



Uptown Development Authority

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

June 30, 2023



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Uptown Development Authority
Houston, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Uptown Development Authority (the Authority), a component unit of the City of Houston, Texas, as of and for the year ended June 30, 2023, 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 opinions.

Responsibilities of Management 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, 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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

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 statement of revenues, expenditures, and changes in fund balance – all governmental funds – budget to actual and the schedule of operating expenditures, capital expenditures and project plan reconciliation (supplementary information) are presented for purposes of additional analysis and are 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 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Carr, Riggs & Ingram, L.L.C.

Houston, Texas
October 6, 2023

Uptown Development Authority Management's Discussion and Analysis (Unaudited)

GENERAL

This Management's Discussion and Analysis of Uptown Development Authority (the Authority), provides an overview of the Authority's financial performance including comparative data for the year ended June 30, 2023 with the year ended June 30, 2022 and a brief explanation for significant changes between fiscal years. Since the Management's Discussion and Analysis is designed to focus on current activities, resulting changes and current known facts, please read in conjunction with the Authority's basic financial statements and the notes to the financial statements.

The Authority is a special-purpose government and a component unit of the City of Houston, Texas. The Authority reports its financial activities in accordance with required reporting standards for special-purpose governments. The Authority's programs involve improving the general mobility in the Uptown Houston area and the implementation of the Memorial Park ten-year plan.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all the Authority's assets, liabilities and deferred outflows, with the difference between the items reported as net position (deficit). Over time, increases or decreases in net position may serve as a useful indicator regarding the financial position of the Authority. Other factors that are not included in the financial statements, such as increased tax base in the Authority's boundaries, should also be considered in evaluating the condition of the Authority's overall financial position.

The *Statement of Activities* presents information showing how the government's net position (deficit) changed during the most recent fiscal year. All changes in net position (deficit) are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both government-wide financial statements distinguish functions of the Authority that are principally supported by incremental tax revenues received from the City of Houston and Houston Independent School District. The governmental activities of the Authority are restricted to those objectives outlined in its project plan. The prominent activities include improving streets and intersections and creating a street grid network.

Uptown Development Authority Management's Discussion and Analysis (Unaudited)

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Authority are considered governmental funds.

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains four individual governmental funds for both infrastructure and affordable housing. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the Affordable Housing Special Revenue Fund, the Affordable Housing Debt Service Fund, the Capital Projects Fund, and the Debt Service Funds. All funds are major funds.

The Authority adopts an annual appropriated budget for all its funds combined, which is approved by the City of Houston (the City). A budgetary comparison statement has been provided to demonstrate compliance with this budget.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Uptown Development Authority Management's Discussion and Analysis (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

In the government-wide statements, the difference between assets, deferred outflows, and liabilities is called net position (deficit). Net position is categorized based on their availability to provide financial resources for the Authority. Net position that is invested in capital assets represents the Authority's net investment in capital assets. Restricted net position represents amounts that are restricted for future debt service requirements. Unrestricted net position represents amounts available to meet the Authority's future obligations.

As noted earlier, changes in net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, net position was negative as of June 30, 2023. The Authority continues to have a deficit net position because the Authority incurs long-term debt to pay for parks and general mobility improvements that are ultimately conveyed to the City of Houston, but the debt incurred to create them remains the responsibility of the Authority. The cumulative assets transferred for mobility and park improvements without the attendant debt totals over \$460 million. The Authority then continues to accumulate resources for repayment of this long-term debt over an extended period of years until the debt is repaid.

A comparative schedule of net position at June 30, 2023 and 2022 follows:

<i>June 30,</i>	2023	2022 (Restated)
Assets		
Current and other assets	\$ 68,394,911	\$ 67,364,626
Capital assets, net	38,447,678	39,578,782
Total assets	\$ 106,842,589	\$ 106,943,408
Deferred Outflows of Resources		
Deferred charge on refunding	\$ 1,519,841	\$ 1,801,174
Liabilities		
Accounts payable and other liabilities	38,444,608	36,014,073
Long-term liabilities	319,911,232	331,485,091
Total liabilities	358,355,840	367,499,164
Net Deficit		
Net investment in capital assets	22,395,523	23,526,627
Restricted for debt service	43,661,072	43,142,397
Unrestricted accumulated deficit	(316,050,005)	(325,423,606)
Total net deficit	\$ (249,993,410)	\$ (258,754,582)

Uptown Development Authority Management's Discussion and Analysis (Unaudited)

The deficit net position is due to project assets being conveyed to the City of Houston. The cumulative assets transferred to the City total over \$460 million for mobility and park improvements.

Capital outlay on behalf of the City of Houston and METRO are not Authority assets and therefore will not be reflected in the Authority's statement of net position. Long-term liabilities decreased by \$11,573,859 primary due to decrease in bonds payable outstanding as of June 30, 2023.

2022 accounts payable and unrestricted accumulated deficit were restated to include an additional \$6.875 million obligation of the Authority that had not previously been reflected in the financial statements. See Note 10 for additional information.

The total net deficit of the Authority decreased by \$8,761,172 during the current fiscal year. A comparative summary of the Authority's statement of activities for the past two years is as follows:

<i>For the years ended June 30,</i>	2023	2022 (Restated)
Revenues		
Program revenues:		
Capital grants and contributions	\$ 13,661,669	\$ 11,572,111
General revenues:		
Contract tax increment revenues	46,625,322	46,698,801
Interest on tax increments	926,382	-
Unrestricted Investment earnings	1,024,168	40,609
Total revenues	62,237,541	58,311,521
Expenses		
General government	7,145,846	5,670,193
Affordable housing	8,135,130	8,085,133
Educational facilities	6,514,935	6,428,542
Interest and other charges	9,974,939	11,727,620
Capital outlay on behalf of the City of Houston	20,574,415	23,634,747
Depreciation	1,131,104	1,131,104
Total expenses	53,476,369	56,677,339
Change in net deficit	8,761,172	1,634,182
Net deficit - beginning of year, as restated	(258,754,582)	(260,388,764)
Net deficit - end of year	\$ (249,993,410)	\$ (258,754,582)

Uptown Development Authority Management's Discussion and Analysis (Unaudited)

The Authority recognized interest on tax increments from interest earned by the City on tax increments for fiscal year 2016 through 2023. Unrestricted investment earnings increased by \$983,559 due to increase in interest rates. Total expenses were \$53,476,369 in the current year, which is a decrease of \$3,200,970 from the previous year primarily due to the decrease in spending for capital projects as the Memorial Park Landbridge and Prairie project came to completion. The municipal services fee included in the general government line above to the City of Houston is \$4.9 million.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. An unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$31,031,938 which was a \$2,366,104 decrease in comparison with the prior year. Approximately \$46.9 million is restricted for debt service. The capital projects fund balance deficit at the end of the fiscal year was \$15,991,169. This deficit is primarily due to the City of Houston municipal service fee for prior years and an update to reflect the final amounts due to Texas Department of Transportation for the north elevated bus lanes and the south end construction work on Post Oak Boulevard, see Note 10 for more information. The Authority uses the capital projects fund for infrastructure improvements in the area.

The final budget to actual results for the capital program cost were \$6.5 million under budget. The expenditures for the land bridge at Memorial Park were less than budgeted due to the progress of the project made in the previous fiscal year. This project was completed in the current fiscal year. The Wilson Gully drainage project expenditures were less than budgeted due to unforeseen delay in phase I of the project.

The following is a comparative summary of changes in fund balances (deficits) for the prior two fiscal years:

<i>For the years ended June 30,</i>	2023	Increase (Decrease)	2022 (Restated)	Increase (Decrease)	2021 (Restated)
Capital Projects	\$ (15,991,169)	\$ (2,819,121)	\$ (13,172,048)	\$ (4,339,342)	\$ (8,832,706)
Debt Service	33,728,350	423,197	33,305,153	6,822	33,298,331
Affordable Housing					
Special Revenue	79,443	46,647	32,796	(81,754)	114,550
Affordable Housing					
Debt Service	13,215,314	(16,827)	13,232,141	(8,724)	13,240,865
	\$ 31,031,938	\$ (2,366,104)	\$ 33,398,042	\$ (4,422,998)	\$ 37,821,040

Uptown Development Authority Management's Discussion and Analysis (Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets held by the Authority at the end of the current and previous fiscal years are summarized as follows:

<i>June 30,</i>	2023	2022
Capital assets not being depreciated:		
Land and improvements	\$ 17,100,865	\$ 17,100,865
Capital assets being depreciated:		
ATIS equipment	898,317	898,317
Pedestrian Lights	5,117,275	5,117,275
Transit center	18,490,240	18,490,240
Transit stations	6,061,915	6,061,915
Total capital assets	47,668,612	47,668,612
Less: accumulated depreciation	(9,220,934)	(8,089,830)
Capital assets, net of accumulated depreciation	\$ 38,447,678	\$ 39,578,782

Additional information on the Authority's capital assets can be found in Note 4.

The Authority issues debt or other financing to finance the capital improvement plan adopted by the City of Houston. In accordance with the Authority's agreement with the City of Houston, infrastructure improvements financed with this debt are the property of the City. All costs incurred by the Authority are primarily capital costs to execute the plan. Accordingly, street improvements and other infrastructure assets are not carried on the Authority's statements. A comparative summary of the Authority's long-term liabilities as of June 30, 2023 and 2022, is as follows:

<i>June 30,</i>	2023	2022
Tax increment contract revenue bonds payable	\$ 155,415,000	\$ 155,415,000
Tax increment contract revenue bonds payable from direct borrowings and direct placements	140,765,000	154,365,000
Notes from direct borrowings and direct placements	9,673,691	6,430,916
Due to project development agreements	8,084,161	8,974,879
	313,937,852	325,185,795
Less: unamortized discount on bonds payable	(16,812)	(25,727)
Plus: unamortized premium on bonds payable	5,990,192	6,325,023
	\$ 319,911,232	\$ 331,485,091

Additional information on the Authority's long-term debt can be found in Note 5.

Uptown Development Authority Management's Discussion and Analysis (Unaudited)

ECONOMIC FACTORS

The Authority administers the operations of the Tax Increment Reinvestment Zone (TIRZ) on behalf of the City of Houston (the City). The TIRZ is one of the nation's largest suburban districts, which boasts a unique blend of office, retail, hotel and residential sectors. The TIRZ includes approximately 1,010 acres of land within its original boundaries and approximately an additional 36 acres of land annexed in January 2008. In 2013, the Zone and the City approved a fourth amendment to the Zone to provide for the enhancement and improvements to an additional 1,769 acres of land that is primarily Memorial Park. All land lies within the boundaries of the City.

OFFICE SPACE

Uptown Houston is one of the largest business districts outside a historic core in the United States. It is the 17th largest business district in the United States: comparable to downtowns such as Denver and Cleveland. With almost 29 million square feet of total office space in its market area, Uptown accounts for 15.2% of the City of Houston's total 'Class A' office space with 20 million square feet. There are 123,000 employees in the Uptown market area. At the end of the second quarter, 2023 class A office space was 70% leased, similar to Houston's total Class A office market with occupancy at 76%.

The 2022 certified values for the office sector were down slightly from the previous year. Even with current flexible work models due to the pandemic, Uptown has a 'back-to-work' occupancy rate around 60%, one of the best in the nation according to Kastle Systems. As companies continue to encourage workers back to the office, it is anticipated that some adjustments to values will continue to occur. LyondellBasell announced it is moving its U.S. headquarters from downtown to Uptown. Its new lease is still the largest inked in Houston so far this year. There were no known significant lease breaks in the area. In the market area, 4411 San Felipe recently completed construction of a 100,000 SF mixed-use midrise that includes 80,000 SF of boutique office. This development is already over 60% leased.

RETAIL

Uptown continues to be synonymous with high-end shopping and is known as a world-renowned center for retail. Ad valorem values for the retail sector for 2022 were up slightly from the previous year. Retail was 95.1% leased as of Q2 2023. This market maintained as The Galleria is the fourth largest retail center in the United States. In the Uptown market area, 4411 San Felipe will soon delivered 15,000 SF of retail space in Q1, 2023. Levcor's Post Oak Plaza is completing extensive transformation of their retail center bringing in new stores and restaurants such as il Bracco, Balboa Surf Club and Nando's Peri-Peri. The Galleria continues to sign new luxury retailers such as the NBA store, Francesca's and TOUS.

Uptown Development Authority Management's Discussion and Analysis (Unaudited)

HOTEL

Uptown now has 39 first quality hotels in the area, offering 8,400 rooms for guests. For calendar 2022, Uptown hotels had almost \$300M total sales receipts, a significant 33% increase over the previous calendar year. The ad valorem values for the hotel sector for 2022 were up over 20% from the previous year, approaching pre-pandemic values. Landry's 36 story mixed-use development, "The Post Oak", Texas' only AAA Double Five-Diamond hotel, led the rebound in hotel occupancy, followed by the Westins in the Galleria.

The area's RevPAR (revenues per available room) continues to recover. Uptown's Upscale Hotels' RevPAR for Q2 2023 was 104.46, a 22% increase over the previous year. The RevPar is now almost pre-pandemic level of \$105.23 in February 2020, a mere 0.7% difference. Uptown occupancy was 55.7%, a 13% increase over the same period one year ago. In comparison, the Houston Central Business District's RevPAR was at \$120.91 and Houston City-wide RevPAR at \$69.15. In Q2 of 2023 occupancy for the Houston Central Business District was at 45.79% and the City of Houston was at 45.54%.

RESIDENTIAL

Uptown Houston is one of the most prestigious and desirable areas to live. The residential outlook in Uptown is positive. Previously announced projects such as the Hallmark Uptown Oaks and the DeisoMoss mixed-use tower have been put on hold for now. However, the 17-story Hawthorne, an upscale condominium tower in the Uptown market, is well under construction and expected to deliver by Q1 2024. Uptown residential occupancy rates are a healthy 92.29% for Q2 2023. In comparison, the Houston Central Business District's occupancy was 85.2% and the City of Houston was at 90.48%.

The economic outlook is stable in Uptown. There continues to be new development in the area and property values have maintained year over year. While economic factors (property values, vacancy rates, future development, etc.) impact the size of debt issues, management takes a conservative approach to ensure that adequate resources are available to support the projects within the District.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Uptown Development Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to 1980 Post Oak Boulevard #1700, Houston, Texas 77056.

Uptown Development Authority
Statement of Net Position

June 30, 2023

Assets

Cash and temporary investments	\$ 66,054,791
Due from other governments	133,843
Other receivables	924,535
Prepaid expenses	7,167
Other assets	1,274,575
Land	17,100,865
Other capital assets, net	21,346,813
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Total assets	\$ 106,842,589
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Deferred Outflows of Resources

Deferred charge on refunding	\$ 1,519,841
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Liabilities

Accounts payable	24,146,084
Accrued interest	3,282,592
Due to other governments	9,076,723
Unearned revenue	1,939,209
Long-term liabilities:	
Due within one year	24,954,266
Due in more than one year	294,956,966
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Total liabilities	358,355,840
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Net Deficit

Net investment in capital assets	22,395,523
Restricted for debt service	43,661,072
Unrestricted accumulated deficit	(316,050,005)
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Total net deficit	\$ (249,993,410)
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The accompanying notes are an integral part of these financial statements.

Uptown Development Authority
Statement of Activities

<i>For the year ended June 30, 2023</i>	Expenses	<u>Program Revenue</u> Capital Grants and Contributions	Net Expense
Functions/Programs			
General government	\$ 7,145,846	\$ -	\$ (7,145,846)
Affordable housing	8,135,130	-	(8,135,130)
Educational facilities	6,514,935	-	(6,514,935)
Interest and other charges	9,974,939	-	(9,974,939)
Capital outlay on behalf of the City of Houston	20,574,415	13,661,669	(6,912,746)
Depreciation	1,131,104	-	(1,131,104)
Totals	53,476,369	13,661,669	(39,814,700)
General revenues			
Contract tax increment revenues			46,625,322
Interest on tax increments			926,382
Unrestricted investment earnings			1,024,168
			48,575,872
Change in net deficit			8,761,172
Net deficit - beginning of year, as restated (Note 10)			(258,754,582)
Net deficit - end of year			\$ (249,993,410)

The accompanying notes are an integral part of these financial statements.

Uptown Development Authority Balance Sheet – Governmental Funds

<i>June 30, 2023</i>	Capital Projects	Debt Service	Affordable Housing		Total Governmental Funds
			Special Revenue	Debt Service	
Assets					
Cash and temporary investments	\$ 42,084,521	\$ 17,689,347	\$ 35,418	\$ 6,245,505	\$ 66,054,791
Due from other funds	-	16,039,003	8,094,025	6,969,809	31,102,837
Due from other governments	133,843	-	-	-	133,843
Other receivables	924,535	-	-	-	924,535
Prepaid expenses	7,167	-	-	-	7,167
Total assets	\$ 43,150,066	\$ 33,728,350	\$ 8,129,443	\$ 13,215,314	\$ 98,223,173
Liabilities					
Accounts payable	\$ 24,146,084	\$ -	\$ -	\$ -	\$ 24,146,084
Due to other funds	31,102,837	-	-	-	31,102,837
Due to other governments	1,026,723	-	8,050,000	-	9,076,723
Unearned revenue	1,939,209	-	-	-	1,939,209
Total liabilities	58,214,853	-	8,050,000	-	66,264,853
Deferred Inflows of Resources					
Interest in tax increments	926,382	-	-	-	926,382
Fund Balances (deficits)					
Nonspendable	7,167	-	-	-	7,167
Restricted:					
Debt Service	-	33,728,350	-	13,215,314	46,943,664
Affordable Housing	-	-	79,443	-	79,443
Unassigned	(15,998,336)	-	-	-	(15,998,336)
Total fund balances (deficits)	(15,991,169)	33,728,350	79,443	13,215,314	31,031,938
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 43,150,066	\$ 33,728,350	\$ 8,129,443	\$ 13,215,314	\$ 98,223,173

The accompanying notes are an integral part of these financial statements.

Uptown Development Authority
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

June 30, 2023

Total fund balance of governmental funds	\$	31,031,938
Amounts reported for governmental activities in the statement of net position are different because:		
Interest on tax increments are not available for current period expenditures and therefore are deferred in the funds		926,382
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Land	\$ 17,100,865	
Other capital assets	30,567,747	
Less accumulated depreciation	(9,220,934)	
Change due to capital assets		38,447,678
Cost of issuance for the premiums on insurance are amortized over the life of the bonds in the government-wide statements		1,274,575
Some liabilities and deferred outflows are not due and payable in the current period and are not included in the fund financial statements, but are included in the statement of net position. These are as follows:		
Bonds payable	(296,180,000)	
Notes payable to Regions	(9,673,691)	
Deferred charge on refunding	1,519,841	
Accrued interest	(3,282,592)	
Due to project development agreements	(8,084,161)	
Unamortized bond discount	16,812	
Unamortized bond premiums	(5,990,192)	
Change due to long-term obligations		(321,673,983)
Net deficit of governmental activities in the statement of net position	\$	(249,993,410)

The accompanying notes are an integral part of these financial statements.

Uptown Development Authority
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds

	Capital Projects	Debt Service	Affordable Housing		Total Governmental Funds
			Special Revenue	Debt Service	
<i>For the year ended June 30, 2023</i>					
Revenues					
Tax increments	\$ 15,517,450	\$ 16,044,038	\$ 8,094,025	\$ 6,969,809	\$ 46,625,322
Investment earnings	166,004	681,079	14,919	162,166	1,024,168
Other private contributions	7,467,916	-	-	-	7,467,916
Miscellaneous revenue	6,193,753	-	-	-	6,193,753
Total revenues	29,345,123	16,725,117	8,108,944	7,131,975	61,311,159
Expenditures/expenses					
Current:					
Administrative salaries	150,000	-	-	-	150,000
Office expenses	60,000	-	-	-	60,000
Insurance	133,737	-	-	-	133,737
Accounting	40,000	-	-	-	40,000
Auditor	25,213	-	-	-	25,213
Financial advisor	88,330	-	-	-	88,330
City of Houston, municipal charges fee	4,991,226	-	-	-	4,991,226
Legal	17,795	-	-	-	17,795
Parks project management	345,004	-	-	-	345,004
Education facilities cost, transfer to other government	6,514,935	-	-	-	6,514,935
Affordable housing cost, transfer to other government	-	-	8,050,000	-	8,050,000
Other zone administration costs	1,382,871	-	-	-	1,382,871
Capital outlay on behalf of:					
City of Houston	20,574,415	-	-	-	20,574,415
Debt Service:					
Principal payments - bonds	-	9,150,000	-	4,450,000	13,600,000
Principal payments - notes	-	6,430,916	-	-	6,430,916
Interest - bonds	-	7,151,920	-	2,698,802	9,850,722
Interest and fees - notes	-	192,775	-	-	192,775
Other debt service charges	-	-	12,297	-	12,297
Developer/Project Reimbursements	890,718	-	-	-	890,718
Total expenditures	35,214,244	22,925,611	8,062,297	7,148,802	73,350,954
Excess of revenues under expenditures	(5,869,121)	(6,200,494)	46,647	(16,827)	(12,039,795)
Other Financing Sources/Uses					
Proceeds from issuance of new notes	3,050,000	-	-	-	3,050,000
Proceeds from issuance of rollover notes	-	6,623,691	-	-	6,623,691
Total other financing sources/uses	3,050,000	6,623,691	-	-	9,673,691
Net change in fund balances	(2,819,121)	423,197	46,647	(16,827)	(2,366,104)
Fund balances (deficits) - beginning of year as restated (Note 10)	(13,172,048)	33,305,153	32,796	13,232,141	33,398,042
Fund balances (deficits) - end of year	\$ (15,991,169)	\$ 33,728,350	\$ 79,443	\$ 13,215,314	\$ 31,031,938

The accompanying notes are an integral part of these financial statements.

Uptown Development Authority
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund
Balances – Governmental Funds to the Statement of Activities

Net change in total fund balances of governmental funds \$ (2,366,104)

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

Interest on tax increments in the Statements of Activities that do not provide current financial resources are not reported in the funds 926,382

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of the assets is allocated over their estimated lives as depreciation expense

Depreciation expense \$ (1,131,104)

Change due to capital assets (1,131,104)

Governmental funds report the proceeds from the issuance of long term debt as other financing sources. In contrast, the statement of activities reports this as an addition to long-term liabilities. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. Also, governmental funds report premiums, discounts and similar items when the related debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal payments on debt 20,030,916

Proceeds from issuance of debt, net of payments to escrow agent (9,673,691)

Change in accrued interest payable 112,305

Discounts are amortized over the life of the bonds (8,915)

Premiums are amortized over the life of the bonds 334,831

Prepaid bond insurance is amortized over the life of the bonds (72,833)

Deferred charge on refunding is amortized over the life of the bond (281,333)

Project development agreement expense 890,718

11,331,998

Change in net deficit of governmental activities \$ 8,761,172

The accompanying notes are an integral part of these financial statements.

Uptown Development Authority Notes to Basic Financial Statements

NOTE 1: DESCRIPTION OF ORGANIZATION

The Uptown Development Authority (the Authority) of the City of Houston, Texas, (the City) a not-for-profit local government corporation, was created under Chapter 394 of the Texas Local Government Code and Chapter 431 of the Texas Transportation Code and the general laws of the State of Texas. The Authority was created to aid and assist in the development of the Uptown area by providing improvements for general mobility. These projects include an emphasis on minimizing traffic congestion through the financing of improvements to existing streets, a street grid network, improvements to intersections, a parking management program and a pedestrian network. The Authority is empowered to act on behalf of the City with respect to administering Reinvestment Zone Number Sixteen, City of Houston, Texas (the Zone). The purpose of the Zone is to provide funding for these mobility improvements.

Property within the Zone is located on the west side of Houston, near the interchange of the I-610 and US 59 freeways. The Authority is governed by a nine-member Board of Directors, six of whom are appointed by the City.

The Authority's project and financing plan was amended in 2008 to annex North and South Wynden, Huntley Street and adjacent properties to be redeveloped. The annexed area has several of the same characteristics as property in the existing boundaries. In 2013, the project and financing plan was amended again to 1) extend the life of the Zone to 2040 and 2) expand the Zone boundaries to include an additional 1,768 acres that is primarily the Memorial Park area. This fourth amendment to the Plan provides for a total project plan of \$1,265,000,000 which is \$612,250,000 over the previous project plan costs. Plan costs include an Affordable Housing component of \$452,000,000 and \$100,000,000 for infrastructure improvements in Houston's Memorial Park.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Authority's financial statements include the accounts of all the Authority's operations. In conformity with generally accepted accounting principles, the Authority is considered a component unit of the City of Houston. Additionally, as required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the Authority's financial reporting entity in accordance with Section 2100: Defining the Financial Reporting Entity of the Governmental Accounting Standards Board (GASB) Codification. Based on these considerations, no other entities, organizations or functions have been included in the Authority's financial reporting entity.

Uptown Development Authority Notes to Basic Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the Authority as a whole. These statements focus on the sustainability of the Authority as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The effect of interfund activity has been removed from these statements.

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is a separate accounting entity. These fund financial statements are the Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

The Authority reports the following major governmental funds:

Capital Projects Fund - The capital projects fund is used to account for construction of the Authority's general mobility improvement projects. The principal source of revenue is contract tax increment revenues. Expenditures include administrative costs, as well as infrastructure improvement expenditures.

Debt Service Fund - The debt service fund is used to account for the payment of interest and principal on the infrastructure improvement long-term debt of the Authority. The primary source of revenue is provided by contract tax increment revenues. Expenditures are principal and interest payments.

Affordable Housing Special Revenue Fund - The affordable housing special revenue fund is used to account for the receipt of contract tax revenues for the City's affordable housing program. Expenditures consist of transfers to the City of Houston.

Affordable Housing Debt Service Fund - The affordable housing debt service fund is used to account for the payment of principal and interest on the Authority's affordable housing bonds. The principal source of revenue is contract tax increment revenues. Expenditures are principal and interest payments.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Uptown Development Authority Notes to Basic Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Authority's government-wide net position is categorized as follows:

Net investment in capital assets - This component of net position consists of capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, notes or other borrowings.

Restricted - This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed by law through contractual provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when the related fund liability is incurred as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due.

Fund Balance Classification

The Authority records restrictions for all or portions of governmental fund balances which are legally segregated for specific future use or which do not represent available spendable resources and therefore not available for appropriation. Unassigned fund balance indicates the portion of fund balance which is available for appropriation in future periods. The restricted fund balances for governmental funds represent the amount that has been identified for specific purposes.

The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

The following fund balance classifications describe the relative strength of the spending constraints:

Nonspendable - amounts that are not in spendable form or are required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

Uptown Development Authority Notes to Basic Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed - amounts constrained to specific purposes by the Authority itself, using its highest level of decision-making authority (i.e. the Board of Directors). To be reported as committed, amounts cannot be used for any other purposes unless the Authority takes the same highest level of action to remove or change the constraint.

Assigned - amounts the Authority intends to use for a specific purpose. Intent can be expressed by the Authority or by an official or body to which the Board of Directors delegates the authority.

Unassigned - amounts that are available for any purpose. Positive amounts are reported only in the general fund. The Authority does not have a general fund.

The Authority establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Cash and Temporary Investments

The Authority's cash and temporary investments consist of demand deposits and funds maintained by a trustee in a no-load money market mutual fund, as mandated by the Authority's Bond Indentures and Resolutions.

Receivables

Receivable consist of all revenues earned at year end and not yet received. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Authority's major receivables consist of amount due from the City of Houston for interest earnings on tax increments for the years 2016 to 2023. As of June 30, 2023, the Authority believes all receivables are fully collectable and, accordingly, no allowance has been recorded.

Other Assets

Costs of issuance for the premiums on insurance related to the Taxable Contract Revenue Bonds, Series 2021B, are being amortized using the straight-line method over the life of the bonds in the government-wide statements.

Interfund Transfers

Interfund receivable and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. These receivables and payables are eliminated in the Statement of Net Position.

Uptown Development Authority Notes to Basic Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to more unrestricted revenue collected in the capital project fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and actions of the Board of Directors.

Capital Assets

Capital assets are reported in the government-wide financial statements. The Authority defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. 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: equipment, 5 to 10 years; bus shelters, 10 years and transit center, 40 years.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Authority only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the balance sheet - governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has unavailable revenues for interest on tax increments that qualify for reporting in this category, which arise only under a modified accrual basis of accounting.

Debt and Related Premiums, Discounts, and Issuance Costs

Debt consists of tax increment contract revenue bonds, notes with financial institutions, and amounts due to developers.

Uptown Development Authority
Notes to Basic Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed as incurred. In governmental fund financial statements, bond premiums, discounts and any debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt issuance expenditures.

Use of Estimates

The preparation of Authority's 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 amounts 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 expenditure during the reporting period. Actual results could differ from those estimates.

NOTE 3: DESPOSITS AND INVESTMENTS

Due to the immediate availability of the funds, the Authority's investments at June 30, 2023 are included in cash and temporary investments. At year end June 30, 2023, the Authority's cash and temporary investments were comprised of the following:

	Capital Projects	Debt Service	Affordable Housing		Total
			Special Revenue	Debt Service	
Demand Deposits	\$ 2,899,340	\$ 276,805	\$ -	\$ 6,208,433	\$ 9,384,578
Government Money					
Market Mutual Funds	39,185,181	17,412,542	35,418	37,072	56,670,213
Total	\$ 42,084,521	\$ 17,689,347	\$ 35,418	\$ 6,245,505	\$ 66,054,791

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments	Fair Market Value	Weighted Average Maturity (Days)	Fair Value Measurement	Standard & Poor's Rating
Government Money				
Market Mutual Funds	\$ 56,670,213	24	Level 1	AAAm
Total investments	\$ 56,670,213	24		

Uptown Development Authority Notes to Basic Financial Statements

NOTE 3: DESPOSITS AND INVESTMENTS (CONTINUED)

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The Public Funds Collateral Act (Chapter 2257, Texas Government Code) requires that all the Authority's deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The Authority has adopted a written investment policy, which establishes additional requirements for collateralization of deposits. The Authority's deposits were adequately collateralized as of June 30, 2023.

Authorized Investments

The Authority is authorized by the Public Funds Investment Act (Chapter 2256, Texas Government Code) (the PFIA) to invest in the following: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) insured or collateralized certificates of deposit, (8) certain fully collateralized repurchase agreements, (9) bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

The Authority has adopted a written investment policy to establish the principles by which the Authority's investment program should be managed. This policy further restricts the Authority's allowable investments to the following: 1) Obligations of the United States or its agencies and instrumentalities including Fannie Mae, Freddie Mac and the Federal Home Loan Bank, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) collateralized mortgage obligations (CMO's) directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; Authority does not need to invest in CMO's directly. In the event that the Authority would hire a professional money manager, CMO's may be suitable, (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, (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 state or national bank, or a savings bank, or a state or federal credit union that is guaranteed or insured by the Federal Deposit Insurance Corporation or the national Credit Union Share Insurance Corporation or its successor; or issued under the Certificate of Deposit Account Registry Service (CDARS) program and secured by obligations that are authorized under the PFIA, (7) repurchase agreements that comply with the PFIA, (8) bankers' acceptances that comply with the PFIA, (9) commercial paper that complies with the PFIA, (10) No-load money market mutual funds that comply with the PFIA, (11) Investment pools, provided that they comply with the PFIA.

Uptown Development Authority
Notes to Basic Financial Statements

NOTE 3: DESPOSITS AND INVESTMENTS (CONTINUED)

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The Authority's investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

NOTE 4: CAPITAL ASSETS

During the year ended June 30, 2023, the Authority's capital assets changed as follows:

	Beginning balances	Additions	Retirement	Transfer	Ending balances
Capital assets not being depreciated:					
Land	\$ 17,100,865	\$ -	\$ -	\$ -	\$ 17,100,865
Capital assets being depreciated:					
Equipment	6,015,592	-	-	-	6,015,592
Transit center/stations	24,552,155	-	-	-	24,552,155
Less accumulated depreciation	(8,089,830)	(1,131,104)	-	-	(9,220,934)
Total capital assets being depreciated, net	22,477,917	(1,131,104)	-	-	21,346,813
Capital assets, net	\$ 39,578,782	\$ (1,131,104)	\$ -	\$ -	\$ 38,447,678

Depreciation expense in the amount of \$1,131,104 has been recorded in the government-wide statements.

In accordance with an agreement between the Authority and the City, the Authority conveys all its infrastructure improvements to the City. However, some long-lived capital assets, primarily pedestrian lights, the Uptown Transit Center, and Transit Stations are recorded with the Authority.

Uptown Development Authority Notes to Basic Financial Statements

NOTE 5: LONG-TERM LIABILITIES

As of June 30, 2023, the Authority's long term liabilities are comprised of the following:

	Total	Due Within One Year	Due Over One Year
Tax increment contract revenue bonds payable	\$ 155,415,000	\$ -	\$ 155,415,000
Tax increment contract revenue bonds payable from direct borrowings and direct placements	140,765,000	14,375,000	126,390,000
Notes from direct borrowings and direct placements	9,673,691	9,673,691	-
Unamortized discount on bonds payable	(16,812)	-	(16,812)
Unamortized premium on bonds payable	5,990,192	-	5,990,192
Due to project development agreements	8,084,161	905,575	7,178,586
	\$ 319,911,232	\$ 24,954,266	\$ 294,956,966

During the year ended June 30, 2023, the Authority's long-term liabilities changed as follows:

	Beginning Balances	Additions	Reductions	Ending Balances
Tax increment contract revenue bonds payable	\$ 155,415,000	\$ -	\$ -	\$ 155,415,000
Tax increment contract revenue bonds payable from direct borrowings and direct placements	154,365,000	-	(13,600,000)	140,765,000
Notes from direct borrowings and direct placements	6,430,916	9,673,691	(6,430,916)	9,673,691
Unamortized discount on bonds payable	(25,727)	-	8,915	(16,812)
Unamortized premium on bonds payable	6,325,023	-	(334,831)	5,990,192
Due to project development agreements	8,974,879	-	(890,718)	8,084,161
	\$ 331,485,091	\$ 9,673,691	\$ (21,247,550)	\$ 319,911,232

The Authority has outstanding notes and bonds from direct borrowings and direct placements related to governmental activities totaling \$150,438,691. This amount is comprised of \$140,765,000 in private placement Tax Increment Contract Revenue bonds and \$9,673,691 from Subordinate Lien Variable Rate Notes.

The Authority issues Tax Increment Contract Revenue bonds in order to construct infrastructure improvement facilities and the City of Houston's affordable housing facilities. The City of Houston has authorized the Authority to issue bonds and notes with aggregate principal amounts not to exceed \$332,860,000 outstanding at any time. The maximum authorization for short-term debt is \$27,000,000 outstanding at any time.

Uptown Development Authority
Notes to Basic Financial Statements

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Bonds payable are comprised of the following individual issues:

Series	Amount Outstanding	Original Issue	Interest Rates	Beginning/Ending Maturity Dates	Interest Payment Dates	Call Dates
Infrastructure Bonds						
2017A	\$ 37,405,000	\$ 37,405,000	4.00% - 5.00%	Sep 1, 2033 - 2040	Mar 1, Sep 1	Sep 1, 2026
2018	31,000,000	31,000,000	4.00% - 5.00%	Sep 1, 2031 - 2040	Mar 1, Sep 1	Sep 1, 2025
2021	23,235,000	23,235,000	3.00% - 5.00%	Sep 1, 2031 - 2040	Mar 1, Sep 1	Sep 1, 2031
	<u>\$ 91,640,000</u>					
Infrastructure Bonds, Direct Borrowings and Placements						
2014	\$ 34,590,000	\$ 53,195,000	3.875%	Sep 1, 2014 - 2033	Mar 1, Sep 1	Sep 1, 2023
2015	20,505,000	35,000,000	2.730%	Sep 1, 2016 - 2030	Mar 1, Sep 1	Sep 1, 2030
2016	23,310,000	32,175,000	2.360%	Sep 1, 2017 - 2029	Mar 1, Sep 1	Sep 1, 2026
2017B	23,815,000	25,095,000	2.430%	Sep 1, 2019 - 2033	Mar 1, Sep 1	N/A
	<u>\$ 102,220,000</u>					
Affordable Housing Bonds						
2021A	\$ 38,545,000	\$ 47,355,000	1.75%	Sep 1, 2021 - 2030	Mar 1, Sep 1	N/A
2021B	63,775,000	63,775,000	2.581% - 3.464%	Sep 1, 2031 - 2040	Mar 1, Sep 1	Sep 1, 2031
	<u>\$ 102,320,000</u>					

On April 18, 2022, the Authority authorized the issuance of \$15,000,000 Subordinate Lien Tax Increment Contract Revenue Rate Notes. The method was a private placement note. The funds related to the note are used for the purpose of (a) financing Infrastructure Project Costs, (b) paying the costs and expenses of issuance of the notes, including fees for professional services, (c) funding the Notes Debt Service Reserve Fund and (d) refinancing, renewing or refunding notes and any accrued interest thereon. The notes are issued, sold, and delivered from time to time in subseries and carry an interest rate equal to Bloomberg Short-Term Bank Yield Index multiplied by 79.0% plus 0.71%.

During the year ended June 30, 2023, the activity of the note issued from the 2022 facility is summarized as follows:

Draws	Issuance Date	Maturity Date	Original Issuance Amount	Beginning Balance	Additions	Reductions	Ending Balance
1	4/18/2022	4/17/2023	\$ 6,430,916	\$ 6,430,916	\$ -	\$ (6,430,916)	\$ -
2	2/6/2023	2/5/2024	3,050,000	-	3,050,000	-	3,050,000
3	4/17/2023	4/16/2024	6,623,691	-	6,623,691	-	6,623,691
				<u>\$ 6,430,916</u>	<u>\$ 9,673,691</u>	<u>\$ (6,430,916)</u>	<u>\$ 9,673,691</u>

All the Authority's bonds, including direct placements and borrowings, are secured by the Authority's pledge of certain tax increment payments received from the City of Houston and Houston Independent School District.

Uptown Development Authority Notes to Basic Financial Statements

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

On August 18, 2021, the Authority issued Tax Increment Contract Revenue and Refunding Bonds, Series 2021 in the amount of \$26,329,093 including premium of \$3,094,093. Premium of issuance of bonds is amortized over the life of the bonds. The proceeds from Bond Series 2021 fully refunded Bonds Series 2009 and 2012A and partially refunded Bonds Series 2014, 2015, 2016 and 2017B resulting in a deposit to escrow agent of \$24,861,593. The proceeds from Bonds Series 2021 was also used to make a deposit to the Debt Service Fund of \$798,330 and to pay costs of issuance of \$669,170, all in accordance to the TIF Act and all other applicable laws. The Authority achieves a cash flow savings and an economic gain of \$13,058 as a result of the refunding.

The bond indentures and resolutions stipulate the Authority will establish separate reserve funds for the infrastructure improvement facilities Tax Increment Contract Revenue Bonds and the affordable housing Tax Increment Contract Revenue Bonds. Each reserve fund will be maintained in an amount equal to the lesser of (1) 1.25 times the average annual debt service requirements, (2) maximum annual debt service or (3) 10% of the stated principal amount of the bonds or 10% of the issue price of the bonds if they were issued with more than a minimum amount of original issue discount. These reserves are maintained within the Debt Service Fund. The Authority was in compliance with these reserve requirements.

Annual debt service requirements to retire these outstanding bonds are as follows:

Infrastructure Bonds, All Series							
Year	2017A		2018		2021		Principal Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ -	\$ 1,721,960	\$ -	\$ 1,469,638	\$ -	\$ 800,050	\$ -
2025	-	1,721,960	-	1,469,638	-	800,050	-
2026	-	1,721,960	-	1,469,638	-	800,050	-
2027	-	1,721,960	-	1,469,638	-	800,050	-
2028	-	1,721,960	-	1,469,638	-	800,050	-
2029	-	1,721,960	-	1,469,638	-	800,050	-
2030	-	1,721,960	-	1,469,638	-	800,050	-
2031	-	1,721,960	-	1,469,638	-	800,050	-
2032	-	1,721,960	225,000	1,465,137	1,980,000	750,550	2,205,000
2033	-	1,721,960	235,000	1,455,937	2,070,000	659,650	2,305,000
2034	3,960,000	1,721,960	-	1,451,237	1,970,000	578,850	5,930,000
2035	4,145,000	1,357,650	3,755,000	1,357,362	2,225,000	506,075	10,125,000
2036	4,345,000	1,150,400	3,950,000	1,164,737	2,300,000	426,700	10,595,000
2037	4,565,000	922,150	4,150,000	962,237	2,385,000	344,925	11,100,000
2038	4,770,000	731,350	4,365,000	749,362	2,460,000	272,250	11,595,000
2039	4,965,000	532,750	4,570,000	545,981	2,535,000	197,325	12,070,000
2040	5,195,000	273,000	4,770,000	350,362	2,605,000	120,225	12,570,000
2041	5,460,000	136,500	4,980,000	124,500	2,705,000	40,575	13,145,000
	<u>\$ 37,405,000</u>	<u>\$ 24,045,360</u>	<u>\$ 31,000,000</u>	<u>\$ 21,383,956</u>	<u>\$ 23,235,000</u>	<u>\$ 10,297,525</u>	<u>\$91,640,000</u>

Uptown Development Authority
Notes to Basic Financial Statements

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Infrastructure Bonds, Direct Borrowings and Placements							
	2014		2015		2016		
Year	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 2,580,000	\$ 1,290,375	\$ 2,330,000	\$ 527,982	\$ 3,575,000	\$ 507,931	
2025	2,680,000	1,188,463	2,390,000	463,554	3,665,000	422,499	
2026	2,785,000	1,082,578	2,455,000	397,420	3,765,000	334,825	
2027	2,895,000	972,528	2,525,000	329,443	2,960,000	255,470	
2028	3,005,000	858,216	2,595,000	259,555	3,040,000	184,670	
2029	3,120,000	739,544	2,665,000	187,756	3,110,000	112,100	
2030	3,245,000	616,222	2,735,000	114,046	3,195,000	37,701	
2031	3,370,000	488,056	2,810,000	38,357	-	-	
2032	3,500,000	354,950	-	-	-	-	
2033	3,635,000	216,710	-	-	-	-	
2034	3,775,000	73,141	-	-	-	-	
	<u>\$ 34,590,000</u>	<u>\$ 7,880,783</u>	<u>\$ 20,505,000</u>	<u>\$ 2,318,113</u>	<u>\$ 23,310,000</u>	<u>\$ 1,855,196</u>	

Infrastructure Bonds, Direct Borrowings and Placements (Continued)			
	2017B		Principal
Year	Principal	Interest	Total
2024	\$ 1,360,000	\$ 562,181	\$ 9,845,000
2025	1,400,000	528,647	10,135,000
2026	1,410,000	494,505	10,415,000
2027	2,330,000	449,064	10,710,000
2028	2,390,000	391,716	11,030,000
2029	2,450,000	332,910	11,345,000
2030	2,500,000	272,767	11,675,000
2031	3,245,000	202,965	9,425,000
2032	3,325,000	123,140	6,825,000
2033	3,405,000	41,371	7,040,000
2034	-	-	3,775,000
	<u>\$ 23,815,000</u>	<u>\$ 3,399,266</u>	<u>\$ 102,220,000</u>

Uptown Development Authority
Notes to Basic Financial Statements

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Affordable Housing Bonds, All Series						
Year	2021A		2021B		Principal	
	Principal	Interest	Principal	Interest	Total	
2024	\$ 4,530,000	\$ 634,900	\$ -	\$ 1,985,327	\$ 4,530,000	
2025	4,610,000	554,925	-	1,985,327	4,610,000	
2026	4,690,000	473,550	-	1,985,327	4,690,000	
2027	4,770,000	390,775	-	1,985,327	4,770,000	
2028	4,855,000	306,556	-	1,985,327	4,855,000	
2029	4,940,000	220,850	-	1,985,327	4,940,000	
2030	5,030,000	133,613	-	1,985,327	5,030,000	
2031	5,120,000	44,800	-	1,985,327	5,120,000	
2032	-	-	5,565,000	1,913,511	5,565,000	
2033	-	-	5,715,000	1,765,085	5,715,000	
2034	-	-	5,875,000	1,606,783	5,875,000	
2035	-	-	6,040,000	1,438,085	6,040,000	
2036	-	-	6,220,000	1,258,370	6,220,000	
2037	-	-	6,415,000	1,066,838	6,415,000	
2038	-	-	6,625,000	853,270	6,625,000	
2039	-	-	6,860,000	619,710	6,860,000	
2040	-	-	7,105,000	377,836	7,105,000	
2041	-	-	7,355,000	127,389	7,355,000	
	<u>\$ 38,545,000</u>	<u>\$ 2,759,969</u>	<u>\$ 63,775,000</u>	<u>\$ 26,909,493</u>	<u>\$ 102,320,000</u>	

Deferred Charges

Deferred charges consist of losses associated with the Authority's 2012 Refunding Tax Increment Contract Revenue Refunding Bonds and the Series 2016 Tax Increment Contract Revenue Refunding Bonds. This cost is being amortized over the life of the bonds. Total amortization expense for the year ended June 30, 2023 was \$281,333.

	2023
Beginning balance	\$ 1,801,174
Amortization expense	(281,333)
Ending Balance	<u>\$ 1,519,841</u>

Uptown Development Authority
Notes to Basic Financial Statements

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Developer Agreements

During the year ended June 30, 2023, the Authority's amounts due to developers changed as follows:

	Beginning Balances	Additions	Reductions/ Adjustments	Ending Balances	Due Within One Year
Harris County Improvement District #1	\$ 5,818,330	\$ -	\$ (637,556)	\$ 5,180,774	\$ 637,556
Rice Avenue Retail Partners, L.P.	384,788	-	(153,162)	231,626	168,019
Houston Arboretum & Nature Center (HANC)	2,771,761	-	(100,000)	2,671,761	100,000
	<u>\$ 8,974,879</u>	<u>\$ -</u>	<u>\$ (890,718)</u>	<u>\$ 8,084,161</u>	<u>\$ 905,575</u>

Harris Authority Improvement District #1

The Authority entered into a financing agreement with the Harris Authority Improvement District #1 (the District) for advancing funds to the Authority for the purpose of financing the construction of public works and improvements (Hollyhurst and Post Oak Lane). Under the agreement, the District agreed to fund the construction of certain facilities and improvements within the Zone. These facilities and improvements will be conveyed to the City upon completion of construction and inspection and acceptance by the City. The District issued \$8,150,000 in bonds for this purpose. The Authority agreed to repay 100% of all funds advanced including cost of issuance and interest on bonds issued to fund the projects. The District is reimbursed from available tax increment attributable to the Hollyhurst and Post Oak Lane projects.

Rice Avenue Retail Partners, L.P.

The Authority entered into a financing agreement with developer, Rice Avenue Retail Partners, L.P. for the financing of the design, expansion and rehabilitation of 1,400 feet of South Rice Avenue. Under the agreement, the Developer agreed to fund these improvements within the Zone. These facilities and improvements were conveyed to the City upon completion of construction and inspection and acceptance by the City. The Developer is reimbursed from the Tax Increment Revenue Fund located in the project area. The Authority will continue to reimburse the Developer until the earlier of 10 years from the effective date or until the maximum cost-plus interest of \$1,446,612 has been paid in full.

Houston Arboretum & Nature Center (HANC)

The Authority entered into a financing agreement with The Houston Arboretum & Nature Center (HANC) to reimburse HANC for project costs up to \$3,585,000. Under the agreement, HANC will fund the construction of certain facilities and improvements within the Zone. These facilities and improvements were conveyed to the City upon completion of construction and inspection and acceptance by the City. HANC is reimbursed from available tax increment. Amounts due to HANC for construction projects were recorded on the Authority's financial statements upon completion of the project.

Uptown Development Authority
Notes to Basic Financial Statements

NOTE 6: CONTRACT TAX INCREMENT REVENUES

On December 15, 1999, the City of Houston acting under provisions of Chapter 311, Texas Tax Code, created the Tax Increment Reinvestment Zone No. 16 to promote development of the Uptown area. The Zone terminates December 31, 2040, or earlier, if all outstanding debt has been paid in full. Incremental ad valorem taxes on property located in the Zone are deposited into a Tax Increment Fund at the City. These funds are used to repay bonds sold to fund improvements that will significantly enhance the values of taxable real property in the Zone. The City, on behalf of the Zone, remits all monies in the Tax Increment Fund less administrative fees to the Authority by July 1st of each year.

During the year ended June 30, 2023, the Authority received in tax increment revenues as follows:

	City of Houston	Houston ISD	Total
Total tax increment	\$ 27,157,418	\$ 19,467,904	\$ 46,625,322
Retainage for administrative cost	(1,357,871)	(25,000)	(1,382,871)
Set-aside for educational facilities	-	(6,514,935)	(6,514,935)
Net amount received	\$ 25,799,547	\$ 12,927,969	\$ 38,727,516

As required by statute, the City dedicates one-third of the tax increments for affordable housing in other areas of the City during the term of the Zone. This affordable housing activity is considered a part of the general mobility plan of the Authority.

The Authority is dependent upon the tax increment revenues.

NOTE 7: COMMITMENTS AND CONTINGENCIES

The Authority has entered into various contracts in the course of performing its duties. Summaries of the Authority's significant contracts follow:

Tri Party Agreement

In 1999 an agreement between the City, the Zone and the Authority was approved and executed by each of the parties. This agreement sets forth the duties and responsibilities of each party. The Authority agrees to manage the affairs and activities of the Zone. It also has the authority to acquire and develop land and to issue bonds, notes or other obligations. The Authority is required to use all monies received from the Zone to 1) pay principal and interest on any obligations and 2) pay administrative costs. The City and the Zone are required to establish a Tax Increment Fund and deposit the appropriate tax increment revenues. These funds are required to be remitted to the Authority no later than July 1st of each year.

Uptown Development Authority Notes to Basic Financial Statements

NOTE 7: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Agreement with Harris Authority Improvement District No. 1

The Authority and the Harris Authority Improvement District No. 1 (the District) have entered into an agreement whereby the District provides administrative, management and special services to the Zone and the Authority. During the year ended June 30, 2023, the Authority remitted \$1,427,249 to the District. This amount consisted of \$250,000 for operating and administrative costs, \$200,000 for traffic control and mobility, \$632,245 for capital project management and \$345,004 for Memorial Park project management.

Memorial Park Conservancy

The Authority entered into a development, construction, operations, maintenance and concession agreement with the City of Houston, Texas, and Memorial Park Conservancy, Inc. (MPC). The purpose of the agreement is to fulfill the Master Plan developed by all Parties for the restoration, enhancement and redevelopment of Memorial Park in a manner appropriate to meet the demands of more than four million current annual Park visitors. Under the terms of the current amended and restated agreement (as of May 10, 2018), the Authority shall pay \$500,000 each year for Ecological Restoration Projects through 2028 along with a payment of \$4,500,000 in fiscal year 2025. Beginning in fiscal year 2019 and continuing each year through 2048, the Authority shall pay \$200,000 to MPC for operations of the running center. Beginning in fiscal year 2019 and continuing through 2041, the Authority shall pay \$400,000 for the greenspace maintenance TIRZ funding in lieu of the Houston Parks and Recreation Department. Lastly, beginning in fiscal year 2019 and continuing through fiscal year 2041, the Authority shall pay a varying amount on average of approximately \$550,000 for TIRZ contributions for greenspace maintenance. Beginning in fiscal year 2019, the Authority began contributing its share of the \$50,000,000 of capital costs of the Ten-Year Plan as outlined in the agreement. These costs are incurred by the Authority through payment for construction on the project and amounts are reimbursed by MPC for their share in accordance with the agreement. The Authority is responsible for approximately 43% of the Plan and MPC is responsible for 57% of the Plan. Additionally, beginning in the Authority's fiscal year 2021, the Authority commits to guarantee sufficient maintenance funds for the new capital improvements in the park. The funding amount shall be determined based on the MPC maintenance annual target compared to the funds/sources available to meet the target. The Standards Committee shall conduct an annual reconciliation process to determine any deficit/surplus.

City of Houston

The Authority entered into an interlocal agreement with the City of Houston, Texas (the City). The purpose of the agreement is to improve the streets alongside Memorial Drive (panel replacement project). Under the terms of the agreement entered into in May 2022, the City shall pay \$4,842,000 for the cost of the project and \$484,200 for cost recovery. The full amount of \$4,842,000 was collected in July 2022 and as a result of an amendment to the agreement, the Authority additionally received \$644,000 during January 2023. The Authority incurred costs of \$223,026 and \$5,011,516 towards this project during 2022 and 2023, respectively and recognized revenue accordingly. The remaining \$251,458 was recorded as unearned revenue in the accompanying balance sheet and statement of net position.

Uptown Development Authority
Notes to Basic Financial Statements

NOTE 7: COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Authority entered into a development agreement with the City of Houston, Texas (the City). The purpose of the agreement is the construction of public improvements (Wilson Gully drainage project). Under the terms of the agreement entered into in July 2021, the City shall contribute \$3,000,000 for the cost of the project, payable in three installments of \$1,000,000 each, and \$150,000 for cost recovery. The first two installments of \$1,000,000 were collected during 2022 and remaining \$1,000,000 was collected in February 2023. The Authority incurred costs of \$130,012 and \$1,182,237 towards this project during 2022 and 2023, respectively which has recognized as miscellaneous revenue in the accompanying statement of revenues, expenditures and changes in fund balances and statement of activities. The remaining \$1,687,751 was recorded as unearned revenue in the accompanying balance sheet and statement of net position.

NOTE 8: 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 personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage and no settlements.

NOTE 9: FUND BALANCE DEFICIT

At the end of the fiscal year, the Authority had a deficit fund balance of \$15,991,169 in the Capital Projects Fund. This deficit is primarily due to the City of Houston municipal service fee for prior years. The Authority uses the capital projects fund for infrastructure improvements in the area.

NOTE 10: PRIOR PERIOD ADJUSTMENT

During June 2018, the Authority entered into an advance funding agreement with Texas Department of Transportation (TxDOT) to share cost for construction of busway facility along IH610 from Post Oak Boulevard to south of IH 10. As per the advance funding agreement, total obligation of the Authority was \$20,070,000 out of which \$5,000,000 was not recognized in prior years. Further, the Authority entered into an advance funding agreement with TxDOT to share costs for construction of a dedicated bus lane and T-Ramp. As per the advance funding agreement, the Authority had a total obligation of \$1,875,000 which was not recognized in prior years. To correct this error, the Authority has restated it beginning net deficit of governmental activities and capital project fund by \$6,875,000. The Authority anticipates remitting payment of \$5,075,000 during fiscal year 2024 and \$1,800,000 in 2025.

	Governmental Activities	Capital Projects Fund
Beginning net deficit, as originally presented	\$ (251,879,582)	\$ (6,297,048)
Accounts payable restatement	(6,875,000)	(6,875,000)
Beginning net deficit, as restated	\$ (258,754,582)	\$ (13,172,048)

SUPPLEMENTARY INFORMATION

Uptown Development Authority
Statement of Revenues, Expenditures and Changes in Fund Balances –
All Governmental Funds – Budget and Actual

<i>For the year ended June 30, 2023</i>	Original Budget	Final Budget	Actual	Variance Positive / (Negative)
Budgetary fund balance - beginning of year, as restated	\$ 43,236,162	\$ 43,236,162	\$ 33,398,042	\$ (9,838,120)
Revenues				
Tax increments	50,033,428	50,033,428	46,625,322	(3,408,106)
Investment earnings	1,000	1,000	1,024,168	1,023,168
Other private contributions	8,379,000	8,379,000	7,467,916	(911,084)
Miscellaneous revenue	5,800,000	5,800,000	6,193,753	393,753
Total revenues and budgetary fund balance	107,449,590	107,449,590	94,709,201	(12,740,389)
Expenditures				
Management and consulting services	728,000	728,000	860,079	(132,079)
Project costs and capital expenditures	27,066,000	27,066,000	20,574,415	6,491,585
Zone administration	1,610,204	1,610,204	1,382,871	227,333
Debt service				
Principal payments - bonds	14,020,000	14,020,000	13,600,000	420,000
Principal payments - notes	-	-	6,430,916	(6,430,916)
Interest and fees - bonds	9,485,363	9,485,363	9,850,722	(365,359)
Interest and fees - notes	-	-	192,775	(192,775)
Other debt service charges	-	-	12,297	(12,297)
Developer/Project reimbursements	801,037	801,037	890,718	(89,681)
Educational facilities transfer	6,109,785	6,109,785	6,514,935	(405,150)
Affordable housing transfer	9,529,008	9,529,008	8,050,000	1,479,008
Municipal services charges	5,522,994	5,522,994	4,991,226	(531,768)
Total expenditures	74,872,391	74,872,391	73,350,954	457,901
Other Financing Sources/Uses				
Proceeds from issuance of notes	-	-	9,673,691	9,673,691
Budgetary fund balance - end of year	\$ 32,577,199	\$ 32,577,199	\$ 31,031,938	\$ (3,524,599)
<u>Explanation of differences between budgetary inflows and outflows and GAAP revenues</u>				
Actual amounts (budgetary basis)				\$ 94,709,201
Differences - Budget to GAAP:				
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes				(33,398,042)
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - total governmental funds				\$ 61,311,159

Uptown Development Authority
Operating Expenditures, Capital Expenditures and
Project Plan Reconciliation
For the year ended June 30, 2023

FY23 OPERATING EXPENDITURES					
<u>Category</u>	<u>Vendor</u>	<u>Budget</u>	<u>Actual Expenditure</u>	<u>Variance</u>	
TIRZ ADMINISTRATION AND OVERHEAD					
Administration (salary and benefits)	HCID No. 1	\$ 150,000	\$ 150,000	\$ -	
Office Expenses	HCID No. 1	60,000	60,000	-	
Insurance	AJ Gallagher	75,000	133,737	58,737	
Accounting	HCID No. 1	40,000	40,000	-	
Auditor	Carr, Riggs & Ingram	18,000	25,213	7,213	
COH Municipal Charges Fee		5,522,994	4,991,226	(531,768)	
Bond Trustee	BNYM / PFM Asset Management/Others	-	51,330	51,330	
	Moody's Investors	-	2,000	-	
Financial Advisor	TKG Associates	-	10,000	10,000	
Financial Advisor	Masterson Advisors	-	25,000	25,000	
Subtotal		\$ 5,865,994	\$ 5,488,506	\$ (377,488)	
PROGRAM AND PROJECT CONSULTANTS					
Legal	Allen Boone Humphries	85,000	17,795	(67,205)	
Parks Project Management		300,000	345,000	45,000	
Subtotal		\$ 385,000	\$ 362,795	\$ (22,205)	
Total Zone Administration / Operations		\$ 6,250,994	\$ 5,851,301	\$ (399,693)	
FY23 CAPITAL EXPENDITURES					
<u>Project</u>	<u>Vendor</u>	<u>Budget</u>	<u>Actual Expenditure</u>	<u>Variance</u>	
Project T1611/1633B: Right of Way					
Construction Costs	Parcel Purchases	\$ 650,000	494,900	-	
Other Professional Services	Hunton Andrews Kurth	-	188,191	-	
Other Professional Services	Gunda Corporation	-	3,920	-	
Subtotal		\$ 650,000	\$ 687,011	\$ 37,011	
Project T1633: Post Oak Boulevard Reconstruction					
Construction Costs	Environmental Design	\$ -	170,882	-	
Subtotal		\$ -	\$ 170,882	\$ 170,882	
Project T1634: West Loop Transit Way					
Subtotal		\$ 2,000,000	\$ -	\$ (2,000,000)	
Project T1635: Memorial Park					
Construction Costs	MPC - Ecological Restoration	\$ 1,916,000	500,000	-	
Construction Costs	MPC - Greenspace Maintenance	-	1,561,765	-	
Subtotal		\$ 1,916,000	\$ 2,061,765	\$ 145,765	
Project T1635A: Memorial Park Connectivity Projects					
Construction	HANC direct payment / Dev Agrmt	\$ 100,000	100,000	-	
Subtotal		\$ 100,000	\$ 100,000	\$ -	
Project T1635A1: San Felipe Trail (COH) Projects					
Engineering /Design Services	Centerpoint	\$ 250,000	75,000	-	
Subtotal		\$ 250,000	\$ 75,000	\$ (175,000)	
Project T1635B: Memorial Park Infrastructure Phase I - Land Bridge Project					
Preliminary Engineering	Berg Oliver	\$ 14,800,000	6,743	-	
Engineering /Design Services/ Construction Mgmt	Gunda Corporation	-	98,004	-	
Construction/ Project Management	Gunda Corporation	-	503,980	-	
Construction/ Project Management	HCID	-	160,000	-	
Construction/ Project Management	Texas Project Administration	-	121,421	-	
Construction Costs	Tellepsen (Land Bridge)	-	9,758,895	-	
Other	MPC (Prairie Maintenance)	-	234,238	-	
Other	HCID No. 1 Traffic Mobility	-	200,000	-	
Subtotal		\$ 14,800,000	\$ 11,083,281	\$ (3,716,719)	

**Uptown Development Authority
Operating Expenditures, Capital Expenditures and
Project Plan Reconciliation (Continued)
For the year ended June 30, 2023**

<i>Project</i>	<i>Vendor</i>	<i>Budget</i>	FY23 CAPITAL EXPENDITURES	
			<i>Actual Expenditure</i>	<i>Variance</i>
Project T1640: Drainage Project		\$ 2,400,000		
Engineering / Planning	Kirst Kosmoski		66,811	
	Aurora		19,528	
	Hunton AK		35,981	
Construction Costs /Utilities	Harper Brothers		587,672	
Project Management	HCID No. 1		472,245	
Subtotal		\$ 2,400,000	\$ 1,182,237	\$ (1,217,763)
Project T1622: Parks		\$ 250,000		
Maintenance / Operation	Williams Tower		302,723	
Subtotal		\$ 250,000	\$ 302,723	\$ 52,723
Project T1699:Concrete Panel Replacement Program		\$ 4,700,000		
Design / Engineering	Gunda Corporation		408,713	
	Aurora		58,799	
Construction Management	Texas Project Administration		99,390	
Construction Costs	Tellepsen		4,441,746	
Other Professional Services	Hunton Andrews Kurth		2,868	
Subtotal		\$ 4,700,000	\$ 5,011,516	\$ 311,516
Project T1633:Post Oak Boulevard Reconstruction	HCID No. 1 Reimbursement		\$ -	\$ -
Total Capital Expenditures		\$ 27,066,000	\$ 20,674,415	\$ (6,391,585)
Project TXXX:Capital Costs Not Programmed/Developer Agreements		\$ -		
Developer Agreements	Rice Partners		153,162	
Developer Agreements	HCID No. 1		637,556	
Subtotal		\$ -	\$ 790,718	\$ 790,718
Total Capital Expenditures and Developer Agreements		\$ 27,066,000	\$ 21,465,133	\$ (5,600,867)

Uptown Development Authority
Operating Expenditures, Capital Expenditures and
Project Plan Reconciliation (Continued)
For the year ended June 30, 2023

PROJECT PLAN RECONCILIATION					
	<i>*Project Plan Amount</i>	<i>Beginning</i>	<i>Current Year Expenditures</i>	<i>Expenditures to Date</i>	<i>Variance</i>
Non-Education Projects					
Improve Existing Streets	\$ 66,000,000	\$ 65,872,460	\$ -	\$ 65,872,460	\$ 127,540
Create Street Grid Network	15,000,000	14,011,162	-	14,011,162	988,838
Improve Intersections	12,000,000	11,147,748	-	11,147,748	852,252
Parking Management Program	52,000,000	-	-	-	52,000,000
Pedestrian Network	20,000,000	20,059,655	-	20,059,655	(59,655)
Roadways, Streets, Sidewalks, Lighting	186,000,000	205,750,415	5,973,116	211,723,531	(25,723,531)
Public Utilities	94,000,000	13,685,526	1,182,237	14,867,763	79,132,237
Land Acquisition	37,000,000	57,777,919	687,011	58,464,930	(21,464,930)
Cultural and Public Facility Improvements	46,000,000	-	-	-	46,000,000
Memorial Park Improvements	100,000,000	91,208,468	13,320,046	104,528,514	(4,528,514)
Parks	41,000,000	13,426,085	302,723	13,728,808	27,271,192
Subtotal	669,000,000	492,939,438	21,465,133	514,404,571	154,595,429
Education Projects	129,000,000	69,270,347	6,514,935	75,785,282	53,214,718
Affordable Housing	452,000,000	256,867,259	8,050,000	264,917,259	187,082,741
Zone Administration / Operations	15,000,000	6,673,395	860,079	7,533,474	7,466,526
City of Houston Municipal Services	-	34,665,914 **	4,991,226	39,657,140	(39,657,140)
Total Project Plan	\$ 1,265,000,000	\$ 860,416,353	\$ 41,881,373	\$ 862,640,586	\$ 402,359,414

* Project Plan Amendment in February 2013

** City of Houston Municipal Services Fee 2008 / Reimagined in 2017