

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY

REPORT ON FINANCIAL STATEMENTS

AND

ADDITIONAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2020

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

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

Attached is the financial report of OST/Almeda Corridors Redevelopment
Authority for the year ended June 30, 2020.



George Baugh III
Certified Public Accountants

City, State:
EIN:

Houston, Texas
76-0191519

Engagement Partner:

George Baugh III
2413 Blodgett
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September 19, 2020

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, 2020, and the related notes to the financial statements, 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, 2020, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

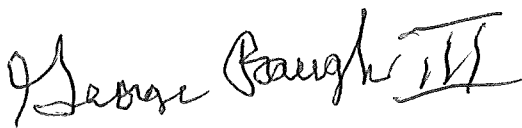
Other Matters

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 23 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 Accountants

September 19, 2020

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
FOR THE PERIOD ENDED JUNE 30, 2020
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, 2020.

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

FINANCIAL HIGHLIGHTS

- During this COVID-19 crisis, OST/Alameda Corridors Redevelopment Authority remains "open for business". Effective Wednesday, March 25, 2020, although the physical offices of the OST/Alameda Corridors Redevelopment Authority were closed to assure the safety of Authority employees by allowing them to "Stay Home and Work Safe", the management team and staff with our IT consultant and legal counsel, were able to seamlessly convert our administrative operations from a physical office to a virtual office.
- Houston City Council approved Ordinance #2018-908 on November 14, 2018 authorizing the issuance of an additional \$60,000,000 in Revenue Bonds to fund projects in the historic Third Ward area. The bond issue was closed on October 1, 2019. 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.
- Pursuant to the Municipal Services Cost Agreement between the City of Houston, Reinvestment Zone Number Seven, City of Houston, Texas and OST/Alameda Corridors Redevelopment Authority effective June 28, 2010, the Authority agrees to pay the City of Houston annually for Incremental Service Costs of providing Municipal services and allows the Authority to contract with Greater Southeast Management District to provide Enhanced Public Safety Services.
- Pursuant to the Tenth 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 (the District) authorizing the Authority to reimburse the District up to \$150,000 plus any unexpended prior authorized funds for Enhanced Public Safety Services through December 31, 2020 was approved by the Board of Directors on December 17, 2019.
- On December 17, 2019, the Board of Directors approved a Letter of Agreement with Greater Southeast Management District (the District) extending the District's sublease for office lease at 5445 Alameda, Suite 503, Houston, Texas for one-year through December 31, 2020, with amended monthly base rental fee.
- Capital projects in Design Phase or Construction during FY 2020 included the following: (a) Emancipation Park and Community Center (CIP #T-0712) Certificate of Final Completion for Phase I was issued to Millis Development & Construction in July 2019; In August 2019, the Board approved the design and installation of the Emancipation Park Four Corners Founders Monuments with reallocated funds from Texas Parks and Wildlife Grant which received the certificate of final completion on March 19, 2020; (b) Park @ Palm Center - Phase I & Phase II (CIP #T-0706) Design and installation of restroom near the community garden and artistic signage/entrances for the park is slated for completion in

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
FOR THE PERIOD ENDED JUNE 30, 2020
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fall 2020; (c) On November 15, 2019, the Board of Directors approved master contract and project teams for the Historic Holman Street Reconstruction Project (CIP # T-0713) and Emancipation Avenue Reconstruction Project (CIP #T-0711A); and (d) Greater Third Ward Neighborhood Project (CIP #T-0722) Preliminary Engineering Report (the PER) for neighborhood streets and underground utilities reconstruction in Historic Third Ward including Live Oak Street and Hutchins Street; and Gunda Corporation completed the traffic study for MacGregor Park access at OST which has been approved by the City of Houston and Texas Department of Transportation.

- Capital Projects in various stages of Planning & Development are the following: (a) Emancipation Park & Community Center Project - Phase II (CIP #T-0712); (b) Griggs & MLK Corridor Improvement Project (CIP #T-0729); (c) Almeda Corridor Improvements-Phase IV (CIP #T-0718); (d) Old Spanish Trail Mobility Improvements to MacGregor Park (CIP #T-0728); (e) MacGregor Park and Tennis Center (CIP #T-0723); and (f) Project in the Joint Infrastructure Plan Seeking Federal Funds: Scott Street Improvements Project (CIP #T-0725).
- The Seventh Amended Project Plan and Reinvestment Zone Financing Plan, City of Houston, Texas, Ordinance #2019-986, and City of Houston, Texas, Ordinance #2019-985, Enlarging the Boundaries were approved by City Council on December 4, 2019.
- 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 (the District) for the Authority to provide administrative and program services for the District was approved by the board of directors of both the District and the Authority effective June 28, 2017, with amended month-to-month terms and same monthly base fee.

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, 2020
 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.

	2020	2019
Assets:		
Cash and investments	\$68,279,157	\$21,557,905
Tax increment receivables (Note 11)	8,334,351	858,214
Other receivables, net of allow. for doubt. account of \$256,976 (Note 5&9)	-	-
Grants receivables (Note 5&9)	157,512	157,512
Other assets	-	-
Capital assets, net & including land	3,154,577	3,154,994
Total assets	<u>79,925,597</u>	<u>25,728,625</u>
Liabilities:		
Bonds payable	66,523,587	16,612,909
Accounts and accrued payable	1,752,867	317,560
Project cost payable	609,241	1,443,307
Total liabilities	<u>68,885,695</u>	<u>18,373,776</u>
Net Position	<u>\$11,039,902</u> =====	<u>\$7,354,849</u> =====

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, 2020 for the City of Houston were \$8,334,351 and for Houston Independent School District were \$0. For Harris County tax increment see Note 11.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
 FOR THE PERIOD ENDED JUNE 30, 2020
 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:

	2020	2019
Revenues:		
Tax increments (Note 12)	\$10,925,386	\$10,958,226
Investment earnings	682,462	355,863
Other income (Note 9)	10,229	10,051
Grants	128,652	128,652
Total revenues	11,746,729	11,452,792
Expenses:		
Project cost	1,648,274	4,077,831
Interest expenses	2,032,890	809,555
Other operating cost	4,380,512	3,409,727
Total expenses	8,061,676	8,297,113
Increase (decrease) in Net Position	3,685,053	3,155,679
Net Position - beginning of year	7,354,849	4,199,170
Net Position - end of year	\$11,039,902	\$7,354,849

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 August 2020, the Authority received the net City's tax increments of \$8,334,351 and HISD tax increments of \$852,337 in June 2020. For the Harris County tax increment, see Note 11.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
 FOR THE PERIOD ENDED JUNE 30, 2020
 MANAGEMENT'S DISCUSSION AND ANALYSIS

Project Cost

Project cost includes the following:	2020	2019
Park at Palm Center	\$(6,663)	\$193,657
Land Assem. & Site Preparation	38,330	24,383
Public Spaces & Parking Lots	20,638	19,919
OST & Griggs Landscape Project-Phase II	15,908	133,725
Cost Mobility Improvements	17,580	-
Historic Dowling Street Reconstruction	-	21,694
Historic Holman Street Reconstruction	74,947	15,036
Greater Third Ward Neighborhood Project	213,425	770,807
MacGregor Park and Tennis Center	-	167,928
Emancipation Park	775,251	1,344,683
Emancipation Avenue Reconstruction	38,631	-
Developer Project	460,227	1,385,999
	-----	-----
	\$1,648,274	\$4,077,831
	=====	=====

Capital Assets

The Authority had capital asset additions of \$0 and disposals of \$0 for the year ended June 30, 2020.

Purchases were as follows:	2020	2019
Land & Capital Improvements	\$0	\$0
	-----	-----
	\$0	\$0
	=====	=====

Debt

In October 2019, the Authority issued \$59,620,000 million in OST/Alameda Corridors Redevelopment Authority Tax Increment Contract Revenue Bonds, Series 2019.

The Authority's first principal payment on the \$59,620,000 million OST/Alameda Corridors Redevelopment Authority Tax Increment Contract Revenue and Refunding Bonds, Series 2019, is due on September 1, 2021. (See Note 4, to the financial statements)

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
FOR THE PERIOD ENDED JUNE 30, 2020
MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL FUND BUDGETARY HIGHLIGHTS

The Authority's overall budget for 2020 was in excess of \$91 million dollars. The overall budget is on page 22.

FUTURE PROJECTS

- 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.
- On December 17, 2019, the Board of Directors approved FY 2021-2024 Livable Centers Study Call for Planning Study Partners for the OST/Palm Center Livable Centers Study in Partnership with Greater Southeast Management District
- 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, 2020

	General Fund	Debt Service Fund	Total All Funds	Adjustments	Statement of Net Position
ASSETS					
Cash	\$ 6,215	\$ -	\$ 6,215	\$ -	\$ 6,215
Investments	68,272,565	377	68,272,942	-	68,272,942
Tax increments receivable (Note 11)	3,792,510	4,541,841	8,334,351	-	8,334,351
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	-	-	-	3,154,577	3,154,577
Total assets	\$ 72,071,290	\$ 4,542,218	\$ 76,613,508	\$ 3,312,089	\$ 79,925,597
LIABILITIES					
Project cost payable (Notes 8)	935,001	-	935,001	-	935,001
Accounts and accrued payables	609,241	-	609,241	-	609,241
Unearned revenue	-	-	-	-	-
Accrued interest payable	-	-	-	817,866	817,866
Bonds payable:					
Due within one year	-	-	-	2,225,000	2,225,000
Due after one year	-	-	-	64,298,587	64,298,587
Total liabilities	1,544,242	-	1,544,242	67,341,453	68,885,695
FUND BALANCES/NET POSITION					
Fund Balance:					
Nonspendable	-	-	-	-	-
Restricted	-	4,542,218	4,542,218	(4,542,218)	-
Committed	67,241,277	-	67,241,277	(67,241,277)	-
Assigned	283,000	-	283,000	(283,000)	-
Unassigned	3,002,771	-	3,002,771	(3,002,771)	-
Total fund balances (Note 6)	70,527,048	4,542,218	75,069,266	(75,069,266)	-
Total liabilities and fund balances	\$ 72,071,290	\$ 4,542,218	\$ 76,613,508		
Net Position:					
Invested in capital assets, net of related debt				3,154,577	3,154,577
Restricted for capital projects				-	-
Restricted for debt service				4,542,218	4,542,218
Unrestricted				3,343,107	3,343,107
				11,039,902	11,039,902
Total Net Position				\$ 11,039,902	\$ 11,039,902
Total fund balances of total governmental fund					\$ 75,069,266
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					3,154,577
Deferred tax increment is not available for current period expenditures and therefore are deferred in the funds					-
Other revenue not due in current period					(817,866)
Other payables and accruals not due in current period					(817,866)
Tax increment revenue bonds and related interest are not due and payable in the current period and therefore are not reported in the funds					(66,523,587)
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					\$ 11,039,902

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, 2020

	General Fund	Debt Servicing Fund	Total All Funds	Adjustments	Statement of Activities
REVENUES:					
Tax increments (Note 12)	\$ 8,218,347	\$ 2,707,039	\$ 10,925,386	\$ -	\$ 10,925,386
Investment earnings	682,462	-	682,462	-	682,462
Other revenue (Note 9)	10,229	-	10,229	-	10,229
Grants (Note 9)	128,652	-	128,652	-	128,652
Total revenues	<u>9,039,690</u>	<u>2,707,039</u>	<u>11,746,729</u>	<u>-</u>	<u>11,746,729</u>
Expenditures/expenses:					
Capital outlay-Project Cost	1,648,274		1,648,274	-	1,648,274
Administrative (salaries and benefits)	505,635		505,635		505,635
ISD Education Set-Aside Transfer	1,275,048		1,275,048		1,275,048
Administrative Fees - Transfer	463,650		463,650		463,650
Legal and accounting	79,113		79,113		79,113
Consultants	48,619		48,619		48,619
Office expenses	53,217		53,217		53,217
Rent/lease expenses	49,210		49,210		49,210
Insurance	8,095		8,095		8,095
Original issue discount premium amortization	-		-	898,099	898,099
Depreciation	-		-	417	417
Municipal Services-Enhanced Public Safety	999,409	-	999,409	-	999,409
Principal payments	-	1,500,000	1,500,000	(1,500,000)	-
Interest expense	-	1,420,215	1,420,215	612,675	2,032,890
Total expenditures/expense	<u>5,130,270</u>	<u>2,920,215</u>	<u>8,050,485</u>	<u>11,191</u>	<u>8,061,676</u>
Excess (deficiency) of revenues over expenditures	3,909,420	(213,176)	3,696,244	(3,696,244)	
Other financing sources(uses):					
Face amount of debt issued	59,620,000	-	59,620,000	(59,620,000)	
Bond activities and other (Net)	(9,167,485)	-	(9,167,485)	9,167,485	
Payments on developer advances and loans and as Other sources & advances	-	-	-	-	
	<u>50,452,515</u>	<u>-</u>	<u>50,452,515</u>	<u>(50,452,515)</u>	
Excess (deficiency) of revenues & other sources over expenditures	54,361,935	(213,176)	54,148,759	(54,148,759)	
Change in net position					3,685,053
Fund balances/net position:					
Beginning of the year	<u>16,165,113</u>	<u>4,755,394</u>	<u>20,920,507</u>	<u>-</u>	<u>7,354,849</u>
End of the year (Note 6)	<u>\$ 70,527,048</u>	<u>\$ 4,542,218</u>	<u>\$ 75,069,266</u>	<u>\$ -</u>	<u>\$ 11,039,902</u>
Net change in total fund balances of governmental funds					54,148,759
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>\$ 3,685,053</u>

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - Summary of Significant Accounting Policies

ORGANIZATION

OST/Almeda 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/Almeda Corridors).

Reinvestment Zone Number Seven, City of Houston, Texas

Reinvestment Zone Number Seven, City of Houston, Texas, also known as the OST/Almeda 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/Almeda 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, 2020

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, 2020.

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, 2020

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, 2020

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 2016 tax rates for the City, County and HISD are \$0.567920, \$0.407130 and \$1.136700 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, 2020

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 and the premium on Series 2019 Tax Increment Contract Revenue and Refunding Bonds are being amortized using the effective interest method over the 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 and refunding 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, 2020

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 and Deposits

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, 2020

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.

Custodial Credit Risk is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits. Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of June 30, 2020, cash deposits in the Authority's bank account were \$6,215.

Interest Rate Risk for The Authority's formal investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Financial assets are invested only in authorized investments whose maturities do not exceed thirteen months at the time of purchase.

The Authority invested its surplus cash in TexPool, and TexStar local government investment pools in the State of Texas and Securities back by the United States of America.

Pools are managed conservatively to preserve principal, liquidity and yield of capital investment and seek to maintain a \$1.00 value per share. Investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. Pools are rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve; however, investment in TexPool is not insured or guaranteed by any government or government agency. Although the manager of TexPool seeks to preserve principal, it is possible for the Authority to lose money by depositing money in TexPool.

During the fiscal year ended June 30, 2020, the Authority earned and received total investments earnings in the amount of \$682,462.

Type of Investment	Cost	Fair Value
US Government Securities & Federally Insured Vehicles Texas Local Government Investment Pools	\$ 68,272,942	\$ 68,272,942
Total	\$ <u>68,272,942</u> =====	\$ <u>68,272,942</u> =====

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

Restricted Assets

Certain amounts of investments are restricted by the trust indenture for Series 2019 Bonds. A summary of these restricted assets at June 30, 2020 are as follows:

	Investment in U.S. Government Securities
Trustee Funds:	
Project Fund	\$ 53,426,874
Debt Service Fund	377
Total Restricted Assets	\$ 53,427,251 =====

Note 3 - Commitments

The Authority leases office space under a modified operating lease expiring December 31, 2021. The following is a schedule of future minimum lease payments:

Fiscal Year Ending June 30	Amounts
2020	\$ 55,560
2021	55,560
2022	27,530

Note 4 - Tax Increment Contract Revenue and Refunding Bonds Series 2019

In October 2019, the Authority issued OST/Alameda Corridors Redevelopment Authority Tax Increment Contract Revenue Bonds, Series 2019 (the Bonds) in the aggregate principal amount of \$59,620,000. The Bonds mature serially on September 1, in each year 2021 through 2037. Bonds are callable in whole or in part on any date beginning September 1, 2021 at par.

The Bonds bear interest between 3.000% and 5.000% annually and have semiannual interest payments due on March 1 and September 1.

Fiscal Year	Principal	Interest	Total
2021	2,225,000	2,420,225	4,645,225
2022	2,310,000	2,340,650	4,650,650
2023	2,415,000	2,234,075	4,649,075
2024	2,540,000	2,110,200	4,650,200
2025	2,670,000	1,979,950	4,649,950
2026-2038	47,460,000	12,990,950	60,450,950
	-----	-----	-----
	\$59,620,000	24,076,050	83,696,050
	=====	=====	=====

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

The balances of Bonds Payable at June 30, 2020 are as follows:

Series 2019 Bonds	\$59,620,000
Series 2019 Issue Premium/Discount (Net)	6,903,587

	66,523,587
Due within one year	2,225,000

Due after one year	\$64,298,587
	=====

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, 2020, 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, 2020, 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, 2020 fund balances of the governmental funds are classified as follows:

	<u>General Fund</u>	<u>Fund</u>	<u>Debt Service Total</u>
Nonspendable	\$ -	\$ -	\$ -
Restricted for Debt Service	-	4,542,218	4,542,218
Committed to			
Roadway & Sidewalk Imp.			
Public Utility Imp.	26,570,223	-	26,570,223
Parks & Park Improvements	12,671,054	-	12,671,054
Public Facility Improvements	28,000,000	-	28,000,000
Assigned to			
Land Assembly, Site Preparation	283,000	-	283,000
Unassigned	<u>3,002,771</u>	<u>-</u>	<u>3,002,771</u>
Total fund balances	\$70,527,048 =====	\$4,542,218 =====	\$75,069,266 =====

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

Note 7 - Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Balance at June 30 2018</u>	<u>Additions</u>	<u>Adjustments Disposals</u>	<u>Balance at June 30 2020</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	(34,845)	(417)	-	(35,262)
Capital assets net	<u>\$3,154,994</u> =====	<u>\$ (417)</u> =====	<u>-</u> =====	<u>\$3,154,577</u> =====

Note 8 - Project Cost Payable

Included in Project Cost Payable are Capital Expenditures, outstanding at June 30, 2020. The amount outstanding is \$609,241.

Note 9 - Grant & Other Revenues

Included in Other Revenues of \$10,229 in the statement of activities and the statement of governmental fund revenues, expenditures and changes in fund balances 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.

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, 2020. This matter is still being addressed.

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020

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	\$8,773,001
HISD	2,152,385
County	-
Total tax Increments	<u>\$10,925,386</u>
	=====

Note 13 - Prior Period Adjustments

There were no prior period adjustments for the year ended June 30, 2020.

Note 14 - Subsequent Events

Subsequent events have been evaluated through September 19, 2020 which is the date the financial statements were available to be issued.

The spread of a novel strain of coronavirus (COVID-19) in the first quarter of 2020 has caused significant volatility in US markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the Authority's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on residents who pay taxes and provide revenue to it and its vendors, all of which are uncertain and cannot be determined at this time. The Authority's planned expenditure on its capital improvement plan has been paying interest on the debt issued but has not been able to spend the money raised to finance public improvements that facilitate the developments of a master-planned residential community by private developers to provide housing that is affordable to low-income families.

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 - Threatening Litigation Settlement - 2019

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

OST/ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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. The agreement is in effect at June 30, 2020.

Note 17 - Related Parties

The Southeast Management District is the recipient for the Federal Transit Administration grant and passes all funds through to the Authority to manage the development and construction of the FTA funded project and also an administration supplemental agreement. At June 30, 2020 and 2019 eligible costs totaling \$128,652 and \$128,652 respectively had been incurred by the Authority, for the administration supplemental agreement.

OST/Alameda Corridors Revealopment Authority
Budgetary Comparison Schedule - All Funds
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Final Budget
	Original	Final	Amounts (Budgetary Basis)	Favorable/(Unfavorable)
Budgetary fund balance -	\$ 18,556,657	\$ 18,556,657	\$ 20,920,507	\$ 2,363,850
Beginning of year				
Resources:				
Tax Increments	11,099,648	11,099,648	10,925,386	(174,262)
Current revenues	128,652	128,652	10,229	(118,423)
Interest Income	350,000	350,000	682,462	332,462
Grant Proceeds	236,452	236,452	128,652	(107,800)
Bond proceeds, other sources & advances (Net)	<u>61,071,942</u>	<u>61,071,942</u>	<u>50,452,515</u>	<u>(10,619,427)</u>
Total available resources	91,443,351	91,443,351	83,119,751	(8,323,600)
Expenses:				
Maintenance and operations	893,217	893,217	743,889	149,328
Capital expenditures	41,349,607	41,349,607	1,648,274	39,701,333
Debt service	-	-	2,920,215	(2,920,215)
Restricted fund transfer - Admin.	467,407	467,407	463,650	3,757
Restricted fund transfer education set-aside	1,368,296	1,368,296	1,275,048	93,248
Municipal services - enhanced public safety	<u>1,037,566</u>	<u>1,037,566</u>	<u>999,409</u>	<u>38,157</u>
Total expenses	45,116,093	45,116,093	8,050,485	37,065,608
Budgetary fund balance - end of year	<u>\$ 46,327,258</u>	<u>\$ 46,327,258</u>	<u>\$ 75,069,266</u>	<u>\$ 28,742,008</u>

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

Sources/inflows of resources

Actual amounts (budgetary basis)	\$ 83,119,751
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	(20,920,507)
Other Sources - Net	(50,452,515)
Total revenue as reported on the statement of revenues, expenditures, and changes in fund balances - total governmental funds	<u>\$ 11,746,729</u>

Uses/outflows of resources

Actual amounts (budgetary basis)	\$ 8,050,485
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>\$ 8,050,485</u>

OST/Alameda Corridors Redevelopment Authority
Schedule of Operating Expenses and Capital Expenditures
For the Year Ended June 30, 2020

X/P/MYDOC/OST-2020

Category	Vendor	Budget	Actual Expenditure	Variance
Administration and Overhead:				
Administrative Salaries & Benefits	N/A	\$ 620,000	\$ 505,635	\$ 114,365
Office Expenses	N/A	118,136	108,126	10,010
Insurance	N/A	7,500	8,095	(595)
Accounting	McConnell & Jones	20,000	14,099	5,901
Audit - Annual	George Baugh III	16,200	10,800	5,400
Property Account Manager	Equi-Tax	10,800	11,800	(1,000)
Bond Trustee	Bank of New York Mellon	4,831	12,000	(7,169)
Financial Advisor	Hilltop Securities	3,750	3,500	250
Total TIRZ Administration and Overhead		<u>801,217</u>	<u>674,055</u>	<u>127,162</u>
Legal	Bracewell LLC	92,000	54,214	37,786
Other Consultants	The Goodman Corporation	-	15,620	(15,620)
Total Program & Project Consultant		<u>92,000</u>	<u>69,834</u>	<u>22,166</u>
Total Admin. & Mgt. Consultants		<u>\$ 893,217</u>	<u>\$ 743,889</u>	<u>\$ 149,328</u>
Municipal Sevices - Special Operations & Public Safety				
	City of Houston	887,566	887,566	
	GSMD	150,000	111,843	
		<u>\$ 1,037,566</u>	<u>\$ 999,409</u>	<u>\$ 38,157</u>
Capital Expenditures and Developer Reimbursements				
Capital Expenditures				
OST & Griggs Landscape Project-Phase II		\$ -		
Construction	Millis Development & Construction		(9,082)	
Other	Capital Project Manager		24,990	
		-	15,908	(15,908)
Park at Palm Center		1,015,305		
Other	Capital Project Manager		38,631	
Design	Asakura Robinson Co		(45,294)	
Other	Hobbs Fountains LLC		-	
Other	B & E Reprographics, Inc.		-	-
		<u>1,015,305</u>	<u>(6,663)</u>	<u>1,021,968</u>
OST Mobility Improvements		4,440,111		
Legal	Bracewell LLC		5,512	
Design	Gunda Corporation		12,068	
		<u>4,440,111</u>	<u>17,580</u>	<u>4,422,531</u>

OST/Alameda Corridors Redevelopment Authority
Schedule of Operating Expenses and Capital Expenditures
For the Year Ended June 30, 2020

Category	Vendor	Budget	Actual Expenditure	Variance
Scottcrest Drive Improvements		160,000		
Other	Capital Project Manager			
Other	Houston Defender			
		<u>160,000</u>	-	<u>160,000</u>
Emancipation Park		9,751,167		
Design	M2L Associates, Inc.		-	
Legal	Bracewell LLC		53,232	
Other	Capital Project Manager		40,030	
Construction	Prime Contractors, Inc.		372,451	
Construction	Millis Development & Construction		127,483	
Construction	PRC Roofing Co. Inc.		19,500	
Other	Stephen 2 Lavoot PE		125,567	
Other	Zachery Martin		6,425	
Other	Willie C Jordan		5,000	
Other	B & E RePrograpics		3,798	
Other	Prime Time Courier		490	
Other			1,075	
Other	Phenon Smiley		10,000	
Other	Bill Cochvane		9,000	
Other	Advantage Communications		1,200	
		<u>9,751,167</u>	<u>775,251</u>	<u>8,975,916</u>
Emancipation Avenue Reconstruction		5,838,797		
Other	Capital Project Manager		38,631	
		<u>5,838,797</u>	<u>38,631</u>	<u>5,800,166</u>
Scott Street Improvements		862,406		
		<u>862,406</u>	-	<u>862,406</u>
Historic Holman Street Reconstruction		6,279,545		
Construction	CP &Y		74,947	
		<u>6,279,545</u>	<u>74,947</u>	<u>6,204,598</u>
Griggs and MLK Corridor		75,000		
		<u>75,000</u>	-	<u>75,000</u>
Alameda Corridor Improvements Phase IV		718,619		
		<u>718,619</u>	-	<u>718,619</u>
Hutchins Street Reconstruction		883,615		
		<u>883,615</u>	-	<u>883,615</u>

OST/Alameda Corridors Redevelopment Authority
Schedule of Operating Expenses and Capital Expenditures
For the Year Ended June 30, 2020

Category	Vendor	Budget	Actual Expenditure	Variance
Greater Third Ward Neighborhood Project		8,774,657		
Design	FCM Engineer, PC		200,571	
Design	CP & Y		2,381	
Other	Capital Project Manager		10,341	
Legal	Bracewell LLC		-	
Other	Houston Business Journal		132	
		<u>8,774,657</u>	<u>213,425</u>	<u>8,561,232</u>
MacGregor Park and Tennis Center		100,000		
Other	Capital Project Manager		-	
Other	Forward Times		-	
Legal	Bracewell LLC		-	
Other	Sowells Consulting Engineers		-	
Design	Gunda Corporation		-	
		<u>100,000</u>	<u>-</u>	<u>100,000</u>
Live Oak Street Project		<u>1,188,108</u>	<u>-</u>	<u>1,188,108</u>
		1,188,108	-	1,188,108
Concrete Panel Replacement Program		<u>63,375</u>	<u>-</u>	<u>63,375</u>
		63,375	-	63,375
Land Assem. & Prep.		283,000		
Other	Capital Project Manager		38,330	
Public Spaces & Parking Lots	5th Round Serv, COH & Other		20,638	
		<u>283,000</u>	<u>58,968</u>	<u>224,032</u>
Total Capital Expenditures		<u>\$ 40,433,705</u>	<u>\$ 1,188,047</u>	<u>\$ 39,245,658</u>
Developer/Project Reimbursements		915,902		
Legal	Bracewell LLC		535	
Design	M2L		1,741	
Accounting	McConnell & Jones		-	
Developer	Nautical Affordable Housing		457,951	
		<u>915,902</u>	<u>460,227</u>	<u>455,675</u>
Total Capital Expenditures		<u>\$ 41,349,607</u>	<u>\$ 1,648,274</u>	<u>\$ 39,701,333</u>
Developer/Project Reimbursements		<u>\$ 41,349,607</u>	<u>\$ 1,648,274</u>	<u>\$ 39,701,333</u>

**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, 2020**

	BUDGETED TOTAL	EXPEND To Date Total Expended	(Over) Budget Under
Roadway and Sidewalks			
Public Utility Improvements	\$ 139,740,400	25,814,741	\$ 113,925,659
Parks, Recreational Facilities and Public Spaces	80,966,567	34,269,786	46,696,781
Public Facilities Improvements & Public Parking	30,200,000	8,407,217	21,792,783
Land Assembly, Site Preparation, Environmental Remediation	25,200,000	5,359,141	19,840,859
Business Development & Catalyst Projects	7,000,000	1,605	6,998,395
Economic Development Infrastructure Projects	19,000,000	1,846,226	17,153,774
School and Educational Facilities	26,260,451	17,655,356	8,605,095
Affordable Housing	3,500,000	-	3,500,000
Financing Cost	19,500,000	14,228,445	5,271,555
Zone Administration and Creation Cost	12,869,965	8,156,385	4,713,580
PROJECT PLAN TOTAL	\$ 364,237,383	115,738,902	\$ 248,498,481

See accompanying note 15 to financial statements.

**OST / ALMEDA CORRIDORS REDEVELOPMENT AUTHORITY
SCHEDULE OF LAND AND IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

<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>242</u>
TOTAL CAPITAL ASSETS (NET)			<u><u>\$ 3,154,577</u></u>