

Quarterly Financial Report Fiscal Year 2025 Fourth 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 has a diagonal split with a dark grey section in the top-left and bottom-right corners.

ADDISON

Steven Glickman
Chief Financial Officer
November 18, 2025

Executive Dashboard – Revenues/Expenditures




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Key Revenue Sources	FY2025 Budget	Actual through 9/30/25	% Annual Budget
Ad Valorem Taxes - General Fund	\$25,465,206	\$25,409,594	99.78%
Non-Property Taxes - General Fund	17,825,000	18,826,248	105.62%
Hotel Tax ⁽¹⁾	5,355,000	5,000,784	93.39%
Franchise Fees - General Fund	2,055,000	2,025,346	98.56%
Service/Permitting/License Fees - General Fund	3,937,019	4,662,667	118.43%
Fines and Penalties - All Funds	440,000	468,151	106.39%
Special Event Revenue - Hotel Fund ⁽²⁾	1,616,000	1,384,247	85.66%
Fuel Flowage Fees - Airport Fund	1,207,440	1,276,311	105.70%
Water and Sewer Charges - Utility Fund	16,946,561	16,564,467	97.75%

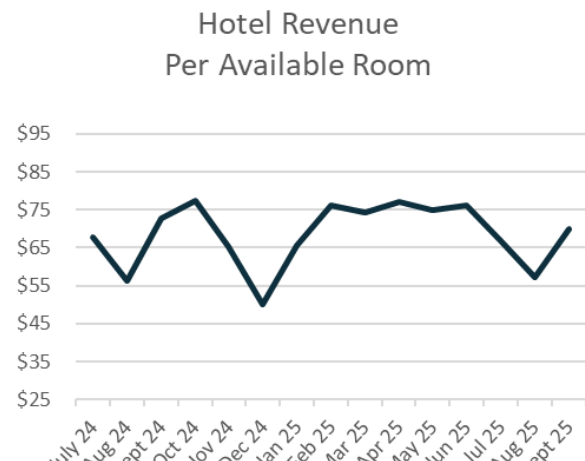
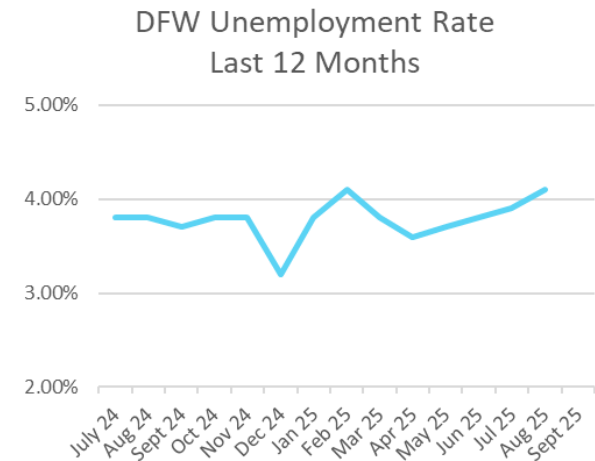
⁽¹⁾ Hotel Tax revenue has not been collected from all hoteliers and is below expectations

⁽²⁾ Special Events revenue is below expectations

Key Expenditures	FY2025 Budget	Actual through 9/30/25	% Annual Budget
General Fund	\$50,269,389	\$49,616,7489	98.00%
Hotel Fund	7,546,596	7,388,199	97.90%
Economic Development	1,477,263	1,422,739	96.31%
Airport Operations	6,790,544	6,688,825	98.50%
Utility Operations	17,501,537	16,388,957	93.64%

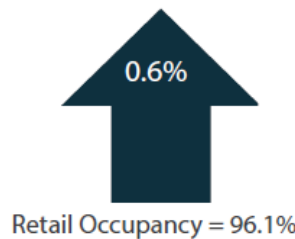
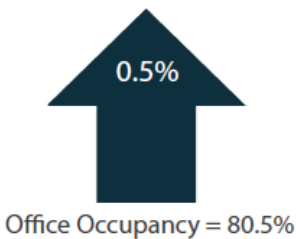
	Positive: Positive variance compared to historical trends
	Warning: Negative variance of 3%-5% and more than \$50,000
	Negative: Negative variance of >5% and more than \$50,000

Economic Indicators



Occupancy Indicators

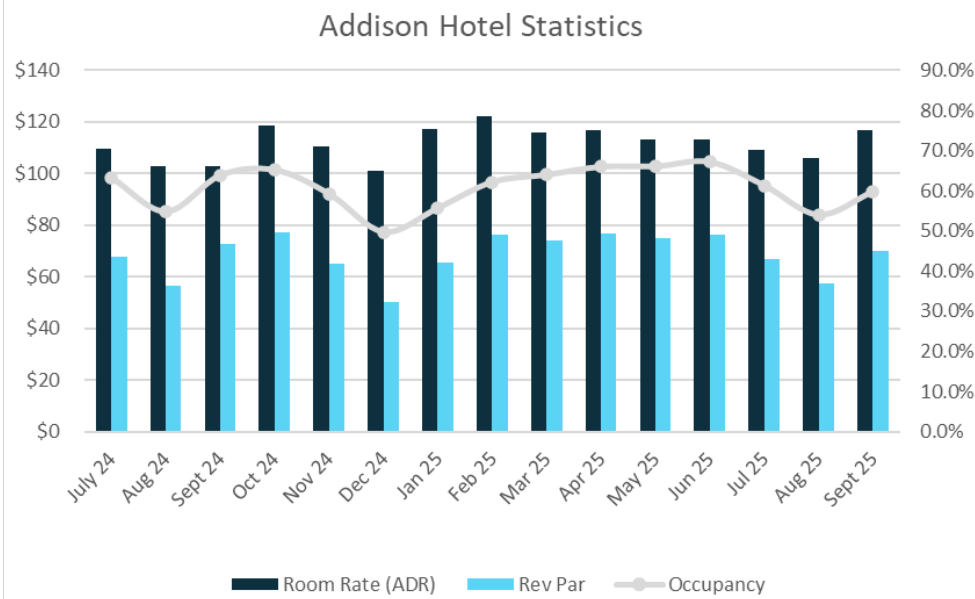
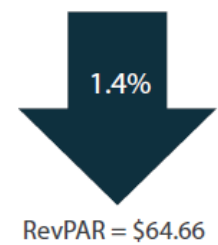
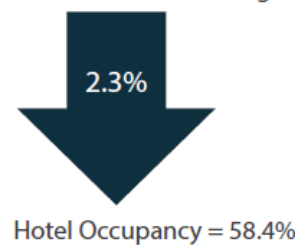
Office occupancy is at 80.5% resulting in a 0.5% increase from the prior quarter. Retail Occupancy is at 96.1% resulting in a 0.6% increase from the prior quarter. Occupancy rates are in comparison to the third quarter of fiscal year 2025. (Source: CoStar)



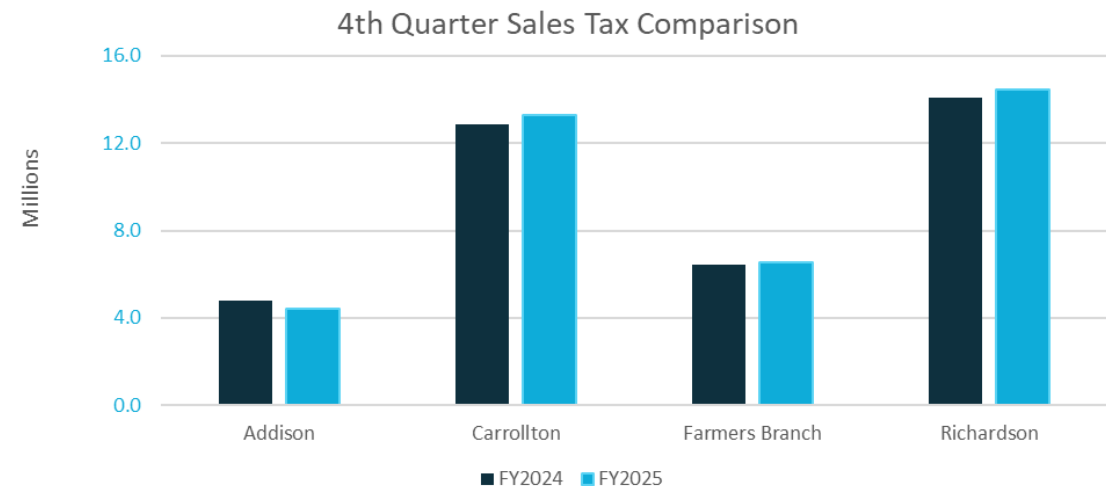
Hotel Indicators

Hotel occupancy is at 58.4% resulting in a 2.3% decrease year-over-year. Revenue per available room (RevPar) is at \$64.66 resulting in a 1.4% decrease year-over-year. Hotel indicators are in comparison to prior year Quarter 4. (Source: STR Report)

Addison's hotel market experienced a slight decline throughout the fourth quarter when compared to the same quarter a year ago primarily due to the LIV Golf Tournament in September 2024 causing higher than normal occupancy for that period. Occupancy only exceeded 60% during July and did not exceed the prior year in any period for the fourth quarter. Additionally, the Radisson - Addison temporarily closed for renovations in August 2025.



Economic Indicators



Addison

Addison had an 8% decrease in sales tax from FY2024 to FY2025.



Carrollton

Carrollton had a 3% increase in sales tax from FY2024 to FY2025.



Farmers Branch

Farmers Branch had a 2% increase in sales tax from FY2024 to FY2025.



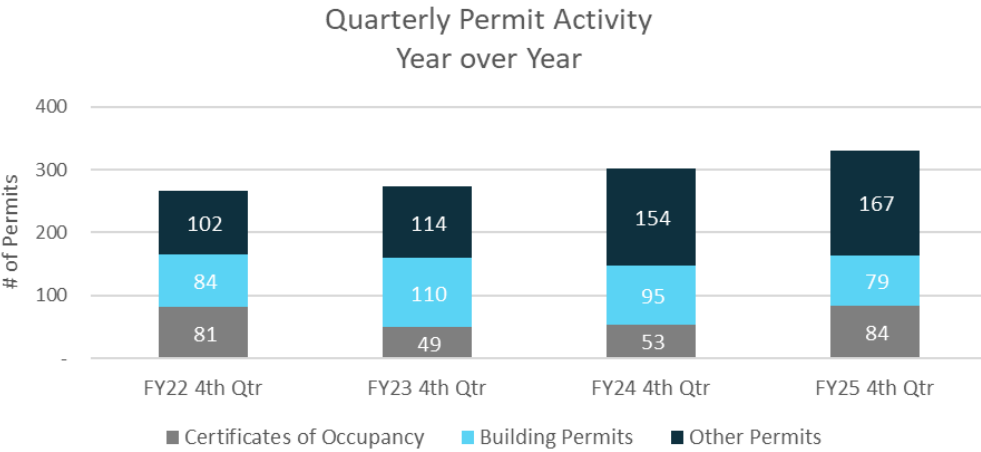
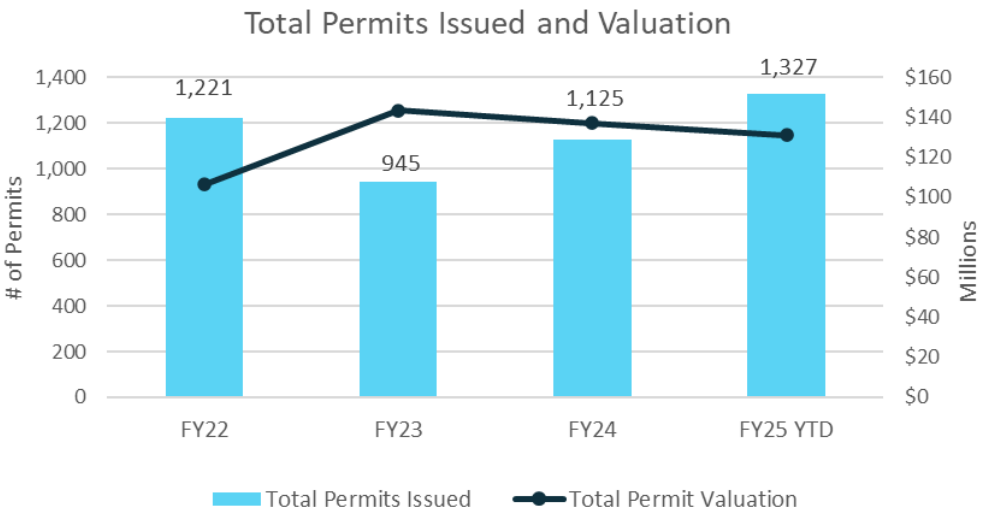
Richardson

Richardson had a 3% increase in sales tax from FY2024 to FY2025.



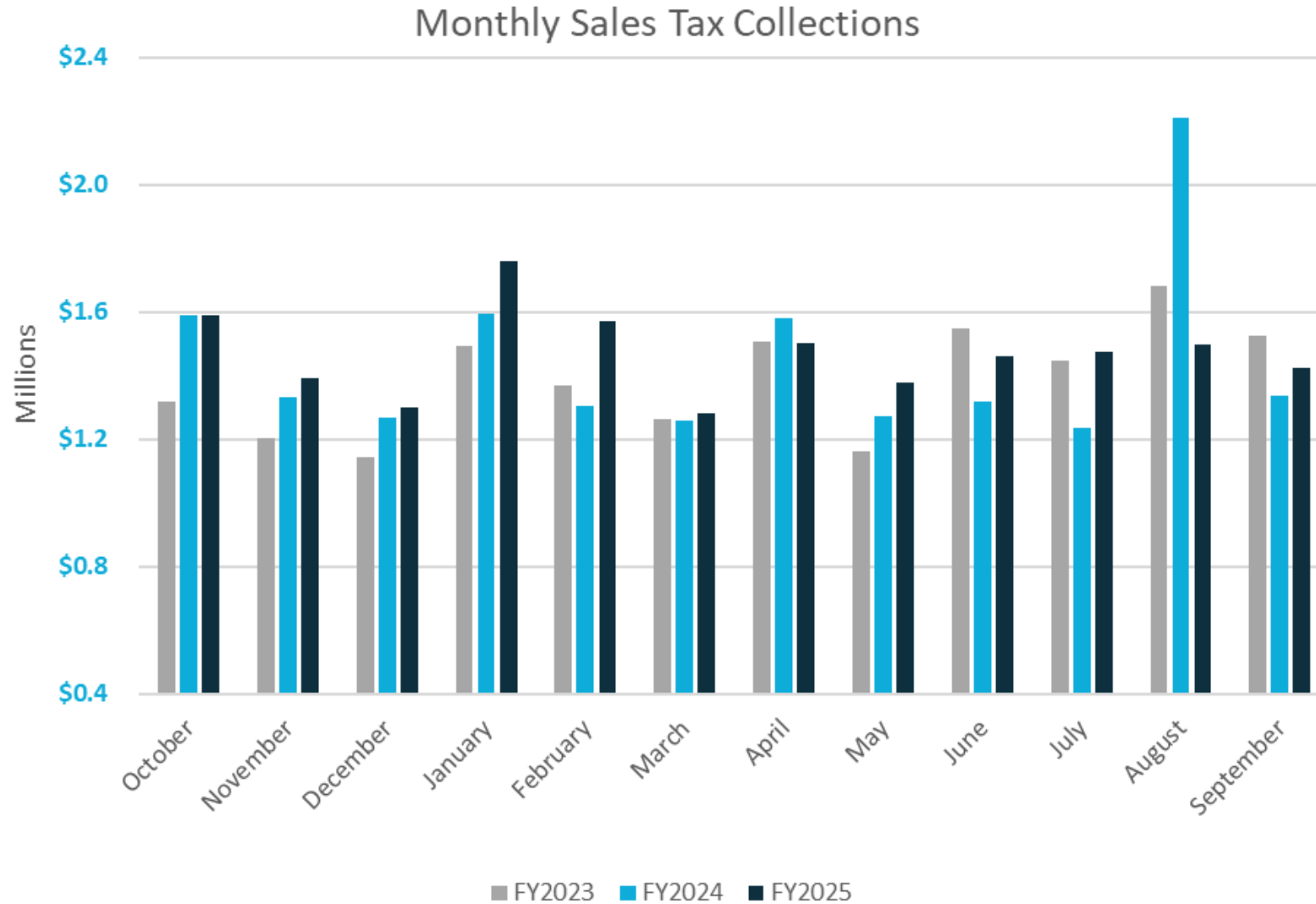
Economic Development Incentives:

Executed	Amount	Total Incentives
7.00	\$466,491	\$537,960



Sales Tax Collections

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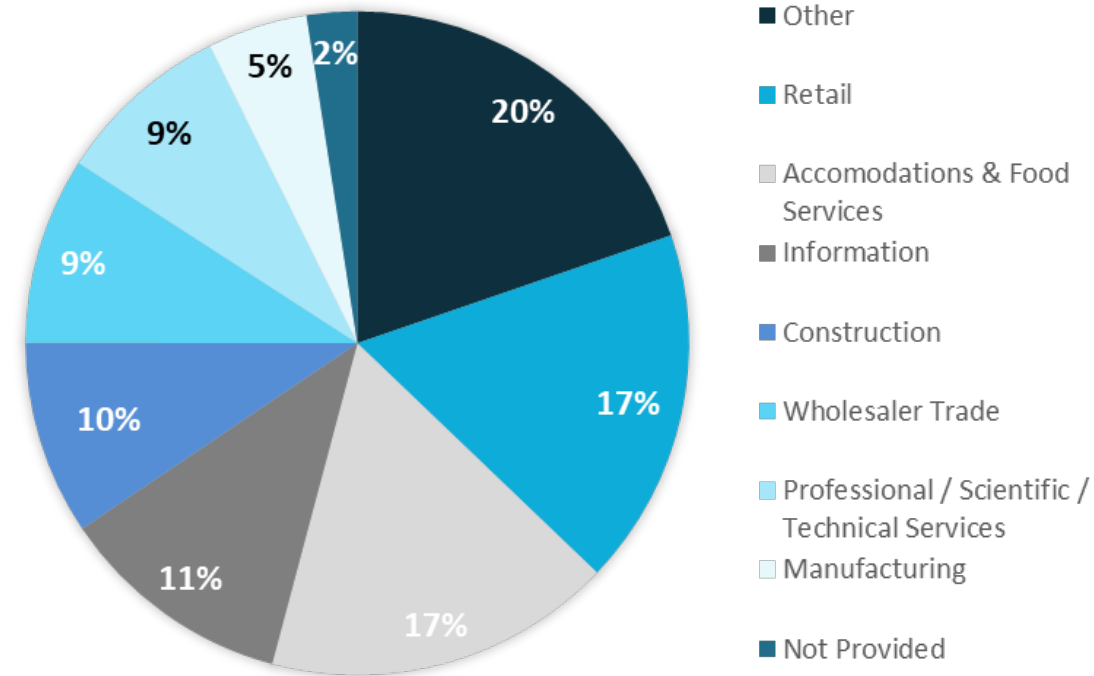


Sales Tax Collections

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	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	1,474,803	19.2%	1,236,618
August	1,499,150	-32.1%	2,209,805
September	1,421,857	6.2%	1,338,169
Total	\$17,634,389	1.9%	\$17,298,041
Budget:	16,525,000	106.7%	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 4th Qtr	FY 2024-25 Actual YTD	Actual YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$25,000,925	\$25,615,206	\$(151,661)	\$25,911,562	101.2%
Delinquent taxes ⁽¹⁾	(471,087)	(200,000)	(25,265)	(618,693)	309.3%
Penalty & interest	71,829	50,000	10,007	116,726	233.5%
Non-property taxes:					
Sales tax	17,298,041	16,525,000	4,395,809	17,634,389	106.7%
Alcoholic beverage tax ⁽²⁾	1,297,720	1,300,000	293,923	1,191,858	91.7%
Franchise/right-of-way use fees:					
Electric franchise	1,491,544	1,525,000	341,731	1,496,041	98.1%
Gas franchise	297,695	275,000	-	316,001	114.9%
Telecommunication access fees	152,514	160,000	30,582	133,684	83.6%
Cable franchise	91,828	95,000	19,088	79,620	83.8%
Licenses and permits:					
Business licenses and permits	219,243	225,700	57,860	203,810	90.3%
Building & construction permits	1,420,632	985,000	451,782	1,135,469	115.3%
Service fees:					
Public safety	1,235,153	1,094,000	382,583	1,253,086	114.5%
Urban development	68,270	87,200	20,390	52,115	59.8%
Streets and sanitation	510,440	508,500	197,565	931,106	183.1%
Recreation	137,387	96,000	38,265	146,461	152.6%
Interfund	646,294	940,619	235,155	940,619	100.0%
Court fines	350,929	335,000	107,214	395,446	118.0%
Interest earnings	2,060,831	650,000	260,259	991,428	152.5%
Rental income	8,640	8,600	2,150	7,600	88.4%
Other income	831,622	357,500	10,402	293,165	82.0%
Total Revenues:	52,720,449	50,633,325	6,677,839	52,611,494	103.9%

⁽¹⁾ Represents prior year tax payment refunds

⁽²⁾ Alcoholic beverage tax is below expectations

General Fund Expenditures

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Category	FY 2023-24 Actual Prior Year	FY 2024-25 Revised Budget	FY 2024-25 Actual 4th Qtr	FY 2024-25 Actual YTD	Actual YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	251,528	260,131	84,495	231,324	88.9%
City Manager	1,310,833	1,229,935	323,933	1,218,904	99.1%
Finance	2,053,908	2,313,188	467,266	2,302,830	99.6%
General Services	1,592,424	1,838,887	500,254	1,820,085	99.0%
Municipal Court	680,963	714,632	182,317	710,299	99.4%
Human Resources	637,739	759,123	214,544	749,703	98.8%
Information Technology	2,610,070	2,308,709	487,284	2,194,748	95.1%
Combined Services	1,258,576	1,230,585	279,671	1,216,277	98.8%
Council Projects	403,664	391,766	35,599	374,912	95.7%
Public Safety:					
Police	12,768,329	13,174,832	3,485,019	13,104,715	99.5%
Emergency Communications	1,917,253	1,909,006	-	1,898,556	99.5%
Fire	10,702,820	11,105,525	3,039,149	11,025,733	99.3%
Development Services	2,322,114	3,265,290	965,569	3,226,418	98.8%
Streets	2,267,292	2,251,292	595,931	1,707,499	75.8%
Parks and Recreation:					
Parks	5,370,556	5,671,687	1,685,591	5,646,774	99.6%
Recreation	1,898,897	2,204,801	656,649	2,187,972	99.2%
Other financing uses:					
Transfers to other funds	4,500,000	-	-	-	0.0%
Total Expenditures:	52,546,966	50,629,389	13,003,270	49,616,748	98.0%
Net Change in Fund Balance	173,484	3,936	(6,325,431)	2,994,746	
Fund Balance at Beg. of Year	20,682,959	20,856,443		20,856,443	
Fund Balance at End of Year	<u>\$20,856,443</u>	<u>\$20,860,379</u>		<u>\$23,851,188</u>	

Hotel Fund

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Category	FY 2023-24 Actual Prior Year	FY 2024-25 Revised Budget	FY 2024-25 Actual 4th Qtr	FY 2024-25 Actual YTD	Actual YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes ⁽¹⁾	\$5,374,881	\$5,355,000	\$1,176,138	\$5,000,784	93.4%
Proceeds from special events ⁽²⁾	1,392,560	1,616,000	796,610	1,384,247	85.7%
Rental income	169,372	160,000	71,256	176,566	110.4%
Interest and miscellaneous	456,896	275,000	51,126	208,574	75.8%
Total Revenues:	7,393,709	7,406,000	2,095,130	6,770,171	91.4%
Expenditures:					
Marketing and Tourism	1,567,739	1,989,451	639,191	1,565,857	78.7%
Addison Theatre Centre	747,619	915,874	256,442	894,471	97.7%
Major Special Events ⁽³⁾	2,759,705	2,535,572	1,669,442	2,916,313	115.0%
Special Events	1,142,699	1,320,478	367,260	1,276,765	96.7%
Vitruvian Events	185,000	185,000	185,000	185,000	100.0%
General Hotel Operations	366,384	600,221	146,819	549,793	91.6%
Total Expenditures:	6,769,146	7,546,596	3,264,154	7,388,199	97.9%
 Net Change in Fund Balance	 624,562	 (140,596)	 (1,169,024)	 (618,028)	
 Fund Balance at Beg. of Year	 5,330,209	 5,954,770		 5,954,770	
Fund Balance at End of Year	<u>\$5,954,770</u>	<u>\$5,814,174</u>		<u>\$5,336,742</u>	

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

⁽²⁾ Special Events revenue is below expectations

⁽³⁾ Special Events expenditures exceeded budgeted amounts

Economic Development Fund

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Category	FY 2023-24 Actual Prior Year	FY 2024-25 Revised Budget	FY 2024-25 Actual 4th Qtr	FY 2024-25 Actual YTD	Actual YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$1,387,809	\$1,474,028	\$(9,658)	\$1,470,034	99.7%
Business license fee	18,700	-	-	350	100.0%
Interest income and other	232,318	75,000	28,644	115,690	154.3%
Total Revenues	1,638,827	1,549,028	18,986	1,586,074	102.4%
Expenditures:					
Personnel services	432,330	504,152	143,325	506,907	100.5%
Supplies	7,986	14,308	13,071	29,800	208.3%
Maintenance	1,116	44,728	9,579	40,201	89.9%
Contractual services	906,887	904,360	145,281	836,116	92.5%
Debt Service	9,715	9,715	2,429	9,715	100.0%
Total Expenditures	1,358,034	1,477,263	313,685	1,422,739	96.3%
Net Change in Fund Balance	280,793	71,765	(294,700)	163,334	
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		\$3,036,634	

Airport Fund



Category	FY 2023-24 Actual Prior Year	FY 2024-25 Revised Budget	FY 2024-25 Actual 4th 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	62,850	332,325	119.7%
Fuel flowage fees	1,166,081	1,207,440	334,252	1,276,311	105.7%
Rental income	5,750,708	5,672,075	1,508,279	5,773,216	101.8%
Interest income and other	1,030,262	282,112	95,973	484,741	171.8%
Total Operating Revenues:	8,317,259	10,110,587	2,001,354	7,866,593	77.8%
Operating Expenses:					
Personnel services	2,533,938	2,964,581	1,063,441	3,138,062	105.9%
Supplies	39,497	55,873	13,358	74,844	134.0%
Maintenance	857,875	893,126	264,344	592,128	66.3%
Contractual services	1,347,997	1,722,327	423,241	1,767,231	102.6%
Capital Replacement/Lease	157,928	242,928	60,732	242,928	100.0%
Debt service	875,747	874,709	165,835	873,632	99.9%
Capital Outlay	-	37,000	-	-	0.0%
Total Operating Expenses:	5,812,982	6,790,544	1,990,951	6,688,825	98.5%
Other financing uses:					
Transfer to Debt service fund	469,344	528,527	132,132	528,527	100.0%
Capital Projects (Cash Funded)	401,640	3,903,000	933,474	3,400,596	87.1%
Total Expenses:	6,683,966	11,222,071	3,056,558	10,617,949	94.6%
Net Change in Working Capital	1,633,293	(1,111,484)	(1,055,203)	(2,751,356)	
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		\$7,076,591	

Utility Fund



Category	FY 2023-24 Actual Prior Year	FY 2024-25 Revised Budget	FY 2024-25 Actual 4th Qtr	FY 2024-25 Actual YTD	Actual YTD as % of Budget
Operating Revenues:					
Water sales	\$9,249,861	\$9,440,658	\$2,761,281	\$9,186,886	97.3%
Sewer charges	7,057,591	7,505,903	1,914,199	7,377,581	98.3%
Tap fees	62,918	50,000	61,355	80,233	160.5%
Penalties	108,354	105,000	10,178	124,975	119.0%
Interest income and other	693,568	232,422	95,020	369,285	158.9%
Total Operating Revenues:	17,172,292	17,333,983	4,842,032	17,138,959	98.9%
Operating Expenses:					
Personnel services	2,878,324	3,202,074	818,470	2,989,641	93.4%
Supplies	233,111	227,105	54,507	196,398	86.5%
Maintenance	1,057,449	1,342,009	532,217	937,772	69.9%
Contractual Services:					
Water purchases	4,615,709	5,021,098	1,280,720	4,838,580	96.4%
Wastewater treatment	3,831,176	4,315,865	896,283	4,056,342	94.0%
Other services	1,342,023	1,479,332	366,598	1,457,352	98.5%
Capital Replacement/Lease	206,584	166,584	41,646	166,584	100.0%
Debt service	1,743,592	1,747,470	303,267	1,746,289	99.9%
Capital outlay	-	-	-	-	0.0%
Total Operating Expenses:	15,907,968	17,501,537	4,293,707	16,388,957	93.6%
Capital Projects (Cash Funded)	-	1,220,000	-	-	0.0%
Total Expenses:	15,907,968	18,721,537	4,293,707	16,388,957	87.5%
Net Change in Working Capital	1,264,324	(1,387,554)	548,325	750,002	
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		\$10,420,693	

Stormwater Utility Fund

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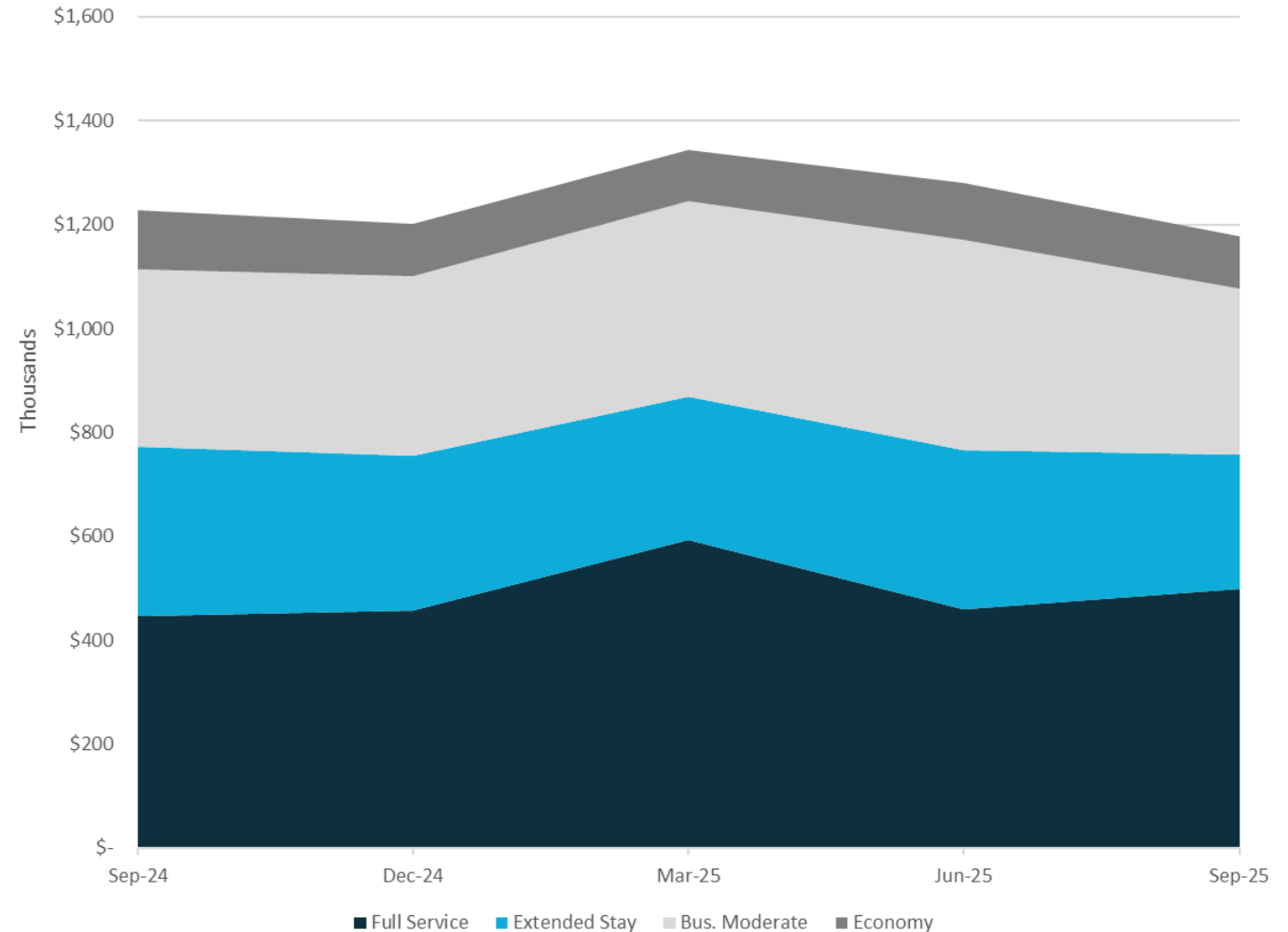
Category	FY 2023-24 Actual Prior Year	FY 2024-25 Revised Budget	FY 2024-25 Actual 4th Qtr	FY 2024-25 Actual YTD	Actual YTD as % of Budget
Operating Revenues:					
Drainage Fees	\$2,609,536	\$2,600,000	\$633,071	\$2,595,852	99.8%
Interest income and other	694,036	200,000	76,243	303,628	151.8%
Total Operating Revenues:	3,303,572	2,800,000	709,314	2,899,480	103.6%
Operating Expenses:					
Personnel services	758,272	942,468	229,980	865,281	91.8%
Supplies	34,054	34,900	4,011	14,916	42.7%
Maintenance	717,834	620,549	101,143	449,906	72.5%
Contractual services	352,718	257,200	86,621	251,189	97.7%
Capital Replacement/Lease	25,000	50,000	12,500	50,000	100.0%
Debt service	488,948	896,453	137,715	866,960	96.7%
Capital Outlay	-	62,000	-	46,262	74.6%
Total Operating Expenses:	2,376,826	2,863,570	571,969	2,544,513	88.9%
Other financing uses:					
Transfer to Debt service fund	406,196	444,431	111,108	444,431	100.0%
Capital Projects (Cash Funded)	273,550	-	-	-	0.0%
Total Expenses:	3,056,572	3,308,001	683,076	2,988,944	90.4%
Net Change in Working Capital	247,000	(508,001)	26,238	(89,464)	
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		\$8,814,509	

Hotel Occupancy Tax Collections

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Hotel	Rooms	% Rooms	Amount	FY25 to FY24	
				% Amount	% Diff
Marriott Quorum	547	15%	229,412	20%	-14%
Renaissance	528	14%	269,499	23%	+22%
Full Service Total	1,075	29%	498,911	43%	+3%
Budget Suites	344	9%	8,289	0%	-14%
Mainstay Suites	70	2%	11,033	1%	-29%
Marriott Residence Inn	150	4%	56,833	5%	-17%
Hyatt House	132	4%	31,535	3%	-3%
Homewood Suites	120	3%	12,509	1%	-62%
Home2Suites	132	4%	82,976	7%	-4%
Springhill Suites	159	4%	54,284	5%	-8%
Extended Stay Total	1,107	30%	257,459	22%	-16%
Marriott Courtyard Quorum	176	5%	92,712	8%	-14%
LaQuinta Inn ⁽¹⁾	152	4%	27,237	2%	-11%
Marriott Courtyard Midway	145	4%	63,891	5%	-4%
Radisson - Addison ⁽²⁾	101	3%	2,240	0%	-48%
Hilton Garden Inn	96	3%	43,734	4%	-10%
Holiday Inn Express	97	3%	47,733	4%	+9%
Holiday Inn Beltway	102	3%	23,600	2%	-14%
Best Western Plus	85	2%	19,314	2%	-13%
Business Moderate Total	954	26%	320,461	27%	-6%
Motel 6	128	3%	26,912	2%	-14%
The Addison Inn	154	4%	19,731	2%	-3%
Red Roof Inn	107	3%	25,411	2%	-13%
Quality Suites	78	2%	21,956	2%	-10%
America's Best Value Inn	60	2%	5,294	0%	-10%
Economy Total	527	14%	99,304	8%	-13%
TOTAL	3,663	100%	1,176,135	100%	-4%

Quarterly Data



⁽¹⁾ Missing payment from September 2025

⁽²⁾ The Radisson - Addison closed for remodel in August 2025

Investment Report Summary

ADDISON

\$1,291,749

Interest Revenue

September 30, 2025

Book Value

\$134,066,446

Market Value

\$134,158,920

Weighted Average Yield-to-Maturity

3.87%

The change in book value is \$(8,757,354) or -6.13%. The change in market value is \$(8,449,800) or -5.92%. The change in interest revenue is \$(83,783) or -6.09%. Weighted average yield-to-maturity increased to 3.87%.

\$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%