



CITY OF PEARLAND

First Quarter Financial Report

Fiscal Year (FY) 2021

Through December 2020

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This report represents a general overview of financial operations through the 1st quarter of the Fiscal Year 2021 or year to date as of December 2020.

Beginning fund balances reflect actual balances. Revenue and expenditure budget numbers reflect the budget for FY 2021 as amended by the City Council.

Summary

Property Taxes received year-to-date total \$45,875,245, 54% of the Budgeted Levy.

Sales Tax deposits were 8,640,280, 4% higher than prior year

Debt Service fund balance is \$28,359,957

General Fund balance to date is \$41,270,357

Water/Sewer fund cash equivalents were \$29,117,035.

Property Insurance premiums are budgeted to be \$1,545,292 while payments to date total \$52,948. Ending net assets to date are \$945,076

Medical Claims – the City is self-insured for medical claims and to date \$2,245,262 in premiums have been collected and \$2,098,766 has been paid out

Hotel/Motel Occupancy Tax – no revenue was collected in the first quarter; payments will start being received in the second quarter.

TIRZ revenues were \$10,918,080. TIRZ received tax increment payments from the City of Pearland in the amount of \$10,915,297, \$0 from Fort Bend County and \$0 from Alvin ISD.

Development Authority Bond Proceeds were \$0 in the first quarter and \$12,615,582 was paid out primarily to infrastructure developers.

Note: Full and audited financial statements can be found in the 2021 Comprehensive Annual Financial Report (CAFR).

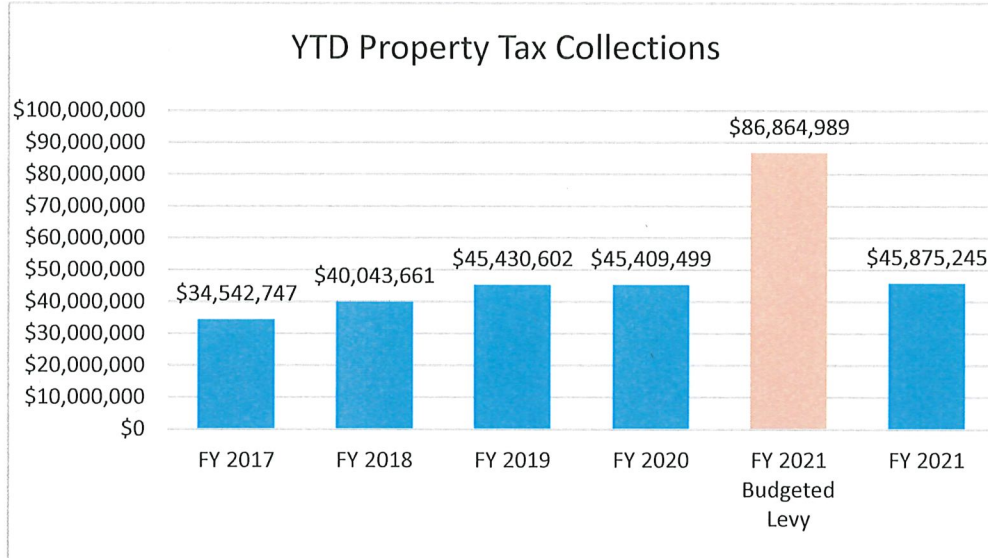
Property Tax

Through December 31, 2020, the City received \$45,875,245 for current taxes, 54.03% of the budgeted tax levy. This does not include delinquent taxes, prior year collections or audit adjustments. The budget incorporates a 99% collection rate.

Tax Summary	FY 2021 BUDGETED LEVY	FY 2021 ACTUAL COLLECTIONS*	% BUDGETED LEVY COLLECTED
Sources:			
Ad Valorem Taxes	84,904,427	45,875,245	54.0%
Uses:			
General Fund	28,420,428	14,887,384	52.4%
Debt Service Fund	38,720,616	20,072,564	51.8%
TIRZ**	17,763,383	10,915,297	61.4%
Total Uses	84,904,427	45,875,245	54.0%

*Unreconciled totals as of the date of this report.

**Only inclusive of the City of Pearland TIRZ portion



Property Taxes

After adjustments to certified value (which is the value as of January 1, 2021) and considering adjustments for protest values through June 2021 of \$664,779,367, the current adjusted value is \$12.44 billion.

Reconciliation of Tax Roll (Tax Year 2021):

¹ Certified Value	\$11,777,269,558
⁴ Adjustments	664,779,367
¹Adjusted Total Taxable Value to Date	\$12,442,048,925

Tax Rate per \$100 Value	0.720000
¹Total Levy @ 100% Collections	\$86,864,989

¹ Current Taxes Receivable	\$39,408,714
Delinquent Taxes Receivable	\$1,134,774
Total Taxes Receivable	\$40,543,488

³ Certified Residential Market Value	\$8,805,183,068
² Certified Commercial Market Value	\$3,978,064,279
Total Certified Market Value	\$12,783,247,347

Exemptions

Abatements	(12,484,088)	-0.10%
Disabled	(143,750,807)	-1.12%
Total (Fully) Exempt Property	(981,923,518)	-7.68%
Exempt Property Pro-Rated	(338,423)	0.00%
HB 366	(36,126)	0.00%
Freeport	(117,418,757)	-0.92%
Goods In Transit	-	0.00%
Homestead	(173,122,244)	-1.35%
Solar	(26,414)	0.00%
MASSS	-	0.00%
Over 65	(249,261,766)	-1.95%
Pollution Control	(2,493,080)	-0.02%
Auto Leased Vehicles	-	0.00%
Total Exemptions	(\$1,680,855,223)	-13.15%
2021 Certified Taxable Value	\$11,102,392,124	86.85%

¹Source – Brazoria County Tax Assessor/Collector; levy includes AG Rollback. Adjusted Value to Date includes TIRZ Value.

²Includes Builder Inventory and Vacant Platted Tracts.

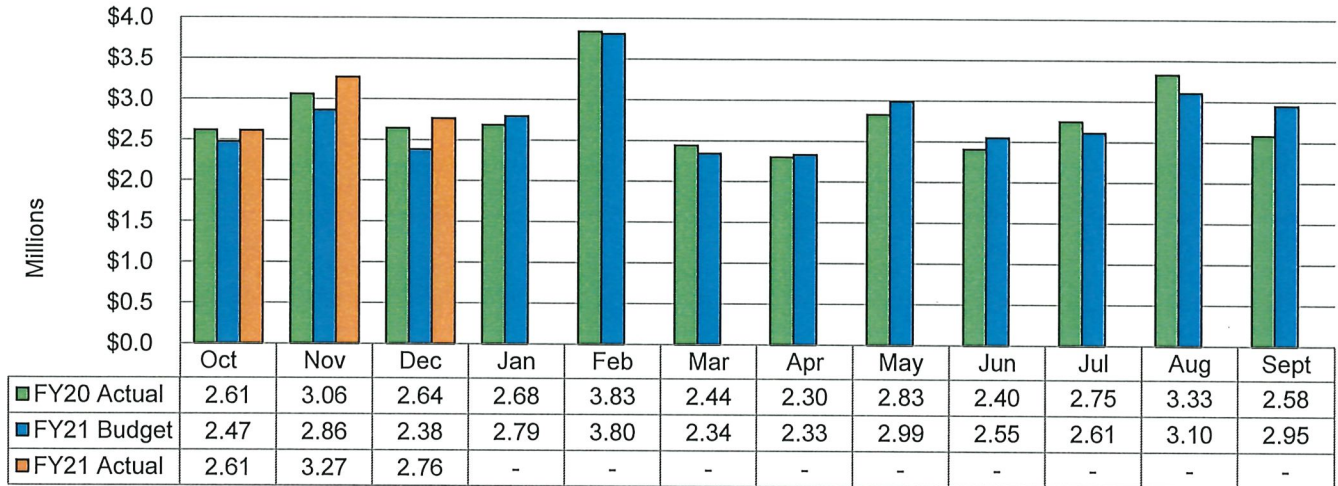
³The total shown is composed of the residential - single family property values.

⁴Adjustments include the protests that are settled by the appraisal review board on the value or exemption of property after the roll is certified

Sales Tax

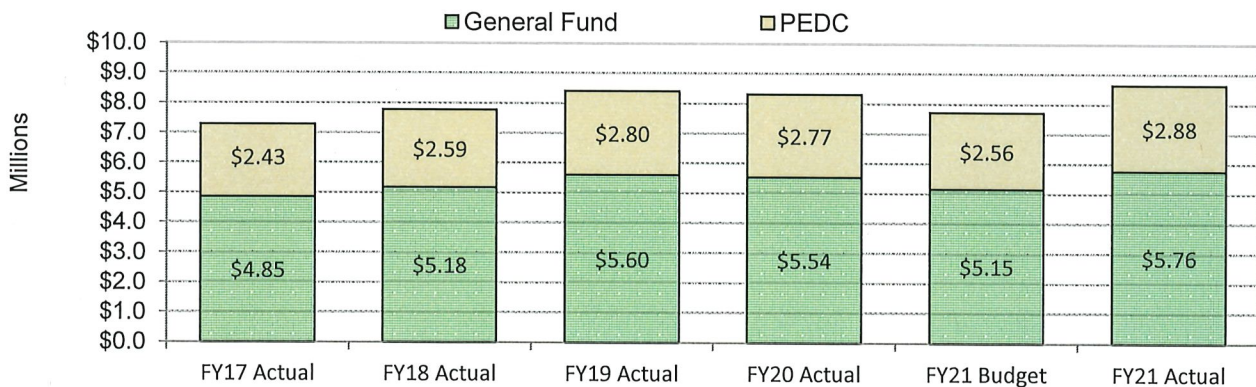
Sales tax deposits from the State Comptroller's Office for the quarter ending December 31, 2020 totaled \$8,640,280, a 4% increase over the prior year. We received sales tax deposits of \$2,608,525 in October for August collections, \$3,268,598 in November for September collections, and \$2,763,157 in December

YTD Sales Tax Deposits



Budgeted amounts reflect the Adopted Budget.

Year-To-Date Sales Tax Deposits



Debt Service

Property taxes received as of December 2020 total \$20,072,564, 51.8% of amended budget and includes amounts for current and delinquent taxes including penalties and interest. Miscellaneous revenue of \$189,283 consists of pro-rata lease payments from the tenants in the University of Houston facility.

	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues			
Property Taxes	\$ 38,720,616	\$ 20,072,564	51.8%
Interest	10,000	2,438	24.4%
Miscellaneous	757,155	189,283	25.0%
Bond Premiums	32,437,427	32,437,427	100.0%
Transfers	2,530,075	632,519	25.0%
Total Revenues	74,455,273	53,334,231	71.6%
Expenditures			
MUD Rebates	7,116,216	-	0.0%
Debt Service	34,729,944	-	0.0%
Bond Payment	32,505,868	32,505,867	100.0%
Fiscal Agent/Arbitrage	65,000	1,500	2.3%
Total Expenditures	74,417,028	32,507,367	43.7%
Net Change in Fund Balance	38,245	20,826,863	
Beginning Fund Balance	7,533,094	7,533,094	
Ending Fund Balance	\$ 7,571,339	\$ 28,359,957	

General Fund

Revenues through December 2020 were \$31,863,887, 37.5% of budget.

- Property taxes collected for maintenance and operations were \$14,887,384 which is 52.4% of the amount budgeted for the year ended December 2020 and is \$624,227 (4.4%) higher than December 2019.
- Sales tax deposits from the State Comptroller's Office through December 2020 were \$5,760,187, which was 25.7% of budget, and \$222,753 (4%) higher than last year for the same period.
- Franchise Fees through December 2020 were \$449,436, which was 6.5% of budget, and \$36,308 (7.5%) lower than last year for the same period.
- Licenses & Permits through December 2020 were \$1,240,063, which was 29.9% of budget, and \$219,572 (21.5%) higher than last year for the same period.
- Fines and Forfeitures through December 2020 were \$349,966, which was 14.6% of budget, and \$177,796 (33.7%) lower than last year for the same period.
- Charges for Services through December 2020 were \$8,089,785, which was 41.5% of budget, and \$214,446 (2.6%) lower than last year for the same period.
- Investment earnings were lower than prior year by \$111,363 (89.3%)
- Other revenues were higher than prior year by \$568,083 (112.3%).

Total Operating Expenditures were \$19,163,923 through December 2020. Additional Expenditures of \$115,830 include Principal Retirements, Interest Charges, and Capital Outlay.

- General Government expenditures were \$642,698 higher than last year for the same period.
- Public Safety expenditures were \$2,199,459 higher than last year for the same period.
- Public Works expenditures were \$310,893 higher than last year for the same period.
- Community Services expenditures were \$140,724 higher than last year for the same period.
- Parks & Rec expenditures were \$60,193 higher than last year for the same period.

The Fund Balance in the General Fund as of December 2020 is \$41,270,357 which represents a 28% increase over prior year.

General Fund

	FY 2020 ACTUAL TO-DATE	FY 2020 % of TOTAL	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues					
Property Taxes	\$14,263,157	53.0%	\$28,420,428	\$14,887,384	52.4%
Sales and Use Taxes	5,537,434	24.4%	22,452,153	5,760,187	25.7%
Franchise Fees	485,744	6.9%	6,922,658	449,436	6.5%
Licenses & Permits	1,020,491	23.1%	4,150,000	1,240,063	29.9%
Fines & Forfeitures	527,762	32.6%	2,392,706	349,966	14.6%
Charges for Service	8,304,231	45.6%	19,502,964	8,089,785	41.5%
Investment Earnings	124,649	29.7%	456,568	13,286	2.9%
Other	505,698	23.2%	754,433	1,073,781	142.3%
Total Revenues	30,769,165	36.8%	85,051,910	31,863,887	37.5%
Operating Expenditures					
General Government	2,474,336	23.3%	11,658,658	3,117,034	26.7%
Public Safety	9,614,802	21.4%	48,908,927	11,814,261	24.2%
Public Works	1,701,159	16.0%	12,419,735	2,012,051	16.2%
Community Services	855,188	22.6%	4,511,898	995,913	22.1%
Parks & Recreation	1,164,471	21.8%	6,745,105	1,224,664	18.2%
Total Operating Expenditures	15,809,956	21.0%	84,244,323	19,163,923	22.7%
Other Expenditures					
Principal Retirement	141,621		206,760	103,163	
Interest and Fiscal Charges	4,451		6,047	3,240	
Capital Outlay	50,446		301,501	9,427	
Total Expenditures	16,006,474		84,758,631	19,279,753	
Other Funding Sources/(Uses)					
Transfers In	1,237,364		5,226,770	1,306,692	
Transfer Out	(966,217)		(6,677,743)	(1,456,936)	
Other Funding Sources/(Uses)*	(2,670)			(18,570)	
Total Other	268,476		(1,450,973)	(168,813)	
Net Change in Fund Balance	15,031,168		(1,157,694)	12,415,321	
Beginning Fund Balance	17,201,848		28,855,036	28,855,036	
Ending Fund Balance	\$32,233,016		\$27,697,342	\$41,270,357	

Enterprise Fund - Water/Sewer

Revenues were \$13,908,659, 27% of budget and \$643,405 (4.4%) lower than the prior year.

Other Service Charges include Water & Sewer Impact Fees, Water & Sewer Tap Fees, Connection Fees, and Reconnect Fees. Other Service Charges as of December 2020 were \$363,972 which is 23.1% of budget.

Expenses were \$13,524,622 which represents an increase over the prior year by \$6,865,152, this is primarily due to debt service.

	FY 2020 ACTUAL TO-DATE	FY 2020 % of ACTUAL	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues					
Sale of Water	\$ 7,186,029	28.5%	\$ 26,865,280	\$ 7,747,756	28.8%
Sewer Revenues	5,435,173	23.9%	22,807,281	\$ 5,637,375	24.7%
Other Service Charges	362,199	30.4%	1,573,900	\$ 363,972	23.1%
Other Financing Sources					
Interest Income	108,080	42.5%	16,000	\$ 2,391	14.9%
Miscellaneous	1,660	0.7%	19,050	\$ 94,664	496.9%
Transfers In	1,458,924	25.0%	250,000	\$ 62,500	25.0%
Total Revenues	14,552,064	26.2%	51,531,511	13,908,659	27.0%
Expenses					
Utility (Billing) Customer	357,645	19.1%	2,165,242	525,277	24.3%
Information Technology	391,241	24.6%	1,834,013	271,675	14.8%
Public Works					
Administration	150,583	19.4%	1,333,975	229,167	17.2%
Ground Maintenance	105,149	18.2%	712,571	161,713	22.7%
Lift Stations	215,874	16.8%	1,381,719	233,510	16.9%
Wastewater Treatment	675,007	16.2%	4,503,483	703,459	15.6%
Backflow Compliance	63,894	17.9%	343,351	86,624	25.2%
Water Production	1,491,309	14.4%	9,878,032	879,821	8.9%
Distribution & Collections	628,665	21.4%	3,139,881	651,437	20.7%
Construction	237,358	18.2%	1,431,315	322,619	22.5%
Meter Services	121,185	22.3%	779,128	115,029	14.8%
Pre-Treatment FOG	45,165	0.5%	225,551	59,322	26.3%
Other Requirements	2,131,519	11.2%	10,123,522	2,410,783	23.8%
Debt Service	44,875	0.2%	27,382,629	6,874,186	25.1%
Total Expenses	6,659,469	12.4%	65,234,412	13,524,622	20.7%
Other Funding Sources (Uses)					
YTD Change in Cash Equivalents	7,892,595		(13,702,901)	384,037	
Beginning Cash Equivalents	39,231,916		38,313,362	38,313,362	
Reserve for Debt Service	5,486,194		9,580,364	9,580,364	
YTD Cash Equivalents	\$ 41,638,317		\$ 15,030,097	\$ 29,117,035	

Property Insurance Fund

Premiums are budgeted to be \$1,545,292, payments to date total \$52,948.

The Property Insurance Fund holds all insurance policies for the City and is reimbursed for the premiums by the General Fund and the Water & Sewer Fund among others. The total reimbursed through December was \$416,001.

Ending net position as of the end of December 2020 is \$945,076.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Insurance Reimbursements	32,156	150,000	-	0.0%
Workers Compensation	-	475,000	127,799	26.9%
Transfer In (Premium Reimbursements)	250,564	1,664,003	416,001	25.0%
Total Operating Revenues	282,720	2,289,003	543,800	23.8%
Operating Expenses				
Workers Compensation				
Professional Contractual	-	81,505	17,500	
Insurance Miscellaneous	-	177,450	140,285	
Claims Miscellaneous	-	100,000	5,464	
Contractual Services				
General Liability	-	33,385	-	0.0%
Errors & Omissions	-	48,803	-	0.0%
Public Employee Dishonesty	-	1,445	-	0.0%
Animal Mortality	-	6,644	-	0.0%
Law Enforcement	-	61,071	-	0.0%
Real & PP Property	-	175,000	-	0.0%
Windstorm Damage	-	755,010	-	0.0%
Automobile	-	102,869	-	0.0%
Auto Damage	-	134,386	-	0.0%
Mobile Equipment	-	18,060	-	0.0%
Pollution Liability	-	1,866	-	0.0%
Misc Premiums	-	94,500	-	0.0%
Sewage Back-up	-	16,644	-	0.0%
Rain-Out (Parks)	-	6,600	-	0.0%
Claims Retention	-	-	-	0.0%
Flood	49,196	52,948	52,948	100.0%
Cyber Security	18,378	36,061	-	0.0%
Administration and Other Operating Exp	12,385	83,687	14,908	17.8%
Claims Paid	-	183,750	(20,686)	-11.3%
Capital Outlay	-	-	-	0.0%
Transfer Out	9	110	28	25.0%
Total Operating Expenses	79,968	2,171,794	210,447	9.7%
Operating Income (Loss)	202,752	117,209	333,353	
Earnings on Investments	1,913	160	36	
Other Revenues (Expenses)				
Change in Net Position	204,665	117,369	333,389	
Beginning Net Position	451,333	105,082	611,687	
Ending Net Position	655,998	222,451	945,076	

Self-Insured Medical Fund

Contributions of premiums from the City, Employee, Retirees and COBRA participants were \$2,245,261, 25% of budget through December 2020 with an additional \$83,241 received from Cigna rebates.

Medical Insurance Claims are budgeted (as amended) at \$8,046,157. Claims paid through December 2020 total \$2,098,766, 26.1% of the amended budget which is \$263,442 (14.4%) higher than claims paid through December 2019

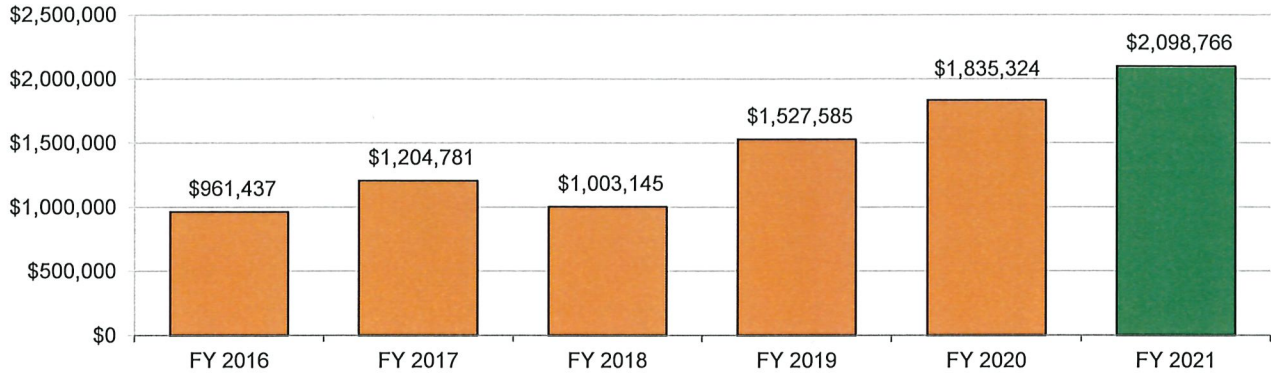
Claims paid through December 2020 were \$3,077 per employee, \$196 more than the amount per employee through December 2019.

Fund balance as of December 2020 was \$3,482,771.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Employee Premiums	\$ 346,167	\$ 1,478,224	\$ 367,393	24.9%
City Premiums	1,443,132	7,404,768	1,862,914	25.2%
Retiree Premiums	6,024	30,000	6,000	20.0%
Cobra	91	-	8,955	100.0%
Miscellaneous	-	387,278	83,241	21.5%
Total Operating Revenues	1,795,413	9,300,270	2,328,503	25.0%
Operating Expenses				
Professional Contractual	7,500	35,500	7,500	21.1%
Administrative Fees	409,023	1,321,104	336,296	25.5%
Medical Insurance Claims	1,835,324	8,046,157	2,098,766	26.1%
Wellness Programs	23,897	52,205	27,050	51.8%
Total Operating Expenses	2,275,744	9,454,966	2,469,612	26.1%
Operating Income (Loss)	(480,331)	(154,696)	(141,109)	
Earnings on Investments	11,712	1,105	295	
Change in Net Position	(468,619)	(153,591)	(140,814)	
Beginning Net Position	3,484,288	3,623,585	3,623,585	
Ending Net Position	\$ 3,015,669	\$ 3,469,994	\$ 3,482,771	

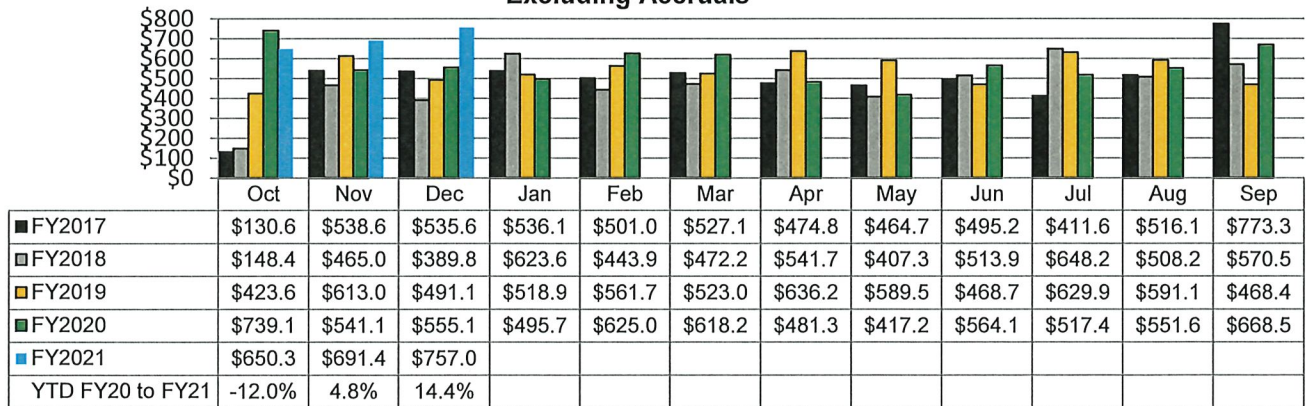
Self-Insured Medical Fund

Medical Claims Paid Year-to-Date Excluding Accruals



Claims Paid per Employee:	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Number of Employees on Medical Insurance	571	584	596	628	637	682
Actual YTD per Enrollee	\$1,684	\$2,063	\$1,683	\$2,432	\$2,881	\$3,077

Medical Claims Paid Monthly Excluding Accruals



Hotel/Motel Occupancy Tax - Convention & Visitor's Bureau

The budgeted occupancy tax from Pearland hotels for FY 2021 total \$921,900. Revenues for the First quarter of fiscal year 2021 will be received in January.

Expenditures through December 2020 of \$173,999 include Administrative expenses for the Convention & Visitor's Bureau, Hotel and Cultural Grant programs and Advertising. Fund balance at the end of December 2020 is \$5,267,511.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Hotel/Motel Occupancy Tax	\$ 22,390	\$ 921,900	\$ (13,487)	-1.5%
Interest Income	28,483	6,000	(456)	-7.6%
Miscellaneous	25	4,000	1,000	25.0%
Total Revenues	50,898	931,900	(12,942)	-1.4%
Expenditures				
Salaries and Benefits	22,648	255,450	52,808	20.7%
Materials & Supplies	30,907	87,750	8,448	9.6%
Miscellaneous Services	114,773	668,166	108,583	16.3%
Capital Outlay	-	500,000	-	0.0%
Transfers Out	166	16,640	4,160	25.0%
Total Expenditures	168,494	1,528,006	173,999	11.4%
Other Funding Sources/(Uses)				
Revenues Over (Under) Expenditures	(117,596)	(596,106)	(186,941)	
Beginning Fund Balance	5,273,413	5,454,452	5,454,452	
Ending Fund Balance	\$5,155,817	\$ 4,858,346	\$ 5,267,511	

TIRZ #2

Total revenue through December 2020 is \$10,918,080. The TIRZ has received tax increment payments from the City of Pearland in the amount of \$10,915,297, \$0 from Fort Bend County and \$0 from Alvin ISD.

Expenditures through December were \$6,989,727; of this total \$6,985,793 was paid to the City of Pearland for services provided. The available balance as of December 2020, net of the AISD Suspense Fund, is \$4,033,496.

	FY 2020 ACTUAL TO-DATE	FY 2021 ACTUAL TO-DATE	% CHANGE
Revenues			
Taxes			
Alvin ISD	\$ -	\$ -	0.0%
Brazoria County	-	-	0.0%
City of Pearland	11,502,361	10,915,297	-5.1%
Fort Bend County	-	-	0.0%
Supplemental	-	-	0.0%
Interest	5,070	2,783	-45.1%
Miscellaneous/AISD	3,656	-	-100.0%
Total Revenues	11,511,087	10,918,080	-5.2%
Expenditures			
Miscellaneous Services	22,030	3,934	-82.1%
Payment to City of Pearland	6,828,054	6,985,793	2.3%
Payment to Development Authority	-	-	0.0%
Transfers Out	-	-	0.0%
Total Expenditures	6,850,084	6,989,727	2.0%
Net Change in Fund Balance	4,661,003	3,928,353	-15.7%
Beginning Fund Balance	9,599,014	6,879,867	-28.3%
Less: AISD Suspense Fund	9,480,935	6,774,722	-28.5%
Ending Fund Balance	\$ 4,779,083	\$ 4,033,496	-15.6%

Development Authority - DAP

Revenues through December 2020 total \$405 with bond proceeds totaling \$0. Expenditures total \$12,621,382, which includes bond issuance costs, reimbursements to developers (for infrastructure improvements) and other professional services. The available fund balance as of December 2020, excluding the portion for the debt service reserve, is \$1,003,158.

	FY 2020 ACTUAL TO-DATE	FY 2021 ACTUAL TO-DATE	% CHANGE
Revenues			
Transfers In	-	-	0.0%
Interfund Reimbursement	-	\$ -	0.0%
Bond Proceeds	4,255,000	-	-100.0%
Miscellaneous	-	-	0.0%
Interest	6,410	405	-93.7%
Total Revenues	4,261,410	405	-100.0%
Expenditures			
Professional Services	3,260	5,800	77.9%
Reimbursement to Developer	10,247,317	12,615,582	23.1%
Bond Payments:			
Interest	-	-	0.0%
Principal	-	-	0.0%
Bond Issuance Cost	162,830	-	-100.0%
Arbitrage/Fiscal Fees	-	-	0.0%
Other Debt Service			0.0%
Total Expenditures	10,413,407	12,621,382	21.2%
Net Change in Fund Balance	(6,151,997)	(12,620,977)	
Beginning Fund Balance	8,324,602	14,714,109	
Debt Service Reserve	1,163,045	1,089,973	
Ending Fund Balance	\$ 1,009,560	\$ 1,003,158	