67	144,318.30	(37,970.37)	173,181.96
	\$ 780,804.14	\$ 789,588.34	\$ 8,784.20	\$ 947,506.00

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

	4/30/2019	3/31/2019	6/30/2018
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 2,858,571.87	\$ 2,891,241.42	\$ 2,216,183.16
CID Assessment Receivable	268,452.46	307,895.33	136,641.05
Other Receivables	6,927.40	10,677.40	4,150.00
Due from Downtown STL, Inc.	-	-	95,776.65
Prepaid Expense	5,938.90	18,203.08	11,920.48
Total Current Assets	3,139,890.63	3,228,017.23	2,464,671.34
Equipment, net	89,302.15	90,515.70	73,289.29
Total Assets	\$ 3,229,192.78	\$ 3,318,532.93	\$ 2,537,960.63
Liabilities			
Accounts Payable	\$ 47,423.79	\$ 123,683.53	\$ 156,287.71
Due to Downtown STL, Inc.	66,895.85	20,568.62	-
Other Current Liabilities	28,374.32	160.00	-
Deferred CID Revenue - Prior Years	453,514.66	-	2,225,016.71
Deferred CID Revenue - Current Year	2,441,197.78	2,533,402.61	-
Other Deferred Revenue	3,419.09	5,075.54	106.19
Total Current Liabilities	3,040,825.49	2,682,890.30	2,381,410.61
Other Long-Term Liabilities	440.00	330.00	440.00
Net Assets			
Equity	151,231.02	151,231.02	148,530.16
Net Gain	36,696.27	33,031.39	2,700.86
Total Net Assets	187,927.29	184,262.41	151,231.02
Total Liabilities and Net Assets	\$ 3,229,192.78	\$ 2,867,482.71	\$ 2,533,081.63

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Downtown St. Louis Community Improvement District
Statement of Cash Flows
For the Month and Ten Months Ending April 30, 2019

	For the Month Ended 04/30/2019	For the Ten Months Ending 04/30/2019
Cash Flows from Operating Activities		
Increase in Unrestricted Net Assets	\$ 3,664.88	\$ 36,696.27
Adjustments to reconcile the Change in Unrestricted Net Assets to Net Cash used by operations:		
Noncash charges and credits:		
Depreciation and Amortization	1,213.55	14,186.14
Change in Operating Assets:		
(Increase)/Decrease in Accounts Receivable	3,750.00	(2,777.40)
(Increase)/Decrease in CID Assessment Receivable	39,442.87	(131,811.41)
Decrease in Due to/from Community Improvement District	46,327.23	162,672.50
Decrease in Prepaid Expense	12,264.18	5,981.58
Change in Operating Liabilities:		
(Decrease) in Accounts Payable	(76,259.74)	(108,863.92)
Increase/(Decrease) in Deferred Non-CID Assessment Revenue	(1,656.45)	3,312.90
Increase/(Decrease) in Deferred CID Assessment Revenue	(89,740.39)	669,695.73
Increase in Accrued Expenses	28,324.32	23,495.32
Total Net Cash (used)/provided by operations:	(32,669.55)	672,587.71
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	(32,669.55)	642,388.71
Cash at beginning of period	2,891,241.42	2,216,183.16
Cash at end of period	\$ 2,858,571.87	\$ 2,858,571.87

**Downtown Community Improvement District
Analysis of Budgeted Expenses
For the Month Ended April 30, 2019**

Budgeted Expenses	\$ 284,854
Lower than budgeted supplemental security	(24,065)
Clean team salaries over budget due to Green Team adjustment made	24,206
Higher than budgeted shared admin expenses	7,543
LLCID budgeted expenses not submitted	(10,493)
Decreased maintenance payroll primarily due to resignation of Beautification Supervisor	(5,703)
Consulting and miscellaneous security budgeted not incurred	(32,000)
Higher than budgeted Elasticity/marketing costs	7,335
US Women's Soccer Event not budgeted	10,000
Other, net	8,493
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Actual Expenses	<u><u>\$ 270,170</u></u>

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**Downtown Community Improvement District
Analysis of Budgeted Expenses
For the Ten Months Ending April 30, 2019**

Budgeted Expenses	\$ 2,818,031
Lower Opportunity Fund Expenses: Legal expenses and economic project not yet incurred	(91,310)
LLCID budgeted expenses not submitted	(79,820)
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	167,598
Higher Elasticity costs than budgeted	40,931
Higher than budgeted legal expenses related to general admin	22,471
Higher accounting costs due to work associated with yearend audit	12,036
Other, net	(26,225)
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Actual Expenses	<u><u>\$ 2,766,291</u></u>

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