UPPER KIRBY REDEVELOPMENT AUTHORITY

CITY OF HOUSTON, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Upper Kirby Redevelopment Authority
City of Houston, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Upper Kirby Redevelopment Authority (the "Authority"), **a component unit of the City of Houston, Texas**, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of June 30, 2025 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – All Combined Governmental Funds be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Upper Kirby Redevelopment Authority

Supplementary Information

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

McCall Gibson Swedlund Barfoot Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

September 17, 2025

UPPER KIRBY REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

Management's discussion and analysis of Upper Kirby Redevelopment Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority is charged with the development and implementation of public infrastructure improvements along major corridors and public spaces within the Upper Kirby area. The Authority's work includes drainage, roadway, pedestrian, utility and other public improvements and enhancements in coordination with the City of Houston (the "City"), Harris County Improvement District No. 3, TxDOT, and other state and federal government entities, with primary funding from the City's Reinvestment Zone Number Nineteen. In Fiscal Year 2025, the Authority expended $530,260 in design and construction costs for improvement projects impacting Shepherd Drive.

- In conjunction with the City and the Upper Kirby District Foundation, the expanded and improved Levy Park was reopened to the public in February 2017. In Fiscal Year 2025, the Authority expended $941,952 in Levy Park costs. The Authority continues construction activities for improvements to the Park.

- During Fiscal Year 2025, the Authority recorded a Municipal Services Fee payment to the City in the amount of $2,811,036.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position includes all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating. Evaluation of the overall financial health of the Authority would extend to other non-financial factors.

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority has four governmental fund types. The General Fund is the operating fund of the Authority and accounts for resources not accounted for in another fund, tax increment revenues, costs and general expenditures. The Levy Park Fund accounts for financial resources restricted, committed or assigned for the operations, maintenance, programming and improvements of Levy Park. The Debt Service Fund accounts for financial resources restricted, committed or assigned for servicing debt. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

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

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the

FUND FINANCIAL STATEMENTS (Continued)

Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the financial statements and the accompanying notes, this report also presents certain required supplementary information ("RSI"). A budgetary comparison schedule is included as RSI for the combined General Fund, Levy Park Fund, Debt Service Fund and Capital Projects Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded liabilities by $41,283,932 as of June 30, 2025.

The following table provides a summary of changes in the Statement of Net Position as of June 30, 2025, and June 30, 2024:

Summary of Changes in the Statement of Net Position

	2025	2024	Change Positive (Negative)
Current and Other Assets	$ 52,074,843	$ 44,697,630	$ 7,377,213
Capital Assets (Net of Accumulated Depreciation)	13,509,327	13,509,327	-
Total Assets	$ 65,584,170	$ 58,206,957	$ 7,377,213
Long -Term Liabilities	$ 18,000,000	$ 21,000,000	$ 3,000,000
Other Liabilities	6,300,238	8,620,963	2,320,725
Total Liabilities	$ 24,300,238	$ 29,620,963	$ 5,320,725
Net Position:			
Net Investment in Capital Assets	$ 14,293,178	$ 14,525,996	$ (232,818)
Restricted	3,590,774	3,590,011	763
Unrestricted	23,399,980	10,469,987	12,929,993
Total Net Position	$ 41,283,932	$ 28,585,994	$ 12,697,938

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of the changes in the Statement of Activities for the fiscal years ending June 30, 2025, and June 30, 2024:

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Tax Increment Revenue	$ 13,886,192	$ 14,516,568	$ (630,376)
Interest Revenue	1,817,535	1,652,528	165,007
Contribution by Others	462,300	810,200	(347,900)
Ground Lease Revenues	941,952	883,080	58,872
Other Revenues	3,864		3,864
Total Revenues	$ 17,111,843	$ 17,862,376	$ (750,533)
Expenses:			
Professional Services	$ 196,971	$ 202,490	$ 5,519
Contracted Services	145,450	144,000	(1,450)
Insurance, Rent and Other	18,338	6,286	(12,052)
Levy Park	941,952	883,080	(58,872)
Loan Costs	868,295	914,056	45,761
Capital Improvements	2,242,899	2,338,718	95,819
Total Expenses	4,413,905	4,488,630	74,725
Change in Net Position	$ 12,697,938	$ 13,373,746	$ (675,808)
Net Position, Beginning of Year	28,585,994	15,212,248	13,373,746
Net Position, End of Year	$ 41,283,932	$ 28,585,994	$ 12,697,938

FINANCIAL ANALYSIS OF THE AUTHORITY'S GOVERNMENTAL FUND

The Authority's combined fund balances as of June 30, 2025, were $48,896,136, an increase of $9,730,927 from the prior year.

The General Fund fund balance increased by $10,391,335, primarily due to increments, rent and other revenues exceeding expenditures, offset by transfers to the Debt Service Fund and the Capital Projects Fund.

The Levy Park Fund fund balance remained at zero.

FINANCIAL ANALYSIS OF THE AUTHORITY'S GOVERNMENTAL FUND (Continued)

The Debt Service Fund fund balance decreased by $4,146, primarily due to the structure of the Authority's outstanding debt requirements and transfers from the General Fund.

The Capital Projects Fund fund balance decreased by $656,262, primarily due to current year capital outlay costs paid from loan proceeds received in a prior year, offset by investment revenues and transfers from the General Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of the Authority did not amend the budget during the current fiscal year. Actual revenues were $1,105,774 more than budgeted revenues, and actual expenditures were $14,975,696 less than budgeted expenditures, resulting in a positive variance of $16,081,470.

CAPITAL ASSETS

In the current fiscal year, the Authority recorded capital improvements in the amount of $2,010,081 related to capital expenditures made on behalf of the City of Houston. These capital expenditures are related to public works improvements. In accordance with Section VIII of the Tri-Party Agreement between the City of Houston, Reinvestment Zone Number Nineteen and the Authority, it states: "all utilities, drainage facilities, public street improvements, sidewalks and light fixtures shall be conveyed to the City". Therefore, the current year expenditures related to such improvements are not recorded as assets of the Authority.

LONG-TERM DEBT ACTIVITY

The Authority entered into loan agreements with Regions Bank in the total amount of $45,000,000. As of June 30, 2025, the total outstanding balance on the loans was $21,000,000.

LEASES

The Authority entered into several lease agreements. The right-of-use asset and lease liability for office space is recorded in the government-wide financial statements. See Note 11 for further disclosure.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Upper Kirby Redevelopment Authority, 3120 Southwest Freeway, Suite 102, Houston, Texas 77098.

UPPER KIRBY REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2025

	General Fund
ASSETS	
Cash	$ 17,416,323
Investments	27,899,913
Right-of-Use Asset (Net of Accumulated Amortization)	
Land	
TOTAL ASSETS	$ 45,316,236
LIABILITIES	
Accounts Payable	$ 273,977
Accrued Interest Payable	
Retainage Payable	
Security Deposits	32,974
Long-Term Liabilities:	
Lease Payable, Due Within One Year	
Lease Payable, Due After One Year	
Loan Payable, Due Within One Year	
Loan Payable, Due After One Year	
TOTAL LIABILITIES	$ 306,951
FUND BALANCES	
Assigned for Authorized Construction	$
Restricted for Debt Service	
Unassigned	45,009,285
TOTAL FUND BALANCES	$ 45,009,285
TOTAL LIABILITIES AND FUND BALANCES	$ 45,316,236
NET POSITION	
Net Investment in Capital Assets	
Restricted for Debt Service	
Unrestricted	
TOTAL NET POSITION	

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

Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
$	$	$ 17,416,323	$	$ 17,416,323
3,640,231	2,334,525	33,874,669		33,874,669
			783,851	783,851
			13,509,327	13,509,327
$ 3,640,231	$ 2,334,525	$ 51,290,992	$ 14,293,178	$ 65,584,170
$	$ 1,116,689	$ 1,390,666	$	$ 1,390,666
			49,457	49,457
	971,216	971,216		971,216
		32,974		32,974
			214,930	214,930
			640,995	640,995
			3,000,000	3,000,000
			18,000,000	18,000,000
$ -0-	$ 2,087,905	$ 2,394,856	$ 21,905,382	$ 24,300,238
$	$ 246,620	$ 246,620	$ (246,620)	$
3,640,231		3,640,231	(3,640,231)	
		45,009,285	(45,009,285)	
$ 3,640,231	$ 246,620	$ 48,896,136	$ (48,896,136)	$ - 0 -
$ 3,640,231	$ 2,334,525	$ 51,290,992		
			$ 14,293,178	$ 14,293,178
			3,590,774	3,590,774
			23,399,980	23,399,980
			$ 41,283,932	$ 41,283,932

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

UPPER KIRBY REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENT FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds		$ 48,896,136
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Land, capital assets, and leased assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		14,293,178
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Accrued Interest Payable	$ (49,457)	
Lease Payable, Due Within One Year	(214,930)	
Lease Payable, Due After One Year	(640,995)	
Loan Payable, Due Within One Year	(3,000,000)	
Loan Payable, Due After One Year	(18,000,000)	(21,905,382)
Total Net Position - Governmental Activities		$ 41,283,932

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

UPPER KIRBY REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Levy Park
REVENUES		
Tax Increment Revenue (Net of retention for City of Houston Administrative Costs of $878,802 and payment of Municipal Services Costs of $2,811,036)	$ 13,886,192	$
Ground Lease Revenues		941,952
Rent Revenues	462,300	
Investment Revenues	1,619,760	
Miscellaneous Revenues		
TOTAL REVENUES	$ 15,968,252	$ 941,952
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 196,971	$
Contracted Services	145,450	
Insurance	6,310	
Amortization		
Levy Park		941,952
Other	920	
Capital Outlay		
Debt Service-Lease:		
Lease Principal	194,920	
Lease Interest	252,744	
Debt Service-Loan:		
Loan Principal		
Loan Interest		
TOTAL EXPENDITURES/EXPENSES	$ 797,315	$ 941,952
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ 15,170,937	$ -0-
OTHER FINANCING SOURCES (USES)		
Transfers In(Out)	$ (4,779,602)	$ -0-
NET CHANGE IN FUND BALANCES	$ 10,391,335	$
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JULY 1, 2024	34,617,950	
FUND BALANCES/NET POSITION - JUNE 30, 2025	$ 45,009,285	$ -0-

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

Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$	$ 13,886,192	$	$ 13,886,192
		941,952		941,952
		462,300		462,300
91,462	106,313	1,817,535		1,817,535
	3,864	3,864		3,864
$ 91,462	$ 110,177	$ 17,111,843	$ - 0 -	$ 17,111,843
$	$	$ 196,971	$	$ 196,971
		145,450		145,450
		6,310		6,310
			232,818	232,818
		941,952		941,952
	11,108	12,028		12,028
	2,010,081	2,010,081		2,010,081
		194,920	(194,920)	
		252,744		252,744
3,000,000		3,000,000	(3,000,000)	
620,460		620,460	(4,909)	615,551
$ 3,620,460	$ 2,021,189	$ 7,380,916	$ (2,967,011)	$ 4,413,905
$ (3,528,998)	$ (1,911,012)	$ 9,730,927	$ 2,967,011	$ 12,697,938
$ 3,524,852	$ 1,254,750	$ -0-	$ -0-	$ -0-
$ (4,146)	$ (656,262)	$ 9,730,927	$ (9,730,927)	$
			12,697,938	12,697,938
3,644,377	902,882	39,165,209	(10,579,215)	28,585,994
$ 3,640,231	$ 246,620	$ 48,896,136	$ (7,612,204)	$ 41,283,932

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

UPPER KIRBY REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENT FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2025

Net Change in Fund Balances - Governmental Funds	$	9,730,927
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds do not account for depreciation or amortization. However, in the Statement of Net Position, capital assets are depreciated and leased assets are amortized over the estimated useful lives.		(232,818)
Governmental funds report loan and lease principal payments as expenditures. However, in the Statement of Net Position, loan and lease principal payments are reported as decreases in long-term liabilities.		3,194,920
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		4,909
Change in Net Position - Governmental Activities	$	12,697,938

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

UPPER KIRBY REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. CREATION OF CORPORATION

The City of Houston, Texas (the "City") authorized the creation of the Upper Kirby Redevelopment Authority (the "Authority") by the Resolution No. 2001-47 passed on October 24, 2001. The Authority was created and organized as a local government corporation pursuant to provisions of Subchapter D of Chapter 431 of the Texas Transportation Code and Chapter 394 of the Texas Local Government Code. The Authority is organized as a public non-profit corporation for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental function to promote the common good and general welfare of Reinvestment Zone Number Nineteen (the "Zone") and neighboring areas in the preparation and implementation of a project plan and a reinvestment zone financing plan for the zone; in the development of a policy to finance development and redevelopment of residential and commercial properties in the Upper Kirby area; and in the development and implementation of a redevelopment policy for the Upper Kirby area, including the acquisition of land for redevelopment purposes; in the development and implementation of a policy for improving vehicular and pedestrian circulation in the Upper Kirby area including the acquisition of street rights-of-way. The Authority may issue bonds with consent of City Council. The Authority is governed by a Board of Directors consisting of up to seven members who are appointed by the Mayor with the approval of City Council. The Authority held its first meeting on May 14, 2002.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

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

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

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

- Restricted Net Position – This component of net position consists of constraints placed on asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

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

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

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

Fund Financial Statements

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

Governmental Funds

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

General Fund - To account for resources not required to be accounted for in another fund, tax increment revenues, costs and general expenditures.

Levy Park Fund - To account for financial resources restricted, committed or assigned for the operations, maintenance, programming and improvements of Levy Park.

Debt Service Fund - To account for financial resources restricted, committed or assigned for servicing debt.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Right-of-Use Assets

Capital assets are reported as assets in the government-wide Statement of Net Position. Capital assets are recorded at historical cost and depreciated over their estimated useful lives unless they are inexhaustible, such as land. Depreciation is not recorded on items classified as construction in progress. Depreciation expense is reported in the government-wide Statement of Activities. Depreciation is recorded using the straight-line method over the estimated useful lives of the capital assets. As of June 30, 2025, the Authority has land for $13,509,327, see Note 8. In accordance with GASB Statement No. 87, the Authority has recorded its office space as a right-of-use asset, see Note 11. The right-of-use asset is being amortized over the lease term using the straight-line method of amortization.

Budgeting

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

Measurement Focus

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

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

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The Authority does not have any nonspendable fund balances.

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the Authority. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through orders or resolutions approved by the Board. The Authority does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The Authority has not adopted a formal policy regarding the assignment of fund balances. The Authority approves one budget for all funds combined. The Authority has assigned all its Capital Projects Fund fund balance to be used for acquisition or construction of facilities and related costs.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the Authority, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the Authority's deposits was $17,416,323 and the bank balance was $17,726,483. The Authority was not exposed to custodial credit risk at fiscal year-end. The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at June 30, 2025, as listed below:

	Cash
GENERAL FUND	$ 17,416,323

Investments

Under Texas statute, the Authority is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all Authority funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the Authority's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. Authority's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest Authority funds without express written authority from the Board of Directors.

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

The Authority invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool meets the criteria established in GASB Statement No. 79 and measures all of its portfolio assets at amortized cost. As a result, the Authority also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool. As of June 30, 2025, the Authority had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Less Than 1 Year
GENERAL FUND		
TexPool	$27,899,913	$27,899,913
DEBT SERVICE FUND		
TexPool	3,640,231	3,640,231
CAPITAL PROJECTS FUND		
TexPool	2,334,525	2,334,525
TOTAL INVESTMENTS	$33,874,669	$33,874,669

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2025, the Authority's investment in TexPool, an external investment pool, was rated AAAm by Standard & Poor's.

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

NOTE 4. TRI-PARTY AGREEMENT

Effective September 17, 2002, the City, in accordance with Ordinance No. 2002-709, entered into a Tri-Party agreement with Tax Increment Reinvestment Zone Number Nineteen and the Authority. The Tri-Party Agreement states in detail the scope of services to be provided to the Zone by the Authority. The services include management and administrative service for the Zone, as requested by the Zone Board, services with respect to the Project Plan and Reinvestment Zone Financing Plan (the "Plan"), including enlarging the zone and amendments to the project plan and financing plan, and services with respect to the special tax rolls pertaining to the Zone, including analysis and coordination with taxing units. The Authority is also required to assist the Zone Board in establishing a program to increase the level of safety within the Zone, preparing development plans, establishing a marketing and public relations program, planning and design and construction of infrastructure improvements and land acquisition in the Upper Kirby area.

The Tri-Party Agreement also provides for the Authority to issue bonds and notes, enter into obligations with developers or builders, and enter into contracts with consultants, to be repaid from Contract Tax Increments. All bonds must be approved by City Council of the City and the Director of the Finance Department of the City must approve all development agreements. This Agreement shall end upon termination of the Zone.

Pursuant to the Agreement, the City and the Zone have agreed to pay the Authority not later than the first business day of each July in which a current approved budget is in effect for the Authority, all monies available in the Tax Increment Fund, less (a) certain tax increments constituting educational facilities project costs to be paid to the Houston Independent School District, and (b) a reserve of up to five percent of the monies then available in the Tax Increment Fund for administrative costs of the City. Notwithstanding the above, in the event the Authorities' budget is not approved by the thirtieth (30^{th}) day before the date of a principal and interest payment on the Authorities' bonds or notes, the City shall pay from available funds sufficient monies to the Authorities to allow for meeting the Authorities' debt service obligations.

NOTE 5. TAX INCREMENTS

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

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

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

NOTE 6. CITY OF HOUSTON TAX INCREMENTS

Pursuant to City Ordinance No. 1999-767, the City and the Zone have established the Tax Increment Fund, a separate fund in the City Treasury into which tax increments have and will be deposited.

During the current fiscal year, tax increments of $17,576,030 were collected from the City, of which $878,802 was withheld to cover 5% administrative costs. In addition, $2,811,036 was paid to the City for a Municipal Services Fee as billed by the City.

NOTE 7. MANAGEMENT AGREEMENT – HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

On December 21, 2002, the Authority entered into an agreement with Harris County Improvement District No. 3 (the "District") for management services. The services the District may provide include, among other things the following: general administrative support, project management and development, consultant management, and other services as may be deemed necessary by the Authority Board in the course of its various projects. The Authority will pay the District, on a monthly basis, a management fee as consideration for the services performed under this agreement. The amount of the management fee will be determined yearly in conjunction with the Authority's annual budgeting process. During the current fiscal year, the Authority recorded $144,000 of expenditures for management services under this agreement.

The agreement calls for the District to obtain and maintain insurance coverage for the District, the Tax Increment Reinvestment Zone No. 19 and the Authority.

The term of the agreement is until termination of the Zone. Either party may terminate the agreement upon 90 days written notice to the other party with or without cause.

The District also works with the Authority on certain public infrastructure projects for the City, which the District funds and may assume certain maintenance responsibilities.

NOTE 8. CAPITAL IMPROVEMENTS

During the current fiscal year, the Authority recorded capital improvements in the amount of $2,010,081 related to capital expenditures made on behalf of the City. These expenditures are generally related to capital improvements to public infrastructure made by the Authority to City facilities and property. The Authority finances these facilities for the benefit of the City. Any capital assets the Authority constructs related to public infrastructure and facilities are deemed conveyed to the City. Therefore, these assets are not considered capital assets of the Authority. See supplementary schedules for information on current year capital expenditures.

During prior fiscal years, the Authority has acquired various properties in connection with the Levy Park area redevelopment, including swapping land located near Richmond Avenue and Wakeforest Street for land held by the City located on Eastside Avenue for enlargement of the Park. The Authority currently owns a double-decker bus to be used occasionally at Levy Park for various events. At June 30, 2025, total capital assets net of accumulated depreciation are $13,509,327.

NOTE 9. TRANSFERS

During the current fiscal year, the General Fund transferred $3,524,852 to the Debt Service Fund to pay current year loan payments and transferred $1,254,750 to the Capital Projects Fund for planned year capital outlay.

NOTE 10. LOAN AGREEMENT

On November 30, 2016, the Authority closed on a loan agreement with Regions Capital Advantage in the total amount of $45,000,000. The loan agreement provides for a taxable loan of $9,288,503 at an interest rate of 3.75% and a tax-exempt loan of $35,711,497 at an interest rate of 2.45%. Interest payments are due each May 30 and November 30, commencing November 30, 2017 through November 30, 2031. The Authority is to maintain a reasonable debt service reserve fund for the taxable balance and the tax-exempt balance, as determined by the lender at the time of issuance. Proceeds of the loan will be used to finance public improvements, pay the costs of issuance, pay off prior loans, and fund two debt service reserve funds (taxable and tax-exempt).

	Taxable	Tax Exempt
Amounts Outstanding – June 30, 2025	$ 4,334,631	$ 16,665,369
Interest Rates	3.750%	2.450%
Due Dates – Serially Beginning/Ending	November 30, 2025/2031	November 30, 2025/2031
Interest Payment Dates	November 30/ May 30	November 30/ May 30

The following is a summary of transactions regarding loans payable for the year ended June 30, 2025:

	July 1, 2024	Additions	Retirements	June 30, 2025
Total Long-Term Liabilities	$ 24,000,000	$ -0-	$ 3,000,000	$ 21,000,000

Amount Due Within One Year	$ 3,000,000
Amount Due After One Year	18,000,000
Total Long-Term Liabilities	$ 21,000,000

NOTE 10. LOAN AGREEMENT (Continued)

As of June 30, 2025, the debt service requirements on the loans outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 3,000,000	$ 537,777	$ 3,537,777
2027	3,000,000	455,094	3,455,094
2028	3,000,000	373,318	3,373,318
2029	3,000,000	289,728	3,289,728
2030	3,000,000	207,046	3,207,046
2031	6,000,000	166,046	6,166,046
	$ 21,000,000	$ 2,029,009	$ 23,029,009

NOTE 11. LEASE AGREEMENTS

3001 Richmond

Effective December 5, 2011, the Authority entered into an operating lease for space. The leased premise includes the land and improvements. The space may be used for general office space, educational facility, art gallery, fitness facility or other purposes consistent with prior use. The Authority paid a $30,000 security deposit. In addition to the base rent, the Authority must pay monthly installments for property taxes and assessments as well as property insurance. The lease includes three additional five-year terms at the Authority's option. In September 2013, the parties exercised the first lease extension to extend the lease term by seven years. The base rent to be paid is $18,000 per month through November 30, 2018, $19,000 per month through November 30, 2021, and $21,000 per month through November 30, 2023. On December 1, 2023, the parties executed an extension to extend the lease term by 5 years. The base rent to be paid is $22,500 per month through November 30, 2024, $23,000 per month through November 30, 2025, $23,500 per month through November 30, 2026, $24,000 per month through November 30, 2027, and $25,000 per month through November 30, 2028. Total rent paid during the fiscal year was $447,664.

GASB Statement No. 87 requires the Authority to discount future lease payment using the interest rate implicit in the lease. If that rate is not readily available, the Authority's estimated incremental borrowing rate may be used. The lease accrues interest at 3.25% annually, which was the prime rate July 1, 2021. During the current fiscal year, the Authority recorded lease expenditures in the amount of $447,664, of which $194,920 applied to principal and $252,744 applied to interest.

NOTE 11. LEASE AGREEMENTS (Continued)

3001 Richmond (Continued)

Right-of-use assets, current year amortization expense and accumulated amortization is summarized below:

	July 1, 2024	Increases	Decreases	June 30, 2025
Right-of-use Assets Subject to Amortization				
Office Space	$ 1,150,292	$ - 0 -	$ - 0 -	$ 1,150,292
Less Accumulated Amortiziation				
Office Space	$ 133,623	$ 232,818	$ - 0 -	$ 366,441
Right of use Assets, Net of Accumulated Amortization	$ 1,016,669	$ (232,818)	$ - 0 -	$ 783,851

The changes in lease liability during the current fiscal year are summarized as follows:

Lease Payable, July 1, 2024	$ 1,050,845
Less: Lease Principal Paid	194,920
Lease Payable, June 30, 2025	$ 855,925

Future lease payments are summarized below:

Fiscal Year	Principal	Interest	Total
2026	$ 214,930	$ 64,570	$ 279,500
2027	240,167	45,333	285,500
2028	271,210	23,790	295,000
2029	129,618	2,873	132,491
	$ 855,925	$ 136,566	$ 992,491

NOTE 11. LEASE AGREEMENTS (Continued)

3001 Richmond Sublease

Effective November 1, 2014, the Authority entered into a sublease agreement for 14,532 square feet. The Authority received a $32,974 security deposit. The base rent is $9,688 per month for the first year, $19,376 per month the second year, $23,614.50 per month for the third year, and $25,733.75 for the fourth year. The lease includes the option of five-year extensions. During the current fiscal year, the Authority recorded rental revenue in the amount of $462,300.

Levy Park Area Redevelopment

The Authority is pursuing improvements to a reconfigured Levy Park and certain adjacent areas under its control. On September 16, 2015, the Authority adopted a Resolution which commits the foregoing revenues to the operations, maintenance, programming and improvements of Levy Park. The Second Amendment effective July 1, 2018, provides that the Authority will fund their contribution from lease revenue in connection to properties adjacent to the park, and at the Authority's sole discretion, shall fund additional amounts from other sources. See Notes 2 and 12.

Effective November 21, 2012, in connection with property it has acquired, the Authority entered into an operating ground lease for the Levy Park area redevelopment. This agreement was amended December 18, 2012, July 22, 2013, and January 17, 2014. The tenant has developed, constructed and is operating a multi-family facility. The leased premise includes the approximately two acres as specified in the agreement. The space may be used for the development and operation of a multi-family facility containing at least 200 residential units, (including ancillary and subservient uses such as a fitness center) parking for at least the minimum required by law, maximum height not to exceed 150 feet, and building improvements within the allotted area as specified in the agreement. The lease term is 99 years after the rent commencement date as specified in the agreement. The base rent to be paid is $36,250 per month. The rent will increase by at least 10% every five years beginning on the fifth anniversary of the rent commencement date established by lease terms as November 1, 2014. During the current fiscal year, the Authority recorded lease revenues in the amount of $510,400.

NOTE 11. LEASE AGREEMENTS (Continued)

Levy Park Area Redevelopment (Continued)

Effective November 21, 2012, the Authority entered into an additional operating ground lease in connection with the Levy Park area redevelopment. The tenant has developed, constructed and is operating a multi-use facility. The leased premise includes the approximately 1.34 acres as specified in the agreement. The space may be used for the development and operation of a multiuse facility containing at least 100,000 square feet of office space, (including ancillary and subservient uses such as a fitness center), at least 15,000 square feet of restaurant and/or retail use, a parking garage, maximum height not to exceed 250 feet, and building improvements within the allotted area as specified in the agreement. The lease term is 99 years after the rent commencement date established by lease terms as November 1, 2014. The base rent to be paid is $30,650 per month. The rent will increase by at least 10% every five years beginning on the fifth anniversary of the rent commencement date. During the current fiscal year, the Authority recorded lease revenues in the amount of $431,552.

NOTE 12. LEVY PARK OPERATING AGREEMENT

Effective June 17, 2015, the Authority entered an agreement with Upper Kirby District Foundation ("Foundation") to operate Levy Park ("Park"), a publicly dedicated park, which the Authority is redeveloping in accordance with an Interlocal Agreement with the City of Houston ("City"). The Authority authorizes the Foundation to operate, maintain, program and improve the Park. The First Amendment dated October 19, 2016, authorized an initial term through June 30, 2025, and will automatically renew for 5 five-year periods through June 30, 2043.

The Foundation or its designated contractor is responsible for the programming of Park activities, including establishing programming/event criteria, program management, contracting with event sponsors, coordinating any permits, and on-site event management. The Foundation is responsible for authorizing and contracting with all food and/or beverage concessionaires operating in the Park. The Foundation will pay for all costs and expenses incurred by the Foundation except for those costs to be borne by the City. However, in its sole discretion, the Foundation may contract for supplemental security services. The Foundation will establish an annual budget for review and approval by the Authority. The Authority will provide certain funding to the Foundation as may be approved in the annual budget. The Second Amendment effective July 1, 2018, provides that the Authority will fund their contribution from lease revenue in connection to properties adjacent to the park, and at the Authority's sole discretion, shall fund additional amounts from other sources. During the year ended June 30, 2025, the Authority has expended $941,952 related to this agreement.

UPPER KIRBY REDEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2025

UPPER KIRBY REDEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – ALL COMBINED GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Tax Increment Revenue	$ 13,981,222	$ 13,886,192	$ (95,030)
Ground Lease Revenue	941,952	941,952	
Rent Revenues	461,805	462,300	495
Investment Revenues	621,090	1,817,535	1,196,445
Miscellaneous Revenues		3,864	3,864
TOTAL REVENUES	$ 16,006,069	$ 17,111,843	$ 1,105,774
EXPENDITURES			
Maintenance and Operations	$ 340,200	$ 349,651	$ (9,451)
Capital Outlay	17,022,000	2,010,081	15,011,919
Levy Park	1,373,952	1,389,616	(15,664)
Loan Costs	3,620,460	3,631,568	(11,108)
TOTAL EXPENDITURES	$ 22,356,612	$ 7,380,916	$ 14,975,696
NET CHANGE IN FUND BALANCE	$ (6,350,543)	$ 9,730,927	$ 16,081,470
FUND BALANCE - JULY 1, 2024	39,165,209	39,165,209	
FUND BALANCE - JUNE 30, 2025	$ 32,814,666	$ 48,896,136	$ 16,081,470

See accompanying independent auditor's report.

UPPER KIRBY REDEVELOPMENT AUTHORITY

SUPPLEMENTARY INFORMATION

REQUIRED BY CITY OF HOUSTON

JUNE 30, 2025

UPPER KIRBY REDEVELOPMENT AUTHORITY
OPERATING EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

Category	Vendor	Budget
ADMINISTRATION AND OVERHEAD		
Administration (Salaries and Benefits)	Harris County Improvement District No. 3	$ 111,000
Office Expenses	Harris County Improvement District No. 3	12,000
Insurance	Harco Insurance/TML	6,000
Accounting (Upper Kirby Staff)	Harris County Improvement District No. 3	21,000
Auditor/Financial Advisor	McCall Gibson Swedlund Barfoot Ellis PLLC	20,200
SUBTOTAL		$ 170,200
PROGRAM AND PROJECT CONSULTANTS		
Legal	Harris County Improvement District No. 3, SK Law	$ 140,000
Project Management Consultants	Gunda Corporation	25,000
Property Tax Consultant	Municipal Risk Management Group, LLC	5,000
SUBTOTAL		$ 170,000
TOTAL MANAGEMENT/CONSULTING SERVICES		$ 340,200

See accompanying independent auditor's report.

Actual Expenditure	Variance Positive (Negative)
$ 111,000	$
12,920	(920)
6,310	(310)
21,000	
16,500	3,700
$ 167,730	$ 2,470
$ 172,965	$ (32,965)
7,506	17,494
1,450	3,550
$ 181,921	$ (11,921)
$ 349,651	$ (9,451)

See accompanying independent auditor's report.

UPPER KIRBY REDEVELOPMENT AUTHORITY
CAPITAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

Category	Vendor	Budget	Actual Expenditure	Variance Positive (Negative)
Project T-1907-Pedestrian Accessibility				
Design		$ 10,000	$	$ 10,000
SUBTOTAL		$ 10,000	$ - 0 -	$ 10,000
Project T-1914-Shepherd Drainage System Improvements				
Design	AECOM	$ 7,000	$	$ 7,000
Construction	Gunda, Harper Brothers, MCL	750,000	530,260	219,740
Other	Silversand Services	5,000		5,000
SUBTOTAL		$ 762,000	$ 530,260	$ 231,740
Project T-1917-Upper Kirby Civic Complex				
Acquisition		$ 8,500,000	$	$ 8,500,000
Design	Citi Fence, MCL, Houston Lightscapes, Silversand Services, Wholesale Gardens		79,228	(79,228)
SUBTOTAL		$ 8,500,000	$ 79,228	$ 8,420,772
Project T-1918-Buffalo Speedway Improvements-US 59 to Westheimer				
Design	Gunda Corp.	$ 300,000	$ 224,705	$ 75,295
SUBTOTAL		$ 300,000	$ 224,705	$ 75,295
Project T-1920- West Alabama Reconstruction				
Acquisition		$ 500,000		$ 500,000
Design		1,000,000	767,793	232,207
Construction	Gunda Corp., Lockwood Andrews	5,500,000		5,500,000
Other		50,000		50,000
SUBTOTAL		$ 7,050,000	$ 767,793	$ 6,282,207
Project T-1924- Eastside Reconstruction				
Construction	Harris County Improvement District No. 3	$ 200,000	$ 304,012	$ (104,012)
SUBTOTAL		$ 200,000	$ 304,012	$ (104,012)
Project T-1926-Kirby Drive Improvements-US 59 to Bissonnet				
Design	Gunda Corp.	$ 200,000	$ 104,083	$ 95,917
SUBTOTAL		$ 200,000	$ 104,083	$ 95,917
TOTAL CAPITAL EXPENDUTURES		$ 17,022,000	$ 2,010,081	$ 15,011,919

See accompanying independent auditor's report.

UPPER KIRBY REDEVELOPMENT AUTHORITY
PROJECT PLAN RECONCILIATION
AS OF THE YEAR ENDED JUNE 30, 2025

Vendor	Amended Project Plan Amount	Cumulative Expenditures all years as of the Fiscal Year Ended June 30, 2025	Variance Positive (Negative)
Non-Educational Project Costs			
Utility System Improvements	$ 49,400,000	$ 98,462,112	$ (49,062,112)
Traffic Mobility Improvements	111,280,000	30,536,887	80,743,113
Safety and Security Improvements	1,600,000		1,600,000
Public Recreation/Public Service Improvements	85,548,586	39,624,177	45,924,409
Financing Costs	14,600,000	52,051,020	(37,451,020)
Administration Costs	3,465,529	7,350,940	(3,885,411)
Creation Costs	400,000	221,672	178,328
Total Non-Eductional Project Costs	$ 266,294,115	$ 228,246,808	$ 38,047,307
Education Project Costs	5,572,812	5,619,320	(46,508)
Total Non-Eductional Project Costs and Education Project Costs	$ 271,866,927	$ 233,866,128	$ 38,000,799

See accompanying independent auditor's report.

UPPER KIRBY REDEVELOPMENT AUTHORITY

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2025

UPPER KIRBY REDEVELOPMENT AUTHORITY
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2025

Authority Mailing Address - Upper Kirby Redevelopment Authority
3120 Southwest Freeway, Suite 102
Houston, TX 77098

Authority Telephone Number - (713) 524-8000

Board Members	Position
Sydney Bailey	Chairman
Emil T. Pena	Vice Chairman
Robert R. Casey	Secretary
Russell H. Jackson	Assistant Secretary
Tammi C. Wallace	Director
Stanley C. Jones, Jr.	Director
Suzan Deison	Director

See accompanying independent auditor's report.