



CITY OF PEARLAND

Third Quarter Financial Report

Fiscal Year (FY) 2021

Through June 2021

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This report represents a general overview of financial operations through the 3rd quarter of the Fiscal Year 2021 or year to date as of June 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 \$82,675,613, 97.3% of the Budgeted Levy.

Sales Tax deposits were 27,377,911, 5.4% higher than prior year

Debt Service fund balance is \$12,765,326

General Fund balance to date is \$43,582,415

Water/Sewer fund cash equivalents were \$21,681,086.

Property Insurance premiums are budgeted to be \$1,545,292 while payments to date total \$1,465,097. Ending net assets to date are \$638,015.

Medical Claims – the City is self-insured for medical claims and to date \$6,667,151 in premiums have been collected and \$5,996,193 has been paid out

Hotel/Motel Occupancy Tax – Budgeted hotel tax was \$921,900 and as of June 2021, \$504,090 has been collected.

TIRZ revenues were \$27,663,934 including interest earnings. TIRZ received tax increment payments from the City of Pearland in the amount of \$16,803,398, \$1,458,175 from Fort Bend County and \$6,967,921 from Alvin ISD.

Development Authority Bond Proceeds were \$0 in the first quarter and \$13,714,023 was paid out primarily to infrastructure developers.

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

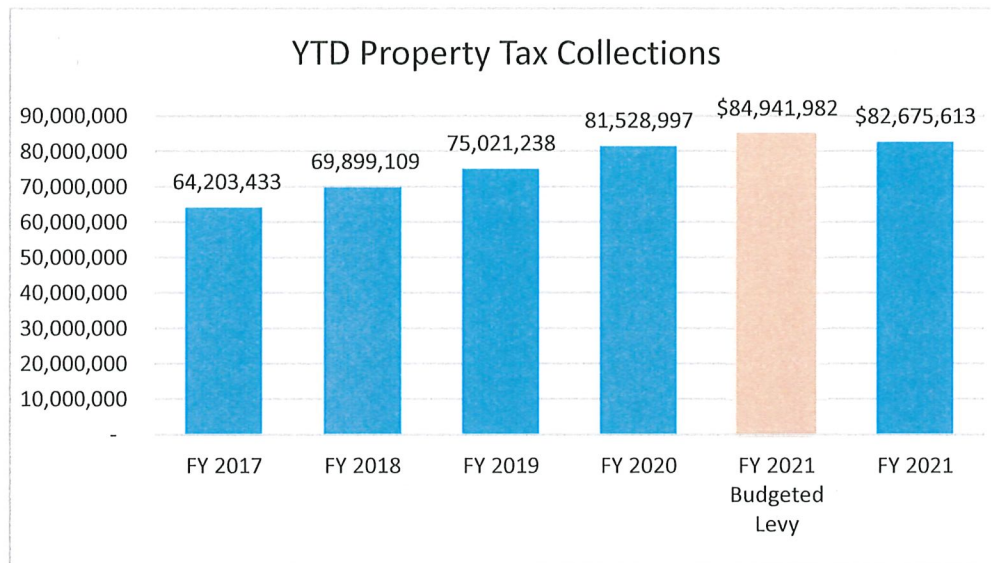
Property Tax

Through June 30, 2021, the City received \$82,675,613 for current taxes, 97.33% 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	82,675,613	97.3%
Uses:			
General Fund	28,457,983	27,968,346	98.3%
Debt Service Fund	38,720,616	37,903,869	97.9%
TIRZ**	17,763,383	16,803,398	94.6%
Total Uses	84,941,982	82,675,613	97.3%

*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 \$580,840,151, the current adjusted value is \$12.36 billion.

Reconciliation of Tax Roll (Tax Year 2021):

¹ Certified Value	\$11,777,269,558
⁴ Adjustments	580,840,151
¹Adjusted Total Taxable Value to Date	\$12,358,109,709

Tax Rate per \$100 Value	0.720000
¹Total Levy @ 100% Collections	\$86,251,924

¹ Current Taxes Receivable	\$793,627
Delinquent Taxes Receivable	\$945,865
Total Taxes Receivable	\$1,739,492

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.

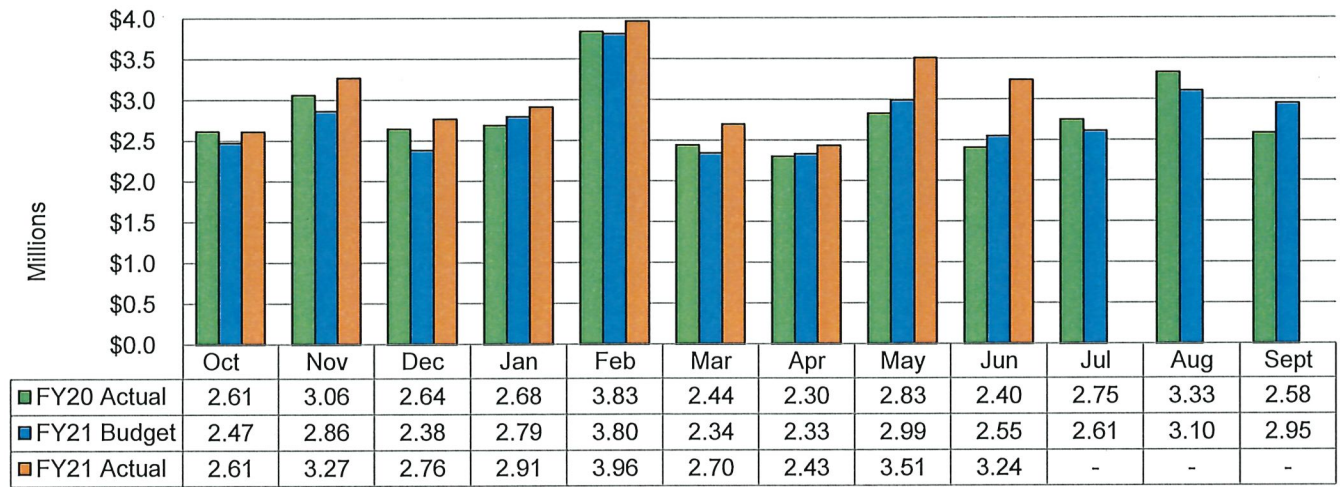
³The total shown is composed of the residential - single family property values.

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

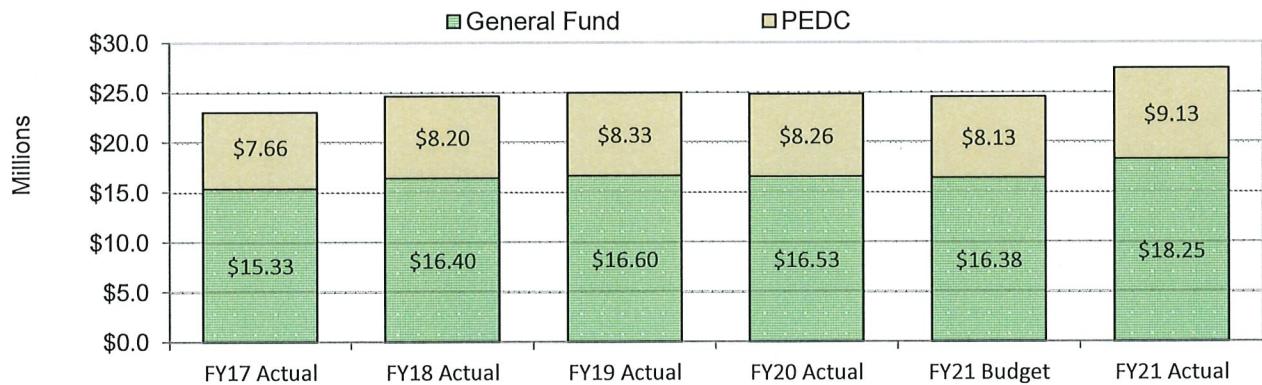
Sales tax deposits from the State Comptroller's Office for the year ending June 30, 2021 totaled \$27,377,911, a 5.4% increase over the prior year. We received sales tax deposits of \$2,432,201 in April for January collections, \$3,505,864 in May for February collections, and \$3,236,322 in June

YTD Sales Tax Deposits



Budgeted amounts reflect the Adopted Budget.

Year-To-Date Sales Tax Deposits



Debt Service

Property taxes received as of June 2021 total \$37,903,869, 97.9% of amended budget and includes amounts for current and delinquent taxes including penalties and interest. Miscellaneous revenue of \$567,848 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	\$ 37,903,869	97.9%
Interest	10,000	7,375	73.8%
Miscellaneous	757,155	567,848	75.0%
Bond Premiums	32,437,427	32,437,427	100.0%
Transfers	2,530,075	1,897,556	75.0%
Total Revenues	74,455,273	72,814,076	97.8%
Expenditures			
MUD Rebates	7,116,216	7,116,216	100.0%
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	8,900	13.7%
Total Expenditures	74,417,028	67,581,844	90.8%
Net Change in Fund Balance	38,245	5,232,232	
Beginning Fund Balance	7,533,094	7,533,094	
Ending Fund Balance	\$ 7,571,339	\$ 12,765,326	

General Fund

Revenues through June 2021 were \$72,911,424, 85.5% of budget.

- Property taxes collected for maintenance and operations were \$27,968,346 which is 98.3% of the amount budgeted for the year ended June 2021 and is \$1,550,773 (5.9%) higher than June 2020.
- Sales tax deposits from the State Comptroller's Office through June 2021 were \$18,472,052, which was 76.1% of budget, and \$1,786,642 (10.7%) higher than last year for the same period.
- Franchise Fees through June 2021 were \$3,702,446, which was 55.2% of budget, and \$273,169 (6.9%) lower than last year for the same period.
- Licenses & Permits through June 2021 were \$3,309,874, which was 76.9% of budget, and \$196,471 (6.3%) higher than last year for the same period.
- Fines and Forfeitures through June 2021 were \$1,305,136, which was 69.9% of budget, and \$32,699 (2.6%) higher than last year for the same period.
- Charges for Services through June 2021 were \$17,773,747, which was 93.7% of budget, and \$2,042,095 (13%) higher than last year for the same period.
- Investment earnings were lower than prior year by \$330,575 (90.2%)
- Other revenues were lower than prior year by \$1,738,173 (83.5%).

Total Operating Expenditures were \$57,437,456 through June 2021. Additional Expenditures of \$277,290 include Principal Retirements, Interest Charges, and Capital Outlay.

- General Government expenditures were \$1,397,459 higher than last year for the same period.
- Public Safety expenditures were \$2,371,952 higher than last year for the same period.
- Public Works expenditures were \$86,005 higher than last year for the same period.
- Community Services expenditures were \$110,401 higher than last year for the same period.
- Parks & Rec expenditures were \$18,293 higher than last year for the same period.

The Fund Balance in the General Fund as of June 2021 is \$43,582,415 which represents a 30.1% 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	\$26,417,573	98.1%	\$28,457,983	\$27,968,346	98.3%
Sales and Use Taxes	16,685,410	73.5%	24,268,440	18,472,052	76.1%
Franchise Fees	3,975,615	56.7%	6,709,754	3,702,446	55.2%
Licenses & Permits	3,113,403	70.4%	4,305,336	3,309,874	76.9%
Fines & Forfeitures	1,272,437	78.7%	1,866,192	1,305,136	69.9%
Charges for Service	15,731,652	86.3%	18,961,315	17,773,747	93.7%
Investment Earnings	366,430	87.2%	48,000	35,855	74.7%
Other	2,082,140	95.6%	697,933	343,968	49.3%
Total Revenues	69,644,660	83.4%	85,314,953	72,911,424	85.5%
Operating Expenditures					
General Government	7,840,785	73.9%	12,609,711	9,238,243	73.3%
Public Safety	31,996,782	71.1%	50,276,658	34,368,734	68.4%
Public Works	7,061,082	66.2%	11,723,248	7,147,087	61.0%
Community Services	2,747,719	72.5%	4,540,523	2,858,119	62.9%
Parks & Recreation	3,806,979	71.1%	6,309,042	3,825,272	60.6%
Total Operating Expenditures	53,453,346	70.9%	85,459,182	57,437,456	67.2%
Other Expenditures					
Principal Retirement	367,275		206,760	206,760	
Interest and Fiscal Charges	12,340		6,047	6,047	
Capital Outlay	322,444		301,501	64,483	
Total Expenditures	54,155,406		85,973,490	57,714,746	
Other Funding Sources/(Uses)					
Transfers In	3,712,092		6,226,770	3,920,077	
Transfer Out	(2,898,652)		(7,854,430)	(4,370,807)	
Other Funding Sources/(Uses)*	(2,670)			(18,570)	
Total Other	810,770		(1,627,660)	(469,300)	
Net Change in Fund Balance	16,300,024		(2,286,197)	14,727,379	
Beginning Fund Balance	17,201,848		28,855,036	28,855,036	
Ending Fund Balance	\$33,501,873		\$26,568,839	\$43,582,415	

Enterprise Fund - Water/Sewer

Revenues were \$37,585,487, 72.9% of budget and \$2,134,809 (5.4%) 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 June 2021 were \$1,128,927 which is 71.7% of budget.

Expenses were \$44,637,399 which represents an increase over the prior year by \$17,044,901, 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	\$ 17,393,766	68.9%	\$ 26,865,280	\$ 19,529,498	72.7%
Sewer Revenues	16,239,819	71.5%	22,807,281	\$ 16,691,326	73.2%
Other Service Charges	945,634	79.5%	1,573,900	\$ 1,128,927	71.7%
Other Financing Sources					
Interest Income	231,257	91.0%	16,000	\$ 9,579	59.9%
Miscellaneous	203,435	83.6%	19,050	\$ 38,657	202.9%
Transfers In	4,706,385	80.6%	250,000	\$ 187,500	75.0%
Total Revenues	39,720,295	71.6%	51,531,511	37,585,487	72.9%
Expenses					
Utility (Billing) Customer	1,146,385	61.3%	2,165,242	1,491,227	68.9%
Information Technology	1,139,512	71.8%	1,834,013	1,277,107	69.6%
Public Works					
Administration	500,877	64.7%	1,333,975	709,388	53.2%
Ground Maintenance	399,271	69.1%	712,571	482,314	67.7%
Lift Stations	871,781	68.0%	1,381,719	896,892	64.9%
Wastewater Treatment	2,943,685	70.7%	4,503,483	2,696,836	59.9%
Backflow Compliance	238,799	66.9%	343,351	236,020	68.7%
Water Production	6,525,072	63.0%	9,878,032	5,075,507	51.4%
Distribution & Collections	2,095,021	71.2%	3,139,881	2,214,805	70.5%
Construction	950,318	72.7%	1,431,315	973,457	68.0%
Meter Services	398,244	73.2%	779,128	481,607	61.8%
Pre-Treatment FOG	153,785	1.7%	225,551	177,357	78.6%
Other Requirements	6,379,671	33.5%	10,123,522	10,131,661	100.1%
Debt Service	3,850,076	20.2%	27,382,629	17,793,222	65.0%
Total Expenses	27,592,497	51.2%	65,234,412	44,637,399	68.4%
Other Funding Sources (Uses)					
YTD Change in Cash Equivalents	12,127,798		(13,702,901)	(7,051,912)	
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	\$ 45,873,520		\$ 15,030,097	\$ 21,681,086	

Property Insurance Fund

Premiums are budgeted to be \$1,545,292, payments to date total \$1,465,097.

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 June was \$1,248,002.

Ending net position as of June 2021 is \$638,015.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Insurance Reimbursements	103,759	150,000	222,694	148.5%
Workers Compensation	-	475,000	345,854	72.8%
Transfer In (Premium Reimbursements)	1,127,536	1,664,003	1,248,002	75.0%
Total Operating Revenues	1,231,295	2,289,003	1,816,550	79.4%
Operating Expenses				
Workers Compensation				
Professional Contractual	-	81,505	30,000	
Insurance Miscellaneous	-	177,450	140,285	
Claims Miscellaneous	-	100,000	30,755	
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	620,025	755,010	755,010	100.0%
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	58,266	94,500	37,164	39.3%
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	42,096	83,687	42,900	51.3%
Claims Paid	46,839	183,750	81,293	44.2%
Capital Outlay				0.0%
Transfer Out	28	110	-	0.0%
Total Operating Expenses	1,388,572	2,171,794	1,790,331	82.4%
Operating Income (Loss)	(157,277)	117,209	26,219	
Earnings on Investments	4,141	160	109	
Other Revenues (Expenses)				
Change in Net Position	(153,136)	117,369	26,328	
Beginning Net Position	451,333	105,082	611,687	
Ending Net Position	298,197	222,451	638,015	

Self-Insured Medical Fund

Contributions of premiums from the City, Employee, Retirees and COBRA participants were \$6,667,151, 75% of budget through June 2021 with an additional \$306,573 received from Cigna rebates.

Medical Insurance Claims are budgeted (as amended) at \$8,046,157. Claims paid through June 2021 total \$5,996,193, 74.5% of the amended budget which is \$959,386 (16%) higher than claims paid through June 2020

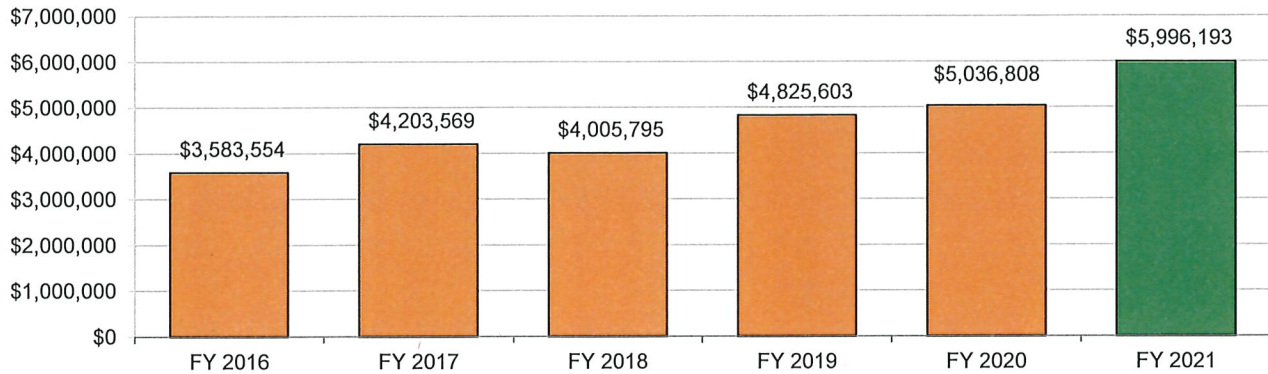
Claims paid through June 2021 were \$8,792 per employee, \$885 more than the amount per employee through June 2020.

Fund balance as of June 2021 was \$3,585,923.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Employee Premiums	\$ 1,055,397	\$ 1,478,224	\$ 1,109,783	75.1%
City Premiums	4,750,372	7,404,768	5,510,904	74.4%
Retiree Premiums	18,594	30,000	18,062	60.2%
Cobra	10,042	-	28,402	100.0%
Miscellaneous	338,629	387,278	306,573	79.2%
Total Operating Revenues	6,173,034	9,300,270	6,973,723	75.0%
Operating Expenses				
Professional Contractual		35,500	17,558	49.5%
Administrative Fees	946,472	1,321,104	963,637	72.9%
Medical Insurance Claims	5,036,808	8,046,157	5,996,193	74.5%
Wellness Programs	28,531	52,205	34,837	66.7%
Total Operating Expenses	6,011,811	9,454,966	7,012,224	74.2%
Operating Income (Loss)	161,223	(154,696)	(38,501)	
Earnings on Investments	22,005	1,105	840	
Change in Net Position	183,227	(153,591)	(37,662)	
Beginning Net Position	3,484,288	3,623,585	3,623,585	
Ending Net Position	\$ 3,667,515	\$ 3,469,994	\$ 3,585,923	

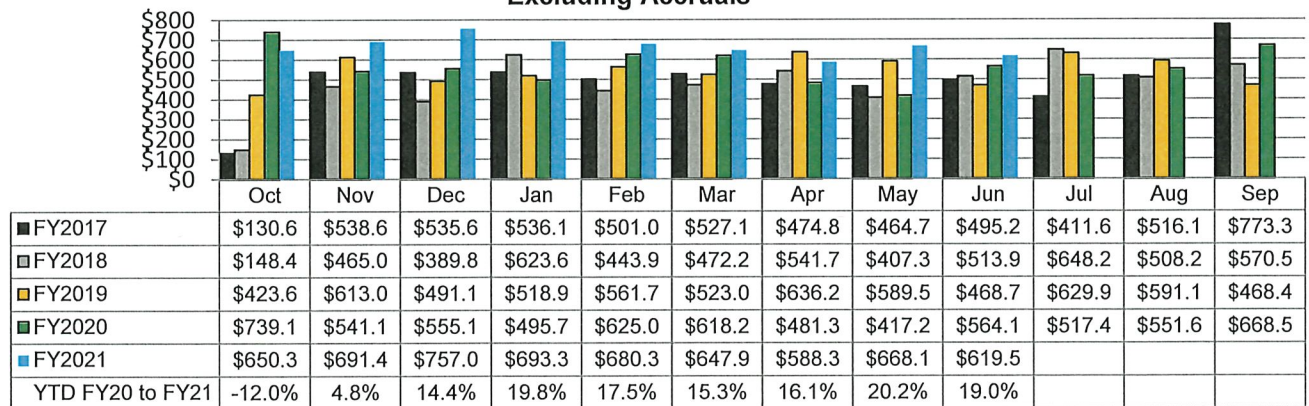
Self-Insured Medical Fund

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	\$6,276	\$7,198	\$6,721	\$7,684	\$7,907	\$8,792

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 June 2021 was \$504,090.

Expenditures through June 2021 of \$632,418 include Administrative expenses for the Convention & Visitor's Bureau, Hotel and Cultural Grant programs and Advertising. Fund balance as of June 2021 is \$5,333,365.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Hotel/Motel Occupancy Tax	\$ 430,245	\$ 921,900	\$ 504,090	54.7%
Interest Income	56,265	6,000	3,241	54.0%
Miscellaneous	26,661	4,000	4,000	100.0%
Total Revenues	513,171	931,900	511,331	54.9%
Expenditures				
Salaries and Benefits	73,900	255,450	159,605	62.5%
Materials & Supplies	38,062	87,750	44,929	51.2%
Miscellaneous Services	312,546	668,166	415,404	62.2%
Capital Outlay	-	500,000	-	0.0%
Transfers Out	499	16,640	12,480	75.0%
Total Expenditures	425,006	1,528,006	632,418	41.4%
Other Funding Sources/(Uses)	1,066			
Revenues Over (Under) Expenditures	89,231	(596,106)	(121,087)	
Beginning Fund Balance	5,273,413	5,454,452	5,454,452	
Ending Fund Balance	\$5,362,644	\$ 4,858,346	\$ 5,333,365	

TIRZ #2

Total revenue through June 2021 is \$27,663,934. The TIRZ has received tax increment payments from the City of Pearland in the amount of \$16,803,398, \$1,458,175 from Fort Bend County and \$6,967,921 from Alvin ISD.

Expenditures through June were \$9,700,505; of this total \$9,667,112 was paid to the City of Pearland for services provided. The available balance as of June 2021, net of the AISD Suspense Fund, is \$8,669,392.

	FY 2020 ACTUAL TO-DATE	FY 2021 ACTUAL TO-DATE	% CHANGE
Revenues			
Taxes			
Alvin ISD	\$ 6,594,331	\$ 6,967,921	5.7%
Brazoria County	-	-	0.0%
City of Pearland	18,745,723	16,803,398	-10.4%
Fort Bend County	1,371,017	1,458,175	6.4%
Supplemental	2,460,429	2,422,462	-1.5%
Interest	34,189	11,978	-65.0%
Miscellaneous/AISD	15,016	-	-100.0%
Total Revenues	29,220,704	27,663,934	-5.3%
Expenditures			
Miscellaneous Services	48,358	33,393	-30.9%
Payment to City of Pearland	11,130,253	9,667,112	-13.1%
Payment to Development Authority	-	-	0.0%
Transfers Out	-	-	0.0%
Total Expenditures	11,178,612	9,700,505	-13.2%
Net Change in Fund Balance	18,042,092	17,963,430	-0.4%
Beginning Fund Balance	9,599,014	6,879,867	-28.3%
Less: AISD Suspense Fund	13,568,970	16,173,903	19.2%
Ending Fund Balance	\$ 14,072,135	\$ 8,669,392	-38.4%

Development Authority - DAP

Revenues through June 2021 total \$1,200 with bond proceeds totaling \$0. Expenditures total \$13,714,023, which includes bond issuance costs, reimbursements to developers (for infrastructure improvements) and other professional services. The available fund balance as of June 2021, excluding the portion for the debt service reserve, is \$1,000,536.

	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	10,825	1,200	-88.9%
Total Revenues	4,265,825	1,200	-100.0%
Expenditures			
Professional Services	6,260	9,218	47.2%
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	11,603,064	13,714,023	18.2%
Net Change in Fund Balance	(7,337,239)	(13,712,822)	
Beginning Fund Balance	8,324,602	14,714,109	
Debt Service Reserve	10,455	750	
Ending Fund Balance	\$ 976,908	\$ 1,000,536	