

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, 2015

	Fiscal Year 2015-16 Original Budget	Fiscal Year 2015-16 Amended Budget	Fiscal Year 2015-16 Encumbered & Actual To Date (a)	Fiscal Year 2015-16 Projected Actual
BEGINNING FUND BALANCE				
Undesignated Operating Fund Balance	\$ 7,623,997	\$ 7,578,294	\$ 7,578,294	\$ 7,578,294
Designated Fund Balance - Outstanding Projects	-	12,564,488	12,564,488	12,564,488
Reserved Fund Balance	-	-	-	-
TOTAL FUND BALANCE, OCTOBER 1	\$ 7,623,997	\$ 20,142,782	\$ 20,142,782	\$ 20,142,782
REVENUES				
Sales Tax Receipts	\$ 9,024,000	\$ 9,024,000	\$ 2,175,504	\$ 9,024,000
Interest Income	30,000	30,000	8,332	30,000
Miscellaneous Income	24,700	24,700	5,423	24,700
Land Sale Proceeds	-	-	-	-
Total Revenues	\$ 9,078,700	\$ 9,078,700	\$ 2,189,259	\$ 9,078,700
TOTAL FUNDS AVAILABLE	\$ 16,702,697	\$ 29,221,482	\$ 22,332,041	\$ 29,221,481
EXPENDITURES				
Debt Service	\$ 1,070,825	\$ 1,070,825	\$ 43,113	\$ 1,070,825
VEDC Programs	384,000	384,000	-	384,000
Administrative & Maintenance Costs	358,500	362,645	62,635	362,645
Utilities Projects	6,041,497	17,885,636	3,344,847	17,885,636
Economic Development Projects	-	25,000	-	25,000
Street, Sidewalk, Drainage & Other Infrastructure	5,148,092	5,839,296	491,964	5,839,296
Total Expenditures	\$ 13,002,914	\$ 25,567,402	\$ 3,942,558	\$ 25,567,402
ENDING FUND BALANCE				
Undesignated Operating Fund Balance	\$ -	\$ -	\$ -	\$ -
Reserved for Approved Project Balances	-	-	18,389,483	-
Reserved for VSTDC Economic Incentives	3,000,000	3,000,000	-	3,000,000
Reserved for Future CIP Program	699,783	654,080	-	654,080
TOTAL FUND BALANCE, DECEMBER 31	\$ 3,699,783	\$ 3,654,080	\$ 18,389,483	\$ 3,654,080

(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, 2015

The following comments will address the main issues associated to the VSTDC's financial status as of December 31, 2015:

- The “audited” Fiscal Year 2015 ending “Undesignated Fund Balance” came in at \$7,578,294 compared to the projected Fiscal Year 2015 ending “Undesignated Fund Balance”, calculated back in mid-September 2015, of \$7,623,997. This equates to a decrease of \$45,703, or an unfavorable variance of 0.60%, as a result of actual sales tax revenues coming in slightly lower than expected.
- As of December 31, 2015, the Fiscal Year 2016 expenditure budget has been amended by \$12,564,488 for the carryover of contract balances outstanding as of September 30, 2015.
- As of December 31, 2015, the “Fiscal Year 2015-16 Encumbered & Actual to Date” column for the “Sales Tax Receipts” reflects the first three payments of the fiscal year. These receipts total \$2,175,504, which is \$504 or 0.02% above the budgeted amount of \$2,175,000 through the first quarter.
- As of December 31, 2015, the “Total Fund Balance” is \$18,389,483, which will be reserved for the current outstanding project balances of \$21,736,347, of which \$14,333,167 is currently in progress and the remaining \$7,403,180 should begin later this fiscal year.
- The “Fiscal Year 2015-16 Projected Actual” for total revenue, as of December 31, 2015, is expected to come in at \$9,078,700, which is equal to the budgeted amount of total revenue. Even with the first three months of sales tax receipts coming in at the budgeted amount, there is still nine months of collections remaining and some uncertainty as to what effect decreasing oil prices will continue to have on the local economy.
- The “Fiscal Year 2015-16 Projected Actual” for total expenditures, as of December 31, 2015, assumes the full amended expenditure budget will be expensed with no variations through the first quarter.
- As of December 31, 2015, the projected year-end Fiscal Year 2016 VSTDC total fund balance is estimated to come in at \$3,654,080, which is \$45,703 under the original Fiscal Year 2016 VSTDC total Fund Balance of \$3,699,783. The reason for the decrease is that the Fiscal Year 2015 audited Undesignated Fund Balance came in \$45,703 lower than the original Undesignated Fund Balance.

Over all, the Victoria Sales Tax Development Corporation's financial position is healthy as of December 31, 2015.

Comments addressing the budgeted revenue and expenditure “variances”, as of December 31, 2015, 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, 2015

	Fiscal Year 2015-16 Original Budget	Fiscal Year 2015-16 Amended Budget	Fiscal Year 2015-16 Actual Year to Date	Percent of Amended Budget Collected	Benchmark Amount / Percentage	Amount Over (Under) Benchmark Amount		Fiscal Year 2015-16 Projected Actual
REVENUES:								
Sales Tax Receipts	\$ 9,024,000	\$ 9,024,000	\$ 2,175,504	24.11%	\$ 2,104,000	\$ 71,504	(a)	\$ 9,024,000
Interest Income	30,000	30,000	8,332	27.77%	7,500	832	(b)	30,000
Miscellaneous Income	24,700	24,700	5,423	21.96%	6,175	(752)	(c)	24,700
Total	\$ 9,078,700	\$ 9,078,700	\$ 2,189,259		\$ 2,117,675	\$ 71,584		\$ 9,078,700

Note: Items highlighted in yellow are explained below.

(a) The sales tax revenue is coming in at budget through the first quarter of FY 2016. As of December 31, 2015, the projected revenue for FY 2016 assumes the FY 2016 budgeted sales tax revenue amount of \$9,024,000.

(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. Note: this category continues to experience low interest earning rates as seen over the last couple of years.

(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, 2015

VSTDC Projects	Fiscal Year 2015-16 Original Budget	Fiscal Year 2015-16 Amended Budget	Fiscal Year 2015-16 Encumbered & Actual to Date	Percent of Amended Budget Expended	Benchmark Amount / Percentage	Amount (Over) Under Benchmark Amount	Fiscal Year 2015-16 Projected Expense
Debt Service & Administrative Expenditures:							
Debt Service							
Debt Service Payments	\$ 1,070,825	\$ 1,070,825	\$ 43,113	4.03%	\$ 267,706	\$ 224,594 (a)	\$ 1,070,825
Administrative & Maintenance Costs							
Lone Tree Business Park I Maintenance	4,300	5,245	5,235	99.81%	1,311	(3,924) (b)	5,245
Lone Tree Business Park II Maintenance	19,200	22,400	22,400	100.00%	5,600	(16,800) (b)	22,400
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
Total Debt Service & Administrative Expenditures:	\$ 1,813,325	\$ 1,817,470	\$ 105,748		\$ 454,368	\$ 348,620	\$ 1,817,470

Note: Items highlighted in yellow are explained below.

(a) This favorable variance exists since the payments of debt service are due in December 2015 (interest of \$42,712.50) and June 2016 (principal of \$985,000 and interest \$42,712.50) of each year. As of December 31, 2015, only the December 2015 interest amount has been paid. Note: the final debt service payment is 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 2016) 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.

CITY OF VICTORIA, TEXAS
VICTORIA SALES TAX DEVELOPMENT CORPORATION QUARTERLY FINANCIAL EXPENDITURE REPORT
FOR THE CORRESPONDING FISCAL YEAR PRESENTED
AS OF DECEMBER 31, 2015

VSTDC Projects	Fiscal Year 2015-16 Original Budget	Fiscal Year 2015-16 Amended Budget	Fiscal Year 2015-16 Encumbered & Actual to Date	Fiscal Year 2015-16 Outstanding Balance	Project Status as of Dec 31, 2015	Fiscal Year 2015-16 Projected Expense
Contractual Expenditures:						
Utilities Projects						
Downtown Utility-Ph IV Project # 4, 5 & 6 Engineering	344,078	344,078	110,624	233,454	0% complete/eng in progress	344,078
Downtown Utility-Ph IV Project # 4, 5 & 6 Construction	3,186,631	3,186,631	-	3,186,631	0% complete/eng in progress	3,186,631
Salem Crossing Oversizing Reimbursement Agreement	255,700	255,700	-	255,700	In progress	255,700
Tower # 5 Pump Station	1,750,000	1,750,000	-	1,750,000	In progress	1,750,000
Guy Grant Sanitary Sewer Replacement	505,088	505,088	-	505,088	In progress	505,088
Downtown Utility-Ph III Project # 7 & 8 Construction	-	552,317	552,317	-	50% complete	552,317
Downtown Utility-Ph III Project # 9 Construction	-	1,385,685	447,683	938,002	50% complete	1,385,685
Navarro Street Utilities Extension Construction	-	2,713,714	1,000,000	1,713,714	25% complete	2,713,714
Downtown Utility-Ph IV Project # 4 Engineering	-	133,916	-	133,916	0% complete/eng in progress	133,916
Downtown Utility-Ph IV Project # 1 & 2 Construction	-	1,928,102	1,000,000	928,102	0% complete	1,928,102
Downtown Utility-Ph IV Project # 3 Construction	-	2,330,770	-	2,330,770	0% complete	2,330,770
Northside Rd Annexation Ph I (Berkman Sewer Diversion)	-	2,350,000	230,438	2,119,563	0% complete/eng in progress	2,350,000
Rehab Tower # 5	-	3,785	3,785	-	90% complete	3,785
Water Plant # 3 Equipment	-	445,850	-	445,850	50% complete	445,850
Economic Development						
2012 Business Park 3 Development Project	-	25,000	-	25,000	In progress	25,000
Street, Sidewalk, Drainage & Other Infrastructure						
Red River - Ben Jordan to Laurent	2,261,547	2,261,547	38,000	2,223,547	In progress	2,261,547
Placido Benavides - Engineering & ROW	983,111	983,111	-	983,111	0% complete/eng in progress	983,111
Lone Tree Road and Sparkman Road	598,000	598,000	-	598,000	In progress	598,000
Holt Road and Hartman Road	659,321	659,321	-	659,321	In progress	659,321
Bottom Street	646,113	646,113	-	646,113	In progress	646,113
Traffic Signal - Business 59 & Loop 463	-	135,000	-	135,000	90% complete	135,000
Fire Station No. 6	-	556,204	453,964	102,240	90% complete	556,204
Total Contractual Expenditures:	\$ 11,189,589	\$ 23,749,932	\$ 3,836,810	\$ 19,913,122		\$ 23,749,932
Total Expenditures:	\$ 13,002,914	\$ 25,567,402	\$ 3,942,558	\$ 19,913,122		\$ 25,567,402