

Quarterly Financial Report Fiscal Year 2021 First Quarter

The logo for ADDISON, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes a white diagonal line and a grey triangle in the top right corner.

February 23, 2021

Executive Dashboard – Key Revenue Sources



Executive Dashboard - 1st Quarter, 2021 Fiscal Year

Financial Indicators

Positive variance compared to historical trends

Positive

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Warning

Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

Key Revenue Sources	FY2021 Budget	Actual through 12/31/20	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 19,425,398	\$ 4,588,622	23.62%
Non-Property Taxes - General Fund	13,356,000	3,612,184	27.05%
Hotel Tax	4,155,000	250,828	6.04% ⁽¹⁾
Franchise Fees - General Fund	2,260,000	502,829	22.25%
Service/Permitting/License Fees - General Fund	3,113,326	504,063	16.19%
Rental Income - All Funds	4,337,770	1,081,707	24.94%
Fines and Penalties - All Funds	335,000	30,341	9.06% ⁽²⁾
Special Event Revenue - Hotel Fund	1,104,500	-	0.00% ⁽³⁾
Fuel Flowage Fees - Airport Fund	625,043	239,617	38.34%
Water and Sewer Charges - Utility Fund	13,772,976	2,322,479	16.86%

⁽¹⁾ Hotel tax revenue has not been collected from all hoteliers and reflects less hotel occupancy due to COVID-19

⁽²⁾ Municipal court has fewer court fines/fees issued due to COVID-19

⁽³⁾ Special Events are low due to the timing of events

Executive Dashboard – Key Expenditures

Executive Dashboard - 1st Quarter, 2021 Fiscal Year

Financial Indicators

Positive variance compared to historical trends

Positive

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Warning

Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

Key Expenditures	FY2021 Budget	Actual through 12/31/20	% Annual Budget
General Fund	\$ 39,440,785	\$ 8,643,679	21.92%
Hotel Fund	5,838,563	772,225	13.23%
Economic Development	2,019,815	316,284	15.66%
Airport Operations	5,110,205	811,401	15.88%
Utility Operations	14,243,406	1,865,239	13.10%

Personnel Information

Executive Dashboard - 1st Quarter, 2021 Fiscal Year

Staffing Indicators

Personnel Information:

Separations - Benefitted Positions				
Department	10/2020-12/2020			FY2021
	Part-Time Positions	Full-time positions	Total 1st Qtr	YTD
Airport	0	0	0	0
City Manager	0	1	1	1
Conference Centre	0	0	0	0
Development Services	0	0	0	0
Finance	0	0	0	0
Fire	0	3	3	3
General Services	0	1	1	1
Human Resources	0	0	0	0
Public Works	0	2	2	2
Marketing & Communications	0	0	0	0
Municipal Court	0	0	0	0
Parks	0	1	1	1
Police	0	2	2	2
Recreation	0	0	0	0
Special Events	0	0	0	0
Streets	0	0	0	0
Grand Total	0	10	10	10

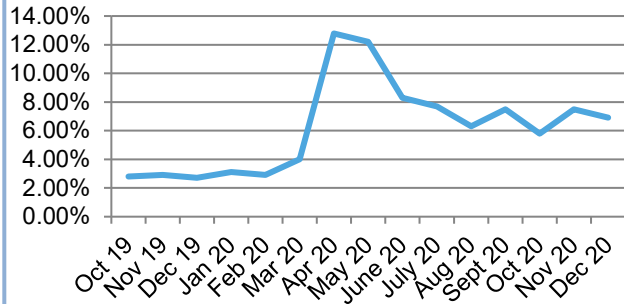
New Hires - Benefitted Positions				
Department	10/2020-12/2020			FY2021
	Part-Time Positions	Full-time positions	Total 1st Qtr	YTD
Airport	0	13	13	13
City Manager	0	0	0	0
Conference Centre	0	0	0	0
Development Services	0	0	0	0
Finance	0	1	1	1
Fire	0	1	1	1
General Services	0	1	1	1
Human Resources	0	0	0	0
Public Works	0	1	1	1
Marketing & Communications	0	1	1	1
Municipal Court	0	0	0	0
Parks	0	1	1	1
Police	0	0	0	0
Recreation	0	0	0	0
Special Events	0	0	0	0
Streets	0	2	2	2
Grand Total	0	21	21	21

Public Safety Sworn Positions	Budgeted FY 2021	Filled Positions	Percent Filled
Police	66	62	94%
Fire ⁽¹⁾	56	55	98%

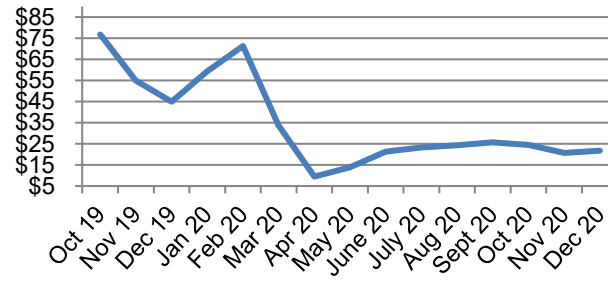
⁽¹⁾ FY2021 budget includes 56 budgeted sworn positions plus overfill of 1 Firefighter (F3) position

Economic Indicators

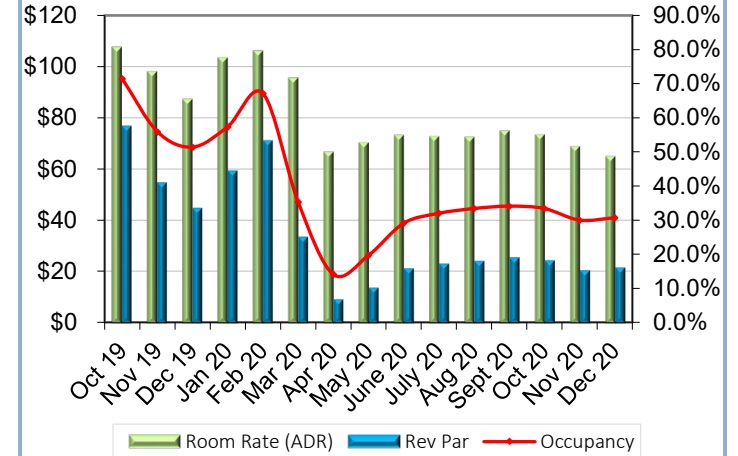
DFW Unemployment Rate Last 12 months



Hotel Revenue Per Available Room



Addison Hotel Statistics



Occupancy Indicators:

Office Occupancy = 78.6%
Retail Occupancy = 91.1%

4.0%

2.9%

Hotel Indicators

Hotel Occupancy = 31.4%
RevPar = \$22.32

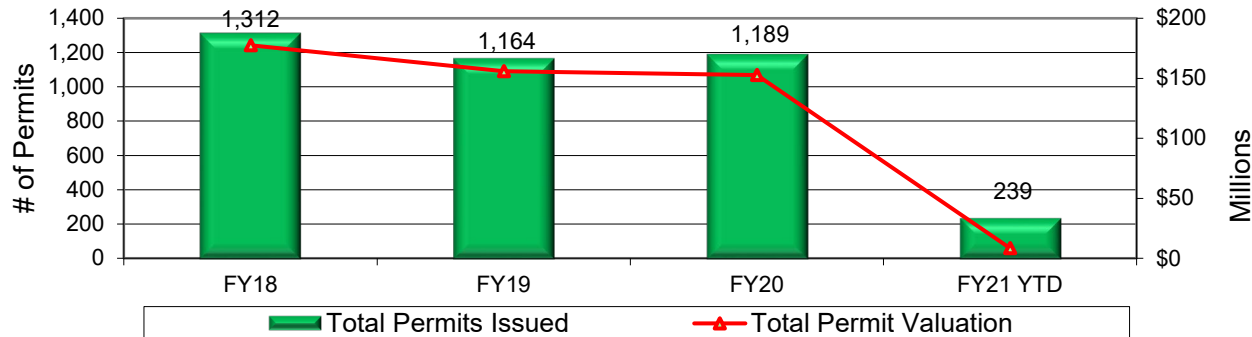
28.2%

62.1%

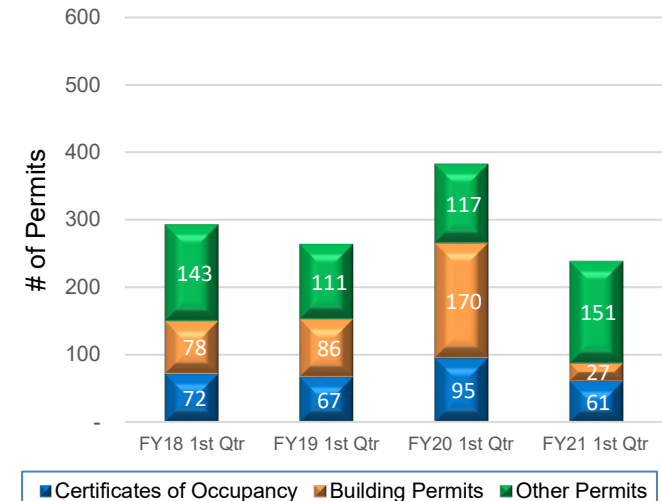
Source: CoStar (compares to prior year Q1)

Source: STR Report (compares to prior year Q1)

Total Permits Issued and Valuation

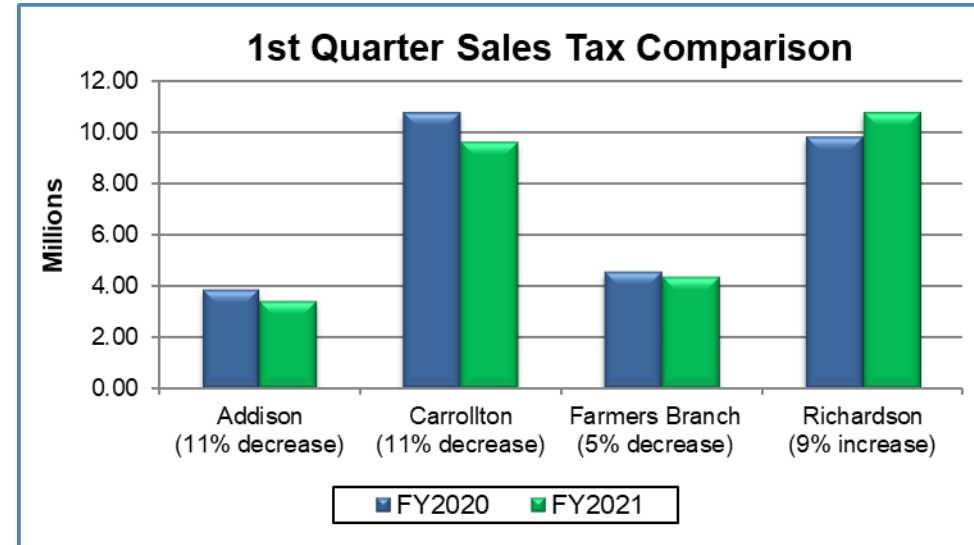


Quarterly Permit Activity, Year over Year

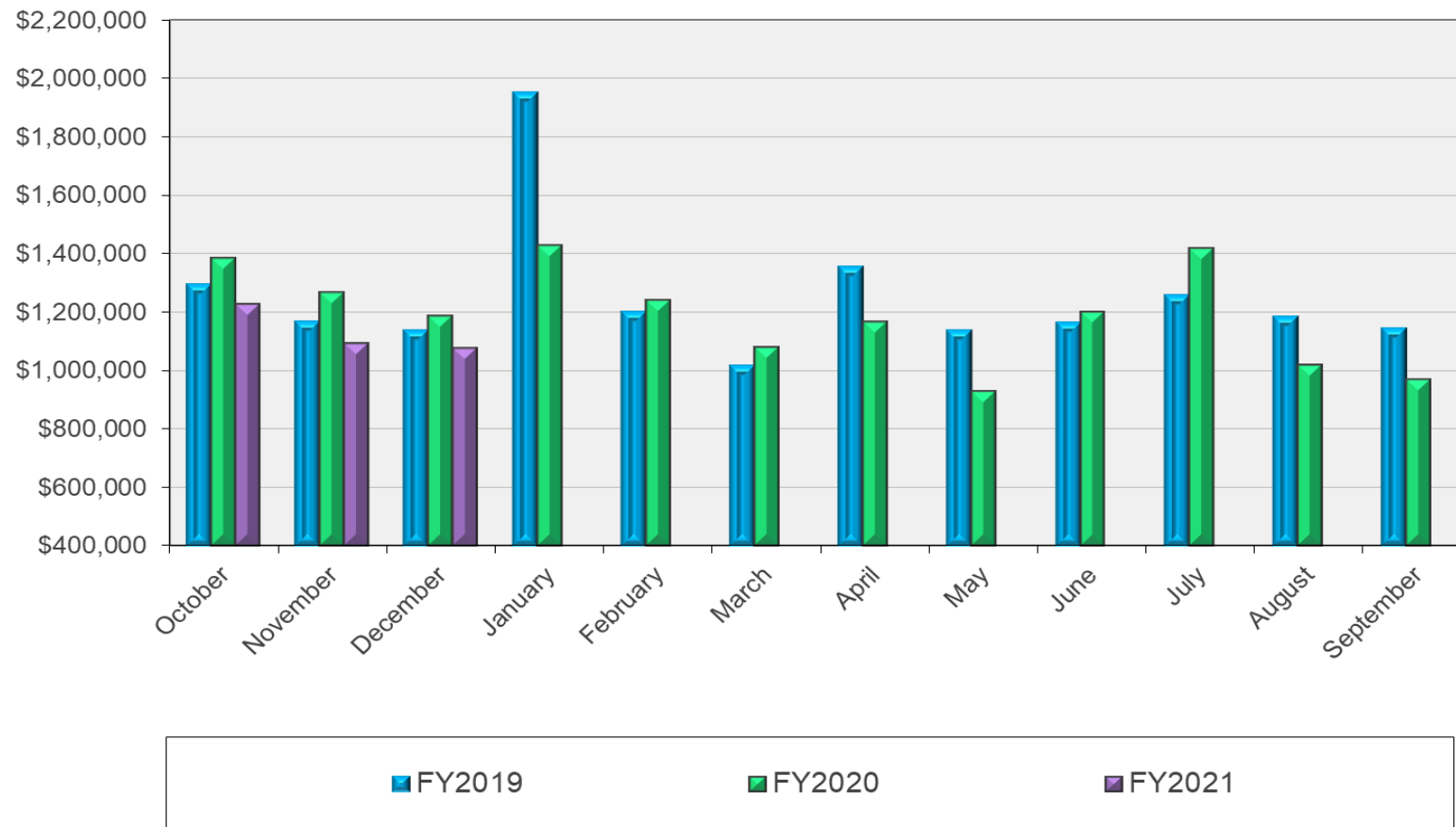


Economic Development Incentives:

Executed Agreements	Amount Paid FY21	Total Incentives Committed
3	\$0	\$129,333



Monthly Sales Tax Collections

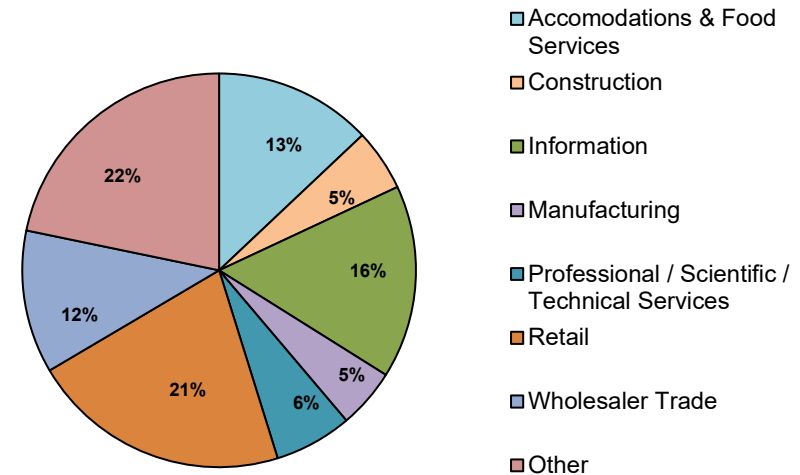


Sales Tax Collections

TOWN OF ADDISON
Schedule of Sales Tax Collections
For the quarter ending December 31, 2020

	FY2021 Monthly Collections	% Change from Prior Year	FY2020 Monthly Collections
October	\$ 1,229,815	-11.2%	\$ 1,384,839
November	1,095,667	-13.7%	1,269,353
December	1,076,775	-9.4%	1,188,777
January		-100.0%	1,430,683
February		-100.0%	1,241,465
March		-100.0%	1,080,029
April		-100.0%	1,166,877
May		-100.0%	931,272
June		-100.0%	1,199,683
July		-100.0%	1,418,491
August		-100.0%	1,019,598
September		-100.0%	971,556
	\$ 3,402,257		\$ 14,302,624
Budget:	12,330,000	27.6%	13,700,000

Breakdown of Sales Tax by Economic Category



General Fund Revenue

CATEGORY	FY 2019-20 ACTUAL PRIOR YEAR	FY 2020-21 REVISED BUDGET	FY 2020-21 ACTUAL 1ST QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$ 18,925,819	\$ 19,546,156	\$ 4,689,474	\$ 4,689,474	24.0%
Delinquent taxes	(356,413)	(165,758)	(103,146)	(103,146)	62.2% ⁽¹⁾
Penalty & interest	47,840	45,000	2,293	2,293	5.1%
Non-property taxes:					
Sales tax	14,302,624	12,330,000	3,402,257	3,402,257	27.6%
Alcoholic beverage tax	888,599	1,026,000	209,927	209,927	20.5%
Franchise / right-of-way use fees:					
Electric franchise	1,459,652	1,525,000	418,000	418,000	27.4%
Gas franchise	204,919	205,000	-	-	0.0% ⁽²⁾
Telecommunication access fees	316,471	400,000	54,516	54,516	13.6%
Cable franchise	196,520	130,000	30,313	30,313	23.3%
Street rental fees	(1,000)	-	-	-	0.0%
Licenses and permits:					
Business licenses and permits	110,964	211,650	21,095	21,095	10.0%
Building and construction permits	1,072,321	930,900	124,552	124,552	13.4%
Service fees:					
General government	-	-	-	-	0.0%
Public safety	873,871	984,945	158,582	158,582	16.1%
Urban development	17,727	71,900	7,293	7,293	10.1%
Streets and sanitation	396,436	445,700	86,927	86,927	19.5%
Recreation	34,914	57,800	3,325	3,325	5.8%
Interfund	516,490	410,431	102,289	102,289	24.9%
Court fines	227,998	260,000	30,341	30,341	11.7%
Interest earnings	402,873	200,000	18,608	18,608	9.3%
Rental income	9,252	8,000	2,200	2,200	27.5%
Other	171,542	128,000	80,125	80,125	62.6%
Total Revenues	39,819,418	38,750,724	9,338,971	9,338,971	24.1%

⁽¹⁾ Represents prior year tax payment refunds

⁽²⁾ Franchise fee payment due in the 3rd quarter

General Fund Expenditures

CATEGORY	FY 2019-20 ACTUAL PRIOR YEAR	FY 2020-21 REVISED BUDGET	FY 2020-21 ACTUAL 1ST QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	173,057	203,088	30,289	30,289	14.9%
City Manager	1,245,323	1,167,665	271,513	271,513	23.3%
Finance	1,826,483	1,775,555	400,386	400,386	22.5%
General Services	682,112	752,269	140,930	140,930	18.7%
Municipal Court	647,095	706,818	189,085	189,085	26.8%
Human Resources	641,387	711,040	161,124	161,124	22.7%
Information Technology	1,905,667	2,248,601	348,095	348,095	15.5%
Combined Services	1,323,634	1,187,951	288,865	288,865	24.3%
Council Projects	339,790	252,132	124,310	124,310	49.3%
Public Safety:					
Police	9,318,042	9,975,874	2,149,034	2,149,034	21.5%
Emergency Communications	1,360,463	1,391,519	693,871	693,871	49.9% ⁽¹⁾
Fire	8,492,455	8,481,549	2,080,072	2,080,072	24.5%
Development Services	1,501,596	1,637,553	316,011	316,011	19.3%
Streets	1,799,515	2,150,903	217,672	217,672	10.1%
Parks and Recreation:					
Parks	3,772,781	4,261,292	752,367	752,367	17.7%
Recreation	1,634,918	1,826,026	302,314	302,314	16.6%
Other financing uses:					
Transfers to other funds	3,608,900	710,950	177,738	177,738	25.0%
Total Expenditures	40,273,218	39,440,785	8,643,679	8,643,679	21.9%
Net Change in Fund Balance	(453,800)	(690,061)	485,365	485,365	
Fund Balance at Beginning of Year	20,588,244	20,134,444		20,134,444	
Fund Balance at End of Year	\$ 20,134,444	\$ 19,444,383		\$ 20,619,809	

⁽¹⁾ NTECC operations contribution for 2nd quarter posted in period 3

Hotel Fund

CATEGORY	FY 2019-20 ACTUAL PRIOR YEAR	FY 2020-21 REVISED BUDGET	FY 2020-21 ACTUAL 1ST QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes	\$ 3,240,946	\$ 4,155,000	\$ 250,828	\$ 250,828	6.0% ⁽¹⁾
Proceeds from special events	107,030	1,104,500	-	-	0.0% ⁽²⁾
Conference centre rental	233,182	-	-	-	0.0% ⁽³⁾
Theatre centre rental	68,781	23,810	5,540	5,540	23.3%
Interest and miscellaneous	57,203	50,100	2,875	2,875	5.7%
Total Revenues	3,707,143	5,333,410	259,243	259,243	4.9%
Expenditures:					
Addison theatre centre	246,578	318,877	44,872	44,872	14.1%
Conference centre	796,480	200,977	72,086	72,086	35.9%
General hotel operations	55,828	154,125	386	386	0.3%
Marketing	618,006	1,113,915	136,024	136,024	12.2%
Performing arts	505,000	329,089	227,839	227,839	69.2% ⁽⁴⁾
Special events	762,666	931,773	192,386	192,386	20.6% ⁽²⁾
Special events operations	606,660	2,405,808	32	32	0.0%
Attractions Capital Projects	31,761	-	2,600	2,600	0.0%
Other financing uses:					
Transfer to Economic Development Fund	384,000	384,000	96,000	96,000	25.0%
Total Expenditures	4,006,980	5,838,564	772,225	772,225	13.2%
Net Change in Fund Balance	(299,837)	(505,154)	(512,982)	(512,982)	
Fund Balance at Beginning of Year	3,449,095	3,149,258		3,149,258	
Fund Balance at End of Year	\$ 3,149,258	\$ 2,644,104		\$ 2,636,276	

⁽¹⁾ Hotel tax collections have not been received by all hoteliers

⁽²⁾ Special events revenues and expenses are low due to the timing of events

⁽³⁾ Conference Centre is closed for FY2021

⁽⁴⁾ Full NPO primary grant payment and matching funds of \$64,263.02 for non-profit grant funding to Water Tower Theatre

Economic Development Fund

CATEGORY	FY 2019-20 ACTUAL PRIOR YEAR	FY 2020-21 REVISED BUDGET	FY 2020-21 ACTUAL 1ST QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$ 1,092,347	\$ 1,127,348	\$ 264,719	\$ 264,719	23.5%
Business license fee	36,360	50,000	8,200	8,200	16.4%
Interest income and other	44,843	58,000	2,494	2,494	4.3%
Transfers from General/Hotel Fund	384,000	384,000	96,000	96,000	25.0%
Total Revenues	1,557,550	1,619,348	371,413	371,413	22.9%
Expenditures:					
Personnel services	479,215	491,120	117,576	117,576	23.9%
Supplies	8,507	20,932	533	533	2.5%
Maintenance	19,393	29,450	8,913	8,913	30.3%
Contractual services	861,621	1,430,153	185,012	185,012	12.9%
Debt Service	16,997	48,160	4,249	4,249	8.8%
Total Expenditures	1,385,734	2,019,815	316,284	316,284	15.7%
Net Change in Fund Balance	171,817	(400,467)	55,129	55,129	
Fund Balance at Beginning of Year	1,797,019	1,968,836		1,968,836	
Fund Balance at End of Year	\$ 1,968,836	\$ 1,568,369		\$ 2,023,965	

Airport Fund

CATEGORY	FY 2019-20 ACTUAL PRIOR YEAR	FY 2020-21 REVISED BUDGET	FY 2020-21 ACTUAL 1ST QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating Revenues:					
Operating grants	\$ 1,431,219	\$ 50,000	\$ -	\$ -	0.0%
Service fees	103,234	158,107	24,910	24,910	15.8% ⁽¹⁾
Fuel flowage fees	867,778	625,043	239,617	239,617	38.3%
Rental income	4,421,924	4,305,960	1,073,967	1,073,967	24.9%
Interest income and other	892,665	50,000	26,326	26,326	52.7%
Total Operating Revenues:	7,716,819	5,189,110	1,364,820	1,364,820	26.3%
Operating Expenses:					
Personnel services	356,381	2,157,056	430,315	430,315	19.9%
Supplies	40,793	61,900	10,401	10,401	16.8%
Maintenance	69,292	479,730	51,578	51,578	10.8%
Contractual services	185,511	1,325,914	253,416	253,416	19.1%
Capital Replacement/Lease	217,258	230,958	54,315	54,315	23.5%
Debt service	855,123	819,647	388	388	0.0%
Capital Outlay	-	35,000	10,989	10,989	31.4%
Operator - Operations and maintenance	3,060,383	-	-	-	0.0% ⁽²⁾
Operator - Service contract	396,815	-	-	-	0.0% ⁽²⁾
Total Operating Expenses:	5,181,556	5,110,205	811,401	811,401	15.9%
Capital Projects (Cash Funded)	3,633,777	2,043,911	-	-	0.0%
Total Expenses:	8,815,333	7,154,116	811,401	811,401	11.3%
Net Change in Working Capital	(1,098,515)	(1,965,006)	553,419	553,419	
Working Capital at Beginning of Year	6,710,399	5,611,884		5,611,884	
Working Capital at End of Year	\$ 5,611,884	\$ 3,646,878		\$ 6,165,303	

⁽¹⁾ Percentage is below the quarterly threshold but actuals are in line with historical trends

⁽²⁾ The Town no longer has an operator contract as the Airport operations were insourced in FY2021

Utility Fund

CATEGORY	FY 2019-20 ACTUAL PRIOR YEAR	FY 2020-21 REVISED BUDGET	FY 2020-21 ACTUAL 1ST QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Water sales	\$ 7,460,287	\$ 7,502,499	\$ 1,343,749	\$ 1,343,749	17.9% ⁽¹⁾
Sewer charges	5,380,789	6,270,477	978,731	978,731	15.6% ⁽¹⁾
Tap fees	11,375	17,500	100	100	0.6%
Penalties	36,448	75,000	-	-	0.0%
Interest income and other	245,617	108,500	7,681	7,681	7.1%
Total Operating Revenues:	13,134,515	13,973,976	2,330,261	2,330,261	16.7%
Operating expenses:					
Personnel services	1,943,252	2,318,042	478,819	478,819	20.7%
Supplies	214,536	216,281	72,686	72,686	33.6%
Maintenance	524,182	650,623	63,194	63,194	9.7%
Contractual services					
Water purchases	3,506,330	3,652,672	365,425	365,425	10.0%
Wastewater treatment	3,427,714	3,746,596	563,031	563,031	15.0%
Other services	743,773	1,735,463	238,759	238,759	13.8%
Capital Replacement/Lease	280,401	340,797	82,964	82,964	24.3%
Debt service	1,414,426	1,517,931	362	362	0.0%
Capital outlay	84,269	65,000	-	-	0.0%
Total Operating Expenses:	12,138,884	14,243,405	1,865,239	1,865,239	13.1%
Capital Projects (Cash Funded)	860,351	163,000	132,762	132,762	81.4%
Total Expenses:	12,999,234	14,406,405	1,998,001	1,998,001	13.9%
Net Change in Working Capital	135,280	(432,429)	332,260	332,260	
Working Capital at Beginning of Year	6,296,869	6,432,149		6,432,149	
Working Capital at End of Year	\$ 6,432,149	\$ 5,999,720		\$ 6,764,409	

⁽¹⁾ Revenues represent a one-month lag in the collection of utility revenues and there is heavy seasonality with water revenue

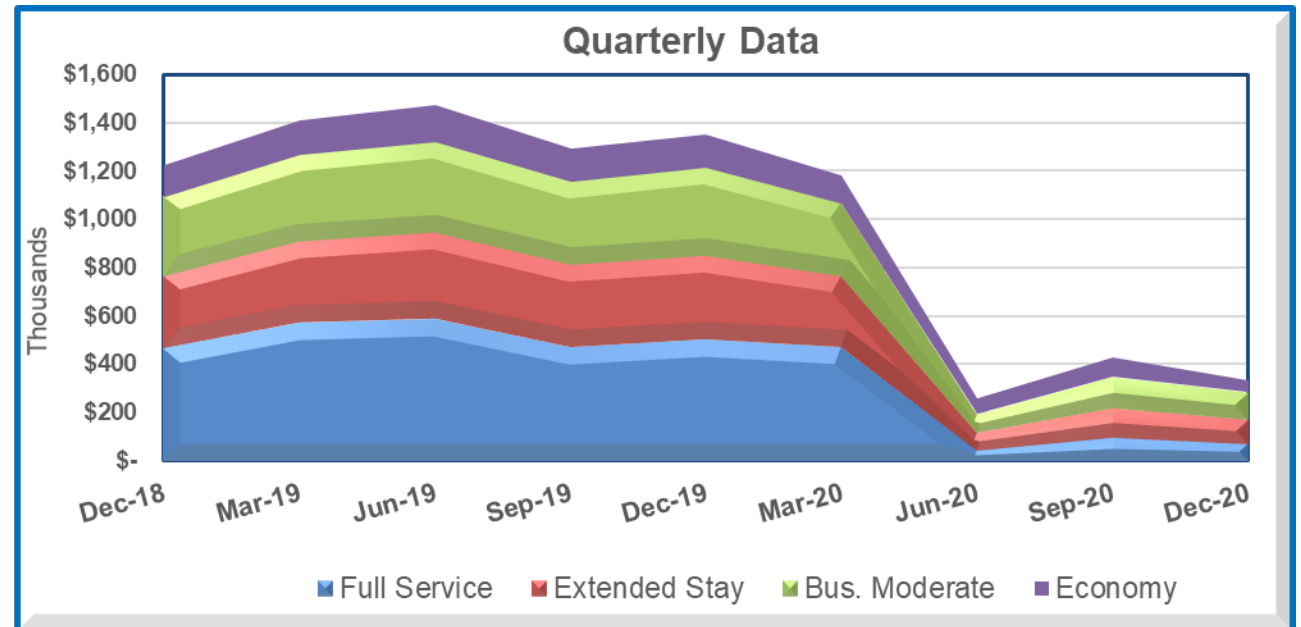
Stormwater Utility Fund

CATEGORY	FY 2019-20 ACTUAL PRIOR YEAR	FY 2020-21 REVISED BUDGET	FY 2020-21 ACTUAL 1ST QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Drainage Fees	\$ 2,320,434	\$ 2,455,791	\$ 435,575	\$ 435,575	17.7% ⁽¹⁾
Interest income and other	136,976	40,000	8,013	8,013	20.0%
Total Operating Revenues:	2,457,410	2,495,791	443,589	443,589	17.8%
Operating expenses					
Personnel services	273,918	313,093	69,173	69,173	22.1%
Supplies	13,239	17,700	2,256	2,256	12.7%
Maintenance	32,637	102,620	15,746	15,746	15.3%
Contractual services	172,465	310,224	34,885	34,885	11.2%
Debt service	543,141	542,266	-	-	0.0%
Capital outlay	48,524	38,610	-	-	0.0%
Total Operating Expenses:	1,083,926	1,324,513	122,059	122,059	9.2%
Capital Projects (Cash Funded)	33,383	2,272,430	-	-	0.0%
Total Expenses:	1,117,308	3,596,943	122,059	122,059	3.4%
Net Change in Working Capital	1,340,102	(1,101,152)	321,529	321,529	
Working Capital at Beginning of Year	6,431,737	7,771,839		7,771,839	
Working Capital at End of Year	\$ 7,771,839	\$ 6,670,687		\$ 8,093,368	

⁽¹⁾ Fees represent a one-month lag in the collection of stormwater revenue but actuals are in line with historical trends

Hotel Occupancy Tax Collections

	Rooms		Oct. - Dec. 2020		21 to 20
	Number	%	Amount	%	% Diff.
Full Service					
Marriott Quorum	547	15%	\$ 71,804	17%	-71%
Renaissance	528	14%	27,690	7%	-84%
	1,075	29%	99,494	23%	-80%
Extended Stay					
Budget Suites	344	9%	9,811	2%	-24%
Hawthorn Suites	70	2%	7,032	2%	-57%
Marriott Residence Inn	150	4%	20,788	5%	-65%
Hyatt House	132	4%	24,164	6%	-55%
⁽¹⁾ Homewood Suites	120	3%	17,168	4%	-68%
Home2Suites	132	4%	25,657	6%	-66%
Springhill Suites	159	4%	14,609	3%	-80%
	1,107	30%	119,229	28%	-65%
Business Moderate					
Marriott Courtyard Quorum	176	5%	16,650	4%	-81%
LaQuinta Inn	152	4%	32,381	8%	-32%
Marriott Courtyard Midway	145	4%	13,819	3%	-76%
Radisson - Addison	101	3%	15,552	4%	-58%
Hilton Garden Inn	96	3%	13,649	3%	-72%
⁽¹⁾ Holiday Inn Express	97	3%	16,985	4%	100%
⁽¹⁾ Holiday Inn Beltway	102	3%	-	0%	100%
Best Western Plus	84	2%	18,541	4%	-29%
	953	26%	127,577	30%	-65%
Economy					
Motel 6	127	3%	26,879	6%	-14%
Hampton Inn	158	4%	10,749	3%	-80%
⁽¹⁾ Red Roof Inn	105	3%	18,482	4%	-25%
Quality Suites North/Galleria	78	2%	19,393	5%	-8%
⁽¹⁾ America's Best Value Inn	60	2%	4,158	1%	-43%
	528	14%	79,661	19%	-43%
TOTAL	3,663	100%	\$ 425,961	100%	-68%



⁽¹⁾ Not yet received one or more payments for the quarter

Investment Report Summary

	Book Value	Market Value	Interest Revenue	Weighted Average Yield-to- Maturity
12/31/2020	103,100,078	103,228,942	141,276	0.48%
09/30/2020	111,058,442	111,217,841	219,319	0.64%
Change	(7,958,364)	(7,988,899)	(78,043)	-0.16%
% Change	-7.17%	-7.18%	-35.58%	-25.12%