



CITY OF PEARLAND

First Quarter Financial Report

Fiscal Year (FY) 2022

Through December 2021

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

This report represents a general overview of financial operations through the 1st quarter of the Fiscal Year 2022 or year to date as of December 2021.

Beginning fund balances reflect actual balances. Revenue and expenditure budget numbers reflect the budget for FY 2022 as amended by the City Council.

Summary

Property Taxes received year-to-date total \$43,382,479, 48.1% of the Budgeted Levy.

Sales Tax deposits were \$10,096,956, 16.9% higher than prior year

Debt Service fund balance to date is \$24,997,771

General Fund balance to date is \$38,137,322

Water/Sewer fund cash equivalents for the operating fund were \$22,158,407

Property Insurance premiums are budgeted to be \$1,919,530 while payments to date total \$674,553. Ending net assets to date are \$1,344,050.

Medical Claims – the City is self-insured for medical claims and to date \$2,301,242 in premiums have been collected and \$2,371,611 has been paid out

Hotel/Motel Occupancy Tax – Budgeted hotel tax was \$921,900 and as of December 2021, \$0 has been collected. Collections will occur in the second quarter.

TIRZ revenues were \$10,787,141 including interest earnings. TIRZ received tax increment payments from the City of Pearland in the amount of \$10,765,935, \$0 from Brazoria County, \$18,255 from Fort Bend County and \$0 from Alvin ISD.

Development Authority Bond Proceeds were \$0 in the first quarter and \$10,876,480 was paid out primarily to infrastructure developers.

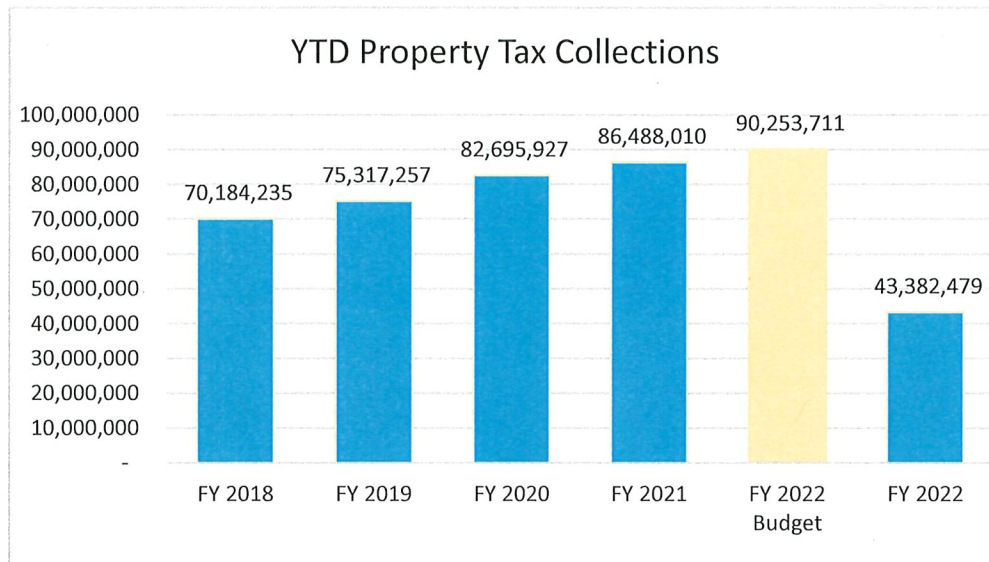
Property Tax

Through December 31, 2021, the City received \$43,382,479 for current taxes, 48.1% 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 2022 BUDGETED LEVY	FY 2022 ACTUAL COLLECTIONS*	% BUDGETED LEVY COLLECTED
Sources:			
Ad Valorem Taxes	90,253,711	43,382,479	48.1%
Uses:			
General Fund	31,109,155	14,456,643	46.5%
Debt Service Fund	39,350,712	18,159,901	46.1%
TIRZ**	19,793,844	10,765,935	54.4%
Total Uses	90,253,711	43,382,479	48.1%

*Unreconciled totals as of the date of this report.

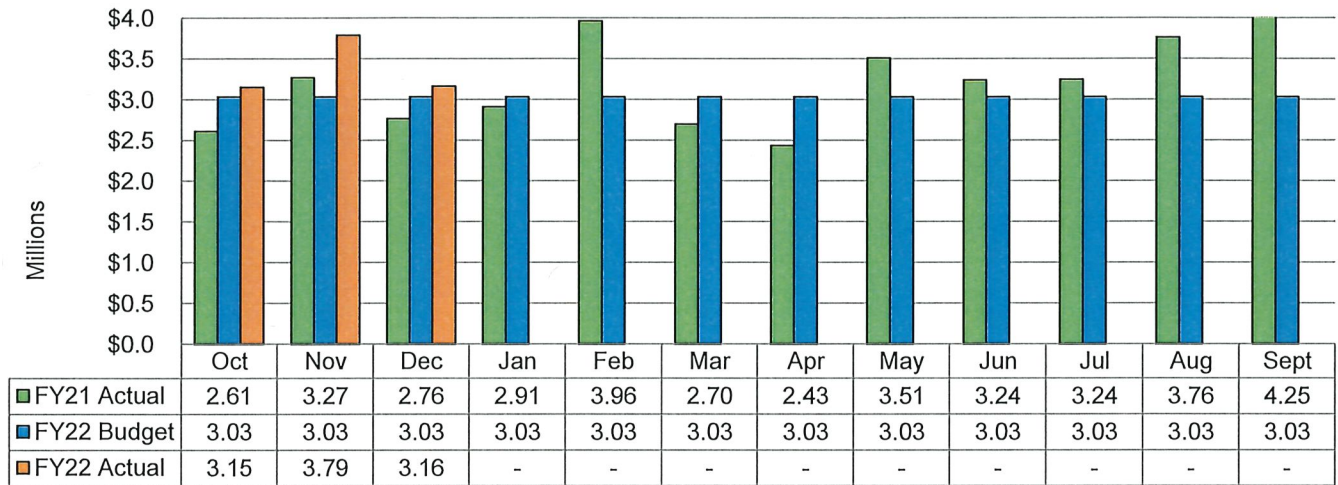
**Only inclusive of the City of Pearland TIRZ portion



Sales Tax

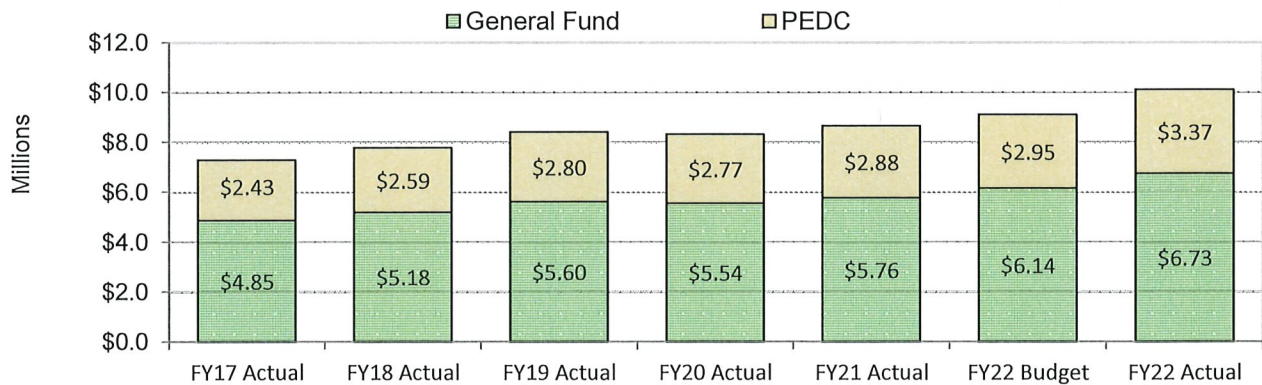
Sales tax deposits from the State Comptroller’s Office for the year ending December 31, 2021 totaled \$10,096,956, a 16.9% increase over the prior year. We received sales tax deposits of \$3,147,961 in October for July collections, \$3,787,928 in November for August collections, and \$3,161,067 in December

YTD Sales Tax Deposits



Budgeted amounts reflect the Adopted Budget.

Year-To-Date Sales Tax Deposits



Debt Service

Property taxes received as of December 2021 total \$18,159,901, 46.1% of amended budget and includes amounts for current and delinquent taxes including penalties and interest. Miscellaneous revenue of \$184,296 consists of pro-rata lease payments from the tenants in the University of Houston facility.

	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues			
Property Taxes	\$ 39,350,712	\$ 18,159,901	46.1%
Interest	10,000	751	7.5%
Miscellaneous	737,205	184,296	25.0%
Bond Premiums	-	-	0.0%
Transfers	3,074,368	768,592	25.0%
Total Revenues	43,172,285	19,113,540	44.3%
Expenditures			
MUD Rebates	7,591,760	-	0.0%
Debt Service	36,744,004	-	0.0%
Bond Payment	-	-	0.0%
Fiscal Agent/Arbitrage	90,000	3,000	3.3%
Total Expenditures	44,425,764	3,000	0.0%
Net Change in Fund Balance	(1,253,479)	19,110,540	
Beginning Fund Balance	5,887,231	5,887,231	
Ending Fund Balance	\$ 4,633,752	\$ 24,997,771	

General Fund

Revenues through December 2021 were \$25,721,333, 28% of budget and \$6,142,554 lower than prior year due primarily to the TIRZ Admin Fee (booked in the 2nd quarter).

Expenses through December 2021 were \$20,405,550, 22% of budget and \$1,241,626 higher than prior year due to slightly higher Public Safety expenses offset by lower general governmental.

The Fund Balance as of December 2021 is \$38,137,322 which represents a 8.1% decrease from prior year.

	FY 2021 ACTUAL TO-DATE	FY 2021 % of TOTAL	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues					
Property Taxes	\$14,887,384	52.6%	\$31,109,155	\$14,456,643	46.5%
Sales and Use Taxes	5,760,187	22.0%	24,867,810	6,767,566	27.2%
Franchise Fees	449,436	6.7%	6,375,698	0	0.0%
Licenses & Permits	1,240,063	28.9%	4,398,520	1,059,419	24.1%
Fines & Forfeitures	349,966	19.9%	2,461,382	428,342	17.4%
Charges for Service	8,089,785	41.7%	21,934,344	2,864,054	13.1%
Investment Earnings	13,286	59.5%	48,000	4,589	9.6%
Other	1,073,781	236.6%	709,601	140,719	19.8%
Total Revenues	31,863,887	36.6%	91,904,510	25,721,333	28.0%
Operating Expenditures					
General Government	3,116,928	26.1%	15,162,877	2,863,302	18.9%
Public Safety	11,814,261	24.1%	52,702,212	12,892,999	24.5%
Public Works	2,012,051	18.5%	12,905,271	1,988,891	15.4%
Community Services	995,913	24.4%	4,686,806	1,187,143	25.3%
Parks & Recreation	1,224,771	20.4%	6,912,071	1,473,215	21.3%
Total Operating Expenditures	19,163,924	23.4%	92,369,237	20,405,550	22.1%
Other Expenditures					
Principal Retirement	103,163		122,681	0	
Interest and Fiscal Charges	3,240		2,656	0	
Capital Outlay	9,427		851,588	68,675	
Total Expenditures	19,279,754		93,346,162	20,474,225	
Other Funding Sources/(Uses)					
Transfers In	1,306,692		9,441,314	2,360,329	
Transfer Out	(1,456,936)		(10,276,790)	(1,994,515)	
Other Funding Sources/(Uses)*	(18,570)			0	
Total Other	(168,813)		(835,476)	365,814	
Net Change in Fund Balance	12,415,320		(2,277,128)	5,612,922	
Beginning Fund Balance	29,076,297		32,524,400	32,524,400	
Ending Fund Balance	\$41,491,617		\$30,247,272	\$38,137,322	

Enterprise Fund - Water/Sewer (Operating Fund)

Revenues were \$14,284,556, 26.2% of budget and \$375,897 (2.7%) higher 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 December 2021 were \$166,230 which is 10.6% of budget.

Expenses were \$13,082,793 which represents a decrease from prior year of (\$441,829), this is primarily due to debt service.

	FY 2021 ACTUAL TO-DATE	FY 2021 % of ACTUAL	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues					
Sale of Water	\$ 7,747,756	31.3%	\$ 28,063,627	\$ 7,808,016	27.8%
Sewer Revenues	5,637,375	25.8%	24,361,195	\$ 6,198,081	25.4%
Other Service Charges	363,972	26.7%	1,575,000	\$ 166,230	10.6%
Other Financing Sources					
Interest Income	2,391	22.6%	25,000	\$ 387	1.5%
Miscellaneous	94,664	179.4%	12,500	\$ 11,842	94.7%
Transfers In	62,500	6.2%	400,000	\$ 100,000	25.0%
Total Revenues	13,908,659	28.4%	54,437,322	14,284,556	26.2%
Expenses					
Utility (Billing) Customer	525,277	24.5%	2,057,862	471,445	22.9%
Information Technology	271,675	15.2%	2,078,224	458,219	22.0%
Public Works					
Administration	229,167	21.8%	2,120,724	349,848	16.5%
Ground Maintenance	161,713	23.3%	749,896	160,546	21.4%
Lift Stations	233,510	18.8%	1,341,710	219,602	16.4%
Wastewater Treatment	703,459	16.9%	5,079,658	690,751	13.6%
Backflow Compliance	86,624	24.8%	376,644	91,227	24.2%
Water Production	879,821	11.7%	11,547,305	858,988	7.4%
Distribution & Collections	651,437	21.6%	4,142,197	882,136	21.3%
Construction	322,619	23.5%	-	9,673	100.0%
Meter Services	115,029	18.0%	807,396	139,745	17.3%
Pre-Treatment FOG	59,322	0.6%	259,333	57,219	22.1%
Surface Water Plant	-	0.0%	782,938	50,499	6.4%
Other Requirements	2,410,783	9.1%	34,571,583	8,642,896	25.0%
Debt Service	6,874,186	26.1%	-	-	0.0%
Total Expenses	13,524,622	22.3%	65,915,470	13,082,793	19.8%
Other Funding Sources (Uses)					
YTD Change in Cash Equivalents	384,037		(11,478,148)	1,201,762	
Beginning Cash Equivalents	38,313,362		20,956,645	20,956,645	
YTD Cash Equivalents	\$ 38,697,399		\$ 9,478,497	\$ 22,158,407	

Enterprise Fund - Water/Sewer (Debt Service)

Revenues were \$7,668,700, 25% of budget and \$4,284,439 lower than prior year due to bond proceeds received in FY21.

Expenses were \$750, which was \$3,813,538 lower than prior year due to the bond proceeds received in FY21 as noted above.

	FY 2021 ACTUAL TO-DATE	FY 2021 % of ACTUAL	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues					
Bond Proceeds	3,805,508	100.0%			0.0%
Interest Income	533	9.6%	5,500	827	15.0%
Miscellaneous	-	0.0%	-	-	0.0%
Transfers In	8,147,098	19.5%	30,671,491	7,667,873	25.0%
Total Revenues	\$ 11,953,139	-3.9%	\$ 30,676,991	\$ 7,668,700	25.0%
Expenses					
Debt Service - Principal	\$ -	0.0%	\$ 18,365,000	-	0.0%
Debt Service - Interest	-	0.0%	7,871,290	-	0.0%
Bond Issuance Costs	29,477	2.1%	150,000		0.0%
Other Debt Service	3,784,811	49.0%	30,000	750	2.5%
Transfers Out	-	0.0%	-	-	0.0%
Total Expenses	\$ 3,814,288	3.9%	\$ 26,416,290	\$ 750	0.0%
Other Funding Sources (Uses)					
YTD Change in Cash Equivalents	8,138,851		4,260,701	7,667,950	
Beginning Cash Equivalents	9,580,364		13,087,664	13,087,664	
YTD Cash Equivalents	\$ 17,719,215		\$ 17,348,365	\$ 20,755,614	

Property Insurance Fund

Premiums are budgeted to be \$1,919,530, payments to date total \$674,553.

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 \$457,048.

Ending net position as of December 2021 is \$1,344,050.

	FY 2021 ACTUAL TO-DATE	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues				
Insurance Reimbursements	-	175,000	310,824	177.6%
Workers Compensation	127,799	490,000	139,505	28.5%
Transfer In (Premium Reimbursements)	416,001	1,828,191	457,048	25.0%
Total Operating Revenues	543,800	2,493,191	907,376	36.4%
Operating Expenses				
Workers Compensation				
Professional Contractual	17,500	81,505		
Insurance Miscellaneous	140,285	155,000		
Claims Miscellaneous	5,464	250,000	27,781	
Contractual Services (Insurance Premiums)				
General Liability		40,989	29,755	72.6%
Errors & Omissions		59,706	48,637	81.5%
Public Employee Dishonesty		2,321	1,376	59.3%
Animal Mortality		6,844	2,117	30.9%
Law Enforcement		67,178	77,382	115.2%
Real & PP Property		203,800	181,305	89.0%
Windstorm Damage		830,500		0.0%
Automobile		104,058	107,776	103.6%
Auto Damage		139,952	161,061	115.1%
Mobile Equipment		19,530		0.0%
Pollution Liability		1,959		0.0%
Misc Premiums		94,500		0.0%
Sewage Back-up		19,600	16,644	84.9%
Rain-Out (Parks)		6,900		0.0%
Claims Retention		199,136	10,382	5.2%
Flood	52,948	85,000	38,117	44.8%
Cyber Security		37,557		0.0%
Administration and Other Operating Exp	14,908	88,152	15,972	18.1%
Claims Paid	(20,686)			0.0%
Capital Outlay				0.0%
Transfer Out	28	-	-	0.0%
Total Operating Expenses	210,447	2,494,187	718,305	28.8%
Operating Income (Loss)	333,353	(996)	189,071	
Earnings on Investments	36	3,500	45	
Other Revenues (Expenses)				
Change in Net Position	333,389	2,504	189,116	
Beginning Net Position	611,687	1,154,934	1,154,934	
Ending Net Position	945,076	1,157,438	1,344,050	

Self-Insured Medical Fund

Contributions of premiums from the City, Employee, Retirees and COBRA participants were \$2,301,242, 24.7% of budget through December 2021 with an additional \$112,649 received from Cigna rebates.

Medical Insurance Claims are budgeted (as amended) at \$8,324,519. Claims paid through December 2021 total \$2,371,611, 28.5% of the amended budget which is \$272,845 (11.5%) higher than claims paid through December 2020

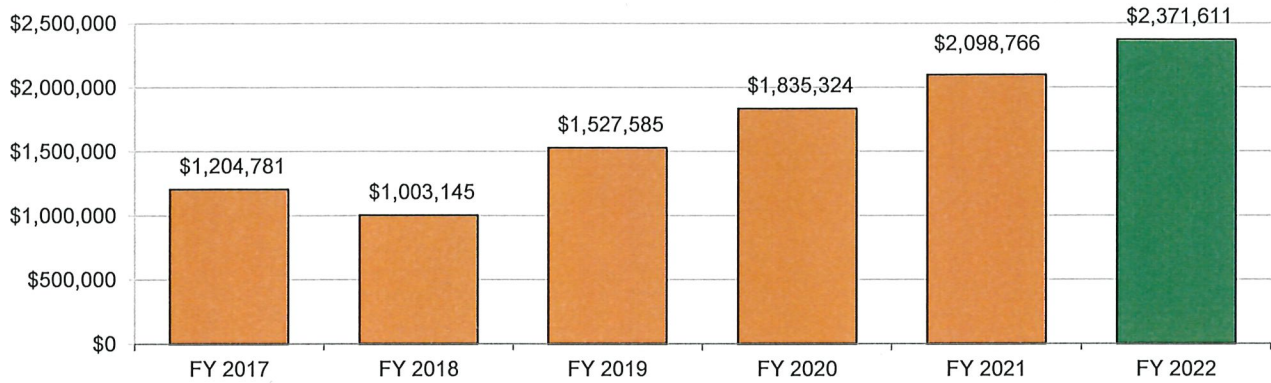
Claims paid through December 2021 were \$3,503 per employee, \$426 more than the amount per employee through December 2020.

Fund balance as of December 2021 was \$2,838,953.

	FY 2021 ACTUAL TO-DATE	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues				
Employee Premiums	\$ 367,393	\$ 1,542,236	\$ 387,542	25.1%
City Premiums	1,862,914	7,766,287	1,894,158	24.4%
Retiree Premiums	6,000	30,000	6,483	21.6%
Cobra	8,955	-	13,060	100.0%
Miscellaneous	83,241	436,004	112,649	25.8%
Total Operating Revenues	2,328,503	9,774,527	2,413,891	24.7%
Operating Expenses				
Professional Contractual	7,500.00	30,000	-	0.0%
Administrative Fees	336,296	1,395,051	231,834	16.6%
Medical Insurance Claims	2,098,766	8,324,519	2,371,611	28.5%
Wellness Programs	27,050	26,063	2,698	10.4%
Total Operating Expenses	2,469,612	9,775,633	2,606,143	26.7%
Operating Income (Loss)	(141,109)	(1,106)	(192,252)	
Earnings on Investments	295	1,105	303	
Change in Net Position	(140,814)	(1)	(191,949)	
Beginning Net Position	3,623,585	3,030,902	3,030,902	
Ending Net Position	\$ 3,482,771	\$ 3,030,901	\$ 2,838,953	

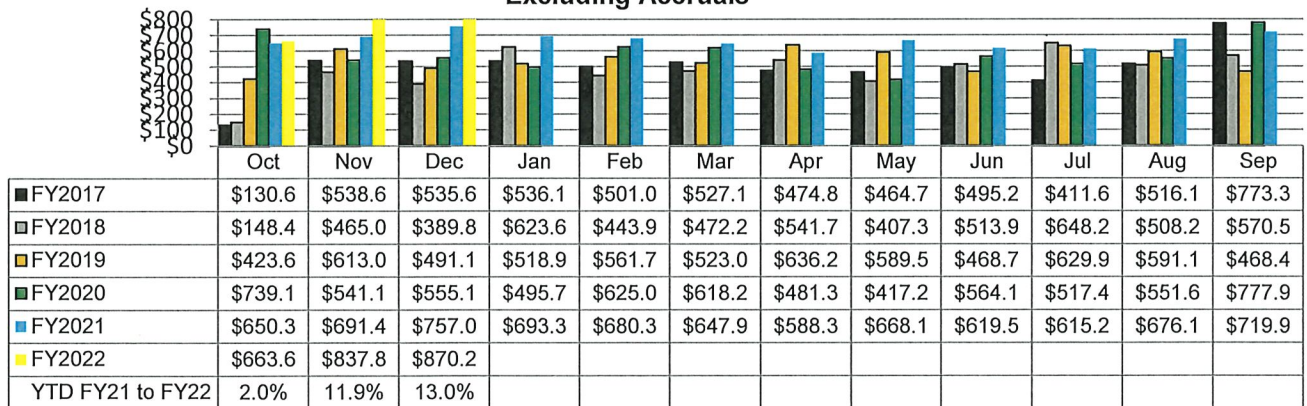
Self-Insured Medical Fund

Medical Claims Paid Year-to-Date Excluding Accruals



Claims Paid per Employee:	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Number of Employses on Medical Insurance	584	596	628	637	682	677
Actual YTD per Enrollee	\$1,718	\$1,683	\$2,432	\$2,881	\$3,077	\$3,503

Medical Claims Paid Monthly Excluding Accruals



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

The budgeted occupancy tax from Pearland hotels for FY 2022 was \$921,900, total received as of December 2021 was \$0. Hotel taxes will be collected in the second quarter.

Expenditures through December 2021 of \$227,302 include Administrative expenses for the Convention & Visitor's Bureau, Hotel and Cultural Grant programs and Advertising. Fund balance as of December 2021 is \$5,694,083.

	FY 2021 ACTUAL TO-DATE	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues				
Hotel/Motel Occupancy Tax	(13,487)	921,900	-	0.0%
Interest Income	(456)	6,000	618	10.3%
Miscellaneous	1,000	-	3,036	100.0%
Total Revenues	\$ (12,942)	\$ 927,900	\$ 3,655	0.4%
Expenditures				
Salaries and Benefits	52,808	325,122	75,937	23.4%
Materials & Supplies	8,448	104,205	12,964	12.4%
Miscellaneous Services	108,583	627,557	133,831	21.3%
Capital Outlay	-	-	-	0.0%
Transfers Out	4,160	18,282	4,571	25.0%
Total Expenditures	\$ 173,999	\$ 1,075,166	\$ 227,302	21.1%
Other Funding Sources/(Uses)				
Revenues Over (Under) Expenditures	(186,941)	(147,266)	(223,648)	
Beginning Fund Balance	5,454,452	5,917,731	5,917,731	
Ending Fund Balance	\$ 5,267,511	\$ 5,770,465	\$ 5,694,083	

TIRZ #2

Total revenue through December 2021 is \$10,787,141. The TIRZ has received tax increment payments from the City of Pearland in the amount of \$10,765,935, \$0 from Brazoria County, \$18,255 from Fort Bend County and \$0 from Alvin ISD.

Expenditures through December were (\$806,751); of this total (\$811,400) was credited to the City of Pearland for services provided, this credit was corrected in the 2nd quarter. The available balance as of December 2021, net of the AISD Suspense Fund, is \$11,620,093.

	FY 2021 ACTUAL TO-DATE	FY 2022 ACTUAL TO-DATE	% CHANGE
Revenues			
Taxes			
Alvin ISD	-	-	0.0%
Brazoria County	-	-	0.0%
City of Pearland	10,915,297	10,765,935	-1.4%
Fort Bend County	-	18,255	100.0%
Supplemental	-	-	0.0%
Interest	2,783	2,951	6.0%
Miscellaneous/AISD	-	-	0.0%
Total Revenues	\$ 10,918,080	\$ 10,787,141	-1.2%
Expenditures			
Miscellaneous Services	3,934	4,648	18.2%
Payment to City of Pearland	6,985,793	(811,400)	-111.6%
Payment to Development Authority	-	-	0.0%
Transfers Out	-	-	0.0%
Total Expenditures	\$ 6,989,727	\$ (806,751)	-111.5%
Net Change in Fund Balance	3,928,353	11,593,892	0.0%
Beginning Fund Balance	6,879,867	7,088,267	3.0%
Less: AISD Suspense Fund	6,774,722	7,062,065	4.2%
Ending Fund Balance	\$ 4,033,496	\$ 11,620,093	0.0%

Development Authority - DAP

Revenues through December 2021 total \$459 with bond proceeds totaling \$0. Expenditures total \$10,876,480, which includes bond issuance costs, reimbursements to developers (for infrastructure improvements) and other professional services. The available fund balance as of December 2021, excluding the portion for the debt service reserve, is \$1,007,767.

	FY 2021 ACTUAL TO-DATE	FY 2022 ACTUAL TO-DATE	% CHANGE
Revenues			
Transfers In	-	-	0.0%
Interfund Reimbursement	-	-	0.0%
Bond Proceeds	-	-	0.0%
Miscellaneous	-	-	0.0%
Interest	405	459	13.3%
Total Revenues	\$ 405	\$ 459	13.3%
Expenditures			
Professional Services	5,800	-	-100.0%
Reimbursement to Developer	12,615,582	10,876,480	-13.8%
Bond Payments:			
Interest	-	-	0.0%
Principal	-	-	0.0%
Bond Issuance Cost	-	-	0.0%
Arbitrage/Fiscal Fees	-	-	0.0%
Other Debt Service	-	-	0.0%
Total Expenditures	\$ 12,621,382	\$ 10,876,480	-13.8%
Net Change in Fund Balance	(12,620,977)	(10,876,021)	
Beginning Fund Balance	14,714,109	12,869,906	
Debt Service Reserve	1,089,973	986,118	
Ending Fund Balance	\$ 1,003,158	\$ 1,007,767	