

**Houston Downtown Management District
Governmental Fund Balance Sheets and
Statement of Net Assets
September 30, 2016 and September 30, 2015**

	2016				2015			
	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	\$ 8,432,226	\$ 2,268,677	\$ 1,425,360	\$ 12,126,262	\$ 5,409,759	\$ 3,047,738	\$ 1,421,674	\$ 9,879,171
Assessments Due, Net	-	-	-	-	-	-	-	-
Accounts Receivable	46,141	-	-	46,141	59,951	-	-	59,951
Prepaid Expense	80,750	-	-	80,750	68,000	-	-	68,000
Inventory	-	-	104,564	104,564	-	-	104,564	104,564
Property & Equipment, Net	80,344	6,823	1,916,206	2,003,373	87,189	17,632	2,166,147	2,270,968
Intercompany Rec/Pay	(4,298)	4,298	-	-	1,399	(1,399)	-	-
Total Assets	\$ 8,635,163	\$ 2,279,798	\$ 3,446,130	\$ 14,361,091	\$ 5,626,297	\$ 3,063,971	\$ 3,692,386	\$ 12,382,654
Liabilities								
Accounts Payable & Accrued Expenses	\$ 590,025	\$ 215,304	\$ 98,283	\$ 903,612	\$ 421,747	\$ 223,167	\$ 68,934	\$ 713,847
Deferred Revenue & Reserve for Refunds	1,185,900	150,630	150,000	1,486,529	-	-	187,500	187,500
Total Liabilities & Deferred Revenue	1,775,925	365,934	248,283	2,390,141	421,747	223,167	256,434	901,347
Fund Balances								
Unreserved, Undesignated	6,059,239			6,059,239	4,404,550			4,404,550
Unreserved, Designated for Catastrophy	800,000			800,000	800,000			800,000
Reserved for Capital Projects		1,913,864	3,197,847	5,111,711		2,840,804	3,435,952	6,276,756
	6,859,239	1,913,864	3,197,847	11,970,950	5,204,550	2,840,804	3,435,952	11,481,307
Total Liabilities, Deferred Revenue & Fund Balances	\$ 8,635,163	\$ 2,279,798	\$ 3,446,130	\$ 14,361,091	\$ 5,626,297	\$ 3,063,971	\$ 3,692,386	\$ 12,382,654

**Houston Downtown Management District
Statement of Activities
Nine Months Ended September 30, 2016**

	<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					
Assessments, Net	\$ 11,738,089	\$ 1,491,355	\$ 13,229,443	\$ 13,196,895	\$ 32,548
Operations Revenue	216,493	-	216,493	300,000	(83,507)
Project Revenue	98,933	98,597	197,530	545,250	(347,720)
Salary Reimbursements	56,966	-	56,966	20,000	36,966
Interest Income	44,891	8,455	53,346	8,438	44,909
Total Revenues	\$ 12,155,372	\$ 1,598,407	\$ 13,753,779	\$ 14,070,583	\$ (316,804)
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 1,383,618	\$ -	\$ 1,383,618	\$ 1,673,798	\$ 290,179
Reduced Presence of Homeless & Street Persons	349,933	-	349,933	356,250	6,317
Downtown Sidewalks are Comfortably Lighted	87,586	-	87,586	71,250	(16,335)
Downtown Clean & Well-Kept Appearance	2,008,133	-	2,008,133	1,976,900	(31,233)
Remove Signs of Disorder in Downtown	22,806	-	22,806	41,700	18,894
Prepare for Emergencies	61,466	-	61,466	86,250	24,784
	3,913,542	-	3,913,542	4,206,148	292,606
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	96,790	-	96,790	215,625	118,835
Public Spaces Managed, Programmed, & Delightful	388,722	-	388,722	542,250	153,528
Place of Civic Celebration	712,012	-	712,012	768,000	55,988
	1,197,523	-	1,197,523	1,525,875	328,352
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	7,682	-	7,682	7,500	(182)
Convenient Circulation Without Personal Vehicle	373,184	-	373,184	352,500	(20,684)
Easy To Find Way Around	74,265	-	74,265	79,375	5,110
Connect Neighbors & Districts Inside/Outside Downtown	76,045	-	76,045	67,500	(8,545)
Convenient, Understandable & Managed Parking	15,530	-	15,530	36,250	20,721
	546,705	-	546,705	543,125	(3,580)
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	161,619	-	161,619	161,625	6
Exciting Neighborhoods to Live In	113,095	-	113,095	67,125	(45,970)
Competitive Shopping Place	149,999	-	149,999	167,250	17,251
Remarkable Destination for Visitors	7,250	-	7,250	7,500	250
	431,963	-	431,963	403,500	(28,463)
Downtown's Vision & Offering Understood By All					
Market to Region	553,834	-	553,834	726,250	172,416
Promote Downtown's Ease of Use	16,278	-	16,278	15,750	(528)
Vision/Development Framework Understood By All	213,764	-	213,764	562,875	349,111
Tools to Assist Continued Redevelopment	66,431	-	66,431	67,500	1,069
Develop & Maintain Information to Support Downtown	35,633	-	35,633	43,650	8,016
	885,941	-	885,941	1,416,025	530,084
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	433,382	-	433,382	478,575	45,193
Communications to Owners, Tenants & Others	4,854	-	4,854	10,875	6,021
Preservation of Districts' Capital Assets	31,547	-	31,547	39,350	7,803
	469,783	-	469,783	528,800	59,017
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	20,000	20,000	45,000	25,000
Public Realm is Charming, Inviting, & Beautiful	-	247,281	247,281	546,250	298,969
Accessible to Region & Easy to Get Around	-	851,600	851,600	2,413,000	1,561,400
Vibrant, Sustainable Mixed-Use Place	-	30,707	30,707	187,500	156,793
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	2,136	2,136	299,500	297,364
	-	1,151,724	1,151,724	3,491,250	2,339,526
Total Expenses	\$ 7,445,457	\$ 1,151,724	\$ 8,597,180	\$ 12,114,723	\$ 3,517,543
Depreciation Expense	17,382	8,108	25,490	27,142	1,652
Excess of Revenue Over Expenses GAAP Basis	\$ 4,692,533	\$ 438,575	\$ 5,131,109	\$ 1,928,718	\$ 3,202,391

**Houston Downtown Management District
Statement of Activities
Nine Months Ended September 30, 2016 and September 30, 2015**

	Operating YTD Actual	Capital YTD Actual	2016 Total YTD Actual	2015 Total YTD Actual	Fav (Unfav) Variance
Revenues					
Assessments, Net	\$ 11,738,089	\$ 1,491,355	\$ 13,229,443	\$ 8,865,643	\$ 4,363,800
Operations Revenue	216,493	-	216,493	187,513	28,980
Project Revenue	98,933	98,597	197,530	129,192	68,338
Salary Reimbursements	56,966	-	56,966	15,648	41,319
Interest Income	44,891	8,455	53,346	8,503	44,843
Total Revenues	\$ 12,155,372	\$ 1,598,407	\$ 13,753,779	\$ 9,206,498	\$ 4,547,281
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 1,383,618	\$ -	\$ 1,383,618	\$ 543,018	\$ (840,600)
Reduced Presence of Homeless & Street Persons	349,933	-	349,933	426,265	76,332
Downtown Sidewalks are Comfortably Lighted	87,586	-	87,586	58,575	(29,011)
Downtown Clean & Well-Kept Appearance	2,008,133	-	2,008,133	1,571,848	(436,285)
Remove Signs of Disorder in Downtown	22,806	-	22,806	1,005	(21,801)
Prepare for Emergencies	61,466	-	61,466	55,865	(5,601)
	<u>3,913,542</u>	<u>-</u>	<u>3,913,542</u>	<u>2,656,575</u>	<u>(1,256,967)</u>
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	96,790	-	96,790	182,573	85,783
Public Spaces Managed, Programmed, & Delightful	388,722	-	388,722	180,532	(208,190)
Place of Civic Celebration	712,012	-	712,012	219,612	(492,399)
	<u>1,197,523</u>	<u>-</u>	<u>1,197,523</u>	<u>582,717</u>	<u>(614,806)</u>
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	7,682	-	7,682	7,381	(301)
Convenient Circulation Without Personal Vehicle	373,184	-	373,184	348,255	(24,929)
Easy To Find Way Around	74,265	-	74,265	32,223	(42,041)
Connect Neighbors & Districts Inside/Outside Downtown	76,045	-	76,045	49,766	(26,279)
Convenient, Understandable & Managed Parking	15,530	-	15,530	32,587	17,057
	<u>546,705</u>	<u>-</u>	<u>546,705</u>	<u>470,212</u>	<u>(76,493)</u>
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	161,619	-	161,619	168,376	6,757
Exciting Neighborhoods to Live In	113,095	-	113,095	61,173	(51,922)
Competitive Shopping Place	149,999	-	149,999	142,575	(7,425)
Remarkable Destination for Visitors	7,250	-	7,250	2,953	(4,297)
	<u>431,963</u>	<u>-</u>	<u>431,963</u>	<u>375,077</u>	<u>(56,887)</u>
Downtown's Vision & Offering Understood By All					
Market to Region	553,834	-	553,834	453,865	(99,968)
Promote Downtown's Ease of Use	16,278	-	16,278	15,341	(937)
Vision/Development Framework Understood By All	213,764	-	213,764	219,544	5,780
Tools to Assist Continued Redevelopment	66,431	-	66,431	55,455	(10,976)
Develop & Maintain Information to Support Downtown	35,633	-	35,633	22,339	(13,294)
	<u>885,941</u>	<u>-</u>	<u>885,941</u>	<u>766,545</u>	<u>(119,396)</u>
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	433,382	-	433,382	487,680	54,298
Communications to Owners, Tenants & Others	4,854	-	4,854	14,522	9,667
Preservation of Districts' Capital Assets	31,547	-	31,547	30,315	(1,232)
	<u>469,783</u>	<u>-</u>	<u>469,783</u>	<u>532,516</u>	<u>62,733</u>
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	20,000	20,000	112,464	92,464
Public Realm is Charming, Inviting, & Beautiful	-	247,281	247,281	60,000	(187,280)
Accessible to Region & Easy to Get Around	-	851,600	851,600	1,260,208	408,608
Vibrant, Sustainable Mixed-Use Place	-	30,707	30,707	46,500	15,793
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	2,136	2,136	153,340	151,205
	<u>-</u>	<u>1,151,724</u>	<u>1,151,724</u>	<u>1,632,513</u>	<u>480,790</u>
Total Expenses	\$ 7,445,457	\$ 1,151,724	\$ 8,597,180	\$ 7,016,155	\$ (1,581,025)
Depreciation Expense	17,382	8,108	25,490	32,571	7,081
Excess of Revenue Over Expenses GAAP Basis	\$ 4,692,533	\$ 438,575	\$ 5,131,109	\$ 2,157,772	\$ 2,973,336

Greenlink-Downtown Circulator Fund
Statement of Activities
Nine Months Ended September 30, 2016

	<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	\$ 306,250	\$ -	\$ 306,250	\$ 281,250	\$ 25,000
Houston First Operations Sponsorship	306,250		306,250	281,250	25,000
BG Group Operations Sponsorship	156,250		156,250	281,250	(125,000)
Advertising Revenue	-		-	-	-
Interest Income	5,253		5,253	900	4,353
Total Revenues	\$ 774,003	\$ -	\$ 774,003	\$ 844,650	\$ (70,647)
Expenses					
Vehicle Operator Expense	695,500		695,500	902,000	206,500
Fuel Expense	69,700		69,700	86,500	16,800
Marketing Expense	15,604		15,604	108,000	92,396
Operating Administrative Expense	50,770		50,770	45,000	(5,770)
Miscellaneous Expense	-		-	-	-
	<u>831,574</u>	<u>-</u>	<u>831,574</u>	<u>1,141,500</u>	<u>309,926</u>
Total Expenses	\$ 831,574	\$ -	\$ 831,574	\$ 1,141,500	\$ 309,926
Depreciation Expense	187,454		187,454	187,452	(2)
Excess of Revenue Over Expenses GAAP Basis	\$ (245,025)	\$ -	\$ (245,025)	\$ (484,302)	\$ 239,277

Greenlink-Downtown Circulator Fund
Statement of Activities
Nine Months Ended September 30, 2016 and September 30, 2015

	<u>Operating YTD Actual</u>	<u>Capital YTD Actual</u>	<u>2016 Total YTD Actual</u>	<u>2015 Total YTD Actual</u>	<u>Fav (Unfav) Variance</u>
Revenues					
HDMD Operations Sponsorship	\$ 306,250		\$ 306,250	\$ 281,250	\$ 25,000
Houston First Operations Sponsorship	306,250		306,250	281,250	25,000
BG Group Operations Sponsorship	156,250		156,250	281,250	(125,000)
Advertising Revenue	-		-	-	-
Interest Income	5,253		5,253	804	4,450
Total Revenues	<u>\$ 774,003</u>	<u>\$ -</u>	<u>\$ 774,003</u>	<u>\$ 844,554</u>	<u>\$ (70,550)</u>
Expenses					
Vehicle Operator Expense	695,500		695,500	582,500	(113,000)
Fuel Expense	69,700		69,700	53,336	(16,364)
Marketing Expense	15,604		15,604	14,994	(610)
Operating Administrative Expense	50,770		50,770	41,763	(9,007)
Miscellaneous Expense	-		-	-	-
	<u>831,574</u>	<u>-</u>	<u>831,574</u>	<u>692,593</u>	<u>(138,981)</u>
Total Expenses	<u>\$ 831,574</u>	<u>\$ -</u>	<u>\$ 831,574</u>	<u>\$ 692,593</u>	<u>\$ (138,981)</u>
Depreciation Expense	187,454		187,454	187,452	(2)
Excess of Revenue Over Expenses GAAP Basis	<u>\$ (245,025)</u>	<u>\$ -</u>	<u>\$ (245,025)</u>	<u>\$ (35,491)</u>	<u>\$ (209,534)</u>

Houston Downtown Management District

Variance Analysis

Nine Months Ended September 30, 2016

Operating Budget

- 1) Revenue-Assessment collections \$32K ahead of budget, bus stop cleaning and trash program operations revenue behind budget (\$84K), marketing partnerships behind budget (\$91K), project revenue behind (\$257K) due to delay in International Coffee Building with offsetting ahead of budget in expenditures, ahead in personnel reimbursements \$38K (flagging) and interest income \$45K.

- 2) Goal 1a-Collaboration to Maintain Low Crime Rate-Under budget \$72K on program for Off-Duty HPD Officers-program not fully staffed up, some allocated to PITT team. Under budget \$75K on Safety Guide Salaries due to early transfer to Block by Block and under \$143K due to open positions of DPSGs

- 3) Goal 1c-Downtown Sidewalks Comfortably Lighted-Over budget (\$16K) in street light maintenance, will even out over the year.

- 4) Goal 1d-Downtown Clean & Well-Kept Appearance-Over budget (\$230K) on Street Team cleaning and (\$26K) in facilities due to new lease/telecomm improvements, ahead of budget \$47K on paver repairs, \$152K on landscaping and tree maintenance, and \$26K in irrigation maintenance and repairs.

- 5) Goal 1e-Remove Signs of Disorder-Ahead of budget \$18K on graffiti abatement.

- 6) Goal 1f-Prepare for Emergencies-Ahead of budget \$25K on emergency expenditures.

- 7) Goal 2a-Key Pedestrian Streets are Inviting-Ahead of budget \$119K on accent planting due to timing.

- 8) Goal 2b-Public Spaces Managed, Programmed-Ahead of budget \$110K on Main Street Square fountain maintenance, ahead of budget \$20K on Market Square Park Maintenance, ahead \$24K in programming.

- 9) Goal 2c-Place of Civic Celebration-Ahead of budget \$40K due to timing on holiday expenditures and \$16K on ArtBlocks installations.

- 10) Goal 3b-Convenient Circulation Without Personal Vehicle-Behind budget (\$21K) due to increased contribution to Greenlink Circulator.

- 11) Goal 3e-Convenient, Understandable, Managed Parking-Ahead of budget \$21K on parking program expenditures.

- 12) Goal 4b-Exciting Neighborhoods to Live In-Behind budget (\$45K) Skyhouse DLI payment originally budgeted as an offset to revenue, created new expense line to track DLI rebates here.

- 13) Goal 4c-Competitive Shopping Place-Ahead of budget \$17K retail shopping programs due to timing of Fransen Company invoices.

- 14) Goal 5a-Market to Region-Ahead of budget \$121K on media & advertising expenditures and \$51K on magazine expenditures.

- 15) Goal 5c-Vision/Development Framework Understood by All-Ahead of budget \$350K on planning consulting expenditures.

- 16) Goal 6a-District Governance Known for Excellence-Ahead of budget \$38K in g & a expenses and \$7K on property insurance (actual cost less than estimate at budget).

Capital Budget

- 17) Under budget \$25K landscaping/tree projects not started yet.

- 18) Over budget (\$66K) in storefront/streetscape project grants, these were budgeted in 2015 but approved in January 2016, delay in International Coffee Building \$257K, ahead \$22K in banners-full expenditures not in as of yet, ahead \$85K on festoon lighting-delay in project.

- 19) Ahead of budget \$1,203K in wayfinding projects due to delays in completion of the projects, ahead \$150K due to delay in food cart purchase for Main Street Square, \$100K in bicycle projects and \$30K due to delay in Market Square Park lighting project, ahead \$78K timing on Main Street fountain.

- 20) Ahead \$157K in catalytic retail project grants, no new projects identified.

- 21) Ahead of budget \$297K in capital replacement expenditures.