

Quarterly Financial Report Fiscal Year 2022 Fourth Quarter

November 8, 2022

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 - 4th 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 9/30/22	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 20,037,826	\$ 20,454,051	102.08%
Non-Property Taxes - General Fund	15,910,875	17,347,888	109.03%
Hotel Tax	4,155,000	4,255,140	102.41% ⁽¹⁾
Franchise Fees - General Fund	2,105,000	2,066,919	98.19%
Service/Permitting/License Fees - General Fund	3,108,670	3,167,896	101.91%
Fines and Penalties - All Funds	320,000	427,389	133.56%
Special Event Revenue - Hotel Fund	1,155,500	823,361	71.26% ⁽²⁾
Fuel Flowage Fees - Airport Fund	1,026,272	1,357,351	132.26%
Water and Sewer Charges - Utility Fund	14,639,755	15,444,622	105.50%

⁽¹⁾ Hotel tax revenue has not been collected from all hoteliers

⁽²⁾ Special Events revenue is lower than FY2021 revenue

Executive Dashboard – Key Expenditures

Executive Dashboard - 4th 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 9/30/22	% Annual Budget
General Fund	\$ 41,742,871	\$ 40,256,420	96.44%
Hotel Fund	6,014,152	5,491,924	91.32%
Economic Development	2,010,012	1,506,088	74.93%
Airport Operations	5,199,386	4,835,319	93.00%
Utility Operations	15,076,255	14,187,780	94.11%

Personnel Information

Executive Dashboard - 4th Quarter, 2022 Fiscal Year

Staffing Indicators

Personnel Information:

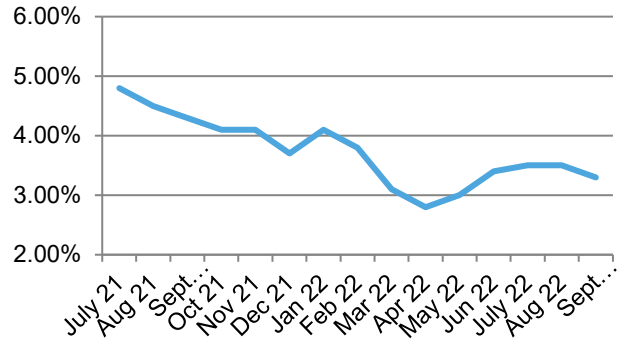
Separations - Benefitted Positions					New Hires - Benefitted Positions				
	07/2022-09/2022			FY2022		07/2022-09/2022			FY2022
Department	Part-Time Positions	Full-time positions	Total 4th Qtr	YTD	Department	Part-Time Positions	Full-time positions	Total 4th Qtr	YTD
Airport	0	1	1	2	Airport	0	0	0	2
City Manager	0	1	1	2	City Manager	0	0	0	1
Conference Centre	0	0	0	0	Conference Centre	0	0	0	0
Development Services	0	0	0	3	Development Services	0	2	2	4
Economic Development	0	1	1	1	Economic Development	0	0	0	0
Finance	0	0	0	2	Finance	0	1	1	3
Fire	0	1	1	4	Fire	0	0	0	4
General Services	0	0	0	1	General Services	0	0	0	0
Human Resources	0	1	1	3	Human Resources	0	1	1	3
Information Technology	0	0	0	0	Information Technology	0	0	0	1
Public Works	0	0	0	6	Public Works	0	3	3	6
Marketing & Communications	0	0	0	0	Marketing & Communications	0	0	0	0
Municipal Court	0	0	0	0	Municipal Court	0	0	0	0
Parks	0	0	0	6	Parks	0	0	0	8
Police	0	3	3	10	Police	0	3	3	9
Recreation	2	0	2	11	Recreation	1	1	2	9
Special Events	0	1	1	2	Special Events	0	0	0	1
Streets	0	1	1	3	Streets	0	0	0	6
Grand Total	2	10	12	56	Grand Total	1	11	12	57

Public Safety Sworn Positions	Budgeted FY 2022	Filled Positions	Percent Filled
Police	66	66	100%
Fire ⁽¹⁾	56	57	102%

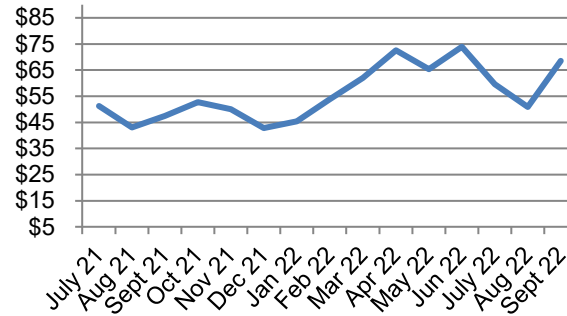
⁽¹⁾ FY2021 budget includes 56 budgeted sworn positions plus overfill of 1 Firefighter (F3) position.

Economic Indicators

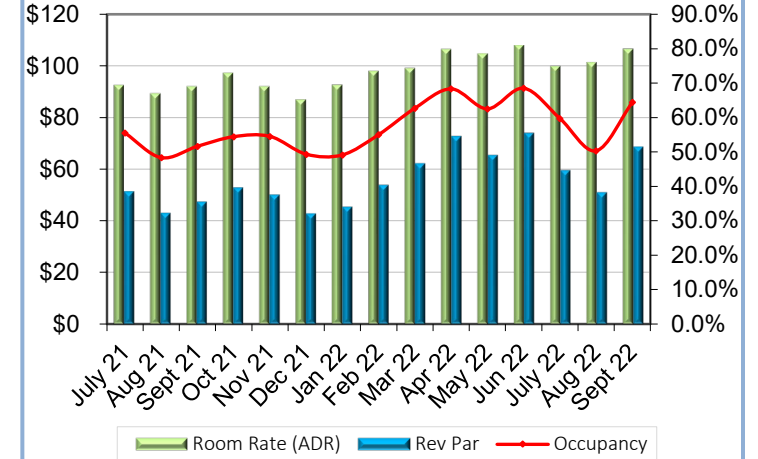
DFW Unemployment Rate Last 12 months



Hotel Revenue Per Available Room



Addison Hotel Statistics



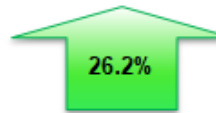
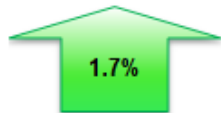
Occupancy Indicators:

Office Occupancy = 79.6%

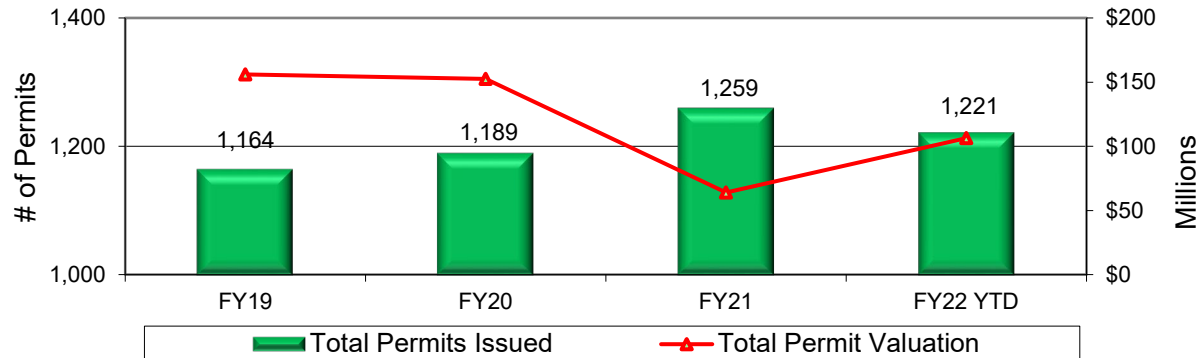
Retail Occupancy = 92.8%

Hotel Occupancy = 58.1%

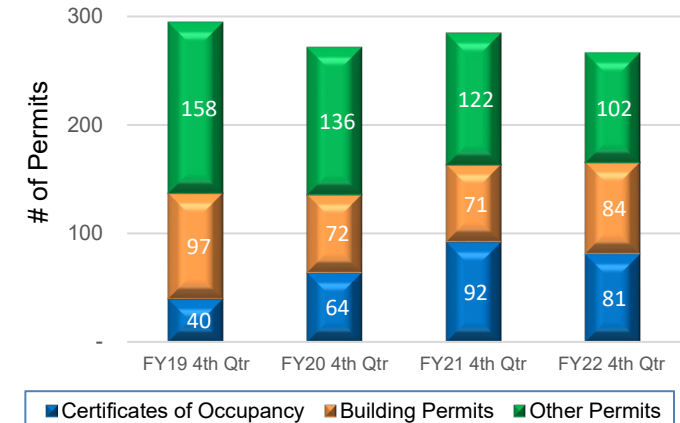
RevPar = \$59.63



Total Permits Issued and Valuation

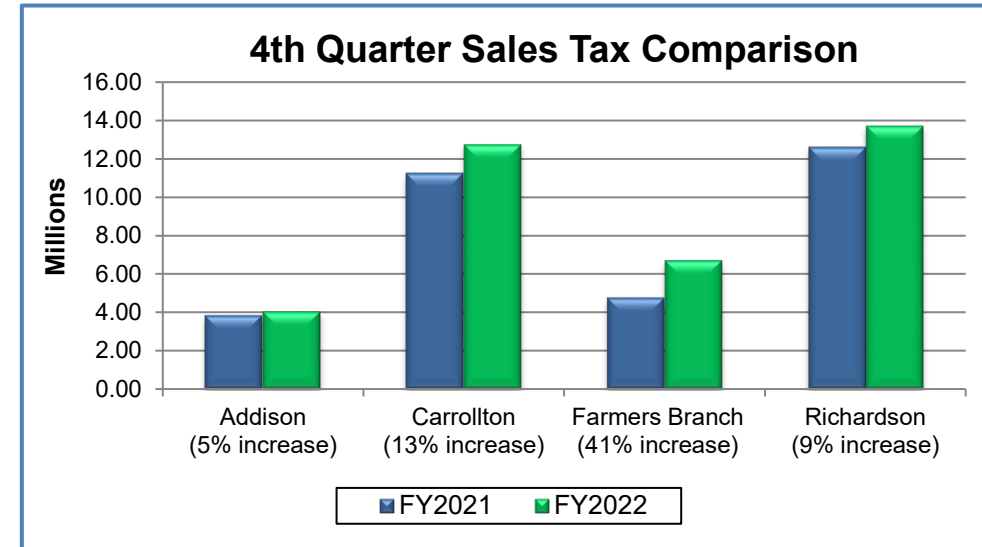


Quarterly Permit Activity, Year over Year

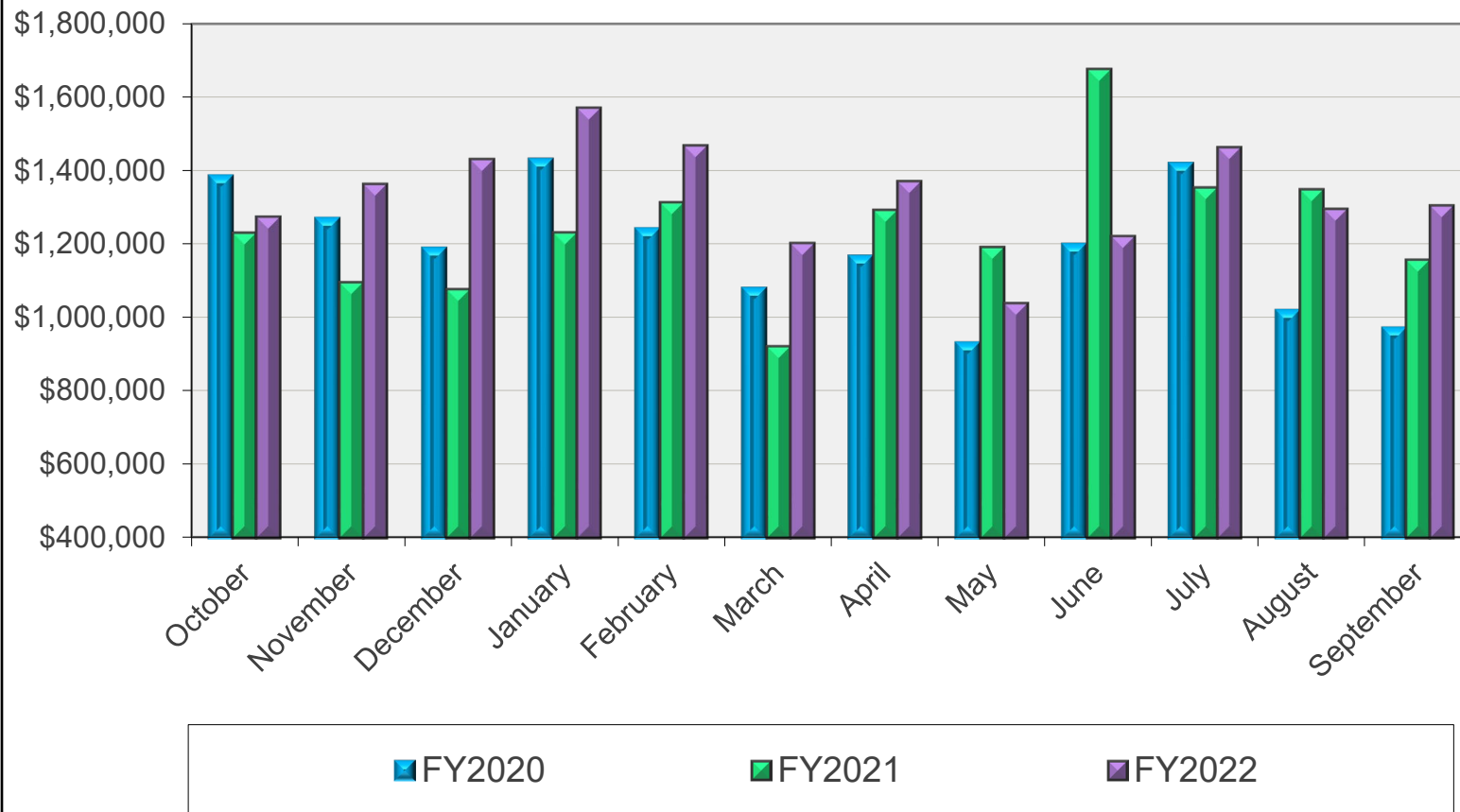


Economic Development Incentives:

Executed Agreements	Amount Paid FY22	Total Incentives Committed
7	\$358,364	\$747,030



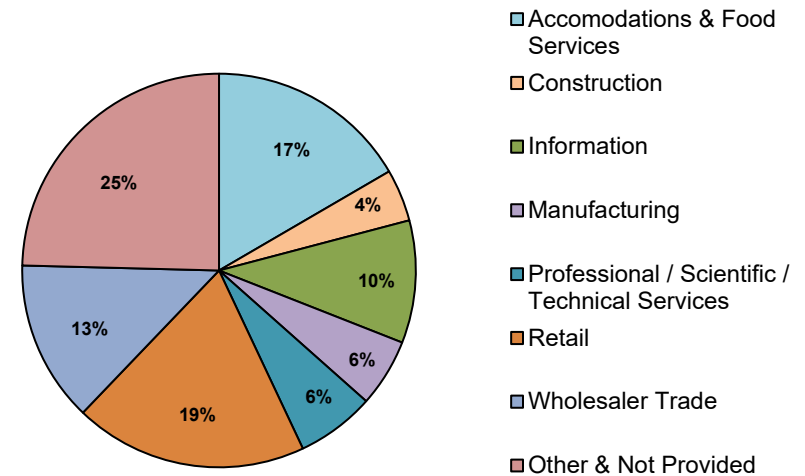
Monthly Sales Tax Collections



Sales Tax Collections

TOWN OF ADDISON Schedule of Sales Tax Collections For the quarter ending September 30, 2022			
	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	1,569,646	27.5%	1,231,161
February	1,467,367	11.8%	1,312,153
March	1,202,011	30.5%	921,263
April	1,370,124	6.1%	1,291,548
May	1,038,643	-12.8%	1,191,232
June	1,220,982	-27.1%	1,674,956
July	1,462,725	8.1%	1,352,619
August	1,294,958	-3.9%	1,347,683
September	1,304,166	12.8%	1,156,406
	15,997,283		\$ 14,881,277
Budget:	14,710,875	108.7%	13,530,766

Breakdown of Sales Tax by Economic Category



General Fund Revenue

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 4TH QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$ 20,276,338	\$ 20,139,186	\$ 1,109	\$ 20,603,683	102.3%
Delinquent taxes	(159,726)	(151,360)	4,920	(207,701)	137.2% ⁽¹⁾
Penalty & interest	55,882	50,000	5,311	58,070	116.1%
Non-property taxes:					
Sales tax	14,881,277	14,710,875	4,061,848	15,997,283	108.7%
Alcoholic beverage tax	1,084,108	1,200,000	338,243	1,350,605	112.6%
Franchise / right-of-way use fees:					
Electric franchise	1,422,617	1,525,000	350,981	1,481,202	97.1%
Gas franchise	185,638	200,000	-	275,373	137.7%
Telecommunication access fees	211,969	250,000	45,079	185,927	74.4%
Cable franchise	126,482	130,000	30,019	124,416	95.7%
Street rental fees	-	-	-	-	0.0%
Licenses and permits:					
Business licenses and permits	175,825	129,700	41,821	154,561	119.2%
Building and construction permits	649,082	960,400	321,229	972,527	101.3%
Intergovernmental	1,000,000	-	-	3,982	0.0%
Service fees:					
General government	-	-	-	-	0.0%
Public safety	880,482	1,006,500	227,445	1,071,282	106.4%
Urban development	39,719	47,200	12,015	50,110	106.2%
Streets and sanitation	465,739	455,700	109,467	440,857	96.7%
Recreation	29,903	70,300	13,204	39,690	56.5%
Interfund	410,431	438,870	109,718	438,870	100.0%
Court fines	163,408	245,000	110,116	301,404	123.0%
Interest earnings	21,569	100,000	82,180	208,383	208.4%
Rental income	7,900	8,000	2,400	8,300	103.8%
Other	282,410	255,500	155,924	421,465	165.0%
Total Revenues	42,211,054	41,770,871	6,023,029	43,980,288	105.3%

⁽¹⁾ Represents prior year tax payment refunds

General Fund Expenditures

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 4TH QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	208,900	221,275	50,517	186,749	84.4%
City Manager	1,233,580	1,234,501	381,677	1,239,808	100.4%
Finance	1,821,579	1,764,710	481,555	1,728,808	98.0%
General Services	1,182,474	1,291,057	730,133	1,270,036	98.4%
Municipal Court	646,454	712,737	190,396	688,538	96.6%
Human Resources	670,310	740,209	208,302	654,673	88.4%
Information Technology	1,897,336	2,257,050	544,428	1,950,183	86.4%
Combined Services	1,073,544	1,362,400	224,796	1,190,007	87.3%
Council Projects	312,168	345,981	25,503	331,344	95.8% ⁽¹⁾
Public Safety:					
Police	10,288,614	10,546,045	3,168,450	10,500,621	99.6%
Emergency Communications	1,392,567	1,608,245	46,855	1,607,260	99.9% ⁽²⁾
Fire	8,705,865	9,186,845	2,719,238	9,177,458	99.9%
Development Services	1,560,348	1,807,604	490,164	1,647,060	91.1%
Streets	1,951,588	2,136,422	875,966	2,011,933	94.2%
Parks and Recreation:					
Parks	4,066,372	4,695,219	1,418,370	4,565,589	97.2%
Recreation	1,629,169	1,790,696	497,695	1,464,479	81.8%
Other financing uses:					
Transfers to other funds	3,460,950	41,875	41,875	41,875	100.0%
Total Expenditures	42,101,818	41,742,871	12,095,921	40,256,420	96.4%
Net Change in Fund Balance	109,236	28,000	(6,072,893)	3,723,868	
Fund Balance at Beginning of Year	20,134,439	20,243,675		20,243,675	
Fund Balance at End of Year	\$ 20,243,675	\$ 20,271,675		\$ 23,967,543	

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

⁽²⁾ NTECC operations contribution for 4th quarter posted in period 9

Hotel Fund

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 4TH QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes	\$ 2,523,560	\$ 4,155,000	\$ 1,109,674	\$ 4,255,140	102.4% ⁽¹⁾
Proceeds from special events	897,005	1,155,500	237,709	823,361	71.3% ⁽²⁾
Rental income	86,403	85,000	18,021	65,593	77.2%
Interest and miscellaneous	1,072,594	2,081,155	2,079,796	2,107,165	101.2%
Total Revenues	4,579,563	7,476,655	3,445,201	7,251,258	97.0%
Expenditures:					
Addison theatre centre	261,323	275,208	88,078	265,786	96.6%
Conference centre	242,199	268,457	76,796	225,307	83.9%
General hotel operations	23,085	198,129	38,929	151,563	76.5%
Marketing	859,612	1,139,905	351,298	886,452	77.8%
Performing arts	375,989	329,089	-	329,089	100.0% ⁽³⁾
Special events	866,347	993,628	244,238	818,396	82.4% ⁽²⁾
Special events operations	2,001,576	2,425,736	1,512,975	2,431,331	100.2%
Attractions Capital Projects	4,090	-			0.0%
Other financing uses:					
Transfer to Economic Development Fund	384,000	384,000	96,000	384,000	100.0%
Total Expenditures	5,018,221	6,014,152	2,408,314	5,491,924	91.3%
Net Change in Fund Balance	(438,658)	1,462,503	1,036,887	1,759,335	
Fund Balance at Beginning of Year	3,149,259	2,710,601		2,710,601	
Fund Balance at End of Year	\$ 2,710,601	\$ 4,173,104		\$ 4,469,936	

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

⁽²⁾ Special events revenues and expenses are lower than FY2021

⁽³⁾ Full NPO primary grant payment and matching funds 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 4TH QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$ 1,163,539	\$ 1,153,552	\$ 654	\$ 1,179,712	102.3%
Business license fee	27,165	50,000	800	32,450	64.9%
Interest income and other	2,249	20,000	6,876	21,186	105.9%
Transfers from General/Hotel Fund	384,000	384,000	96,000	384,000	100.0%
Total Revenues	1,576,953	1,607,552	104,330	1,617,349	100.6%
Expenditures:					
Personnel services	496,773	516,217	143,224	514,015	99.6%
Supplies	10,551	20,301	6,517	15,806	77.9%
Maintenance	24,407	29,602	2,998	18,602	62.8%
Contractual services	984,838	1,430,520	286,371	944,293	66.0%
Debt Service	16,997	13,372	3,343	13,372	100.0%
Total Expenditures	1,533,566	2,010,012	442,453	1,506,088	74.9%
Net Change in Fund Balance	43,387	(402,460)	(338,122)	111,261	
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		\$ 2,123,480	

Airport Fund

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 4TH QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating Revenues:					
Operating grants	\$ 107,000	\$ 50,000	\$ 198,000	\$ 198,000	396.0%
Service fees	108,408	294,000	72,341	148,680	50.6% ⁽¹⁾
Fuel flowage fees	1,064,377	1,026,272	304,678	1,357,351	132.3%
Rental income	4,415,499	5,635,534	1,901,983	5,649,340	100.2%
Interest income and other	168,982	56,040	51,198	182,563	325.8%
Total Operating Revenues:	5,864,266	7,061,846	2,528,201	7,535,934	106.7%
Operating Expenses:					
Personnel services	1,963,122	2,114,862	683,339	2,162,506	102.3%
Supplies	41,731	57,200	7,615	40,800	71.3%
Maintenance	368,803	745,119	170,117	451,378	60.6%
Contractual services	1,080,506	1,078,750	322,620	1,026,284	95.1%
Capital Replacement/Lease	467,258	257,928	64,482	257,928	100.0%
Debt service	749,767	910,527	133,039	888,235	97.6%
Capital Outlay	46,664	35,000	-	8,189	23.4%
Total Operating Expenses:	4,717,851	5,199,386	1,381,211	4,835,319	93.0%
Capital Projects (Cash Funded)	14,750	1,583,070	314,122	856,907	54.1%
Total Expenses:	4,732,601	6,782,456	1,695,333	5,692,225	83.9%
Net Change in Working Capital	1,131,665	279,390	832,868	1,843,708	
Working Capital at Beginning of Year	5,711,003	6,842,668		6,842,668	
Working Capital at End of Year	\$ 6,842,668	\$ 7,122,058		\$ 8,686,376	

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

Utility Fund

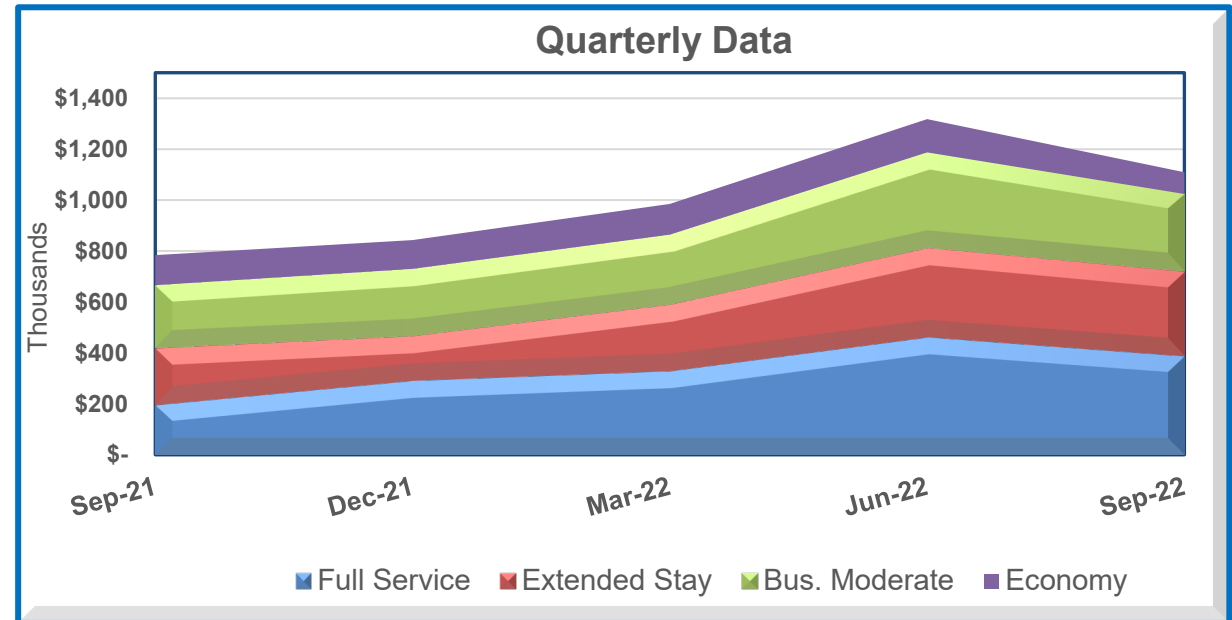
CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 4TH QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Water sales	\$ 7,518,421	\$ 8,138,852	\$ 3,995,895	\$ 9,115,862	112.0%
Sewer charges	5,808,866	6,500,903	2,201,829	6,328,760	97.4%
Tap fees	10,683	17,500	8,260	33,313	190.4%
Penalties	15,958	75,000	38,613	125,985	168.0%
Interest income and other	51,631	108,500	24,469	74,325	68.5%
Total Operating Revenues:	13,405,558	14,840,755	6,269,066	15,678,244	105.6%
Operating expenses:					
Personnel services	2,169,275	2,499,211	736,467	2,451,718	98.1%
Supplies	300,454	202,232	67,762	234,946	116.2%
Maintenance	527,646	1,307,356	477,020	902,233	69.0%
Contractual services					
Water purchases	3,242,450	4,474,277	1,131,125	4,339,663	97.0%
Wastewater treatment	3,486,904	3,727,622	723,091	3,463,478	92.9%
Other services	1,286,970	1,107,191	238,192	1,037,838	93.7%
Capital Replacement/Lease	581,857	231,584	57,896	231,584	100.0%
Debt service	1,517,681	1,526,782	299,391	1,526,320	100.0%
Capital outlay	142,533	-	-	-	0.0%
Total Operating Expenses:	13,255,770	15,076,255	3,730,942	14,187,780	94.1%
Capital Projects (Cash Funded)	87,037	101,000	-	-	0.0%
Total Expenses:	13,342,807	15,177,255	3,730,942	14,187,780	93.5%
Net Change in Working Capital	62,751	(336,500)	2,538,124	1,490,465	
Working Capital at Beginning of Year	6,431,088	6,493,839		6,493,839	
Working Capital at End of Year	\$ 6,493,839	\$ 6,157,339		\$ 7,984,304	

Stormwater Utility Fund

CATEGORY	FY 2020-21 ACTUAL PRIOR YEAR	FY 2021-22 REVISED BUDGET	FY 2021-22 ACTUAL 4TH QTR	FY 2021-22 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Drainage Fees	\$ 2,457,241	\$ 2,554,023	\$ 605,603	\$ 2,558,788	100.2%
Interest income and other	94,662	20,000	29,300	73,333	366.7%
Total Operating Revenues:	2,551,902	2,574,023	634,902	2,632,120	102.3%
Operating expenses					
Personnel services	324,658	396,777	118,859	373,113	94.0%
Supplies	11,637	31,000	3,997	16,877	54.4%
Maintenance	59,377	151,240	26,788	100,368	66.4%
Contractual services	256,804	327,351	101,000	284,450	86.9%
Debt service	591,396	555,266	43,479	503,790	90.7%
Capital outlay	32,720	166,000	-	29,457	17.7%
Total Operating Expenses:	1,276,591	1,627,634	294,123	1,308,055	80.4%
Capital Projects (Cash Funded)	23,256	847,491	254,793	352,597	41.6%
Total Expenses:	1,299,847	2,475,125	548,916	1,660,652	67.1%
Net Change in Working Capital	1,252,055	98,898	85,986	971,468	
Working Capital at Beginning of Year	7,734,397	8,986,452		8,986,452	
Working Capital at End of Year	\$ 8,986,452	\$ 9,085,350		\$ 9,957,920	

Hotel Occupancy Tax Collections

	Rooms		Jul - Sept 2022		22 to 21
	Number	%	Amount	%	% Diff.
Full Service					
Marriott Quorum	547	15%	\$ 207,542	19%	102%
Renaissance	528	14%	179,273	16%	92%
	1,075	29%	386,816	35%	98%
Extended Stay					
Budget Suites	344	9%	12,489	1%	16%
Mainstay Suites	70	2%	10,722	1%	-28%
Marriott Residence Inn	150	4%	78,347	7%	0%
Hyatt House	132	4%	44,275	4%	34%
Homewood Suites	120	3%	45,130	4%	-3%
Home2Suites	132	4%	87,384	8%	39%
Springhill Suites	159	4%	53,636	5%	-4%
	1,107	30%	331,983	30%	48%
Business Moderate					
Marriott Courtyard Quorum	176	5%	78,017	7%	36%
LaQuinta Inn	152	4%	51,483	5%	78%
⁽¹⁾ Marriott Courtyard Midway	145	4%	30,390	3%	-19%
Radisson - Addison	101	3%	31,863	3%	40%
Hilton Garden Inn	96	3%	47,987	4%	32%
⁽¹⁾ Holiday Inn Express	97	3%	27,686	2%	-15%
⁽¹⁾ Holiday Inn Beltway	102	3%	11,324	1%	0%
Best Western Plus	84	2%	26,022	2%	-16%
	953	26%	304,772	27%	24%
Economy					
⁽¹⁾ Motel 6	127	3%	25,638	2%	-18%
⁽¹⁾ Hampton Inn	158	4%	-	0%	-100%
Red Roof Inn	105	3%	32,359	3%	1%
Quality Suites North/Galleria	78	2%	24,757	2%	26%
⁽¹⁾ America's Best Value Inn	60	2%	3,351	0%	-43%
	528	14%	86,104	8%	-27%
TOTAL	3,663	100%	1,109,674	100%	42%



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

Investment Report Summary

TOWN OF ADDISON Investments

For the quarter ending September 30, 2022

	Book Value	Market Value	Interest Revenue	Weighted Average Yield-to- Maturity
9/30/2022	132,941,026	126,674,715	376,455	1.69%
6/30/2022	123,018,311	118,487,396	261,269	1.11%
Change	9,922,715	8,187,319	115,186	0.58%
% Change	8.07%	6.91%	44.09%	52.26%