

# Quarterly Financial Report Fiscal Year 2023 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.

February 28, 2023

# Executive Dashboard – Key Revenue Sources

## Executive Dashboard - 1st Quarter, 2023 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	FY2023 Budget	Actual through 12/31/22	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 22,409,394	\$ 5,883,362	26.25%
Non-Property Taxes - General Fund	15,625,000	4,017,489	25.71%
Hotel Tax	4,800,000	1,251,815	26.08% <sup>(1)</sup>
Franchise Fees - General Fund	2,155,000	536,929	24.92%
Service/Permitting/License Fees - General Fund	3,238,590	622,873	19.23%
Fines and Penalties - All Funds	336,874	124,584	36.98%
Special Event Revenue - Hotel Fund	1,127,000	112,346	9.97%
Fuel Flowage Fees - Airport Fund	1,119,600	324,291	28.96%
Water and Sewer Charges - Utility Fund	15,162,201	3,892,500	25.67%

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

<sup>(2)</sup> Special Events are low due to the timing of events

# Executive Dashboard – Key Expenditures

## Executive Dashboard - 1st Quarter, 2023 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	FY2023 Budget	Actual through 12/31/22	% Annual Budget
General Fund	\$ 44,166,648	\$ 9,839,147	22.28%
Hotel Fund	6,906,049	969,217	14.03%
Economic Development	2,176,459	368,795	16.94%
Airport Operations	5,564,259	917,780	16.49%
Utility Operations	15,656,470	3,432,032	21.92%

# Personnel Information

## Executive Dashboard - 1st Quarter, 2023 Fiscal Year

### Staffing Indicators

#### Personnel Information:

Separations - Benefitted Positions				
Department	10/2022-12/2022			FY2023
	Part-Time Positions	Full-time positions	Total 4th Qtr	YTD
Airport	0	0	0	0
City Manager	1	1	2	2
Conference Centre	0	0	0	0
Development Services	0	0	0	0
Economic Development	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
Information Technology	0	0	0	0
Public Works	0	2	2	2
Marketing & Communications	0	0	0	0
Municipal Court	0	0	0	0
Parks	0	0	0	0
Police	0	3	3	3
Recreation	0	0	0	0
Special Events	0	0	0	0
Streets	0	0	0	0
<b>Grand Total</b>	<b>1</b>	<b>7</b>	<b>8</b>	<b>8</b>

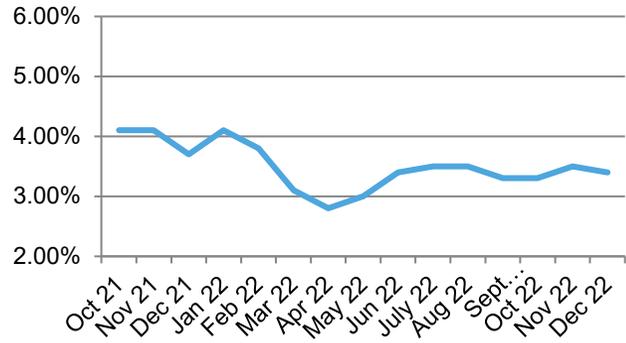
New Hires - Benefitted Positions				
Department	10/2022-12/2022			FY2023
	Part-Time Positions	Full-time positions	Total 4th Qtr	YTD
Airport	0	1	1	1
City Manager	0	0	0	0
Conference Centre	0	0	0	0
Development Services	0	0	0	0
Economic Development	0	0	0	0
Finance	0	0	0	0
Fire	0	0	0	0
General Services	0	1	1	1
Human Resources	0	0	0	0
Information Technology	0	0	0	0
Public Works	0	1	1	1
Marketing & Communications	0	0	0	0
Municipal Court	0	0	0	0
Parks	0	0	0	0
Police	0	1	1	1
Recreation	3	1	4	4
Special Events	0	1	1	1
Streets	0	1	1	1
<b>Grand Total</b>	<b>3</b>	<b>7</b>	<b>10</b>	<b>10</b>

Public Safety Sworn Positions	Budgeted FY 2023	Filled Positions	Percent Filled
Police	66	61	92%
Fire <sup>(1)</sup>	56	57	102%

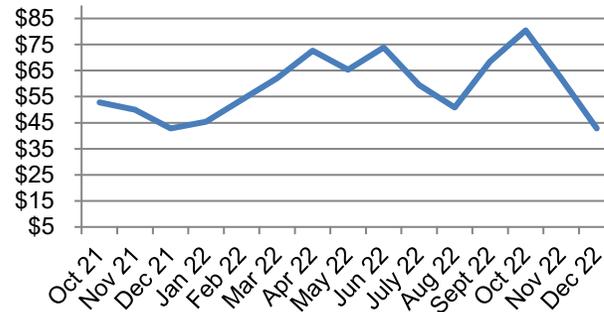
<sup>(1)</sup> FY2022 budget includes 56 budgeted sworn positions plus overfill of 1 Firefighter (F3) position

# Economic Indicators

### DFW Unemployment Rate Last 12 months



### Hotel Revenue Per Available Room



### Addison Hotel Statistics



#### Occupancy Indicators:

Office Occupancy = 80.8%

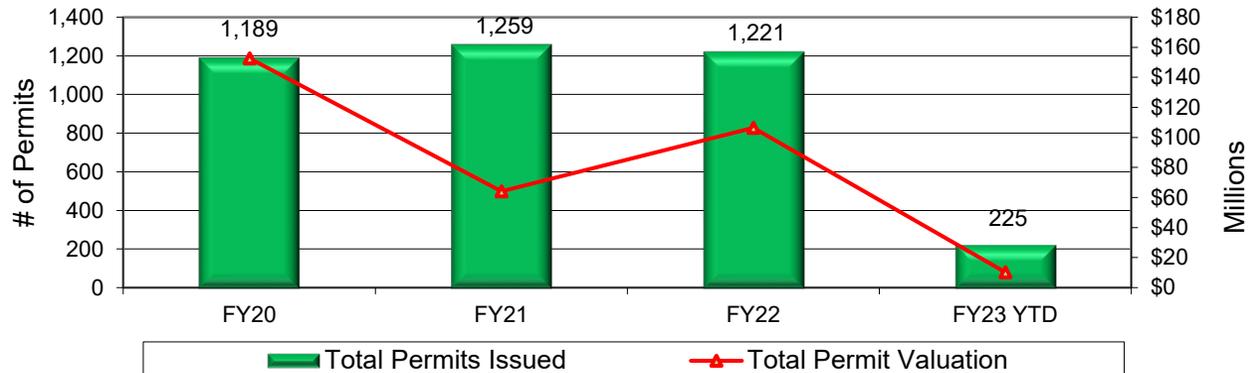
Retail Occupancy = 93.1%

Hotel Occupancy = 59.9%

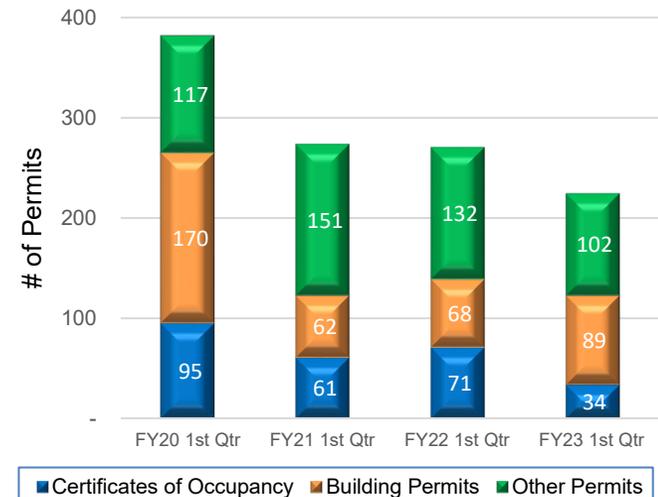
RevPar = \$61.72



### Total Permits Issued and Valuation

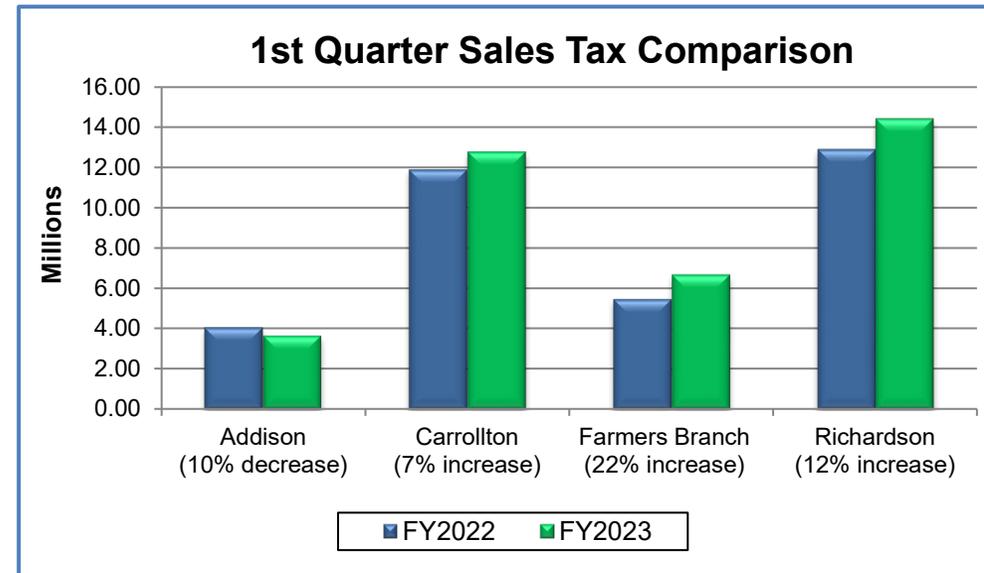


### Quarterly Permit Activity, Year over Year

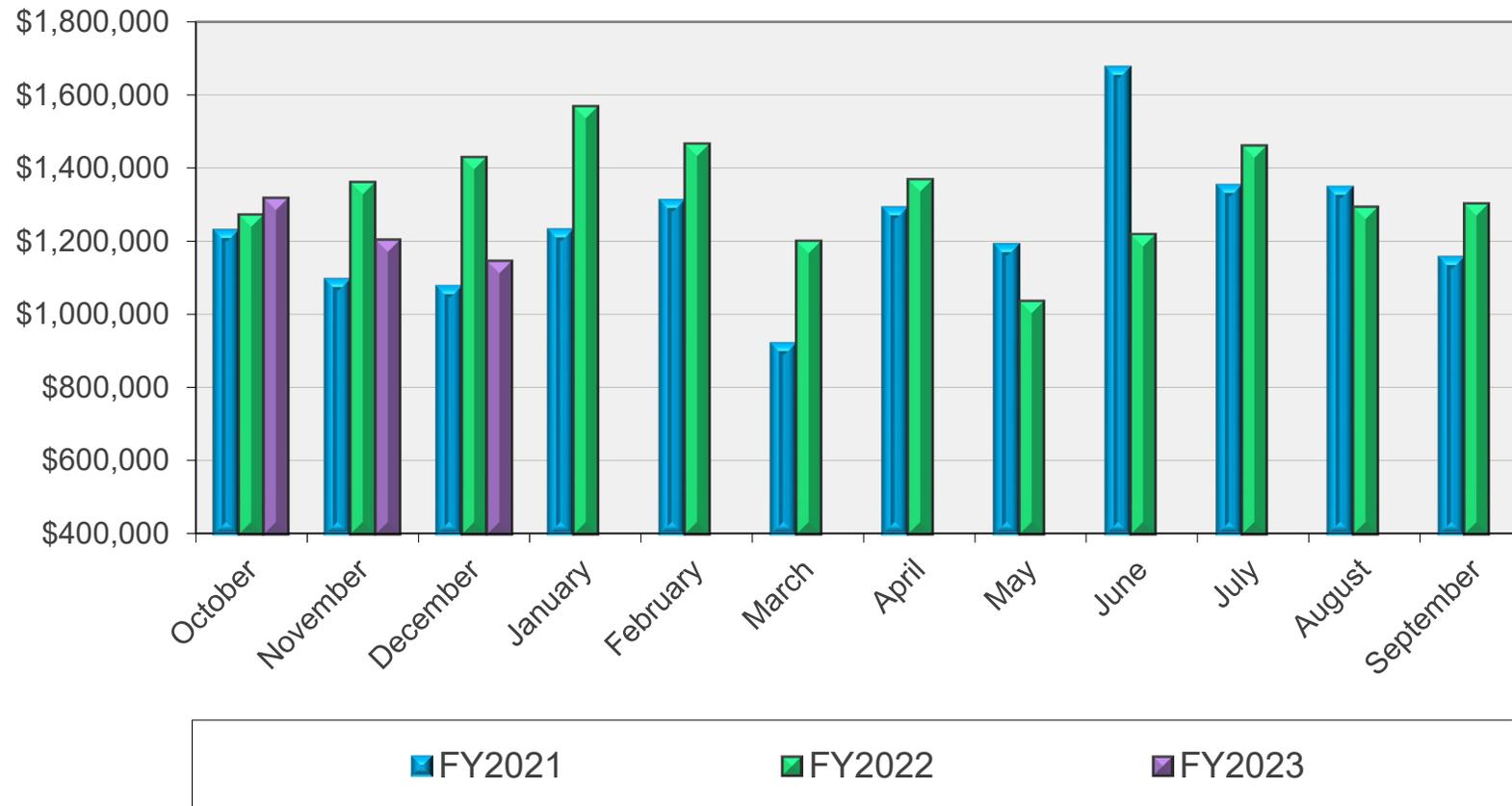


## Economic Development Incentives:

Executed Agreements	Amount Paid FY22	Total Incentives Committed
8	\$0	\$834,323



## Monthly Sales Tax Collections

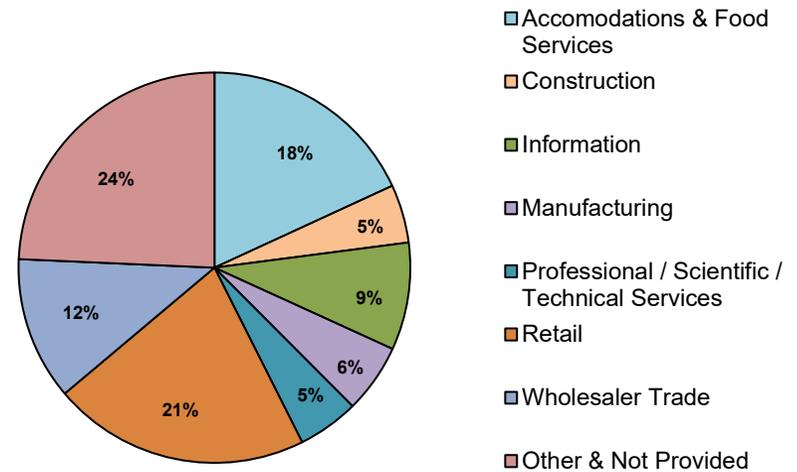


# Sales Tax Collections

**TOWN OF ADDISON**  
**Schedule of Sales Tax Collections**  
*For the quarter ending December 31, 2022*

	FY2023 Monthly Collections	% Change from Prior Year	FY2022 Monthly Collections
October	\$ 1,316,545	3.3%	\$ 1,273,977
November	1,202,884	-11.7%	1,362,516
December	1,145,606	-19.9%	1,430,169
January		-100.0%	1,569,646
February		-100.0%	1,467,367
March		-100.0%	1,202,011
April		-100.0%	1,370,124
May		-100.0%	1,038,643
June		-100.0%	1,220,982
July		-100.0%	1,462,725
August		-100.0%	1,294,958
September		-100.0%	1,304,166
	<b>3,665,035</b>		<b>\$ 15,997,283</b>
Budget:	14,400,000	25.5%	14,710,875

## Breakdown of Sales Tax by Economic Category



# General Fund Revenue

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Revenues:</b>					
<b>Ad Valorem taxes:</b>					
Current taxes	\$ 20,603,683	\$ 22,559,394	\$ 5,890,446	\$ 5,890,446	26.1%
Delinquent taxes	(207,701)	(200,000)	(12,757)	(12,757)	6.4% <sup>(1)</sup>
Penalty & interest	58,070	50,000	5,673	5,673	11.3%
<b>Non-property taxes:</b>					
Sales tax	15,997,283	14,400,000	3,665,035	3,665,035	25.5%
Alcoholic beverage tax	1,350,605	1,225,000	352,454	352,454	28.8%
<b>Franchise / right-of-way use fees:</b>					
Electric franchise	1,499,435	1,575,000	463,957	463,957	29.5%
Gas franchise	275,373	250,000	-	-	0.0%
Telecommunication access fees	185,927	200,000	44,943	44,943	22.5%
Cable franchise	124,416	130,000	28,029	28,029	21.6%
Street rental fees	(6,500)	-	-	-	0.0%
<b>Licenses and permits:</b>					
Business licenses and permits	148,026	209,700	36,135	36,135	17.2%
Building and construction permits	972,526	960,400	133,351	133,351	13.9%
Intergovernmental	3,982	-	-	-	0.0%
<b>Service fees:</b>					
General government	-	-	-	-	0.0%
Public safety	1,093,844	1,026,000	222,600	222,600	21.7%
Urban development	50,110	47,200	10,400	10,400	22.0%
Streets and sanitation	440,857	480,700	94,250	94,250	19.6%
Recreation	39,690	70,300	15,064	15,064	21.4%
Interfund	438,870	444,290	111,073	111,073	25.0%
Court fines	301,404	245,000	84,841	84,841	34.6%
Interest earnings	(1,105,426)	200,000	94,738	94,738	47.4%
Rental income	8,300	8,000	1,900	1,900	23.8%
Other	421,465	290,500	153,107	153,107	52.7%
<b>Total Revenues</b>	<b>42,694,239</b>	<b>44,171,484</b>	<b>11,395,240</b>	<b>11,395,240</b>	<b>25.8%</b>

<sup>(1)</sup> Represents prior year tax payment refunds

# General Fund Expenditures

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Expenditures:</b>					
General Government:					
City Secretary	187,884	232,150	38,513	38,513	16.6%
City Manager	1,246,441	1,309,782	259,067	259,067	19.8%
Finance	1,750,249	1,861,940	473,250	473,250	25.4%
General Services	1,271,406	1,108,609	256,013	256,013	23.1%
Municipal Court	692,928	741,479	224,402	224,402	30.3%
Human Resources	660,144	758,481	187,757	187,757	24.8%
Information Technology	1,952,454	2,418,608	384,380	384,380	15.9%
Combined Services	1,215,036	1,485,125	414,622	414,622	27.9%
Council Projects	332,678	342,850	166,036	166,036	48.4% <sup>(1)</sup>
Public Safety:					
Police	10,597,376	11,362,815	2,533,325	2,533,325	22.3%
Emergency Communications	1,607,261	1,764,387	532,063	532,063	30.2%
Fire	9,267,049	9,907,123	2,401,399	2,401,399	24.2%
Development Services	1,643,483	1,982,282	398,464	398,464	20.1%
Streets	2,047,734	2,236,000	285,303	285,303	12.8%
Parks and Recreation:					
Parks	4,632,050	4,751,045	944,962	944,962	19.9%
Recreation	1,476,485	1,903,972	339,591	339,591	17.8%
Other financing uses:					
Transfers to other funds	1,841,875	-	-	-	0.0%
<b>Total Expenditures</b>	<b>42,422,533</b>	<b>44,166,648</b>	<b>9,839,147</b>	<b>9,839,147</b>	<b>22.3%</b>
Net Change in Fund Balance	271,706	4,836	1,556,093	1,556,093	
<b>Fund Balance at Beginning of Year</b>	<b>20,243,675</b>	<b>20,515,381</b>		<b>20,515,381</b>	
<b>Fund Balance at End of Year</b>	<b>\$ 20,515,381</b>	<b>\$ 20,520,217</b>		<b>\$ 22,071,474</b>	

<sup>(1)</sup> Includes primary NPO grant payment for non-profit grant funding

# Hotel Fund

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Revenues:</b>					
Hotel/Motel occupancy taxes	\$ 4,353,355	\$ 4,800,000	\$ 1,251,815	\$ 1,251,815	26.1% <sup>(1)</sup>
Proceeds from special events	1,051,805	1,127,000	112,346	112,346	10.0%
Rental income	113,718	30,000	17,348	17,348	57.8%
Interest and miscellaneous	1,972,830	20,100	22,122	22,122	110.1%
<b>Total Revenues</b>	<b>7,491,708</b>	<b>5,977,100</b>	<b>1,403,632</b>	<b>1,403,632</b>	<b>23.5%</b>
<b>Expenditures:</b>					
Addison theatre centre	273,261	313,279	66,946	66,946	21.4%
Conference centre	229,056	220,510	62,510	62,510	28.3%
General hotel operations	151,625	186,197	48,368	48,368	26.0%
Marketing	887,942	1,193,362	164,847	164,847	13.8%
Performing arts	377,500	379,089	227,839	227,839	60.1% <sup>(2)</sup>
Special events	825,661	1,088,337	176,154	176,154	16.2%
Special events operations	2,431,963	2,757,275	30,553	30,553	1.1%
Attractions Capital Projects	-	-	-	-	0.0%
Other financing uses:					
Transfer to Economic Development Fund	384,000	768,000	192,000	192,000	25.0%
<b>Total Expenditures</b>	<b>5,561,008</b>	<b>6,906,049</b>	<b>969,217</b>	<b>969,217</b>	<b>14.0%</b>
Net Change in Fund Balance	1,930,700	(928,949)	434,414	434,414	
<b>Fund Balance at Beginning of Year</b>	<b>2,710,600</b>	<b>4,641,300</b>		<b>4,641,300</b>	
<b>Fund Balance at End of Year</b>	<b>\$ 4,641,300</b>	<b>\$ 3,712,351</b>		<b>\$ 5,075,714</b>	

<sup>(1)</sup> Hotel tax collections have not been received by all hoteliers

<sup>(2)</sup> NPO primary grant payment and matching funds for non-profit grant funding to Water Tower Theatre

# Economic Development Fund

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Revenues:</b>					
Ad Valorem taxes:	\$ 1,179,713	\$ 1,280,691	\$ 336,083	\$ 336,083	26.2%
Business license fee	32,450	50,000	12,550	12,550	25.1%
Interest income and other	(91,704)	30,000	9,112	9,112	30.4%
Transfers from General/Hotel Fund	384,000	768,000	192,000	192,000	25.0%
<b>Total Revenues</b>	<b>1,504,459</b>	<b>2,128,691</b>	<b>549,745</b>	<b>549,745</b>	<b>25.8%</b>
<b>Expenditures:</b>					
Personnel services	516,409	577,836	133,314	133,314	23.1%
Supplies	15,843	18,371	2,989	2,989	16.3%
Maintenance	20,582	30,720	690	690	2.2%
Contractual services	761,946	1,536,160	228,459	228,459	14.9%
Debt Service	221,611	13,372	3,343	3,343	25.0%
<b>Total Expenditures</b>	<b>1,536,391</b>	<b>2,176,459</b>	<b>368,795</b>	<b>368,795</b>	<b>16.9%</b>
Net Change in Fund Balance	(31,932)	(47,768)	180,950	180,950	
Fund Balance at Beginning of Year	2,012,219	1,980,287		1,980,287	
Fund Balance at End of Year	\$ 1,980,287	\$ 1,932,519		\$ 2,161,237	

# Airport Fund

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Operating Revenues:</b>					
Operating grants	\$ 798,000	\$ 50,000	\$ -	\$ -	0.0%
Service fees	148,680	157,000	36,200	36,200	23.1% <sup>(1)</sup>
Fuel flowage fees	1,357,351	1,119,600	324,291	324,291	29.0%
Rental income	5,584,356	5,301,700	1,340,915	1,340,915	25.3%
Interest income and other	(76,989)	60,000	58,939	58,939	98.2%
<b>Total Operating Revenues:</b>	<b>7,811,398</b>	<b>6,688,300</b>	<b>1,760,346</b>	<b>1,760,346</b>	<b>26.3%</b>
<b>Operating Expenses:</b>					
Personnel services	2,186,867	2,517,439	562,615	562,615	22.3%
Supplies	42,962	56,381	11,630	11,630	20.6%
Maintenance	463,108	671,801	68,218	68,218	10.2%
Contractual services	1,104,836	1,164,992	206,980	206,980	17.8%
Capital Replacement/Lease	257,928	232,928	58,232	58,232	25.0%
Debt service	712,246	885,718	10,106	10,106	1.1%
Capital Outlay	50,346	35,000	-	-	0.0%
<b>Total Operating Expenses:</b>	<b>4,818,293</b>	<b>5,564,259</b>	<b>917,780</b>	<b>917,780</b>	<b>16.5%</b>
Other financing uses:					
Transfer to Debt service fund	-	508,966	127,242	127,242	25.0%
Capital Projects (Cash Funded)	783,207	2,582,000	-	-	0.0%
<b>Total Expenses:</b>	<b>5,601,500</b>	<b>8,655,225</b>	<b>1,045,022</b>	<b>1,045,022</b>	<b>12.1%</b>
Net Change in Working Capital	2,209,898	(1,966,925)	715,324	715,324	
<b>Working Capital at Beginning of Year</b>	<b>6,146,329</b>	<b>8,356,227</b>		<b>8,356,227</b>	
<b>Working Capital at End of Year</b>	<b>\$ 8,356,227</b>	<b>\$ 6,389,302</b>		<b>\$ 9,071,551</b>	

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

# Utility Fund

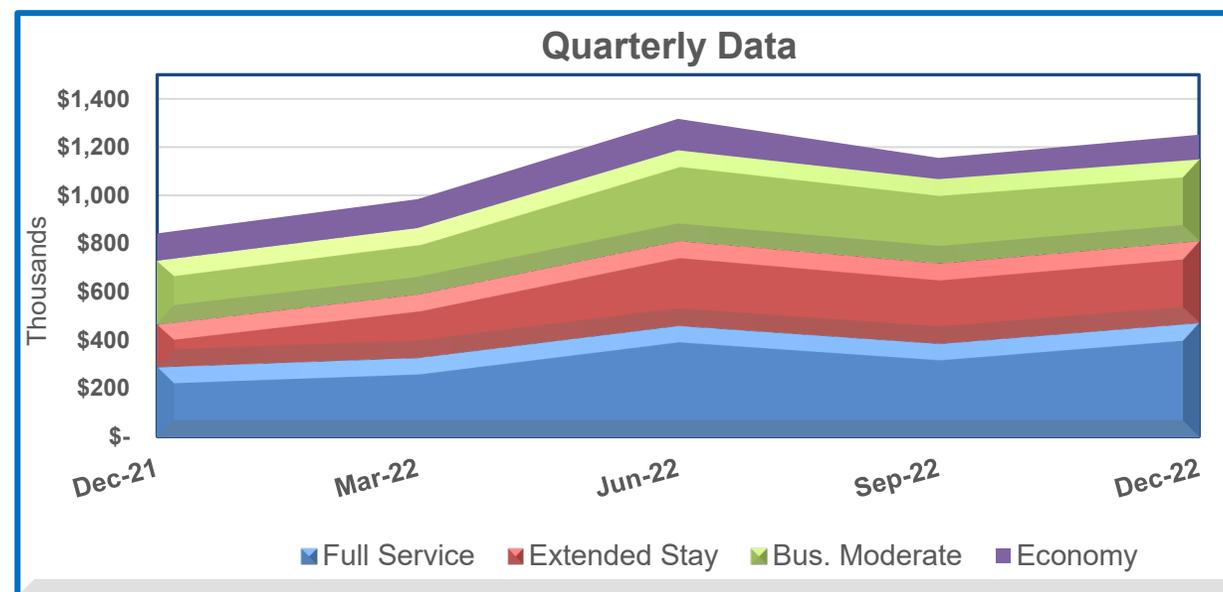
CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Operating revenues:</b>					
Water sales	\$ 9,115,862	\$ 8,452,239	\$ 2,199,769	\$ 2,199,769	26.0%
Sewer charges	6,330,760	6,709,962	1,692,731	1,692,731	25.2%
Tap fees	37,780	10,587	19,590	19,590	185.0%
Penalties	125,985	91,874	39,742	39,742	43.3%
Interest income and other	(198,486)	135,114	40,631	40,631	30.1%
<b>Total Operating Revenues:</b>	<b>15,411,901</b>	<b>15,399,776</b>	<b>3,992,463</b>	<b>3,992,463</b>	<b>25.9%</b>
<b>Operating expenses:</b>					
Personnel services	2,539,000	2,833,900	637,847	637,847	22.5%
Supplies	240,249	232,112	44,834	44,834	19.3%
Maintenance	936,177	803,462	104,411	104,411	13.0%
Contractual services					
Water purchases	4,339,663	4,327,486	1,124,570	1,124,570	26.0%
Wastewater treatment	3,631,976	3,831,839	1,096,022	1,096,022	28.6%
Other services	893,725	1,602,058	372,341	372,341	23.2%
Capital Replacement/Lease	231,584	206,584	51,646	51,646	25.0%
Debt service	1,526,320	1,744,029	361	361	0.0%
Capital outlay	-	75,000	-	-	0.0%
<b>Total Operating Expenses:</b>	<b>14,338,694</b>	<b>15,656,470</b>	<b>3,432,032</b>	<b>3,432,032</b>	<b>21.9%</b>
Capital Projects (Cash Funded)	-	79,000	-	-	0.0%
<b>Total Expenses:</b>	<b>14,338,694</b>	<b>15,735,470</b>	<b>3,432,032</b>	<b>3,432,032</b>	<b>21.8%</b>
Net Change in Working Capital	1,073,207	(335,694)	560,431	560,431	
<b>Working Capital at Beginning of Year</b>	<b>6,393,749</b>	<b>7,466,956</b>		<b>7,466,956</b>	
<b>Working Capital at End of Year</b>	<b>\$ 7,466,956</b>	<b>\$ 7,131,262</b>		<b>\$ 8,027,387</b>	

# Stormwater Utility Fund

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 1ST QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Operating revenues:</b>					
Drainage Fees	\$ 2,558,788	\$ 2,554,023	\$ 676,614	\$ 676,614	26.5%
Interest income and other	(303,310)	100,000	46,142	46,142	46.1%
<b>Total Operating Revenues:</b>	<b>2,255,478</b>	<b>2,654,023</b>	<b>722,756</b>	<b>722,756</b>	<b>27.2%</b>
<b>Operating expenses</b>					
Personnel services	374,451	417,276	92,724	92,724	22.2%
Supplies	16,903	16,100	1,458	1,458	9.1%
Maintenance	101,042	321,280	16,635	16,635	5.2%
Contractual services	294,146	359,710	58,950	58,950	16.4%
Capital Replacement/Lease	10,000	10,000	2,500	2,500	25.0%
Debt service	493,199	491,390	-	-	0.0%
Capital outlay	29,457	60,000	-	-	0.0%
<b>Total Operating Expenses:</b>	<b>1,319,198</b>	<b>1,675,756</b>	<b>172,266</b>	<b>172,266</b>	<b>10.3%</b>
<b>Other financing uses:</b>					
Transfer to Debt service fund	-	400,439	100,110	100,110	25.0%
Capital Projects (Cash Funded)	402,532	2,838,033	169,544	169,544	6.0%
<b>Total Expenses:</b>	<b>1,721,730</b>	<b>4,914,228</b>	<b>441,919</b>	<b>441,919</b>	<b>9.0%</b>
Net Change in Working Capital	533,748	(2,260,205)	280,837	280,837	
<b>Working Capital at Beginning of Year</b>	<b>8,921,610</b>	<b>9,455,358</b>		<b>9,455,358</b>	
<b>Working Capital at End of Year</b>	<b>\$ 9,455,358</b>	<b>\$ 7,195,153</b>		<b>\$ 9,736,195</b>	

# Hotel Occupancy Tax Collections

	Rooms		Oct - Dec 2022		23 to 22 % Diff.
	Number	%	Amount	%	
<b>Full Service</b>					
Marriott Quorum	547	15%	\$ 238,362	19%	54%
Renaissance	528	14%	234,787	19%	72%
	1,075	29%	473,148	38%	62%
<b>Extended Stay</b>					
Budget Suites	344	9%	8,561	1%	-11%
Mainstay Suites	70	2%	9,891	1%	32%
Marriott Residence Inn	150	4%	73,809	6%	0%
Hyatt House	132	4%	48,004	4%	0%
Homewood Suites	120	3%	48,889	4%	28%
Home2Suites	132	4%	88,169	7%	32%
Springhill Suites	159	4%	60,416	5%	14%
	1,107	30%	337,739	27%	93%
<b>Business Moderate</b>					
Marriott Courtyard Quorum	176	5%	80,565	6%	39%
LaQuinta Inn	152	4%	45,676	4%	8%
Marriott Courtyard Midway	145	4%	58,241	5%	44%
Radisson - Addison	101	3%	25,264	2%	16%
Hilton Garden Inn	96	3%	47,461	4%	31%
Holiday Inn Express	97	3%	40,276	3%	12%
<sup>(1)</sup> Holiday Inn Beltway	102	3%	16,712	1%	0%
Best Western Plus	84	2%	23,337	2%	-16%
	953	26%	337,532	27%	29%
<b>Economy</b>					
Motel 6	127	3%	34,206	3%	14%
The Addison Inn	158	4%	1,859	0%	-93%
Red Roof Inn	105	3%	33,739	3%	13%
Quality Suites North/Galleria	78	2%	24,399	2%	19%
America's Best Value Inn	60	2%	9,192	1%	19%
	528	14%	103,396	8%	-9%
<b>TOTAL</b>	<b>3,663</b>	<b>100%</b>	<b>1,251,815</b>	<b>100%</b>	<b>49%</b>



<sup>(1)</sup> Not yet received one or more payments for the quarter

# Investment Report Summary

	Book Value	Market Value	Interest Revenue	Weighted Average Yield-to- Maturity
12/31/2022	131,115,551	125,350,795	616,157	2.25%
9/30/2022	132,941,026	126,674,715	376,455	1.69%
Change	(1,825,475)	(1,323,920)	239,702	0.57%
% Change	-1.37%	-1.05%	63.67%	33.61%