



CITY OF PEARLAND

Fourth Quarter Financial Report

Fiscal Year (FY) 2021

Through September 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 4th quarter of the Fiscal Year 2021 or year to date as of September 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 \$86,488,010, 101.8% of the Budgeted Levy.

Sales Tax deposits were 38,633,593, 15.5% higher than prior year

Debt Service fund balance is \$7,257,737

General Fund balance to date is \$32,303,139

Water/Sewer fund cash equivalents were \$20,956,645.

Property Insurance premiums are budgeted to be \$1,545,292 while payments to date total \$1,465,697. Ending net assets to date are \$1,173,180.

Medical Claims – the City is self-insured for medical claims and to date \$8,879,128 in premiums have been collected and \$8,007,351 has been paid out

Hotel/Motel Occupancy Tax – Budgeted hotel tax was \$921,900 and as of September 2021, \$1,231,585 has been collected.

TIRZ revenues were \$33,851,087 including interest earnings. TIRZ received tax increment payments from the City of Pearland in the amount of \$19,793,844, \$3,103,159 from Brazoria County, \$1,458,175 from Fort Bend County and \$7,056,261 from Alvin ISD.

Development Authority Bond Proceeds were \$20,917,299 in the fourth quarter and \$12,615,582 was paid out primarily to infrastructure developers.

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

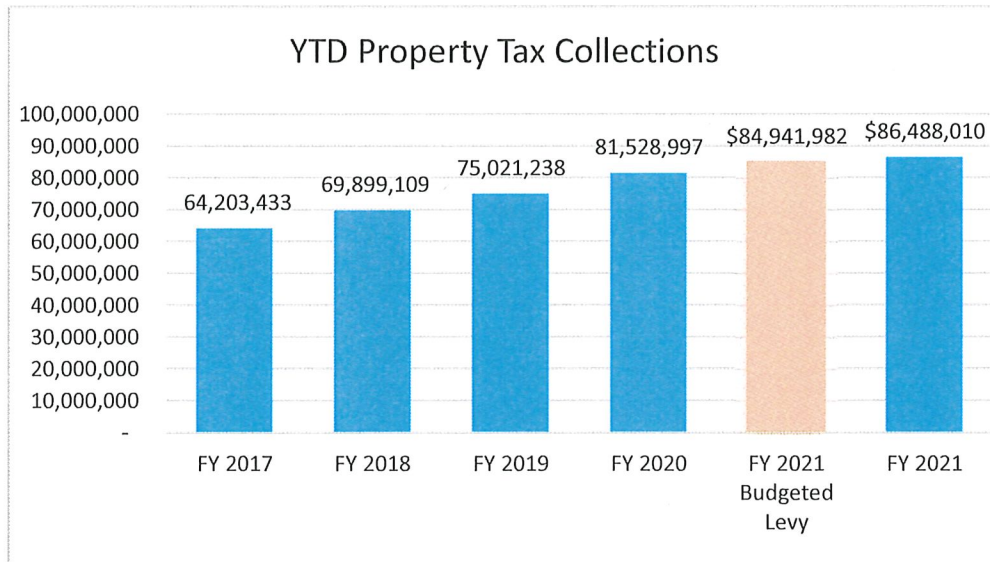
Property Tax

Through September 30, 2021, the City received \$86,488,010 for current taxes, 101.82% 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	86,488,010	101.8%
Uses:			
General Fund	28,457,983	28,319,667	99.5%
Debt Service Fund	38,720,616	38,374,499	99.1%
TIRZ**	17,763,383	19,793,844	111.4%
Total Uses	84,941,982	86,488,010	101.8%

*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 September 2021 of \$562,540,735, the current adjusted value is \$12.34 billion.

Reconciliation of Tax Roll (Tax Year 2021):

¹ Certified Value	\$11,777,269,558
⁴ Adjustments	562,540,735
¹Adjusted Total Taxable Value to Date	\$12,339,810,293

Tax Rate per \$100 Value	0.720000
¹Total Levy @ 100% Collections	\$86,120,247

¹ Current Taxes Receivable	\$368,675
Delinquent Taxes Receivable	\$884,538
Total Taxes Receivable	\$1,253,213

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.

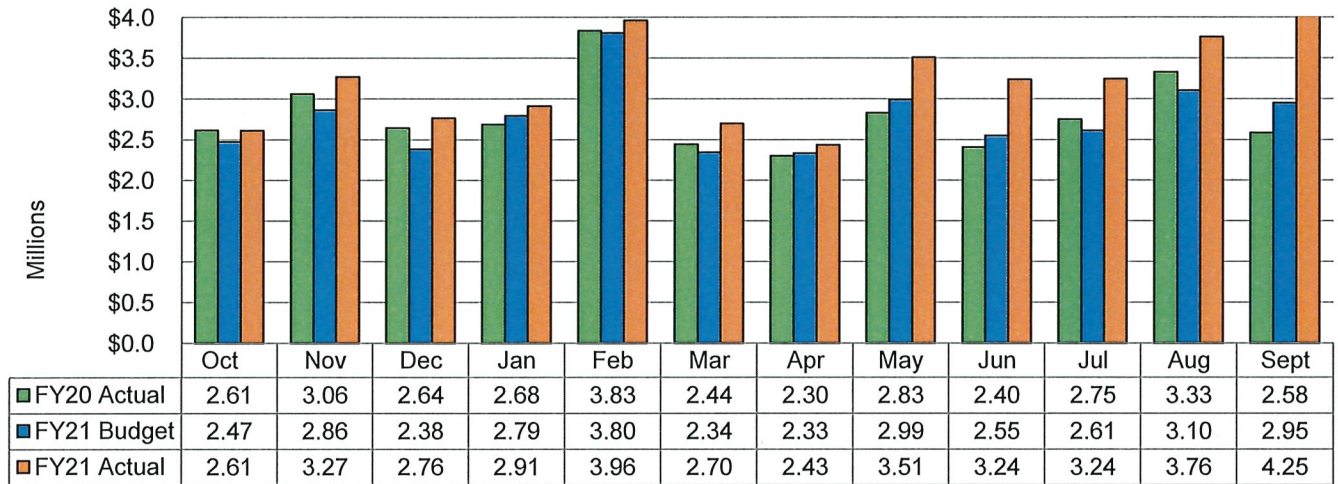
³The total shown is composed of the residential - single family property values.

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

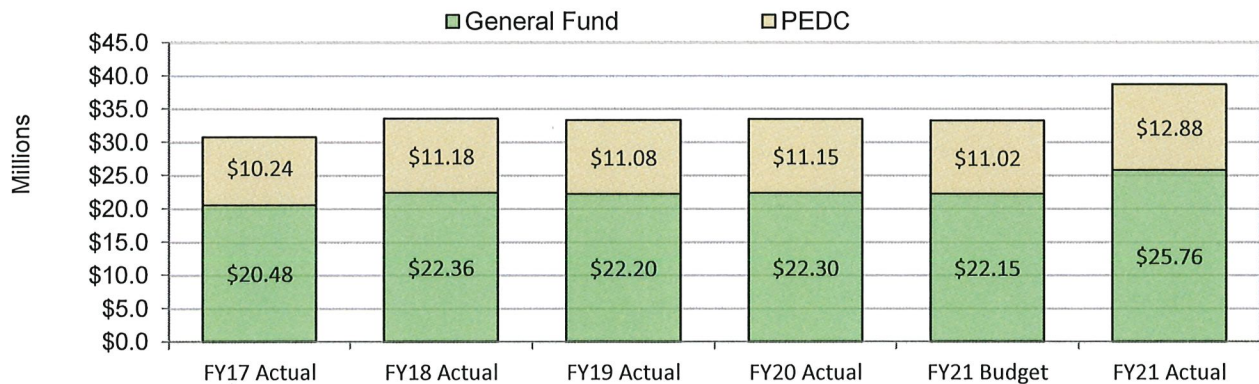
Sales tax deposits from the State Comptroller's Office for the year ending September 30, 2021 totaled \$38,633,593, a 15.5% increase over the prior year. We received sales tax deposits of \$3,242,750 in July for April collections, \$3,760,188 in August for May collections, and \$4,252,743 in September

YTD Sales Tax Deposits



Budgeted amounts reflect the Adopted Budget.

Year-To-Date Sales Tax Deposits



Debt Service

Property taxes received as of September 2021 total \$38,374,499, 99.1% of amended budget and includes amounts for current and delinquent taxes including penalties and interest. Miscellaneous revenue of \$755,469 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	\$ 38,374,499	99.1%
Interest	10,000	8,425	84.2%
Miscellaneous	757,155	755,469	99.8%
Bond Premiums	32,437,427	32,622,641	100.6%
Transfers	2,530,075	2,530,075	100.0%
Total Revenues	74,455,273	74,291,109	99.8%
Expenditures			
MUD Rebates	7,116,216	7,116,216	100.0%
Debt Service	34,729,944	35,422,289	102.0%
Bond Payment	32,505,868	31,987,011	98.4%
Fiscal Agent/Arbitrage	65,000	40,950	63.0%
Total Expenditures	74,417,028	74,566,466	100.2%
Net Change in Fund Balance	38,245	(275,357)	
Beginning Fund Balance	7,533,094	7,533,094	
Ending Fund Balance	\$ 7,571,339	\$ 7,257,737	

General Fund

Revenues through September 2021 were \$87,840,780, 103% of budget.

- Property taxes collected for maintenance and operations were \$28,319,667 which is 99.5% of the amount budgeted for the year ended September 2021 and is \$1,399,934 (5.2%) higher than September 2020.
- Sales tax deposits from the State Comptroller's Office through September 2021 were \$26,138,991, which was 107.7% of budget, and \$3,422,962 (15.1%) higher than last year for the same period.
- Franchise Fees through September 2021 were \$6,719,483, which was 100.1% of budget, and \$294,542 (4.2%) lower than last year for the same period.
- Licenses & Permits through September 2021 were \$4,285,586, which was 99.5% of budget, and \$138,172 (3.1%) lower than last year for the same period.
- Fines and Forfeitures through September 2021 were \$1,754,718, which was 94% of budget, and \$137,565 (8.5%) higher than last year for the same period.
- Charges for Services through September 2021 were \$19,400,331, which was 102.3% of budget, and \$1,179,928 (6.5%) higher than last year for the same period.
- Investment earnings were lower than prior year by \$363,409 (89.9%)
- Other revenues were lower than prior year by \$6,120,431 (83.8%).

Total Operating Expenditures were \$81,848,570 through September 2021. Additional Expenditures of \$549,878 include Principal Retirements, Interest Charges, and Capital Outlay.

- General Government expenditures were \$1,314,920 higher than last year for the same period.
- Public Safety expenditures were \$3,953,551 higher than last year for the same period.
- Public Works expenditures were \$223,139 higher than last year for the same period.
- Community Services expenditures were \$299,044 higher than last year for the same period.
- Parks & Rec expenditures were \$663,563 higher than last year for the same period.

The Fund Balance in the General Fund as of September 2021 is \$32,303,139 which represents a 11.9% 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	\$26,919,733	100.0%	\$28,457,983	\$28,319,667	99.5%
Sales and Use Taxes	22,716,028	100.0%	24,268,440	26,138,991	107.7%
Franchise Fees	7,014,025	100.0%	6,709,754	6,719,483	100.1%
Licenses & Permits	4,423,758	100.0%	4,305,336	4,285,586	99.5%
Fines & Forfeitures	1,617,153	100.0%	1,866,192	1,754,718	94.0%
Charges for Service	18,220,404	100.0%	18,961,315	19,400,331	102.3%
Investment Earnings	404,300	96.2%	48,000	40,891	85.2%
Other	7,301,545	335.1%	697,933	1,181,113	169.2%
Total Revenues	88,616,945	106.1%	85,314,953	87,840,780	103.0%
Operating Expenditures					
General Government	10,616,348	100.0%	12,609,711	11,931,267	94.6%
Public Safety	44,976,257	100.0%	50,276,658	48,929,808	97.3%
Public Works	10,660,243	100.0%	11,723,248	10,883,383	92.8%
Community Services	3,787,798	100.0%	4,540,523	4,086,843	90.0%
Parks & Recreation	5,353,706	100.0%	6,309,042	6,017,269	95.4%
Total Operating Expenditures	75,394,352	100.0%	85,459,182	81,848,570	95.8%
Other Expenditures					
Principal Retirement	441,444		206,760	268,266	
Interest and Fiscal Charges	11,925		6,047	6,047	
Capital Outlay	610,735		301,501	275,565	
Total Expenditures	76,458,456		85,973,490	82,398,448	
Other Funding Sources/(Uses)					
Transfers In	4,949,456		6,226,770	6,261,713	
Transfer Out	(5,470,657)		(7,854,430)	(8,237,371)	
Other Funding Sources/(Uses)*	15,900			(18,570)	
Total Other	(505,301)		(1,627,660)	(1,994,229)	
Net Change in Fund Balance	11,653,188		(2,286,197)	3,448,103	
Beginning Fund Balance	17,201,848		28,855,036	28,855,036	
Ending Fund Balance	\$28,855,036		\$26,568,839	\$32,303,139	

Enterprise Fund - Water/Sewer

Revenues were \$52,989,550, 94.2% of budget and \$2,483,259 (4.5%) 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 September 2021 were \$1,361,062 which is 86.5% of budget.

Expenses were \$60,765,903 which represents an increase over the prior year by \$6,902,857, 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	\$ 25,232,854	100.0%	\$ 26,865,280	\$ 24,726,803	92.0%
Sewer Revenues	22,716,673	100.0%	22,807,281	\$ 21,869,109	95.9%
Other Service Charges	1,190,040	100.0%	1,573,900	\$ 1,361,062	86.5%
Other Financing Sources					
Interest Income	254,094	100.0%	16,000	\$ 10,572	66.1%
Miscellaneous	243,450	100.0%	19,050	\$ (60,867)	-319.5%
Transfers In	5,835,697	100.0%	5,000,000	\$ 5,082,871	101.7%
Total Revenues	55,472,809	100.0%	56,281,511	52,989,550	94.2%
Expenses					
Utility (Billing) Customer	1,871,404	100.0%	2,165,242	2,147,954	99.2%
Information Technology	1,588,056	100.0%	1,834,013	1,781,866	97.2%
Public Works					
Administration	774,651	100.0%	1,333,975	1,053,577	79.0%
Ground Maintenance	577,573	100.0%	712,571	695,394	97.6%
Lift Stations	1,281,326	100.0%	1,381,719	1,245,329	90.1%
Wastewater Treatment	4,161,000	100.0%	4,503,483	4,173,498	92.7%
Backflow Compliance	356,848	100.0%	343,351	349,157	101.7%
Water Production	10,358,141	100.0%	9,878,032	7,545,625	76.4%
Distribution & Collections	2,943,309	100.0%	3,139,881	3,022,379	96.3%
Construction	1,307,482	100.0%	1,431,315	1,371,096	95.8%
Meter Services	544,184	100.0%	779,128	637,811	81.9%
Pre-Treatment FOG	222,964	2.5%	225,551	243,720	108.1%
Other Requirements	8,804,594	46.2%	10,123,522	10,131,661	100.1%
Debt Service	19,071,512	100.0%	27,382,629	26,366,837	96.3%
Total Expenses	53,863,045	100.0%	65,234,412	60,765,903	93.2%
Other Funding Sources (Uses)					
YTD Change in Cash Equivalents	1,609,763		(8,952,901)	(7,776,353)	
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	\$ 35,355,485		\$ 19,780,097	\$ 20,956,645	

Property Insurance Fund

Premiums are budgeted to be \$1,545,292, payments to date total \$1,465,697.

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 September was \$1,664,003.

Ending net position as of September 2021 is \$1,173,180.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Insurance Reimbursements	154,928	150,000	338,222	225.5%
Workers Compensation	-	475,000	472,472	99.5%
Transfer In (Premium Reimbursements)	1,503,381	1,664,003	1,664,003	100.0%
Total Operating Revenues	1,658,309	2,289,003	2,474,697	108.1%
Operating Expenses				
Workers Compensation				
Professional Contractual	-	81,505	30,000	
Insurance Miscellaneous	-	177,450	140,285	
Claims Miscellaneous	-	100,000	65,815	
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	640,516	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	37,764	40.0%
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	60,119	83,687	102,400	122.4%
Claims Paid	79,319	183,750	109,153	59.4%
Capital Outlay				0.0%
Transfer Out	37	110	-	0.0%
Total Operating Expenses	1,459,576	2,171,794	1,913,349	88.1%
Operating Income (Loss)	198,733	117,209	561,348	
Earnings on Investments	4,173	160	145	
Other Revenues (Expenses)	27,976			
Change in Net Position	230,882	117,369	561,493	
Beginning Net Position	451,333	105,082	611,687	
Ending Net Position	682,215	222,451	1,173,180	

Self-Insured Medical Fund

Contributions of premiums from the City, Employee, Retirees and COBRA participants were \$8,879,128, 99.8% of budget through September 2021 with an additional \$401,769 received from Cigna rebates.

Medical Insurance Claims are budgeted (as amended) at \$8,046,157. Claims paid through September 2021 total \$8,007,351, 99.5% of the amended budget which is \$1,123,651 (14%) higher than claims paid through September 2020

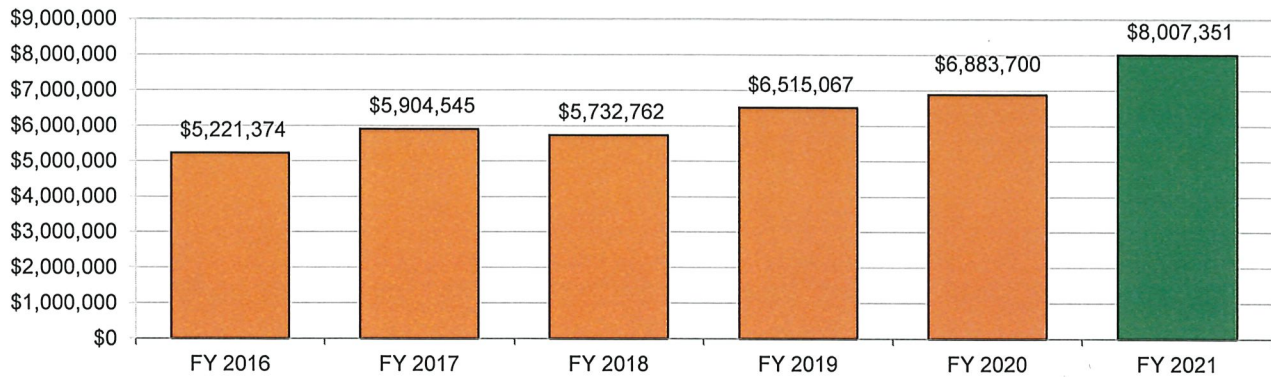
Claims paid through September 2021 were \$11,741 per employee, \$935 more than the amount per employee through September 2020.

Fund balance as of September 2021 was \$3,517,919.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Employee Premiums	\$ 1,422,201	\$ 1,478,224	\$ 1,478,981	100.1%
City Premiums	6,422,250	7,404,768	7,334,777	99.1%
Retiree Premiums	23,886	30,000	24,155	80.5%
Cobra	14,190	-	41,215	100.0%
Miscellaneous	429,369	387,278	401,769	103.7%
Total Operating Revenues	8,311,896	9,300,270	9,280,896	99.8%
Operating Expenses				
Professional Contractual	-	35,500	32,951	92.8%
Administrative Fees	1,279,911	1,321,104	1,306,371	98.9%
Medical Insurance Claims	6,883,700	8,046,157	8,007,351	99.5%
Wellness Programs	31,417	52,205	40,993	78.5%
Total Operating Expenses	8,195,028	9,454,966	9,387,665	99.3%
Operating Income (Loss)	116,868	(154,696)	(106,769)	
Earnings on Investments	22,429	1,105	1,103	
Change in Net Position	139,297	(153,591)	(105,666)	
Beginning Net Position	3,484,288	3,623,585	3,623,585	
Ending Net Position	\$ 3,623,585	\$ 3,469,994	\$ 3,517,919	

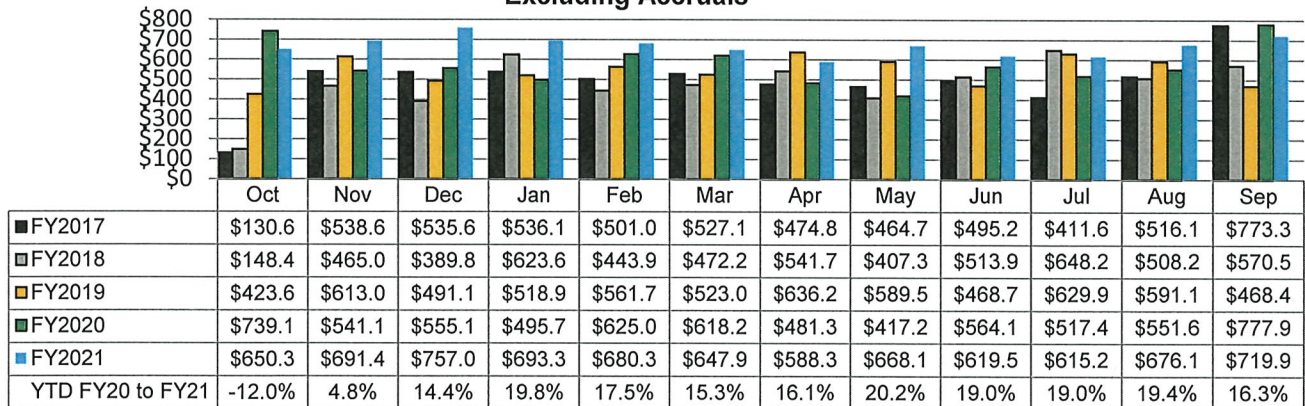
Self-Insured Medical Fund

Medical Claims Paid Year-to-Date Excluding Accruals



Claims Paid per Employee:	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Number of Employeess on Medical Insurance	571	584	596	628	637	682
Actual YTD per Enrollee	\$9,144	\$10,111	\$9,619	\$10,374	\$10,806	\$11,741

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 September 2021 was \$1,231,585. Hotel occupancy rates started to rebound in the latter half of FY21, which caused a slight increase in taxes collected over FY20.

Expenditures through September 2021 of \$899,417 include Administrative expenses for the Convention & Visitor's Bureau, Hotel and Cultural Grant programs and Advertising. Fund balance as of September 2021 is \$5,802,838.

	FY 2020 ACTUAL TO-DATE	FY 2021 AMENDED BUDGET	FY 2021 ACTUAL TO-DATE	FY 2021 % of BUDGET
Revenues				
Hotel/Motel Occupancy Tax	\$ 993,985	\$ 921,900	\$ 1,231,585	133.6%
Interest Income	64,956	6,000	3,832	63.9%
Miscellaneous	27,278	4,000	12,385	309.6%
Total Revenues	1,086,218	931,900	1,247,803	133.9%
Expenditures				
Salaries and Benefits	109,597	255,450	246,112	96.3%
Materials & Supplies	40,195	87,750	55,008	62.7%
Miscellaneous Services	755,969	668,166	581,657	87.1%
Capital Outlay	-	500,000	-	0.0%
Transfers Out	665	16,640	16,640	100.0%
Total Expenditures	906,426	1,528,006	899,417	58.9%
Other Funding Sources/(Uses)	1,246			
Revenues Over (Under) Expenditures	181,039	(596,106)	348,386	
Beginning Fund Balance	5,273,413	5,454,452	5,454,452	
Ending Fund Balance	\$5,454,452	\$ 4,858,346	\$ 5,802,838	

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

TIRZ #2

Total revenue through September 2021 is \$33,851,087. The TIRZ has received tax increment payments from the City of Pearland in the amount of \$19,793,844, \$3,103,159 from Brazoria County, \$1,458,175 from Fort Bend County and \$7,056,261 from Alvin ISD.

Expenditures through September were \$33,642,687; of this total \$12,668,546 was paid to the City of Pearland for services provided. The available balance as of September 2021, net of the AISD Suspense Fund, is \$29,049.

	FY 2020 ACTUAL TO-DATE	FY 2021 ACTUAL TO-DATE	% CHANGE
Revenues			
Taxes			
Alvin ISD	\$ 6,768,945	\$ 7,056,261	4.2%
Brazoria County	2,808,894	3,103,159	10.5%
City of Pearland	18,819,482	19,793,844	5.2%
Fort Bend County	1,403,852	1,458,175	3.9%
Supplemental	2,460,429	2,422,462	-1.5%
Interest	34,722	17,188	-50.5%
Miscellaneous/AISD	20,594	-	-100.0%
Total Revenues	32,316,918	33,851,087	4.7%
Expenditures			
Miscellaneous Services	67,418	56,841	-15.7%
Payment to City of Pearland	12,424,106	12,668,546	2.0%
Payment to Development Authority	-	-	0.0%
Transfers Out	22,544,542	20,917,299	-7.2%
Total Expenditures	35,036,066	33,642,687	-4.0%
Net Change in Fund Balance	(2,719,148)	208,401	-107.7%
Beginning Fund Balance	9,599,014	6,879,867	-28.3%
Less: AISD Suspense Fund	6,749,649	7,059,218	4.6%
Ending Fund Balance	\$ 130,216	\$ 29,049	-77.7%

Development Authority - DAP

Revenues through September 2021 total \$20,920,543 with bond proceeds totaling \$0. Expenditures total \$22,764,746, which includes bond issuance costs, reimbursements to developers (for infrastructure improvements) and other professional services. The available fund balance as of September 2021, excluding the portion for the debt service reserve, is \$11,883,788.

	FY 2020 ACTUAL TO-DATE	FY 2021 ACTUAL TO-DATE	% CHANGE
Revenues			
Transfers In	22,544,542	20,917,299	-7.2%
Interfund Reimbursement	-	\$ -	0.0%
Bond Proceeds	4,255,000	-	-100.0%
Miscellaneous	-	-	0.0%
Interest	13,262	3,244	-75.5%
Total Revenues	26,812,803	20,920,543	-22.0%
Expenditures			
Professional Services	8,960	10,718	19.6%
Reimbursement to Developer	10,247,317	12,615,582	23.1%
Bond Payments:			
Interest	2,369,640	2,178,146	-8.1%
Principal	7,625,000	7,960,000	4.4%
Bond Issuance Cost	162,831	-	-100.0%
Arbitrage/Fiscal Fees	9,550	300	-96.9%
Other Debt Service			0.0%
Total Expenditures	20,423,297	22,764,746	11.5%
Net Change in Fund Balance	6,389,507	(1,844,203)	
Beginning Fund Balance	8,324,602	14,714,109	
Debt Service Reserve	10,455	986,118	
Ending Fund Balance	\$ 14,703,654	\$ 11,883,788	