

Quarterly Financial Report Fiscal Year 2026 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.

Steven Glickman
Chief Financial Officer
February 24, 2026

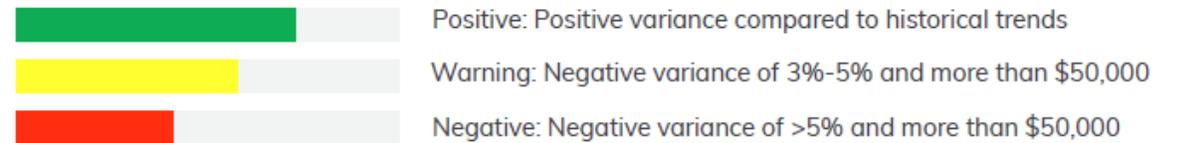
Executive Dashboard – Revenues/Expenditures

Key Revenue Sources	FY2026 Budget	Actual through 12/31/25	% Annual Budget
Ad Valorem Taxes - General Fund	\$25,792,196	\$6,507,046	25.23%
Non-Property Taxes - General Fund	18,400,000	4,789,158	26.03%
Hotel Tax ⁽¹⁾	5,676,000	1,208,023	21.28%
Franchise Fees - General Fund	2,035,000	470,563	23.12%
Service/Permitting/License Fees - General Fund	4,583,639	1,064,039	23.21%
Fines and Penalties - All Funds	495,000	138,961	28.07%
Special Event Revenue - Hotel Fund ⁽²⁾	1,641,000	151,120	9.21%
Fuel Flowage Fees - Airport Fund	1,250,000	370,969	29.68%
Water and Sewer Charges - Utility Fund	17,342,745	4,373,289	25.22%

⁽¹⁾ Hotel Tax revenue has not been collected from all hoteliers

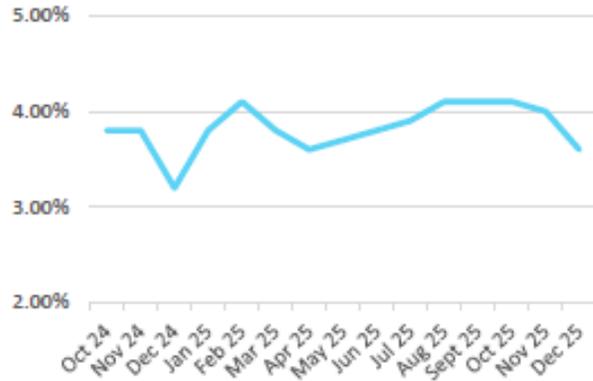
⁽²⁾ Special Events occur in the third and fourth quarters

Key Expenditures	FY2026 Budget	Actual through 12/31/25	% Annual Budget
General Fund	\$52,347,290	\$13,199,457	25.22%
Hotel Fund	8,605,954	1,080,335	12.55%
Economic Development	2,174,496	263,248	12.11%
Airport Operations	7,405,555	1,274,854	17.21%
Utility Operations	18,379,415	4,077,407	22.18%



Economic Indicators

DFW Unemployment Rate
Last 12 Months



Hotel Revenue
Per Available Room



Addison Hotel Statistics



Occupancy Indicators

Office occupancy is at 81.3% resulting in a 0.9% increase year-over-year. Retail Occupancy is at 96.3% resulting in a 0.9% decrease year-over-year. Occupancy rates are in comparison to prior year Quarter 1. (Source: CoStar)



Office Occupancy = 81.3%



Retail Occupancy = 96.3%

Hotel Indicators

Hotel occupancy is at 58.9% resulting in a 0.9% increase year-over-year. Revenue per available room (RevPar) is at \$67.92 resulting in a 5.8% increase year-over-year. Hotel indicators are in comparison to prior year Quarter 1. (Source: STR Report)

During the first quarter, which encompasses the holiday season of Thanksgiving and Christmas, we typically observe a decline in activity as most travelers prioritize visiting family and staying with loved ones. However, each month in Quarter 1 showed a slight increase in occupancy, along with growth in Average Daily Rate (ADR), reflecting some positive momentum leading into the holiday season.

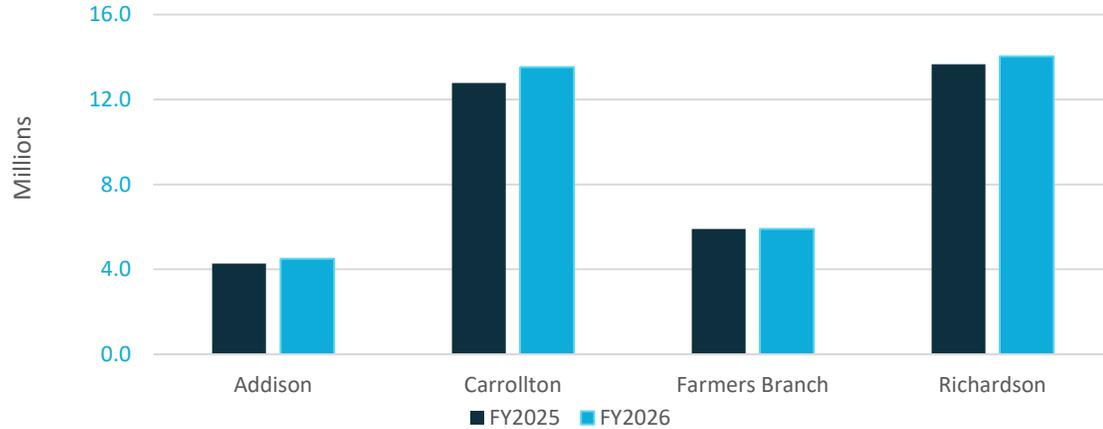


Hotel Occupancy = 58.9%



Retail Occupancy = \$67.92

Economic Indicators



Addison

Addison had a 5% increase in sales tax from FY2025 to FY2026.



Carrollton

Carrollton had a 6% increase in sales tax from FY2025 to FY2026.



Farmers Branch

Farmers Branch had a 0% decrease in sales tax from FY2025 to FY2026.



Richardson

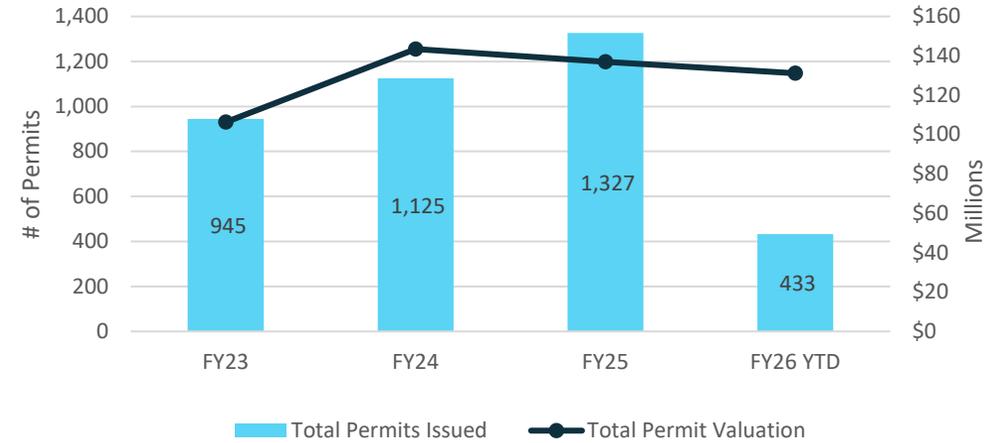
Richardson had a 3% increase in sales tax from FY2025 to FY2026.



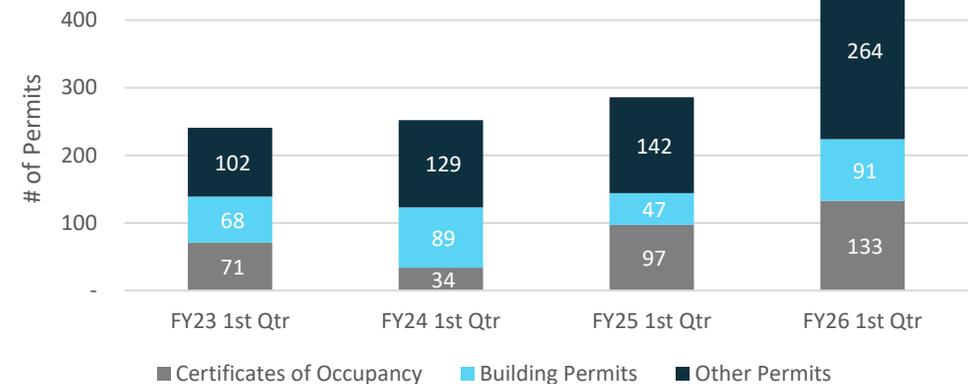
Economic Development Incentives:

Executed Agreements	Amount Paid FY26	Total Incentives Committed
9	\$0	\$912,959

Total Permits Issued and Valuation

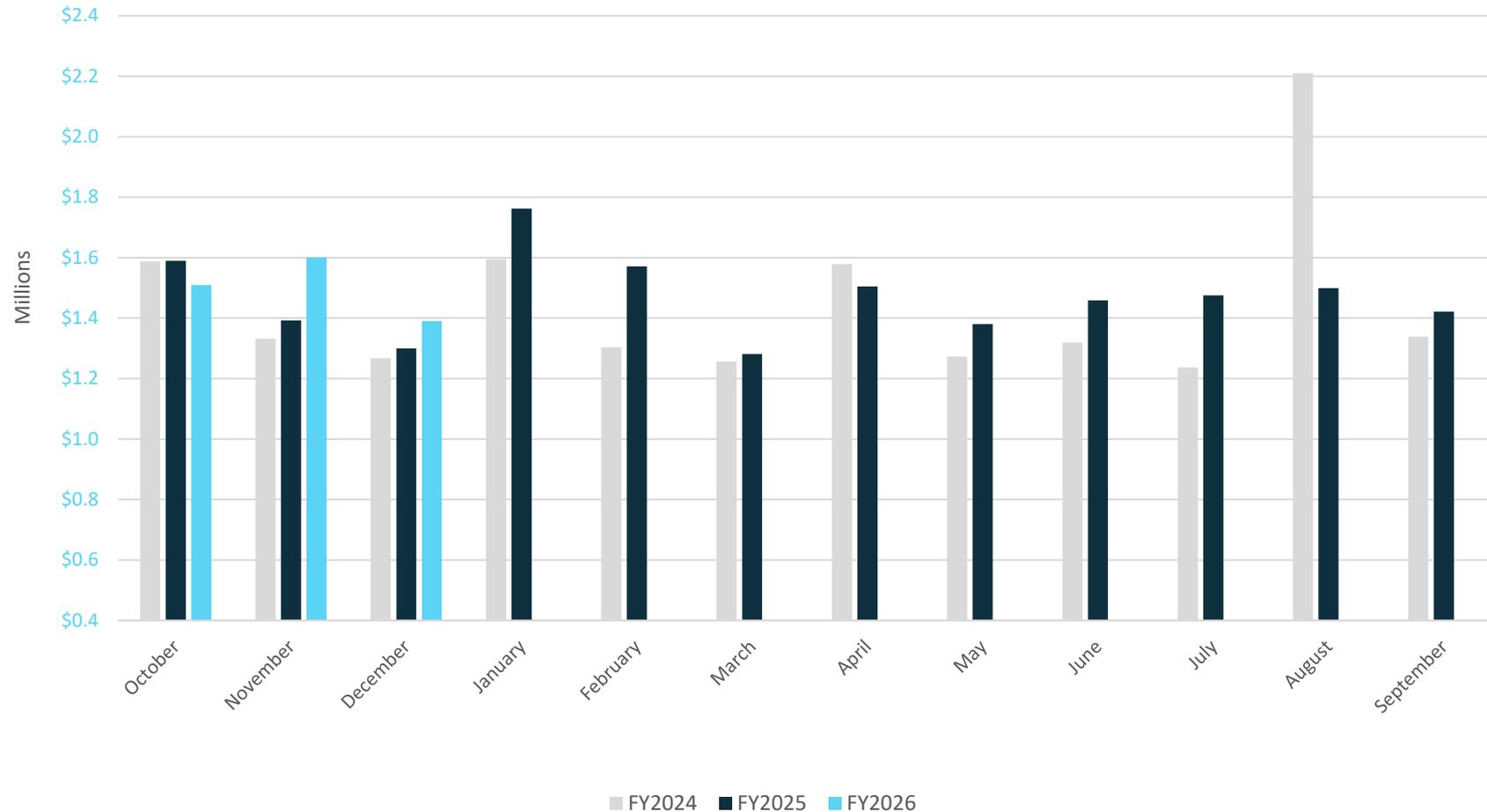


Quarterly Permit Activity Year over Year



Sales Tax Collections

Monthly Sales Tax Collections

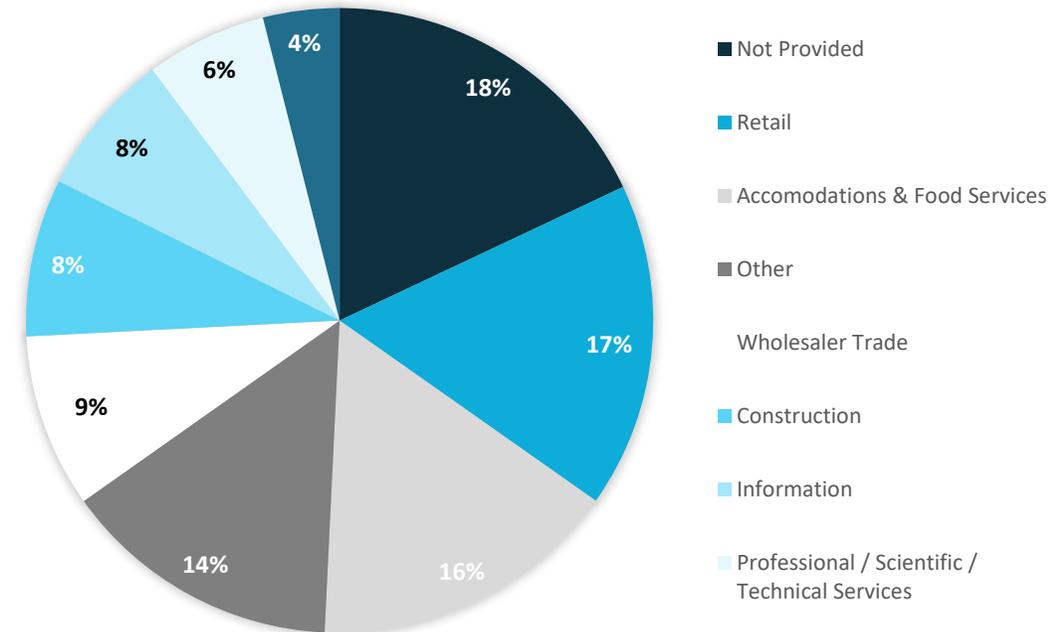


Sales Tax Collections

Schedule of sales tax collections for the quarter ending December 31, 2025.

	FY2026 Monthly Collections	% Change from Prior Year	FY2025 Monthly Collections
October	\$1,509,639	-5.0%	\$1,589,328
November	1,600,997	15.0%	1,391,938
December	1,390,178	7.0%	1,299,653
January			1,762,073
February			1,571,229
March			1,280,923
April			1,504,353
May			1,380,353
June			1,458,730
July			1,474,803
August			1,499,150
September			1,421,857
	\$4,500,814		\$17,634,390
Budget:	17,100,000	26.3%	16,525,000

BREAKDOWN OF SALES TAX BY ECONOMIC CATEGORY



General Fund Revenues

Category	FY 2024-25 Actual Prior Year	FY 2025-26 Revised Budget	FY 2025-26 Actual 1st Qtr	FY 2025-26 Actual YTD	Actual YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$25,800,819	\$25,917,196	\$6,571,180	\$6,571,180	25.4%
Delinquent taxes ⁽¹⁾	(618,693)	(200,000)	(67,473)	(67,473)	33.7%
Penalty & interest	116,726	75,000	3,339	3,339	4.5%
Non-property taxes:					
Sales tax	17,634,389	17,100,000	4,500,814	4,500,814	26.3%
Alcoholic beverage tax	1,191,858	1,300,000	288,345	288,345	22.2%
Franchise/right-of-way use fees:					
Electric franchise	1,485,283	1,525,000	426,482	426,482	28.0%
Gas franchise	316,001	275,000	-	-	0.0%
Telecommunication access fees	133,684	150,000	25,545	25,545	17.0%
Cable franchise	79,620	85,000	18,536	18,536	21.8%
Licenses and permits:					
Business licenses and permits	203,810	240,700	30,115	30,115	12.5%
Building & construction permits	1,135,470	985,000	393,930	393,930	40.0%
Intergovernmental	-	-	16,912	16,912	0.0%
Service fees:					
Public safety	1,253,086	1,159,000	221,437	221,437	19.1%
Urban development	52,115	87,200	18,715	18,715	21.5%
Streets and sanitation	931,106	938,500	115,955	115,955	12.4%
Recreation	146,462	152,550	30,964	30,964	20.3%
Interfund	940,619	1,020,689	252,922	252,922	24.8%
Court fines	395,446	390,000	118,438	118,438	30.4%
Interest earnings	1,353,586	700,000	190,139	190,139	27.2%
Rental income	7,600	89,100	21,900	21,900	24.6%
Other	293,166	357,500	20,211	20,211	5.7%
Total Revenues:	52,852,153	52,347,435	13,198,407	13,198,407	25.2%

⁽¹⁾ Represents prior year tax payment refunds

General Fund Expenditures

Category	FY 2024-25 Actual Prior Year	FY 2025-26 Revised Budget	FY 2025-26 Actual 1st Qtr	FY 2025-26 Actual YTD	Actual YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	231,397	292,292	76,233	76,233	26.1%
City Manager	1,217,730	1,386,806	335,824	335,824	24.2%
Finance	2,315,934	1,985,025	410,454	410,454	20.7%
General Services	1,823,367	1,925,345	443,854	443,854	23.1%
Municipal Court ⁽¹⁾	711,682	724,044	222,227	222,227	30.7%
Human Resources	752,714	760,279	190,803	190,803	25.1%
Information Technology	2,199,792	2,505,662	570,352	570,352	22.8%
Combined Services ⁽²⁾	1,211,527	1,206,458	642,902	642,902	53.3%
Council Projects ⁽³⁾	374,912	436,897	203,412	203,412	46.6%
Public Safety:					
Police	13,139,603	14,022,596	3,147,609	3,147,609	22.4%
Emergency Communications ⁽⁴⁾	1,898,556	2,020,155	1,238,673	1,238,673	61.3%
Fire	11,054,516	11,139,082	2,821,945	2,821,945	25.3%
Development Services	3,229,470	3,463,364	803,076	803,076	23.2%
Streets	1,711,114	2,353,043	277,783	277,783	11.8%
Parks and Recreation:					
Parks	5,658,381	5,924,832	1,353,705	1,353,705	22.8%
Recreation	2,192,721	2,201,410	460,606	460,606	20.9%
Other financing uses:					
Transfers to other funds	3,000,000	-	-	-	0.0%
Total Expenditures:	52,723,416	52,347,290	13,199,457	13,199,457	25.2%
Net Change in Fund Balance	128,737	145	(1,050)	(1,050)	
Fund Balance at Beg. of Year	20,856,435	20,985,172		20,985,172	
Fund Balance at End of Year	<u>\$20,985,172</u>	<u>\$20,985,317</u>		<u>\$20,984,122</u>	

⁽¹⁾ Large annual expense for software maintenance paid in Period 1

⁽²⁾ Annual insurance payment paid in Period 1

⁽³⁾ Includes primary NPO grant payment for non-profit funding

⁽⁴⁾ First two payments made in Period 1

Hotel Fund

Category	FY 2024-25 Actual Prior Year	FY 2025-26 Revised Budget	FY 2025-26 Actual 1st Qtr	FY 2025-26 Actual YTD	Actual YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes ⁽¹⁾	\$5,042,545	\$5,676,000	\$1,208,023	\$1,208,023	21.3%
Proceeds from special events	1,392,468	1,641,000	151,120	151,120	9.2%
Rental income	177,216	120,000	17,534	17,534	14.6%
Interest and miscellaneous	275,823	300,000	88,933	88,933	29.6%
Total Revenues:	6,888,052	7,737,000	1,465,610	1,465,610	18.9%
Expenditures:					
Marketing and Tourism	1,582,316	1,989,451	265,708	265,708	13.4%
Addison Theatre Centre	894,856	1,652,190	316,563	316,563	19.2%
Major Special Events ⁽²⁾	2,916,312	2,594,177	54,663	54,663	2.1%
Special Events	1,278,704	1,417,964	278,217	278,217	19.6%
Vitruvian Events ⁽³⁾	185,000	185,000	-	-	0.0%
General Hotel Operations	549,813	767,172	165,185	165,185	21.5%
Total Expenditures:	7,407,001	8,605,954	1,080,335	1,080,335	12.6%
Net Change in Fund Balance	(518,949)	(868,954)	385,275	385,275	
Fund Balance at Beg. of Year	5,954,770	5,435,821		5,435,821	
Fund Balance at End of Year	\$5,435,821	\$4,566,867		\$5,821,096	

⁽¹⁾ Hotel tax collections have not been received by all hoteliers

⁽²⁾ First of the major events is not until later in the fiscal year

⁽³⁾ Annual payment to Vitruvian Events typically paid in the 4th Quarter of the fiscal year

Economic Development Fund

Category	FY 2024-25 Actual Prior Year	FY 2025-26 Revised Budget	FY 2025-26 Actual 1st Qtr	FY 2025-26 Actual YTD	Actual YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$1,463,626	\$1,604,171	\$404,287	\$404,287	25.2%
Business license fee	350	-	50	50	0.0%
Interest income and other	158,118	75,000	39,907	39,907	53.2%
Transfer from General Fund	750,000	-	-	-	0.0%
Total Revenues	2,372,094	1,679,171	444,245	444,245	26.5%
Expenditures:					
Personnel services	506,984	698,354	141,875	141,875	20.3%
Supplies ⁽¹⁾	29,800	13,910	3,734	3,734	26.8%
Maintenance	40,201	33,040	99	99	0.3%
Contractual services	836,117	1,417,665	114,658	114,658	8.1%
Debt Service	9,715	11,527	2,882	2,882	25.0%
Capital replacement/lease	-	-	-	-	0.0%
Other financing uses:					
Transfers to other funds	-	-	-	-	0.0%
Total Expenditures	1,422,817	2,174,496	263,248	263,248	12.1%
Net Change in Fund Balance	949,277	(495,325)	180,997	180,997	
Fund Balance at Beg. of Year	2,873,300	3,822,577		3,822,577	
Fund Balance at End of Year	<u>\$3,822,577</u>	<u>\$3,327,252</u>		<u>\$4,003,574</u>	

Airport Fund

Category	FY 2024-25	FY 2025-26	FY 2025-26	FY 2025-26	Actual
	Actual Prior Year	Revised Budget	Actual 1st Qtr	Actual YTD	YTD as % of Budget
Operating Revenues:					
Operating grants	\$863,000	\$100,000	\$8,291	\$8,291	8.3%
Service fees	332,325	312,000	76,425	76,425	24.5%
Fuel flowage fees	1,276,311	1,250,000	370,969	370,969	29.7%
Rental income	5,773,216	6,004,947	1,477,890	1,477,890	24.6%
Interest income and other	584,680	334,200	144,009	144,009	43.1%
Total Operating Revenues:	8,829,532	8,001,147	2,077,584	2,077,584	26.0%
Operating Expenses:					
Personnel services	3,141,528	3,766,304	875,933	875,933	23.3%
Supplies	75,786	60,063	9,347	9,347	15.6%
Maintenance	592,128	707,995	54,479	54,479	7.7%
Contractual services	1,711,811	1,746,664	265,042	265,042	15.2%
Capital Replacement/Lease	242,928	250,720	62,680	62,680	25.0%
Debt service	873,632	873,809	428	428	0.0%
Capital Outlay	-	-	6,944	6,944	0.0%
Total Operating Expenses:	6,637,812	7,405,555	1,274,854	1,274,854	17.2%
Other financing uses:					
Transfer to Debt service fund	528,527	534,374	133,594	133,594	25.0%
Capital Projects (Cash Funded)	3,400,596	1,419,555	98,600	98,600	6.9%
Total Expenses:	10,566,936	9,359,484	1,507,047	1,507,047	16.1%
Net Change in Working Capital	(1,737,403)	(1,358,337)	570,537	570,537	
Working Capital at Beg. of Year	9,487,606	7,750,203		7,750,203	
Working Capital at End of Year	\$7,750,203	\$6,391,866		\$8,320,740	

Utility Fund

Category	FY 2024-25	FY 2025-26	FY 2025-26	FY 2025-26	Actual
	Actual Prior Year	Revised Budget	Actual 1st Qtr	Actual YTD	YTD as % of Budget
Operating Revenues:					
Water sales	\$9,186,886	\$9,723,878	\$2,418,246	\$2,418,246	24.9%
Sewer charges	7,377,581	7,618,867	1,955,043	1,955,043	25.7%
Tap fees	80,233	50,000	16,460	16,460	32.9%
Penalties	124,975	105,000	20,522	20,522	19.5%
Interest income and other	482,021	282,422	113,761	113,761	40.3%
Total Operating Revenues:	17,251,696	17,780,167	4,524,033	4,524,033	25.4%
Operating Expenses:					
Personnel services	3,062,024	3,195,365	717,287	717,287	22.4%
Supplies	198,878	234,367	38,694	38,694	16.5%
Maintenance	939,007	1,279,758	198,885	198,885	15.5%
Contractual Services:					
Water purchases	4,817,781	5,096,222	1,315,448	1,315,448	25.8%
Wastewater treatment	4,052,751	4,648,042	1,386,000	1,386,000	29.8%
Other services	1,484,892	1,984,068	373,884	373,884	18.8%
Capital Replacement/Lease	197,825	187,248	46,812	46,812	25.0%
Debt service	1,746,289	1,754,345	397	397	0.0%
Capital outlay	-	-	-	-	0.0%
Total Operating Expenses:	16,499,448	18,379,415	4,077,407	4,077,407	22.2%
Capital Projects (Cash Funded)	-	1,275,000	-	-	0.0%
Total Expenses:	16,499,448	19,654,415	4,077,407	4,077,407	20.7%
Net Change in Working Capital	752,248	(1,874,248)	446,626	446,626	
Working Capital at Beg. of Year	10,181,009	10,933,257		10,933,257	
Working Capital at End of Year	<u>\$10,933,257</u>	<u>\$9,059,009</u>		<u>\$11,379,883</u>	

Stormwater Utility Fund



Category	FY 2024-25 Actual Prior Year	FY 2025-26 Revised Budget	FY 2025-26 Actual 1st Qtr	FY 2025-26 Actual YTD	Actual YTD as % of Budget
Operating Revenues:					
Drainage Fees	\$2,595,852	\$2,625,000	\$665,030	\$665,030	25.3%
Interest income and other	399,058	226,000	85,775	85,775	38.0%
Total Operating Revenues:	2,994,910	2,851,000	750,806	750,806	26.3%
Operating Expenses:					
Personnel services	870,856	934,142	193,377	193,377	20.7%
Supplies	15,169	34,900	2,968	2,968	8.5%
Maintenance	449,906	624,592	3,896	3,896	0.6%
Contractual services	251,189	329,260	69,023	69,023	21.0%
Capital Replacement/Lease	50,000	56,140	14,035	14,035	25.0%
Debt service	866,960	874,315	-	-	0.0%
Capital Outlay	46,262	62,000	-	-	0.0%
Total Operating Expenses:	2,550,341	2,915,349	283,298	283,298	9.7%
Other financing uses:					
Transfer to Debt service fund	444,431	832,457	208,114	208,114	25.0%
Capital Projects (Cash Funded)	-	-	-	-	0.0%
Total Expenses:	2,994,772	3,747,806	491,412	491,412	13.1%
Net Change in Working Capital	138	(896,806)	259,393	259,393	
Working Capital at Beg. of Year	8,898,886	8,899,024		8,899,024	
Working Capital at End of Year	\$8,899,024	\$8,002,218		\$9,158,417	

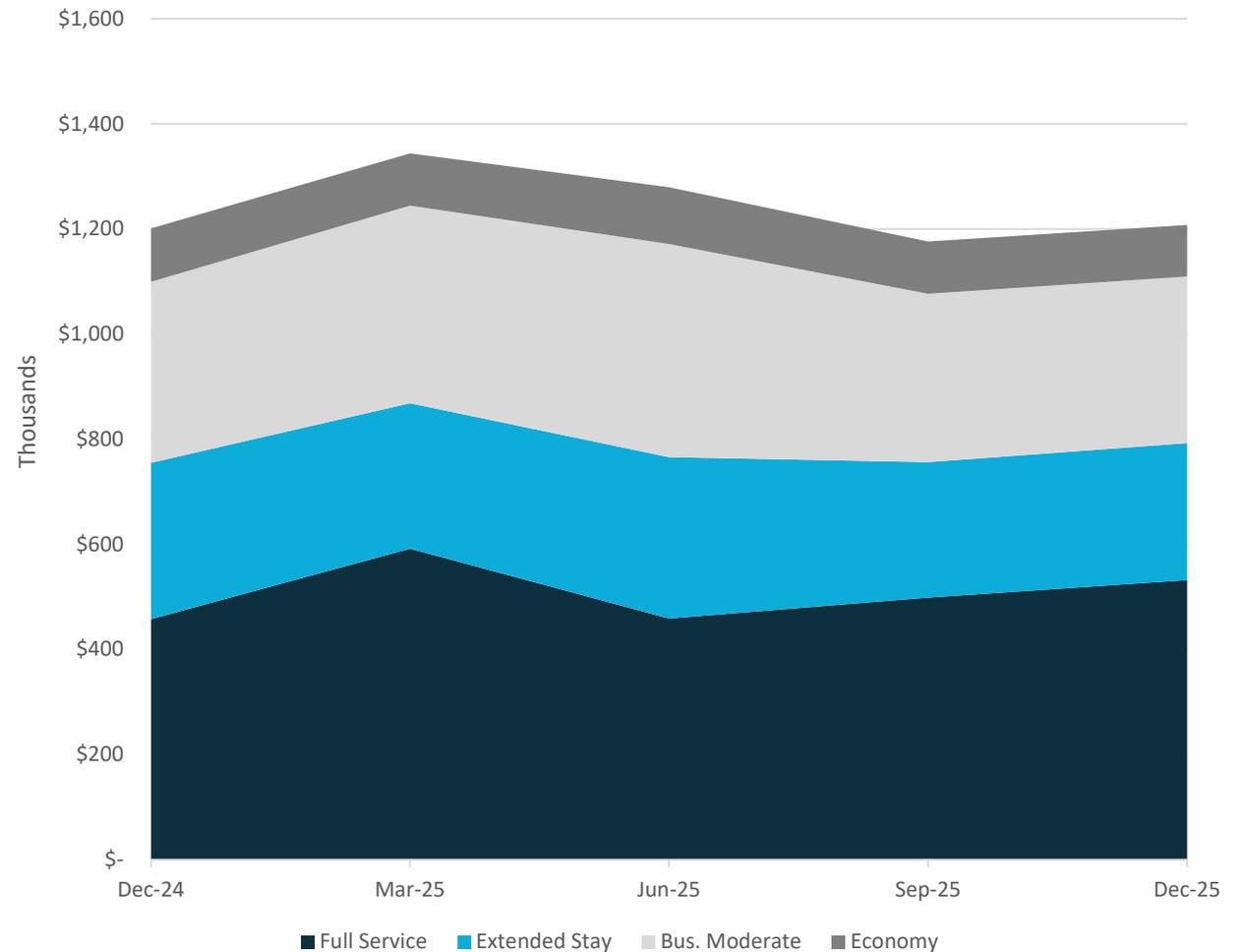
Hotel Occupancy Tax Collections

Hotel	Rooms	% Rooms	Amount	FY26 to FY25	
				% Amount	% Diff
Marriott Quorum	547	15%	229,030	19%	4%
Renaissance	528	15%	303,232	25%	28%
Full Service Total	1,075	30%	532,262	44%	16%
Budget Suites	344	10%	9,855	1%	4%
Mainstay Suites	70	2%	10,982	1%	12%
Marriott Residence Inn	150	4%	60,964	5%	-6%
Hyatt House	132	4%	37,944	3%	-10%
Addison Suites ⁽¹⁾	120	3%	8,324	1%	-76%
Home2Suites	132	4%	67,152	6%	-17%
Springhill Suites	159	4%	65,068	5%	18%
Extended Stay Total	1,107	31%	260,290	22%	-12%
Marriott Courtyard Quorum	176	5%	97,141	8%	24%
LaQuinta Inn ⁽¹⁾	152	4%	-	0%	-100%
Marriott Courtyard Midway	145	4%	70,942	6%	9%
Radisson - Addison ⁽²⁾	-	0%	-	0%	-100%
Hilton Garden Inn	96	3%	52,490	4%	19%
Holiday Inn Express	97	3%	53,376	4%	8%
Holiday Inn Beltway	102	3%	27,986	2%	18%
Best Western Plus	85	2%	15,237	1%	-17%
Business Moderate Total	853	24%	317,172	26%	-8%
Motel 6	128	4%	28,582	2%	-3%
The Addison Inn	154	4%	19,299	2%	3%
Red Roof Inn	107	3%	24,032	2%	-3%
Quality Suites North/Galleria	78	2%	18,789	2%	-19%
America's Best Value Inn	60	2%	7,598	1%	46%
Economy Total	527	15%	98,300	8%	-3%
TOTAL	3,562	100%	1,208,023	100%	1%

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

⁽²⁾ This property is now closed for remodel and should be re-opened prior to the end of the fiscal year

Quarterly Data



Investment Report Summary

ADDISON

\$1,274,475

Interest Revenue

December 31, 2025

Book Value

\$129,514,053

Market Value

\$129,726,168

Weighted Average Yield-to-Maturity

3.86%

The change in book value is -\$4,552,393 or -3.40%. The change in market value is -\$4,432,752 or -3.30%. The change in interest revenue is -\$17,274 or -1.34%. Weighted average yield-to-maturity decreased 0.01%, which is a -0.26% change.

\$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%