

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

Statement of Activities and Changes in Net Assets

Revenues

Revenues for the one-month period ending October 31, 2019 totaled \$235K compared to a budget of \$260K, causing a negative variance of \$25K for the month. Revenues for the first four months of FY2020 were \$1.05M, \$54K less than budgeted revenues of \$1.1M.

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 \$20K for the month October, and \$27K year-to-date.

Carryforward Usage revenues are related to prior years' CID assessments. For the month of October, \$3K was incurred for Laclede's Landing, and nothing was incurred at the CID. Year-to-date, \$13K was incurred for Laclede's Landing and \$.3K incurred for the CID.

Payment in Lieu of CID was budgeted at \$3.5K for the month of October, and \$14K year-to-date. The amount received through October 31, 2019 represents \$5K, causing a negative variance of \$9K. 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 \$3K for the month, and \$3K year-to-date October. 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 four month period ending October 31, 2019 totaled \$1.05M, and \$232K for the month as compared to budgeted expenses of \$1.1M for the four month period, and \$260K for the month, producing positive variances of \$56K year-to-date, and \$28K for the month. See below for detailed explanation of the expense categories.

Security expenses were \$74K and \$308K for the month and year-to-date October, respectively, representing favorable variances of \$14K for the month, and \$53K 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 October 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 October and year-to-date.

Maintenance expenses were lower than budget by \$11K for the month of October, and \$28K 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 \$17K for the month of October, and \$151K year-to-date were favorable to budget for the month by \$9K and \$5K for the year-to-date, mainly due to the loss of personnel that were budgeted.

Marketing and Special Events expenses were \$7K lower than the budgeted amount of \$43K in October and \$1K unfavorable year-to-date of the budgeted amount of \$179K. 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, offset by an increase in expenditures to Creative Circle. Marketing expenses were planned to be lower than budget for July through October as the agreement with Elasticity wound down.

Administrative expenses were \$22K for the month of October, which was \$1K higher than the budgeted amount of \$21K. Year-to-date October, budgeted expenses were \$74K, which is \$13K lower than the actual expenses incurred of \$87K. Expenses year-to-date 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 \$12K for the month and \$16K year-to-date October. 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 and the three percent charge to Riverside/Laclede's Landing for the supplemental security agreement with the CID. For the month ending October 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 \$3.7M, primarily representing the assessments due the CID for calendar year 2020.

Deferred CID Assessment Revenue represents CID assessments assessed (includes money received and still receivable) but not yet recognized as revenue. The balance as of October 31, 2019 for all prior years' Deferred CID Assessment Revenue is \$1.3M. Deferred CID Assessment Revenue for 2020 is \$3.5M.

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

	10/31/2019	6/30/2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,127,236.70	\$ 2,309,446.98
CID Assessment Receivable	3,734,599.31	256,425.46
Other Receivables	96,298.77	11,210.00
Prepaid Expense	6,484.90	5,691.89
Total Current Assets	4,964,619.68	2,582,774.33
 Equipment, net	 32,817.46	 37,136.14
 Total Assets	 \$ 4,997,437.14	 \$ 2,619,910.47
 Liabilities		
Accounts Payable	\$ 56,298.32	\$ 200,721.91
Due to Downtown STL, Inc.	(12,887.22)	25,303.48
Other Current Liabilities	27,676.90	3,175.00
Deferred CID Revenue - Prior Years	1,273,249.53	459,114.66
Deferred CID Revenue - Current Year	3,496,667.87	1,780,577.27
Other Deferred Revenue	2,500.00	-
Total Current Liabilities	4,843,505.40	2,468,892.32
 Other Long-Term Liabilities	 670.00	 550.00
 Net Assets		
Equity	150,468.15	148,837.02
Net Gain	2,793.59	1,631.13
Total Net Assets	153,261.74	150,468.15
 Total Liabilities and Net Assets	 \$ 4,997,437.14	 \$ 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 October 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues:			
CID Assessment	\$ 228,014.08	\$ 247,605.74	\$ (19,591.66)
Carryforward Usage	2,900.00	8,333.33	(5,433.33)
Payment in lieu of CID	1,250.00	3,494.08	(2,244.08)
Interest Income	133.67	625.00	(491.33)
Other, net	2,753.85	-	2,753.85
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Total Revenue	235,051.60	260,058.16	(25,006.56)
Expenses:			
Security	73,860.23	87,489.93	13,629.70
Maintenance	69,212.30	80,413.86	11,201.56
Economic Development	17,032.50	26,070.71	9,038.21
Marketing and Special Events	35,346.16	42,566.62	7,220.46
Administrative	21,783.23	20,617.03	(1,166.20)
CID 2022	12,163.33	-	(12,163.33)
Opportunity Fund	2,900.00	2,900.00	-
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Total Expenses	232,297.75	260,058.15	27,760.40
Change in Net Assets	2,753.85	0.00	2,753.85
Net Assets, Beginning of Period	150,507.89	161,156.02	(10,648.13)
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Net Assets, End of Period	<u>\$ 153,261.74</u>	<u>\$ 161,156.02</u>	<u>\$ (7,894.28)</u>
 CID Contracted Expenses with Downtown STL, Inc.			
Security Personnel	\$ 17,378.82	\$ 17,121.36	\$ (257.46)
Maintenance Personnel	49,316.37	11,068.18	(38,248.19)
Economic Development Personnel	12,478.68	18,654.05	6,175.37
Marketing and Special Events Personnel	11,898.18	13,311.63	1,413.45
Administration	16,137.80	12,617.03	(3,520.77)
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	<u>\$ 107,209.85</u>	<u>\$ 72,772.25</u>	<u>\$ (34,437.60)</u>

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

	<u>YTD October</u>	<u>YTD Budget</u>	<u>YTD Variance</u>	<u>Annual Budget</u>
Revenues:				
CID Assessment	\$ 1,029,807.70	\$ 1,056,515.04	\$ (26,707.34)	\$ 3,371,500.93
Carryforward Usage	13,074.50	33,333.33	(20,258.83)	100,000.00
Payment in lieu of CID	5,000.00	13,976.33	(8,976.33)	41,929.00
Interest Income	2,015.31	2,500.00	(484.69)	7,500.00
Other, net	2,793.59	-	2,793.59	-
Total Revenue	1,052,691.10	1,106,324.70	(53,633.60)	3,520,929.93
Expenses:				
Security	307,919.55	299,591.14	(8,328.41)	1,144,884.22
Maintenance	295,621.30	323,855.44	28,234.14	974,316.32
Economic Development	150,988.86	156,215.84	5,226.98	464,448.55
Marketing and Special Events	179,682.36	178,516.48	(1,165.88)	538,376.48
Administrative	86,947.61	74,068.13	(12,879.48)	226,904.36
CID 2022	15,663.33	-	(15,663.33)	-
Opportunity Fund	13,074.50	12,800.00	(274.50)	172,000.00
Total Expenses	1,049,897.51	1,045,047.03	(4,850.48)	3,520,929.93
Change in Net Assets	2,793.59	61,277.67	(58,484.08)	(0.00)
Net Assets, Beginning of Period	150,468.15	161,156.02	(10,687.87)	161,156.02
Net Assets, End of Period	\$ 153,261.74	\$ 222,433.69	\$ (69,171.95)	\$ 161,156.02
CID Contracted Expenses with Downtown STL, Inc.				
Security Personnel	\$ 71,348.72	\$ 68,485.43	\$ (2,863.29)	\$ 205,456.29
Maintenance Personnel	46,808.90	44,272.74	(2,536.16)	132,818.22
Economic Development Personnel	61,884.71	74,616.21	12,731.50	223,848.62
Marketing and Special Events Personnel	55,820.28	53,246.51	(2,573.77)	159,739.53
Non-personnel Shared Expenses	210,722.34	50,468.12	(160,254.22)	151,404.35
	\$ 446,584.95	\$ 291,089.01	\$ (155,495.94)	\$ 873,267.00

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

	For the Month Ending 10/31/2019	For the Four Months Ending 10/31/2019
Cash Flows from Operating Activities		
Increase in Unrestricted Net Assets	\$ 2,753.85	\$ 2,793.59
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	4,318.68
Change in Operating Assets:		
Decrease in CID Assessment Receivable	(3,486,342.70)	(3,478,173.85)
(Increase) in Due to/from Community Improvement District	(20,195.80)	(38,190.70)
(Increase) Decrease in Prepaid Expense	(1,396.98)	(793.01)
Change in Operating Liabilities:		
(Decrease) in Accounts Payable	(26,346.90)	(144,423.59)
Increase (Decrease) in Deferred Non-CID Assessment Revenue	(1,250.00)	2,500.00
Increase in Deferred CID Assessment Revenue	3,280,124.23	2,530,225.47
Increase (Decrease) in Accrued Expenses	(33,041.67)	24,621.90
Total Net Cash (used)/provided by operations:	(301,905.07)	(1,182,210.28)
Net cash increase for period	(301,905.07)	(1,182,210.28)
Cash at beginning of period	1,429,141.77	2,309,446.98
Cash at end of period	\$ 1,127,236.70	\$ 1,127,236.70

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

Budgeted Expenses	\$ 260
Cost of SFP and other Landscaping under budget	(10)
Supplemental security expenses less than budget (Contract with The City's Finest)	(11)
Budgeted security contingency not used	(9)
Unbudgeted consulting fees paid	15
Marketing fees budgeted with Elasticity, not incurred (including reversal from prior month)	(19)
Sponsorship of Christmas in STL and Thanksgiving parade, budgeted in November	5
Unbudgeted 2022 CID Expenses	12
Other, net	2
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Actual Expenses	<u><u>\$ 233</u></u>

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**Downtown Community Improvement District
 Analysis of Budgeted Expenses
 For the Four Months Ending October 31, 2019
 (in thousands)**

Budgeted Expenses	\$ 1,106
Laclede's Landing marketing event for Bigg Muddy Music Festival not budgeted	3
Maintenance with SFP Landscaping and other landscaping under budget	(20)
Supplemental security less than budget - deferred to a later period (The City's Finest)	(33)
Budgeted security contingency not used	(27)
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	6

Actual Expenses	<u><u>\$ 1,050</u></u>

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