

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY

REPORT ON FINANCIAL STATEMENTS

AND

ADDITIONAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2019

GEORGE BAUGH III
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AMERICAN INSTITUTE AND
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

To the Board of Directors
OST/Alameda Corridors Redevelopment Authority
Houston, Texas

Attached is the financial report of OST/Alameda Corridors Redevelopment Authority for the year ended June 30, 2019.



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City, State:
EIN:

Houston, Texas
76-0191519

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September 19, 2019

OST/Alameda Corridors Redevelopment Authority

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
OST/Almeda Corridors Redevelopment Authority
Houston, Texas

Report on the Financial Statements

We have audited the accompanying financial statement of the government activities and each major fund of OST/Almeda Corridors Redevelopment Authority (the Authority), a component unit of the City of Houston, Texas as of and for the year ended June 30, 2019, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OST/Alameda Corridors Redevelopment Authority as of June 30, 2019, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as required by the City of Houston is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



George Baugh III
Certified Public Accountant

September 19, 2019

**OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
FOR THE PERIOD ENDED JUNE 30, 2019
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following discussion and analysis of the OST/Alameda Corridors Redevelopment Authority's (Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2019.

Please read in conjunction with the Authority's basic statements which begin on page 9.

FINANCIAL HIGHLIGHTS

- On November 14, 2018, Houston City Council passed Ordinance No. 2018-908, authorized the OST/Alameda Corridors Redevelopment Authority (Authority) on behalf of Reinvestment Zone Number Seven, City of Houston, Texas (TIRZ #7) to issue bonds, secured by Agreement Revenues, in an aggregate principal amount not to exceed sixty million dollars (\$60,000,000) outstanding at any one time without further approval from the City Council. The authorization granted was in addition to the outstanding principal amount of \$22,000,000 in bonds and notes authorized pursuant to City Ordinance No. 2010-541 (as amended by Ordinance No. 2010-820), the \$12,000,000 in bonds and notes authorized by Ordinance No. 2001-292, and the \$1,000,000 in notes authorized by the Tri-Party Agreement.
- In the Municipal Services Cost Agreement effective June 2010 among the City of Houston, TIRZ #7 and the Authority, the Authority agrees to pay the City of Houston annually for incremental costs of providing municipal services and allows the Authority to contract with Greater Southeast Management District to provide enhanced public safety services.
- The Ninth Amendment to Amended and Restated Interlocal Agreement by and between Reinvestment Zone Number Seven, City of Houston, Texas, the Authority and Greater Southeast Management District (GSMD) authorizing the Authority to reimburse GSMD up to \$150,000 plus any unexpended prior authorized funds for Enhanced Public Safety Services through December 31, 2019 was approved by the Board of Directors on December 6, 2018.
- On December 6, 2018, the Board of Directors approved a Letter of Agreement with Greater Southeast Management District (GSMD) extending the District's sublease for office lease at 5445 Alameda for one-year through December 31, 2019, with updated terms and conditions.
- On March 7, 2019, the Board of Directors approved the Interlocal Agreement between Old Spanish Trail/Alameda Corridors Redevelopment Authority and Midtown Redevelopment Authority related to the development of a public garage to serve Emancipation Park and certain infrastructure needed to support the development of affordable housing/mixed -use projects in the OST/Alameda Zone.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
FOR THE PERIOD ENDED JUNE 30, 2019
MANAGEMENT'S DISCUSSION AND ANALYSIS

- o Capital projects in design or construction during FY 2019 included the following: Park at Palm Center; Historic Emancipation Ave. Reconstruction; Emancipation Park & Community Center Project (4 Corners Founders Monuments); Greater Third Ward Neighborhood Project (Preliminary Engineering Report); MacGregor Park and Tennis Center (Traffic Mobility Study) and Affordable Housing Center Office. On June 13, 2019, the Board of Directors voted to accept the Approved List and Engagement of Qualified Professionals for the Design-Build Team to complete the Four Corners Founders Monuments for the Emancipation Park Project.
- o The Emancipation Park & Community Center Project is substantially completed and its facilities are currently in service by the Houston Parks and Recreation Department.
- o A Settlement Agreement and Mutual Release between OST/Almeda Corridors redevelopment Authority and Prime Contractors Inc. related to Emancipation Park & Community Center, was approved by the board of directors on December 6, 2018.
- o Interlocal Agreement between Reinvestment Zone Number Seven, City of Houston, Texas, Old Spanish Trail/Almeda Corridors Redevelopment Authority (the Authority) and Greater Southeast Management District (GSMD) for the Authority to provide administrative and program services for the District was approved by the board of directors of both GSMD and the Authority effective June 28, 2017 through June 30, 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. Under Governmental Accounting Standard Board Statement No. 34, the Authority qualifies as a special purpose government with one program: redevelopment of OST/Almeda Corridors Zone.

Government-wide statements report information about the Authority as a whole using accounting methods similar to those used in private-sector companies. The statement of net position includes all of the Authority's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid. The fund financial statements report information about the Authority on the modified accrual basis, which only accounts for revenues that are measurable and available within the current period or soon enough thereafter to pay liabilities of the current period. Adjustments are provided to reconcile the government-wide statements to the fund statements. Explanations for the reconciling items are provided as part of the financial statements.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
FOR THE PERIOD ENDED JUNE 30, 2019
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Net Position

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. The following table reflects condensed information on the Authority's net assets.

	2019	2018
Assets:		
Cash and investments	21,557,905	\$20,599,543
Tax increment receivables (Note 11)	858,214	-
Other receivables, net of allow. for doubt. account of \$256,976 (Note 5&9)	-	-
Grants receivables (Note 5&9)	157,512	302,079
Other assets	-	-
Capital assets, net & including land	3,154,994	3,155,411
	<u>25,728,625</u>	<u>24,057,033</u>
Liabilities:		
Bonds payable	16,612,909	18,291,910
Accounts and accrued payable	317,560	1,215,357
Project cost payable	1,443,307	350,596
	<u>18,373,776</u>	<u>19,857,863</u>
	<u>\$7,354,849</u>	<u>\$4,199,170</u>
	=====	=====
Net Position (Note 13)		

All trust and operating cash accounts were invested throughout the year in U. S. Treasury Bills and other federal and state secured instruments at market rate.

Tax increment receivables at June 30, 2019 for the City of Houston were \$0 and for Houston Independent School District were \$858,214. For Harris County tax increment see Note 11.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
 FOR THE PERIOD ENDED JUNE 30, 2019
 MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities

The Statement of Activities presents the operating results of the Authority. The following table reflects condensed information on the Authority's operations:

	2019	2018
Revenues:		
Tax increments (Note 12)	\$10,958,226	\$10,566,960
Investment earnings	355,863	171,678
Other income (Note 9)	10,051	784
Grants	128,652	287,492
Total revenues	11,452,792	11,026,914
Expenses:		
Project cost	4,077,831	1,948,712
Interest expenses	809,555	891,597
Other operating cost	3,409,727	3,369,834
Total expenses	8,297,113	6,210,143
Increase (decrease) in Net Position	3,155,679	4,816,771
Net Position - beginning of year	4,199,170	(617,601)
Net Position - end of year (Note 13)	\$7,354,849	\$4,199,170

Tax Increments

The City of Houston (the City), Harris County (the County) and Houston Independent School District (HISD) have agreed, subject to certain limitations, to deposit to the Tax Increment Fund established for the Authority, a certain percentage of tax collections arising from their respective taxation of the increase, if any, in the appraised value of real property located in the zone since a designated base year. The base year for the zone is 1997 and expansion years are 1998, 2008, 2013 and 2016.

The City remits tax increments collected by the City, County and HISD on an annual basis. In June 2019, the Authority received the net City's tax increments of \$8,271,386 and HISD tax increments of \$858,214 in July 2019. For the Harris County tax increment, see Note 11.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
FOR THE PERIOD ENDED JUNE 30, 2019
MANAGEMENT'S DISCUSSION AND ANALYSIS

Project Cost

Project cost includes the following:	2019	2018
Park at Palm Center	\$193,657	\$ 45,606
Land Assem. & Site Preparation	24,383	-
Public Spaces & Parking Lots	19,919	58,604
OST & Griggs Landscape Project-Phase II	133,725	541,803
Historic Dowling Street Reconstruction	21,694	165,776
Historic Holman Street Reconstruction	15,036	-
Greater Third Ward Neighborhood Project	770,807	-
MacGregor Park and Tennis Center	167,928	-
Emancipation Park	1,344,683	1,135,318
Developer Project	1,385,999	1,605
	-----	-----
	\$ 4,077,831	\$1,948,712
	=====	=====

Capital Assets

The Authority had capital asset additions of \$0 and disposals of \$0 for the year ended June 30, 2019.

Purchases were as follows:	2019	2018
Land & Capital Improvements	\$0	\$1,250
	-----	-----
	\$0	\$1,250
	=====	=====

Debt

In September 2001, the Authority issued \$8.2 million in OST/Alameda Corridors Redevelopment Authority Tax Increment Contract Revenue Bonds, Series 2001.

In November 2010, the Authority issued \$22 million in OST/Alameda Corridors Redevelopment Authority Tax Increment Contract Revenue Bonds, Series 2010.

The Authority's seventeenth principal payment on the \$8.2 million OST/Alameda Corridors Redevelopment Authority Tax Increment Contract Revenue Bonds, Series 2001, is due on September 1, 2019 and the ninth principal payment for the series 2010 is on September 1, 2019. A debt service and reserve fund in the amount of \$4,755,394 has been established for debt service on both of the bonds.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
FOR THE PERIOD ENDED JUNE 30, 2019
MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL FUND BUDGETARY HIGHLIGHTS

The Authority's overall budget for 2019 was in excess of \$76 million dollars. The overall budget is on page 22.

FUTURE PROJECTS

- Interlocal Agreement between Reinvestment Zone Number Seven, City of Houston, Texas, Old Spanish Trail/Alameda Corridors Redevelopment Authority (the Authority) and Greater Southeast Management District (GSMD) for the Authority to provide administrative and program services for the District, was approved by the board of directors on May 5, 2019 to extend the existing agreement with the Authority through September 30, 2019.
- A Joint Committee with representatives from the Board of Directors of the OST/Alameda Corridors Redevelopment Authority and Greater Southeast Management District was created to forge a deeper collaboration between the Authority and the District and specifically to develop an integrated mobility implementation strategy to enable both entities to leverage federal funding with locally committed resources and to compete for discretionary mobility funding.
- Capital improvement projects in the FY 2020 - FY 2024 will be funded by a bond issued for \$53,000,000.00 for the following future projects: Emancipation Avenue Reconstruction Project; Emancipation Park & Community Center Phase II; Historic Holman Street Reconstruction Project, Alameda Corridor Improvements - Phase IV, Greater Third Ward Neighborhood Project, MacGregor Park and Tennis Center (Park Planning); Live Oak Street Improvement Project; Hutchins Street Improvement Project; Scott Street Improvements Projects (Planning); Greater Third Ward Neighborhood Project; MacGregor Park and Tennis Center; Live Oak Street Improvements Project; Scott Street Improvements Project; Scottcrest Street Improvements; Griggs and MLK Corridors Improvement Project; and Old Spanish Trail Mobility Improvements to MacGregor Park.

It is the intention of this document to disclose and discuss all issues that may be material to the operation of the Authority, and to respond directly to the issues raised by the requirements of the MD&A. If you have any questions or comments regarding any of the matters raised herein, please, feel free to contact Theola Petteway, Executive Director, 5445 Alameda, Suite 545, Houston, Texas 77004.

OST/Alameda Corridors Redevelopment Authority
Governmental Funds Balance Sheet/Statement of Net Position
June 30, 2019

	General Fund	Debt Service Fund	Total All Funds	Adjustments	Statement of Net Position
ASSETS					
Cash	\$ 72,010	\$ -	\$ 72,010	\$ -	\$ 72,010
Investments	16,730,501	4,755,394	21,485,895	-	21,485,895
Tax increments receivable (Note 11)	858,214	-	858,214	-	858,214
Other receivables, net of allowance for doubtful account of \$256,976 (Note 5 & 9)	-	-	-	-	-
Grants receivables (Note 5 & 9)	-	-	-	157,512	157,512
Capital assets, net & including land	-	-	-	3,154,994	3,154,994
Total assets	\$ 17,660,725	\$ 4,755,394	\$ 22,416,119	\$ 3,312,506	\$ 25,728,625
LIABILITIES					
Project cost payable (Notes 8)	1,443,307	-	1,443,307	-	1,443,307
Accounts and accrued payables	52,305	-	52,305	-	52,305
Unearned revenue	-	-	-	-	-
Accrued interest payable	-	-	-	265,255	265,255
Bonds payable:					
Due within one year	-	-	-	1,500,000	1,500,000
Due after one year	-	-	-	15,112,909	15,112,909
Total liabilities	1,495,612	-	1,495,612	16,878,164	18,373,776
FUND BALANCES/NET POSITION					
Fund Balance:					
Nonspendable	-	-	-	-	-
Restricted	-	4,755,394	4,755,394	(4,755,394)	-
Committed	11,286,001	-	11,286,001	(11,286,001)	-
Assigned	2,100,000	-	2,100,000	(2,100,000)	-
Unassigned	2,779,112	-	2,779,112	(2,779,112)	-
Total fund balances (Note 6)	16,165,113	4,755,394	20,920,507	(20,920,507)	-
Total liabilities and fund balances	\$ 17,660,725	\$ 4,755,394	\$ 22,416,119		
Net Position:					
Invested in capital assets, net of related debt				3,154,994	3,154,994
Restricted for capital projects				-	-
Restricted for debt service				4,755,394	4,755,394
Unrestricted				(555,539)	(555,539)
				<u>7,354,849</u>	<u>7,354,849</u>
Total Net Position				\$ 7,354,849	\$ 7,354,849
Total fund balances of total governmental fund					\$ 20,920,507
Amounts reported for governmental activities in the statement of net position are different because:					
Other receivable not available for current period					157,512
Other assets not available for current period					-
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds					3,154,994
Deferred tax increment is not available for current period expenditures and therefore are deferred in the funds					-
Other revenue not due in current period					-
Other payables and accruals not due in current period					(265,255)
Tax increment revenue bonds and related interest are not due and payable in the current period and therefore are not reported in the funds					(16,612,909)
Cost of issuance and OID are not available to pay for current period expenditures and therefore are not reported in the funds					-
Other long term debt not due in current period					-
Net Position of governmental activities					<u>\$ 7,354,849</u>

See accompanying notes to financial statements.

OST/Alameda Corridors Redevelopment Authority
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances/Statement of Activities
For the Year Ended June 30, 2019

	General Fund	Debt Servicing Fund	Total All Funds	Adjustments	Statement of Activities
REVENUES:					
Tax increments (Note 12)	\$ 8,698,540	\$ 2,259,686	\$ 10,958,226	\$ -	\$ 10,958,226
Investment earnings	355,863	-	355,863	-	355,863
Other revenue (Note 9)	10,051	-	10,051	-	10,051
Grants (Note 9)	259,939	-	259,939	(131,287)	128,652
Total revenues	<u>9,324,393</u>	<u>2,259,686</u>	<u>11,584,079</u>	<u>(131,287)</u>	<u>11,452,792</u>
Expenditures/expenses:					
Capital outlay-Project Cost	4,077,831		4,077,831	-	4,077,831
Administrative (salaries and benefits)	407,538		407,538		407,538
ISD Education Set-Aside Transfer	1,368,289		1,368,289		1,368,289
Administrative Fees - Transfer	460,336		460,336		460,336
Legal and accounting	92,890		92,890		92,890
Consultants	17,662		17,662		17,662
Office expenses	12,713		12,713		12,713
Rent/lease expenses	45,325		45,325		45,325
Insurance	7,294		7,294		7,294
Original issue discount premium amortization	-		-	(24,000)	(24,000)
Depreciation	-		-	417	417
Municipal Services-Enhanced Public Safety	1,021,263	-	1,021,263	-	1,021,263
Principal payments	-	1,655,000	1,655,000	(1,655,000)	-
Interest expense	-	837,138	837,138	(27,583)	809,555
Total expenditures/expense	<u>7,511,141</u>	<u>2,492,138</u>	<u>10,003,279</u>	<u>(1,706,166)</u>	<u>8,297,113</u>
Excess (deficiency) of revenues over expenditures	1,813,252	(232,452)	1,580,800	(1,580,800)	
Change in net position					3,155,679
Fund balances/net position:					
Beginning of the year	<u>14,351,861</u>	<u>4,987,846</u>	<u>19,339,707</u>	-	<u>4,199,170</u>
End of the year (Note 6)	<u>\$ 16,165,113</u>	<u>\$ 4,755,394</u>	<u>\$ 20,920,507</u>	<u>\$ -</u>	<u>\$ 7,354,849</u>
Net change in total fund balances of governmental funds					1,580,800
Amounts reported for governmental activities in the statement of activities are different because:					
Governmental funds reported capital outlays as expenditures while governmental activities reported depreciation expense to allocate those expenditures over the life of the assets:					
Capital assets purchased are capitalized					
Depreciation expense					
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces bonds payable in the statement of net position					
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore therefore are not reported as expenditures in governmental funds					
Cost of issuance and OID are deferred and amortized in the statement of activities.					
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.					
Payments on developer advances and loans and asset disposals					
Other financing sources nor having any effect on net position					
Change in net position of governmental activities					<u><u>\$ 3,155,679</u></u>

See accompanying notes to financial statements.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - Summary of Significant Accounting Policies

ORGANIZATION

OST/Alameda Corridors Redevelopment Authority is a not-for-profit local government corporation, incorporated July 14, 1998, under the laws of the state of Texas, and operates under Chapter 431, Texas Transportation Code and Chapter 394, Texas Local Government Code. The Authority was authorized by the City of Houston (the City) to aid, assist and act on behalf of the City in performance of the City's obligations with respect to Reinvestment Zone Number Seven, City of Houston, Texas (OST/Alameda Corridors).

Reinvestment Zone Number Seven, City of Houston, Texas

Reinvestment Zone Number Seven, City of Houston, Texas, also known as the OST/Alameda Corridors Tax Increment Reinvestment Zone (TIRZ), was created by City Council on May 1997 and the boundaries were extended in December 1998, 2008, 2013 and 2016. The objectives of TIRZ # 7 are to provide the financing and management tool necessary for alleviating blight, deteriorated site conditions and obsolete platting existing within the Zone, and to encourage the sound growth of commercial, industrial and residential development within the project area and the City of Houston.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements represent all the funds of the OST/Alameda Corridors Redevelopment Authority. The Authority is a component unit of the City of Houston. Component units are legally separate entities of which the primary government is financially accountable.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statement

The statement of net position and the statement of activities displays information about the reporting government as a whole. The statement of net position and the statement of activities were prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues, and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds. The Authority does not have any business-type activities.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus and have been prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Authority considers all revenue available if it is collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental financial statements are as follows:

Nonspendable - This classification includes amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The Authority did not have any nonspendable resources as of June 30, 2019.

Restricted - This classification includes amounts which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the tax increment contract revenue bonds and are restricted through debt covenants. Capital Projects resources are also restricted through debt covenants.

Committed - this classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Authority's Board of Directors. These 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 (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

Assigned - This classification includes amounts that are constrained by the Authority's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the Authority's Administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Funds.

Unassigned - This classification includes residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Authority would typically use Restricted fund balance first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Fund Accounting

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions of activities. A fund is a separate entity with a self-balancing set of accounts. The funds the Authority uses are described below:

General Fund - The general fund is the general operating fund of the Authority. It accounts for all activities except those required to be accounted for in other funds.

Debt Service Fund - The debt service fund accounts for the accumulation of financial resources for the payment of principal and interest on the debt of the Authority. Tax increments are used for the payment of principal and interest.

Tax Increments and Participation Agreements

The City, Harris County (the County) and the Houston Independent School District (HISD) (each a participant) have agreed to deposit to the Tax Increment Fund established for the OST/Almeda Corridors TIRZ a certain percentage of tax collections arising from their taxation of the increase, if any, in the appraised value of the property located in the OST/Almeda Corridors TIRZ since inception. The amount of a participant's tax for a year is the amount of property taxes levied by the participant for that year on the "Captured Appraised Value" of real property taxable by the participant and located in the OST/Almeda Corridors TIRZ.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

Each participant is required to collect taxes on real property located within the OST/Alameda Corridors TIRZ in the same manner as other taxes are collected by the participant. The participant is then required to pay into the Tax Increment Fund the tax increments, as agreed upon in accordance with such participant's agreement with the OST/Alameda Corridors TIRZ and the Authority (collectively, the participation agreements) by not later than the 90th day after the delinquency date for the participant's property taxes. Thus, tax increments are due to be deposited from the Tax Increment Fund to the Authority's account by the end of each quarter in which they are collected in the Tax Increment Fund. The City and County have agreed to pay 100% of their tax increments to the Tax Increment Fund. Pursuant to an agreement between the City, the OST/Alameda Corridors TIRZ and HISD as amended (the HISD Interlocal Agreement), HISD has agreed to pay an amount not to exceed \$0.96 per \$100 valuation through the year ending 2008, and \$0.64 per \$100 valuation for the remaining term of the HISD Interlocal Agreement. HISD further limits its participation to the lesser of the actual "Captured Appraised Value" or the estimate of the "Captured Appraised Value" included in the Project Plan. Tax year 2018 tax rates for the City, County and HISD are \$0.588310, \$0.418580 and \$1.206700 respectively.

In circumstances where there is not a loss caused by a change in law such that Section IV.E. applies upon written notice to the City, HISD may reduce its HISD tax participation from year to year and for any tax year beginning in January of the year after the notice is given and subsequent years to a rate not less than \$0.96 per \$100 valuation for the period commencing January 1, 1998 and ending December 31, 2008, and not less than \$0.64 per \$100 valuation for the remaining term of this agreement. Any such reduction shall reduce the aggregate amount paid to HISD for Education Facilities Project Costs pursuant to Section V.C. by the total aggregate amount of the reduction of tax increments paid to the City as a result of such reduction in the HISD tax increment participation.

HISD's tax increment participation and obligation in the OST/Alameda Corridors TIRZ shall be restricted to its tax increment Collected on the Captured Appraised Value in the OST/Alameda Corridors TIRZ. The obligation to pay the HISD tax increment Participation shall accrue as taxes representing the HISD tax increment are collected by HISD and payment shall be due as

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

provided in section 311.013 (c) of the Texas Tax Code. The City and OST/Alameda Corridors TIRZ agree that no interest or penalty will be charged to HISD for any late payment received from HISD. Taxes collected by HISD in any year on actual captured appraised value that exceeds the estimate of captured appraised value for that year shown in the Project Plan approved before September 1, 1999 shall be retained by HISD.

Cash and Cash Equivalents

Cash and cash equivalents include all cash on hand, demand and time deposits held in banks and other securities with original maturities of three months or less.

Investments

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, Investments are stated at fair value. Fair values are based on published market rates. Investments consist of various U.S. Government securities and Texas Local Government Investment Pool, a local government investment pool created under the Inter-local Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The fair value of Texas Local Government Investment Pool is based on quoted market values of the underlying investments of the pool and/or fund.

Original Issue Discount/Premium

The discount on the Series 2001 and the premium on Series 2010 Tax Increment Contract Revenue Bonds are being amortized using the effective interest method over twenty years of life of the bonds in the government-wide statements.

Debt

All debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. Debt consists of accounts payable, project cost payable and tax increment contract revenue bonds.

Debt for the governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies - Continued

Capital Assets

In the government-wide financial statements, capital assets are valued at cost, except for donated assets that are recorded at their estimated fair market value at the date of donation. Interest during construction is capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: building and improvements, 20 to 35 years; equipment, 3 to 10 years.

In the fund financial statements, fixed assets used in governmental funds operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Furniture and equipment are stated at cost, if purchased, and at fair market value, if contributed. Depreciation is recorded using the straight-line method over the estimated useful lives (five to ten years) of the assets.

Use of Estimates

The preparation of the Authority's financial statements in conformity with generally accepted accounting principles requires the Authority's management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

Federal Income Tax

The Authority is exempt from Federal income taxes as an organization described in Section 501 (C) (3) of the Internal Revenue Code. Furthermore, the Internal Revenue Service has ruled that the Authority is a public-supported organization within the meaning of Section 509 (a) of the Internal Revenue Code and is not a private foundation.

Note 2 - Authorized Investments

The Board of Directors has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act of 1997 (Chapter 2256, Texas Government Code). Such investments include (1) Obligations, including letters of credit of the United States or its agencies and instrumentalities; (2) Direct obligations of the State of Texas or its agencies and instrumentalities; (3) Collateralized mortgage obligations directly issued by a federal agency or instrumentality or the United States, the underlying security for which is guaranteed by an agency or instrumentality or the United States; (4) Other obligations, the principal and interest which are unconditionally guaranteed or insured or backed by the full faith and credit of the United States or the State of Texas or their respective agencies and instrumentalities;

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

Note 2 - Authorized Investments - Continued

(5) Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) Certificates of deposit issued by a depository institution that has its main office or a branch office in the State that are guaranteed by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or its successor that are secured by the obligations in which the Authority may invest under the Investment Act; (7) Repurchase agreements that comply with the Investment Act; (8) Banker's acceptance that comply with the Investment Act; (9) Commercial paper that complies with the Investment Act; (10) No-Load money market mutual funds that comply with the Investment Act; and (11) No-load mutual funds that comply with the Investment Act. The investments of the Authority are in compliance with the Board's investment policy.

Type of Investment	Cost	Fair Value
US Government Securities & Federally Insured Vehicles Texas Local Government Investment Pool & TexStar	\$ 21,485,858	\$ 21,485,858
Total	\$ <u>21,485,858</u> =====	\$ <u>21,485,858</u> =====

Restricted Assets

Certain amounts of investments are restricted by the trust indenture for Series 2010 Bonds and the Series 2001 Bonds. A summary of these restricted assets at June 30, 2019 are as follows:

	Investment in U.S. Government Securities
Trustee Funds:	
Debt service fund	\$2,197,060
Debt service reserve in pledged revenue fund	2,551,310
Debt Service Fund	7,024
Total Restricted Assets	\$ <u>4,755,394</u> =====

Note 3 - Commitments

The Authority leases office space under a modified operating lease expiring December 31, 2019. The following is a schedule of future minimum lease payments:

Fiscal Year Ending June 30	Amounts
2019	\$ 27,530 ----- \$ 27,530 =====

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

Note 4 - Tax Increment Contract Revenue Bonds

In September 2001, the Authority issued OST/Alameda Corridors Redevelopment Authority Tax Increment Contract Revenue Bonds, Series 2001 (the Bonds) in the aggregate principal amount of \$8,200,000. The Bonds mature serially on September 1 in each year 2003 through 2023. Bonds are callable in whole or in part on any date beginning September 1, 2011 at par.

The Bonds bear interest between 3.1% and 5.0% annually and have semi-annual interest payments due on March 1 and September 1.

Fiscal Year	Principal	Interest	Total
2020	360,000	69,820	429,820
2021	380,000	51,320	431,320
2022	400,000	31,620	431,620
2023	420,000	10,710	430,710
	-----	-----	-----
	\$ 1,560,000	163,470	1,723,470
	=====	=====	=====

In November 2010, the Authority issued OST/Alameda Corridors Redevelopment Authority Tax Increment Contract Revenue Bonds, Series 2010 (the Bonds) in the aggregate principal amount of \$22,000,000. The Bonds mature serially on September 1, in each year 2013 through 2029. Bonds are callable in whole or in part on any date beginning September 1, 2019 at par.

The Bonds bear interest between 4.125% and 5.125% annually and have semiannual interest payments due on March 1 and September 1.

Fiscal Year	Principal	Interest	Total
2020	1,140,000	688,444	1,828,444
2021	1,205,000	635,091	1,840,091
2022	1,275,000	582,825	1,857,825
2023	1,345,000	525,150	1,870,150
2024	1,425,000	461,400	1,886,400
2025-2029	8,425,000	1,122,939	9,547,939
	-----	-----	-----
	\$14,815,000	4,015,849	18,830,849
	=====	=====	=====

The balances of Bonds Payable at June 30, 2019 are as follows:

Series 2001 Bonds	\$ 1,560,000
Series 2010 Bonds	14,815,000
Series 2010 & 2001 Issue Premium/Discount (Net)	237,909

Due within one year	16,612,909
	1,500,000

Due after one year	\$15,112,909
	=====

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

Note 5 - Grants and Other Receivables

Included in other receivables are amounts to be refunded to the Authority for amounts paid to GSL/Griggs Ltd. as a reimbursement for certain public improvements installed in connection with Skyview Apartments formally the Concord at Palm Center apartment complex. GSL/Griggs Ltd. was reimbursed \$239,976 plus \$17,000 of accrued interest. Subsequent to receipt of the reimbursement, GSL/Griggs Ltd. sold the project. The new owner applied for, and received, an exemption from the payment of ad valorem taxes. At June 30, 2019, the Authority was still in the process of evaluating options related to collecting the \$256,976 from GSL/Griggs Ltd. The Authority consulted with legal counsel regarding this matter. Because of the uncertainty of the receivable of \$256,976 at June 30, 2019, an account titled Allowance for Doubtful Accounts was setup to make provisions. Grants receivable in statement of net position for \$157,512 represent amounts due from Texas Park & Wildlife.

Note 6 - Fund Balance - Governmental Funds

As of June 30, 2019 fund balances of the governmental funds are classified as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Nonspendable	\$ -	\$ -	\$ -
Restricted for Debt Service	-	4,755,394	4,755,394
Committed to			
Roadway & Sidewalk Imp.			
Public Utility Imp.	3,839,614	-	3,839,614
Parks & Park Improvements	4,788,436	-	4,788,436
Public Facility Improvements	2,200,000	-	2,200,000
Business Development	457,951	-	457,951
Assigned to			
Land Assembly, Site Preparation	2,100,000	-	2,100,000
Unassigned	<u>2,779,112</u>	<u>-</u>	<u>2,779,112</u>
Total fund balances	<u>\$16,165,113</u> =====	<u>\$4,755,394</u> =====	<u>\$20,920,507</u> =====

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 7 - Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance at</u> <u>June 30 2018</u>	<u>Additions</u>	<u>Adjustments</u> <u>Disposals</u>	<u>Balance at</u> <u>June 30 2019</u>
Land	\$3,154,335	\$ -	-	\$3,154,335
Equipment	35,504	-	-	35,504
Total	<u>3,189,839</u>	<u>-</u>	<u>-</u>	<u>3,189,839</u>
Less accumulated Depreciation	(34,428)	(417)	-	(34,845)
Capital assets net	<u>\$3,155,411</u> =====	<u>\$ (417)</u> =====	<u>-</u> =====	<u>\$3,154,994</u> =====

Note 8 - Project Cost Payable

Included in Project Cost Payable are Capital Expenditures, outstanding at June 30, 2019. The amount outstanding is \$1,443,307.

Note 9 - Grant & Other Revenues

Included in Other Revenues of \$10,051 in the statement of activities are miscellaneous revenues from contributions, refunds and rebates. Included in Grants Revenues of \$128,652 in the statement of activities were grant funds through Greater Southeast Management District supplemental agreement. Included in Grants Revenues of \$259,939 in the statement of governmental fund revenues, expenditures and changes in fund balances were grant funds from Texas Park and Wildlife of \$131,287 and Greater Southeast Management District supplemental agreement of \$128,652.

Note 10 - Budget Line Item for Schools & Educational Facilities

Currently a total of \$26,260,451 in funds budgeted for schools and educational facilities is maintained by the Houston Independent School District.

Note 11 - Contingent Harris County Tax Increment Payments Receivable

For the TY 2006, FY 2007 net revenue of \$1,355,920 was budgeted and anticipated from Harris County to be received by the Authority. On July 24, 2007, the Harris County Commissioners Court authorized disbursement of \$309,553 in TY 2006 annual tax increment payments to the Authority. The scheduled payment of \$309,553 was booked as income for FY 2007. There has been no final resolution for the County Tax Increments for the tax years 2006 and 2007 as of June 30, 2019. This matter is still being addressed.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 12 - Tax Increment Summary

The Authority's gross tax increment revenue, as reflected in the Statement of Activities, was accrued or received from the following participants:

City	\$8,706,722
HISD	2,251,504
County	-
Total tax Increments	<u>\$10,958,226</u> =====

Note 13 - Prior Period Adjustments

There were no prior period adjustments for the year ended June 30, 2019.

Note 14 - Subsequent Events

Subsequent events have been evaluated through September 19, 2019 which is the date the financial statements were available to be issued.

Note 15 - Summary of Detailed Reconciliation of Budget to Expended and
Committed Funds

Cost on the Summary of Detailed Reconciliation of Budget to Expended and Committed Funds represent expenditures from tax increment funds. Expenditures from other sources and revenues would not be reflected on this schedule.

Note 16 - Confidential Settlement Agreement and Mutual Release Threatening
Litigation - 2018

OST/Alameda Corridors Redevelopment Authority and Prime Contractors, Inc. entered into a Confidential Settlement Agreement and Mutual Release signed by parties December 20, 2018 and January 7, 2019 respectively.

At June 30, 2018, there was threatened litigation between the Authority and Prime Contractors, Inc.. Prime Contractors, Inc. was retained to perform construction services for the Authority for the Emancipation Park project. The Authority originally received letters dated January 27, 2016 and March 9, 2016, from Prime Contractors, Inc. ("Prime"), alleging that the Authority was responsible for work delays in the renovation of Emancipation Park (the "Park"). Prime sought an extension of the general conditions of the parties' original agreement, actual damages of \$150,000 and an unspecified amount of liquidated damages for breach of contract. The Authority denied Prime's claims and maintained that Prime bore responsibility for the delays. In September 2016, the parties entered into an agreement to reserve their respective rights to be asserted after completion of the project. Since that time, the Authority has alleged defects in the work performed at the Park and that Prime failed to complete various parts of the project. As a result, the Authority removed Prime from the project on or about May 25, 2017. The Authority is currently in the process of completing the project with another contractor. Prime denies that it breached its agreements and has demanded payment of the retainage of \$1,300,000. The Authority denies Prime's claims. The parties have agreed to submit the disputes to mediation. As of June 30, 2019, as mentioned above, the parties have entered into a Confidential Settlement Agreement and Mutual Release.

Note 17 - Related Parties

The Southeast Management District and the Authority entered into an administration supplemental agreement and an enhanced security agreement. At June 30, 2019, costs totaling \$128,652 and \$133,697 respectively had been incurred by the Authority.

OST/Alameda Corridors Revealopment Authority
Budgetary Comparison Schedule - All Funds
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Final Budget
	Original	Final	Amounts (Budgetary Basis)	Favorable/(Unfavorable)
Budgetary fund balance -	\$ 10,100,071	\$ 10,100,071	\$ 19,339,707	\$ 9,239,636
Beginning of year				
Resources:				
Tax Increments	11,126,118	11,126,118	10,958,226	(167,892)
Current revenues	3,000	3,000	10,051	7,051
Interest Income	74,671	74,697	355,863	281,166
Grant Proceeds	-	-	259,939	259,939
Bond proceeds, other sources & advances	55,404,881	55,404,881	-	(55,404,881)
Total available resources	<u>76,708,741</u>	<u>76,708,767</u>	<u>30,923,786</u>	<u>(45,784,981)</u>
Expenses:				
Maintenance and operations	521,765	521,765	583,422	(61,657)
Capital expenditures	12,652,334	12,652,334	4,077,831	8,574,503
Debt service	4,681,139	4,681,139	2,492,138	2,189,001
Restricted fund transfer - Admin.	472,454	472,454	460,336	12,118
Restricted fund transfer education set-aside	1,329,714	1,329,714	1,368,289	(38,575)
Municipal services - enhanced public safety	1,037,566	1,037,566	1,021,263	16,303
Total expenses	<u>20,694,972</u>	<u>20,694,972</u>	<u>10,003,279</u>	<u>10,691,693</u>
Budgetary fund balance - end of year	<u>\$ 56,013,769</u>	<u>\$ 56,013,795</u>	<u>\$ 20,920,507</u>	<u>\$ (35,093,288)</u>

Explanation of Differences between Budgetary Inflow and Outflows
and GASP Revenues and Expenditures

Sources/Inflows of resources

Actual amounts (budgetary basis)	\$ 30,923,786
Differences - Budget to GAAP:	
The fund blance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(19,339,707)
Total revenue as reported on the statement of revenues, expenditures, and changes in fund balances - total governmental funds	<u>\$ 11,584,079</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 10,003,279
Differences - budget to GAAP:	
Payments on loans payable are budgetary uses, but are regarded as other financing uses, rather than expenditures, for financial reporting purposes	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - total governmental funds	<u>\$ 10,003,279</u>

OST/Alameda Corridors Redevelopment Authority
Schedule of Operating Expenses and Capital Expenditures
For the Year Ended June 30, 2019

Category	Vendor	Budget	Actual Expenditure	Variance
Administration and Overhead:				
Administrative Salaries & Benefits	N/A	\$ 295,000	\$ 407,538	\$ (112,538)
Office Expenses	N/A	98,136	58,038	40,098
Insurance	N/A	6,500	7,294	(794)
Accounting	McConnell & Jones	18,848	14,099	4,749
Audit - Annual	George Baugh III	16,200	10,800	5,400
Property Account Manager	Equi-Tax	8,500	9,657	(1,157)
Bond Trustee	Bank of New York Mellon	4,831	4,181	650
Financial Advisor	Hilltop Securities	3,750	3,500	250
Total TIRZ Administration and Overhead		<u>451,765</u>	<u>515,107</u>	<u>(63,342)</u>
Legal	Bracewell LLC	70,000	67,991	2,009
Other Consultants	The Goodman Corporation	-	324	(324)
Total Program & Project Consultant		<u>70,000</u>	<u>68,315</u>	<u>1,685</u>
Total Admin. & Mgt. Consultants		<u>\$ 521,765</u>	<u>\$ 583,422</u>	<u>\$ (61,657)</u>
Municipal Sevices - Special Operations & Public Safety				
	City of Houston	887,566	887,566	-
	GSMD	150,000	133,697	16,303
		<u>\$ 1,037,566</u>	<u>\$ 1,021,263</u>	<u>\$ 16,303</u>
Capital Expenditures and Developer Reimbursements				
Capital Expenditures				
OST & Griggs Landscape Project-Phase II		\$ -		
Construction	Millis Development & Construction		108,983	
Other	Capital Project Manager		24,742	
		-	<u>133,725</u>	<u>(133,725)</u>
Park at Palm Center		175,000		
Other	Capital Project Manager		24,903	
Design	Asakura Robinson Co		167,821	
Other	Hobbs Fountains LLC		38	
Other	B & E Reprographics, Inc.		895	
		<u>175,000</u>	<u>193,657</u>	<u>(18,657)</u>

OST/Alameda Corridors Redevelopment Authority
Schedule of Operating Expenses and Capital Expenditures
For the Year Ended June 30, 2019

Category	Vendor	Budget	Actual Expenditure	Variance
Historic Dowling Street Reconstruction		-		
Other	Capital Project Manager		13,313	
Other	Houston Defender		272	
Pre-Design	AT & T		8,109	
		-	21,694	(21,694)
Emancipation Park		5,801,047		
Design	M2L Associates, Inc.		10,750	
Legal	Bracewell LLC		83,548	
Other	Capital Project Manager		25,733	
Construction	Prime Contractors, Inc.		811,710	
Construction	Millis Development & Construction		376,256	
Construction	PRC Roofing Co. Inc.		9,066	
Other	Stephen 2 Lavoot PE		3,000	
Other	Zachery Martin		22,625	
Other	Willie C Jordan		1,575	
Other	B & E RePrograpics		25	
Other	Prime Time Courier		395	
		5,801,047	1,344,683	4,456,364
Emancipation Avenue Reconstruction		251,587	-	251,587
		251,587	-	251,587
Scott Street Improvements		847,408	-	847,408
		847,408	-	847,408
Historic Holman Street Reconstruction		582,862		
Construction	CP & Y		15,036	
		582,862	15,036	567,826

**OST/ALMEDA CORRIDORS REDEVELOPMENT
AUTHORITY
OST-ALMEDA CORRIDORS TIRZ
SUMMARY OF DETAILED RECONCILIATION OF BUDGET
TO EXPENDED AND COMMITTED FUNDS
PROPOSED PUBLIC WORKS/PUBLIC IMPROVEMENTS
AS OF JUNE 30, 2019**

	BUDGETED TOTAL	EXPEND	
		To Date	(Over) Budget Under
		Total Expended	
Roadway and Sidewalks			
Public Utility Improvements	\$ 139,740,400	25,667,675	\$ 114,072,725
Parks, Recreational Facilities and Public Spaces	80,966,567	33,501,198	47,465,369
Public Facilities Improvements & Public Parking	30,200,000	8,193,792	22,006,208
Land Assembly, Site Preparation, Environmental Remediation	25,200,000	5,300,173	19,899,827
Business Development & Calalyst Projects	7,000,000	1,605	6,998,395
Economic Development Infrastructure Projects	19,000,000	1,385,999	17,614,001
School and Educational Facilities	26,260,451	16,380,308	9,880,143
Affordable Housing	3,500,000	-	3,500,000
Financing Cost	19,500,000	12,808,230	6,691,770
Zone Administration and Creation Cost	12,869,965	7,412,496	5,457,469
PROJECT PLAN TOTAL	\$ 364,237,383	110,651,476	\$ 253,585,907

See accompanying note 15 to financial statements.

**OST / ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
SCHEDULE OF LAND AND IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>DESCRIPTION</u>	<u>Not for Resale</u>	<u>For Resale</u>	<u>Total</u>
Land-Hermann Park	\$ 497,197	\$ -	\$ 497,197
Land-4601 Almeda	463,513	-	463,513
Land-1622 Wheeler	764,363	-	764,363
Land-5216 Almeda	486,651	-	486,651
Land-4328 OST	<u>942,611</u>	<u>-</u>	<u>942,611</u>
Total Land	<u>\$ 3,154,335</u>	<u>\$ -</u>	<u>\$ 3,154,335</u>
Other Capital Assets (Net)			<u>659</u>
TOTAL CAPITAL ASSETS (NET)			<u><u>\$ 3,154,994</u></u>