

CITY OF VICTORIA, TEXAS
VICTORIA SALES TAX DEVELOPMENT CORPORATION QUARTERLY FINANCIAL REPORT
PRO FORMA SCHEDULE OF WORKING CAPITAL POSITION
FOR THE CORRESPONDING FISCAL YEAR PRESENTED
AS OF JUNE 30, 2019

	Fiscal Year 2018-19 Original Budget	Fiscal Year 2018-19 Amended Budget	Fiscal Year 2018-19 Encumbered & Actual To Date (a)	Fiscal Year 2018-19 Projected Actual
BEGINNING FUND BALANCE				
Undesignated Operating Fund Balance	\$ 2,582,991	\$ 3,013,262	\$ 3,013,262	\$ 3,013,262
Designated Fund Balance - Outstanding Projects	-	17,363,427	17,363,427	17,363,427
Reserved Fund Balance	-	-	-	-
TOTAL FUND BALANCE, OCTOBER 1	\$ 2,582,991	\$ 20,376,689	\$ 20,376,689	\$ 20,376,689
REVENUES				
Sales Tax Receipts	\$ 8,276,000	\$ 8,276,000	\$ 6,311,627	\$ 8,296,319
Interest Income	200,000	200,000	398,557	466,007
Miscellaneous Income	28,500	28,500	22,509	28,500
Deallocated Funds from Completed Projects	-	-	-	150,000
Total Revenues	\$ 8,504,500	\$ 8,504,500	\$ 6,732,694	\$ 8,940,826
TOTAL FUNDS AVAILABLE	\$ 11,087,491	\$ 28,881,189	\$ 27,109,383	\$ 29,317,515
EXPENDITURES				
VEDC Programs	\$ 384,000	\$ 384,000	\$ 384,000	\$ 384,000
Administrative & Maintenance Costs	424,360	429,950	125,950	429,950
Utilities Projects	1,620,000	1,846,904	961,139	1,711,439
Street, Sidewalk, Drainage & Other Infrastructure	5,554,244	23,213,342	13,217,535	21,991,329
Total Expenditures	\$ 7,982,604	\$ 25,874,196	\$ 14,688,624	\$ 24,516,718
ENDING FUND BALANCE				
Undesignated Operating Fund Balance	\$ 3,104,887	\$ 3,006,993	\$ -	\$ 4,800,797
Reserved for Approved Project Balances	-	-	12,420,759	-
Reserved for VSTDC Economic Incentives	-	-	-	-
Reserved for Future CIP Program	-	-	-	-
TOTAL FUND BALANCE, DECEMBER 31	\$ 3,104,887	\$ 3,006,993	\$ 12,420,759	\$ 4,800,797

CITY OF VICTORIA, TEXAS
VICTORIA SALES TAX DEVELOPMENT CORPORATION (VSTDC)
VSTDC QUARTERLY FINANCIAL REPORT – EXECUTIVE SUMMARY
AS OF JUNE 30, 2019

The following comments will address the main issues associated to the VSTDC's financial status as of June 30, 2019:

- The “audited” Fiscal Year 2018 ending “Undesignated Fund Balance” came in at \$3,013,262 compared to the projected Fiscal Year 2018 ending “Undesignated Fund Balance”, calculated back in mid-September 2018, of \$2,582,991. This equates to an increase of \$430,271, or a favorable variance of 16.66%, as a result of sales tax receipts and interest income coming in higher than expected and the Nursery Road – Lake Forest to Loop 463 project expenditures coming in lower than expected.
- As of June 30, 2019, the Fiscal Year 2019 expenditure budget has been amended by \$17,891,682 of which \$17,363,427 is for the carryover of contract balances outstanding as of September 30, 2018, \$271,878 for the Crestwood Drive Phase I - Laurent to Ben Jordan project, and \$256,377 for the Red River - Laurent to Main project.
- As of June 30, 2019, the “Fiscal Year 2018-19 Actual to Date” column for the “Sales Tax Receipts” reflects the first nine payments of the fiscal year. These receipts total \$6,311,627, which is \$20,319 or 0.25% above the budgeted amount of \$6,249,000 through the third quarter.
- As of June 30, 2019, the “Total Fund Balance” is \$12,420,759, which will be reserved for the current outstanding project balances of \$11,185,572, of which \$4,867,128 is for project costs carried over from prior fiscal years, \$6,013,844 for projects budgeted in the current fiscal year, and the remaining \$304,000 for administrative and maintenance expenditures in the current fiscal year.
- The “Fiscal Year 2018-19 Projected Actual” for total revenue, as of June 30, 2019, is expected to come in at \$8,940,826, which is \$436,236 or 5.13% above the original budget of \$8,504,500 due to Fiscal Year 2019 projected interest income expected to come in over the original budget.
- The “Fiscal Year 2018-19 Projected Actual” for total expenditures, as of June 30, 2019, assumes the full amended expenditure budget will be expensed with no variations through the third quarter.
- As of June 30, 2019, the projected year-end Fiscal Year 2019 VSTDC total Fund Balance is estimated to come in at \$4,800,797, which is \$1,695,910 over the original Fiscal Year 2019 VSTDC total Fund Balance of \$3,104,887 due to the following:
 - The Fiscal Year 2018 audited Undesignated Fund Balance came in \$430,271 higher than the original Undesignated Fund Balance; and,
 - As of June 30, 2019, the Fiscal Year 2019 projected revenues are expected to come in above the original budget by \$436,326.
 - As of June 30, 2019, the Fiscal Year 2019 projected expenditures are expected to come in below the original budget by \$829,313.

Overall, the Victoria Sales Tax Development Corporation's financial position is healthy as of June 30, 2019.

Comments addressing the budgeted revenue and expenditure “variances”, as of June 30, 2019, are addressed on the following pages of the VSTDC Quarterly Financial Report.

CITY OF VICTORIA, TEXAS

VICTORIA SALES TAX DEVELOPMENT CORPORATION QUARTERLY FINANCIAL REVENUE REPORT

FOR THE CORRESPONDING FISCAL YEAR PRESENTED

AS OF JUNE 30, 2019

	Fiscal Year 2018-19 Original Budget	Fiscal Year 2018-19 Amended Budget	Fiscal Year 2018-19 Actual Year to Date	Percent of Amended Budget Collected	Benchmark Amount / Percentage	Amount Over (Under) Benchmark Amount		Fiscal Year 2018-19 Projected Actual
REVENUES:								
Sales Tax Receipts	\$ 8,276,000	\$ 8,276,000	\$ 6,311,627	76.26%	\$ 6,249,000	\$ 62,627	(a)	\$ 8,296,319
Interest Income	200,000	200,000	398,557	199.28%	150,000	248,557	(b)	466,007
Miscellaneous Income	28,500	28,500	22,509	78.98%	21,375	1,134	(c)	28,500
Total	\$ 8,504,500	\$ 8,504,500	\$ 6,732,694		\$ 6,420,375	\$ 312,319		\$ 8,940,826

(a) The sales tax revenue is coming in above budget through the third quarter of FY 2019. As of June 30, 2019, the projected revenue for FY 2019 is \$8,296,319, which is \$20,319 more than the budgeted amount for FY 2019.

(b) This favorable variance indicates the investment income is above the budgeted amount for the year. The actual amount does not include accrued interest on investments, which will be recorded prior to the fiscal year being completed.

(c) This favorable variance indicates the miscellaneous income is slightly above the budgeted amount for the year.

CITY OF VICTORIA, TEXAS
VICTORIA SALES TAX DEVELOPMENT CORPORATION QUARTERLY FINANCIAL EXPENDITURE REPORT
FOR THE CORRESPONDING FISCAL YEAR PRESENTED
AS OF JUNE 30, 2019

VSTDC Projects	Fiscal Year 2018-19 Original Budget	Fiscal Year 2018-19 Amended Budget	Fiscal Year 2018-19 Encumbered & Actual to Date	Fiscal Year 2018-19 Outstanding Balance	Benchmark Amount / Percentage	Amount (Over) Under Benchmark Amount	Fiscal Year 2018-19 Projected Expense
Administrative & Maintenance Expenditures:							
Lone Tree Business Park I Maintenance	5,620	8,010	8,010	-	6,008	(2,003) (a)	8,010
Lone Tree Business Park II Maintenance	19,200	22,400	22,400	-	16,800	(5,600) (a)	22,400
VEDC Programs	384,000	384,000	384,000	-	-	(384,000) (b)	384,000
Contract Management & Engineering Oversight	300,000	300,000	-	300,000	-	-	300,000
Retail Gap and Opportunity Analysis	30,000	30,000	30,000	-	22,500	(7,500) (c)	30,000
Sales Tax Analysis and Reporting System	9,540	9,540	9,540	-	7,155	(2,385) (d)	9,540
Loop 463 ROW Mowing	60,000	60,000	56,000	4,000	45,000	(11,000) (a)	60,000
Total Debt Service & Administrative Expenditures:	\$ 808,360	\$ 813,950	\$ 509,950	\$ 304,000	\$ 97,463	\$ (412,488)	\$ 813,950

Note: Items highlighted in yellow are explained below.

- (a) This unfavorable variance exists since the contracts for maintenance mowing of the Lone Tree Business Parks and the Loop 463 ROW were encumbered in the first quarter and will be paid out as the mowing occurs during the fiscal year.
- (b) This unfavorable variance is due to the VEDC Programs project being paid out completely in the second quarter of the fiscal year (January 2019) per the terms of the agreement.
- (c) This unfavorable variance exists since the contract for the Retail Gap & Opportunity Analysis was encumbered in the first quarter and will be paid as the work is incurred and billed by the consultant during the fiscal year.
- (d) This unfavorable variance exists since the contract for the Sales Tax Analysis and Reporting System was paid in full during the first quarter (December 2018) per the terms of the agreement.

CITY OF VICTORIA, TEXAS

VICTORIA SALES TAX DEVELOPMENT CORPORATION QUARTERLY FINANCIAL EXPENDITURE REPORT

FOR THE CORRESPONDING FISCAL YEAR PRESENTED

AS OF JUNE 30, 2019

VSTDC Projects	Fiscal Year 2018-19 Original Budget	Fiscal Year 2018-19 Amended Budget	Fiscal Year 2018-19 Encumbered & Actual to Date	Fiscal Year 2018-19 Outstanding Balance	Project Status as of March 31, 2019	Fiscal Year 2018-19 Projected Expense
Contractual Expenditures:						
Utilities Projects						
Tower # 5 Pump Station	\$ -	\$ 226,904	\$ 91,439	\$ 135,465	Project complete	\$ 91,439
Navarro Median - Country Club to Mockingbird	750,000	750,000	-	750,000	0% complete/eng in progress	750,000
Water Tower #6	870,000	870,000	870,000	-	20% complete/eng complete	870,000
Street, Sidewalk, Drainage & Other Infrastructure						
Red River - Laurent to Main	-	3,309,329	3,290,084	19,245	0% complete/eng in progress	3,309,329
Crestwood Drive - Laurent to Ben Jordan	-	4,427,957	4,427,957	-	0% complete/eng in progress	4,427,957
Placido Benavides - Construction	-	9,921,812	5,209,094	4,712,718	22% complete/eng complete	9,921,812
Juan Linn Reconstruction - Ben Jordan to Ben Wilson	505,782	505,782	-	505,782	Project to begin July/August 2019	391,769
Crestwood Drive Ph II - Navarro to Laurent	3,701,270	3,701,270	290,400	3,410,870	0% complete/eng in progress	3,701,270
Rio Grande TxDOT Sidewalk Project	151,251	151,251	-	151,251	Project to begin August 2019	151,251
Navarro TxDOT Sidewalk Project	87,941	87,941	-	87,941	Project to begin August 2019	87,941
North Street Ph I - Railroad to Navarro	1,108,000	1,108,000	-	1,108,000	Project moved to FY2020/21	-
Total Contractual Expenditures:	\$ 7,174,244	\$ 25,060,246	\$ 14,178,674	\$ 10,881,572		\$ 23,702,768
Total Expenditures:	\$ 7,982,604	\$ 25,874,196	\$ 14,688,624	\$ 11,185,572		\$ 24,516,718