

EXHIBIT A

# EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY



## ANNUAL REPORT February, 2025



# EXECUTIVE SUMMARY

## BACKGROUND

East Fort Bend County Development Authority (the “Authority”) was created by Fort Bend County on September 24, 2015, pursuant to Subchapter D of Chapter 431, Texas Transportation Code, and Article 1396-1.01 of the Texas Non-Profit Corporation Act. The Authority was organized to assist Fort Bend County (the “County”) with the development and diversification of the economy, the elimination of unemployment or underemployment, and development, expansion of commerce, and promoting economic development, including making grants, planning, designing, acquiring, financing, building, and improving land and infrastructure in the County.

The members of Authority Board of Directors are appointed by the County, and the Authority implements the design, construction and financing of public and community benefit improvements necessary to promote the development of the mixed-use project known as the GRID.

The current Board and Officers of the Authority are:

Felecia Evans-Smith	Chair
Ernie Loeb	Vice Chair
Daniel Menendez	Secretary
Michael Latimer	Assistant Secretary
Rahim Tazeh	Assistant Secretary

The Authority is assisted by a consulting team consisting of the following:

Allen Boone Humphries Robinson LLP - Attorney  
District Data Services – Bookkeeper  
Hilltop Securities, Inc. – Co-Financial Advisor  
Post Oak Municipal Advisors LLC – Co-Financial Advisor  
RPS Group – Authority Engineer  
Quiddity Engineering – Design Engineer  
McCall Gibson Swedlund Barfoot Ellis PLLC – Auditor, effective November 4, 2024



## GRID PROJECT DESCRIPTION

The GRID comprises the redevelopment of the former Texas Instruments site in Stafford, Texas consisting of approximately 192 acres. The development has brought many jobs to the area and will generate millions of new sales, hotel occupancy and property tax dollars to benefit the community. The GRID is an innovative mixed-use reinvention of a landmark Texas Instruments campus, connecting past and present by combining world-class planning and design with adaptive reuse of the site's iconic industrial architecture. The result is a one-of-a-kind experience for shoppers, residents, tenants, and guests, woven into the fabric of the surrounding community. Located at the gateway to Fort Bend County, this innovative project is designed to create a regional entertainment, working and living environment.





The GRID's walkable and diverse mix of uses give it a uniquely urban feel. Tree-lined streets work together with its robust dining, shopping and service offerings to create an environment where office workers and residents can leave their cars in the garage for an entire day or evening.





With plentiful public spaces and programmed events, the GRID is connected to the community, creating a new focal point and public gathering place for southwest Houston and Fort Bend County.

## Houston | Fort Bend County

Positioned at the  
**Gateway**  
to Fort Bend County

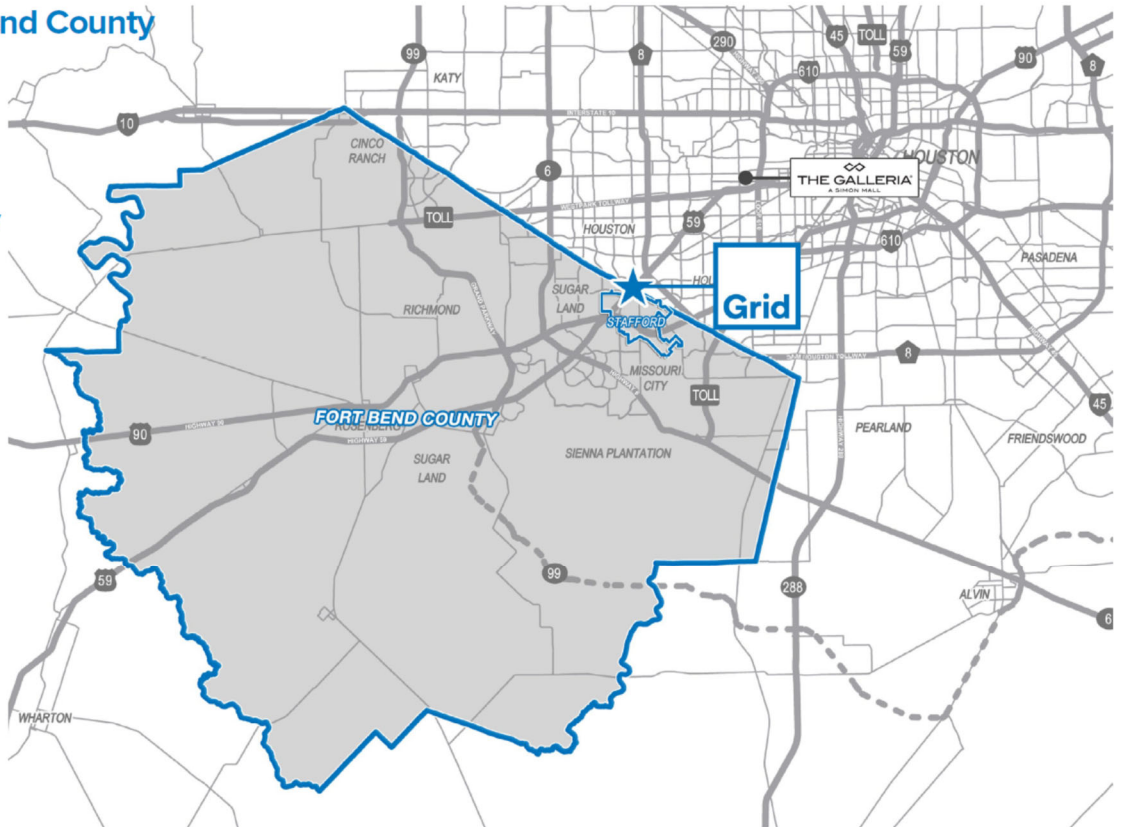
**328,000 Cars Per Day**  
on Highway 59,  
W Airport Blvd, Kirkwood Rd,  
& Murphy Rd

**1,708,051**  
people living within  
a 20-minute drive time

**148,168**  
projected annual  
population growth

**\$127,363**  
average household income

**Most Educated**  
county in the U.S.



\*Per REGIS Online. Drive-time parameters are 55 mph on Interstates, 50mph on Freeways & 25 mph on Streets. Updated May 2018.

Completed restaurant, retail, housing and distribution facilities in the GRID are shown on the following pages.











New residential, retail and restaurant projects and projects currently under construction in the GRID are shown below:







# STATUS OF AUTHORITY PROJECTS

## PUBLIC IMPROVEMENT COSTS

The chart on the following page lists the projects completed or under construction by the Authority as of the date of this report. All projects listed below have been funded by advances by 3 MEBS Property Company, LLC or Stafford 59 & Airport LP (the “Developer”) and certain amounts remain subject to future reimbursement. The Authority has entered into a Development Financing and Reimbursement Agreement with the Developer for advance funding and reimbursement of the projects listed on the following page:





Project Number	Project Name	Contractor	Notice to Proceed Date	Final Completion Letter Date	Final Dollar Amount	Grant Funding?	Accepted by	Publicly Bid?	Built to City Standards?
101.001	Demolition	American Environmental Specialties, Inc	3/29/2016	2/23/2018	\$1,369,241.80	Y	N/A	N	N/A
	Net expended (Public roadway funds)				\$ 2,589,470.53				
	Salvage (Public roadway funds)				\$ (1,220,228.73)				
101.002	West Airport LTL Crow	GW Phillips Construction,	1/13/2017	7/10/2018	\$378,968.65	N	Stafford City	Y	Y
	Public Roadway Funds				\$ 81,204.92				
	Public Drainage Funds				\$ 297,763.73				
101.003	East Detention Basin	GW Phillips Construction,	5/26/2016	10/12/2018	\$249,122.00	N	Stafford City	Y	Y
	Public Drainage Funds				\$ 249,122.00				
101.004	West Airport LTL Spectrum	RAC Industries LLC	10/6/2017	2/12/2018	\$280,822.91	N	Stafford City	Y	Y
	Public Roadway Funds				\$ 93,679.00				
	Public Drainage Funds				\$ 172,186.45				
	Public Sanitary Funds				\$ 14,957.46				
101.005	Signal Way and Spectrum	CNS Construction	10/16/2017	10/8/2018	\$1,084,094.20	N	Stafford City	Y	Y
	Public Roadway Funds				\$799,197.94				
	Public Drainage Funds				\$284,896.26				
101.006	Phase 1 Duct Bank	North Houston Pole Line	7/21/2016	10/4/2016	\$ 381,660.00	Y	Center Point	N	N/A
	Public Funds (not roadway/drainage)				\$ 381,660.00				
101.007	Central Detention Basin	SiteWork Contractors	7/19/2017	5/31/2019	\$359,187.58	N	Stafford City	Y	Y
	Public Drainage Funds				\$ 359,187.58				
101.008	Phase 1 Paving and Drainage	Rodriguez Construction Group, LLC	11/9/2017	11/30/2018	\$1,652,611.33	N	Stafford City/ Streetlevel	Y	Y
	Public Roadway Funds				\$ 343,962.42				
	Public Drainage Funds				\$ 479,378.13				
	Private Funds				\$ 829,270.78				
101.009	Phase 2 Infrastructure	Rodriguez Construction Group, LLC	8/24/2018	11/5/2019	\$ 5,362,388.35	N	Stafford City/WCID#2	Y	Y
	Public RoadwayFunds				\$ 1,942,427.54				
	Public Drainage Funds				\$ 919,477.01				
	Private Funds				\$ 1,530,169.24				
	WCID#2				\$ 970,314.56				
101.011	Phase 1 Landscaping	Woodcreek Landscaping	8/10/2018	10/1/2019	\$ 138,260.95	N	Stafford City	Y	Y
	Public Funds (not roadway/drainage)				\$ 138,260.95				
101.013	Phase 2 Duct Bank	North Houston Pole Line	7/15/2018	5/15/2019	\$ 2,329,026.00	Y	Center Point	Y	N/A
	Public Funds (not roadway/drainage)				\$ 2,329,026.00				
101.014	Phase 1 Comm and Lights	North Houston Pole Line	7/15/2018	5/15/2019	\$ 485,000.00	Y	Stafford City	Y	Y
	Public Funds (not roadway/drainage)				\$ 485,000.00				
101.015	Public Landscaping Phase 2	Woodcreek Landscaping	12/4/2019	6/13/2020	\$ 257,547.00	N	Stafford City	Y	Y
	Public Funds (not roadway/drainage)				\$ 225,652.00				
	Private Funds				\$ 31,895.00				
101.016	Central Detention Pond Phase 2	Rodriguez Construction Group, LLC	7/22/2021	10/3/2022	\$ 262,366.25	N	Stafford City	Y	Y
	Public Drainage Funds				\$ 265,500.00				
101.017	Volt Ln	Rodriguez Construction Group, LLC	11/28/2022	4/26/2023	\$ 262,366.25	N	N/A	Y	Y
	Private Funds				\$ 262,366.25				
101.018	Nexus Ave Extension	Rodriguez Construction Group, LLC	12/15/2021	4/26/2023	\$ 621,657.00	N	N/A	Y	Y
	Private Funds				\$ 621,657.00				
				TOTAL=	\$15,474,320.27				
				TOTAL PUBLIC ROADWAY=	\$4,629,713.62				
				TOTAL PUBLIC DRAINAGE=	\$3,027,511.16				
				TOTAL PUBLIC OTHERS=	\$3,574,556.41				
				TOTAL PRIVATE=	\$3,275,358.27				
				TOTAL WCID#2=	\$970,314.56				
						\$	15,477,454.02		
							\$15,477,454.02		

\$ 15,477,454.02  
\$15,477,454.02

NOTE: T. GRANT F.= \$4,564,927.80

# DEFINED AREA TAX AND 381 REVENUE INFORMATION

## **Defined Area Tax**

The Authority maintains a separate account for the defined area tax fund ("DAT Revenue Fund") as required by the Defined Area Financing Agreement between the Authority and Fort Bend County Water Control & Improvement District No. 2 and for the 381 revenue fund (the "381 Revenue Fund") as required by the Agreement between Fort Bend County and the Authority. Attached is the Authority's most recent independent audit for the fiscal year ended September 30, 2024, prepared by McCall Gibson Swedlund Barfoot Ellis PLLC (see Exhibit "A").

The Authority currently has a fund balance as of January 27, 2025, of \$1,090,978.11 in the DAT Revenue Fund. On July 22, 2024, the Authority reimbursed the Developer \$450,000 from the DAT Revenue Fund, as shown on the Reimbursement Report prepared by Whitley Penn, LLP (see Exhibit "B").

## **381 Revenue**

The Authority currently has a fund balance as of January 27, 2025, of \$384,650.51 in the 381 Revenue Fund. Authority administrative expenses and engineering fees for the 2024-2025 fiscal year are paid from the 381 Revenue Fund. On July 22, 2024, the Authority reimbursed the Developer \$750,000 from the Chapter 381 Revenue Fund, as shown on the Reimbursement Report prepared by Whitley Penn, LLP (see Exhibit "B").



# SELECTED FINANCIAL INFORMATION REGARDING THE AUTHORITY

## 2024-2025 OPERATING BUDGET

	3 Mo. Actual	3 Mo. Adopted	Adopted	
	Oct - Dec 24	Oct - Dec 24	Over/ (Under)	Oct 24 - Sept 25
Ordinary Income/Expense				
Income				
1.3952 · Transfer from 381 Revenue Fund	0.00	78,512.53	-78,512.53	314,050.00
1.5391 · Interest on Temp Investments	6.45	37.50	-31.05	150.00
Total Income	6.45	78,550.03	-78,543.58	314,200.00
Expense				
1.6236 · Detention Maintenance	5,633.35	6,999.94	-1,366.59	28,000.00
1.6310 · Director Fees	1,326.00	3,499.97	-2,173.97	14,000.00
1.6319 · Legal Fees - Construction	1,653.90	0.00	1,653.90	0.00
1.6320 · Legal Fees - General	6,397.99	15,000.00	-8,602.01	60,000.00
1.6321 · Audit Fees	12,000.00	15,000.00	-3,000.00	15,000.00
1.6322 · Engineering Fees- General	13,573.95	7,999.97	5,573.98	32,000.00
1.6323 · Engineering Fees - Construction	5,832.50	19,999.97	-14,167.47	80,000.00
1.6327 · Security Cameras - Maint.	0.00	0.00	0.00	52,000.00
1.6333 · Bookkeeping Expense	4,225.78	3,750.00	475.78	15,000.00
1.6338 · Legal Notices	0.00	0.00	0.00	500.00
1.6339 · Dues (AWBD)	0.00	0.00	0.00	1,500.00
1.6340 · Printing & Office Supplies	0.00	0.00	0.00	200.00
1.6353 · Insurance Expense	0.00	0.00	0.00	7,000.00
1.6354 · Travel & Expense	47.97	750.00	-702.03	3,000.00
1.6359 · Other Expense	20,000.00	1,249.97	18,750.03	5,000.00
1.6560 · Payroll Tax Expenses	101.40	249.94	-148.54	1,000.00
Total Expense	70,792.84	74,499.76	-3,706.92	314,200.00
Net Ordinary Income	-70,786.39	4,050.27	-74,836.66	0.00
Net Income	-70,786.39	4,050.27	-74,836.66	0.00





**EXHIBIT "A"**

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**

**FORT BEND COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**SEPTEMBER 30, 2024**

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# ***McCall Gibson Swedlund Barfoot Ellis PLLC***

*Certified Public Accountants*

*Chris Swedlund  
Noel W. Barfoot  
Joseph Ellis  
Ashlee Martin*

*Mike M. McCall  
(retired)  
Debbie Gibson  
(retired)*

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
East Fort Bend County  
Development Authority  
Fort Bend County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of East Fort Bend County Development Authority (the "Authority") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

### **Basis for Opinions**

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

### **Correction of an Error**

As described in Note 10 to the financial statements, the District's government-wide financial statements as of and for the year ended September 30, 2023 have been restated for correction of an error. Our opinions are not modified with respect to these matters.

### **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.



### **Responsibilities of Management for the Financial Statements (Continued)**

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund 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.

*McCall Gibson Swedlund Barfoot Ellis PLLC*

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

January 27, 2025

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Management's discussion and analysis of East Fort Bend County Development Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the year ended September 30, 2024. Please read in conjunction with the Authority's financial statements.

**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 Revenues, 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 like 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 the Authority's assets, liabilities and, if applicable, deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority as a whole is improving or deteriorating. Evaluation of the overall 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 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 five governmental fund types. The General Fund accounts for resources not accounted for in another fund, operating costs and general expenditures. The Defined Area Revenue Fund accounts for transactions and activities relating to the Defined Area Financing Agreement. The Debt Service Fund accounts for the payment of interest and principal on the Authority's Contract Revenue Road Bonds. The Capital Projects Fund accounts for the proceeds from Contract Revenue Road Bonds. The 381 Revenue Fund accounts for the revenues and expenditures related to the Chapter 381 Agreement.



**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**FUND FINANCIAL STATEMENTS** (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund financial 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 current period. 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 Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in the 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 accompanying notes, this report also presents certain required supplementary information ("RSI"). A budgetary comparison schedule is included as RSI for the General Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded liabilities by \$842,780 as of September 30, 2024.

A portion of the Authority's net position reflects its net investment in capital assets (land and land improvements, and drainage facilities less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of government-wide changes in net position:

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

	Summary of Changes in the Statement of Net Position		
	2024	(Restated) 2023	Change Positive (Negative)
Current and Other Assets	\$ 3,107,991	\$ 3,128,801	\$ (20,810)
Capital Assets (Net of Accumulated Depreciation)	15,594,172	15,923,619	(329,447)
Total Assets	\$ 18,702,163	\$ 19,052,420	\$ (350,257)
Due to Developer	\$ 1,781,474	\$ 2,872,267	\$ 1,090,793
Long-Term Liabilities	15,462,145	16,501,177	1,039,032
Other Liabilities	615,764	124,079	(491,685)
Total Liabilities	\$ 17,859,383	\$ 19,497,523	\$ 1,638,140
Net Position:			
Net Investment in Capital Assets	\$ (883,536)	\$ (1,569,725)	\$ 686,189
Restricted	1,321,323	634,749	686,574
Unrestricted	404,993	489,873	(84,880)
Total Net Position	\$ 842,780	\$ (445,103)	\$ 1,287,883

The following table provides a summary of the Authority's operations for the years ending September 30, 2024, and September 30, 2023.

	Summary of Changes in the Statement of Net Position		
	2024	(Restated) 2023	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 1,632,088	\$ 1,566,424	\$ 65,664
Operating Grants	876,843	759,154	117,689
Other Revenues	224,798	188,378	36,420
Total Revenues	\$ 2,733,729	\$ 2,513,956	\$ 219,773
Expenses for Services	1,445,846	2,409,905	964,059
Change in Net Position	\$ 1,287,883	\$ 104,051	\$ 1,183,832
Net Position, Beginning of Year	(445,103)	(549,154)	104,051
Net Position, End of Year	\$ 842,780	\$ (445,103)	\$ 1,287,883

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**FINANCIAL ANALYSIS OF THE AUTHORITY'S GOVERNMENTAL FUND**

The Authority's combined fund balances as of September 30, 2024 were \$3,090,658, an increase of \$20,571 from the prior year.

The General Fund fund balance increased by \$62,947, primarily due to the transfer from the 381 Revenue Fund exceeding operating costs.

The Defined Area Fund fund balance decreased by \$612,198, primarily due to a transfer to the Debt Service Fund and developer reimbursement exceeding property tax revenues.

The Debt Service Fund fund balance increased by \$677,631, primarily due to a transfer from the Defined Area Fund exceeding debt service requirements.

The Capital Projects Fund fund balance increased by \$40,018, primarily due to interest revenue.

The 381 Revenue Fund fund balance decreased by \$147,827, primarily due to a transfer to the General Fund and developer reimbursement exceeding tax increment revenue from Fort Bend County.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Board of Directors amended the budget during the current year to add estimated security camera maintenance expenses. Actual revenues were \$9,705 more than budgeted. Actual expenditures were \$55,849 less than budgeted, primarily due to professional fees being less than budgeted. See budget to actual comparison for more information.

**CAPITAL ASSETS**

Capital assets as of September 30, 2024, total \$15,594,172 (net of accumulated depreciation) and includes land and drainage facilities.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2024	2023	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 2,637,058	\$ 2,637,058	\$
Capital Assets, Net of Accumulated Depreciation:			
Drainage Facilities and Streets	<u>12,957,114</u>	<u>13,286,561</u>	<u>(329,447)</u>
Total Net Capital Assets	<u>\$ 15,594,172</u>	<u>\$ 15,923,619</u>	<u>\$ (329,447)</u>

Additional information on the Authority's capital assets can be found in Note 6 of this report.



**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**CAPITAL ASSETS (Continued)**

Internal stormwater collection lines have been constructed for drainage system improvements to serve the Defined Area's development. The Defined Area's storm drainage collection system consists of curbs and gutters with inlets and reinforced concrete storm sewers. This system serves the entire drainage area of the Defined Area and conveys flows to several storm water detention basins owned and maintained by the Authority, including a Central Detention Pond (phase I) and the East Detention Pond, both of which drain to the City of Stafford ditch.

**CONTACTING THE AUTHORITY'S MANAGEMENT**

This financial report is designed to provide a general overview of the Authority's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to East Fort Bend County Development Authority, c/o Allen Boone Humphries Robinson, LLP, 3200 Southwest Freeway, Suite 2600, Houston, Tx 77027.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**SEPTEMBER 30, 2024**

	General Fund	Defined Area Revenue Fund	Debt Service Fund
<b>ASSETS</b>			
Cash	\$ 27,054	\$	\$
Investments		827,742	1,092,725
Receivables:			
Property Taxes		7,991	
Other	37		
Due from Other Funds	7,148		285,770
Land			
Capital Assets (Net of Accumulated Depreciation)			
<b>TOTAL ASSETS</b>	<u>\$ 34,239</u>	<u>\$ 835,733</u>	<u>\$ 1,378,495</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 9,342	\$	\$
Accrued Interest Payable			
Due to Developer			
Due to Other Funds	57,602	292,168	750
Long-Term Liabilities:			
Due Within One Year			
Due After One Year			
<b>TOTAL LIABILITIES</b>	<u>\$ 66,944</u>	<u>\$ 292,168</u>	<u>\$ 750</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	<u>\$ - 0 -</u>	<u>\$ 7,991</u>	<u>\$ - 0 -</u>
<b>FUND BALANCES</b>			
Restricted for Authorized Construction	\$	\$ 535,574	\$
Restricted for Debt Service			1,377,745
Unassigned	<u>(32,705)</u>		
<b>TOTAL FUND BALANCES</b>	<u>\$ (32,705)</u>	<u>\$ 535,574</u>	<u>\$ 1,377,745</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 34,239</u>	<u>\$ 835,733</u>	<u>\$ 1,378,495</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets			
Restricted for Debt Service			
Unrestricted			
<b>TOTAL NET POSITION</b>			

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

Capital Projects Fund	381 Revenue Fund	Total	Adjustments	Statement of Net Position
\$	\$	\$	\$	\$
772,346	380,096	27,054 3,072,909		27,054 3,072,909
		7,991		7,991
		37		37
	57,602	350,520	(350,520)	
			2,637,058	2,637,058
			12,957,114	12,957,114
<u>\$ 772,346</u>	<u>\$ 437,698</u>	<u>\$ 3,458,511</u>	<u>\$ 15,243,652</u>	<u>\$ 18,702,163</u>
\$	\$	\$	\$	\$
		9,342		9,342
			56,422	56,422
			1,781,474	1,781,474
		350,520	(350,520)	
			550,000	550,000
			15,462,145	15,462,145
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 359,862</u>	<u>\$ 17,499,521</u>	<u>\$ 17,859,383</u>
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 7,991</u>	<u>\$ (7,991)</u>	<u>\$ - 0 -</u>
\$ 772,346	\$	\$ 1,307,920	\$ (1,307,920)	\$
		1,377,745	(1,377,745)	
	437,698	404,993	(404,993)	
<u>\$ 772,346</u>	<u>\$ 437,698</u>	<u>\$ 3,090,658</u>	<u>\$ (3,090,658)</u>	<u>\$ - 0 -</u>
<u>\$ 772,346</u>	<u>\$ 437,698</u>	<u>\$ 3,458,511</u>		
			\$ (883,536)	\$ (883,536)
			1,321,323	1,321,323
			404,993	404,993
			<u>\$ 842,780</u>	<u>\$ 842,780</u>

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



**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024**

Total Fund Balances - Governmental Funds	\$ 3,090,658
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.	15,594,172
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Deferred tax revenues and uncollected penalty and interest on delinquent taxes for the 2023 and prior tax levies became part of recognized revenue in the governmental activities of the District.	7,991
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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	\$ (56,422)	
Due to Developer	(1,781,474)	
Bonds Payable	(16,012,145)	(17,850,041)

Total Net Position - Governmental Activities	\$ 842,780
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The accompanying notes to the financial  
statements are an integral part of this report.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>General Fund</u>	<u>Defined Area Revenue Fund</u>	<u>Debt Service Fund</u>
<b>REVENUES</b>			
Property Taxes	\$	\$ 1,624,097	\$
Fort Bend County			
Investment Revenues	56	94,710	47,692
Miscellaneous Revenues	<u>10,149</u>	<u></u>	<u></u>
<b>TOTAL REVENUES</b>	<u>\$ 10,205</u>	<u>\$ 1,718,807</u>	<u>\$ 47,692</u>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
Professional Fees	\$ 129,096	\$	\$
Contracted Services	14,942		2,250
Repairs and Maintenance	88,546		
Depreciation			
Other	21,517		
Capital Outlay - Developer Reimbursement		450,000	
Debt Service:			
Bond Principal			490,000
Bond Interest			<u>758,816</u>
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>\$ 254,101</u>	<u>\$ 450,000</u>	<u>\$ 1,251,066</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES</b>	<u>\$ (243,896)</u>	<u>\$ 1,268,807</u>	<u>\$ (1,203,374)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In(Out)	<u>\$ 306,843</u>	<u>\$ (1,881,005)</u>	<u>\$ 1,881,005</u>
<b>NET CHANGE IN FUND BALANCES</b>	\$ 62,947	\$ (612,198)	\$ 677,631
<b>CHANGE IN NET POSITION</b>			
<b>FUND BALANCES/NET POSITION - OCTOBER 1, 2023, AS PREVIOUSLY REPORTED RESTATEMENT</b>	(95,652)	1,147,772	700,114
<b>OCTOBER 1, 2023</b>	<u>(95,652)</u>	<u>1,147,772</u>	<u>700,114</u>
<b>FUND BALANCES/NET POSITION - SEPTEMBER 30, 2024</b>	<u>\$ (32,705)</u>	<u>\$ 535,574</u>	<u>\$ 1,377,745</u>

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

Capital Projects Fund	381 Revenue Fund	Total	Adjustments	Statement of Activities
\$	\$	\$ 1,624,097	\$ 7,991	\$ 1,632,088
	876,843	876,843		876,843
40,018	32,173	214,649		214,649
		10,149		10,149
<u>\$ 40,018</u>	<u>\$ 909,016</u>	<u>\$ 2,725,738</u>	<u>\$ 7,991</u>	<u>\$ 2,733,729</u>
\$	\$	\$ 129,096	\$	\$ 129,096
		17,192		17,192
		88,546		88,546
			329,447	329,447
		21,517		21,517
	750,000	1,200,000	(1,090,793)	109,207
		490,000	(490,000)	
		758,816	(7,975)	750,841
<u>\$ - 0 -</u>	<u>\$ 750,000</u>	<u>\$ 2,705,167</u>	<u>\$ (1,259,321)</u>	<u>\$ 1,445,846</u>
<u>\$ 40,018</u>	<u>\$ 159,016</u>	<u>\$ 20,571</u>	<u>\$ 1,267,312</u>	<u>\$ 1,287,883</u>
<u>\$ - 0 -</u>	<u>\$ (306,843)</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
\$ 40,018	\$ (147,827)	\$ 20,571	\$ (20,571)	\$
			1,287,883	1,287,883
732,328	585,525	3,070,087	(16,566,542)	(13,496,455)
			13,051,352	13,051,352
<u>732,328</u>	<u>585,525</u>	<u>3,070,087</u>	<u>(3,515,190)</u>	<u>(445,103)</u>
<u>\$ 772,346</u>	<u>\$ 437,698</u>	<u>\$ 3,090,658</u>	<u>\$ (2,247,878)</u>	<u>\$ 842,780</u>

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



**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Net Change in Fund Balances - Governmental Funds	\$	20,571
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		7,991
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Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(329,447)
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Governmental funds report developer reimbursement payments as expenditures. However, in the Statement of Net Position, developer reimbursement principal payments are reported as decreases in long-term liabilities and the developer interest is recorded as an expense.		1,090,793
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Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		490,000
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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.		7,975
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Change in Net Position - Governmental Activities	\$	<u>1,287,883</u>
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The accompanying notes to the financial  
statements are an integral part of this report.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 1. CREATION AND NATURE OF ACTIVITIES**

The Authority is a non-profit local government corporation acting on behalf of Fort Bend County, Texas (the “County”). The Authority was created by the County on August 25, 2015, pursuant to Subchapter D of Chapter 431, Texas Transportation Code, and Article 1396-1.01 of the Texas Non-Profit Corporation Act, to aid and assist the County in the administration, financing, and implementation of the development and construction of the Project (defined herein). On behalf of the County, and in accordance with the Defined Area Financing Agreement (defined below), the Authority is implementing on behalf of the County an economic development program pursuant to Article XVI, Section 52 of the Texas Constitution and is implementing on behalf of WCID 2 (defined below) projects within a defined area pursuant to Chapters 49 and 51 of the Texas Water Code, each in support of the “Project”.

The “Project” consists of approximately 192 acres of land (the “Land”) being developed as the GRID, a commercial, multi-family, and retail development on the site of the former campus of Texas Instruments. It is located approximately 15 miles southwest of the central business district of the City of Houston, east of State Highway 59 between Kirkwood Road and West Airport Boulevard. The “Project” lies wholly within the corporate limits of the City of Stafford, Texas (the “City”) and the boundaries of Stafford Municipal School District.

The Texas Commission of Environmental Quality exercises continuing supervisory jurisdiction over the Fort Bend Water Control and Improvement District No.2 (“WCID 2”) and the Authority, with regard to issuance of certain debt. The Authority is required to observe certain requirements of the County which limit the purposes for which the Authority may sell bonds for the acquisition, construction, and improvement of waterworks, wastewater, and drainage facilities, roads, parks and recreational facilities, and firefighting facilities and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the County of Authority construction plans; and permit connections only to platted lots and reserves which have been approved by the Planning Commission of the City. Construction and operation of the Authority’s system are subject to the regulatory jurisdiction of additional government agencies.

**Chapter 381 Agreement Between the County and the Authority**

The County and the Authority entered into an economic development agreement approved by the County on August 25, 2015, pursuant to Chapter 381 Texas Local Government Code (the “381 Agreement”). Pursuant to the 381 Agreement, the County established a program for the public purposes of promoting economic development and commercial activity within the “Project”. The Authority is implementing the economic development program on behalf of the County. The Authority is authorized to provide economic assistance from revenues paid to the Authority from County property taxes collected within the Project through tax year 2042. The annual payment to the Authority from the County equals 70% of the County’s incremental increase in property taxes collected by the County within the boundaries of the “Project”. The tax increment is an

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 1. CREATION AND NATURE OF ACTIVITIES (Continued)**

**Chapter 381 Agreement Between the County and the Authority (Continued)**

amount equal to the current year's property taxes collected on real property by the County within the "Project", less the property taxes collected on real property by the County in the "Project" for tax year 2015.

**The Defined Area Tax Revenue**

WCID 2 is a conservation and reclamation district created under Article XVI, Section 59 of the Texas Constitution by Chapter 312, Acts of the 57th Legislature, Regular Session, 1961. The 84th Texas Legislature enacted House Bill 4174 (together with Chapter 312, Acts of the 57th Legislature, Regular Session, 1961, the "WCID 2 Enabling Act"), which created a defined area within WCID 2 consisting of approximately 192 acres (the "Defined Area"). The Defined Area was created for the purpose of financing water, sewer, and drainage facilities, road facilities, and recreational facilities that primarily benefit the Defined Area and do not generally benefit WCID 2 as a whole.

At an election held within WCID 2, voters (i) approved the Defined Area Financing Agreement and authorized WCID 2 to levy, assess, and collect unlimited ad valorem taxes on all taxable property within the Defined Area sufficient to make timely payment of all obligations to the Authority under the Defined Area Financing Agreement (the "Defined Area Tax") and (ii) authorized WCID 2 to levy and collect an operations and maintenance tax, not to exceed \$1.50 per \$100 assessed value, on all taxable property within the Defined Area. The Defined Area Tax is in addition to, and exclusive of, WCID 2's ad valorem debt service tax levied on all taxable property within WCID 2 (including the Defined Area). The Defined Area Tax may be levied for the purpose of financing public improvements consisting of certain water, sewer, and drainage facilities, road facilities, and recreational facilities to serve the Defined Area (the "Public Improvements"). WCID 2 has entered into an interlocal agreement with the County for the collection of the Defined Area Tax and remittance of same to the Authority.

**The Defined Area Financing Agreement between the Authority and WCID 2**

Under the Defined Area Financing Agreement, WCID 2 is required to remit to the Authority annually an amount equal to the property taxes actually collected and received by WCID 2 from the Defined Area Tax (the "Defined Area Tax Revenue" or the "Contract Payment"). The Defined Area Tax collection and the payment of the Defined Area Tax Revenue to the Authority will continue until such agreement terminates on December 31, 2043, unless otherwise terminated in accordance with the terms of the Defined Area Financing Agreement. The contract payment to the Authority is absolute and unconditional until such time as the Defined Area Financing Agreement has been terminated.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 1. CREATION AND NATURE OF ACTIVITIES (Continued)**

**The Defined Area Financing Agreement between the Authority and WCID 2 (Continued)**

Pursuant to the Defined Area Financing Agreement, the Defined Area Tax is \$0.515 per \$100 of assessed valuation, which rate may be adjusted higher for the purposes set forth therein, including to prevent a default on the payment of bonds. The Defined Area Tax rate may not be decrease below \$0.515 per \$100 of assessed valuation unless a specific lower rate is approved by the Authority.

The Authority will deposit the contract payment into the Defined Area Revenue Fund, which must be accounted for independently from other funds of the Authority. The contract payment and the Defined Area Revenue Fund may only be used to fund certain eligible costs of the Public Improvements to serve the Defined Area (the “Public Improvement Costs”). Certain public improvements constructed by the Authority are not eligible to be financed by the Defined Area Tax and the Authority agrees that it will not pledge or apply WCID 2’s Defined Area Tax Revenue contract payment for any such purpose. The estimated preliminary cost of the Public Improvement Costs, payable from WCID 2’s payment and the Defined Area Revenue Fund, is \$31,289,281, exclusive of debt service, cost of issuance, and interest.

The Authority may issue bonds, secured by WCID 2’s annual payment of the Defined Area Revenue Fund, and may pledge and assign all or part of the annual payment and the Defined Area Revenue Fund, pursuant to a developer financing agreement between Stafford 59 and Airport LP, successor to 3 MEBS Property Company, LLC (the “Developer”) and the Authority.

Public Improvements to serve the Defined Area include public water and sanitary sewer improvements constructed by the Developer and generally accepted for ownership by WCID 2. WCID 2 will not accept any internal private water and sewer improvements (as determined by WCID 2). The Developer will convey the Public Improvements to WCID 2 and may be reimbursed by WCID 2 from the proceeds of a future development.

**Dependence on Principal Taxpayers and the Developer**

Properties whose taxable values total approximately \$281,258,329 or 79.86% of the 2023 Certified Taxable Assessed Valuation of the Defined Area are owned by ten taxpayers. The Developer represents \$41,194,253 or 11.70% of the 2023 Certified Taxable Assessed Valuation of the Defined Area. The ability of any principal taxpayer to make full and timely payments of taxes levied against its property by WCID 2 will directly affect WCID 2’s ability to make Contract Payments to the Authority and hence for the Authority to meet its debt service obligations. If, for any reason, any one or more principal taxpayers do not pay taxes due or do not pay in a timely manner, WCID 2 may need to levy additional taxes for purposes of making Defined Area Tax payments. The Authority has not covenanted in any bond resolution, nor is it



**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 1. CREATION AND NATURE OF ACTIVITIES (Continued)**

**Dependence on Principal Taxpayers and the Developer (Continued)**

required by Texas law, to maintain any particular balance in its Debt Service Funds or any other funds to allow for any such delinquencies. Therefore, failure by one or more principal taxpayers to pay their taxes on a timely basis could have a material adverse effect upon the Authority's ability to pay debt service on the Bonds on a current basis.

The Developer has informed the Board that its current plan is to develop its remaining undeveloped land. However, neither the Developer nor any future developer is obligated to implement development plans on any particular schedule or at all. Thus, the furnishing of information related to any proposed development should not be interpreted as such a commitment. The Authority makes no representation about the probability of development continuing in a timely manner or about the ability of the Developer or any other landowner within the Defined Area to implement any plan of development. Furthermore, there is no restriction on any landowner's right to sell land. The Authority can make no prediction as to the effects that current or future economic or governmental circumstances may have on any plans of the Developer or any other landowner.

**Dependence on Personal Property Tax Collections**

Because a majority of the Defined Area's 2023 tax base is comprised of commercial and distribution/warehouse/office facilities, approximately \$48,446,353 or 13.80% of the 2023 Certified Taxable Assessed Valuation of the Defined Area is personal property.

Unlike real property, there is no certainty that personal property will remain in the Defined Area from year to year. Business inventories are portable and could be removed from the Defined Area at any time. Personal property removed from the Defined Area as of January 1 of any year is not subject to taxation by WCID 2 for that year.

If personal property is subject to a lien for unpaid Defined Area Taxes for any year, WCID 2's lien is lost if the property is sold in the ordinary course of business. A lien in the amount of the personal property taxes owed by a taxpayer attaches not only to personal property owned by the taxpayer as of January 1 with a tax situs in WCID 2, but to any personal property then or thereafter owned by the taxpayer. However, WCID 2 may not be able to foreclose on personal property located outside the State of Texas and locating and foreclosing on property held outside WCID 2 may be costly, inefficient and difficult.

The statute of limitations for collection of personal property taxes is four years from the date of delinquency, which is shorter than the 20-year statute of limitations for real property. Personal property may not be seized, and a suit may not be filed to collect delinquent personal property taxes if the tax has been delinquent for more than four years.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 1. CREATION AND NATURE OF ACTIVITIES (Continued)**

**Utility Agreement with WCID 2**

Pursuant to its agreement with WCID 2 (the “Utility Agreement”), the Developer is responsible for acquiring and constructing the water distribution, wastewater collection, and drainage facilities and park and recreation facilities to serve development occurring within the Defined Area (the “Defined Area Facilities”), and WCID 2 agrees to provide water supply services and wastewater treatment services to the Authority in consideration of the Authority's financing, acquisition, and construction of the Defined Area Facilities. Under the terms of the Utility Agreement, the Authority is deemed to be the alter ego of WCID 2, and as such, the Authority agrees to act as the alter ego of WCID 2 for purposes of financing, constructing, and acquiring the Facilities, and WCID 2 agrees to perform the duties and functions necessary to provide services to the landowners and customers of the Authority.

*The Defined Area Facilities:* The Utility Agreement provides that the Facilities will be designed and constructed in accordance with WCID 2's requirements and criteria. WCID 2 agrees to provide the Authority with its ultimate requirements for water supply capacity and major offsite water distribution lines to the water source and wastewater treatment capacity and major offsite wastewater trunk collection line capacity to the wastewater treatment plant.

*Authority to Issue Bonds:* The Authority has the authority to issue, sell, and deliver bonds as permitted by law. Bonds issued by the Authority are obligations solely of the Authority and shall not be construed to be obligations or indebtedness of WCID 2.

*Ownership, Operation, and Maintenance of the Facilities:* Upon completion of construction of the Defined Area Facilities, the Authority agrees to convey the Defined Area Facilities (other than park and recreation facilities and storm water detention ponds and related appurtenances as discussed below) to WCID 2, reserving for itself a security interest in the Defined Area Facilities for the purpose of securing the performance of WCID 2 under the Utility Agreement. Pursuant to the terms of the Utility Agreement, storm water detention ponds and related appurtenances are to be operated and maintained by the Authority or the property owners' association(s) within the Authority, although the Authority retains title to same. When all bonds issued by the Authority to acquire and construct the Defined Area Facilities have been issued and subsequently paid or redeemed and discharged in full, the Authority agrees to execute a release of the security interest retained by the Authority, and WCID 2 shall own the Defined Area Facilities without encumbrance. As each phase of the Defined Area Facilities is completed, WCID 2 agrees to inspect the same, and upon approval, to accept the Defined Area Facilities for operation and maintenance. The Defined Area Facilities (other than park and recreation facilities and storm water detention ponds and related appurtenances) will be operated and maintained by WCID 2 at its sole cost and expense. If WCID 2 determines that the Defined Area Facilities or any portion thereof have not been constructed in accordance with approved plans and specifications, prior to accepting such Defined Area Facilities, WCID 2 agrees to notify the Authority, and the Authority shall immediately correct any deficiency noted by WCID 2.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying 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 Governmental Accounting Standards Board 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 does meet criteria for inclusion as a component of the County.

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 external constraints placed on the use of assets 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.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

Governmental Funds

The Authority has five 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, operating costs and general expenditures.

Defined Area Revenue Fund - The fund is used to account for transactions and activities relating to Defined Area Financing Agreement.

Debt Service Fund - The fund is used primarily to account for the payment of interest and principal on the Authority's Contract Revenue Road Bonds.

Capital Projects Fund - The fund is used to account for the proceeds from Contract Revenue Road Bonds.

381 Revenue Fund - The fund is used to account for the revenues and expenditures related to the Chapter 381 Agreement.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

Property taxes considered available by the Authority and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the Authority does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

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

Capital Assets

Capital assets retained by the Authority for ownership and maintenance are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

In accordance with a Utility Agreement with WCID 2, all water and wastewater facilities are conveyed to the WCID 2 once constructed and placed in service. The City accepts ownership and maintenance responsibility for roadways within the Authority. The Authority will own and maintain the drainage facilities or park and recreational facilities of the Defined Area.



**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 2.      SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budgeting

An annual unappropriated budget is adopted for the General Fund by the Authority's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The Authority has not established a pension plan as the Authority does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are wages subject to federal income tax withholding for payroll purposes only.

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 presented 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, liabilities, and deferred inflows and outflows of resources associated with the activities are reported. 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 Governmental Funds 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.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**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 ordinances or resolutions approved by the Board. The Authority does not have any committed fund balances.

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

*Unassigned:* all other spendable amounts in the General Fund.

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

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.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

Deposits (Continued)

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. As of September 30, 2024, the carrying amount of the Authority's deposits was \$27,054 and the bank balance was \$34,681. The Authority was not exposed to custodial credit risk at year-end.

Investments

Under Texas law, 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. The 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.

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.

All investments are recorded at cost, which the Authority considers to be fair value. The Authority invests in TexPool, an external investment pool that is not SEC-registered. The Texas Comptroller of Public Accounts has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures 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.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 3. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

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

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>DEFINED AREA REVENUE FUND</u>					
TexPool	\$ 827,742	\$ 827,742	\$	\$	\$
<u>DEBT SERVICE FUND</u>					
TexPool	1,092,725	1,092,725			
<u>CAPITAL PROJECTS FUND</u>					
TexPool	772,346	772,346			
<u>381 REVENUE FUND</u>					
TexPool	380,096	380,096			
TOTAL INVESTMENTS	\$ 3,072,909	\$ 3,072,909	\$ - 0 -	\$ - 0 -	\$ - 0 -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2024, the Authority's investments in TexPool were rated "AAAm" by Standard and 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 investments 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.

Restrictions - All cash and investments of the Defined Area Revenue Fund are restricted for the financing or purchase of capital assets with the Defined Area in relation to the Defined Area Financing Agreement. All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets. All cash and investments of the 381 Revenue Fund are restricted for operations and promoting development.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 4. LONG-TERM DEBT**

The Authority is authorized by the Defined Area Financing Agreement to issue bonds for the purpose of paying for Public Improvements to serve the Defined Area, including water, sewer, drainage, park and recreational facilities, and road improvements, and to refund such bonds.

	Road Series 2020	Series 2022	Road Series 2023
Amount Outstanding – September 30, 2024	\$ 4,045,000	\$ 6,505,000	\$ 5,440,000
Interest Rates	2.00%-3.18%	5.00%	4.00%-5.00%
Maturity Dates – Beginning/Ending	September 1, 2025/2043	September 1, 2025/2043	September 1, 2025/2043
Interest Payment Dates	March1/ September 1	March1/ September 1	March 1/ September1
Callable Dates	September 1, 2027*	September 1, 2028*	September 1, 2029*

\* Or any date thereafter, at the option of the Authority, in whole or from time to time in part, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. The Series 2020 Road term bonds maturing September 1, 2036, 2038, 2040 and 2043 are also subject to mandatory redemption beginning September 1, 2035, 2037, 2039 and 2041, respectively. Series 2022 term bonds maturing September 1, 2043, are subject to mandatory redemption beginning September 1, 2033. Series 2023 Road term bonds maturing September 1, 2035, 2037, 2040, and 2043, are subject to mandatory redemption beginning September 1, 2034, 2036, 2038, and 2041, respectively.

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

	October 1, 2023	Additions	Retirements	September 30, 2024
Bonds Payable	\$ 16,480,000	\$	\$ 490,000	\$ 15,990,000
Unamortized Discounts	(53,478)		(1,733)	(51,745)
Unamortized Premiums	74,655		765	73,890
Bonds Payable, Net	<u>\$ 16,501,177</u>	<u>\$ -0-</u>	<u>\$ 489,032</u>	<u>\$ 16,012,145</u>
		Amount Due Within One Year		\$ 550,000
		Amount Due After One Year		<u>15,462,145</u>
		Bonds Payable, Net		<u>\$ 16,012,145</u>



**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 4. LONG-TERM DEBT (Continued)**

As of September 30, 2024, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 550,000	\$ 677,060	\$ 1,227,060
2026	575,000	653,910	1,228,910
2027	600,000	629,660	1,229,660
2028	625,000	604,300	1,229,300
2029	655,000	577,670	1,232,670
2030-2034	3,730,000	2,472,315	6,202,315
2035-2039	4,665,000	1,621,638	6,286,638
2040-2043	4,590,000	512,170	5,102,170
	<u>\$ 15,990,000</u>	<u>\$ 7,748,723</u>	<u>\$ 23,738,723</u>

During the year ended September 30, 2024, the Authority levied a defined area debt service of \$0.515, per \$100 of assessed valuation within the Defined Area, which resulted in a total tax levy of \$1,814,882 on the adjusted taxable valuation of \$368,623,490 for the 2023 tax year.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

**NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

As of year end, the Defined Area Revenue Fund owed the General Fund \$6,398 and the Debt Service Fund owed the General Fund \$750. The General Fund owed the 381 Revenue Fund \$57,602. The Defined Area Revenue Fund owed the Debt Service Fund \$285,770 to meet bond reserve requirements. During the current fiscal year, the 381 Revenue Fund transferred \$306,843 to the General Fund for operating costs and the Defined Area Revenue Fund transferred \$1,881,005 to the Debt Service Fund for debt service reserve obligations.

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 6. CAPITAL ASSETS**

Internal stormwater collection lines have been constructed for drainage system improvements to serve the Defined Area's development. The Defined Area's storm drainage collection system consists of curbs and gutters with inlets and reinforced concrete storm sewers. This system serves the entire drainage area of the Defined Area and conveys flows to several storm water detention basins owned and maintained by the Authority, including a Central Detention Pond (phase I) and the East Detention Pond, both of which drain to the City of Stafford ditch. Assets activity for the current fiscal year is as follows:

	October 1, 2023	Increases	Decreases	September 30, 2024
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 2,637,058	\$ - 0 -	\$ - 0 -	\$ 2,637,058
<b>Capital Assets Subject to Depreciation</b>				
Drainage Facilities and Streets	\$ 14,784,612	\$ - 0 -	\$ - 0 -	\$ 14,784,612
<b>Accumulated Depreciation</b>				
Drainage Facilities and Streets	\$ 1,498,051	\$ 329,447	\$ - 0 -	\$ 1,827,498
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	\$ 13,286,561	\$ (329,447)	\$ - 0 -	\$ 12,957,114
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	\$ 15,923,619	\$ (329,447)	\$ - 0 -	\$ 15,594,172

**NOTE 7. PAID TO DEVELOPER**

Construction of the Authority's capital assets is financed through prefunding agreements with the Authority's developer. The Authority will reimburse its developer through the issuance of bonds or other resources. The Authority recognizes the liability associated with developer construction at such time as developer costs have been submitted for reimbursement and verified. Due to developer activity for the current fiscal year us as follows:

Due to Developers, beginning of year	\$ 2,872,267
Reimbursements	<u>(1,090,793)</u>
Due to Developers, end of year	<u>\$ 1,781,474</u>

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE 8. PROJECT AND FINANCING PLAN**

The Defined Area is being developed as the GRID, a commercial and multi-family residential development (the “Project”) on the site of the former Texas Instruments campus located approximately 15 miles southwest of the central business district of the City of Houston, east of U.S. Highway 59 between Kirkwood Road and West Airport Boulevard. The Project lies wholly within the corporate limits of the City of Stafford, Texas and the boundaries of Stafford Municipal School District. The Authority and WCID 2 approved the Defined Area Financing Agreement, effective as of October 19, 2016 which sets forth the Public Improvements required to serve the Project within the Defined Area. The costs associated with the Public Improvements are expected to be financed through the issuance by the Authority of Contract Revenue Bonds.

**NOTE 9. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, error and omission and natural disasters for which the Authority carries commercial insurance. There have been no significant reductions in coverage and no settlements have exceeded coverage amounts in the past three years.

**NOTE 10. CORRECTION OF AN ERROR**

During the current fiscal year, it was determined that the Authority owns and maintains detention facility and certain street assets. These assets have not been recorded in the Statement of Net Position. In addition, amounts due to the developer were not recorded as a liability in the Statement of Net Position. The effect of this correction is as follows:

Net Position - September 30, 2023	\$ (13,496,455)
Effect of Adjustment	<u>13,051,352</u>
Net Position - September 30, 2023, As Adjusted	<u>\$ (445,103)</u>

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2024**

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>				
Investment Revenues		\$	\$ 56	\$ 56
Miscellaneous Revenues	<u>500</u>	<u>500</u>	<u>10,149</u>	<u>9,649</u>
<b>TOTAL REVENUES</b>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 10,205</u>	<u>\$ 9,705</u>
<b>EXPENDITURES</b>				
Service Operations:				
Professional Fees	\$ 186,200	\$ 186,200	\$ 129,096	\$ 57,104
Contracted Services	14,000	14,000	14,942	(942)
Repairs and Maintenance	16,900	79,150	88,546	(9,396)
Other	<u>30,600</u>	<u>30,600</u>	<u>21,517</u>	<u>9,083</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 247,700</u>	<u>\$ 309,950</u>	<u>\$ 254,101</u>	<u>\$ 55,849</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (247,200)</u>	<u>\$ (309,450)</u>	<u>\$ (243,896)</u>	<u>\$ 65,554</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	<u>\$ 247,200</u>	<u>\$ 309,450</u>	<u>\$ 306,843</u>	<u>\$ (2,607)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 62,947</u>	<u>\$ 62,947</u>
<b>FUND BALANCE-OCTOBER 1, 2023</b>	<u>(95,652)</u>	<u>(95,652)</u>	<u>(95,652)</u>	
<b>FUND BALANCE-SEPTEMBER 30, 2024</b>	<u><u>\$ (95,652)</u></u>	<u><u>\$ (95,652)</u></u>	<u><u>\$ (32,705)</u></u>	<u><u>\$ 62,947</u></u>

See accompanying independent auditor's report.



## EXHIBIT "B"



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### ***Independent Accountant's Report on Applying Agreed-Upon Procedures***

To the Board of Directors of  
East Fort Bend County Development Authority  
Fort Bend County, Texas

We have performed the procedures enumerated below, which were agreed to by you, solely to assist the East Fort Bend County Development Authority (the "Authority") with the request for reimbursements for approved projects and other advances made by Stafford 59 & Airport LP (the "Developer") in the development commonly referred to as the Grid (the "Development") as more fully described in the following agreements (the "Agreements"):

- Agreement between Fort Bend County, Texas and East Fort Bend County Development Authority dated August 25, 2015,
- Defined Area Financing Agreement dated September 28, 2015, and
- Development Financing and Reimbursement Agreement dated September 28, 2015.

The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

1. We obtained a listing of invoices along with copies of invoices and cancelled checks supporting project costs incurred by the Developer and summarized the same in the attached exhibits.
2. We reviewed the invoices to ensure the costs submitted were related to the projects described in the Agreements listed above. The invoices were also reviewed to ensure charges were not duplicated and the period of services did not overlap. Substantiated costs to date for these projects have been included in the attached exhibits.
3. We computed interest due to the Developer in accordance with Agreements listed above and have included interest due to the Developer through July 22, 2024.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the amounts to be paid to the Developer. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors of the East Fort Bend County Development Authority and is not intended to be and should not be used by anyone other than this specified party.

*Whitley Penn LLP*

Houston, Texas  
July 22, 2024

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**SUMMARY OF AMOUNTS TO BE PAID TO**  
**STAFFORD 59 & AIRPORT LP**  
**As of July 22, 2024**

**Exhibit A**

7/22/2024

Net Effective Interest Rate 5.5%

Category	Vendor	Source	Current Reimbursement	Interest	Total
<b>1001.001 - Demolition</b>					
Construction	American Environmental Specialists, Inc.	381	\$ 182,278.54	\$ 20,050.64	\$ 202,329.18
Construction	American Environmental Specialists, Inc.	DAT	45,209.48	4,973.04	50,182.52
			<u>227,488.02</u>	<u>25,023.68</u>	<u>252,511.70</u>
<b>1001.013 - Phase II Duct Bank</b>					
Construction	Burton Construction	381	299,250.09	32,917.51	332,167.60
Construction	Rodriguez Construction Group	381	115,623.30	12,718.56	128,341.86
Engineering	Jones & Carter, Inc.	381	78,523.75	8,637.61	87,161.36
			<u>493,397.14</u>	<u>54,273.69</u>	<u>547,670.82</u>
	Total 381		<u>675,675.68</u>	<u>74,324.33</u>	<u>750,000.00</u>
<b>W. Airport LTL - Spectrum</b>					
Engineering	Jones & Carter, Inc.	DAT	89,639.91	9,860.39	99,500.30
<b>Volt Lane Construction</b>					
Construction	Rodriguez Construction Group	DAT	280,268.00	20,049.18	300,317.18
	Total DAT		<u>415,117.39</u>	<u>34,882.61</u>	<u>450,000.00</u>
	<b>Total Reimbursement</b>		<u>\$ 1,090,793.07</u>	<u>\$ 109,206.93</u>	<u>\$ 1,200,000.00</u>

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**RECAPITULATION OF AMOUNTS TO BE PAID TO**  
**STAFFORD 59 & AIRPORT LP**  
**As of July 22, 2024**

**1001.001 - Demolition**

7/22/2024

Net Effective Interest Rate

5.5%

Category	Vendor	Date Paid	Memo	Amount	Previously Reimbursed	Current Reimbursement	No. of Days (Max of 730)	Interest
Construction	American Environmental Specialists, Inc.	5/25/2016	Invoice 05252016-001	\$ 130,000.00	\$ -	\$ -		\$ -
Construction	American Environmental Specialists, Inc.	5/31/2016	Invoice 05252016-001	20,000.00	-	-		-
Construction	American Environmental Specialists, Inc.	7/8/2016	Wired Payment	30,000.00	-	-		-
Construction	American Environmental Specialists, Inc.	7/1/2016	Wired Payment	40,000.00	-	-		-
Construction	American Environmental Specialists, Inc.	7/15/2016	Invoice 006222016-001	65,000.00	-	-		-
Construction	American Environmental Specialists, Inc.	7/20/2016	Pay Estimate No. 1	376,802.50	-	-		-
Construction	American Environmental Specialists, Inc.	9/2/2016	Pay Estimate No. 2	497,348.10	-	-		-
Construction	American Environmental Specialists, Inc.	10/24/2016	Pay Estimate No. 3	335,273.85	-	-		-
Construction	American Environmental Specialists, Inc.	11/14/2016	Pay Estimate No. 3	100,000.00	-	-		-
Construction	American Environmental Specialists, Inc.	11/16/2016	Pay Estimate No. 3	235,273.85	-	-		-
Construction	American Environmental Specialists, Inc.	12/29/2016	Pay Estimate No. 4	412,741.80	-	-		-
Construction	American Environmental Specialists, Inc.	1/23/2018	Pay Estimate No. 5	113,818.41	-	-		-
Construction	American Environmental Specialists, Inc.	2/7/2018	Sunbelt Rentals	117,673.59	-	-		-
Construction	American Environmental Specialists, Inc.	2/9/2018	Mustang Rentals	32,342.93	-	-		-
Construction	American Environmental Specialists, Inc.	3/29/2018	Pay Estimate No. 8	82,918.53	-	-		-
	Proceeds from salvage			(1,219,182.53)	-	-		-
	September 2020 - 381			-	292,012.00	-		-
	September 2022 - Bonds			-	112,885.22	-		-
	October 2022 - Bonds			-	13,566.38	-		-
	November 2022 - Bonds			-	13,369.19	-		-
	November 2022 -381			-	226,689.34	-		-
	June 2023 - Bonds			-	90,043.05	-		-
	September 2023 - 381			-	225,225.22	-		-
	September 2023 - DAT			-	168,732.61	-		-
				<u>\$ 1,370,011.03</u>	<u>\$ 1,142,523.01</u>	<u>\$ 227,488.02</u>	730	<u>\$ 25,023.68</u>

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**RECAPITULATION OF AMOUNTS TO BE PAID TO**  
**STAFFORD 59 & AIRPORT LP**  
**As of July 22, 2024**

**1001.013 - Phase II Duct Bank**

								7/22/2024
								Net Effective Interest Rate
								5.5%
Category	Vendor	Date Paid	Memo	Amount	Previously Reimbursed	Current Reimbursement	No. of Days (Max of 730)	Interest
Construction	Burton Construction	10/12/2017	Draw 22 / Pay App No. 1	\$ 206,668.80	\$ -	\$ 206,668.80	730	\$ 22,733.57
Construction	Burton Construction	11/30/2017	Draw 23 / Pay App No. 2	355,490.10	-	92,581.29	730	10,183.94
Construction	Burton Construction	12/22/2017	Draw 24 / Pay App No. 3	763,794.84	-	-	730	-
Construction	Burton Construction	3/12/2018	Draw 26 / Pay App No. 6	58,547.13	-	-	730	-
Construction	Burton Construction	5/16/2018	Draw 28 / Pay App No. 8	696,222.89	-	-	730	-
				2,080,723.76	-	299,250.09		32,917.51
Construction	Rodriguez Construction Group	10/10/2017	Draw 22 / Pay App No. 4	70,951.14	-	70,951.14	730	7,804.63
Construction	Rodriguez Construction Group	10/10/2017	Draw 22 / Pay App No. 5	44,672.16	-	44,672.16	730	4,913.94
				115,623.30		115,623.30		12,718.56
Engineering	Jones & Carter, Inc.	8/3/2017	249096	6,913.00	\$ -	\$ 6,913.00	730	760.43
Engineering	Jones & Carter, Inc.	9/18/2017	250396	10,472.00	-	10,472.00	730	1,151.92
Engineering	Jones & Carter, Inc.	10/10/2017	252143	508.25	-	508.25	730	55.91
Engineering	Jones & Carter, Inc.	11/28/2017	253957	11,801.25	-	11,801.25	730	1,298.14
Engineering	Jones & Carter, Inc.	12/27/2017	255312	3,411.75	-	3,411.75	730	375.29
Engineering	Jones & Carter, Inc.	2/9/2018	256365	8,692.00	-	8,692.00	730	956.12
Engineering	Jones & Carter, Inc.	3/26/2018	258036	18,081.50	-	18,081.50	730	1,988.97
Engineering	Jones & Carter, Inc.	3/26/2018	259517	3,601.25	-	3,601.25	730	396.14
Engineering	Jones & Carter, Inc.	4/24/2018	260550	3,920.75	-	3,920.75	730	431.28
Engineering	Jones & Carter, Inc.	4/24/2018	262453	1,666.50	-	1,666.50	730	183.32
Engineering	Jones & Carter, Inc.	6/28/2018	264136	2,736.25	-	2,736.25	730	300.99
Engineering	Jones & Carter, Inc.	7/31/2018	265636	1,533.75	-	1,533.75	730	168.71
Engineering	Jones & Carter, Inc.	7/31/2018	267204	1,825.50	-	1,825.50	730	200.81
Engineering	Jones & Carter, Inc.	9/25/2018	268439	653.75	-	653.75	730	71.91
Engineering	Jones & Carter, Inc.	11/27/2018	272198	952.50	-	952.50	730	104.78
Engineering	Jones & Carter, Inc.	12/20/2018	273358	418.75	-	418.75	730	46.06
Engineering	Jones & Carter, Inc.	1/15/2019	275465	230.00	-	230.00	730	25.30
Engineering	Jones & Carter, Inc.	3/5/2019	277765	805.00	-	805.00	730	88.55
Engineering	Jones & Carter, Inc.	4/8/2019	279329	300.00	-	300.00	730	33.00
				78,523.75	-	78,523.75		8,637.61
				<u>\$ 2,274,870.81</u>	<u>\$ -</u>	<u>\$ 493,397.14</u>		<u>\$ 54,273.69</u>

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**RECAPITULATION OF AMOUNTS TO BE PAID TO**  
**STAFFORD 59 & AIRPORT LP**  
**As of July 22, 2024**

**W. Airport LTL - Spectrum**

7/22/2024

Net Effective Interest Rate 5.5%

<u>Category</u>	<u>Vendor</u>	<u>Date Paid</u>	<u>Memo</u>	<u>Amount</u>	<u>Previously Reimbursed</u>	<u>Current Reimbursement</u>	<u>No. of Days (Max of 730)</u>	<u>Interest</u>
Engineering	Jones & Carter, Inc.	7/3/2017	242180	\$ 25,130.04	\$ -	\$ 25,130.04	730	\$ 2,764.30
Engineering	Jones & Carter, Inc.	4/10/2017	244100	27,565.00	-	27,565.00	730	3,032.15
Engineering	Jones & Carter, Inc.	7/3/2017	244777	8,982.98	-	8,982.98	730	988.13
Engineering	Jones & Carter, Inc.	7/3/2017	248305	3,089.64	-	3,089.64	730	339.86
Engineering	Jones & Carter, Inc.	8/3/2017	249092	8,900.00	-	8,900.00	730	979.00
Engineering	Jones & Carter, Inc.	10/10/2017	252142	8,900.00	-	8,900.00	730	979.00
Engineering	Jones & Carter, Inc.	11/28/2017	253637	4,450.00	-	4,450.00	730	489.50
Engineering	Jones & Carter, Inc.	6/28/2018	263554	1,300.00	-	1,300.00	730	143.00
Engineering	Jones & Carter, Inc.	12/20/2018	273357	1,322.25	-	1,322.25	730	145.45
				<u>\$ 89,639.91</u>	<u>\$ -</u>	<u>\$ 89,639.91</u>		<u>\$ 9,860.39</u>

**EAST FORT BEND COUNTY DEVELOPMENT AUTHORITY**  
**RECAPITULATION OF AMOUNTS TO BE PAID TO**  
**STAFFORD 59 & AIRPORT LP**  
**As of July 22, 2024**

**Volt Lane Construction**

7/22/2024

Net Effective Interest Rate 5.5%

<u>Category</u>	<u>Vendor</u>	<u>Date Paid</u>	<u>Memo</u>	<u>Amount</u>	<u>Previously Reimbursed</u>	<u>Current Reimbursement</u>	<u>No. of Days (Max of 730)</u>	<u>Interest</u>
Construction	Rodriguez Construction Group	3/29/2023	Pay App. No. 1	\$ 219,435.10	\$ -	\$ 219,435.10	481	\$ 15,904.54
Construction	Rodriguez Construction Group	3/29/2023	Pay App. No. 2	30,569.42	-	30,569.42	481	2,215.65
Construction	Rodriguez Construction Group	5/26/2023	Pay App. No. 3	30,263.48	-	30,263.48	423	1,928.99
				<u>\$ 280,268.00</u>	<u>\$ -</u>	<u>\$ 280,268.00</u>		<u>\$ 20,049.18</u>