

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 DECEMBER 31, 2016

	Fiscal Year 2016-17 Original Budget	Fiscal Year 2016-17 Amended Budget	Fiscal Year 2016-17 Encumbered & Actual To Date (a)	Fiscal Year 2016-17 Projected Actual
BEGINNING FUND BALANCE				
Undesignated Operating Fund Balance	\$ 3,689,722	\$ 3,717,448	\$ 3,717,448	\$ 3,717,448
Designated Fund Balance - Outstanding Projects	-	15,030,253	15,030,253	15,030,253
Reserved Fund Balance	-	-	-	-
TOTAL FUND BALANCE, OCTOBER 1	\$ 3,689,722	\$ 18,747,701	\$ 18,747,701	\$ 18,747,701
REVENUES				
Sales Tax Receipts	\$ 8,077,000	\$ 8,077,000	\$ 1,739,819	\$ 8,077,000
Interest Income	45,000	45,000	14,276	60,000
Miscellaneous Income	25,318	25,318	4,672	25,318
Land Sale Proceeds	-	-	-	-
Total Revenues	\$ 8,147,318	\$ 8,147,318	\$ 1,758,767	\$ 8,162,318
TOTAL FUNDS AVAILABLE	\$ 11,837,040	\$ 26,895,019	\$ 20,506,467	\$ 26,910,018
EXPENDITURES				
Debt Service	\$ 1,068,963	\$ 1,068,963	\$ 22,181	\$ 1,068,963
VEDC Programs	384,000	384,000	-	384,000
Administrative & Maintenance Costs	369,360	369,360	69,360	369,360
Utilities Projects	-	12,344,095	5,090,368	12,344,095
Economic Development Projects	-	25,000	-	25,000
Street, Sidewalk, Drainage & Other Infrastructure	7,546,812	10,207,970	250,000	10,207,970
Total Expenditures	\$ 9,369,135	\$ 24,399,388	\$ 5,431,909	\$ 24,399,388
ENDING FUND BALANCE				
Undesignated Operating Fund Balance	\$ 2,467,905	\$ 2,495,631	\$ -	\$ 2,510,631
Reserved for Approved Project Balances	-	-	15,074,558	-
Reserved for VSTDC Economic Incentives	-	-	-	-
Reserved for Future CIP Program	-	-	-	-
TOTAL FUND BALANCE, DECEMBER 31	\$ 2,467,905	\$ 2,495,631	\$ 15,074,558	\$ 2,510,631

(a) "Encumbered & Actual to Date" includes both encumbered amounts and actual expenditures. Encumbrances include purchase orders, contracts and other commitments for the expenditure of monies and are recorded in order to reserve that portion of the applicable appropriation.

Comments on the VSTDC's Pro Forma Schedule of Working Capital can be found on the following page.

CITY OF VICTORIA, TEXAS
VICTORIA SALES TAX DEVELOPMENT CORPORATION (VSTDC)
VSTDC QUARTERLY FINANCIAL REPORT – EXECUTIVE SUMMARY
AS OF DECEMBER 31, 2016

The following comments will address the main issues associated to the VSTDC's financial status as of December 31, 2016:

- The “audited” Fiscal Year 2016 ending “Undesignated Fund Balance” came in at \$3,717,448 compared to the projected Fiscal Year 2016 ending “Undesignated Fund Balance”, calculated back in mid-September 2016, of \$3,689,722. This equates to an increase of \$27,726, or a favorable variance of 0.75%, as a result of actual sales tax revenues coming in slightly higher than expected.
- As of December 31, 2016, the Fiscal Year 2017 expenditure budget has been amended by \$15,030,253 for the carryover of contract balances outstanding as of September 30, 2016.
- As of December 31, 2016, the “Fiscal Year 2016-17 Encumbered & Actual to Date” column for the “Sales Tax Receipts” reflects the first three payments of the fiscal year. These receipts total \$1,739,819, which is \$83,181 or 4.56% below the budgeted amount of \$1,823,000 through the first quarter.
- As of December 31, 2016, the “Total Fund Balance” is \$15,074,558, which will be reserved for the current outstanding project balances of \$18,872,778, of which \$11,325,966 is currently in progress and the remaining \$7,546,812 should begin later this fiscal year.
- The “Fiscal Year 2016-17 Projected Actual” for total revenue, as of December 31, 2016, is expected to come in at \$8,162,318, which is \$15,000 or 0.18% above the original budget of \$8,147,318 due to the projected increase in interest income.
- The “Fiscal Year 2016-17 Projected Actual” for total expenditures, as of December 31, 2016, assumes the full amended expenditure budget will be expensed with no variations through the first quarter.
- As of December 31, 2016, the projected year-end Fiscal Year 2017 VSTDC total fund balance is estimated to come in at \$2,510,631, which is \$42,726 over the original Fiscal Year 2017 VSTDC total Fund Balance of \$2,467,905 due to the following:
 - a) The Fiscal Year 2016 audited Undesignated Fund Balance came in \$27,726 higher than the original Undesignated Fund Balance; and,
 - b) As of December 31, 2016, the Fiscal Year 2017 projected revenues are expected to come in over the original budget by \$15,000.

Over all, the Victoria Sales Tax Development Corporation's financial position is healthy as of December 31, 2016.

Comments addressing the budgeted revenue and expenditure “variances”, as of December 31, 2016, 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 DECEMBER 31, 2016

	Fiscal Year 2016-17 Original Budget	Fiscal Year 2016-17 Amended Budget	Fiscal Year 2016-17 Actual Year to Date	Percent of Amended Budget Collected	Benchmark Amount / Percentage	Amount Over (Under) Benchmark Amount		Fiscal Year 2016-17 Projected Actual
REVENUES:								
Sales Tax Receipts	\$ 8,077,000	\$ 8,077,000	\$ 1,739,819	21.54%	\$ 1,823,000	\$ (83,181)	(a)	\$ 8,077,000
Interest Income	45,000	45,000	14,276	31.72%	11,250	3,026	(b)	60,000
Miscellaneous Income	25,318	25,318	4,672	18.45%	6,330	(1,658)	(c)	25,318
Total	\$ 8,147,318	\$ 8,147,318	\$ 1,758,767		\$ 1,840,580	\$ (81,813)		\$ 8,162,318

Note: Items highlighted in yellow are explained below.

(a) The sales tax revenue is coming in under budget through the first quarter of FY 2017. As of December 31, 2016, the projected revenue for FY 2017 assumes the FY 2017 budgeted sales tax revenue amount of \$8,077,000.

(b) This favorable variance indicates the investment income is slightly 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 unfavorable variance indicates the miscellaneous income is slightly below 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 DECEMBER 31, 2016

VSTDC Projects	Fiscal Year 2016-17 Original Budget	Fiscal Year 2016-17 Amended Budget	Fiscal Year 2016-17 Encumbered & Actual to Date	Percent of Amended Budget Expended	Benchmark Amount / Percentage	Amount (Over) Under Benchmark Amount	Fiscal Year 2016-17 Projected Expense
Debt Service & Administrative Expenditures:							
Debt Service							
Debt Service Payments	\$ 1,068,963	\$ 1,068,963	\$ 22,181	2.08%	\$ 267,241	\$ 245,060 (a)	\$ 1,068,963
Administrative & Maintenance Costs							
Lone Tree Business Park I Maintenance	5,620	5,620	5,620	100.00%	1,405	(4,215) (b)	\$ 5,620
Lone Tree Business Park II Maintenance	19,200	19,200	19,200	100.00%	4,800	(14,400) (b)	\$ 19,200
VEDC Programs	384,000	384,000	-	0.00%	96,000	96,000 (c)	\$ 384,000
Contract Management & Engineering Oversight	300,000	300,000	-	0.00%	75,000	75,000 (d)	\$ 300,000
Retail Gap and Opportunity Analysis	35,000	35,000	35,000	100.00%	8,750	(26,250) (e)	\$ 35,000
Sales Tax Analysis and Reporting System	9,540	9,540	9,540	100.00%	2,385	(7,155) (f)	\$ 9,540
Total Debt Service & Administrative Expenditures:	\$ 1,822,323	\$ 1,822,323	\$ 91,541		\$ 455,581	\$ 364,040	\$ 1,822,323

Note: Items highlighted in yellow are explained below.

(a) This favorable variance exists since the payments of debt service are due in December 2016 (interest of \$21,781.25) and June 2017 (principal of \$1,025,000 and interest \$21,781.25) of each year. As of December 31, 2016, only the December 2016 interest amount has been paid. Note: the final debt service payment will be in June 2017.

(b) This unfavorable variance exists since the contract for maintenance mowing of the Lone Tree Business Parks was encumbered in the first quarter and will be paid out as the mowing occurs during the fiscal year.

(c) This favorable variance is due to the VEDC Programs coming in under budget for the first quarter. The project is being paid out completely in the second quarter of the fiscal year (January 2017) per the terms of the agreement.

(d) This favorable variance is due to the Contract Management and Project Oversight Fees Paid to City coming in under budget through the first quarter. This type of expense account is not expensed evenly throughout the fiscal year and will not be paid until after the end of the fiscal year based on actual payments made on various projects.

(e) 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.

(f) This unfavorable variance exists since the contract for the Sales Tax Analysis and Reporting System was encumbered in the first quarter. The project is being paid out completely in the second quarter of the fiscal year (January 2017) 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 DECEMBER 31, 2016

VSTDC Projects	Fiscal Year 2016-17 Original Budget	Fiscal Year 2016-17 Amended Budget	Fiscal Year 2016-17 Encumbered & Actual to Date	Fiscal Year 2016-17 Outstanding Balance	Project Status as of Dec 31, 2016	Fiscal Year 2016-17 Projected Expense
Contractual Expenditures:						
Utilities Projects						
Downtown Utility-Ph III Project # 9 Construction	-	938,002	500,000	438,002	80% complete	938,002
Downtown Utility-Ph IV Project # 1 & 2 Construction	-	928,102	928,102	-	25% complete	928,102
Downtown Utility-Ph IV Project # 3 Construction	-	2,330,770	1,071,898	1,258,872	25% complete	2,330,770
Downtown Utility-Ph IV Project # 4 Engineering	-	133,916	133,916	-	Engineering complete	133,916
Downtown Utility-Ph IV Project # 4, 5 & 6 Engineering	-	182,974	182,974	-	5% complete	182,974
Downtown Utility-Ph IV Project # 4, 5 & 6 Construction	-	3,186,631	1,000,000	2,186,631	5% complete	3,186,631
Guy Grant Sanitary Sewer Replacement	-	45,088	-	45,088	Project complete	45,088
Navarro Street Utilities Extension Construction	-	1,163,714	1,000,000	163,714	95% complete	1,163,714
Water Plant # 3 Equipment	-	305,850	-	305,850	95% complete	305,850
Northside Rd Annexation Ph I (Berkman Sewer Diversion)	-	1,119,563	-	1,119,563	10% complete	1,119,563
Tower # 5 Pump Station	-	1,750,000	269,693	1,480,307	0% complete/eng in progress	1,750,000
Rehab Tower # 5	-	3,785	3,785	-	95% complete	3,785
Salem Crossing Oversizing Reimbursement Agreement	-	255,700	-	255,700	In progress	255,700
Economic Development						
2012 Business Park 3 Development Project	-	25,000	-	25,000	In progress	25,000
Street, Sidewalk, Drainage & Other Infrastructure						
Placido Benavides - Construction	7,481,812	7,481,812	-	7,481,812	0% complete/eng in progress	7,481,812
Traffic Signal Design - Mallette and Loop 463	65,000	65,000	-	65,000	In progress	65,000
Red River - Ben Jordan to Laurent	-	2,223,547	-	2,223,547	0% complete/eng in progress	2,223,547
Placido Benavides - Engineering & ROW	-	187,611	-	187,611	0% complete/eng in progress	187,611
Fire Station No. 5 Relocation	-	250,000	250,000	-	Project complete	250,000
Total Contractual Expenditures:	\$ 7,546,812	\$ 22,577,065	\$ 5,340,368	\$ 17,236,697		\$ 22,577,065
Total Expenditures:	\$ 9,369,135	\$ 24,399,388	\$ 5,431,909	\$ 17,236,697		\$ 24,399,388