

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

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending August 31, 2019 totaled \$257K compared to a budget of \$319K, causing a negative variance of \$61K for the month. Revenues for the first two months of FY2020 were \$512K, \$65K less than budgeted revenues of \$577K.

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 lower than budget by \$54K for the month August, and \$49K year-to-date.

Carryforward Usage revenues are related to prior years’ CID assessments. For the month of August, \$4K was accrued for Laclede’s Landing, and \$.3K was incurred at the CID. Year-to-date, \$6K was accrued for Laclede’s Landing and \$.3K incurred for the CID, causing a positive variance to budget of \$10K for the first two months of the fiscal year.

Payment in Lieu of CID was budgeted at \$3.5K for the month of August, and \$7.0K year-to-date. The amount received through August 31, 2019 represents \$2.5K, causing a positive variance of \$4.5K.

Expenses

Total Expenses for the two-month period ending August 31, 2019 totaled \$512K, and \$257K for the month as compared to budgeted expenses of \$577K for the two-month period, and \$319K for the month, producing positive variances of \$65K year-to-date, and \$61K for the month.

Security expenses were \$35K and \$126K for the month and year-to-date August, respectively, representing favorable variances of \$62K for the month, and \$59K for the year, as compared to budget. The main reasons for the variance are reimbursement from Lumiere in the amount of \$45K for the contract with The City’s Finest, deferred costs in security costs compared to budget, and a budgeted contingency of \$9K that was not incurred.

Maintenance expenses were higher than budget by \$4K for the month of August, but \$7K lower than budget year-to-date. The variance for the month is due to Laclede Landing maintenance salary expenses paid in excess of budget, and clean team wages over budget due to extra hours, offset by landscaping fees running under budget. The year-to-date positive variance is due to the SFP Landscaping fees running below budget. The budget remained flat for the year, but expenses may increase in the summer months, causing actual expenses to come closer to budget.

Economic Development expense of \$72K for the month of August, and \$96K year-to-date were favorable to budget for the month by \$4K and \$7.2K for the year-to-date, mainly due to the loss of key economic development personnel.

Marketing and Special Events expenses were \$1K higher than the budgeted amount of \$42K in August and \$11K unfavorable year-to-date of the budgeted amount of \$85K. The year-to-date variance was a result of an unfavorable variance for Laclede’s Landing special event, Big Muddy Music Festival, as well as the August payment of the photographer’s retainer, both of which are deferred with regards to the budget.

Administrative expenses were \$17.2K for the month of August, which was right on track with the budget. Year-to-date August, budgeted expenses were \$35K, which is \$4K higher than the actual expenses incurred of \$31K. This was primarily due to shared administrative expenses being less than budget. Entertainment and other professional services were budgeted evenly throughout the year and there have been no costs incurred for these to date, causing the favorable variance. It is expected that these will be incurred at a later time.

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 of interest income. For the month ending August 31, 2019, the change in net assets was minimal.

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 \$257K, primarily representing the assessments due the CID for calendar year 2019.

Deferred CID Assessment Revenue represents CID assessments assessed (includes money received and still receivable) but not yet recognized as revenue. The balance as of August 31, 2019 for all prior years' Deferred CID Assessment Revenue is \$460K. Deferred CID Assessment Revenue for 2019 is \$1.2M.

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

	8/31/2019	6/30/2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,730,416.17	\$ 2,309,446.98
CID Assessment Receivable	257,009.66	256,425.46
Other Receivables	55,260.00	11,210.00
Prepaid Expense	4,392.92	5,691.89
Total Current Assets	2,047,078.75	2,582,774.33
Equipment, net	34,976.80	37,136.14
Total Assets	\$ 2,082,055.55	\$ 2,619,910.47
 Liabilities		
Accounts Payable	\$ 122,112.97	\$ 200,721.91
Due to Downtown STL, Inc.	22,767.89	25,303.48
Deferred CID Revenue - Prior Years	460,231.20	459,114.66
Deferred CID Revenue - Current Year	1,232,713.30	1,742,962.27
Other Deferred Revenue	1,250.00	-
Total Current Liabilities	1,891,858.37	2,428,102.32
Other Long-Term Liabilities	660.00	2,300.00
 Net Assets		
Equity	189,508.15	148,837.02
Net Gain	29.03	40,671.13
Total Net Assets	189,537.18	189,508.15
Total Liabilities and Net Assets	\$ 2,082,055.55	\$ 2,619,910.47

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 Month Ended August 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 251,858.37	\$ 306,080.74	\$ (54,222.37)
Carryforward Usage	4,274.50	8,333.33	(4,058.83)
Payment in lieu of CID	1,250.00	3,494.08	(2,244.08)
Interest Income	13.43	625.00	(611.57)
	<u>257,396.30</u>	<u>318,533.15</u>	<u>(61,136.85)</u>
Expenses:			
Security	35,197.69	96,989.93	61,792.24
Maintenance	85,667.70	81,413.86	(4,253.84)
Economic Development	72,139.73	76,570.71	4,430.98
Marketing and Special Events	42,869.04	41,941.62	(927.42)
Administrative	17,234.21	-	(17,234.21)
Opportunity Fund	4,274.50	4,000.00	(274.50)
	<u>257,382.87</u>	<u>300,916.12</u>	<u>43,533.25</u>
Change in Net Assets	13.43	17,617.03	(17,603.60)
Net Assets, Beginning of Period	189,523.75	161,156.02	28,367.73
	<u>189,537.18</u>	<u>178,773.05</u>	<u>10,764.13</u>
CID Contracted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 16,623.76	\$ 17,121.36	\$ 497.60
Maintenance Personnel	10,573.76	11,068.18	494.42
Economic Development Personnel	11,745.79	18,654.05	6,908.26
Marketing and Special Events Personnel	13,322.70	13,311.63	(11.07)
Administration	11,693.13	12,617.03	923.90
	<u>\$ 63,959.14</u>	<u>\$ 72,772.25</u>	<u>\$ 8,813.11</u>

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

	<u>YTD August</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 503,014.00	\$ 552,003.57	\$ (48,989.57)	\$ 3,371,500.93
Carryforward Usage	6,174.50	16,666.66	(10,492.16)	100,000.00
Payment in lieu of CID	2,500.00	6,988.17	(4,488.17)	41,929.00
Interest Income	29.03	1,250.00	(1,220.97)	7,500.00
	<u>511,717.53</u>	<u>576,908.40</u>	<u>(65,190.87)</u>	<u>3,520,929.93</u>
Expenses:				
Security	125,965.47	123,611.28	(2,354.19)	1,144,884.22
Maintenance	155,565.70	162,427.72	6,862.02	974,316.32
Economic Development	96,334.95	103,574.42	7,239.47	464,448.55
Marketing and Special Events	96,294.59	84,883.24	(11,411.35)	538,376.48
Administrative	31,353.29	17,617.04	(13,736.25)	226,904.36
Opportunity Fund	6,174.50	5,900.00	(274.50)	172,000.00
	<u>511,688.50</u>	<u>498,013.70</u>	<u>(13,674.80)</u>	<u>3,520,929.93</u>
Change in Net Assets	29.03	78,894.70	(78,865.67)	(0.00)
Net Assets, Beginning of Period	189,508.15	161,156.02	28,352.13	161,156.02
	<u>189,537.18</u>	<u>240,050.72</u>	<u>(50,513.54)</u>	<u>161,156.02</u>
CID Contracted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 35,837.53	\$ 34,242.71	\$ (1,594.82)	\$ 205,456.29
Maintenance Personnel	23,335.87	22,136.37	(1,199.50)	132,818.22
Economic Development Personnel	29,917.35	37,308.10	7,390.75	223,848.62
Marketing and Special Events Personnel	30,310.57	26,623.26	(3,687.31)	159,739.53
Non-personnel Shared Expenses	23,000.29	25,234.06	2,233.77	151,404.35
	<u>\$ 142,401.61</u>	<u>\$ 145,544.50</u>	<u>\$ 3,142.89</u>	<u>\$ 873,267.00</u>

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Downtown St. Louis Community Improvement District
Statement of Cash Flows
For the Month Ending August 31, 2019

	For the Month Ended 08/31/2019	For the Two Months Ending 08/31/2019
Cash Flows from Operating Activities		
Increase in Unrestricted Net Assets	\$ 13.43	\$ 29.03
Adjustments to reconcile the Change in Unrestricted Net Assets to Net Cash used by operations:		
Noncash charges and credits:		
Depreciation and Amortization	1,079.67	2,159.34
Change in Operating Assets:		
(Increase) in CID Assessment Receivable	(1,481.07)	(584.20)
(Increase) in Due to/from Community Improvement District	(5,493.46)	(2,535.59)
Decrease in Prepaid Expense	955.00	1,298.97
Change in Operating Liabilities:		
Increase (Decrease) in Accounts Payable	24,990.23	(78,608.94)
Increase (Decrease) in Deferred Non-CID Assessment Revenue	(1,250.00)	1,250.00
(Decrease) in Deferred CID Assessment Revenue	(254,651.80)	(507,707.43)
Increase in Accrued Expenses	40,013.01	49,718.01
Total Net Cash (used)/provided by operations:	(239,874.99)	(579,030.81)
Net cash increase for period	(239,874.99)	(579,030.81)
Cash at beginning of period	1,970,291.16	2,309,446.98
Cash at end of period	\$ 1,730,416.17	\$ 1,730,416.17

**Downtown Community Improvement District
Analysis of Budgeted Expenses
For the Month Ended August 31, 2019
(in thousands)**

Budgeted Expenses	\$ 319
Cost of SFP Landscaping under budget	(5)
Reimbursement by Lumiere for security bills	(45)
Budgeted security contingency not used	(9)
Economic Development - loss of personnel	(4)
Security payments under budget and deferred to a later period	(9)
Clean Team wages and LLCID maintenance	11
Other, net	(1)
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Actual Expenses	<u><u>\$ 257</u></u>

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

Budgeted Expenses	\$ 577
Laclede's Landing marketing event not budgeted	3
Laclede's Landing maintenance with SFP Landscaping under budget	(10)
Reimbursement by Lumiere for security bills	(45)
Budgeted security contingency not used	(9)
Economic Development - loss of personnel	(7)
Other, net	3
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Actual Expenses	<u><u>\$ 512</u></u>