

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

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending September 30, 2019 totaled \$262K compared to a budget of \$269K, causing a negative variance of \$7K for the month. Revenues for the first three months of FY2020 were \$818K, \$29K less than budgeted revenues of \$846K.

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 \$22K for the month September, and \$71K year-to-date.

Carryforward Usage revenues are related to prior years’ CID assessments. For the month of September, \$4K was incurred for Laclede’s Landing, and nothing was incurred at the CID. Year-to-date, \$10K was incurred for Laclede’s Landing and \$.3K incurred for the CID. These charges only resulted in a small variance to budget for the first three months of the fiscal year.

Payment in Lieu of CID was budgeted at \$3.5K for the month of September, and \$10.5K year-to-date. The amount received through September 30, 2019 represents \$3.8K, causing a negative variance of \$6.7K. This is the amount received from St Louis Custom House regarding the Old Post Office. The budget mistakenly over budgeted the payments from the Old Post Office. Therefore, the revenue is anticipated to be below budget for the year.

Other income, net is \$20K for the month, and \$64K year-to-date September. This amount represents income from the security agreement between the Downtown St. Louis Community Improvement District, and the Riverside and Laclede’s Landing CIDs.

Expenses

Total Expenses for the three-month period ending September 30, 2019 totaled \$818K, and \$262K for the month as compared to budgeted expenses of \$846K for the three-month period, and \$269K for the month, producing positive variances of \$29K year-to-date, and \$7K for the month. See below for detailed explanation of the expense categories.

Security expenses were \$68K and \$238K for the month and year-to-date September, respectively, representing favorable variances of \$21K for the month, and \$36K for the year, as compared to budget. The main reasons for the variances are lower than anticipated supplemental security costs incurred with The City’s Finest for the month and year-to-date. In addition, the September variance is favorable because of the budget contingency of \$9K not incurred. Overall, security expenses in general are running below budget both for the month of September and year-to-date.

Maintenance expenses were lower than budget by \$9K for the month of September, and \$16K lower than budget year-to-date. The variance for the month is due to landscaping fees and clean team supplies running under budget. The year-to-date positive variance is due to the SFP Landscaping fees running below budget prior to a new contract being signed. The budget remained flat for the year, but expenses may increase in future months, causing actual expenses to come closer to budget.

Economic Development expense of \$41K for the month of September, and \$137K year-to-date were unfavorable to budget for the month by \$14K and \$7.2K for the year-to-date, mainly due to \$10K overbudget for the month of September. Costs were incurred to research St Louis residential and business owner's attitudes. In addition, \$5K was spent on consulting fees for the Laclede's Landing CID that were not budgeted in the month of September.

Marketing and Special Events expenses were \$8K lower than the budgeted amount of \$51K in September and \$3K unfavorable year-to-date of the budgeted amount of \$136K. 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. The amount budgeted for Laclede Landing special events is flat for the first five months of the year, and as a result the variance has been getting smaller. The monthly variance was due to less money being spent on marketing and promotions with Elasticity than the amount budgeted. Marketing expenses were planned to be lower than budget for July through September as the agreement with Elasticity winds down.

Administrative expenses were \$31K for the month of September, which was \$13K higher than the budgeted amount of \$18K. Year-to-date September, budgeted expenses were \$53K, which is \$9K higher than the actual expenses incurred of \$62K. Expenses for the month were mainly higher because of audit fees paid in the amount of \$6K, legal fees paid in the amount of \$2K, and consulting paid to the former Director of Economic Development in the amount of \$3K. The consulting and the legal expenses were not budgeted. The audit expense was budgeted later in the year.

CID 2022 expenses were \$4K for the month and year-to-date September. This represents money being spent for the new CID in 2022. This was not included in the budget, and funds are being used from the prior years unused assessment revenue.

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 September 30, 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 \$248K, 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 September 30, 2019 for all prior years' Deferred CID Assessment Revenue is \$457K. Deferred CID Assessment Revenue for 2019 is \$994K.

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

	9/30/2019	6/30/2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,429,141.77	\$ 2,309,446.98
CID Assessment Receivable	248,256.61	256,425.46
Other Receivables	79,010.00	11,210.00
Prepaid Expense	5,087.92	5,691.89
Total Current Assets	1,761,496.30	2,582,774.33
 Equipment, net	 33,897.13	 37,136.14
 Total Assets	 \$ 1,795,393.43	 \$ 2,619,910.47
 Liabilities		
Accounts Payable	\$ 82,645.22	\$ 200,721.91
Due to Downtown STL, Inc.	7,308.58	25,303.48
Other Current Liabilities	60,723.57	-
Deferred CID Revenue - Prior Years	456,875.89	459,114.66
Deferred CID Revenue - Current Year	993,877.28	1,742,962.27
Other Deferred Revenue	3,750.00	-
Total Current Liabilities	1,605,180.54	2,428,102.32
 Other Long-Term Liabilities	 665.00	 2,300.00
 Net Assets		
Equity	189,508.15	148,837.02
Net Gain	39.74	40,671.13
Total Net Assets	189,547.89	189,508.15
 Total Liabilities and Net Assets	 \$ 1,795,393.43	 \$ 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 September 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 234,769.36	\$ 256,905.73	\$ (22,136.37)
Carryforward Usage	4,000.00	8,333.33	(4,333.33)
Payment in lieu of CID	1,250.00	3,494.08	(2,244.08)
Interest Income	1,852.61	625.00	1,227.61
Other, net	20,000.00	-	20,000.00
	<u>261,871.97</u>	<u>269,358.15</u>	<u>(7,486.18)</u>
Expenses:			
Security	67,819.77	88,489.93	20,670.16
Maintenance	71,595.65	81,013.86	9,418.21
Economic Development	41,021.41	26,570.71	(14,450.70)
Marketing and Special Events	43,050.82	51,066.62	8,015.80
Administrative	30,873.61	18,217.03	(12,656.58)
CID 2022	3,500.00	-	(3,500.00)
Opportunity Fund	4,000.00	4,000.00	-
	<u>261,861.26</u>	<u>269,358.15</u>	<u>7,496.89</u>
Change in Net Assets	10.71	(0.00)	10.71
Net Assets, Beginning of Period	189,537.18	161,156.02	28,381.16
	<u>189,537.18</u>	<u>161,156.02</u>	<u>28,381.16</u>
Net Assets, End of Period	<u>\$ 189,547.89</u>	<u>\$ 161,156.02</u>	<u>\$ 28,391.87</u>
CID Contracted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 18,132.38	\$ 17,121.36	\$ (1,011.02)
Maintenance Personnel	12,303.02	11,068.18	(1,234.84)
Economic Development Personnel	19,488.68	18,654.05	(834.63)
Marketing and Special Events Personnel	13,611.52	13,311.63	(299.89)
Administration	16,312.40	12,617.03	(3,695.37)
	<u>\$ 79,848.00</u>	<u>\$ 72,772.25</u>	<u>\$ (7,075.75)</u>

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Downtown St. Louis Community Improvement District, Inc.
Statement of Activities and Changes in Net Assets
For the Three Months Ending September 30, 2019

	<u>YTD September</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 737,783.36	\$ 808,909.30	\$ (71,125.94)	\$ 3,371,500.93
Carryforward Usage	10,174.50	25,000.00	(14,825.50)	100,000.00
Payment in lieu of CID	3,750.00	10,482.25	(6,732.25)	41,929.00
Interest Income	1,881.64	1,875.00	6.64	7,500.00
Other, net	64,050.00	-	64,050.00	-
Total Revenue	817,639.50	846,266.55	(28,627.05)	3,520,929.93
Expenses:				
Security	237,835.24	273,378.88	35,543.64	1,144,884.22
Maintenance	227,161.35	243,441.58	16,280.23	974,316.32
Economic Development	137,356.36	130,145.13	(7,211.23)	464,448.55
Marketing and Special Events	139,345.41	135,949.86	(3,395.55)	538,376.48
Administrative	62,226.90	53,451.10	(8,775.80)	226,904.36
CID 2022	3,500.00	-	(3,500.00)	-
Opportunity Fund	10,174.50	9,900.00	(274.50)	172,000.00
Total Expenses	817,599.76	846,266.55	28,666.79	3,520,929.93
Change in Net Assets	39.74	(0.00)	39.74	(0.00)
Net Assets, Beginning of Period	189,508.15	161,156.02	28,352.13	161,156.02
Net Assets, End of Period	<u>\$ 189,547.89</u>	<u>\$ 161,156.02</u>	<u>\$ 28,391.87</u>	<u>\$ 161,156.02</u>
CID Contracted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 53,969.90	\$ 51,364.07	\$ (2,605.83)	\$ 205,456.29
Maintenance Personnel	35,638.89	33,204.55	(2,434.34)	132,818.22
Economic Development Personnel	49,406.03	55,962.15	6,556.12	223,848.62
Marketing and Special Events Personnel	43,922.10	39,934.89	(3,987.21)	159,739.53
Non-personnel Shared Expenses	39,312.69	37,851.09	(1,461.60)	151,404.35
	<u>\$ 222,249.61</u>	<u>\$ 218,316.75</u>	<u>\$ (3,932.86)</u>	<u>\$ 873,267.00</u>

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

	<u>For the Month</u> <u>Ending 09/30/2019</u>	<u>For the Three</u> <u>Months Ending</u> <u>09/30/2019</u>
Cash Flows from Operating Activities		
Increase in Unrestricted Net Assets	\$ 10.71	\$ 39.74
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	3,239.01
Change in Operating Assets:		
Decrease in CID Assessment Receivable	8,753.05	8,168.85
(Increase) in Due to/from Community Improvement District	(15,459.31)	(17,994.90)
(Increase) Decrease in Prepaid Expense	(695.00)	603.97
Change in Operating Liabilities:		
(Decrease) in Accounts Payable	(39,467.75)	(118,076.69)
Increase in Deferred Non-CID Assessment Revenue	2,500.00	3,750.00
(Decrease) in Deferred CID Assessment Revenue	(242,191.33)	(749,898.76)
Increase in Accrued Expenses	7,945.56	57,663.57
Total Net Cash (used)/provided by operations:	<u>(301,274.40)</u>	<u>(880,305.21)</u>
Net cash increase for period	(301,274.40)	(880,305.21)
Cash at beginning of period	<u>1,730,416.17</u>	<u>2,309,446.98</u>
Cash at end of period	<u>\$ 1,429,141.77</u>	<u>\$ 1,429,141.77</u>

**Downtown Community Improvement District
 Analysis of Budgeted Expenses
 For the Month Ended September 30, 2019
 (in thousands)**

Budgeted Expenses	\$	269
Cost of SFP Landscaping under budget		(3)
Supplemental security expenses less than budget (Contract with The City's Finest)		(10)
Budgeted security contingency not used		(9)
Clean Team Supply costs budgeted for uniforms, gas, liners, etc. deferred until later in the year		(6)
Security payments for Laclede's Landing under budget and deferred to a later period		(7)
Audit fees paid, but budgeted in a later period		4
Unbudgeted consulting fees paid to former Director of Economic Development		3
Unbudgeted legal fees incurred		2
Laclede's Landing - Consulting fees not budgeted in the current month, but deferred to later		5
Amount incurred to Pop Research bill - St Louis residential and business attitudes		10
Other, net		4
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Actual Expenses	\$	<u>262</u>

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

Budgeted Expenses	\$ 846
Laclede's Landing marketing event for Bigg Muddy Music Festival not budgeted	3
Laclede's Landing maintenance with SFP Landscaping under budget	(10)
Supplemental security less than budget - deferred to a later period (The City's Finest)	(22)
Budgeted security contingency not used	(18)
Laclede's Landing - Consulting fees for JFM not budgeted	5
Amount incurred to Pop Research bill - St Louis residential and business attitudes	10
Other, net	4
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Actual Expenses	<u><u>\$ 818</u></u>

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