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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To Management
Houston Downtown Management District
Houston, Texas

I have compiled the accompanying financial statements of the governmental activities and each major fund of Houston Downtown Management District as of June 30, 2016, including the governmental fund balance sheets and statements of net assets as of June 30, 2016 and June 30, 2015, and the statements of activities for the six (6) months ended June 30, 2016 and June 30, 2015. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures, the statement of cash flows, and the effect of GASB 34 required by accounting principles generally accepted in the United States of America. If the omitted disclosures, statement of cash flows, and the effect of GASB 34 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, these financial statements are not designed for those who are not informed about such matters.

The supplementary information contained in the accompanying variance analysis is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Dean C. Corbett, P.C.

July 14, 2016

**Houston Downtown Management District
Governmental Fund Balance Sheets and
Statement of Net Assets
June 30, 2016 and June 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	\$ 10,923,630	\$ 2,727,131	\$ 1,504,606	\$ 15,155,367	\$ 7,184,535	\$ 4,244,463	\$ 1,375,534	\$ 12,804,532
Assessments Due, Net	-	-	-	-	-	-	-	-
Accounts Receivable	31,854	-	-	31,854	46,506	-	-	46,506
Prepaid Expense	80,750	-	-	80,750	68,000	-	-	68,000
Inventory	-	-	104,564	104,564	-	-	104,564	104,564
Property & Equipment, Net	86,242	9,526	1,978,691	2,074,459	95,343	20,335	2,228,631	2,344,309
Intercompany Rec/Pay	(629)	629	-	-	(2,877)	2,877	-	-
Total Assets	<u>\$ 11,121,847</u>	<u>\$ 2,737,286</u>	<u>\$ 3,587,861</u>	<u>\$ 17,446,994</u>	<u>\$ 7,391,506</u>	<u>\$ 4,267,676</u>	<u>\$ 3,708,729</u>	<u>\$ 15,367,911</u>
Liabilities								
Accounts Payable & Accrued Expenses	\$ 784,651	\$ 200,086	\$ 93,994	\$ 1,078,730	\$ 345,066	\$ 300,000	\$ 70,827	\$ 715,893
Deferred Revenue & Reserve for Refunds	1,253,809	159,238	150,000	1,563,046	-	-	187,500	187,500
Total Liabilities & Deferred Revenue	<u>2,038,460</u>	<u>359,323</u>	<u>243,994</u>	<u>2,641,777</u>	<u>345,066</u>	<u>300,000</u>	<u>258,327</u>	<u>903,393</u>
Fund Balances								
Unreserved, Undesignated	8,283,387			8,283,387	6,246,440			6,246,440
Unreserved, Designated for Catastrophy	800,000			800,000	800,000			800,000
Reserved for Capital Projects		2,377,963	3,343,867	5,721,830		3,967,676	3,450,402	7,418,078
	<u>9,083,387</u>	<u>2,377,963</u>	<u>3,343,867</u>	<u>14,805,217</u>	<u>7,046,440</u>	<u>3,967,676</u>	<u>3,450,402</u>	<u>14,464,519</u>
Total Liabilities, Deferred Revenue & Fund Balances	<u>\$ 11,121,847</u>	<u>\$ 2,737,286</u>	<u>\$ 3,587,861</u>	<u>\$ 17,446,994</u>	<u>\$ 7,391,506</u>	<u>\$ 4,267,676</u>	<u>\$ 3,708,729</u>	<u>\$ 15,367,911</u>

**Houston Downtown Management District
Statement of Activities
Six Months Ended June 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	\$ 11,710,707	\$ 1,487,686	\$ 13,198,393	\$ 13,196,895	\$ 1,498
Operations Revenue	114,078	-	114,078	195,000	(80,922)
Project Revenue	66,511	-	66,511	358,500	(291,989)
Salary Reimbursements	79,644	-	79,644	20,000	59,644
Interest Income	30,215	4,852	35,067	5,625	29,442
Total Revenues	\$ 12,001,156	\$ 1,492,538	\$ 13,493,694	\$ 13,776,020	\$ (282,327)
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 965,802	\$ -	\$ 965,802	\$ 1,125,295	\$ 159,494
Reduced Presence of Homeless & Street Persons	252,702	-	252,702	237,500	(15,202)
Downtown Sidewalks are Comfortably Lighted	57,079	-	57,079	47,500	(9,579)
Downtown Clean & Well-Kept Appearance	1,232,539	-	1,232,539	1,325,600	93,061
Remove Signs of Disorder in Downtown	17,893	-	17,893	27,800	9,907
Prepare for Emergencies	42,562	-	42,562	57,500	14,938
	<u>2,568,577</u>	<u>-</u>	<u>2,568,577</u>	<u>2,821,195</u>	<u>252,619</u>
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	47,641	-	47,641	143,750	96,109
Public Spaces Managed, Programmed, & Delightful	264,647	-	264,647	361,500	96,853
Place of Civic Celebration	636,845	-	636,845	612,000	(24,845)
	<u>949,133</u>	<u>-</u>	<u>949,133</u>	<u>1,117,250</u>	<u>168,117</u>
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	5,118	-	5,118	5,000	(118)
Convenient Circulation Without Personal Vehicle	238,510	-	238,510	235,000	(3,510)
Easy To Find Way Around	28,219	-	28,219	61,250	33,031
Connect Neighbors & Districts Inside/Outside Downtown	49,398	-	49,398	45,000	(4,398)
Convenient, Understandable & Managed Parking	11,437	-	11,437	32,500	21,063
	<u>332,682</u>	<u>-</u>	<u>332,682</u>	<u>378,750</u>	<u>46,068</u>
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	109,746	-	109,746	109,750	4
Exciting Neighborhoods to Live In	45,329	-	45,329	44,750	(579)
Competitive Shopping Place	105,296	-	105,296	153,500	48,204
Remarkable Destination for Visitors	4,650	-	4,650	5,000	350
	<u>265,020</u>	<u>-</u>	<u>265,020</u>	<u>313,000</u>	<u>47,979</u>
Downtown's Vision & Offering Understood By All					
Market to Region	428,138	-	428,138	449,500	21,362
Promote Downtown's Ease of Use	10,549	-	10,549	10,500	(49)
Vision/Development Framework Understood By All	134,333	-	134,333	375,250	240,917
Tools to Assist Continued Redevelopment	43,512	-	43,512	45,000	1,487
Develop & Maintain Information to Support Downtown	20,318	-	20,318	29,100	8,782
	<u>636,851</u>	<u>-</u>	<u>636,851</u>	<u>909,350</u>	<u>272,499</u>
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	285,430	-	285,430	328,550	43,120
Communications to Owners, Tenants & Others	3,749	-	3,749	7,250	3,501
Preservation of Districts' Capital Assets	31,547	-	31,547	39,350	7,803
	<u>320,726</u>	<u>-</u>	<u>320,726</u>	<u>375,150</u>	<u>54,424</u>
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	20,000	20,000	35,000	15,000
Public Realm is Charming, Inviting, & Beautiful	-	139,591	139,591	367,500	227,909
Accessible to Region & Easy to Get Around	-	433,007	433,007	1,928,000	1,494,993
Vibrant, Sustainable Mixed-Use Place	-	25,000	25,000	125,000	100,000
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	(33,139)	(33,139)	208,000	241,139
	<u>-</u>	<u>584,459</u>	<u>584,459</u>	<u>2,663,500</u>	<u>2,079,041</u>
Total Expenses	\$ 5,072,990	\$ 584,459	\$ 5,657,449	\$ 8,578,196	\$ 2,920,747
Depreciation Expense	11,484	5,405	16,889	18,095	1,205
Excess of Revenue Over Expenses GAAP Basis	\$ 6,916,681	\$ 902,674	\$ 7,819,355	\$ 5,179,730	\$ 2,639,626

Houston Downtown Management District
Statement of Activities
Six Months Ended June 30, 2016 and June 30, 2015

	Operating YTD Actual	Capital YTD Actual	2016 Total YTD Actual	2015 Total YTD Actual	Fav (Unfav) Variance
Revenues					
Assessments, Net	\$ 11,710,707	\$ 1,487,686	\$ 13,198,393	\$ 8,854,990	\$ 4,343,403
Operations Revenue	114,078	-	114,078	102,791	11,287
Project Revenue	66,511	-	66,511	84,058	(17,547)
Salary Reimbursements	79,644	-	79,644	28,237	51,407
Interest Income	30,215	4,852	35,067	5,221	29,846
Total Revenues	\$ 12,001,156	\$ 1,492,538	\$ 13,493,694	\$ 9,075,297	\$ 4,418,396
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 965,802	\$ -	\$ 965,802	\$ 309,375	\$ (656,427)
Reduced Presence of Homeless & Street Persons	252,702	-	252,702	332,822	80,120
Downtown Sidewalks are Comfortably Lighted	57,079	-	57,079	31,872	(25,207)
Downtown Clean & Well-Kept Appearance	1,232,539	-	1,232,539	986,855	(245,684)
Remove Signs of Disorder in Downtown	17,893	-	17,893	1,005	(16,889)
Prepare for Emergencies	42,562	-	42,562	33,771	(8,790)
	<u>2,568,577</u>	<u>-</u>	<u>2,568,577</u>	<u>1,695,700</u>	<u>(872,876)</u>
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	47,641	-	47,641	127,086	79,445
Public Spaces Managed, Programmed, & Delightful	264,647	-	264,647	116,097	(148,550)
Place of Civic Celebration	636,845	-	636,845	105,428	(531,417)
	<u>949,133</u>	<u>-</u>	<u>949,133</u>	<u>348,611</u>	<u>(600,523)</u>
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	5,118	-	5,118	4,918	(200)
Convenient Circulation Without Personal Vehicle	238,510	-	238,510	228,993	(9,518)
Easy To Find Way Around	28,219	-	28,219	21,131	(7,088)
Connect Neighbors & Districts Inside/Outside Downtown	49,398	-	49,398	31,439	(17,959)
Convenient, Understandable & Managed Parking	11,437	-	11,437	10,876	(561)
	<u>332,682</u>	<u>-</u>	<u>332,682</u>	<u>297,356</u>	<u>(35,326)</u>
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	109,746	-	109,746	117,000	7,254
Exciting Neighborhoods to Live In	45,329	-	45,329	38,224	(7,104)
Competitive Shopping Place	105,296	-	105,296	96,297	(8,999)
Remarkable Destination for Visitors	4,650	-	4,650	1,968	(2,682)
	<u>265,020</u>	<u>-</u>	<u>265,020</u>	<u>253,489</u>	<u>(11,532)</u>
Downtown's Vision & Offering Understood By All					
Market to Region	428,138	-	428,138	303,569	(124,569)
Promote Downtown's Ease of Use	10,549	-	10,549	9,925	(624)
Vision/Development Framework Understood By All	134,333	-	134,333	115,603	(18,730)
Tools to Assist Continued Redevelopment	43,512	-	43,512	37,412	(6,101)
Develop & Maintain Information to Support Downtown	20,318	-	20,318	14,696	(5,622)
	<u>636,851</u>	<u>-</u>	<u>636,851</u>	<u>481,206</u>	<u>(155,645)</u>
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	285,430	-	285,430	309,369	23,939
Communications to Owners, Tenants & Others	3,749	-	3,749	5,409	1,660
Preservation of Districts' Capital Assets	31,547	-	31,547	30,315	(1,232)
	<u>320,726</u>	<u>-</u>	<u>320,726</u>	<u>345,094</u>	<u>24,368</u>
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	20,000	20,000	112,464	92,464
Public Realm is Charming, Inviting, & Beautiful	-	139,591	139,591	13,333	(126,258)
Accessible to Region & Easy to Get Around	-	433,007	433,007	266,190	(166,817)
Vibrant, Sustainable Mixed-Use Place	-	25,000	25,000	-	(25,000)
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	(33,139)	(33,139)	113,606	146,745
	<u>-</u>	<u>584,459</u>	<u>584,459</u>	<u>505,594</u>	<u>(78,865)</u>
Total Expenses	\$ 5,072,990	\$ 584,459	\$ 5,657,449	\$ 3,927,049	\$ (1,730,399)
Depreciation Expense	11,484	5,405	16,889	21,714	4,825
Excess of Revenue Over Expenses GAAP Basis	\$ 6,916,681	\$ 902,674	\$ 7,819,355	\$ 5,126,534	\$ 2,692,821

Greenlink-Downtown Circulator Fund
Statement of Activities
Six Months Ended June 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	\$ 193,750	\$ -	\$ 193,750	\$ 187,500	\$ 6,250
Houston First Operations Sponsorship	193,750		193,750	187,500	6,250
BG Group Operations Sponsorship	156,250		156,250	187,500	(31,250)
Advertising Revenue	-		-	-	-
Interest Income	3,308		3,308	600	2,708
Total Revenues	<u>\$ 547,058</u>	<u>\$ -</u>	<u>\$ 547,058</u>	<u>\$ 563,100</u>	<u>\$ (16,042)</u>
Expenses					
Vehicle Operator Expense	429,000		429,000	584,000	155,000
Fuel Expense	46,700		46,700	56,500	9,800
Marketing Expense	9,604		9,604	102,000	92,396
Operating Administrative Expense	35,790		35,790	30,000	(5,790)
Miscellaneous Expense	-		-	-	-
	<u>521,094</u>	<u>-</u>	<u>521,094</u>	<u>772,500</u>	<u>251,406</u>
Total Expenses	<u>\$ 521,094</u>	<u>\$ -</u>	<u>\$ 521,094</u>	<u>\$ 772,500</u>	<u>\$ 251,406</u>
Depreciation Expense	124,970		124,970	124,968	(2)
Excess of Revenue Over Expenses GAAP Basis	<u>\$ (99,005)</u>	<u>\$ -</u>	<u>\$ (99,005)</u>	<u>\$ (334,368)</u>	<u>\$ 235,363</u>

Greenlink-Downtown Circulator Fund
Statement of Activities
Six Months Ended June 30, 2016 and June 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	\$ 193,750		\$ 193,750	\$ 187,500	\$ 6,250
Houston First Operations Sponsorship	193,750		193,750	187,500	6,250
BG Group Operations Sponsorship	156,250		156,250	187,500	(31,250)
Advertising Revenue	-		-	-	-
Interest Income	3,308		3,308	441	2,867
Total Revenues	\$ 547,058	\$ -	\$ 547,058	\$ 562,941	\$ (15,883)
Expenses					
Vehicle Operator Expense	429,000		429,000	390,500	(38,500)
Fuel Expense	46,700		46,700	33,300	(13,400)
Marketing Expense	9,604		9,604	13,702	4,098
Operating Administrative Expense	35,790		35,790	21,513	(14,277)
Miscellaneous Expense	-		-	-	-
	<u>521,094</u>	<u>-</u>	<u>521,094</u>	<u>459,014</u>	<u>(62,080)</u>
Total Expenses	\$ 521,094	\$ -	\$ 521,094	\$ 459,014	\$ (62,080)
Depreciation Expense	124,970		124,970	124,968	(2)
Excess of Revenue Over Expenses GAAP Basis	\$ (99,005)	\$ -	\$ (99,005)	\$ (21,041)	\$ (77,964)

Houston Downtown Management District Variance Analysis Six Months Ended June 30, 2016

Operating Budget

- 1) Revenue-Bus stop cleaning and trash program operations revenue behind budget (\$80K), marketing partnerships behind budget (\$54K), project revenue behind (\$237K) due to delay in International Coffee Building with offsetting ahead of budget in expenditures, ahead in personnel reimbursements \$60K (flagging) and interest income \$29K.
- 2) Goal 1a-Collaboration to Maintain Low Crime Rate-Under budget \$47K on program for Off-Duty HPD Officers-program not fully staffed up, some allocated to PITT team. Under budget \$70K on Safety Guide Salaries due to early transfer to Block by Block of DPSGs. Ahead of budget \$39K, vendor behind on uniform cleaning invoices.
- 3) Goal 1b-Reduced Presence of Homeless & Street Persons-Over budget (\$15K), funds allocated to PITT team from Off Duty Officer program.
- 4) Goal 1d-Downtown Clean & Well-Kept Appearance-Over budget (\$115K) on Street Team cleaning, ahead of budget \$84K on paver repairs, \$116K on landscaping and tree maintenance, and \$10K in irrigation maintenance and repairs.
- 5) Goal 1f-Prepare for Emergencies-Ahead of budget \$15K on emergency expenditures.
- 6) Goal 2a-Key Pedestrian Streets are Inviting-Ahead of budget \$96K on accent planting due to timing.
- 7) Goal 2b-Public Spaces Managed, Programmed-Ahead of budget \$66K on Main Street Square fountain maintenance, ahead of budget \$15K on Market Square Park Maintenance, ahead \$9K in programming.
- 8) Goal 2c-Place of Civic Celebration-Over budget (\$13K) on the Art Program due to insurance costs and (\$12K) on banners due to installation of new banner set. The overage reflects the difference between high period costs and equal budgeting costs and should reverse by year end.
- 9) Goal 3c-Easy to Find Way Around-Ahead of budget \$30K on wayfinding maintenance, new above and below maps in development.
- 10) Goal 3e-Convenient, Understandable, Managed Parking-Ahead of budget \$25K on parking program expenditures.
- 11) Goal 4c-Competitive Shopping Place-Ahead of budget \$48K retail shopping programs due to timing of Fransen Company invoices.
- 12) Goal 5a-Market to Region-Ahead of budget \$21K on media & advertising expenditures.
- 13) Goal 5c-Vision/Development Framework Understood by All-Ahead of budget \$241K on planning consulting expenditures.
- 14) Goal 6a-District Governance Known for Excellence-Ahead of budget \$24K in g & a expenses, \$12K in audit fees (timing) and \$7K on property insurance (actual cost less than estimate at budget).

Capital Budget

- 15) Under budget \$15K landscaping/tree projects not started yet.
- 16) Over budget (\$51K) in storefront/streetscape project grants, these were budgeted in 2015 but approved in January 2016, delay in International Coffee Building \$237K, ahead \$22K in banners-full expenditures not in as of yet, ahead \$20K on festoon lighting-delay in project.
- 17) Ahead of budget \$1,206K in wayfinding projects due to delays in completion of the projects, ahead \$150K due to delay in food cart purchase for Main Street Square, \$80K in bicycle projects and \$30K due to delay in Market Square Park lighting project, ahead \$28K timing on Main Street fountain.
- 18) Ahead \$100K in catalytic retail project grants, no new projects identified.
- 19) Ahead of budget \$241K in capital replacement expenditures.

DEAN C. CORBETT, P.C.
CERTIFIED PUBLIC ACCOUNTANT
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Houston, Texas

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Dean C. Corbett, P.C.

August 8, 2016

**Houston Downtown Management District
Governmental Fund Balance Sheets and
Statement of Net Assets
July 31, 2016 and July 31, 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	\$ 9,861,311	\$ 2,694,265	\$ 1,406,488	\$ 13,962,065	\$ 6,624,187	\$ 3,577,171	\$ 1,305,926	\$ 11,507,284
Assessments Due, Net	-	-	-	-	-	-	-	-
Accounts Receivable	38,652	-	225,000	263,652	46,880	-	-	46,880
Prepaid Expense	43,250	-	-	43,250	36,750	-	-	36,750
Inventory	-	-	104,564	104,564	-	-	104,564	104,564
Property & Equipment, Net	84,276	8,625	1,957,862	2,050,764	92,625	19,434	2,207,803	2,319,862
Intercompany Rec/Pay	(3,706)	3,706	-	-	1,761	(1,761)	-	-
Total Assets	<u>\$ 10,023,783</u>	<u>\$ 2,706,596</u>	<u>\$ 3,693,915</u>	<u>\$ 16,424,294</u>	<u>\$ 6,802,203</u>	<u>\$ 3,594,844</u>	<u>\$ 3,618,294</u>	<u>\$ 14,015,340</u>
Liabilities								
Accounts Payable & Accrued Expenses	\$ 567,194	\$ 200,086	\$ 97,870	\$ 865,150	\$ 364,493	\$ 176,667	\$ 71,484	\$ 612,645
Deferred Revenue & Reserve for Refunds	1,193,505	151,594	300,000	1,645,099	-	-	93,750	93,750
Total Liabilities & Deferred Revenue	<u>1,760,699</u>	<u>351,679</u>	<u>397,870</u>	<u>2,510,249</u>	<u>364,493</u>	<u>176,667</u>	<u>165,234</u>	<u>706,395</u>
Fund Balances								
Unreserved, Undesignated	7,463,084			7,463,084	5,637,709			5,637,709
Unreserved, Designated for Catastrophy	800,000			800,000	800,000			800,000
Reserved for Capital Projects		2,354,917	3,296,045	5,650,962		3,418,177	3,453,060	6,871,236
	<u>8,263,084</u>	<u>2,354,917</u>	<u>3,296,045</u>	<u>13,914,045</u>	<u>6,437,709</u>	<u>3,418,177</u>	<u>3,453,060</u>	<u>13,308,945</u>
Total Liabilities, Deferred Revenue & Fund Balances	<u>\$ 10,023,783</u>	<u>\$ 2,706,596</u>	<u>\$ 3,693,915</u>	<u>\$ 16,424,294</u>	<u>\$ 6,802,203</u>	<u>\$ 3,594,844</u>	<u>\$ 3,618,294</u>	<u>\$ 14,015,340</u>

**Houston Downtown Management District
Statement of Activities
Seven Months Ended July 31, 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	\$ 11,734,881	\$ 1,490,763	\$ 13,225,643	\$ 13,196,895	\$ 28,748
Operations Revenue	150,767	-	150,767	240,000	(89,233)
Project Revenue	75,284	68,420	143,704	379,500	(235,796)
Salary Reimbursements	43,058	-	43,058	20,000	23,058
Interest Income	35,126	6,007	41,133	6,563	34,570
Total Revenues	\$ 12,039,117	\$ 1,565,189	\$ 13,604,306	\$ 13,842,958	\$ (238,652)
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 1,098,699	\$ -	\$ 1,098,699	\$ 1,307,463	\$ 208,764
Reduced Presence of Homeless & Street Persons	279,458	-	279,458	277,083	(2,375)
Downtown Sidewalks are Comfortably Lighted	72,309	-	72,309	55,417	(16,892)
Downtown Clean & Well-Kept Appearance	1,502,156	-	1,502,156	1,542,700	40,544
Remove Signs of Disorder in Downtown	17,830	-	17,830	32,433	14,604
Prepare for Emergencies	49,956	-	49,956	67,083	17,127
	3,020,408	-	3,020,408	3,282,179	261,772
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	69,517	-	69,517	167,709	98,191
Public Spaces Managed, Programmed, & Delightful	319,210	-	319,210	421,750	102,540
Place of Civic Celebration	655,946	-	655,946	647,333	(8,613)
	1,044,673	-	1,044,673	1,236,792	192,119
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	5,973	-	5,973	5,833	(139)
Convenient Circulation Without Personal Vehicle	283,526	-	283,526	274,167	(9,360)
Easy To Find Way Around	33,626	-	33,626	67,292	33,665
Connect Neighbors & Districts Inside/Outside Downtown	58,214	-	58,214	52,500	(5,714)
Convenient, Understandable & Managed Parking	12,777	-	12,777	33,750	20,973
	394,116	-	394,116	433,542	39,426
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	127,037	-	127,037	127,042	5
Exciting Neighborhoods to Live In	97,935	-	97,935	52,208	(45,727)
Competitive Shopping Place	125,150	-	125,150	158,083	32,933
Remarkable Destination for Visitors	5,512	-	5,512	5,833	321
	355,634	-	355,634	343,167	(12,468)
Downtown's Vision & Offering Understood By All					
Market to Region	485,453	-	485,453	524,083	38,630
Promote Downtown's Ease of Use	12,412	-	12,412	12,250	(162)
Vision/Development Framework Understood By All	156,092	-	156,092	437,792	281,699
Tools to Assist Continued Redevelopment	51,107	-	51,107	52,500	1,393
Develop & Maintain Information to Support Downtown	25,534	-	25,534	33,950	8,416
	730,599	-	730,599	1,060,575	329,976
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	348,203	-	348,203	383,058	34,856
Communications to Owners, Tenants & Others	4,109	-	4,109	8,458	4,350
Preservation of Districts' Capital Assets	31,547	-	31,547	39,350	7,803
	383,858	-	383,858	430,867	47,009
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	20,000	20,000	37,500	17,500
Public Realm is Charming, Inviting, & Beautiful	-	133,465	133,465	387,500	254,035
Accessible to Region & Easy to Get Around	-	522,684	522,684	2,083,000	1,560,316
Vibrant, Sustainable Mixed-Use Place	-	30,707	30,707	145,833	115,126
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	(27,601)	(27,601)	239,500	267,101
	-	679,255	679,255	2,893,333	2,214,078
Total Expenses	\$ 5,929,288	\$ 679,255	\$ 6,608,543	\$ 9,680,455	\$ 3,071,911
Depreciation Expense	13,450	6,306	19,756	21,111	1,354
Excess of Revenue Over Expenses GAAP Basis	\$ 6,096,378	\$ 879,628	\$ 6,976,006	\$ 4,141,392	\$ 2,834,614

**Houston Downtown Management District
Statement of Activities
Seven Months Ended July 31, 2016 and July 31, 2015**

	Operating YTD Actual	Capital YTD Actual	2016 Total YTD Actual	2015 Total YTD Actual	Fav (Unfav) Variance
Revenues					
Assessments, Net	\$ 11,734,881	\$ 1,490,763	\$ 13,225,643	\$ 8,864,241	\$ 4,361,402
Operations Revenue	150,767	-	150,767	139,873	10,894
Project Revenue	75,284	68,420	143,704	93,026	50,679
Salary Reimbursements	43,058	-	43,058	30,795	12,263
Interest Income	35,126	6,007	41,133	6,256	34,877
Total Revenues	\$ 12,039,117	\$ 1,565,189	\$ 13,604,306	\$ 9,134,192	\$ 4,470,115
Expenses					
Downtown Feels Safe & Comfortable at All Times					
Collaboration to Maintain Low Crime Rate	\$ 1,098,699	\$ -	\$ 1,098,699	\$ 372,004	\$ (726,694)
Reduced Presence of Homeless & Street Persons	279,458	-	279,458	351,620	72,162
Downtown Sidewalks are Comfortably Lighted	72,309	-	72,309	40,103	(32,206)
Downtown Clean & Well-Kept Appearance	1,502,156	-	1,502,156	1,223,877	(278,279)
Remove Signs of Disorder in Downtown	17,830	-	17,830	1,005	(16,825)
Prepare for Emergencies	49,956	-	49,956	38,946	(11,010)
	<u>3,020,408</u>	<u>-</u>	<u>3,020,408</u>	<u>2,027,555</u>	<u>(992,852)</u>
Public Realm is Charming, Inviting, Beautiful & Celebrates the Life of the City					
Key Pedestrian Streets are Inviting	69,517	-	69,517	133,841	64,324
Public Spaces Managed, Programmed, & Delightful	319,210	-	319,210	141,556	(177,653)
Place of Civic Celebration	655,946	-	655,946	179,350	(476,596)
	<u>1,044,673</u>	<u>-</u>	<u>1,044,673</u>	<u>454,748</u>	<u>(589,926)</u>
Accessible to Region & Easy to Get Around					
Effective Transit Access More Places, More Hours	5,973	-	5,973	5,739	(233)
Convenient Circulation Without Personal Vehicle	283,526	-	283,526	268,631	(14,896)
Easy To Find Way Around	33,626	-	33,626	24,734	(8,893)
Connect Neighbors & Districts Inside/Outside Downtown	58,214	-	58,214	37,487	(20,727)
Convenient, Understandable & Managed Parking	12,777	-	12,777	12,335	(442)
	<u>394,116</u>	<u>-</u>	<u>394,116</u>	<u>348,926</u>	<u>(45,191)</u>
Vibrant, Sustainable Mixed-Use Place					
Best Place to Work in Region	127,037	-	127,037	135,500	8,463
Exciting Neighborhoods to Live In	97,935	-	97,935	44,986	(52,949)
Competitive Shopping Place	125,150	-	125,150	119,397	(5,754)
Remarkable Destination for Visitors	5,512	-	5,512	2,296	(3,216)
	<u>355,634</u>	<u>-</u>	<u>355,634</u>	<u>302,179</u>	<u>(53,455)</u>
Downtown's Vision & Offering Understood By All					
Market to Region	485,453	-	485,453	312,133	(173,320)
Promote Downtown's Ease of Use	12,412	-	12,412	11,670	(742)
Vision/Development Framework Understood By All	156,092	-	156,092	129,670	(26,422)
Tools to Assist Continued Redevelopment	51,107	-	51,107	43,369	(7,738)
Develop & Maintain Information to Support Downtown	25,534	-	25,534	17,207	(8,327)
	<u>730,599</u>	<u>-</u>	<u>730,599</u>	<u>514,050</u>	<u>(216,549)</u>
District Governance & Service Known for Excellence					
Engage Stakeholders in Decision Making	348,203	-	348,203	395,607	47,405
Communications to Owners, Tenants & Others	4,109	-	4,109	10,650	6,541
Preservation of Districts' Capital Assets	31,547	-	31,547	30,315	(1,232)
	<u>383,858</u>	<u>-</u>	<u>383,858</u>	<u>436,572</u>	<u>52,714</u>
Capital Improvement & Expenditures					
Downtown Feels Safe & Comfortable	-	20,000	20,000	112,464	92,464
Public Realm is Charming, Inviting, & Beautiful	-	133,465	133,465	40,000	(93,465)
Accessible to Region & Easy to Get Around	-	522,684	522,684	760,681	237,997
Vibrant, Sustainable Mixed-Use Place	-	30,707	30,707	-	(30,707)
Downtown's Vision & Offering Understood By All	-	-	-	-	-
Capital Replacement Expenditure	-	(27,601)	(27,601)	143,380	170,981
	<u>-</u>	<u>679,255</u>	<u>679,255</u>	<u>1,056,526</u>	<u>377,271</u>
Total Expenses	\$ 5,929,288	\$ 679,255	\$ 6,608,543	\$ 5,140,555	\$ (1,467,989)
Depreciation Expense	13,450	6,306	19,756	25,333	5,577
Excess of Revenue Over Expenses GAAP Basis	\$ 6,096,378	\$ 879,628	\$ 6,976,006	\$ 3,968,304	\$ 3,007,702

Greenlink-Downtown Circulator Fund
Statement of Activities
Seven Months Ended July 31, 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	\$ 231,250	\$ -	\$ 231,250	\$ 218,750	\$ 12,500
Houston First Operations Sponsorship	231,250		231,250	218,750	12,500
BG Group Operations Sponsorship	156,250		156,250	218,750	(62,500)
Advertising Revenue	-		-	-	-
Interest Income	3,904		3,904	700	3,204
Total Revenues	<u>\$ 622,654</u>	<u>\$ -</u>	<u>\$ 622,654</u>	<u>\$ 656,950</u>	<u>\$ (34,296)</u>
Expenses					
Vehicle Operator Expense	519,000		519,000	690,000	171,000
Fuel Expense	51,700		51,700	66,500	14,800
Marketing Expense	12,604		12,604	104,000	91,396
Operating Administrative Expense	40,380		40,380	35,000	(5,380)
Miscellaneous Expense	-		-	-	-
	<u>623,684</u>	<u>-</u>	<u>623,684</u>	<u>895,500</u>	<u>271,816</u>
Total Expenses	<u>\$ 623,684</u>	<u>\$ -</u>	<u>\$ 623,684</u>	<u>\$ 895,500</u>	<u>\$ 271,816</u>
Depreciation Expense	145,798		145,798	145,796	(2)
Excess of Revenue Over Expenses GAAP Basis	<u>\$ (146,828)</u>	<u>\$ -</u>	<u>\$ (146,828)</u>	<u>\$ (384,346)</u>	<u>\$ 237,518</u>

Greenlink-Downtown Circulator Fund
Statement of Activities
Seven Months Ended July 31, 2016 and July 31, 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	\$ 231,250		\$ 231,250	\$ 218,750	\$ 12,500
Houston First Operations Sponsorship	231,250		231,250	218,750	12,500
BG Group Operations Sponsorship	156,250		156,250	218,750	(62,500)
Advertising Revenue	-		-	-	-
Interest Income	3,904		3,904	536	3,368
Total Revenues	<u>\$ 622,654</u>	<u>\$ -</u>	<u>\$ 622,654</u>	<u>\$ 656,786</u>	<u>\$ (34,132)</u>
Expenses					
Vehicle Operator Expense	519,000		519,000	457,500	(61,500)
Fuel Expense	51,700		51,700	33,300	(18,400)
Marketing Expense	12,604		12,604	13,702	1,098
Operating Administrative Expense	40,380		40,380	24,873	(15,507)
Miscellaneous Expense	-		-	-	-
	<u>623,684</u>	<u>-</u>	<u>623,684</u>	<u>529,374</u>	<u>(94,310)</u>
Total Expenses	<u>\$ 623,684</u>	<u>\$ -</u>	<u>\$ 623,684</u>	<u>\$ 529,374</u>	<u>\$ (94,310)</u>
Depreciation Expense	145,798		145,798	145,796	(2)
Excess of Revenue Over Expenses GAAP Basis	<u>\$ (146,828)</u>	<u>\$ -</u>	<u>\$ (146,828)</u>	<u>\$ (18,384)</u>	<u>\$ (128,444)</u>

Houston Downtown Management District

Variance Analysis

Seven Months Ended July 31, 2016

Operating Budget

- 1) Revenue-Assessment collections \$28K ahead of budget, bus stop cleaning and trash program operations revenue behind budget (\$89K), marketing partnerships behind budget (\$67K), project revenue behind (\$169K) due to delay in International Coffee Building with offsetting ahead of budget in expenditures, ahead in personnel reimbursements \$23K (flagging) and interest income \$35K.
- 2) Goal 1a-Collaboration to Maintain Low Crime Rate-Under budget \$66K on program for Off-Duty HPD Officers-program not fully staffed up, some allocated to PITT team. Under budget \$140K on Safety Guide Salaries due to early transfer to Block by Block of DPSGs.
- 3) Goal 1c-Downtown Sidewalks Comfortably Lighted-Over budget (\$17K) in street light maintenance, will even out over the year.
- 4) Goal 1d-Downtown Clean & Well-Kept Appearance-Over budget (\$185K) on Street Team cleaning and (\$20K) in facilities due to new lease/telecomm improvements, ahead of budget \$84K on paver repairs, \$144K on landscaping and tree maintenance, and \$17K in irrigation maintenance and repairs.
- 5) Goal 1e-Remove Signs of Disorder-Ahead of budget \$14K on graffiti abatement.
- 6) Goal 1f-Prepare for Emergencies-Ahead of budget \$17K on emergency expenditures.
- 7) Goal 2a-Key Pedestrian Streets are Inviting-Ahead of budget \$98K on accent planting due to timing.
- 8) Goal 2b-Public Spaces Managed, Programmed-Ahead of budget \$78K on Main Street Square fountain maintenance, ahead of budget \$6K on Market Square Park Maintenance, ahead \$15K in programming.
- 9) Goal 3c-Easy to Find Way Around-Ahead of budget \$30K on wayfinding maintenance, new above and below maps in development.
- 10) Goal 3e-Convenient, Understandable, Managed Parking-Ahead of budget \$25K on parking program expenditures.
- 11) 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.
- 12) Goal 4c-Competitive Shopping Place-Ahead of budget \$33K retail shopping programs due to timing of Fransen Company invoices.
- 13) Goal 5a-Market to Region-Ahead of budget \$38K on media & advertising expenditures.
- 14) Goal 5c-Vision/Development Framework Understood by All-Ahead of budget \$282K on planning consulting expenditures.
- 15) Goal 6a-District Governance Known for Excellence-Ahead of budget \$28K in g & a expenses and \$7K on property insurance (actual cost less than estimate at budget).

Capital Budget

- 16) Under budget \$17K landscaping/tree projects not started yet.
- 17) Over budget (\$51K) in storefront/streetscape project grants, these were budgeted in 2015 but approved in January 2016, delay in International Coffee Building \$237K, ahead \$22K in banners-full expenditures not in as of yet, ahead \$46K on festoon lighting-delay in project.
- 18) Ahead of budget \$1,272K in wayfinding projects due to delays in completion of the projects, ahead \$150K due to delay in food cart purchase for Main Street Square, \$80K in bicycle projects and \$30K due to delay in Market Square Park lighting project, ahead \$28K timing on Main Street fountain.
- 19) Ahead \$115K in catalytic retail project grants, no new projects identified.
- 20) Ahead of budget \$267K in capital replacement expenditures.

HOUSTON DOWNTOWN MANAGEMENT DISTRICT
 INVESTMENT REPORT, AUTHORIZATION AND REVIEW
 FOR THE PERIOD APRIL 1, 2016 THROUGH JUNE 30, 2016

FUND	BEGINNING BAL. BOOK VALUE	BEGINNING BAL. MARKET VALUE	GAIN (LOSS) TO MARKET FILE	INTEREST EARNED / ACCRUED THIS PERIOD	NET DEPOSITS OR (WITHDRAWALS)	ENDING BALANCE BOOK VALUE	ENDING BALANCE MARKET VALUE	ENDING BALANCE % OF PORTFOLIO	SIMPLE INTEREST YIELD	WT AVG MAT. DAYS 6/30/2016
HDM D										
OPERATING ACCOUNTS JP MORGAN CHASE										
CAPITAL	50,886.85	50,886.85	0.00	0.00	181,313.12	232,199.97	232,199.97	1.53%	N/A	1.00
OPERATING	555,250.49	555,250.49	0.00		(284,732.72)	270,517.77	270,517.77	1.78%	N/A	1.00
TOTAL	606,137.34	606,137.34	0.00	0.00	(103,419.60)	502,717.74	502,717.74	3.31%		1.00
POOLED FUNDS - TEXPOOL										
CAPITAL	2,117,603.74	2,117,603.74	0.00	2,327.19	375,000.00	2,494,930.93	2,494,930.93	16.46%	0.535	39.67
OPERATING	14,735,693.79	14,735,693.79	0.00	17,128.24	(4,100,000.00)	10,652,822.03	10,652,822.03	70.31%	0.533	39.67
TOTAL	16,853,297.53	16,853,297.53	0.00	19,455.43	(3,725,000.00)	13,147,752.96	13,147,752.96	86.77%		
TOTAL HDM D	17,459,434.87	17,459,434.87	0.00	19,455.43	(3,828,419.60)	13,650,470.70	13,650,470.70	90.08%		
GREENLINK										
OPERATING ACCOUNTS JP MORGAN CHASE										
GREENLINK	128,477.92	128,477.92	0.00	0.00	149,535.10	278,013.02	278,013.02	1.83%	N/A	1.00
POOLED FUNDS - TEXPOOL										
GREENLINK	1,424,735.60	1,424,735.60	0.00	1,857.38	(200,000.00)	1,226,592.98	1,226,592.98	8.09%	0.534	39.67
TOTAL GREENLINK	1,553,213.52	1,553,213.52	0.00	1,857.38	(50,464.90)	1,504,606.00	1,504,606.00	9.92%		
GRAND TOTAL	19,012,648.39	19,012,648.39	0.00	21,312.81	(3,878,884.50)	15,155,076.70	15,155,076.70	100.00%		

COMPLIANCE STATEMENT
 REVIEW ***** THE INVESTMENTS (REPORTED ON ABOVE) FOR THE PERIOD ARE, TO THE BEST OF OUR KNOWLEDGE, IN COMPLIANCE WITH THE INVESTMENT STRATEGY EXPRESSED IN THE DISTRICT'S INVESTMENT POLICY AND THE PUBLIC FUNDS INVESTMENT ACT.

STATEMENT

REVIEW ***** THIS REPORT AND THE DISTRICT'S INVESTMENT POLICY ARE SUBMITTED TO THE BOARD FOR ITS REVIEW AND TO MAKE ANY CHANGES THERETO AS DETERMINED BY THE BOARD TO BE NECESSARY AND PRUDENT FOR THE MANAGEMENT OF THE DISTRICT FUNDS.

REPORT PREPARED BY: DEAN C. CORBETT, CPA _____

SIGNATURE

 GREGORY A. BROTHERS
 TREASURER

 DON HENDERSON
 PRESIDENT

 VALERIE WILLIAMS
 VICE PRESIDENT

 ROBERT M. EURY
 EXECUTIVE DIRECTOR