



To Management
Houston Downtown Management District

Management is responsible for the accompanying financial statements of the Houston Downtown Management District (the District), which comprise the governmental fund balance sheets and statements of net position as of January 31, 2020 and 2019, and the related statements of activities for the months then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America and the required supplementary information that the Government Accounting Standards Board (GASB) requires to be presented to supplement the basic financial statements. If the omitted disclosures, and GASB required supplementary information were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The Variance Analysis on page 6 is presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements. The Variance Analysis is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

TNC CPAS

Houston, Texas
February 11, 2020

**Houston Downtown Management District
Governmental Fund Balance Sheets and
Statement of Net Position
January 31, 2020 and January 31, 2019**

	2020				2019			
	HDMD Operating Year to Date	HDMD Capital Year to Date	GreenLink Year to Date	Total (Memo Only)	HDMD Operating Year to Date	HDMD Capital Year to Date	GreenLink Year to Date	Total (Memo Only)
Assets								
Cash	\$ 21,031,269	\$ 3,000,871	\$ 750,266	\$ 24,782,406	\$ 17,721,462	\$ 2,832,915	\$ 1,168,190	\$ 21,722,566
Assessments Due	1,015,965	131,874	-	1,147,839	3,818,951	497,576	-	4,316,527
Accounts Receivable	121,969	-	-	121,969	57,728	11,084	-	68,812
Prepaid Expense	76,235	-	-	76,235	88,052	-	-	88,052
Inventory	-	-	79,148	79,148	-	-	80,448	80,448
Property & Equipment, Net	816,676	68,940	1,083,076	1,968,692	450,109	102,048	1,333,015	1,885,172
Intercompany Rec/Pay	(1,665,632)	1,665,632	-	-	(1,258,657)	1,258,657	-	-
Total Assets	<u>\$ 21,396,482</u>	<u>\$ 4,867,317</u>	<u>\$ 1,912,490</u>	<u>\$ 28,176,289</u>	<u>\$ 20,877,645</u>	<u>\$ 4,702,280</u>	<u>\$ 2,581,653</u>	<u>\$ 28,161,578</u>
Liabilities								
Accounts Payable & Accrued Expenses	\$ 986,578	\$ 73,500	\$ 135,073	\$ 1,195,152	\$ 1,058,212	\$ 311,669	\$ 133,000	\$ 1,502,881
Deferred Revenue & Reserve for Refunds	10,504	1,369	100,000	111,873	67,785	8,807	75,000	151,592
Total Liabilities & Deferred Revenue	<u>997,082</u>	<u>74,869</u>	<u>235,073</u>	<u>1,307,024</u>	<u>1,125,997</u>	<u>320,476</u>	<u>208,000</u>	<u>1,654,474</u>
Fund Balances								
Unreserved, Undesignated	19,599,400			19,599,400	18,951,648			18,951,648
Unreserved, Designated for Catastrophy	800,000			800,000	800,000			800,000
Reserved for Capital Projects		4,792,448	1,677,417	6,469,865		4,381,804	2,373,653	6,755,456
	<u>20,399,400</u>	<u>4,792,448</u>	<u>1,677,417</u>	<u>26,869,265</u>	<u>19,751,648</u>	<u>4,381,804</u>	<u>2,373,653</u>	<u>26,507,104</u>
Total Liabilities, Deferred Revenue & Fund Balances	<u>\$ 21,396,482</u>	<u>\$ 4,867,317</u>	<u>\$ 1,912,490</u>	<u>\$ 28,176,289</u>	<u>\$ 20,877,645</u>	<u>\$ 4,702,280</u>	<u>\$ 2,581,653</u>	<u>\$ 28,161,578</u>

**Houston Downtown Management District
Statement of Activities
Month Ended January 31, 2020**

	<u>Operating YTD Actual</u>	<u>Capital YTD Actual</u>	<u>Total YTD Actual</u>	<u>YTD Budget</u>	<u>Fav (Unfav) Variance</u>
Revenues					
Assessment Revenue	\$ 15,954	\$ 533	\$ 16,487	\$ -	\$ 16,487
Operations Revenue	30,047	-	30,047	37,000	(6,953)
Project Revenue	2,680	0	2,680	5,208	(2,528)
Salary Reimbursements	(14,791)	-	(14,791)	-	(14,791)
Interest Income	10,893	4,234	15,127	28,333	(13,206)
Total Revenues	\$ 44,783	\$ 4,767	\$ 49,550	\$ 70,542	\$ (20,991)
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 200,580	\$ -	\$ 200,580	\$ 245,433	\$ 44,854
Reduced Presence of Homeless & Street Persons	20,295	-	20,295	116,667	96,372
Downtown Sidewalks are Comfortably Lighted	698	-	698	10,000	9,302
Downtown Clean & Well-Kept Appearance	290,184	-	290,184	349,135	58,951
Remove Signs of Disorder in Downtown	2,705	-	2,705	2,917	212
Prepare for Emergencies	7,387	-	7,387	8,958	1,571
	521,849	-	521,849	733,110	211,261
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	3,795	-	3,795	36,458	32,663
Public Spaces Managed, Programmed, & Delightful	54,596	-	54,596	80,917	26,321
Place of Civic Celebration	92,093	-	92,093	101,000	8,907
	150,484	-	150,484	218,375	67,891
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	848	-	848	917	69
Convenient Circulation Without Personal Vehicle	52,437	-	52,437	833	(51,603)
Easy To Find Way Around	3,739	-	3,739	8,000	4,261
Connect Neighbors & Districts Inside/Outside Downtown	644	-	644	2,500	1,856
Convenient, Understandable & Managed Parking	611	-	611	625	14
	58,278	-	58,278	12,875	(45,403)
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	-	-	-	29,401	29,401
Exciting Neighborhoods to Live In	11,275	-	11,275	11,458	183
Competitive Shopping Place	2,000	-	2,000	2,083	83
Remarkable Destination for Visitors	4,061	-	4,061	5,167	1,105
	17,336	-	17,336	48,109	30,772
Downtown's Vision & Offering Understood By All					
Market to Region	44,801	-	44,801	75,717	30,916
Promote Downtown's Ease of Use	2,032	-	2,032	2,083	51
Vision/Development Framework Understood By All	16,393	-	16,393	84,625	68,232
Tools to Assist Continued Redevelopment	6,970	-	6,970	6,667	(303)
Develop & Maintain Information to Support Downtown	3,085	-	3,085	3,167	82
	73,281	-	73,281	172,258	98,977
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	72,136	-	72,136	55,340	(16,797)
Communications to Owners, Tenants & Others	2,033	-	2,033	2,500	467
Preservation of Districts' Capital Assets	33,883	-	33,883	35,000	1,117
	108,052	-	108,052	92,840	(15,212)
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	-	-	10,000	10,000
Public Realm is Charming, Inviting, & Beautiful	-	1,200	1,200	-	(1,200)
Accessible to Region & Easy to Get Around	-	-	-	143,667	143,667
Vibrant, Sustainable Mixed-Use Place	-	-	-	-	-
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	9,636	9,636	31,750	22,114
	-	10,836	10,836	185,417	174,580
Total Expenses	\$ 929,280	\$ 10,836	\$ 940,116	\$ 1,462,983	\$ 522,867
Depreciation Expense	7,497	2,759	10,256	9,705	(551)
Excess of Revenue Over Expenses GAAP Basis	\$ (891,994)	\$ (8,828)	\$ (900,822)	\$ (1,402,147)	\$ 501,325

Houston Downtown Management District
Statement of Activities
Months Ended January 31, 2020 and January 31, 2019

	Operating YTD Actual	Capital YTD Actual	2020 Total YTD Actual	2019 Total YTD Actual	Fav (Unfav) Variance
Revenues					
Assessment Revenue	\$ 15,954	\$ 533	\$ 16,487	\$ (100,112)	\$ 116,599
Operations Revenue	30,047	-	30,047	28,952	1,095
Project Revenue	2,680	0	2,680	3,955	(1,275)
Salary Reimbursements	(14,791)	-	(14,791)	(7,409)	(7,382)
Interest Income	10,893	4,234	15,127	23,565	(8,438)
Total Revenues	\$ 44,783	\$ 4,767	\$ 49,550	\$ (51,049)	\$ 100,599
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 200,580	\$ -	\$ 200,580	\$ 176,913	\$ (23,667)
Reduced Presence of Homeless & Street Persons	20,295	-	20,295	6,867	(13,428)
Downtown Sidewalks are Comfortably Lighted	698	-	698	1,084	386
Downtown Clean & Well-Kept Appearance	290,184	-	290,184	179,146	(111,039)
Remove Signs of Disorder in Downtown	2,705	-	2,705	2,873	168
Prepare for Emergencies	7,387	-	7,387	7,686	299
	521,849	-	521,849	374,568	(147,281)
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	3,795	-	3,795	5,554	1,759
Public Spaces Managed, Programmed, & Delightful	54,596	-	54,596	48,539	(6,057)
Place of Civic Celebration	92,093	-	92,093	19,886	(72,207)
	150,484	-	150,484	73,978	(76,505)
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	848	-	848	923	75
Convenient Circulation Without Personal Vehicle	52,437	-	52,437	43,486	(8,950)
Easy To Find Way Around	3,739	-	3,739	676	(3,063)
Connect Neighbors & Districts Inside/Outside Downtown	644	-	644	2,821	2,177
Convenient, Understandable & Managed Parking	611	-	611	1,212	601
	58,278	-	58,278	49,118	(9,160)
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	-	-	-	23,613	23,613
Exciting Neighborhoods to Live In	11,275	-	11,275	9,222	(2,053)
Competitive Shopping Place	2,000	-	2,000	3,964	1,964
Remarkable Destination for Visitors	4,061	-	4,061	4,464	402
	17,336	-	17,336	41,262	23,926
Downtown's Vision & Offering Understood By All					
Market to Region	44,801	-	44,801	24,827	(19,974)
Promote Downtown's Ease of Use	2,032	-	2,032	2,044	12
Vision/Development Framework Understood By All	16,393	-	16,393	268,719	252,326
Tools to Assist Continued Redevelopment	6,970	-	6,970	7,024	54
Develop & Maintain Information to Support Downtown	3,085	-	3,085	2,761	(324)
	73,281	-	73,281	305,375	232,094
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	72,136	-	72,136	52,012	(20,125)
Communications to Owners, Tenants & Others	2,033	-	2,033	1,421	(611)
Preservation of Districts' Capital Assets	33,883	-	33,883	33,387	(496)
	108,052	-	108,052	86,820	(21,232)
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	-	-	720	720
Public Realm is Charming, Inviting, & Beautiful	-	1,200	1,200	-	(1,200)
Accessible to Region & Easy to Get Around	-	-	-	(35,733)	(35,733)
Vibrant, Sustainable Mixed-Use Place	-	-	-	-	-
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	9,636	9,636	18,520	8,884
	-	10,836	10,836	(16,493)	(27,329)
Total Expenses	\$ 929,280	\$ 10,836	\$ 940,116	\$ 914,628	\$ (25,488)
Depreciation Expense	7,497	2,759	10,256	4,684	(5,572)
Excess of Revenue Over Expenses GAAP Basis	\$ (891,994)	\$ (8,828)	\$ (900,822)	\$ (970,361)	\$ 69,539

Greenlink-Downtown Circulator Fund
Statement of Activities
Month Ended January 31, 2020

	<u>Operating YTD Actual</u>	<u>Capital YTD Actual</u>	<u>Total YTD Actual</u>	<u>YTD Budget</u>	<u>Fav (Unfav) Variance</u>
Revenues					
HDMD Operations Sponsorship	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -
Houston First Operations Sponsorship	50,000		50,000	50,000	-
Corporate Sponsorship	-		-	-	-
TCEQ Grant Revenue	-		-	-	-
Interest Income	1,087		1,087	2,000	(913)
Total Revenues	<u>\$ 101,087</u>	<u>\$ -</u>	<u>\$ 101,087</u>	<u>\$ 102,000</u>	<u>\$ (913)</u>
Expenses					
Vehicle Operator Expense	135,000		135,000	134,000	(1,000)
Fuel Expense	10,000		10,000	8,750	(1,250)
Marketing Expense	-		-	-	-
Operating Administrative Expense	-		-	-	-
Miscellaneous Expense	-		-	-	-
	<u>145,000</u>	<u>-</u>	<u>145,000</u>	<u>142,750</u>	<u>(2,250)</u>
Total Expenses	<u>\$ 145,000</u>	<u>\$ -</u>	<u>\$ 145,000</u>	<u>\$ 142,750</u>	<u>\$ (2,250)</u>
Depreciation Expense	20,828		20,828	20,828	(0)
Excess of Revenue Over Expenses GAAP Basis	<u>\$ (64,741)</u>	<u>\$ -</u>	<u>\$ (64,741)</u>	<u>\$ (61,578)</u>	<u>\$ (3,163)</u>

Greenlink-Downtown Circulator Fund
Statement of Activities
Months Ended January 31, 2020 and January 31, 2019

	<u>Operating YTD Actual</u>	<u>Capital YTD Actual</u>	<u>2020 Total YTD Actual</u>	<u>2019 Total YTD Actual</u>	<u>Fav (Unfav) Variance</u>
Revenues					
HDMD Operations Sponsorship	\$ 50,000		\$ 50,000	\$ 37,500	\$ 12,500
Houston First Operations Sponsorship	50,000		50,000	37,500	12,500
Corporate Sponsorship	-		-	-	-
TCEQ Grant Revenue	-		-	-	-
Interest Income	1,087		1,087	2,506	(1,419)
Total Revenues	<u>\$ 101,087</u>	<u>\$ -</u>	<u>\$ 101,087</u>	<u>\$ 77,506</u>	<u>\$ 23,581</u>
Expenses					
Vehicle Operator Expense	135,000		135,000	104,957	(30,043)
Fuel Expense	10,000		10,000	6,605	(3,395)
Marketing Expense	-		-	-	-
Operating Administrative Expense	-		-	-	-
Miscellaneous Expense	-		-	-	-
	<u>145,000</u>	<u>-</u>	<u>145,000</u>	<u>111,563</u>	<u>(33,437)</u>
Total Expenses	<u>\$ 145,000</u>	<u>\$ -</u>	<u>\$ 145,000</u>	<u>\$ 111,563</u>	<u>\$ (33,437)</u>
Depreciation Expense	20,828		20,828	20,828	-
Excess of Revenue Over Expenses GAAP Basis	<u>\$ (64,741)</u>	<u>\$ -</u>	<u>\$ (64,741)</u>	<u>\$ (54,885)</u>	<u>\$ (9,857)</u>

Houston Downtown Management District

Variance Analysis

Year Ended January 31, 2020

Operating Budget

- 1) Revenue-Assessment revenue \$16K ahead of budget, salary reimbursements (\$15K) behind budget due to CHI true-up for 2019, and (\$13K) behind budget in interest income.

- 2) Goal 1a-Collaboration to Maintain Low Crime Rate-Ahead of budget \$35K in private security and \$10K in the PITT program.

- 3) Goal 1b- Reduced Presence of Homeless & Street Persons-Ahead of budget \$96K in homeless program support.

- 4) Goal 1d-Downtown Clean & Well-kept Appearance-Ahead of budget \$25K in paver repairs, \$25K in landscaping and tree maintenance, and \$11K in irrigation repairs.

- 5) Goal 2a-Key Pedestrian Streets Are Inviting-Ahead of budget \$32K in floral displays.

- 6) Goal 2b-Key Public Spaces Programmed and Delightful-Ahead of budget in Main Street Square maintenance \$21K, ahead of budget in Market Square Park maintenance \$9K.

- 7) Goal 3b-Accessible to Entire Region-Over budget (\$50K) in Greenlink contributions due to timing of invoices.

- 8) Goal 4a-Best Place to Work in Region-Ahead of budget \$29K due to timing of invoices.

- 9) Goal 5a-Market to Region-Ahead of budget \$30K in marketing & advertising.

- 10) Goal 5c-Vision/Development Framework Understood by All-Ahead of budget \$68K in planning expenditures.

- 11) Goal 6a-Engage Stakeholders in Decision Making-Over budget (\$17K) in legal and professional fees due to work on assessment hearing and new service plan.

Capital Budget

- 12) Ahead of budget \$10K in street lighting infill due to delay in solution for final Walker pole placement.

- 13) Ahead of budget \$94K due to delay in SE Sidewalks project, and \$50K in parking lot edge projects.

- 14) Ahead of budget \$22K in capital replacement expenditures.