



CITY OF PEARLAND

Quarterly Financial Report

Fiscal Year (FY) 2017

July – September 2017

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This report represents a general overview of financial operations through the 4th quarter of the FY 2017.

Beginning fund balances reflect actual balances. Revenue and expenditure budget numbers reflect the budget for FY 2017 as amended by the City Council. Please note this report is not reflective of final amounts from the Comprehensive Annual Financial Report (CAFR), which will be finalized in February.

Summary

Property Tax received through September totals \$64,625,148, 100% of the Budgeted Levy. Taxes received this year are \$6,079,483 (10.4%) higher than last year at this time.

Actual **Sales Tax** deposits through September total \$30,155,010, 2.3% higher than the fourth quarter in FY 2016.

The **Debt Service** fund balance as of September 30, 2017 is \$5,911,461.

The **General Fund** fund balance as of September 30, 2017 is \$14,362,996.

The **Water/Sewer** operating revenues total \$51,543,890, 99.7% of budget and are higher than last year by \$7,867,264 (18%). Operating expenses are 42.7% of budget at \$35,050,890. Ending YTD Net Position as of September 30, 2017 is \$226,082,465.

Property Insurance premiums are budgeted (as amended) at \$1,105,264 while payments to date total \$1,135,513. Ending net assets as of September 30, 2017 are \$596,973.

Medical claims paid through September total \$5,904,545 and are at 99.8% of the amended budget. Revenues from premiums is \$7,588,624, 1.9% higher than this time last year.

Hotel/Motel Occupancy Tax revenue totaled \$1,421,958, exceeding the budgeted amount by \$21,958.

TIRZ revenues through September total \$26,226,354. The TIRZ has received tax increment payments from the City of Pearland in the amount of \$14,782,538, \$1,611,047 from Fort Bend County, \$2,089,520 from Brazoria County and \$6,045,809 from Alvin ISD.

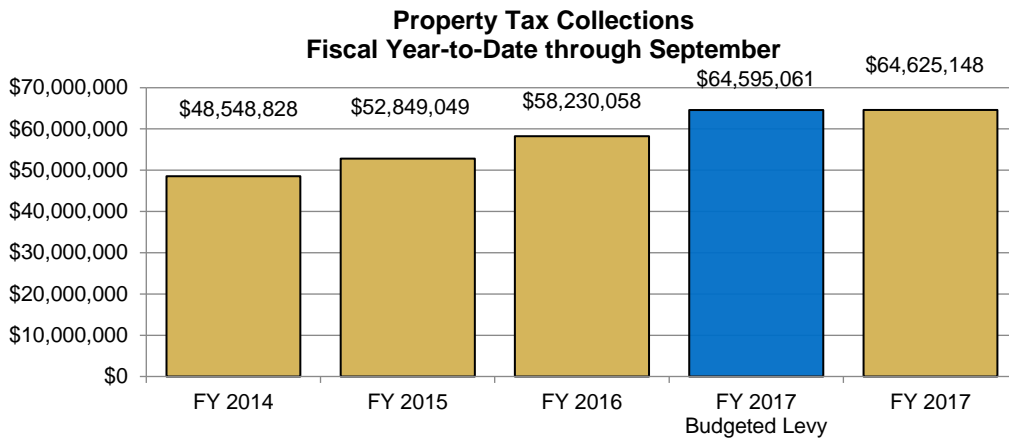
Development Authority Bond Proceeds total \$12,320,000 through September.

Property Tax

After adjustments to certified values by Harris County, and considering adjustments for protest values of \$679,927,569, the adjusted value to date is \$9.72 billion. Through September, the City received \$64,625,147 for current taxes, 100.05% of the certified tax levy. This does not include delinquent, prior years' collections or audit adjustments. The budget incorporates a 99.1% collection rate.

| Tax Summary | FY 2017 BUDGETED LEVY | FY 2017 ACTUAL COLLECTIONS* | % BUDGETED LEVY COLLECTED |
|--------------------|--------------------------------------|--|--|
| Sources: | | | |
| Ad Valorem Taxes | 64,595,061 | 64,625,148 | 100.05% |
| Uses: | | | |
| General Fund | 17,666,557 | 17,648,475 | 99.90% |
| Debt Service Fund | 32,686,979 | 32,194,133 | 98.49% |
| TIRZ | 14,241,525 | 14,782,538 | 103.80% |
| Total Uses | 64,595,061 | 64,625,147 | 100.05% |

*Unreconciled totals as of the date of this report.



Property Tax

Reconciliation of Tax Roll:

| | |
|---|------------------------|
| ¹ Certified Value | \$9,042,325,011 |
| Adjustments | 683,854,108 |
| ¹Adjusted Value to Date | \$9,726,179,119 |

| | |
|--|---------------------|
| Tax Rate per \$100 Value | 0.6812 |
| ¹Total Levy @ 100% Collections | \$65,004,882 |

| | |
|---------------------------------------|--------------------|
| ¹ Current Taxes Receivable | \$805,567 |
| Delinquent Taxes Receivable | \$710,308 |
| Total Taxes Receivable | \$1,515,875 |

| | | |
|---|-------------------------|------------------|
| ³ Certified Residential Market Value | \$7,055,940,178 | Percent of Total |
| ² Certified Commercial Market Value | \$3,631,195,674 | Certified Value |
| Total Certified Market Value | \$10,687,135,852 | 100.00% |

| | | |
|-----------------------------------|-----------------|--------|
| Homestead Productivity Value Loss | (\$237,798,197) | -2.23% |
|-----------------------------------|-----------------|--------|

Exemptions

| | | |
|-------------------------------|--------------------------|----------------|
| Abatements | (\$27,805,354) | -0.26% |
| Disabled | \$ (89,970,219) | -0.84% |
| Total (Fully) Exempt Property | (\$835,697,201) | -7.82% |
| Exempt Property Pro-Rated | (\$202,784) | 0.00% |
| HB 366 | (\$45,940) | 0.00% |
| Freeport | (\$80,578,117) | -0.75% |
| Goods In Transit | (\$28,973) | 0.00% |
| Homestead | (\$152,011,153) | -1.42% |
| MASSS | (\$233,920) | 0.00% |
| Over 65 | (\$217,121,953) | -2.03% |
| Pollution Control | (\$3,018,350) | -0.03% |
| Auto Leased Vehicles | (\$298,680) | 0.00% |
| Total Exemptions | (\$1,407,012,644) | -13.17% |

| | | |
|-------------------------------------|------------------------|---------------|
| 2016 Certified Taxable Value | \$9,042,325,011 | 84.61% |
|-------------------------------------|------------------------|---------------|

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

²Includes Builder Inventory and Vacant Platted Tracts.

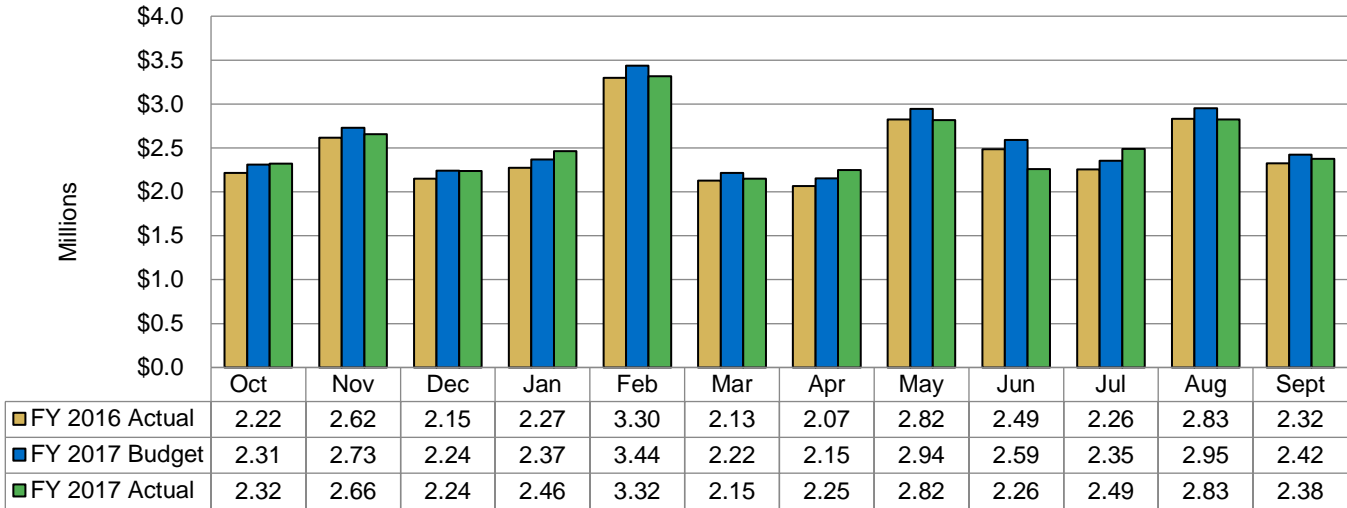
³The total shown is composed of the residential - single family property values.

Sales Tax

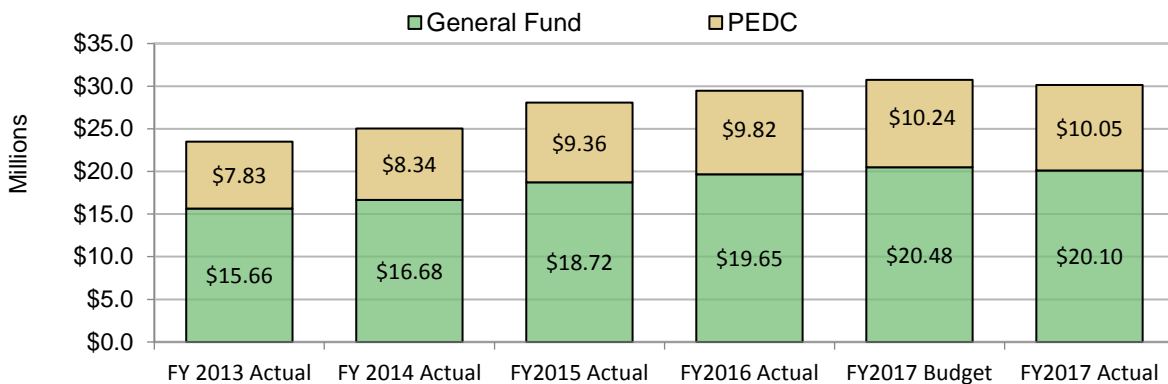
Sales tax deposits from the State Comptroller's Office for the quarter ending September 30, 2017 totaled \$30,155,010, a 2.3% increase over the prior year. We received sales tax deposits of \$2,487,274 in July for May collections, \$2,825,530 in August for June collections, and \$2,376,904 in September for July collections.

The information below is presenting the deposits in each respective month throughout the year as of the date of this report for each month's totals from two months prior. As a result, the same information is presented in the monthly sales tax report but with a two month difference between the two reports because one is based on the month the sales tax deposit becomes receivable while the other is based on the month the sales tax deposit was actually received by the City.

Sales Tax Deposits through September



Year-To-Date Sales Tax Deposits



Debt Service

Property taxes received as of the date of this report total \$32,476,674, 98.5% of amended budget amounts for the total of current and delinquent estimates including penalties and interest.

Miscellaneous revenue of \$837,046 consists of pro-rata lease payments from the tenants in the University of Houston facility. The MUD rebates were paid in May 2017.

When the FY 2017 budget was prepared, staff was not aware of a significant debt service refunding that would take place in the first quarter of the fiscal year resulting in some notable variances between budget and actual totals. The Bond Premiums and Bond Payment totals shown below mostly relate to the debt refunding. Bond payments were paid in the second quarter of FY 2017.

| | FY 2017 ADOPTED BUDGET | FY 2017 ACTUAL TO-DATE | FY 2017 % of BUDGET |
|-----------------------------------|---------------------------------------|---------------------------------------|------------------------------------|
| Revenues | | | |
| Property Taxes | \$ 32,973,979 | \$ 32,476,674 | 98.5% |
| Interest | 75,000 | 77,637 | 103.5% |
| Miscellaneous | 838,736 | 837,046 | 99.8% |
| Bond Premiums | 72,407,342 | 72,407,342 | |
| Transfers | 572,961 | 572,961 | 100.0% |
| Total Revenues | 106,868,018 | 106,371,660 | 99.5% |
| Expenditures | | | |
| MUD Rebates | 7,200,476 | 6,936,997 | 96.3% |
| Bond Payment | 99,605,648 | 99,882,928 | 100.3% |
| Fiscal Agent/Arbitrage | 63,385 | 42,175 | 66.5% |
| Short-Term Note | 1,911,502 | 1,874,519 | 98.1% |
| Total Expenditures | 108,781,011 | 108,736,619 | 100.0% |
| Net Change in Fund Balance | (1,912,993) | (2,364,959) | |
| Beginning Fund Balance | 6,410,449 | 8,276,420 | |
| Ending Fund Balance | \$ 4,497,456 | \$ 5,911,461 | |

General Fund

Revenues through September total \$70,439,540, 99.4% of the budget.

- Property tax collection for maintenance and operations at \$17,910,289 is 100% of the amount budgeted for the Fiscal Year and \$3,302,440 (22.6%) higher than the previous year.
- Sales tax deposits from the State Comptroller's Office through September totaled \$20,457,029, or \$443,403 (2.2%) greater than last year for the same period.
- Franchise Fees through September 2017 are \$6,975,738 and are \$56,500 (0.8%) higher than through September 2016.
- Licenses & Permits total \$5,434,917, at 90.9% of budget, and \$242,614 (4.3%) lower than last year at this time, mainly due to continued development.
- Fines and Forfeitures total \$2,510,849, 94.8% of the budget, less than last year by \$291,574 (10.4%).
- Charges for Services through September total \$15,396,511, 98.9% of budget; up by \$543,196 (3.7%) compared to September 2016.
- Investment earnings are up \$70,008 (47.5%) over the prior year.
- Other revenue totals \$1,536,919 which is up from the prior year by \$788,936 (105.5%).

Operating Expenditures total \$73,273,490. Total Expenditures of \$78,632,794 include Principal Retirements, Interest and Fiscal Charges, and Capital Outlay.

- General Government expenditures are 89.9% of the budget. Notable expenditures include other ERP conversion services, repair & maintenance to system hardware, professional contractual tax (Appraisal District) services.
- Public Safety expenditures totaled \$40,660,515 which is a 11.6% increase from last year at this time.
- Community Services expenditures increased by \$259,422 (6.8%).
- Public Works expenditures are \$12,148,863, 88.6% of the budget and 10.5% higher than last year at this time.
- Parks & Recreation expenditures are 98% of the budget, a 1.2% increase compared to prior year. The prior year totals included expenditures to upgrade the Recreation Center/Natatorium security system and the weight room floor replacement.

The Fund Balance in the General Fund as of the end of September 2017 is \$14,362,996 which represents a 26.5% decrease from prior year. The amended fund balance is \$370,097 over the fund balance policy of \$11,582,786.

General Fund

| | FY 2016 ACTUAL TO-DATE | FY 2016 %of BUDGET | FY 2017 AMENDED BUDGET | FY 2017 ACTUAL TO-DATE | FY 2017 %of BUDGET |
|-------------------------------------|------------------------------|--------------------------|------------------------------|------------------------------|--------------------------|
| Revenues | | | | | |
| Property Taxes | \$14,607,848 | 102.2% | \$17,887,489 | \$17,910,289 | 100.1% |
| Sales and Use Taxes | 20,013,626 | 101.4% | 20,546,818 | 20,457,029 | 99.6% |
| Franchise Fees | 6,919,238 | 102.2% | 7,016,768 | 6,975,738 | 99.4% |
| Licenses & Permits | 5,677,531 | 115.6% | 5,977,255 | 5,434,917 | 90.9% |
| Fines & Forfeitures | 2,802,424 | 96.6% | 2,649,800 | 2,510,849 | 94.8% |
| Charges for Service | 14,853,315 | 95.4% | 15,569,877 | 15,396,511 | 98.9% |
| Investment Earnings | 147,279 | 147.3% | 100,000 | 217,286 | 217.3% |
| Other | 747,984 | 116.6% | 1,101,249 | 1,536,919 | 139.6% |
| Total Revenues | 65,769,244 | 101.3% | 70,849,256 | 70,439,540 | 99.4% |
| Operating Expenditures | | | | | |
| General Government | 10,071,438 | 88.5% | 11,212,620 | 10,081,092 | 89.9% |
| Public Safety | 36,432,151 | 99.2% | 40,030,693 | 40,660,515 | 101.6% |
| Public Works | 10,997,989 | 89.9% | 13,716,519 | 12,148,863 | 88.6% |
| Community Services | 3,826,270 | 99.1% | 4,159,589 | 4,085,692 | 98.2% |
| Parks & Recreation | 6,220,869 | 96.2% | 6,423,532 | 6,297,327 | 98.0% |
| Total Operating Expenditures | 67,548,718 | 95.6% | 75,542,953 | 73,273,490 | 97.0% |
| Other Expenditures | | | | | |
| Principal Retirement | 443,252 | 116.1% | 547,305 | 547,305 | 100.0% |
| Interest and Fiscal Charges | 36,931 | 64.7% | 44,294 | 44,294 | 100.0% |
| Capital Outlay | 3,103,621 | 67.9% | 5,894,737 | 4,767,706 | 80.9% |
| Total Expenditures | 71,132,521 | 94.0% | 82,029,289 | 78,632,794 | 95.9% |
| Other Funding Sources/(Uses) | | | | | |
| Transfers In | 4,111,522 | | 3,792,394 | 3,791,394 | |
| Transfer Out | (2,573,817) | | (1,578,964) | (2,008,856) | |
| Other Funding Sources/(Uses)* | 2,018,673 | | 0 | (145,774) | |
| Total Other | 3,556,378 | | 2,213,430 | 1,636,764 | |
| Net Change in Fund Balance | (1,806,899) | | (8,966,603) | (6,556,490) | |
| Beginning Fund Balance | 21,354,237 | | 20,919,486 | 20,919,486 | |
| Ending Fund Balance | \$19,547,338 | | \$11,952,883 | \$14,362,996 | |

*Other Funding Sources and Uses includes proceeds from capital leases and the reversal of a year-end Mark-to-Market adjustment.

| | |
|-----------------------------------|------------|
| Policy - 2 months Recurring Oper. | 11,582,786 |
| Fund Balance over Policy | 370,097 |

Enterprise Fund - Water/Sewer

Charges for Services total \$99,221,354 and are 215.5% of budget and \$59,264,996 (148.3%) more than last year at this time. FY17 expenses and revenues include \$56.7 million in unbudgeted refunding of bonds, which drove a variance on both the expense and revenue side of the fund.

Other Service Charges include Water & Sewer Impact Fees, Water & Sewer Tap Fees, Connection Fees, Reconnect Fees, et al. Other Service Charges as of the end of June total \$1,393,078 which is 77.1% of budget.

Operating Expenses total \$98,277,164 which represents an increase over the prior year by \$2,986,899. Repairs and Maintenance represent about 29.9% of this increase. The current year budget for Repairs and Maintenance is greater than the prior year by over \$11 million which indicates an anticipated increase in Repairs and Maintenance this year of about 23.7%.

| | FY 2016 ACTUAL TO-DATE | FY 2016 % of BUDGET | FY 2017 AMENDED BUDGET | FY 2017 ACTUAL TO-DATE | FY 2017 % of BUDGET |
|------------------------------|------------------------------|---------------------------|------------------------------|------------------------------|---------------------------|
| Revenues | | | | | |
| Sale of Water | \$ 18,838,520 | 101.8% | \$ 20,000,000 | \$ 22,061,002 | 110.3% |
| Sewer Revenues | 16,503,543 | 105.8% | 21,400,000 | 20,256,189 | 94.7% |
| Other Service Charges | 1,902,684 | 106.0% | 1,807,500 | 1,393,078 | 77.1% |
| Other Financing Sources | - | 0.0% | - | 52,675,631 | 100.0% |
| Interest Income | 128,910 | 104.4% | 175,000 | 185,454 | 106.0% |
| Transfers In | 2,582,700 | 100.0% | 2,650,000 | 2,650,000 | 100.0% |
| Total Revenues | 39,956,358 | 102.4% | 46,032,500 | 99,221,354 | 215.5% |
| Expenses | | | | | |
| Utility (Billing) Customer | 1,184,464 | 103.8% | 1,210,995 | 1,180,467 | 97.5% |
| Information Technology | 233,476 | 103.2% | 540,921 | 513,603 | 94.9% |
| Public Works | | | | | |
| Administration | 592,510 | 94.1% | 711,496 | 679,440 | 95.5% |
| Ground Maintenance | 411,797 | 95.5% | 415,016 | 435,017 | 104.8% |
| Lift Stations | 1,258,432 | 63.7% | 2,278,640 | 1,784,854 | 78.3% |
| Wastewater Treatment | 5,511,431 | 94.6% | 6,231,895 | 5,742,781 | 92.2% |
| Water Production | 8,782,017 | 86.4% | 10,027,713 | 9,572,564 | 95.5% |
| Distribution & Collections | 2,393,520 | 94.1% | 2,568,873 | 2,426,141 | 94.4% |
| Construction | 740,605 | 81.9% | 917,080 | 828,089 | 90.3% |
| Meter Services | 1,255,138 | 83.6% | 1,744,116 | 1,295,624 | 74.3% |
| Other Requirements | 3,058,811 | 83.9% | 4,025,425 | 3,950,522 | 98.1% |
| Debt Service | 12,087,872 | 106.1% | 17,418,139 | 69,868,061 | 401.1% |
| Total Expenses | 37,510,075 | 92.9% | 48,090,309 | 98,277,164 | 204.4% |
| Other Funding Sources (Uses) | 13,809 | | - | (100,598) | |
| YTD Change in Net Position | 2,460,092 | | (2,057,809) | 843,591 | |
| Beginning Net Position | 15,624,805 | | 18,500,872 | 18,500,872 | |
| Reserve for Debt Service | 2,623,222 | | 3,616,964 | 3,616,964 | |
| YTD Net Position | \$ 15,461,675 | | \$ 12,826,099 | \$ 15,727,499 | |

Enterprise Fund - Water/Sewer

Charges for Services total \$99,221,354 and are 215.5% of budget and \$59,264,996 (148.3%) more than last year at this time. FY17 expenses and revenues include \$56.7 million in unbudgeted refunding of bonds, which drove a variance on both the expense and revenue side of the fund.

Other Service Charges include Water & Sewer Impact Fees, Water & Sewer Tap Fees, Connection Fees, Reconnect Fees, et al. Other Service Charges as of the end of June total \$1,393,078 which is 77.1% of budget.

Operating Expenses total \$98,277,164 which represents an increase over the prior year by \$2,986,899. Repairs and Maintenance represent about 29.9% of this increase. The current year budget for Repairs and Maintenance is greater than the prior year by over \$11 million which indicates an anticipated increase in Repairs and Maintenance this year of about 23.7%.

| | FY 2016 ACTUAL TO-DATE | FY 2016 % of BUDGET | FY 2017 AMENDED BUDGET | FY 2017 ACTUAL TO-DATE | FY 2017 % of BUDGET |
|---------------------------------|------------------------------|---------------------------|------------------------------|------------------------------|---------------------------|
| Revenues | | | | | |
| Sale of Water | \$ 13,279,647 | 71.8% | \$ 20,000,000 | \$ 15,472,550 | 77.4% |
| Sewer Revenues | 12,227,572 | 78.4% | 21,400,000 | 14,482,706 | 67.7% |
| Other Service Charges | 6,258,732 | 88.1% | 10,318,000 | 7,860,201 | 76.2% |
| Total Revenues | 31,765,951 | 77.1% | 51,718,000 | 37,815,457 | 73.1% |
| Operating Expenses | | | | | |
| Personnel Services | 4,816,127 | 74.2% | 6,677,910 | 4,671,306 | 70.0% |
| Supplies and Materials | 4,254,373 | 52.1% | 8,646,776 | 5,001,987 | 57.8% |
| Contractual Services | 3,343,523 | 57.9% | 6,075,626 | 3,606,032 | 59.4% |
| Repairs and Maintenance | 10,629,899 | 22.9% | 60,536,482 | 21,370,635 | 35.3% |
| Other Expenses | 21,593 | 3.8% | 132,257 | 49,819 | 37.7% |
| Total Operating Expenses | 23,065,515 | 34.2% | 82,069,051 | 34,699,779 | 42.3% |
| Non-Operating Expenses | | | | | |
| Bond Issuance Costs | 113,869 | 8.0% | 1,315,000 | 584,658 | 44.5% |
| Interest Expense | 2,549,736 | 46.6% | 5,580,441 | 2,821,129 | 50.6% |
| Principal Payments on Debt | 1,649,243 | 29.4% | 10,045,000 | 2,533,314 | 25.2% |
| Total Expenses | 27,378,363 | 34.2% | 99,009,492 | 40,638,880 | 41.0% |
| Bond Proceeds | 5,335,646 | 8.0% | 39,156,410 | 22,250,000 | 56.8% |
| Grants and Contributions | - | 0.0% | 553,753 | - | 0.0% |
| Earnings on Investments | 164,298 | 75.6% | 370,050 | 374,199 | 101.1% |
| Capital Contributions | 423,293 | 100.0% | - | - | 0.0% |
| Other Debt Defeasance | - | 0.0% | (1,477,698) | (1,477,698) | 100.0% |
| Miscellaneous Revenue (Expense) | 28,462 | 16.2% | 89,500 | (105,414) | -117.8% |
| Transfers In | 2,940,816 | 60.8% | 3,467,500 | 3,005,353 | 86.7% |
| Transfer Out | (4,892,551) | 71.3% | (6,339,164) | (4,695,184) | 74.1% |
| YTD Change in Net Position | 8,387,552 | | (11,471,141) | 16,527,833 | |
| Beginning Net Position | 212,879,191 | | 216,731,412 | 216,731,412 | |
| YTD Net Position | \$ 221,266,743 | | \$ 205,260,271 | \$ 233,259,245 | |
| Bond Coverage - 1.4 | | | 1.65 | | |
| Cash Reserve Ratio - 25% | | | 26% | | |

Property Insurance Fund

Premiums are budgeted (as amended) at \$1,105,264 while payments to date total \$1,135,513, and are \$41,613 (3.8%) higher than last September.

Based on the type of insurance and values of property, the General Fund, Water & Sewer Fund, and Hotel/Motel Fund reimburse the Property Insurance Fund each quarter. The total reimbursed through September total \$1,310,994.

Ending net assets as of the end of September 2017 are \$596,973, as the majority of expenditures for the year are paid but contributions into the fund are at 25%. Ending net assets are budgeted to be \$434,095.

| | FY 2016 ACTUAL TO-DATE | FY 2017 AMENDED BUDGET | FY 2017 ACTUAL TO-DATE | FY 2017 % of BUDGET |
|--|------------------------------|------------------------------|------------------------------|---------------------------|
| Revenues | | | | |
| Insurance Reimbursements | 54,982 | 70,000 | 244,339 | 349.1% |
| Total Operating Revenues | 54,982 | 70,000 | 244,339 | 349.1% |
| Operating Expenses | | | | |
| Contractual Services | | | | |
| General Liability | 45,540 | 45,618 | 35,989 | 78.9% |
| Errors & Omissions | 71,962 | 63,688 | 60,674 | 95.3% |
| Public Employee Dishonesty | 2,353 | 3,289 | 2,175 | 66.1% |
| Animal Mortality | 2,450 | 5,275 | 4,719 | 89.5% |
| Law Enforcement | 62,956 | 74,870 | 74,654 | 99.7% |
| Real & PP Property | 83,392 | 96,446 | 92,203 | 95.6% |
| Windstorm Damage | 604,034 | 531,877 | 531,878 | 100.0% |
| Automobile | 95,597 | 114,360 | 111,725 | 97.7% |
| Auto Damage | 94,434 | 133,098 | 185,407 | 139.3% |
| Mobile Equipment | 13,291 | 14,240 | 13,209 | 92.8% |
| Pollution Liability | - | 3,913 | 3,913 | 100.0% |
| Rain-Out (Parks) | 1,550 | - | 2,295 | 100.0% |
| Sewage Back-up | 16,340 | 18,590 | 16,673 | 89.7% |
| Administration and Other Operating Exp | 84,360 | 145,124 | 126,501 | 87.2% |
| Total Operating Expenses | 1,178,260 | 1,250,388 | 1,262,014 | 100.9% |
| Operating Income (Loss) | (1,123,278) | (1,180,388) | (1,017,676) | 86.2% |
| Earnings on Investments | 36 | 200 | 298 | 149.0% |
| Other Revenues (Expenses) | - | 45 | 113 | 250.0% |
| Transfers In | 1,245,477 | 1,310,994 | 1,310,994 | 100.0% |
| Change in Net Position | 122,235 | 130,851 | 293,729 | |
| Beginning Net Position | 181,008 | 303,244 | 303,244 | |
| Ending Net Position | 303,243 | 434,095 | 596,973 | |

Self-Insured Medical Fund

Revenues through September total \$7,789,904, 97% of budget. City, employee, retiree and Cobra contributions received combined total \$7,588,624 and are \$141,177 (1.9%) higher than September

Medical Insurance Claims are budgeted (as amended) at \$5,918,311. Claims paid through September total \$5,904,545, 99.8% of the amended budget which is \$683,172 (13.1%) higher than claims paid through September 2017.

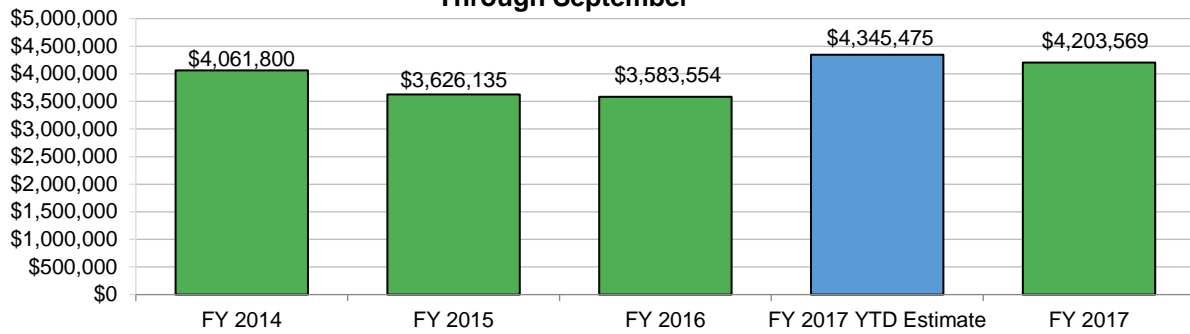
Claims paid through September of this year are \$6,880 per employee, \$816 more than the amount per employee through September 2016. This estimate spreads the FY 2017 budget total monthly by taking the average percentage of expenses for the first quarter from the prior four years.

Fund balance as of the end of September 2017 is \$2,472,042. The amended fund balance for September 30, 2017 is budgeted at \$2,657,562.

| | FY 2016 ACTUAL TO-DATE | FY 2017 AMENDED BUDGET | FY 2017 ACTUAL TO-DATE | FY 2017 % of BUDGET |
|---------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|------------------------------------|
| Revenues | | | | |
| Employee and City Premiums | \$ 7,385,388 | \$7,777,970 | \$7,531,586 | 96.8% |
| Retiree Premiums | 59,521 | 60,000 | 56,880 | 94.8% |
| Cobra | 2,539 | - | 158 | 100.0% |
| Miscellaneous | 215,542 | 193,873 | 201,280 | 103.8% |
| Total Operating Revenues | 7,662,989 | 8,031,843 | 7,789,904 | 97.0% |
| Operating Expenses | | | | |
| Administrative Fees | 898,740 | 986,803 | 969,658 | 98.3% |
| Medical Insurance Claims | 5,221,374 | 5,918,311 | 5,904,545 | 99.8% |
| Health Portability Act | 50,483 | 35,471 | 25,839 | 72.8% |
| Wellness Programs | - | 25,000 | 9,995 | 40.0% |
| Total Operating Expenses | 6,170,596 | 6,965,585 | 6,910,037 | 99.2% |
| Operating Income (Loss) | 1,492,393 | 1,066,258 | 879,867 | 82.5% |
| Earnings on Investments | 1,280 | 2,000 | 2,870 | 143.5% |
| Transfers In | - | - | - | 0.0% |
| Transfers Out | - | (500,000) | (500,000) | 100.0% |
| Change in Net Position | 1,493,673 | 568,258 | 382,738 | |
| Beginning Net Position | 595,635 | 2,089,304 | 2,089,304 | |
| Ending Net Position | \$ 2,089,308 | \$2,657,562 | \$ 2,472,042 | |

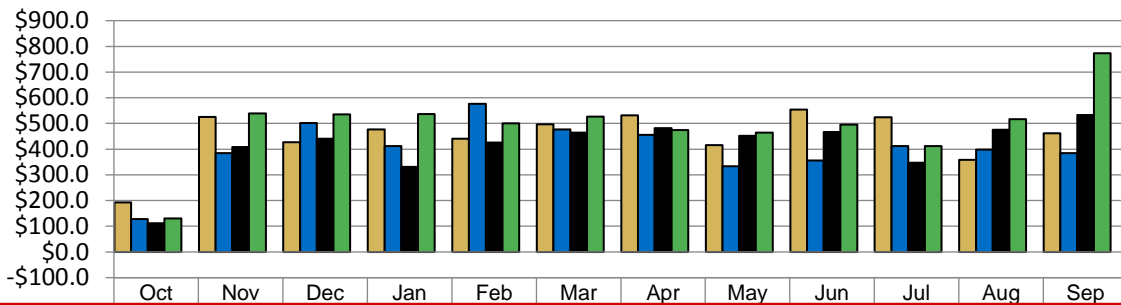
Self-Insured Medical Fund

**Medical Claims Paid
Year-to-Date Excluding Accruals
Through September**



| Claims Paid per Employee: | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
|----------------------------------|---------|---------|---------|---------|
| Number of Eligible Positions | 548 | 529 | 591 | 611 |
| Actual YTD per Eligible Position | \$7,412 | \$6,855 | \$6,064 | \$6,880 |
| Budgeted per Employee | | | \$8,460 | \$9,686 |

**Medical Claims Paid Monthly
Excluding Accruals
Through September**



| | | | | | | | | | | | | |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| FY 2014 | \$192.6 | \$525.8 | \$427.4 | \$476.9 | \$440.5 | \$497.0 | \$531.9 | \$416.1 | \$553.7 | \$524.6 | \$358.3 | \$461.8 |
| FY 2015 | \$127.6 | \$385.0 | \$501.7 | \$411.9 | \$576.7 | \$477.4 | \$455.9 | \$333.8 | \$356.2 | \$411.6 | \$398.9 | \$384.0 |
| FY 2016 | \$112.4 | \$408.8 | \$440.2 | \$331.2 | \$425.5 | \$464.9 | \$481.4 | \$452.3 | \$466.8 | \$346.7 | \$475.6 | \$532.8 |
| FY 2017 | \$130.6 | \$538.6 | \$535.6 | \$536.1 | \$501.0 | \$527.1 | \$474.8 | \$464.7 | \$495.2 | \$411.6 | \$516.1 | \$773.3 |
| YTD FY16 to FY17 | 16.2% | 31.8% | 21.7% | 61.8% | 17.7% | 13.4% | -1.4% | 2.8% | 6.1% | 18.7% | 8.5% | 45.2% |

Hotel/Motel Occupancy Tax - Convention & Visitors' Bureau

The budgeted occupancy tax (as amended) for FY 2017 from the Pearland hotels totals \$1,400,000. Revenues for the fourth quarter of fiscal year 2017 will be received in October or November.

Expenditures through September total \$1,050,000, 96.3% of budget, mainly for Materials and Supplies and Rent Expense (Lease). Fund balance as of the end of September 2017 is \$4,603,551. The projected fund balance for September 30, 2017 is expected to be \$4,536,668.

| | FY 2016 ACTUAL TO-DATE | FY 2017 ANNUAL BUDGET | FY 2017 ACTUAL TO-DATE | FY 2017 % of BUDGET |
|---|---------------------------------------|--------------------------------------|---------------------------------------|------------------------------------|
| Revenues | | | | |
| Hotel/Motel Occupancy Tax | \$1,409,044 | \$ 1,400,000 | \$ 1,421,958 | 101.6% |
| Interest Income | 14,388 | 13,700 | 29,967 | 218.7% |
| Miscellaneous | 12,543 | 19,436 | 25,284 | 130.1% |
| Total Revenues | 1,435,974 | 1,433,136 | 1,477,209 | 103.1% |
| Expenditures | | | | |
| Salaries and Benefits | 270,364 | 279,330 | 283,183 | 101.4% |
| Inventory | 1,003 | 1,003 | - | 0.0% |
| Materials & Supplies | 104,103 | 143,761 | 133,118 | 92.6% |
| Miscellaneous Services | 525,997 | 665,857 | 632,927 | 95.1% |
| Capital Outlay | 46,477 | - | - | |
| Transfers Out | 772 | 772 | 772 | 100.0% |
| Total Expenditures | 948,717 | 1,090,723 | 1,050,000 | 96.3% |
| Other Funding Sources/(Uses) | 16,121 | - | (17,914) | 100.0% |
| Revenues Over (Under) Expenditures | 503,378 | 342,413 | 409,296 | 119.5% |
| Beginning Fund Balance | 3,690,876 | 4,194,255 | 4,194,255 | 100.0% |
| Ending Fund Balance | \$4,194,255 | \$ 4,536,668 | \$ 4,603,551 | 101.5% |

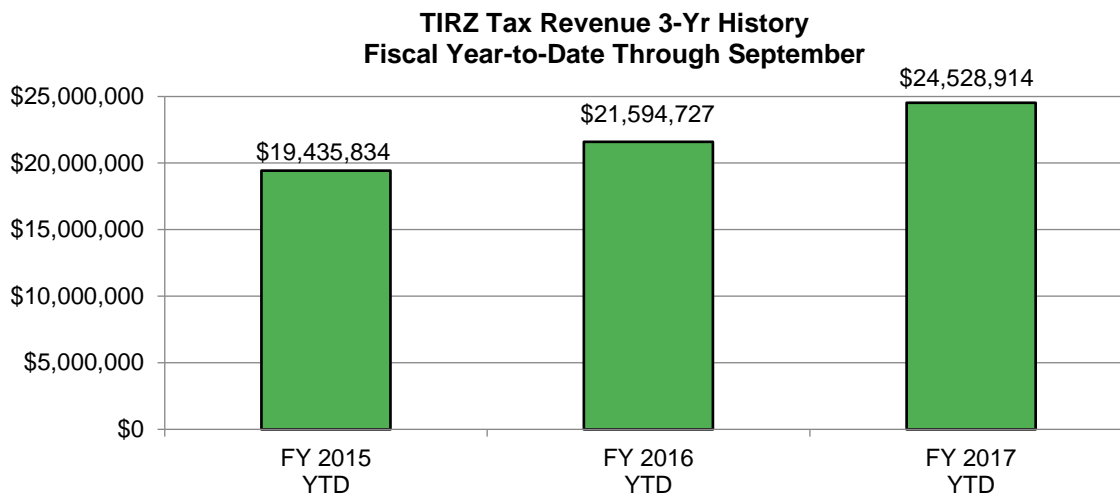
*Other Funding Sources and Uses relates to Unrealized Gains and Losses of invested funds.

TIRZ

Total revenue through September is \$26,226,354. The TIRZ has received tax increment payments from the City of Pearland in the amount of \$14,782,538, \$1,611,047 from Fort Bend County and \$6,045,809 from Alvin ISD.

Expenditures through September total \$25,166,752; of this total \$9,460,825 was paid to the City of Pearland for services provided. The AISD Suspense Fund totals \$2,302,656. The available balance as of the end of September 2017, net of the AISD Suspense Fund, is \$3,863,566.

| | FY 2016 ACTUAL TO-DATE | FY 2017 ACTUAL TO-DATE | % CHANGE |
|----------------------------------|------------------------------|------------------------------|--------------|
| Revenues | | | |
| Taxes | | | |
| Alvin ISD | \$ 5,162,646 | \$ 6,045,809 | 17.1% |
| Brazoria County | 1,809,824 | 2,089,520 | 15.5% |
| City of Pearland | 13,282,986 | 14,782,538 | 11.3% |
| Fort Bend County | 1,339,271 | 1,611,047 | 20.3% |
| Interest | 11,582 | 51,134 | 341.5% |
| Miscellaneous/AISD | | 1,646,306 | 100.0% |
| Total Revenues | 21,606,309 | 26,226,354 | 21.4% |
| Expenditures | | | |
| Miscellaneous Services | 21,144 | 20,505 | -3.0% |
| Payment to City of Pearland | 8,501,110 | 9,460,825 | 11.3% |
| Payment to Development Authority | | 1,646,306 | 100.0% |
| Transfers Out | 12,926,181 | 14,039,117 | 8.6% |
| Total Expenditures | 21,448,435 | 25,166,752 | 17.3% |
| Net Change in Fund Balance | 157,874 | 1,059,602 | 571.2% |
| Beginning Fund Balance | 4,948,746 | 5,106,621 | 3.2% |
| AISD Suspense Fund | 1,289,369 | 2,302,656 | 78.6% |
| Ending Fund Balance | \$ 3,817,251 | \$ 3,863,566 | 1.2% |



Development Authority - DAP

Revenues through September total \$29,946,351 with bond proceeds totaling \$12,320,000. Expenditures total \$27,592,782; \$189,562 for bond issuance costs, \$189,562 reimbursement(s) to the developer(s) and \$19,400,405 for other Professional Services. The available fund balance as of the end of September 2017, excluding the portion for the debt service reserve, is \$10,087,544.

| | FY 2016 ACTUAL TO-DATE | FY 2017 ACTUAL TO-DATE | % CHANGE |
|-----------------------------------|---------------------------------------|---------------------------------------|---------------------|
| Revenues | | | |
| Transfers In | 12,926,181 | 14,039,117 | 8.6% |
| Interfund Reimbursement | | \$ 3,584,719 | 100.0% |
| Bond Proceeds | 66,030,000 | 12,320,000 | -81.3% |
| Interest | 1,311 | 2,515 | 91.9% |
| Total Revenues | 78,957,492 | 29,946,351 | -62.1% |
| Expenditures | | | |
| Professional Services | 6,222 | 6,987 | 12.3% |
| Reimbursement to Developer | 19,575,000 | 19,400,405 | -0.9% |
| Bond Payments: | | | |
| Interest | 1,971,659 | 2,400,427 | 21.7% |
| Principal | 5,165,000 | 5,585,000 | -87.9% |
| Bond Issuance Cost | 342,542 | 189,562 | -44.7% |
| Arbitrage/Fiscal Fees | 7,050 | 10,400 | 47.5% |
| Other Debt Service | 46,111,397 | | |
| Total Expenditures | 73,178,870 | 27,592,782 | -62.3% |
| Net Change in Fund Balance | 5,778,622 | 2,353,569 | |
| Beginning Fund Balance | 1,956,534 | 7,735,156 | |
| Debt Service Reserve | 161,073 | 1,181 | |
| Ending Fund Balance | \$ 7,574,083 | \$ 10,087,544 | |