



# Board Meeting

January 18, 2024

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**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING**

9:00 a.m., Thursday, January 18<sup>th</sup>, 2024  
IBC Bank, 221 S. Shoreline, 2<sup>nd</sup> Floor  
Corpus Christi, TX 78401

- 1) Determination of quorum
- 2) Call to Order

**CONSENT AGENDA**

*(At this point, the Board of Directors will vote on all motions, resolutions not removed for individual consideration)*

- 3) Minutes of the Regular Board of Directors Meeting of December 14<sup>th</sup>, 2023.
- 4) Financial Statements.
- 5) Report on absences from 2023 DMD Regular Board of Directors meetings with possible action.

**AGENDA**

- 6) PUBLIC FORUM:  
Please limit presentations to three (3) minutes. If you plan to address the Board during this time, please sign the designated form giving your name, address and topic.
- 7) City and Partnering Organizations Reports:
  - a. Harbor Bridge Update
- 8) DISTRICT OPERATIONS:
  - a. Clean Team / Block by Block
- 9) PLACEMAKING:
  - a. Holiday Installations Update
  - b. Wayfinding
  - c. Mural Fest 2024
- 10) ECONOMIC DEVELOPMENT:
  - a. Projects
- 11) PROMOTIONS:
  - a. ArtWalk
  - b. Special Events
  - c. Programming
- 12) ORGANIZATIONAL MANAGEMENT:
  - a. Motion to Approve FY 2022-2023 Annual Audit
  - b. New Team Member
  - c. 2023 Downtown Perception Survey
  - d. Website RFP
  - e. Boundary Expansion Updates
- 13) Board Requests for Next Meeting:
- 14) Adjourn.

• **EXECUTIVE SESSION**

*Public Notice is given that the DMD Board of Directors may elect to go into executive session at any time during the meeting in order to discuss any matters listed on the agenda, when authorized by the provisions of the Open Meeting Act, Chapter 551 of the Texas Government Code, and that the Board of Directors specifically expects to go into executive session on the following matters. In the event the Board of Directors elects to go into executive session regarding an agenda item, the section or sections of the Open Meetings Act authorizing the executive session will be publicly announced by the presiding officer.*

Posted: County Clerk, Nueces County Courthouse. District Office, 921 N Chaparral STE 100. City Secretary, Corpus Christi City Hall IBC Bank, 221 S. Shoreline, 2<sup>nd</sup> Floor

Minutes, Regular Board of Directors Meeting December 14th, 2023

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS FOR THE  
CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT**

The meeting of the Board of Directors of the Corpus Christi Downtown Management District was held at 9:00 a.m. on Thursday, December 14th, 2023, at IBC Bank, 2<sup>nd</sup> Floor, 221 S Shoreline, Corpus Christi, TX 78401 pursuant to call and notice in accord with the Texas Open Meetings Act, District Bylaws, and District policy.

The following Directors are present for the meeting: Barrera, Charles, Gignac, Gutschow, Kucewicz, Lain, Maxwell, Molina, Perez, Peterson, Shook, Trevino, & Votzmeyer-Rios. Also present: A. Mason, A. Albin, K. Acock, E. Beardmore, J. Bodwell, D. Campos, A. O'Donnell, V. Villarreal, & P. Wiggins CCDMD, D. Watson, Block by Block, R. Penska, City of Corpus Christi.

Chairman Peterson determined a quorum at 9:00 a.m. Item 1 & called meeting to order Item 2.

Chairman Peterson moved to the **CONSENT AGENDA**, Items 3, 4, & 5 on the agenda.

A motion was made by R. Charles to approve the Consent Agenda.

This was seconded by C. Lain and was passed unanimously.

Chairman Peterson moved to Item 6 on the agenda.

**6) PUBLIC FORUM:**

There were no comments from the public.

Chairman Peterson moved to Item 7 on the agenda.

**7) CITY & PARTNERING ORGANIZATIONS REPORTS:**

- a) TXDOT US 181 Exit Ramp to Twigg/Mesquite Intersection.

As there were no representatives from TXDOT present Chairman Peterson moved to Item 8.

**8) DISTRICT OPERATIONS**

- a) Clean Team / Block by Block

D. Watson provided an update on monthly operations by PowerPoint presentation

Chairman Peterson moved to Item 9 on the agenda.

**9) PLACEMAKING**

- a) Holiday Installations
- b) Sidewalk Cafesand Parklets – Update
- c) Wayfinding.

K. Acock provided updates by PowerPoint presentation.

Chairman Peterson moved to Item 10 on the agenda.

**10) ECONOMIC DEVELOPMENT**

- a) TIRZ Meeting Updates.
- b) Projects

J. Bodwell provided updates by PowerPoint presentation.

Chairman Peterson moved to Item 11 on the agenda.

**11) PROMOTIONS.**

- a) ArtWalk
- b) Special Events
- c) Programming

E. Beardmore provided updates these items by PowerPoint presentation.

Chairman Peterson moved to Item 12 on the agenda.

**12) ORGANIZATIONAL MANAGEMENT:**

- a) Team Updates. K. Acock will be relocating to Mobile AL
- b) Motion to Approve FY2022-2023 Impact Report was made by C. Lain, seconded by C. Votzmeyer-Rios and passed unanimously.
- c) Motion to Approve FY 2022-2023 Annual Audit deferred to January meeting.
- d) Boundary expansion update. A. Mason advised that it appears unlikely that the hotel will sign the petition so we will actively pursue 6 other property owners for support.

Chairman Peterson returned to Item 7a on the agenda.

- A. Mason presented the TXDOT solution by PowerPoint presentation

Chairman Peterson moved to Item 13 on the agenda.

**13) Board Requests for Next Meeting**

No requests were made.

Chairman Peterson moved to Item 14 on the agenda.

**14) Adjourn**

Meeting adjourned at 9:49a.m.

\_\_\_\_\_ Glenn Peterson, Chairman.

**Corpus Christi Downtown Management District.**  
**Balance Sheet**  
As of December 31, 2023

Dec 31, 23

**ASSETS**

**Current Assets**

**Checking/Savings**

**1000 - Bank Deposits**

1100 - Petty Cash 15.56

1150 - PayPal 1,146.92

1215 - American Bank Operating Account 14,355.64

1223 - American Bank EFT Account 119,511.67

1284 - American Bank Office Account 631.68

**Total 1000 - Bank Deposits** 135,661.47

**Total Checking/Savings** 135,661.47

**Accounts Receivable**

11000 - Accounts Receivable 182,550.83

**Total Accounts Receivable** 182,550.83

**Other Current Assets**

**2000 - Current Assets**

2200 - Prepayments 9,595.51

**Total 2000 - Current Assets** 9,595.51

**Total Other Current Assets** 9,595.51

**Total Current Assets** 327,807.81

**TOTAL ASSETS** 327,807.81

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

20000 - Accounts Payable 53,382.96

**Total Accounts Payable** 53,382.96

**Other Current Liabilities**

23100 - Accruals 61,615.91

**24000 - Payroll Liabilities**

24200 - Retirement Contributions 3,081.89

**Total 24000 - Payroll Liabilities** 3,081.89

25500 - Sales Tax Payable 13.64

**Total Other Current Liabilities** 64,711.44

**Total Current Liabilities** 118,094.40

**Total Liabilities** 118,094.40

**Equity** 209,713.41

**TOTAL LIABILITIES & EQUITY** 327,807.81

**Corpus Christi Downtown Management District.  
 Condensed Profit & Loss Budget Performance  
 December 2023**

	<u>Dec 23</u>	<u>Oct - Dec 23</u>	<u>Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>	221,456.31	580,962.11	2,244,536.00	25.88%
<b>Gross Profit</b>	221,456.31	580,962.11	2,244,536.00	25.88%
<b>Expense</b>				
60000 · District Operations	50,290.50	166,043.80	656,366.00	25.3%
62000 · Economic Development	0.00	0.00	21,000.00	0.0%
63000 · Placemaking	9,105.91	49,370.08	142,607.00	34.62%
64000 · Promotions	28,471.03	65,822.73	305,700.00	21.53%
65000 · Organizational Management	75,908.24	248,122.49	1,086,183.00	22.84%
69810 · Transfer to Reserve	0.00	0.00	32,680.00	0.0%
<b>Total Expense</b>	163,775.68	529,359.10	2,244,536.00	23.58%
<b>Net Ordinary Income</b>	57,680.63	51,603.01	0.00	100.0%
<b>Net Income</b>	<u>57,680.63</u>	<u>51,603.01</u>	<u>0.00</u>	<u>100.0%</u>

In accordance with the BYLAWS of the CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT, Section 3.2.

"After 3 unexcused absences or 5 total absences in a calendar year for any reason at regularly called Board of Directors meetings, a Board member's resignation will be required.

An excused absence is one of the following: (1) Illness or death in the family; (2) Out of town; (3) Unavoidable family, personal or business related emergencies. Any other absence is (4) unexcused."

Directors should advise Staff by email in advance of any anticipated absence quoting one of the reasons listed above.

#	Directors - 2023 - attendance	Appt	Exp	Bond	Cell#	1/19	2/16	3/16	4/20	5/18	6/15	7/20	8/17	9/15	10/19	11/16	12/21	Absences	1/18	
1	Barrera, Jaime. N	4/3/20	9/30/26	1/23	361-563-5083	√	√	√	1	√	√	√	1	1	1	√	√	4		
2	Charles, Robert	12/8/15	9/30/26	1/23	361-815-8199	√	√	√	√	√	√	√	√	√	√	√	√	0		
3	Gignac, Raymond	8/21/01	9/30/24	1/23	361-442-4345	√	√	√	√	√	√	√	√	√	√	1	√	1		
4	Gutschow, Eric	9/12/17	9/30/26	1/23	361-510-4899	√	√	√	1	√	√	√	1	1	√	√	√	3		
5	Kucewicz, Krystof	5/21/20	9/30/24	1/23	505-570-0685	√	√	√	1	√	√	1	√	1	√	√	√	3		
6	Lain, Casey	6/8/10	9/30/26	1/23	361-510-9863	√	√	√	√	√	√	1	√	√	√	√	√	1		
7	Lomax, Lesley	10/17/19	9/30/24	1/23	361-215-0858	√	√	√	√	√	√	1	√	√	√	√	1	2		
8	Maxwell, Janet [Treasurer 9/22-9/24]*	12/18/12	9/30/24	1/23	361-739-8442	1	√	√	√	√	√	√	√	√	√	√	√	1		
9	Molina, Ben (replaces Lomax, B)	12/15/22	9/30/26	1/23	361-774-0525		√	1	√	√	√	√	√	√	√	√	√	1		
10	Perez, Dee Dee [Vice-Chair 2/22-9/24]*	6/8/10	9/30/26	1/23	361-673-2800	√	1	√	√	√	√	√	√	1	√	√	√	2		
11	Peterson, Glenn [Chair 2/22-9/24] *	6/8/10	9/30/26	1/23	361-765-7117	√	√	1	√	√	1	1	√	√	√	1	√	4		
12	Richline, Josh [Secretary 2/22-9/24] *	10/17/19	9/30/26	1/23	361-510-0561	1	√	√	1	√	√	√	1	√	√	√	1	4		
13	Shook, Caitlin	4/10/18	9/30/26	1/23	361-774-6724	1	√	√	√	1	√	√	1	√	1	√	√	4		
14	Trevino, Adrienne (replaces Boyd, C)	1/19/23	9/30/24	1/23	361-946-9541		√	√	√	√	√	√	√	1	√	√	√	1		
15	Votzmeyer-Rios, Cheryl	4/9/19	9/30/24	1/23	361-728-7041	√	√	1	√	√	√	√	1	√	√	√	√	2		
	Number in attendance					10	14	12	11	14	14	11	10	10	13	13	13			
														9						
														5						
					Term to 9/30/26	[9]														
					Term to 9/30/24	[6]														
√ - In Attendance					* indicates Officer															



# 8. District Operations

# Clean Team / Block by Block Update



## 2023 Wrap – Up: Sidewalk Accessibility

- Sidewalk between John Sartain and Coopers Alley
- Dirt completely dug up, sidewalk swept off and power washed
- Sediment over 12 inches deep in some places

**Before**



**Mid-Progress**



**After**



# Clean Team / Block by Block Update



## 2023 Wrap – Up: Median Repaint

- Second median at Chaparral and Kinney intersection repainted
- Both medians now match and are much more recognizable to vehicles entering Downtown



Before



After



# Clean Team / Block by Block Update



## 2023 Wrap – Up: Ambassador of the Quarter Winners

- Q1: Alan Watson
- Q2: Thomas Vega
- Q3: Manuel Barrientes
- Q4: Carlos Guzman





# 9. Placemaking

# Holiday Installations Update

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- 01/08 - 01/09: Completed removal of Peppermint Lane garland, coroplast peppermints, small holiday banners, and Advisory Council recognition in Artesian Park
- 01/08 - 01/15: Completed removal of H-E-B Christmas Tree, the Port Holiday Tree, and the large holiday banners on the seawall
- 01/09: Installed winter banners on Downtown light poles



# Wayfinding

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- Tested installation of new wayfinding frames
- Signage updated to reflect most current DBA businesses - to be deployed by February ArtWalk



# Mural Fest 2024

- Started to identify potential walls for murals
  - 820 N Chaparral St
  - 402 N Chaparral (back of Centre Theater)
  - 316 Lawrence St
- Call for Walls to be released by end of January
- 01/12: Held DRA meeting to discuss MF strategy for this year





# 10. Economic Development

# Gallery 41 (Update)

<b>Location &amp; Description</b>	<ul style="list-style-type: none"> <li>• 100 N Shoreline Blvd</li> <li>• This new restaurant, located in the Art Center, will include an interior dining area, bar, and outside patio</li> <li>• <b>Construction Update:</b> 90% of kitchen equipment installed, bar build out complete, 75% furniture delivered, completing flooring, concrete for outdoor patio being poured</li> <li>• <b>Staff Update:</b> Hiring bar manager and wait staff this month</li> </ul>
<b>Project Cost</b>	\$341,676
<b>Incentive Program</b>	Commercial Finish Out Program - \$55,850 Streetscape & Safety Program - \$48,735
<b>TIRZ Deadline</b>	June 30, 2024



# Holiday Inn Express (Update)

<b>Location &amp; Description</b>	<ul style="list-style-type: none"> <li>• 1102 S Shoreline Blvd</li> <li>• This project includes a complete renovation of the interior and infrastructure as well as: a complete redesign of the façade, lobby entrance canopy, lobby roof, rooftop event center, elevators and stairs to reach the rooftop event center, a resurfaced and restriped parking lot, landscaping, a pedestrian walkway around the property, lighting, upgraded security cameras, murals, signage, new doors and fencing.</li> <li>• <b>Construction Update:</b> Installing framing and MEP for lobby, exterior painting being completed, installing flooring and fixtures for hotel rooms, furniture arriving, wiring for security cameras installed, and portion of parking lot repaved.</li> </ul>
<b>Project Cost</b>	\$19,871,896
<b>Incentive Proposed</b>	Streetscape & Safety Program - \$1,000,000 Rooftop Activation Program - \$1,000,000
<b>TIRZ Deadline</b>	January 30, 2025





# 11. Promotions

# ArtWalk

January 5, 2024 – New Years Edition



- **19,100 visits in MAD**
  - 14,700 in '23 (4,400 increase!)
- **48 Businesses involved:**
  - 3 Pop-up/Park Curators
  - 28 Vendors & food trucks (51 in '23)
  - 17 Businesses Showcased
- **Entertainment**
  - 2 Outdoor Stages + 1 Stage in BUS
  - 3 Local Bands/Performers
- **Event Format**
  - **Winter Edition: Dec-Feb (no closures)**
    - Park & Pop-up Parties
  - Interview & coverage on the return of Block Parties in March

**H-E-B PRESENTS**

# 2024 ARTWALK

**DOWNTOWN CORPUS CHRISTI**

**FRIDAY, JANUARY 5TH | 6 - 10 PM**

**DMD Info Booth | Prize Wheel | Map**

- Artesian Park Party** | Vendors | Food Trucks | Live Music by Joey St. Vincent
- La Retama Park Party** | The Port of Corpus Christi's Holiday Tree | Pop-up Vendors | Food Trucks | Live Music by Joe Greene
- Art Museum of South Texas (AMST)** | Free Admission All Day Thanks to Frost Bank | Extended Hours 5-9 PM
- BUS** | Pop-Up Vendors | Full Bar & Food | \$6 Gin Daisy | Live Music by Carson Miller & The Cowboys
- The Gold Fish Bar** | Signature Cocktail Specials | Full Send BBQ Next Door
- K Space Contemporary** | NEW Art Exhibits by Jenelle Esparza & Ricardo Ruiz
- Old Kress Live** | Sing-Along Piano with Dan & Heather | Full Bar
- House of Rock** | The Passion Projects featuring Local Bands | BOGO Pizza Slices after 11 PM
- Peace of Mind Massage and Natural Healing** | Organic Spa & Salon | 8 AM - 10 PM
- Cassidy's Irish Pub** | \$4 Beer Specials | Live Music by MattMan & Lady Kat
- VNP Gallery** | Vintage Shirts | Shoes | Open 11 AM to 11 PM
- ArtCastle Printing** | Fine Art Prints & Paintings by Local Artists
- RETRO** | Full Menu & Bar | Arcade | Live Music by the John Cortez Band
- Water Street Market** | Pop-Up Vendors | Margaritas & Full Bar
- La Playa by the Bay** | Margaritas | Mexican & Domestic Beers | TexMex
- 20/20 Vintage** | Locally-Owned Vintage Boutique
- The Exchange** | Breakdancing | Live Music | Beer Pong Competition | 21 & Up
- Art Center of CC** | NEW Art Exhibit 5 - 9 PM | Live Music | Art Activity
- The Annex** | Live Music by Matt Hole & The Hot Rod Gang | Hurb's Burgers

**Map Legend:**  
 🎵 Live Music  
 P Parking  
 🚗 Ride Share Drop-off

**Map Labels:** Twigg St., Taylor St., Starr St., Peoples St., Schatzell St., Mesquite St., Chabarral St., Water St., Lawrence St., Lomax St., John Sartain St., Cooper's Alley, 312 S. CHAPARRAL ST., 1902 N. SHORELINE BLVD.

**Other Features:** LA RETAMA PARK PARTY, ARTESIAN PARK PARTY, B.U.S. POP-UP PARTY, WATER ST. POP-UP PARTY, PARADE VIEWING & EVENT

**Logos:** City of Corpus Christi, Arts & Cultural Commission, Port Corpus Christi, The POINT, GST

# ArtWalk

## January 5, 2024 – New Years Edition

Event Stats	Oct. 2023	Nov. 2023	Dec. 2023	Jan. 2024	Jan. 2023
ArtWalk Attendance	29,700 (Record)	22,800	20,200	19,100	14,700
# of Vendors	164	153	95	22	48
# of Food Trucks	20	20	12	6	3
# of Block Parties/Park Parties	11/2	11/2	3 Pop-Up Locations/2	3 Pop-ups / 2 Parks	2 Pop-ups / 2 Parks
# of Vendor Curators	12	11	2	3	2
# of Outdoor Stages	8	9	2	2 / 1 indoor	2
Business Partners	14	16	11	17	12
Special Features	TAMUCC Parents Weekend & Pride	The Port of CC Holiday Tree	Mayor’s Merriest Décor Contest	New Years	N/A

\*Reporting is based on the number of visits within the Mariana Arts District during the entire ArtWalk day.

# Special Events

## *State of Downtown & The Downtowner Awards*



- **3/21 Save the Date!**
  - Thursday, March 21, 2024, 6-9 p.m.
  - @ BUS
- **Features**
  - 2023 Impact Report Presentation
  - The Downtowner Awards
  - **NEW Tastings:** Hors 'd'oeuvres, Dinner, Drinks
  - Live Music & Entertainment
- **Sponsorship Opportunities**
  - **\$10,000** – Presenting Sponsor
  - **\$5,000** – Tasting Ticket Sponsor
  - **\$2,500** – Award Sponsor
- **Tables & Tickets**
  - **\$1,000** – V.I.P. Table of 6
  - **\$200** – G.A. Table of 4 (DBA \$160)
  - **\$50** – G.A. Tickets (DBA \$40)



**Stay tuned for more info...**

# Special Events

## Mayor's Merriest Décor Contest

- **1/9 Winners Announced**
  - City Council Meeting
  - Social media & newsletter (1/11)
- **2023 Winners:**
  - Best Exteriors: **Rokit's**
  - Best Use of Lights: **The Gold Fish Bar**
  - Best Window Paint: **Central Kitchen**
  - Best Window Décor: **TIE!**
    - **Wildflowers & Taylor Cravey**
  - People's Choice Exterior: **Dokyo**
  - People's Choice Interiors: **The Bridge**
  - Holiday Champion: **The Ritz!**
- **2023 Honorable Mention / Runner-up**
  - Surf Club, K Space, Annex, Lazy Beach, Chels Marie, Bella Luna, House of Rock



# Special Events

## Mayor's Merriest Décor Contest



**DOKYO DAUNTAUN**



**THE BRIDGE BAR CLUB**

# Special Events

## Mayor's Merriest Décor Contest



THE GOLD FISH



ROCKIT'S WHISKEY BAR & SALOON

# Special Events

## Mayor's Merriest Décor Contest



AMERICAN ELECTRIC POWER FOUNDATION

MAYOR GUAJARDO'S **MERRIEST** DOWNTOWN DECOR CONTEST

downtown CORPUS CHRISTI

**TIE!**



TAYLOR CRAVEY PHOTOGRAPHY

WILDFLOWERS



2023 BEST WINDOW DISPLAY



AMERICAN ELECTRIC POWER FOUNDATION

MAYOR GUAJARDO'S **MERRIEST** DOWNTOWN DECOR CONTEST

downtown CORPUS CHRISTI



2023 BEST WINDOW PAINT

**CENTRAL KITCHEN BAKERY**

# Special Events

## Mayor's Merriest Décor Contest



# Programming

## Downtown Business Association

- 52 DBA Members '23-'24
  - Increased by 17
- 12/20 December Mixer
  - No mixer, email was sent out 12/20
- 1/17 January Meeting
- Food & Bev Photoshoots
  - The Mariner, Harrison's Landing, La Playa by the Bay
- DBA audit of benefits conducted



## Downtown Run Club

- Partnerships
  - Fleet Feet – Presenting Sponsor
  - AEP Texas – Ambassador & Merch
  - CC Run Club After Dark – Co-producer
  - Executive Surf Club – January After Party
- Run Club Stats - November
  - 576 total members (27 new!)
  - 242 runners in Dec. (228 in Nov.)
- Themed Run
  - 12/13 – Glow Run
  - 12/20 – Santa 5K





# 12. Organizational Management

**CORPUS CHRISTI  
DOWNTOWN MANAGEMENT DISTRICT**

**Annual Financial Report  
For the Fiscal Year Ended September 30, 2023**

**ERNEST R. GARZA & COMPANY, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS**

**Authorized Contact:  
Ernest R. Garza, C.P.A.  
361-241-2452 Office  
800-241-1272 Office**

**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**ERNEST R. GARZA  
AND COMPANY, P.C.**  
*Certified Public Accountants*

10201 Leopard #A  
Corpus Christi, Texas 78410  
Bus. (361) 241-2452  
Fax No. (361) 242-1525  
Toll Free 1-800-241-1272

MEMBER  
American Institute of Certified Public Accountants  
Texas Society of Certified Public Accountants

6102 Ayers St. #106  
Corpus Christi, Texas 78415  
Bus. (361) 723-0685  
Fax (361) 723-0689

**INDEPENDENT AUDITORS REPORT**

Board of Directors  
Corpus Christi Downtown Management District  
Corpus Christi, Texas

**Report on the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Corpus Christi Downtown Management District, Corpus Christi, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Corpus Christi Downtown Management District as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corpus Christi Downtown Management District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corpus Christi Downtown Management District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corpus Christi Downtown Management District’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corpus Christi Downtown Management District’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

In our opinion, the financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Ernest R. Garza & Company, P.C. CPA’s  
Corpus Christi, Texas

December 13, 2023



2

Management's Discussion and Analysis  
CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

In this section of the Annual Financial Report, we, the managers of Corpus Christ Downtown Management District, discuss and analyze the District's financial performance for the fiscal year ended September 30, 2023. Please read it in conjunction with the independent auditors' report on page 1, and the District's Basic Financial Statements which begin on page 10.

**FINANCIAL HIGHLIGHTS**

- The District's net position decreased by \$22,424 as a result of this period's operations. (Exh. B-1)
- During the year, the District had revenues of \$1,926,219 while expenditures were \$1,955,266 for an excess of expenditures over revenues of \$29,047 and this resulted in a decrease of overall governmental fund balance to \$158,110 from \$187,157 in the prior year. (Exhibit C-3)

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 10 and 11). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 13) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget.

The notes to the financial statements (starting on page 20) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for non-major funds contain even more information about the District's individual funds.

## **Reporting the District as a Whole**

### ***The Statement of Net Position and the Statement of Activities***

The analysis of the District's overall financial condition and operations begins on page 10. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the year ending period while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the twelve months ending September 30, 2023. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as fees charged from outside the District and grants provided by the various federal agencies to assist the District with various infrastructure needs. All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the District into kinds of activities:

- Governmental activities—Most of the District's basic services are reported here which include promoting tourism in the Downtown area and the influence of a positive environment for the Downtown economic base.

## **Reporting the District's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements begin on page 12 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants.

Governmental funds—Most of the District’s basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District’s general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental funds.

Net position of the District’s governmental activities decreased from \$190,186 to \$168,438. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – were \$168,438 at September 30, 2023 (Exhibit A-1). This increase in the governmental net position was primarily a result of operations.

**Table I**  
**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT**  
**CHANGES IN NET POSITION**

	Governmental Activities 2023	Governmental Activities 2022
Current and other assets	\$276,422	\$284,774
Capital assets	-0-	-0-
Total assets	\$276,422	\$284,774
Long-term liabilities		
Other liabilities	\$107,984	\$97,612
Total liabilities	\$107,984	\$97,612
Net Position:		
Invested in capital assets	\$0	\$0
Restricted	0	0
Unrestricted	168,438	190,862
Total net position	\$168,438	\$190,862

**Table II**  
**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT**  
**CHANGES IN NET POSITION**

	Governmental Activities 2023	Governmental Activities 2022
<b>Revenues:</b>		
Property Taxes	\$255,059	\$226,925
Assessment Income	\$275,471	217,226
Contracted Services	91,113	100,000
TIRZ Funding	797,147	765,000
Fundraising	199,447	207,139
Sponsorships	206,808	111,894
Investment Income	48	39
Miscellaneous	101,127	68,981
Total Revenue	\$1,926,219	\$1,697,203
<b>Expenses:</b>		
General Government	\$1,147,717	987,663
Economic Development & Assistance	800,926	581,420
Total Expenses	\$1,948,643	\$1,707,014
Increase (Decrease) in net position before transfers and special items	(22,424)	(9,811)
Transfers		
Prior Period Adjustment	0	0
Net position – Beginning	190,862	200,673
Net position – Ending	\$168,438	\$190,862

**THE DISTRICT’S FUNDS**

As the District completed the year, its governmental funds (as presented in the balance sheet on pages 13) reported a combined fund balance of \$158,110. The difference in above net position is the full accrual versus the governmental fund balance – mainly property taxes on the full accrual. The District has worked on various fundraising issues to increase its governmental assistance on various maintenance programs.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At September 30, 2023, the District had \$130,458 invested in a broad range of capital assets, including facilities and infrastructure. General Fund expenditures and various fund transfers exceeded the approved operating budget amounts during the fiscal year period due to expended funds out of the general fund balance which were planned, budgeted and from reserve excess funds.

Debt - At September 30, 2023, the District had no long-term debt.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's management considered many factors when setting the fiscal year 2023-2024 budget. One of those factors is the economy and other factors.

The Cities latest investment includes the bay front enhancements and should highlight the City of Corpus Christi Downtown Area and have a favorable bearing on the Downtown economic climate.

The unemployment rate for Corpus Christi decreased from 5.0% in September 2022 to 4.5% in September 2023 according to the U.S. Department of Labor. This compares unfavorable to the State of Texas unemployment rate of 4.1% (compared to the prior year of 4.0%) and unfavorable to the national unemployment rate of 3.8% in 2023 (compared to the prior year of 3.5%).

Downtown property owners assess themselves 30 cents per \$100 land value and 7 cents per \$100 improvement value.

The Certified Net Assessed Taxable Value of the Corpus Christi Downtown Management District increased 35.68% to \$217,019,507 in 2023 (land \$40,311,606, improvements \$217,019,507) from \$209,542,779 (land \$40,311,606, improvements \$209,542,779) in 2022. These Certified Net Assessed Taxable Values represent land and improvements values. In addition, the District was able to negotiate with the City of Corpus Christi to receive its funds monthly instead of quarterly for cash flow purposes.

These indicators were taken into account when adopting the General Fund budget for 2023/2024 fiscal year. The District has various upcoming capital projects which benefit the Downtown area including maintenance projects.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Corpus Christi Downtown Management District, 921 N. Chaparral Street, Suite 100, Corpus Christi, Texas 78401.

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**BASIC FINANCIAL STATEMENTS**

**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
STATEMENT OF NET POSITION  
AT SEPTEMBER 30, 2023**

**EXHIBIT A-1**

	<b>Primary Government Governmental Activities</b>
<b><u>ASSETS:</u></b>	
Cash and Cash Equivalents	\$ 92,174
Investments - Current	-
Receivables (net of allowance)	173,292
Inventory	1,372
Prepaid Items	9,584
Due From Other Funds	-
Due From Others	-
Restricted Assets:	
Temporarily Restricted:	
Temporarily Restricted Assets	-
Capital Assets:	
Land	-
Infrastructure and Buildings, net	-
Machinery and Equipment, net	-
Construction in Progress	-
<b>TOTAL ASSETS:</b>	<b>\$ 276,422</b>
 <b><u>LIABILITIES:</u></b>	
Accounts Payable & Other Current Liab.	\$ 107,984
Due to Other Funds	-
Due to Others	-
Current Bonds/Loans Payable	-
Payable from Restricted Assets	-
Bonds Payable - Long Term	-
<b>TOTAL LIABILITIES</b>	<b>\$ 107,984</b>
 <b><u>NET POSITION:</u></b>	
Invested in Capital Assets	\$ -
Restricted for Capital Project Funds	-
Restricted for Special Revenue Funds	-
Restricted for Debt Service Funds	-
Unrestricted Net Position	168,438
<b>TOTAL NET POSITION</b>	<b>\$ 168,438</b>

The notes to the Financial Statements are an integral part of this statement.

**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**EXHIBIT B-1**

	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
<u>Primary Government:</u>		Charges For Services	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES:				
15 General Government	\$ 1,147,717	-	-	\$ (1,147,717)
16 Economic Development and Assistance	800,926	91,113	-	(709,813)
20 Public Safety	-	-	-	-
22 Fire Protection	-	-	-	-
32 Utility System	-	-	-	-
39 Health and Welfare	-	-	-	-
41 Animal Control	-	-	-	-
50 Culture and Recreation	-	-	-	-
52 Non-Departmental	-	-	-	-
52 Bond Interest	-	-	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 1,948,643</b>	<b>91,113</b>	<b>-</b>	<b>\$ (1,857,530)</b>

General Revenues:

Taxes:	
Property Taxes, Levied for Maint, TIRZ	\$ 1,052,205
City of Corpus Christi	275,471
Fundraising/Sponsorships	406,255
Other	-
Miscellaneous Revenue	101,127
Investment Earnings	48
Transfers In (Out)	-
Total General Revenues and Transfers	\$ 1,835,106
Change in Net Position	(22,424)
Net Position - Beginning	190,862
Prior Period Adjustment	-
Net Position - Ending	\$ 168,438

The notes to the Financial Statements are an integral part of this statement.

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CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AT SEPTEMBER 30, 2023

**EXHIBIT C-1**

	General Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 92,174
Investments	-
Prepays	9,584
Accounts Receivable	162,965
Taxes Receivable	10,327
Due From Other Funds	-
Inventory	1,372
<b>TOTAL ASSETS</b>	<b>\$ <u>276,422</u></b>
 <b>LIABILITIES</b>	
Accounts Payable	\$ 107,984
Due to Other Funds	-
<b>TOTAL LIABILITIES</b>	<b>\$ <u>107,984</u></b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue -Property Taxes	\$ 10,327
<b>Total Deferred Inflows of Resources</b>	<b>\$ <u>10,327</u></b>
 <b>FUND BALANCE</b>	
Restricted - Special Revenue	\$ -
Unassigned Fund Balance	158,110
<b>TOTAL FUND BALANCE</b>	<b><u>158,110</u></b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	 <b>\$ <u>276,422</u></b>

The notes to the Financial Statements are an integral part of this statement.

**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET  
POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Exhibit C-2

**Total Fund Balances - Governmental Funds** \$ 158,110

The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other governmental funds. The assets and liabilities of the internal service funds are included in governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase (decrease) net position. -

Capital assets are used in governmental activities are not financial resources and therefore are not reported in governmental funds. The net effect of including these balances for capital assets (net of depreciation) in the governmental activities is to increase net position. At the beginning of the year, the costs of these assets were: \$ 130,458 and the accumulated dep. was: \$ 130,458. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position -- -. -

Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the governmental-wide financial statements. The net effect of including the 2023 capital outlays and debt principal payments is to increase (decrease) net position. -

The 2023 depreciation expense increases accumulated depreciation. The net effect of the current period's depreciation is to decrease net position. -

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and the recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position. 10,327

**Net position of Governmental Activities** \$ 168,438

The accompanying notes are an integral part of this statement.

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

**EXHIBIT C-3**

		<u>General Fund</u>
REVENUES		
Assessment Income	\$	255,059
Income - City of Corpus Christi		275,471
Contracted Services		91,113
TIRZ Funding		797,147
Fundraising		199,447
Sponsorships		206,808
Investment Income		48
Other Income		<u>101,127</u>
Total Revenues	\$	<u>1,926,219</u>
 EXPENDITURES		
District Operations		612,258
Placemaking		247,157
Economic Development		10,800
Promotions		277,502
Organizational Management		807,549
 Total Expenditures	\$	<u>1,955,266</u>
 Excess (Deficiency) of Revenues Over Expenditures	\$	(29,047)
 Other Financing Sources -		
Operating transfers in (Note D)	\$	-
Operating transfers out (Note D)		<u>-</u>
Total Other Financing Sources	\$	-
 Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources	\$	(29,047)
 Fund Balance at Beginning of Period	\$	187,157
Prior Period Adjustment		<u>-</u>
Fund Balance at Beginning of Period - Restated		<u>187,157</u>
 Fund Balance at End of Period	\$	<u><u>158,110</u></u>

The notes to the Financial Statements are an integral part of this statement.

**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Exhibit C-4**

**Total Net Change in Fund Balances - Governmental Funds** \$ (29,047)

The District uses some internal service funds to charge the costs of certain activities primarily to the governmental funds. The net income (loss) of these internal service funds are reported with governmental activities. The net effect of this consolidation is to increase (decrease) net position. -

Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2023 capital outlays and debt principal payments is to increase (decrease) net position. -

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. -

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. These include recognizing unavailable revenue as revenue adjusting current year revenue to show the revenue earned from the current period's tax levy, eliminating interfund transactions, reclassifying the proceeds from bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions as to increase (decrease) net position. 6,622

**Change in Net Position of Governmental Activities** \$ (22,424)

The accompanying notes are an integral part of this statement.

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND  
 FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

EXHIBIT C-5

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Property Taxes - Assessment Income	\$ 275,471	275,471	255,059	(20,412)
Income - City of Corpus Christi	275,471	275,471	275,471	-
Contracted Services	100,000	100,000	91,113	(8,887)
TIRZ Funding	771,647	801,647	797,147	(4,500)
Fundraising	272,300	222,300	199,447	(22,853)
Sponsorships	200,000	202,546	206,808	4,262
Investment Income	-	-	48	48
Other Income	39,058	75,000	101,127	26,127
<b>Total Revenues</b>	<u>1,933,947</u>	<u>1,952,435</u>	<u>1,926,219</u>	<u>(26,216)</u>
<b>EXPENDITURES</b>				
District Operations	641,921	633,319	612,258	21,061
Placemaking	210,000	241,072	247,157	(6,085)
Economic Development	11,000	11,000	10,800	200
Promotions	178,700	244,900	277,502	(32,602)
Organizational Management	892,326	825,065	807,549	17,516
	-	-	-	-
<b>Total Expenditures</b>	<u>1,933,947</u>	<u>1,955,356</u>	<u>1,955,266</u>	<u>90</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>(2,921)</u>	<u>(29,047)</u>	<u>(26,126)</u>
Other Financing Sources - Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources	<u>-</u>	<u>(2,921)</u>	<u>(29,047)</u>	<u>(26,126)</u>
Fund Balance at Beginning of Period	187,157	187,157	187,157	-
Prior Period Adjustment	-	-	-	-
<b>Fund Balance at Beginning of Period - Restated</b>	<u>187,157</u>	<u>187,157</u>	<u>187,157</u>	<u>-</u>
<b>Fund Balance at End of Period</b>	<u>\$ 187,157</u>	<u>184,236</u>	<u>158,110</u>	<u>(26,126)</u>

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NOTES TO FINANCIAL STATEMENTS

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Corpus Christi Downtown Management District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. REPORTING ENTITY**

The District was created by petition by representatives of greater than 50% of the total assessed land value or land area, granted by the Texas Water Commission under the terms and conditions of Article III, Section 52, Article XVI, Section 59, and Article III, Section 52 – a, of the Texas Constitution and Chapter 375 of the Local Government Code on June 1, 1993. The District consists of a 348.531-acre tract, comprised of a portion of the metropolitan downtown area of Corpus Christi, Texas. The District was created for the specific purposes of the promotion, development, encouragement, and maintenance of employment, commerce, economic development and public welfare in the District. The District changed its fiscal year end to September 30. For reporting this change, a fourteen month period was incorporated for this audit.

The District is not included in any other governmental "reporting entity" as defined by Governmental Accounting Standards Board ("GASB"), Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District with most of the inter-fund activities removed. *Governmental activities* include programs supported primarily by taxes other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Taxes are always general revenues.

GASB 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are the consumption of net assets by the government that is applicable to a future reporting period and deferred inflows of resources are the acquisition of net assets by the government that is applicable to a future reporting period.

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2023

Inter-fund activities between governmental funds appear as due to/due from' on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All inter-fund transactions between governmental funds are eliminated on the government-wide statements. Inter-fund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as inter-fund transfers. Inter-fund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. The District considers some governmental and enterprise funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

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Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from various sources are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors usually require the District to refund all or part of the unused amount.

**D. FUND ACCOUNTING**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounting for with a separate set of self – balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses, as appropriate Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate fund types. The following fund types and account groups are maintained by the Corpus Christi Downtown Management District:

**GOVERNMENTAL FUNDS**

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds– Accounts for financial resources budgeted for special projects approved by the Board of Directors and to receive proceeds of specific funds sources. Tax Assessments are allocated to fund components by petition. The Board may reallocate amounts petitioned to other special funds by resolution

**E. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

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The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

Those revenues considered susceptible to accrual are property taxes, hotel taxes, special assessments, interest income and charges for services. Sales taxes collected and held by the State at year-end on behalf of the District also are recognized as revenues. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are recorded when the related fund liability is incurred.

**F. OTHER ACCOUNTING POLICIES**

**Investments**

The District can legally invest in certificates of deposits, repurchase agreements, obligations of the U.S. Government and its Agencies or instrumentalities and State obligations, all of which are recorded at cost.

**Fixed Assets Accounting**

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are recorded at their estimated fair market value on the date of donation. Public domain general fixed assets (infrastructure) consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, etc., have not been capitalized. Such assets are normally immovable and of value only to the District, therefore, the purpose of stewardship for these items is satisfied without recording of these assets in governmental funds. No depreciation has been provided on general fixed assets.

**Inter-fund Transactions**

During the course of normal operations the District has numerous transactions between funds including expenditures and transfers of resources to provide services and service debt. The accompanying financial statements generally reflect such transactions as operating transfers, which are included in the results of operations of both governmental and proprietary funds. Short – term inter-fund loans receivable (reported in “Due from Other Funds”) are considered “available spendable resources”.

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
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**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the period were as follows:

<u>Capital Assets</u> at the Beginning of the period	<u>Historic Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net Value at the</u> <u>Beginning of the</u> <u>Period</u>	<u>Change in Net</u> <u>Position</u>
Land	0	0	0	
Buildings	0	0	0	
Furniture & Equipment	130,458	130,458	0	
Capital Leases	0	0	0	
Construction in Progress	<u>0</u>	<u>0</u>	<u>0</u>	
Change in Net Position				<u>0</u>
<u>Long-term Liabilities</u> at the Beginning of the period				
Bonds Payable	0	0	0	
Less Deferred Charges	0	0	0	
Loans Payable	0	0	0	
Capital Leases Payable	0	0	0	
Compensated Absences	0	0	0	
Other	0	0	<u>0</u>	
Change in Net Position				<u>0</u>
 Net Adjustment to Net Position				 <u>0</u>

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
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**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

Exhibit C-4 provides reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position. The details of this adjustment are as follows:

	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
<u>Current Period Capital Outlay</u>			
Land	0	0	0
Buildings & Improvements	0	0	0
Furniture & Equipment	0	0	0
Construction in Progress	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
<u>Debt Principal Payments</u>			
Bond Principal	0	0	0
Loan Principal	0	0	0
Capital Lease Payments	0	0	0
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total Principal Payments	<u>0</u>	<u>0</u>	<u>0</u>
Total Adjustment to Net Position	<u>0</u>	<u>0</u>	<u>0</u>

**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
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Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows:

	<u>Amount</u>	<u>Adjustments to Change in Net Position</u>	<u>Adjustments to Net Position</u>
<u>Adjustments to Revenue and Unavailable Revenue</u>			
Taxes Collected from Prior Year Levies			
Uncollected taxes(assumed collectible) from Current Year			
Levy	10,327	10,327	10,327
Uncollected Taxes (assumed collectible) from Prior Year			
Levy			
<u>Other</u>			
<u>Reclassify Proceeds of Bonds, Loans &amp; Capital Leases</u>			
New Bond Issue			
Discount (Premium) on Issuance of Bonds			
Capital Lease Proceeds			
Other			
Reclassify liabilities incurred but not liquidated this year			
Unused Vacation Pay and/or unused sick leave			
Reclassify certain expenditures to prepaid assets:			
Prepaid Insurance Premiums		-	-
Total		<u>10,327</u>	<u>10,327</u>

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY DATA**

The Board of Directors approves an estimate of revenues and expenditures. The Board of Directors formally adopted the official budget at a duly advertised public meeting prior to the expenditure of funds.

The District follows a budgetary basis of accounting for revenues and expenditures in the general fund. The District does not use Encumbrance Accounting.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

General Fund expenditures – Clean, Safe and Beautification, Access Services and various fund transfers exceeded the approved operating budget amounts during the fiscal year period due to expended funds out of the general fund balance which were planned, budgeted and from reserve excess funds.

**C. DEFICIT FUND EQUITY**

None

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
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**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. DEPOSITS AND INVESTMENTS**

District Policies and Legal and Contractual Provisions Governing Deposits

*Custodial Credit Risk for Deposits* State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the district complies with this law, it has no custodial credit risk for deposits.

*Foreign Currency Risk* The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The District does not have any foreign currency risk at September 30, 2023.

District Policies and Legal and Contractual Provisions Governing Investments

**Compliance with the Public Funds Investment Act**

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

At September 30, 2023, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$92,158 and the bank balance was \$145,640. The District's cash deposits at September 30, 2023 and during the period ended September 30, 2023, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
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Type of Deposit	Fair Value	Percent	Maturity in Less than 1 year	Maturity in 1-10 Years	Maturity in Over Over 10 Years	Credit Rating
Cash	\$ 92,158	100.0%	\$ -	\$ -	\$ -	N/A
Money markets and FDIC Insured Accounts	-	0.0%	-	-	-	
Investment Pools:						
TexPool	-	0.0%	-			AAAm
Total Investment Pools:						
Total Cash and Cash Equivalents	\$ 92,158	1.00	\$ -	\$ -	\$ -	

As of September 30, 2023, Corpus Christi Downtown Management District had the following investments.

Investment by Fair Value Level	Balance at 30-Sep-23	Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities:				
U.S. Treasury Securities	\$ -	\$ -	\$ -	\$ -
Corporate Bonds	-	-	-	-
Total Debt Securities	-	-	-	-
Equity Securities:				
(Describe)	-	-	-	-
Total Equity Securities	-	-	-	-
Venture Capital Investments:				
(Describe)	-	-	-	-
Total Venture Capital Investments	-	-	-	-
Total Investments by Fair Value Level	\$ -	\$ -	\$ -	\$ -
Mutual Funds Total				

Additional policies and contractual provisions governing deposits and investments for Corpus Christi Downtown Management District are specified below:

**Credit Risk** To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in (list investments covered by the district's credit risk policy, such as commercial paper, corporate bonds, mutual bond funds) to the top (or top 2 or 3) ratings issued by nationally recognized statistical rating organizations (NRSROs). As of September 30, 2022, the District did not have any investments at September 30, 2023.

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
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Custodial Credit Risk for Investments To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 80% of its total investments. The District further limits investments in a single issuer when they would cause investment risks to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government. The District did not have any concentration of credit risk regarding its investments at year end.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District did not have any interest rate risk at September 30, 2023.

Foreign Currency Risk for Investments The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment. The District did not have any foreign currency risk for investments at September 30, 2023.

**B. PROPERTY TAXES**

Property taxes are levied by October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid in total before February 1 of the year following the year in which imposed property tax revenues are considered available (but not measurable) when they become due or past due and receivable within the current period.

The Nueces County Tax Assessor/Collector bills and collects the property tax for the District. Remittance of the district's taxes is accounted for in the General Fund: Allocations of revenue by petition are recognized in the Capital Projects Fund and are restricted to those uses. Funds may be reallocated to other projects by the Board resolution (see Note-D).

District property tax revenues are to be recognized when levied to the extent that they result in current receivables and are recorded as deferred revenue at that time. The District does not consider taxes as both measurable and available until deposited. Deferred revenues are recognized as revenue in the fiscal period they are made available.

**C. DELINQUENT TAXES RECEIVABLE**

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The District does not assess a debt service tax rate.

**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
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**D. INTERFUND BALANCES AND TRANSFERS**

Inter-fund balances at September 30, 2023, consisted of the following amounts:

Due from:		
General Fund	\$	0
Major Governmental Funds		0
All Others		<u>0</u>
Total Due to General Fund From Other Funds	<u>\$</u>	<u>0</u>

Due to :		
General Fund	\$	0
Major Governmental Funds		0
All Others		<u>0</u>
Total Due to Major Fund	<u>\$</u>	<u>0</u>

Inter-fund transfers for the year ended September 30, 2023, consisted of the following individual amounts:

Transfers Out :		
General Fund	\$	0
Major Funds		0
All Others		<u>0</u>
Total Transferred to General Fund	<u>\$</u>	<u>0</u>

Transfers In :		
General Fund	\$	0
Major Funds		0
All Others		<u>0</u>
Total Transferred to Non-major Governmental Funds	<u>\$</u>	<u>0</u>

**E. DESEGREGATION OF RECEIVABLES AND PAYABLES**

Receivables at September 30, 2023, were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Due From Other Funds</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental Activities:					
General Fund	\$10,327	\$162,965	\$0	\$0	\$173,292
Major Governmental Funds	0	0	0	0	0
Non-major Governmental Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total - Governmental Activities	<u>10,327</u>	<u>162,965</u>	<u>0</u>	<u>0</u>	<u>173,292</u>
Amounts not scheduled for collection during the subsequent year	<u>\$10,327</u>	<u>\$162,965</u>	<u>\$0</u>	<u>\$0</u>	<u>\$173,2925</u>

The accounts receivable was higher than normal. The District has worked out a monthly revenue plan with the city instead of quarterly. This will help the Districts cash flow.

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
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Payables at September 30, 2023, were as follows:

	<u>Accounts</u>	<u>Loans, Leases and Bonds Payable - Current Year</u>	<u>Salaries and Benefits</u>	<u>Due To Other Funds</u>	<u>Due to Other Governments</u>	<u>Other</u>	<u>Total Payables</u>
Governmental Activities:							
General Fund	\$107,984	\$ 0	\$ 0	\$0	\$ 0	\$ 0	\$107,984
Major Gov. Funds	0	0	0	0	0	0	0
Non-major Gov. Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total - Gov. Activities	<u>\$107,984</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$107,984</u>
Amounts not scheduled for payment during the subsequent year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**F. CAPITAL ASSET ACTIVITY**

Capital asset activity for the District for the fiscal period ended September 30, 2023, was as follows:

	<u>Primary Government</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Land	0	0	0	0
Buildings and Improvements	0	0	0	0
Furniture and Equipment	130,458	0	0	130,458
Capital Leases	0	0	0	0
Infrastructure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals at Historic Cost	<u>130,458</u>	<u>0</u>	<u>0</u>	<u>130,458</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	0	0	0	0
Furniture and Equipment	130,458	0	0	130,458
Capital Leases	0	0	0	0
Infrastructure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Accumulated Depreciation	<u>130,458</u>	<u>0</u>	<u>0</u>	<u>130,458</u>
Governmental Activities Capital Assets, Net				<u>0</u>

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Depreciation expense was charged to governmental functions as follows:

Economic Development and Assistance	\$0
Total Depreciation Expense	\$0

**G. SHORT-TERM DEBT PAYABLE**

*[GASB 2300.107]* The District accounts for short-term debts for maintenance purposes through the General Fund. Short-term debts include notes made in accordance with the provisions of the State Law. The proceeds from loans are shown in the financial statements as Other Resources and principal payments are shown as Other Uses.

<u>Date of Issue/ Maturity</u>	<u>Description</u>	<u>Beginning Balance</u>	<u>Amount Issued</u>	<u>Amount Redeemed</u>	<u>Ending Balance</u>
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None

**H. BONDS AND LONG-TERM NOTES PAYABLE**

*[GASB 2300.106m and 2200.109 and 2300.106i]* Bonded indebtedness of the District is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in general long-term debt for the fiscal period ended September 30, 2023 is as follows:

<u>DESCRIPTION</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>	<u>Interest Current Period</u>	<u>Payable Amounts Outstanding</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u>
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None

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
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**I. COMMITMENTS UNDER RIGHT TO USE LEASES**

*[GASB 2300.106j and 1400.108 and L20.128-.129]* Commitments under operating (non-capitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of September 30, 2022, as follows:

Year Ending	
July 31,	
2024	0
2025	0
2026	0
2027	0
2028	0
Thereafter	<u>0</u>
Total Minimum Rentals	<u>0</u>
Rental Expenditures in Fiscal Period 2023	\$0

The imputed interest on the leases ranges from 0%.

**J. DEBT SERVICE REQUIREMENTS - BONDS AND CAPITAL LEASES**

Debt service requirements for bonds are as follows:

Year Ended July 31,	<u>General Obligations</u>		<u>Total Requirements</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$0	\$0	\$0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
Thereafter	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
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Capital Leases – Right to Use

*[GASB 2300.107h and L20.128-.129]* Describe the nature of the lease giving its purpose, legal authorization, the amount capitalized, the minimum annual payments, and the effective rate of interest.

Year Ending	
July 31,	
2024	0
2025	0
2026	0
2027	0
2028	0
Thereafter	0
Total Capital Lease Payments	<u>0</u>
Less interest	0
Net	<u>0</u>

**K. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS**

The District expenses compensated absences as they are paid; no accrual of compensated absences is recorded because the amount of obligation cannot be reasonably estimated. The District monitors on a calendar year for all granted compensated absences, sick leave and vacation time lapse.

**L. DEFINED BENEFIT PENSION PLAN**

None

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**M. CHANGES IN LONG-TERM LIABILITIES**

Long-term activity for the period ended September 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
General Obligation Bonds	\$0	\$0	\$0	\$0	\$0
Special Assessment Bonds	0	0	0	0	0
Equipment Note	0	0	0	0	0
Less Deferred Amount on Refunding	--	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Bonds and Notes Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Liabilities:					
Capital Leases	0	0	0	0	0
Compensated Absences	0	0	0	0	0
Claims and Judgments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Governmental Activities Long-term Liabilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**N. UNAVAILABLE REVENUE**

Unavailable revenue at September 30th consisted of the following:

	<u>General Fund</u>	<u>Major Sp. Revenue Fund</u>	<u>Non Major Sp. Revenue Fund</u>	<u>Total</u>
Net Tax Revenue	\$10,327	\$0	\$0	\$10,327
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Unavailable Revenue	<u>\$10,327</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,327</u>

**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2023**

**O. DUE FROM STATE AGENCIES**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. Amounts due from federal and state governments as of September 30, 2023, are summarized below.

<u>FUND</u>	<u>STATE ENTITLEMENTS</u>	<u>FEDERAL GRANTS</u>	<u>TOTAL</u>
General	\$0	\$0	\$0
Special Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**P. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

During the current year, revenues from local and intermediate sources consisted of the following:

	<u>General/ Contingency Fund</u>	<u>Major Sp. Revenue Fund</u>	<u>Non Major Sp. Revenue Fund</u>	<u>Total</u>
Assessment Income	\$255,059	\$ 0	\$ 0	\$255,059
Investment Income	48	0	0	48
Income – City of CC/TIRZ	1,163,731	0	0	1,163,731
Fundraising/Sponsors	406,255	0	0	406,255
Other	<u>101,127</u>	<u>0</u>	<u>0</u>	<u>101,127</u>
Total	<u>\$1,926,219</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1926,219</u>

**Q. RELATED ORGANIZATIONS**

Corpus Christi Downtown Alliance – a new organization formed in the last few years to assist in non-profit efforts to assist the Corpus Christi Downtown Management District in securing funding for the District and its goals. Minimum activity has occurred in the newly formed organization.

**R. FUND EQUITY - GASB 54**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The classifications are as follows:

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
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Non-spendable - The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of inter-fund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Board of Directors separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Directors or state statute. The Board of Directors or a District official delegated that authority by the Board of Directors.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 AS OF SEPTEMBER 30, 2023

District Fund Balance Policy

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The District has in the past and plans to continue in the future its conservative approach to monitoring expenditures to maintain the fund balance(s) at an approximate 25% general fund level of annual expenditures. The Board of Directors is working to re-build the fund balance.

Fund Balance - GASB 54 Compliance

By a majority vote in a scheduled meeting of the Board of Directors, the Board may commit fund balances and it may modify or rescind these commitments. The Board of Directors may also delegate authority to persons or parties to assign fund balances in specific circumstances. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows.

<u>Fund Balance Classification</u>	Amount
Non-spendable	
Inventories	\$ -
Restricted	
Federal/State/Local	-
Committed Fund Balances	
Economic	-
Assigned Fund Balances	
Undesignated/Unassigned	-
Unassigned Fund Balance	<u>158,110</u>
Total Fund Balances	<u>\$ 158,110</u>

**S. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 13, 2023, which is the date the financial statements were available to be issued.

**T. PRIOR PERIOD ADJUSTMENT**

None

**CORPUS CHRISTI DOWNTOWN MANAGEMENT DISTRICT  
FOR THE YEAR ENDED SEPTEMBER 30, 2023  
REPORT TO MANAGEMENT THOSE  
CHARGED WITH GOVERNANCE**



**ERNEST R. GARZA  
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*Certified Public Accountants*

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**MANAGEMENT LETTER**

The Board of Directors of the  
Corpus Christi Downtown Management District

In planning and performing our audit of the financial statements of Corpus Christi Downtown Management District, as of and for the year ended September 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Page 2 of 2

Finding No. 2023-01. As mentioned in the prior audits, the Corpus Christi Downtown Management District has exceeded various budgeted line item expenditures.

Recommendation No. 2023-001. For accountability and internal control purposes, the District should utilize budget amendments to stay within budgeted line items including the use of purchase orders.

Finding No. 2023-002. During the audit, we note the District has been utilizing the fund balance to make necessary budget expenditures. The District also currently maintains a low fund balance.

Recommendation No. 2023-002. For internal control and accountability purposes, the District should rebuild the fund balance to several months of annual expenditures.

This communication is intended solely for the information and use of management, the Board of Directors, others within the organization, including State Agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Ernest R. Garza & Company, P.C.  
Certified Public Accountants

December 13, 2023

# Team Updates

## *New DMD Team Member*

- **Marketing & Social Media Assistant**
  - Bella Espinosa
  - New Full-time Position
- **About Bella**
  - Joined the team on December 18
  - Originally from DFW, Lived in CC for 5 years
  - Marketing & Customer Service Background
  - 2 published newspaper articles: Weatherford Democrat
- **Support Areas**
  - Marketing Initiatives:
    - Social Media
    - *The Downtowner* Newsletter
  - DBA Initiatives:
    - DBA Benefit fulfillment
    - DBA Discovery Meetings
    - DBA Promotions





# 2023 Downtown Perception Survey

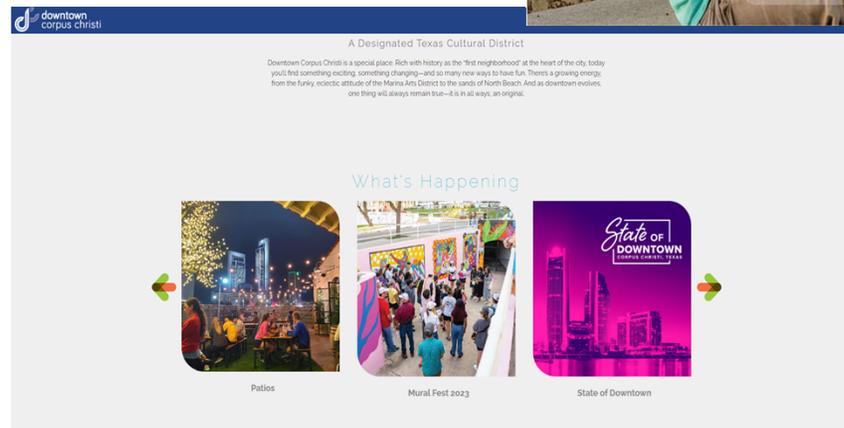
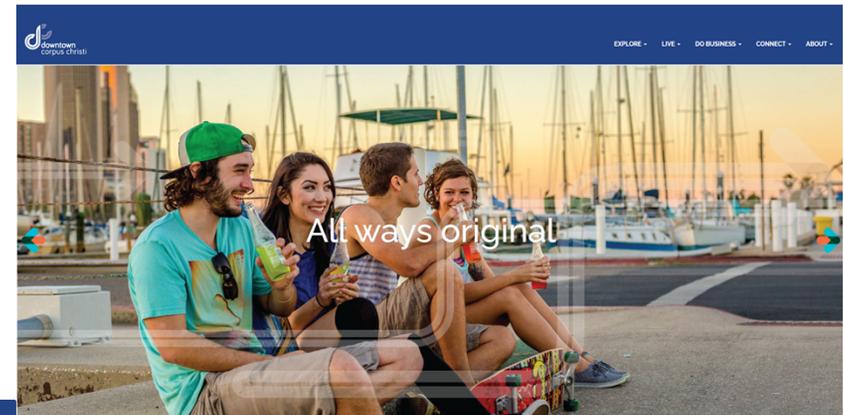
- **In Partnership with TAMUCC**
  - Collaborative Community Research Center
  - Dr. David Scott & Dr. Dan Jorgensen
- **Participants were from Nueces and San Patricio Counties**
- **Important dates**
  - Opened on December 5
  - Closed on December 19
- **Estimated 680+ Responses**
- **Full report expected on January 20**
  - Findings to be reported to Board during February Board Meeting



# Website RFP



- **Originally built and launched in 2017**
  - Obsolete functionality
  - Hard to navigate externally and internally
- **Important dates**
  - RFP sent out mid January
  - RFP closes mid February
  - Selection Process/contract begins Spring 2024





# Boundary Expansion Updates

- March 1 – Submission deadline to Nueces County Appraisal District

Frost Bank	39.5%
Agnes Water – 401 Water Street	3.6%
Shoreline Terrace	4.5%
Total	47.6%

2024-2033





# 13. Board Requests for Next Meeting



# 14. Adjourn