

Quarterly Financial Report Fiscal Year 2021 Second Quarter

May 25, 2021

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.

Executive Dashboard – Key Revenue Sources



Executive Dashboard - 2nd 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 3/31/21	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 19,425,398	\$ 19,980,976	102.86%
Non-Property Taxes - General Fund	13,356,000	7,222,014	54.07%
Hotel Tax	4,155,000	680,291	16.37% ⁽¹⁾
Franchise Fees - General Fund	2,260,000	1,089,719	48.22%
Service/Permitting/License Fees - General Fund	3,113,326	1,165,338	37.43%
Rental Income - All Funds	4,337,770	2,226,659	51.33%
Fines and Penalties - All Funds	335,000	68,428	20.43% ⁽²⁾
Special Event Revenue - Hotel Fund	1,104,500	43,700	3.96% ⁽³⁾
Fuel Flowage Fees - Airport Fund	625,043	455,077	72.81%
Water and Sewer Charges - Utility Fund	13,772,976	5,169,555	37.53%

⁽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 - 2nd 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 3/31/21	% Annual Budget
General Fund	\$ 39,440,786	\$ 17,286,125	43.83%
Hotel Fund	5,838,564	1,405,981	24.08%
Economic Development	2,019,815	669,876	33.17%
Airport Operations	5,110,205	2,184,217	42.74%
Utility Operations	14,243,405	6,527,268	45.83%

Personnel Information

Executive Dashboard - 2nd Quarter, 2021 Fiscal Year

Staffing Indicators

Personnel Information:

Separations - Benefitted Positions				
	1/2021-3/2021			FY2021
Department	Part-Time Positions	Full-time positions	Total 2nd Qtr	YTD
Airport	0	0	0	0
City Manager	0	0	0	1
Conference Centre	0	0	0	0
Development Services	0	0	0	0
Finance	0	0	0	0
Fire	0	0	0	3
General Services	0	0	0	1
Human Resources	0	0	0	0
Public Works	0	0	0	2
Marketing & Communications	0	0	0	0
Municipal Court	0	0	0	0
Parks	0	1	1	2
Police	0	2	2	4
Recreation	0	0	0	0
Special Events	0	0	0	0
Streets	0	0	0	0
Grand Total	0	3	3	13

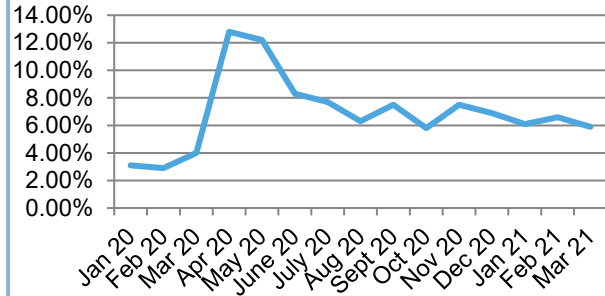
New Hires - Benefitted Positions				
	1/2021-3/2021			FY2021
Department	Part-Time Positions	Full-time positions	Total 2nd Qtr	YTD
Airport	0	1	1	14
City Manager	0	1	1	1
Conference Centre	0	0	0	0
Development Services	0	1	1	1
Finance	0	0	0	1
Fire	0	3	3	4
General Services	0	1	1	2
Human Resources	0	0	0	0
Public Works	0	1	1	2
Marketing & Communications	0	0	0	1
Municipal Court	0	0	0	0
Parks	0	1	1	2
Police	0	5	5	5
Recreation	0	0	0	0
Special Events	0	0	0	0
Streets	0	1	1	3
Grand Total	0	15	15	36

Public Safety Sworn Positions	Budgeted FY 2021	Filled Positions	Percent Filled
Police	66	62	94%
Fire ⁽¹⁾	56	58	104%

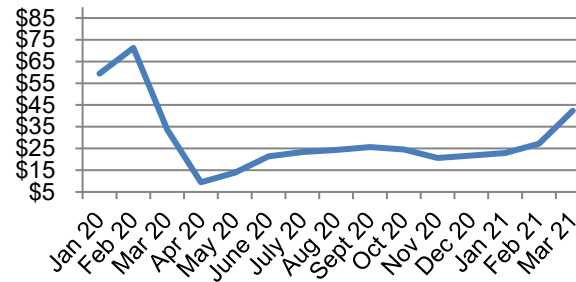
⁽¹⁾ FY2021 budget includes 56 budgeted sworn positions plus overfill of 1 Firefighter (F3) position. Fire received approval in Q2 to have an additional temporary overfill.

Economic Indicators

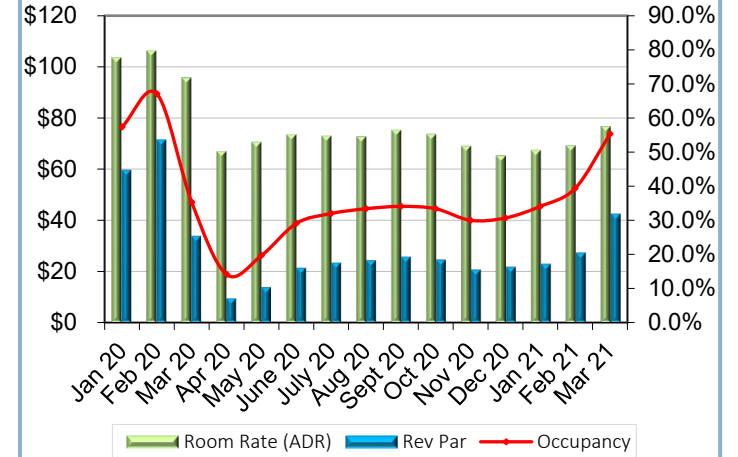
DFW Unemployment Rate Last 12 months



Hotel Revenue Per Available Room



Addison Hotel Statistics

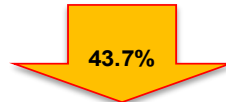
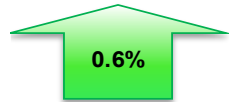


Occupancy Indicators:

Office Occupancy = 79.2%
Retail Occupancy = 89.1%

Hotel Indicators

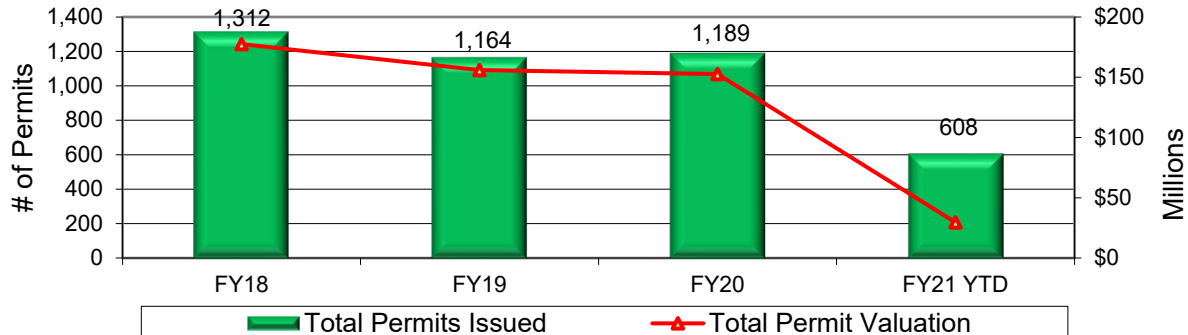
Hotel Occupancy = 42.9%
RevPar = \$30.84



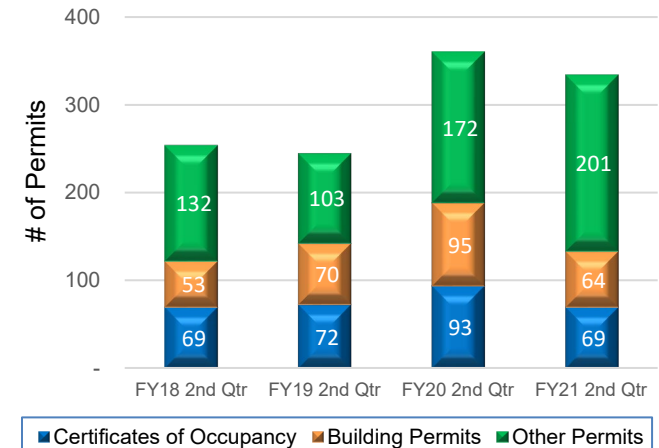
Source: CoStar (compares to prior year Q2)

Source: STR Report (compares to prior year Q2)

Total Permits Issued and Valuation

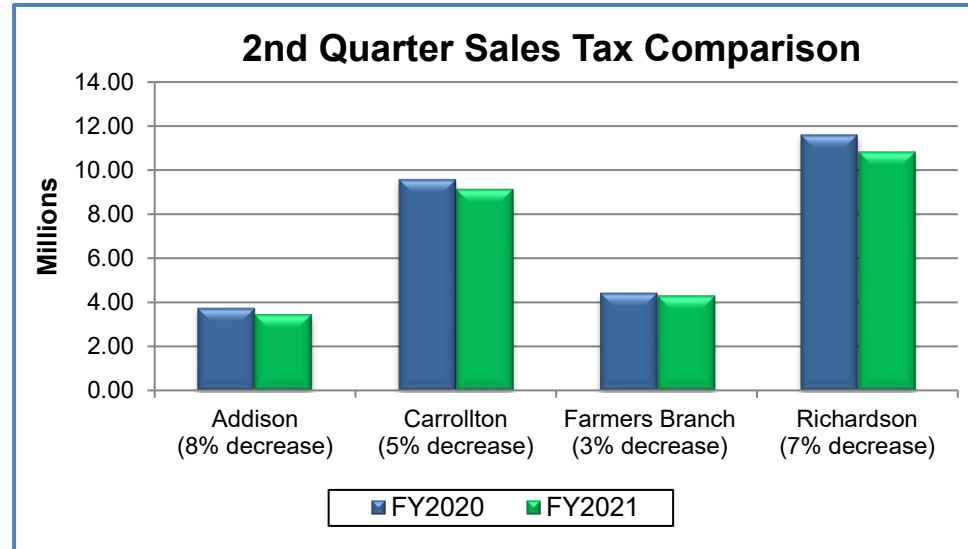


Quarterly Permit Activity, Year over Year

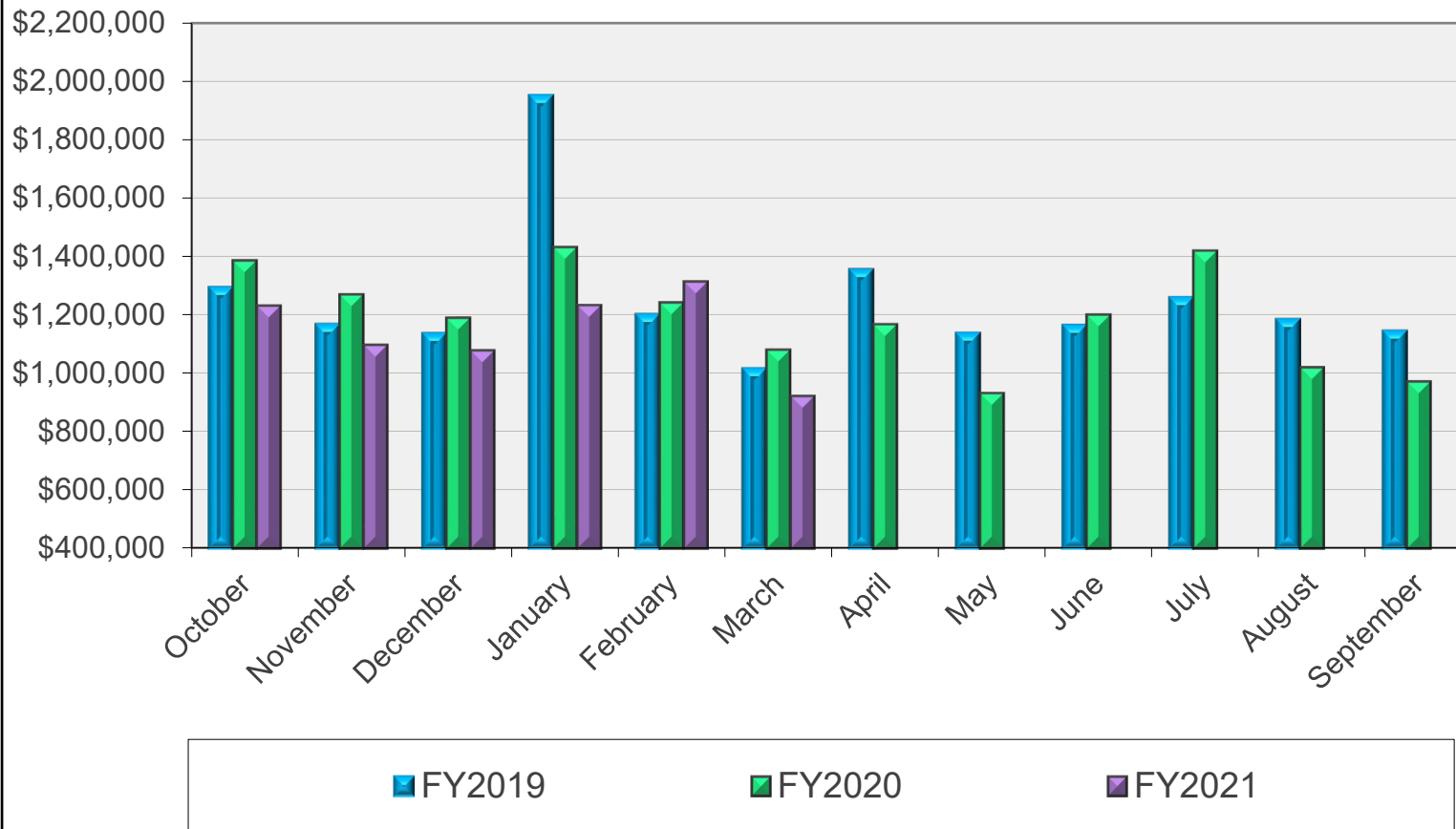


Economic Development Incentives:

Executed Agreements	Amount Paid FY21	Total Incentives Committed
4	\$0	\$205,333



Monthly Sales Tax Collections

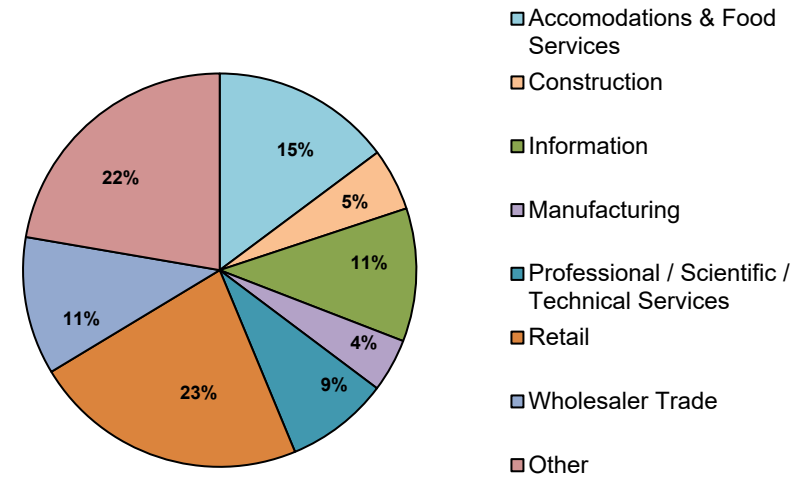


Sales Tax Collections

TOWN OF ADDISON
Schedule of Sales Tax Collections
For the quarter ending March 31, 2021

	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	1,231,161	-13.9%	1,430,683
February	1,312,153	5.7%	1,241,465
March	921,263	-14.7%	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
	\$ 6,866,834		\$ 14,302,624
Budget:	12,330,000	55.7%	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 2ND QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$ 18,925,819	\$ 19,546,156	\$ 15,432,602	\$ 20,122,077	102.9%
Delinquent taxes	(356,413)	(165,758)	(63,398)	(166,544)	100.5% ⁽¹⁾
Penalty & interest	47,840	45,000	23,150	25,443	56.5%
Non-property taxes:					
Sales tax	14,302,624	12,330,000	3,464,577	6,866,834	55.7%
Alcoholic beverage tax	888,599	1,026,000	355,180	355,180	34.6%
Franchise / right-of-way use fees:					
Electric franchise	1,459,652	1,525,000	315,952	733,952	48.1%
Gas franchise	204,919	205,000	185,638	185,638	90.6% ⁽²⁾
Telecommunication access fees	316,471	400,000	50,598	105,114	26.3%
Cable franchise	196,520	130,000	34,702	65,015	50.0%
Street rental fees	(1,000)	-	-	-	0.0%
Licenses and permits:					
Business licenses and permits	110,964	211,650	17,785	38,880	18.4%
Building and construction permits	1,072,321	930,900	182,033	306,585	32.9%
Service fees:					
General government	-	-	-	-	0.0%
Public safety	873,871	984,945	219,676	378,258	38.4%
Urban development	17,727	71,900	6,291	13,584	18.9%
Streets and sanitation	396,436	445,700	128,897	215,824	48.4%
Recreation	34,914	57,800	3,668	6,993	12.1%
Interfund	516,490	410,431	102,926	205,216	50.0%
Court fines	227,998	260,000	38,087	68,428	26.3%
Interest earnings	402,873	200,000	(6,756)	11,852	5.9%
Rental income	9,252	8,000	1,650	3,850	48.1%
Other	171,542	128,000	29,410	109,535	85.6%
Total Revenues	39,819,418	38,750,724	20,522,668	29,651,712	76.5%

⁽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 2ND QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	173,057	203,088	78,200	108,489	53.4%
City Manager	1,245,323	1,167,665	275,544	547,058	46.9%
Finance	1,826,483	1,775,555	470,963	871,349	49.1%
General Services	682,112	752,269	134,022	274,952	36.5%
Municipal Court	647,095	706,818	145,281	334,366	47.3%
Human Resources	641,387	711,040	157,433	318,557	44.8%
Information Technology	1,905,667	2,248,601	482,045	830,140	36.9%
Combined Services	1,323,634	1,187,951	150,275	439,140	37.0%
Council Projects	339,790	252,132	(11,646)	112,665	44.7%
Public Safety:					
Police	9,318,042	9,975,875	2,269,181	4,418,215	44.3%
Emergency Communications	1,360,463	1,391,519	329,830	1,023,701	73.6% ⁽¹⁾
Fire	8,492,455	8,481,549	1,970,318	4,050,390	47.8%
Development Services	1,501,596	1,637,553	356,394	672,405	41.1%
Streets	1,799,515	2,150,903	347,800	565,472	26.3%
Parks and Recreation:					
Parks	3,772,781	4,261,292	943,565	1,695,932	39.8%
Recreation	1,634,918	1,826,026	365,506	667,820	36.6%
Other financing uses:					
Transfers to other funds	3,608,900	710,950	177,738	355,475	50.0%
Total Expenditures	40,273,218	39,440,786	8,642,446	17,286,125	43.8%
Net Change in Fund Balance	(453,800)	(690,062)	11,880,221	12,365,587	
Fund Balance at Beginning of Year	20,588,244	20,134,444		20,134,444	
Fund Balance at End of Year	\$ 20,134,444	\$ 19,444,382		\$ 32,500,031	

⁽¹⁾ NTECC operations contribution for 3rd quarter posted in period 6

Hotel Fund

CATEGORY	FY 2019-20 ACTUAL PRIOR YEAR	FY 2020-21 REVISED BUDGET	FY 2020-21 ACTUAL 2ND QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes	\$ 3,240,946	\$ 4,155,000	\$ 429,463	\$ 680,291	16.4% ⁽¹⁾
Proceeds from special events	107,030	1,104,500	43,700	43,700	4.0% ⁽²⁾
Conference centre rental	233,182	-	650	650	0.0% ⁽³⁾
Theatre centre rental	68,781	23,810	8,361	13,901	58.4%
Interest and miscellaneous	57,203	50,100	56,020	58,896	117.6%
Total Revenues	3,707,143	5,333,410	538,195	797,438	15.0%
Expenditures:					
Addison theatre centre	246,578	318,877	47,229	92,101	28.9%
Conference centre	796,480	200,977	55,867	127,953	63.7%
General hotel operations	55,828	154,125	19,152	19,538	12.7%
Marketing	618,006	1,113,915	115,356	251,380	22.6%
Performing arts	505,000	329,089	64,263	292,102	88.8% ⁽⁴⁾
Special events	762,666	931,773	193,836	386,222	41.5% ⁽²⁾
Special events operations	606,660	2,405,808	40,563	40,594	1.7%
Attractions Capital Projects	31,761	-	1,490	4,090	0.0%
Other financing uses:					
Transfer to Economic Development Fund	384,000	384,000	96,000	192,000	50.0%
Total Expenditures	4,006,980	5,838,564	633,756	1,405,981	24.1%
Net Change in Fund Balance	(299,837)	(505,154)	(95,561)	(608,543)	
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		\$ 2,540,715	

⁽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 2ND QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$ 1,092,347	\$ 1,127,348	\$ 887,773	\$ 1,152,492	102.2%
Business license fee	36,360	50,000	14,150	22,350	44.7%
Interest income and other	44,843	58,000	388	2,881	5.0%
Transfers from General/Hotel Fund	384,000	384,000	96,000	192,000	50.0%
Total Revenues	1,557,550	1,619,348	998,310	1,369,723	84.6%
Expenditures:					
Personnel services	479,215	491,120	111,258	228,834	46.6%
Supplies	8,507	20,932	996	1,529	7.3%
Maintenance	19,393	29,450	1,529	10,442	35.5%
Contractual services	861,621	1,430,153	235,560	420,572	29.4%
Debt Service	16,997	48,160	4,249	8,499	17.6%
Total Expenditures	1,385,734	2,019,815	353,592	669,876	33.2%
Net Change in Fund Balance	171,817	(400,467)	644,718	699,848	
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		\$ 2,668,683	

Airport Fund

CATEGORY	FY 2019-20 ACTUAL PRIOR YEAR	FY 2020-21 REVISED BUDGET	FY 2020-21 ACTUAL 2ND 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	24,039	48,949	31.0% ⁽¹⁾
Fuel flowage fees	867,778	625,043	215,460	455,077	72.8%
Rental income	4,421,924	4,305,960	1,134,291	2,208,258	51.3%
Interest income and other	892,665	50,000	33,111	59,437	118.9%
Total Operating Revenues:	7,716,819	5,189,110	1,406,901	2,771,720	53.4%
Operating Expenses:					
Personnel services	356,381	2,157,056	432,000	862,316	40.0%
Supplies	40,793	61,900	9,878	20,278	32.8%
Maintenance	69,292	479,730	78,885	130,463	27.2%
Contractual services	185,511	1,325,914	222,402	475,818	35.9%
Capital Replacement/Lease	217,258	230,958	54,315	125,542	54.4%
Debt service	855,123	819,647	547,435	547,823	66.8%
Capital Outlay	-	35,000	10,989	21,978	62.8%
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	1,355,903	2,184,217	42.7%
Capital Projects (Cash Funded)	3,633,777	2,043,911 [▲]	-	-	0.0%
Total Expenses:	8,815,333	7,154,116	1,355,903	2,184,217	30.5%
Net Change in Working Capital	(1,098,515)	(1,965,006)	50,998	587,504	
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		\$ 6,199,388	

⁽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 insured in FY2021

Utility Fund

CATEGORY	FY 2019-20 ACTUAL PRIOR YEAR	FY 2020-21 REVISED BUDGET	FY 2020-21 ACTUAL 2ND QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Water sales	\$ 7,460,287	\$ 7,502,499	\$ 1,444,803	\$ 2,788,552	37.2% ⁽¹⁾
Sewer charges	5,380,789	6,270,477	1,402,272	2,381,003	38.0% ⁽¹⁾
Tap fees	11,375	17,500	4,300	4,400	25.1%
Penalties	36,448	75,000	-	-	0.0%
Interest income and other	245,617	108,500	739	8,421	7.8%
Total Operating Revenues:	13,134,515	13,973,976	2,852,115	5,182,376	37.1%
Operating expenses:					
Personnel services	1,943,252	2,318,042	502,926	981,745	42.4%
Supplies	214,536	216,281	60,921	133,607	61.8%
Maintenance	524,182	650,623	96,483	159,677	24.5%
Contractual services					
Water purchases	3,506,330	3,652,672	989,627	1,355,052	37.1%
Wastewater treatment	3,427,714	3,746,596	1,380,440	1,943,471	51.9%
Other services	743,773	1,735,463	345,570	584,328	33.7%
Capital Replacement/Lease	280,401	340,797	82,964	165,929	48.7%
Debt service	1,414,426	1,517,931	1,203,098	1,203,460	79.3%
Capital outlay	84,269	65,000	-	-	0.0%
Total Operating Expenses:	12,138,884	14,243,405	4,662,029	6,527,268	45.8%
Capital Projects (Cash Funded)	860,351	163,000	13,865	146,627	90.0%
Total Expenses:	12,999,234	14,406,405	4,675,894	6,673,895	46.3%
Net Change in Working Capital	135,280	(432,429)	(1,823,779)	(1,491,520)	
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		\$ 4,940,629	

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

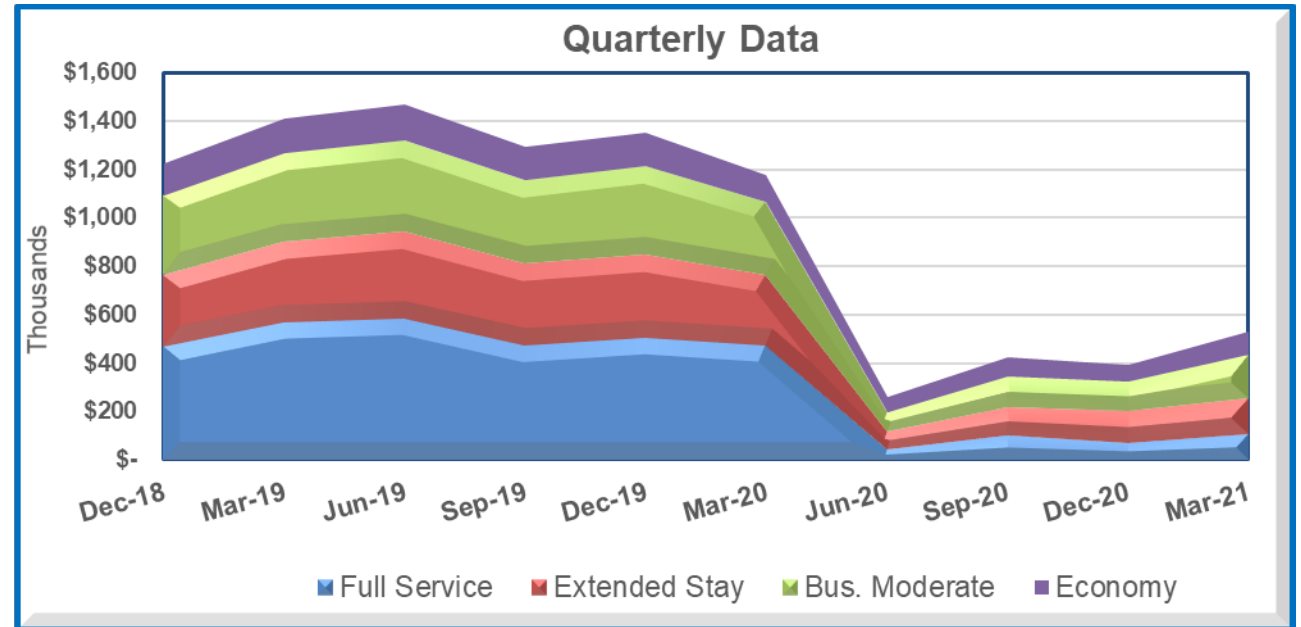
Stormwater Utility Fund

CATEGORY	FY 2019-20 ACTUAL PRIOR YEAR	FY 2020-21 REVISED BUDGET	FY 2020-21 ACTUAL 2ND QTR	FY 2020-21 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Drainage Fees	\$ 2,320,434	\$ 2,455,791	\$ 614,427	\$ 1,050,002	42.8% ⁽¹⁾
Interest income and other	136,976	40,000	(627)	7,386	18.5%
Total Operating Revenues:	2,457,410	2,495,791	613,800	1,057,388	42.4%
Operating expenses					
Personnel services	273,918	313,093	73,848	143,021	45.7%
Supplies	13,239	17,700	636	2,892	16.3%
Maintenance	32,637	102,620	13,680	29,426	28.7%
Contractual services	172,465	310,224	70,572	105,457	34.0%
Debt service	543,141	542,266	426,683	426,683	78.7%
Capital outlay	48,524	38,610	-	-	0.0%
Total Operating Expenses:	1,083,926	1,324,513	585,420	707,479	53.4%
Capital Projects (Cash Funded)	33,383	2,272,430	2,624	2,624	0.1%
Total Expenses:	1,117,308	3,596,943	588,044	710,103	19.7%
Net Change in Working Capital	1,340,102	(1,101,152)	25,756	347,285	
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		\$ 8,119,124	

⁽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		Jan. - Mar. 2021		21 to 20
	Number	%	Amount	%	% Diff.
Full Service					
Marriott Quorum	547	15%	\$ 76,475	14%	-66%
Renaissance	528	14%	30,361	6%	-82%
	1,075	29%	106,836	20%	-77%
Extended Stay					
Budget Suites	344	9%	6,825	1%	-31%
⁽¹⁾ Hawthorn Suites	70	2%	-	0%	-100%
⁽²⁾ Mainstay Suites	70	2%	8,841	2%	0%
Marriott Residence Inn	150	4%	33,239	6%	-31%
Hyatt House	132	4%	10,813	2%	-76%
⁽¹⁾ Homewood Suites	120	3%	-	0%	-100%
Home2Suites	132	4%	48,960	9%	-18%
Springhill Suites	159	4%	39,160	7%	-40%
	1,177	32%	147,838	28%	-49%
Business Moderate					
Marriott Courtyard Quorum	176	5%	24,100	5%	-70%
LaQuinta Inn	152	4%	37,492	7%	-19%
Marriott Courtyard Midway	145	4%	20,104	4%	-51%
Radisson - Addison	101	3%	18,465	3%	3%
Hilton Garden Inn	96	3%	28,163	5%	-32%
Holiday Inn Express	97	3%	29,328	6%	100%
⁽¹⁾ Holiday Inn Beltway	102	3%	-	0%	100%
Best Western Plus	84	2%	22,420	4%	-13%
	953	26%	180,072	34%	-41%
Economy					
Motel 6	127	3%	31,414	6%	5%
Hampton Inn	158	4%	19,827	4%	-49%
Red Roof Inn	105	3%	22,160	4%	12%
Quality Suites North/Galleria	78	2%	14,279	3%	-22%
America's Best Value Inn	60	2%	5,273	1%	-11%
	528	14%	92,954	18%	-18%
TOTAL	3,733	100%	\$ 527,700	100%	-55%



⁽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
3/31/2021	107,279,066	107,285,397	104,590	0.27%
12/31/2020	103,100,078	103,228,942	141,276	0.48%
Change	4,178,988	4,056,455	(36,686)	-0.21%
% Change	4.05%	3.93%	-25.97%	-43.82%