

**OLD SIXTH WARD REDEVELOPMENT AUTHORITY**

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**JOINT MEETING OF THE BOARDS OF DIRECTORS**

**SEPTEMBER 22, 2021**

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**REINVESTMENT ZONE NUMBER THIRTEEN, CITY OF  
HOUSTON, TEXAS**

**OLD SIXTH WARD REDEVELOPMENT AUTHORITY**  
**AND**  
**REINVESTMENT ZONE NUMBER THIRTEEN, CITY OF HOUSTON, TEXAS**

**NOTICE OF JOINT MEETING**

**TO: THE BOARD OF DIRECTORS OF THE OLD SIXTH WARD REDEVELOPMENT AUTHORITY  
AND REINVESTMENT ZONE NUMBER THIRTEEN, CITY OF HOUSTON, TEXAS, AND TO  
ALL OTHER INTERESTED PERSONS:**

Notice is hereby given that the Board of Directors of the Old Sixth Ward Redevelopment Authority (the "Authority") will hold a joint meeting with the Board of Directors of the Reinvestment Zone Number Thirteen, City of Houston, Texas (the "Zone") on **Wednesday, SEPTEMBER 22, 2021 at 5:30 P.M.** at the office of Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston TX 77002, and Webex, or dial US Toll free 1.855.282.6330, when prompted enter **Access Code 259 011 47030**, or **click on the following link <https://bracewell.webex.com/bracewell/j.php?MTID=m07eaffca4ce259d4eea43b22e177d36c>** to consider, discuss and adopt such orders, resolutions or motions, and take other direct or indirect actions as may be necessary, convenient, or desirable with respect to the matters listed on the agenda below.

A quorum of the Board of Directors will be physically present at the meeting location. This meeting will be conducted in person and by videoconference in accordance with the provisions of Section 551.127 of the Texas Government Code. The meeting location will be open to the public during open portions of the meeting.

The public will be permitted to offer comments as provided on the agenda and as permitted by the presiding officer during the meeting. During a public comment period, any person may address the Board of Directors in person or via Webex, or dial US Toll free 1.855.282.6330, when prompted enter **Access Code 259 011 47030** or **click on the following link <https://bracewell.webex.com/bracewell/j.php?MTID=m07eaffca4ce259d4eea43b22e177d36c>**. For an electronic copy of agenda documents, please refer to the following link: <https://bracewell.sharefile.com/d-s5920dae8a2244ee289e073d8eb50ea5a>

**Introductions and Meeting Guidelines.**

1. Receive public comment.  
\*Members of the public are invited to speak during this portion of the agenda. If you would like to speak please contact the Authority/Zone by referencing the following email Sherry Weesner [sherry@old6wardtirz.org](mailto:sherry@old6wardtirz.org) and let us know before the meeting that you wish to speak.
2. Minutes of the previous meetings:
  - a. The Authority; and
  - b. The Zone.
3. Reconstitute Board of Directors.
4. Committee Assignments.
5. Administrator Report, including;
6. Projects and Engineering:
  - a. Project Committee Report;
  - b. Discussion Greystar Development;
  - c. Engineering Consultant's Report;
    - i. Edwards and Sawyer Multimodal Improvements.
    - ii. Intersection at Washington and Silver and North Memorial Way and Silver.
    - iii. Update Substitute Sanitary Sewer Service.
  - d. Approve related pay estimates or change orders, work authorizations or other design, construction, or management contract administration items, and authorize other appropriate action.
7. Financial Matters:
  - a. Finance Committee Report;
  - b. Receive Financial Report Summary, including account and fund activity statements, and investment report;

- c. Authorize payment of invoices;
  - d. Disclosure Statement of Bookkeeper/Investment Officer;
  - e. Approve audit for fiscal year ending June 30, 2021 and authorize filing with the City of Houston;
  - f. Adopt Order Evidencing Review of Investment Policy and List of Qualified Brokers and
  - g. Other matters, if any.
8. Communications and Public Engagement:
    - a. Communications and Public Engagement Committee Report; and
    - b. Other matters, if any.
  9. Items for next meeting.
  10. Adjourn.

Pursuant to V.T.C.A Government Code, Chapter 551, as amended, the Board of Directors may convene in closed session to receive advice from legal counsel and discuss matters relating to pending or contemplated litigation, personnel matters, gifts and donations, real estate transactions, the deployment, or specific occasions for the implementation of, security personnel or devices and or economic development negotiations.



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Clark Stockton Lord  
Attorney for the Authority and the Zone

**Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact Bracewell LLP at (713) 221-3338 at least three business days prior to the meeting so that the appropriate arrangements can be made. For live closed captions of the meeting please refer to the following link <https://www.streamtext.net/player?event=TIRZ13>**

**TAB 2.a.**

**MINUTES OF AUTHORITY  
JUNE 16, 2021**

**MINUTES OF REGULAR MEETING  
OF  
OLD SIXTH WARD REDEVELOPMENT AUTHORITY**

June 16, 2021

The Board of Directors (the “Board”) of Old Sixth Ward Redevelopment Authority (the “Authority”), convened in regular session, open to the public, by telephonic or video conference, on the 16<sup>th</sup> day of June, 2021, pursuant to the March 16, 2020 action by the Governor of the State of Texas under Section 418.016 of the Texas Government Code suspending certain provisions of the Texas Open Meetings Act, and the roll was called of the duly constituted officers and members of said Board, to wit:

Phil C. Neisel	Chair
Ann Guercio	Vice-Chair
Larissa Lindsay	Secretary
Cynthia Card	Assistant Secretary
Claude Anello	Director
Grace Zuniga	Director
Alison N. Maillet	Director
Leigh Hollins	Director

All members of the Board of Directors were present, except Director Zuniga thus constituting a quorum.

Also present were: Andori Vossos, a member of the public; Marie Bryant of CART Services; Shaida Libhart and Eleni Pappasof TEI; Monica Aizpurúa of Binkley and Barfield; Clark Lord and Tiffany Ehmke of Bracewell LLP, legal counsel; Kyle Macy of Edminster Hinshaw Russ & Associates, (“Engineer”/ “EHRA”); Brian Jackson of the City of Houston (the “City”); Sherry Weesner of SMW Principle Solutions, (“Administrator”); Melissa Morton of the Morton Accounting Services, (“Bookkeeper”).

Whereupon, the meeting was called to order. A copy of the notice of the meeting is attached hereto as Exhibit “A”.

**MEETING RULES**

Director Neisel reviewed the rules for the Board meeting.

**DETERMINE QUORUM; CALL TO ORDER**

Director Neisel then noted that a quorum was present and called the meeting to order. He requested that the attendees introduce themselves.

**PUBLIC COMMENT**

No public comments were given.

## **APPROVE MINUTES**

The Board considered approving the minutes of April 21, 2021. Upon a motion brought by Director Hollins, seconded by Director Lindsay, the Board approved the April 21, 2021.

## **ENGAGE AUDITOR**

The Board considered engaging CRI to prepare the District's annual audit, a copy of the engagement is attached hereto as Exhibit "B". Upon a motion brought by Director Anello, seconded by Director Lindsay, the Board unanimously voted to approve the engagement of CRI to prepare the annual audit for fiscal year 2021.

## **ADMINISTRATOR REPORT**

### Tress for Houston

Ms. Weesner reported that several trees have been planted by Trees for Houston a few years ago. She stated that trees were staked and now need to be removed and the Board will receive an invoice. Ms. Weesner noted that there is an estimate attached hereto as Exhibit "C" for the Board's review. No action was taken on this matter.

*Director Card entered the meeting.*

### Mobility Study Report

The Board recognized Ms. Libhart who reviewed and outlined her report. She stated that TEI has reviewed community feedback of the mobility study, including bike-ability and walking paths in the community;

Additionally, Ms. Libhart reported that the community has already provided ideas and requested the Board authorize TEI to incorporate some of the community input into the conceptual plans. The Board could then provide comments to TEI by June 23<sup>rd</sup>. Ms. Libhart answered the Board's questions.

Upon a motion, second and unanimous vote the Board authorized TEI to incorporate community input into the conceptual design for Board review and finalization.

### Precinct 2 grant application

Ms. Weesner reminded the Board that the Houston Precinct 2 grant application was approved. She then stated that there has been a kick-off meeting and are preparing to have a site visit. Ms. Weesner noted that an interlocal agreement will be prepared as well.

## 2022 Budget/Capital Improvements Plan (“CIP”)

Ms. Weesner reported that the City of Houston had updated its storm water detention/retention management requirements and it impacts the cost for the Hemphill project by millions of more dollars. She stated that she presented it to the project’s committee who is recommending that the project be removed from the 2022 CIP to 2024 CIP. A copy of the revised budget and CIP for 2022 is attached hereto as Exhibit “D” and Exhibit “E” for the Board’s review and consideration. Ms. Weesner answered the Board’s questions.

After consideration, upon a motion brought by Director Anello, seconded by Director Guercio, the Board unanimously voted to approve the revised budget removing the Hemphill project from the 2022 CIP.

Ms. Weesner reminded the Board that the governance guidelines was approved and requires all directors to file an information form at the end of each fiscal year. She stated that the fiscal year is at the end of June. Therefore, Ms. Weesner requested the Board complete and submit the form back to her by July 15<sup>th</sup>.

## **PROJECTS AND ENGINEERING**

### Project Committee Report

Director Neisel stated that the Board has already discussed several of these matters, including the CIP, the Mobility Study and Trees for Houston.

### Discussion and possible action Greystar Development (“Greystar”)

Director Neisel reported that Mr. Lord has prepared a draft agreement with Greystar and currently coordinating with Greystar.

### **Engineer’s Report**

Mr. Macy presented the engineer’s report, including the following projects: (i) Substitute Sanitary Sewer Connections, Phase 2B; (ii) Hemphill Reconstruction; (iii) Hemphill Street Improvements; (iv) General Engineering work authorizations, a copy of which is attached hereto as Exhibit “F”.

### Intersection at Washington and Silver and North Memorial Way

Mr. Macy requested the Board authorize the project committee to approve the work authorization, not to exceed \$110,000 for Washington, Silver and North Memorial

After consideration, upon a motion brought by Director Lindsay, seconded by Director Guercio, the Board unanimously voted to authorize the project committee to

review and approve a work authorization for the Washington, Silver and North Memorial Way, not to exceed \$110,000.

## **FINANCIAL REPORT**

### Finance Committee Report

Director Card requested Ms. Morton provide the Bookkeeper's report.

### Receive Financial Report Summary, including account and fund activity statements, and investment report

Ms. Morton reviewed the financial report, including the profit and loss budget to actual, balance sheet, unpaid bills detail, general operating fund, and profit and loss detail reports. A copy of the financial report is attached hereto as Exhibit "G".

Ms. Morton noted that the interest rates were higher if funds were moved to money market than to keep them in the Texas class account.

### Authorize payment of invoices

Director Neisel stated that the Project Committee reviewed related invoices and recommends approval for payment, the construction and engineering invoices. Director Maillet reported that the Finance Committee reviewed the finance invoices and recommends approval.

After discussion, Director Hollins moved that the Board approve the financial report, payment of the invoices. Director Guercio seconded the motion, and the motion carried.

## **COMMUNICATIONS AND PUBLIC ENGAGEMENT COMMITTEE REPORT**

### Communications and Public Engagement Committee Report

Director Guercio stated that the Communications Committee have been coordinating with the website contractor who is working on the website, including some tabbing and logo options. No action was taken.

## **ITEMS FOR NEXT MEETING**

No additional items were noted.



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Meeting minutes were approved.

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Secretary

**TAB 2.b.**

**MINUTES OF ZONE  
JUNE 16, 2021**

**MINUTES OF REGULAR MEETING  
OF  
REINVESTMENT ZONE NUMBER THIRTEEN, CITY OF HOUSTON**

June 16, 2021

The Board of Directors (the “Board”) of Reinvestment Zone Number Thirteen, City of Houston (the “Zone”), convened in regular session, open to the public, by telephonic or video conference, on the 16<sup>th</sup> day of June, 2021, pursuant to the March 16, 2020 action by the Governor of the State of Texas under Section 418.016 of the Texas Government Code suspending certain provisions of the Texas Open Meetings Act, and the roll was called of the duly constituted officers and members of said Board, to wit:

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Whereupon, the meeting was called to order. A copy of the notice of the meeting is attached hereto as Exhibit “A”.

**MEETING RULES**

Director Neisel reviewed the rules for the Board meeting.

**DETERMINE QUORUM; CALL TO ORDER**

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## **ITEMS FOR NEXT MEETING**

No additional items were noted.

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Meeting minutes were approved.

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Secretary

**TAB 6.c.**

**ENGINEERING REPORT**





10011 Meadowglen Lane  
Houston, Texas 77042  
EHRAinc.com | 713.784.4500  
TBPE No. F-726 | TBPLS No. 10092300

## T.I.R.Z. NO. 13/OLD SIXTH WARD REDEVELOPMENT AUTHORITY ENGINEERING REPORT

**Date:** Through September 15, 2021

Date of Board Meeting: September 22, 2021

**Engineer:** Kyle Macy, P.E.

Signature

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Agenda Item 4.f-g, Engineering

### F. Engineering Consultant's Report

- i. Update Substitute Sanitary Sewer Connections, Phase 2B:
  1. Project has been completed. EHRA is reviewing final pay application from Texas Pride to recommend the release of retainage.

**ACTION ITEM: None at this time**

- ii. Silver Street – Phase I Washington Avenue & Memorial Drive Intersection Modifications.

1. UPDATE: Silver Street – Phase I.  
Work Authorization No. 13-T-1324-WA1-2022-Silver

The Projects Committee, with permission from the board, approved the Silver Street work authorization on July 1, 2021. Topographic Survey has been completed for the project and the COH has accepted the project to move forward with the design phase. EHRA, teaming with TEL, is currently producing 60% plans to be submitted to the COH for review in the coming weeks.

**ACTION ITEM: None at this time**

- iii. General Engineering work authorizations.

**ACTION ITEM: None at this time.**

**NOTE:** For Active Work Authorizations Summary and General Timeline see attached Exhibits 1 and 2.

**G. Other Matters if any**

i. Sawyer & Edwards Street:

1. EHRA submitted a DCR Intake form to the COH on September 1, 2021, to begin the project acceptance process. EHRA and TEI met with the COH DCR Intake Committee and others to discuss project specifics on September 15, 2021. The COH indicated that a DCR will not be required for the Sawyer & Edwards Street project and that a formal memo will be provided.

**ACTION ITEM: Approval of Work Authorization via Project's Committee**

**T.I.R.Z. NO. 13/OLD SIXTH WARD REDEVELOPMENT AUTHORITY  
WORK AUTHORIZATION SUMMARY - (THROUGH SEPTEMBER 15, 2021)**



**10011 Meadowglen Lane  
Houston, Texas 77042  
EHRAinc.com | 713.784.4500  
TBPE No. F-726 | TBPLS No. 10092300**

**EXHIBIT 1: Active Work Authorization SUMMARY**

CIP # & WA #	Current Phase	Description	Total Value	Spent	Percent Complete	Expected Bid Phase	Expected Completion
1324 & 13-T-1324- WA1-2022- Silver	Design	Washington Avenue and Memorial Drive intersection modifications to install traffic signal at Washington & Silver street and remove ramps at Memorial & Silver.	\$106,000.00	\$41,500.00	40%	Q4 2021 / Q1 2022	Q2 2022

**EXHIBIT 2: Active Work Authorization ANTICIPATED TIMELINE**

CIP 1324 – Silver Street – Phase I (Design & Bid)		
Item	Date / Window	Description
1	6/7/2021	Submitted DCR Intake Form to COH
2	6/10/2021	Received COH Memo stating DCR is not Required for Silver Street Phase I.
3	7/1/2021	Approval of WA No. WA1-2022-Silver.



# Silver Street Phase I – Washington & Memorial Intersection Improvements

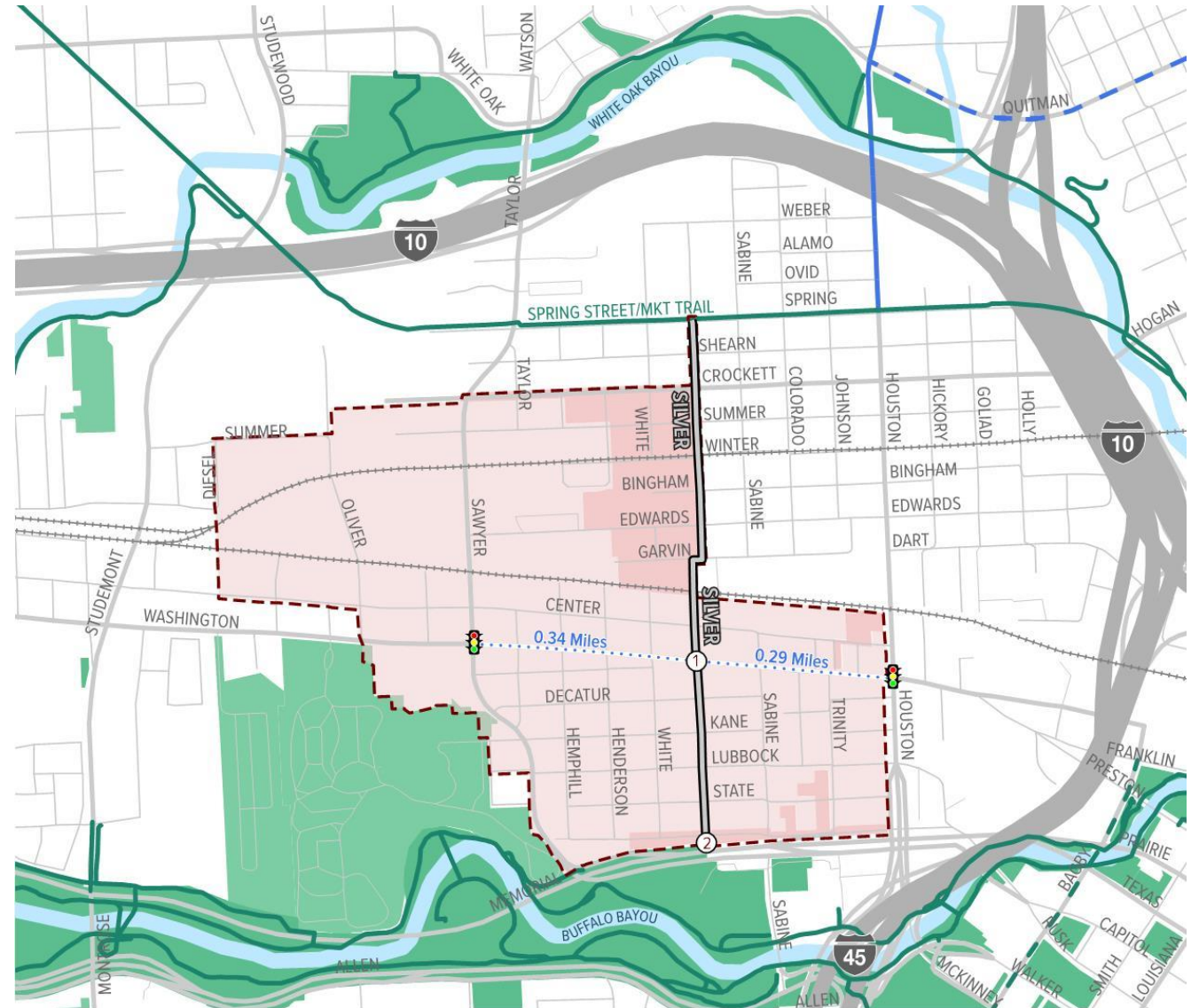
TIRZ 13  
EHRA & TEI

September 22, 2021



# About the Project

- Project Conception
  - *TIRZ 13 Mobility Plan, 2021*
  - Alignment with Houston Bike Plan and Vision Zero
  - MKT Spring Street Trail & Buffalo Bayou Trail Connection
  - [http://houstontx.gov/visionzero/about\\_us.html](http://houstontx.gov/visionzero/about_us.html)
- Focus Areas
  1. **Silver Street & Washington Avenue Intersection**
  2. **Silver Street & Memorial Way Intersection**



# SAFETY

- Pedestrian & Bike Crashes
  - Enhance Safety at Washington:
    1. Walkable Distance (1/4) mile
    2. Urban area (high pedestrian usage)
    3. Traffic Signal Installation
    4. Crosswalk Improvements & Intersection Re-stripe
  - Enhance Safety at Memorial:
    1. Cut Through Traffic & High Speeds
    2. Traffic Calming for Residential Area
    3. Slow and Safe Street for all users
    4. Key Corridor in COH Bike Plan
    5. Ramp Closure: COH Direction
      - TIRZ 13 Access Maintained via Sawyer & Houston Ramps
    6. Crosswalk Improvements



Figure 9 Density of Crashes Involving Pedestrians and Bicyclists



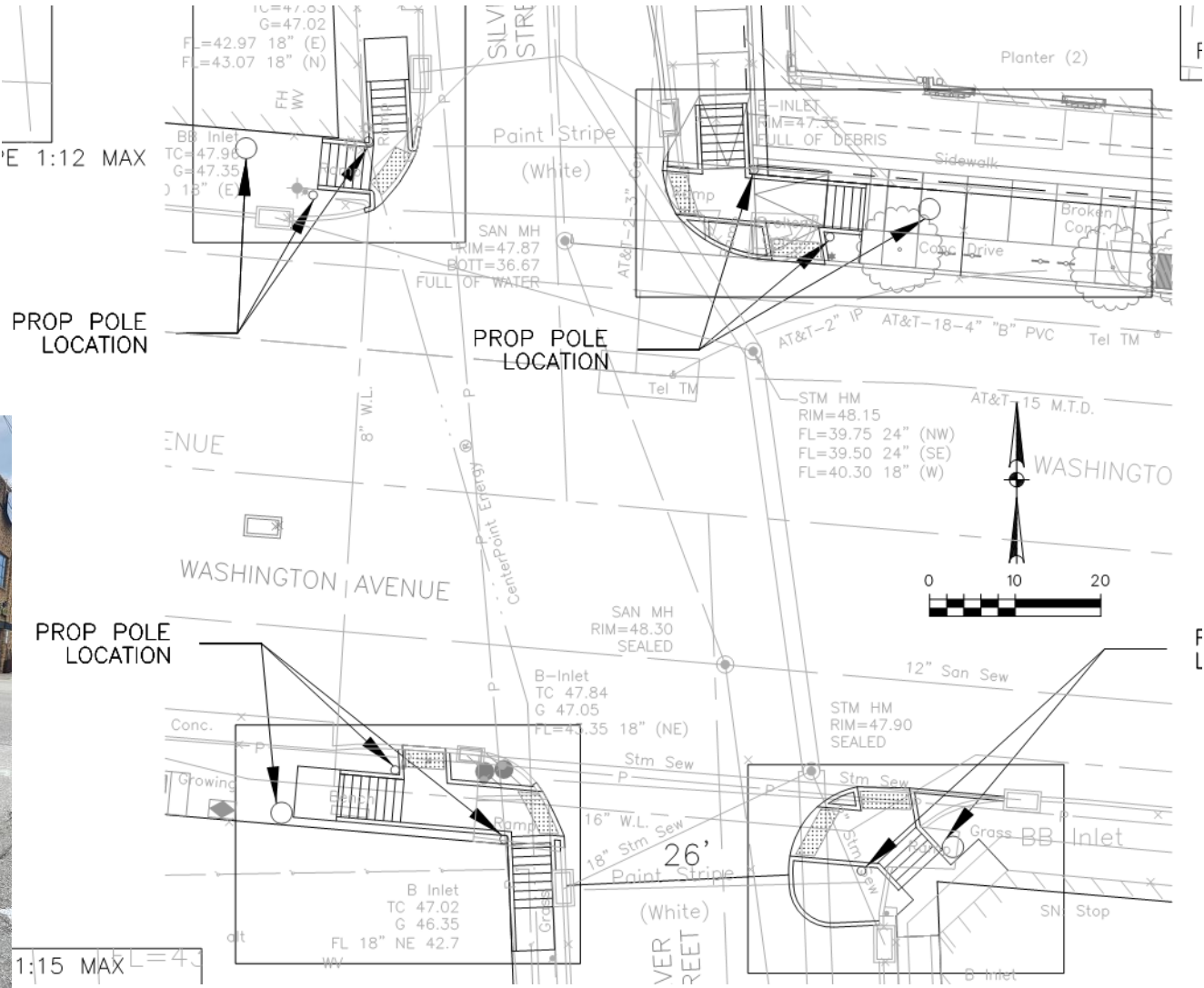
Source: TxDOT CRIS

Image from TIRZ 13 Mobility Plan 3



# Washington Avenue Vision

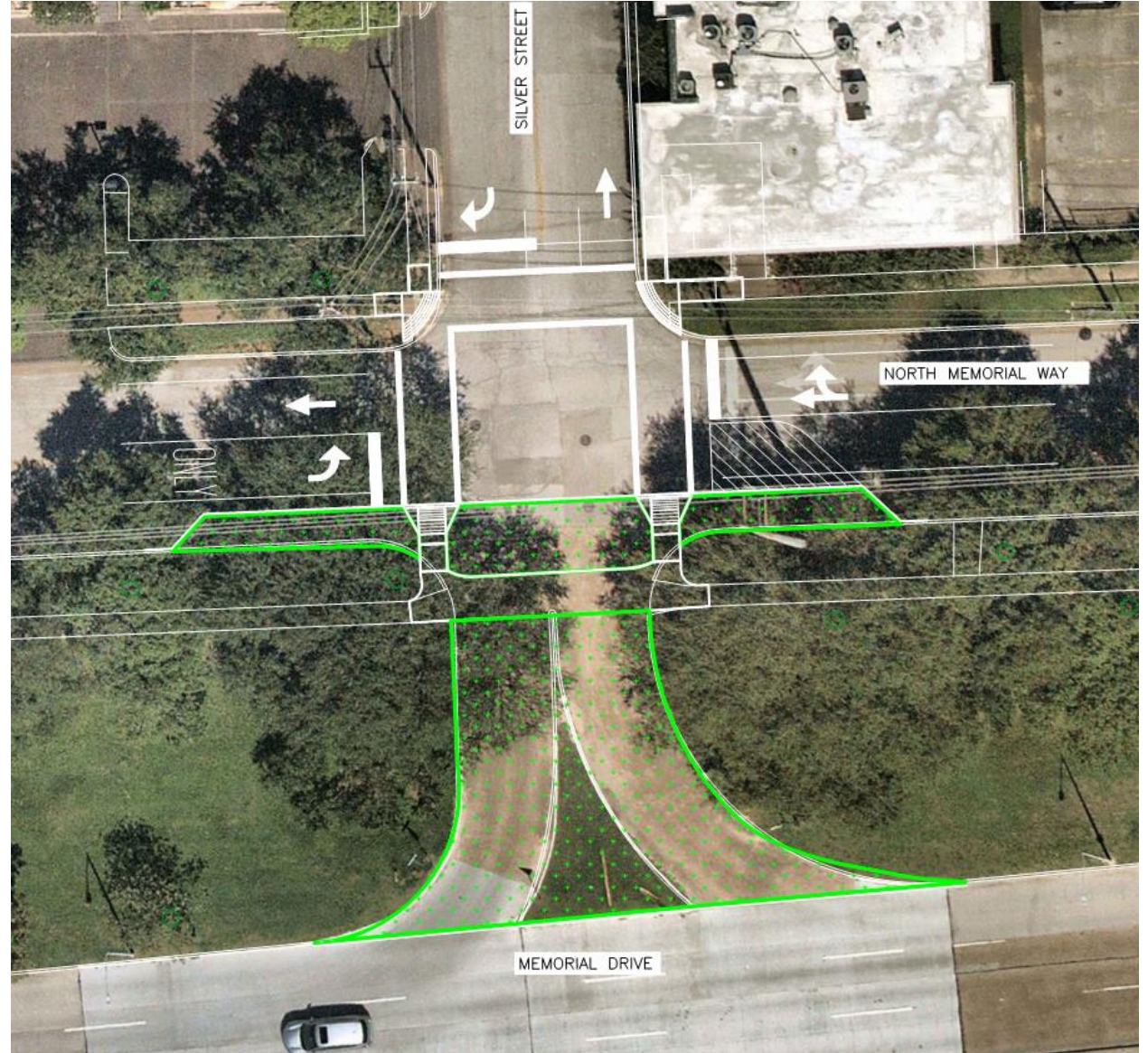
- Washington Improvement Details
  - Walkable Distance (1/4 Mile)
  - Restriping of Intersection
  - Pedestrian Facilities (Ramps & Crosswalk)
  - Traffic Signal Installation





# Memorial Way Vision

- Memorial Improvement Details
  - Restriping of Intersection
  - Pedestrian Facilities (Ramps & Crosswalk)
  - Additional Greenspace: Memorial Silver Triangle (Houston Parks)
  - Ramp Closure





# Discussion

**MEMORIAL  
SILVER TRIANGLE**  
 **ACQUIRED 1977**



**TAB 7.**

**FINANCIAL MATTERS**

**TAB 7.b.**

**FINANCIAL REPORT SUMMARY**



**Monthly Financial Report Summary  
September Board Meeting  
Wednesday, September 22, 2021**

At the beginning of July, the Old Sixth Ward Redevelopment Authority (OSWRA) beginning Operating Fund Balance was \$1,289,207. During the month, OSWRA received \$1,381,286 mainly from money market interest. OSWRA processed \$167,302 in disbursements during the period. 93% of the disbursement related to payments to City of Houston for the Municipal Services fee (\$142,891) and to SMW Principle Solutions for administrative consulting (\$12,006). The ending balance as of month end August 31, 2021 was \$2,503,191.

The invoices pending approval total \$20,078. \$10,000 needs to be transferred to the Operating Account to cover the pending invoices. See attached "Unpaid Bills Detail" Reports on page 3.

Capital Improvement Project spending for the period totaled \$7,001. The funds were mainly spent towards the Streetscape project. See page 4 for the "Capital Projects Detail" Reports.

**OLD SIXTH WARD REDEVELOPMENT AUTHORITY**  
**General Operating Fund**  
 As of August 31, 2021

**BEGINNING BALANCE :** **\$ 1,289,206.59**

**REVENUE**

Money Market	243.15	Interest
Texas Class Investment	1.20	Interest
Operating	1,380,736.90	City of Houston increment
Money Market	304.21	Interest
Texas Class Investment	0.95	Interest

**Total Revenue** 1,381,286.41

**DISBURSEMENTS**

ACH	Bracewell LLP	1,400.00
ACH	SMW Principle Solutions	6,005.71
ACH	Edminster Hinshaw Russ	812.50
ACH	City of Houston	142,891.00
ACH	Prosperity Bank	40.70
ACH	Bracewell LLP	4,067.00
ACH	Equitax	1,941.00
ACH	SMW Principle Solutions	6,000.00
ACH	The Morton Accounting	3,808.75
ACH	Prosperity Bank	33.20
ACH	The Captioning Company	302.50

**Total Disbursements** 167,302.36

**ENDING BALANCE :** **\$ 2,503,190.64**

	Interest Rate	August 31, 2021 Balance
<b>LOCATION OF ASSETS</b>		
Prosperity Bank Operating		43,068.01
Prosperity Money Market Account	0.15%	2,388,195.79
Texas Class Investment	0.02%	71,926.84
<b>Total Account Balance</b>		<b><u><u>\$ 2,503,190.64</u></u></b>

**Old Sixth Ward Redevelopment Authority**  
**Unpaid Bills Detail**  
**As of September 17, 2021**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Due Date</u>	<u>Open Balance</u>
<b>Bracewell LLP</b>					
Bill	08/31/2021	21915820	Admin- Meeting through Aug 31, 2021	09/10/2021	1,399.50
Bill	08/31/2021	21915822	General Legal through Aug 31, 2021	09/10/2021	3,259.00
Total Bracewell LLP					4,658.50
<b>City of Houston - Encroachment</b>					
Bill	08/31/2021	1639372	Encroachment Location: 601 Sawyer St 77007	09/10/2021	125.00
Bill	08/31/2021	1639370	Encroachment Location: 2106 Washington Ave 77007	09/10/2021	125.00
Bill	08/31/2021	1639373	Encroachment Location: 1900 Kane St 77007	09/10/2021	125.00
Total City of Houston - Encroachment					375.00
<b>Edminster Hinshaw Russ &amp; Associates Inc</b>					
Bill	08/31/2021	89157	General Engineering Consultant - \$20,000	09/10/2021	1,375.00
Total Edminster Hinshaw Russ & Associates Inc					1,375.00
<b>SMW Prinicple Solutions, Inc.</b>					
Bill	08/31/2021	1385	Administrative Consulting August 2021	09/10/2021	6,043.96
Total SMW Prinicple Solutions, Inc.					6,043.96
<b>The Morton Accounting Services</b>					
Bill	08/31/2021	2229	July and Aug CPA Services	09/15/2021	2,537.50
Total The Morton Accounting Services					2,537.50
<b>Traffic Engineers Inc</b>					
Bill	08/31/2021	13325	Mobility Planning Study - Project Cost \$153,000 - FINAL	09/10/2021	5,088.00
Total Traffic Engineers Inc					5,088.00
<b>TOTAL</b>					<b>20,077.96</b>

**Old Sixth Ward Redevelopment Authority**  
**Capital Projects Detail**  
**July through August 2021**

Accrual Basis

Type	Date	Num	Name	Memo	Amount
<b>Capital Improvement Project</b>					
<b>T-1314 Streetscape</b>					
Bill	07/31/202	1376	SMW Prinicple Solutions, Inc.	July 2021 Consulting	750.00
Bill	08/31/202	1385	SMW Prinicple Solutions, Inc.	August 2021 Consulting	0.00
Bill	08/31/202	13325	Traffic Engineers Inc	Mobility Planning Study - Project Cost \$153,000 - ...	5,088.00
Total T-1314 Streetscape					5,838.00
<b>T-1322 Sawyer Street Multimodal</b>					
Bill	07/31/202	1376	SMW Prinicple Solutions, Inc.	July 2021 Consulting	187.50
Bill	08/31/202	1385	SMW Prinicple Solutions, Inc.	August 2021 Consulting	225.00
Total T-1322 Sawyer Street Multimodal					412.50
<b>T-1324 Silver Street Improv.</b>					
Bill	07/31/202	1376	SMW Prinicple Solutions, Inc.	July 2021 Consulting	300.00
Bill	08/31/202	1385	SMW Prinicple Solutions, Inc.	August 2021 Consulting	0.00
Total T-1324 Silver Street Improv.					300.00
<b>T-1325 Edwards St Multimodal</b>					
Bill	07/31/202	1376	SMW Prinicple Solutions, Inc.	July 2021 Consulting	225.00
Bill	08/31/202	1385	SMW Prinicple Solutions, Inc.	August 2021 Consulting	225.00
Total T-1325 Edwards St Multimodal					450.00
Total Capital Improvement Project					7,000.50
<b>TOTAL</b>					<b>7,000.50</b>

**Old Sixth Ward Redevelopment Authority**  
**Profit & Loss Prev Year Comparison**  
**July through August 2021**

	Jul - Aug 21	Jul - Aug 20	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Interest Income Money Market	549.51	701.49	-151.98	-21.7%
<b>Total Income</b>	549.51	701.49	-151.98	-21.7%
<b>Cost of Goods Sold</b>				
<b>Capital Improvement Project</b>				
T-1310 Hemphill Road	0.00	11,300.00	-11,300.00	-100.0%
T-1313 Dow School Park	0.00	600.00	-600.00	-100.0%
T-1314 Streetscape	5,838.00	450.00	5,388.00	1,197.3%
T-1322 Sawyer Street Multimodal	412.50	0.00	412.50	100.0%
T-1324 Silver Street Improv.	300.00	0.00	300.00	100.0%
T-1325 Edwards St Multimodal	450.00	0.00	450.00	100.0%
<b>Total Capital Improvement Project</b>	7,000.50	12,350.00	-5,349.50	-43.3%
<b>Total COGS</b>	7,000.50	12,350.00	-5,349.50	-43.3%
<b>Gross Profit</b>	-6,450.99	-11,648.51	5,197.52	44.6%
<b>Expense</b>				
Bank Service Charges	73.90	58.30	15.60	26.8%
<b>Program and Project Consultatnt</b>				
Engineering Consultant	1,375.00	1,125.00	250.00	22.2%
Legal Fees	3,259.00	1,134.75	2,124.25	187.2%
Tax Consultants	1,941.00	1,941.00	0.00	0.0%
<b>Total Program and Project Consultatnt</b>	6,575.00	4,200.75	2,374.25	56.5%
<b>TIRZ Administration &amp; Overhead</b>				
Accounting Fees	2,537.50	3,307.90	-770.40	-23.3%
Administration Consultant	12,876.71	15,638.66	-2,761.95	-17.7%
<b>Total TIRZ Administration &amp; Overhead</b>	15,414.21	18,946.56	-3,532.35	-18.6%
Utilities	375.00	266.80	108.20	40.6%
<b>Total Expense</b>	22,438.11	23,472.41	-1,034.30	-4.4%
<b>Net Ordinary Income</b>	-28,889.10	-35,120.92	6,231.82	17.7%
<b>Net Income</b>	<b>-28,889.10</b>	<b>-35,120.92</b>	<b>6,231.82</b>	<b>17.7%</b>



**Old Sixth Ward Redevelopment Authority**  
**Balance Sheet Prev Year Comparison**  
**As of August 31, 2021**

	Aug 31, 21	Aug 31, 20	\$ Change	% Change
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
Prosperity Money Market	2,388,195.79	1,665,096.78	723,099.01	43.4%
Prosperity Operating Account	43,068.01	105,233.79	-62,165.78	-59.1%
Texas Class Investment Acct 781	71,926.84	71,877.98	48.86	0.1%
<b>Total Checking/Savings</b>	2,503,190.64	1,842,208.55	660,982.09	35.9%
<b>Other Current Assets</b>				
Prepaid Insurance	1,185.80	1,142.68	43.12	3.8%
<b>Total Other Current Assets</b>	1,185.80	1,142.68	43.12	3.8%
<b>Total Current Assets</b>	2,504,376.44	1,843,351.23	661,025.21	35.9%
<b>TOTAL ASSETS</b>	<b>2,504,376.44</b>	<b>1,843,351.23</b>	<b>661,025.21</b>	<b>35.9%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
Accounts Payable	19,988.86	17,715.51	2,273.35	12.8%
<b>Total Accounts Payable</b>	19,988.86	17,715.51	2,273.35	12.8%
<b>Other Current Liabilities</b>				
Cert Of Obligation Current Prin	165,000.00	160,000.00	5,000.00	3.1%
Cert of Obligation Int Accrual	26,889.76	29,823.11	-2,933.35	-9.8%
<b>Total Other Current Liabilities</b>	191,889.76	189,823.11	2,066.65	1.1%
<b>Total Current Liabilities</b>	211,878.62	207,538.62	4,340.00	2.1%
<b>Long Term Liabilities</b>				
Certificate of Obligation	1,301,715.00	1,466,715.00	-165,000.00	-11.3%
<b>Total Long Term Liabilities</b>	1,301,715.00	1,466,715.00	-165,000.00	-11.3%
<b>Total Liabilities</b>	1,513,593.62	1,674,253.62	-160,660.00	-9.6%
<b>Equity</b>				
Fund Balance	-1,947,125.65	-1,947,125.65	0.00	0.0%
Unrestricted Net Assets	2,966,797.57	2,151,344.18	815,453.39	37.9%
Net Income	-28,889.10	-35,120.92	6,231.82	17.7%
<b>Total Equity</b>	990,782.82	169,097.61	821,685.21	485.9%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,504,376.44</b>	<b>1,843,351.23</b>	<b>661,025.21</b>	<b>35.9%</b>

**Old Sixth Ward Redevelopment Authority**  
**Profit & Loss Detail**  
 July through August 2021

Type	Date	Num	Name	Memo	Amount
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>COH TIRZ Increment</b>					
General ...	07/01/2021	CPA 2021...	City of Houston.	City Increment unpaid at year end	-1,298,700.18
Deposit	07/15/2021		City of Houston	Annual Increment	1,298,700.18
Total COH TIRZ Increment					0.00
<b>HISD TIRZ Increment</b>					
General ...	07/01/2021	CPA 2021...	City of Houston.	City Increment unpaid at year end	-82,036.72
Deposit	07/15/2021		City of Houston	Annual Increment	82,036.72
Total HISD TIRZ Increment					0.00
<b>Interest Income Money Market</b>					
Deposit	07/31/2021			Interest	243.15
Deposit	07/31/2021			Interest	1.20
Deposit	08/31/2021			Interest	304.21
Deposit	08/31/2021			Interest	0.95
Total Interest Income Money Market					549.51
Total Income					549.51
<b>Cost of Goods Sold</b>					
<b>Capital Improvement Project</b>					
<b>T-1314 Streetscape</b>					
Bill	07/31/2021	1376	SMW Principle Solutions, Inc.	July 2021 Consulting	750.00
Bill	08/31/2021	1385	SMW Principle Solutions, Inc.	August 2021 Consulting	0.00
Bill	08/31/2021	13325	Traffic Engineers Inc	Mobility Planning Study - Project Cost \$153,000 - FINAL	5,088.00
Total T-1314 Streetscape					5,838.00
<b>T-1322 Sawyer Street Multimodal</b>					
Bill	07/31/2021	1376	SMW Principle Solutions, Inc.	July 2021 Consulting	187.50
Bill	08/31/2021	1385	SMW Principle Solutions, Inc.	August 2021 Consulting	225.00
Total T-1322 Sawyer Street Multimodal					412.50
<b>T-1324 Silver Street Improv.</b>					
Bill	07/31/2021	1376	SMW Principle Solutions, Inc.	July 2021 Consulting	300.00
Bill	08/31/2021	1385	SMW Principle Solutions, Inc.	August 2021 Consulting	0.00
Total T-1324 Silver Street Improv.					300.00
<b>T-1325 Edwards St Multimodal</b>					
Bill	07/31/2021	1376	SMW Principle Solutions, Inc.	July 2021 Consulting	225.00
Bill	08/31/2021	1385	SMW Principle Solutions, Inc.	August 2021 Consulting	225.00
Total T-1325 Edwards St Multimodal					450.00
Total Capital Improvement Project					7,000.50
Total COGS					7,000.50
Gross Profit					-6,450.99
<b>Expense</b>					
<b>Bank Service Charges</b>					
Check	07/15/2021			Service Charge	40.70
Check	08/13/2021			Service Charge	33.20
Total Bank Service Charges					73.90
<b>Program and Project Consultatnt</b>					
<b>Engineering Consultant</b>					
Bill	08/31/2021	89157	Edminster Hinshaw Russ & Asso...	Through 8.9.21	1,375.00
Total Engineering Consultant					1,375.00
<b>Legal Fees</b>					
Bill	08/31/2021	21915822	Bracewell LLP	General Legal through Aug 31, 2021	3,259.00
Total Legal Fees					3,259.00
<b>Tax Consultants</b>					
Bill	07/01/2021	57142	Equi-Tax, Inc.	July 2021 - June 30, 2022	1,941.00
Total Tax Consultants					1,941.00
Total Program and Project Consultatnt					6,575.00

**Old Sixth Ward Redevelopment Authority**  
**Profit & Loss Detail**  
 July through August 2021

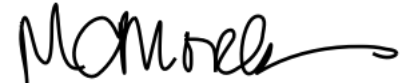
Type	Date	Num	Name	Memo	Amount
<b>TIRZ Administration &amp; Overhead</b>					
<b>Accounting Fees</b>					
Bill	08/31/2021	2229	The Morton Accounting Services	July and Aug CPA Services	2,537.50
Total Accounting Fees					2,537.50
<b>Administration Consultant</b>					
Bill	07/31/2021	21913799	Bracewell LLP	Admin- Meeting through July 31, 2021	1,345.75
Bill	07/31/2021	1376	SMW Principle Solutions, Inc.	July 2021 Consulting	4,537.50
Bill	08/31/2021	21915820	Bracewell LLP	Admin- Meeting through Aug 31, 2021	1,399.50
Bill	08/31/2021	1385	SMW Principle Solutions, Inc.	August 2021 Consulting	5,587.50
Bill	08/31/2021	1385	SMW Principle Solutions, Inc.	August 2021 Expenses	6.46
Total Administration Consultant					12,876.71
Total TIRZ Administration & Overhead					15,414.21
<b>Utilities</b>					
Bill	08/31/2021	1639372	City of Houston - Encroachment	2020 and 2021 Fee (October 2021 - October 2022)	125.00
Bill	08/31/2021	1639370	City of Houston - Encroachment	2020 and 2021 Fee (October 2021 - October 2022)	125.00
Bill	08/31/2021	1639373	City of Houston - Encroachment	2020 and 2021 Fee (October 2021 - October 2022)	125.00
Total Utilities					375.00
Total Expense					22,438.11
Net Ordinary Income					-28,889.10
<b>Net Income</b>					<b>-28,889.10</b>

**OLD SIXTH WARD REDEVELOPMENT AUTHORITY  
 QUARTERLY INVESTMENT REPORT  
 3rd QUARTER FISCAL YEAR 2021**

**April 1, 2021 to  
 June 30, 2021**

Transaction Date	TexasClass Deposits or Withdrawals	Book Value	Market Value	Activity
4/1/2021	Texas Class	\$ 71,916.67	\$ 71,916.67	Beginning Balance
4/30/2021	2.63	71,919.30	71,919.30	Interest 0.0446%
5/31/2021	3.25	71,922.55	71,922.55	Interest 0.0536%
6/30/2021	2.14	71,924.69	71,924.69	Interest 0.0363%
6/30/2021		71,924.69	71,924.69	Ending Balance

*The investments for the District for the period are in compliance with the Public Funds Investment Act, the District's investment policy and the District's investment strategy.*

Investment Officer: 

**TAB 7.c.**

**PAYMENT OF INVOICES**

**Old Sixth Ward Redevelopment Authority**  
**Unpaid Bills Detail**  
As of July 23, 2021

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Due Date</u>	<u>Open Balance</u>
<b>Bracewell LLP</b>					
Bill	06/30/2021	21911752	General Legal through June 30, 2021	07/10/2021	1,400.00
Total Bracewell LLP					1,400.00
<b>City of Houston</b>					
Bill	06/30/2021	2021 Muni...	2021 Municipal Services Fee	07/10/2021	142,891.00
Total City of Houston					142,891.00
<b>Edminster Hinshaw Russ &amp; Associates Inc</b>					
Bill	06/30/2021	88449	General Engineering Consultant - \$20,000	07/10/2021	812.50
Total Edminster Hinshaw Russ & Associates Inc					812.50
<b>Equi-Tax, Inc.</b>					
Bill	07/01/2021	57142	July 2021 - June 30, 2022	07/11/2021	1,941.00
Total Equi-Tax, Inc.					1,941.00
<b>SMW Prinicple Solutions, Inc.</b>					
Bill	06/30/2021	1368	Administrative Consulting June 2021	07/10/2021	6,005.71
Total SMW Prinicple Solutions, Inc.					6,005.71
<b>The Captioning Company Inc.</b>					
Bill	06/30/2021	2021-06-06	Captioning Transcript Services - June 16, 2021	07/10/2021	302.50
Total The Captioning Company Inc.					302.50
<b>The Morton Accounting Services</b>					
Bill	06/30/2021	2219	May and June CPA Services	07/10/2021	3,808.75
Total The Morton Accounting Services					3,808.75
<b>TOTAL</b>					<b><u>157,161.46</u></b>

**Old Sixth Ward Redevelopment Authority**  
**Unpaid Bills Detail**  
As of August 23, 2021

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Due Date</u>	<u>Open Balance</u>
<b>Bracewell LLP</b>					
Bill	06/30/2021	21911751	Admin- Meeting through June 30, 2021	07/10/2021	2,721.25
Bill	07/31/2021	21913799	Admin- Meeting through July 31, 2021	08/10/2021	1,345.75
Total Bracewell LLP					4,067.00
<b>SMW Principle Solutions, Inc.</b>					
Bill	07/31/2021	1376	Administrative Consulting July 2021	08/10/2021	6,000.00
Total SMW Principle Solutions, Inc.					6,000.00
<b>TOTAL</b>					<b>10,067.00</b>

**TAB 7.d.**

**DISCLOSURE STATEMENT**



MEMORANDUM

Date: September 22, 2021

To: Board of Directors  
Old Sixth Ward Redevelopment Authority (the "Authority")

Copy: Board of Directors  
Attorney for the Authority  
Bookkeeper for the Authority  
Texas Ethics Commission

From: Melissa Morton, Bookkeeper/Investment Officer

Subject: DISCLOSURE UNDER THE PUBLIC FUNDS INVESTMENT ACT

As investment officer/bookkeeper for the Authority, I submit this disclosure of my relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the Authority as of the date of this memorandum, in compliance with the Public Funds Investment Act and with the Authority's Investment Policy.

1. I have the following "personal business relationships" with individuals or entities who are offering to engage, have offered to engage or may offer to engage in an investment transaction with the District:

(a) I own (i) ten per cent (10%) or more of the voting stock or shares or (b) \$5,000 or more of the fair market value of the following business organizations:

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(b) I have received from the following business organizations funds that exceed ten percent (10%) of my gross income for the previous year:

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(c) During the previous year, I acquired for my personal account investments with a book value of \$2,500 or more from the following business organizations:

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2. I am related within the second degree of affinity (marriage) or consanguinity (blood) as determined by Chapter 573, Government Code, to the following individuals who are seeking, have sought or may seek to sell an investment to the District:

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\_\_\_\_\_  
(SIGNATURE)

**TAB 7.e.**

**FINANCIAL SUMMARY FYE  
JUNE 30, 2021**



**Old Sixth Ward Redevelopment Authority**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**June 30, 2021**

DRAFT

	<b>Page</b>
<b>REPORT</b>	
Independent Auditors' Report .....	1
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Management's Discussion and Analysis (Unaudited) .....	3
<b>BASIC FINANCIAL STATEMENTS</b>	
Governmental Fund Balance Sheet and Statement of Net Position .....	8
Governmental Fund Revenues, Expenditures and Change in Fund Balance and Statement of Activities .....	9
Notes to Basic Financial Statements .....	10
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget to Actual – General Fund (Unaudited).....	19
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Operating Expenses and Capital Expenditures .....	21
Schedule of Estimated Project Costs to Actual Costs .....	22

DRAFT

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Old Sixth Ward Redevelopment Authority  
Houston, Texas

We have audited the accompanying financial statements of the governmental activities and major fund of Old Sixth Ward Redevelopment Authority (the Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Old Sixth Ward Redevelopment Authority as of June 30, 2021, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 19 through 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of operating expenses and capital expenditures for the year ended June 30, 2021 and the schedule of estimated project costs to actual costs for the period from November 7, 2002 (date of incorporation) through June 30, 2021 (supplementary information) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

Houston, Texas  
XXXXXXXXXX, 2021

## **Old Sixth Ward Redevelopment Authority Management's Discussion and Analysis (Unaudited)**

This discussion and analysis of Old Sixth Ward Redevelopment Authority's (the Authority) financial statements provides an overview of the Authority's financial performance during the years ended June 30, 2021 and 2020. This discussion and analysis includes comparative data for the year ended June 30, 2021 with the year ended June 30, 2020 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.

### **FINANCIAL HIGHLIGHTS**

- During fiscal year 2021, the Authority continued work on their capital improvement program and conducted various negotiations including the following:
  - Completed the mobility planning study for the Pedestrian/Bike Mobility Program.
  - Using the information obtained in the mobility planning study, the Authority, successfully applied for a partnership grant with Precinct 2/Commissioner Adrian Garcia for design and construction of Multimodal improvements to Sawyer and Edwards.
  - Using the information obtained in the mobility planning study, the Authority is working with the City of Houston (the City) to define improvements for the Washington Avenue and Silver Street Intersection and to start design on those improvements.
- Since the creation of the Zone in December 1998, the appraised value for property located within the Zone has increased from approximately \$34.3 million in the Original Area, and \$72 million in the 2011 Annexed Area, to an estimated \$364 million in the Original Area, and an estimated \$158 million in the 2011 Annexed Area for Tax Year 2020.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. According to the definition in Governmental Accounting Standards Board (GASB), the Authority qualifies as a special purpose government with one program - redevelopment of the Old Sixth Ward.

The Statement of Net Position includes all of the Authority's assets and liabilities, with the difference between assets and liabilities presented as net position. Over time, increases or decreases in the Authority's net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid. The fund financial statements report information about the Authority on the modified accrual basis, which only accounts for revenues that are measurable and available within the current period or soon enough thereafter to pay liabilities of the current period. Adjustments are provided to reconcile the government-wide statements to the fund statements. Explanations for the reconciling items are provided as part of the financial statements.

## Old Sixth Ward Redevelopment Authority Management's Discussion and Analysis (Unaudited)

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

#### *Statement of Net Position*

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting. The following table reflects condensed information (rounded to the nearest thousand) on the Authority's net position at June 30:

	2021	2020
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,217,000	\$ 1,093,000
Investments	72,000	72,000
Grant receivable	-	90,000
Tax increment receivables	1,381,000	770,000
Prepaid insurance	1,000	1,000
<b>Total assets</b>	<b>2,671,000</b>	<b>2,026,000</b>
<b>Liabilities:</b>		
Accounts payable	158,000	166,000
Interest payable	27,000	29,000
Loan payable - due within one year	165,000	160,000
Loan payable - due in more than one year	1,302,000	1,467,000
<b>Total liabilities</b>	<b>1,652,000</b>	<b>1,822,000</b>
<b>Net position - unrestricted</b>	<b>\$ 1,019,000</b>	<b>\$ 204,000</b>

The Authority's cash is held in demand deposits and money market accounts. In fiscal years 2021 and 2020, excess funds were adequately collateralized. Texas CLASS, a local government investment pool, is used to invest available cash not needed for operations.

Grant receivable at June 30, 2020, represents amount owed by the City totaling \$90,000 for Dow Elementary Park Improvements under an executed Interlocal Agreement. The balance was fully collected in August 2020.

Tax increments are based on calendar year taxes which are then received the next fiscal year. The Authority received tax increments outstanding at June 30, 2021 in July 2021. The Authority received tax increments outstanding at June 30, 2020 in July and August 2020.



## Old Sixth Ward Redevelopment Authority Management's Discussion and Analysis (Unaudited)

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Accounts payable at June 30, 2021 and 2020, include amounts owed to vendors totaling approximately \$15,000 and \$12,000 for capital projects and consulting services, respectively. Accounts payable at June 30, 2021 and 2020, also includes amounts owed related to municipal service costs of approximately \$143,000.

#### **Statement of Activities**

The Statement of Activities presents the operating results of the Authority. The following table reflects condensed information (rounded to the nearest thousand) on the Authority's operations for the years ended June 30:

	2021	2020
<b>Revenues:</b>		
Tax increments	\$ 1,381,000	\$ 770,000
Grant proceeds	12,000	90,000
Investment income	3,000	25,000
<b>Total revenues</b>	<b>1,396,000</b>	<b>885,000</b>
<b>Expenditures:</b>		
Current	301,000	304,000
Capital outlay	193,000	1,019,000
Interest	87,000	95,000
<b>Total expenditures</b>	<b>581,000</b>	<b>1,418,000</b>
<b>Change in net position</b>	<b>815,000</b>	<b>(533,000)</b>
<b>Net position, beginning of year</b>	<b>204,000</b>	<b>737,000</b>
<b>Net position, end of year</b>	<b>\$ 1,019,000</b>	<b>\$ 204,000</b>

#### **Tax Increments**

The City and HISD have agreed, subject to certain limitations, to deposit to the Tax Increment Fund established for the Authority, a certain percentage of tax collections arising from their respective taxation of the increase, if any, in the appraised value of real property located in the Zone since a designated base year. The base year for the Zone is 2000. The City remits tax increments collected by the City and HISD on an annual basis.

## Old Sixth Ward Redevelopment Authority Management's Discussion and Analysis (Unaudited)

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

During fiscal year 2020, the City reviewed its tax increment revenue calculations for tax years 2014 through 2017 and identified an overpayment of \$755,826. The City's previous methodology for its calculations did not properly prorate properties that are not 100% within the TIRZ boundaries. Accordingly, the City processed a one-time adjustment to apply the overpayment against the tax increment deposit for tax year 2019 (fiscal year 2020). There were no similar adjustments for fiscal year 2021.

#### **Grant Proceeds**

In 2021, the Authority was granted \$12,500 in grant proceeds under Interlocal Agreement for mobility study funding. In 2020, the Authority was granted \$90,000 under Interlocal Agreements with the City for the Authority's Dow Elementary Park project.

#### **Capital Outlay**

The Authority's capital projects consisted of the following during the years ended June 30:

	2021	2020
Streetscape - Sidewalks, Curbs and Related Issues	\$ 168,000	\$ 2,000
Hemphill Road	20,000	27,000
Dow School Park	5,000	901,000
Traffic Sign Replacement	-	76,000
Sustainable Streetscapes	-	6,000
Historic Sabine Street	-	5,000
Sawyer Street Reconstruction	-	2,000
<b>Total</b>	<b>\$ 193,000</b>	<b>\$ 1,019,000</b>

#### **Governmental Fund**

At June 30, 2021, the Authority's General Fund balance was approximately \$2,512,000 representing an approximate \$653,000 increase from the prior year. The majority of the Authority's fund balances are currently committed or assigned to debt service (\$246,000) and capital projects (\$1,890,000).

# Old Sixth Ward Redevelopment Authority Management's Discussion and Analysis (Unaudited)

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### *Capital Assets*

The Authority had no capital assets as of June 30, 2021 or 2020.

### *Debt*

During fiscal year 2010, the Authority received a \$3.05 million loan from the City to finance certain capital projects. Under the loan agreement, annual principal and semi-annual interest payments were due beginning in March 2010. The note is secured by tax increments. During the 2021 and 2020 fiscal years the Authority paid \$86,536 and \$94,969 of interest payments related to the loan, respectively and principal payments of \$160,000 and \$150,000, respectively, under this loan agreement. More detailed information about the Authority's debt is presented in the notes to the basic financial statements.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopts an annual budget for the General Fund. The Authority's annual budget was not amended during the year. Actual tax increments received by the Authority will be less than budgeted each year because the Authority's adopted budget is based on gross tax increments to be remitted to the Old Sixth Ward TIRZ. The Authority only receives, and records, amounts available for the Authority's operations. Tax increments used for educational facilities, affordable housing and City administrative fees are withheld by the City and paid directly to the City or paid back to HISD.

## FUTURE PROJECTS

The Authority is pursuing the following projects within the Old Sixth Ward Zone:

- Improvements to Washington Avenue and Silver Street Intersection and the Memorial Way and Silver Street Intersection to improve safety and mobility within the Zone.
- Multimodal improvements on Sawyer between Washington and Buffalo Bayou Park.
- Multimodal improvements on Edwards between Sawyer and Silver.
- Rehabilitation or reconstruction of various streets within the zone.
- Multimodal improvements on various streets within the zone.

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This financial report is designed to provide a general overview of the Old Sixth Ward Redevelopment Authority's finances for all those with an interest in the government's finances and to show the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Houston, 611 Walker, 10<sup>th</sup> Floor, Houston, TX 77002.

**Old Sixth Ward Redevelopment Authority**  
**Governmental Fund Balance Sheet and Statement of Net Position**

<i>June 30, 2021</i>	General Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 1,217,281	\$ -	\$ 1,217,281
Investments	71,925	-	71,925
Tax increment receivables	1,380,737	-	1,380,737
Prepaid insurance	-	1,186	1,186
<b>Total assets</b>	<b>\$ 2,669,943</b>	<b>\$ 1,186</b>	<b>\$ 2,671,129</b>
<b>Liabilities</b>			
Accounts payable	\$ 157,852	\$ -	\$ 157,852
Interest payable	-	26,890	26,890
Loan payable - due in one year	-	165,000	165,000
Loan payable - due in more than one year	-	1,301,715	1,301,715
<b>Total liabilities</b>	<b>157,852</b>	<b>1,493,605</b>	<b>1,651,457</b>
<b>Fund balance</b>			
Committed	155,418	(155,418)	-
Assigned	2,221,919	(2,221,919)	-
Unassigned	134,754	(134,754)	-
<b>Total fund balance</b>	<b>2,512,091</b>	<b>(2,377,337)</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,669,943</b>	<b>-</b>	<b>-</b>
<b>Net position - unrestricted</b>		<b>\$ 1,019,672</b>	<b>\$ 1,019,672</b>
Total fund balance of governmental fund			\$ 2,512,091
Amounts reported for governmental activities in the statement of net position are different because:			
Prepaid insurance is expensed when incurred and therefore not reported in the fund			1,186
Loan payable and interest payable are not due and payable in the current period and therefore not reported in the general fund			(1,493,605)
<b>Net position of governmental activities</b>			<b>\$ 1,019,672</b>

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

**Old Sixth Ward Redevelopment Authority  
Governmental Fund Revenues, Expenditures and  
Change in Fund Balance and Statement of Activities**

<i>For the year ended June 30, 2021</i>	General Fund	Adjustments	Statement of Activities
<b>Revenues</b>			
Tax increments	\$ 1,380,737	\$ -	\$ 1,380,737
Investment income	3,300	-	3,300
Grant proceeds	12,500	-	12,500
<b>Total revenues</b>	<b>1,396,537</b>	<b>-</b>	<b>1,396,537</b>
<b>Expenditures</b>			
Current:			
Professional services	60,379	-	60,379
Administrative services	89,165	-	89,165
Municipal services agreement	142,891	-	142,891
Other	9,568	(43)	9,525
Capital outlay	192,587	-	192,587
Debt service:			
Principal payment	160,000	(160,000)	-
Interest expense	89,469	(2,933)	86,536
<b>Total expenditures</b>	<b>744,059</b>	<b>(162,976)</b>	<b>581,083</b>
<b>Excess of revenues over expenditures</b>	<b>652,478</b>	<b>(652,478)</b>	
<b>Change in net position</b>		<b>815,454</b>	<b>815,454</b>
<b>Fund balance/net position (deficit):</b>			
<b>Beginning of year</b>	<b>1,859,613</b>	<b>(1,655,395)</b>	<b>204,218</b>
<b>End of year</b>	<b>\$ 2,512,091</b>	<b>\$ (1,492,419)</b>	<b>\$ 1,019,672</b>
Net change in fund balance of governmental fund			\$ 652,478
Amounts reported for governmental activities in the statement of activities are different because:			
Repayment of loan principal is an expenditure in the governmental fund, but the repayment reduces loan payable in the statement of net position			160,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund			2,976
<b>Change in net position of governmental activities</b>			<b>\$ 815,454</b>

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

## Old Sixth Ward Redevelopment Authority Notes to Basic Financial Statements

### **Note 1: DESCRIPTION OF ORGANIZATION**

Old Sixth Ward Redevelopment Authority (the Authority) is a not-for-profit local government corporation, incorporated on November 7, 2002 under the laws of the State of Texas, and operating under Chapter 431, Texas Transportation Code. On August 16, 2000, the City of Houston (the City) adopted Resolution No. 2000-40, which authorized the Authority to aid, assist and act on behalf of the City, in the performance of the City's governmental and proprietary functions with respect to the common good and general welfare of Reinvestment Zone Number Thirteen, City of Houston, Texas (Old Sixth Ward TIRZ or Zone).

#### ***Reinvestment Zone Number Thirteen***

Old Sixth Ward TIRZ was created on December 22, 1998, under Chapter 311, Texas Tax Code, by City Ordinance No. 98-1256, as a tax increment reinvestment zone (TIRZ). The TIRZ is created for the purpose of revitalizing and advancing the improvement of the Old Sixth Ward area. The TIRZ will provide a source of funding through the tax increments generated by redevelopment of the Old Sixth Ward area.

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Reporting Entity***

As required by accounting principles generally accepted in the United States of America, these basic financial statements represent all the funds of the Old Sixth Ward Redevelopment Authority. The Authority is a component unit of the City of Houston, Texas. Component units are legally separate entities for which the primary government is financially accountable. The City appoints voting Board Members and approves the Authority's budget. There are no separate legal entities that are a part of the Authority's reporting entity. In evaluating the Authority as a reporting entity, management has considered all potential component units in accordance with Section 2100: Defining the Financial Reporting Entity of the Governmental Accounting Standards Board (GASB) Codification.

#### ***Measurement Focus and Basis of Accounting***

##### ***Government-Wide Financial Statements***

The statement of net position and the statement of activities display information about the reporting government as a whole. These statements are prepared on the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flow. Annual assessments are recognized as revenues in the year for which they are levied. Expenses are recorded when liabilities are incurred.

## Old Sixth Ward Redevelopment Authority Notes to Basic Financial Statements

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Fiduciary funds and fiduciary component units have not been included in the government-wide financial statements.

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

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

#### ***Fund Accounting***

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts. The fund the Authority uses, the general fund, is the general operating fund of the Authority. It accounts for all activities except those required to be accounted for in other funds.

#### ***Fund Balance Classification***

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The provisions of GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions, specifies the following classifications:

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 did not have any nonspendable resources as of June 30, 2021.

## Old Sixth Ward Redevelopment Authority Notes to Basic Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted – amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Authority did not have any restricted resources as of June 30, 2021.

Committed – amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Authority’s Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – amounts that are constrained by the Authority’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the Authority’s Board Chair through the budgetary process.

Unassigned – residual fund balance for the General Fund.

The Authority would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

#### ***Cash, Cash Equivalents and Investments***

Cash, cash equivalents and investments consist of demand and time deposits and funds maintained in a public funds investment pool.

Investments of the Authority consist of Texas Cooperative Liquid Assets Securities System (Texas CLASS), a local government investment pool created to meet the cash management and short-term investment needs of Texas governmental entities. Portfolio assets aim to comply with the Public Funds Investment Act, Texas Government Code (PFIA). Texas CLASS is administered by Public Trust Advisors, LLC and Wells Fargo Bank serves as the Custodian.

#### ***Tax Increments***

The City and the Houston Independent School District (HISD) (each a Participant) has agreed to deposit to the Tax Increment Fund established for the Old Sixth Ward TIRZ (the Tax Increment Fund) a certain percentage of tax collections arising from their taxation of the increase, if any, in the appraised value of real property located in the Old Sixth Ward TIRZ since January 1, 2000 (the Tax Increments).



## Old Sixth Ward Redevelopment Authority Notes to Basic Financial Statements

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Each Participant is required to collect taxes on real property located within the Old Sixth Ward TIRZ in the same manner as other taxes are collected by the Participant. The Participant is then required to pay into the Tax Increment Fund the Tax Increments, as agreed upon in accordance with such Participant's agreement with the City and the Old Sixth Ward TIRZ (collectively, the Participation Agreements) by not later than the 90<sup>th</sup> day after the delinquency date for the Participant's property taxes. Thus, Tax Increments are due to be deposited in the Tax Increment Fund on May 1. The Tax Increment Financing Act under which the Old Sixth Ward TIRZ presently operates requires that for a petition created TIRZ, such as Old Sixth Ward TIRZ, one-third of the Tax Increments from each Participant be dedicated to providing affordable housing during the term of the Old Sixth Ward TIRZ. The City has agreed to pay 100% of their Tax Increments to the Tax Increment Fund beginning January 1, 1999.

HISD has agreed to pay 100% of the collected Tax Increments based on its then current tax rate per \$100 valuation of the Captured Appraised Value beginning January 1, 2000. As with the City, one-third of the HISD Tax Increments will apply to affordable housing. Of the remaining two-thirds of the HISD Tax Increment, \$0.32 per \$100 valuation will be applied to payment of non-educational facilities with the remaining amount paid to HISD for educational facilities. Under the provisions of the HISD interlocal agreement, taxes collected by HISD in any year on actual Captured Appraised Value that exceeds the estimate of Captured Appraised Value for that year shown in the Project Plan approved before September 1, 1999, shall be retained by HISD.

The Authority is dependent upon the Tax Increments. Default by any of the governmental entities involved in the Zone would impact the Authority's ability to repay its outstanding note and other obligations.

#### ***Debt***

All debt to be repaid from governmental resources is reported as a liability in the government-wide statements. Debt consists of a loan payable.

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

## Old Sixth Ward Redevelopment Authority Notes to Basic Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Federal Income Tax***

The Authority is exempt from Federal income taxes under section 509(a) as an organization described in Section 501(c)3 of the Internal Revenue Code. Furthermore, the Internal Revenue Service has ruled that the Authority is a publicly-supported organization and is not a private foundation. Under the provisions of Internal Revenue Procedure 95-48, the Authority is not required to file public information returns on Form 990.

#### ***Use of Estimates***

The preparation of the Authority's basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the Authority's 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 expenditures during the reporting period. Actual results could differ from those estimates.

#### ***Financial Instruments***

The Authority's financial statements (primarily cash and cash equivalents, investments, receivables, payables and debt) are carried in the accompanying basic financial statements at amounts which reasonably approximate fair value.

#### ***Future Accounting Pronouncements***

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement is effective for fiscal years beginning after June 15, 2021. Management is currently evaluating the requirements of this statement and the impact on reporting.

## Old Sixth Ward Redevelopment Authority Notes to Basic Financial Statements

### Note 3: AUTHORIZED INVESTMENTS

The Board of Directors has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act of 1997 (Chapter 2256, Texas Government Code). Such investments include (1) obligations of the United States or its agencies; (2) direct obligations of the State of Texas or its agencies; (3) 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; (4) certificates of deposit; and (5) various other items that comply with the Public Funds Investment Act.

### Note 4: DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of June 30, 2021, the carrying amount and bank balances of the Authority's deposits totaled \$1,217,281. The Authority's deposits in excess of Federal Deposit Insurance Corporation (FDIC) totaling \$967,549 were adequately collateralized.

Investments include deposits of \$71,925, which the Authority has chosen to invest in the Texas CLASS. Texas CLASS is specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity and competitive yield. The program seeks to maintain a constant dollar objective and fulfills all requirements of the Texas Public Funds Investment Act for local government investment pools.

Credit risk is the possibility that the issuer of a security will fail to make timely payments of interest or principal. To minimize credit risk, Texas CLASS investment policy restricts investments of the portfolio into designated investments only. Market risk is the potential for a decline in market value generally due to, but not limited exclusively to, rising interest rates.

The Authority's investment in Texas CLASS is rated AAAM by Standard and Poor's and maintains a weighted average maturity of 60 days or less. The Authority considers the investments in Texas CLASS to have maturities of less than one year due to the fact the share position can unusually be redeemed each day at the discretion of the Authority, unless there has been a significant change in value.

Investments are reported at fair value in accordance with GASB Statements No. 79 and Statement No. 31, and therefore is not required to be categorized within the fair value hierarchy for purposes of GASB Statement No. 72. There is no difference between the fair value of the Authority's position in TexasCLASS and the amortized costs of the pool shares at June 30, 2021.

**Old Sixth Ward Redevelopment Authority**  
**Notes to Basic Financial Statements**

**Note 5: LOAN PAYABLE**

A summary of changes in the Authority's loan payable follows:

Balance at July 1, 2020	\$ 1,626,715
Additions	-
Retirements	(160,000)
<hr/>	
Balance at June 30, 2021	\$ 1,466,715
<hr/>	
Current portion due	\$ 165,000
<hr/>	

In September 2009, the Authority entered into a \$3.05 million loan agreement (direct borrowing) with the City to fund certain capital projects. The loan bears interest at a rate of 5.5%. Annual principal and semi-annual interest payments are due beginning March 1, 2010. The note matures on March 1, 2029. The note is secured by the Authority's City Tax Increments. Future debt payments are as follows:

	Principal	Interest	Total
2022	\$ 165,000	\$ 80,669	\$ 245,669
2023	170,000	71,594	241,594
2024	180,000	62,244	242,244
2025	190,000	52,344	242,344
2026	205,000	41,894	246,894
2027-2029	556,715	39,698	596,413
<hr/>			
Total	\$ 1,466,715	\$ 348,443	\$ 1,815,158
<hr/>			

**Note 6: FUND BALANCES – GOVERNMENTAL FUND**

As of June 30, 2021, fund balances of the general fund are classified as follows:

Committed to:	
Roadway and sidewalk improvements	\$ 5,088
Public utilities	138,017
Other commitments	12,313
Assigned to:	
Debt service	245,669
Roadway and sidewalk improvements	1,735,000
Fiscal year 2022 administrative budget	241,250
Unassigned	134,754
<hr/>	
Total fund balances	\$ 2,512,091
<hr/>	

## Old Sixth Ward Redevelopment Authority Notes to Basic Financial Statements

### Note 7: TAX INCREMENT SUMMARY

The Authority's tax increment revenues, net of transfers, were received from the following participants:

<i>For the year ended June 30, 2021</i>	Gross Increment	Transfers	Net Increment
City of Houston	\$ 2,106,000	\$ (807,300)	\$ 1,298,700
Houston Independent School District	383,850	(301,813)	82,037
<b>Total tax increments</b>	<b>\$ 2,489,850</b>	<b>\$ (1,109,113)</b>	<b>\$ 1,380,737</b>

### Note 8: ENFORCEMENT AGREEMENT

In connection with the City's purchase of Dow School and transfer of the title of Dow School to Multicultural Education and Counseling through the Arts (MECA), the City entered into a Declaration of Conditions and Restrictions (Declaration) agreement with MECA restricting the use of the property for community-based cultural and education purposes and requiring the historic character be maintained and the façade preserved. Since purchase of the Dow School was a part of the Old Sixth Ward TIRZ project plan, the City, the Zone and the Authority entered into an Enforcement Agreement (Agreement) whereas the Authority will assist the City in its monitoring and enforcing the Declaration to ensure compliance with the restrictions. The Authority will furnish a report to the City annually regarding MECA's compliance with the Declaration no later than January 31. The Authority will also notify the City of any other violations occurring throughout the year.

### 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; personal injuries; and natural disasters. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage and no settlements.

### Note 10: COMMITMENTS AND CONTINGENCIES

#### ***Construction Contracts and Consultant Agreements***

The Authority has entered into agreements with various engineering and construction contractors relating to capital projects. In addition, the Authority has entered into agreement with various consultants to provide professional services. These contracts will be paid in future periods as work is performed and services are provided. At June 30, 2021, the Authority had outstanding commitments under these agreements totaling approximately \$155,000.

## Old Sixth Ward Redevelopment Authority Notes to Basic Financial Statements

### **Note 10: COMMITMENTS AND CONTINGENCIES (Continued)**

#### ***Municipal Services Agreement***

The Authority, the Zone, and the City entered into an agreement whereby the Authority will pay to the City incremental costs of providing municipal services incurred as a result of the creation of the Zone and the development of the land within the Zone. Payment of the incremental services costs is from the City's tax increment and is limited to the tax increment received by the Authority and the amount included in the Authority's annual approved budget. If the City increment is not sufficient in any year to pay the amount included in the approved budget, the amount due will accrue. Accrued amounts will not bear interest. The agreement renews annually each June 30.

#### ***Lease Agreement***

The Authority and the City entered into a lease agreement in November 2011 for purposes of constructing and maintaining a City park. The park will be open to the general public and primarily for the use and enjoyment of the surrounding neighborhood. Upon completion of the park, the Authority has certain obligations, as defined in the agreement, to maintain the park during the term of the agreement. The agreement is for an initial term of thirty (30) years. After the initial term, the term of the agreement continues for annual terms until either party terminates the agreement.

### **Note 11: UNCERTAINTIES**

The continued spread of COVID-19 pandemic is affecting the United States economies. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Authority. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS AND OTHER INFORMATION**

**Old Sixth Ward Redevelopment Authority  
Schedule of Revenues, Expenditures, and Change in  
Fund Balance – Budget to Actual – General Fund (Unaudited)**

<i>For the year ended June 30, 2021</i>	Original and Final Budgeted Amounts	Actual Amounts (Budgetary Basis)	Variance With Final Budget
Budgetary fund balance - beginning of year	\$ 1,685,068	\$ 1,859,613	\$ 174,545
<b>Resources</b>			
Tax increments	2,436,800	2,489,850	53,050
Grant proceeds	200,000	12,500	(187,500)
Other	6,284	3,300	(2,984)
<b>Total available resources</b>	<b>4,328,152</b>	<b>4,365,263</b>	<b>37,111</b>
<b>Expenses</b>			
Management consulting services	232,750	159,112	73,638
Capital expenditures	2,510,000	192,587	2,317,413
Debt service	249,468	249,469	(1)
Other interfund transfers:			
Municipal services	142,891	142,891	-
Affordable housing	812,267	829,950	(17,683)
HISD educational facilities	167,794	148,863	18,931
Administrative fees	125,989	130,300	(4,311)
<b>Total uses of resources</b>	<b>4,241,159</b>	<b>1,853,172</b>	<b>2,387,987</b>
Budgetary fund balance - end of year	\$ 86,993	\$ 2,512,091	\$ 2,425,098

(Continued)



**Old Sixth Ward Redevelopment Authority  
Schedule of Revenues, Expenditures, and Change in  
Fund Balance – Budget to Actual – General Fund (Continued) (Unaudited)**

Explanation of differences between budgetary inflows and outflows  
and GAAP revenues and expenses

Sources/inflows of resources:

Actual amounts (budgetary basis)	\$ 4,365,263
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	(1,859,613)
Budgeted revenues include HISD educational facilities transfers, city administrative charges and the affordable housing transfer to the city, while the Authority's fund reports revenues net of these transfers	(1,109,113)

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Total revenue as reported on the statement of revenues, expenditures, and change in fund balance - governmental fund	\$ 1,396,537
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Uses/outflows of resources:

Actual amounts (budgetary basis)	\$ 1,853,172
Differences - budget to GAAP	
Budgeted expenditures include HISD educational facilities transfers, city administrative charges and the affordable housing transfer to the city, while the Authority's fund reports revenues net of these transfers	(1,109,113)

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Total expenditures as reported on the statement of revenues, expenditures, and change in fund balance - governmental fund	\$ 744,059
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## Old Sixth Ward Redevelopment Authority Schedule of Operating Expenses and Capital Expenditures

For the year ended June 30, 2021

Management consulting services	Vendor	Budget	Actual Expenditures	Variance
Administration and overhead:				
Administrative support	Bracewell/SMW Principle Solutions	\$ 100,000	\$ 89,165	\$ 10,835
Insurance	N/A	2,250	1,240	1,010
Accounting	The Morton Accounting Services	15,000	16,771	(1,771)
Auditor - financial	Carr, Riggs & Ingram, LLC	8,500	8,300	200
Bond/services/trustee/financial advisor	Equi-Tax	2,000	1,941	59
Office expenses/bank fees	Various	15,000	8,328	6,672
Total administration and overhead		142,750	125,745	17,005
Legal - general matters	Bracewell LLP	35,000	18,929	16,071
Engineering and program consultants	Edminster, Hinshaw, Russ & Associates/Walter P Moore	35,000	14,438	20,562
Planning consultant		20,000	-	20,000
Total program and project consultants		90,000	33,367	56,633
Total management consulting services		\$ 232,750	\$ 159,112	\$ 73,638
Capital expenditures	Vendor	Budget	Actual Expenditures	Variance
Historic District Monumentation (T-1301)		\$ 15,000	-	\$ 15,000
Sanitary Sewer Rehabilitation/Substitute (T-1304)	SMW Principle Solutions, Inc.	150,000	263	149,737
Historic Sabine Street (T-1307):				
Construction		10,000	-	10,000
Total Historic Sabine Street (T-1307)		10,000	-	10,000
Hemphill Road (T-1310):				
Design	Edminster, Hinshaw, Russ & Associates	30,000	16,250	13,750
Consulting	SMW Principle Solutions	1,750,000	3,488	1,746,512
Total Hemphill Road (T-1310)		1,780,000	19,738	1,760,262
Dow School Park (T-1313):				
Design and Consulting	SMW Principle Solutions, Inc.	-	786	(786)
Construction	Millis Development & Construction LLC	200,000	3,758	196,242
Total Dow School Park (T-1313)		200,000	4,544	195,456
Streetscape - Sidewalks, Curbs and Related Issues (T-1314):				
Planning	SMW Principle Solutions/Traffic Engineers Inc/Houston Bike Share	150,000	168,042	(18,042)
Total Streetscape - Sidewalks, Curbs and Related Issues (T-1314)		150,000	168,042	(18,042)
Pedestrian Crossing Improvements on Washington (T-1320)		180,000	-	180,000
Safe Sidewalk program (T-1399)		25,000	-	25,000
Total capital expenditures		\$ 2,510,000	\$ 192,587	\$ 2,317,413

**Old Sixth Ward Redevelopment Authority  
Schedule of Estimated Project Costs to Actual Costs  
For the Period November 7, 2002 (Date of Incorporation) through June 30, 2021**

	Estimated Total Costs	Total Expenditures	Variance
<b>Infrastructure improvements</b>			
Public utilities	\$ 15,400,000	\$ 3,834,220	\$ 11,565,780
Roadway and sidewalk improvements	21,912,000	2,955,763	18,956,237
<b>Total infrastructure improvements</b>	<b>37,312,000</b>	<b>6,789,983</b>	<b>30,522,017</b>
<b>Other project costs</b>			
Historic preservation	6,000,000	1,013,867	4,986,133
Parks and recreational facilities	6,134,000	2,063,574	4,070,426
Mitigation and remediation	100,000	-	100,000
Affordable housing	11,765,306	7,911,496	3,853,810
Education related projects	4,854,691	2,520,259	2,334,432
Financing costs	-	1,743,624	(1,743,624)
Zone creation	60,000	-	60,000
Zone administration	1,339,973	1,568,683	(228,710)
<b>Total other costs</b>	<b>30,253,970</b>	<b>16,821,503</b>	<b>13,432,467</b>
<b>Project plan total</b>	<b>\$ 67,565,970</b>	<b>\$ 23,611,486</b>	<b>\$ 43,954,484</b>



# **Old Sixth Ward Redevelopment Authority**

## **REQUIRED COMMUNICATIONS**

**June 30, 2021**

DRAFT

[Date]

Board of Directors  
Old Sixth Ward Redevelopment Authority

We are pleased to present the results of our audit of the 2021 financial statements of the governmental activities and major fund of Old Sixth Ward Redevelopment Authority (the Authority).

This report to the Board of Directors summarizes our audit, the reports issued and various analyses and observations related to the Authority's accounting and reporting. The document also contains the communications required by our professional standards.

Our financial audit was designed, primarily, to express opinions on the Authority's 2021 basic financial statements. We considered the Authority's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of Authority's consultants.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the use of the Board of Directors and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 832-333-7403 or at [ahill@cricpa.com](mailto:ahill@cricpa.com).

Very truly yours,

Alyssa Hill  
Partner



As discussed during our planning process, our audit plan represented an approach responsive to the assessment of risk for the Authority. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America in order to express opinions on the Authority's financial statements for the year ended June 30, 2021;
- Communicate directly with the Board of Directors regarding the results of our procedures;
- Address with the Board of Directors any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors; and
- Other audit-related projects as they arise and upon request.

We have audited the financial statements of the governmental activities and major fund of Old Sixth Ward Redevelopment Authority (the Authority) for the year ended June 30, 2021 and have issued our report thereon dated XXXXXXX. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<b>Auditors' responsibility under Generally Accepted Auditing Standards</b>	<p>As stated in our engagement letter dated June 2, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by consultants with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<b>Client's responsibility</b>	<p>Those charged with governance are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the basic financial statements of financial position and results of operations in conformity with the applicable framework. Those charged with governance are also responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Those charged with governance are responsible for overseeing nonaudit services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Planned scope and timing of the audit</b></p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p><b>Management judgments and accounting estimates</b>  <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.</i></p>	<p>The Authority believes estimates and assumptions, if any, provide a reasonable basis for the fair presentation of the basic financial statements.</p>
<p><b>Potential effect on the financial statements of any significant risks and exposures</b>  <i>Major risks and exposures facing the Authority and how they are disclosed.</i></p>	<p>No such risks or exposures were noted other than those disclosed in the notes to the financial statements.</p>
<p><b>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</b></p>	<p>The significant accounting policies are described in note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed in fiscal year 2021. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.</p> <p>Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were: The disclosure of fund balances in Note 6 and the disclosure of commitments and contingencies in note 10 to the financial statements.</p> <p>The financial statement disclosures are neutral, consistent, and clear.</p>
<p><b>Significant difficulties encountered in the audit</b>  <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with the Authority's consultants in performing and completing our audit.</p>
<p><b>Disagreements with management</b>  <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Other findings or issues</b>  <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to Generally Accepted Auditing Standards.</i></p>	<p>None noted.</p>
<p><b>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</b>  <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None noted.</p>
<p><b>Corrected and uncorrected misstatements</b>  <i>All significant audit adjustments arising from the audit, whether or not recorded by the Authority, that could, individually or in the aggregate, have a significant effect on the financial statements. We should also inform the Board of Directors about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We should also inform the Board of Directors about any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>See "Summary of Audit Adjustments" section.</p>
<p><b>Major issues discussed with management prior to retention</b>  <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p><b>Consultations with other accountants</b>  <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>None of which we are aware except those consultations performed in the normal course of business to the Authority's outside accountant.</p>
<p><b>Written representations</b>  <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	<p>See "Management Representation Letter" section.</p>





MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Internal control deficiencies</b>  <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i></p>	<p>See "Internal Control Findings" section.</p>
<p><b>Fraud and illegal acts</b>  <i>Fraud involving governance, the Authority's consultants or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving consultants or causing material misstatement of the financial statements.</p>
<p><b>Other information in documents containing audited financial statements</b>  <i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> <li>• Such information is materially inconsistent with the financial statements; and</li> <li>• We believe such information represents a material misstatement of fact.</li> </ul> <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p><b>Supplementary Information in relation to the financial statements as a whole</b>  <i>The auditors' responsibility for supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>Required supplementary information (RSI) accompanying the financial statements was subjected to certain limited procedures, including inquiries of management regarding the methods for 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 the audit of the Authority's basic financial statements. However, we did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p> <p>Other supplementary information, requested by the City of Houston, which accompanies the basic financial statements but is not RSI, was subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic</p>



MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
	financial statements or to the basic financial statements themselves and other additional procedures. The supplementary information includes an in relation opinion to the basic financial statements as a whole.

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During the course of our audit, we accumulate differences between amounts recorded by the Authority and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the Authority or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditors' judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

There were no audit adjustments, either corrected or uncorrected, as a result of our audit procedures.

### QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Authority's operating environment that has been identified as playing a significant role in the Authority's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference involves concealment of an unlawful transaction.



Board of Directors  
Old Sixth Ward Redevelopment Authority

In planning and performing our audit of the financial statements of the governmental activities and major fund of Old Sixth Ward Redevelopment Authority (the Authority) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Board of Directors, and is not intended to be, and should not be, used by anyone other than these specified parties.

Houston, Texas

[Date]



**TO BE INSERTED AT FINAL**

DRAFT

[Date]

Carr, Riggs & Ingram LLC  
Two Riverway, 15<sup>th</sup> Floor  
Houston, Texas 77056

This representation letter is provided in connection with your audit of the financial statements of Old Sixth Ward Redevelopment Authority (the Authority), which comprise the respective financial position of the governmental activities, and major fund as of June 30, 2021, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the financial statements), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, based solely on reliance of professional advice of counsel and other qualified professionals, as of the date of this letter, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 2, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the Authority required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) There are no related party relationships or that should be accounted for or disclosed in accordance with U.S. GAAP.
- 7) There are no adjustments or disclosures for events, including instances of noncompliance, subsequent to the date of the financial statements that require adjustment to or disclosure in the financial statements.
- 8) There is no known actual or possible litigation, claims, or assessments required to be disclosed in accordance with U.S. GAAP.

- 9) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

- 10) We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements (including information obtained from outside of the general ledger and subsidiary ledgers), documentation and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Authority or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves—
- Consultants who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by consultants, former consultants, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 17) We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.

**Government-specific**

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 21) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

- 23) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating Melissa Morton, CPA who possesses suitable skill, knowledge, or experience to oversee the services; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 26) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) The Authority does not have any component units, majority equity interests in legally separate organizations, joint ventures with an equity interest, or other joint ventures with other related organizations which are required to be included in the Authority's financial statements.
- 29) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#) , as amended, and [GASBS No. 84](#) .
- 30) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such.
- 31) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 32) Investments are properly valued.
- 33) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 34) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 35) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 36) The Authority does not hold title to capital assets, including infrastructure or intangible assets, that are required to be capitalized, reported, and, if applicable, depreciated or amortized.
- 37) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 38) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
- 39) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not



changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

40) With respect to the supplementary schedule of operating expenses and capital expenditures and schedule of estimated project cost to actual costs ("supplementary information")

a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information has not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

**TAB 7.f.**

**ANNUAL REVIEW OF  
INVESTMENT POLICY**

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS           §  
  §  
COUNTY OF HARRIS           §

I, the undersigned officer of the Board of Directors of the Old Sixth Ward Redevelopment Authority, hereby certify as follows:

1. The Board of the Old Sixth Ward Redevelopment Authority convened in special session on the 22<sup>nd</sup> day of September 2021, of which a quorum was present, and by videoconference in accordance with the provisions of Section 551.127 of the Texas Government Code, and the roll was called of the duly constituted officers and members of the Board to-wit:

Phil C. Neisel	Chair
Larissa Lindsay	Secretary
Patrick McKenzie	Director
Hall	
Ann Guercio	Director
Claude Anello	Director
Grace Zuniga	Director
Alison N. Maillet	Director
Leigh Hollins	Director

and all of said persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

**RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY AND LIST OF QUALIFIED BROKER/DEALERS OF THE OLD SIXTH WARD REDEVELOPMENT AUTHORITY**

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted, and, after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code.

SIGNED this 22<sup>nd</sup> day of September 2021.

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Secretary

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**RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY AND  
LIST OF QUALIFIED BROKER/DEALERS OF THE OLD SIXTH WARD  
REDEVELOPMENT AUTHORITY**

WHEREAS, the Old Sixth Ward Redevelopment Authority (the “Authority”), has been legally created and operates pursuant to the general laws of the State of Texas applicable to local government corporations, and has such authority as has been delegated to it by the City of Houston, Texas to act on behalf of Reinvestment Zone Number Thirteen, City of Houston, Texas; and

WHEREAS, the Board of Directors (the “Board”) of the Authority has convened on this date to conduct the Authority's annual review of its investment policy pursuant to Section 2256.005, *et seq.*, Texas Government Code, as amended; and

WHEREAS, the Board has also convened on this date to conduct the Authority’s annual review of its list of qualified broker/dealers that are authorized to engage in investment transactions with the Authority, pursuant to Section 2256.025, Texas Government Code, as amended; and

WHEREAS, the Authority has determined not to amend the Authority’s Investment Policy that is authorized to engage in investment transactions with the Authority dated October 16, 2019; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF OLD SIXTH WARD REDEVELOPMENT AUTHORITY THAT:

1. The Board hereby conducted the annual review of the Authority’s Amended Investment Policy, dated October 16, 2019, and confirms that same shall remain in effect until modified by action of the Board of Directors.
2. The Board hereby adopts the amended list of qualified broker/dealers, attached hereto as **Exhibit A**, and confirms that same shall be in effect until modified by action of the Board of Directors.
3. The provisions of this Resolution shall be effective as of the date of adoption and shall remain in effect until modified by action of the Board.

[Signature page follows]

PASSED AND APPROVED THIS 22<sup>nd</sup> day of September 2021.

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Chair

ATTEST:

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Secretary

DRAFT

## EXHIBIT A

### List of Qualified Broker/Dealers

Allegiance Bank Texas  
Amegy Bank, N.A.  
Bank of America, N.A.  
Bank of Houston  
Bank of Texas, N.A.  
BBVA Compass Bank  
Beal Bank, s.s.b.  
Capital Bank  
Capital Markets Group, Inc.  
Capital One Financial Corp.  
Central Bank  
Chasewood Bank  
Coastal Securities, Inc.  
Comerica Bank  
Commercial State Bank  
Community Bank of Texas  
Community State Bank  
Encore Bank  
Enterprise Bank  
First Bank  
First Bank & Trust Company  
First Bank Texas  
First Choice Bank  
First Citizens Bank  
First Community Bank  
First National Bank  
First National Bank of Bastrop  
First National Bank Texas  
FiServ  
Frost Bank  
Green Bank  
Herring Bank  
Hilltop Securities  
Hometown Bank, N.A.  
IBC Bank  
Independent Bank  
JP Morgan Chase Bank, N.A.  
JP Morgan Securities LLC  
LegacyTexas  
Legg Mason.  
LOGIC (Local Gov't. Investment Cooperative)  
Lone Star Bank, s.s.b.  
Lone Star Investment Pool  
LPL Financial  
Main Street Bank

Merchants Bank, N.A.  
Merrill Lynch & Co., Inc.  
Metro Bank, N.A.  
Midkiff & Stone Capital Group, Inc.  
MidSouth Bank  
Moody National Bank  
Morgan Stanley  
New First National Bank  
Patriot Bank  
Post Oak Bank  
Preferred Bank  
Prosperity Bank  
Raymond James  
RBC Capital Markets  
Regions Bank  
Security State Bank  
State Bank of Texas  
State Street Bank  
Sterling Bank  
Sun America Securities, Inc.  
Tex Star Investment Pool  
Texas Capital Bank, N.A.  
Texas Citizens Bank  
Texas CLASS  
Texas Community Bank  
Texas First Bank  
Texas Savings Bank, s.s.b.  
Texas State Bank  
Texpool/Texpool Prime  
The Bank of River Oaks  
TIB  
Tri Star Financial  
Trustmark National Bank  
UBS Financial Services, Inc.  
Unity National Bank  
Wallis State Bank  
Wells Fargo Advisors LLC  
Wells Fargo Bank, N.A.  
Westbound Bank  
Whitney Bank  
Woodforest National Bank