



CITY OF PEARLAND

Second Quarter Financial Report

Fiscal Year (FY) 2022

Through March 2022

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This report represents a general overview of financial operations through the 2nd quarter of the Fiscal Year 2022 or year to date as of March 2022.

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 \$84,211,398, 93.3% of the Budgeted Levy.

Sales Tax deposits were \$21,021,031, 15.5% higher than prior year

Debt Service fund balance to date is \$14,878,734

General Fund balance to date is \$58,836,111

Water/Sewer fund cash equivalents for the operating fund were \$20,435,239

Property Insurance premiums are budgeted to be \$1,919,530 while payments to date total \$804,323. Ending net assets to date are \$1,667,109.

Medical Claims – the City is self-insured for medical claims and to date \$4,582,345 in premiums have been collected and \$4,653,738 has been paid out

Hotel/Motel Occupancy Tax – Budgeted hotel tax was \$921,900 and as of March 2022, \$354,121 has been collected.

TIRZ revenues were \$24,209,196 including interest earnings. TIRZ received tax increment payments from the City of Pearland in the amount of \$19,271,633, \$0 from Brazoria County, \$1,499,474 from Fort Bend County and \$3,430,905 from Alvin ISD.

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

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

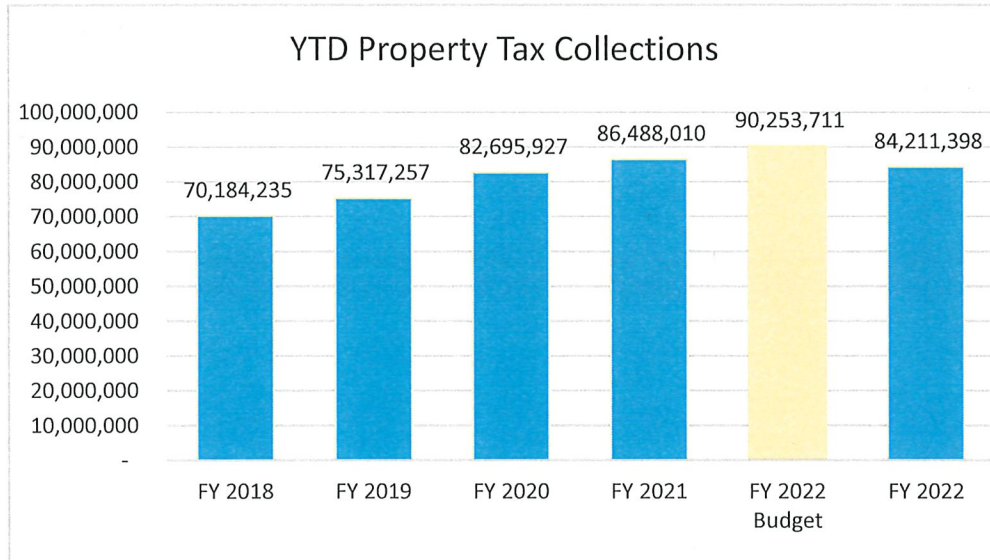
Property Tax

Through March 31, 2022, the City received \$84,211,398 for current taxes, 93.3% of the budgeted tax levy. This does not include delinquent taxes, prior year collections or audit adjustments. The budget incorporates a 99% collection rate.

<u>Tax Summary</u>	<u>FY 2022 BUDGETED LEVY</u>	<u>FY 2022 ACTUAL COLLECTIONS*</u>	<u>% BUDGETED LEVY COLLECTED</u>
Sources:			
Ad Valorem Taxes	90,253,711	84,211,398	93.3%
Uses:			
General Fund	31,109,155	28,721,574	92.3%
Debt Service Fund	39,350,712	36,218,191	92.0%
TIRZ**	19,793,844	19,271,633	97.4%
Total Uses	90,253,711	84,211,398	93.3%

*Unreconciled totals as of the date of this report.

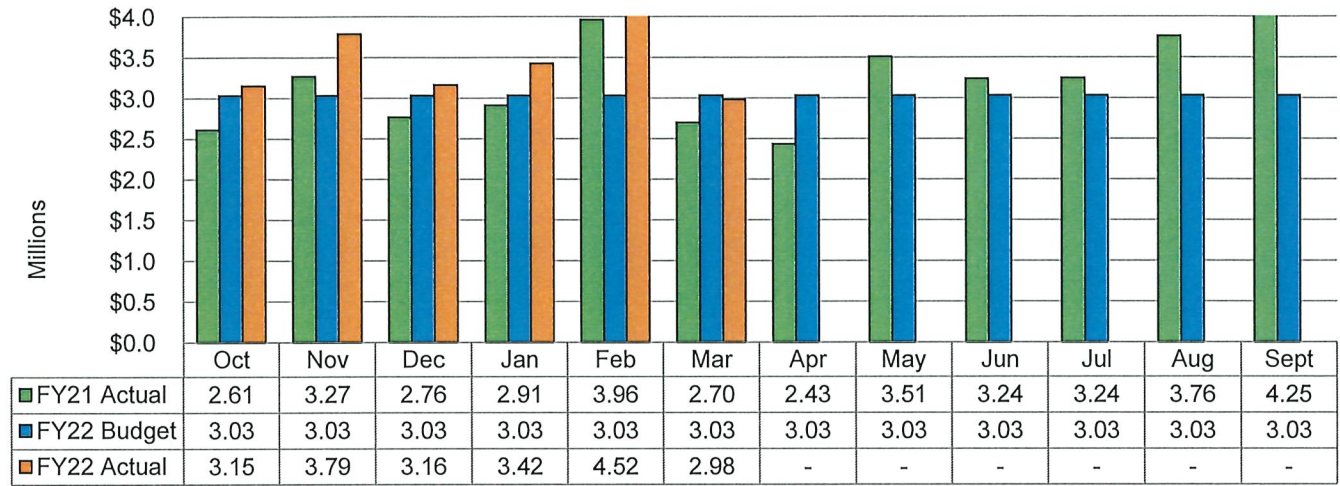
**Only inclusive of the City of Pearland TIRZ portion



Sales Tax

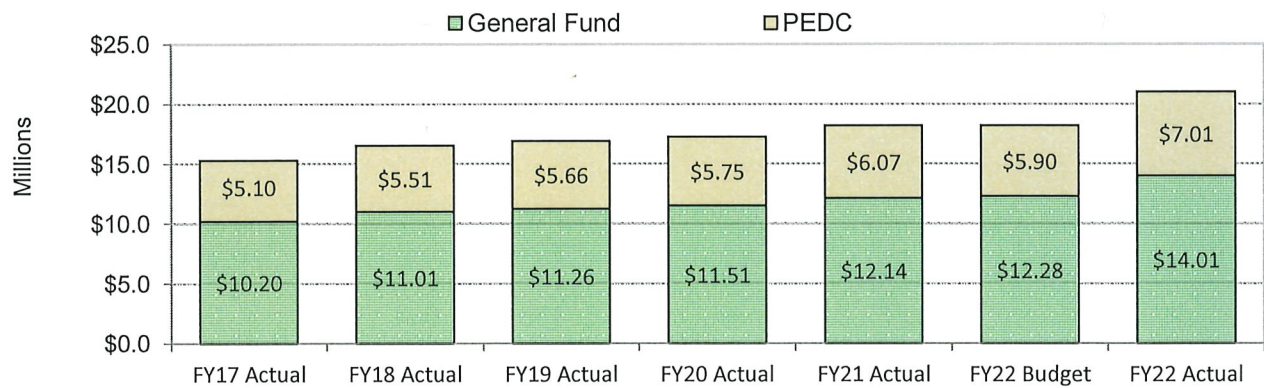
Sales tax deposits from the State Comptroller's Office for the year ending March 31, 2022 totaled \$21,021,031, a 15.5% increase over the prior year. We received sales tax deposits of \$3,423,388 in January for October collections, \$4,521,040 in February for November collections, and \$2,979,647 in 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 2022 total \$36,218,191, 92% of amended budget and includes amounts for current and delinquent taxes including penalties and interest. Miscellaneous revenue of \$368,591 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	36,218,191	92.0%
Interest	10,000	6,869	68.7%
Miscellaneous	737,205	368,591	50.0%
Bond Premiums	-	-	0.0%
Transfers	3,074,368	1,537,184	50.0%
Total Revenues	\$ 43,172,285	\$ 38,130,835	88.3%
Expenditures			
MUD Rebates	7,591,760	-	0.0%
Debt Service	36,744,004	29,134,432	79.3%
Bond Payment	-	-	0.0%
Fiscal Agent/Arbitrage	90,000	4,900	5.4%
Total Expenditures	\$ 44,425,764	\$ 29,139,332	65.6%
Net Change in Fund Balance	(1,253,479)	8,991,503	
Beginning Fund Balance	5,887,231	5,887,231	
Ending Fund Balance	\$ 4,633,752	\$ 14,878,734	

General Fund

Revenues through March 2022 were \$67,166,388, 73% of budget and \$5,671,191 higher than prior year due to higher property and sales tax revenues, \$3.4M, Ambulance cost settlement (net of other services), \$1.6M, higher business permits, \$400K and higher Parks memberships, \$100K.

Expenses through March 2022 were \$41,306,355, 44.7% of budget and \$2,852,244 higher than prior year due to slightly higher Public Safety and Parks expenses.

The Fund Balance as of March 2022 is \$58,836,111 which represents a 14% increase 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	27,235,770	96.2%	31,109,155	28,721,574	92.3%
Sales and Use Taxes	12,267,289	46.9%	24,867,810	14,151,793	56.9%
Franchise Fees	2,467,799	36.7%	6,375,698	2,445,542	38.4%
Licenses & Permits	2,133,878	49.8%	4,398,520	2,535,077	57.6%
Fines & Forfeitures	796,063	45.4%	2,461,382	996,023	40.5%
Charges for Service	16,307,935	84.1%	21,934,344	18,018,911	82.1%
Investment Earnings	24,783	111.0%	48,000	22,292	46.4%
Other	261,681	57.7%	709,601	275,175	38.8%
Total Revenues	\$ 61,495,197	70.6%	\$ 91,904,510	\$ 67,166,388	73.1%
Operating Expenditures					
General Government	6,515,204	54.6%	15,162,877	6,160,657	40.6%
Public Safety	23,252,053	47.5%	52,702,212	25,463,150	48.3%
Public Works	4,246,825	39.0%	12,905,271	4,554,226	35.3%
Community Services	1,948,379	47.7%	4,686,806	2,260,795	48.2%
Parks & Recreation	2,491,650	41.4%	6,912,071	2,867,526	41.5%
Total Operating Expenditures	\$ 38,454,111	47.0%	\$ 92,369,237	\$ 41,306,355	44.7%
Other Expenditures					
Principal Retirement	103,163		122,681	61,078	
Interest and Fiscal Charges	3,240		2,656	1,590	
Capital Outlay	64,483		851,588	217,282	
Total Expenditures	\$ 38,624,998		\$ 93,346,162	\$ 41,586,305	
Other Funding Sources/(Uses)					
Transfers In	2,613,385		9,441,314	4,720,657	
Transfer Out	(2,913,871)		(10,276,790)	(3,989,029)	
Other Funding Sources/(Uses)*	(18,570)			0	
Total Other	\$ (319,057)		\$ (835,476)	\$ 731,628	
Net Change in Fund Balance	22,551,143		(2,277,128)	26,311,711	
Beginning Fund Balance	29,076,297		32,524,400	32,524,400	
Ending Fund Balance	\$ 51,627,440		\$ 30,247,272	\$ 58,836,111	

Enterprise Fund - Water/Sewer (Operating Fund)

Revenues were \$26,860,090, 49.3% of budget and \$577,622 (2.2%) 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 March 2022 were \$550,399 which is 34.9% of budget.

Expenses were \$27,381,496 which represents a decrease from prior year of (\$1,885,017), 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	14,144,222	57.2%	28,063,627	13,939,912	49.7%
Sewer Revenues	11,190,405	51.2%	24,361,195	12,153,504	49.9%
Other Service Charges	765,435	56.2%	1,575,000	550,399	34.9%
Other Financing Sources					
Interest Income	7,154	67.7%	25,000	1,758	7.0%
Miscellaneous	50,252	95.3%	12,500	14,516	116.1%
Transfers In	125,000	12.4%	400,000	200,000	50.0%
Total Revenues	\$ 26,282,468	53.6%	\$ 54,437,322	\$ 26,860,090	49.3%
Expenses					
Utility (Billing) Customer	1,039,179	48.4%	2,057,862	971,918	47.2%
Information Technology	781,503	43.9%	2,078,224	967,091	46.5%
Public Works					
Administration	452,674	43.0%	2,120,724	739,821	34.9%
Ground Maintenance	320,184	46.0%	749,896	328,977	43.9%
Lift Stations	508,232	40.8%	1,341,710	500,048	37.3%
Wastewater Treatment	1,613,246	38.7%	5,079,658	1,506,604	29.7%
Backflow Compliance	152,143	43.6%	376,644	175,980	46.7%
Water Production	3,111,587	41.2%	11,547,305	2,591,182	22.4%
Distribution & Collections	1,580,607	52.3%	4,142,197	1,703,260	41.1%
Construction	643,246	46.9%	-	9,673	100.0%
Meter Services	337,947	53.0%	807,396	262,428	32.5%
Pre-Treatment FOG	120,118	1.2%	259,333	114,465	44.1%
Surface Water Plant	-	0.0%	782,938	224,259	28.6%
Other Requirements	11,731,661	44.5%	34,571,583	17,285,792	50.0%
Debt Service	6,874,186	26.1%	-	-	0.0%
Total Expenses	\$ 29,266,512	48.2%	\$ 65,915,470	\$ 27,381,496	41.5%
Other Funding Sources (Uses)					
YTD Change in Cash Equivalents	(2,984,043)		(11,478,148)	(521,406)	
Beginning Cash Equivalents	38,313,362		20,956,645	20,956,645	
YTD Cash Equivalents	\$ 35,329,318		\$ 9,478,497	\$ 20,435,239	

Enterprise Fund - Water/Sewer (Debt Service)

Revenues were \$15,341,189, 50% of budget and \$4,760,661 lower than prior year due to bond proceeds received in FY21.

Expenses were \$4,258,838, which was \$370,753 higher than prior year due to interest payments.

	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	2,146	38.8%	5,500	5,444	99.0%
Miscellaneous	-	0.0%	-	-	0.0%
Transfers In	16,294,196	39.1%	30,671,491	15,335,745	50.0%
Total Revenues	\$ 20,101,850	-6.6%	\$ 30,676,991	\$ 15,341,189	50.0%
Expenses					
Debt Service - Principal	370,000	-4.8%	18,365,000	310,000	1.7%
Debt Service - Interest	3,484,908	63.7%	7,871,290	3,943,688	50.1%
Bond Issuance Costs	29,477	2.1%	150,000		0.0%
Other Debt Service	3,700	0.0%	30,000	5,150	17.2%
Transfers Out	-	0.0%	-	-	0.0%
Total Expenses	\$ 3,888,085	4.0%	\$ 26,416,290	\$ 4,258,838	16.1%
Other Funding Sources (Uses)					
YTD Change in Cash Equivalents	16,213,765		4,260,701	11,082,351	
Beginning Cash Equivalents	9,580,364		13,087,664	13,087,664	
YTD Cash Equivalents	\$ 25,794,129		\$ 17,348,365	\$ 24,170,015	

Property Insurance Fund

Premiums are budgeted to be \$1,919,530, payments to date total \$804,323.

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 2022 was \$914,096.

Ending net position as of March 2022 is \$1,667,109.

	FY 2021 ACTUAL TO-DATE	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues				
Insurance Reimbursements	91,352	175,000	407,836	233.0%
Workers Compensation	241,081	490,000	256,081	52.3%
Transfer In (Premium Reimbursements)	832,002	1,828,191	914,096	50.0%
Total Operating Revenues	\$ 1,164,434	\$ 2,493,191	\$ 1,578,012	63.3%
Operating Expenses				
Workers Compensation				
Professional Contractual	23,750	81,505	15,000	
Insurance Miscellaneous	140,285	155,000	165,167	
Claims Miscellaneous	20,486	250,000	54,637	
Contractual Services (Insurance Premiums)				
General Liability	33,385	40,989	29,755	72.6%
Errors & Omissions	48,803	59,706	48,637	81.5%
Public Employee Dishonesty	1,376	2,321	1,376	59.3%
Animal Mortality	6,644	6,844	2,117	30.9%
Law Enforcement	61,072	67,178	77,382	115.2%
Real & PP Property	169,834	203,800	181,305	89.0%
Windstorm Damage	-	830,500	-	0.0%
Automobile	99,103	104,058	108,199	104.0%
Auto Damage	127,987	139,952	161,555	115.4%
Mobile Equipment	17,200	19,530	-	0.0%
Pollution Liability	1,866	1,959	-	0.0%
Misc Premiums	44,204	94,500	-	0.0%
Sewage Back-up	16,644	19,600	16,644	84.9%
Rain-Out (Parks)	-	6,900	-	0.0%
Claims Retention	-	199,136	86,458	43.4%
Flood	52,948	85,000	38,117	44.8%
Cyber Security	36,062	37,557	52,779	140.5%
Administration and Other Operating Exp	28,986	88,152	26,795	30.4%
Claims Paid	-	-	-	0.0%
Capital Outlay	-	-	-	0.0%
Transfer Out	-	-	-	0.0%
Total Operating Expenses	\$ 930,634	\$ 2,494,187	\$ 1,065,922	42.7%
Operating Income (Loss)	233,800	(996)	512,090	
Earnings on Investments	67	3,500	85	
Other Revenues (Expenses)				
Change in Net Position	233,867	2,504	512,175	
Beginning Net Position	611,687	1,154,934	1,154,934	
Ending Net Position	\$ 845,554	\$ 1,157,438	\$ 1,667,109	

Self-Insured Medical Fund

Contributions of premiums from the City, Employee, Retirees and COBRA participants were \$4,582,345, 49.6% of budget through March 2022 with an additional \$262,165 received from Cigna rebates.

Medical Insurance Claims are budgeted (as amended) at \$8,324,519. Claims paid through March 2022 total \$4,653,738, 55.9% of the amended budget, and \$533,415 (11.5%) higher than claims paid through March 2021.

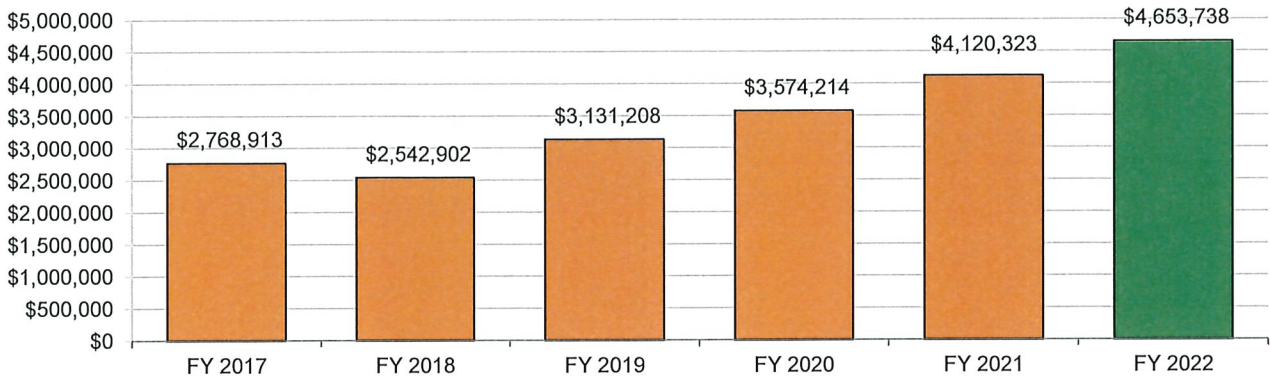
Claims paid through March 2022 were \$6,874 per employee, \$833 more than the amount per employee through March 2021.

Fund balance as of March 2022 was \$2,483,707.

	FY 2021 ACTUAL TO-DATE	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues				
Employee Premiums	739,112	1,542,236	770,096	49.9%
City Premiums	3,702,384	7,766,287	3,775,782	48.6%
Retiree Premiums	12,000	30,000	12,966	43.2%
Cobra	22,327	-	23,501	100.0%
Miscellaneous	189,458	436,004	262,165	60.1%
Total Operating Revenues	\$ 4,665,280	\$ 9,774,527	\$ 4,844,510	49.6%
Operating Expenses				
Professional Contractual	15,000	30,000	15,000	50.0%
Administrative Fees	630,590	1,395,051	715,642	51.3%
Medical Insurance Claims	4,120,323	8,324,519	4,653,738	55.9%
Wellness Programs	30,997	26,063	8,004	30.7%
Total Operating Expenses	\$ 4,796,909	\$ 9,775,633	\$ 5,392,384	55.2%
Operating Income (Loss)	(131,629)	(1,106)	(547,874)	
Earnings on Investments	553	1,105	679	
Change in Net Position	(131,076)	(1)	(547,195)	
Beginning Net Position	3,623,585	3,030,902	3,030,902	
Ending Net Position	\$ 3,492,508	\$ 3,030,901	\$ 2,483,707	

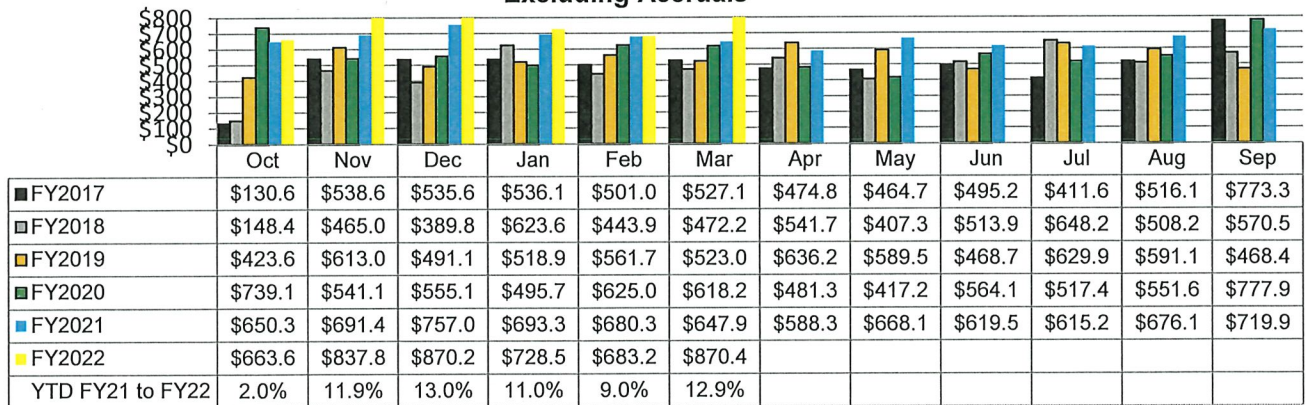
Self-Insured Medical Fund

**Medical Claims Paid
Year-to-Date Excluding Accruals**



Claims Paid per Employee:	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Number of Emploess on Medical Insurance	584	596	628	637	682	677
Actual YTD per Enrollee	\$4,354	\$4,267	\$4,986	\$5,611	\$6,042	\$6,874

**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 March 2022 was \$354,121.

Expenditures through March 2022 of \$429,699 include Administrative expenses for the Convention & Visitor's Bureau, Hotel and Cultural Grant programs and Advertising. Fund balance as of March 2022 is \$5,875,701.

	FY 2021 ACTUAL TO-DATE	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues				
Hotel/Motel Occupancy Tax	229,002	921,900	354,121	38.4%
Interest Income	1,635	6,000	2,689	44.8%
Miscellaneous	2,000	-	30,859	100.0%
Total Revenues	\$ 232,637	\$ 927,900	\$ 387,669	41.8%
Expenditures				
Salaries and Benefits	107,604	325,122	149,389	45.9%
Materials & Supplies	18,942	104,205	30,971	29.7%
Miscellaneous Services	326,821	627,557	240,198	38.3%
Capital Outlay	-	-	-	0.0%
Transfers Out	8,320	18,282	9,141	50.0%
Total Expenditures	\$ 461,688	\$ 1,075,166	\$ 429,699	40.0%
Other Funding Sources/(Uses)				
Revenues Over (Under) Expenditures	(229,051)	(147,266)	(42,030)	
Beginning Fund Balance	5,454,452	5,917,731	5,917,731	
Ending Fund Balance	\$5,225,401	\$ 5,770,465	\$ 5,875,701	

TIRZ #2

Total revenue through March 2022 is \$24,209,196. The TIRZ has received tax increment payments from the City of Pearland in the amount of \$19,271,633, \$0 from Brazoria County, \$1,499,474 from Fort Bend County and \$3,430,905 from Alvin ISD.

Expenditures through March 2022 were \$12,304,922; of this total \$12,289,880 was paid to the City of Pearland for services provided. The available balance as of March 2022, net of the AISD Suspense Fund, is \$11,930,475.

	FY 2021 ACTUAL TO-DATE	FY 2022 ACTUAL TO-DATE	% CHANGE
Revenues			
Taxes			
Alvin ISD	3,320,509	3,430,905	3.3%
Brazoria County	-	-	0.0%
City of Pearland	16,564,690	19,271,633	16.3%
Fort Bend County	-	1,499,474	100.0%
Supplemental	-	-	0.0%
Interest	6,757	7,184	6.3%
Miscellaneous/AISD	-	-	0.0%
Total Revenues	\$ 19,891,956	\$ 24,209,196	21.7%
Expenditures			
Miscellaneous Services	26,556	15,042	-43.4%
Payment to City of Pearland	9,514,338	12,289,880	29.2%
Payment to Development Authority	-	-	0.0%
Transfers Out	-	-	0.0%
Total Expenditures	\$ 9,540,893	\$ 12,304,922	29.0%
Net Change in Fund Balance	10,351,062	11,904,274	0.0%
Beginning Fund Balance	6,879,867	7,088,267	3.0%
Less: AISD Suspense Fund	10,099,026	7,062,065	-30.1%
Ending Fund Balance	\$ 7,131,902	\$ 11,930,475	0.0%

Development Authority - DAP

Revenues through March 2022 total \$858 with bond proceeds totaling \$0. Expenditures total \$11,868,721, which includes bond issuance costs, reimbursements to developers (for infrastructure improvements) and other professional services. The available fund balance as of March 2022, excluding the portion for the debt service reserve, is \$15,925.

	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	801	858	7.2%
Total Revenues	\$ 801	\$ 858	7.2%
Expenditures			
Professional Services	6,218	6,123	-1.5%
Reimbursement to Developer	12,615,582	10,876,480	-13.8%
Bond Payments:			
Interest	1,089,073	981,668	-9.9%
Principal	-	-	0.0%
Bond Issuance Cost	-	-	0.0%
Arbitrage/Fiscal Fees	150	4,450	2.9%
Other Debt Service	-	-	0.0%
Total Expenditures	\$ 13,711,023	\$ 11,868,721	-13.4%
Net Change in Fund Balance	(13,710,222)	(11,867,863)	
Beginning Fund Balance	14,714,109	12,869,906	
Debt Service Reserve	750	986,118	
Ending Fund Balance	\$ 1,003,137	\$ 15,925	