



CITY OF PEARLAND

Monthly Financial Report

Fiscal Year 2015

Month of December 2014

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This report represents a general overview of financial operations for and through December 2014, which is the third month of FY 2015, **25.0%** into the fiscal year.

Budgeted beginning balances are adjusted to reflect actual balances, are unaudited and subject to change until the City completes the FY 2014 audit. Annual revenue and expenditure budget numbers reflect the budget for FY 2015 and Carryovers from FY 2014, as adopted by the Council in September and December.

Summary

Property Tax received to date totals \$31,337,198, 58.6% of the adjusted Levy. Last year at this time, collections were 56.4% of the adjusted Levy.

Sales Tax estimated for December is \$2,944,183, 3.1% greater than December 2013. Year-to-date, sales tax totals \$7,046,364, \$370,876, or 5.6%, higher than last year and \$87,386, or 1.3%, over budget.

The **General Fund** balance through December 31, 2014 is \$26,271,335, \$12,546,851 or % over of the amended budgeted balance of \$13,724,754. Revenues are at 34.8% of budget and expenditures at 22.1%.

The **Water/Sewer** cash available balance through December 31, 2014 is \$17,385,113, 60.4% over the amended budgeted balance. Revenues are at 24.3% of budget and expenditures are at 12.4% of budget.

Other Funds – Medical claims increased by \$24,235, 2.0%, through December 2014 compared to December 2013, and are 21.0% of budget. Premiums received increased by \$111,367, 8.9%, from last December, due to an increase in premiums effective October 1.

Investments – The quarterly investment report will be presented separately.



PROPERTY TAX

The certified net taxable value for all three counties totals \$7.15 billion. Supplemental adjustments, mainly for properties under protest at time of certification, total \$427,517,368, bringing the adjusted value to \$7.58 billion as of December 31, 2014. This is \$19,616,405 lower than the \$7,600,947,489 estimated for the FY 2015 budget.

Through December, the City received \$31,337,198 for current taxes, which represents 58.6% of the adjusted property tax levy. Last year at this time the collection rate was 56.4%. Collections through December of this year are 13.3% higher than collections of December 2013.

Payments of 2014 property taxes are due by January 31, 2015, and become delinquent on February 1, 2015. The budget incorporates a 98.4% collection rate.

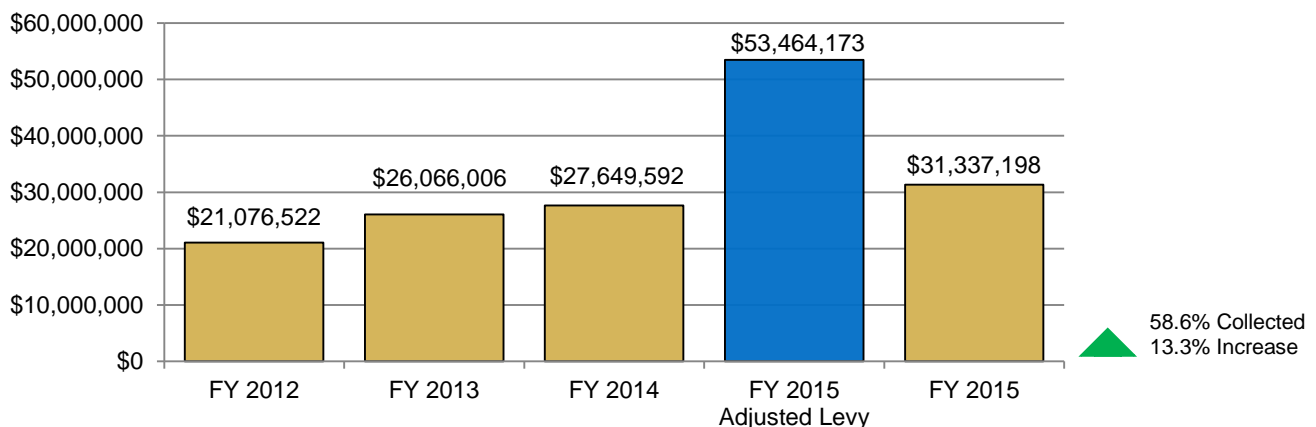
Tax Summary	FY 2015 BUDGETED LEVY 100%	FY 2015 ADJUSTED LEVY 100%	FY 2015 ACTUAL COLLECTIONS	% ADJUSTED LEVY COLLECTED
Sources:				
Ad Valorem Taxes	\$53,556,520	\$53,464,173	\$31,337,198	58.6%
Uses:				
General Fund	12,982,685	12,960,299	7,227,460	55.8%
Debt Service Fund	28,542,037	28,492,822	15,945,320	56.0%
TIRZ	12,031,798	12,011,052	8,164,418	68.0%
Total Uses	\$53,556,520	\$53,464,173	\$31,337,198	58.6%

Reconciliation of Tax Roll:

¹ Certified Value	\$7,153,813,686	Certified Residential Market Value	\$6,882,518,150	82.4%
Adjustments	427,517,368	Certified Commercial Market Value	\$1,465,401,100	17.6%
¹Adjusted Value to Date	\$7,581,331,054	Total	\$8,347,919,250	100.0%
Tax Rate per \$100 Value	0.7121			
¹Total Levy @ 100% Collections	\$53,454,770	Homestead Productivity Value Loss	(\$67,843,329)	
¹ Current Taxes Receivable	22,145,122	Exemptions	(\$1,126,262,235)	
Delinquent Taxes Receivable	830,605			
Total Taxes Receivable	\$22,975,727	2014 Certified Taxable Value	\$7,153,813,686	

¹Source - Brazoria County Tax Assessor/Collector; levy includes AG Rollback.

Property Tax Collections
Fiscal Year-to-Date through December 2014

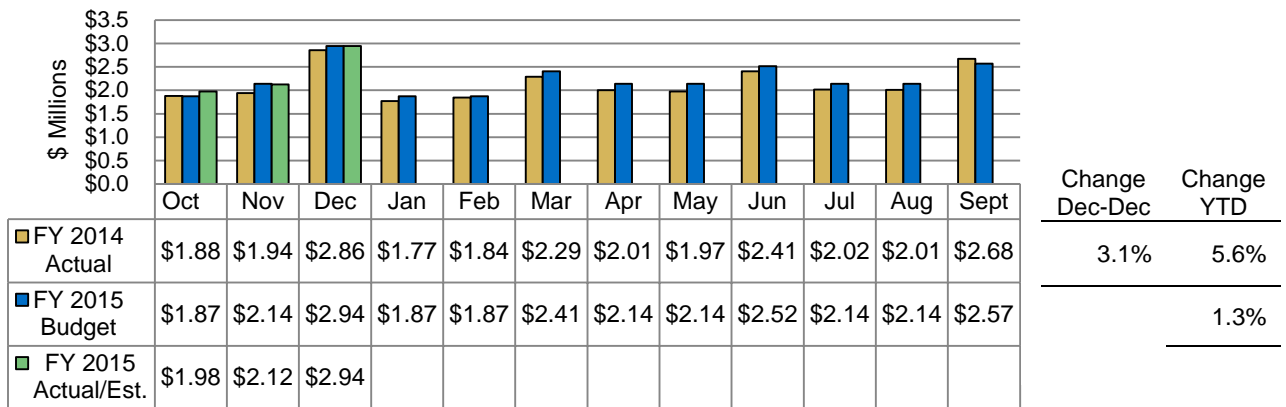


SALES TAX

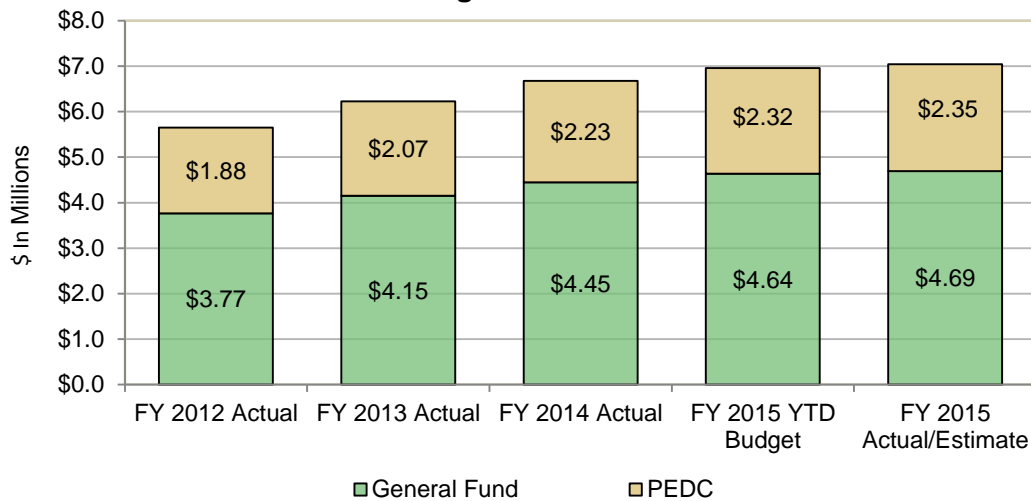
The accrued sales tax for the month of December is \$2,944,183, \$88,478, or 3.1% more than last December. December sales tax will be received in February 2015. Sales tax for November was received in January, at \$2,124,882, 9.5% more than last year November, and 0.8% less than budgeted for the month of November of this year. The November remittance included a negative adjustment of (\$37,306); otherwise, November sales tax would have been \$221,997, or 11.4%, over last November.

Estimated sales tax through December is \$7,046,364, \$370,876, or 5.6% higher than last year during the same period, and is \$87,386, or 1.3% over the year-to-date budget. Estimated sales tax of \$7,046,364 is 26.3% of the \$26,765,303 adopted budget for the year.

Sales Tax Collections - December 2014



Year-To-Date Sales Tax Collections through December 2014



DEBT SERVICE

Revenues through December total \$16,285,233, of which property tax collections for the City total \$15,926,960, 56.0% of the \$28,456,557 budget. The majority of the property tax revenue will be received by January 31, 2015. Miscellaneous revenue of \$196,342 includes \$190,922 in pro rata lease payments from the tenants in the University of Houston facility. Interest income totals \$8,577.

Expenditures total \$540,323 through December. Current expenditures include \$530,898 of the budgeted \$1,196,245 in short-term lease/purchase payments, \$7,425 in arbitrage fees and \$2,000 in fiscal agent fees. Payments on bond principal and interest of \$23,759,962 for the year are due March 1 and September 1.

Fund balance at December 31, 2014 is \$20,280,849, \$15,625,325, or 435.6%, over the budgeted fund balance. The fund balance will increase significantly again in January, as the majority of property taxes will be collected, and then decline through the rest of the year as debt service payments are made, ending up near the budgeted ending balance of \$4,655,524.

	FY 2015 ANNUAL BUDGET	FY 2015 ACTUAL TO-DATE	FY 2015 % of BUDGET
Revenues			
Property Taxes	\$28,456,557	\$15,926,960	56.0%
Interest	36,001	8,577	23.8%
Miscellaneous	763,475	196,342	25.7%
Transfers	613,411	153,353	25.0%
Total Revenues	29,869,444	16,285,233	54.5%
Expenditures			
Rebates & Misc.	4,747,297		0.0%
Bond Payment	23,759,962		0.0%
Fiscal Agent/Arbitrage Fees	46,355	9,425	20.3%
Short-Term Note	1,196,245	530,898	44.4%
Total Expenditures	29,749,859	540,323	1.8%
Net Change in Fund Balance	119,585	15,744,910	13166.3%
Beginning Fund Balance	4,535,939	4,535,939	
Ending Fund Balance	\$4,655,524	\$20,280,849	435.6%

GENERAL FUND

Revenues totaling \$22,180,857 are 34.8% of the adopted budget of \$63,692,881, and \$1,211,070 higher than last December. Excluding Other Financing Sources, fiscal year 2015 revenues are higher than last year by \$3,064,009, or 16.0%.

- Property tax collection for maintenance and operations at \$7,244,810 is 55.3% of the adopted budget and \$681,087, or 10.4%, higher than last year through December.
- Estimated sales tax through December is \$4,697,576, \$247,251, or 5.6%, higher than last December actual sales tax, exceeding the year-to-date budget by 1.3%, and is at 26.3% of the amended budget. Sales tax listed below at \$4,703,665 includes the difference between the accrual and actual, as there is a two-month lag from the month's sales tax to receiving the tax from the state.
- Franchise Fees in December are \$1,062,615, \$105,313 higher than last year, as both electric and solid waste fees average an increase of approximately \$12,000/month and \$20,000/month, respectively.
- Licenses & Permits total \$949,202 and 24.2% of budget. This is \$63,058 higher than last year. The value of commercial building permits for the first quarter of this fiscal year was \$42.1M compared to \$43.8M last year for the same period; however, \$30M of this year's fees were for development of the Shadow Creek Sports Complex. Excluding the Sports Complex, this is a decrease of \$31.7M, or -74.7%, as last year included HCA and HEB. To date this fiscal year, the average value for single family permits is \$226,028 compared to \$229,486 last year for this same period, a 1.5% decrease.
- Fines and Forfeitures are down \$53,719, -7.5%, mainly due to fewer court cases, which have decreased 18.9%, from 5,424 to 4,562, with fees collected down by 8.9%, from \$690,432 the first quarter of FY 2014 to \$628,655 this year. Commercial carrier fines increased by 86.9%, from \$12,868 the first quarter last fiscal year to \$24,051 this fiscal year.
- Charges for Services are up by 26.1%, \$1.4 million, mainly due to an increase of \$1.2 million in TIRZ fees. Recreation Center/Natatorium memberships are up by \$41,606 the first quarter over last year during the same period.
- Miscellaneous, at \$168,944, is up from last year, mainly due to street light charges and \$20,000 received from KPB for Recycling Center operations in FY 2015.

Expenditures of \$15,364,022 are 22.1% of budget for the first quarter of the fiscal year. Last year at this time expenditures were 24.4% of budget. The department expenditures in FY 2014 reflect the new distribution by area beginning FY 2015, i.e., Animal Services and Health/Code Enforcement expenditures for FY 2014 are included in Public Safety, and facility and grounds maintenance are included in Public Works for comparison purposes.

- General Government increased by \$229,824 mainly due to the expansion costs of the library lease space.
- Public Safety decreased by \$652,532, mainly due to the payment of an ambulance and full payment for a fire truck during the first quarter of FY14.
- First quarter transfers of \$384,676, as approved in the FY 2015 Budget, were processed in December, whereas the first quarter transfers were processed in January of last fiscal year.

The ending fund balance is \$26,271,335 as of December 31, 2014, \$12,546,581 over the amended budgeted year-end balance of \$13,724,754.

GENERAL FUND

	FY 2014 ACTUAL TO-DATE	FY 2014 % of BUDGET	FY 2015 ANNUAL BUDGET	FY 2015 ACTUAL TO-DATE	FY 2015 % of BUDGET
Revenues					
Property Taxes	\$6,563,725	55.1%	\$13,104,208	\$7,244,810	55.3%
Sales and Use Taxes	4,496,251	26.4%	18,063,535	4,703,665	26.0%
Franchise Fees	957,302	15.3%	6,646,438	1,062,615	16.0%
Licenses & Permits	886,144	24.3%	3,922,331	949,202	24.2%
Fines & Forfeitures	715,660	24.3%	3,105,239	661,941	21.3%
Charges for Service	5,282,325	41.2%	14,077,727	6,658,644	47.3%
Miscellaneous	144,099	6.2%	611,309	203,841	33.3%
Transfers in	71,344	1.8%	2,975,094	696,139	23.4%
Other Financing Sources	1,852,939	76.3%	1,187,000		0.0%
Total Revenues	20,969,787	33.2%	63,692,881	22,180,857	34.8%
Expenditures					
General Government	2,344,611	25.1%	10,434,802	2,574,435	24.7%
Public Safety	9,094,415	28.0%	36,395,975	8,441,883	23.2%
Community Services	649,980	28.6%	3,095,263	813,591	26.3%
Public Works	1,840,828	17.6%	11,057,396	1,862,173	16.8%
Parks & Recreation	1,427,081	20.4%	6,892,446	1,287,263	18.7%
Total Operating Expenditures	15,356,915	24.9%	67,875,882	14,979,346	22.1%
Transfers Out			1,546,744	384,676	24.9%
Total Expenditures	15,356,915	24.4%	69,422,626	15,364,022	22.1%
Revenues Over/(Under) Expenditures	5,612,872	2101.5%	(5,729,745)	6,816,835	219.0%
Beginning Fund Balance	18,623,117	100.0%	19,454,500	19,454,500	100.0%
Ending Fund Balance	\$24,235,989	128.3%	\$13,724,754	\$26,271,335	191.4%
Policy - 2 months Recurring Oper.			10,438,413		
Fund Balance over Policy			3,286,341		

WATER/SEWER FUND

Revenues totaling \$8,649,234 are 24.3% of budget and \$1,586,486 more than last year at this time.

- Water and Sewer revenues of \$7,495,435 from utility billing make up 86.7% of the total \$8,649,234 revenue received and are 24.4% of the \$30,710,668 budgeted for water and sewer service charges.

Although consumption billed is down from last year, water and sewer revenues are up \$791,237, as a 4.63% revenue increase was implemented effective with October consumption.

Expenses total \$4,708,393 and are 12.4% of budget. In December 2013, expenses were 11.2% of budget.

- The purchase of water exceeds prior year, at \$708,039, compared to \$393,746, due to high levels of manganese and iron at the S.E. station requiring the purchase of Alice St. water in lieu of using surface water for residential and commercial use.
- Expenditures are down from the first quarter of last year in the Distribution & Collection and Construction departments due to a high number of vacancies this year.
- Other Requirements is higher this year as quarterly transfers were processed in January last year, and this year were processed in December.
- Principal and interest payments on bonds, budgeted at \$10,691,134, are due March 1 and September 1.

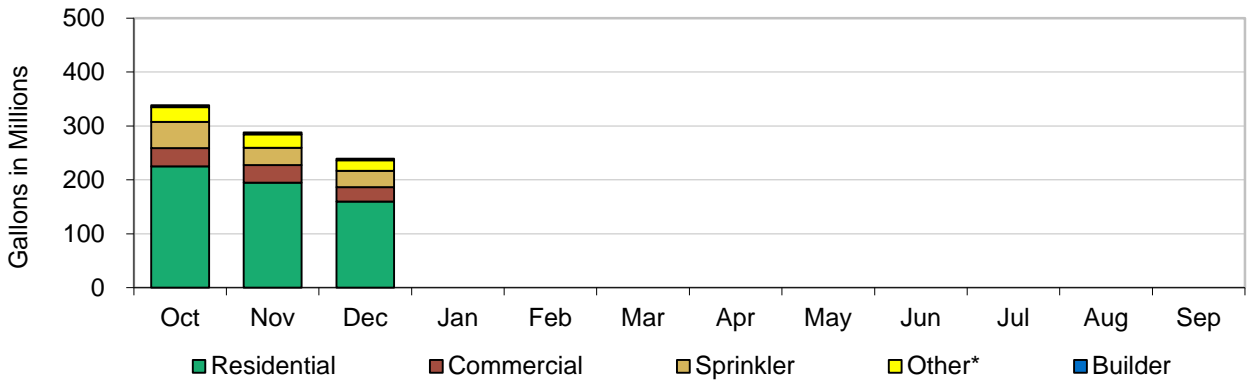
The available ending cash equivalent as of December 31, 2014, is \$17,385,113, including debt service reserves of \$1,929,503. The fund meets, and exceeds, bond coverage and reserve requirements. Ending balance is budgeted to end up at \$10,841,143.

	FY 2014 ACTUAL TO-DATE	FY 2014 % of BUDGET	FY 2015 ANNUAL BUDGET	FY 2015 ACTUAL TO-DATE	FY 2015 % of BUDGET
Revenues					
Sale of Water	\$3,524,848	22.2%	\$16,909,444	\$4,046,432	23.9%
Sewer Revenues	3,179,350	25.5%	13,801,224	3,449,003	25.0%
Other Service Charges	274,624	20.2%	1,539,728	390,804	25.4%
Interest Income	6,782	16.5%	48,700	40,885	84.0%
Other Miscellaneous Income	77,145	32.9%	257,800	80,055	31.1%
Transfers In			2,568,222	642,055	25.0%
Capital Lease Proceeds			458,000		
Total Revenues	7,062,748	21.8%	35,583,118	8,649,234	24.3%
Expenses					
Public Works					
Administration			551,736	101,210	18.3%
Lift Stations	198,877	19.8%	1,647,906	187,330	11.4%
Wastewater Treatment	922,139	21.7%	4,477,031	823,141	18.4%
Water Production	1,084,787	14.1%	9,288,064	1,500,212	16.2%
Distribution & Collection	538,023	24.9%	2,752,566	458,632	16.7%
Construction	240,445	24.0%	1,008,403	144,449	14.3%
General Government - IS - GIS	58,549	23.7%	186,976	47,294	25.3%
Water Meter Services			1,457,777	261,949	18.0%
ROW Mowing			486,381	81,180	16.7%
Utility (Billing) Customer Services	347,723	14.3%	1,353,645	279,355	20.6%
Other Requirements	96,001	0.8%	14,627,009	823,641	5.6%
Total Expenses	3,486,545	11.2%	37,837,494	4,708,393	12.4%
Revenues Over/(Under) Expenses	3,576,204	276.3%	(2,254,376)	3,940,841	274.8%
Beginning Cash Equivalents	13,401,054		15,373,775	15,373,775	
Reserve for Debt Service	1,579,105	84.0%	2,278,256	1,929,503	84.7%
Ending Cash Equivalents	\$15,398,153	120.2%	\$10,841,143	\$17,385,113	160.4%
Bond Coverage – 1.4			1.56		
Cash Reserve Ratio – 25%			28%		

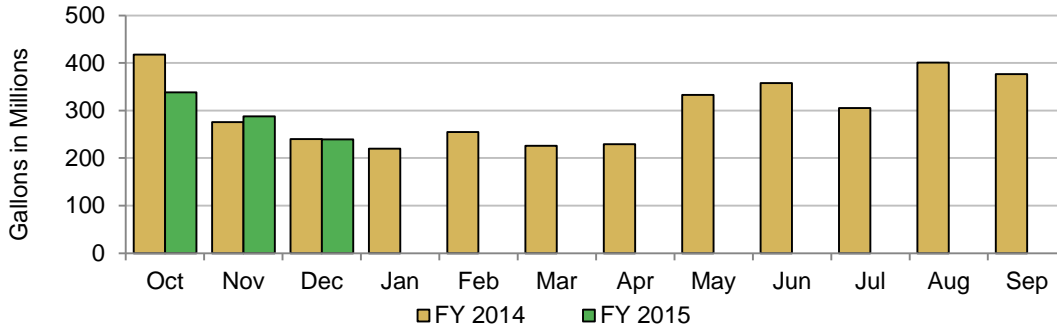
WATER/SEWER FUND

Total consumption through December 2014 decreased by 68.1 million gallons, down 7.3% from December 2013, with a total of 865.6 million gallons billed compared to 933.7 million last December. Total consumption for the month of December was 239.4 million gallons vs 240.2 million gallons last December. The decrease in usage occurred in October, going from 417.9 million gallons October 2013 to 338.4 million gallons this October. Through December, residential consumption decreased by 62.1 million gallons, a 9.7% decrease in usage. Sprinklers/irrigation decreased by 4.1%, and Building usage increased 30.6%, or 2.3 million gallons. Other usage decreased by 6.2%.

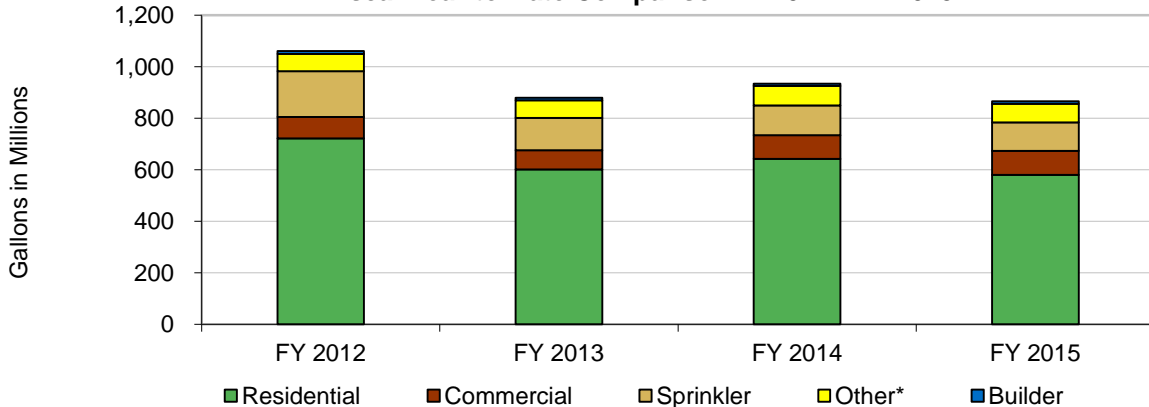
**Water Consumption by Major User Class
By Month FY 2015**



**Water Consumption Comparison
By Month FY 2014 - FY 2015**



**Water Consumption
Fiscal Year-to-Date Comparison FY2012 - FY 2015**

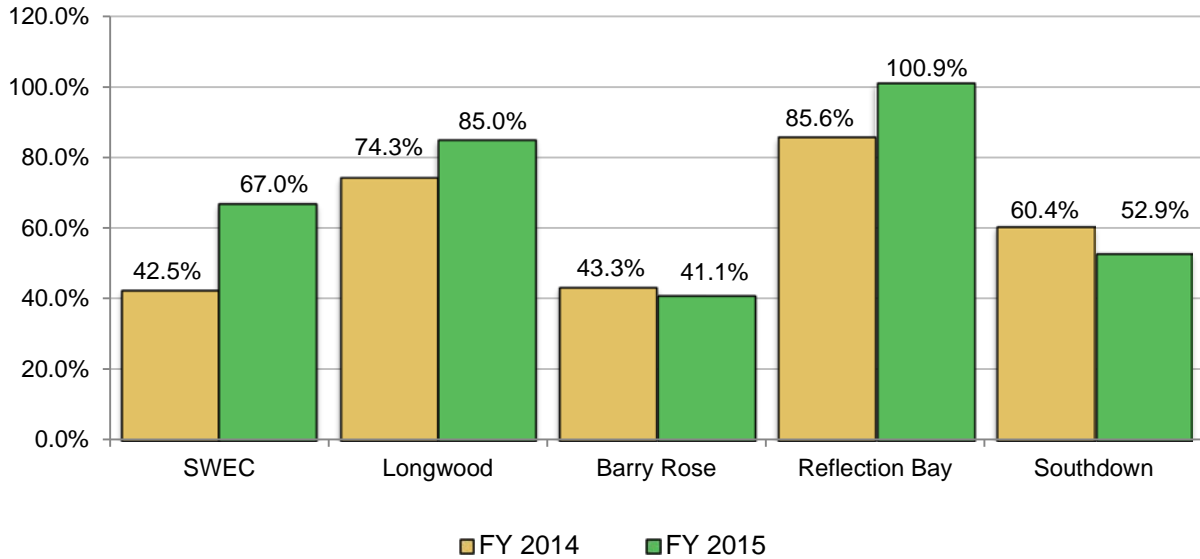


*Other includes: PISD, Alvin ISD, multi-units, churches and City of Pearland facilities.

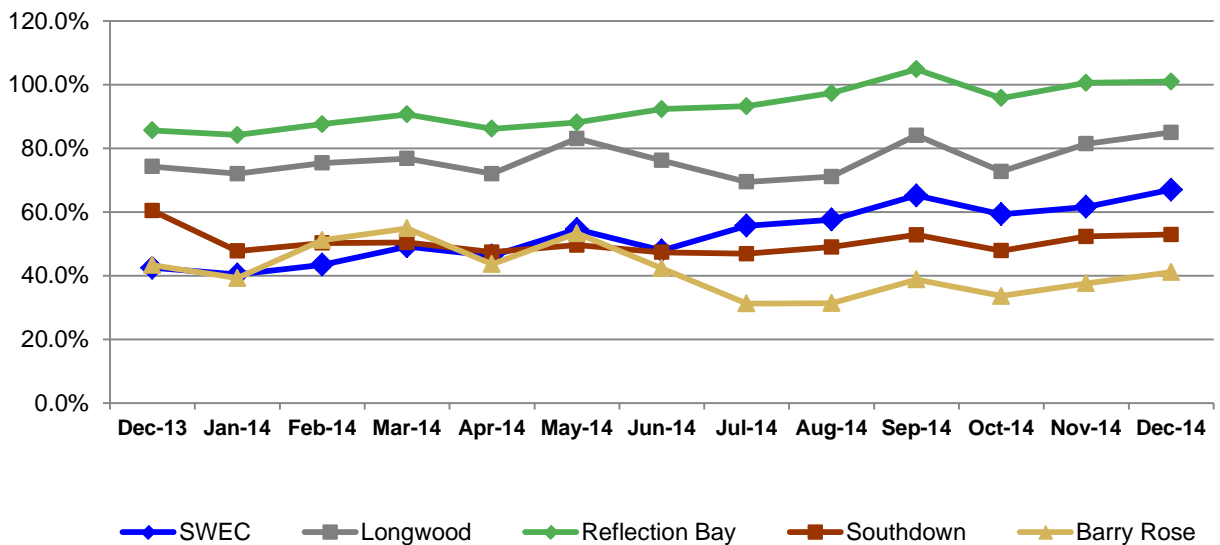
WATER/SEWER FUND

Volume at the Reflection Bay Water Reclamation Facility (former Far NW Treatment Plant) exceeded capacity by 0.9% in December, the third time in the last four months. Design for expansion of the Reflection Bay Water Reclamation Facility is scheduled for this year, construction to be completed in FY 2017.

**Wastewater Treatment Plants
% of Capacity
December 2013 vs December 2014**



**Wastewater Treatment Plants
12 Months % of Capacity
December 2013 - December 2014**



INTERNAL SERVICE FUNDS**Property Insurance Fund**

FY 2015 premiums are budgeted at \$1,240,360. Payments to date total \$489,436 and are \$70,730 lower than last December as the City previously paid Property Excess (XS) Wind insurance to TML in October, whereas beginning this fiscal year, the City will pay Excess Wind insurance in May as a part of the City's overall Windstorm Damage coverage. Estimated uninsured and deductible claims for fiscal year 2015 total \$90,000; \$4,036 has been spent through December. Insurance reimbursements received total \$14,462 through December.

Based on the type of insurance and values of property, the General Fund, Water & Sewer Fund and Hotel/Motel Fund reimburse the Property Insurance each quarter. Total revenues of \$335,556 include the first quarter reimbursements.

Expenditures through December 2014 total \$493,472, or 35.9%, of the adopted budget. Property premiums and liability premiums are paid in October for the entire year, and windstorm is paid each May.

	FY 2014 ACTUAL TO-DATE	FY 2015 ANNUAL BUDGET	FY 2015 ACTUAL TO-DATE	FY 2015 % of BUDGET
Revenues				
Insurance Reimbursements	\$50,160	\$100,000	\$14,462	14.5%
Interest Income				
Miscellaneous		6,000		0.0%
Transfer from Fund 045		1,316	329	25.0%
Transfer from Fund 030		236,691	59,173	25.0%
Transfer from Fund 010		1,046,368	261,592	25.0%
Total Revenues	50,160	1,390,375	335,556	24.1%
Expenditures				
General Liability	47,152	48,813	28,073	57.5%
Errors & Omissions	74,140	76,364	77,480	101.5%
Public Employee Dishonesty	2,010	3,210	1,753	54.6%
Animal Mortality	2,340	2,924	2,450	83.8%
Law Enforcement	73,580	78,152	74,577	95.4%
Real & PP Property	71,153	93,292	77,215	82.8%
Windstorm Damage		727,204		0.0%
Automobile	102,867	121,462	105,814	87.1%
Auto Damage	87,957	103,847	92,443	89.0%
Property XS Wind	56,517			
Mobile Equipment	12,480	12,480	13,291	106.5%
Coastal Wind	14,150			
Sewage Back-up	15,821	16,612	16,340	98.4%
Other	15,822	90,000	4,036	4.5%
Inventory		0		
Buildings & Grounds	4,241	0		
Total Expenditures	580,229	1,374,360	493,472	35.9%
Revenues Over (Under) Expenditures	(530,069)	16,015	(157,916)	-986.1%
Beginning Net Assets	146,152	157,965	157,965	100.0%
Ending Net Assets	(\$383,917)	\$173,980	\$49	0.0%

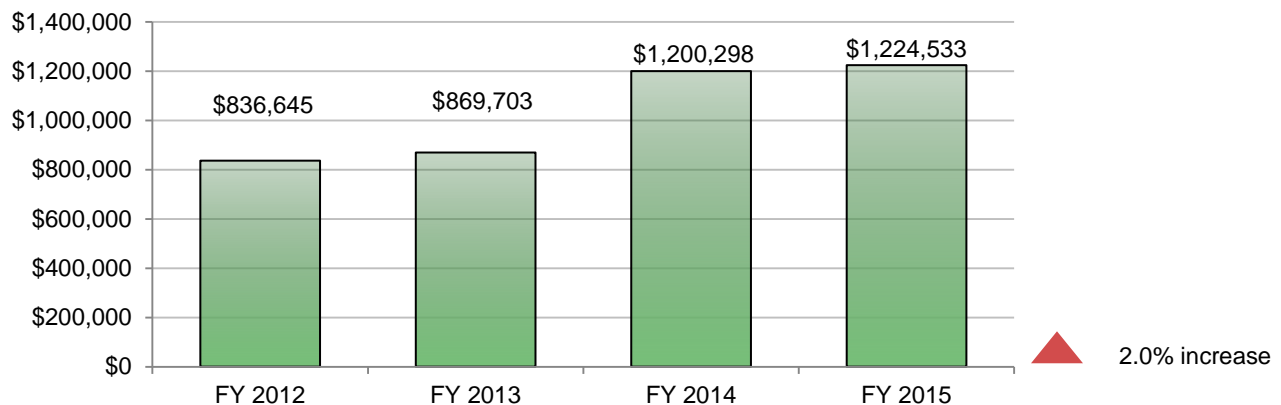
INTERNAL SERVICE FUNDS**Medical Self-Insurance Fund**

Total revenues through December are \$1,474,818, 21.6% of the adopted budget. Employee contributions received total \$1,363,335, and are \$111,367, or 8.9%, higher than last year at this time, as premium rates increased effective 10/1/14. Medical premiums budgeted in departments, where positions are currently vacant, are transferred in to offset medical claims costs and shore up the ending balance of the medical fund. Through December, \$97,078 has been transferred in to the Medical Fund from vacancies, compared to \$47,942 last fiscal year for the same three-month period.

Administrative fees of \$267,132 are \$69,409, 35.1%, higher than last year through December. Claims paid through December total \$1,224,533, and are only \$24,235, or 2.0%, higher than December 2013, but are still significantly higher than 2012 and 2013. Fund balance as of December 31, 2014, is \$695,738. The budgeted fund balance for 9/30/15 is \$785,035.

	FY 2014 ACTUAL TO-DATE	FY 2015 ANNUAL BUDGET	FY 2015 ACTUAL TO-DATE	FY 2015 % of BUDGET
Revenues				
Employee and City Premiums	\$1,251,968	\$6,715,268	\$1,363,335	20.3%
Retiree Premiums	26,778	105,764	14,263	13.5%
Interest Income	113	856	142	16.6%
Cobra				
Miscellaneous	47,942		97,078	
Transfer from Fund 010				
Transfer from Fund 030				
Transfer from Other Funds				
Total Revenues	1,326,800	6,821,888	1,474,818	21.6%
Expenditures				
Administrative Fee	197,723	870,832	267,132	30.7%
Medical Insurance Claims	1,200,298	5,841,563	1,224,533	21.0%
Health Portability Act		89,493	72,450	81.0%
Wellness Programs	1,052	20,000		0.0%
Total Expenditures	1,399,073	6,821,888	1,564,115	22.9%
Revenues Over (Under) Expenditures	(72,273)		(89,297)	
Beginning Net Assets	475,008	785,035	785,035	100.0%
Ending Net Assets	\$402,735	\$785,035	\$695,738	88.6%

**Medical Claims Paid
Year-to-Date as of December**



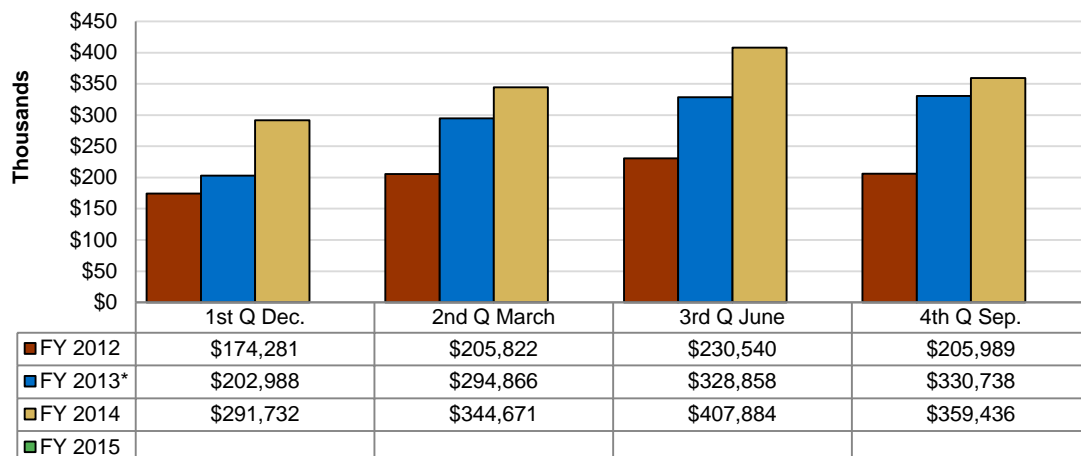
HOTEL/MOTEL OCCUPANCY TAX - CONVENTION & VISITORS' BUREAU

Budgeted occupancy tax for FY 2015 from the 11 hotels in Pearland totals \$1,383,078. Revenues are received quarterly. Revenues received in October and November for the quarter ending 9/30/14 were accrued to last fiscal year. Taxes for the period October-December will be received in January. Expenditures through December total \$131,420, 16.0% of budget, mainly for personnel costs, marketing in publications and facility rental. Fund balance as of December 31, 2014, is \$2,872,311. The budgeted fund balance for 9/30/2015 is \$3,572,333.

	FY 2014 ACTUAL TO-DATE	FY 2015 ADOPTED BUDGET	FY 2015 ACTUAL TO-DATE	FY 2015 % of BUDGET
Revenues				
Hotel/Motel Occupancy Tax*	\$583	\$1,383,078	\$0	0.0%
Interest Income	1,062	5,000	5,262	105.2%
Miscellaneous	1,852	5,000		0.0%
Total Revenues	3,497	1,393,078	5,262	0.4%
Expenditures				
Salaries and Benefits	41,115	263,565	67,202	25.5%
Materials and Supplies	1,267	2,200	247	11.2%
Programs/Events	572	69,000	229	0.3%
Marketing and Advertising	18,352	111,411	26,394	23.7%
Miscellaneous Services	4,344	96,880	16,692	17.2%
Rent Expense (Lease)	16,538	51,880	16,940	32.7%
Inventory - Furniture & Equipment	3,780			
Property Insurance		1,316	329	25.0%
Buildings & Grounds	5,505			
Arts Promotion		15,000	2,386	15.9%
Historic Preservation		15,000		0.0%
Contracted Services		192,961	1,000	0.5%
Total Expenditures	91,473	819,212	131,420	16.0%
Revenues Over (Under) Expenditures	(87,976)	573,866	(126,158)	-22.0%
Beginning Fund Balance	2,271,174	2,998,468	2,998,468	100.0%
Ending Fund Balance	\$2,183,198	\$3,572,333	\$2,872,311	80.4%

*Taxes are received quarterly.

**Hotel Occupancy Tax
Quarterly Comparison
FY 2012 - FY 2015**



*Beginning FY 2013, 2nd Quarter includes 2 hotels annexed into the City with Brazoria County MUD 4.

PEARLAND ECONOMIC DEVELOPMENT CORPORATION

Revenues total \$2,502,280, 26.6% of the annual budget of \$8,921,768, with accrued sales tax of \$2,348,788. Estimated sales tax is 5.6% higher than last year at this time. PEDC received \$103,500 through December for rent of the CSI facility, per agreement.

The Board and City Council approved FY 2014 carryovers totaling \$645,354 in December, which is reflected in this report. Expenditures through December total \$471,711 and are 3.2% of the adopted budget of \$14,708,556. Included in the budget is the pay-off for Series 2010 debt in the amount of \$6,556,900. Expenditures include Capital Transfers Out and Business Incentives.

- Operating expenditures of \$391,701 include personnel costs associated with PEDC staff and expenditures associated with recruitment, retention, marketing and promotional programs.
- Operating transfers are budgeted at \$204,971. A total of \$51,243 has been transferred, \$21,372 to the UofH fund, and \$29,871 to the City for the first quarter.
- Bond payments and related bond fees are due March 1 and September 1, 2015. Series 2010 debt of \$6,556,900 will be paid off in June 2015.
- Capital Outlay budget of \$955,000 includes \$450,000 for corridor improvements, including landscaping improvements and entryway signs, in keeping with the Pearland 20/20 Plan of a comprehensive beautification strategy, and \$500,000 to bury electrical lines in the Lower Kirby area. In December \$16,649 was paid for design.
- Other Financing Uses budgeted at \$3,132,014 include \$1.4 million for capital transfers to the City toward the extension of Hooper Road.
- New Industry Incentives are budgeted at \$1,723,514. Sales tax incentive of \$12,119 to SCR Amreit was paid through December.

Available ending balance at December 31, 2014 is \$15,295,638. The budgeted ending balance is \$13,862,699.

	FY 2014 ACTUAL TO-DATE	FY 2015 ANNUAL BUDGET	FY 2015 ACTUAL TO-DATE	FY 2015 % of BUDGET	% Change YTD FY14 YTD FY15
Revenues					
Sales Tax	\$2,225,163	\$8,921,768	\$2,348,788	26.3%	5.6%
Interest Income	10,345	45,000	43,895	97.5%	324.3%
Intergovernmental		12,000	3,000	25.0%	
Miscellaneous	112,520	436,998	106,597	24.4%	-5.3%
Total Revenues	2,348,028	9,415,766	2,502,280	26.6%	6.6%
Expenditures					
Operating	313,515	1,814,301	391,701	21.6%	24.9%
Operating Transfers	124,979	204,971	51,243	25.0%	-59.0%
Bond Payments		8,602,270		0.0%	
Capital Outlay		955,000	16,649	1.7%	
Total Operating Expenditures	438,493	11,576,542	459,592	4.0%	4.8%
Revenues Over (Under) Expenditures	1,909,535	(2,160,776)	2,042,688	-94.5%	7.0%
Other Financing Sources (Uses):					
Capital Transfers Out		(1,408,500)		0.0%	
Business Incentives	(10,148)	(1,723,514)	(12,119)	0.7%	19.4%
Total Other Financing Sources (Uses)	(10,148)	(3,132,014)	(12,119)	0.4%	
Net Change in Fund Balance	1,899,387	(5,292,790)	2,030,569	-38.4%	6.9%
Beginning Fund Balance	15,366,504	19,155,489	19,155,489	100.0%	24.7%
Debt Service Reserves	(665,254)		(665,254)		0.0%
Reserve for Debt Pay-off	(3,486,790)		(5,225,166)		44.2%
Ending Fund Balance	\$13,113,848	\$13,862,699	\$15,295,638	111.8%	18.1%

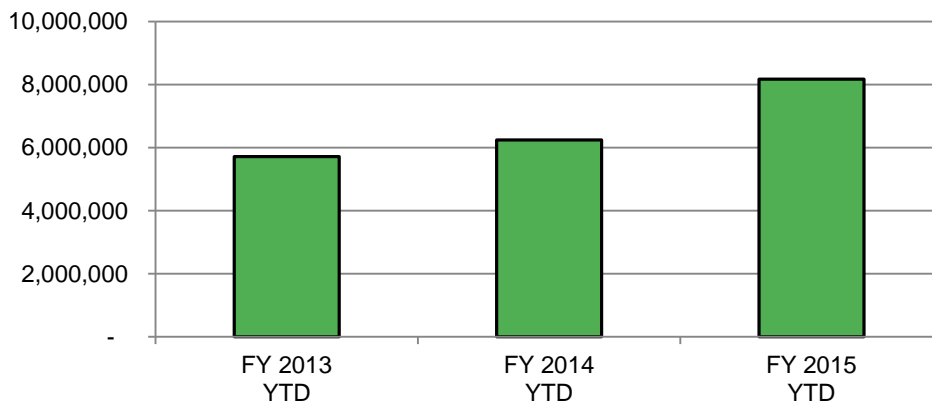
TIRZ #2

The TIRZ has received tax increment payments from the City of Pearland in the amount of \$8,174,013. This is a 30.9% increase from December of last year. Total revenue as of December 31, 2014 is \$8,175,997 including interest income. Expenditures through December total \$5,214,464, which is payment to the City for administrative fees. The AISD Suspense Fund is \$4,308,553.

The TIRZ has an available balance of \$2,999,404 as of December 31, 2014.

	FY 2015 ACTUAL TO-DATE	FY2014 ACTUAL TO-DATE	% CHANGE
Revenues			
Taxes			
Alvin ISD			
Brazoria County			
City of Pearland	8,174,013	6,242,129	30.9%
Fort Bend County			
Interest	1,984	1,927	3.0%
Miscellaneous			
Total Revenues	8,175,997	6,244,056	30.9%
Expenditures			
Miscellaneous Services		45	
Payment to City of Pearland	5,214,464	3,986,351	
Payment to Development Authority			
Transfers			
Total Expenditures	5,214,464	3,986,396	30.8%
Net Change in Fund Balance	2,961,533	2,257,660	31.2%
Beginning Fund Balance	4,346,424	4,330,486	0.4%
AISD Suspense Fund	4,308,553	4,255,689	1.2%
Ending Fund Balance	\$2,999,404	\$2,332,457	28.6%

TIRZ Tax Revenue 3-Yr History
Fiscal Year-to-Date Through December



DEVELOPMENT AUTHORITY OF PEARLAND

Revenues total \$8,060,587, \$8,060,000 of this from bond proceeds. Throughout the year, funds will be transferred from TIRZ into this fund.

Expenditures through December total \$8,057,040, of which \$7,890,000 was reimbursement to Shadow Creek Ranch development.

The available fund balance ending December 31, 2014 is \$1,935,743. The Development Authority approved a private placement bond sale in November of \$8,060,000, resulting in a developer reimbursement of \$7,890,000.

	FY 2015 ACTUAL TO-DATE	FY2014 ACTUAL TO-DATE	% CHANGE
Revenues			
Transfers			
Bond Proceeds	8,060,000	9,150,000	
Interest	587	624	-5.9%
Total Revenues	8,060,587	9,150,624	-11.9%
Expenditures			
Professional Services	2,750	2,150	27.9%
Reimbursement to Developer	7,890,000	8,977,100	
Bond Payments			
Interest			
Principal			
Bond Issuance Cost	164,290	170,624	
Fiscal Fees			
Total Expenditures	8,057,040	9,149,874	
Net Change in Fund Balance	3,547	750	372.9%
Beginning Fund Balance	1,932,196	1,808,220	6.9%
Ending Fund Balance	\$1,935,743	\$1,808,970	7.0%

CAPITAL PROJECTS

Fire Station #3, with a \$3,615,291 funded budget, has \$3.61 million committed. Of this amount, \$2,169,545 is encumbered and \$1,428,376 million has been spent to date. The estimated completion date is April 20, 2015.

Fire Station #2, with a project budget of \$4,236,614 is under design with \$279,927 spent to-date. The construction contract was awarded at the end of November for \$3,669,000. Start date is January 5, 2015 with an estimated substantial completion scheduled for end of July, 2015.

The Intelligent Traffic System project has a total project and funded budget of \$3,781,666. To date, \$3.1 million has been spent. A total of \$604K is encumbered, with \$98K remaining for this project. There were savings of \$900K on this project from the original project budget, split 80/20 with HGAC TIP funds. This project is about 90% complete.

City Hall Complex Renovation has a project budget of \$4,942,783, with \$4,790,945 available. PER is currently underway with a report forthcoming to the City Council before full design award.

The Walnut Lift Station funded budget is \$1.15 million. Through December, a total of \$556,526 has been spent. Total encumbered is \$588,666.

Through December, \$2.17 million is committed of the \$2.33 million funded budget for the SH 35 Waterline. A total of \$160K is remaining.

The Reflection Bay WWTP Expansion project has \$4.58 million, or 93.4% of its funded budget, committed through December. This includes \$4.16 million encumbered for design with construction to begin in FY 2016. The remaining balance is \$322K.

Shadow Creek Ranch Park is funded at \$8.76 million, with \$7.3 million committed and \$1.46 million remaining to be used for ball field lighting, irrigation and traffic signal.

See Appendix A for a list of projects.

Fund 50 - General Capital Projects
Project Detail
For the Month Ended 12/31/2014

Project Number	Project Name	Project Budget	Funded Budget	Actuals thru 09/30/14	Actuals FY 2015	Open Encumbrances	Total Spent / Enc.	Funded Balance Remaining
DR0901	Twin Creek Woods Ditches/Outfalls	215,000	215,000	27,894		2,061	29,955	185,045
FA1002	Traffic Signal Network	536,550	536,550	487,301	19,405	29,845	536,551	
FA1201	Service Center Modifications	31,685	31,685	18,559			18,559	13,126
FA1202	Westside Library	855,500	844,226	844,929			844,929	
FA1302	Fire/EMS Station #3	294,868	294,868	243,878	11,843	52,521	308,242	
P50071	Centennial Park Phase II	495	495	495			495	
P50072	Trail Connectivity	1,483,764	1,483,764	786,147		17,278	803,425	680,339
T50074	Pearland Parkway-West Dvlpmt	350,000						
TR0803	Old Town Site Sidewalks	500,000	500,000	500,000			500,000	
TR0811	Business Center Drive	4,455,415	4,241,159	4,227,916	216	29,138	4,257,270	
TR1101	CR403 SPA MUD 16 Agreement	804,482	969,482	1,011,843		16,271	1,028,114	
TR1204	Intelligent Traffic System	3,781,666	3,781,666	3,205,509	(125,782)	604,066	3,683,793	97,873
TR1306	Traffic Signal Improvement	292,500	292,500	189,561	(9,411)	113,983	294,133	
TR1406	Hooper Road Extension	3,724,000	3,724,000					3,724,000
Totals		17,325,925	16,915,395	11,544,032	(103,728)	865,163	12,305,466	4,700,383

Fund 68 - Certificates of Obligation
Project Detail

Project Number	Project Name	Project Budget	Funded Budget	Actuals thru 09/30/14	Actuals FY 2015	Open Encumbrances	Total Spent / Enc.	Funded Balance Remaining
DR1201	Westchester Sidewalks & Drainage	494,693	385,124	322,129	19,065	8,794	349,988	35,136
FA0904	City Hall Complex Renovation	2,726,812	4,907,431	62,811	22,050	31,625	116,486	4,790,945
FA1302	Fire Station #3	2,822,423	3,320,423	714,615	458,040	2,117,024	3,289,679	30,744
FA1401	Fire Station #2	3,791,243	4,236,614	309,927	(30,000)	3,740,596	4,020,523	216,091
FA1404	Orange Street Service Center	2,410,000	2,410,000		39,288		39,288	2,370,712
FA1501	Fire Station #8	6,609,485	6,800		6,800		6,800	
PK1401	Shadow Creek Ranch Trail	1,935,458	310,703	55			55	310,648
PK1402	Green Tee Terrace Trail	4,173,936	541,120	455			455	540,665
P20008	JHEC Nature Trails	1,425,000	475,000					475,000
TR0803	Old Town Area Sidewalks	700,000	200,000					200,000
Totals		27,089,050	16,793,215	1,409,992	515,243	5,898,038	7,823,274	8,969,941

Fund 70 - Mobility Bonds
Project Detail

Project Number	Project Name	Project Budget	Funded Budget	Actuals thru 09/30/14	Actuals FY 2015	Open Encumbrances	Total Spent / Enc.	Funded Balance Remaining
DR0602	Cowart's Creek Diversion	2,896,344	2,864,278	2,844,727		17,293	2,862,020	2,258
T70023	Yost Road	7,163,170	7,163,170	7,127,456			7,127,456	35,714
TR1002	Silent RR Crossing	193,981	157,461	154,455			154,455	
Totals		10,253,495	10,184,909	10,126,638		17,293	10,143,931	37,972

Fund 200 - Certificates of Obligation 2006
Project Detail

Project Number	Project Name	Project Budget	Funded Budget	Actuals thru 09/30/14	Actuals FY 2015	Open Encumbrances	Total Spent / Enc.	Funded Balance Remaining
DR1301	Lower Kirby UC Detention Phase II	3,550,000	1,405,000	122,365	15,455	117,419	255,239	1,149,761
DR2005	SH35 @ Mary's Creek Bridge Replc	720,000	720,000	189,477			189,477	530,523
Total Project Expenditures:		4,270,000	2,125,000	311,842	15,455	117,419	444,716	1,680,284

Fund 201 - Certificates of Obligation 2007
Project Detail

<i>Project Number</i>	<i>Project Name</i>	<i>Project Budget</i>	<i>Funded Budget</i>	<i>Actuals thru 09/30/14</i>	<i>Actuals FY 2015</i>	<i>Open Encumbrances</i>	<i>Total Spent / Enc.</i>	<i>Funded Balance Remaining</i>
FA0904	City Hall Complex Renovations	408,304	22,941	22,941			22,941	
FA0905	Police Department Renovations	1,853,435	1,824,421	1,795,652		8,769	1,804,421	20,000
Totals		2,261,739	1,847,362	1,818,593		8,769	1,827,362	20,000

Fund 202 - GO Series 2008
Project Detail

<i>Project Number</i>	<i>Project Name</i>	<i>Project Budget</i>	<i>Funded Budget</i>	<i>Actuals thru 09/30/14</i>	<i>Actuals FY 2015</i>	<i>Open Encumbrances</i>	<i>Total Spent / Enc.</i>	<i>Funded Balance Remaining</i>
DR0602	Cowart's Creek Diversion	22,026,450	10,115,270	10,068,208	(30,000)	77,062	10,115,270	
P50072	Trail Connectivity	179,384	179,384	179,384			179,384	
T08002	Bailey Road	5,927,388	4,043,656	3,719,512	12,373	331,090	4,062,974	(19,318)
TR1103	SH35 Signals	50,000	50,000	7,670			7,670	42,330
Totals		28,183,222	14,388,310	13,974,774	(17,627)	408,152	14,365,298	23,012

Fund 203 - GO Series
Project Detail

<i>Project Number</i>	<i>Project Name</i>	<i>Project Budget</i>	<i>Funded Budget</i>	<i>Actuals thru 09/30/14</i>	<i>Actuals FY 2015</i>	<i>Open Encumbrances</i>	<i>Total Spent / Enc.</i>	<i>Funded Balance Remaining</i>
DR0602	Cowarts Creek Diversion	1,700,000	1,700,000	69,858			69,858	1,630,142
DR1103	Cullen/FM518 Detention	4,572,000	714,000	217,599	15,775	6,960	240,334	473,666
DR1302	OTS Drainage	3,415,000	2,588,200					2,588,200
DR1401	Piper Drainage	589,988						
DR2003	Hickory Slough Drainage	3,705,418	3,655,418	3,582,541		7,500	3,590,041	65,377
F20002	Tom Reid Library	3,822,300	3,822,300	13,501	1,500		15,001	3,807,300
P20001	Independence Park Ph 1	3,609,073	179,810					179,810
P20002	Shadow Creek Ranch Comm. Park	8,718,000	8,718,000	1,522,936	393,868	5,345,328	7,262,133	1,455,867
P20004	Delores Fenwick Nature Center	2,533,653	158,000					158,000
P20005	Max Road Sports Complex	4,606,117	4,606,117	3,987,270	37,460	366,742	4,391,473	214,644
P20008	Deloris Fenwick Nature Center Phase 2	63,066	63,066	50,631	11,029	1,143	62,803	263
P50071	Centennial Park	2,270,495	2,365,800	70,718	8,275	131,864	210,857	2,154,943
T08002	Bailey Veterans to FM1128	29,923,302	11,398,957	1,945,101		60,000	2,005,101	9,393,856
T20002	Old Alvin Road Widening	651,538	472,525	459,962			459,962	12,563
TR1201	Hughes Ranch Road	22,321,000	1,658,000	48,825		137,775	186,600	1,471,400
TR1202	Fite Road	4,420,196	4,433,480	278,552		264,735	543,287	3,890,193
TR1203	Pearland Parkway Extension	3,695,192	2,078,512	1,649,639	2,449	34,256	1,686,344	392,168
TR1205	Max Road	6,462,617	6,462,617	419,788	111,551	352,440	883,779	5,578,838
TR1303	CR94 Smith Ranch Rd Extension*			1,286			1,286	
TR1304	CR59 Expansion	2,837,223	2,672,223	1,295,819		803,402	2,099,221	573,002
TR1402	Regency Park Subdivision Paving	3,011,761	3,011,761	146,151	59,144	101,771	307,066	2,704,695
TR1404	Kirby Drive Extension	2,257,545	2,257,545	142,731	27,536	107,960	278,227	1,979,318
TR1405	McHard Road Extension	41,155,075	5,736,052	27,496	27,801	4,449,481	4,504,778	1,231,274
TR1501	Smith Ranch Road Expansion	4,984,490	328,668					328,668
TR1502	Industrial Drive	1,190,000	1,190,000					1,190,000
Totals		162,515,049	70,271,051	15,930,404	696,388	12,171,357	28,798,150	41,474,188

**Fund 42 - Utility Impact Fee Fund
Project Detail**

Project Number	Project Name	Project Budget	Funded Budget	Actuals Thru 09/30/14	Actuals FY 2015	Open Encumbrances	Total Spent / Enc.	Funded Balance Remaining
W42051	City of Houston Water Line Connection	19,094,046	19,049,579	18,964,347		85,232	19,049,579	
WA1101	Old Alvin Road Water Line	3,406,718	3,269,003	3,304,051		79,675	3,383,726	
WA1102	SH35 Water - South of Magnolia	325,243	325,243	325,243			325,243	
WA1201	McHard Road Waterline	10,011,109	6,552,731	1,333,876	1,320,381	2,664,691	5,318,948	1,233,783
WA1203	Tom Bass Park	527,444	527,444				527,444	
WA1206	Pearland Pkwy Extension	31,329	31,329			31,329	31,329	
WA1302	SH35 Waterline FM 518 to Magnolia	2,326,142	2,326,142	207,481	20,181	1,937,995	2,165,657	160,485
WA1505	FM521 Waterline (to Mooring)	1,443,900	211,890				211,890	
WW0901	Riverstone Ranch Oversizing	81,990	210,157				210,157	
WW1201	Southdown WWTP Expansion	35,281	35,281	35,281			35,281	1
WW1405	Reflection Bay WWTP Expansion	9,400,000	4,900,000	393,711	22,338	4,162,001	4,578,050	321,950
WW1406	McHard Road Trunk Sewer	4,499,860	486,261				486,261	
WW1501	Roy/Max/Garden Basin System	2,651,800	330,000				330,000	
WW1502	Barry Rose WWTP	14,166,650	350,000				350,000	
Totals		68,001,512	38,605,060	24,563,990	1,362,900	8,960,923	34,887,812	3,831,971

**Fund 64 - Certificates of Obligation 1998
Project Detail**

Project Number	Project Name	Project Budget	Funded Budget	Actuals Thru 09/30/14	Actuals FY 2015	Open Encumbrances	Total Spent / Enc.	Funded Balance Remaining
WW0805	Old Townsite Inflow & Infiltration	1,059,552	729,317	521,312	157,547	58,626	737,485	(8,168)
WW1507	Sanitary Sewer Rehabilitation	5,340,194	331,979				331,979	
Totals		6,399,746	1,061,296	521,312	157,547	58,626	737,485	323,811

**Fund 67 - Water & Sewer Revenue Bond
Project Detail**

Project Number	Project Name	Project Budget	Funded Budget	Actuals thru 09/30/14	Actuals FY 2015	Open Encumbrances	Total Spent / Enc.	Funded Balance Remaining
ST2001	Barry Rose/Hughes Road Ext.	1,504	1,504	1,504			1,504	
W67993	SH 35 North*	5,183,305	5,183,305	4,402,614		1,725,508	6,128,122	(944,817)
WA1001	GEC Engineering	216,078	216,078	207,715		800	208,515	7,563
WA1203	Tom Bass Loop	68,600	68,600				68,600	
WA1401	Old City Hall Ground Storage Tank	125,000	125,000				125,000	
WA1501	Toll Rd Utility Relocate	40,000	40,000				40,000	
WA1503	Regency Park Water Line	626,245	626,245				626,245	
WW0801	SH35 North Force Main	356,975	356,975			356,975	356,975	
WW0901	Riverstone Ranch**	554,397	296,778	273,147		406,463	679,610	(382,832)
WW0902	Longwood LS Replacement & Plant Rehab	3,239,883	3,081,930	3,031,029		50,900	3,081,930	0
WW1004	Barry Rose WWTP	3,753,760	3,700,438	3,682,273		18,165	3,700,438	0
WW1101	Twin Creek Regional SCADA LS Rehab.	2,660,355	2,360,355	2,335,573	(82,845)	253,453	2,506,181	(145,826)
WW1102	Far Northwest WWTP Decanter	1,058,055	977,629	977,628			977,628	1
WW1103	Hatfield Basin	6,889,000	6,889,000	6,384,845	(62,021)	576,883	6,899,707	
WW1201	Southdown WWTP Rehab	602,495	697,495		45		45	697,450
WW1204	Hughes Ranch Road	80,000						
WW1302	Mykawa/Scott Lift Station	3,078,083						
WW1304	West Oaks Lift Station	143,350	818,350		690,773	110,227	801,000	17,350
WW1401	Oak Brook Lift Station	256,190	256,190				256,190	
WW1402	Pearland Heights Lift Station	255,024	255,024				255,024	
WW1403	Orange/Mykawa Lift Station	601,183						
WW1404	Longwood Service Area Ph II	644,190	672,970	49,802	30,294	43,684	123,780	549,190
WW1503	Green Tee Diversion	324,170	324,170				324,170	
WW1504	SWEC Filter and Bar Screen Improvements	1,240,000	1,240,000				1,240,000	
Totals		31,997,842	28,188,036	21,346,130	576,247	3,543,056	25,465,434	2,733,309

* PO to TxDOT entered pursuant to agreement, however there is expected to be a positive balance of approximately \$300,000 when project is complete.

**Encumbrance represents amount per the agreement, however actual expenditures expected over 3 years.

**Fund 301 - Water/Sewer - Pay As You Go CIP
Project Detail**

Project Number	Project Name	Project Budget	Funded Budget	Actuals thru 09/30/14	Actuals FY 2015	Open Encumbrances	Total Spent / Enc.	Funded Balance Remaining
WA0806	Twinwoods/Clearcreek WL	154,365	138,104	138,103			138,103	1
WA1001	GEC Administration	300,000	255,000	44,072		7,045	51,117	203,883
WA1203	Fellows Loop	113,748	113,748	62,233			62,233	51,515
WA1204	Water Loop	596,063	150,000	7,917	4,726	10,872	23,516	126,485
WA1205	East Orange Waterline	152,060	152,060	68,916	3,865	5,375	78,156	73,904
WA1301	Hughes Ranch Rd Waterline	61,761	61,761	59,961			59,961	1,800
WA1504	Hooper Road Water Line	128,000	128,000					128,000
WW0901	Riverstone Ranch	43,222	43,222	2,327			2,327	40,895
WW1203	Walnut Lift Station	1,111,639	1,146,639	512,688	43,838	588,666	1,145,192	1,447
WW1303	Eliminate Somersetshire LS	151,844	37,550	27,550		453	28,003	9,547
WW1304	West Oaks LS Retirement	36,872	151,166	26,516	4,416	136,478	167,410	(16,244)
WW1407	Hooper Road Sanitary Sewer	123,000	123,000					123,000
WW1505	Hawk Hillhouse Sanitary Sewer	150,000	150,000	1,170	919	221,160	223,249	(73,249)
WW1506	Springfield Lift Station Abandonment	457,000	57,000					57,000
Totals		3,579,574	2,707,250	951,453	57,765	970,049	1,979,266	670,984

**Fund 302 - MUD 4 Capital Program
Project Detail**

Project Number	Project Name	Project Budget	Funded Budget	Actuals thru 09/30/14	Actuals FY 2015	Open Encumbrances	Total Spent / Enc.	Funded Balance Remaining
DR1402	McHard Road 2nd Outfall	484,000	400,000	43,546	1,851	327,107	372,504	27,496
WA1305	WP GST & Chloramine	643,275	652,669	637,619		15,050	652,669	
WW1305	LS #2 (MUD 4) Landscape	10,580	10,580	10,580			10,580	
Totals		1,137,855	1,063,249	691,745	1,851	342,157	1,035,753	27,496