

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

ASSETS

Current Assets	
Unrestricted Cash	1,514,975
Restricted Cash	35,090,701
Total Cash	<u>36,605,676</u>
Accounts Receivable	2,067,039
Note Rec. - Mezzanine Loan Kennedy Apartments	11,807,388
Note Rec. - Vantage Land Sale	1,790,316
Derivative Instrument-Deferred	2,520,770
Prepayments	107,914
Parts and Supplies Inventories	13,464
Total Current Assets	<u>54,912,568</u>
Land, Property, and Equipment	
Land	4,551,726
Depreciable Property & Equipment	130,525,903
Less: Accumulated Depreciation	(53,347,352)
Total Land, Property, and Equipment	<u>81,730,277</u>
Construction In Progress	<u>49,222,324</u>
TOTAL ASSETS	<u>185,865,169</u>

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts Payable	1,486,424
Accrued Expenses	6,613,752
JP Morgan Chase-DPT Loan	9,940,622
SECO Note I, II & III	4,147,648
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	37,693
Lease Payable Frost Bank- Landscaping Equipment	72,575
IBC Loan - Embassy Suites	20,952,464
Other Deferred Revenue	1,790,316
Deferred Rents	50,000
Derivative Instrument	2,520,770
Total Liabilities	<u>139,846,856</u>
Net Assets	
Invested in Capital Assets Net of Related Debt	33,939,644
Unrestricted	12,078,669
Total Net Assets	<u>46,018,313</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 185,865,169</u>

BROOKS DEVELOPMENT AUTHORITY
FY 2017 Operating Budget Report Summary
For Eight Months Ending May 31, 2017

	FY 2017 Budget	May Budget	May Actual	May Variance	YTD Budget	YTD Actual	YTD Variance	Actual to Adopted Budget
Sources of Funds								
Commercial Rents	\$ 4,245,278	\$ 353,773	\$ 273,445	\$ (80,328)	\$ 2,830,185	\$ 2,415,397	\$ (414,788)	
Operations: Project Revenue	397,974	-	-	-	-	-	-	
CAM & Reimbursable	877,417	73,118	94,310	21,192	\$ 584,945	634,181	49,236	
New Development CAM Fees Projected	39,013	3,251	-	(3,251)	\$ 26,009	-	(26,009)	
Residential Rents	1,331,226	110,936	105,542	(5,394)	\$ 887,484	894,864	7,380	
Bond Allocation	477,623	39,802	39,802	0	\$ 318,415	318,416	1	
Grants	220,000	-	-	-	-	-	-	
Interest Income	17,000	1,417	2,286	869	\$ 11,333	22,180	10,846	
Development Fees	615,941	-	-	-	-	-	-	
Miscellaneous Income	-	-	1,182	1,182	\$ -	79,089	79,089	
Sales Proceeds Reimbursement	233,805	-	-	-	\$ 155,870	28,400	(127,470)	
EB-5 Regional Center	145,000	-	-	-	-	-	-	
Total Sources of Funds	8,600,277	582,296	516,567	(65,730)	4,814,241	4,392,526	(421,715)	51%
Uses of Funds								
Administration and Support	6,231,008	519,251	558,448	(39,197)	\$ 4,154,005	3,951,251	202,754	
Custodial and Grounds	123,487	10,291	25,042	(14,751)	\$ 82,325	151,534	(69,210)	
Environmental Services	1,000	83	-	83	\$ 667	344	323	
Security Services	412,887	34,407	40,223	(5,816)	\$ 275,258	308,982	(33,724)	
Repairs and Maintenance	348,151	29,013	23,277	5,736	\$ 232,101	242,814	(10,714)	
Utilities	515,563	42,964	47,253	(4,289)	\$ 343,709	340,762	2,947	
Insurance	224,874	18,740	27,259	(8,520)	\$ 149,916	135,837	14,079	
Contingency	148,000	12,333	3,600	8,733	\$ 98,667	6,675	91,992	
Total Uses of Funds	8,004,970	667,081	725,101	(58,020)	5,336,647	5,138,199	198,447	64%
Net Income (Loss) from Operators	595,307	(84,784)	(208,534)	(56,933)	(522,405)	(745,673)	(223,267)	
Non Operating Revenues								
Transfer In: DPT Debt Service	1,386,564	115,547	115,544	3	\$ 924,376	924,352	(24)	
Transfer In: Capital Projects Allocation	370,223	30,852	30,852	(0)	\$ 246,815	246,816	1	
Transfer In: Real Estate Services	297,500	-	-	-	-	-	-	
Tenants Utility Reimbursement	256,958	21,413	27,754	(6,341)	\$ 171,305	179,754	8,449	
Total Non Operating Revenue	2,311,245	167,812	174,150	(26,768)	1,342,497	1,350,922	(189,908)	58%
Non Operating Expenditures								
DPT Debt Service Payment	1,386,564	115,547	115,588	(41)	\$ 924,376	925,040	(664)	
SECO Debt Service Payment	863,954	215,989	215,988	1	\$ 647,966	647,964	2	
Tenants Utility Expenditures	256,958	21,413	24,912	(3,499)	\$ 171,305.33	186,444	(15,139)	
Transfer Out: Bond Debt Service Reserve	397,974	33,165	-	33,165	-	-	-	
Total Non Operating Expenditures	2,905,450	242,121	356,488	104,865	1,743,647	1,759,448	(15,801)	61%
Total Non Operating Revenues & Expenditures	(594,205)	(49,517)	(182,338)	78,097	(202,817)	(408,526)	(205,709)	
Net Income (Loss) after Operations & Debt Service	\$ 1,102	\$ (134,302)	\$ (390,872)	\$ 21,164	(725,222)	\$ (1,154,199)	(428,976)	

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

	FY 2017
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Tenants and Others	\$ 4,395,369
Payments to employees	\$ (1,790,566)
Payments to suppliers for goods and services	\$ (1,778,807)
Net Cash (Used for) Provided by Operating Activities	825,996
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of assets	(32,645,912)
Proceeds Sale of Land	601,600
Payments on Loans	(1,044,388)
Proceeds from INB Loan	1,346,847
Proceeds from IBC Loan	14,340,767
Interest Received	86,182
Interest Payments	(470,690)
Net Cash (Used for) Provided by Capital and Related Financing Activities	(17,785,594)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Contributions from Local and Federal Governments	2,821,241
Net Cash (Used for) Provided by Non-Capital Financing Activities	2,821,241
NET (DECREASE) INCREASE IN CASH	(14,138,357)
CASH AND CASH EQUIVALENTS BALANCE AT BEGINNING OF PERIOD	50,744,033
CASH AND CASH EQUIVALENTS BALANCE AT THE END OF THE PERIOD	\$ 36,605,676
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Income (Loss) From Operations	(2,833,493)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,585,198
Decrease in Allowance for Doubtful accounts	1,268
Changes in assets and liabilities:	
(Increase)/Decrease in Tenants Receivable	264,457
Decrease in Other Receivables	(287,007)
(Increase)/Decrease in Pre-Payments	8,383
(Decrease) in Accounts Payable	59,793
(Decrease)/Increase in Accrued Expenses	27,398
Net Cash (Used for) Provided by Operating Activities	\$ 825,996

Brooks Development Authority

Capital Budget Report

As of May 31, 2017

		FY 2017		
		Budget	Actuals	Variance
Source of Funds:				
Bond Funding				
	Bond - Infrastructure	14,678,160	5,550,336	9,127,824
COSA Funding				
	COSA-Linear Park	616,051	305,064	310,987
	COSA 2017 Bonds - Research Plaza	1,546,417	-	1,546,417
	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	679,461	120,126	559,335
	COSA Hotel Drainage		287,779	(287,779)
	COSA - Animal Care Services	710,974	710,974	-
	COSA - Kenedy Hill Street Project	500,000	453,012	46,988
	BDA Hanger 9	1,500,000	1,425,754	74,246
	TIRZ	850,000	-	850,000
Grant Funding				
	EDA Grant Reimbursement	536,428	613,611	(77,183)
	BDA Grant Match	391,145	447,757	(56,612)
Loans				
	Aviator Construction Loan	676,474	617,374	59,100
	Embassy Suites Hotel Construction Loan	19,036,507	18,965,215	71,292
	Kennedy Apartments	23,783,000	11,218,379	12,564,621
	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	2,256,620	5,073,772
	BDA Repair & Replacement Fund	50,000	-	50,000
	Source of Funds Total	\$ 120,631,036	\$ 43,675,510	\$ 76,955,526
Use of Funds:				
Infrastructure Projects				
	Presa Drainage	525,000	-	525,000
	Hotel Drainage	562,699	398,679	164,020
	S. New Braunfels to Lyster/ Lyster to B.A.S.E. Academy	8,790,667	273,844	8,516,823
	S. New Braunfels /Lyster to 410	5,200,000	55,936	5,144,064
	Inner Circle	1,686,300	64,424	1,621,876
	Linear Park	6,794,471	4,257,191	2,537,280
	Linear Park Linkage to Mission Reach	134,815	51,954	82,861
	Animal Care Services Clinic	747,192	716,903	30,289
	Aeromedical Street	4,650,461	120,126	4,530,335
	Louis Bauer		46,247	(46,247)
	Hangar 9	1,632,448	2,248,981	(616,533)
	Hangar 9 Venue FF & E	71,280		71,280
	Town Center	100,000	61,938	38,062
	Parcel C Design - IGX	30,000	5,950	24,050
	Northwest Corner Drainage	620,558	22,179	598,379
	Research Plaza	2,267,917	16,305	2,251,612
	Aviation		88,478	(88,478)
	Kennedy Hill Roadway Project	500,000	453,012	46,988
	Transfer out to Operating Budget- Project Management	477,623	-	477,623
	Infrastructure Projects Total	\$ 34,791,431	\$ 8,882,147	\$ 25,909,284
Vertical Projects				
	Embassy Suites Hotel	19,036,507	18,965,215	71,292
	The Kennedy	25,155,292	11,218,379	13,936,913
	Aviator Apartments	676,474	617,374	59,100

Brooks Development Authority

Capital Budget Report

As of May 31, 2017

		FY 2017		
		Budget	Actuals	Variance
	Office Building	13,180,883	326,789	12,854,094
	Medical Office Building		363,818	(363,818)
	Senior Living	14,065,550	215	14,065,335
	Single Family Housing Phase I	4,566,935	3,548	4,563,387
	Vertical Projects Total	\$ 76,681,641	\$ 31,495,338	\$ 45,186,303
Land Sale Costs				
	Land Sale Costs	-		-
	Land Sale Costs Total	\$ -	\$ -	\$ -
Tenant/Campus Improvements				
	Community Bible Church	1,400,000	3,142	1,396,858
	EDA Demolition	536,428	1,061,368	(524,940)
	Demolition	479,145	150,630	328,515
	Carenet & Spine and Pain bldg 570 - HVAC Piping	375,000	358,166	16,834
	Embassy Suites Spa (Salt Cave)	500,000	155,227	344,773
	Hanger 9 FF&E	113,152	89,748	23,404
	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	233,758	66,242
	Renovations & Healthlink		4,019	(4,019)
	Mixfit		97,360	(97,360)
	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
	B502 Lobby & Conference Room Renovation		6,424	(6,424)
	Elevators	10,000	8,611	1,389
	Chillers	25,000	-	25,000
	Boilers	25,000	-	25,000
	Roof Replacements	350,000	3,450	346,550
	HVAC Series 800 Buildings	70,000	-	70,000
	Sidewalk Repairs/Replacements	50,000	-	50,000
	Building Signage	30,000	-	30,000
	Pond Pumps	25,000	-	25,000
	Vacant Building Clean-up	300,000	55,936	244,064
	Trees/ Irrigation	100,000	87,215	12,785
	Tenant/Campus Improvements Total	\$ 6,936,606	\$ 2,315,054	\$ 4,621,552
Other				
	Capital Legal Fees	80,635	62,676	17,959
	Predevelopment-Multiple Projects	225,000	40,244	184,756
	Brokers Commissions	350,000	-	350,000
	Brooks Foundation Consultant	48,000	6,650	41,350
	Real Estate Services	297,500	104,601	192,899
	Road Repairs	350,000	5,400	344,600
	Contingency	500,000	60,105	439,895
	Transfer Out to Operating Budget - Capital Projects Management	370,223		370,223
	Other Total	\$ 2,221,358	\$ 279,676	\$ 1,941,682
	Use of Funds Total	\$ 120,631,036	\$ 42,972,215	\$ 77,658,821
	Variance	(0)	703,295	(703,295)

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

	Balance at 9/30/2016 ⁽¹⁾⁽³⁾	Deposits	Withdrawals	Interest	Balance at 5/31/2017 ⁽¹⁾⁽³⁾
Invesco Aim Short-Term Investments					
Government and Agency Portfolio -- Cash Management Class ⁽²⁾	10,486,481.46	\$ 392,534.58	\$ (7,596,000.00)	\$ 14,851.27	\$ 3,297,867.31
Treasury Portfolio -- Private Class ⁽²⁾	344,087.41	0.00	0.00	400.29	344,487.70
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	(1,647,816.10)	0.00	1,344.00
International Bank of Commerce ⁽⁵⁾	163.75	14,341,026.88	(14,333,789.57)	0.00	7,401.06
UMB Corporate Trust Services ⁽⁶⁾	33,355,111.95	1,028,873.26	(6,338,557.39)	86,102.47	28,131,530.29
Frost Bank Net Capital Proceeds Fund ⁽⁷⁾	0.00	3,858,257.26	(3,858,257.26)	0.00	0.00
Comerica Bank ⁽⁸⁾	1,621,936.17	0.00	(1,593,152.49)	34.08	28,817.76
Frost Bank Accounts	827,150.99	18,650,413.12	(18,912,914.96)	0.00	564,649.15
Total	<u>\$ 51,077,926.95</u>	<u>\$ 39,617,952.16</u>	<u>\$ (54,280,487.77)</u>	<u>\$ 106,551.39</u>	<u>\$ 36,521,942.73</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) International Bank of Commerce Account represents BDA Equity contribution and loan proceeds for Hotel Construction Project.
(6) 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
(7) Net Capital Proceeds Fund represents the land sale proceeds.
(8) Comerica Bank Account represent BDA Funds for Mezzanine loan for Brooks Apartments Landings II.

Cash Balances	30-Sep-16	31-May-17
Government & Agency Portfolio -- Cash Management	\$ 10,486,481.46	\$ 3,297,867.31
Treasury Portfolio -- Private Class	344,087.41	344,487.70
Lone Star National Bank CD	4,140,682.18	4,145,845.46
Inter National Bank	302,313.04	1,344.00
International Bank of Commerce	163.75	7,401.06
Frost Bank Operating Account	827,150.99 *	564,649.15 *
JP Morgan Construction Debt Service Account	63,194.60	140,560.11
Frost Commercial Lease Deposits	186,142.71	197,086.71
UMB Corporate Trust Services	33,355,111.95	28,131,530.29
Frost Bank Net Capital Proceeds Fund	0.00	0.00
Comerica Bank	1,621,936.17	28,817.76
Total	<u>\$ 51,327,264.26</u>	<u>\$ 36,859,589.55</u>
Unrestricted Funds Allocation:		
Operating Account	827,150.99	564,649.15
JP Morgan Construction Debt Service Account	63,194.60	140,560.11
Frost Commercial Lease Deposits	186,142.71	197,086.71
Brooks Capital Reserve	4,065,235.05	823,535.68
Brooks Building Self Insurance Fund	839,085.00	839,085.00
Unrestricted Operating Funds	<u>\$ 5,980,808.35</u>	<u>\$ 2,564,916.65</u>
Restricted Funds Allocation:		
Brooks Shortfall Reserve	2,662,900.32	1,508,701.32
Brooks Restricted Operating Reserve	4,003,078.00	4,003,078.00
Brooks Restricted EDA Grant Reserve ^(A)	673,587.00	310,492.98
Brooks Repair & Replacement Fund	709,363.00	178,608.00
Brooks Hanger 9 Fund	1,500,000.00	106,696.81
Inter National Bank (Aviator)	302,313.04	1,344.00
International Bank of Commerce (Hotel)	163.75	7,401.06
Debt Service Reserve	518,002.68	-
UMB Corporate Trust Services (Bonds)	33,355,111.95	28,131,530.29
Frost Bank Net Capital Proceeds Fund	0.00	-
Comerica Bank (The Kennedy)	1,621,936.17	28,817.76
Restricted Operating Funds	<u>\$ 45,346,455.91</u>	<u>\$ 34,276,670.22</u>
Grand Total	<u>\$ 51,327,264.26</u>	<u>\$ 36,841,586.87</u>

* Excludes outstanding checks.

LIQUIDITY	
Operating Account	564,649.15
JP Morgan Construction Debt Service Account	140,560.11
Brooks Capital Reserve	823,535.68
Brooks Building Self Insurance Fund	839,085.00
Brooks Shortfall Reserve	1,508,701.32
Brooks Restricted Operating Reserve	4,003,078.00
Brooks Repair & Replacement Fund	178,608.00
TOTAL LIQUIDITY	<u>8,058,217.26</u>

(A) Balance excludes amounts expected to be reimbursed of \$117,080.