

Quarterly Financial Report Fiscal Year 2022 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 22, 2022

Executive Dashboard – Key Revenue Sources

Executive Dashboard - 1st Quarter, 2022 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	FY2022 Budget	Actual through 12/31/21	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 20,037,826	\$ 5,493,129	27.41%
Non-Property Taxes - General Fund	14,900,000	4,387,843	29.45%
Hotel Tax	4,155,000	797,813	19.20% ⁽¹⁾
Franchise Fees - General Fund	2,105,000	517,894	24.60%
Service/Permitting/License Fees - General Fund	3,108,670	690,553	22.21%
Fines and Penalties - All Funds	320,000	81,170	25.37%
Special Event Revenue - Hotel Fund	1,155,500	103,030	8.92% ⁽²⁾
Fuel Flowage Fees - Airport Fund	1,026,272	389,843	37.99%
Water and Sewer Charges - Utility Fund	14,239,755	2,755,826	19.35%

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

⁽²⁾ Special Events are low due to the timing of events

Executive Dashboard – Key Expenditures

Executive Dashboard - 1st Quarter, 2022 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	FY2022 Budget	Actual through 12/31/21	% Annual Budget
General Fund	\$ 40,722,447	\$ 10,180,080	25.00%
Hotel Fund	5,907,833	834,610	14.13%
Economic Development	2,010,012	306,098	15.23%
Airport Operations	5,349,415	838,918	15.68%
Utility Operations	14,661,013	3,126,477	21.33%

Personnel Information

Executive Dashboard - 1st Quarter, 2022 Fiscal Year

Staffing Indicators

Personnel Information:

Separations - Benefitted Positions				
Department	10/2021-12/2021			FY2022
	Part-Time Positions	Full-time positions	Total 1st Qtr	YTD
Airport	0	0	0	0
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	0	0	0
General Services	0	0	0	0
Human Resources	0	1	1	1
Public Works	0	1	1	1
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	6	6	6

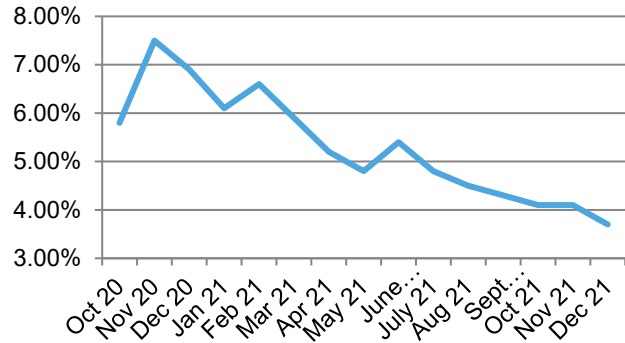
New Hires - Benefitted Positions				
Department	10/2021-12/2021			FY2022
	Part-Time Positions	Full-time positions	Total 1st Qtr	YTD
Airport	0	0	0	0
City Manager	0	0	0	0
Conference Centre	0	0	0	0
Development Services	0	1	1	1
Finance	0	0	0	0
Fire	0	0	0	0
General Services	0	0	0	0
Human Resources	0	0	0	0
Public Works	0	1	1	1
Marketing & Communications	0	0	0	0
Municipal Court	0	0	0	0
Parks	0	3	3	3
Police	0	3	3	3
Recreation	0	1	1	1
Special Events	0	0	0	0
Streets	0	4	4	4
Grand Total	0	13	13	13

Public Safety Sworn Positions	Budgeted FY 2022	Filled Positions	Percent Filled
Police	66	65	98%
Fire ⁽¹⁾	56	57	102%

⁽¹⁾ FY2022 budget includes 56 budgeted sworn positions plus overfill of 1 Firefighter (F3) position

Economic Indicators

DFW Unemployment Rate Last 12 months



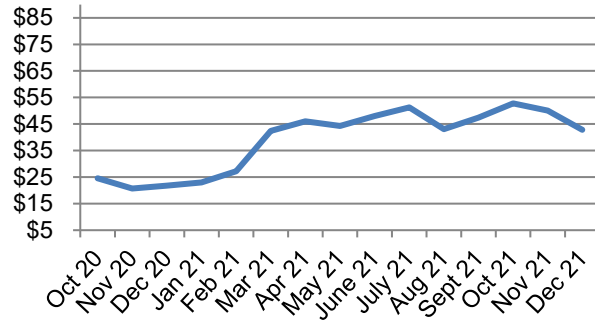
Occupancy Indicators:

Office Occupancy = 77.3% Retail Occupancy = 91.9%



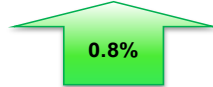
Source: CoStar (compares to prior year Q1)

Hotel Revenue Per Available Room



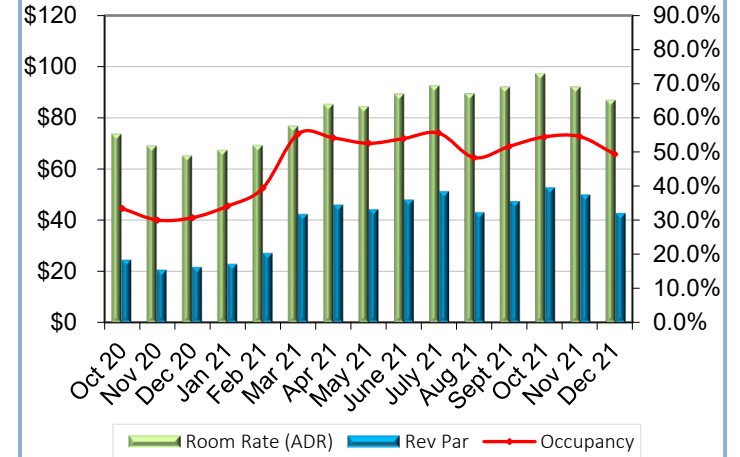
Hotel Indicators

Hotel Occupancy = 52.7% RevPar = \$48.53

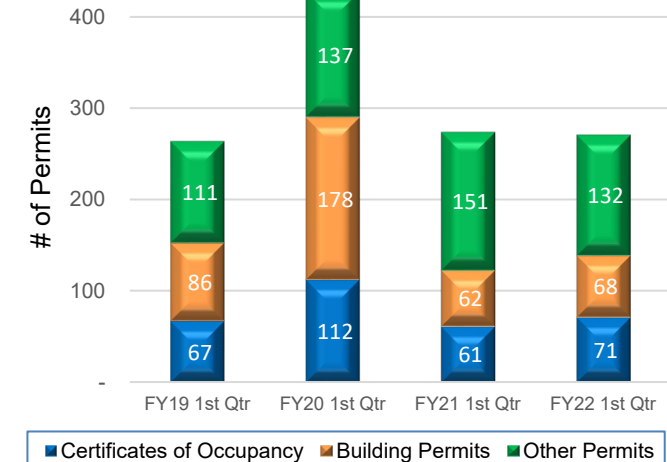


Source: STR Report (compares to prior year Q1)

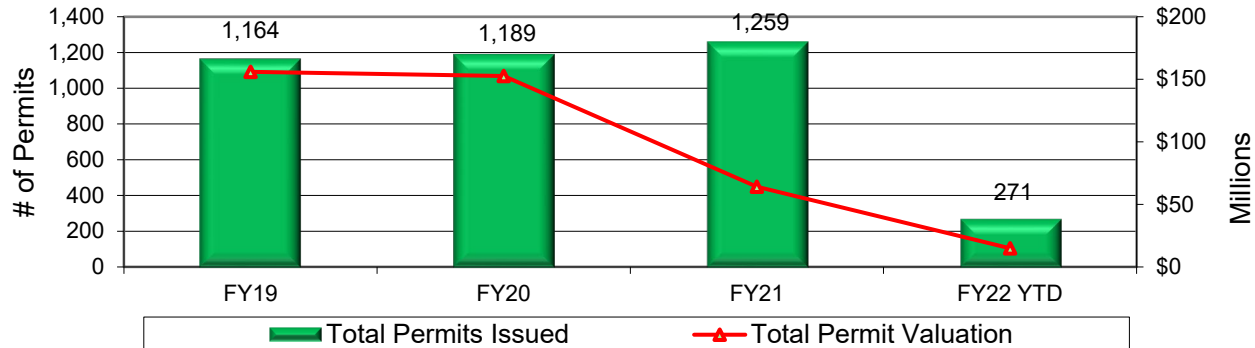
Addison Hotel Statistics



Quarterly Permit Activity, Year over Year

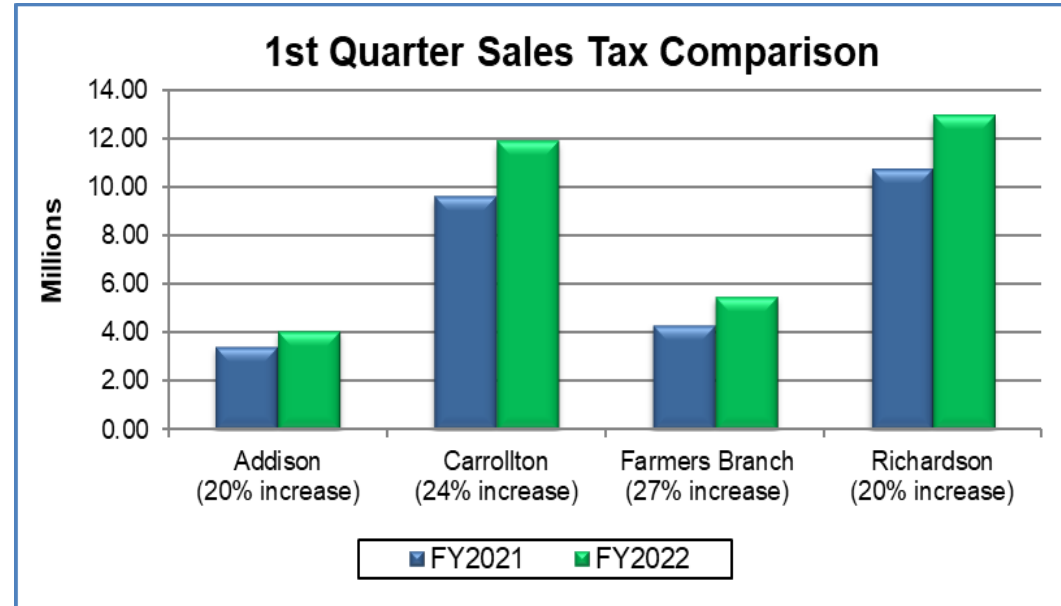


Total Permits Issued and Valuation

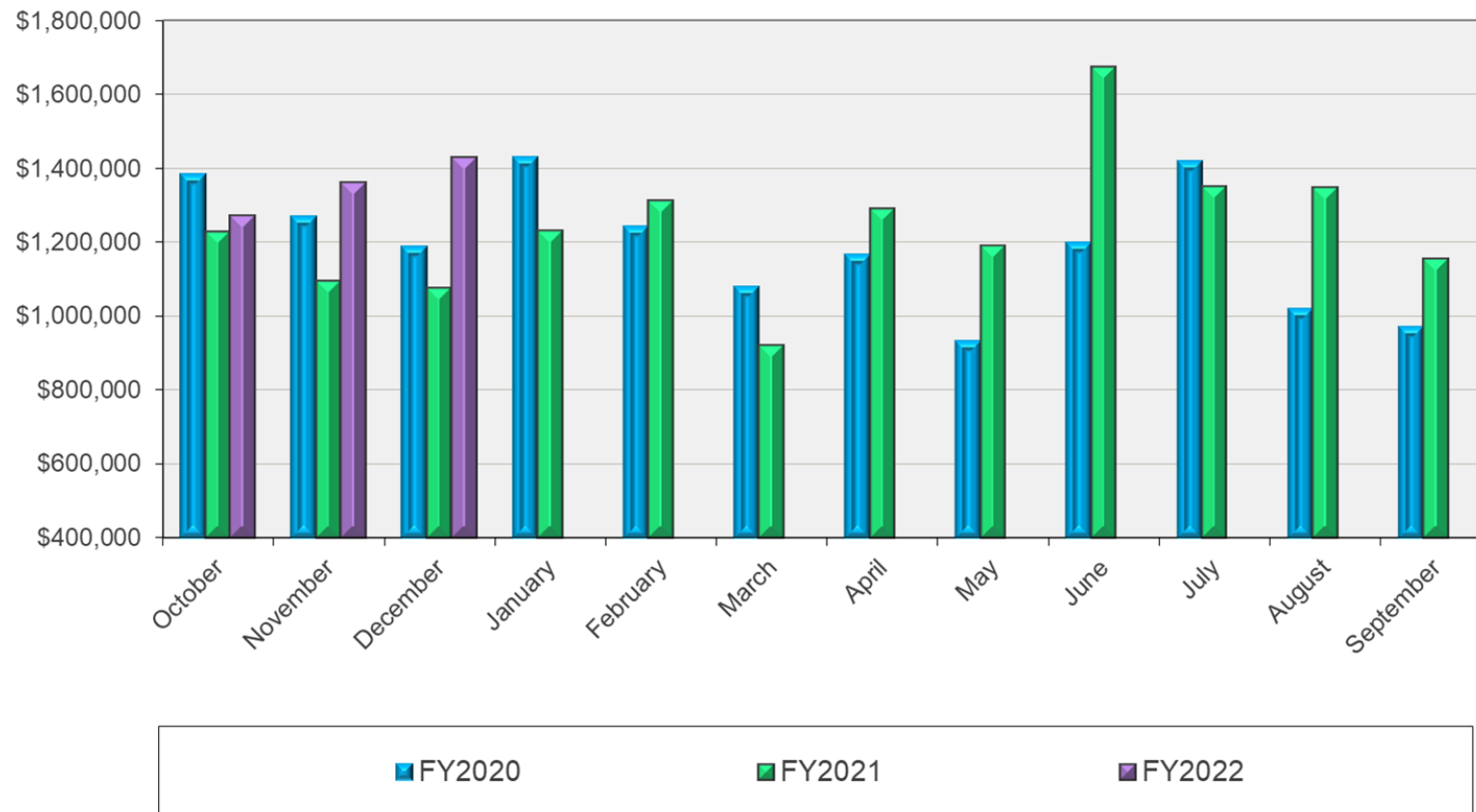


Economic Development Incentives:

Executed Agreements	Amount Paid FY22	Total Incentives Committed
6	\$0	\$527,333



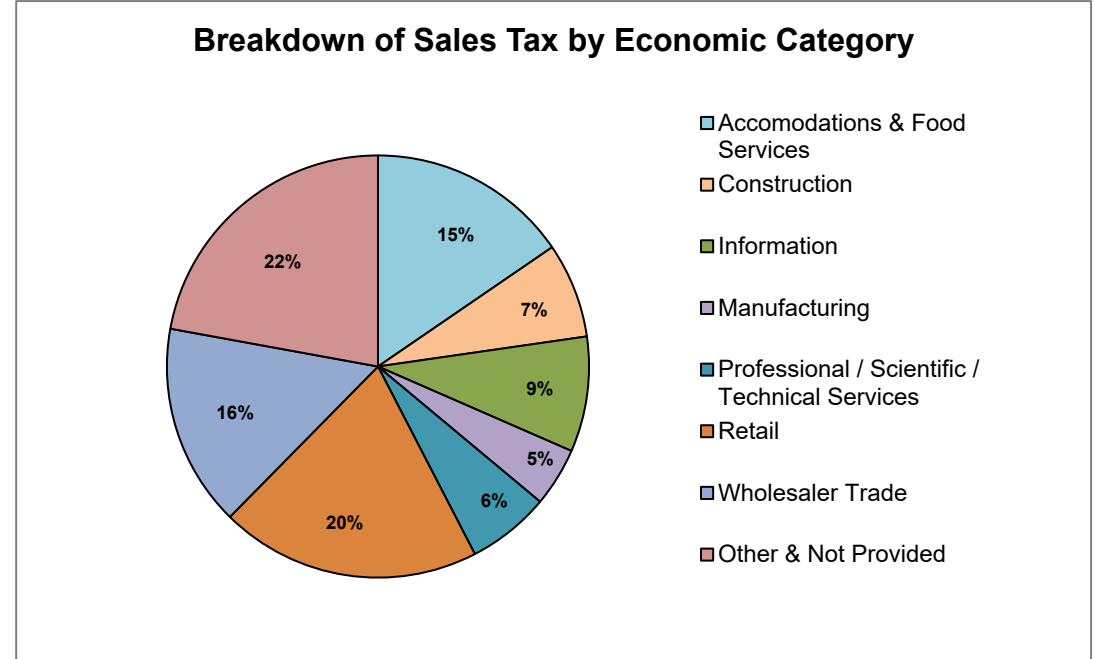
Monthly Sales Tax Collections



Sales Tax Collections

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

	FY2022 Monthly Collections	% Change from Prior Year	FY2021 Monthly Collections
October	\$ 1,273,977	3.6%	\$ 1,229,815
November	1,362,516	24.4%	1,095,667
December	1,430,169	32.8%	1,076,775
January		-100.0%	1,231,161
February		-100.0%	1,312,153
March		-100.0%	921,263
April		-100.0%	1,291,548
May		-100.0%	1,191,232
June		-100.0%	1,674,956
July		-100.0%	1,352,619
August		-100.0%	1,347,683
September		-100.0%	1,156,406
	\$ 4,066,663		\$ 14,881,277
Budget:	13,700,000	29.7%	13,530,766



General Fund Revenue

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 1ST QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$ 20,276,338	\$ 20,139,186	\$ 5,555,329	\$ 5,555,329	27.6%
Delinquent taxes	(159,726)	(151,360)	(67,946)	(67,946)	44.9% ⁽¹⁾
Penalty & interest	55,882	50,000	5,746	5,746	11.5%
Non-property taxes:					
Sales tax	14,881,277	13,700,000	4,066,663	4,066,663	29.7%
Alcoholic beverage tax	1,084,108	1,200,000	321,181	321,181	26.8%
Franchise / right-of-way use fees:					
Electric franchise	1,422,617	1,525,000	436,608	436,608	28.6%
Gas franchise	185,638	200,000	-	-	0.0% ⁽²⁾
Telecommunication access fees	211,969	250,000	49,086	49,086	19.6%
Cable franchise	126,482	130,000	32,200	32,200	24.8%
Street rental fees	-	-	-	-	0.0%
Licenses and permits:					
Business licenses and permits	175,825	129,700	27,125	27,125	20.9%
Building and construction permits	649,082	960,400	155,871	155,871	16.2%
Intergovernmental	1,000,000	-	-	-	0.0%
Service fees:					
General government	-	-	-	-	0.0%
Public safety	880,482	1,006,500	289,876	289,876	28.8%
Urban development	39,719	47,200	12,310	12,310	26.1%
Streets and sanitation	465,739	455,700	87,401	87,401	19.2%
Recreation	29,903	70,300	8,252	8,252	11.7%
Interfund	410,431	438,870	109,718	109,718	25.0%
Court fines	163,408	245,000	51,617	51,617	21.1%
Interest earnings	21,569	100,000	23,230	23,230	23.2%
Rental income	7,900	8,000	1,900	1,900	23.8%
Other	282,410	255,500	132,096	132,096	51.7%
Total Revenues	42,211,054	40,759,996	11,298,262	11,298,262	27.7%

⁽¹⁾ Represents prior year tax payment refunds

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

General Fund Expenditures

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 1ST QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	208,900	221,275	45,156	45,156	20.4%
City Manager	1,233,580	1,204,501	315,363	315,363	26.2%
Finance	1,821,579	1,764,710	430,979	430,979	24.4%
General Services	1,182,474	756,057	174,388	174,388	23.1%
Municipal Court	646,454	712,737	213,384	213,384	29.9%
Human Resources	670,310	740,209	152,878	152,878	20.7%
Information Technology	1,897,336	2,257,050	468,612	468,612	20.8%
Combined Services	1,073,544	1,362,625	338,445	338,445	24.8%
Council Projects	312,168	245,981	166,933	166,933	67.9% ⁽¹⁾
Public Safety:					
Police	10,288,614	10,536,045	2,594,455	2,594,455	24.6%
Emergency Communications	1,392,567	1,594,245	823,601	823,601	51.7% ⁽²⁾
Fire	8,705,865	9,086,845	2,327,449	2,327,449	25.6%
Development Services	1,560,348	1,807,802	418,156	418,156	23.1%
Streets	1,951,588	2,136,422	284,216	284,216	13.3%
Parks and Recreation:					
Parks	4,066,372	4,505,248	1,124,270	1,124,270	25.0%
Recreation	1,629,169	1,790,696	301,797	301,797	16.9%
Other financing uses:					
Transfers to other funds	3,460,950	-	-	-	0.0%
Total Expenditures	42,101,818	40,722,447	10,180,080	10,180,080	25.0%
Net Change in Fund Balance	109,236	37,549	1,118,182	1,118,182	
Fund Balance at Beginning of Year	20,134,439	20,243,675		20,243,675	
Fund Balance at End of Year	\$ 20,243,675	\$ 20,281,224		\$ 21,361,857	

⁽¹⁾ Includes primary NPO grant payment for non-profit grant funding

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

Hotel Fund

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 1ST QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes	\$ 2,523,560	\$ 4,155,000	\$ 797,813	\$ 797,813	19.2% ⁽¹⁾
Proceeds from special events	897,005	1,155,500	103,030	103,030	8.9% ⁽²⁾
Rental income	86,403	85,000	17,342	17,342	20.4%
Interest and miscellaneous	1,072,594	2,024,836	3,177	3,177	0.2%
Total Revenues	4,579,563	7,420,336	921,361	921,361	12.4%
Expenditures:					
Addison theatre centre	261,323	275,208	49,836	49,836	18.1%
Conference centre	242,199	212,138	49,059	49,059	23.1%
General hotel operations	23,085	148,129	20,508	20,508	13.8%
Marketing	859,612	1,139,905	156,331	156,331	13.7%
Performing arts	375,989	329,089	227,839	227,839	69.2% ⁽³⁾
Special events	866,347	993,628	199,585	199,585	20.1% ⁽²⁾
Special events operations	2,001,576	2,425,736	35,451	35,451	1.5%
Attractions Capital Projects	4,090	-	-	-	0.0%
Other financing uses:					
Transfer to Economic Development Fund	384,000	384,000	96,000	96,000	25.0%
Total Expenditures	5,018,221	5,907,833	834,610	834,610	14.1%
Net Change in Fund Balance	(438,658)	1,512,503	86,751	86,751	
Fund Balance at Beginning of Year	3,149,259	2,710,601		2,710,601	
Fund Balance at End of Year	\$ 2,710,601	\$ 4,223,104		\$ 2,797,352	

⁽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⁾ NPO primary grant payment for non-profit grant funding to Water Tower Theatre

Economic Development Fund

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 1ST QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$ 1,163,539	\$ 1,153,552	\$ 316,823	\$ 316,823	27.5%
Business license fee	27,165	50,000	12,650	12,650	25.3%
Interest income and other	2,249	20,000	2,407	2,407	12.0%
Transfers from General/Hotel Fund	384,000	384,000	96,000	96,000	25.0%
Total Revenues	1,576,953	1,607,552	427,880	427,880	26.6%
Expenditures:					
Personnel services	496,773	516,217	132,849	132,849	25.7%
Supplies	10,551	20,301	2,206	2,206	10.9%
Maintenance	24,407	29,602	9,076	9,076	30.7%
Contractual services	984,838	1,430,520	158,624	158,624	11.1%
Debt Service	16,997	13,372	3,343	3,343	25.0%
Total Expenditures	1,533,566	2,010,012	306,098	306,098	15.2%
Net Change in Fund Balance	43,387	(402,460)	121,782	121,782	
Fund Balance at Beginning of Year	1,968,832	2,012,219		2,012,219	
Fund Balance at End of Year	\$ 2,012,219	\$ 1,609,759		\$ 2,134,001	

Airport Fund

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 1ST QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating Revenues:					
Operating grants	\$ 107,000	\$ 50,000	\$ -	\$ -	0.0%
Service fees	108,408	294,000	26,638	26,638	9.1% ⁽¹⁾
Fuel flowage fees	1,064,377	1,026,272	389,843	389,843	38.0%
Rental income	4,415,499	5,635,534	1,108,104	1,108,104	19.7%
Interest income and other	168,982	56,040	28,145	28,145	50.2%
Total Operating Revenues:	5,864,266	7,061,846	1,552,729	1,552,729	22.0%
Operating Expenses:					
Personnel services	1,963,122	2,114,862	465,625	465,625	22.0%
Supplies	41,731	57,200	12,338	12,338	21.6%
Maintenance	368,803	745,148	85,168	85,168	11.4%
Contractual services	1,080,506	1,078,750	208,841	208,841	19.4%
Capital Replacement/Lease	467,258	35,000	-	-	0.0%
Debt service	749,767	1,118,455	66,946	66,946	6.0%
Capital Outlay	46,664	200,000	-	-	0.0%
Total Operating Expenses:	4,717,851	5,349,415	838,918	838,918	15.7%
Capital Projects (Cash Funded)	14,750	1,583,070	105,784	105,784	6.7%
Total Expenses:	4,732,601	6,932,485	944,702	944,702	13.6%
Net Change in Working Capital	1,131,665	129,361	608,027	608,027	
Working Capital at Beginning of Year	5,711,003	6,842,668		6,842,668	
Working Capital at End of Year	\$ 6,842,668	\$ 6,972,029		\$ 7,450,695	

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

Utility Fund

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 1ST QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Water sales	\$ 7,518,421	\$ 7,738,852	\$ 1,624,884	\$ 1,624,884	21.0% ⁽¹⁾
Sewer charges	5,808,866	6,500,903	1,130,942	1,130,942	17.4% ⁽¹⁾
Tap fees	10,683	17,500	4,620	4,620	26.4%
Penalties	15,958	75,000	29,552	29,552	39.4%
Interest income and other	51,631	108,500	8,903	8,903	8.2%
Total Operating Revenues:	13,405,558	14,440,755	2,798,901	2,798,901	19.4%
Operating expenses:					
Personnel services	2,169,275	2,549,211	583,630	583,630	22.9%
Supplies	300,454	202,232	52,387	52,387	25.9%
Maintenance	527,646	1,107,385	191,149	191,149	17.3%
Contractual services					
Water purchases	3,242,450	4,224,277	1,060,415	1,060,415	25.1%
Wastewater treatment	3,486,904	3,727,622	882,977	882,977	23.7%
Other services	1,286,970	1,141,920	310,163	310,163	27.2%
Capital Replacement/Lease	581,857	181,584	45,396	45,396	25.0%
Debt service	1,517,681	1,526,782	361	361	0.0%
Capital outlay	142,533	-	-	-	0.0%
Total Operating Expenses:	13,255,770	14,661,013	3,126,477	3,126,477	21.3%
Capital Projects (Cash Funded)	87,037	121,576	-	-	0.0%
Total Expenses:	13,342,807	14,782,589	3,126,477	3,126,477	21.1%
Net Change in Working Capital	62,751	(341,834)	(327,576)	(327,576)	
Working Capital at Beginning of Year	6,431,088	6,493,839		6,493,839	
Working Capital at End of Year	\$ 6,493,839	\$ 6,152,006		\$ 6,166,263	

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

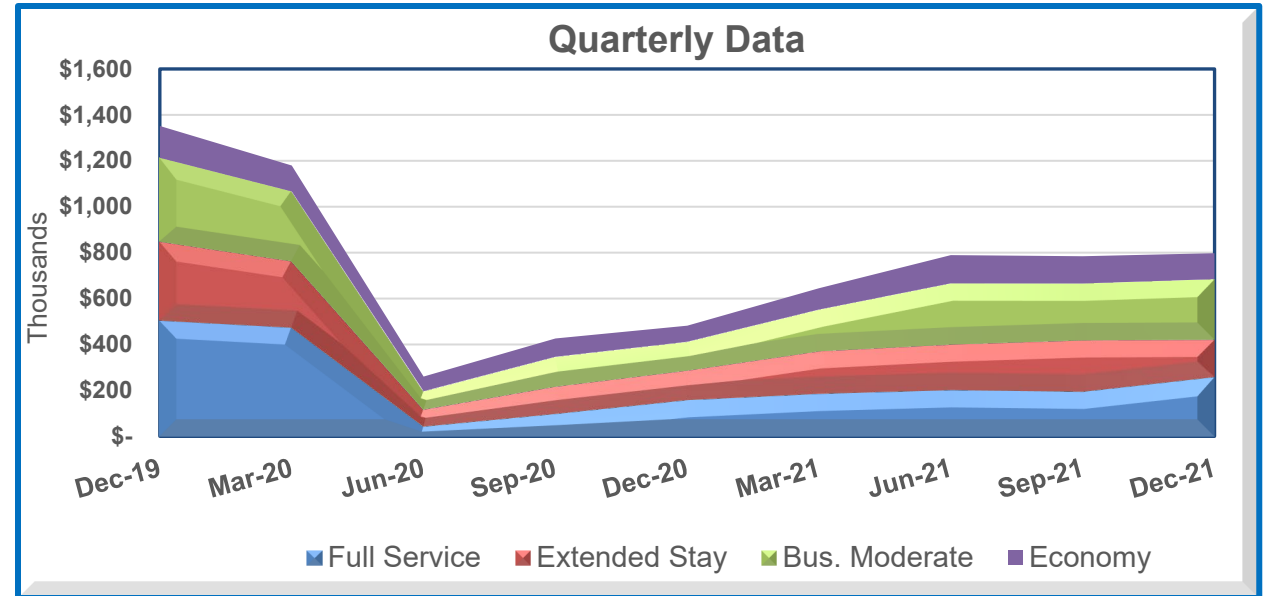
Stormwater Utility Fund

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 1ST QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Drainage Fees	\$ 2,457,241	\$ 2,554,023	\$ 453,709	\$ 453,709	17.8% ⁽¹⁾
Interest income and other	94,662	20,000	11,761	11,761	58.8%
Total Operating Revenues:	2,551,902	2,574,023	465,469	465,469	18.1%
Operating expenses					
Personnel services	324,658	396,777	89,027	89,027	22.4%
Supplies	11,637	31,000	1,863	1,863	6.0%
Maintenance	59,377	151,240	41,433	41,433	27.4%
Contractual services	256,804	362,080	22,771	22,771	6.3%
Debt service	591,396	555,266	2,500	2,500	0.5%
Capital outlay	32,720	166,000	-	-	0.0%
Total Operating Expenses:	1,276,591	1,662,363	157,595	157,595	9.5%
Capital Projects (Cash Funded)	23,256	874,415	10,500	10,500	1.2%
Total Expenses:	1,299,847	2,536,778	168,095	168,095	6.6%
Net Change in Working Capital	1,252,055	37,245	297,375	297,375	
Working Capital at Beginning of Year	7,734,397	8,986,452		8,986,452	
Working Capital at End of Year	\$ 8,986,452	\$ 9,023,697		\$ 9,283,827	

⁽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. 2021		22 to 21
	Number	%	Amount	%	% Diff.
Full Service					
Marriott Quorum	547	15%	\$ 154,905	19%	168%
⁽¹⁾ Renaissance	528	14%	104,218	13%	717%
	1,075	29%	259,123	32%	63%
Extended Stay					
Budget Suites	344	9%	9,654	1%	14%
⁽¹⁾ Mainstay Suites	70	2%	7,520	1%	0%
⁽¹⁾ Marriott Residence Inn	150	4%	-	0%	-100%
⁽¹⁾ Hyatt House	132	4%	-	0%	-100%
⁽¹⁾ Homewood Suites	120	3%	25,661	3%	5%
Home2Suites	132	4%	67,015	8%	185%
Springhill Suites	159	4%	53,138	7%	166%
	1,107	30%	162,989	20%	26%
Business Moderate					
Marriott Courtyard Quorum	176	5%	58,127	7%	215%
LaQuinta Inn	152	4%	42,454	5%	60%
Marriott Courtyard Midway	145	4%	40,443	5%	151%
Radisson - Addison	101	3%	21,778	3%	60%
Hilton Garden Inn	96	3%	36,123	5%	129%
Holiday Inn Express	97	3%	35,860	4%	117%
⁽¹⁾ Holiday Inn Beltway	102	3%	-	0%	0%
Best Western Plus	84	2%	27,703	3%	67%
	953	26%	262,489	33%	112%
Economy					
Motel 6	127	3%	29,925	4%	29%
Hampton Inn	158	4%	25,243	3%	97%
Red Roof Inn	105	3%	29,746	4%	69%
Quality Suites North/Galleria	78	2%	20,556	3%	41%
America's Best Value Inn	60	2%	7,742	1%	259%
	528	14%	113,212	14%	61%
TOTAL	3,663	100%	797,813	100%	65%



⁽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
12/31/2021	120,896,570	120,014,074	150,182	0.54%
9/30/2021	123,010,270	122,796,526	126,466	0.51%
Change	(2,113,700)	(2,782,452)	23,716	0.04%
% Change	-1.72%	-2.27%	18.75%	7.72%

The Government Finance Officers Association (GFOA) presented the Town of Addison with two awards in 2021.

- ❑ Certificate of Achievement for Excellence in Financial Reporting
 - 45th Consecutive Award
- ❑ Distinguished Budget Presentation Award
 - 34th Consecutive Award

