



CITY OF PEARLAND

Third Quarter Financial Report

Fiscal Year (FY) 2022

Through June 2022

Inside This Report

Page

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

This report represents a general overview of financial operations through the 3rd quarter of the Fiscal Year 2022 or year-to-date as of June 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 \$94,094,766, 109.4% of the Budgeted Levy.

Sales Tax deposits were \$31,989,962, 14.7% higher than prior year.

Debt Service fund balance was \$9,502,099.

General Fund balance was \$51,660,828.

Water/Sewer fund cash equivalents for the operating fund were \$19,222,415.

Property Insurance premiums were budgeted to be \$1,955,469 while payments totaled \$1,836,232. Ending net assets were \$1,286,239.

Medical Claims – the city is self-insured for medical claims and to date \$6,844,829 in premiums have been collected and \$6,559,858 has been paid out.

Hotel/Motel Occupancy Tax – hotel tax was budgeted at \$1,100,000 and to date \$720,568 has been collected.

TIRZ revenues were \$28,062,130 including interest earnings. TIRZ received tax increment payments from the City of Pearland in the amount of \$19,546,890, \$0 from Brazoria County, \$1,499,474 from Fort Bend County and \$6,989,699 from Alvin ISD.

Development Authority Bond Proceeds were \$0 to date 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).

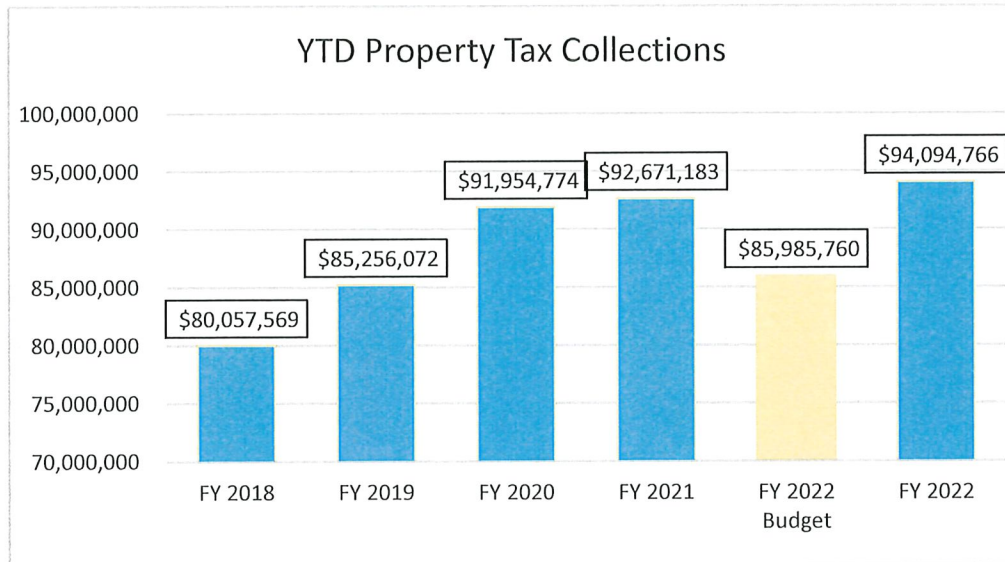
Property Tax

Through June 30, 2022, the City received \$94,094,766 for current taxes, 109.4% of the budgeted tax levy. This does not include delinquent taxes, prior year collections or audit adjustments. The budget incorporates a 102.5% collection rate.

Tax Summary	FY 2022 BUDGETED LEVY	FY 2022 ACTUAL COLLECTIONS*	% BUDGETED LEVY COLLECTED
Sources:			
Ad Valorem Taxes	\$ 85,985,760	\$ 94,094,766	109.4%
Uses:			
General Fund	30,094,972	29,168,166	96.9%
Debt Service Fund	38,127,405	36,890,537	96.8%
TIRZ**	17,763,383	28,036,063	157.8%
Total Uses	\$ 85,985,760	\$ 94,094,766	109.4%

*Unreconciled totals as of the date of this report.

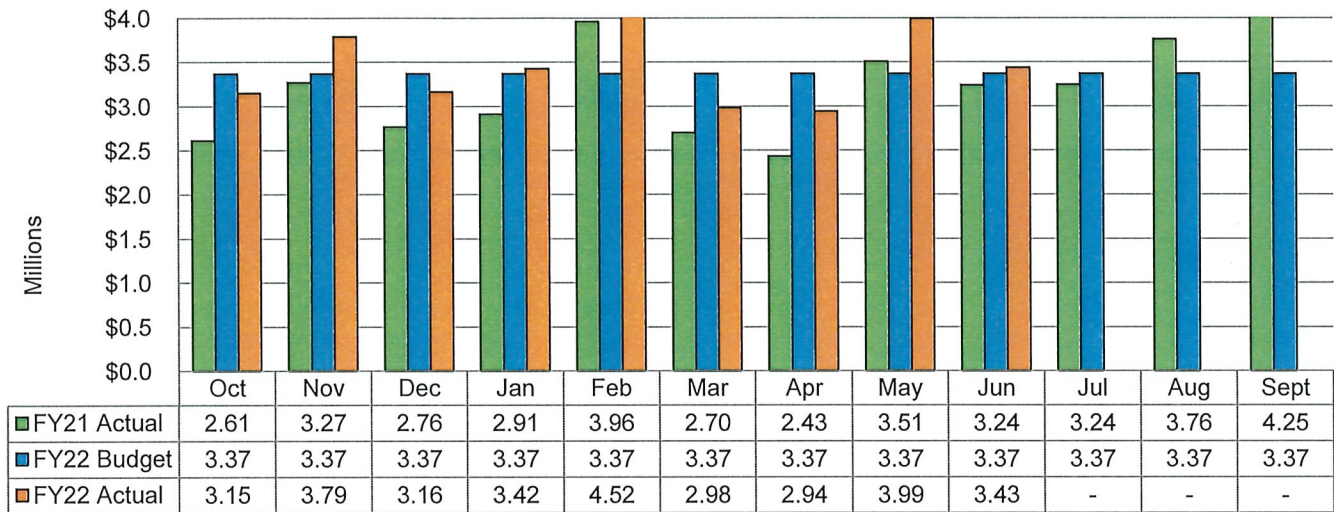
**Only inclusive of the City of Pearland TIRZ portion



Sales Tax

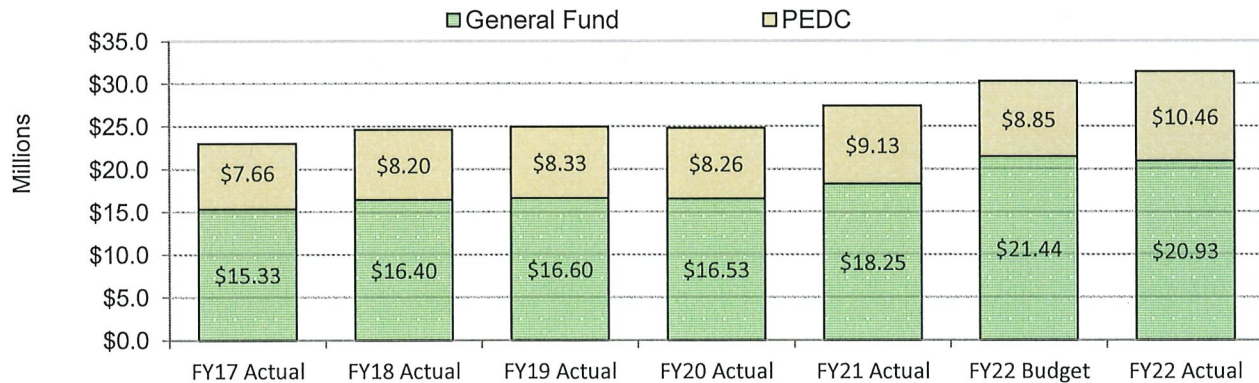
Sales tax deposits from the State Comptroller's Office for the year ending June 30, 2022 totaled \$31,389,962, a 14.7% increase over the prior year. We received sales tax deposits of \$2,940,423 in April for January collections, \$3,993,926 in May for February collections, and \$3,434,581 in June for March collections.

YTD Sales Tax Deposits



Budgeted amounts reflect the Adopted Budget.

Year-To-Date Sales Tax Deposits



Debt Service

Property taxes received as of June 2022 total \$37,161,805, 96.6% of amended budget and includes amounts for current and delinquent taxes including penalties and interest. Miscellaneous revenue of \$552,887 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	\$ 38,476,392	\$ 37,161,805	96.6%
Interest	15,000	25,070	167.1%
Miscellaneous	735,449	552,887	75.2%
Bond Premiums	-	-	0.0%
Transfers	3,074,368	2,305,776	75.0%
Total Revenues	\$ 42,301,209	\$ 40,045,538	94.7%
Expenditures			
MUD Rebates	\$ 7,289,085	\$ 7,289,088	100.0%
Debt Service	36,744,004	29,134,432	79.3%
Bond Payment	-	-	0.0%
Fiscal Agent/Arbitrage	90,000	7,150	7.9%
Total Expenditures	\$ 44,123,089	\$ 36,430,670	82.6%
Net Change in Fund Balance	(1,821,880)	3,614,868	
Beginning Fund Balance	5,887,231	5,887,231	
Ending Fund Balance	\$ 4,065,351	\$ 9,502,099	

General Fund

Revenues through June 2022 were \$80,481,310, 84.4% of budget and \$7,588,456 higher than prior year due primarily to higher property and sales tax revenues.

Expenses through June 2022 were \$62,034,108, 66.2% of budget and \$4,615,222 higher than prior year due primarily to higher Public Safety, Community Services and Parks & Recreation expenses.

The Fund Balance as of June 2022 is \$51,660,828 which represents a 18% 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	\$ 27,968,346	98.8%	\$ 30,442,547	\$ 29,466,244	96.8%
Sales and Use Taxes	18,472,052	70.7%	29,030,796	21,181,850	73.0%
Franchise Fees	3,702,446	55.1%	6,444,298	3,640,835	56.5%
Licenses & Permits	3,309,874	77.2%	4,666,429	3,530,328	75.7%
Fines & Forfeitures	1,305,136	74.4%	2,173,514	1,499,098	69.0%
Charges for Service	17,773,747	91.6%	22,043,290	20,478,767	92.9%
Investment Earnings	17,285	77.4%	48,000	109,265	227.6%
Other	343,968	75.8%	535,940	574,922	107.3%
Total Revenues	\$ 72,892,854	83.7%	\$ 95,384,814	\$ 80,481,310	84.4%
Operating Expenditures					
General Government	\$ 9,237,564	53.2%	\$ 14,051,369	\$ 9,351,798	66.6%
Public Safety	34,275,460	66.5%	54,663,886	37,905,457	69.3%
Public Works	7,222,471	63.5%	13,628,243	7,166,158	52.6%
Community Services	2,858,119	69.7%	4,580,948	3,303,935	72.1%
Parks & Recreation	3,825,272	61.0%	6,770,738	4,306,760	63.6%
Total Operating Expenditures	\$ 57,418,886	63.4%	\$ 93,695,184	\$ 62,034,108	66.2%
Other Expenditures					
Principal Retirement	\$ 206,760		\$ 122,681	\$ 122,681	
Interest and Fiscal Charges	6,047		2,656	2,655	
Capital Outlay	64,483		1,236,173	282,881	
Total Expenditures	\$ 57,696,176		\$ 95,056,694	\$ 62,442,324	
Other Funding Sources/(Uses)					
Transfers In	\$ 3,920,077		\$ 9,616,314	\$ 7,080,986	
Transfer Out	(4,370,807)		(11,927,790)	(5,983,544)	
Other Funding Sources/(Uses)*	(18,570)		-	-	
Total Other	\$ (469,300)		\$ (2,311,476)	\$ 1,097,442	
Net Change in Fund Balance	\$ 14,727,379		\$ (1,983,356)	\$ 19,136,428	
Beginning Fund Balance	29,076,297		32,524,400	32,524,400	
Ending Fund Balance	\$ 43,803,675		\$ 30,541,044	\$ 51,660,828	

Enterprise Fund - Water/Sewer (Operating Fund)

Revenues were \$40,602,455, 79% of budget and \$3,016,968 (8%) 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 June 2022 were \$898,226 which is 79.8% of budget.

Expenses were \$42,336,685 which represents a decrease from prior year of (\$2,300,714), 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	19,259,498	77.9%	26,530,887	20,918,302	78.8%
Sewer Revenues	16,691,326	76.3%	23,291,919	18,464,239	79.3%
Other Service Charges	1,425,619	104.7%	1,125,351	898,226	79.8%
Other Financing Sources					
Interest Income	9,579	90.6%	4,000	5,058	126.5%
Miscellaneous	1,965	-3.2%	20,800	16,630	80.0%
Transfers In	197,500	19.6%	400,000	300,000	75.0%
Total Revenues	\$ 37,585,487	76.8%	\$ 51,372,957	\$ 40,602,455	79.0%
Expenses					
Utility (Billing) Customer	1,491,227	69.4%	2,173,083	1,466,285	67.5%
Information Technology	1,277,107	71.7%	2,104,038	1,376,278	65.4%
Public Works					
Administration	709,388	67.3%	1,383,699	907,512	65.6%
Ground Maintenance	482,314	69.4%	760,605	495,490	65.1%
Lift Stations	896,892	72.0%	1,427,740	725,381	50.8%
Wastewater Treatment	2,696,836	64.6%	5,292,545	2,620,773	49.5%
Environmental Services	236,020	67.6%	345,342	264,453	76.6%
Water Production	5,075,507	67.3%	8,658,964	4,684,453	54.1%
Distribution & Collections	2,214,805	73.3%	4,094,253	2,594,465	63.4%
Construction	973,457	71.0%	-	(684)	100.0%
Meter Services	481,607	75.5%	764,133	414,931	54.3%
Pre-Treatment FOG	177,357	1.8%	263,507	169,908	64.5%
Surface Water Plant	-	0.0%	686,893	406,345	59.2%
Other Requirements	27,924,883	105.9%	29,723,130	26,211,094	88.2%
Debt Service	-	0.0%	-	-	0.0%
Total Expenses	\$ 44,637,398	73.5%	\$ 57,677,932	\$ 42,336,685	73.4%
Other Funding Sources (Uses)					
YTD Change in Cash Equivalents	(7,051,912)		(6,304,975)	(1,734,230)	
Beginning Cash Equivalents	38,313,362		20,956,645	20,956,645	
YTD Cash Equivalents	\$ 31,261,450		\$ 14,651,670	\$ 19,222,415	

Enterprise Fund - Water/Sewer (Debt Service)

Revenues were \$23,040,681, 89.3 of budget and \$5,210,312 lower than prior year due to bond proceeds received in FY21.

Expenses were \$4,263,788, which was \$3,410,407 lower than prior year due to other debt service 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	4,191	75.7%	13,000	37,063	285.1%
Miscellaneous	-	0.0%	-	-	0.0%
Transfers In	24,441,294	58.6%	25,783,038	23,003,618	89.2%
Total Revenues	\$ 28,250,993	-9.3%	\$ 25,796,038	\$ 23,040,681	89.3%
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%	15,000	-	0.0%
Other Debt Service	3,789,811	49.1%	30,000	10,100	33.7%
Transfers Out	-	0.0%	-	-	0.0%
Total Expenses	\$ 7,674,195	7.8%	\$ 26,281,290	\$ 4,263,788	16.2%
Other Funding Sources (Uses)					
YTD Change in Cash Equivalents	20,576,798		(485,252)	18,776,893	
Beginning Cash Equivalents	9,580,364		13,087,664	13,087,664	
YTD Cash Equivalents	\$ 30,157,162		\$ 12,602,412	\$ 31,864,557	

Property Insurance Fund

Premiums are budgeted to be \$1,955,469, payments to date total \$1,836,232.

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 2022 was \$1,371,143.

Ending net position as of June 2022 is \$1,286,239.

	FY 2021 ACTUAL TO-DATE	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues				
Insurance Reimbursements	222,694	600,000	530,056	88.3%
Workers Compensation	345,854	474,000	373,309	78.8%
Transfer In (Premium Reimbursements)	1,248,002	1,828,191	1,371,143	75.0%
Total Operating Revenues	\$ 1,816,550	\$ 2,902,191	\$ 2,274,509	78.4%
Operating Expenses				
Workers Compensation				
Professional Contractual	30,000	75,000	30,000	40.0%
Insurance Miscellaneous	140,285	165,167	180,567	109.3%
Claims Miscellaneous	30,755	109,000	64,884	59.5%
Contractual Services (Insurance Premiums)				
General Liability	33,385	29,754	29,755	100.0%
Errors & Omissions	48,803	48,638	48,637	100.0%
Public Employee Dishonesty	1,376	1,375	1,376	100.1%
Animal Mortality	6,644	2,117	2,117	100.0%
Law Enforcement	61,072	77,382	77,382	100.0%
Real & PP Property	169,834	203,800	181,305	89.0%
Windstorm Damage	755,010	899,000	898,945	100.0%
Automobile	99,103	112,000	108,199	96.6%
Auto Damage	127,987	170,000	161,555	95.0%
Mobile Equipment	17,200	19,530	-	0.0%
Pollution Liability	1,866	1,959	-	0.0%
Misc Premiums	37,164	91,560	91,555	100.0%
Sewage Back-up	16,644	16,644	16,644	100.0%
Rain-Out (Parks)	-	6,900	-	0.0%
Claims Retention	81,293	199,136	127,866	64.2%
Flood	52,948	38,117	38,117	100.0%
Cyber Security	36,062	37,557	52,779	140.5%
Administration and Other Operating Exp	42,900	73,136	31,980	43.7%
Claims Paid	-	-	-	0.0%
Capital Outlay	-	-	-	0.0%
Transfer Out	-	-	-	0.0%
Total Operating Expenses	\$ 1,790,331	\$ 2,377,772	\$ 2,143,663	90.2%
Operating Income (Loss)	26,219	524,419	130,845	
Earnings on Investments	109	580	460	
Other Revenues (Expenses)	-	-	-	
Change in Net Position	26,328	524,999	131,305	
Beginning Net Position	611,687	1,154,934	1,154,934	
Ending Net Position	\$ 638,015	\$ 1,679,933	\$ 1,286,239	

Self-Insured Medical Fund

Contributions of premiums from the City, Employee, Retirees and COBRA participants were \$6,844,829, 75.1% of budget through June 2022 with an additional \$410,821 received from Cigna rebates.

Medical Insurance Claims are budgeted (as amended) at \$8,261,395. Claims paid through June 2022 total \$6,559,858, 79.4% of the amended budget, and \$563,665 (8.6%) higher than claims paid through June 2021.

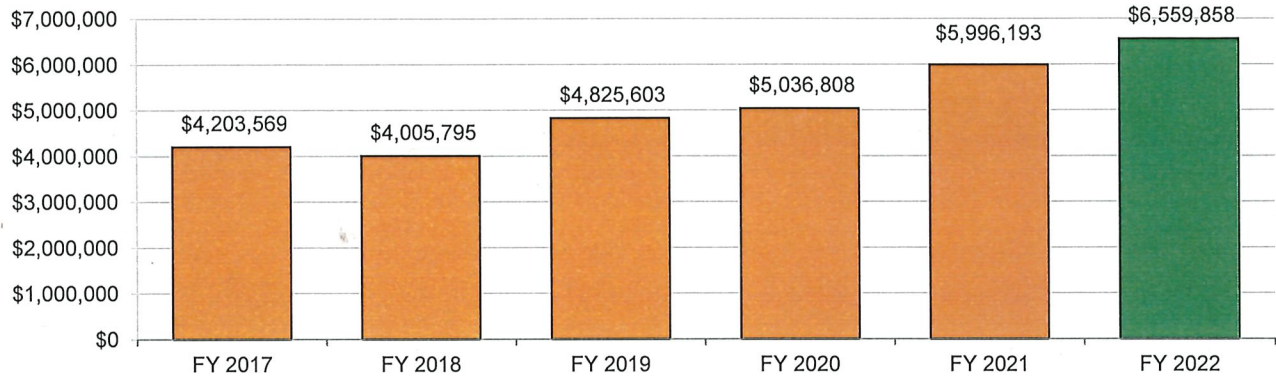
Claims paid through June 2022 were \$9,850 per employee, \$1,058 more than the amount per employee through June 2021.

Fund balance as of June 2022 was \$2,610,838.

	FY 2021 ACTUAL TO-DATE	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues				
Employee Premiums	1,109,783	1,540,192	1,150,157	74.7%
City Premiums	5,510,904	7,551,564	5,641,989	74.7%
Retiree Premiums	18,062	22,640	24,382	107.7%
Cobra	28,402	35,000	28,301	80.9%
Miscellaneous	306,573	510,114	410,821	80.5%
Total Operating Revenues	\$ 6,973,723	\$ 9,659,510	\$ 7,255,650	75.1%
Operating Expenses				
Professional Contractual	17,558	30,000	22,500	75.0%
Administrative Fees	963,637	1,409,582	1,082,845	76.8%
Medical Insurance Claims	5,996,193	8,261,395	6,559,858	79.4%
Wellness Programs	34,837	26,063	11,939	45.8%
Total Operating Expenses	\$ 7,012,224	\$ 9,727,040	\$ 7,677,142	78.9%
Operating Income (Loss)	(38,501)	(67,530)	(421,493)	
Earnings on Investments	839	1,059	1,429	
Change in Net Position	(37,663)	(66,471)	(420,064)	
Beginning Net Position	3,623,585	3,030,902	3,030,902	
Ending Net Position	\$ 3,585,922	\$ 2,964,431	\$ 2,610,838	

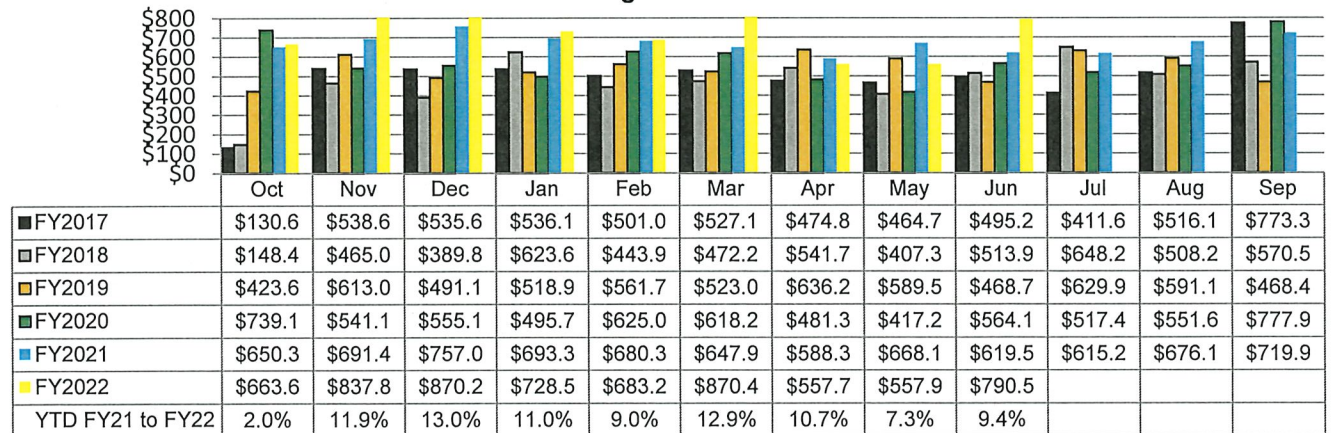
Self-Insured Medical Fund

Medical Claims Paid Year-to-Date Excluding Accruals



Claims Paid per Employee:	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Number of Employees on Medical Insurance	584	596	628	637	682	666
Actual YTD per Enrollee	\$6,859	\$6,721	\$7,684	\$7,907	\$8,792	\$9,850

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 \$1,100,000, total received as of June 2022 was \$720,568.

Expenditures through June 2022 of \$635,881 include Administrative expenses for the Convention & Visitor's Bureau, Hotel and Cultural Grant programs and Advertising. Fund balance as of June 2022 is \$6,058,976.

	FY 2021 ACTUAL TO-DATE	FY 2022 AMENDED BUDGET	FY 2022 ACTUAL TO-DATE	FY 2022 % of BUDGET
Revenues				
Hotel/Motel Occupancy Tax	504,090	1,100,000	720,568	65.5%
Interest Income	3,241	5,200	13,324	256.2%
Miscellaneous	4,000	40,903	43,234	105.7%
Total Revenues	\$ 511,331	\$ 1,146,103	\$ 777,126	67.8%
Expenditures				
Salaries and Benefits	159,605	323,349	221,819	68.6%
Materials & Supplies	44,929	129,207	63,460	49.1%
Miscellaneous Services	415,404	593,456	336,890	56.8%
Capital Outlay	-	-	-	0.0%
Transfers Out	12,480	18,282	13,712	75.0%
Total Expenditures	\$ 632,418	\$ 1,064,294	\$ 635,881	59.7%
Other Funding Sources/(Uses)				
Revenues Over (Under) Expenditures	(121,087)	81,809	141,245	
Beginning Fund Balance	5,569,344	5,917,731	5,917,731	
Ending Fund Balance	\$5,448,258	\$ 5,999,540	\$ 6,058,976	

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

TIRZ #2

Total revenue through June 2022 is \$28,062,130. The TIRZ has received tax increment payments from the City of Pearland in the amount of \$19,546,890, \$0 from Brazoria County, \$1,499,474 from Fort Bend County and \$6,989,699 from Alvin ISD.

Expenditures through June 2022 were \$12,483,060; of this total \$12,463,804 was paid to the City of Pearland for services provided. The available balance as of June 2022, net of the AISD Suspense Fund, is \$8,605,426.

	FY 2021 ACTUAL TO-DATE	FY 2022 ACTUAL TO-DATE	% CHANGE
Revenues			
Taxes			
Alvin ISD	6,967,921	6,989,699	0.3%
Brazoria County	-	-	0.0%
City of Pearland	16,803,398	19,546,890	16.3%
Fort Bend County	1,458,175	1,499,474	2.8%
Supplemental	2,422,462	-	-100.0%
Interest	11,978	26,067	117.6%
Miscellaneous/AISD	-	-	0.0%
Total Revenues	\$ 27,663,934	\$ 28,062,130	1.4%
Expenditures			
Miscellaneous Services	33,393	19,256	-42.3%
Payment to City of Pearland	9,667,112	12,463,804	28.9%
Payment to Development Authority	-	-	0.0%
Transfers Out	-	-	0.0%
Total Expenditures	\$ 9,700,505	\$ 12,483,060	28.7%
Net Change in Fund Balance	17,963,430	15,579,069	0.0%
Beginning Fund Balance	6,879,867	7,088,267	3.0%
Less: AISD Suspense Fund	16,173,903	14,061,909	-13.1%
Ending Fund Balance	\$ 8,669,392	\$ 8,605,426	0.0%

Development Authority - DAP

Revenues through June 2022 total \$1,312 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 June 2022, excluding the portion for the debt service reserve, is \$16,379.

	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	1,200	1,312	9.4%
Total Revenues	\$ 1,200	\$ 1,312	9.4%
Expenditures			
Professional Services	9,218	6,123	-33.6%
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	\$ 13,714,023	\$ 11,868,721	-13.5%
Net Change in Fund Balance	(13,712,823)	(11,867,409)	
Beginning Fund Balance	14,714,109	12,869,906	
Debt Service Reserve	750	986,118	
Ending Fund Balance	\$ 1,000,536	\$ 16,379	