

# Quarterly Financial Report Fiscal Year 2023 Second Quarter

May 23, 2023

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 triangular shape in the top right corner.

# Executive Dashboard – Key Revenue Sources

## Executive Dashboard - 2nd 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 3/31/23	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 22,409,394	\$ 22,769,050	101.60%
Non-Property Taxes - General Fund	15,625,000	8,496,189	54.38%
Hotel Tax	4,800,000	2,648,536	55.18%
Franchise Fees - General Fund	2,155,000	1,294,104	60.05%
Service/Permitting/License Fees - General Fund	3,238,590	1,412,214	43.61%
Fines and Penalties - All Funds	336,874	245,783	72.96%
Special Event Revenue - Hotel Fund	1,127,000	331,867	29.45%
Fuel Flowage Fees - Airport Fund	1,119,600	619,521	55.33%
Water and Sewer Charges - Utility Fund	15,162,201	7,098,203	46.82%

<sup>(1)</sup> Hotel tax revenue has not been collected from all hoteliers

# Executive Dashboard – Key Expenditures

## Executive Dashboard - 2nd 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

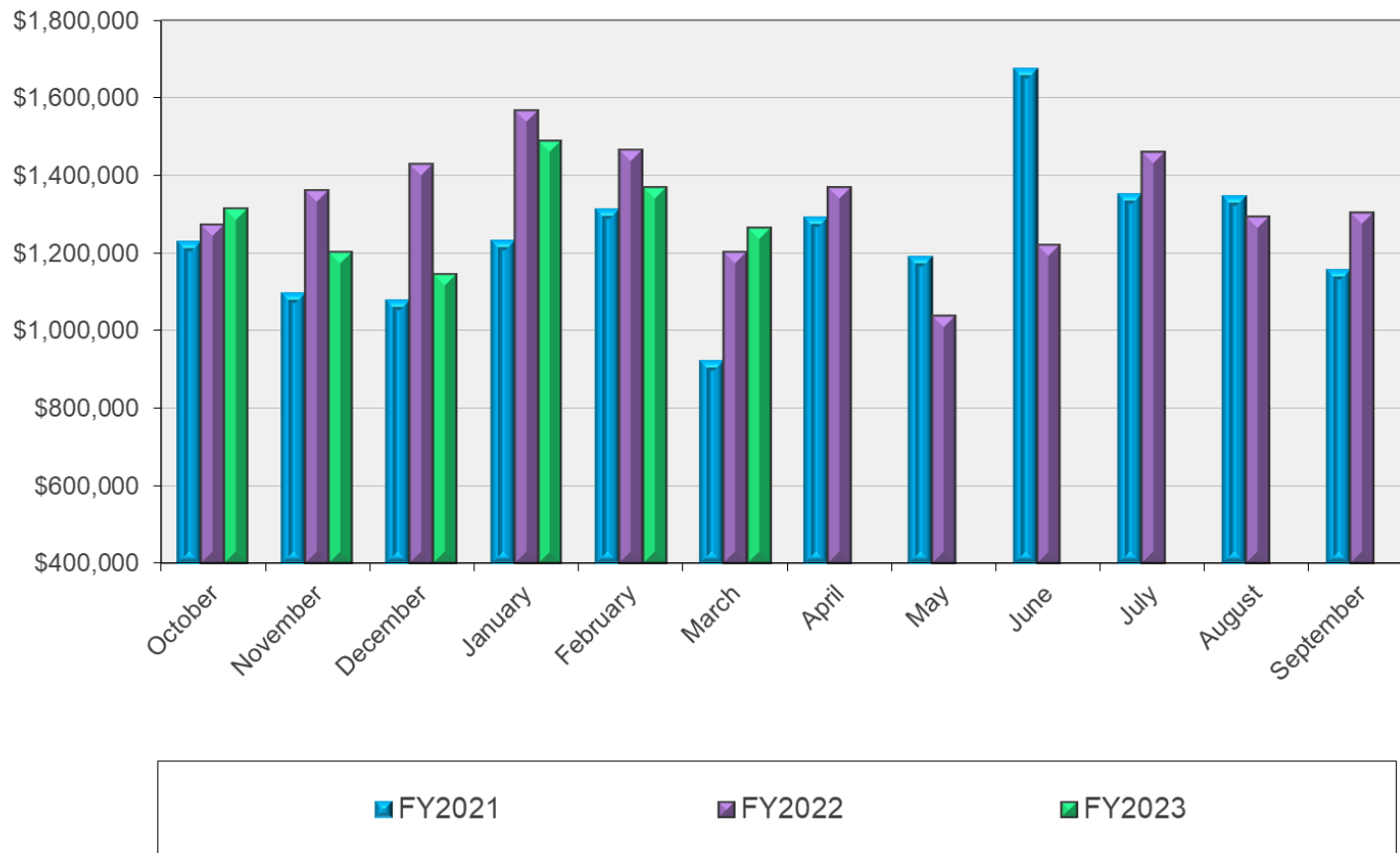
Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

Key Expenditures	FY2023 Budget	Actual through 3/31/23	% Annual Budget
General Fund	\$ 44,166,648	\$ 20,451,374	46.31%
Hotel Fund	6,906,049	1,802,632	26.10%
Economic Development	2,176,459	746,089	34.28%
Airport Operations	5,564,259	2,615,936	47.01%
Utility Operations	15,656,470	8,116,857	51.84%

# Sales Tax Collections

## Monthly Sales Tax Collections

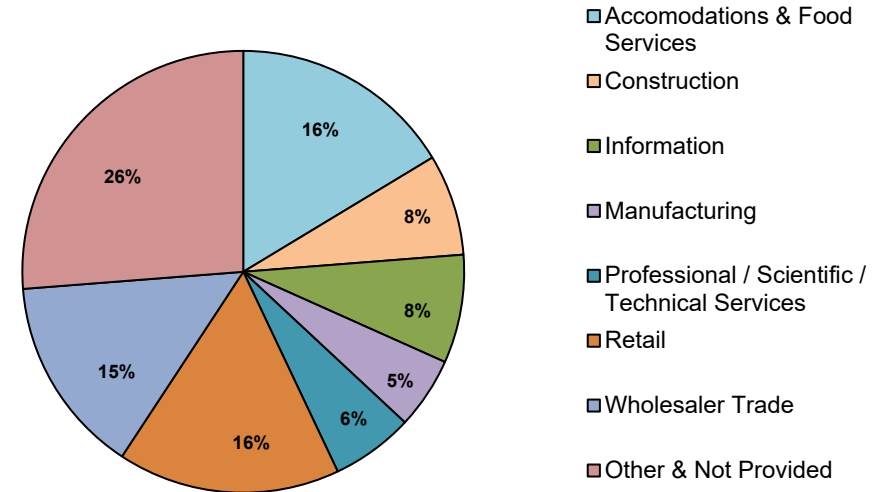


# Sales Tax Collections

**TOWN OF ADDISON**  
**Schedule of Sales Tax Collections**  
*For the quarter ending March 31, 2023*

	FY2022 Monthly Collections	% Change from Prior Year	FY2023 Monthly Collections
October	\$ 1,273,977	3.3%	\$ 1,316,545
November	1,362,516	-11.7%	1,202,884
December	1,430,169	-19.9%	1,145,606
January	1,569,646	-5.0%	1,491,449
February	1,467,367	-6.6%	1,370,185
March	1,202,011	5.2%	1,264,607
April	1,370,124	-100.0%	
May	1,038,643	-100.0%	
June	1,220,982	-100.0%	
July	1,462,725	-100.0%	
August	1,294,958	-100.0%	
September	1,304,166	-100.0%	
	<b>\$ 15,997,283</b>		<b>7,791,276</b>
Budget:	14,710,875	54.1%	14,400,000

**Breakdown of Sales Tax by Economic Category**



# General Fund Revenue

CATEGORY	FY 2021-22	FY 2022-23	FY 2022-23	FY 2022-23	ACTUAL
	ACTUAL PRIOR YEAR	REVISED BUDGET	ACTUAL 2ND QTR	ACTUAL YTD	YTD as % of Budget
<b>Revenues:</b>					
Ad Valorem taxes:					
Current taxes	\$ 20,603,683	\$ 22,559,394	\$ 16,980,949	\$ 22,871,395	101.4%
Delinquent taxes	(207,701)	(200,000)	(136,554)	(149,310)	74.7% <sup>(1)</sup>
Penalty & interest	58,070	50,000	41,292	46,965	93.9%
Non-property taxes:					
Sales tax	15,997,283	14,400,000	4,126,241	7,791,276	54.1%
Alcoholic beverage tax	1,350,605	1,225,000	352,459	704,913	57.5%
Franchise / right-of-way use fees:					
Electric franchise	1,499,435	1,575,000	335,107	799,064	50.7%
Gas franchise	275,373	250,000	349,536	349,536	139.8%
Telecommunication access fees	185,927	200,000	44,306	89,249	44.6%
Cable franchise	124,416	130,000	28,226	56,255	43.3%
Street rental fees	(6,500)	-	-	-	0.0%
Licenses and permits:					
Business licenses and permits	148,026	209,700	25,040	61,175	29.2%
Building and construction permits	972,526	960,400	233,066	366,418	38.2%
Intergovernmental	3,982	-	-	-	0.0%
Service fees:					
General government	-	-	-	-	0.0%
Public safety	1,093,844	1,026,000	265,032	487,632	47.5%
Urban development	50,110	47,200	15,915	26,315	55.8%
Streets and sanitation	440,857	480,700	118,298	212,549	44.2%
Recreation	39,690	70,300	20,917	35,980	51.2%
Interfund	438,870	444,290	111,073	222,145	50.0%
Court fines	301,404	245,000	88,225	173,067	70.6%
Interest earnings	(1,105,426)	200,000	187,715	282,453	141.2%
Rental income	8,300	8,000	1,650	3,550	44.4%
Other	421,465	290,500	68,282	221,388	76.2%
<b>Total Revenues</b>	<b>42,694,239</b>	<b>44,171,484</b>	<b>23,256,774</b>	<b>34,652,014</b>	<b>78.4%</b>

# General Fund Expenditures

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 2ND QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Expenditures:</b>					
General Government:					
City Secretary	187,884	232,150	54,716	93,229	40.2%
City Manager	1,246,441	1,309,782	260,949	520,015	39.7%
Finance	1,750,249	1,861,940	437,586	910,836	48.9%
General Services	1,271,406	1,108,609	274,625	530,638	47.9%
Municipal Court	692,928	741,479	144,302	368,704	49.7%
Human Resources	660,144	758,481	163,052	350,808	46.3%
Information Technology	1,952,454	2,418,608	399,660	784,040	32.4%
Combined Services	1,215,036	1,485,125	598,520	1,013,143	68.2% <sup>(1)</sup>
Council Projects	332,678	342,850	24,260	190,296	55.5% <sup>(2)</sup>
Public Safety:					
Police	10,597,376	11,362,815	2,860,060	5,393,386	47.5%
Emergency Communications	1,607,261	1,764,387	797,601	1,329,664	75.4%
Fire	9,267,049	9,907,123	2,335,465	4,736,863	47.8%
Development Services	1,643,483	1,982,282	414,820	813,284	41.0%
Streets	2,047,734	2,236,000	391,726	677,029	30.3%
Parks and Recreation:					
Parks	4,632,050	4,751,045	1,046,651	1,991,613	41.9%
Recreation	1,476,485	1,903,972	408,236	747,827	39.3%
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>10,612,227</b>	<b>20,451,374</b>	<b>46.3%</b>
Net Change in Fund Balance	271,706	4,836	12,644,547	14,200,640	
<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>\$ 34,716,021</b>	

<sup>(1)</sup> TML insurance and worker's compensation contributions for FY2023 and Village on the Parkway Incentive

<sup>(2)</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 2ND QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Revenues:</b>					
Hotel/Motel occupancy taxes	\$ 4,353,355	\$ 4,800,000	\$ 1,390,200	\$ 2,648,536	55.2% <sup>(1)</sup>
Proceeds from special events	1,051,805	1,127,000	219,521	331,867	29.4%
Rental income	113,718	30,000	7,513	24,861	82.9%
Interest and miscellaneous	1,972,830	20,100	32,885	55,008	273.7%
<b>Total Revenues</b>	<b>7,491,708</b>	<b>5,977,100</b>	<b>1,650,119</b>	<b>3,060,271</b>	<b>51.2%</b>
<b>Expenditures:</b>					
Addison theatre centre	273,261	313,279	70,487	137,433	43.9%
Conference centre	229,056	220,510	42,271	104,781	47.5%
General hotel operations	151,625	186,197	42,270	90,638	48.7%
Marketing	887,942	1,193,362	121,110	285,956	24.0%
Performing arts	377,500	379,089	83,549	311,388	82.1% <sup>(2)</sup>
Special events	825,661	1,088,337	203,214	379,368	34.9%
Special events operations	2,431,963	2,757,275	78,514	109,067	4.0%
Attractions Capital Projects	-	-	-	-	0.0%
Other financing uses:					
Transfer to Economic Development Fund	384,000	768,000	192,000	384,000	50.0%
<b>Total Expenditures</b>	<b>5,561,008</b>	<b>6,906,049</b>	<b>833,414</b>	<b>1,802,632</b>	<b>26.1%</b>
Net Change in Fund Balance	1,930,700	(928,949)	816,705	1,257,639	
<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>\$ 5,898,939</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 2ND QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Revenues:</b>					
Ad Valorem taxes:	\$ 1,179,713	\$ 1,280,691	\$ 964,583	\$ 1,300,665	101.6%
Business license fee	32,450	50,000	18,655	31,205	62.4%
Interest income and other	(91,704)	30,000	16,551	25,663	85.5%
Transfers from General/Hotel Fund	384,000	768,000	192,000	384,000	50.0%
<b>Total Revenues</b>	<b>1,504,459</b>	<b>2,128,691</b>	<b>1,191,789</b>	<b>1,741,533</b>	<b>81.8%</b>
<b>Expenditures:</b>					
Personnel services	516,409	577,836	123,998	257,313	44.5%
Supplies	15,843	18,371	4,017	7,006	38.1%
Maintenance	20,582	30,720	5,106	5,797	18.9%
Contractual services	761,946	1,536,160	240,828	469,287	30.5%
Debt Service	221,611	13,372	3,343	6,686	50.0%
<b>Total Expenditures</b>	<b>1,536,391</b>	<b>2,176,459</b>	<b>377,292</b>	<b>746,089</b>	<b>34.3%</b>
Net Change in Fund Balance	(31,932)	(47,768)	814,497	995,444	
<b>Fund Balance at Beginning of Year</b>	<b>2,012,219</b>	<b>1,980,287</b>		<b>1,980,287</b>	
<b>Fund Balance at End of Year</b>	<b>\$ 1,980,287</b>	<b>\$ 1,932,519</b>		<b>\$ 2,975,731</b>	

# Airport Fund

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 2ND QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Operating Revenues:</b>					
Operating grants	\$ 198,000	\$ 50,000	\$ -	\$ -	0.0%
Service fees	148,680	157,000	56,940	93,140	59.3%
Fuel flowage fees	1,357,351	1,119,600	295,230	619,521	55.3%
Rental income	5,584,356	5,301,700	1,432,472	2,773,388	52.3%
Interest income and other	(76,989)	60,000	70,392	129,871	216.5%
<b>Total Operating Revenues:</b>	<b>7,211,398</b>	<b>6,688,300</b>	<b>1,855,034</b>	<b>3,615,920</b>	<b>54.1%</b>
<b>Operating Expenses:</b>					
Personnel services	2,186,867	2,517,439	592,642	1,155,257	45.9%
Supplies	42,962	56,381	7,975	19,605	34.8%
Maintenance	463,108	671,801	153,232	221,450	33.0%
Contractual services	1,104,836	1,164,992	307,709	514,689	44.2%
Capital Replacement/Lease	257,928	232,928	63,706	121,938	52.4%
Debt service	712,246	885,718	572,892	582,997	65.8%
Capital Outlay	50,346	35,000	-	-	0.0%
<b>Total Operating Expenses:</b>	<b>4,818,293</b>	<b>5,564,259</b>	<b>1,698,156</b>	<b>2,615,936</b>	<b>47.0%</b>
Other financing uses:					
Transfer to Debt service fund	-	508,966	127,242	254,483	50.0%
Capital Projects (Cash Funded)	783,207	2,582,000	45,290	45,290	1.8%
<b>Total Expenses:</b>	<b>5,601,500</b>	<b>8,655,225</b>	<b>1,870,688</b>	<b>2,915,709</b>	<b>33.7%</b>
Net Change in Working Capital	1,609,898	(1,966,925)	(15,653)	700,211	
<b>Working Capital at Beginning of Year</b>	<b>6,146,329</b>	<b>7,756,227</b>		<b>7,756,227</b>	
<b>Working Capital at End of Year</b>	<b>\$ 7,756,227</b>	<b>\$ 5,789,302</b>		<b>\$ 8,456,438</b>	

# Utility Fund

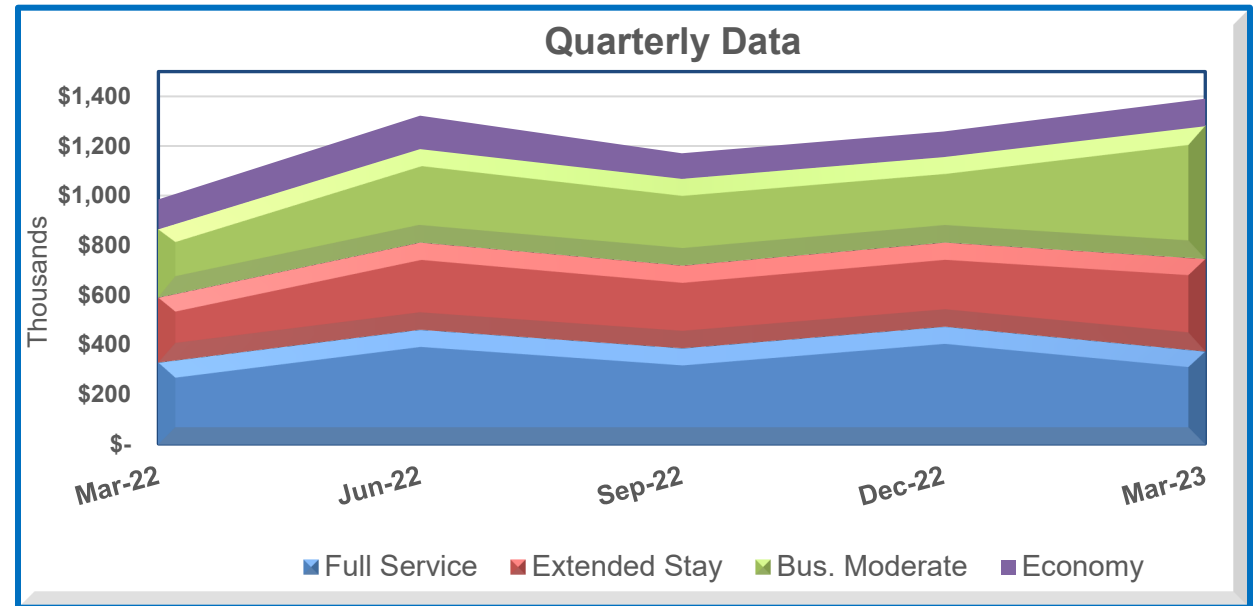
CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 2ND QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Operating revenues:</b>					
Water sales	\$ 9,115,862	\$ 8,452,239	\$ 1,669,740	\$ 3,869,531	45.8%
Sewer charges	6,330,760	6,709,962	1,535,930	3,228,672	48.1%
Tap fees	37,780	10,587	1,013	20,603	194.6%
Penalties	125,985	91,874	32,973	72,716	79.1%
Interest income and other	(198,486)	135,114	3,757	8,282	6.1%
<b>Total Operating Revenues:</b>	<b>15,411,901</b>	<b>15,399,776</b>	<b>3,243,413</b>	<b>7,199,803</b>	<b>46.8%</b>
<b>Operating expenses:</b>					
Personnel services	2,539,000	2,833,900	605,621	1,243,467	43.9%
Supplies	240,249	232,112	67,521	112,355	48.4%
Maintenance	936,177	803,462	166,185	270,597	33.7%
Contractual services					
Water purchases	4,339,663	4,327,486	1,526,634	2,239,709	51.8%
Wastewater treatment	3,631,976	3,831,839	1,442,513	2,043,975	53.3%
Other services	893,725	1,602,058	259,757	632,098	39.5%
Capital Replacement/Lease	231,584	206,584	51,646	103,292	50.0%
Debt service	1,526,320	1,744,029	1,402,091	1,402,452	80.4%
Capital outlay	-	75,000	68,913	68,913	91.9%
<b>Total Operating Expenses:</b>	<b>14,338,694</b>	<b>15,656,470</b>	<b>5,590,880</b>	<b>8,116,857</b>	<b>51.8%</b>
Capital Projects (Cash Funded)	-	79,000	-	-	0.0%
<b>Total Expenses:</b>	<b>14,338,694</b>	<b>15,735,470</b>	<b>5,590,880</b>	<b>8,116,857</b>	<b>51.6%</b>
Net Change in Working Capital	1,073,207	(335,694)	(2,347,467)	(917,054)	
<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>\$ 6,549,902</b>	

# Stormwater Utility Fund

CATEGORY	FY 2021-22 ACTUAL PRIOR YEAR	FY 2022-23 REVISED BUDGET	FY 2022-23 ACTUAL 2ND QTR	FY 2022-23 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Operating revenues:</b>					
Drainage Fees	\$ 2,558,788	\$ 2,554,023	\$ 638,483	\$ 1,315,097	51.5%
Interest income and other	(303,310)	100,000	61,213	107,356	107.4%
<b>Total Operating Revenues:</b>	<b>2,255,478</b>	<b>2,654,023</b>	<b>699,696</b>	<b>1,422,453</b>	<b>53.6%</b>
<b>Operating expenses</b>					
Personnel services	374,451	417,276	100,339	193,063	46.3%
Supplies	16,903	16,100	2,658	4,116	25.6%
Maintenance	101,042	321,280	8,748	25,382	7.9%
Contractual services	294,146	359,710	55,101	114,051	31.7%
Capital Replacement/Lease	10,000	10,000	2,500	5,000	50.0%
Debt service	493,199	491,390	460,020	460,020	93.6%
Capital outlay	29,457	60,000	-	-	0.0%
<b>Total Operating Expenses:</b>	<b>1,319,198</b>	<b>1,675,756</b>	<b>629,366</b>	<b>801,632</b>	<b>47.8%</b>
<b>Other financing uses:</b>					
Transfer to Debt service fund	-	400,439	100,110	200,220	50.0%
Capital Projects (Cash Funded)	402,532	2,838,033	2,313	171,857	6.1%
<b>Total Expenses:</b>	<b>1,721,730</b>	<b>4,914,228</b>	<b>731,789</b>	<b>1,173,709</b>	<b>23.9%</b>
Net Change in Working Capital	533,748	(2,260,205)	(32,093)	248,745	
<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>\$ 9,704,103</b>	

# Hotel Occupancy Tax Collections

	Rooms		Jan - Mar 2023		23 to 22
	Number	%	Amount	%	% Diff.
<b>Full Service</b>					
Marriott Quorum	547	15%	\$ 257,558	19%	59%
Renaissance	528	14%	280,171	20%	67%
	1,075	29%	537,729	39%	63%
<b>Extended Stay</b>					
Budget Suites	344	9%	10,184	1%	-2%
Mainstay Suites	70	2%	10,350	1%	-1%
Marriott Residence Inn	150	4%	82,051	6%	100%
Hyatt House	132	4%	57,181	4%	95%
Homewood Suites	120	3%	46,798	3%	3%
Home2Suites	132	4%	92,660	7%	27%
Springhill Suites	159	4%	72,426	5%	42%
	1,107	30%	371,651	27%	42%
<b>Business Moderate</b>					
Marriott Courtyard Quorum	176	5%	93,576	7%	39%
LaQuinta Inn	152	4%	43,635	3%	31%
Marriott Courtyard Midway	145	4%	63,652	5%	48%
Radisson - Addison	101	3%	28,226	2%	2%
Hilton Garden Inn	96	3%	51,815	4%	32%
Holiday Inn Express	97	3%	49,470	4%	34%
<sup>(1)</sup> Holiday Inn Beltway	102	3%	16,439	1%	0%
Best Western Plus	84	2%	23,462	2%	-15%
	953	26%	370,275	27%	35%
<b>Economy</b>					
Motel 6	127	3%	34,089	2%	0%
The Addison Inn	158	4%	10,958	1%	-59%
Red Roof Inn	105	3%	29,938	2%	-5%
Quality Suites North/Galleria	78	2%	26,508	2%	33%
America's Best Value Inn	60	2%	9,053	1%	14%
	528	14%	110,545	8%	-8%
<b>TOTAL</b>	<b>3,663</b>	<b>100%</b>	<b>1,390,200</b>	<b>100%</b>	<b>41%</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
<b>3/31/2023</b>	142,777,091	138,083,601	882,482	2.83%
<b>12/31/2022</b>	131,115,551	125,350,795	616,157	2.25%
<b>Change</b>	11,661,540	12,732,806	266,325	0.57%
<b>% Change</b>	8.89%	10.16%	43.22%	25.38%