

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 MARCH 31, 2018

	Fiscal Year 2017-18 Original Budget	Fiscal Year 2017-18 Amended Budget	Fiscal Year 2017-18 Encumbered & Actual To Date (a)	Fiscal Year 2017-18 Projected Actual
BEGINNING FUND BALANCE				
Undesignated Operating Fund Balance	\$ 3,216,335	\$ 3,200,981	\$ 3,200,981	\$ 3,200,981
Designated Fund Balance - Outstanding Projects	-	14,756,990	14,756,990	14,756,990
Reserved Fund Balance	-	-	-	-
TOTAL FUND BALANCE, OCTOBER 1	\$ 3,216,335	\$ 17,957,971	\$ 17,957,971	\$ 17,957,971
REVENUES				
Sales Tax Receipts	\$ 7,442,000	\$ 7,442,000	\$ 4,209,890	\$ 8,080,000
Interest Income	50,000	50,000	93,222	200,000
Miscellaneous Income	25,500	25,500	12,521	25,500
Transfer from Construction	-	-	-	-
Total Revenues	\$ 7,517,500	\$ 7,517,500	\$ 4,315,633	\$ 8,305,500
TOTAL FUNDS AVAILABLE	\$ 10,733,835	\$ 25,475,471	\$ 22,273,604	\$ 26,263,471
EXPENDITURES				
VEDC Programs	\$ 384,000	\$ 384,000	\$ 384,000	\$ 384,000
Administrative & Maintenance Costs	362,632	362,632	63,202	362,632
Utilities Projects	-	6,154,895	2,015,834	6,154,895
Economic Development Projects	-	25,000	-	25,000
Parks Projects	150,000	150,000	150,000	150,000
Street, Sidewalk, Drainage & Other Infrastructure	7,787,003	16,364,097	1,275,173	16,364,097
Total Expenditures	\$ 8,683,635	\$ 23,440,625	\$ 3,888,209	\$ 23,440,625
ENDING FUND BALANCE				
Undesignated Operating Fund Balance	\$ 2,050,200	\$ 2,034,846	\$ -	\$ 2,822,847
Reserved for Approved Project Balances	-	-	18,385,395	-
Reserved for VSTDC Economic Incentives	-	-	-	-
TOTAL FUND BALANCE, MARCH 31	\$ 2,050,200	\$ 2,034,846	\$ 18,385,395	\$ 2,822,847

CITY OF VICTORIA, TEXAS
VICTORIA SALES TAX DEVELOPMENT CORPORATION (VSTDC)
VSTDC QUARTERLY FINANCIAL REPORT – EXECUTIVE SUMMARY
AS OF MARCH 31, 2018

The following comments will address the main issues associated to the VSTDC's financial status as of March 31, 2018:

- The “audited” Fiscal Year 2017 ending “Undesignated Fund Balance” came in at \$3,200,981 compared to the projected Fiscal Year 2017 ending “Undesignated Fund Balance”, calculated back in mid-September 2017, of \$3,216,335. This equates to a decrease of \$15,354, or an unfavorable variance of -0.48%, as a result of actual sales tax revenues coming in slightly lower than expected.
- As of March 31, 2018, the Fiscal Year 2018 expenditure budget has been amended by \$14,756,990 for the carryover of contract balances outstanding as of September 30, 2017.
- As of March 31, 2018, the “Fiscal Year 2017-18 Actual to Date” column for the “Sales Tax Receipts” reflects the first six payments of the fiscal year. These receipts total \$4,209,890, which is \$459,890 or 12.26% above the budgeted amount of \$3,750,000 through the second quarter.
- As of March 31, 2018, the “Total Fund Balance” is \$18,385,395, which will be reserved for the current outstanding project balances of \$20,804,072, of which \$13,096,569 is currently in progress and the remaining \$7,707,503 should begin later this fiscal year.
- The “Fiscal Year 2017-18 Projected Actual” for total revenue, as of March 31, 2018, is expected to come in at \$8,305,500, which is \$788,000 or 10.48% above the original budget of \$7,517,500 due to the projected increase in the following:
 - As of March 31, 2018, the Fiscal Year 2018 projected sales tax receipts are expected to come in over the original budget by \$638,000; and,
 - As of March 31, 2018, the Fiscal Year 2018 projected interest income is expected to come in over the original budget by \$150,000.
- The “Fiscal Year 2017-18 Projected Actual” for total expenditures, as of March 31, 2018, assumes the full amended expenditure budget will be expensed with no variations through the second quarter.
- As of March 31, 2018, the projected year-end Fiscal Year 2018 VSTDC total Fund Balance is estimated to come in at \$2,822,847, which is \$772,647 over the original Fiscal Year 2018 VSTDC total Fund Balance of \$2,050,200 due to the following:
 - The Fiscal Year 2017 audited Undesignated Fund Balance came in \$15,354 lower than the original Undesignated Fund Balance; and,
 - As of March 31, 2018, the Fiscal Year 2018 projected revenues are expected to come in over the original budget by \$788,000.

Overall, the Victoria Sales Tax Development Corporation's financial position is healthy as of March 31, 2018.

Comments addressing the budgeted revenue and expenditure “variances”, as of March 31, 2018, 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 MARCH 31, 2018

	Fiscal Year 2017-18 Original Budget	Fiscal Year 2017-18 Amended Budget	Fiscal Year 2017-18 Actual Year to Date	Percent of Amended Budget Collected	Benchmark Amount / Percentage	Amount Over (Under) Benchmark Amount		Fiscal Year 2017-18 Projected Actual
REVENUES:								
Sales Tax Receipts	\$ 7,442,000	\$ 7,442,000	\$ 4,209,890	56.57%	\$ 3,750,000	\$ 459,890	(a)	\$ 8,080,000
Interest Income	50,000	50,000	93,222	186.44%	25,000	68,222	(b)	200,000
Miscellaneous Income	25,500	25,500	12,521	49.10%	12,750	(229)	(c)	25,500
Transfer from Construction	-	-	-	#DIV/0!	-	-	(c)	-
Total	\$ 7,517,500	\$ 7,517,500	\$ 4,315,633		\$ 3,787,750	\$ 527,883		\$ 8,305,500

Note: Items highlighted in yellow are explained below.

(a) The sales tax revenue is coming in over budget through the second quarter of FY 2018. As of March 31, 2018, the projected revenue for FY 2018 is \$8,080,000, which is \$638,000 or 8.57% over the budgeted sales tax revenue amount of \$7,442,000.

(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 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 MARCH 31, 2018

VSTDC Projects	Fiscal Year 2017-18 Original Budget	Fiscal Year 2017-18 Amended Budget	Fiscal Year 2017-18 Encumbered & Actual to Date	Percent of Amended Budget Expended	Benchmark Amount / Percentage	Amount (Over) Under Benchmark Amount	Fiscal Year 2017-18 Projected Expense
Administrative & Maintenance Expenditures:							
Lone Tree Business Park I Maintenance	5,800	5,800	5,620	96.90%	2,900	(2,720) (a)	5,800
Lone Tree Business Park II Maintenance	19,200	19,200	19,200	100.00%	9,600	(9,600) (a)	19,200
VEDC Programs	384,000	384,000	384,000	100.00%	192,000	(192,000) (b)	384,000
Contract Management & Engineering Oversight	300,000	300,000	750	0.25%	150,000	149,250 (c)	300,000
Retail Gap and Opportunity Analysis	30,000	30,000	30,000	100.00%	15,000	(15,000) (d)	30,000
Sales Tax Analysis and Reporting System	7,632	7,632	7,632	100.00%	3,816	(3,816) (e)	7,632
Total Debt Service & Administrative Expenditures:	\$ 746,632	\$ 746,632	\$ 447,202		\$ 373,316	\$ (73,886)	\$ 746,632

Note: Items highlighted in yellow are explained below.

- (a) 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.
- (b) This unfavorable variance is due to the VEDC Programs coming in under budget for the second quarter. The project was paid out completely in the second quarter of the fiscal year (January 2018) per the terms of the agreement.
- (c) This favorable variance is due to the Contract Management and Project Oversight Fees Paid to City coming in over budget through the second 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.
- (d) 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.
- (e) This unfavorable variance exists since the contract for the Sales Tax Analysis and Reporting System was paid in full during the first quarter (December 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 MARCH 31, 2018

VSTDC Projects	Fiscal Year 2017-18 Original Budget	Fiscal Year 2017-18 Amended Budget	Fiscal Year 2017-18 Encumbered & Actual to Date	Fiscal Year 2017-18 Outstanding Balance	Project Funding Status as of March 31, 2018	Fiscal Year 2017-18 Projected Expense
Contractual Expenditures:						
Utilities Projects						
Downtown Utility-Ph III Project # 9 Construction	\$ -	\$ 438,002	\$ -	\$ 438,002	100% complete	\$ 438,002
Downtown Utility-Ph IV Project # 3 Construction	-	1,258,872	500,000	758,872	85% complete	1,258,872
Downtown Utility-Ph IV Project # 4, 5 & 6 Construction	-	2,186,631	-	2,186,631	Engineering complete	2,186,631
Northside Rd Annexation Ph I (Berkman Sewer Diversion)	-	1,119,563	500,000	619,563	75% complete	1,119,563
Tower # 5 Pump Station	-	1,151,828	1,015,834	135,994	30% complete	1,151,828
Economic Development						
2012 Business Park 3 Development Project	-	25,000	-	25,000	In progress	25,000
Parks Projects						
Ethel Lee Tracy Splashpad Project	150,000	150,000	150,000	-	100% complete	150,000
Street, Sidewalk, Drainage & Other Infrastructure						
Red River - Laurent to Main	3,102,952	3,102,952	50,000	3,052,952	0% complete/eng in progress	3,102,952
Crestwood Drive - Laurent to Ben Jordan	4,308,596	4,308,596	284,150	4,024,446	0% complete/eng in progress	4,308,596
Nursery Rd Ph I - Tropical to Lake Forest Drive	313,455	313,455	-	313,455	In progress	313,455
Loop 463 Right of Way Mowing Program	62,000	62,000	56,000	6,000	25% complete	62,000
Placido Benavides - Construction	-	7,481,812	-	7,481,812	0% complete/eng in progress	7,481,812
Traffic Signal Design - Mallette and Loop 463	-	10,305	10,305	-	100% complete	10,305
Red River - Ben Jordan to Laurent	-	1,084,977	874,718	210,260	90% complete	1,084,977
Total Contractual Expenditures:	\$ 7,937,003	\$ 22,693,993	\$ 3,441,007	\$ 19,252,986		\$ 22,693,993
Total Expenditures:	\$ 8,683,635	\$ 23,440,625	\$ 3,888,209	\$ 19,252,986		\$ 23,440,625