

Quarterly Financial Report Fiscal Year 2025 Third Quarter

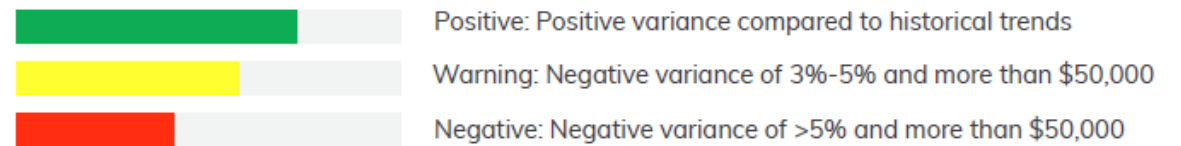
The logo for ADDISON, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes a white circle and a grey triangle.

Steven Glickman
Chief Financial Officer
August 26, 2025

Executive Dashboard – Revenues/Expenditures

Key Revenue Sources	FY2025 Budget	Actual through 6/30/25	% Annual Budget
Ad Valorem Taxes - General Fund	\$25,465,206	\$25,576,514	100.44%
Non-Property Taxes - General Fund	17,825,000	14,136,515	79.31%
Hotel Tax ⁽¹⁾	5,355,000	3,695,768	69.02%
Franchise Fees - General Fund	2,055,000	1,633,945	79.51%
Service/Permitting/License Fees - General Fund	3,940,647	3,279,066	83.29%
Fines and Penalties - All Funds	440,000	403,029	91.60%
Special Event Revenue - Hotel Fund ⁽²⁾	1,616,000	587,637	36.36%
Fuel Flowage Fees - Airport Fund	1,207,440	942,059	78.02%
Water and Sewer Charges - Utility Fund	16,946,561	11,888,987	70.16%

Key Expenditures	FY2025 Budget	Actual through 06/30/25	% Annual Budget
General Fund	\$50,269,389	\$36,613,478	72.32%
Hotel Fund	7,546,596	4,124,045	54.65%
Economic Development	1,477,263	1,109,054	75.07%
Airport Operations	6,485,544	4,697,874	72.44%
Utility Operations	17,501,537	12,095,250	69.11%

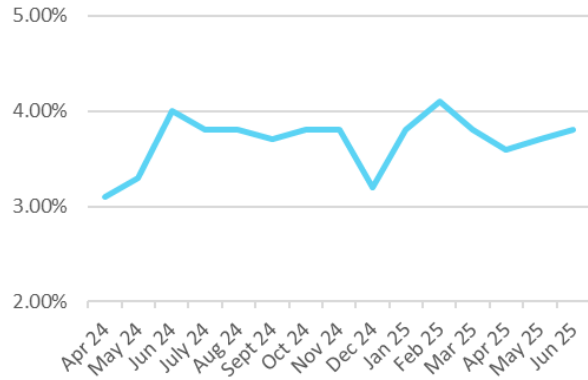


⁽¹⁾ Hotel Tax revenue has not been collected from all hoteliers and is below expectations

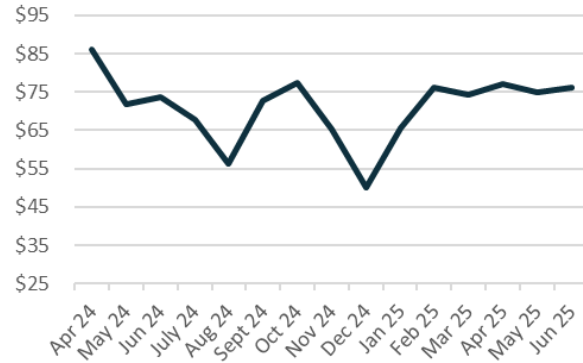
⁽²⁾ Special Events occur in the third and fourth quarters

Economic Indicators

DFW Unemployment Rate
Last 12 Months



Hotel Revenue
Per Available Room



Occupancy Indicators

Office occupancy is at 80.0% resulting in a 0.5% decrease from the prior quarter. Retail Occupancy is at 95.5% resulting in a 0.4% decrease from the prior quarter. Occupancy rates are in comparison to the second quarter of fiscal year 2025. (Source: CoStar)

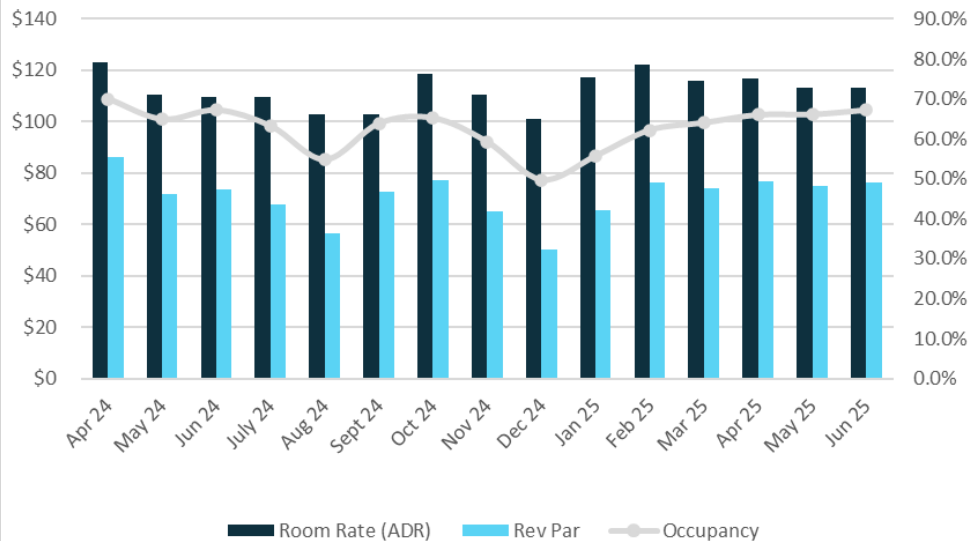


Office Occupancy = 80.0%



Retail Occupancy = 95.5%

Addison Hotel Statistics



Hotel Indicators

Hotel occupancy is at 66.4% resulting in a 1.0% decrease year-over-year. Revenue per available room (RevPar) is at \$76.02 resulting in a 1.4% decrease year-over-year. Hotel indicators are in comparison to prior year Quarter 3. (Source: STR Report)

Addison's hotel market experienced a slight decline throughout the third quarter when compared to the same quarter a year ago. Occupancy exceeded 66% for all three months and exceeded the prior year for May and June. However, in April 2024 a large group boosted occupancy and RevPar when compared to April 2025.



Hotel Occupancy = 66.4%

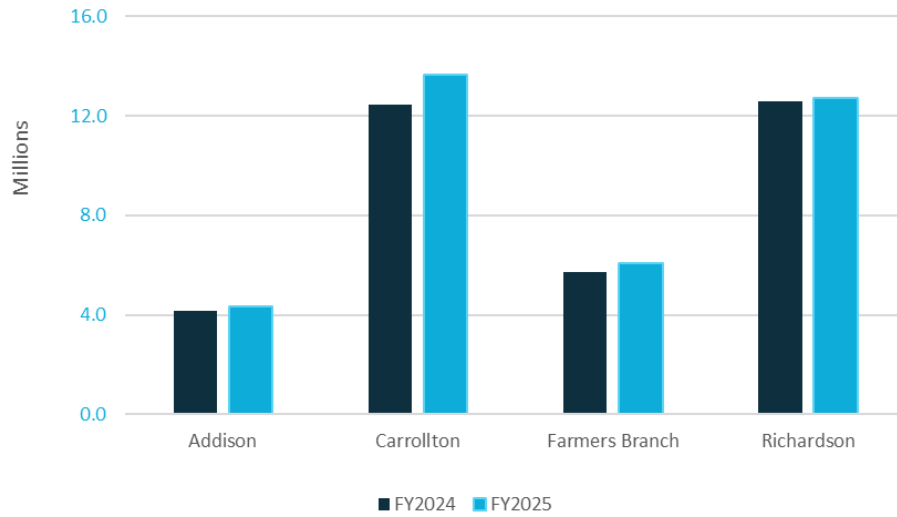


RevPAR = \$76.02

Economic Indicators



3rd Quarter Sales Tax Comparison



Addison

Addison had a 4% increase in sales tax from FY2024 to FY2025.



Carrollton

Carrollton had a 10% increase in sales tax from FY2024 to FY2025.



Farmers Branch

Farmers Branch had a 6% increase in sales tax from FY2024 to FY2025.



Richardson

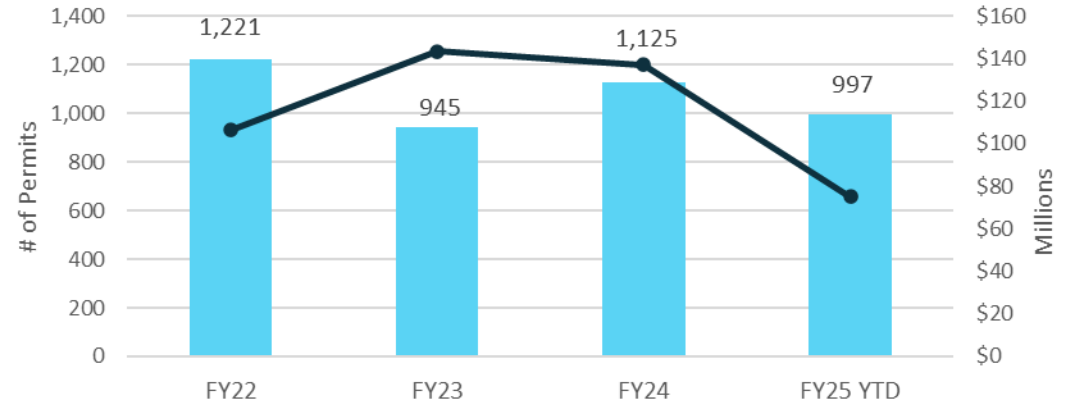
Richardson had a 1% increase in sales tax from FY2024 to FY2025.



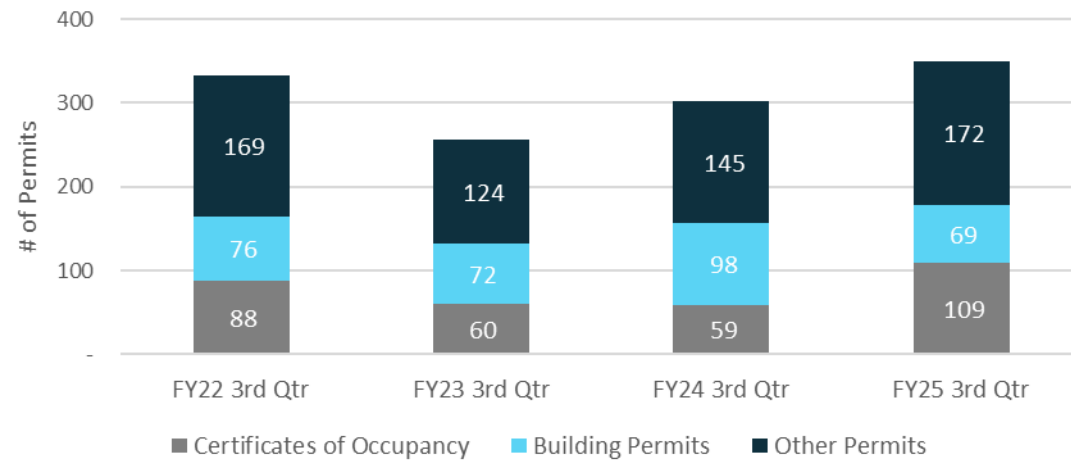
Economic Development Incentives:

Executed	Amount	Total Incentives
7	\$443,158	\$537,960

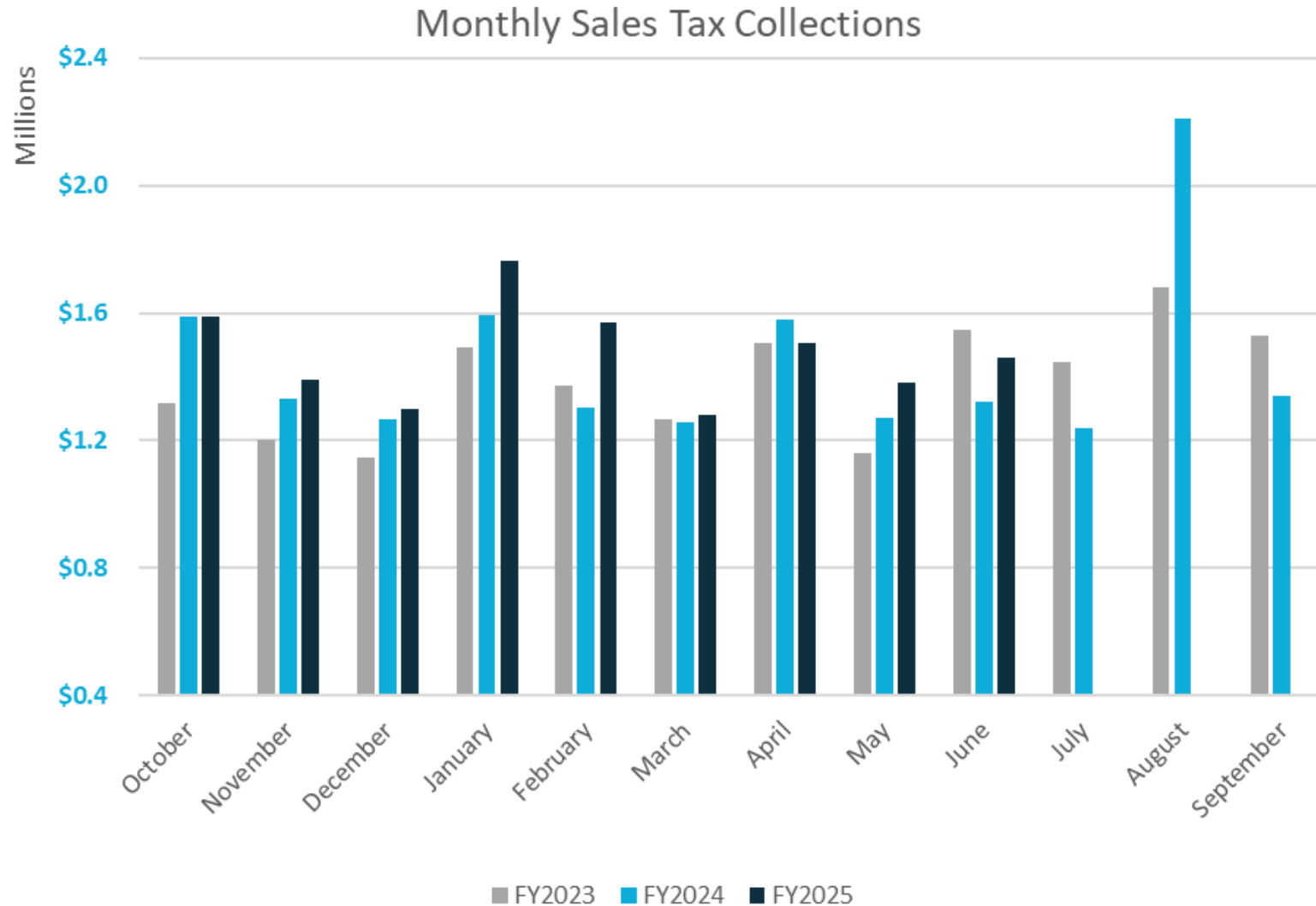
Total Permits Issued and Valuation



Quarterly Permit Activity Year over Year



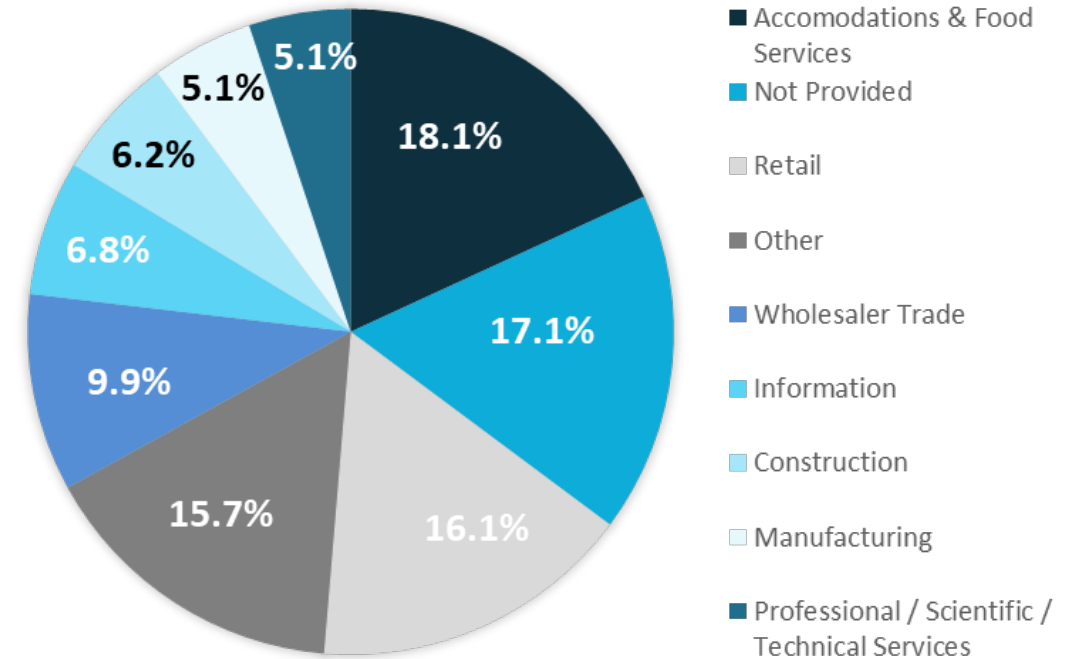
Sales Tax Collections



Sales Tax Collections

	FY2025 Monthly Collections	% Change from Prior Year	FY2024 Monthly Collections
October	\$1,589,328	0.1%	\$1,588,209
November	1,391,938	4.5%	1,331,900
December	1,299,653	2.6%	1,267,187
January	1,762,073	10.5%	1,595,294
February	1,571,229	20.5%	1,303,812
March	1,280,923	2.0%	1,256,245
April	1,504,353	-4.7%	1,578,604
May	1,380,353	8.5%	1,272,712
June	1,458,730	10.6%	1,319,487
July			1,236,618
August			2,209,805
September			1,338,169
Total	\$13,238,581		\$17,298,041
Budget:	16,525,000	80.1%	15,774,733

Breakdown of Sales Tax by Economic Category



General Fund Revenues



Category	FY 2023-24 Actual Prior Year	FY 2024-25 Revised Budget	FY 2024-25 Actual 3rd Qtr	FY 2024-25 Actual YTD	Actual YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$25,000,925	\$25,615,206	\$155,258	\$26,063,223	101.7%
Delinquent taxes ⁽¹⁾	(471,087)	(200,000)	5,801	(593,428)	296.7%
Penalty & interest	71,829	50,000	33,402	106,719	213.4%
Non-property taxes:					
Sales tax	17,298,041	16,525,000	4,165,629	13,238,580	80.1%
Alcoholic beverage tax	1,297,720	1,300,000	310,649	897,935	69.1%
Franchise/right-of-way use fees:					
Electric franchise	1,491,544	1,525,000	371,984	1,154,310	75.7%
Gas franchise	297,695	275,000	316,001	316,001	114.9%
Telecommunication access fees	152,514	160,000	33,085	103,102	64.4%
Cable franchise	91,828	95,000	19,504	60,532	63.7%
Licenses and permits:					
Business licenses and permits	219,243	229,328	62,120	145,950	64.7%
Building & construction permits	1,420,632	985,000	266,372	683,687	69.4%
Service fees:					
Public safety	1,235,153	1,094,000	309,808	870,503	79.6%
Urban development	68,270	87,200	16,000	31,725	36.4%
Streets and sanitation	510,440	508,500	341,596	733,541	144.3%
Recreation	137,387	96,000	66,686	108,196	112.7%
Interfund	646,294	940,619	235,155	705,464	75.0%
Court fines	350,929	335,000	92,020	288,232	86.0%
Interest earnings	2,060,831	650,000	282,804	731,169	112.5%
Rental income	8,640	8,600	1,650	5,450	63.4%
Total Revenues:	52,720,449	50,633,325	7,153,539	45,933,654	90.7%

⁽¹⁾ Represents prior year tax payment refunds

General Fund Expenditures



Category	FY 2023-24	FY 2024-25	FY 2024-25	FY 2024-25	Actual
	Actual Prior Year	Revised Budget	Actual 3rd Qtr	Actual YTD	YTD as % of Budget
Expenditures:					
<i>General Government:</i>					
City Secretary	251,528	260,131	47,998	146,829	56.4%
City Manager	1,310,833	1,179,935	293,603	894,971	75.8%
Finance	2,053,908	2,313,188	509,615	1,835,564	79.4%
General Services	1,592,424	1,888,887	472,674	1,319,831	69.9%
Municipal Court	680,963	704,632	165,790	527,982	74.9%
Human Resources	637,739	749,123	178,236	535,159	71.4%
Information Technology	2,610,070	2,398,709	686,766	1,707,464	71.2%
Combined Services ⁽¹⁾	1,258,576	1,180,585	213,835	936,606	79.3%
Council Projects ⁽²⁾	403,664	391,766	123,897	339,313	86.6%
<i>Public Safety:</i>					
Police	12,768,329	13,124,832	3,530,414	9,619,696	73.3%
Emergency Communications ⁽³⁾	1,917,253	1,909,006	352,373	1,898,556	99.5%
Fire	10,702,820	11,105,525	2,852,112	7,986,584	71.9%
Development Services	2,322,114	3,315,290	896,111	2,260,849	68.2%
Streets	2,267,292	2,316,292	364,681	1,111,568	48.0%
<i>Parks and Recreation:</i>					
Parks	5,370,556	5,651,687	1,392,491	3,961,183	70.1%
Recreation	1,898,897	2,139,801	615,431	1,531,323	71.6%
<i>Other financing uses:</i>					
Transfers to other funds	4,500,000	-	-	-	0.0%
Total Expenditures:	52,546,966	50,629,389	12,696,027	36,613,478	72.3%
Net Change in Fund Balance	173,484	3,936	(5,542,488)	9,320,176	
Fund Balance at Beg. of Year	20,682,959	20,856,443		20,856,443	
Fund Balance at End of Year	\$20,856,443	\$20,860,379		\$30,176,619	

⁽¹⁾ Annual property and liability insurance paid at the beginning of the fiscal year

⁽²⁾ Includes primary NPO grant payment for non-profit funding

⁽³⁾ NTECC operations payment, radio allocation, and antenna rental

Hotel Fund

Category	FY 2023-24	FY 2024-25	FY 2024-25	FY 2024-25	Actual
	Actual Prior Year	Revised Budget	Actual 3rd Qtr	Actual YTD	YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes ⁽¹⁾	\$5,374,881	\$5,355,000	\$1,231,261	\$3,695,768	69.0%
Proceeds from special events	1,392,560	1,616,000	389,418	587,637	36.4%
Rental income	169,372	160,000	31,049	105,310	65.8%
Interest and miscellaneous	456,896	275,000	51,360	157,448	57.3%
Total Revenues:	7,393,709	7,406,000	1,703,088	4,546,163	61.4%
Expenditures:					
Marketing and Tourism	1,567,739	1,989,451	426,672	926,666	46.6%
Addison Theatre Centre	747,619	915,874	174,015	638,029	69.7%
Major Special Events	2,759,705	2,535,572	990,768	1,246,871	49.2%
Special Events	1,142,699	1,320,478	343,616	909,505	68.9%
Vitruvian Events	185,000	185,000	-	-	0.0%
General Hotel Operations	366,384	600,221	122,440	402,974	67.1%
Total Expenditures:	6,769,146	7,546,596	2,057,511	4,124,045	54.6%
Net Change in Fund Balance	624,563	(140,596)	(354,423)	422,118	
Fund Balance at Beg. of Year	5,330,207	5,954,770		5,954,770	
Fund Balance at End of Year	\$5,954,770	\$5,814,174		\$6,376,888	

⁽¹⁾ Hotel tax collections have not been received by all hoteliers and are lower than anticipated

Economic Development Fund

Category	FY 2023-24 Actual Prior Year	FY 2024-25 Revised Budget	FY 2024-25 Actual 3rd Qtr	FY 2024-25 Actual YTD	Actual YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$1,387,809	\$1,474,028	\$11,251	\$1,479,692	100.4%
Business license fee	18,700	-	-	350	0.0%
Interest income and other	232,318	75,000	29,380	87,046	116.1%
Total Revenues	1,638,827	1,549,028	40,631	1,567,088	101.2%
Expenditures:					
Personnel services	432,330	504,152	134,808	363,582	72.1%
Supplies	7,986	14,308	4,867	16,729	116.9%
Maintenance	1,116	44,728	30,400	30,622	68.5%
Contractual services	906,887	904,360	502,112	690,835	76.4%
Debt Service	9,715	9,715	2,429	7,286	75.0%
Total Expenditures	1,358,034	1,477,263	674,616	1,109,054	75.1%
Net Change in Fund Balance	280,793	71,765	(633,985)	458,034	
Fund Balance at Beg. of Year	2,592,507	2,873,300		2,873,300	
Fund Balance at End of Year	\$2,873,300	\$2,945,065		\$3,331,334	

Airport Fund

Category	FY 2023-24 Actual Prior Year	FY 2024-25 Revised Budget	FY 2024-25 Actual 3rd Qtr	FY 2024-25 Actual YTD	Actual YTD as % of Budget
Operating Revenues:					
Operating grants	\$186,133	\$2,671,260	\$-	\$-	0.0%
Service fees	184,075	277,700	87,600	269,475	97.0%
Fuel flowage fees	1,166,081	1,207,440	313,190	942,059	78.0%
Rental income	5,750,708	5,672,075	1,395,270	4,264,937	75.2%
Interest income and other	1,030,262	282,112	162,817	388,768	137.8%
Total Operating Revenues:	8,317,259	10,110,587	1,958,877	5,865,239	58.0%
Operating Expenses:					
Personnel services	2,533,938	2,964,581	761,793	2,074,621	70.0%
Supplies	39,497	55,873	19,445	61,486	110.0%
Maintenance	857,875	693,126	145,846	327,784	47.3%
Contractual services	1,347,997	1,617,327	570,318	1,343,990	83.1%
Capital Replacement/Lease	157,928	242,928	60,732	182,196	75.0%
Debt service	875,747	874,709	-	707,797	80.9%
Capital Outlay	-	37,000	-	-	0.0%
Total Operating Expenses:	5,812,982	6,485,544	1,558,134	4,697,874	72.4%
Other financing uses:					
Transfer to Debt service fund	469,344	528,527	132,132	396,395	75.0%
Capital Projects (Cash Funded)	401,640	4,208,000	1,291,719	2,467,122	58.6%
Total Expenses:	6,683,966	11,222,071	2,981,985	7,561,391	67.4%
Net Change in Working Capital	1,633,293	(1,111,484)	(1,023,108)	(1,696,152)	
Working Capital at Beg. of Year	8,194,654	9,827,947		9,827,947	
Working Capital at End of Year	\$9,827,947	\$8,716,463		\$8,131,795	

Utility Fund

Category	FY 2023-24	FY 2024-25	FY 2024-25	FY 2024-25	Actual
	Actual Prior Year	Revised Budget	Actual 3rd Qtr	Actual YTD	YTD as % of Budget
Operating Revenues:					
Water sales	\$9,249,861	\$9,440,658	\$2,138,319	\$6,425,605	68.1%
Sewer charges	7,057,591	7,505,903	1,746,116	5,463,382	72.8%
Tap fees	62,918	50,000	3,783	18,878	37.8%
Penalties	108,354	105,000	24,127	114,797	109.3%
Interest income and other	693,568	232,422	92,630	274,265	118.0%
Total Operating Revenues:	17,172,292	17,333,983	4,004,975	12,296,927	70.9%
Operating Expenses:					
Personnel services	2,878,324	3,202,074	794,153	2,171,171	67.8%
Supplies	233,111	227,105	41,385	141,891	62.5%
Maintenance	1,057,449	1,342,009	121,476	405,555	30.2%
Contractual Services:					
Water purchases	4,615,709	4,976,098	1,186,491	3,557,860	71.5%
Wastewater treatment	3,831,176	4,310,865	884,172	3,160,059	73.3%
Other services	1,342,023	1,529,332	340,425	1,090,754	71.3%
Capital Replacement/Lease	206,584	166,584	41,646	124,938	75.0%
Debt service	1,743,592	1,747,470	750	1,443,022	82.6%
Capital outlay	-	-	-	-	0.0%
Total Operating Expenses:	15,907,968	17,501,537	3,410,498	12,095,250	69.1%
Capital Projects (Cash Funded)	-	1,220,000	-	-	0.0%
Total Expenses:	15,907,968	18,721,537	3,410,498	12,095,250	64.6%
Net Change in Working Capital	1,264,324	(1,387,554)	594,477	201,677	
Working Capital at Beg. of Year	8,406,367	9,670,691		9,670,691	
Working Capital at End of Year	\$9,670,691	\$8,283,137		\$9,872,368	

Stormwater Utility Fund

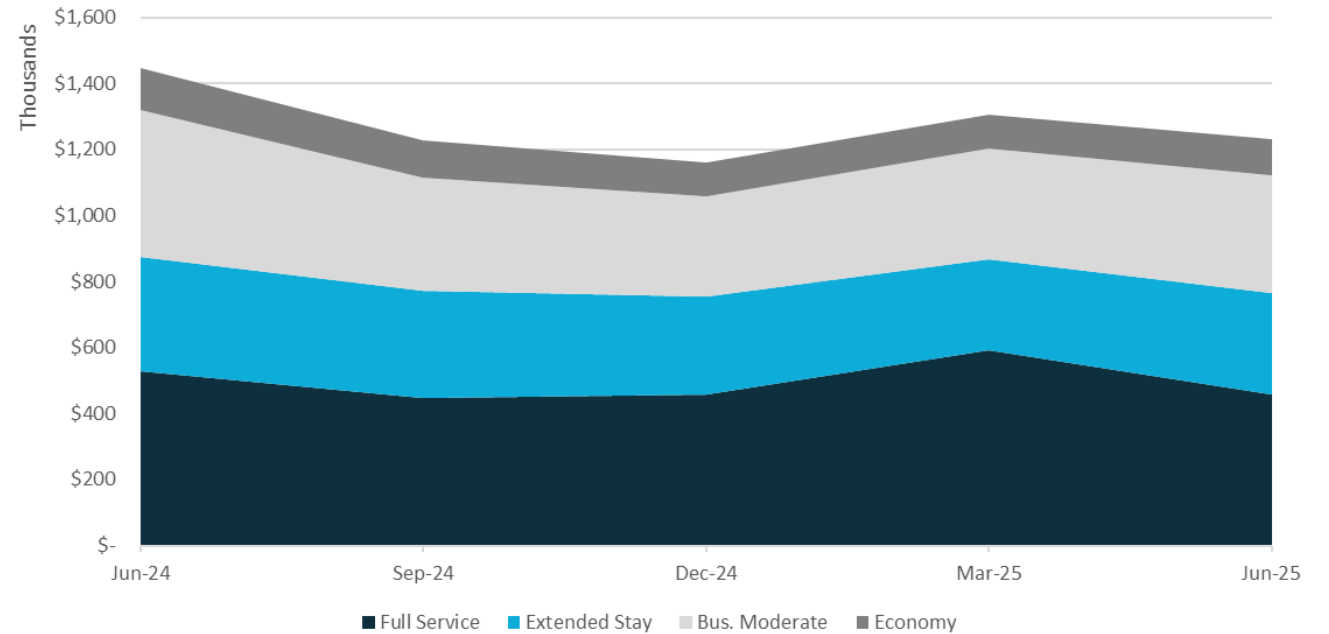


Category	FY 2023-24 Actual Prior Year	FY 2024-25 Revised Budget	FY 2024-25 Actual 3rd Qtr	FY 2024-25 Actual YTD	Actual YTD as % of Budget
Operating Revenues:					
Drainage Fees	\$2,609,536	\$2,600,000	\$647,808	\$1,962,781	75.5%
Interest income and other	694,036	200,000	72,081	227,385	113.7%
Total Operating Revenues:	3,303,572	2,800,000	719,889	2,190,166	78.2%
Operating Expenses:					
Personnel services	758,272	942,468	228,881	635,301	67.4%
Supplies	34,054	34,900	2,833	10,905	31.2%
Maintenance	717,834	620,549	135,470	348,763	56.2%
Contractual services	352,718	257,200	73,815	164,568	64.0%
Capital Replacement/Lease	25,000	50,000	12,500	37,500	75.0%
Debt service	488,948	896,453	-	729,245	81.3%
Capital Outlay	-	62,000	-	46,262	74.6%
Total Operating Expenses:	2,376,826	2,863,570	453,499	1,972,544	68.9%
Other financing uses:					
Transfer to Debt service fund	406,196	444,431	111,108	333,323	75.0%
Capital Projects (Cash Funded)	273,550	-	-	-	0.0%
Total Expenses:	3,056,572	3,308,001	1,369,376	1,741,261	52.6%
Net Change in Working Capital	247,000	(508,001)	155,282	(115,701)	
Working Capital at Beg. of Year	8,656,973	8,903,973		8,903,973	
Working Capital at End of Year	\$8,903,973	\$8,395,972		\$8,788,272	

Hotel Occupancy Tax Collections

Hotel	# Rooms	% Rooms	Amount	% Amount	FY25 to FY24	
					% Diff	
Marriott Quorum	547	15%	156,725	13%	-45%	
Renaissance	528	14%	302,272	25%	24%	
Full Service Total	1,075	29%	458,997	37%	-13%	
Budget Suites	344	9%	8,121	1%	-19%	
Mainstay Suites	70	2%	9,278	1%	-44%	
Marriott Residence Inn	150	4%	62,550	5%	-7%	
Hyatt House	132	4%	51,833	4%	11%	
Homewood Suites	120	3%	15,167	1%	-64%	
Home2Suites	132	4%	91,285	7%	-2%	
Springhill Suites	159	4%	68,471	6%	-1%	
Extended Stay Total	1,107	30%	306,705	25%	-11%	
Marriott Courtyard Quorum	176	5%	102,509	8%	5%	
LaQuinta Inn (1)	152	4%	-	0%	-100%	
Marriott Courtyard Midway	145	4%	77,720	6%	-5%	
Radisson - Addison	101	3%	10,252	1%	-73%	
Hilton Garden Inn	96	3%	53,338	4%	-12%	
Holiday Inn Express	97	3%	58,087	5%	14%	
Holiday Inn Beltway	102	3%	32,570	3%	-7%	
Best Western Plus	85	2%	22,915	2%	-22%	
Business Moderate Total	954	26%	357,391	29%	-20%	
Motel 6	128	3%	29,875	2%	-16%	
The Addison Inn	154	4%	24,477	2%	-16%	
Red Roof Inn	107	3%	29,383	2%	-2%	
Quality Suites North/Galleria	78	2%	19,222	2%	-24%	
America's Best Value Inn	60	2%	5,211	0%	-27%	
Economy Total	527	14%	108,168	9%	-15%	
TOTAL	3,663	100%	1,231,261	100%	-15%	

Quarterly Data



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

Investment Report Summary

ADDISON

\$1,375,532

Interest Revenue

June 30, 2025

Book Value

\$142,823,800

Market Value

\$142,608,720

Weighted Average Yield-to-Maturity

3.69%

The change in book value is \$(13,829,459) or -8.83%.
The change in market value is \$(13,353,368) or -8.56%.
The change in interest revenue is \$(71,828) or -4.96%.
Weighted average yield-to-maturity remained at 3.69%.

\$1,447,360

Interest Revenue

March 31, 2025

Book Value

\$156,653,259

Market Value

\$155,962,088

Weighted Average Yield-to-Maturity

3.69%