

**BROOKS DEVELOPMENT AUTHORITY
BALANCE SHEET
AS OF MARCH 31, 2017
(Unaudited)**

ASSETS

Current Assets		
Unrestricted Cash		40,653,315.66
Restricted Cash		
	Total Cash	<u>40,653,316</u>
Accounts Receivable		1,642,103
Note Rec. - Mezzanine Loan Kennedy Apartments		11,807,388
Note Rec. - Vantage Land Sale		1,790,316
Derivative Instrument-Deferred		2,520,770
Prepayments		161,370
Parts and Supplies Inventories		13,464
	Total Current Assets	<u>58,588,728</u>
Land, Property, and Equipment		
Land		4,551,726
Depreciable Property & Equipment		130,525,903
Less: Accumulated Depreciation		<u>(52,451,316)</u>
	Total Land, Property, and Equipment	<u>82,626,313</u>
Construction In Progress		<u>46,477,878</u>
TOTAL ASSETS		<u><u>187,692,918</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts Payable		2,183,430
Accrued Expenses		9,623,733
JP Morgan Chase-DPT Loan		10,054,969
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		39,671
Lease Payable Frost Bank- Landscaping Equipment		75,230
IBC Loan - Embassy Suites		15,396,632
Other Deferred Revenue		1,790,316
Deferred Rents		50,000
Derivative Instrument		<u>2,520,770</u>
	Total Liabilities	<u>138,308,230</u>
Net Assets		
Invested in Capital Assets Net of Related Debt		38,771,718
Unrestricted		<u>10,612,970</u>
	Total Net Assets	<u>49,384,688</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 187,692,918</u></u>

BROOKS DEVELOPMENT AUTHORITY
FY 2017 Operating Budget Report Summary
For Six Months Ending March 31, 2017

	FY 2017 Budget	March Budget	March Actual	March Variance	YTD Budget	YTD Actual	YTD Variance	Actual to Adopted Budget
Sources of Funds								
Commercial Rents	\$ 4,245,278	\$ 353,773	\$ 269,398	\$ (84,375)	\$ 2,122,639.00	\$ 1,869,476	\$ (253,163)	
Operations: Project Revenue	397,974	-	-	-	-	-	-	
CAM & Reimbursable	877,417	73,118	97,534	24,416	\$ 438,708.50	470,209	31,500	
New Development CAM Fees Projected	39,013	3,251	-	(3,251)	\$ 19,506.50	-	(19,507)	
Residential Rents	1,331,226	110,936	100,976	(9,960)	\$ 665,613.00	656,022	(9,591)	
Bond Allocation	477,623	39,802	39,802	0	\$ 238,811.50	238,812	1	
Grants	220,000	-	-	-	-	-	-	
Interest Income	17,000	1,417	4,847	3,431	\$ 8,500.00	17,358	8,858	
Development Fees	615,941	-	-	-	-	-	-	
Miscellaneous Income	-	-	14,594	14,594	-	71,723	71,723	
Sales Proceeds Reimbursement	233,805	-	-	-	\$ 116,902.50	28,400	(88,503)	
EB-5 Regional Center	145,000	-	-	-	-	-	-	
Total Sources of Funds	8,600,277	582,296	527,151	(55,145)	3,610,681	3,351,999	\$ (258,682)	39%
Uses of Funds								
Administration and Support	6,231,008	519,251	394,643	124,608	\$ 3,115,504.00	2,752,942	362,562	
Custodial and Grounds	123,487	10,291	35,368	(25,077)	\$ 61,743.50	104,912	(43,168)	
Environmental Services	1,000	83	-	83	\$ 500.00	319	181	
Security Services	412,887	34,407	35,255	(848)	\$ 206,443.50	235,491	(29,048)	
Repairs and Maintenance	348,151	29,013	31,566	(2,553)	\$ 174,075.50	179,806	(5,731)	
Utilities	515,563	42,964	38,317	4,646	\$ 257,781.50	248,767	9,014	
Insurance	224,874	18,740	11,816	6,924	\$ 112,437.00	100,929	11,508	
Contingency	148,000	12,333	-	12,333	\$ 74,000.00	3,075	70,925	
Total Uses of Funds	8,004,970	667,081	546,965	120,115	4,002,485	3,626,241	376,244	45%
Net Income (Loss) from Operatons	595,307	(84,784)	(19,815)	(56,933)	(391,804)	(274,242)	117,562	
Non Operating Revenues								
Transfer In: DPT Debt Service	1,386,564	115,547	115,544	3	\$ 693,282.00	693,264	(18)	
Transfer In: Capital Projects Allocation	370,223	30,852	30,852	(0)	\$ 185,111.50	185,112	1	
Transfer In: Real Estate Services	297,500	-	-	-	-	-	-	
Tenants Utility Reimbursement	256,958	21,413	18,356	3,057	\$ 128,479.00	129,715	1,236	
Total Non Operating Revenue	2,311,245	167,812	164,752	(26,768)	1,006,873	1,008,091	(147,531)	44%
Non Operating Expenditures								
DPT Debt Service Payment	1,386,564	115,547	117,391	(1,844)	\$ 693,282.00	695,148	(1,866)	
SECO Debt Service Payment	863,954	215,988.50	-	215,989	\$ 431,977.00	431,976	1	
Tenants Utilitiy Expenditures	256,958	21,413	16,259	5,154	\$ 128,479.00	133,851	(5,372)	
Transfer Out: Bond Debt Service Reserve	397,974	33,165	-	33,165	\$ -	-	-	
Total Non Operating Expenditures	2,905,450	242,121	133,650	104,865	1,253,738	1,260,975	(7,237)	43%
Total Non Operating Revenues & Expenditures	(594,205)	(49,517)	31,103	78,097	(98,116)	(252,884)	(154,768)	
Net Income (Loss) after Operations & Debt Service	\$ 1,102	\$ (134,302)	\$ 11,288	\$ 21,164	\$ (489,920)	\$ (527,125)	\$ (37,206)	

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

	<u>FY 2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Tenants and Others	\$ 4,561,714
Payments to employees	(1,263,129)
Payments to suppliers for goods and services	<u>(2,974,138)</u>
Net Cash (Used for) Provided by Operating Activities	<u>324,447</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of assets	(21,303,027)
Proceeds Sale of Land	562,733
Payments on Loans	(718,132)
Proceeds from INB Loan	1,346,847
Proceeds from IBC Loan	8,784,935
Interest Received	75,716
Interest Payments	<u>(412,075)</u>
Net Cash (Used for) Provided by Capital and Related Financing Activities	<u>(11,663,003)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Contributions from Local and Federal Governments	<u>1,247,839</u>
Net Cash (Used for) Provided by Non-Capital Financing Activities	<u>1,247,839</u>
NET (DECREASE) INCREASE IN CASH	(10,090,717)
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>\$ 40,653,316</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Income From Operations	<u>(2,936,191)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,689,163
Decrease in Allowance for Doubtful accounts	1,268
Changes in assets and liabilities:	
(Increase)/Decrease in Tenants Receivable	292,956
Decrease in Other Receivables	19,353
(Increase)/Decrease in Pre-Payments	(45,076)
(Decrease) in Accounts Payable	195,430
(Decrease)/Increase in Accrued Expenses	<u>107,544</u>
Net Cash (Used for) Provided by Operating Activities	<u>\$ 324,447</u>

Brooks Development Authority
Capital Budget Report
As of March 31, 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	-
	Inner Circle/840	1,686,300	11,333	1,674,967
	Inner Circle/800	-	14,124	(14,124)
	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	(32,846)
	Animal Care Services Clinic/840	747,192	19,936	727,256
	Animal Care Services Clinic/857	-	478,017	(478,017)
	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 March 31, 2017

		FY 2017		
		Budget	Actuals	Variance
	Louis Bauer/840		303	(303)
	Hangar 9/840	1,632,448	340,277	1,292,171
	Hangar 9 /800	-	947,540	(947,540)
	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	\$ 30,509,290
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	-	168,240	(168,240)
	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 March 31, 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	\$ 6,936,606	\$ 1,152,485	\$ 5,784,121
<u>Other</u>				
	Capital Legal Fees	80,635	15,346	65,289
	Predevelopment-Multiple Projects	225,000	124,377	100,623
	Predevelopment-Multiple Projects/800	-	6,958	(6,958)
	Brokers Commissions	350,000	-	350,000
	Brooks Foundation Consultant	48,000	4,250	43,750
	Real Estate Services	297,500		297,500
	Road Repairs	350,000	-	350,000
	Contingency	500,000	41,995	458,005
	Transfer Out to Operating Budget - Capital Projects Management	370,223		370,223
	Other Total	\$ 2,221,358	\$ 192,926	\$ 2,028,432
	Use of Funds Total	\$ 120,131,036	\$ 29,341,184	\$ 90,789,852
		(0)		(703,296)
			\$ 703,295	

Brooks Development Authority
Summary of Investment Account Balances, Deposits, Withdrawals & Interest
As of March 31, 2017
(Unaudited)

	Balance at 9/30/2016 ⁽¹⁾⁽³⁾	Deposits	Withdrawals	Interest	Balance at 3/31/2017 ⁽¹⁾⁽³⁾
Invesco Aim Short-Term Investments					
Government and Agency Portfolio – Cash Management Class ⁽²⁾	10,486,481.46	\$ 392,534.58	\$ (5,375,000.00)	\$ 10,360.32	\$ 5,514,376.36
Treasury Portfolio – Private Class ⁽²⁾	344,087.41	0.00	0.00	207.04	344,294.45
Lone Star National Bank CD ⁽²⁾	1,025,948.19	0.00	0.00	1,279.32	1,027,227.51
Lone Star National Bank CD ⁽²⁾	3,114,733.99	0.00	0.00	3,883.96	3,118,617.95
Inter National Bank ⁽⁴⁾	302,313.04	1,346,847.06	(1,646,643.10)	0.00	2,517.00
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	507,104.14	(3,850,928.03)	70,309.62	30,081,597.68
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	(1,593,129.86)	34.08	28,840.39
Frost Bank Accounts	827,150.99	13,035,862.00	(13,300,017.71)	0.00	562,995.28
Total	<u>\$ 51,077,926.95</u>	<u>\$ 27,925,799.85</u>	<u>\$ (38,409,148.21)</u>	<u>\$ 86,074.34</u>	<u>\$ 40,680,652.93</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	31-Mar-17
Government & Agency Portfolio – Cash Management	\$ 10,486,481.46	\$ 5,514,376.36
Treasury Portfolio – Private Class	344,087.41	344,294.45
Lone Star National Bank CD	4,140,682.18	4,145,845.46
Inter National Bank	302,313.04	2,517.00
International Bank of Commerce	163.75	186.31
Frost Bank Operating Account	827,150.99 *	562,995.28 *
JP Morgan Construction Debt Service Account	63,194.60	123,204.72
Frost Commercial Lease Deposits	186,142.71	197,041.11
UMB Corporate Trust Services	33,355,111.95	30,081,597.68
Frost Bank Net Capital Proceeds Fund	0.00	0.00
Comerica Bank	1,621,936.17	28,840.39
Total	<u>\$ 51,327,264.26</u>	<u>\$ 41,000,898.76</u>
Unrestricted Funds Allocation:		
Operating Account	827,150.99	562,995.28
JP Morgan Construction Debt Service Account	63,194.60	123,204.72
Frost Commercial Lease Deposits	186,142.71	197,041.11
Brooks Capital Reserve	4,065,235.05	2,706,039.88
Capital Reimbursements		(1,247,839.10)
Brooks Building Self Insurance Fund	839,085.00	839,085.00
Unrestricted Operating Funds	<u>\$ 5,980,808.35</u>	<u>\$ 3,180,526.89</u>
Restricted Funds Allocation:		
Brooks Shortfall Reserve	2,662,900.32	2,153,778.00
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	273,277.56
Inter National Bank (Aviator)	302,313.04	2,517.00
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	30,081,597.68
Frost Bank Net Capital Proceeds Fund	0.00	-
Comerica Bank (The Kennedy)	1,621,936.17	28,840.39
Restricted Operating Funds	<u>\$ 45,346,455.91</u>	<u>\$ 37,820,371.87</u>
Grand Total	<u>\$ 51,327,264.26</u>	<u>\$ 41,000,898.76</u>

* Excludes outstanding checks.

LIQUIDITY	
Operating Account	562,995.28
JP Morgan Construction Debt Service Account	123,204.72
Brooks Capital Reserve	1,458,200.78
Brooks Building Self Insurance Fund	839,085.00
Brooks Shortfall Reserve	2,153,778.00
Brooks Restricted Operating Reserve	4,003,078.00
Brooks Repair & Replacement Fund	709,363.00
TOTAL LIQUIDITY	<u>9,849,704.78</u>