

**BROOKS DEVELOPMENT AUTHORITY
BALANCE SHEET
AS OF FEBRUARY 28, 2017
(Unaudited)**

ASSETS

Current Assets	
Unrestricted Cash	2,653,870
Restricted Cash	38,644,751
Total Cash	<u>41,298,621</u>
Accounts Receivable	1,750,368
Note Rec. - Mezzanine Loan Kennedy Apartments	11,807,388
Note Rec. - Vantage Land Sale	1,790,316
Derivative Instrument-Deferred	2,520,770
Prepayments	188,448
Parts and Supplies Inventories	13,464
Total Current Assets	<u>59,369,377</u>
Land, Property, and Equipment	
Land	4,551,726
Depreciable Property & Equipment	130,525,903
Less: Accumulated Depreciation	(52,003,208)
Total Land, Property, and Equipment	<u>83,074,422</u>
Construction In Progress	<u>45,023,698</u>
TOTAL ASSETS	<u><u>187,467,495</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	3,176,101
Accrued Expenses	8,437,600
JP Morgan Chase-DPT Loan	10,116,444
SECO Note I, II & III	4,338,888
Tenant's Security Deposits	160,833
INB Loan - Aviator Apartments	20,223,759
Preston Hollow Loan - Hotel	9,450,000
Bonds Payable Series 2015	54,900,000
Bonds Payable Series 2016	7,500,000
Lease Payable Frost Bank- Maintenance Vehicles	41,640
Lease Payable Frost Bank- Landscaping Equipment	77,872
IBC Loan - Embassy Suites	15,396,632
Other Deferred Revenue	1,790,316
Deferred Rents	50,000
Derivative Instrument	2,520,770
Total Liabilities	<u>138,180,855</u>

Net Assets

Invested in Capital Assets Net of Related Debt	38,632,907
Unrestricted	10,653,733
Total Net Assets	<u>49,286,640</u>

TOTAL LIABILITIES AND NET ASSETS **\$ 187,467,495**

BROOKS DEVELOPMENT AUTHORITY
FY 2017 Operating Budget Report Summary
For Five Months Ending February 28, 2017

	FY 2017 Budget	February Budget	February Actual	February Variance	YTD Budget	YTD Actual	YTD Variance	Actual to Adopted Budget
Sources of Funds								
Commercial Rents	\$ 4,245,278	\$ 353,773	\$ 263,524	\$ (90,249)	\$1,768,865.83	\$ 1,600,078	\$ (168,788)	
Operations: Project Revenue	397,974	-	-	-	-	-	-	
CAM & Reimbursable	877,417	73,118	73,301	183	\$ 365,590.42	372,675	7,085	
New Development CAM Fees Projected	39,013	3,251	-	(3,251)	\$ 16,255.42	-	(16,255)	
Residential Rents	1,331,226	110,936	138,483	27,548	\$ 554,677.50	555,046	369	
Bond Allocation	477,623	39,802	39,802	0	\$ 199,009.58	199,010	0	
Grants	220,000	-	-	-	-	-	-	
Interest Income	17,000	1,417	1,522	105	\$ 7,083.33	12,510	5,427	
Development Fees	615,941	-	-	-	-	-	-	
Miscellaneous Income	-	-	222	222	-	57,129	57,129	
Sales Proceeds Reimbursement	233,805	-	-	-	\$ 97,418.75	28,400	(69,019)	
EB-5 Regional Center	145,000	-	-	-	-	-	-	
Total Sources of Funds	8,600,277	582,296	516,854	(65,442)	3,008,901	2,824,848	(184,053)	33%
Uses of Funds								
Administration and Support	6,231,008	519,251	504,523	14,728	\$2,596,253.33	2,309,734	286,520	
Custodial and Grounds	123,487	10,291	12,086	(1,795)	\$ 51,452.92	69,544	(18,091)	
Environmental Services	1,000	83	219	(136)	\$ 416.67	319	98	
Security Services	412,887	34,407	33,690	717	\$ 172,036.25	200,236	(28,200)	
Repairs and Maintenance	348,151	29,013	14,755	14,258	\$ 145,062.92	148,240	(3,177)	
Utilities	515,563	42,964	46,492	(3,528)	\$ 214,817.92	210,450	4,368	
Insurance	224,874	18,740	7,649	11,091	\$ 93,697.50	89,113	4,585	
Contingency	148,000	12,333	-	12,333	\$ 61,666.67	3,075	58,592	
Total Uses of Funds	8,004,970	667,081	619,413	47,667	3,335,404	3,030,710	304,694	38%
Net Income (Loss) from Operators	595,307	(84,784)	(102,559)	(56,933)	(261,203)	(205,862)	55,340	
Non Operating Revenues								
Transfer In: DPT Debt Service	1,386,564	115,547	115,544	3	\$ 577,735.00	577,720	(15)	
Transfer In: Capital Projects Allocation	370,223	30,852	30,852	(0)	\$ 154,259.58	154,260	0	
Transfer In: Real Estate Services	297,500	-	-	-	-	-	-	
Tenants Utility Reimbursement	256,958	21,413	19,506	1,908	\$ 107,065.83	111,359	4,293	
Total Non Operating Revenue	2,311,245	167,812	165,902	(26,768)	839,060	843,339	(119,680)	36%
Non Operating Expenditures								
DPT Debt Service Payment	1,386,564	115,547	116,882	(1,335)	\$ 577,735.00	577,757	(22)	
SECO Debt Service Payment	863,954	215,988.50	215,988	1	\$ 431,977.00	431,976	1	
Tenants Utility Expenditures	256,958	21,413	19,506	1,907	\$ 107,065.83	117,593	(10,527)	
Transfer Out: Bond Debt Service Reserve	397,974	33,165	-	33,165	\$ -	-	-	
Total Non Operating Expenditures	2,905,450	242,121	352,376	104,865	1,116,778	1,127,325	(10,548)	39%
Total Non Operating Revenues & Expenditures	(594,205)	(49,517)	(186,474)	78,097	(153,759)	(283,986)	(130,227)	
Net Income (Loss) after Operations & Debt Service	\$ 1,102	\$ (134,302)	\$ (289,034)	\$ 21,164	\$ (414,962)	\$ (489,849)	\$ (74,887)	

**BROOKS DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
FOR FOUR MONTHS ENDED FEBRUARY, 2017
(Unaudited)**

	<u>FY 2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Tenants and Others	\$ 3,743,305
Payments to employees	(1,033,587)
Payments to suppliers for goods and services	(3,037,568)
Net Cash (Used for) Provided by Operating Activities	<u>(327,850)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of assets	(20,061,518)
Proceeds Sale of Land	601,600
Payments on Loans	(656,657)
Proceeds from INB Loan	1,346,847
Proceeds from IBC Loan	8,784,935
Interest Received	37,277
Interest Payments	(340,445)
Net Cash (Used for) Provided by Capital and Related Financing Activities	<u>(10,287,961)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Contributions from Local and Federal Governments	1,170,399
Net Cash (Used for) Provided by Non-Capital Financing Activities	<u>1,170,399</u>
NET (DECREASE) INCREASE IN CASH	(9,445,412)
CASH AND CASH EQUIVALENTS BALANCE AT BEGINNING OF PERIOD	<u>50,744,033</u>
CASH AND CASH EQUIVALENTS BALANCE AT THE END OF THE PERIOD	<u>\$ 41,298,621</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Income From Operations	<u>(2,586,891)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,241,054
Decrease in Allowance for Doubtful accounts	1,268
Changes in assets and liabilities:	
(Increase)/Decrease in Tenants Receivable	295,434
Decrease in Other Receivables	(18,153)
(Increase)/Decrease in Pre-Payments	(72,154)
(Decrease) in Accounts Payable	(154,318)
(Decrease)/Increase in Accrued Expenses	(34,090)
Net Cash (Used for) Provided by Operating Activities	<u>\$ (327,850)</u>

Brooks Development Authority

Capital Budget Report

As of February 28, 2017

		FY 2017		
		Budget	Actuals	Variance
Source of Funds:				
Bond Funding				
	Bond - Infrastructure	14,678,160	720,382	13,957,779
COSA Funding				
	COSA-Linear Park	616,051	1,081,892	(465,841)
	COSA 2017 Bonds - Research Plaza	1,546,417	341	1,546,076
	COSA 2017 Bonds - S New Braunfels to Lyster/Lyster to B.A.S.E.	8,046,667	-	8,046,667
	COSA 2017 Bonds - Inner Circle	1,313,700	-	1,313,700
	COSA Capital Funding - S New Braunfels/ Lyster to 410	5,200,000	-	5,200,000
	COSA (MS)-Aeromedical and North Campus Drainage	679,461	395,430	284,031
	COSA - Animal Care Services	710,974	478,017	232,957
	BDA Hanger 9	1,500,000	935,128	564,872
	TIRZ	850,000	-	850,000
	COSA - Cert. of Oblig. Kennedy Hill	-	75,609	(75,609)
Grant Funding				
	EDA Grant Reimbursement	536,428	230,433	305,995
	BDA Grant Match	391,145	168,240	222,905
Loans				
	Aviator Construction Loan	676,474	459,179	217,295
	Embassy Suites Hotel Construction Loan	19,036,507	12,167,150	6,869,357
	Kennedy Apartments	23,783,000	11,218,507	12,564,493
	Kennedy Apartments Mezzanine Loan	1,372,292	-	1,372,292
	Office Building Loan	5,639,154	-	5,639,154
	Senior Living	4,111,183	215	4,110,968
	Senior Living Mezzanine Loan	5,218,841	-	5,218,841
Brooks Funding				
	Other Equity	8,084,605	-	8,084,605
	BDA Land Contribution	8,759,585	-	8,759,585
	Land Sale	-	703,295	(703,295)
	BDA Capital Contribution	7,330,392	\$ 1,410,662.39	5,919,730
	BDA Repair & Replacement Fund	50,000	-	50,000
	Source of Funds Total	\$ 120,131,036	\$ 30,044,479	\$ 90,086,556
Use of Funds:				
Infrastructure Projects				
	Presa Drainage	525,000	-	525,000
	Hotel Drainage	562,699	303,502	259,197
	S. New Braunfels to Lyster/ Lyster to B.A.S.E. Academy	8,790,667	231,422	8,559,245
	S. New Braunfels /Lyster to 410-840	5,200,000	454.32	5,199,546
	S. New Braunfels /Lyster to 410	-	0	#VALUE!
	Inner Circle/840	1,686,300	11,333	1,674,967
	Inner Circle/800	-	14,124	#VALUE!
	Linear Park	6,794,471	1,081,892	5,712,579
	Linear Park Linkage to Mission Reach/840	134,815	66,581	68,235
	Linear Park Linkage to Mission Reach/800	-	32,846	#VALUE!
	Animal Care Services Clinic/840	747,192	19,936	727,256
	Animal Care Services Clinic/857	-	478,017	#VALUE!
	Aeromedical Street	4,650,461	91,929	4,558,532
	Louis Bauer/800	-	35,961	(35,961)

Brooks Development Authority

Capital Budget Report

As of February 28, 2017

		FY 2017 <u>Budget</u>	<u>Actuals</u>	<u>Variance</u>
	Louis Bauer/840		303	(303)
	Hangar 9/840	1,632,448	340,277	1,292,171
	Hangar 9 /800		947,540	#VALUE!
	Hangar 9 Venue FF & E	71,280		71,280
	Town Center	100,000	50,077	49,923
	Parcel C Design	30,000	-	30,000
	Northwest Corner Drainage	620,558	-	620,558
	Research Plaza	2,267,917	341	2,267,576
	Transfer out to Operating Budget- Project Management	477,623	-	477,623
	David Erwin/Kennedy Hill Drive	-	75,609	(75,609)
	Infrastructure Projects Total	\$ 34,291,431	\$ 3,782,141	#VALUE!
Vertical Projects				
	Embassy Suites Hotel	19,036,507	12,167,150	6,869,357
	The Kennedy/Landings II	25,155,292	11,218,507	13,936,785
	Aviator Apartments	676,474	459,179	217,295
	Office Building	13,180,883	368,430	12,812,453
	Senior Living	14,065,550	215	14,065,335
	Granados Commons		151	(151)
	Single Family Housing Phase I	4,566,935		4,566,935
	Vertical Projects Total	\$ 76,681,641	\$ 24,213,632	\$ 52,468,009
Land Sale Costs				
	Land Sale Costs	-	-	-
	Land Sale Costs Total	\$ -	\$ -	\$ -
Tenant/Campus Improvements				
	Community Bible Church	1,400,000	501	1,399,499
	EDA Demolition	536,428	230,433	305,995
	Demolition/800	479,145	88,160	390,985
	Demolition	479,145	168,240	310,906
	Carenet & Spine and Pain bldg 570 - HVAC Piping	375,000	356,166	18,834
	Embassy Suites Spa (Salt Cave)	500,000	152,827	347,173
	Hanger 9 FF&E	113,152	-	113,152
	Holding Kitchen Bldg 662- Hanger 9 Venue Prep	327,250	-	327,250
	Aviator	250,000	-	250,000
	Admin. Office Bldg 502 Public Restrooms, Patio & Walkway	300,000	133947	166,053
	Parcel A1 Infrastructure	785,489		785,489
	Single Family Housing Offsite 12' sewer main	340,142	-	340,142
	Bldg 125 - Metro Health	25,000		25,000
	Campus Street Signs	45,000	-	45,000
	Campus Signage / Monument at Entrance	450,000	-	450,000
	Campus Street Lighting	25,000	-	25,000
	Elevators	10,000	8,611	1,389
	Chillers	25,000	-	25,000
	Boilers	25,000	-	25,000
	Roof Replacements	350,000	-	350,000
	HVAC Series 800 Buildings	70,000	-	70,000
	Sidewalk Repairs/Replacements	50,000	-	50,000
	Building Signage	30,000	-	30,000

Brooks Development Authority

Capital Budget Report

As of February 28, 2017

FY 2017				
		Budget	Actuals	Variance
	Pond Pumps	25,000	-	25,000
	Vacant Building Clean-up	300,000	5,540	294,460
	Trees/ Irrigation	100,000	8,061	91,939
	Tenant/Campus Improvements Total	\$ 7,415,751	\$ 1,152,485	\$ 6,263,266
Other				
	Capital Legal Fees	80,635	15,346	65,289
	Predevelopment-Multiple Projects	225,000	124,377	100,623
	Predevelopment-Multiple Projects/800	225,000	6,958	218,042
	Brokers Commissions	350,000	-	350,000
	Brooks Foundation Consultant	48,000	4,250	48,000
	Real Estate Services	297,500		297,500
	Road Repairs	350,000	-	350,000
	Contingency	500,000	41,995	500,000
	Transfer Out to Operating Budget - Capital Projects Management	370,223		370,223
	Other Total	\$ 2,446,358	\$ 192,926	\$ 2,299,677
	Use of Funds Total	\$ 120,835,181	\$ 29,341,184	#VALUE!
		(704,146)		#VALUE!
			\$ 703,295	

Brooks Development Authority
Summary of Investment Account Balances, Deposits, Withdrawals & Interest
As of February 28, 2017
(Unaudited)

	Balance at 9/30/2016 ⁽¹⁾⁽³⁾	Deposits	Withdrawals	Interest	Balance at 2/28/2017 ⁽¹⁾⁽³⁾
Invesco Aim Short-Term Investments					
Government and Agency Portfolio – Cash Management Class ⁽²⁾	10,486,481.46	\$ 392,534.58	\$ (4,870,000.00)	\$ 8,141.04	\$ 6,017,157.08
Treasury Portfolio – Private Class ⁽²⁾	344,087.41	0.00	0.00	146.22	344,233.63
Lone Star National Bank CD ⁽²⁾	1,025,948.19	0.00	0.00	646.49	1,026,594.68
Lone Star National Bank CD ⁽²⁾	3,114,733.99	0.00	0.00	1,962.71	3,116,696.70
Inter National Bank ⁽⁴⁾	302,313.04	1,346,847.06	(1,646,628.10)	0.00	2,532.00
International Bank of Commerce ⁽⁶⁾	163.75	8,785,194.81	(8,785,172.25)	0.00	186.31
UMB Corporate Trust Services ⁽⁷⁾	33,355,111.95	446,256.93	(3,784,223.67)	34,445.61	30,051,590.82
Frost Bank Net Capital Proceeds Fund ⁽⁸⁾	0.00	3,858,257.26	(3,858,257.26)	0.00	0.00
Comerica Bank ⁽⁹⁾	1,621,936.17	0.00	(1,593,104.86)	31.63	28,862.94
Frost Bank Accounts	827,150.99	11,330,134.14	(10,784,447.44)	0.00	1,372,837.69
Total	<u>\$ 51,077,926.95</u>	<u>\$ 26,159,224.78</u>	<u>\$ (35,321,833.58)</u>	<u>\$ 45,373.70</u>	<u>\$ 41,960,691.85</u>

- (1) Balances represent cash in bank for date specified, and do not include in-transit or uncleared amounts.
(2) Brooks Development Authority funds are invested in the Invesco Aim Short-Term Investments Trust Government and Agency Portfolio-Resource Class, Aim Treasury Portfolio-Private Class, and Lone Star National Bank Savings Account. All investments comply with the Texas Public Funds Investment Act. The Lone Star Savings Account is collateralized.
(3) Frost Bank Accounts exclude outstanding checks.
(4) Brevet Capital Construction Account created with Inter National Bank Account which represents cash from loan proceeds for Aviator Construction Project.
(5) Brevet Capital Account created with East West Bank Account which represents cash from loan proceeds for Hotel Construction Project.
(6) International Bank of Commerce Account represents BDA Equity contribution and loan proceeds for Hotel Construction Project.
(7) UMB Corporate Trust Services represent BDA Senior Lien Revenue Bonds Tax Exempt Series 2015A-1 & Series 2015B-1, Taxable Series 2015B-2 and Debt Service Accounts
(8) Net Capital Proceeds Fund represents the land sale proceeds.
(9) Comerica Bank Account represent BDA Funds for Mezzanine loan for Brooks Apartments Landings II.

Cash Balances	30-Sep-16	28-Feb-17
Government & Agency Portfolio – Cash Management	\$ 10,486,481.46	\$ 6,017,157.08
Treasury Portfolio – Private Class	344,087.41	344,233.63
Lone Star National Bank CD	4,140,682.18	4,143,291.38
Inter National Bank	302,313.04	2,532.00
International Bank of Commerce	163.75	186.31
Frost Bank Operating Account	827,150.99 *	1,372,837.69 *
JP Morgan Construction Debt Service Account	63,194.60	123,204.72
Frost Commercial Lease Deposits	186,142.71	186,276.52
UMB Corporate Trust Services	33,355,111.95	30,051,590.82
Frost Bank Net Capital Proceeds Fund	0.00	0.00
Comerica Bank	1,621,936.17	28,862.94
Total	<u>\$ 51,327,264.26</u>	<u>\$ 42,270,173.09</u>
Unrestricted Funds Allocation:		
Operating Account	827,150.99	1,372,837.69
JP Morgan Construction Debt Service Account	63,194.60	123,204.72
Frost Commercial Lease Deposits	186,142.71	186,276.52
Brooks Capital Reserve	4,065,235.05	2,287,861.01
Capital Reimbursements		(863,446.56)
Brooks Building Self Insurance Fund	839,085.00	839,085.00
Unrestricted Operating Funds	<u>\$ 5,980,808.35</u>	<u>\$ 3,945,818.38</u>
Restricted Funds Allocation:		
Brooks Shortfall Reserve	2,662,900.32	2,662,900.32
Brooks Restricted Operating Reserve	4,003,078.00	4,003,078.00
Brooks Restricted EDA Grant Reserve	673,587.00	512,943.91
Brooks Repair & Replacement Fund	709,363.00	709,363.00
Brooks Hanger 9 Fund	1,500,000.00	280,104.71
Inter National Bank (Aviator)	302,313.04	2,532.00
International Bank of Commerce (Hotel)	163.75	186.31
Debt Service Reserve	518,002.68	-
General Service Reserve		54,790.02
UMB Corporate Trust Services (Bonds)	33,355,111.95	30,051,590.82
Frost Bank Net Capital Proceeds Fund	0.00	-
Comerica Bank (The Kennedy)	1,621,936.17	28,862.94
Restricted Operating Funds	<u>\$ 45,346,455.91</u>	<u>\$ 38,306,352.03</u>
Grand Total	<u>\$ 51,327,264.26</u>	<u>\$ 42,252,170.41</u>

* Excludes outstanding checks.

LIQUIDITY	
Operating Account	1,372,837.69
JP Morgan Construction Debt Service Account	123,204.72
Brooks Capital Reserve	1,424,414.45
Brooks Building Self Insurance Fund	839,085.00
Brooks Shortfall Reserve	2,662,900.32
Brooks Restricted Operating Reserve	4,003,078.00
Brooks Repair & Replacement Fund	709,363.00
TOTAL LIQUIDITY	<u>11,134,883.18</u>