

MONTROSE REDEVELOPMENT AUTHORITY

CITY OF HOUSTON, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2024

DRAFT SUBJECT TO CHANGE

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Montrose Redevelopment Authority
City of Houston, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Montrose Redevelopment Authority (the "Authority"), a component unit of the City of Houston, Texas, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of June 30, 2024 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – All Combined Funds be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Board of Directors
Montrose Redevelopment
Authority

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information required by the City of Houston, Texas and other supplementary information is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

October 21, 2024

MONTROSE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

Management's discussion and analysis of Montrose Redevelopment Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Authority's financial statements.

Financial Highlights

- The Authority's assets exceeded its liabilities by \$11,602,106 (net position) as of June 30, 2024. This compares to the previous year when assets exceeded liabilities by \$7,921,019, showing an increase of \$3,681,087 during the current fiscal year.
- The Authority's governmental funds reported a total ending fund balance of \$30,731,315 this year. This compares to the prior year fund balance of \$11,510,029 showing an increase of \$19,221,286.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances. This report also includes other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Authority's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide portion of these statements provides both long-term and short-term information about the Authority's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

MONTROSE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

The Statement of Net Position is the government-wide statement of its financial position presenting information that includes all of the Authority's assets, liabilities, and, if applicable, deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating. Evaluation of the overall financial health of the Authority would extend to other non-financial factors.

The Statement of Activities reports how the Authority's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority has three governmental fund type. The General Fund is the operating fund of the Authority and accounts for all operating activities of the Authority. The Debt Service Fund accounts for resources that will be used to service the debt on the Authority's Series 2023 Tax Increment Contract Revenue Bonds. The Capital Projects Fund accounts for the monies received from the sale of bonds that will be used to cover costs of future capital improvements.

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the Authority's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the Authority and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

MONTROSE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and the accompanying notes, this report also presents certain required supplementary information (“RSI”) and other supplementary information. A budgetary comparison schedule is included as RSI for all combined funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded its liabilities by \$11,602,106 as of June 30, 2024.

The following table provides a summary of changes in the Authority's Statement of Net Position as of June 30, 2024, and June 30, 2023:

	Summary of Changes in the Statement of Net Position		
	2024	2023	Change Positive (Negative)
Current and Other Assets	\$ 31,061,920	\$ 12,052,232	\$ 19,009,688
Long-Term Liabilities	\$ 15,465,324	\$	\$ (15,465,324)
Due to Developer	3,430,412	3,589,010	158,598
Other Liabilities	564,078	542,203	(21,875)
Total Liabilities	\$ 19,459,814	\$ 4,131,213	\$ (15,328,601)
Net Position:			
Restricted	\$ 14,907,501	\$	\$ 14,907,501
Unrestricted	<u>(3,305,395)</u>	<u>7,921,019</u>	<u>(11,226,414)</u>
Total Net Position	<u>\$ 11,602,106</u>	<u>\$ 7,921,019</u>	<u>\$ 3,681,087</u>

MONTROSE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of changes in the Authority's Statement of Activities for the fiscal years ending June 30, 2024, and June 30, 2023:

	Summary of Changes in the Statement of Activities			Change Positive (Negative)
	2024	2023		
Revenues:				
Tax Increment Revenue	\$ 6,597,570	\$ 5,203,067		\$ 1,394,503
Harris County Joint Project	267,500			267,500
Grant Revenues	492,406			492,406
Interest Revenue	1,361,597	342,433		1,019,164
Total Revenues	\$ 8,719,073	\$ 5,545,500		\$ 3,173,573
Expenses:				
Professional Services	\$ 244,556	\$ 172,396		\$ (72,160)
Contract Services	655,849	323,796		(332,053)
Capital Outlay	2,425,268	5,822,875		3,397,607
Interest Expense	641,067			(641,067)
Municipal Services	183,610	189,746		6,136
Bond Issuance Costs	884,861			(884,861)
Other	2,775	1,992		(783)
Total Expenses	5,037,986	6,510,805		1,472,819
Change in Net Position	\$ 3,681,087	\$ (965,305)		\$ 4,646,392
Net Position, Beginning of Year	7,921,019	8,886,324		(965,305)
Net Position, End of Year	\$ 11,602,106	\$ 7,921,019		\$ 3,681,087

FINANCIAL ANALYSIS OF THE AUTHORITY'S GOVERNMENTAL FUND

The Authority's governmental funds are the General Fund, Debt Service Fund and the Capital Projects Fund. As previously discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The governmental funds reported cumulative ending fund balances of \$30,731,315 of which \$15,823,814 is unassigned and \$14,907,501 is restricted for future capital improvements. This is a \$19,221,286 increase compared to the prior year fund balance of \$11,510,029.

MONTROSE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of the Authority did not amend the budget for the current fiscal year. Actual net change in fund balances was \$16,100,699 more than budgeted primarily due to not receiving bond proceeds.

CAPITAL ASSETS

In the current fiscal year, the Authority recorded \$2,425,268 in capital expenditures on behalf of the City of Houston. The capital expenditures of the Authority are related to public works improvements. In accordance with Section VIII of the Tri-Party Agreement between the City of Houston, Reinvestment Zone Number Twenty-Seven and the Authority, it states: "all utilities, drainage facilities, public street improvements, sidewalks and light fixtures shall be conveyed to the City." Therefore, these assets are not recorded as capital assets of the Authority even though the Authority records the expenditures for the assets conveyed to the City.

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the Authority has recorded due to developers in the amount of \$3,430,412. During the current fiscal year, on August 21, 2023, the Authority paid \$158,598 to the Developer.

At the end of the current fiscal year, the Authority had a long-term debt balance of \$15,465,324. The long-term liabilities relate to the Authority's Series 2023 Tax Increment Contract Revenue. See Note 11 for additional information on this debt.

The Authority's Series 2023 Bonds have underlying ratings of "BBB" from Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P") and carry insured ratings of "AA" (Stable Outlook) from S&P by virtue of bond insurance issued by Assured Guaranty Municipal. The above ratings are as of June 30, 2024, and reflect all rating changes through such date.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Montrose Redevelopment Authority, c/o Knudson, LP, Zone Administrator, 8588 Katy Freeway, Suite 441, Houston, TX 77024.

MONTROSE REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2024

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 6,621,517	\$
Investments	<u>9,532,902</u>	<u></u>
TOTAL ASSETS	<u><u>\$ 16,154,419</u></u>	<u><u>\$ - 0 -</u></u>
LIABILITIES		
Accounts Payable	\$ 330,605	\$
Accrued Interest Payable		
Due to Developers		
Long-Term Liabilities:		
Due Within One Year		
Due After One Year		
TOTAL LIABILITIES	<u><u>\$ 330,605</u></u>	<u><u>\$ - 0 -</u></u>
FUND BALANCES		
Restricted for Authorized Construction	\$	\$
Unassigned	<u>15,823,814</u>	<u></u>
TOTAL FUND BALANCES	<u><u>\$ 15,823,814</u></u>	<u><u>\$ - 0 -</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 16,154,419</u></u>	<u><u>\$ - 0 -</u></u>
NET POSITION		
Restricted for Construction		
Unrestricted		
TOTAL NET POSITION		

The accompanying notes to the financial statements are an integral part of this report.

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 14,907,501	\$ 6,621,517 24,440,403	\$ _____	\$ 6,621,517 24,440,403
<u>\$ 14,907,501</u>	<u>\$ 31,061,920</u>	<u>\$ - 0 -</u>	<u>\$ 31,061,920</u>
\$ - 0 -	\$ 330,605	\$ 233,473 3,430,412	\$ 330,605 233,473 3,430,412
		520,000 14,945,324	520,000 14,945,324
<u>\$ - 0 -</u>	<u>\$ 330,605</u>	<u>\$ 19,129,209</u>	<u>\$ 19,459,814</u>
\$ 14,907,501	\$ 14,907,501 15,823,814	\$ (14,907,501) (15,823,814)	\$ _____
<u>\$ 14,907,501</u>	<u>\$ 30,731,315</u>	<u>\$ (30,731,315)</u>	<u>\$ - 0 -</u>
<u>\$ 14,907,501</u>	<u>\$ 31,061,920</u>		
		\$ 14,907,501 (3,305,395)	\$ 14,907,501 (3,305,395)
		<u>\$ 11,602,106</u>	<u>\$ 11,602,106</u>

The accompanying notes to the financial statements are an integral part of this report.

MONTROSE REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balances - Governmental Funds	\$ 30,731,315
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Due to Developers	\$ (3,430,412)
Accrued Interest Payable	(233,473)
Liabilities Payable Within One Year	(520,000)
Liabilities Payable After One Year	<u>(14,945,324)</u>
	<u>(19,129,209)</u>
Total Net Position - Governmental Activities	<u>\$ 11,602,106</u>

The accompanying notes to the financial statements are an integral part of this report.

MONTROSE REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>	<u>Debt Service Fund</u>
REVENUES		
Tax Increment Revenue (Net of Retention for Administrative Costs of \$347,241)	\$ 6,597,570	\$
Harris County Joint Project	267,500	
Grant Revenues	492,406	
Investment Revenues	<u>626,965</u>	
TOTAL REVENUES	<u>\$ 7,984,441</u>	<u>\$ - 0 -</u>
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 244,556	\$
Contracted Services	655,849	
Insurance	991	
Other	1,784	
Municipal Services	183,610	
Capital Outlay	2,425,268	
Developer Reimbursement	158,598	
Debt Service:		
Interest		429,980
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	<u>\$ 3,670,656</u>	<u>\$ 429,980</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 4,313,785</u>	<u>\$ (429,980)</u>
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	\$	\$ 429,980
Bond Discount		
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ - 0 -</u>	<u>\$ 429,980</u>
NET CHANGE IN FUND BALANCES	<u>\$ 4,313,785</u>	<u>\$</u>
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JULY 1, 2023	<u>11,510,029</u>	
FUND BALANCES/NET POSITION - JUNE 30, 2024	<u>\$ 15,823,814</u>	<u>\$ - 0 -</u>

The accompanying notes to the financial statements are an integral part of this report.

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 6,597,570	\$	\$ 6,597,570
	267,500		267,500
	492,406		492,406
<u>734,632</u>	<u>1,361,597</u>		<u>1,361,597</u>
<u>\$ 734,632</u>	<u>\$ 8,719,073</u>	<u>\$ - 0 -</u>	<u>\$ 8,719,073</u>
\$	\$ 244,556	\$	\$ 244,556
	655,849		655,849
	991		991
	1,784		1,784
	183,610		183,610
	2,425,268		2,425,268
	158,598	(158,598)	
	429,980	211,087	641,067
<u>884,861</u>	<u>884,861</u>		<u>884,861</u>
<u>\$ 884,861</u>	<u>\$ 4,985,497</u>	<u>\$ 52,489</u>	<u>\$ 5,037,986</u>
\$ (150,229)	\$ 3,733,576	\$ (52,489)	\$ 3,681,087
\$ 14,535,020	\$ 14,965,000	\$ (14,965,000)	\$
(159,779)	(159,779)	159,779	
<u>682,489</u>	<u>682,489</u>	<u>(682,489)</u>	
<u>\$ 15,057,730</u>	<u>\$ 15,487,710</u>	<u>\$ (15,487,710)</u>	<u>\$ - 0 -</u>
\$ 14,907,501	\$ 19,221,286	\$ (19,221,286)	\$
		3,681,087	3,681,087
	<u>11,510,029</u>	<u>(3,589,010)</u>	<u>7,921,019</u>
<u>\$ 14,907,501</u>	<u>\$ 30,731,315</u>	<u>\$ (19,129,209)</u>	<u>\$ 11,602,106</u>

The accompanying notes to the financial statements are an integral part of this report.

MONTROSE REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Governmental Funds \$ 19,221,286

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report bond discounts and bond premiums as other financing uses/sources in the year paid/received. However, in the Statement of Net Position, the bond discounts and bond premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.

(522,710)

Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.

(211,087)

Governmental funds report bond proceeds as other financing sources. Issued bond increase long-term liabilities in the Statement of Net Position.

(14,965,000)

Governmental funds report developer reimbursements as expenditures. However, in the Statement of Net Position, developer payments are reported as a decrease in Due to Developer.

158,598

Change in Net Position - Governmental Activities

\$ 3,681,087

The accompanying notes to the financial statements are an integral part of this report.

MONTROSE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. CREATION OF AUTHORITY

The City of Houston, Texas (the “City”) authorized the creation of the Montrose Redevelopment Authority (the “Authority”) by the Resolution No. 2019-28 passed on August 14, 2019. The Authority was set up as a local government corporation pursuant to provisions of Chapter 431 of the Texas Transportation Code and Chapter 394 of the Texas Local Government Code. The Authority is organized as a public non-profit corporation for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental function to promote the common good and general welfare of Reinvestment Zone Number Twenty-Seven (the “Zone”) and neighboring areas and to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City. The Authority may issue bonds with consent of City Council. The Authority is managed by a Board of Directors consisting of seven members who are appointed by the Mayor with the approval of City Council.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”).

The GASB has established the criteria for determining whether or not a given entity is a component unit. The criteria are: (1) is the potential component unit a legally separate entity, (2) does the primary government appoint a voting majority of the potential component unit’s board, (3) is the primary government able to impose its will on the potential component unit, (4) is there a financial benefit or burden relationship. The Authority was created as an instrumentality of the City of Houston (the “City”). The Authority does meet the criteria for inclusion as a component unit of the City. Copies of the financial statements for the City may be obtained from the City Secretary’s office.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which includes a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

MONTROSE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- * Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- * Restricted Net Position – This component of net position consists of constraints placed on the use of assets through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- * Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Authority as a whole. The Authority's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The Authority is viewed as a special purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded as due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense in the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the Authority's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

MONTROSE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The Authority has three governmental funds and considers each to be a major fund.

General Fund – to account for the operating activities of the Authority.

Debt Service Fund - to account for resources that will be used to service the debt on the Authority's Series 2023 Tax Increment Contract Revenue Bonds.

Capital Projects Fund - to account for the monies received from the sale of the Series 2023 and Bonds that will be used to cover costs of future capital improvements.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues reported in the governmental funds to be available if they are collectable within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

Budgeting

In compliance with the Tri-Party Agreement (See Note 4), the Authority's board members adopted an unappropriated budget for the governmental funds of the Authority. The budget was not amended during the current fiscal year.

MONTROSE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are reported using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported, regardless of the timing of related cash flows. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: 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 does not have any nonspendable fund balances.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the Authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The Authority does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The Authority has not adopted a formal policy regarding the assignment of fund balances. The Authority does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

MONTROSE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the Authority, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At June 30, 2024, none of the Authority's bank balances were exposed to custodial credit risk.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at June 30, 2024, as listed below:

GENERAL FUND	<u>Cash</u>
	<u>\$ 6,621,517</u>

Investments

Under Texas statute, the Authority is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all Authority funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the Authority's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. Authority's investments must be made "with

MONTROSE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived". No person may invest Authority funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the Authority and its authority to purchase investments as defined in the Public Funds Investment Act. The Authority has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The Authority's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not SEC-registered. The Texas Comptroller of Public Accounts has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

As of June 30, 2024, the Authority had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
TexPool	\$ 9,532,902	\$ 9,532,902	\$	\$	\$
<u>CAPITAL PROJECTS FUND</u>					
TexPool	14,907,501	14,907,501			
TOTAL INVESTMENTS	\$ 24,440,403	\$ 24,440,403	\$ - 0 -	\$ - 0 -	\$ - 0 -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024, the Authority's investment in TexPool, an external investment pool, was rated AAA by Standard & Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the Authority, unless there has been a significant change in value.

MONTROSE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service on the Authority's Series 2023 Tax Increment Contract Revenue Bonds.

All cash and investments of the Capital Projects Fund are restricted for future capital improvements.

NOTE 4. TRI-PARTY AGREEMENT

The City of Houston, Reinvestment Zone Number Twenty-Seven, and the Authority entered into the Tri-Party Agreement on September 11, 2019, pursuant to Ordinance No. 2019-0665. The Tri-Party Agreement states in detail the scope of services to be provided to the Zone by the Authority. The services include management and administrative service for the Zone, as requested by the Zone Board, services with respect to the Project Plan and Reinvestment Zone Financing Plan (the "Plan"), including implementation and updating, and services with respect to the tax rolls pertaining to the Zone, including analysis and coordination with taxing units. The Authority is also required to assist the Zone Board in establishing a program to increase the level of safety within the Zone, preparing development plans, establishing a marketing and public relations program, planning and design and construction of infrastructure improvements and land acquisition.

The Tri-Party Agreement also allows the Authority to pledge the Contract Tax Increments allowing the Authority to issue bonds and notes, enter into obligations with developers or builders, and enter into contracts with consultants, in each case, to be paid from Contract Tax Increments. All bonds must be approved by the City Council and agreements must be approved by the City of Houston's Chief Development Officer or their designee.

This Agreement shall end upon termination of the Zone.

Pursuant to the Agreement, the City and the Zone have agreed to pay the Authority not later than the first business day of each July in which a current approved budget is in effect for the Authority, all monies available in the Tax Increment Fund, less a reserve of up to five percent of the monies then available in the Tax Increment Fund for administrative costs of the City. Notwithstanding the above, in the event the Authority's budget is not approved by the thirtieth (30th) day before the date of a principal and interest payment on the Authority's bonds or notes, the City shall pay from available funds sufficient monies to the Authority to allow for meeting the Authority's debt service obligations.

MONTROSE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5. TAX INCREMENTS

The City of Houston has agreed to deposit their tax increments into the Tax Increment Fund established by the Zone (See Note 6).

The amount of the tax increment for a year is the amount of property taxes levied and collected by the City for that year on the Captured Appraised Value of real property taxable by the City and located in the Zone. The Captured Appraised Value of real property taxable by the City for a year is the total appraised value of all real property taxable by the City and located in the Zone for that year less the Tax Increment Base, which is the total appraised value of all real property taxable by the City and located in the Zone on January 1 of the year in which the Zone was designated as such pursuant of Chapter 311 of the Texas Tax Code (the “TIRZ Act”). In the event property is annexed into the Zone by ordinance of the City, the Tax Increment Base for annexed property is the value of all real property taxable by the City and located in the annexed area on January 1 of the year of annexation. The City is not required to deposit tax increments derived from property annexed into the Zone unless the City has agreed to do so.

The City is required to collect taxes on property located with the Zone in the same manner as other taxes are collected. The City is required to pay into the tax increment fund the collected tax increments by no later than the 90th day after the delinquency date for the City’s property taxes.

NOTE 6. CITY OF HOUSTON TAX INCREMENTS

Pursuant to City Ordinance No. 99-1331, the City and the Zone have established the Tax Increment Fund, a separate fund in the City Treasury into which tax increments have and will be deposited.

During the current fiscal year, tax increments of \$6,944,811 were collected by the City of Houston of which \$347,241 was withheld to cover administrative costs.

NOTE 7. CAPITAL EXPENDITURES

During the current fiscal year, the Authority recorded \$2,425,268 for capital improvements on behalf of the City of Houston. These expenditures are related to capital improvements made by the Authority to City of Houston facilities. The Authority finances these facilities for the benefit of the City. Any capital assets the Authority purchases related to public improvements and facilities have been conveyed to the City of Houston. See pages 31 through 34 for information on current year capital improvement expenditures.

MONTROSE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8. DEVELOPMENT AGREEMENT

On April 20, 2020, the Authority, Reinvestment Zone Number Twenty-Seven (the “Zone”) and Montrose Collective Owner, LP (the “Developer”) entered into the Development Agreement. The Developer has acquired plans and plans to develop, a mixed-use project, including office and retail, which includes an underground parking garage. The Developer is authorized by the Zone and Authority to design and construct these public improvements as described in this agreement. Upon completion of the public improvements, the Developer shall provide the auditor an accounting of all costs within six months after the final completion. The Authority will review and approve for reimbursement to the Developer each eligible cost. Once each year after completion, the Authority shall apply the property increment received from the public improvements to the amount reimbursable to the Developer up to the maximum reimbursement of \$3,707,859. As of June 30, 2024, \$3,430,412 has been recorded as due to developers in the Statement of Net Position in relation to this agreement. On August 21, 2023, the Authority paid \$158,598 to the Developer.

NOTE 9. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority participates in the Texas Municipal League’s Intergovernmental Risk Pool (“TML”) to provide general liability, errors and omission and automobile liability. The Authority, along with other participating entities, contributes annual amounts determined by TML’s management. As claims arise they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 10. INTERLOCAL AGREEMENT

Effective May 15, 2023, the Authority entered into an interlocal agreement with Downtown Redevelopment Authority (the “DRA”). Both Authorities recognize the need for improvements at the Montrose Boulevard bridge that crosses Allen Parkway and connects to Buffalo Bayou Park and the DRA previously contemplated implementing the necessary improvement individually (the “DRA Improvements”). The Authority is undertaking design engineering of a project to fully reconstruct the roadway, drainage, pedestrian, and bicycle facilities on Montrose Boulevard (the “MRA Project”). Both Authorities have determined that it would be in the best interest of the public to provide efficiencies in the design and scale to include the DRA Improvements as part of the MRA Project and to have the DRA fund the portions of the MRA Project related to the DRA Improvements. The Authorities estimate the total cost not to exceed \$267,000 for engineering and design of the DRA Improvements and \$1,065,000 for construction of the DRA Improvements. The DRA will contribute the funds required to complete the DRA Improvements. During the current fiscal year, the Authority received \$267,500 for engineering and design from DRA.

MONTROSE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11. BOND PAYABLE

On July 20, 2023, the Authority closed on the sale of its \$14,965,000 Tax Increment Contract Revenue Bonds, Series 2023. The proceeds of the bond sale were or will be used to fund project costs in accordance with the Amended Project and Financing Plan; make a deposit to the Debt Service Reserve Fund; and to cover issuance costs of the bonds.

<u>Contract Revenue Series 2023</u>	
Amount Outstanding - June 30, 2024	\$ 14,465,000
Interest Rates	5.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2024/2045
Interest Payment Dates	September 1/March 1
Callable Dates	September 1, 2032*

* Or any interest payment date thereafter, at the option of the Authority, in whole or in part, in inverse numerical order, at par plus accrued interest to the date fixed for redemption. Series 2023 Contract Revenue term bonds maturing on September 1, 2042, and September 1, 2045, are subject to mandatory redemption by random selection beginning September 1, 2039, and September 1, 2043, respectively.

The following is a summary of transactions regarding bonds payable for the year ended June 30, 2024:

	July 1, 2023	Additions	Retirements	June 30, 2024
Bonds Payable	\$	\$ 14,965,000	\$	\$ 14,965,000
Unamortized Discounts		(159,779)	(6,843)	(152,936)
Unamortized Premiums		682,489	29,229	653,260
Total Long-Term Liabilities	<u>\$ -0-</u>	<u>\$ 15,487,710</u>	<u>\$ 22,386</u>	<u>\$ 15,465,324</u>
				Amount Due Within One Year
				\$ 520,000
				Amount Due After One Year
				<u>\$ 14,945,324</u>
				Total Long-Term Liabilities
				<u>\$ 15,465,324</u>

MONTROSE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11. BOND PAYABLE (Continued)

The bonds are payable from the proceeds of the pledged tax increments reserves to be received from the City, see Note 6. As of June 30, 2024, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 520,000	\$ 687,419	\$ 1,207,419
2026	550,000	660,669	1,210,669
2027	575,000	632,544	1,207,544
2028	480,000	606,169	1,086,169
2029	505,000	581,544	1,086,544
2030-2034	2,945,000	2,491,468	5,436,468
2035-2039	3,535,000	1,665,969	5,200,969
2040-2044	4,005,000	825,059	4,830,059
2045-2046	1,850,000	79,475	1,929,475
	<u>\$ 14,965,000</u>	<u>\$ 8,230,316</u>	<u>\$ 23,195,316</u>

MONTROSE REDEVELOPMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2024

DRAFT SUBJECT TO CHANGE

MONTROSE REDEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – ALL COMBINED FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Tax Increment Revenue	\$ 6,764,133	\$ 6,597,570	\$ (166,563)
Harris County Joint Project	267,500	267,500	(0)
Grant Proceeds	9,680,000	492,406	(9,187,594)
Interest Income	1,361,597	1,361,597	(0)
Miscellaneous Revenues	<u>50,000</u>	<u>50,000</u>	<u>(50,000)</u>
TOTAL REVENUES	<u>\$ 16,494,133</u>	<u>\$ 8,719,073</u>	<u>\$ (7,775,060)</u>
EXPENDITURES			
Maintenance and Operations	\$ 469,000	\$ 903,180	\$ (434,180)
Municipal Services	196,546	183,610	12,936
Capital Improvements	12,708,000	2,425,268	10,282,732
Developer Reimbursement	158,598	158,598	(0)
Debt Service	<u>1,314,841</u>	<u>1,314,841</u>	<u>(1,314,841)</u>
TOTAL EXPENDITURES	<u>\$ 13,373,546</u>	<u>\$ 4,985,497</u>	<u>\$ 9,702,890</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 3,120,587</u>	<u>\$ 3,733,576</u>	<u>\$ 1,927,830</u>
OTHER FINANCING SOURCES(USES)			
Long-Term Debt Issued	\$	\$ 14,965,000	\$ 14,965,000
Bond Discount	(159,779)	(159,779)	(0)
Bond Premium	<u>682,489</u>	<u>682,489</u>	<u>682,489</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -0-</u>	<u>\$ 15,487,710</u>	<u>\$ 15,487,710</u>
NET CHANGE IN FUND BALANCE	<u>\$ 3,120,587</u>	<u>\$ 19,221,286</u>	<u>\$ 16,100,699</u>
FUND BALANCE - JULY 1, 2023	<u>11,510,029</u>	<u>11,510,029</u>	<u>0</u>
FUND BALANCE - JUNE 30, 2024	<u>\$ 14,630,616</u>	<u>\$ 30,731,315</u>	<u>\$ 16,100,699</u>

MONTROSE REDEVELOPMENT AUTHORITY

SUPPLEMENTARY INFORMATION

REQUIRED BY CITY OF HOUSTON

JUNE 30, 2024

DRAFT SUBJECT TO CHANGE

MONTROSE REDEVELOPMENT AUTHORITY
OPERATING EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

Category	Vendor	Budget
ADMINISTRATION AND OVERHEAD		
Administration Consultant	Knudson, LP	\$ 72,000
Insurance	TML Intergovernmental Risk Pool	5,000
Bookkeeping	ETI Bookkeeping Services	19,000
Board Development		5,000
Auditor	MGSB PLLC/Burton Accounting	10,000
Tax Roll Management	Equi-Tax Inc.	8,000
Office Expenses	Equi-Tax Inc.	
SUBTOTAL		<u><u>\$ 119,000</u></u>
PROGRAM AND PROJECT CONSULTANTS		
Engineering Consultants	Gauge Engineering	\$ 50,000
Affordable Housing Consultants	January Advisors LLC	70,000
Legal-General Counsel	Allen Boone Humphries Robinson LLP	120,000
Planning Consultants	The Goodman Corp.	50,000
Public Engagement Expenses	Elsquared Media Group/Hollaway	<u><u>60,000</u></u>
	Environmental & Communications	
SUBTOTAL		<u><u>\$ 350,000</u></u>
TOTAL MANAGEMENT CONSULTING SERVICES		<u><u>\$ 469,000</u></u>
DEBT SERVICE		
Bond Debt Service		\$
Interest		
Bond Issuance Costs		
TOTAL DEBT SERVICE		<u><u>\$ - 0 -</u></u>
Municipal Services Charge	City of Houston	<u><u>\$ 196,546</u></u>
TOTAL OPERATING EXPENDITURES		<u><u>\$ 665,546</u></u>
DEVELOPER/PROJECT REIMBURSEMENTS		<u><u>\$ - 0 -</u></u>

Actual Expenditure	Variance Positive (Negative)
\$ 78,376	\$ (6,376)
991	4,009
22,260	(3,260)
	5,000
16,000	(6,000)
7,654	346
<u>1,784</u>	<u>(1,784)</u>
<u>\$ 127,065</u>	<u>\$ (8,065)</u>
\$ 10,655	\$ 39,345
53,009	16,991
217,901	(97,901)
269,490	(219,490)
<u>225,060</u>	<u>(165,060)</u>
<u>\$ 776,115</u>	<u>\$ (426,115)</u>
<u>\$ 903,180</u>	<u>\$ (434,180)</u>
\$ 429,980	\$ (429,980)
<u>884,861</u>	<u>(884,861)</u>
<u>\$ 1,314,841</u>	<u>\$ (1,314,841)</u>
<u>\$ 183,610</u>	<u>\$ 12,936</u>
<u>\$ 2,401,631</u>	<u>\$ (1,736,085)</u>
<u>\$ 158,598</u>	<u>\$ (158,598)</u>

MONTROSE REDEVELOPMENT AUTHORITY
CAPITAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

	Category	Vendor	Budget
Project T-2706	Montrose Blvd - Complete Reconstruction Phase I Design Construction Other	Gauge Engineering	\$ 950,000 6,000,000 460,000
Project T-2706a	Montrose Blvd - Complete Reconstruction Phase 2 Design		1,000,000
Project T-2707	Hawthorne Neighborhood Safe Street Planning and Design Construction	Gauge Engineering R. Miranda Trucking & Construction	
Project T-2708	Woodhead Neighborhood Safe Street Planning and Design Construction	Gauge Engineering R. Miranda Trucking & Construction	
Project T-2709	Dallas Bikeway Planning and Design Construction Other	Gauge Engineering	10,000 400,000 24,000
Project T-2710	Welch Neighborhood Safe Street Design		125,000
Project T-2711	Stanford Neighborhood Safe Street Design		125,000
Project T-2712	Mandell Bikeway Planning and Design Construction Other	Gauge Engineering	10,000 400,000 24,000
Project T-2713	SPARK Parks Partnership Project Other		
Project T-2714	BCycle Construction		
Project T-2715	Affordable Housing Projects Planning		750,000
Project T-2716	Safe Route to School Sidewalk Program Design Construction	Gauge Engineering R. Miranda Trucking & Construction	350,000

Actual Expenditure	Variance Positive (Negative)
\$ 1,014,388	\$ (64,388)
6,000,000	
460,000	
	1,000,000
6,815	(6,815)
1,777	(1,777)
6,815	(6,815)
1,777	(1,777)
12,481	(2,481)
400,000	
24,000	
	125,000
12,481	(2,481)
400,000	
24,000	
206,000	(206,000)
	750,000
65,593	284,407
731,002	(731,002)

MONTROSE REDEVELOPMENT AUTHORITY
CAPITAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2024

	Category	Vendor	Budget
Project T-2717	W Alabama Street Design	Gauge Engineering	\$ 750,000
Project T-2718	West Gray from Woodhead to Montrose Blvd. Design Construction Close-Out	Gauge Engineering	1,000,000 330,000
Project T-2720	Westheimer Corridor Study Planning	Gauge Engineering	
Project T-2799	Safe Sidewalk Program Design	Gauge Engineering	\$ 12,708,000

Actual Expenditure	Variance Positive (Negative)
\$ 750,000	
212,429	(212,429)
1,000,000	
330,000	
107,538	(107,538)
46,172	(46,172)
<u>\$ 2,425,268</u>	<u>\$ 10,282,732</u>

MONTROSE REDEVELOPMENT AUTHORITY
PROJECT PLAN RECONCILIATION
AS OF THE YEAR ENDED JUNE 30, 2024

Project Costs	Project Plan Estimated Amount	Cumulative Expenditures as of the Fiscal Year Ended 2024	Variance Positive (Negative)
Capital Costs:			
Corridor Improvements	\$ 108,594,133	\$ 14,979,919	\$ 93,614,214
Workforce/Affordable Housing	39,600,000		39,600,000
Parking Enhancements	4,830,000		4,830,000
Parks, Recreational Facilities, Cultural Ammenities	8,000,000		8,000,000
Zone Administration/Professional Services	<u>6,000,000</u>	<u>5,223,296</u>	<u>776,704</u>
Total Project Costs	<u>167,024,133</u>	<u>20,203,215</u>	<u>146,820,918</u>

MONTROSE REDEVELOPMENT AUTHORITY
OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2024

DRAFT SUBJECT TO CHANGE

MONTROSE REDEVELOPMENT AUTHORITY
LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS
JUNE 30, 2024

S E R I E S - 2 0 2 3

Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2025	\$ 520,000	\$ 687,419	\$ 1,207,419
2026	550,000	660,669	1,210,669
2027	575,000	632,544	1,207,544
2028	480,000	606,169	1,086,169
2029	505,000	581,544	1,086,544
2030	530,000	555,669	1,085,669
2031	560,000	528,419	1,088,419
2032	585,000	499,793	1,084,793
2033	620,000	469,669	1,089,669
2034	650,000	437,918	1,087,918
2035	685,000	404,544	1,089,544
2036	720,000	369,419	1,089,419
2037	755,000	332,544	1,087,544
2038	670,000	296,919	966,919
2039	705,000	262,543	967,543
2040	735,000	229,759	964,759
2041	765,000	198,822	963,822
2042	800,000	166,544	966,544
2043	835,000	132,822	967,822
2044	870,000	97,112	967,112
2045	905,000	59,393	964,393
2046	945,000	20,082	965,082
	<u>\$ 14,965,000</u>	<u>\$ 8,230,316</u>	<u>\$ 23,195,316</u>

See accompanying independent auditor's report.

**MONTROSE REDEVELOPMENT AUTHORITY
BOARD MEMBERS AND CONSULTANTS
JUNE 30, 2024**

District Mailing Address - Montrose Redevelopment Authority
8588 Katy Freeway, Suite 441
Houston, TX 77024

District Telephone Number - (713) 463-8200

Board Members

	Position
Lisa Hunt	1 – Vice Chair
Abby Noebels	2
Joe Douglas Webb	3 – Chair
Eureka Gilkey	4
Amanda Flores	5
Jeffery Watters	6 – Secretary

Zone Administrator

Knudson, LP
8588 Katy Freeway, Suite 441
Houston, TX 77024

See accompanying independent auditor's report.

DRAFT SUBJECT TO CHANGE