

# Quarterly Financial Report Fiscal Year 2024 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 27, 2024

# Executive Dashboard – Key Revenue Sources

## Executive Dashboard - 1st Quarter, 2024 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	FY2024 Budget	Actual through 12/31/23	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 24,841,151	\$ 5,706,911	22.97%
Non-Property Taxes - General Fund	16,500,000	4,496,856	27.25%
Hotel Tax	5,250,000	1,202,032	22.90% <sup>(1)</sup>
Franchise Fees - General Fund	2,060,000	533,740	25.91%
Service/Permitting/License Fees - General Fund	3,551,850	679,854	19.14%
Fines and Penalties - All Funds	423,711	124,354	29.35%
Special Event Revenue - Hotel Fund	1,127,000	188,055	16.69% <sup>(2)</sup>
Fuel Flowage Fees - Airport Fund	1,170,080	320,939	27.43%
Water and Sewer Charges - Utility Fund	16,031,029	4,073,407	25.41%

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

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

# Executive Dashboard – Key Expenditures

## Executive Dashboard - 1st Quarter, 2024 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

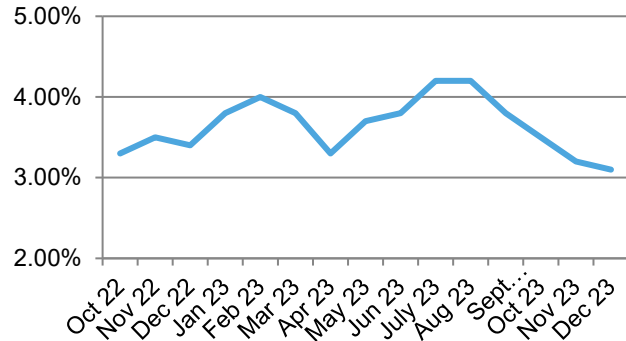
Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

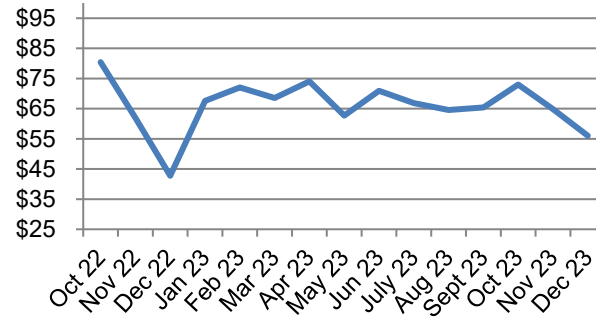
Key Expenditures	FY2024 Budget	Actual through 12/31/23	% Annual Budget
General Fund	\$ 48,155,864	\$ 12,213,646	25.36%
Hotel Fund	6,736,061	955,257	14.18%
Economic Development	1,602,941	133,213	8.31%
Airport Operations	6,130,403	1,084,510	17.69%
Utility Operations	16,192,794	2,964,751	18.31%

# Economic Indicators

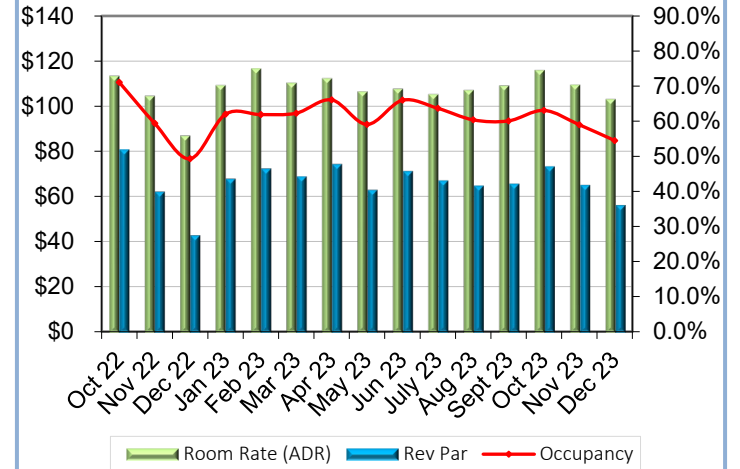
### DFW Unemployment Rate Last 12 months



### Hotel Revenue Per Available Room



### Addison Hotel Statistics

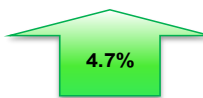


#### Occupancy Indicators:

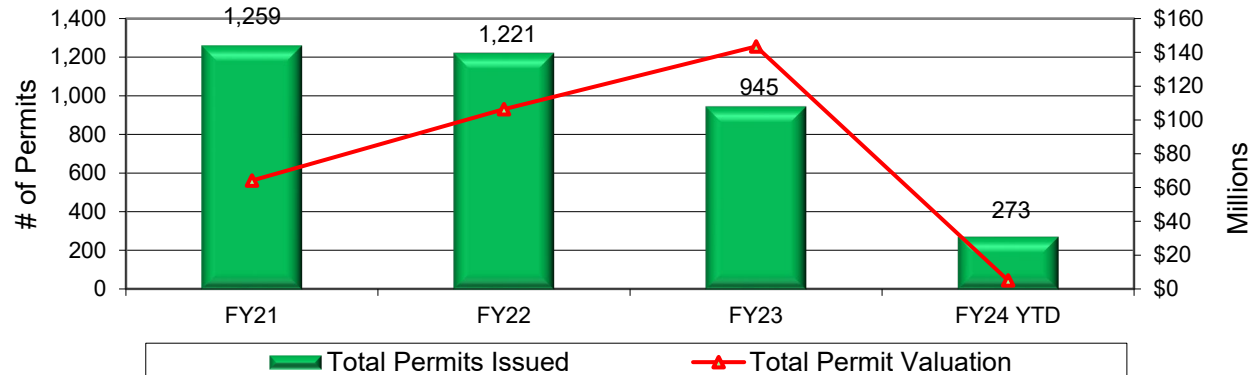
Office Occupancy = 80.5%  
Retail Occupancy = 96.1%

#### Hotel Indicators

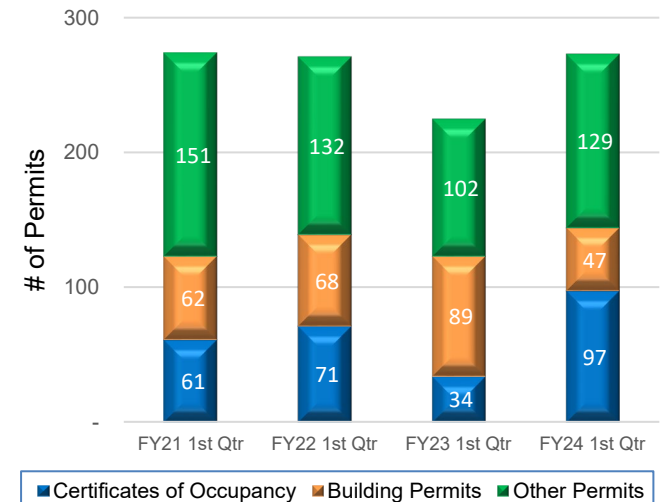
Hotel Occupancy = 58.9%  
RevPar = \$64.62



### Total Permits Issued and Valuation

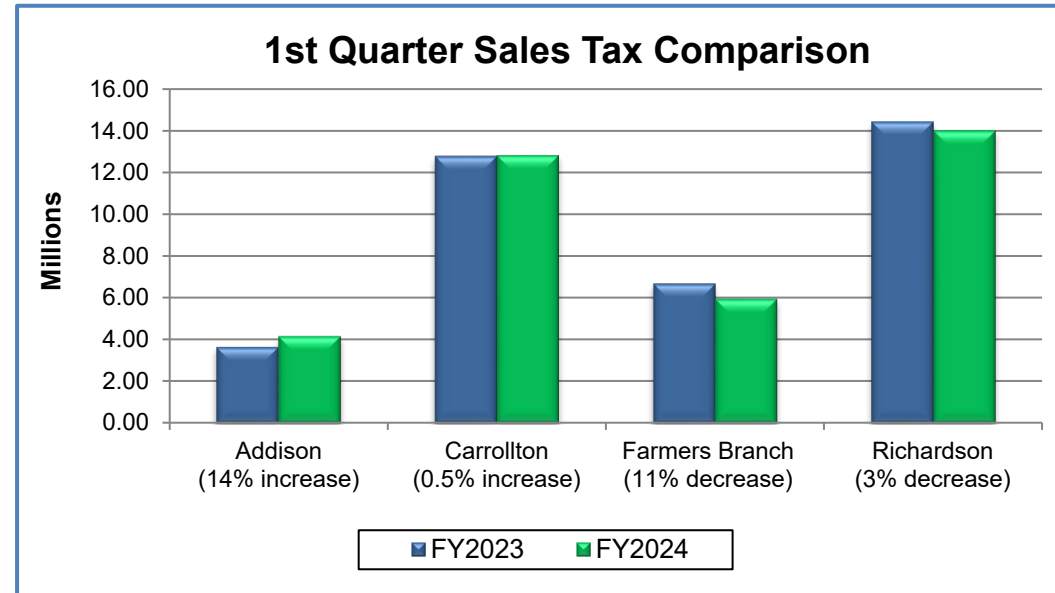


### Quarterly Permit Activity, Year over Year

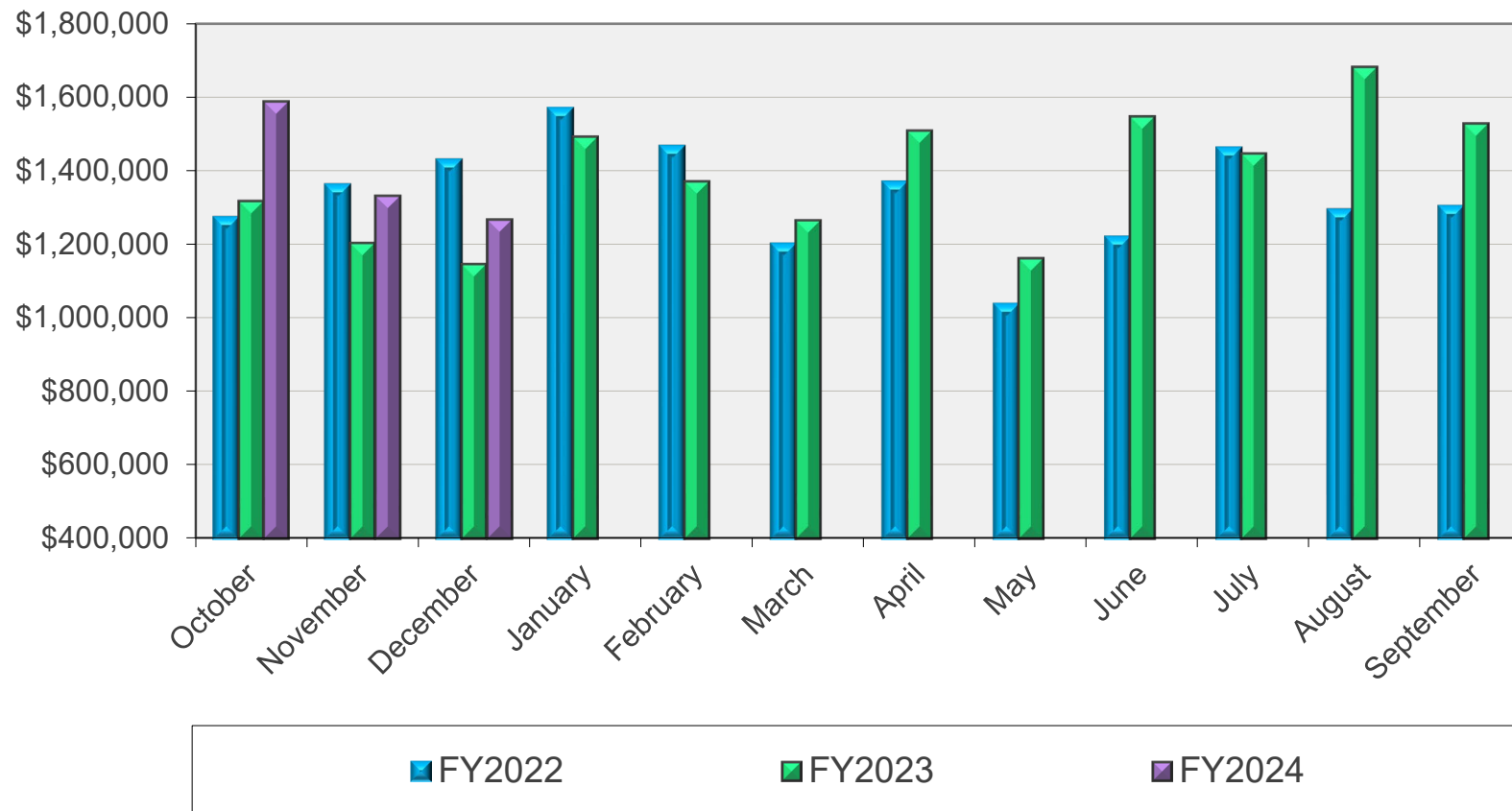


## Economic Development Incentives:

Executed Agreements	Amount Paid FY24	Total Incentives Committed
7	\$0	\$535,687



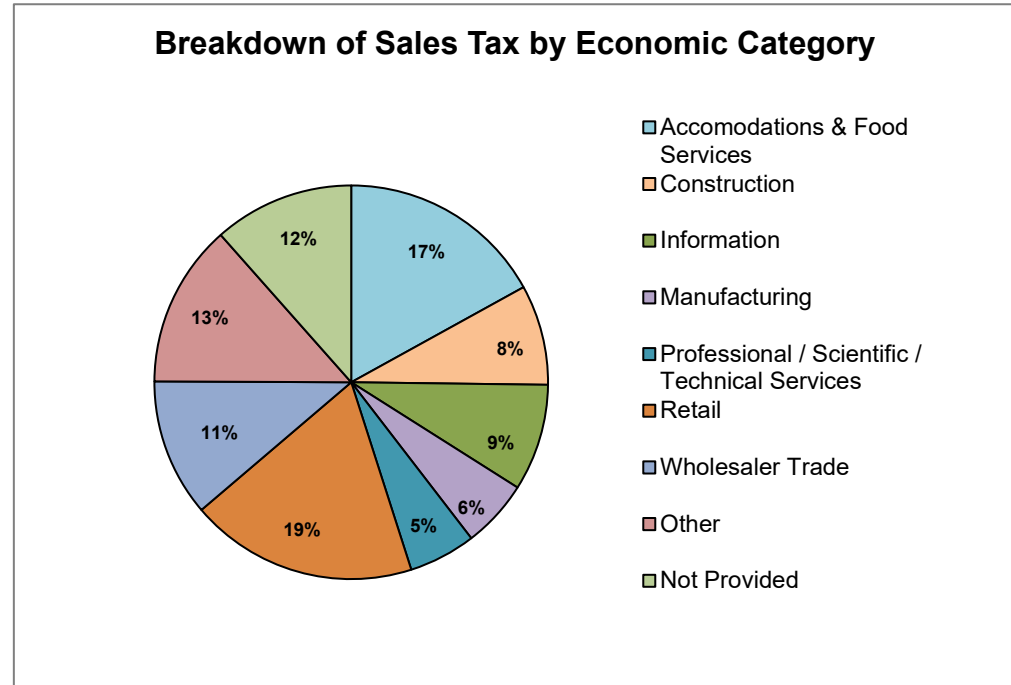
## Monthly Sales Tax Collections



# Sales Tax Collections

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

	FY2024 Monthly Collections	% Change from Prior Year	FY2023 Monthly Collections
October	\$ 1,588,209	20.6%	\$ 1,316,545
November	1,331,900	10.7%	1,202,884
December	1,267,187	10.6%	1,145,606
January		-100.0%	1,491,449
February		-100.0%	1,370,185
March		-100.0%	1,264,607
April		-100.0%	1,507,915
May		-100.0%	1,161,332
June		-100.0%	1,546,842
July		-100.0%	1,445,780
August		-100.0%	1,681,154
September		-100.0%	1,527,569
	<b>4,187,296</b>		<b>\$ 16,661,868</b>
Budget:	15,200,000	27.5%	15,196,417



# General Fund Revenue

CATEGORY	FY 2022-23	FY 2023-24	FY 2023-24	FY 2023-24	ACTUAL
	ACTUAL	REVISED	ACTUAL	ACTUAL	YTD as %
	PRIOR YEAR	BUDGET	1ST QTR	YTD	of Budget
<b>Revenues:</b>					
Ad Valorem taxes:					
Current taxes	\$ 22,917,929	\$ 24,991,151	\$ 5,742,144	\$ 5,742,144	23.0%
Delinquent taxes	(249,526)	(200,000)	(43,653)	(43,653)	21.8% <sup>(1)</sup>
Penalty & interest	71,219	50,000	8,419	8,419	16.8%
Non-property taxes:					
Sales tax	16,661,868	15,200,000	4,187,296	4,187,296	27.5%
Alcoholic beverage tax	1,360,467	1,300,000	309,560	309,560	23.8%
Franchise / right-of-way use fees:					
Electric franchise	1,497,546	1,525,000	471,971	471,971	30.9%
Gas franchise	349,536	250,000	-	-	0.0%
Telecommunication access fees	168,873	175,000	37,859	37,859	21.6%
Cable franchise	109,986	110,000	23,910	23,910	21.7%
Street rental fees	-	-	-	-	0.0%
Licenses and permits:					
Business licenses and permits	182,338	149,100	46,743	46,743	31.4%
Building and construction permits	1,037,203	960,400	134,483	134,483	14.0%
Intergovernmental	-	-	-	-	0.0%
Service fees:					
General government	-	-	-	-	0.0%
Public safety	1,140,326	1,195,555	204,147	204,147	17.1%
Urban development	2,160	47,200	9,465	9,465	20.1%
Streets and sanitation	466,103	483,000	101,113	101,113	20.9%
Recreation	79,893	70,300	22,329	22,329	31.8%
Interfund	444,290	646,295	161,574	161,574	25.0%
Court fines	391,711	330,000	78,003	78,003	23.6%
Interest earnings	194,259	525,000	163,286	163,286	31.1%
Rental income	8,340	8,600	1,900	1,900	22.1%
Other	437,656	347,500	181,738	181,738	52.3%
<b>Total Revenues</b>	<b>47,272,177</b>	<b>48,164,101</b>	<b>11,842,288</b>	<b>11,842,288</b>	<b>24.6%</b>

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



# General Fund Expenditures

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Expenditures:</b>					
General Government:					
City Secretary	195,004	251,577	54,808	54,808	21.8%
City Manager	1,160,157	1,144,346	319,257	319,257	27.9%
Finance	1,896,181	2,041,177	512,475	512,475	25.1%
General Services	1,490,640	1,594,198	371,657	371,657	23.3%
Municipal Court	705,891	692,943	203,178	203,178	29.3%
Human Resources	744,219	791,253	127,467	127,467	16.1%
Information Technology	2,043,507	2,487,384	511,235	511,235	20.6%
Combined Services	1,475,632	1,157,281	506,933	506,933	43.8%
Council Projects	340,228	420,241	186,735	186,735	44.4% <sup>(1)</sup>
Public Safety:					
Police	11,527,487	12,437,687	3,281,004	3,281,004	26.4%
Emergency Communications	1,728,465	1,788,857	952,786	952,786	53.3%
Fire	9,976,642	10,970,964	2,651,333	2,651,333	24.2%
Development Services	1,933,207	2,765,543	557,646	557,646	20.2%
Streets	2,275,695	2,281,370	458,549	458,549	20.1%
Parks and Recreation:					
Parks	4,856,125	5,332,218	1,157,996	1,157,996	21.7%
Recreation	1,755,519	1,998,825	360,587	360,587	18.0%
Other financing uses:					
Transfers to other funds	3,000,000	-	-	-	0.0%
<b>Total Expenditures</b>	<b>47,104,599</b>	<b>48,155,864</b>	<b>12,213,646</b>	<b>12,213,646</b>	<b>25.4%</b>
Net Change in Fund Balance	167,578	8,237	(371,357)	(371,357)	
<b>Fund Balance at Beginning of Year</b>	<b>20,515,381</b>	<b>20,682,959</b>		<b>20,682,959</b>	
<b>Fund Balance at End of Year</b>	<b>\$ 20,682,959</b>	<b>\$ 20,691,196</b>		<b>\$ 20,311,602</b>	

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

# Hotel Fund

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Revenues:</b>					
Hotel/Motel occupancy taxes	\$ 5,683,639	\$ 5,250,000	\$ 1,202,032	\$ 1,202,032	22.9% <sup>(1)</sup>
Proceeds from special events	1,222,856	1,127,000	188,055	188,055	16.7%
Rental income	145,534	70,000	21,975	21,975	31.4%
Interest and miscellaneous	41,714	75,100	44,082	44,082	58.7%
<b>Total Revenues</b>	<b>7,093,743</b>	<b>6,522,100</b>	<b>1,456,144</b>	<b>1,456,144</b>	<b>22.3%</b>
<b>Expenditures:</b>					
Tourism	-	644,711	79,656	79,656	12.4%
Addison theatre centre	331,459	322,452	66,284	66,284	20.6%
Conference centre	195,446	274,752	58,208	58,208	21.2%
General hotel operations	169,397	188,550	53,185	53,185	28.2%
Marketing	999,701	1,070,682	186,839	186,839	17.5%
Performing arts	427,500	379,089	227,839	227,839	60.1% <sup>(2)</sup>
Special events	2,529,785	2,715,937	37,760	37,760	1.4%
Special events operations	983,548	1,139,888	245,486	245,486	21.5%
Other financing uses:					
Transfer to Economic Development Fund	768,000	-	-	-	0.0%
<b>Total Expenditures</b>	<b>6,404,836</b>	<b>6,736,061</b>	<b>955,257</b>	<b>955,257</b>	<b>14.2%</b>
Net Change in Fund Balance	688,907	(213,961)	500,888	500,888	
<b>Fund Balance at Beginning of Year</b>	<b>4,641,300</b>	<b>5,330,207</b>		<b>5,330,207</b>	
<b>Fund Balance at End of Year</b>	<b>\$ 5,330,207</b>	<b>\$ 5,116,246</b>		<b>\$ 5,831,095</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 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Revenues:</b>					
Ad Valorem taxes:	\$ 1,298,984	\$ 1,401,782	\$ 321,934	\$ 321,934	23.0%
Business license fee	33,105	50,000	11,100	11,100	22.2%
Interest income and other	34,580	50,000	21,570	21,570	43.1%
Transfers from General/Hotel Fund	768,000	-	-	-	0.0%
<b>Total Revenues</b>	<b>2,134,669</b>	<b>1,501,782</b>	<b>354,604</b>	<b>354,604</b>	<b>23.6%</b>
<b>Expenditures:</b>					
Personnel services	496,340	465,625	84,803	84,803	18.2%
Supplies	16,678	15,317	1,730	1,730	11.3%
Maintenance	9,736	10,040	168	168	1.7%
Contractual services	866,490	1,102,244	44,083	44,083	4.0%
Debt Service	13,372	9,715	2,429	2,429	25.0%
Capital replacement/lease	119,833	-	-	-	0.0%
<b>Total Expenditures</b>	<b>1,522,449</b>	<b>1,602,941</b>	<b>133,213</b>	<b>133,213</b>	<b>8.3%</b>
Net Change in Fund Balance	612,221	(101,159)	221,391	221,391	
<b>Fund Balance at Beginning of Year</b>	<b>1,980,287</b>	<b>2,592,508</b>		<b>2,592,508</b>	
<b>Fund Balance at End of Year</b>	<b>\$ 2,592,508</b>	<b>\$ 2,491,349</b>		<b>\$ 2,813,899</b>	

# Airport Fund

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Operating Revenues:</b>					
Operating grants	\$ 50,000	\$ 50,000	\$ -	\$ -	0.0%
Service fees	161,815	224,100	48,975	48,975	21.9% <sup>(1)</sup>
Fuel flowage fees	1,195,788	1,170,080	320,939	320,939	27.4%
Rental income	4,426,042	5,686,105	1,427,383	1,427,383	25.1%
Interest income and other	284,874	125,000	86,377	86,377	69.1%
<b>Total Operating Revenues:</b>	<b>6,118,519</b>	<b>7,255,285</b>	<b>1,883,674</b>	<b>1,883,674</b>	<b>26.0%</b>
<b>Operating Expenses:</b>					
Personnel services	2,509,541	2,735,486	617,843	617,843	22.6%
Supplies	41,994	36,587	4,471	4,471	12.2%
Maintenance	688,500	750,462	171,689	171,689	22.9%
Contractual services	1,027,345	1,376,399	245,739	245,739	17.9%
Capital Replacement/Lease	232,928	157,928	39,482	39,482	25.0%
Debt service	703,478	1,073,541	5,286	5,286	0.5%
Capital Outlay	25,410	-	-	-	0.0%
<b>Total Operating Expenses:</b>	<b>5,229,196</b>	<b>6,130,403</b>	<b>1,084,510</b>	<b>1,084,510</b>	<b>17.7%</b>
Other financing uses:					
Transfer to Debt service fund	508,966	469,344	117,336	117,336	25.0%
Capital Projects (Cash Funded)	1,278,016	1,670,700	39,760	39,760	2.4%
<b>Total Expenses:</b>	<b>7,016,178</b>	<b>8,270,447</b>	<b>1,241,606</b>	<b>1,241,606</b>	<b>15.0%</b>
Net Change in Working Capital	(897,659)	(1,015,162)	642,068	642,068	
<b>Working Capital at Beginning of Year</b>	<b>7,919,154</b>	<b>7,021,495</b>		<b>7,021,495</b>	
<b>Working Capital at End of Year</b>	<b>\$ 7,021,495</b>	<b>\$ 6,006,333</b>		<b>\$ 7,663,563</b>	

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

# Utility Fund

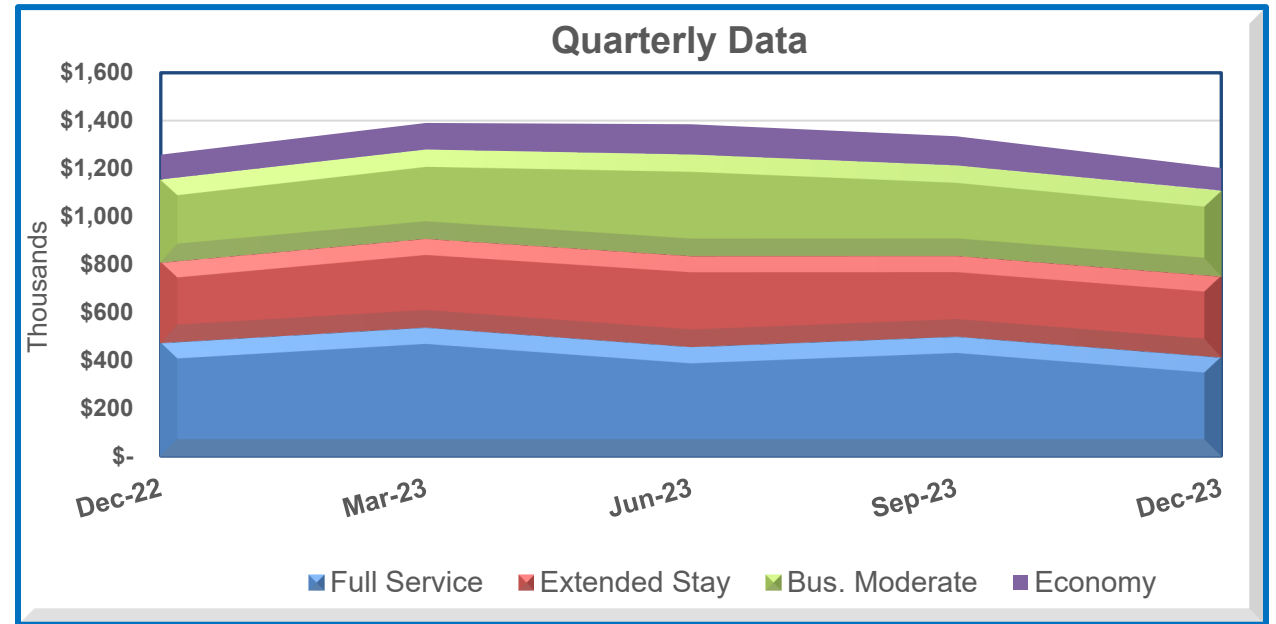
CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Operating revenues:</b>					
Water sales	\$ 9,437,297	\$ 8,930,630	\$ 2,276,334	\$ 2,276,334	25.5%
Sewer charges	6,647,135	7,100,399	1,797,073	1,797,073	25.3%
Tap fees	119,263	10,324	27,990	27,990	271.1%
Penalties	118,932	93,711	46,351	46,351	49.5%
Interest income and other	227,542	157,422	73,243	73,243	46.5%
<b>Total Operating Revenues:</b>	<b>16,550,168</b>	<b>16,292,486</b>	<b>4,220,991</b>	<b>4,220,991</b>	<b>25.9%</b>
<b>Operating expenses:</b>					
Personnel services	2,637,852	3,048,220	684,110	684,110	22.4%
Supplies	221,181	238,671	49,538	49,538	20.8%
Maintenance	1,009,883	1,038,422	148,130	148,130	14.3%
Contractual services				-	
Water purchases	4,424,647	4,620,482	683,721	683,721	14.8%
Wastewater treatment	3,909,952	3,950,773	1,020,367	1,020,367	25.8%
Other services	1,362,961	1,345,472	322,053	322,053	23.9%
Capital Replacement/Lease	206,584	206,584	51,646	51,646	25.0%
Debt service	1,652,363	1,744,170	397	397	0.0%
Capital outlay	77,858	-	4,788	4,788	0.0%
<b>Total Operating Expenses:</b>	<b>15,503,282</b>	<b>16,192,794</b>	<b>2,964,751</b>	<b>2,964,751</b>	<b>18.3%</b>
Capital Projects (Cash Funded)	-	79,000	-	-	0.0%
<b>Total Expenses:</b>	<b>15,503,282</b>	<b>16,271,794</b>	<b>2,964,751</b>	<b>2,964,751</b>	<b>18.2%</b>
Net Change in Working Capital	1,046,886	20,692	1,256,240	1,256,240	
<b>Working Capital at Beginning of Year</b>	<b>7,445,100</b>	<b>8,491,986</b>		<b>8,491,986</b>	
<b>Working Capital at End of Year</b>	<b>\$ 8,491,986</b>	<b>\$ 8,512,678</b>		<b>\$ 9,748,226</b>	

# Stormwater Utility Fund

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
<b>Operating revenues:</b>					
Drainage Fees	\$ 2,548,749	\$ 2,575,000	\$ 669,084	\$ 669,084	26.0%
Interest income and other	239,567	150,000	72,674	72,674	48.4%
<b>Total Operating Revenues:</b>	<b>2,788,317</b>	<b>2,725,000</b>	<b>741,758</b>	<b>741,758</b>	<b>27.2%</b>
<b>Operating expenses</b>					
Personnel services	431,595	741,366	137,560	137,560	18.6%
Supplies	49,558	39,999	6,322	6,322	15.8%
Maintenance	331,020	1,220,052	9,013	9,013	0.7%
Contractual services	333,979	369,846	60,447	60,447	16.3%
Capital Replacement/Lease	10,000	25,000	6,250	6,250	25.0%
Debt service	501,051	489,590	-	-	0.0%
Capital outlay	56,127	300,000	4,788	4,788	1.6%
<b>Total Operating Expenses:</b>	<b>1,713,330</b>	<b>3,185,853</b>	<b>224,380</b>	<b>224,380</b>	<b>7.0%</b>
<b>Other financing uses:</b>					
Transfer to Debt service fund	400,439	406,196	101,549	101,549	25.0%
Capital Projects (Cash Funded)	1,500,074	2,800,000	16,200	16,200	0.6%
<b>Total Expenses:</b>	<b>3,613,843</b>	<b>6,392,049</b>	<b>342,129</b>	<b>342,129</b>	<b>5.4%</b>
Net Change in Working Capital	(825,526)	(3,667,049)	399,629	399,629	
<b>Working Capital at Beginning of Year</b>	<b>9,455,358</b>	<b>8,629,832</b>		<b>8,629,832</b>	
<b>Working Capital at End of Year</b>	<b>\$ 8,629,832</b>	<b>\$ 4,962,783</b>		<b>\$ 9,029,461</b>	

# Hotel Occupancy Tax Collections

	Rooms		Oct - Dec 2023		FY24 to FY23
	Number	%	Amount	%	% Diff.
<b>Full Service</b>					
Marriott Quorum	547	15%	241,604	20%	1%
Renaissance	528	14%	172,479	14%	-27%
	1,075	29%	414,083	34%	-12%
<b>Extended Stay</b>					
Budget Suites	344	9%	10,343	1%	21%
Mainstay Suites	70	2%	11,501	1%	16%
Marriott Residence Inn	150	4%	84,337	7%	14%
Hyatt House	132	4%	40,420	3%	-16%
Homewood Suites	120	3%	47,436	4%	-3%
Home2Suites	132	4%	82,448	7%	-6%
Springhill Suites	159	4%	62,599	5%	4%
	1,107	30%	339,083	28%	0%
<b>Business Moderate</b>					
Marriott Courtyard Quorum	176	5%	83,238	7%	3%
<sup>(1)</sup> LaQuinta Inn	152	4%	16,240	1%	-64%
Marriott Courtyard Midway	145	4%	72,485	6%	24%
Radisson - Addison	101	3%	29,153	2%	15%
Hilton Garden Inn	96	3%	52,345	4%	10%
Holiday Inn Express	97	3%	46,959	4%	17%
Holiday Inn Beltway	102	3%	33,238	3%	43%
Best Western Plus	84	2%	21,562	2%	-8%
	953	26%	355,218	30%	3%
<b>Economy</b>					
<sup>(1)</sup> Motel 6	127	3%	20,981	2%	-39%
The Addison Inn	158	4%	17,367	1%	834%
Red Roof Inn	105	3%	29,508	2%	-13%
Quality Suites North/Galleria	78	2%	23,751	2%	-3%
<sup>(1)</sup> America's Best Value Inn	60	2%	2,041	0%	-78%
	528	14%	93,648	8%	-9%
<b>TOTAL</b>	<b>3,663</b>	<b>100%</b>	<b>1,202,032</b>	<b>100%</b>	<b>-4%</b>



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

# Investment Report Summary

	<b>Book Value</b>	<b>Market Value</b>	<b>Interest Revenue</b>	<b>Weighted Average Yield-to- Maturity</b>
<b>12/31/2023</b>	131,642,177	128,576,014	1,194,164	3.47%
<b>9/30/2023</b>	132,459,863	127,771,813	1,001,454	3.33%
<b>Change</b>	(817,686)	804,201	192,710	0.14%
<b>% Change</b>	-0.62%	0.63%	19.24%	4.20%