

# Annual Report of Certain Financial and Local Debt Information

Fiscal Year Ended September 30, 2017

☑ Denotes Required Information Pursuant to Local Government Code, Section 140.008



### ☑ Overview of Certain Financial/Bond Ratings

Credit Ratings: The City of Pearland, Texas (the "City") maintains independent ratings from certain nationally recognized credit rating agencies, such as Moody's Investors Service, S&P Global Ratings and Fitch Ratings Inc. that evaluate the City's financial strength and its ability to pay its existing bonds. The current credit ratings for the City are displayed below:

Bond Credit Ratings	Moody's	S&P	Fitch
General Obligation Debt	Aa2	AA	AA
Water and Sewer System Revenue Debt	Aa3	AA-	AA-

- ✓ Moody's Investors Service, Inc.: Defines the credit rating of the City as: "Judged to be of high quality and are subject to very low credit risk."
- ✓ **S&P Global Ratings:** Defines the credit rating of the City as: "Having a very strong capacity to meet its financial commitments. It differs from the highest-rating only to a small degree."
- Fitch Ratings, Inc.: Defines the credit rating of the City as: "Very high credit quality. 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events."



#### ☑ Overview of Historical Bond Elections

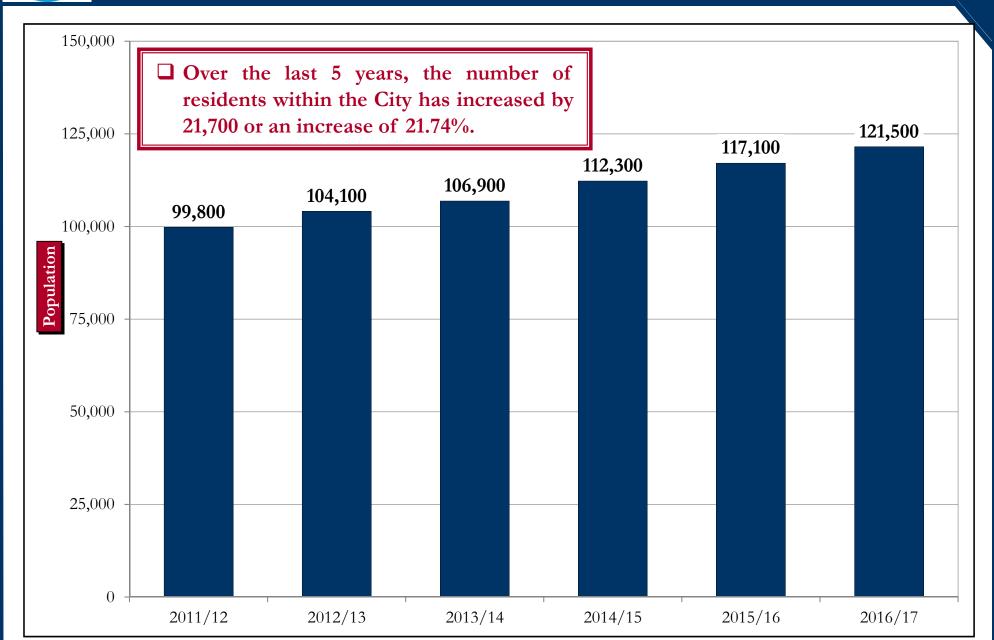
■ The following summarizes the City's General Obligation bond programs approved by voters over the last 16 years:

City's Historical Bond Elections Approved By Voters										
Election Date	Purpose	Population	Election Amount	Dollar Amount Remaining To Be Issued						
November 6, 2001	Street	43,103	\$92,500,000	\$430*						
November 6, 2001	Drainage	43,103	\$22,500,000	\$0						
May 12, 2007	Road	84,500	\$84,190,000	\$24,579,000						
May 12, 2007	Drainage	84,500	\$35,305,000	\$7,011,500						
May 12, 2007	Fire Improvements	84,500	\$2,895,000	\$0						
May 12, 2007	Parks & Recreation	84,500	\$19,990,000	\$0						
May 12, 2007	Aquatic	84,500	\$16,225,000	\$1,014,500						
May 12, 2007	Library	84,500	\$3,410,000	\$0						
Total Dollar Amou	Total Dollar Amount Of Authorized But Unissued Bonds - As of September 30, 2017:									

<sup>\*</sup> Not included in total because remaining authorizations are considered to be too old or too small.

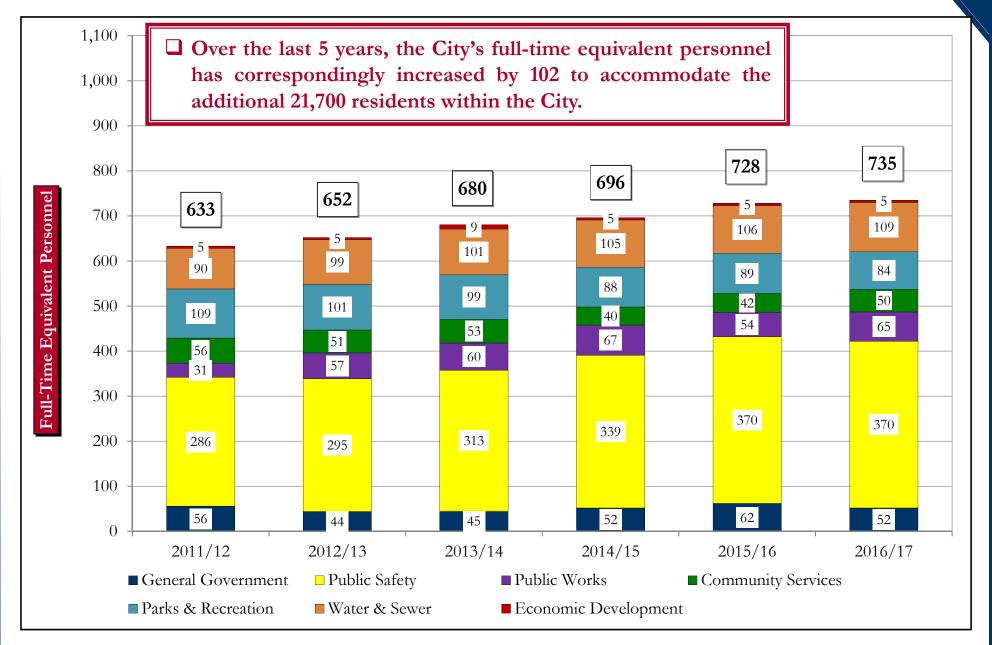


### Historical Population



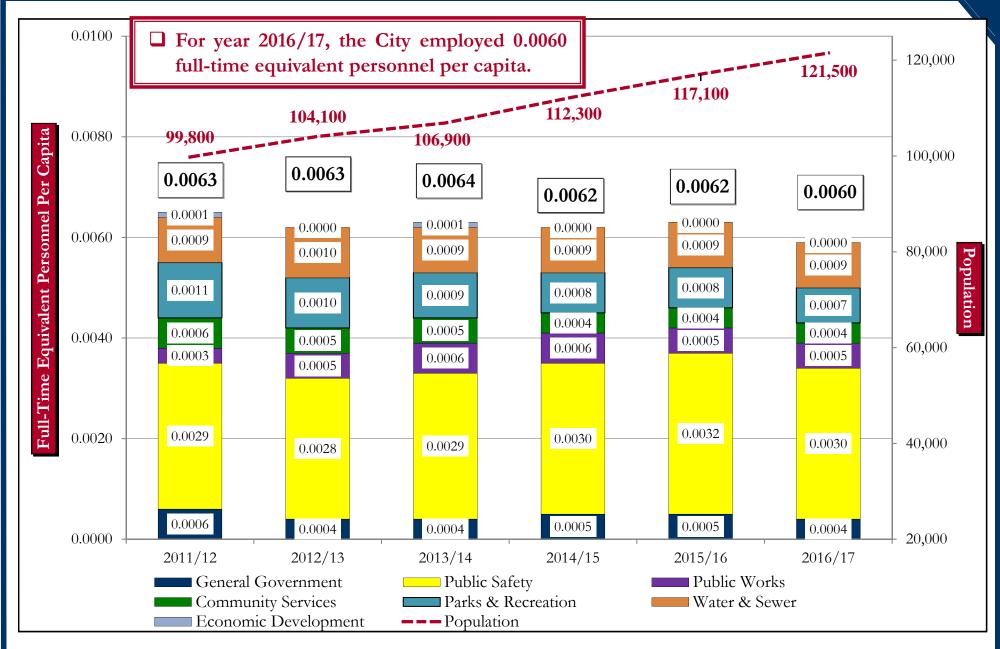


### Full-Time Equivalent Personnel



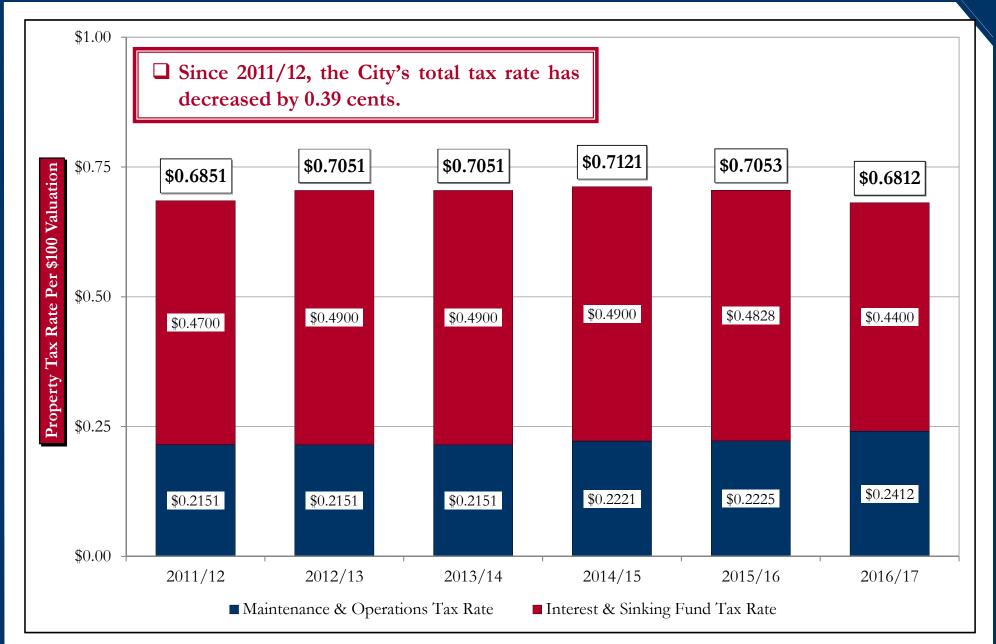


### Full-Time Equivalent Personnel Per Capita



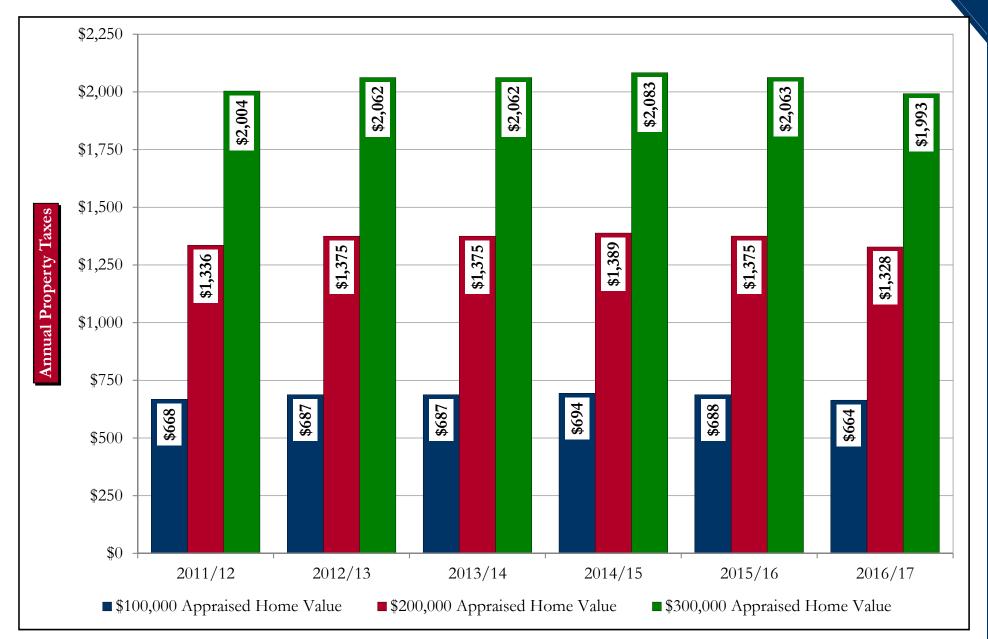


#### Historical Tax Rates



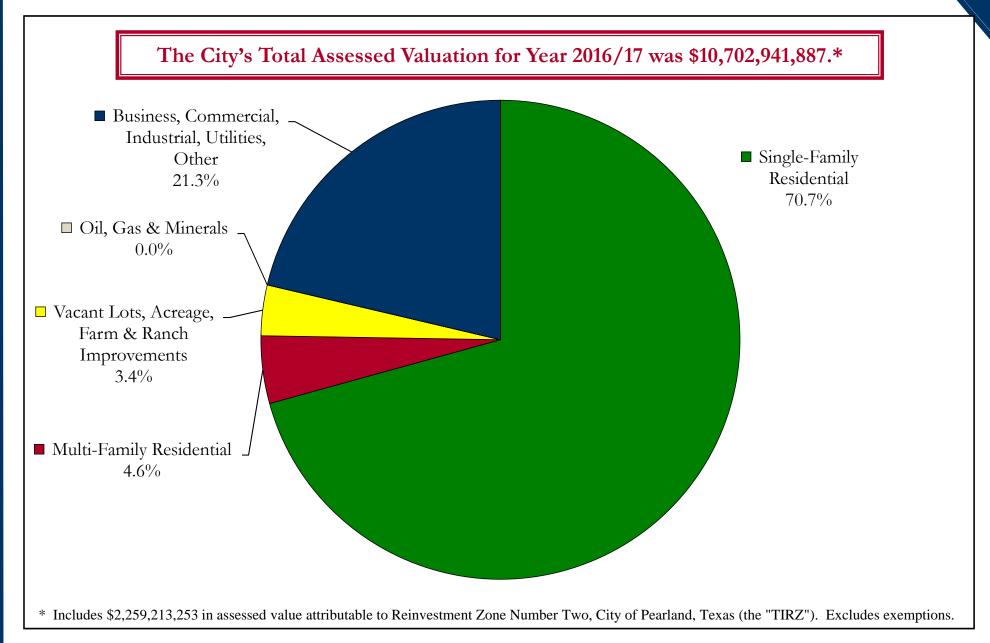


### City's Historical Property Taxes For Various Appraised Home Values





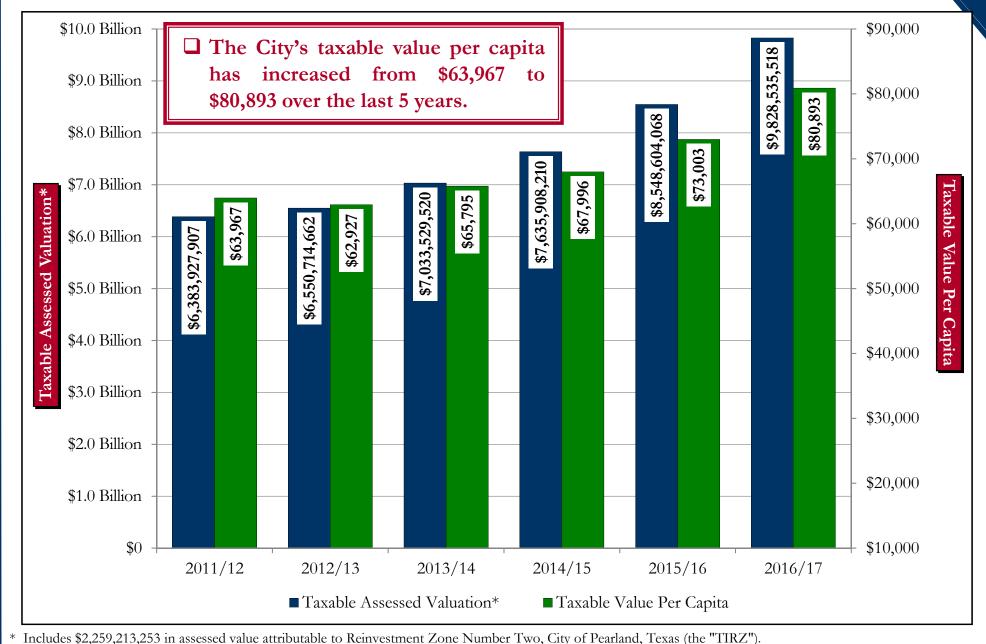
### Composition of Total Assessed Valuation\* – Year 2016/17



Source: Texas Comptroller.

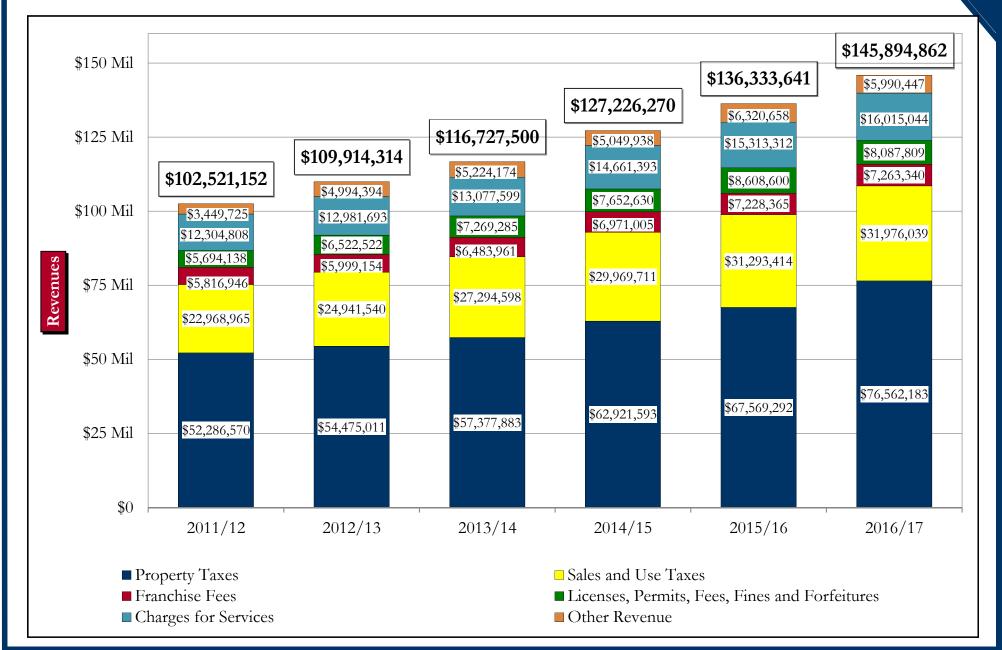


### Historical Taxable Assessed Valuation\* and Taxable Value Per Capita



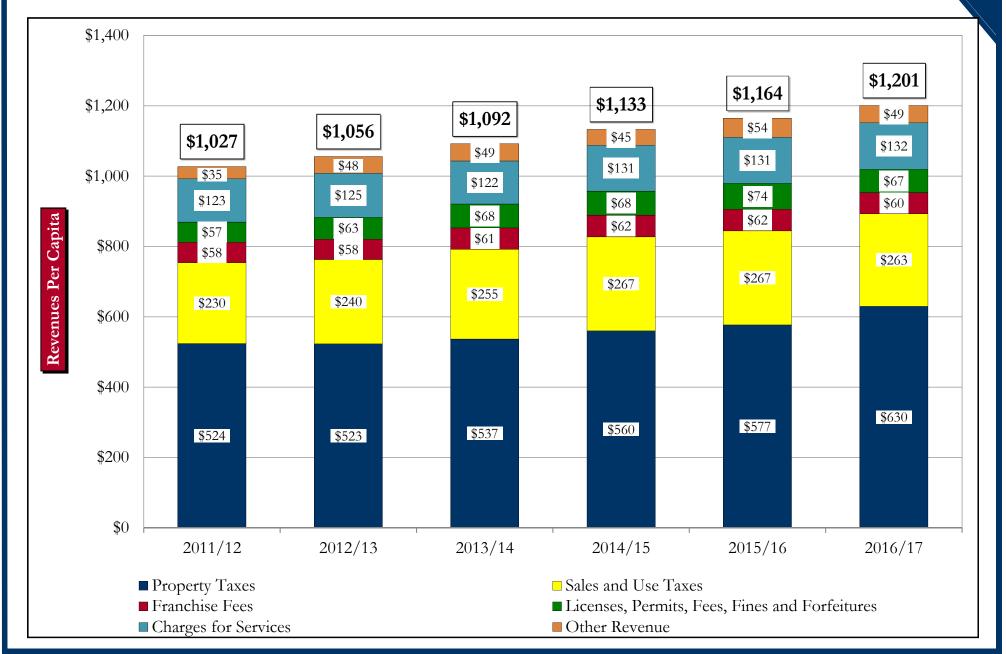


### Governmental Fund\* Revenues By Source



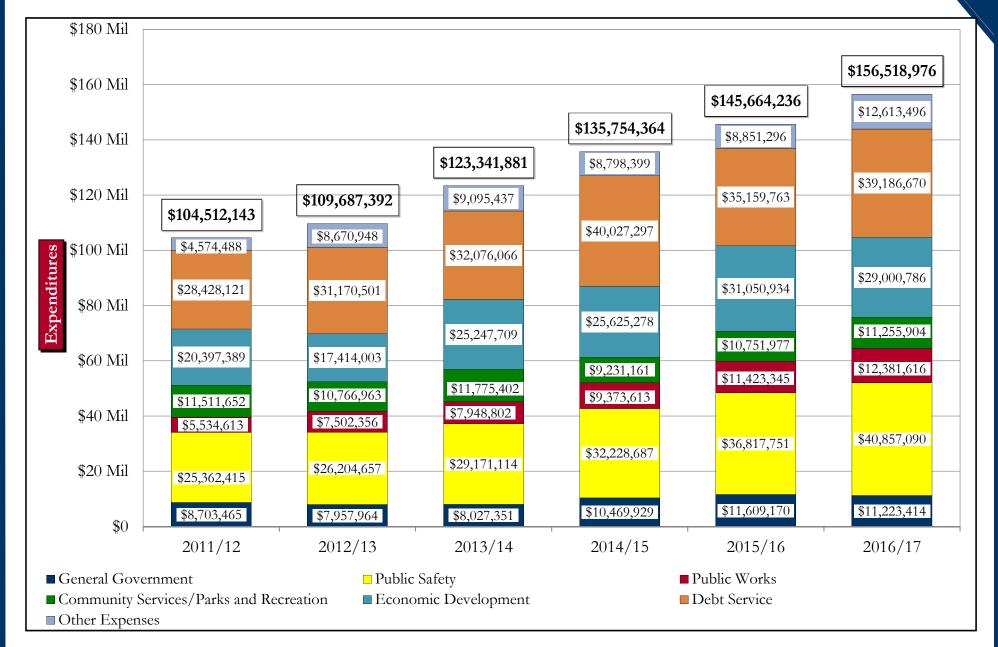


### Governmental Fund\* Revenues Per Capita



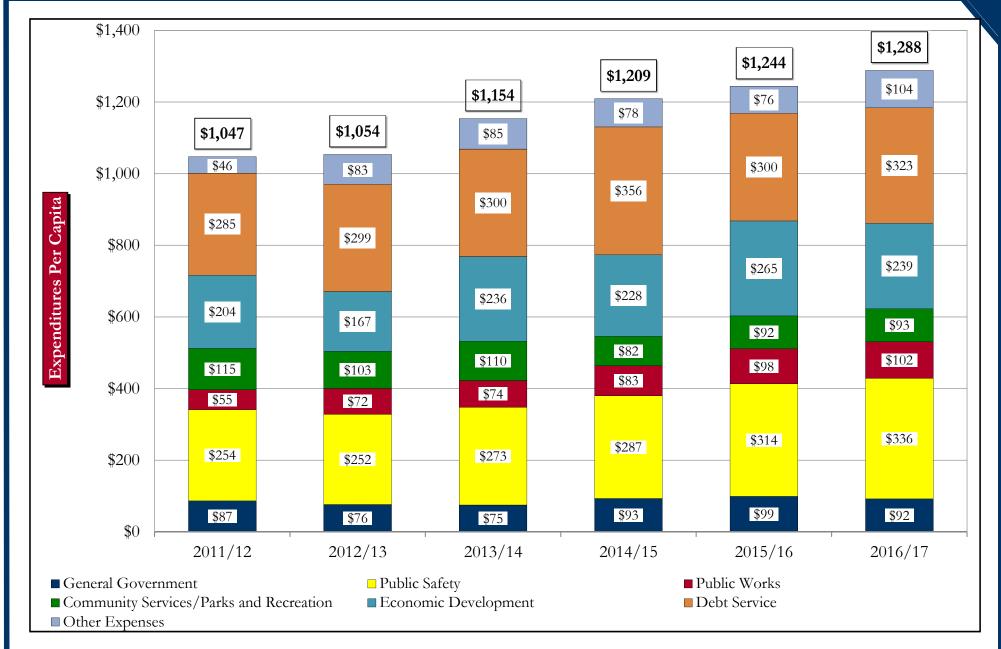


### Governmental Fund\* Expenditures By Source



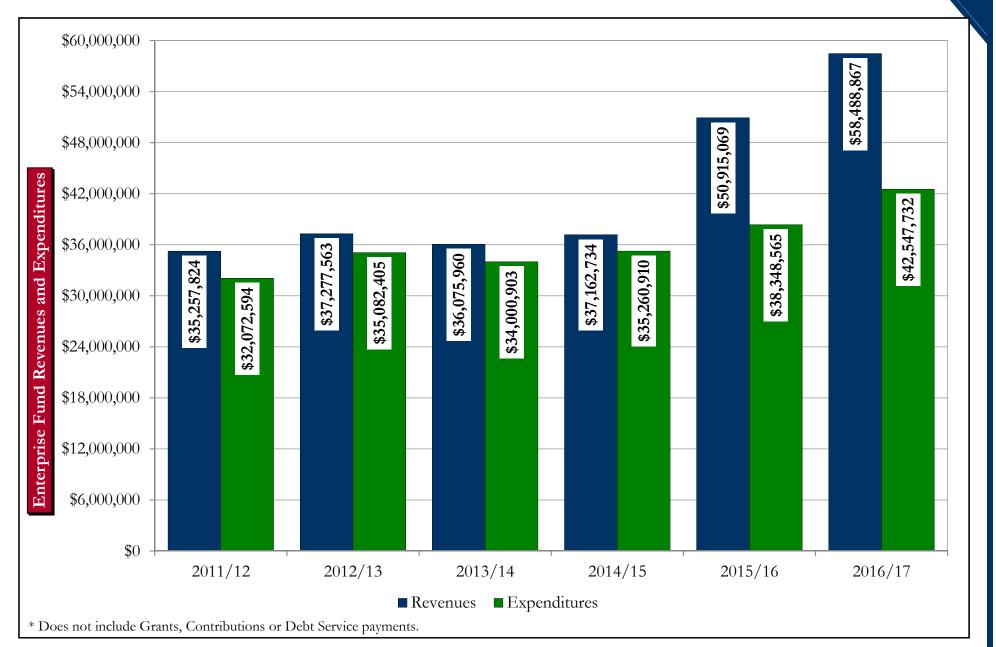


### Governmental Fund\* Expenditures Per Capital



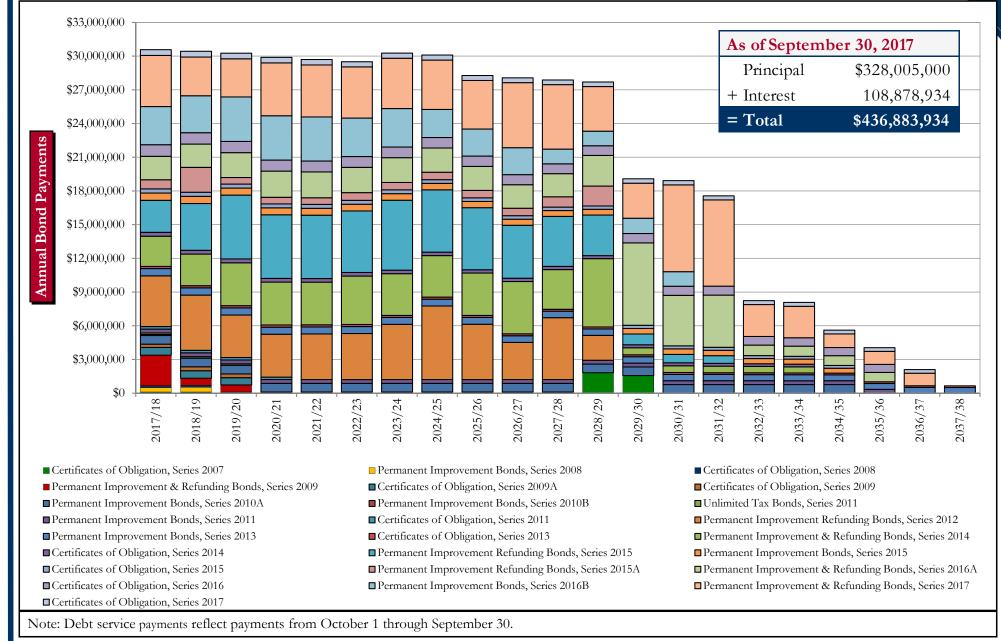


### Enterprise Fund (Business-Type Activities\*) Revenues and Expenditures



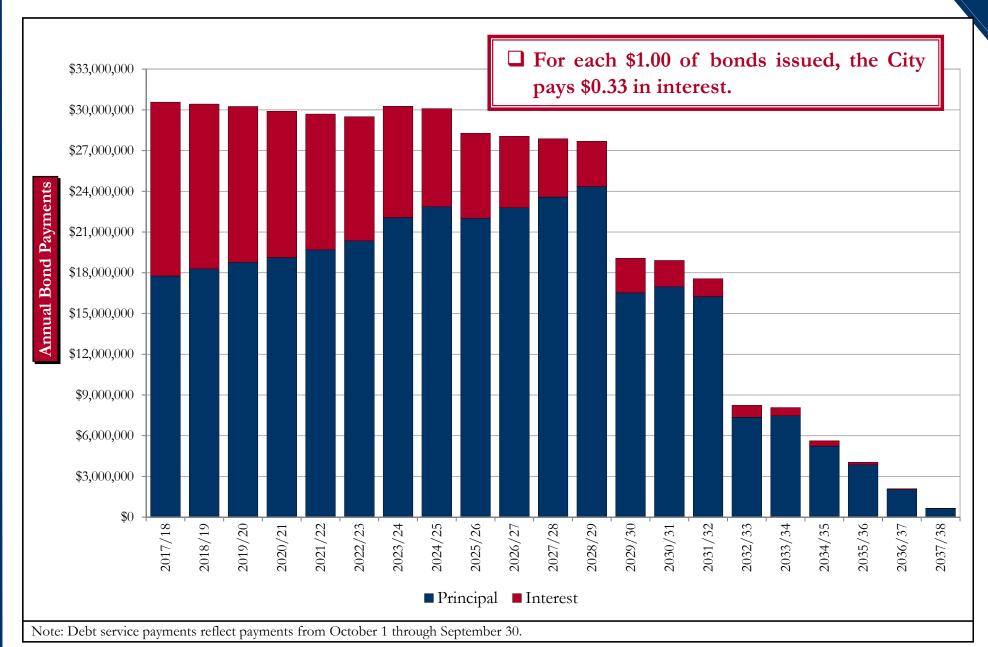


### ☑ Tax-Supported Debt Service By Series





### ☑ Tax-Supported Debt Service By Principal and Interest





## Summary of Tax-Supported Debt Outstanding By Series – As of Fiscal Year Ended September 30, 2017

									Partially Secured by			
			Original			Outstanding	Outstanding	Final	Ad	Total		
			Principal		<b>Total Outstanding</b>	Principal	Debt Service	Maturity	Valorem	Proceeds	Spent	Unspent
No.		Purpose	Amount	Principal	Debt Service	Per Capita	Per Capita	Date	Taxes	Received	Proceeds	Proceeds
1	Certificates of Obligation, Series 2007	Capital Improvements	\$23,250,000.00	\$3,285,000.00	\$4,562,818.75	\$27.04	\$37.55	03/01/2030	Yes	\$23,412,584.50	\$23,412,584.50	\$0.00
2	Permanent Improvement Bonds, Series 2008	Capital Improvements	\$22,835,000.00	\$765,000.00	\$804,375.00	\$6.30	\$6.62	03/01/2019	Yes	\$23,002,738.67	\$23,002,738.67	\$0.00
3	Certificates of Obligation, Series 2008	Capital Improvements	\$9,000,000.00	\$350,000.00	\$364,400.00	\$2.88	\$3.00	03/01/2019	Yes	\$9,099,794.17	\$9,099,794.17	\$0.00
4	Permanent Improvement & Refunding Bonds, Series 2009	Capital Improvements; Refunding at a lower interest rate, etc.	\$28,395,000.00	\$3,815,000.00	\$3,951,283.75	\$31.40	\$32.52	09/01/2020	Yes	\$29,255,607.65	\$29,255,607.65	\$0.00
5	Certificates of Obligation, Series 2009A	Capital Improvements	\$12,145,000.00	\$1,915,000.00	\$2,011,196.25	\$15.76	\$16.55	09/01/2020	Yes	\$12,149,283.55	\$12,149,283.55	\$0.00
6	Certificates of Obligation, Series 2009	Capital Improvements	\$8,520,000.00	\$900,000.00	\$974,162.50	\$7.41	\$8.02	09/01/2020	Yes	\$8,429,415.29	\$8,429,415.29	\$0.00
7	Permanent Improvement Bonds, Series 2010A	Capital Improvements	\$12,415,000.00	\$9,855,000.00	\$13,812,076.25	\$81.11	\$113.68	03/01/2035	Yes	\$12,320,918.45	\$12,320,918.45	\$0.00
8	Permanent Improvement Bonds, Series 2010B	Capital Improvements	\$1,630,000.00	\$90,000.00	\$91,350.00	\$0.74	\$0.75	03/01/2018	Yes	\$1,675,333.60	\$1,675,333.60	\$0.00
9	Unlimited Tax Bonds, Series 2011	Capital Improvements	\$2,640,000.00	\$390,000.00	\$410,150.00	\$3.21	\$3.38	03/01/2020	Yes	\$2,640,000.00	\$2,590,354.00	\$49,646.00
10	Permanent Improvement Bonds, Series 2011	Capital Improvements	\$5,400,000.00	\$4,585,000.00	\$6,468,378.31	\$37.74	\$53.24	03/01/2036	Yes	\$5,541,617.00	\$5,527,490.61	\$14,126.39
11	Certificates of Obligation, Series 2011	Capital Improvements	\$2,095,000.00	\$840,000.00	\$875,112.00	\$6.91	\$7.20	03/01/2021	Yes	\$2,095,000.00	\$2,095,000.00	\$0.00
12	Permanent Improvement Refunding Bonds, Series 2012	Refunding at a lower interest rate, etc.	\$49,805,000.00	\$43,515,000.00	\$52,593,900.00	\$358.15	\$432.87	03/01/2029	Yes	\$53,439,483.35	\$53,439,483.35	\$0.00
13	Permanent Improvement Bonds, Series 2013	Capital Improvements	\$9,315,000.00	\$8,145,000.00	\$12,176,753.75	\$67.04	\$100.22	03/01/2038	Yes	\$9,389,520.00	\$9,030,814.75	\$358,705.25
14	Certificates of Obligation, Series 2013	Capital Improvements	\$2,745,000.00	\$2,415,000.00	\$3,646,093.75	\$19.88	\$30.01	03/01/2038	Yes	\$2,786,175.00	\$2,786,175.00	\$0.00
15	Permanent Improvement & Refunding Bonds, Series 2014	Capital Improvements; Refunding at a lower interest rate, etc.	\$40,410,000.00	\$37,120,000.00	\$49,610,628.23	\$305.51	\$408.32	03/01/2034	Yes	\$44,957,207.75	\$44,957,207.75	\$0.00

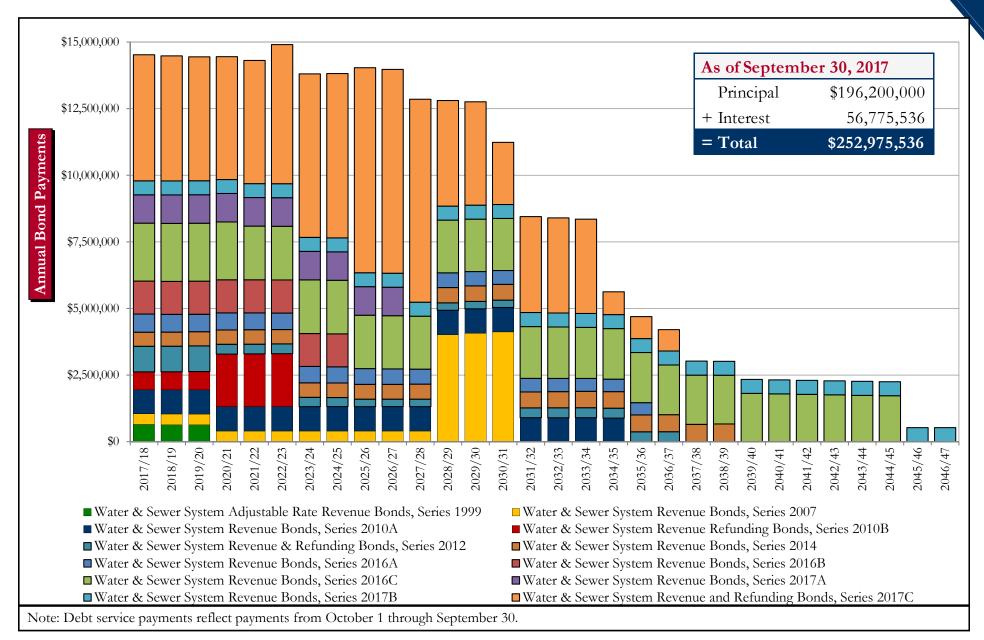


### ☑ Summary of Tax-Supported Debt Outstanding By Series – As of Fiscal Year Ended September 30, 2017 (Cont.)

								Partially Secured by			
		Original			Outstanding	Outstanding	Final	Ad	Total		
		Principal	Outstanding	<b>Total Outstanding</b>	Principal	Debt Service	Maturity	Valorem	Proceeds	Spent	Unspent
No. Issue Description	Purpose	Amount	Principal	Debt Service	Per Capita	Per Capita	Date	Taxes	Received	Proceeds	Proceeds
16 Certificates of Obligation, Series 2014	Capital Improvements	\$4,625,000.00	\$3,930,000.00	\$5,007,934.54	\$32.35	\$41.22	03/01/2034	Yes	\$4,699,488.80	\$4,699,488.80	\$0.00
17 Permanent Improvement Refunding Bonds, Series 2015	Refunding at a lower interest rate, etc.	\$47,165,000.00	\$46,845,000.00	\$61,937,409.50	\$385.56	\$509.77	03/01/2032	Yes	\$54,493,272.83	\$54,493,272.83	\$0.00
18 Permanent Improvement Bonds, Series 2015	Capital Improvements	\$8,495,000.00	\$7,645,000.00	\$9,832,300.00	\$62.92	\$80.92	03/01/2035	Yes	\$8,621,795.93	\$8,621,153.16	\$642.77
19 Certificates of Obligation, Series 2015	Capital Improvements	\$4,860,000.00	\$4,370,000.00	\$5,623,731.28	\$35.97	\$46.29	03/01/2035	Yes	\$4,924,557.60	\$4,581,767.55	\$342,790.05
20 Permanent Improvement Refunding Bonds, Series 2015A	Refunding at a lower interest rate, etc.	\$10,210,000.00	\$9,105,000.00	\$10,805,412.50	\$74.94	\$88.93	03/01/2029	Yes	\$10,370,226.80	\$10,370,226.80	\$0.00
21 Permanent Improvement & Refunding Bonds, Series 2016A	Capital Improvements; Refunding at a lower interest rate, etc.	\$33,275,000.00	\$32,455,000.00	\$46,642,825.00	\$267.12	\$383.89	03/01/2036	Yes	\$37,070,584.84	\$27,878,281.91	\$9,192,302.93
22 Certificates of Obligation, Series 2016	Capital Improvements	\$13,995,000.00	\$13,295,000.00	\$16,792,975.00	\$109.42	\$138.21	03/01/2036	Yes	\$14,217,032.98	\$6,437,267.69	\$7,779,765.29
23 Permanent Improvement Refunding Bonds, Series 2016B	Refunding at a lower interest rate, etc.	\$29,840,000.00	\$29,270,000.00	\$37,933,800.00	\$240.91	\$312.21	03/01/2031	Yes	\$33,206,150.58	\$33,206,150.58	\$0.00
24 Permanent Improvement & Refunding Bonds, Series 2017	Capital Improvements; Refunding at a lower interest rate, etc.	\$56,900,000.00	\$56,900,000.00	\$81,619,386.10	\$468.31	\$671.76	03/01/2037	Yes	\$63,270,863.95	\$41,674,308.64	\$21,596,555.31
25 Certificates of Obligation, Series 2017	Capital Improvements	\$6,205,000.00	\$6,205,000.00	\$8,335,481.67	\$51.07	\$68.60	03/01/2037	Yes	\$6,519,960.34	\$952,223.52	\$5,567,736.82
Totals:		\$446,170,000.00	\$328,005,000.00	\$436,883,934.13	\$2,699.63	\$3,595.75			\$374,591,638.76	\$356,853,660.08	\$44,902,270.81

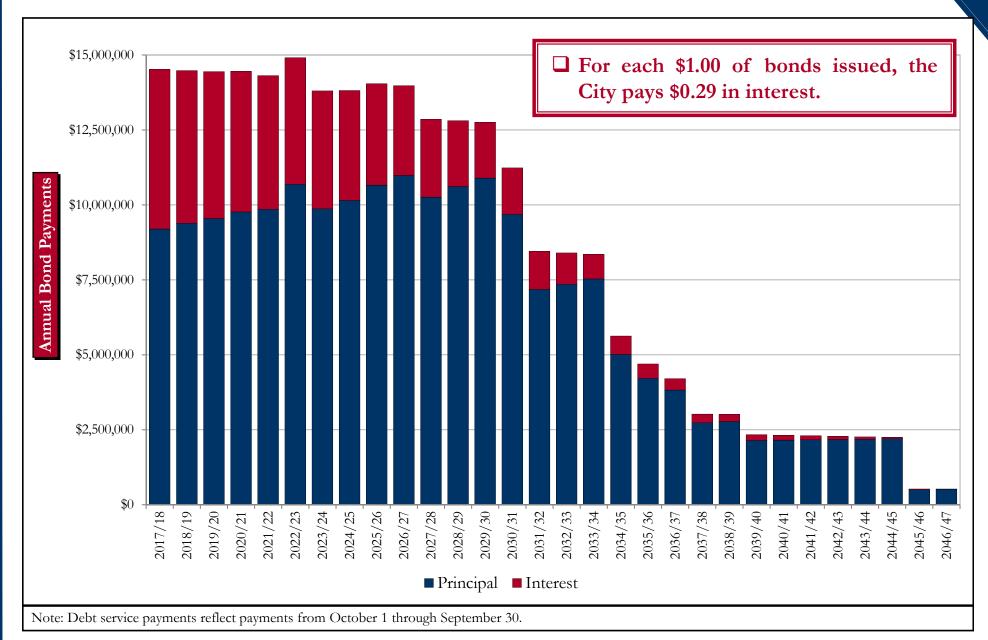


### ☑ Water and Sewer System Revenue Debt Service By Series





### ☑ Water and Sewer System Revenue Debt Service By Principal and Interest



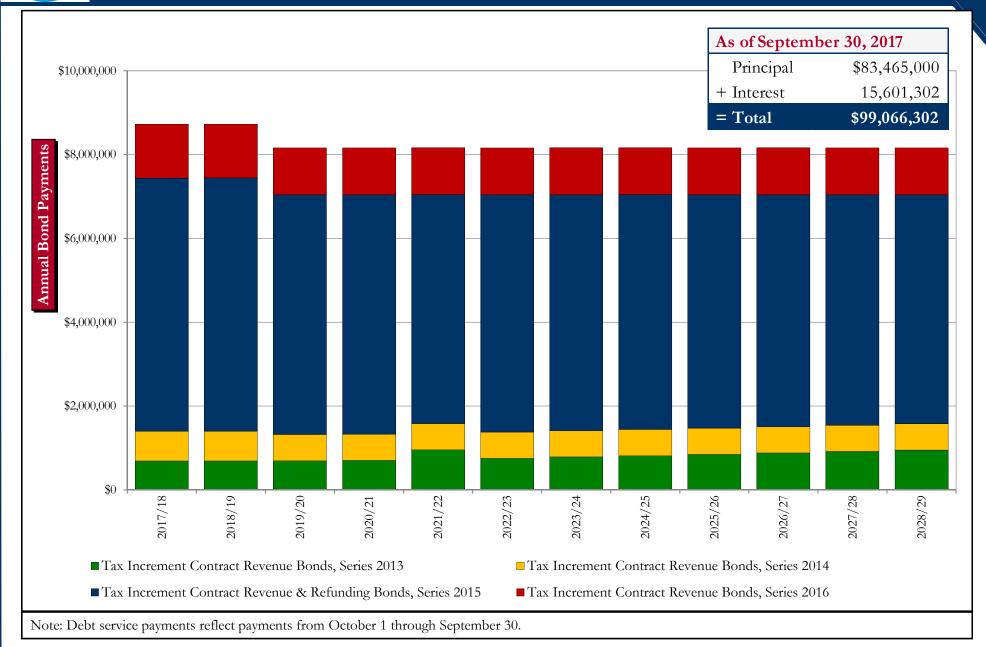


### ☑ Summary of Water and Sewer System Revenue Debt Outstanding By Series – As of Fiscal Year Ended September 30, 2017

			Original Principal	Outstanding	Total Outstanding	Outstanding Principal	Outstanding Debt Service	Final Maturity	Partially Secured by Ad Valorem	Total Proceeds	Spent	Unspent
No.	Issue Description	Purpose	Amount	Principal	Debt Service	Per Capita	Per Capita	Date	Taxes	Received	Proceeds	Proceeds
1	Water & Sewer System Adjustable Rate Revenue Bonds, Series 1999	Capital Improvements	\$8,000,000.00	\$1,760,000.00	\$1,923,990.00	\$14.49	\$15.84	09/01/2020	No	\$8,000,000.00	\$8,000,000.00	\$0.00
2	Water & Sewer System Revenue Bonds, Series 2007	Capital Improvements	\$40,135,000.00	\$11,390,000.00	\$16,585,225.00	\$93.74	\$136.50	09/01/2031	No	\$40,161,963.99	\$40,161,963.99	\$0.00
3	Water & Sewer System Revenue Bonds, Series 2010A	Capital Improvements	\$14,040,000.00	\$11,265,000.00	\$16,394,700.10	\$92.72	\$134.94	09/01/2035	No	\$13,843,301.35	\$13,843,301.35	\$0.00
4	Water & Sewer System Revenue Refunding Bonds, Series 2010B	Refunding at a lower interest rate, etc.	\$8,970,000.00	\$6,765,000.00	\$7,956,406.26	\$55.68	\$65.48	09/01/2023	No	\$9,046,272.65	\$9,046,272.65	\$0.00
5	Water & Sewer System Revenue & Refunding Bonds, Series 2012	Capital Improvements; Refunding at a lower interest rate, etc.	\$8,670,000.00	\$6,605,000.00	\$8,591,706.26	\$54.36	\$70.71	09/01/2037	No	\$8,718,934.10	\$8,718,934.10	\$0.00
6	Water & Sewer System Revenue Bonds, Series 2014	Capital Improvements	\$9,210,000.00	\$8,655,000.00	\$12,746,825.18	\$71.23	\$104.91	09/01/2039	No	\$9,302,100.00	\$8,707,470.00	\$594,630.00
7	Water & Sewer System Revenue Bonds, Series 2016A	Capital Improvements	\$8,880,000.00	\$8,435,000.00	\$10,878,637.50	\$69.42	\$89.54	09/01/2036	No	\$9,126,472.86	\$2,020,471.52	\$7,106,001.34
8	Water & Sewer System Revenue Bonds, Series 2016B	Capital Improvements	\$11,100,000.00	\$9,865,000.00	\$9,920,505.00	\$81.19	\$81.65	09/01/2025	No	\$11,100,000.00	\$9,853,717.79	\$1,246,282.21
9	Water & Sewer System Revenue Bonds, Series 2016C	Capital Improvements	\$50,100,000.00	\$48,240,000.00	\$54,346,098.00	\$397.04	\$447.29	09/01/2045	No	\$50,100,000.00	\$34,054,438.74	\$16,045,561.26
10	Water & Sewer System Revenue Bonds, Series 2017A	Capital Improvements	\$10,225,000.00	\$10,225,000.00	\$10,688,986.00	\$84.16	\$87.98	09/01/2027	No	\$10,225,000.00	\$245,125.20	\$9,979,874.80
11	Water & Sewer System Revenue Bonds, Series 2017B	Capital Improvements	\$12,025,000.00	\$12,025,000.00	\$15,758,355.50	\$98.97	\$129.70	09/01/2047	No	\$12,025,000.00	\$954,119.57	\$11,070,880.43
12	Water & Sewer System Revenue and Refunding Bonds, Series 2017C	Capital Improvements; Refunding at a lower interest rate, etc.	\$60,970,000.00	\$60,970,000.00	\$87,184,100.96	\$501.81	\$717.56	09/01/2037	No	\$69,439,940.85	\$53,882,995.79	\$15,556,945.06
	Totals:		\$242,325,000.00	\$196,200,000.00	\$252,975,535.76	\$1,614.81	\$2,082.10			\$251,088,985.80	\$189,488,810.70	\$61,600,175.10

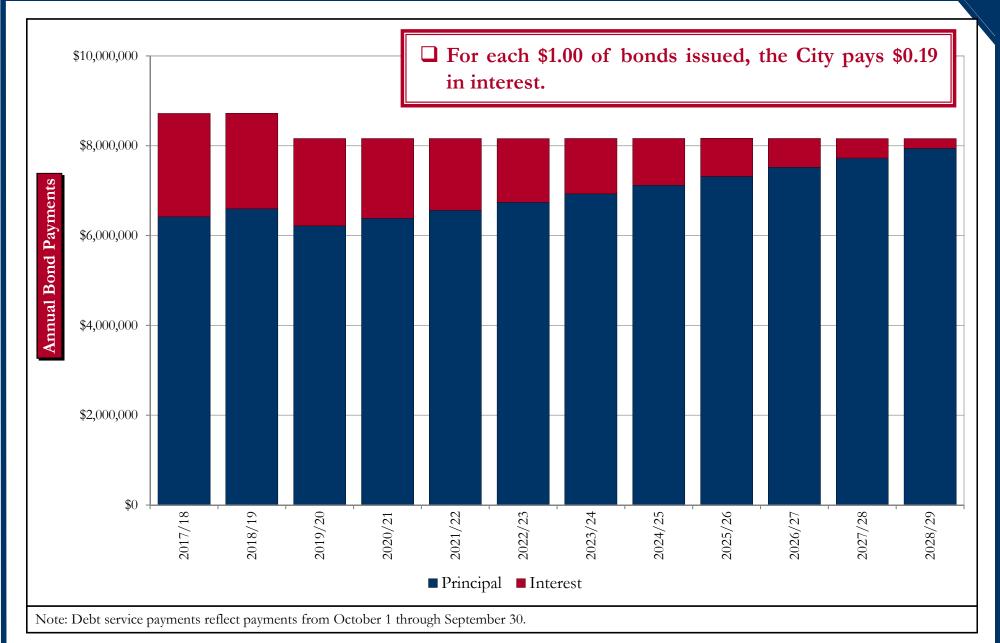


### Development Authority of Pearland (Tax Increment Financing) Debt Service By Series





### ☑ Development Authority of Pearland (Tax Increment Financing) Debt Service By Principal and Interest



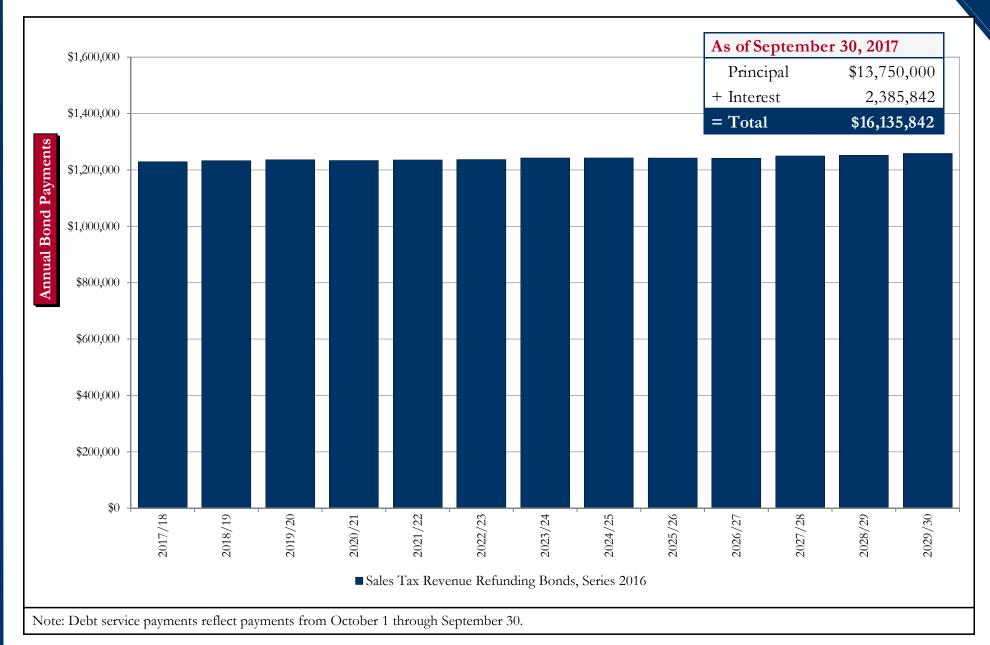


# ☑ Summary of Development Authority of Pearland (Tax Increment Financing) Debt Outstanding By Series – As of Fiscal Year Ended September 30, 2017

			Original		Total	Outstanding	Outstanding	Final	Partially Secured by Ad	Total		
			Principal	Outstanding	Outstanding	Principal	Debt Service	Maturity	Valorem	Proceeds	Spent	Unspent
No	. Issue Description	Purpose	Amount	Principal	Debt Service	Per Capita	Per Capita	Date	Taxes	Received	Proceeds	Proceeds
1	Tax Increment Contract	Capital	\$9,150,000.00	\$7,590,000.00	\$9,695,356.50	\$62.47	\$79.80	09/01/2029	No	\$9,150,000.00	\$9,150,000.00	
	Revenue Bonds, Series 2013	Improvements										
2	Tax Increment Contract	Capital	\$8,060,000.00	\$6,485,000.00	\$7,663,712.00	\$53.37	\$63.08	09/01/2029	No	\$8,060,000.00	\$8,060,000.00	\$0.00
	Revenue Bonds, Series 2014	Improvements										
3	Tax Increment Contract	Capital	\$66,030,000.00	\$57,395,000.00	\$67,948,110.00	\$472.39	\$559.24	09/01/2029	No	\$66,030,000.00	\$66,030,000.00	\$0.00
	Revenue & Refunding Bonds,	Improvements;										
	Series 2015	Refunding at a lower										
4	Tax Increment Contract	Capital	\$12,320,000.00	\$11,995,000.00	\$13,759,123.00	\$98.72	\$113.24	09/01/2029	No	\$12,320,000.00	\$12,320,000.00	\$0.00
	Revenue Bonds, Series 2016	Improvements										
	Totals:		\$95,560,000.00	\$83,465,000.00	\$99,066,301.50	\$686.95	\$815.36			\$95,560,000.00	\$95,560,000.00	\$0.00

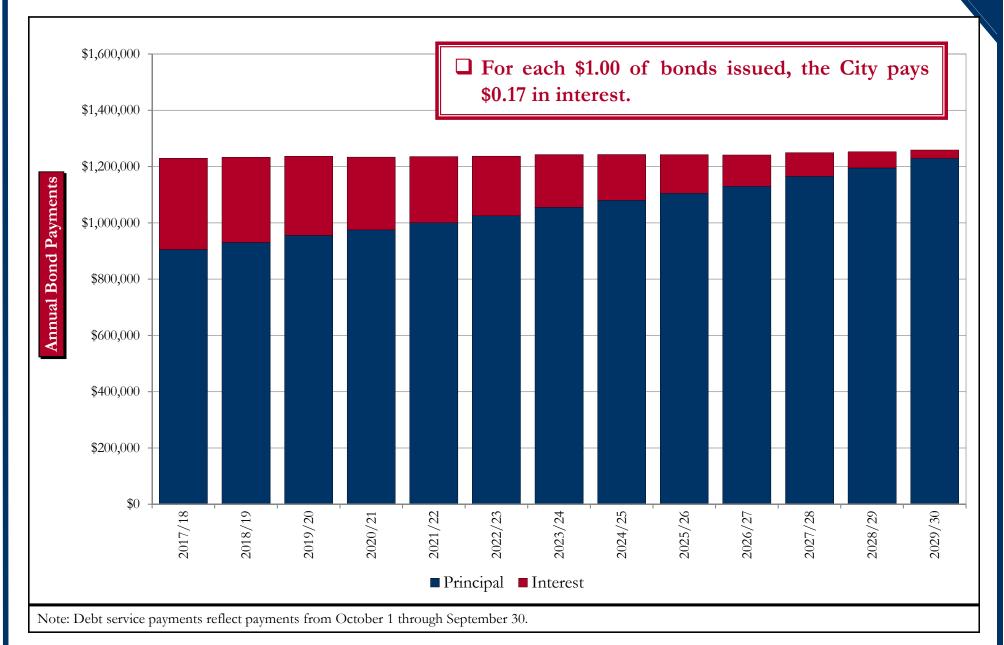


### ☑ Pearland Economic Development Corporation (Sales Tax) Debt Service By Series





### ☑ Pearland Economic Development Corporation (Sales Tax) Debt Service By Principal and Interest





☑ Summary of Pearland Economic Development Corporation (Sales Tax)
Debt Outstanding By Series – As of Fiscal Year Ended September 30,
2017

									Partially Secured by			
			Original		Total	Outstanding	Outstanding	Final	Ad	Total		
			Principal	Outstanding	Outstanding	Principal	Debt Service	Maturity	Valorem	Proceeds	Spent	Unspent
No.	Issue Description	Purpose	Amount	Principal	Debt Service	Per Capita	Per Capita	Date	Taxes	Received	Proceeds	Proceeds
1	Sales Tax Revenue Refunding	Refunding at a lower	\$14,640,000.00	\$13,750,000.00	\$16,135,842.00	\$113.17	\$132.81	09/01/2030	No	\$14,640,000.00	\$14,640,000.00	\$0.00
	Bonds, Series 2016	interest rate, etc.										



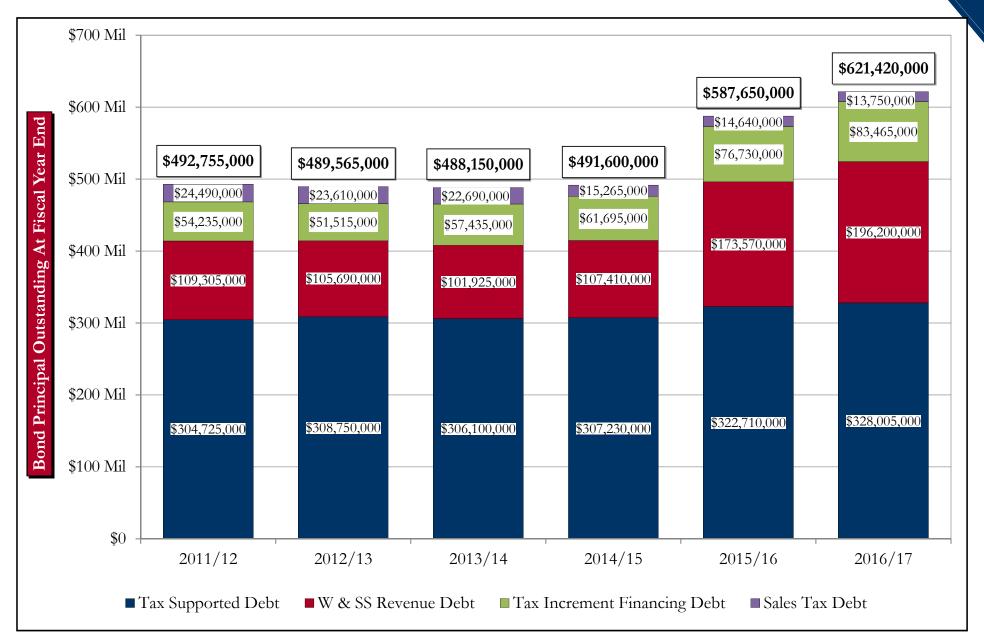
#### Savings from City's Bond Refunding and Prepayment Programs to Lower Interest Costs

□ The City of Pearland has implemented 15 bond refunding programs and prepaid \$2.965 million of existing bonds to reduce interest costs – Which have generated more than \$49.9 million of savings for City taxpayers over the past 10 years.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds												
Issue/Description	Series Refunded/Prepaid		icipal Amount Refunded	To	otal Savings							
Tax Supported Debt												
Permanent Improvement & Refunding Bonds, Series 2007	1993, 1996, 1998 Bds, 1998 C/O, 2001 Bds, 2001	\$	40,230,000	\$	2,100,000							
Permanent Improvement & Refunding Bonds, Series 2009	1998		12,160,000		525,943							
Permanent Improvement Refunding Bonds, Series 2010B	2001		1,645,000		179,939							
Permanent Improvement Refunding Bonds, Series 2012	2003 PIBs, 2003 C/O, 2003 WSS, 2004, 2005		49,895,000		5,340,804							
Permanent Improvement & Refunding Bonds, Series 2014	2005, 2006 PIB & Ref, 2006 C/O, 2007		31,430,000		3,514,254							
Permanent Improvement Refunding Bonds, Series 2015	2005, 2006 PIB & Ref, 2006 C/O, 2007 C/O, 2007		51,210,000		7,227,631							
Permanent Improvement Refunding Bonds, Series 2015-A	2006 PIB & Ref, 2006 C/O, 2007		10,095,000		1,433,466							
Permanent Improvement & Refunding Bonds, Series 2016A	2007, 2008 PIBs, 2008 C/O, 2011		17,810,000		2,665,626							
Permanent Improvement Refunding Bonds, Series 2016B	2007 PIBs		32,225,000		3,483,500							
Prepayment of Series 2007 Bonds	2007 PIBs		1,495,000		1,064,688							
Permanent Improvement & Refunding Bonds, Series 2017	2007, 2008 PIBs, 2009, 2009A, 2009PIBs		37,535,000		5,198,530							
Water and Sewer System Revenue Debt												
Water and Sewer System Revenue Refunding Bonds, Series 2010B	2001	\$	8,430,000	\$	362,001							
Water and Sewer System Revenue & Refunding Bonds, Series 2012	1999		2,840,000		387,678							
Prepayment of Series 2006 Bonds	2006		1,470,000		1,085,488							
Water and Sewer System Revenue & Refunding Bonds, Series 2017	2006, 2007, 2008, 2009		51,490,000		10,781,983							
Tax Increment Financing Debt (Development Authority of Pearlan	<u>d)</u>											
Tax Increment Contract Revenue & Refunding Bonds, Series 2015	2012	\$	45,830,000	\$	1,821,227							
Sales Tax Debt (Pearland Economic Development Corporation)												
Sales Tax Revenue Refunding Bonds, Series 2016	2005, 2006	\$	14,545,000	\$	2,734,322							
Totals		\$	410,335,000	\$	49,907,080							

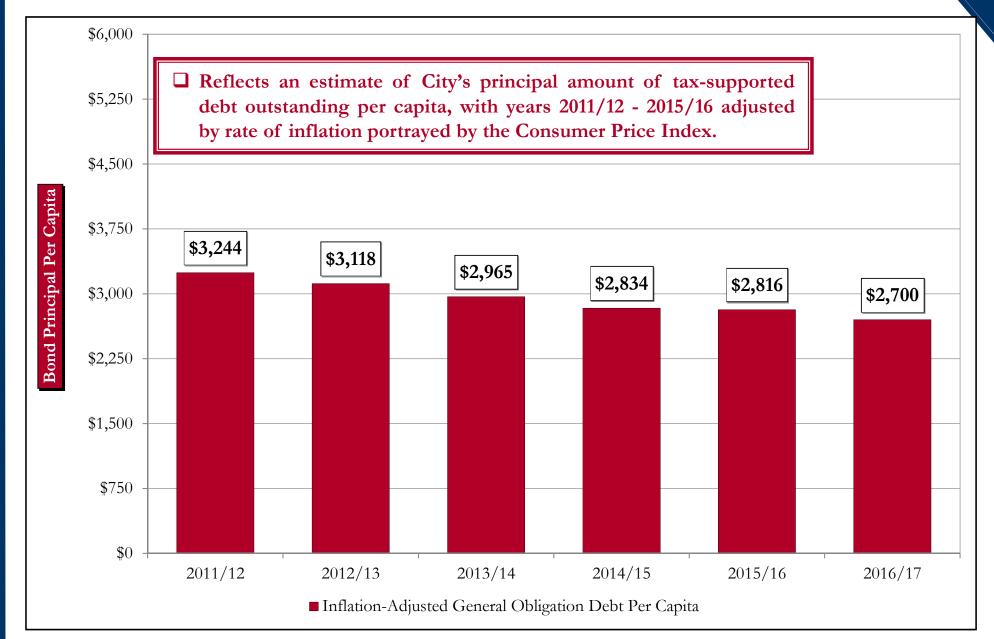


### Total Bond Principal Outstanding At Fiscal Year End





### Inflation-Adjusted Tax-Supported Debt Per Capita





#### ☑ Contact Information and Links to Additional Resources

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#### ☐ Links to Additional Resources:

https://www.comptroller.texas.gov/transparency/local/debt/isds.php

http://www.brb.state.tx.us/local\_debt\_search.aspx