



CITY OF PEARLAND

Second Quarter Financial Report

Fiscal Year (FY) 2021

Through March 2021

Inside This Report

Page

1-2	Property Tax
3	Sales Tax
4	Debt Service Fund
5-6	General Fund
7	Enterprise Fund - Water/Sewer
8	Internal Service Fund: Property Insurance
9-10	Internal Service Fund: Medical Self-Insurance
11	Hotel/Motel Occupancy Tax Convention & Visitors' Bureau
12	TIRZ
13	Development Authority

This report represents a general overview of financial operations through the 2nd quarter of the Fiscal Year 2021 or year to date as of March 2021.

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 \$80,701,074, 95% of the Budgeted Levy.

Sales Tax deposits were 18,203,524, 5.4% higher than prior year

Debt Service fund balance is \$18,058,717

General Fund balance to date is \$51,406,180

Water/Sewer fund cash equivalents were \$25,748,955.

Property Insurance premiums are budgeted to be \$1,545,292 while payments to date total \$717,127. Ending net assets to date are \$845,554

Medical Claims – the City is self-insured for medical claims and to date \$4,475,822 in premiums have been collected and \$4,120,323 has been paid out

Hotel/Motel Occupancy Tax – Budgeted hotel tax was \$921,900 and as of March 2021, \$229,002 has been collected.

TIRZ revenues were \$19,891,956 including interest earnings. TIRZ received tax increment payments from the City of Pearland in the amount of \$16,564,690, \$0 from Fort Bend County and \$3,320,509 from Alvin ISD.

Development Authority Bond Proceeds were \$0 in the first quarter and \$13,711,023 was paid out primarily to infrastructure developers.

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

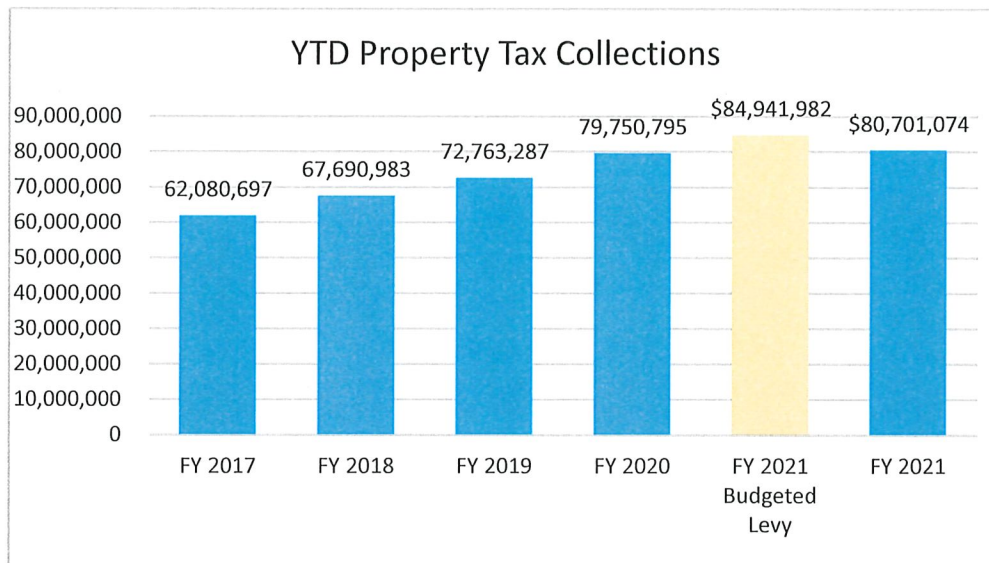
Property Tax

Through March 31, 2021, the City received \$80,701,074 for current taxes, 95.01% 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	84,941,982	80,701,074	95.0%
Uses:			
General Fund	28,457,983	27,235,770	95.7%
Debt Service Fund	38,720,616	36,900,614	95.3%
TIRZ**	17,763,383	16,564,690	93.3%
Total Uses	84,941,982	80,701,074	95.0%

*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 \$612,811,324, the current adjusted value is \$12.39 billion.

Reconciliation of Tax Roll (Tax Year 2021):

¹ Certified Value	\$11,777,269,558
⁴ Adjustments	612,811,324
¹Adjusted Total Taxable Value to Date	\$12,390,080,882

Tax Rate per \$100 Value	0.720000
¹Total Levy @ 100% Collections	\$86,481,446

¹ Current Taxes Receivable	\$3,043,162
Delinquent Taxes Receivable	\$1,000,164
Total Taxes Receivable	\$4,043,326

³ Certified Residential Market Value	\$8,511,025,715
² Certified Commercial Market Value	\$4,474,072,747
Total Certified Market Value	\$12,985,098,462

Exemptions

Abatements	(12,484,088)	-0.10%
Disabled	(143,750,807)	-1.11%
Total (Fully) Exempt Property	(981,923,518)	-7.56%
Exempt Property Pro-Rated	(338,423)	0.00%
HB 366	(36,126)	0.00%
Freeport	(117,418,757)	-0.90%
Goods In Transit	-	0.00%
Homestead	(173,122,244)	-1.33%
Solar	(26,414)	0.00%
MASSS	-	0.00%
Over 65	(249,261,766)	-1.92%
Pollution Control	(2,493,080)	-0.02%
Auto Leased Vehicles	-	0.00%
Total Exemptions	(\$1,680,855,223)	-12.94%
2021 Certified Taxable Value	\$11,304,243,239	87.06%

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

²Includes Builder Inventory and Vacant Platted Tracts.

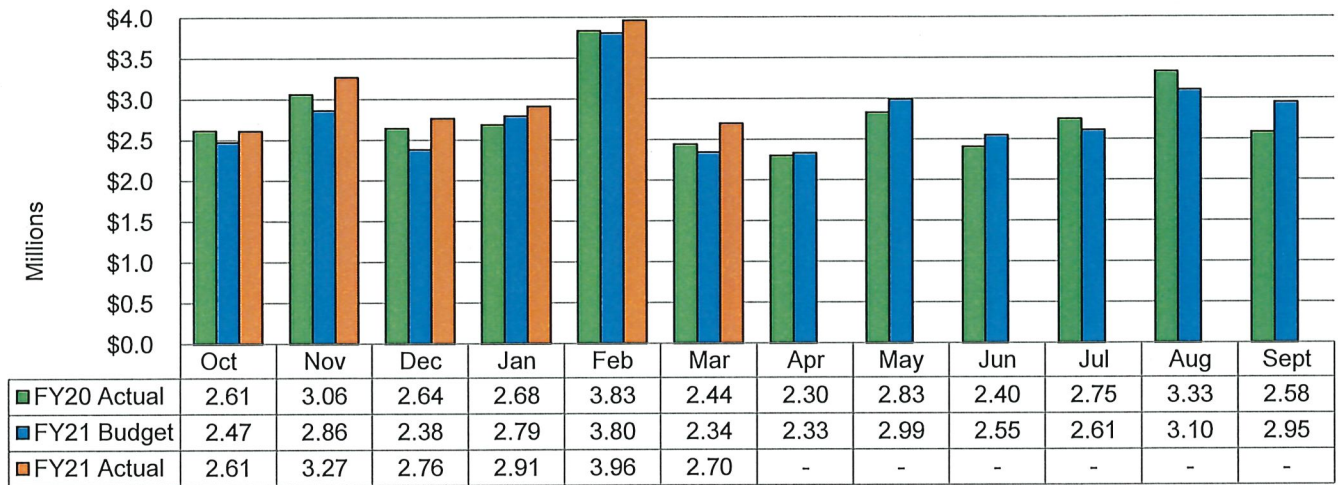
³The total shown is composed of the residential - single family property values.

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

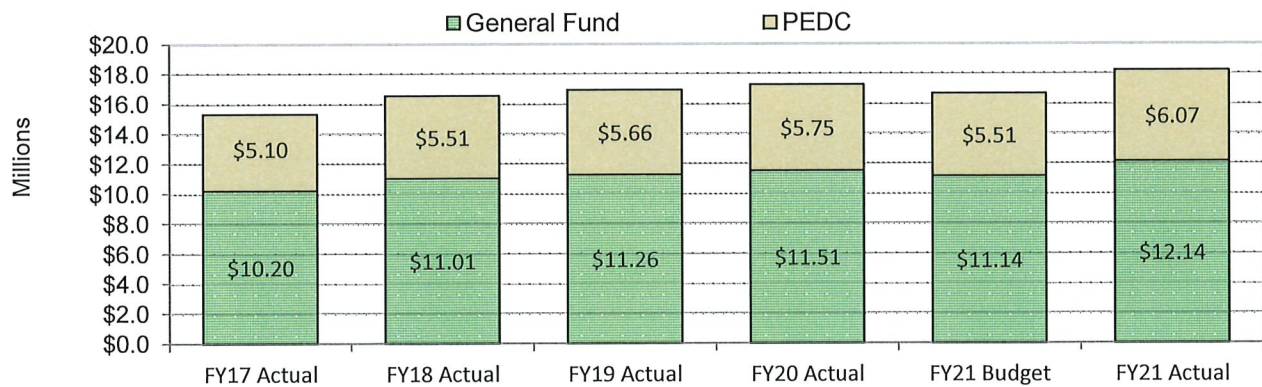
Sales tax deposits from the State Comptroller's Office for the year ending March 31, 2021 totaled \$18,203,524, a 5.4% increase over the prior year. We received sales tax deposits of \$2,907,289 in January for October collections, \$3,960,565 in February for November collections, and \$2,695,390 in March.

YTD Sales Tax Deposits



Budgeted amounts reflect the Adopted Budget.

Year-To-Date Sales Tax Deposits



Debt Service

Property taxes received as of March 2021 total \$36,900,614, 95.3% of amended budget and includes amounts for current and delinquent taxes including penalties and interest. Miscellaneous revenue of \$378,566 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	\$ 36,900,614	95.3%
Interest	10,000	5,457	54.6%
Miscellaneous	757,155	378,566	50.0%
Bond Premiums	32,437,427	32,437,427	100.0%
Transfers	2,530,075	1,265,038	50.0%
Total Revenues	74,455,273	70,987,101	95.3%
Expenditures			
MUD Rebates	7,116,216	-	0.0%
Debt Service	34,729,944	27,950,861	80.5%
Bond Payment	32,505,868	32,505,867	100.0%
Fiscal Agent/Arbitrage	65,000	4,750	7.3%
Total Expenditures	74,417,028	60,461,478	81.2%
Net Change in Fund Balance	38,245	10,525,623	
Beginning Fund Balance	7,533,094	7,533,094	
Ending Fund Balance	\$ 7,571,339	\$ 18,058,717	

General Fund

Revenues through March 2021 were \$61,495,197, 72.1% of budget.

- Property taxes collected for maintenance and operations were \$27,235,770 which is 95.7% of the amount budgeted for the year ended March 2021 and is \$1,487,559 (5.8%) higher than March 2020.
- Sales tax deposits from the State Comptroller's Office through March 2021 were \$12,267,289, which was 50.5% of budget, and \$676,048 (5.8%) higher than last year for the same period.
- Franchise Fees through March 2021 were \$2,467,799, which was 36.8% of budget, and \$349,376 (12.4%) lower than last year for the same period.
- Licenses & Permits through March 2021 were \$2,133,878, which was 49.6% of budget, and \$9,540 (0.4%) higher than last year for the same period.
- Fines and Forfeitures through March 2021 were \$796,063, which was 42.7% of budget, and \$255,343 (24.3%) lower than last year for the same period.
- Charges for Services through March 2021 were \$16,307,935, which was 86% of budget, and \$1,787,804 (12.3%) higher than last year for the same period.
- Investment earnings were lower than prior year by \$275,140 (91.7%)
- Other revenues were lower than prior year by \$329,475 (55.7%).

Total Operating Expenditures were \$38,454,110 through March 2021. Additional Expenditures of \$170,886 include Principal Retirements, Interest Charges, and Capital Outlay.

- General Government expenditures were \$1,331,783 higher than last year for the same period.
- Public Safety expenditures were \$1,459,127 higher than last year for the same period.
- Public Works expenditures were \$218,886 lower than last year for the same period.
- Community Services expenditures were \$38,452 higher than last year for the same period.
- Parks & Rec expenditures were \$219,836 lower than last year for the same period.

The Fund Balance in the General Fund as of March 2021 is \$51,406,180 which represents a 28.3% 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	\$25,748,210	95.6%	\$28,457,983	\$27,235,770	95.7%
Sales and Use Taxes	11,591,241	51.0%	24,268,440	12,267,289	50.5%
Franchise Fees	2,817,175	40.2%	6,709,754	2,467,799	36.8%
Licenses & Permits	2,124,338	48.0%	4,305,336	2,133,878	49.6%
Fines & Forfeitures	1,051,406	65.0%	1,866,192	796,063	42.7%
Charges for Service	14,520,131	79.7%	18,961,315	16,307,935	86.0%
Investment Earnings	299,923	71.4%	48,000	24,783	51.6%
Other	591,157	27.1%	697,933	261,681	37.5%
Total Revenues	58,743,581	70.3%	85,314,953	61,495,197	72.1%
Operating Expenditures					
General Government	5,183,527	48.8%	12,609,711	6,515,310	51.7%
Public Safety	21,792,925	48.5%	50,276,658	23,252,053	46.2%
Public Works	4,465,711	41.9%	11,723,248	4,246,825	36.2%
Community Services	1,909,927	50.4%	4,540,523	1,948,379	42.9%
Parks & Recreation	2,711,378	50.6%	6,309,042	2,491,543	39.5%
Total Operating Expenditures	36,063,469	47.8%	85,459,182	38,454,110	45.0%
Other Expenditures					
Principal Retirement	183,633		206,760	103,163	
Interest and Fiscal Charges	6,174		6,047	3,240	
Capital Outlay	165,068		301,501	64,483	
Total Expenditures	36,418,344		85,973,490	38,624,997	
Other Funding Sources/(Uses)					
Transfers In	2,474,728		6,226,770	2,613,385	
Transfer Out	(1,932,435)		(7,854,430)	(2,913,871)	
Other Funding Sources/(Uses)*	(2,670)			(18,570)	
Total Other	539,623		(1,627,660)	(319,057)	
Net Change in Fund Balance	22,864,859		(2,286,197)	22,551,144	
Beginning Fund Balance	17,201,848		28,855,036	28,855,036	
Ending Fund Balance	\$40,066,708		\$26,568,839	\$51,406,180	

Enterprise Fund - Water/Sewer

Revenues were \$26,282,468, 51% of budget and \$596,179 (2.2%) lower than prior year.

Other Service Charges include Water & Sewer Impact Fees, Water & Sewer Tap Fees, Connection Fees, and Reconnect Fees. Other Service Charges as of March 2021 were \$765,435 which is 48.6% of budget.

Expenses were \$29,266,512 which represents an increase over the prior year by \$10,795,025, 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	\$ 12,279,624	48.7%	\$ 26,865,280	\$ 14,144,222	52.6%
Sewer Revenues	10,791,207	47.5%	22,807,281	\$ 11,190,405	49.1%
Other Service Charges	680,921	57.2%	1,573,900	\$ 765,435	48.6%
Other Financing Sources					
Interest Income	204,143	80.3%	16,000	\$ 7,154	44.7%
Miscellaneous	4,903	2.0%	19,050	\$ 50,252	263.8%
Transfers In	2,917,848	50.0%	250,000	\$ 125,000	50.0%
Total Revenues	26,878,647	48.5%	51,531,511	26,282,468	51.0%
Expenses					
Utility (Billing) Customer	767,632	41.0%	2,165,242	1,039,179	48.0%
Information Technology	674,134	42.5%	1,834,013	781,503	42.6%
Public Works					
Administration	334,725	43.2%	1,333,975	452,674	33.9%
Ground Maintenance	261,214	45.2%	712,571	320,184	44.9%
Lift Stations	554,979	43.3%	1,381,719	508,232	36.8%
Wastewater Treatment	1,875,844	45.1%	4,503,483	1,613,246	35.8%
Backflow Compliance	157,607	44.2%	343,351	152,143	44.3%
Water Production	3,369,684	32.5%	9,878,032	3,111,587	31.5%
Distribution & Collections	1,366,316	46.4%	3,139,881	1,580,607	50.3%
Construction	644,924	49.3%	1,431,315	643,246	44.9%
Meter Services	295,473	54.3%	779,128	337,947	43.4%
Pre-Treatment FOG	106,329	1.2%	225,551	120,118	53.3%
Other Requirements	4,258,675	22.3%	10,123,522	11,731,661	115.9%
Debt Service	3,803,951	19.9%	27,382,629	6,874,186	25.1%
Total Expenses	18,471,487	34.3%	65,234,412	29,266,512	44.9%
Other Funding Sources (Uses)					
YTD Change in Cash Equivalents	8,407,160		(13,702,901)	(2,984,043)	
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	\$ 42,152,882		\$ 15,030,097	\$ 25,748,955	

Property Insurance Fund

Premiums are budgeted to be \$1,545,292, payments to date total \$717,127.

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 March was \$832,002.

Ending net position as of March 2021 is \$845,554.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Insurance Reimbursements	92,221	150,000	91,352	60.9%
Workers Compensation	-	475,000	241,081	50.8%
Transfer In (Premium Reimbursements)	751,691	1,664,003	832,002	50.0%
Total Operating Revenues	843,911	2,289,003	1,164,434	50.9%
Operating Expenses				
Workers Compensation				
Professional Contractual	-	81,505	23,750	
Insurance Miscellaneous	-	177,450	140,285	
Claims Miscellaneous	-	100,000	20,486	
Contractual Services				
General Liability	33,385	33,385	33,385	100.0%
Errors & Omissions	47,382	48,803	48,803	100.0%
Public Employee Dishonesty	1,976	1,445	1,376	95.2%
Animal Mortality	5,939	6,644	6,644	100.0%
Law Enforcement	55,520	61,071	61,072	100.0%
Real & PP Property	146,318	175,000	169,834	97.0%
Windstorm Damage	-	755,010	-	0.0%
Automobile	95,953	102,869	99,103	96.3%
Auto Damage	127,651	134,386	127,987	95.2%
Mobile Equipment	18,297	18,060	17,200	95.2%
Pollution Liability	4,341	1,866	1,866	100.0%
Misc Premiums	16,166	94,500	44,204	46.8%
Sewage Back-up	16,984	16,644	16,644	100.0%
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	36,062	100.0%
Administration and Other Operating Exp	28,440	83,687	28,986	34.6%
Claims Paid	2,780	183,750	-	0.0%
Capital Outlay				0.0%
Transfer Out	18	110	-	0.0%
Total Operating Expenses	668,723	2,171,794	930,634	42.9%
Operating Income (Loss)	175,188	117,209	233,800	
Earnings on Investments	4,001	160	67	
Other Revenues (Expenses)				
Change in Net Position	179,189	117,369	233,867	
Beginning Net Position	451,333	105,082	611,687	
Ending Net Position	630,522	222,451	845,554	

Self-Insured Medical Fund

Contributions of premiums from the City, Employee, Retirees and COBRA participants were \$4,475,822, 50.2% of budget through March 2021 with an additional \$189,458 received from Cigna rebates.

Medical Insurance Claims are budgeted (as amended) at \$8,046,157. Claims paid through March 2021 total \$4,120,323, 51.2% of the amended budget which is \$546,109 (15.3%) higher than claims paid through March 2020

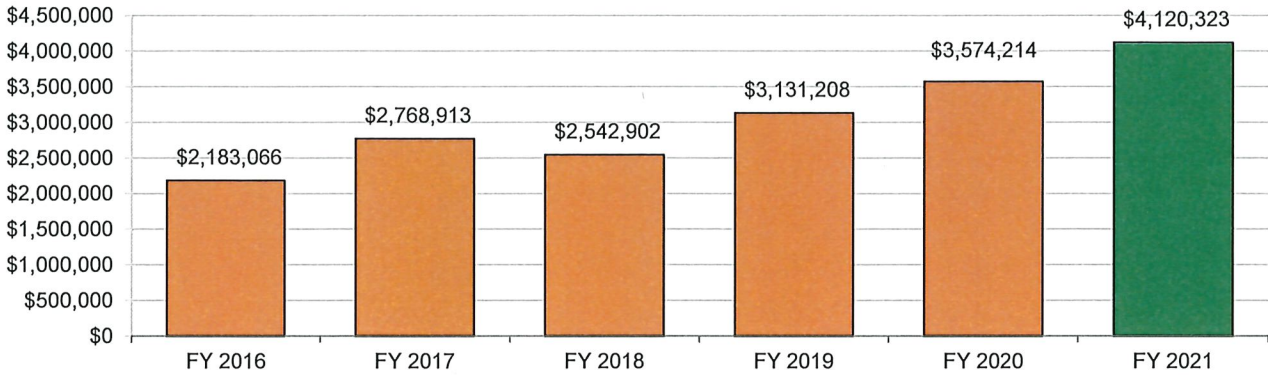
Claims paid through March 2021 were \$6,042 per employee, \$431 more than the amount per employee through March 2020.

Fund balance as of March 2021 was \$3,492,508.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Employee Premiums	\$ 695,889	\$ 1,478,224	\$ 739,112	50.0%
City Premiums	3,076,653	7,404,768	3,702,384	50.0%
Retiree Premiums	12,018	30,000	12,000	40.0%
Cobra	211	-	22,327	100.0%
Miscellaneous	260,385	387,278	189,458	48.9%
Total Operating Revenues	4,045,157	9,300,270	4,665,280	50.2%
Operating Expenses				
Professional Contractual	-	35,500	15,000	42.3%
Administrative Fees	526,337	1,321,104	630,590	47.7%
Medical Insurance Claims	3,574,214	8,046,157	4,120,323	51.2%
Wellness Programs	24,812	52,205	30,997	59.4%
Total Operating Expenses	4,125,363	9,454,966	4,796,909	50.7%
Operating Income (Loss)	(80,206)	(154,696)	(131,629)	
Earnings on Investments	20,887	1,105	553	
Change in Net Position	(59,319)	(153,591)	(131,076)	
Beginning Net Position	3,484,288	3,623,585	3,623,585	
Ending Net Position	\$ 3,424,969	\$ 3,469,994	\$ 3,492,508	

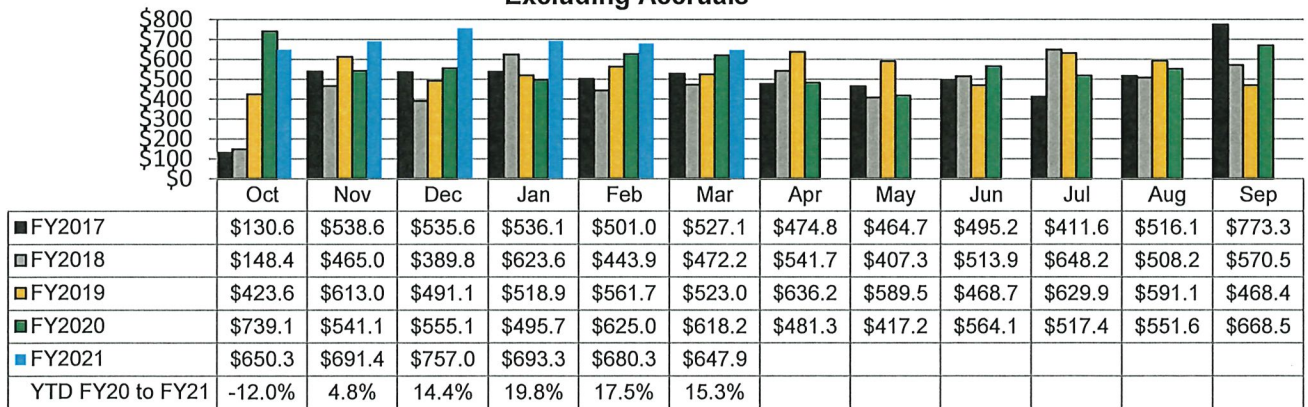
Self-Insured Medical Fund

Medical Claims Paid Year-to-Date Excluding Accruals



Claims Paid per Employee:	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Number of Employses on Medical Insurance	571	584	596	628	637	682
Actual YTD per Enrollee	\$3,823	\$4,741	\$4,267	\$4,986	\$5,611	\$6,042

Medical Claims Paid Monthly Excluding Accruals



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

The budgeted occupancy tax from Pearland hotels for FY 2021 was \$921,900, total received as of March 2021 was \$229,002.

Expenditures through March 2021 of \$461,688 include Administrative expenses for the Convention & Visitor's Bureau, Hotel and Cultural Grant programs and Advertising. Fund balance as of March 2021 is \$5,225,401.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Hotel/Motel Occupancy Tax	\$ 323,971	\$ 921,900	\$ 229,002	24.8%
Interest Income	50,719	6,000	1,635	27.2%
Miscellaneous	24,458	4,000	2,000	50.0%
Total Revenues	399,147	931,900	232,637	25.0%
Expenditures				
Salaries and Benefits	49,810	255,450	107,604	42.1%
Materials & Supplies	37,716	87,750	18,942	21.6%
Miscellaneous Services	222,739	668,166	326,821	48.9%
Capital Outlay	-	500,000	-	0.0%
Transfers Out	333	16,640	8,320	50.0%
Total Expenditures	310,597	1,528,006	461,688	30.2%
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Other Funding Sources/(Uses)	1,066			
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Revenues Over (Under) Expenditures	89,617	(596,106)	(229,051)	
Beginning Fund Balance	5,273,413	5,454,452	5,454,452	
Ending Fund Balance	\$5,363,030	\$ 4,858,346	\$ 5,225,401	

TIRZ #2

Total revenue through March 2021 is \$19,891,956. The TIRZ has received tax increment payments from the City of Pearland in the amount of \$16,564,690, \$0 from Fort Bend County and \$3,320,509 from Alvin ISD.

Expenditures through March were \$9,540,893; of this total \$9,514,338 was paid to the City of Pearland for services provided. The available balance as of March 2021, net of the AISD Suspense Fund, is \$7,131,902.

	FY 2020 ACTUAL TO-DATE	FY 2021 ACTUAL TO-DATE	% CHANGE
Revenues			
Taxes			
Alvin ISD	\$ 3,775,484	\$ 3,320,509	-12.1%
Brazoria County	-	-	0.0%
City of Pearland	18,312,013	16,564,690	-9.5%
Fort Bend County	1,371,017	-	-100.0%
Supplemental	307,271	-	-100.0%
Interest	31,026	6,757	-78.2%
Miscellaneous/AISD	8,937	-	-100.0%
Total Revenues	23,805,747	19,891,956	-16.4%
Expenditures			
Miscellaneous Services	41,455	26,556	-35.9%
Payment to City of Pearland	10,870,414	9,514,338	-12.5%
Payment to Development Authority	-	-	0.0%
Transfers Out	-	-	0.0%
Total Expenditures	10,911,869	9,540,893	-12.6%
Net Change in Fund Balance	12,893,878	10,351,062	-19.7%
Beginning Fund Balance	9,599,014	6,879,867	-28.3%
Less: AISD Suspense Fund	13,568,972	10,099,026	-25.6%
Ending Fund Balance	\$ 8,923,921	\$ 7,131,902	-20.1%

Development Authority - DAP

Revenues through March 2021 total \$801 with bond proceeds totaling \$0. Expenditures total \$13,711,023, which includes bond issuance costs, reimbursements to developers (for infrastructure improvements) and other professional services. The available fund balance as of March 2021, excluding the portion for the debt service reserve, is \$1,003,137.

	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	10,387	801	-92.3%
Total Revenues	4,265,387	801	-100.0%
Expenditures			
Professional Services	4,760	6,218	30.6%
Reimbursement to Developer	10,247,317	12,615,582	23.1%
Bond Payments:			
Interest	1,177,257	1,089,073	-7.5%
Principal	-	-	0.0%
Bond Issuance Cost	162,831	-	-100.0%
Arbitrage/Fiscal Fees	9,400	150	-98.4%
Other Debt Service			0.0%
Total Expenditures	11,601,564	13,711,023	18.2%
Net Change in Fund Balance	(7,336,177)	(13,710,222)	
Beginning Fund Balance	8,324,602	14,714,109	
Debt Service Reserve	10,406	750	
Ending Fund Balance	\$ 978,019	\$ 1,003,137	