

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, 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	\$ 3,305,362	\$ 3,305,362	\$ 3,305,362
Designated Fund Balance - Outstanding Projects	-	17,363,127	17,363,127	17,363,127
Reserved Fund Balance	-	-	-	-
TOTAL FUND BALANCE, OCTOBER 1	\$ 2,582,991	\$ 20,668,489	\$ 20,668,489	\$ 20,668,489
REVENUES				
Sales Tax Receipts	\$ 8,276,000	\$ 8,276,000	\$ 4,218,659	\$ 8,276,000
Interest Income	200,000	200,000	285,681	454,681
Miscellaneous Income	28,500	28,500	14,921	28,500
Total Revenues	\$ 8,504,500	\$ 8,504,500	\$ 4,519,261	\$ 8,759,181
TOTAL FUNDS AVAILABLE	\$ 11,087,491	\$ 29,172,989	\$ 25,187,751	\$ 29,427,670
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	1,846,603
Street, Sidewalk, Drainage & Other Infrastructure	5,554,244	22,685,178	5,785,044	22,685,178
Total Expenditures	\$ 7,982,604	\$ 25,346,032	\$ 7,256,132	\$ 25,345,731
ENDING FUND BALANCE				
Undesignated Operating Fund Balance	\$ 3,104,887	\$ 3,826,957	\$ -	\$ 4,081,939
Reserved for Approved Project Balances	-	-	17,931,618	-
Reserved for VSTDC Economic Incentives	-	-	-	-
Reserved for Future CIP Program	-	-	-	-
TOTAL FUND BALANCE, DECEMBER 31	\$ 3,104,887	\$ 3,826,957	\$ 17,931,618	\$ 4,081,939

CITY OF VICTORIA, TEXAS
VICTORIA SALES TAX DEVELOPMENT CORPORATION (VSTDC)
VSTDC QUARTERLY FINANCIAL REPORT – EXECUTIVE SUMMARY
AS OF MARCH 31, 2019

The following comments will address the main issues associated to the VSTDC's financial status as of March 31, 2019:

- The “audited” Fiscal Year 2018 ending “Undesignated Fund Balance” came in at \$3,305,362 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 \$722,371, or a favorable variance of 27.97%, 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 March 31, 2019, the Fiscal Year 2019 expenditure budget has been amended by \$17,363,127 for the carryover of contract balances outstanding as of September 30, 2018.
- As of March 31, 2019, the “Fiscal Year 2018-19 Actual to Date” column for the “Sales Tax Receipts” reflects the first six payments of the fiscal year. These receipts total \$4,218,659, which is \$39,659 or 0.95% above the budgeted amount of \$4,179,000 through the second quarter.
- As of March 31, 2019, the “Total Fund Balance” is \$17,931,618, which will be reserved for the current outstanding project balances of \$18,089,899, of which \$11,765,805 is for project costs carried over from prior fiscal years, \$6,020,094 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 March 31, 2019, is expected to come in at \$8,759,181, which is \$254,681 or 2.99% 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 March 31, 2019, assumes the full amended expenditure budget will be expensed with no variations through the first quarter. By the end of the third quarter, we will be well into the budget process and have a more precise projection of actual expenditures and revenues.
- As of March 31, 2019, the projected year-end Fiscal Year 2019 VSTDC total Fund Balance is estimated to come in at \$4,081,939, which is \$977,052 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 \$722,371 higher than the original Undesignated Fund Balance; and,
 - As of March 31, 2019, the Fiscal Year 2019 projected revenues are expected to come in above the original budget by \$254,681.

Overall, the Victoria Sales Tax Development Corporation's financial position is healthy as of March 31, 2019.

Comments addressing the budgeted revenue and expenditure “variances”, as of March 31, 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 MARCH 31, 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	\$ 4,218,659	50.97%	\$ 4,179,000	\$ 39,659	(a)	\$ 8,276,000
Interest Income	200,000	200,000	285,681	142.84%	100,000	185,681	(b)	454,681
Miscellaneous Income	28,500	28,500	14,921	52.35%	14,250	671	(c)	28,500
Total	\$ 8,504,500	\$ 8,504,500	\$ 4,519,261		\$ 4,293,250	\$ 226,011		\$ 8,759,181

(a) The sales tax revenue is coming in above budget through the second quarter of FY 2019. As of March 31, 2019, the projected revenue for FY 2019 is \$8,276,000, which is equal to 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 MARCH 31, 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	-	2,003	(6,008) (a)	8,010
Lone Tree Business Park II Maintenance	19,200	22,400	22,400	-	5,600	(16,800) (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	-	7,500	(22,500) (c)	30,000
Sales Tax Analysis and Reporting System	9,540	9,540	9,540	-	2,385	(7,155) (d)	9,540
Loop 463 ROW Mowing	60,000	60,000	56,000	4,000	15,000	(41,000) (a)	60,000
Total Debt Service & Administrative Expenditures:	\$ 808,360	\$ 813,950	\$ 509,950	\$ 304,000	\$ 32,488	\$ (477,463)	\$ 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 MARCH 31, 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	\$ 226,904
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	-	3,052,952	-	3,052,952	0% complete/eng in progress	3,052,952
Crestwood Drive - Laurent to Ben Jordan	-	4,156,170	291,800	3,864,370	0% complete/eng in progress	4,156,170
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	505,782
Crestwood Drive Ph II - Navarro to Laurent	3,701,270	3,701,270	284,150	3,417,120	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	1,108,000
Total Contractual Expenditures:	\$ 7,174,244	\$ 24,532,082	\$ 6,746,182	\$ 17,785,899		\$ 24,532,082
Total Expenditures:	\$ 7,982,604	\$ 25,346,032	\$ 7,256,132	\$ 18,089,899		\$ 25,346,032