

**Town of Addison, Texas**  
**Comprehensive Annual Financial Report**

For the Year Ended September 30, 2010

**Prepared by the**  
**Department of Financial & Strategic Services**  
Randolph C. Moravec, CGFO, Chief Financial Officer  
Marisa Perry, CPA, Financial Services Manager  
Mushtaq Ali, Accountant

**City Council**

	Expiration of Term
Joe Chow, Mayor	May 2011
Don R. Daseke, Mayor Pro Tempore*	May 2011
Blake W. Clemens, Deputy Mayor Pro Tempore	May 2011
Kimberly Lay, Councilmember	May 2012
Roger S. Mellow, Councilmember	May 2012
Bianca R. Noble, Councilmember	May 2011
Neil Resnik, Councilmember	May 2012

**City Manager**

Ron Whitehead

\* Mr. Daseke resigned from the City Council in February 2011. Bruce Arfsten was appointed to fill the remainder of his term.

Addison!®

**Town of Addison, Texas**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended September 30, 2010

**TABLE OF CONTENTS**

	<u>Page No.</u>
<b><u>INTRODUCTORY SECTION</u></b>	
Letter of Transmittal .....	1
GFOA Certificate of Achievement .....	8
Organization Chart .....	9
List of Principal Officials .....	10
 <b><u>FINANCIAL SECTION</u></b>	
Independent Auditor's Report .....	12
Management's Discussion and Analysis.....	15
 <u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Statement of Net Assets .....	25
Statement of Activities .....	26
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	28
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	29
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund .....	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Hotel Fund.....	32
Proprietary Funds:	
Statement of Net Assets .....	33
Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	34
Statement of Cash Flows.....	35
Notes to Basic Financial Statements.....	37
 <u>Required Supplementary Information:</u>	
Texas Municipal Retirement System Analysis of Funding Progress.....	64
Retiree Health Plan Analysis of Funding Progress .....	65
 <b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:</b>	
<u>Major Governmental Funds:</u>	
General Fund:	
Comparative Balance Sheet.....	71
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	72
Schedule of Revenues – Budget and Actual.....	73
Schedule of Expenditures – Budget and Actual.....	74

Major Governmental Funds (continued):

Hotel Fund:

Comparative Balance Sheet..... 79  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 80  
Schedule of Expenditures – Budget and Actual..... 81

Debt Service Funds:

General Obligation Debt Service Fund:

Comparative Balance Sheet..... 85  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 86

Hotel Debt Service Fund:

Comparative Balance Sheet..... 87  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 88

Capital Project Funds:

Combining Balance Sheet for Capital Projects ..... 91  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 92

Street Capital Projects

Comparative Balance Sheet..... 93  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 94

Parks Capital Projects

Comparative Balance Sheet..... 95  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 96

2002 Capital Projects

Comparative Balance Sheet..... 97  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 98

2004 Capital Projects

Comparative Balance Sheet..... 99  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 100

2006 Capital Projects

Comparative Balance Sheet..... 101  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 102

2008 Capital Projects

Comparative Balance Sheet..... 103  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 104

Non-Major Governmental Funds:

Combining Balance Sheet ..... 107  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 108

Municipal Court Fund:

Comparative Balance Sheet..... 109  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 110

Non-Major Governmental Funds (continued):

Public Safety Fund:  
    Comparative Balance Sheet..... 111  
    Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 112

Advanced Funding Grant Fund:  
    Comparative Balance Sheet..... 113  
    Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 114

Reimbursement Grant Fund:  
    Comparative Balance Sheet..... 115  
    Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 116

American Recovery and Reinvestment Act (ARRA) Grant Fund:  
    Comparative Balance Sheet..... 117  
    Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 118

Proprietary Funds:

Enterprise Funds:

Airport Fund  
    Comparative Statement of Net Assets ..... 121  
    Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets ..... 122  
    Comparative Statement of Cash Flows..... 123

Utility Fund  
    Comparative Statement of Net Assets ..... 125  
    Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets ..... 126  
    Comparative Statement of Cash Flows..... 127

Internal Service Funds:

    Combining Statement of Net Assets..... 129  
    Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets..... 130  
    Combining Statement of Cash Flows ..... 131

Capital Replacement Fund  
    Comparative Statement of Net Assets ..... 133  
    Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets ..... 134  
    Comparative Statement of Cash Flows..... 135

Information Technology Replacement Fund  
    Comparative Statement of Net Assets ..... 137  
    Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets ..... 138  
    Comparative Statement of Cash Flows..... 139

Capital Assets Used in Operations by Governmental Funds:

    Comparative Schedule of Capital Assets by Source ..... 143  
    Schedule of Capital Assets by Function and Activity ..... 144  
    Schedule of Changes in Capital Assets by Function and Activity ..... 145

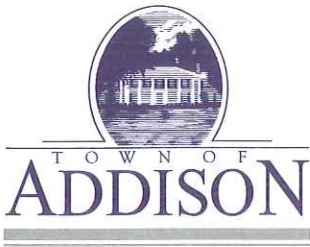


**INTRODUCTORY  
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February 16, 2011

Honorable Mayor,  
Members of the City Council,  
and City Manager  
Town of Addison, Texas

The Department of Financial & Strategic Services of the Town of Addison is pleased to submit the Comprehensive Annual Financial Report of the Town of Addison, Texas for the fiscal year ended September 30, 2010. The purpose of the report is to provide the City Council, management, staff, the public and other interested parties with detailed information reflecting the Town's financial condition.

#### THE REPORT

This report satisfies §103.001 of the Texas Local Government Code requiring annual audits of all municipalities and was conducted in accordance with Section 2.15 of the Charter of the Town of Addison. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position of the Town. We also believe all disclosures necessary to enable the reader to gain an understanding of the Town's financial affairs have been included. To provide a reasonable basis for making these representations, management of the Town of Addison has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Addison's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town of Addison's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Comprehensive Annual Financial Report (CAFR) is organized into major *Introductory, Financial, and Statistical Sections*. The *Introductory Section* provides general information on the government's structure and personnel as well as information useful in assessing the government's financial condition.

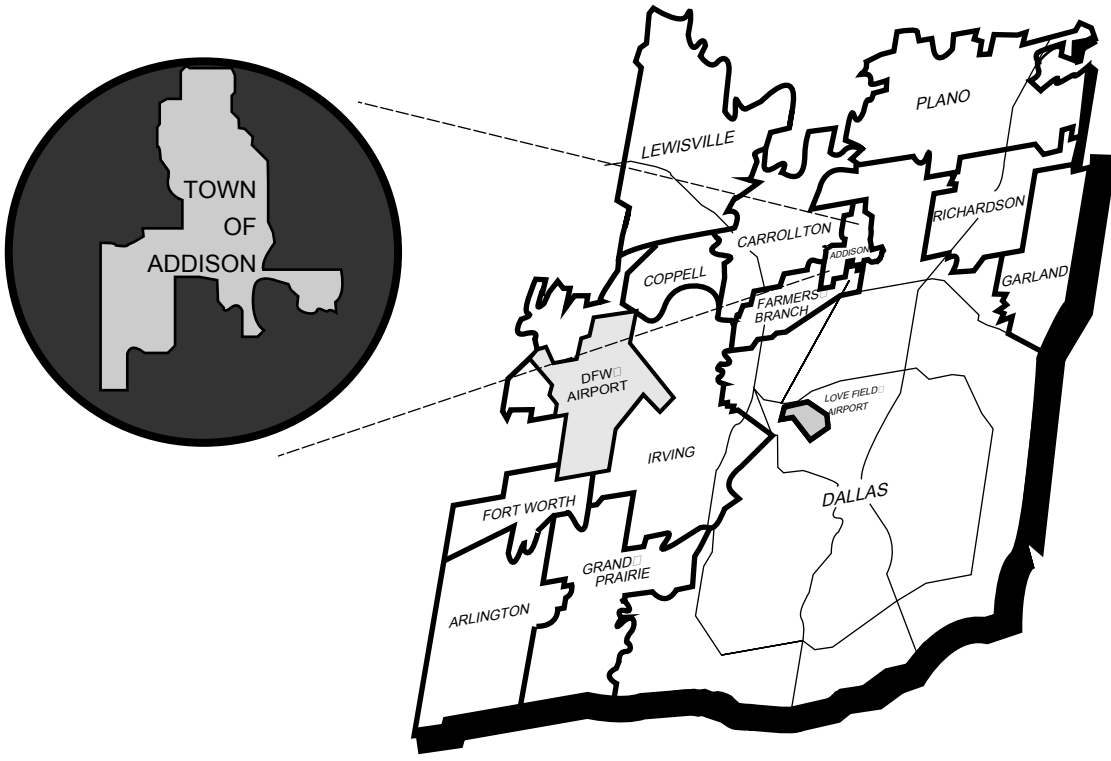
The *Financial Section* contains the opinion of the Town's independent auditor. The Town of Addison's financial statements have been audited by Weaver and Tidwell, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Addison for the fiscal year ended September 30, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Addison's financial statements for the fiscal year ended September 30, 2010 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Also included in the *Financial Section* is management's discussion and analysis (MD&A) that provides users of the basic financial statements a narrative introduction, overview, and analysis of those statements. The basic financial statements, including the accompanying notes, represent the core of the financial section. These financial statements present the financial condition of the Town of Addison as a single entity, as well as the individual funds that account for the Town's various governmental and business-type activities.

The report concludes with the *Statistical Section*, which, through the use of tables, presents comparative economic and financial data to give users of the report a perspective of the Town's performance over a number of years.

**THE REPORTING ENTITY**

The Town of Addison is located in the Dallas North Parkway area, which has been referred to as the "platinum corridor" of the Dallas Metroplex. The area, which developed rapidly over the past three decades, is home to affluent neighborhoods, hundreds of million-dollar companies, scores of quality restaurants, and two spacious malls. At 4.4 square miles, Addison is the smallest, yet most densely developed, of the various suburbs located in the area. Although it has only 14,050 residents, the Town has developed into a cosmopolitan center which daily serves an estimated 100,000 to 200,000 business persons, shoppers, and visitors.



The Town was incorporated in 1953 and is operating under a Charter adopted in 1978 and last amended November 2010. Under the amended Charter, the Council is comprised of a mayor and six council members who enact local legislation, determine policies, and adopt the Town's budget. The mayor and council members are elected for two-year terms with the mayor and three council members being elected each odd-numbered year and the remaining three council members elected each even-numbered year. The City Manager is appointed by the City Council and is responsible to them for the proper administration of the affairs of the Town.

The Town provides a full range of municipal services including general government, public safety (police and fire), streets, parks and recreation, planning and zoning, code enforcement, and water and sewer utilities. Sanitation collection services are provided through private contractors; non-residential customers contract with the collection firm of their choice while single-family residential customers contract through the Town with sanitation fees added to their municipal utility bills.

The annual budget of the Town of Addison serves as the foundation for the Town's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by the Town Charter and council ordinances.<sup>1</sup> The appropriated budget is prepared and presented by fund, department (e.g. police) or function (e.g. debt service), and major cost category (e.g. personal services). All expenses of the Town are made in accordance with the adopted annual budget. The department level is the legal level of control enacted by the Town Charter. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer. Transfers between operating departments may occur with the approval of the City Manager and Chief Financial Officer provided that a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 31 as part of the basic financial statements for the governmental funds. For all governmental funds (including the General Fund) with appropriated annual budgets, this comparison is presented in the governmental fund section of this report, beginning on page 67.

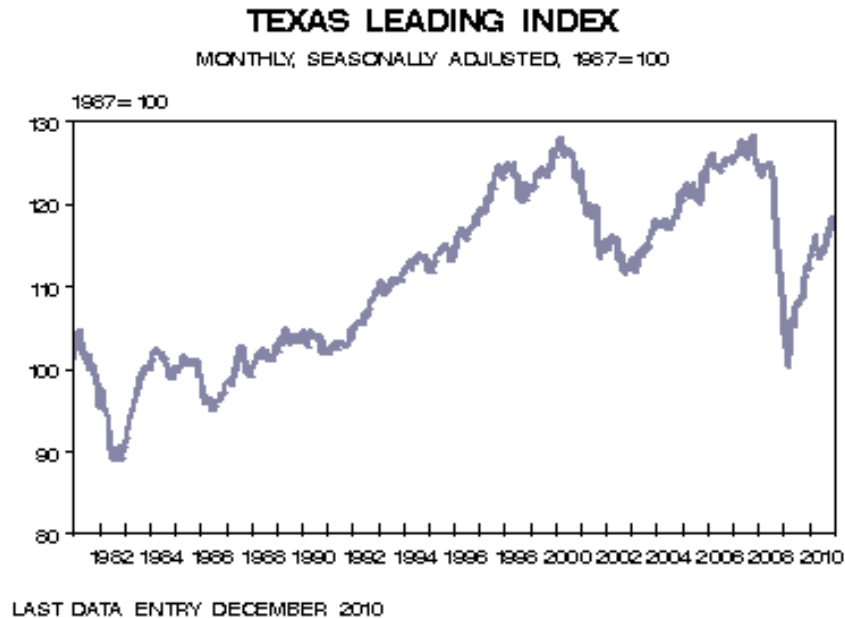
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<sup>1</sup> Financial policies can be located beginning on page 117 of the Town of Addison Annual Budget 2010-11 document.

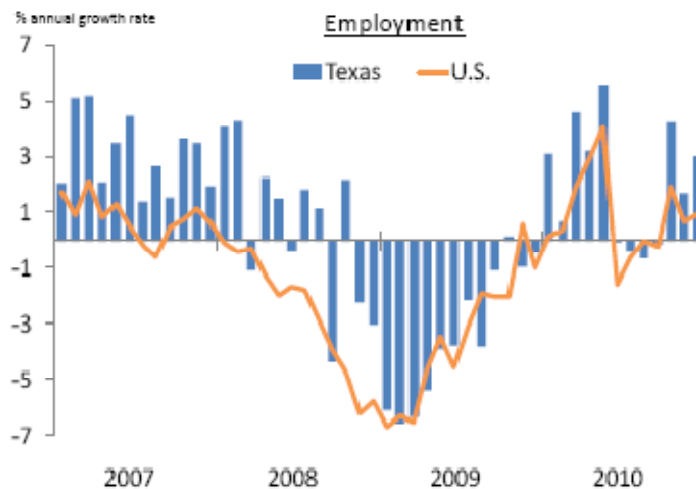
## FACTORS AFFECTING FINANCIAL CONDITION

### Status of Local Economy

With its concentration of commercial and retail development, the Town of Addison's economy is strongly influenced by the region's economic climate. According to reports issued by the Federal Reserve Bank of Dallas, the regional economy has expanded 12 percent over the last eighteen months as reflected in the chart below.<sup>2</sup>



The United States unemployment rate remains high, which has given credence to the claim the national economy is experiencing a jobless recovery. However, Texas has added new jobs over the past year which gives some confidence that the recovery in Texas is stronger and more sustainable. The unemployment rate for Texas stood at 8.4 percent in December 2010, compared to the national rate of 9.4 percent.



<sup>2</sup> Source: Federal Reserve Bank of Dallas, December 2010 Data

An important component to the State's economy is exports to other countries. Texas is the leading exporting state in the U.S. Texas' export market has continued to grow, and in November 2010, the monetary value of exports was up 16 percent from a year earlier. Offsetting these positive indexes, Texas' housing and manufacturing markets experienced declines that will hamper economic recovery.<sup>3</sup>



Because Addison is densely developed with over 11.5 million square feet of office space distributed among 117 buildings, much attention is given to the occupancy rates of buildings in Addison. At the end of December 2010, Addison's occupancy rate stood at 78.6 percent compared with the 74.7 percent recorded a year earlier. Addison's occupancy rate is slightly lower than the 79.9 percent average for all of Dallas County.<sup>4</sup> The low occupancy rates are partly responsible for the 7.6 percent decline in property values of the 2010 certified tax roll that was used for the fiscal year 2011 property tax levy. This is the second consecutive year that values have decline. Over the past two years, values have declined a total 18 percent that reversed a four-year trend (fiscal years 2006 through 2009) that witnessed a cumulative 38 percent increase in values.

For the 2010 fiscal year, General Fund revenues of \$27.3 million represented a two percent decline from fiscal year 2009. The increase is primarily due to an increase in the portion of the tax levy dedicated to operation and maintenance activities within the General Fund. The Town's sales tax receipts declined 4.5 percent from fiscal year 2009 attributed to the ailing national economy. The General Fund budget for the 2011 fiscal year assumes a 2.4 percent increase in sales taxes over 2010 actual amounts. This budget projection is reasonable given the forecasts of a modest economic recovery in 2011. The budget also established a property tax rate of 53.0¢ per \$100 appraised value, a 3.4¢ increase over the 2010 rate. However, due to the decline in property values, the resulting tax levy will be practically the same as the previous year. Total General Fund revenues for 2011 are budgeted to be \$26.8 million or 2.4 percent less than the original 2010 budget. General Fund expenditures and transfers for the 2011 budget totaling \$28.4 million is approximately five percent more than the original 2010 budget. The General Fund ending balance is projected to be \$9 million, or 32.4 percent of fund operating expenditures.

<sup>3</sup> Source: Federal Reserve Bank of Dallas, [February 2011 Texas Economic Indicators](#)

<sup>4</sup> Sources: [CoStar Group](#) and Town of Addison Department of Financial & Strategic Services



## Long-Term Financial Planning

Users of this document as well as others interested in the programs and services offered by the Town of Addison are encouraged to read the Town's 2010-11 Annual Budget. The document details the Town's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the Town's capital improvement program. The Town's Annual Budget also includes long-term financial plans for the major operating funds that forecast revenues and expenditures over a five-year horizon. The plans are driven by financial policies adopted by the City Council that are designed to protect the Town's financial integrity. The policies include establishing significant fund balances, or reserves, to protect the Town from the boom/bust economic cycle common to the state and the region. The budget document can be obtained from the Town of Addison's Financial and Strategic Services Department by calling (972) 450-7051. The Annual Budget can also be accessed through the department's web site at [www.addisontx.gov/departments/financial\\_strategic/](http://www.addisontx.gov/departments/financial_strategic/).

## CASH MANAGEMENT

The Town's cash management policy is adopted by the City Council and strictly defines the parameters by which Town investments are made. The policy fully conforms to the Public Funds Investments Act passed by the 70th State Legislature in 1987 and amended through 2010. Under the policy, the Town may use any of the following instruments:

- (1) U.S. Treasury Obligations with maturities not to exceed five years from date of purchase.
- (2) U.S. Government Agency Securities with maturities not to exceed five years from date of purchase.
- (3) Prime Domestic Bankers Acceptances with original maturities of 180 days or less and a rating of not less than A+ by Standard & Poor's or A+ by Fitch.
- (4) Fully Collateralized Repurchase Agreements with a termination date of no more than 90 days
- (5) Prime commercial paper with an original maturity of 180 days or less and a rating of not less than A-1 by Standard & Poor's, P-1 by Moody's, or F1 by Fitch.
- (6) Insured or fully collateralized Certificates of Deposit with Commercial Banks in Texas with maturities not to exceed three years from date of purchase.
- (7) Registered Money Market Funds that have an objective of maintaining a constant daily net asset value of \$1.00 per share.
- (8) State or Local Government Investment Pools.
- (9) Direct Obligations of the State of Texas or its agencies with maturities not to exceed two years from date of purchase.

The cash management policy establishes that the weighted average maturity of all securities and certificates of deposit may not exceed one and one-half years. To ensure a diversified portfolio, the policy also sets limits on the amount that can be invested in any one instrument. Interest earnings on all investments made during the 2010 fiscal year amounted to \$351,051 compared to \$1,598,235 in 2009. The average rate of interest earned from investments was 0.57 percent compared to 2.2 percent in 2009. The decline in investment income corresponds to the lower interest rates of the various investment instruments. The Town reports earnings on investments net of credit card discounts. As of 9/30/10, the Town's distribution of investments was as follows:

Local government investment pools	24.6 %
Certificates of deposit	30.5
Commercial paper	14.3
U.S. Government Agencies	<u>30.6</u>
Total	<u>100.0</u> %

## AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Town of Addison, Texas for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2009. The *Certificate*, which is reproduced herein, is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a *Certificate of Achievement*, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. The document must satisfy both generally accepted accounting principles and applicable legal requirements. A *Certificate of Achievement* is valid for a period of one year only. The Town of Addison has received a *Certificate* for the last 34 consecutive years. We believe our current report continues to conform to the *Certificate of Achievement* program requirements, and we are submitting it to GFOA.

In addition to the *Certificate*, the Town received GFOA's *Award for Distinguished Budget Presentation* for its fiscal year 2010 annual budget document. In order to qualify for the *Award*, the Town's budget document was judged to be proficient or exceptional in several categories including policy documentation, financial planning, and operations guide. The Town has received the *Award* for 23 consecutive years. Together, the *Award* and the *Certificate* are evidence of the Financial & Strategic Services' dedication to producing documents that effectively communicate the Town's financial condition to elected officials, city administrators, and the general public.

We wish to thank all members of the Department of Financial & Strategic Services who assisted us with assembling the information presented in this report and acknowledge the guidance provided by our auditors, Weaver and Tidwell, LLP, in meeting the deadlines established for publication of the document. We are grateful for the support provided us by the City Manager and the City Council, and we affirm our pledge to be a resource to help them achieve the goals they have established for the Addison community.

Respectfully submitted,

  
Randolph C. Moravec, CGFO  
Chief Financial Officer

  
Marisa Perry, CPA  
Financial Services Manager

  
Mushtaq Ali  
Accountant

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Addison  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

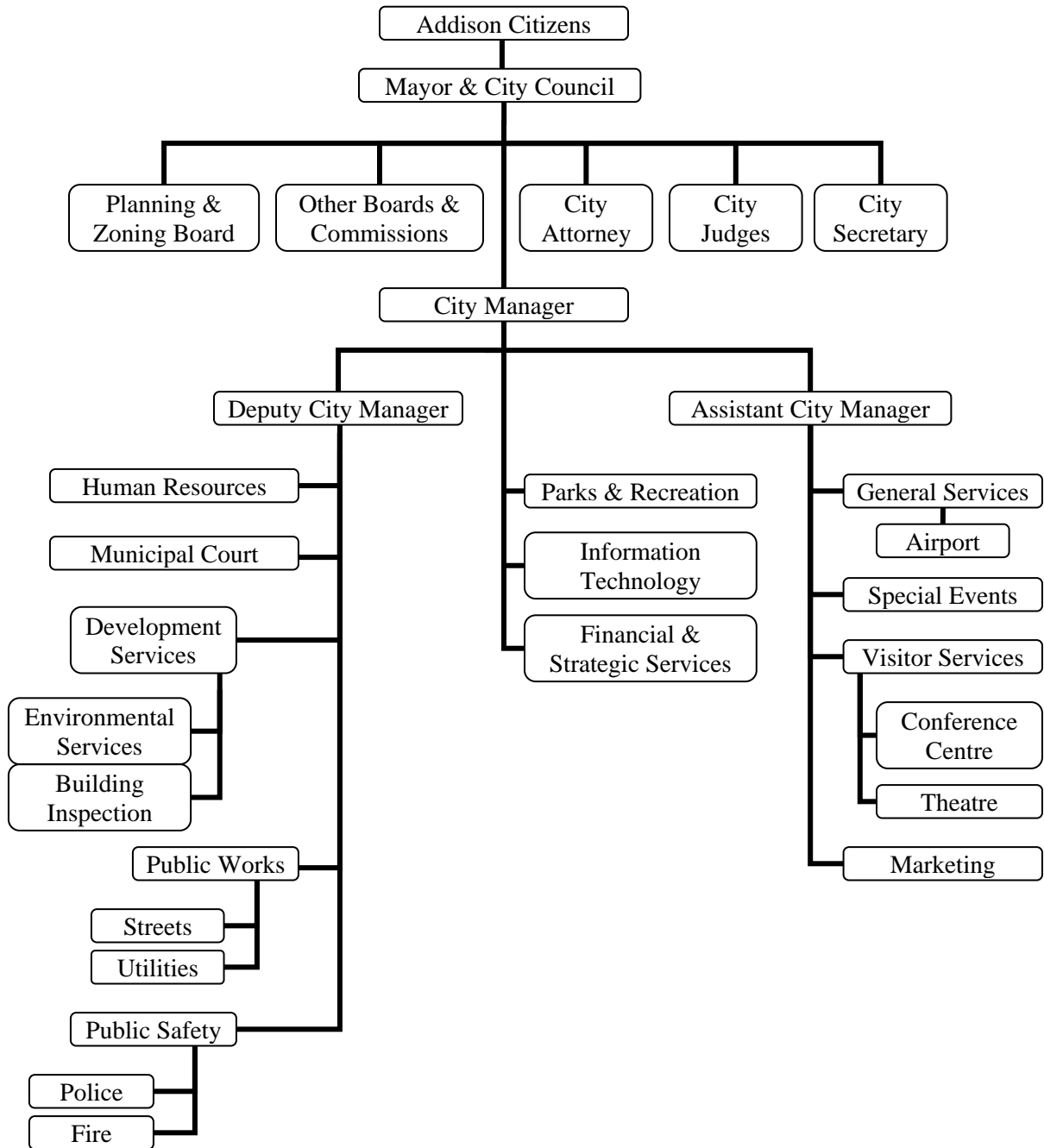
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director





**Town of Addison**  
**LIST OF PRINCIPAL OFFICIALS**  
**September 30, 2010**

Town Hall  
(972) 450-7000  
Fax (972) 450-7043

Mayor .....	Joe Chow..... (972) 450-7027
City Manager .....	Ron Whitehead..... (972) 450-7028
Deputy City Manager/City Secretary .....	Lea Dunn..... (972) 450-7037
Assistant City Manager.....	Chris Terry..... (972) 450-7010
Chief Financial Officer .....	Randolph C. Moravec, CGFO ..... (972) 450-7050
Director of General Services .....	Mark Acevedo ..... (972) 450-2848
Director of Human Resources .....	Passion Hayes ..... (972) 450-2819
Director of Information Technology .....	Hamid Khaleghipour..... (972) 450-2868
Chief of Police.....	Ron Davis ..... (972) 450-7168
Deputy Fire Chiefs.....	Chris Kellen & Gordon Robbins ..... (972) 450-7203
Director of Development Services .....	Carmen Moran ..... (972) 450-2886
Director of Public Works .....	Nancy S. Cline..... (972) 450-2878
Director of Parks and Recreation .....	Slade Strickland ..... (972) 450-2869
Director of Visitor Services .....	Bob Phillips..... (972) 450-6202
Director of Special Events .....	Barbara Kovacevich ..... (972) 450-6221

**FINANCIAL  
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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Town Council  
of the Town of Addison  
Addison, Texas

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Town of Addison, Texas (the Town) as of and for the year ended September 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's administration. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2010, and the respective changes in financial position and the cash flows, where applicable, and the respective budgetary comparison for the General Fund and the Hotel Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

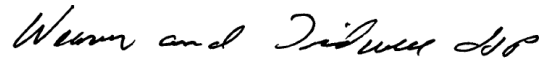
The information identified in the accompanying table of contents as *management's discussion and analysis* is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Town. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Town of Addison  
February 15, 2011

Page 2

The statistical information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town. Such statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly we express no opinion on it.

A handwritten signature in cursive script that reads "Weaver and Tidwell LLP".

WEAVER AND TIDWELL, L.L.P.

February 15, 2011  
Dallas, Texas

The logo for the Town of Addison, Texas, featuring the word "Addison!" in a bold, black, cursive script font. A registered trademark symbol (®) is located at the end of the word.

## MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

As management of the Town of Addison, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Addison for the fiscal year ended September 30, 2010. Readers are encouraged to read this narrative in conjunction with the transmittal letter at the front of this report and the Town’s financial statements, which follow this section. **All amounts reported in this MD&A, unless otherwise indicated, are expressed in thousands of dollars.**

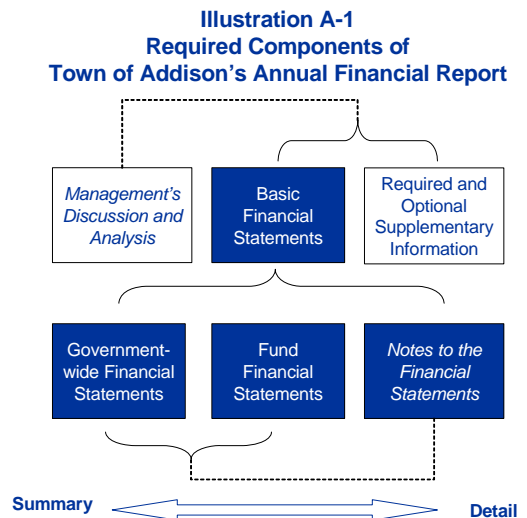
### Financial Highlights

- The Town’s assets exceeded its liabilities at the close of the 2010 fiscal year by \$196,460. This amount represents an increase over the previous year by \$3,268. The increase is attributed to governmental revenue from taxes and charges for services exceeding the cost of government activities and program revenues exceeding expenses with the Town’s business-type activities related to airport and utility operations.
- As of September 30, 2010, the Town’s governmental funds reported combined ending fund balances of \$37,832, a decline of \$8,875. Most of the decline is due to the application of bond proceeds in the capital project funds to the construction of infrastructure throughout the city.
- At the end of the 2010 fiscal year, fund balance for the General Fund was \$10,857, or 41.7 percent of total fund expenditures. Fund balance increased \$204 during the year.
- At year-end, the Town of Addison’s outstanding debt totals \$73,120, a decline of \$6,840 from the previous year. The decline is attributed to the scheduled retirement of debt and no issuance of new debt during the year.

### Overview of Financial Statements

This annual report is comprised of four segments as dictated by generally accepted accounting principles (GAAP): *management’s discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and *other supplementary information*. The basic financial statements include two kinds of statements that present different views of the Town.

- The *government-wide financial statements* provide both long-term and short-term information about the Town’s overall financial status.
- The fund financial statements focus on individual parts of Addison’s government, reporting the Town’s operations in more detail than the government-wide statements.
  - The *governmental funds statements* explain how general government services like public safety were financed in the short-term as well as what remains for future spending.
  - *Proprietary fund statements* offer short-term and long-term financial information about the activities the government operates like businesses, such as the airport.



The financial statements also include *notes*, which elaborate on some of the information in the financial statements and that provide more detailed data. These financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Illustration A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included other information such as the Town’s long-term debt schedules and a statistical section, which, through the use of tables, presents comparative economic and financial data to give users of this report a perspective of the Town’s financial performance over a number of years.

Illustration A-2 summarizes the major features of the Town’s financial statements. The remainder of this overview section of the management’s discussion and analysis explains the structure and contents of each of the statements.

<b>Illustration A-2</b>			
<b>Major Features of Town of Addison's Government-wide and Fund Financial Statements</b>			
	<b>Government-wide Statements</b>	<b>Fund Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
<b>Scope</b>	Entire Town government	Activities of the Town that are not proprietary, such as police, fire, and parks	Activities the Town operates similar to private businesses: airport, water/sewer utility
<b>Required financial statements</b>	* Statement of net assets * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net assets * Statement of revenues, expenses, and changes in net assets * Statement of cash flows
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Addison’s finances in a manner similar to a private-sector business. These statements can be located on pages 25-26 of this document.

- The *statement of net assets* presents information on all of the Town’s assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets **may** indicate the improvement or deterioration of the Town’s financial position.
- The *statement of activities* presents information showing how the Town’s net assets changed during the concluded fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.



The government-wide financial statements of the Town are divided into two categories:

- *Governmental activities* – These are functions such as fire, police, and visitor services that are principally supported by taxes and intergovernmental revenue.
- *Business-type activities* – These functions are intended to recover all or a significant portion of their costs through user fees and charges. The Town’s airport and utility system fall within this category.

## Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Addison, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

*Governmental Funds* – Governmental funds are used to account for essentially the same functions reported as *governmental activities*. However, unlike the government-wide financial statements, governmental fund financial statements focus on **short-term** inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s short-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the **long-term impact** of the government’s **short-term financing** decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental *funds* and governmental *activities*.

The Town of Addison maintains 15 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all these funds, with the exception of the Municipal Court, Public Safety, and various grant and capital project funds, which are considered minor funds and are combined into a single, aggregated presentation. Individual fund data for each of these minor funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for all its governmental funds. A budgetary comparison statement is provided for each fund to demonstrate compliance with this budget.

*Proprietary Funds* – Services for which the Town charges customers a fee are generally reported in the proprietary funds. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The Town of Addison maintains two different types of proprietary funds.

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its general aviation airport and its utility (water and sewer) system.
- *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town’s various functions. The Town uses internal service funds to account for its fleet of vehicles and for its management information systems. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The proprietary fund financial statements provide separate information for Addison’s airport and utility system, both of which are considered to be major funds of the Town of Addison. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-61 of this report.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Addison's funding of its obligations to provide pension benefits to Town employees through the Texas Municipal Retirement System and to provide other postemployment benefits to Town employees upon retirement.

The combining statements referred to earlier in connection with minor governmental funds and internal service funds are presented on pages 107-108 and 129-131.

## Government-wide Financial Analysis

As of the close of the 2010 fiscal year, the Town's net assets (assets exceeding liabilities) totaled \$196,460 (see Table A-1). Of this amount \$159,341, or 81.1 percent, represents the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. Because the Town of Addison uses these capital assets to provide services to the community, these assets are not available for future spending. A portion of net assets (\$997) has been restricted for retiring the Town's long-term general obligation debt. The remaining amount of net assets is labeled as unrestricted and totals \$36,122. This amount is available to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Addison is able to report positive balances in these two categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Table A-1**  
**Town of Addison's Net Assets**

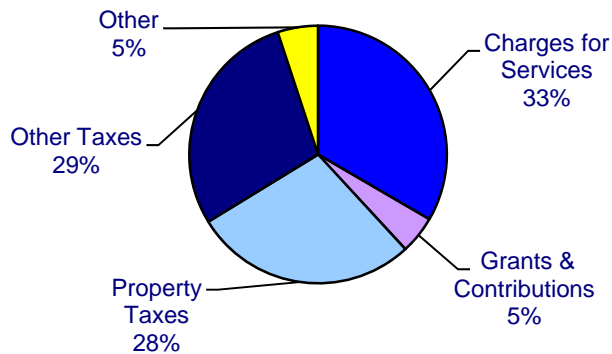
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Assets:</b>						
Current and Other Assets	\$ 50,386	\$ 59,395	\$ 19,947	\$ 21,003	\$ 70,333	\$ 80,398
Capital Assets	158,636	151,273	47,949	48,415	206,585	199,688
<b>Total Assets</b>	<b>209,022</b>	<b>210,668</b>	<b>67,896</b>	<b>69,418</b>	<b>276,918</b>	<b>280,086</b>
<b>Liabilities:</b>						
Long-Term Liabilities Outstanding	57,293	61,264	17,104	19,542	74,397	80,806
Other Liabilities	4,309	3,735	1,752	2,353	6,061	6,088
<b>Total Liabilities</b>	<b>61,602</b>	<b>64,999</b>	<b>18,856</b>	<b>21,895</b>	<b>80,458</b>	<b>86,894</b>
<b>Net Assets:</b>						
Invested in Capital Assets, Net of Related Debt	123,041	120,309	36,300	36,220	159,341	156,529
Restricted for Debt Service	997	918	-	-	997	918
Unrestricted	23,382	24,442	12,740	11,303	36,122	35,745
<b>Total Net Assets</b>	<b>\$ 147,420</b>	<b>\$ 145,669</b>	<b>\$ 49,040</b>	<b>\$ 47,523</b>	<b>\$ 196,460</b>	<b>\$ 193,192</b>

As reflected in Table A-2, the Town's net assets increased \$3,268, or 1.7 percent during the 2010 fiscal year. The increase is primarily due to capital grants and developer contributions associated with the Vitruvian Park urban development and the Town-wide traffic signalization project.

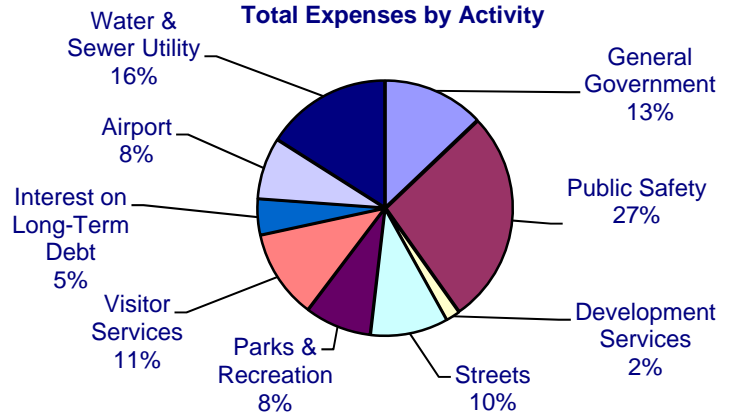
**Table A-2  
Town of Addison's Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 5,821	\$ 5,237	\$ 13,095	\$ 13,178	\$ 18,916	\$ 18,415
Grants & Contributions	1,578	2,045	1,103	1,786	2,681	3,831
<b>General Revenues:</b>						
Property Taxes	15,901	15,711	-	-	15,901	15,711
Other Taxes	16,232	17,559	-	-	16,232	17,559
Other	2,815	1,709	30	224	2,845	1,933
<b>Total Revenues</b>	<b>42,347</b>	<b>42,261</b>	<b>14,228</b>	<b>15,188</b>	<b>56,575</b>	<b>57,449</b>
<b>Expenses:</b>						
General Government	6,876	6,528	-	-	\$ 6,876	6,528
Public Safety	14,550	14,744	-	-	14,550	14,744
Development Services	938	857	-	-	938	857
Streets	5,278	4,998	-	-	5,278	4,998
Parks & Recreation	4,502	5,119	-	-	4,502	5,119
Visitor Services	6,028	6,687	-	-	6,028	6,687
Interest on Long-Term Debt	2,424	2,421	-	-	2,424	2,421
Airport	-	-	4,181	4,290	4,181	4,290
Water & Sewer Utility	-	-	8,530	8,539	8,530	8,539
<b>Total Expenses</b>	<b>40,596</b>	<b>41,354</b>	<b>12,711</b>	<b>12,829</b>	<b>53,307</b>	<b>54,183</b>
<b>Increase/(Decrease) in Net Assets</b>	<b>1,751</b>	<b>907</b>	<b>1,517</b>	<b>2,359</b>	<b>3,268</b>	<b>3,266</b>
Net Assets - 10/01/09	145,669	144,762	47,523	45,164	193,192	189,926
Net Assets - 09/30/10	\$ 147,420	\$ 145,669	\$ 49,040	\$ 47,523	\$ 196,460	\$ 193,192

**Illustration A-3  
Total Sources of Revenue**



**Illustration A-4  
Total Expenses by Activity**



**Governmental Activities**

Governmental activities increased the Town of Addison's net assets by \$1,751.

## Business-Type Activities

The Town's business-type activities experienced a \$1,517 increase in net assets with the Airport Fund recording an increase of \$216, while the Utility Fund posted a gain of \$1,301. Of the Utility Fund's increase, \$1,009 is attributed to developer contributions of water and wastewater infrastructure associated with new apartment and office buildings, including Meridian Square, Allegro, and the Methodist Hospital for Surgery.

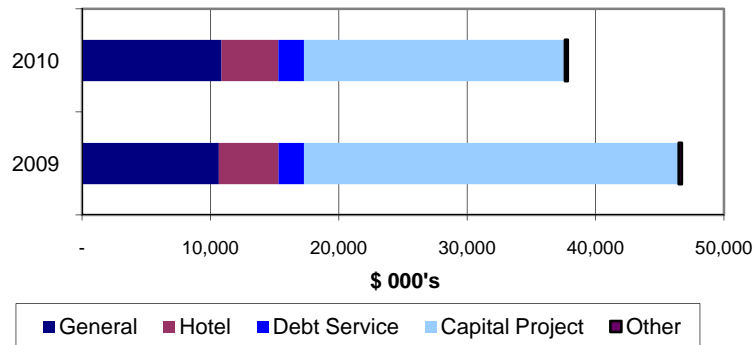
## Financial Analysis of the Government Funds

*Governmental funds* – The focus of the Town of Addison's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending following the end of the fiscal year.

As of September 30, 2010, the Town's governmental funds reported combined ending fund balances of \$37,832, a decline of \$8,875 compared to balances a year earlier. Illustration A-5 graphically presents the composition of the various fund balances. Of the ending balance, \$15,144 or 40 percent is *unreserved and undesignated* and is available to the Town for future spending. Most of the remaining fund balance is *reserved or designated* for future capital projects (\$20,334) and debt service (\$1,990). Components of the net decrease of total fund balance are:

- In the General Fund, expenditures totaled \$26,060 compared to revenues of \$27,263. Revenues increased \$539 from the previous year. Most of the increase was due to receiving an additional \$1,019 in property tax, offset by a \$443 decline in non-property (sales) taxes. The increased property tax collections are a result of a 5.32-cent increase in the operation and maintenance segment of the total tax rate that compensated for an 11.1 percent decline in property values. Expenditures declined \$1,864 from the 2009 fiscal year. The decline is a result of supporting street and park maintenance expenditures with unallocated balances in the capital project funds and the suspension for one year of contributions to the capital replacement internal service funds.
- In the Hotel Fund, expenditures and transfers out to other funds totaled \$6,112 compared to revenues of \$5,900. Fund revenues increased a slight \$13 from the previous year. Expenditures declined \$848 from fiscal year 2009 due, in large part, to a reduction in the scope of the Town's marketing program and a more efficient production of special events.
- Capital project funds recorded a net decline in fund balance of \$8,859 due to scheduled application of funds for capital projects.

**Illustration A-5  
Governmental Fund Balances**



*Proprietary funds* - The Town of Addison's proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net assets of the Airport Fund at the end of the fiscal year amounted to \$2,415 while the Utility (water & sewer) Fund reported unrestricted net assets of \$10,325. Issues relating to these two funds were discussed in the preceding narrative of the Town's business-type activities.

## General Fund Budgetary Highlights

Major differences between the original budget and the final amended budget are described below:

- Revenues were amended to recognize decreased sales tax revenue (\$500) and increased fees from building permits (\$350). All revenue amendments resulted in a net budget decline of \$263. Allocations to various departments were made that resulted in a net increase to appropriations of \$146.

The adjustments resulted in decreasing budgeted revenue just less than one percent and increasing expenditures by only one-half of one percent. The projected deficit of expenditures and other uses exceeding revenues increased from \$798 to \$1,195. Fund balance actually increased \$204.

## Capital Asset and Debt Administration

*Capital assets* – As detailed in Table A-3 below, the Town of Addison’s investment in capital assets for its governmental and business-type activities as of September 30, 2010, totals \$206,585 (net of accumulated depreciation). This amount represents a \$6,897 increase from the previous year and is attributed to investment in new assets exceeding depreciation of existing assets. Projects completed during the fiscal year include the Town-wide signalization improvement program. Projects that are in progress include the Belt Line Streetscape, Spring Valley intersection, and Vitruvian Park infrastructure improvements.

**Table A-3**  
**Town of Addison's Capital Assets**  
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 65,784	\$ 65,024	\$ 10,223	\$ 10,223	\$ 76,007	\$ 75,247
Buildings	12,200	12,757	1,531	1,593	13,731	14,350
Improvements other than Buildings	58,602	62,317	32,785	33,237	91,387	95,554
Machinery and Equipment	4,112	4,341	879	980	4,991	5,321
Construction in Progress	17,938	6,834	2,531	2,382	20,469	9,216
<b>Total Capital Assets</b>	<b>\$ 158,636</b>	<b>\$ 151,273</b>	<b>\$ 47,949</b>	<b>\$ 48,415</b>	<b>\$ 206,585</b>	<b>\$ 199,688</b>

*Long-term debt* – At the end of the 2010 fiscal year, the Town of Addison had total bonded debt outstanding of \$73,120 as detailed in Table A-4. No new debt was issued during 2010.

**Table A-4**  
**Town of Addison's Outstanding Debt**  
General Obligation Bonds and Certificates of Obligation

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 22,775	\$ 26,495	\$ 7,760	\$ 9,950	\$ 30,535	\$ 36,445
Certificates of Obligation	33,117	33,767	9,468	9,748	42,585	43,515
<b>Total Debt Outstanding</b>	<b>\$ 55,892</b>	<b>\$ 60,262</b>	<b>\$ 17,228</b>	<b>\$ 19,698</b>	<b>\$ 73,120</b>	<b>\$ 79,960</b>

The Town of Addison maintains an underlying bond rating of “AAA” from Standard & Poor’s and “Aa1” from Moody’s. The Moody’s rating was changed from “Aa2” in April 2010 due to the agency’s recalibration of its long-term U.S. municipal ratings to its global ratings scale. Other than the 2008 issue, all of the Town’s outstanding debt is insured. However, since late 2008, the various bond insurers of the Town’s debt have had their own ratings downgraded. Of the Town’s insurers as of September 30, 2010 MBIA carries a rating of “BB+” from Standard & Poor’s. Ambac’s S&P rating is “R”, indicating that the insurer is under regulatory supervision. During the past year, the insurer FSA changed its name to Assured Guaranty Municipal Corporation (AGM) and was

downgraded by S&P from “AAA” to “AA+”. Because of the strength of the Town’s own credit ratings, future bond sales should obtain competitive bids with relatively low financing rates. More information related to the Town’s long-term debt can be found on page 50 of the Notes to Financial Statements.

### **Economic Factors and Next Year’s Budget and Rates**

- The Texas Workforce Commission no longer maintains individual statistics for cities with less than 25,000 population, and therefore information related to Addison employment is unavailable. However, the average unemployment rate for the adjacent cities of Carrollton and Farmers Branch as of December 2010 averaged 7.4 percent, identical to the rate recorded in 2009. This unemployment rate is somewhat less than that of the Dallas/Plano/Irving workforce development area (WDA), which recorded an 8.0 percent. The December 2010 rate for the State of Texas was 8.0 percent, unchanged from the year before.<sup>1</sup>
- Sales tax collections for the Town were down 4.5 percent from the amount collected in 2009. This is the second consecutive year of decline following five consecutive years of increases in annual collections. The 2010 lower collections are attributed to the national and regional economic recession.
- Hotel occupancy tax collections declined 7.4 percent from the previous year, and down 29.5 percent from the 2008 fiscal year. Because many of Addison’s hotels cater to business travelers, the 2010 results are further evidence of depressed economic activity.
- In July 2010 Addison received its certified property tax roll from the Dallas Central Appraisal District. This certified roll is what Texas local governments use to levy taxes for the 2010-11 fiscal year. Certified taxable property values in Addison totaled \$3,058,774, which represented a 7.6 percent decline from the previous year, and was the second consecutive year of decline following four consecutive years of increased values.

These various factors were taken into consideration in development of the Town’s 2010-11 annual budget. The annual budget is adopted within context of five-year financial plans for the General, Hotel, Airport, and Utility funds. The long-term financial plans project operating revenues and expenses and changes in fund balances related to the Town’s adopted financial policy to work to maintain a minimum 25% fund balance for these funds. Major aspects of the adopted 2010-11 budget include:

- The property tax rate was increased 3.4¢ to \$.5300 per \$100 appraised value. The increase was a response to the 7.6 percent decline in property values. Even with the increased tax rate, the total tax levy for the 2011 fiscal year was essentially the same as the 2010 fiscal year levy. Of the 2011 budget tax rate, \$.3479 was levied for operation/maintenance and \$.1821 for debt service. This compares to the 2010 distribution of \$.3360 and \$.1600 respectively. *(Note: The preceding numbers are not reflected in \$000’s of dollars).*
- The General Fund balance is projected to decline \$1,612 from the actual beginning fund balance of \$10,857 to \$9,245. The projected ending fund balance is 32.5 percent of operating expenditures and transfers.
- The Hotel Fund balance is projected to decline \$866 from the actual beginning fund balance to \$4,431. However, due to delays in developing the “Visit Addison” visitor and arts center, the costs associated with supporting this project, which were planned for the 2010 fiscal year, will instead be paid from the 2011 fiscal year, requiring a budget amendment that will recognize a lower projected ending balance of an estimated \$3,000.
- The budget included a ten percent average increase in water and sewer rates and a fifty percent increase in license and permit fees.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Addison’s finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Department of Financial and Strategic Services  
Town of Addison  
P.O. Box 9010  
Addison, TX 75001  
Telephone: (972) 450-7051  
Email: mperry@addisontx.gov

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<sup>1</sup> Source: Texas Workforce Commission (December 2010 and 2009 data)

# Basic Financial Statements

The logo for the Town of Addison, Texas, featuring the word "Addison!" in a bold, black, cursive script. A registered trademark symbol (®) is located at the end of the word.



**Town of Addison, Texas**  
**Basic Financial Statements**

TOWN OF ADDISON  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010

	Primary Government			Summarized 2009 Total
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and Investments	\$ 44,562,608	\$ 10,242,818	\$ 54,805,426	\$ 65,468,854
Receivables, Net of Allowances for Uncollectibles	5,462,476	2,228,259	7,690,735	6,720,617
Inventories, at Cost	106,540	-	106,540	94,535
Prepaid Items	41,600	-	41,600	307,843
Deferred Charges	212,983	182,492	395,475	458,795
Investment in Joint Venture	-	7,293,066	7,293,066	7,347,261
Capital Assets, Net of Accumulated Depreciation				
Land	65,784,123	10,223,421	76,007,544	75,247,430
Buildings	12,200,349	1,530,564	13,730,913	14,350,299
Improvements other than Buildings	58,602,553	32,784,799	91,387,352	95,554,170
Machinery and Equipment	4,111,416	879,016	4,990,432	5,320,408
Construction in Progress	17,937,565	2,531,344	20,468,909	9,215,349
<b>Total Assets</b>	<b>\$ 209,022,213</b>	<b>\$ 67,895,779</b>	<b>\$ 276,917,992</b>	<b>\$ 280,085,561</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES:</b>				
Accounts Payable and Accrued Liabilities	\$ 3,897,986	\$ 873,766	\$ 4,771,752	\$ 4,749,834
Contracts and Retainage Payable	254,301	-	254,301	93,096
Arbitrage Payable	-	-	-	20,247
Intergovernmental Payable	140,207	-	140,207	340,551
Customer Deposits	17,076	877,844	894,920	883,487
Non-Current Liabilities:				
Compensated Absences	899,461	-	899,461	874,700
Net OPEB Obligation	464,469	-	464,469	231,822
Due within One Year	3,871,610	2,743,842	6,615,452	6,805,796
Due in More Than One Year	52,057,381	14,360,514	66,417,895	72,893,952
<b>Total Liabilities</b>	<b>61,602,491</b>	<b>18,855,966</b>	<b>80,458,457</b>	<b>86,893,485</b>
<b>NET ASSETS:</b>				
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	123,041,354	36,299,788	159,341,142	154,635,960
Unrestricted	996,614	-	996,614	918,483
	23,381,754	12,740,025	36,121,779	37,637,633
<b>Total Net Assets</b>	<b>147,419,722</b>	<b>49,039,813</b>	<b>196,459,535</b>	<b>193,192,076</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 209,022,213</b>	<b>\$ 67,895,779</b>	<b>\$ 276,917,992</b>	<b>\$ 280,085,561</b>

See accompanying notes to basic financial statements.

**Town of Addison, Texas**  
**Basic Financial Statements**

**TOWN OF ADDISON**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Functions/Programs	Program Revenues				Net (Expense)/Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government	
						Business - Type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$ 6,876,385	\$ 266,954	\$ -	\$ -	\$ (6,609,431)	\$ -	\$ (6,609,431)
Public Safety	14,550,333	2,094,280	227,078	-	(12,228,975)	-	(12,228,975)
Development Services	938,059	835,808	-	-	(102,251)	-	(102,251)
Streets	5,277,938	332,330	-	1,348,141	(3,597,467)	-	(3,597,467)
Parks and Recreation	4,502,295	108,113	-	-	(4,394,182)	-	(4,394,182)
Visitor Services	6,027,442	2,183,247	3,212	-	(3,840,983)	-	(3,840,983)
Interest on Long-Term Debt	2,423,732	-	-	-	(2,423,732)	-	(2,423,732)
Total Governmental Activities	40,596,184	5,820,732	230,290	1,348,141	(33,197,021)	-	(33,197,021)
Business-Type Activities:							
Airport	4,181,256	4,289,225	-	93,465	-	201,434	201,434
Utilities	8,529,681	8,806,069	-	1,009,385	-	1,285,773	1,285,773
Total Business-Type Activities	12,710,937	13,095,294	-	1,102,850	-	1,487,207	1,487,207
<b>Total Primary Government</b>	<b>\$ 53,307,121</b>	<b>\$ 18,916,026</b>	<b>\$ 230,290</b>	<b>\$ 2,450,991</b>	<b>\$ (33,197,021)</b>	<b>\$ 1,487,207</b>	<b>\$ (31,709,814)</b>
<b>GENERAL REVENUES:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes					15,900,631	-	15,900,631
Sales Taxes					9,987,439	-	9,987,439
Franchise Taxes					2,578,154	-	2,578,154
Hotel/Motel Taxes					3,666,781	-	3,666,781
Interest on Investments					339,986	11,065	351,051
Miscellaneous					2,474,485	18,732	2,493,217
Total General Revenues					34,947,476	29,797	34,977,273
Change in Net Assets					1,750,455	1,517,004	3,267,459
<b>NET ASSETS, Beginning of Year</b>					145,669,267	47,522,809	193,192,076
<b>NET ASSETS, End of Year</b>					<b>\$ 147,419,722</b>	<b>\$ 49,039,813</b>	<b>\$ 196,459,535</b>

See accompanying notes to basic financial statements.

**Town of Addison, Texas  
Basic Financial Statements**

**Governmental Funds  
Balance Sheet  
September 30, 2010**

	General	Hotel	General Obligation Debt Service	Hotel Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>							
Cash and Investments	\$ 10,869,858	\$ 4,088,860	\$ 1,184,554	\$ 862,154	\$ 21,751,773	\$ 528,673	\$ 39,285,872
Receivables:							
Ad Valorem Taxes, Including Interest and Penalties	316,458	-	147,281	-	-	-	463,739
Non-Property Taxes	1,845,293	436,982	-	-	-	-	2,282,275
Franchise Fees	521,508	-	-	-	-	-	521,508
Service Fees	1,037,623	-	-	-	-	-	1,037,623
Ambulance	239,389	-	-	-	-	-	239,389
Interest	23,698	8,399	2,433	1,771	42,601	1,922	80,824
Interfund	677,855	-	-	-	-	-	677,855
Other	-	128,578	-	-	-	697,736	826,314
Prepaid Items	41,600	-	-	-	-	-	41,600
Inventories, at Cost	106,540	-	-	-	-	-	106,540
<b>Total Assets</b>	<b>\$ 15,679,822</b>	<b>\$ 4,662,819</b>	<b>\$ 1,334,268</b>	<b>\$ 863,925</b>	<b>\$ 21,794,374</b>	<b>\$ 1,228,331</b>	<b>\$ 45,563,539</b>

**LIABILITIES AND FUND BALANCE:**

<b>Liabilities:</b>							
Accounts Payable and Accrued Liabilities	\$ 1,855,955	\$ 213,708	\$ -	\$ -	\$ 1,205,734	\$ 329,198	\$ 3,604,595
Contracts and Retainage Payable	-	-	-	-	254,301	-	254,301
Deferred Revenue	2,872,264	-	163,936	-	-	859	3,037,059
Intergovernmental Payable	93,026	2,918	44,263	-	-	-	140,207
Customer Deposits	1,826	15,250	-	-	-	-	17,076
Interfund Payable	-	-	-	-	-	677,855	677,855
<b>Total Liabilities</b>	<b>4,823,071</b>	<b>231,876</b>	<b>208,199</b>	<b>-</b>	<b>1,460,035</b>	<b>1,007,912</b>	<b>7,731,093</b>

**Fund Balances:**

<b>Fund Balances Reserved:</b>							
Reserved for Encumbrances	39,895	7,604	-	-	-	-	47,499
Reserved for Inventories	106,540	-	-	-	-	-	106,540
Reserved for Prepaid Items	41,600	-	-	-	-	-	41,600
Reserved for Court Technology	-	-	-	-	-	90,617	90,617
Reserved for Building Security	-	-	-	-	-	78,333	78,333
Reserved for Debt Service	-	-	1,126,069	-	-	-	1,126,069
<b>Fund Balances Unreserved:</b>							
Designated for Debt Service	-	-	-	863,925	-	-	863,925
Designated for Capital Outlays	-	-	-	-	20,334,339	-	20,334,339
Unreserved - Undesignated	10,668,716	4,423,339	-	-	-	15,582	15,107,637
Unreserved - Undesignated - Public Safety	-	-	-	-	-	35,887	35,887
<b>Total Fund Balance</b>	<b>10,856,751</b>	<b>4,430,943</b>	<b>1,126,069</b>	<b>863,925</b>	<b>20,334,339</b>	<b>220,419</b>	<b>37,832,446</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 15,679,822</b>	<b>\$ 4,662,819</b>	<b>\$ 1,334,268</b>	<b>\$ 863,925</b>	<b>\$ 21,794,374</b>	<b>\$ 1,228,331</b>	<b>\$ 45,563,539</b>

See accompanying notes to basic financial statements.

**Town of Addison, Texas**  
**Basic Financial Statements**

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TOWN OF ADDISON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

<b>Total Fund Balances - Governmental Funds</b>	\$ 37,832,446
The Town uses internal service funds to charge the costs of certain activities, such as capital asset and information technology replacement, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net assets. The effect of this consolidation is to increase net assets.	8,808,277
Capital assets used in governmental activities, including infrastructure and developer contributions, are not financial resources and therefore are not reported in fund financial statements. Capital assets of \$233,958,439, net of accumulated depreciation of \$78,843,170, exclusive of the capital assets of internal service funds with a net carrying values of \$3,520,736, included above increased net assets in the government-wide financial statements.	155,115,269
Debt issue costs have been reflected net of amortization in the government-wide financial statements.	212,983
Bonds payable, contractual obligations and related premium and deferred refunding amounts have not been included in the fund financial statements.	(55,928,991)
Accrued liabilities for compensated absences have not been reflected in the fund financial statements.	(899,461)
Net OPEB obligation is not reflected in the fund financial statements.	(464,469)
Interest payable on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. The effect of recording accrued interest is to decrease net assets.	(293,391)
Revenue from property taxes, sales taxes, franchise fees, court bonds and ambulance billings are deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide statements.	<u>3,037,059</u>
<b>Net Assets of Governmental Activities</b>	<u><u>\$ 147,419,722</u></u>

See accompanying notes to basic financial statements.

**Town of Addison, Texas  
Basic Financial Statements**

**Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended September 30, 2010**

	General	Hotel	General Obligation Debt Service	Hotel Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental
<b>REVENUES:</b>							
Ad Valorem Taxes	\$ 10,771,166	\$ -	\$ 5,129,581	\$ -	\$ -	\$ -	\$ 15,900,747
Non-Property Taxes	10,077,839	3,666,781	-	-	-	-	13,744,620
Franchise Fees	2,578,154	-	-	-	-	-	2,578,154
Licenses and Permits	833,178	-	-	-	-	-	833,178
Intergovernmental	-	-	-	-	-	1,323,831	1,323,831
Service Fees	1,491,528	1,643,906	-	-	-	-	3,135,434
Fines and Forfeitures	1,158,581	-	-	-	-	56,833	1,215,414
Earnings on Investments	60,681	24,657	12,485	7,685	189,326	3,800	298,634
Rental Charges	146,821	553,386	-	-	-	-	700,207
Recycling Proceeds	21,126	-	-	-	-	-	21,126
Other	123,544	11,292	-	-	2,142,506	-	2,277,342
<b>Total / Revenues</b>	<b>27,262,618</b>	<b>5,900,022</b>	<b>5,142,066</b>	<b>7,685</b>	<b>2,331,832</b>	<b>1,384,464</b>	<b>42,028,687</b>
<b>EXPENDITURES:</b>							
Current:							
General Government	6,323,891	-	-	-	-	-	6,323,891
Public Safety	13,477,643	-	-	-	-	334,974	13,812,617
Development Services	887,132	-	-	-	-	-	887,132
Streets	1,672,375	-	-	-	-	-	1,672,375
Parks and Recreation	3,698,831	-	-	-	-	-	3,698,831
Visitor Services	-	5,442,179	-	-	-	3,212	5,445,391
Debt Service:							
Principal Retirement	-	-	3,834,520	535,000	-	-	4,369,520
Interest and Fiscal Charges	-	-	2,263,538	181,337	-	-	2,444,875
Capital Projects:							
Administration:							
Supplies	-	-	-	-	937	-	937
Maintenance and Materials	-	-	-	-	231,367	-	231,367
Design and Engineering:							
Engineering and Contractual Services	-	-	-	-	2,565,603	19,877	2,585,480
Construction and Equipment	-	-	-	-	8,855,202	576,012	9,431,214
<b>Total Expenditures</b>	<b>26,059,872</b>	<b>5,442,179</b>	<b>6,098,058</b>	<b>716,337</b>	<b>11,653,109</b>	<b>934,075</b>	<b>50,903,630</b>
Excess/(Deficiency) of Revenues over Expenditures	1,202,746	457,843	(955,992)	(708,652)	(9,321,277)	450,389	(8,874,943)
<b>OTHER FINANCING SOURCES/(USES):</b>							
Transfers In	1,263	-	1,000,000	670,000	462,564	-	2,133,827
Transfers Out	(1,000,000)	(670,000)	-	-	-	(463,827)	(2,133,827)
Net Change in Fund Balance	204,009	(212,157)	44,008	(38,652)	(8,858,713)	(13,438)	(8,874,943)
Fund Balances at Beginning of Year	10,652,742	4,643,100	1,082,061	902,577	29,193,052	233,857	46,707,389
Fund Balances at End of Year	\$ 10,856,751	\$ 4,430,943	\$ 1,126,069	\$ 863,925	\$ 20,334,339	\$ 220,419	\$ 37,832,446

See accompanying notes to basic financial statements.

**Town of Addison, Texas**  
**Basic Financial Statements**

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TOWN OF ADDISON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

<b>Total Net Change in Fund Balances - Governmental Funds</b>	<b>\$(8,874,943)</b>
<p>The Town uses internal service funds to charge the costs of certain activities, such as capital asset and information technology replacement, to appropriate functions in other funds. The revenues and expenses of the internal service funds are included in governmental activities in the government-wide financial statements. The effect of this consolidation is to decrease net assets.</p>	(771,584)
<p>Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. Developer contributions are recorded as capital contributions in the government-wide financial statements. The effect of removing the capital outlays and recording the developer contributions is to increase net assets.</p>	12,244,775
<p>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net assets.</p>	(4,801,891)
<p>Amortization of costs associated with debt issuances is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's amortization is to decrease net assets.</p>	(171,082)
<p>Current year long-term debt principal payments on contractual obligation bonds payable are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.</p>	4,369,520
<p>The change in compensated absences liability is not shown in the fund financial statements. The net effect of the current year's increase in liability is to decrease net assets.</p>	(24,761)
<p>The change in arbitrage rebate liability is not shown in the fund financial statements. The effect of recording the decrease in liability is to increase net assets.</p>	20,247
<p>The change in the net OPEB obligation is not shown in the fund financial statements. The effect of recording the increase in liability is to decrease net assets.</p>	(232,647)
<p>Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. The effect of recording the decrease in accrued interest is to increase net assets.</p>	21,143
<p>Revenue from property taxes, sales taxes, franchise fees, ambulance billings, court bonds and special event fees not recognized in fund financial statements on the modified accrual basis were recognized on the accrual basis in the government-wide financial statements.</p>	<u>(28,322)</u>
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 1,750,455</u></b>

See accompanying notes to basic financial statements.

**Town of Addison, Texas**

**Basic Financial Statements**

**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**

	Budget		Actual GAAP Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Ad Valorem Taxes	\$ 10,707,230	\$ 10,707,230	\$ 10,771,166	\$ 63,936
Non-Property Taxes	10,735,000	10,235,000	10,077,839	(157,161)
Franchise Fees	2,522,000	2,482,000	2,578,154	96,154
Licenses and Permits	360,000	710,000	833,178	123,178
Intergovernmental	198,450	-	-	-
Service Fees	1,344,900	1,469,900	1,491,528	21,628
Fines and Forfeitures	1,200,000	1,200,000	1,158,581	(41,419)
Earnings on Investments	177,500	177,500	60,681	(116,819)
Rental Charges	156,500	156,500	146,821	(9,679)
Recycling Proceeds	-	-	21,126	21,126
Other	75,000	75,000	123,544	48,544
<i>Total Revenues</i>	<u>27,476,580</u>	<u>27,213,130</u>	<u>27,262,618</u>	<u>49,488</u>
<b>EXPENDITURES:</b>				
General Government	6,470,300	6,571,300	6,323,891	247,409
Public Safety	14,245,770	14,245,770	13,477,643	768,127
Development Services	955,580	955,580	887,132	68,448
Streets	1,677,600	1,722,600	1,672,375	50,225
Parks and Recreation	3,925,740	3,925,740	3,698,831	226,909
<i>Total Expenditures</i>	<u>27,274,990</u>	<u>27,420,990</u>	<u>26,059,872</u>	<u>1,361,118</u>
Excess/(Deficiency) of Revenues over Expenditures	201,590	(207,860)	1,202,746	1,410,606
<b>OTHER FINANCING SOURCES/(USES):</b>				
Transfers In	-	13,130	1,263	(11,867)
Transfers Out	(1,000,000)	(1,000,000)	(1,000,000)	-
Net Change in Fund Balance	(798,410)	(1,194,730)	204,009	1,398,739
Fund Balances at Beginning of Year	<u>10,652,742</u>	<u>10,652,742</u>	<u>10,652,742</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 9,854,332</u>	<u>\$ 9,458,012</u>	<u>\$ 10,856,751</u>	<u>\$ 1,398,739</u>

See accompanying notes to basic financial statements.

**Town of Addison, Texas**  
**Basic Financial Statements**

**Hotel Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**

	Budget		Actual GAAP Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Hotel/Motel Occupancy Taxes	\$ 4,250,000	\$ 3,450,000	\$ 3,666,781	\$ 216,781
Proceeds from Special Events	1,337,000	1,737,000	1,643,906	(93,094)
Conference Centre Rental	500,000	500,000	475,366	(24,634)
Theatre Centre Rental	70,000	70,000	78,020	8,020
Earnings on Investments	99,600	99,600	24,657	(74,943)
Other	400	400	11,292	10,892
<i>Total Revenues</i>	<u>6,257,000</u>	<u>5,857,000</u>	<u>5,900,022</u>	<u>43,022</u>
<b>EXPENDITURES:</b>				
Visitor Services	881,940	1,278,940	806,786	472,154
Visit Addison	-	135,000	113,376	21,624
Conference Centre	1,453,370	1,013,370	963,908	49,462
Marketing	805,460	805,460	617,637	187,823
Special Events	2,707,860	2,707,860	2,376,492	331,368
Performing Arts	565,430	565,430	563,980	1,450
Capital Projects	1,325,000	-	-	-
<i>Total Expenditures</i>	<u>7,739,060</u>	<u>6,506,060</u>	<u>5,442,179</u>	<u>1,063,881</u>
Excess/(Deficiency) of Revenues over Expenditures	(1,482,060)	(649,060)	457,843	1,106,903
<b>OTHER FINANCING SOURCES/(USES):</b>				
Transfers Out	(670,000)	(670,000)	(670,000)	-
Net Change in Fund Balance	(2,152,060)	(1,319,060)	(212,157)	1,106,903
Fund Balances at Beginning of Year	4,643,100	4,643,100	4,643,100	-
Fund Balances at End of Year	<u>\$ 2,491,040</u>	<u>\$ 3,324,040</u>	<u>\$ 4,430,943</u>	<u>\$ 1,106,903</u>

See accompanying notes to basic financial statements.



**Town of Addison, Texas**  
**Basic Financial Statements**

**Proprietary Funds**  
**Statement of Net Assets**  
**September 30, 2010**

	Business Type Activities - Enterprise Funds			Governmental Activities
	Airport	Utility	Total	Internal Service
<b>ASSETS:</b>				
Current Assets:				
Cash and Investments	\$ 2,455,976	\$ 7,786,842	\$ 10,242,818	\$ 5,276,736
Interest Receivable	5,041	15,996	21,037	10,805
Accounts Receivable	522,504	1,684,718	2,207,222	-
<b>Total Current Assets</b>	<b>2,983,521</b>	<b>9,487,556</b>	<b>12,471,077</b>	<b>5,287,541</b>
Non-Current Assets:				
Deferred Charges	25,571	156,921	182,492	-
Capital Assets:				
Land	8,911,357	1,312,064	10,223,421	-
Buildings	1,386,047	1,728,905	3,114,952	-
Improvements other than Buildings	22,437,018	42,105,840	64,542,858	-
Machinery and Equipment	1,233,964	1,977,833	3,211,797	11,580,114
Accumulated Depreciation	(15,180,580)	(20,494,648)	(35,675,228)	(8,059,378)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>18,787,806</b>	<b>26,629,994</b>	<b>45,417,800</b>	<b>3,520,736</b>
Construction in Progress	752,301	1,779,043	2,531,344	-
<b>Net Property, Plant, and Equipment</b>	<b>19,540,107</b>	<b>28,409,037</b>	<b>47,949,144</b>	<b>3,520,736</b>
Investment in Joint Venture	-	7,293,066	7,293,066	-
<b>Total Assets</b>	<b>\$ 22,549,199</b>	<b>\$ 45,346,580</b>	<b>\$ 67,895,779</b>	<b>\$ 8,808,277</b>
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 416,787	\$ 367,482	\$ 784,269	\$ -
Current Maturities of Bonds Payable	265,000	2,478,842	2,743,842	-
Accrued Interest Payable	16,195	73,302	89,497	-
Customer Deposits	161,136	716,708	877,844	-
<b>Total Current Liabilities</b>	<b>859,118</b>	<b>3,636,334</b>	<b>4,495,452</b>	<b>-</b>
Long-Term Debt, Net of Current Portion:				
General Obligation Bonds and Certificates of Obligation Payable	2,960,000	11,400,514	14,360,514	-
<b>Total Liabilities</b>	<b>3,819,118</b>	<b>15,036,848</b>	<b>18,855,966</b>	<b>-</b>
<b>NET ASSETS:</b>				
Invested in Capital Assets, Net of Related Debt	16,315,107	19,984,681	36,299,788	3,520,736
Unrestricted	2,414,974	10,325,051	12,740,025	5,287,541
<b>Total Net Assets</b>	<b>\$ 18,730,081</b>	<b>\$ 30,309,732</b>	<b>\$ 49,039,813</b>	<b>\$ 8,808,277</b>

See accompanying notes to basic financial statements.

**Town of Addison, Texas**  
**Basic Financial Statements**

**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Year Ended September 30, 2010**

	Business Type Activities - Enterprise Funds			Governmental Activities
	Airport	Utility	Total	Internal Service
<b>OPERATING REVENUES:</b>				
Water	\$ -	\$ 4,758,886	\$ 4,758,886	\$ -
Sewer	-	3,933,498	3,933,498	-
Penalties	-	73,251	73,251	-
Water and Sewer Taps and Other Fees	-	21,490	21,490	-
Fuel Flowage Fees	720,825	-	720,825	-
Customs Agent Fees	46,303	-	46,303	-
Rental Charges	3,430,003	-	3,430,003	-
Other Income	92,094	18,944	111,038	1,165
<i>Total Operating Revenues</i>	<u>4,289,225</u>	<u>8,806,069</u>	<u>13,095,294</u>	<u>1,165</u>
<b>OPERATING EXPENSES:</b>				
Salaries and Fringe Benefits	231,795	1,285,237	1,517,032	-
Supplies	41,234	105,177	146,411	-
Maintenance and Materials	1,184,683	354,034	1,538,717	-
Contractual Services	1,546,481	599,717	2,146,198	5,142
Water Purchases	-	2,603,155	2,603,155	-
Wastewater Purchases	-	1,736,262	1,736,262	-
Bad Debts Expense	-	10,374	10,374	-
<i>Total Operating Expenses (Excluding Depreciation)</i>	<u>3,004,193</u>	<u>6,693,956</u>	<u>9,698,149</u>	<u>5,142</u>
Depreciation	1,041,531	1,081,166	2,122,697	858,116
<i>Total Operating Expenses</i>	<u>4,045,724</u>	<u>7,775,122</u>	<u>11,820,846</u>	<u>863,258</u>
<b>OPERATING INCOME/LOSS</b>	<u>243,501</u>	<u>1,030,947</u>	<u>1,274,448</u>	<u>(862,093)</u>
<b>NON-OPERATING REVENUES/(EXPENSES):</b>				
Investment Income	14,861	(3,796)	11,065	41,352
Sale of Assets	-	1,531	1,531	49,157
Gain/(Loss) of the Joint Venture	-	(54,195)	(54,195)	-
Interest Expense	(133,207)	(619,652)	(752,859)	-
Amortization Expense	(2,325)	(80,712)	(83,037)	-
Fiscal Fees	-	17,201	17,201	-
<i>Total Non-Operating Revenues/(Expenses)</i>	<u>(120,671)</u>	<u>(739,623)</u>	<u>(860,294)</u>	<u>90,509</u>
<b>NET INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	122,830	291,324	414,154	(771,584)
Capital Contributions and Grants	93,465	1,009,385	1,102,850	-
<b>CHANGE IN NET ASSETS</b>	216,295	1,300,709	1,517,004	(771,584)
Net Assets at Beginning of Year	<u>18,513,786</u>	<u>29,009,023</u>	<u>47,522,809</u>	<u>9,579,861</u>
Net Assets at End of Year	<u>\$ 18,730,081</u>	<u>\$ 30,309,732</u>	<u>\$ 49,039,813</u>	<u>\$ 8,808,277</u>

See accompanying notes to basic financial statements.

**Town of Addison, Texas**  
**Basic Financial Statements**

**Proprietary Funds**  
**Statement of Cash Flows**  
**Year Ended September 30, 2010**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Airport	Utility	Total	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received from Customers	\$ 4,366,826	\$ 8,589,285	\$ 12,956,111	\$ -
Payments to Suppliers	(3,188,498)	(5,613,610)	(8,802,108)	(10,227)
Payments to Employees for Services	(231,795)	(1,285,237)	(1,517,032)	-
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>946,533</u>	<u>1,690,438</u>	<u>2,636,971</u>	<u>(10,227)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and Construction of Capital Assets	(49,752)	(598,152)	(647,904)	(784,840)
Principal Paid on Certificates of Obligation and General Obligation Bonds	(255,000)	(2,182,932)	(2,437,932)	-
Interest Paid on Certificates of Obligation and General Obligation Bonds	(134,323)	(680,478)	(814,801)	-
Proceeds from Sale of Capital Assets	-	1,531	1,531	55,864
Capital Grants	93,465	-	93,465	-
Fiscal Fees Related to Outstanding Debt	-	17,201	17,201	-
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>(345,610)</u>	<u>(3,442,830)</u>	<u>(3,788,440)</u>	<u>(728,976)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on Cash and Investments	<u>17,565</u>	<u>20,493</u>	<u>38,058</u>	<u>55,763</u>
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	618,488	(1,731,899)	(1,113,411)	(683,440)
Cash and Cash Investments, October 1	1,837,488	9,518,741	11,356,229	5,960,176
Cash and Cash Investments, September 30	<u>\$ 2,455,976</u>	<u>\$ 7,786,842</u>	<u>\$ 10,242,818</u>	<u>\$ 5,276,736</u>
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$ 243,501	\$ 1,030,947	\$ 1,274,448	\$ (862,093)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:				
Depreciation	1,041,531	1,081,166	2,122,697	858,116
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivables	80,284	(259,864)	(179,580)	-
(Increase)/Decrease in Prepaid Items	-	8,054	8,054	-
Increase/(Decrease) in Accounts Payable	(416,100)	(212,945)	(629,045)	(6,250)
Increase/(Decrease) in Customer Deposits	(2,683)	43,080	40,397	-
Net Cash Provided/(Used) by Operating Activities	<u>\$ 946,533</u>	<u>\$ 1,690,438</u>	<u>\$ 2,636,971</u>	<u>\$ (10,227)</u>
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Capital Contributions	\$ -	\$ 1,009,385	\$ 1,009,385	\$ -
Gain/(Loss) of Joint Venture	-	(54,195)	(54,195)	-
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	<u>\$ -</u>	<u>\$ 955,190</u>	<u>\$ 955,190</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

Addison!®

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Town of Addison, Texas ("Town"), relating to the funds included in the accompanying financial statements, conform to the generally accepted accounting principles applicable to state and local governments. The following represent the more significant accounting and reporting policies and practices used by the Town.

A. Reporting Entity

The Town is a municipal corporation incorporated on June 15, 1953, under the Constitution of the State of Texas (Home Rule Amendment). The Town's charter was amended by an election on January 16, 1993. The Town operates as a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the Town and its inhabitants.

The Town is a financial reporting entity as defined by GASB Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB Statement No. 39 "*Determining Whether Certain Organizations Are Component Units*." The Town's financial statements include the accounts of all Town operations. As required by generally accepted accounting principles (GAAP), these financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town (the primary government) is financially accountable if it appoints a voting majority of organization's governing board, and (1) it has the ability to impose its will on the organization, or (2) there is potential for the organization to provide a financial benefit or impose a financial burden on the Town. The Town is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete.

B. Basic Financial Statements

The basic financial statements include both government-wide financial statements (based on the Town as a whole) and fund financial statements. Both sets of financial statements classify activities as either governmental activities, which are supported by taxes and intergovernmental revenues, or business-type activities, which rely on fees and charges for support.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. "Measurement focus" refers to what is being measured, and "basis of accounting" refers to the timing of revenue and expenditure recognition in financial statements. The government-wide financial statements and the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are reported when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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The governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues available if they are collected within thirty (30) days after year-end. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from currently available financial resources.

Ad Valorem (property), sales, and hotel taxes, as well as franchise fees, recorded in the General Fund and Ad Valorem tax revenues recorded in the General Obligation Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's airport and utility functions and various other functions of the Town, and charges of the internal service funds to the Airport and Utility funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating expenses of the Town's enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. Revenues which are not allocated by law or contractual agreement to other funds are accounted for in this fund.

Hotel Fund – The Hotel Fund is used to account for tax revenues received from local hotels. Expenditures must fall within the guidelines set forth in the Texas Hotel Occupancy Tax Act (Article 1269: Vernon's Texas Civil Statutes).

General Obligation Debt Service Fund – The General Obligation Debt Service Fund accounts for the accumulation of resources to be used for the payment of principal and interest on the general obligation bonded debt of the Town.

Hotel Debt Service Fund – The Hotel Debt Service Fund accounts for the accumulation of resources to be used for the payment of principal and interest on the Hotel Occupancy Tax Revenue certificates of obligation.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources related to the acquisition, construction, or improvements of major capital assets.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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Additionally, the Town reports the following non-major governmental funds:

Municipal Court Fund – The Municipal Court Fund accounts for the Town’s court building security and technology fees that are generated from court citation fines. According to state law, the revenue generated from these fees may only be spent on the municipal court function.

Public Safety Fund – The Public Safety Fund accounts for awards of monies or property by the courts relating to cases that involve the Addison Police Department. In prior years, this fund was classified as an expendable trust fund.

Advanced Funding Grant Fund – The Advanced Funding Grant Fund was created during fiscal year 2010. The fund accounts for grant monies that are received prior to the related expenditure, and therefore the fund may carry a balance from year to year if the Town does not expend the monies within the fiscal year.

Reimbursement Grant Fund – The Reimbursement Grant Fund was created during fiscal year 2010. The fund accounts for expenditures for which the Town expects to be reimbursed. For any reimbursements not received prior to the fiscal year end, the Town will record a receivable.

American Recovery and Reinvestment Act (ARRA) Grant Fund – The American Recovery and Reinvestment Act (ARRA) Grant Fund was created during fiscal year 2010. The fund accounts for receipts and expenditures of ARRA grant monies. The Act requires the separation of ARRA funds from other grant monies.

The Town reports the following major proprietary funds:

Airport Fund – The Airport Fund accounts for all revenue generated by the Town’s general aviation airport. The Town is required to spend this revenue on airport functions. The airport’s operating, maintenance, and capital expenses are supported solely by airport income.

Utility Fund – The Utility Fund provides water and sewer services to the residents and businesses of the Town. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing.

Additionally, the Town reports the following internal service funds:

Capital Replacement Fund – The Capital Replacement Fund is used to accumulate sufficient resources to replace existing capital equipment that have reached or exceeded their useful lives. Resources are acquired through charges to operating departments in the governmental funds. The charges are calculated using a straight-line amortization of each piece of equipment based upon the item’s expected life. The funds are used to finance replacement equipment when needed.

Information Technology Replacement Fund – The Information Technology Replacement Fund is used to accumulate sufficient resources to replace existing information technology systems. Resources are acquired through charges to operating departments in the governmental funds. The charges are calculated using a straight-line amortization of each component of a system based upon the component’s expected life. The funds are used to finance replacement equipment when needed.

Private-sector standards of accounting and financial reporting issued after November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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D. Assets, Liabilities, and Net Assets or Equity

1) Cash and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. To maximize investment opportunities, all funds participate in a pooling of cash and value.

Statutes authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities; obligations of the State of Texas and related agencies; obligations of state, agencies, counties, cities and other political subdivisions of any state rated A or above by Standard & Poor's Corporation or Moody's Investors Service; certificates of deposit issued by state or national banks and savings banks domiciled in Texas; fully collateralized direct repurchase agreements; prime domestic banker's acceptances (BA's); commercial paper with a stated maturity of 180 days or less and a rating of not less than A-1+ or its equivalent; and state or local government investment pools.

Investments for the Town are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The Town considers quoted market price at September 30, 2010 to be the fair value of investments. The government investment pools, TexPool and TexSTAR, operate in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of pool shares.

2) Receivables and Payables

All receivables for the Town are reported net of an allowance for uncollectibles. The allowances are based on historical collections data and evaluated periodically.

The Town's property tax lien is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the Town. Values are assessed at 100% of the estimated market value. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year. Taxes unpaid as of February 1 are subject to penalty and interest as the City Council provides by ordinance.

3) Inventories and Prepaid Items

In accordance with the consumption method of accounting, both inventories and prepaid items are recorded as expenditures when consumed rather than when purchased.

Inventories are stated at cost. Cost is determined for inventories of supplies and fuel using the moving-average method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in the government-wide and fund financial statements. The prepaid items of the Town consist primarily of prepaid software licensing agreements and postage.



**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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4) Capital Assets

Capital assets include land, buildings, equipment, and improvements. Improvements include upgrading facilities other than buildings such as streets or sewers and infrastructure, including pavement, storm sewers, and right-of-way contributed by developers. Capital expenditures are defined as purchases that meet specific guidelines as listed below:

- Expected useful life must be one year or more.
- Original unit cost of the item should be \$5,000 or greater and includes all costs enabling the item into operation, such as freight, installation, and accessories.
- The item should not be consumed, unduly altered, or materially reduced in value immediately by use.

The Land and Improvements other than Buildings categories associated with governmental activities include amounts for infrastructure. Related accumulated depreciation of Improvements other than Buildings includes amounts associated with infrastructure. Subsequently, infrastructure is tracked and reported as a separate component of general capital assets associated with governmental activities.

The internal service funds may record assets that have an original cost of \$5,000 or less as assets are considered part of an overall system. Individual items may be retired and replaced as parts of the larger system.

Contributed assets are recorded at fair market value as of the date donated. Depreciation of property, plant, and equipment by major classes is provided by the straight-line method based on the following estimated useful lives by major class of depreciable capital assets:

Buildings.....	50 years
Improvements other than Buildings.....	20-50 years
Equipment.....	3-50 years

Depreciation of current year additions and retirements is computed at one-half the straight-line rate.

Beginning in fiscal year 2001, the Town implemented GASB Statement No. 33 and recorded capital contributions to proprietary funds as revenue rather than additions to contributed capital.

5) Compensated Absences

Vacation, holiday, and sick pay costs are charged to operations when taken by the employees of the Town. In the event of termination, an employee is reimbursed for all accumulated vacation and holiday days not exceeding two years' accumulation. The amounts of such liabilities have been provided for in the government-wide financial statements. No reimbursements upon termination are made for accumulated sick leave; accordingly, no liability for unused sick leave has been provided. The Town's liability for compensated absences increased \$24,761 for a total liability of \$899,461.

6) Grants and Contributions

Included in capital grants and contributions in the government-wide financial statements are \$1,263,985 of in-kind infrastructure contributions by developers and \$1,042,353 for a traffic signalization project comprised of \$465,130 from the Texas Department of Transportation, \$381,223 from the North Central Texas Council of Governments, and \$196,000 from Dallas County. A portion of these funds were paid on a reimbursement basis upon completion of the project, and therefore the expenditures of these funds occurred in previous fiscal years. Operating grants included \$139,757 for the Community Oriented Policing Services grant and \$32,215 for the Selective Traffic Enforcement Program grant.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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7) Fund Equity

In the fund financial statements, governmental funds report reservations for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Fund balances and net assets are restricted and/or designated for the following purposes:

Reservations:

Encumbrances – A reservation that signifies fund balance is restricted for open encumbrances at September 30, 2010.

Prepaid Items and Inventories – A reservation that signifies fund balance is restricted for payments to vendors for services that will benefit periods beyond September 30, 2010.

Court Technology – A reservation that signifies fund balance is restricted for municipal court technology improvements.

Building Security – A reservation that signifies fund balance is restricted for municipal court building security improvements.

Debt Service – A reservation that signifies fund balance is restricted for the retirement of long-term debt.

Designations:

Capital Outlay – Designation of resources to fund capital outlay expenditures.

Debt Service – Funds obtained from hotel occupancy taxes designated for retirement of general long-term debt.

8) Comparative Data/Reclassification

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended September 30, 2009, from which the summarized information was derived.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

A. Budgetary Information

Budget Policy – The City Council follows these procedures in establishing the budget reflected in the financial statements:

- 1) Prior to August 1<sup>st</sup> each year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means to finance them.
- 2) Public hearings are conducted where all interested persons' comments concerning the budget are heard.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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- 3) The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.
- 4) The department level is the legal level of control enacted by the Town Charter. The Town has also adopted a budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer. Transfers between operating departments may occur with the approval of the City Manager and Chief Financial Officer provided a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors. Open encumbrances are reported as reservations of fund balance.

- 5) Budgets for the General, Special Revenue, and Debt Service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the Capital Project funds are normally established pursuant to the terms of the related bond indentures, that is, project basis.

*Budget Data* – The budget amounts presented in the statements reflect original and amended budget amounts. During the fiscal year, several budget amendments were approved by the City Council. The most notable amendments are described in the remainder of this section. In the General Fund, revenue decreased \$500,000 in sales tax for the fiscal year due to reduced consumer spending resulting from the national economic recession. However, revenues increased \$350,000 in building inspection fees due to large construction projects such as Phase I of the Methodist Hospital for Surgery and portions of the Vitruvian Park urban residential development. Three special revenue funds were created during FY2010 to account for intergovernmental revenue received from federal, state, and local entities. Budget amendments include the recognition of intergovernmental revenue previously budgeted in the General Fund (\$198,450) and the Street Capital Project Fund (\$985,130) as well as new grants made available during the year. City Council Special Projects' contractual services expenses were increased \$85,000 to accommodate economic development commitments and an additional contribution to Metrocrest Social Services. Hotel Fund revenue was decreased \$800,000 due to a reduction in hotel occupancy tax revenue caused by reduced frequency of business and personal travel, although special event revenue was increased \$400,000 as a result of higher admissions prices for events. The budget for Visitor Services was increased \$397,000 to account for make-ready costs of the new "Visit Addison" visitor and arts center. The \$440,000 replacement of an HVAC unit at the Conference Centre was postponed and therefore removed from the FY2010 budget. A portion of the costs associated with the make-ready of "Visit Addison" as well as construction costs for the Vitruvian Park development and the overhead water storage tank were delayed into FY2011 and therefore removed from the FY2010 budget. Expenditures in the Airport Fund were decreased by \$1,100,000 as the Town's local match of grants was reduced due to a delay in funding for the grant project.

*Excess of Expenditures over Appropriations* – For the year ended September 30, 2010, expenditures in the General Fund's City Council Special Projects department exceeded appropriations by \$33,585 due to additional economic development funding awarded by the City Council. Available fund balance was sufficient to provide for the excess expenditures.

Encumbrance accounting is employed in governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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**III. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The Town has five bank accounts: the Operating Account, Controlled Disbursement Account, Payroll Account, ACH/Wire Account, and Benefits Account. The Controlled Disbursements and Payroll accounts are zero-balance accounts. The ACH/Wire Account is used for all receipts and expenditures made by ACH or wire transfer. The Town uses the Operating Account as an investment pool available for all funds. Each fund type's portion of this pool is reported on the Combined Balance Sheet as "Cash and Investments." The other demand accounts are reported in the same manner.

The investment policies of the Town are governed by state statutes and an Investment Policy Ordinance adopted by the City Council. Major provisions of the Town's investment policy include: responsibility for investments, authorized investments, bank and security dealer selection and qualifying procedures, safekeeping and custodial procedures, statement of investment objectives, and investment reporting procedures.

**Cash**

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies or instrumentalities that have a market value of not less than the principal amount of the deposits. The Town's deposits were fully insured or collateralized as required by the state statutes at September 30, 2010. At year-end, the carrying amount of the Town's deposits was a credit balance of \$1,255,379 primarily consisting of outstanding checks. The respective bank balance totaled \$489,053. The general ledger account balance is negative due to the cash management policy of the Town. Under this policy, idle cash is invested until checks are presented to the Town's bank. The balance, therefore, is reflective of the timing differences of when checks were issued and presented to the bank. Of the bank balance, \$250,000 was covered by Federal Deposit Insurance. The remaining balance of \$239,053 was collateralized with securities held by the pledging financial institution's account at the Federal Reserve Bank in the Town's name.

In order to maximize interest earnings, the Town utilizes a controlled disbursement account that allows the Town to deposit only as much money needed to fund checks presented for payment each day. The amount required is withdrawn from the investment pool.

**External Investment Pools**

The Town's pool investments as of September 30, 2010 were invested in TexPool and TexSTAR (Texas Short Term Asset Reserve program).

Federated Investors is the full service provider for the TexPool program. As the provider, the responsibilities include managing the assets, providing participant services, and arranging for all custody and other functions in support of the operations under a contract with the State Comptroller of Public Accounts. JPMorgan Fleming Asset Management, Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMFAM provides investment management, fund accounting, transfer agency and custodial services, and FSAM provides administrative, marketing and participant services.

TexPool and TexSTAR are not registered with the Securities and Exchange Commission (SEC) as investment companies. TexPool and TexSTAR are investment pools that have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

The fair value of the Town's position in the external investment pool is the same as the value of the pool shares.

**Town of Addison, Texas**  
**Basic Financial Statements**

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

Investments

As of September 30, 2010, the Town held the following investments:

	<u>Fair Value</u>	<u>Average Maturity (Days)</u>
Agency Securities	\$ 17,192,325	197
Commercial Paper	7,995,210	57
Certificate of Deposit	17,075,677	200
<i>Total Investment in Securities</i>	<u>42,263,212</u>	
TexStar	6,950,496	
TexPool	6,842,655	
<i>Total Investment in Pools</i>	<u>13,793,151</u>	1
<i>Total Investments</i>	<u>\$ 56,056,363</u>	130

In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," the Town records investments at fair value. However, for investments with maturities of one year or less at time of purchase, the Town reports these investments at book value. The book value of the Town's investments at September 30, 2010 was \$56,026,145, of which \$41,633,862 had maturities of less than one year.

*Interest Rate Risk* – In accordance with its investment policy, the Town manages its exposure to declines in fair value by limiting the weighted average days to maturity of its investment portfolio to 18 months (540 days).

*Credit Risk* – The reported investments meet the criteria specified in the Town's investment policy related to the specific types of instruments presented.

- a) Debentures or discount notes with a maturity not to exceed five years from the date of purchase issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities is pledged for payment: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Banks (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). The Town's investments in bonds of U.S. Agencies were rated Aaa by Moody's Investors Service and AAA by Standard and Poor's. Principal-only and interest-only backed securities and collateralized mortgage obligations and real estate mortgage investment conduits are expressly prohibited.
  - b) Prime commercial paper with an original maturity of one hundred eighty days or less which at the time of purchase, is rated at least A-1 by Standard and Poor's, P-1 by Moodys or F1 by Fitch.
    - (1) At the time of purchase, the commercial paper must be rated by at least two (2) of the above stated ratings agencies at the above stated minimum credit rating.
    - (2) If more than two (2) of the above rated agencies rates an issuer, all the rating agencies must rate the issuer in accordance with the above stated minimum credit criteria.
    - (3) If the commercial paper issuer has senior debt\* outstanding, the senior debt must be rated by each service that publishes a rating of the issue at least:
      - A-1 by Moodys
      - A+ by Standard and Poor's
      - A+ by Fitch
- (\*Senior Debt is defined as the most senior secured or unsecured debt of an issuer with an original maturity exceeding one year)

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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If the commercial paper issuer is given a “plus (+) rating”, the maximum maturity of two hundred seventy days or less will be allowed.

- c) Time Certificates of Deposit with a maturity not to exceed three years from the date of purchase, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, in depository institutions that have a main office or a branch in the state of Texas. In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principal and interest of each CD federally insured may be purchased through a selected depository institution with its main office or branch office in Texas. This depository shall act as the custodian for the various certificates on behalf of the Town.
- d) State Investment Pools organized under the Interlocal Cooperation Act that meet the requirements of Chapter 2256 Texas Government Code and have been specifically approved by the CFO and authorized by the City Council. TexPool and TexSTAR are both currently rated AAAM by Standard and Poor's.

*Concentration of Credit Risk* – It is the Town's policy to avoid a concentration of assets in a specific maturity, a specific issue, or a specific class of securities. The applicable limits on the Town's current investments are Instrumentality Securities (70%) of which the Town's portfolio is currently at 30.6%, Commercial Paper (30%) of which the Town's portfolio is currently at 14.3%, Certificates of Deposit (30%) of which the Town's portfolio is currently at 30.5%, and Local Government Investment Pools (40%) of which the Town's portfolio is currently at 24.6%.

**B. Ad Valorem (Property) Taxes**

Property taxes attach as an enforceable lien on property as of January 1. The Town's property tax is levied on the assessed value listed as of the prior January 1 for all real and business personal property located in the Town. Assessed values are established by Dallas Central Appraisal District at 100% of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll of January 1, 2009, upon which the fiscal year 2010 levy is based, was \$3,311,049,800.

The Town is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for the year ended September 30, 2010 was \$.4960 per \$100, of which \$.3360 was allocated for general government and \$.1600 was allocated for the payment of principal and interest on general obligation and certificates of obligation long-term debt.

Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year. Taxes unpaid as of February 1 are subject to penalty and interest as the City Council provides by ordinance. Current tax collections for the year ended September 30, 2010 were 96.6% of the original tax levy. In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the Town may at its own expense require annual reviews of appraised values. The Town may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this arrangement, the Town continues to set tax rates on Town property. However, if the effective tax rate, excluding tax rates for retirement of bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the Town may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year. This legislation also provides that, if approved by the qualified voters in the Town, both the appraisal and collection functions may be placed with the appraisal district.

**Town of Addison, Texas**  
**Basic Financial Statements**

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

Taxes are recognized as revenue beginning on the date of levy when they become available. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within thirty (30) days of the fiscal year ending are recorded as deferred revenues and recognized as they become available. Taxes collected prior to the levy date to which they apply are recorded as deferred revenues and recognized as revenue of the period to which they apply. An allowance for uncollectible taxes, including principal and interest, is provided based on an analysis of historical trends. The allowance for uncollectible taxes at September 30, 2010 was \$178,810.

**C. Receivables**

As of September 30, 2010, receivables for the Town's individual major governmental funds, non-major governmental funds, and internal service funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	General	Hotel	Debt Service	Hotel Debt Service	Capital Projects	Non-Major and Internal Service Funds	Total
Taxes:							
Ad Valorem	\$ 437,584	\$ -	\$ 204,965	\$ -	\$ -	\$ -	\$ 642,549
Non-Property	1,845,293	436,982	-	-	-	-	2,282,275
Franchise Fees	521,508	-	-	-	-	-	521,508
Service Fees	3,326,717	-	-	-	-	-	3,326,717
Ambulance	504,005	-	-	-	-	-	504,005
Interest	23,698	8,399	2,433	1,771	42,601	12,726	91,628
Interfund	677,855	-	-	-	-	-	677,855
Other	-	128,578	-	-	-	697,736	826,314
Gross Receivables	<u>\$ 7,336,660</u>	<u>\$ 573,959</u>	<u>\$ 207,398</u>	<u>\$ 1,771</u>	<u>\$ 42,601</u>	<u>\$ 710,462</u>	<u>\$ 8,872,851</u>
Less: Allowance for Uncollectibles	<u>2,674,836</u>	<u>-</u>	<u>57,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,732,520</u>
Net Receivables	<u>\$ 4,661,824</u>	<u>\$ 573,959</u>	<u>\$ 149,714</u>	<u>\$ 1,771</u>	<u>\$ 42,601</u>	<u>\$ 710,462</u>	<u>\$ 6,140,331</u>

The allowance for uncollectible accounts represents reserves for ambulance (\$264,616), court warrants (\$2,289,094), and property taxes (\$178,810).

**Town of Addison, Texas**  
**Basic Financial Statements**

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

**D. Capital Assets**

Capital Asset activity for the year ended September 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, not Depreciable:					
Land	\$ 65,024,009	\$ 760,114	\$ -	\$ -	\$ 65,784,123
Construction in Progress	6,833,638	11,159,415	-	(55,488)	17,937,565
<i>Total Capital Assets, not Depreciable</i>	<u>71,857,647</u>	<u>11,919,529</u>	<u>-</u>	<u>(55,488)</u>	<u>83,721,688</u>
Capital Assets, Depreciable:					
Buildings	21,409,464	-	-	-	21,409,464
Improvements other than Buildings	126,177,539	254,600	-	55,488	126,487,627
Machinery and Equipment	17,872,695	855,486	(4,808,407)	-	13,919,774
<i>Total Capital Assets, Depreciable</i>	<u>165,459,698</u>	<u>1,110,086</u>	<u>(4,808,407)</u>	<u>55,488</u>	<u>161,816,865</u>
Less Accumulated Depreciation for:					
Buildings	(8,652,027)	(557,088)	-	-	(9,209,115)
Improvements other than Buildings	(63,860,093)	(4,024,981)	-	-	(67,885,074)
Machinery and Equipment	(13,532,120)	(1,077,938)	4,801,700	-	(9,808,358)
<i>Total Accumulated Depreciation</i>	<u>(86,044,240)</u>	<u>(5,660,007)</u>	<u>4,801,700</u>	<u>-</u>	<u>(86,902,547)</u>
<i>Total Capital Assets, Depreciable, net</i>	<u>79,415,458</u>	<u>(4,549,921)</u>	<u>(6,707)</u>	<u>55,488</u>	<u>74,914,318</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 151,273,105</u>	<u>\$ 7,369,608</u>	<u>\$ (6,707)</u>	<u>\$ -</u>	<u>\$ 158,636,006</u>
<b>Business-type Activities:</b>					
Capital Assets, not Depreciable:					
Land	\$ 10,223,421	\$ -	\$ -	\$ -	\$ 10,223,421
Construction in Progress	2,381,711	594,517	-	(444,884)	2,531,344
<i>Total Capital Assets, not Depreciable</i>	<u>12,605,132</u>	<u>594,517</u>	<u>-</u>	<u>(444,884)</u>	<u>12,754,765</u>
Capital Assets, Depreciable:					
Buildings	3,114,952	-	-	-	3,114,952
Improvements other than Buildings	63,124,551	973,423	-	444,884	64,542,858
Machinery and Equipment	3,122,447	89,350	-	-	3,211,797
<i>Total Capital Assets, Depreciable</i>	<u>69,361,950</u>	<u>1,062,773</u>	<u>-</u>	<u>444,884</u>	<u>70,869,607</u>
Less Accumulated Depreciation for:					
Buildings	(1,522,090)	(62,298)	-	-	(1,584,388)
Improvements other than Buildings	(29,887,827)	(1,870,232)	-	-	(31,758,059)
Machinery and Equipment	(2,142,614)	(190,167)	-	-	(2,332,781)
<i>Total Accumulated Depreciation</i>	<u>(33,552,531)</u>	<u>(2,122,697)</u>	<u>-</u>	<u>-</u>	<u>(35,675,228)</u>
<i>Total Capital Assets, Depreciable, net</i>	<u>35,809,419</u>	<u>(1,059,924)</u>	<u>-</u>	<u>444,884</u>	<u>35,194,379</u>
<i>Business-type Activities Capital Assets, net</i>	<u>\$ 48,414,551</u>	<u>\$ (465,407)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,949,144</u>



**Town of Addison, Texas**  
**Basic Financial Statements**

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

Depreciation expense was charged to departments of the Town as follows:

	Governmental Activities	Business-type Activities
General Government	\$ 307,599	\$ -
Public Safety	722,615	-
Development Services	21,806	-
Streets	3,283,628	-
Parks and Recreation	755,568	-
Visitor Services	568,791	-
Airport Fund	-	1,041,531
Utility Fund	-	1,081,166
	<u>\$ 5,660,007</u>	<u>\$ 2,122,697</u>

The following tabulation presents the estimated significant commitment under unfinished capital construction contracts that are fully funded as of September 30, 2010:

Project	Estimated Commitments	Less Expenditures to Date	Total Unfinished Commitments
Governmental Activities			
Belt Line Streetscape	\$ 1,600,000	\$ 959,665	\$ 640,335
UDR Infrastructure – Phase 1	21,900,000	13,146,423	8,753,577
Town-wide Signal Upgrade	1,300,000	1,285,796	14,204
Spring Valley Intersection Improvements	3,000,000	1,022,814	1,977,186
	<u>27,800,000</u>	<u>16,414,698</u>	<u>11,385,302</u>
Business-type Activities			
UDR Infrastructure – Water/Sewer	1,378,000	1,344,104	33,896
Elevated Water Storage Tank	5,000,000	376,260	4,623,740
	<u>6,378,000</u>	<u>1,720,364</u>	<u>4,657,636</u>
	<u>\$ 34,178,000</u>	<u>\$ 18,135,062</u>	<u>\$ 16,042,938</u>

**E. Interlocal Sanitary Sewer Interceptor Agreement**

The Town is party to an interlocal agreement, which establishes a non-profit water supply corporation (North Dallas County Water Supply Corporation) for the purpose of constructing, maintaining, and operating a joint sanitary sewer interceptor with the City of Farmers Branch. The non-profit water supply corporation is governed by a six-member board composed of three appointees from each entity. The Town was obligated for construction costs of the project in proportion to its percentage of allocated flows for each specific portion of the project as set forth in the agreement. The Town is also obligated to pay 55% of all general overhead costs. Operating and maintenance costs since the project became operational shall be paid in accordance with respective percentages of allocated flows as set forth in the agreement.

The Town's net investment and its share of general overhead expenses are reported in the Town's Utility Fund (an enterprise fund). The Town's equity interest in the North Dallas County Water Supply Corporation of \$7,293,066, net of \$5,455,000 of related debt, is included in Unrestricted Net Assets. Complete financial statements for the North Dallas County Water Supply Corporation can be obtained from Charles Cox, Secretary/Treasurer, North Dallas County Water Supply Corporation, 13000 William Dodson Parkway, Farmers Branch, Texas.

**Town of Addison, Texas**  
**Basic Financial Statements**

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

**F. Long-Term Debt**

The long-term debt of the Town consisted of the following as of September 30, 2010:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b>General Obligation Refunding Bonds Series of 2001</b>		
A series of 3,213 bonds at \$5,000 each, dated August 15, 2001. The bonds were issued to refund a portion of the Town's outstanding Combination Tax and Revenue Certificates of Obligation, Series 1993; General Obligation Bonds, Series 1995; and Combination Tax and Revenue Certificates of Obligation, Series 1997; for interest savings, and costs of issuance associated with the sale of the bonds. The bonds mature serially through 2013 with interest rates ranging from 4.0% to 4.35%. The bonds are callable at par plus accrued interest on or after February 15, 2011. Bonds and interest are payable from Ad Valorem taxes. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"; FGIC Insured	1,905,000	2,305,000
<b>General Obligation Refunding and Improvement Bonds Series of 2002</b>		
A series of 5,075 bonds at \$5,000 each dated September 15, 2002. The bonds were issued to fund various public improvements, refund the Town's outstanding Combination Tax and Revenue Certificates of Obligation, Series 1993; and Waterworks and Sewer Revenue Refunding Bonds, Series 1993; and costs of issuance associated with the sale of the bonds. The bonds mature serially through 2017 with interest rates ranging from 2.0% to 5.0%. The bonds are callable at par plus accrued interest on or after August 15, 2012 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from Ad Valorem taxes. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"; FGIC Insured	7,970,000	5,455,000
<b>Combination Tax and Revenue Certificates of Obligation Series of 2003</b>		
A series of 1,600 bonds at \$5,000 each dated June 1, 2003. The bonds were issued for the purpose of additions and improvements to the Addison Conference Center facilities and to pay costs associated with the issuance of the bonds. The bonds mature serially through 2018 with interest rates ranging from 3.0% to 3.75%. The bonds are callable at par plus accrued interest on or after February 15, 2014 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from a combination of Ad Valorem taxes and hotel occupancy taxes. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"; AMBAC Insured	5,055,000	
<b>General Obligation Bonds Series of 2004</b>		
A series of 2,139 bonds at \$5,000 each dated August 15, 2004. The bonds were issued for the purpose of constructing an extension of Arapaho Road from Addison Road to Surveyor Road including construction of a bridge over Midway Road with related pedestrian walkways, for resurfacing Belt Line Road and for engineering and design of improvements to the Belt Line Road/Dallas Parkway intersection, and to pay costs associated with the issuance of the bonds. The bonds mature serially through 2018 with interest rates ranging from 3.5% to 4.5%. The bonds are callable at par plus accrued interest on or after February 15, 2015 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from Ad Valorem taxes. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"; FSA Insured	7,275,000	

**Town of Addison, Texas**  
**Basic Financial Statements**

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
<b>Combination Tax and Revenue Certificates of Obligation</b>		
<b>Series of 2004</b>		
<p>A series of 880 bonds at \$5,000 each dated November 15, 2004. The bonds were issued for the purpose of constructing improvements to and expanding the Addison Airport including improvements to runways, taxiways, lighting, drainage systems and facilities, the construction, design and engineering of a fuel farm, and to pay costs associated with the issuance of the certificates. The bonds mature serially through 2020 with interest rates ranging from 3.5% to 4.25%. The bonds are callable at par plus accrued interest on or after February 15, 2015 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from Ad Valorem taxes.</p>		
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		3,225,000
<b>General Obligation Refunding and Improvement Bonds</b>		
<b>Series of 2005</b>		
<p>A series of 1,571 bonds at \$5,000 each dated November 1, 2005. The bonds were issued to fund various public improvement projects up to \$1,500,000 to include engineering and other professional services, refund the Town's outstanding General Obligation Bonds, Series 1995; Combination Tax and Revenue Certificates of Obligation, Series 1997; \$4,335,000 of General Obligation Bonds, Series 2000; and costs of issuance associated with the sale of the bonds. The bonds mature serially through 2021 with interest rates ranging from 3.5% to 4.0%. The bonds are callable at par plus accrued interest on or after February 15, 2013 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from Ad Valorem taxes.</p>		
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"; AMBAC Insured	5,625,000	
<b>Combination Tax and Revenue Certificates of Obligation</b>		
<b>Series of 2008</b>		
<p>A series of 6,900 bonds at \$5,000 each dated May 1, 2008. The bonds were issued for the purpose of constructing improvements to (i) water, sewer, drainage, park and streets including sidewalks, street lighting, landscaping, extensions and relocations, and acquisition of land and rights-of-way; (ii) acquisition and construction of a water tower; (iii) acquisition of land for street and other municipal purposes (collectively with items (i) and (ii)); and (iv) payment of professional services of attorneys, financial advisors and other professionals in connection with the issuance of the certificates. The bonds mature serially through 2033 with interest rates ranging from 4% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2018 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from a combination of Ad Valorem taxes and a limited pledge (not to exceed \$1,000) of surplus net revenues of the Town's Utility Fund.</p>		
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	<u>28,062,380</u>	<u>6,242,620</u>
<b>Total Long-Term Debt Outstanding</b>	<u>\$ 55,892,380</u>	<u>\$ 17,227,620</u>

**Town of Addison, Texas**  
**Basic Financial Statements**

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

Changes in Long-Term Liabilities

A summary of long-term liability activity for the year ended September 30, 2010 was as follows (in thousands of dollars):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Funds:</b>					
General Obligation Bonds	\$ 26,495	\$ -	\$ (3,720)	\$ 22,775	\$ 3,200
Premium on General Obligation Refunding Bonds	158	-	(84)	74	15
Deferred Loss on Refunding Amount on G.O. Bonds	(289)	-	226	(63)	(18)
Certificates of Obligation	33,767	-	(650)	33,117	674
Premium on Certificates of Obligation	26	-	(1)	25	1
Compensated Absences	875	1,120	(1,096)	899	899
Net OPEB Obligation	232	232	-	464	-
Long-Term Liabilities – Governmental Activities	<u>\$ 61,264</u>	<u>\$ 1,352</u>	<u>\$ (5,325)</u>	<u>\$ 57,291</u>	<u>\$ 4,771</u>
<b>Proprietary Funds:</b>					
General Obligation Bonds	\$ 9,950	\$ -	\$ (2,190)	\$ 7,760	\$ 2,485
<i>(Payable from utility system revenues)</i>					
Premium on General Obligation Refunding Bonds	33	-	(17)	16	16
Discount on General Obligation Refunding Bonds	(49)	-	7	(42)	(7)
Deferred Loss on Refunding Amount on G.O. Bonds	(146)	-	43	(103)	(42)
Combination Tax and Revenue Certificates of Obligation	3,480	-	(255)	3,225	265
<i>(Payable from levy of Ad Valorem tax)</i>					
Combination Tax and Revenue Certificates of Obligation	6,268	-	(25)	6,243	27
<i>(Payable from utility system revenues)</i>					
Premium on Combination Tax and Revenue C.O.	6	-	-	6	1
Long-Term Liabilities – Business-type Activities	<u>\$ 19,542</u>	<u>\$ -</u>	<u>\$ (2,437)</u>	<u>\$ 17,105</u>	<u>\$ 2,745</u>

The Town intends to retire all of its general obligation bonds (other than those recorded in the enterprise funds), plus interest, from future Ad Valorem tax levies, interest income, and transfers from other funds. The Town is required by ordinance to create from such tax revenues a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due. There is \$1,126,069 available in the General Obligation Debt Service Fund to service the general obligation bonds.

Proprietary fund-type debt is to be repaid from net revenues of the enterprise funds and is, accordingly, recorded as enterprise fund debt.

There are a number of limitations and restrictions contained in the various general obligations, certificates of obligation, and revenue bond indentures. The Town is in compliance with all significant limitations and restrictions at September 30, 2010.

For the governmental activities, compensated absences are generally liquidated in the General Fund and Hotel Fund.

**Town of Addison, Texas**  
**Basic Financial Statements**

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

The debt service requirements on the aforementioned bonded debt are as follows:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
General Obligation Bonds:				
2011	\$ 3,200,000	\$ 868,723	\$ 2,485,000	\$ 248,644
2012	3,330,000	748,141	2,590,000	142,656
2013	3,455,000	622,608	2,685,000	48,666
2014-2018	11,450,000	1,384,488	-	-
2019-2021	1,340,000	44,612	-	-
	<u>\$ 22,775,000</u>	<u>\$ 3,668,572</u>	<u>\$ 7,760,000</u>	<u>\$ 439,966</u>
Certificates of Obligation:				
2011	\$ 673,610	\$ 1,407,802	\$ 291,390	\$ 401,508
2012	1,213,040	1,375,000	416,960	388,003
2013	1,265,760	1,329,068	439,240	370,879
2014-2018	8,254,360	5,760,812	2,730,640	1,543,173
2019-2023	6,200,440	4,298,191	2,139,560	988,861
2024-2033	15,510,170	3,677,861	3,449,830	818,302
	<u>\$ 33,117,380</u>	<u>\$ 17,848,734</u>	<u>\$ 9,467,620</u>	<u>\$ 4,510,726</u>

**G. Property Under Operating Leases**

The Town leases land with a book value of \$63,560 to tenants under non-cancelable lease agreements. The following is a schedule by year of minimum lease rental receipts as of September 30, 2010.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Thereafter</u>	<u>Total</u>
\$ 146,500	\$ 156,667	\$ 137,500	\$120,000	\$320,000	\$ 880,667

**H. Interfund Receivables, Payables, and Transfers**

A summary of interfund receivables and payables at September 30, 2010 is as follows:

	<u>Interfund Receivables:</u>	
<u>Interfund Payables:</u>	<u>General Fund</u>	
Reimbursement Grant Fund	\$ 627,874	Loan for grant expenditures, reimbursement expected in subsequent year
ARRA Grant Fund	49,981	Loan for grant expenditures, reimbursement expected in subsequent year
Total	<u>\$ 677,855</u>	

Transfers between funds during the year ended September 30, 2010 were comprised of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose of Transfer</u>
Reimbursement Grant Fund	\$ -	\$ 462,564	Grant reimbursement of Capital Project Fund expense
Street Capital Projects Fund	462,564	-	Grant reimbursement of Capital Project Fund expense
Reimbursement Grant Fund	-	1,263	Grant reimbursement of General Fund expense
General Fund	1,263	-	Grant reimbursement of General Fund expense
General Fund	-	1,000,000	For payment of debt service
G.O. Debt Service Fund	1,000,000	-	For payment of debt service
Hotel Fund	-	670,000	For payment of debt service
Hotel Debt Service Fund	670,000	-	For payment of debt service
<i>Total Transfers</i>	<u>\$ 2,133,827</u>	<u>\$ 2,133,827</u>	

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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**IV. OTHER INFORMATION**

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the Town maintained workers compensation, general liability and property coverage through the Texas Municipal League Intergovernmental Risk Pool (TMLIRP). The Town pays an annual premium to TMLIRP for such coverage. TMLIRP purchases reinsurance, and the Town does not retain risks of loss exceeding deductibles. The Town's general liability coverage is \$5,000,000 and \$10,000,000 in the aggregate. Settled claims have not exceeded insurance coverage.

Prior to the 2001 fiscal year, the Town participated in a retained-risk program with TMLIRP under which the Town assumed the risk of paying for all individual claims with a specific stop-loss of \$175,000 and an annual aggregate stop-loss of \$525,000. Outstanding claims associated with the risk retention program are accounted for in the General Fund and are recorded as Accounts Payable. During fiscal year 2008, the one remaining claim met the stop-loss of \$175,000, and the Town has no future liability for this claim.

The Town offers health benefits through one of two plans operated by Blue Cross Blue Shield. Employees may choose either an HMO (health maintenance organization) plan or a PPO (preferred provider organization) plan. The Town also offers a dental plan through Delta Dental. The HMO, PPO, and dental plans are funded by joint contributions from the employees and the Town and are accounted for in the respective operating funds. The Blue Cross and Delta Dental plans are fully insured contracts. Monthly premiums paid to Blue Cross and Delta Dental are based upon fixed employee and dependent rates that are established each year.

B. Employee's Retirement System

1) Pension Plan

Plan Description

The Town provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 833 administered by TMRS, an agent multiple-employer public employee retirement system. Each of the municipalities has an annual individual actuarial valuation performed. All assumptions for the December 31, 2009 valuations are contained in the 2009 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. The report is also available on the System's web site at: <http://www.tMrs.org/publications.php>

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the Town-financed monetary credits, with interest. At the date the plan began, the Town granted monetary credits for services rendered before the plan began based on a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200 percent of the employee's accumulated contributions. Beginning in 1994, the Town adopted on an annually repeating basis another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and Town matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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purchase an annuity. Also in 1994, the Town adopted annually repeating annuity increases for its retirees equal to 70% of the change in the consumer price index.

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Members can retire at certain ages, based on the years of service with the Town. The service retirement eligibilities for the Town are: 5 years/age 60, 20 years/any age. Plan provisions for the Town are as follows:

Deposit Rate:	7%
Matching Ratio (Town to Employee):	2 to 1
A member is vested after:	5 years

Funding Policy

Under the state law governing TMRS, the actuary annually determines the Town contribution rate on a calendar year basis. The rate for calendar year 2009 is 14.13%, and the rate for 2010 is 14.35%. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the Town matching percent, which are the obligation of the Town as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the Town to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (over-funded) actuarial liability (asset) over the remainder of the plan's amortization period. Both the employees and the Town make contributions monthly. Since the Town needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2009 valuation is effective for rates beginning January 2011).

Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost of \$2,238,741 was equal to the required contribution. As reflected in the schedule, the Town satisfied its requirements for all three years; therefore there is no net pension obligation. The analysis of funding progress, included as required supplementary information following the notes to the financial statements, presents multiyear trend information about the actuarial value of plan assets in relation to the actuarial accrued liability for benefits.

	Fiscal Year Ending September 30		
	2008	2009	2010
Annual Pension Cost	\$ 2,123,822	\$ 2,240,980	\$ 2,238,741
Contributions Made	2,123,822	2,240,980	2,238,741
Net Pension Obligation (NPO) at End of Year	\$ -	\$ -	\$ -
Contributions as a % of Annual Pension Cost	100%	100%	100%

Funding Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the plan was 81.4% funded. The actuarial accrued liability for benefits was \$65,266,945, and the actuarial value of assets was \$53,138,426, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,128,519. The covered payroll (annual payroll of active employees covered by the plan as of the valuation date) was \$16,810,483, and the ratio of the UAAL to the covered payroll was 72.8%.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

Changes in Actuarial and Amortization Methods

Since its inception, TMRS used the traditional Unit Credit actuarial funding method. This method accounted for the liability accrued as of the valuation date but did not project the potential future liability of provisions adopted by a city. The Town, as well as the majority of cities participating in TMRS, had adopted the Updated Service Credit and Annuity Increases provisions on an annually repeating basis. These provisions are considered to be "committed" benefits (or likely to be guaranteed); as such, at its December 8, 2007 meeting, the TMRS Board adopted the Projected Unit Credit (PUC) actuarial funding method, which facilitates advance funding for future updated service credits and annuity increases that are adopted on an annually repeating basis. For the December 31, 2007 valuation and subsequent annual valuations, the TMRS Board determined that the PUC method would be used.

In addition to the change in funding methods, the Board also adopted a change in the amortization period from a 25-year "open" to a 25-year "closed" period. TMRS Board of Trustee rules provide that, whenever a change in actuarial assumptions or methods results in a contribution rate increase in an amount greater than 0.5%, the amortization period may be increased up to 30 years unless a city requests that the period remain at 25 years. For cities with repeating features, these changes will likely result in higher required contributions and lower funded ratios. To assist in this transition to higher rates, the Board also approved an optional eight-year phase-in period, which would allow cities the opportunity to increase their contributions gradually to their full, or required contribution, rate.

At its December 30, 2008 meeting, the City Council decided to withdraw the automatic repeating annuity increases to retirees, electing to approve these benefits on an ad hoc, or annual, basis in order to reduce the required contribution rate and improve funded status. The City Council approved annuity increases for calendar year 2010 at its December 8, 2009 meeting.

	2007	2008	2009
Actuarial Assumptions:			
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	30 Yrs - Closed	29 Yrs - Closed	28 Yrs - Closed
Asset Valuation Method	Amortized Cost	Amortized Cost	10-Year Smoothed Market
Investment Rate of Return	7.0%	7.5%	7.5%
Inflation	3%	3%	3%
Projected Salary Increases	Varies by Age and Service	Varies by Age and Service	Varies by Age and Service
Cost-of-Living Adjustments	2.1%	2.1%	2.1%



**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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2) Postemployment Benefits

Plan Description

In addition to the pension benefits described above, as required by state law and defined by Town Policy, the Town makes available health care benefits to all employees who retire from the Town and who are receiving benefits from a Town-sponsored retirement program (Texas Municipal Retirement System and/or a Section 457 Deferred Compensation Plan) through a single-employer defined benefit healthcare plan. This healthcare plan provides lifetime insurance, or until age 65 if eligible for Medicare, to eligible retirees, their spouses and dependents through the Town's group health insurance plan, which covers both active and retired members. Current retirees in the health plan and active employees with 20 years or more of service or at age 60 or more with five years or more of service at retirement are eligible to remain in the health plan at the total blended contribution rate for active and retiree participants. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report. Benefit provisions for retirees are not mandated by any form of employment agreement. The continued provision of these benefits is based entirely on the discretion of the Town of Addison City Council.

Funding Policy

Before age 65, the Town will pay a \$150 monthly stipend toward the retiree's healthcare premium if the retiring employee meets the eligibility criteria at the time of termination and elects coverage in the health plan. For members who retire after 65 or were eligible for the \$150 stipend before age 65, the Town will pay a \$75 monthly stipend directly to the retiree. Current retirees contribute to the health plan the total blended premium for active and retired participants, less the \$150 stipend provided by the Town. The Town contribution to the health plan consists of total premiums in excess of retiree contributions. Retirees receiving medical benefits during fiscal year 2010 contribute \$455 to \$1,823 per month depending on coverage levels selected. In fiscal year 2010, total retiree contributions were \$70,636. The Town contributions to the plan for fiscal year 2010, which are also equal to premiums paid in excess of premiums collected from retirees, were \$22,125.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other postemployment benefit (OPEB) cost (expense) for the health plan is calculated based on the annual required contribution (ARC) of the Town, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The Town of Addison utilized the actuarial services of Gabriel, Roeder, Smith & Company (GRS), a company who has been providing actuarial consulting services since 1938, under the shared services arrangement provided by GRS and North Central Texas Council of Governments. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and the net OPEB obligation for 2010.

Annual Required Contribution	\$ 254,772
Contributions Made	<u>22,125</u>
Change in OPEB Obligation	232,647
Net OPEB Obligation (Asset) – Beginning of Year	<u>231,822</u>
Net OPEB Obligation (Asset) – End of Year	<u>\$ 464,469</u>

**Town of Addison, Texas**  
**Basic Financial Statements**

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2010 were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Costs</u>	<u>Actual Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 254,772	\$ 22,950	9.0%	\$ 231,822
2010	254,772	22,125	8.7%	232,647

Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$2,749,111, none of which is funded. The covered payroll (annual payroll of active employees covered by the plan) was \$15,764,082, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 17.44%. Of the total actuarial accrued liability, \$2,086,661, or 76%, comprises the implied subsidy of health care for current retirees and active employees upon retirement. As noted previously, qualified retirees pay the blended cost of their health coverage, less the \$150 monthly stipend. However, GASB 45 requires governments to report the "implicit rate subsidy" that is provided to retirees who remain with the health plan provided to employees. It is assumed by actuaries that the cost of health care increases with the age of the covered employee or retiree. Since the Town's health plan includes a blended rate that is the same for active employees and retirees, actuaries must estimate the amount the Town is subsidizing for retirees to pay the blended health plan premiums. For example, the actuarial estimated monthly cost for a 40 year old male employee's health care benefit is \$345.80. The estimate for a male employee or retiree who is 60 years old is \$1,043.69. The difference in these costs not covered by the health plan premium is considered to be the "implicit rate subsidy."

Actuarial values of the program involve estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the trend of healthcare costs. Amounts determined regarding the funded status of the program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The analysis of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As the Town chose to not establish an irrevocable trust, plan assets will always be reported under GASB Statement 45 as zero. Because the majority of the actuarial accrued liability is the "implicit rate subsidy" of retiree blended health plan premiums, the Town believes that its actual health plan postemployment benefit will not significantly grow over time and will continue to fund these benefits on a pay-as-you-go method. Changes to how future healthcare benefits are funded on a national basis may cause the Town to reexamine this funding method.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008 actuarial valuation, the most recent valuation, the Projected Unit Credit Cost Method was used. The actuarial assumptions include a 4.5% investment rate of return (compounded annually net after investment expenses) and an annual healthcare cost trend of 9%, reduced by decrements to an ultimate rate of 4.5% after 10 years. Both rates include a 3% inflation assumption. The Town's unfunded actuarial accrued

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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liability is being amortized as a level percent of active member payroll over a closed period. The remaining amortization period at December 31, 2008 was 30 years.

C. Contingencies

Through-the-Fence Airport Access

A lawsuit was filed to challenge the Town's ordinance that establishes a license fee for through-the-fence users to access the airport. The Town maintains that the Plaintiffs are using the taxi's runways and common areas of the airport and are required to help support the airport as the on-airport users do. The plaintiffs challenged the methodology of the fees established in the ordinance, and they claim the fees are too high.

The case was tried in July 2005, and the court entered an adverse judgment against the Town. The parties entered into a Compromise Settlement Agreement in June 2007, and the Dallas Court of Appeals granted the parties' joint motion to vacate judgment and dismiss cause pursuant to settlement. In July 2007 the Town paid \$218,000 to settle the lawsuit.

The case for one remaining lawsuit was tried in March 2007, and the court entered a final judgment in favor of the Town in November. The Plaintiff filed a motion with the court in December 2007 for a new trial. On January 7, 2009, oral argument in the case was heard by the 5<sup>th</sup> Court of Appeals in Dallas. A Final Judgment After Remand was signed on November 5, 2009. All matters in this case have now been finalized and completed.

Addison Airport Fuel Farm

A lawsuit was filed seeking compensation from the Town regarding work performed on the Bulk Fuel Storage Facility at the Addison Airport. The Plaintiff is suing to recover compensation in connection with the construction. The Town maintains that the work performed did not meet expected operational standards and that compensation sought was in excess of the contract amount. Plaintiff filed suit against the Town on January 15, 2008. The engineering company that designed the fueling facility, Washington Group International, Inc., and its subcontractor, Burns & McDonnell Engineering Company, Inc., have been named as third-party defendants in the case.

In August 2008, the Town filed a plea to the jurisdiction, and a hearing was held on the plea on December 10, 2008. By Order signed December 11, 2008, the Court denied the plea to the jurisdiction. The Town has appealed the Court's denial of the plea. A portion of the Plaintiff's claims have been dismissed, leaving a breach of contract claim. On March 18, 2010, the Court signed an Agreed Order of Dismissal with Prejudice, dismissing all claims asserted by the parties in the case. The case has been completed.

As of September 30, 2010, other litigation is pending with respect to matters arising in the normal course of the Town's operations. The Town's management is of the opinion that the settlement of the other pending litigation will not have a material adverse effect on the Town's financial statements.

D. Keller Springs Tollway

In 1999, the North Texas Tollway Authority completed a toll tunnel that connects Midway Road and the North Dallas Tollway. The project benefits the Town by diverting traffic from Belt Line Road, which is at capacity. The project's cost was approximately \$25 million which will be funded by revenue bonds issued by the Authority. Through an agreement with the Authority, the Town has pledged to be a guarantor of the debt service associated with approximately \$2.5 million of the revenue bonds in the event the authority defaults on the bonds. Because the Authority is an extremely viable state agency, the likelihood of a default is negligible.

**Town of Addison, Texas**  
**Basic Financial Statements**

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

E. Statement of Working Capital

Statements of Working Capital for proprietary funds for the year ended September 30, 2010 are below. Working capital, which is equal to current assets less current liabilities, is similar to fund balance and is useful for assessing the near-term financing situation of proprietary funds.

SUMMARY OF CHANGES IN WORKING CAPITAL FOR PROPRIETARY FUNDS

	<u>2010</u>	<u>2009</u>
<u>AIRPORT FUND</u>		
Net Income (Excluding Depreciation)	\$ 1,257,826	\$ 1,494,641
Net Additions to Capital Assets	(49,752)	(1,022,975)
Net Retirement of Long-Term Debt	(255,000)	(245,000)
Net Increase/(Decrease) of Restricted Assets	(10,000)	(10,000)
Net Increase/(Decrease) in Other	2,325	2,324
Working Capital at the Beginning of the Year	<u>1,179,004</u>	<u>960,014</u>
Working Capital at the End of the Year	<u>\$ 2,124,403</u>	<u>\$ 1,179,004</u>
<u>UTILITY FUND</u>		
Net Income (Excluding Depreciation)	\$ 2,381,875	\$ 2,604,739
Net Additions to Capital Assets	(1,607,539)	(2,116,872)
Net Retirement of Long-Term Debt	(2,182,932)	(2,087,352)
Net Increase/(Decrease) of Restricted Assets	(295,910)	(95,890)
Net Increase/(Decrease) in Other	85,161	82,369
Working Capital at the Beginning of the Year	<u>7,470,567</u>	<u>9,083,573</u>
Working Capital at the End of the Year	<u>\$ 5,851,222</u>	<u>\$ 7,470,567</u>
<u>CAPITAL REPLACEMENT FUND</u>		
Net Income (Excluding Depreciation)	\$ 79,343	\$ 722,718
Net Additions to Capital Assets	(702,353)	(276,283)
Working Capital at the Beginning of the Year	<u>3,830,571</u>	<u>3,384,136</u>
Working Capital at the End of the Year	<u>\$ 3,207,561</u>	<u>\$ 3,830,571</u>
<u>INFORMATION TECHNOLOGY REPLACEMENT FUND</u>		
Net Income (Excluding Depreciation)	\$ 7,189	\$ 499,617
Net Additions to Capital Assets	(75,780)	(1,147,761)
Working Capital at the Beginning of the Year	<u>2,148,571</u>	<u>2,796,715</u>
Working Capital at the End of the Year	<u>\$ 2,079,980</u>	<u>\$ 2,148,571</u>

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2010

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F. New Accounting Pronouncements

The Town implemented GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions," beginning with fiscal year 2009. This statement requires an actuarial valuation of a government's postemployment benefits so that the expense of these benefits is recorded over an employee's working career rather than when the benefits are paid long after an employee retires. For most entities, including the Town, the actuarial required contribution in compliance with GASB Statement 45 represents a substantial increase over the pay-as-you-go amount previously recorded in the financial statements. See Note B, 2, of this section for information on the Town's implementation of this statement.

The GASB has issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The Town is not affected by this statement at this time.

The GASB has issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." This Statement establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments. The requirements of this new Statement are effective for financial statements for periods beginning after June 15, 2009. The Town is not affected by this statement at this time.

The GASB has issued Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies." This Statement establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The Town is not affected by this statement at this time.

The logo for the Town of Addison, Texas, featuring the word "Addison!" in a bold, black, cursive script font. A registered trademark symbol (®) is located at the end of the word.

## Required Supplementary Information

**Town of Addison, Texas**  
**Required Supplementary Information**

**REQUIRED SUPPLEMENTARY INFORMATION**  
Texas Municipal Retirement System  
Analysis of Funding Progress (Unaudited)  
September 30, 2010

	(1)	(2)	(3) = (1)/(2)	(4) = (2) - (1)	(5)	(6) = (4)/(5)			
Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded	Unfunded Actuarial Accrued Liability (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Contributions	Actual Contributions
2005	12/31/04	\$ 43,276,488	\$ 52,145,929	82.99%	\$ 8,869,441	\$ 13,021,715	68.11%	\$ 1,872,450	\$ 1,872,450
2006	12/31/05	44,500,440	54,187,138	82.12%	9,686,698	13,330,709	72.66%	1,885,203	1,885,203
2007	12/31/06	45,023,526	55,786,598	80.71%	10,763,072	13,753,045	78.26%	1,884,965	1,884,965
2008	12/31/07	44,895,953	57,197,193	78.49%	12,301,240	14,455,362	85.10%	1,974,491	1,974,491 *
2008	12/31/07	44,895,953	67,325,269	66.69%	22,429,316	14,455,362	155.16%	1,974,491	1,974,491 *
2009	12/31/08	48,391,009	59,542,189	81.27%	11,151,180	16,237,145	68.68%	2,123,822	2,123,822
2010	12/31/09	53,138,426	65,266,945	81.42%	12,128,519	16,810,483	72.15%	2,240,980	2,240,980

Six-year historical trend information is designed to provide information about the fund's progress made in accumulating sufficient assets to pay benefits when due for plan years 2005-2010. This information can be referred to in separately issued financial reports of the pension fund.

\* For fiscal year 2008, the Town has presented two lines of information. Please see the Notes section of the CAFR for a brief explanation of the actuarial changes adopted by TMRS in calculating the Actuarial Accrued Liability (AAL). These changes became effective with the reporting period ending December 31, 2007. The first 2008 line presents the Actuarial Accrued Liability (AAL) using the old TMRS actuarial assumptions. The second 2008 line presents the Actuarial Accrued Liability (AAL) using the new TMRS actuarial assumptions.



**Town of Addison, Texas**  
**Required Supplementary Information**

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**REQUIRED SUPPLEMENTARY INFORMATION**  
 Retiree Health Plan  
 Analysis of Funding Progress (Unaudited)  
 September 30, 2010

		(1)	(2)		(3) = (2) - (1)	(4)	(5) = (3)/(4)
Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2009	12/31/08	\$ -	\$2,749,111	0.00%	\$2,749,111	\$15,764,082	17.44%

**Note:** Fiscal year 2009 was the first year the Town implemented GASB Statement No. 45. Only one actuarial valuation study has been performed, with the next valuation scheduled for fiscal year 2011.

Addison!®

# Major Governmental Funds

Addison!®

## GENERAL FUND

The **General Fund** is used to account for resources traditionally associated with the government which are not required legally or by sound financial management to be accounted for in another fund.

Addison!®

**Town of Addison, Texas**  
**Major Governmental Funds - General Fund**

**General Fund**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	2010	2009
<b>ASSETS:</b>		
Cash and Investments	\$ 10,869,858	\$ 11,402,681
Receivables:		
Ad Valorem Taxes, Including Interest and Penalties	316,458	329,011
Non-Property Taxes	1,845,293	1,751,152
Franchise Fees	521,508	596,891
Service Fees	1,037,623	1,027,833
Ambulance	239,389	157,155
Interest	23,698	48,291
Interfund	677,855	-
Other	-	3,447
Prepaid Items	41,600	299,789
Inventories, at Cost	106,540	94,535
<i>Total Assets</i>	\$ 15,679,822	\$ 15,710,785
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 1,855,955	\$ 1,941,983
Deferred Revenue	2,872,264	2,899,521
Intergovernmental Payable	93,026	215,789
Customer Deposits	1,826	750
Total Liabilities	4,823,071	5,058,043
Fund Balances:		
Fund Balances Reserved:		
Reserved for Encumbrances	39,895	26,559
Reserved for Inventories	106,540	94,535
Reserved for Prepaid Items	41,600	299,789
Fund Balances Unreserved:		
Unreserved - Undesignated	10,668,716	10,231,859
Total Fund Balance	10,856,751	10,652,742
<i>Total Liabilities and Fund Balance</i>	\$ 15,679,822	\$ 15,710,785

**Town of Addison, Texas**  
**Major Governmental Funds - General Fund**

**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Ad Valorem Taxes	\$ 10,707,230	\$ 10,707,230	\$ 10,771,166	\$ 63,936	\$ 9,751,967
Non-Property Taxes	10,735,000	10,235,000	10,077,839	(157,161)	10,520,530
Franchise Fees	2,522,000	2,482,000	2,578,154	96,154	2,761,511
Licenses and Permits	360,000	710,000	833,178	123,178	429,681
Intergovernmental	198,450	-	-	-	101,300
Service Fees	1,344,900	1,469,900	1,491,528	21,628	1,400,529
Fines and Forfeitures	1,200,000	1,200,000	1,158,581	(41,419)	1,253,029
Earnings on Investments	177,500	177,500	60,681	(116,819)	273,920
Rental Charges	156,500	156,500	146,821	(9,679)	151,721
Recycling Proceeds	-	-	21,126	21,126	-
Other	75,000	75,000	123,544	48,544	79,033
<i>Total Revenues</i>	<u>27,476,580</u>	<u>27,213,130</u>	<u>27,262,618</u>	<u>49,488</u>	<u>26,723,221</u>
<b>EXPENDITURES:</b>					
General Government	6,470,300	6,571,300	6,323,891	247,409	6,357,501
Public Safety	14,245,770	14,245,770	13,477,643	768,127	14,290,988
Development Services	955,580	955,580	887,132	68,448	864,234
Streets	1,677,600	1,722,600	1,672,375	50,225	2,356,219
Parks and Recreation	3,925,740	3,925,740	3,698,831	226,909	4,055,278
<i>Total Expenditures</i>	<u>27,274,990</u>	<u>27,420,990</u>	<u>26,059,872</u>	<u>1,361,118</u>	<u>27,924,220</u>
Excess/(Deficiency) of Revenues over Expenditures	201,590	(207,860)	1,202,746	1,410,606	(1,200,999)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfers In	-	13,130	1,263	(11,867)	196,689
Transfers Out	(1,000,000)	(1,000,000)	(1,000,000)	-	(38,878)
Net Change in Fund Balance	(798,410)	(1,194,730)	204,009	1,398,739	(1,043,188)
Fund Balances at Beginning of Year	<u>10,652,742</u>	<u>10,652,742</u>	<u>10,652,742</u>	<u>-</u>	<u>11,695,930</u>
Fund Balances at End of Year	<u>\$ 9,854,332</u>	<u>\$ 9,458,012</u>	<u>\$ 10,856,751</u>	<u>\$ 1,398,739</u>	<u>\$ 10,652,742</u>



**Town of Addison, Texas**  
**Major Governmental Funds - General Fund**

**General Fund**  
**Schedule of Revenues - Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>Taxes:</b>					
Ad Valorem Taxes:					
Current	\$ 10,680,130	\$ 10,680,130	\$ 10,748,821	\$ 68,691	\$ 9,744,498
Delinquent	3,390	3,390	2,392	(998)	(14,883)
Penalties and Interest	23,710	23,710	19,953	(3,757)	22,352
Total Ad Valorem	<u>10,707,230</u>	<u>10,707,230</u>	<u>10,771,166</u>	<u>63,936</u>	<u>9,751,967</u>
Non-Property Taxes:					
Sales Tax	9,760,000	9,260,000	9,155,849	(104,151)	9,584,496
Alcoholic Beverage Tax	975,000	975,000	921,990	(53,010)	936,034
Total Non-Property Taxes	<u>10,735,000</u>	<u>10,235,000</u>	<u>10,077,839</u>	<u>(157,161)</u>	<u>10,520,530</u>
Total Taxes	<u>21,442,230</u>	<u>20,942,230</u>	<u>20,849,005</u>	<u>(93,225)</u>	<u>20,272,497</u>
<b>Franchise Fees:</b>					
Electric Franchise	1,500,000	1,500,000	1,445,519	(54,481)	1,514,152
Gas Franchise	325,000	185,000	215,705	30,705	329,963
Telephone Franchise	560,000	660,000	682,102	22,102	738,637
Cable Franchise	130,000	130,000	228,478	98,478	170,479
Street Rental Franchise	7,000	7,000	6,350	(650)	7,000
Wireless Network Franchise	-	-	-	-	1,280
Total Franchise Fees	<u>2,522,000</u>	<u>2,482,000</u>	<u>2,578,154</u>	<u>96,154</u>	<u>2,761,511</u>
<b>Licenses and Permits:</b>					
Business Licenses and Permits	160,000	160,000	147,885	(12,115)	160,607
Building and Construction Permits	200,000	550,000	685,293	135,293	269,074
Total Licenses and Permits	<u>360,000</u>	<u>710,000</u>	<u>833,178</u>	<u>123,178</u>	<u>429,681</u>
<b>Intergovernmental</b>	198,450	-	-	-	101,300
<b>Service Fees:</b>					
General Government	600	600	419	(181)	465
Public Safety	725,000	850,000	884,912	34,912	777,791
Urban Development	5,000	5,000	2,630	(2,370)	2,945
Streets and Sanitation	350,000	350,000	332,330	(17,670)	350,587
Recreation	80,000	80,000	86,937	6,937	87,085
Interfund	184,300	184,300	184,300	-	181,656
Total Service Fees	<u>1,344,900</u>	<u>1,469,900</u>	<u>1,491,528</u>	<u>21,628</u>	<u>1,400,529</u>
<b>Fines and Forfeitures</b>	1,200,000	1,200,000	1,158,581	(41,419)	1,253,029
<b>Earnings on Investments</b>	177,500	177,500	60,681	(116,819)	273,920
<b>Rental Charges</b>	156,500	156,500	146,821	(9,679)	151,721
<b>Recycling Proceeds</b>	-	-	21,126	21,126	-
<b>Other</b>	75,000	75,000	123,544	48,544	79,033
<b>Total Revenues</b>	<u>\$ 27,476,580</u>	<u>\$ 27,213,130</u>	<u>\$ 27,262,618</u>	<u>\$ 49,488</u>	<u>\$ 26,723,221</u>

**Town of Addison, Texas**  
**Major Governmental Funds - General Fund**

**General Fund**  
**Schedule of Expenditures - Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>General Government:</b>					
City Manager's Office:					
Salaries and Fringe Benefits	\$ 940,630	\$ 924,030	\$ 872,438	\$ 51,592	\$ 869,345
Supplies	31,350	40,350	39,121	1,229	44,864
Maintenance and Materials	24,040	33,640	33,655	(15)	33,037
Contractual Services	300,620	298,620	325,904	(27,284)	319,770
Capital Replacement	-	-	-	-	15,280
Capital Outlay	-	-	-	-	19,341
<i>Total City Manager's Office</i>	<u>1,296,640</u>	<u>1,296,640</u>	<u>1,271,118</u>	<u>25,522</u>	<u>1,301,637</u>
Financial and Strategic Services:					
Salaries and Fringe Benefits	565,990	565,990	560,597	5,393	579,502
Supplies	34,200	34,950	38,092	(3,142)	41,907
Maintenance and Materials	39,600	39,600	39,902	(302)	30,102
Contractual Services	241,240	240,490	213,134	27,356	262,693
Capital Replacement	-	-	-	-	16,580
<i>Total Financial and Strategic Services</i>	<u>881,030</u>	<u>881,030</u>	<u>851,725</u>	<u>29,305</u>	<u>930,784</u>
General Services:					
Salaries and Fringe Benefits	633,650	633,650	641,732	(8,082)	621,890
Supplies	28,600	28,600	20,344	8,256	27,686
Maintenance and Materials	58,200	58,200	50,263	7,937	90,457
Contractual Services	74,830	74,830	68,973	5,857	78,927
Capital Replacement	-	-	-	-	26,120
Capital Outlay	-	-	-	-	24,605
<i>Total General Services</i>	<u>795,280</u>	<u>795,280</u>	<u>781,312</u>	<u>13,968</u>	<u>869,685</u>
Municipal Court:					
Salaries and Fringe Benefits	443,970	443,970	439,784	4,186	435,934
Supplies	18,240	18,240	12,343	5,897	18,557
Maintenance and Materials	1,900	1,900	813	1,087	226
Contractual Services	56,330	56,330	48,018	8,312	48,346
Capital Replacement	-	-	-	-	7,870
<i>Total Municipal Court</i>	<u>520,440</u>	<u>520,440</u>	<u>500,958</u>	<u>19,482</u>	<u>510,933</u>
Human Resources:					
Salaries and Fringe Benefits	421,080	421,880	391,000	30,880	412,393
Supplies	13,200	12,400	6,559	5,841	12,626
Maintenance and Materials	600	600	-	600	526
Contractual Services	148,610	148,610	87,498	61,112	70,885
Capital Replacement	-	-	-	-	6,750
<i>Total Human Resources</i>	<u>\$ 583,490</u>	<u>\$ 583,490</u>	<u>\$ 485,057</u>	<u>\$ 98,433</u>	<u>\$ 503,180</u>

**Town of Addison, Texas**  
**Major Governmental Funds - General Fund**

**General Fund**  
**Schedule of Expenditures - Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>Information Technology:</b>					
Salaries and Fringe Benefits	\$ 719,640	\$ 719,640	\$ 730,268	\$ (10,628)	\$ 717,180
Supplies	64,170	64,170	58,843	5,327	50,349
Maintenance and Materials	347,480	347,480	372,804	(25,324)	335,075
Contractual Services	105,150	105,150	72,746	32,404	66,000
Capital Replacement	-	-	-	-	11,920
<i>Total Information Technology</i>	<u>1,236,440</u>	<u>1,236,440</u>	<u>1,234,661</u>	<u>1,779</u>	<u>1,180,524</u>
<b>Combined Services:</b>					
Salaries and Fringe Benefits	37,090	37,090	51,695	(14,605)	44,363
Supplies	108,690	111,690	77,278	34,412	108,361
Contractual Services	548,730	545,730	473,032	72,698	602,807
<i>Total Combined Services</i>	<u>694,510</u>	<u>694,510</u>	<u>602,005</u>	<u>92,505</u>	<u>755,531</u>
<b>City Council Special Projects:</b>					
Salaries and Fringe Benefits	30,150	30,150	26,241	3,909	27,459
Supplies	35,590	41,090	30,861	10,229	21,830
Contractual Services	396,730	481,730	529,476	(47,746)	253,968
Capital Replacement	-	-	-	-	1,970
Capital Outlay	-	10,500	10,477	23	-
<i>Total City Council Special Projects</i>	<u>462,470</u>	<u>563,470</u>	<u>597,055</u>	<u>(33,585)</u>	<u>305,227</u>
<i>Total General Government</i>	<u>6,470,300</u>	<u>6,571,300</u>	<u>6,323,891</u>	<u>247,409</u>	<u>6,357,501</u>
<b>Public Safety:</b>					
<b>Police:</b>					
Salaries and Fringe Benefits	6,340,560	6,340,560	5,952,514	388,046	6,032,856
Supplies	384,060	349,247	331,489	17,758	297,610
Maintenance and Materials	320,660	334,760	325,660	9,100	201,059
Contractual Services	345,240	362,750	373,342	(10,592)	371,076
Capital Replacement	-	-	-	-	373,900
Capital Outlay	-	3,203	3,203	-	11,750
<i>Total Police</i>	<u>7,390,520</u>	<u>7,390,520</u>	<u>6,986,208</u>	<u>404,312</u>	<u>7,288,251</u>
<b>Emergency Communications:</b>					
Salaries and Fringe Benefits	827,850	827,850	801,854	25,996	756,597
Supplies	14,670	13,818	12,216	1,602	-
Maintenance and Materials	74,900	74,900	73,825	1,075	73,032
Contractual Services	218,260	219,112	185,473	33,639	208,701
<i>Total Emergency Communications</i>	<u>1,135,680</u>	<u>1,135,680</u>	<u>1,073,368</u>	<u>62,312</u>	<u>1,038,330</u>
<b>Fire:</b>					
Salaries and Fringe Benefits	5,017,740	5,012,677	4,759,833	252,844	4,973,045
Supplies	290,200	275,861	248,585	27,276	239,746
Maintenance and Materials	119,770	149,770	143,777	5,993	200,787
Contractual Services	291,860	258,785	243,996	14,789	257,348
Capital Replacement	-	-	-	-	272,770
Capital Outlay	-	22,477	21,876	601	20,711
<i>Total Fire</i>	<u>5,719,570</u>	<u>5,719,570</u>	<u>5,418,067</u>	<u>301,503</u>	<u>5,964,407</u>
<i>Total Public Safety</i>	<u>\$ 14,245,770</u>	<u>\$ 14,245,770</u>	<u>\$ 13,477,643</u>	<u>\$ 768,127</u>	<u>\$ 14,290,988</u>

**Town of Addison, Texas**  
**Major Governmental Funds - General Fund**

**General Fund**  
**Schedule of Expenditures - Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>Development Services:</b>					
Development Services:					
Salaries and Fringe Benefits	\$ 761,580	\$ 761,580	\$ 757,199	\$ 4,381	\$ 739,466
Supplies	22,570	22,570	16,165	6,405	14,785
Maintenance and Materials	3,900	3,900	274	3,626	5,158
Contractual Services	167,530	167,530	113,494	54,036	92,365
Capital Replacement	-	-	-	-	12,460
<i>Total Development Services</i>	<u>955,580</u>	<u>955,580</u>	<u>887,132</u>	<u>68,448</u>	<u>864,234</u>
<b>Streets:</b>					
Streets:					
Salaries and Fringe Benefits	521,820	541,820	530,666	11,154	512,062
Supplies	38,920	38,920	24,492	14,428	22,156
Maintenance and Materials	317,200	317,200	298,529	18,671	970,597
Contractual Services	799,660	824,660	818,688	5,972	823,686
Capital Replacement	-	-	-	-	27,610
Capital Outlay	-	-	-	-	108
<i>Total Streets</i>	<u>1,677,600</u>	<u>1,722,600</u>	<u>1,672,375</u>	<u>50,225</u>	<u>2,356,219</u>
<b>Parks and Recreation:</b>					
Parks:					
Salaries and Fringe Benefits	1,228,050	1,228,050	1,187,522	40,528	1,174,733
Supplies	191,900	191,900	141,391	50,509	153,191
Maintenance and Materials	476,000	476,000	349,166	126,834	424,506
Contractual Services	626,100	626,100	665,952	(39,852)	823,597
Capital Replacement	5,000	5,000	4,843	157	49,982
Capital Outlay	-	-	-	-	51,545
<i>Total Parks</i>	<u>2,527,050</u>	<u>2,527,050</u>	<u>2,348,874</u>	<u>178,176</u>	<u>2,677,554</u>
Recreation:					
Salaries and Fringe Benefits	808,810	808,810	815,304	(6,494)	786,859
Supplies	144,700	144,700	124,952	19,748	128,567
Maintenance and Materials	125,160	125,160	119,494	5,666	121,871
Contractual Services	320,020	320,020	290,207	29,813	303,067
Capital Replacement	-	-	-	-	37,360
<i>Total Recreation</i>	<u>1,398,690</u>	<u>1,398,690</u>	<u>1,349,957</u>	<u>48,733</u>	<u>1,377,724</u>
<i>Total Parks and Recreation</i>	<u>3,925,740</u>	<u>3,925,740</u>	<u>3,698,831</u>	<u>226,909</u>	<u>4,055,278</u>
<b>Total Expenditures</b>	<u>\$ 27,274,990</u>	<u>\$ 27,420,990</u>	<u>\$ 26,059,872</u>	<u>\$ 1,361,118</u>	<u>\$ 27,924,220</u>

## HOTEL FUND

The **Hotel Fund** is used to account for tax revenues received from local hotels. Expenditures must fall within the guidelines set forth in the Texas Hotel Occupancy Tax Act (Article 1269: Vernon's Texas Civil Statutes).

Addison!®

**Town of Addison, Texas**  
**Major Governmental Funds - Hotel Fund**

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**Hotel Fund**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	2010	2009
<b>ASSETS:</b>		
Cash and Investments	\$ 4,088,860	\$ 4,616,446
Receivables:		
Accounts Receivable	128,578	70,748
Occupancy Taxes	436,982	344,852
Interest	8,399	19,538
<i>Total Assets</i>	\$ 4,662,819	\$ 5,051,584
 <b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 213,708	\$ 347,930
Deferred Revenue	-	14,045
Intergovernmental Payable	2,918	1,219
Customer Deposits	15,250	45,290
Total Liabilities	231,876	408,484
 Fund Balances:		
Fund Balances Reserved:		
Reserved for Encumbrances	7,604	7,301
Fund Balances Unreserved:		
Unreserved - Undesignated	4,423,339	4,635,799
Total Fund Balance	4,430,943	4,643,100
 <i>Total Liabilities and Fund Balance</i>	\$ 4,662,819	\$ 5,051,584

**Town of Addison, Texas**  
**Major Governmental Funds - Hotel Fund**

**Hotel Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Hotel/Motel Occupancy Taxes	\$ 4,250,000	\$ 3,450,000	\$ 3,666,781	\$ 216,781	\$ 3,958,238
Proceeds from Special Events	1,337,000	1,737,000	1,643,906	(93,094)	1,295,872
Conference Centre Rental	500,000	500,000	475,366	(24,634)	438,886
Theatre Centre Rental	70,000	70,000	78,020	8,020	79,939
Earnings on Investments	99,600	99,600	24,657	(74,943)	113,352
Other	400	400	11,292	10,892	1,222
<i>Total Revenues</i>	<u>6,257,000</u>	<u>5,857,000</u>	<u>5,900,022</u>	<u>43,022</u>	<u>5,887,509</u>
<b>EXPENDITURES:</b>					
Visitor Services	881,940	1,278,940	806,786	472,154	831,098
Visit Addison	-	135,000	113,376	21,624	-
Conference Centre	1,453,370	1,013,370	963,908	49,462	973,467
Marketing	805,460	805,460	617,637	187,823	971,113
Special Events	2,707,860	2,707,860	2,376,492	331,368	2,883,177
Performing Arts	565,430	565,430	563,980	1,450	557,286
Capital Projects	1,325,000	-	-	-	-
<i>Total Expenditures</i>	<u>7,739,060</u>	<u>6,506,060</u>	<u>5,442,179</u>	<u>1,063,881</u>	<u>6,216,141</u>
Excess/(Deficiency) of Revenues over Expenditures	(1,482,060)	(649,060)	457,843	1,106,903	(328,632)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfer to Hotel Debt Service Fund	(670,000)	(670,000)	(670,000)	-	(699,800)
Transfer to Capital Replacement Fund	-	-	-	-	(14,769)
Transfer to IT Replacement Fund	-	-	-	-	(29,392)
Net Change in Fund Balance	(2,152,060)	(1,319,060)	(212,157)	1,106,903	(1,072,593)
Fund Balances at Beginning of Year	<u>4,643,100</u>	<u>4,643,100</u>	<u>4,643,100</u>	<u>-</u>	<u>5,715,693</u>
Fund Balances at End of Year	<u>\$ 2,491,040</u>	<u>\$ 3,324,040</u>	<u>\$ 4,430,943</u>	<u>\$ 1,106,903</u>	<u>\$ 4,643,100</u>



**Town of Addison, Texas**  
**Major Governmental Funds - Hotel Fund**

**Hotel Fund**  
**Schedule of Expenditures - Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>Visitor Services:</b>					
Salaries and Fringe Benefits	\$ 343,830	\$ 343,830	\$ 312,201	\$ 31,629	\$ 351,841
Supplies	19,260	19,260	11,081	8,179	18,909
Maintenance and Materials	25,060	225,060	25,554	199,506	21,810
Contractual Services	493,790	630,790	457,950	172,840	434,318
Capital Replacement	-	-	-	-	4,220
Capital Outlay	-	60,000	-	60,000	-
<b>Total Visitor Services</b>	<b>881,940</b>	<b>1,278,940</b>	<b>806,786</b>	<b>472,154</b>	<b>831,098</b>
<b>Visit Addison:</b>					
Maintenance and Materials	-	100,000	679	99,321	-
Contractual Services	-	35,000	112,697	(77,697)	-
<b>Total Visit Addison</b>	<b>-</b>	<b>135,000</b>	<b>113,376</b>	<b>21,624</b>	<b>-</b>
<b>Conference Centre:</b>					
Salaries and Fringe Benefits	499,420	499,420	490,266	9,154	484,616
Supplies	74,900	86,400	78,156	8,244	48,059
Maintenance and Materials	162,450	167,450	161,972	5,478	200,677
Contractual Services	276,600	260,100	233,514	26,586	222,196
Capital Replacement	-	-	-	-	9,920
Capital Outlay	440,000	-	-	-	7,999
<b>Total Conference Centre</b>	<b>1,453,370</b>	<b>1,013,370</b>	<b>963,908</b>	<b>49,462</b>	<b>973,467</b>
<b>Marketing:</b>					
Salaries and Fringe Benefits	210	210	50	160	-
Supplies	500	500	25	475	-
Contractual Services	804,750	804,750	617,562	187,188	971,113
<b>Total Marketing</b>	<b>805,460</b>	<b>805,460</b>	<b>617,637</b>	<b>187,823</b>	<b>971,113</b>
<b>Special Events:</b>					
Salaries and Fringe Benefits	773,240	773,240	610,300	162,940	739,057
Supplies	14,600	14,600	13,750	850	22,393
Maintenance and Materials	214,240	214,240	158,603	55,637	213,387
Contractual Services	1,705,780	1,705,780	1,593,839	111,941	1,866,710
Capital Replacement	-	-	-	-	41,630
<b>Total Special Events</b>	<b>2,707,860</b>	<b>2,707,860</b>	<b>2,376,492</b>	<b>331,368</b>	<b>2,883,177</b>
<b>Performing Arts:</b>					
Salaries and Fringe Benefits	15,070	15,070	16,123	(1,053)	14,836
Supplies	25,700	40,700	40,327	373	25,669
Maintenance and Materials	60,400	63,550	61,874	1,676	63,973
Contractual Services	449,260	446,110	445,656	454	430,356
Capital Replacement	-	-	-	-	5,030
Capital Outlay	15,000	-	-	-	17,422
<b>Total Performing Arts</b>	<b>565,430</b>	<b>565,430</b>	<b>563,980</b>	<b>1,450</b>	<b>557,286</b>
<b>Capital Projects:</b>					
Contractual Services	1,325,000	-	-	-	-
<b>Total Capital Projects</b>	<b>1,325,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 7,739,060</b>	<b>\$ 6,506,060</b>	<b>\$ 5,442,179</b>	<b>\$ 1,063,881</b>	<b>\$ 6,216,141</b>

Addison!®

## DEBT SERVICE FUNDS

The **General Obligation Debt Service Fund** accounts for the accumulation of resources to be used for the payment of principal and interest on the general obligation bonded debt of the Town.

The **Hotel Debt Service Fund** accounts for the accumulation of resources to be used for the payment of principal and interest on the Hotel Occupancy Tax Revenue Bonds.

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**Town of Addison, Texas**

**Major Governmental Funds - General Obligation Debt Service Fund**

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**General Obligation Debt Service Fund  
Comparative Balance Sheet  
September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 1,184,554	\$ 1,216,566
Receivables:		
Ad Valorem Taxes, Including Interest and Penalties	147,281	134,845
Interest	2,433	5,149
<i>Total Assets</i>	<u>\$ 1,334,268</u>	<u>\$ 1,356,560</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Deferred Revenue	\$ 163,936	\$ 150,956
Intergovernmental Payable	44,263	123,543
Total Liabilities	<u>208,199</u>	<u>274,499</u>
Fund Balances:		
Fund Balances Unreserved:		
Designated for Debt Service	1,126,069	1,082,061
Total Fund Balance	<u>1,126,069</u>	<u>1,082,061</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,334,268</u>	<u>\$ 1,356,560</u>

**Town of Addison, Texas**  
**Major Governmental Funds - General Obligation Debt Service Fund**

**General Obligation Debt Service Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Ad Valorem Taxes:					
Current	\$ 5,085,770	\$ 5,085,770	\$ 5,118,940	\$ 33,170	\$ 5,881,702
Delinquent	1,610	1,610	1,139	(471)	(10,626)
Penalties and Interest	11,290	11,290	9,502	(1,788)	13,491
Total Ad Valorem Taxes	<u>5,098,670</u>	<u>5,098,670</u>	<u>5,129,581</u>	<u>30,911</u>	<u>5,884,567</u>
Other Revenues:					
Earnings on Investments	60,000	60,000	12,485	(47,515)	48,398
<i>Total Revenues</i>	<u>5,158,670</u>	<u>5,158,670</u>	<u>5,142,066</u>	<u>(16,604)</u>	<u>5,932,965</u>
<b>EXPENDITURES:</b>					
Debt Service:					
Principal Retirement	3,853,940	3,853,940	3,834,520	19,420	3,600,100
Interest and Fiscal Charges	2,256,000	2,256,000	2,263,538	(7,538)	2,611,244
Total Expenditures	<u>6,109,940</u>	<u>6,109,940</u>	<u>6,098,058</u>	<u>11,882</u>	<u>6,211,344</u>
Excess/(Deficiency) of Revenues over Expenditures	(951,270)	(951,270)	(955,992)	(4,722)	(278,379)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfer from General Fund	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	48,730	48,730	44,008	(4,722)	(278,379)
Fund Balances at Beginning of Year	<u>1,082,061</u>	<u>1,082,061</u>	<u>1,082,061</u>	<u>-</u>	<u>1,360,440</u>
Fund Balances at End of Year	<u>\$ 1,130,791</u>	<u>\$ 1,130,791</u>	<u>\$ 1,126,069</u>	<u>\$ (4,722)</u>	<u>\$ 1,082,061</u>

**Town of Addison, Texas**  
**Major Governmental Funds - Hotel Debt Service Fund**

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**Hotel Debt Service Fund**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	2010	2009
<b>ASSETS:</b>		
Cash and Investments	\$ 862,154	\$ 898,773
Receivables:		
Interest	1,771	3,804
<i>Total Assets</i>	\$ 863,925	\$ 902,577
 <b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ -
Total Liabilities	-	-
 Fund Balances:		
Fund Balances Unreserved:		
Designated for Debt Service	863,925	902,577
Total Fund Balance	863,925	902,577
 <i>Total Liabilities and Fund Balance</i>	 \$ 863,925	 \$ 902,577

**Town of Addison, Texas**  
**Major Governmental Funds - Hotel Debt Service Fund**

**Hotel Debt Service Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Earnings on Investments	\$ 20,000	\$ 20,000	\$ 7,685	\$ (12,315)	\$ 24,555
<i>Total Revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>7,685</u>	<u>(12,315)</u>	<u>24,555</u>
<b>EXPENDITURES:</b>					
Debt Service:					
Principal Retirement	535,000	535,000	535,000	-	515,000
Interest and Fiscal Charges	181,040	181,040	181,337	(297)	197,088
<i>Total Expenditures</i>	<u>716,040</u>	<u>716,040</u>	<u>716,337</u>	<u>(297)</u>	<u>712,088</u>
Excess/(Deficiency) of Revenues over Expenditures	(696,040)	(696,040)	(708,652)	(12,612)	(687,533)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfer from Hotel Fund	670,000	670,000	670,000	-	699,800
Net Change in Fund Balance	(26,040)	(26,040)	(38,652)	(12,612)	12,267
Fund Balances at Beginning of Year	<u>902,577</u>	<u>902,577</u>	<u>902,577</u>	<u>-</u>	<u>890,310</u>
Fund Balances at End of Year	<u>\$ 876,537</u>	<u>\$ 876,537</u>	<u>\$ 863,925</u>	<u>\$ (12,612)</u>	<u>\$ 902,577</u>



## CAPITAL PROJECT SUB-FUNDS

The Capital Project Sub-Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those accounted for within the Town's proprietary funds). Capital projects are funded primarily by general obligation bonds. The Capital Project Fund is comprised of the following sub-funds:

The **Street Capital Projects** is used to account for the construction and improvement of the Town's streets.

The **Parks Capital Projects** is used to account for the construction and improvement of the Town's parks.

The **2002 Capital Projects** is used to account for the acquisition or construction of major capital facilities related to the 2002 general obligation bond election and capital improvement program.

The **2004 Capital Projects** is used to account for the acquisition or construction of major capital facilities related to the 2004 general obligation bond election and capital improvement program.

The **2006 Capital Projects** is used to account for the acquisition or construction of major capital facilities related to the 2006 general obligation bond election and capital improvement program.

The **2008 Capital Projects** is used to account for the acquisition or construction of major capital facilities related to the 2008 certificates of obligation bond and capital improvement program.

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**Town of Addison, Texas**  
**Capital Projects**

**Capital Project Fund**  
**Combining Balance Sheet for Capital Projects**  
**September 30, 2010**

	Street	Parks	2002	2004	2006	2008	Capital Projects
<b>ASSETS:</b>							
Cash and Investments	\$ 1,595,835	\$ 361,400	\$ 1,530,638	\$ 436,625	\$ 351,067	\$ 17,476,208	\$ 21,751,773
Receivables:							
Interest	1,184	743	3,144	897	721	35,912	42,601
<b>Total Assets</b>	<b>\$ 1,597,019</b>	<b>\$ 362,143</b>	<b>\$ 1,533,782</b>	<b>\$ 437,522</b>	<b>\$ 351,788</b>	<b>\$ 17,512,120</b>	<b>\$ 21,794,374</b>
<b>LIABILITIES AND FUND BALANCE:</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 2,836	\$ 34,606	\$ -	\$ -	\$ -	\$ 1,168,292	\$ 1,205,734
Contracts and Retainage Payable	19,287	-	-	-	-	235,014	254,301
<b>Total Liabilities</b>	<b>22,123</b>	<b>34,606</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,403,306</b>	<b>1,460,035</b>
Fund Balances:							
Fund Balances Unreserved:							
Designated for Capital Outlays	1,574,896	327,537	1,533,782	437,522	351,788	16,108,814	20,334,339
<b>Total Fund Balance</b>	<b>1,574,896</b>	<b>327,537</b>	<b>1,533,782</b>	<b>437,522</b>	<b>351,788</b>	<b>16,108,814</b>	<b>20,334,339</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,597,019</b>	<b>\$ 362,143</b>	<b>\$ 1,533,782</b>	<b>\$ 437,522</b>	<b>\$ 351,788</b>	<b>\$ 17,512,120</b>	<b>\$ 21,794,374</b>

**Town of Addison, Texas**  
**Capital Projects**

**Capital Project Fund**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2010**

	Street	Parks	2002	2004	2006	2008	Capital Projects
<b>REVENUES:</b>							
Earnings on Investments	\$ 6,125	\$ 2,695	\$ 12,010	\$ 3,161	\$ 2,541	\$ 162,794	\$ 189,326
Other	-	27,235	-	-	-	2,115,271	2,142,506
<i>Total Revenues</i>	<u>6,125</u>	<u>29,930</u>	<u>12,010</u>	<u>3,161</u>	<u>2,541</u>	<u>2,278,065</u>	<u>2,331,832</u>
<b>EXPENDITURES:</b>							
Administration:							
Supplies	-	-	-	-	-	937	937
Maintenance and Materials	204,092	27,275	-	-	-	-	231,367
Design and Engineering:							
Engineering and Contractual Services	19,580	72,218	181,579	-	-	2,292,226	2,565,603
Construction and Equipment	-	-	29,906	-	-	8,825,296	8,855,202
<i>Total Expenditures</i>	<u>223,672</u>	<u>99,493</u>	<u>211,485</u>	<u>-</u>	<u>-</u>	<u>11,118,459</u>	<u>11,653,109</u>
Excess/(Deficiency) of Revenues over Expenditures	(217,547)	(69,563)	(199,475)	3,161	2,541	(8,840,394)	(9,321,277)
<b>OTHER FINANCING SOURCES/(USES):</b>							
Transfers In	462,564	-	-	-	-	-	462,564
Net Change in Fund Balance	245,017	(69,563)	(199,475)	3,161	2,541	(8,840,394)	(8,858,713)
Fund Balances at Beginning of Year	1,329,879	397,100	1,733,257	434,361	349,247	24,949,208	29,193,052
Fund Balances at End of Year	<u>\$ 1,574,896</u>	<u>\$ 327,537</u>	<u>\$ 1,533,782</u>	<u>\$ 437,522</u>	<u>\$ 351,788</u>	<u>\$ 16,108,814</u>	<u>\$ 20,334,339</u>

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

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**Street Capital Projects**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	2010	2009
<b>ASSETS:</b>		
Cash and Investments	\$ 1,595,835	\$ 1,324,275
Receivables:		
Interest	1,184	5,604
<i>Total Assets</i>	\$ 1,597,019	\$ 1,329,879
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 2,836	\$ -
Contracts and Retainage Payable	19,287	-
Total Liabilities	22,123	-
Fund Balances:		
Fund Balances Reserved:		
Reserved for Encumbrances	-	2,851
Fund Balances Unreserved:		
Designated for Capital Outlays	1,574,896	1,327,028
Total Fund Balance	1,574,896	1,329,879
<i>Total Liabilities and Fund Balance</i>	\$ 1,597,019	\$ 1,329,879

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

**Street Capital Projects**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Intergovernmental	\$ 985,130	\$ -	\$ -	\$ -	\$ 156,129
Earnings on Investments	50,000	50,000	6,125	(43,875)	54,151
<i>Total Revenues</i>	<u>1,035,130</u>	<u>50,000</u>	<u>6,125</u>	<u>(43,875)</u>	<u>210,280</u>
<b>EXPENDITURES:</b>					
Administration:					
Maintenance and Materials	-	-	204,092	(204,092)	-
Design and Engineering:					
Engineering and Contractual Services	22,000	22,000	19,580	2,420	139,205
Construction and Equipment	1,548,800	248,800	-	248,800	1,499,738
<i>Total Expenditures</i>	<u>1,570,800</u>	<u>270,800</u>	<u>223,672</u>	<u>47,128</u>	<u>1,638,943</u>
Excess/(Deficiency) of Revenues over Expenditures	(535,670)	(220,800)	(217,547)	3,253	(1,428,663)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfer from Reimbursement Grant Fund	-	185,320	462,564	277,244	-
Net Change in Fund Balance	(535,670)	(35,480)	245,017	280,497	(1,428,663)
Fund Balances at Beginning of Year	<u>1,329,879</u>	<u>1,329,879</u>	<u>1,329,879</u>	<u>-</u>	<u>2,758,542</u>
Fund Balances at End of Year	<u>\$ 794,209</u>	<u>\$ 1,294,399</u>	<u>\$ 1,574,896</u>	<u>\$ 280,497</u>	<u>\$ 1,329,879</u>

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

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**Parks Capital Projects**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 361,400	\$ 481,591
Receivables:		
Interest	743	2,038
<i>Total Assets</i>	<u>\$ 362,143</u>	<u>\$ 483,629</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 34,606	\$ 61,981
Contracts and Retainage Payable	-	24,548
Total Liabilities	<u>34,606</u>	<u>86,529</u>
Fund Balances:		
Fund Balances Unreserved:		
Designated for Capital Outlays	<u>327,537</u>	<u>397,100</u>
Total Fund Balance	<u>327,537</u>	<u>397,100</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 362,143</u>	<u>\$ 483,629</u>

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

**Parks Capital Projects**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Earnings on Investments	\$ 10,000	\$ 10,000	\$ 2,695	\$ (7,305)	\$ 18,157
Other	-	-	27,235	27,235	-
<i>Total Revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>29,930</u>	<u>19,930</u>	<u>18,157</u>
<b>EXPENDITURES:</b>					
Administration:					
Salaries and Fringe Benefits	-	-	-	-	4,238
Supplies	-	-	-	-	1,180
Maintenance and Materials	85,100	85,100	27,275	57,825	14,519
Design and Engineering:					
Engineering and Contractual Services	-	50,000	72,218	(22,218)	9,787
Construction and Equipment	-	-	-	-	487,526
<i>Total Expenditures</i>	<u>85,100</u>	<u>135,100</u>	<u>99,493</u>	<u>35,607</u>	<u>517,250</u>
Net Change in Fund Balance	(75,100)	(125,100)	(69,563)	55,537	(499,093)
Fund Balances at Beginning of Year	<u>397,100</u>	<u>397,100</u>	<u>397,100</u>	-	<u>896,193</u>
Fund Balances at End of Year	<u>\$ 322,000</u>	<u>\$ 272,000</u>	<u>\$ 327,537</u>	<u>\$ 55,537</u>	<u>\$ 397,100</u>



**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

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**2002 Capital Projects**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 1,530,638	\$ 1,726,923
Receivables:		
Interest	3,144	7,309
<i>Total Assets</i>	<u>\$ 1,533,782</u>	<u>\$ 1,734,232</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ 975
Total Liabilities	<u>-</u>	<u>975</u>
Fund Balances:		
Fund Balances Unreserved:		
Designated for Capital Outlays	1,533,782	1,733,257
Total Fund Balance	<u>1,533,782</u>	<u>1,733,257</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,533,782</u>	<u>\$ 1,734,232</u>

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

**2002 Capital Projects**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Earnings on Investments	\$ 35,000	\$ 35,000	\$ 12,010	\$ (22,990)	\$ 44,407
<i>Total Revenues</i>	<u>35,000</u>	<u>35,000</u>	<u>12,010</u>	<u>(22,990)</u>	<u>44,407</u>
<b>EXPENDITURES:</b>					
Administration:					
Maintenance and Materials	-	-	-	-	26,961
Design and Engineering:					
Engineering and Contractual Services	100,000	100,000	181,579	(81,579)	244,585
Construction and Equipment	400,000	400,000	29,906	370,094	16,275
<i>Total Expenditures</i>	<u>500,000</u>	<u>500,000</u>	<u>211,485</u>	<u>288,515</u>	<u>287,821</u>
Net Change in Fund Balance	(465,000)	(465,000)	(199,475)	265,525	(243,414)
Fund Balances at Beginning of Year	<u>1,733,257</u>	<u>1,733,257</u>	<u>1,733,257</u>	<u>-</u>	<u>1,976,671</u>
Fund Balances at End of Year	<u>\$ 1,268,257</u>	<u>\$ 1,268,257</u>	<u>\$ 1,533,782</u>	<u>\$ 265,525</u>	<u>\$ 1,733,257</u>

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

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**2004 Capital Projects**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 436,625	\$ 432,530
Receivables:		
Interest	897	1,831
<i>Total Assets</i>	<u>\$ 437,522</u>	<u>\$ 434,361</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balances:		
Fund Balances Unreserved:		
Designated for Capital Outlays	437,522	434,361
Total Fund Balance	<u>437,522</u>	<u>434,361</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 437,522</u>	<u>\$ 434,361</u>

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

**2004 Capital Projects**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Earnings on Investments	\$ 7,500	\$ 7,500	\$ 3,161	\$ (4,339)	\$ 10,055
<i>Total Revenues</i>	<u>7,500</u>	<u>7,500</u>	<u>3,161</u>	<u>(4,339)</u>	<u>10,055</u>
<b>EXPENDITURES:</b>					
Design and Engineering:					
Construction and Equipment	100,000	100,000	-	100,000	-
<i>Total Expenditures</i>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	(92,500)	(92,500)	3,161	95,661	10,055
Fund Balances at Beginning of Year	<u>434,361</u>	<u>434,361</u>	<u>434,361</u>	<u>-</u>	<u>424,306</u>
Fund Balances at End of Year	<u>\$ 341,861</u>	<u>\$ 341,861</u>	<u>\$ 437,522</u>	<u>\$ 95,661</u>	<u>\$ 434,361</u>

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

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**2006 Capital Projects**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	2010	2009
<b>ASSETS:</b>		
Cash and Investments	\$ 351,067	\$ 347,775
Receivables:		
Interest	721	1,472
<i>Total Assets</i>	\$ 351,788	\$ 349,247
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ -
Total Liabilities	-	-
Fund Balances:		
Fund Balances Unreserved:		
Designated for Capital Outlays	351,788	349,247
Total Fund Balance	351,788	349,247
<i>Total Liabilities and Fund Balance</i>	\$ 351,788	\$ 349,247

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

**2006 Capital Projects**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Earnings on Investments	\$ 5,000	\$ 5,000	\$ 2,541	\$ (2,459)	\$ 7,976
<i>Total Revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>2,541</u>	<u>(2,459)</u>	<u>7,976</u>
<b>EXPENDITURES:</b>					
Administration:					
Maintenance and Materials	180,000	180,000	-	180,000	-
<i>Total Expenditures</i>	<u>180,000</u>	<u>180,000</u>	<u>-</u>	<u>180,000</u>	<u>-</u>
Net Change in Fund Balance	(175,000)	(175,000)	2,541	177,541	7,976
Fund Balances at Beginning of Year	<u>349,247</u>	<u>349,247</u>	<u>349,247</u>	<u>-</u>	<u>341,271</u>
Fund Balances at End of Year	<u>\$ 174,247</u>	<u>\$ 174,247</u>	<u>\$ 351,788</u>	<u>\$ 177,541</u>	<u>\$ 349,247</u>

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

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**2008 Capital Projects**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 17,476,208	\$ 25,138,780
Receivables:		
Interest	35,912	106,392
<i>Total Assets</i>	<u>\$ 17,512,120</u>	<u>\$ 25,245,172</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 1,168,292	\$ 227,416
Contracts and Retainage Payable	235,014	68,548
Total Liabilities	<u>1,403,306</u>	<u>295,964</u>
Fund Balances:		
Fund Balances Unreserved:		
Designated for Capital Outlays	16,108,814	24,949,208
Total Fund Balance	<u>16,108,814</u>	<u>24,949,208</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 17,512,120</u>	<u>\$ 25,245,172</u>

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Projects**

**2008 Capital Projects**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Earnings on Investments	\$ 450,000	\$ 450,000	\$ 162,794	\$ (287,206)	\$ 621,453
Other	-	1,936,000	2,115,271	179,271	2,700
<i>Total Revenues</i>	<u>450,000</u>	<u>2,386,000</u>	<u>2,278,065</u>	<u>(107,935)</u>	<u>624,153</u>
<b>EXPENDITURES:</b>					
Administration:					
Salaries and Fringe Benefits	-	-	-	-	87
Supplies	-	-	937	(937)	1,698
Design and Engineering:					
Engineering and Contractual Services	-	4,041,700	2,292,226	1,749,474	1,197,526
Construction and Equipment	19,500,000	7,200,000	8,825,296	(1,625,296)	1,569,794
<i>Total Expenditures</i>	<u>19,500,000</u>	<u>11,241,700</u>	<u>11,118,459</u>	<u>123,241</u>	<u>2,769,105</u>
Net Change in Fund Balance	(19,050,000)	(8,855,700)	(8,840,394)	15,306	(2,144,952)
Fund Balances at Beginning of Year	<u>24,949,208</u>	<u>24,949,208</u>	<u>24,949,208</u>	-	<u>27,094,160</u>
Fund Balances at End of Year	<u>\$ 5,899,208</u>	<u>\$ 16,093,508</u>	<u>\$ 16,108,814</u>	<u>\$ 15,306</u>	<u>\$ 24,949,208</u>



## NON-MAJOR GOVERNMENTAL FUNDS

The **Municipal Court Fund** accounts for the Town's court building security and technology fees that are generated from court citation fines. According to state law, the revenue generated from these fees may only be spent on the municipal court.

The **Public Safety Fund** accounts for awards of monies or property by the courts relating to cases that involve the Addison Police Department. In prior years, this fund was classified as an expendable trust fund.

The **Advanced Funding Grant Fund** was created during fiscal year 2010. The fund accounts for grant monies that are received prior to the related expenditure, and therefore the fund may carry a balance from year to year if the Town does not expend the monies within the fiscal year.

The **Reimbursement Grant Fund** was created during fiscal year 2010. The fund accounts for expenditures for which the Town expects to be reimbursed. For any reimbursements not received prior to the fiscal year end, the Town will record a receivable.

The **American Recovery and Reinvestment Act (ARRA) Grant Fund** was created during fiscal year 2010. The fund accounts for receipts and expenditures of ARRA grant monies. The Act requires the separation of ARRA funds from other grant monies.

Addison!

**Town of Addison, Texas**  
**Non-Major Governmental Funds**

**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2010**

	Municipal Court Fund	Public Safety Fund	Advanced Funding Grant Fund	Reimbursement Grant Fund	ARRA Grant Fund	Total Non-Major Governmental Funds
<b>ASSETS:</b>						
Cash and Investments	\$ 476,716	\$ 36,677	\$ 15,280	\$ -	\$ -	\$ 528,673
Receivables:						
Interest	1,002	69	31	820	-	1,922
Intergovernmental	-	-	-	647,779	49,957	697,736
<b>Total Assets</b>	<b>\$ 477,718</b>	<b>\$ 36,746</b>	<b>\$ 15,311</b>	<b>\$ 648,599</b>	<b>\$ 49,957</b>	<b>\$ 1,228,331</b>
<b>LIABILITIES AND FUND BALANCE:</b>						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 308,768	\$ -	\$ -	\$ 20,430	\$ -	\$ 329,198
Deferred Revenue	-	859	-	-	-	859
Interfund Payable	-	-	-	627,874	49,981	677,855
<b>Total Liabilities</b>	<b>308,768</b>	<b>859</b>	<b>-</b>	<b>648,304</b>	<b>49,981</b>	<b>1,007,912</b>
Fund Balances:						
Fund Balances Reserved:						
Reserved for Court Technology	90,617	-	-	-	-	90,617
Reserved for Building Security	78,333	-	-	-	-	78,333
Fund Balances Unreserved:						
Unreserved - Undesignated	-	35,887	15,311	295	(24)	51,469
<b>Total Fund Balance</b>	<b>168,950</b>	<b>35,887</b>	<b>15,311</b>	<b>295</b>	<b>(24)</b>	<b>220,419</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 477,718</b>	<b>\$ 36,746</b>	<b>\$ 15,311</b>	<b>\$ 648,599</b>	<b>\$ 49,957</b>	<b>\$ 1,228,331</b>

**Town of Addison, Texas**  
**Non-Major Governmental Funds**

**Non-Major Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2010**

	Municipal Court Fund	Public Safety Fund	Advanced Funding Grant Fund	Reimbursement Grant Fund	ARRA Grant Fund	Total Non-Major Governmental Funds
<b>REVENUES:</b>						
Court Awards	\$ -	\$ 19,172	\$ -	\$ -	\$ -	\$ 19,172
Building Security Fees	13,842	-	-	-	-	13,842
Court Technology Fees	23,819	-	-	-	-	23,819
Intergovernmental	-	-	15,284	1,094,969	213,578	1,323,831
Earnings on Investments and Other	3,460	142	27	195	(24)	3,800
<i>Total Revenues</i>	<u>41,121</u>	<u>19,314</u>	<u>15,311</u>	<u>1,095,164</u>	<u>213,554</u>	<u>1,384,464</u>
<b>EXPENDITURES:</b>						
Salaries and Fringe Benefits	4,144	-	-	31,148	139,757	175,049
Supplies	5,052	-	-	14,309	22,633	41,994
Maintenance and Materials	80,259	-	-	-	-	80,259
Contractual Services	-	-	-	9,573	16,100	25,673
Capital Outlay	-	-	-	576,012	35,088	611,100
<i>Total Expenditures</i>	<u>89,455</u>	<u>-</u>	<u>-</u>	<u>631,042</u>	<u>213,578</u>	<u>934,075</u>
Excess/(Deficiency) of Revenues over Expenditures	(48,334)	19,314	15,311	464,122	(24)	450,389
<b>OTHER FINANCING SOURCES/(USES):</b>						
Transfers Out	-	-	-	(463,827)	-	(463,827)
Net Change in Fund Balance	(48,334)	19,314	15,311	295	(24)	(13,438)
Fund Balances at Beginning of Year	217,284	16,573	-	-	-	233,857
Fund Balances at End of Year	<u>\$ 168,950</u>	<u>\$ 35,887</u>	<u>\$ 15,311</u>	<u>\$ 295</u>	<u>\$ (24)</u>	<u>\$ 220,419</u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds - Municipal Court Fund**

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**Municipal Court Fund**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	2010	2009
<b>ASSETS:</b>		
Cash and Investments	\$ 476,716	\$ 548,722
Receivables:		
Interest	1,002	2,322
<i>Total Assets</i>	\$ 477,718	\$ 551,044
 <b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 308,768	\$ 333,760
Total Liabilities	308,768	333,760
 Fund Balances:		
Fund Balances Reserved:		
Reserved for Court Technology	90,617	116,541
Reserved for Building Security	78,333	100,743
Total Fund Balance	168,950	217,284
 <i>Total Liabilities and Fund Balance</i>	 \$ 477,718	 \$ 551,044

**Town of Addison, Texas**  
**Non-Major Governmental Funds - Municipal Court Fund**

**Municipal Court Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Building Security Fees	\$ 22,000	\$ 22,000	\$ 13,842	\$ (8,158)	\$ 26,722
Court Technology Fees	30,000	30,000	23,819	(6,181)	32,423
Earnings on Investments and Other	10,000	10,000	3,460	(6,540)	12,934
<i>Total Revenues</i>	<u>62,000</u>	<u>62,000</u>	<u>41,121</u>	<u>(20,879)</u>	<u>72,079</u>
<b>EXPENDITURES:</b>					
Salaries and Fringe Benefits	21,000	21,000	4,144	16,856	9,000
Supplies	4,000	10,000	5,052	4,948	-
Maintenance and Materials	-	84,000	80,259	3,741	-
Contractual Services	3,000	3,000	-	3,000	-
Capital Outlay	90,000	-	-	-	33,573
<i>Total Expenditures</i>	<u>118,000</u>	<u>118,000</u>	<u>89,455</u>	<u>28,545</u>	<u>42,573</u>
Net Change in Fund Balance	(56,000)	(56,000)	(48,334)	7,666	29,506
Fund Balances at Beginning of Year	<u>217,284</u>	<u>217,284</u>	<u>217,284</u>	<u>-</u>	<u>187,778</u>
Fund Balances at End of Year	<u>\$ 161,284</u>	<u>\$ 161,284</u>	<u>\$ 168,950</u>	<u>\$ 7,666</u>	<u>\$ 217,284</u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds - Public Safety Fund**

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**Public Safety Fund**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 36,677	\$ 17,387
Receivables:		
Interest	69	45
<i>Total Assets</i>	<u>\$ 36,746</u>	<u>\$ 17,432</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Deferred Revenue	\$ 859	\$ 859
Total Liabilities	<u>859</u>	<u>859</u>
Fund Balances:		
Fund Balances Unreserved:		
Unreserved - Undesignated	35,887	16,573
Total Fund Balance	<u>35,887</u>	<u>16,573</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 36,746</u>	<u>\$ 17,432</u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds - Public Safety Fund**

**Public Safety Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Court Awards	\$ 3,000	\$ 3,000	\$ 19,172	\$ 16,172	\$ 10,022
Earnings on Investments and Other	750	750	142	(608)	1,022
<i>Total Revenues</i>	<u>3,750</u>	<u>3,750</u>	<u>19,314</u>	<u>15,564</u>	<u>11,044</u>
<b>EXPENDITURES:</b>					
Supplies	-	-	-	-	23,150
Maintenance and Materials	-	-	-	-	17,991
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,141</u>
Net Change in Fund Balance	3,750	3,750	19,314	15,564	(30,097)
Fund Balances at Beginning of Year	<u>16,573</u>	<u>16,573</u>	<u>16,573</u>	<u>-</u>	<u>46,670</u>
Fund Balances at End of Year	<u>\$ 20,323</u>	<u>\$ 20,323</u>	<u>\$ 35,887</u>	<u>\$ 15,564</u>	<u>\$ 16,573</u>



**Town of Addison, Texas**

**Non-Major Governmental Funds - Advanced Funding Grant Fund**

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**Advanced Funding Grant Fund  
Comparative Balance Sheet  
September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 15,280	\$ -
Receivables:		
Interest	31	-
<i>Total Assets</i>	<u>\$ 15,311</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balances:		
Fund Balances Unreserved:		
Unreserved - Undesignated	<u>15,311</u>	<u>-</u>
Total Fund Balance	<u>15,311</u>	<u>-</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 15,311</u>	<u>\$ -</u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds - Advanced Funding Grant Fund**

**Advanced Funding Grant Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ 15,280	\$ 15,284	\$ 4	\$ -
Earnings on Investments and Other	-	20	27	7	-
<i>Total Revenues</i>	<u>-</u>	<u>15,300</u>	<u>15,311</u>	<u>11</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Capital Outlay	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	15,300	15,311	11	-
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 15,300</u>	<u>\$ 15,311</u>	<u>\$ 11</u>	<u>\$ -</u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds - Reimbursement Grant Fund**

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**Reimbursement Grant Fund**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS:</b>		
Receivables:		
Interest	\$ 820	\$ -
Intergovernmental	647,779	-
<i>Total Assets</i>	<u>\$ 648,599</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 20,430	\$ -
Interfund Payable	627,874	-
Total Liabilities	<u>648,304</u>	<u>-</u>
Fund Balances:		
Fund Balances Unreserved:		
Unreserved - Undesignated	295	-
Total Fund Balance	<u>295</u>	<u>-</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 648,599</u>	<u>\$ -</u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds - Reimbursement Grant Fund**

**Reimbursement Grant Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ 1,527,330	\$ 1,094,969	\$ (432,361)	\$ -
Earnings on Investments and Other	-	-	195	195	-
<i>Total Revenues</i>	<u>-</u>	<u>1,527,330</u>	<u>1,095,164</u>	<u>(432,166)</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Salaries and Fringe Benefits	-	23,330	31,148	(7,818)	-
Supplies	-	1,250	14,309	(13,059)	-
Contractual Services	-	8,270	9,573	(1,303)	-
Capital Outlay	-	1,296,030	576,012	720,018	-
<i>Total Expenditures</i>	<u>-</u>	<u>1,328,880</u>	<u>631,042</u>	<u>697,838</u>	<u>-</u>
Excess/(Deficiency) of Revenues over Expenditures	-	198,450	464,122	265,672	-
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfer to General Fund	-	(13,130)	(1,263)	11,867	-
Transfer to Street Capital Projects Fund	-	(185,320)	(462,564)	(277,244)	-
Net Change in Fund Balance	-	-	295	295	-
Fund Balances at Beginning of Year	-	-	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295</u>	<u>\$ 295</u>	<u>\$ -</u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds - ARRA Grant Fund**

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**American Recovery and Reinvestment Act (ARRA) Grant Fund**  
**Comparative Balance Sheet**  
**September 30, 2010 and 2009**

	2010	2009
<b>ASSETS:</b>		
Receivables:		
Intergovernmental	\$ 49,957	\$ -
<i>Total Assets</i>	\$ 49,957	\$ -
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Interfund Payable	\$ 49,981	\$ -
Total Liabilities	49,981	-
Fund Balances:		
Fund Balances Unreserved:		
Unreserved - Undesignated	(24)	-
Total Fund Balance	(24)	-
<i>Total Liabilities and Fund Balance</i>	\$ 49,957	\$ -

**Town of Addison, Texas**  
**Non-Major Governmental Funds - ARRA Grant Fund**

**American Recovery and Reinvestment Act (ARRA) Grant Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2010**  
**With Comparative Actual Totals for 2009**

	2010			Variance with Final Budget Positive (Negative)	2009
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ 163,620	\$ 213,578	\$ 49,958	\$ -
Earnings on Investments and Other	-	-	(24)	(24)	-
<i>Total Revenues</i>	<u>-</u>	<u>163,620</u>	<u>213,554</u>	<u>49,934</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Salaries and Fringe Benefits	-	105,900	139,757	(33,857)	-
Supplies	-	22,630	22,633	(3)	-
Contractual Services	-	-	16,100	(16,100)	-
Capital Outlay	-	35,090	35,088	2	-
<i>Total Expenditures</i>	<u>-</u>	<u>163,620</u>	<u>213,578</u>	<u>(49,958)</u>	<u>-</u>
Net Change in Fund Balance	-	-	(24)	(24)	-
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24)</u>	<u>\$ (24)</u>	<u>\$ -</u>

## PROPRIETARY FUNDS

### Enterprise Funds:

Enterprise funds account for operations that are financed and operated in a manner similar to private business system enterprises. The intent is to finance or recover the costs of providing goods or services to the general public on a continuing basis through user charges.

The **Airport Fund** accounts for all revenue generated by the Town's general aviation airport. The Town is required to spend this revenue on airport functions. The airport's operating, maintenance and capital expenses are supported solely by airport income. In prior years Airport Fund transactions had been classified and reported as a special revenue fund.

The **Utility Fund** provides water and sewer services to the residents and businesses of the Town. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing.

### Internal Service Funds:

Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis.

The **Capital Replacement Fund** is used to account for financial resources set aside annually to replace equipment as its useful life is consumed.

The **Information Technology Replacement Fund** is used to account for financial resources set aside annually to replace technology as its useful life is consumed.

The logo for the Town of Addison, Texas, featuring the word "Addison!" in a bold, black, cursive script font. A registered trademark symbol (®) is located at the end of the word.



**Town of Addison, Texas**  
**Proprietary Funds - Airport Fund**

**Airport Fund**  
**Comparative Statement of Net Assets**  
**September 30, 2010 and 2009**

	2010	2009
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 2,455,976	\$ 1,837,488
Interest Receivable	5,041	7,745
Accounts Receivable	522,504	602,788
Total Current Assets	2,983,521	2,448,021
Non-Current Assets:		
Deferred Charges	25,571	27,896
Capital Assets:		
Land	8,911,357	8,911,357
Buildings	1,386,047	1,386,047
Improvements other than Buildings	22,437,018	21,969,418
Machinery and Equipment	1,233,964	1,206,929
Accumulated Depreciation	(15,180,580)	(14,139,050)
Total Capital Assets, Net of Accumulated Depreciation	18,787,806	19,334,701
Construction in Progress	752,301	1,197,185
Net Property, Plant, and Equipment	19,540,107	20,531,886
<i>Total Assets</i>	\$ 22,549,199	\$ 23,007,803
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 416,787	\$ 832,887
Current Maturities of Certificates of Obligation	265,000	255,000
Accrued Interest Payable	16,195	17,311
Customer Deposits	161,136	163,819
Total Current Liabilities	859,118	1,269,017
Long-Term Debt, Net of Current Portion:		
Certificates of Obligation Payable	2,960,000	3,225,000
<i>Total Liabilities</i>	3,819,118	4,494,017
<b>NET ASSETS:</b>		
Invested in Capital Assets, Net of Related Debt	16,315,107	17,051,886
Unrestricted	2,414,974	1,461,900
<i>Total Net Assets</i>	\$ 18,730,081	\$ 18,513,786

**Town of Addison, Texas**  
**Proprietary Funds - Airport Fund**

**Airport Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Year Ended September 30, 2010 and 2009**

	2010	2009
<b>OPERATING REVENUES:</b>		
Fuel Flowage Fees	\$ 720,825	\$ 627,559
Customs Agent Fees	46,303	40,881
Rental Charges	3,430,003	3,282,117
Other Income	92,094	38,747
<i>Total Operating Revenues</i>	4,289,225	3,989,304
<b>OPERATING EXPENSES:</b>		
Salaries and Fringe Benefits	231,795	269,626
Supplies	41,234	14,271
Maintenance and Materials	1,184,683	1,445,942
Contractual Services	1,546,481	1,406,563
<i>Total Operating Expenses (Excluding Depreciation)</i>	3,004,193	3,136,402
Depreciation	1,041,531	1,009,125
<i>Total Operating Expenses</i>	4,045,724	4,145,527
<b>OPERATING INCOME/(LOSS)</b>	243,501	(156,223)
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	14,861	42,929
Sale of Assets	-	6,596
Interest Expense	(133,207)	(142,001)
Amortization Expense	(2,325)	(2,324)
<i>Total Non-Operating Revenues/(Expenses)</i>	(120,671)	(94,800)
<b>NET INCOME/(LOSS)</b>	122,830	(251,023)
Capital Contributions and Grants	93,465	736,539
<b>CHANGE IN NET ASSETS</b>	216,295	485,516
Net Assets at Beginning of Year	18,513,786	18,028,270
Net Assets at End of Year	\$ 18,730,081	\$ 18,513,786

**Town of Addison, Texas**  
**Proprietary Funds - Airport Fund**

**Airport Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2010 and 2009**

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 4,366,826	\$ 4,069,525
Payments to Suppliers	(3,188,498)	(2,907,014)
Payments to Employees for Services	(231,795)	(269,626)
	946,533	892,885
<i>Net Cash Provided/(Used) by Operating Activities</i>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(49,752)	(346,791)
Principal Paid on Certificates of Obligation	(255,000)	(245,000)
Interest Paid on Certificates of Obligation	(134,323)	(143,072)
Intergovernmental - Aviation Capital Grants	93,465	60,355
Proceeds from Sale of Capital Assets	-	6,596
	(345,610)	(667,912)
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	17,565	43,878
	618,488	268,851
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>		
Cash and Cash Investments, October 1	1,837,488	1,568,637
Cash and Cash Investments, September 30	\$ 2,455,976	\$ 1,837,488
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ 243,501	\$ (156,223)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	1,041,531	1,009,125
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	80,284	81,210
Increase/(Decrease) in Accounts Payable	(416,100)	(40,238)
Increase/(Decrease) in Customer Deposits	(2,683)	(989)
Net Cash Provided/(Used) by Operating Activities	\$ 946,533	\$ 892,885
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital Contributions	\$ -	\$ 676,184
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	\$ -	\$ 676,184

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**Town of Addison, Texas**  
**Proprietary Funds - Utility Fund**

**Utility Fund**  
**Comparative Statement of Net Assets**  
**September 30, 2010 and 2009**

	2010	2009
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 7,786,842	\$ 9,518,741
Interest Receivable	15,996	40,285
Accounts Receivable	1,684,718	1,424,854
Prepaid Items	-	8,054
Total Current Assets	9,487,556	10,991,934
Non-Current Assets:		
Deferred Charges	156,921	187,885
Capital Assets:		
Land	1,312,064	1,312,064
Buildings	1,728,905	1,728,905
Improvements other than Buildings	42,105,840	41,155,133
Machinery and Equipment	1,977,833	1,915,518
Accumulated Depreciation	(20,494,648)	(19,413,481)
Total Capital Assets, Net of Accumulated Depreciation	26,629,994	26,698,139
Construction in Progress	1,779,043	1,184,526
Net Property, Plant, and Equipment	28,409,037	27,882,665
Investment in Joint Venture	7,293,066	7,347,261
<i>Total Assets</i>	\$ 45,346,580	\$ 46,409,745
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 367,482	\$ 580,427
Current Maturities of General Obligation Bonds and Certificates of Obligation	2,478,842	2,182,932
Accrued Interest Payable	73,302	84,380
Customer Deposits	716,708	673,628
Total Current Liabilities	3,636,334	3,521,367
Long-Term Debt, Net of Current Portion:		
General Obligation Bonds and Certificates of Obligation Payable	11,400,514	13,879,355
<i>Total Liabilities</i>	15,036,848	17,400,722
<b>NET ASSETS:</b>		
Invested in Capital Assets, Net of Related Debt	19,984,681	17,275,378
Unrestricted	10,325,051	11,733,645
<i>Total Net Assets</i>	\$ 30,309,732	\$ 29,009,023

**Town of Addison, Texas**  
**Proprietary Funds - Utility Fund**

**Utility Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Year Ended September 30, 2010 and 2009**

	2010	2009
<b>OPERATING REVENUES:</b>		
Water	\$ 4,758,886	\$ 4,972,519
Sewer	3,933,498	4,108,426
Penalties	73,251	83,636
Water and Sewer Taps and Other Fees	21,490	24,210
Other Income	18,944	70
<i>Total Operating Revenues</i>	8,806,069	9,188,861
<b>OPERATING EXPENSES:</b>		
Salaries and Fringe Benefits	1,285,237	1,235,913
Supplies	105,177	113,244
Maintenance and Materials	354,034	539,808
Contractual Services	599,717	594,241
Water Purchases	2,603,155	2,555,204
Wastewater Purchases	1,736,262	1,933,859
Bad Debts Expense	10,374	-
<i>Total Operating Expenses (Excluding Depreciation)</i>	6,693,956	6,972,269
Depreciation	1,081,166	731,181
<i>Total Operating Expenses</i>	7,775,122	7,703,450
<b>OPERATING INCOME/(LOSS)</b>	1,030,947	1,485,411
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	(3,796)	171,563
Rental Income	-	2,552
Sale of Assets	1,531	-
Gain/(Loss) of the Joint Venture	(54,195)	(51,407)
Interest Expense	(619,652)	(702,828)
Amortization Expense	(80,712)	(80,712)
Fiscal Fees	17,201	(779)
<i>Total Non-Operating Revenues/(Expenses)</i>	(739,623)	(661,611)
<b>NET INCOME/(LOSS)</b>	291,324	823,800
Capital Contributions and Grants	1,009,385	1,049,758
<b>CHANGE IN NET ASSETS</b>	1,300,709	1,873,558
Net Assets at Beginning of Year	29,009,023	27,135,465
Net Assets at End of Year	\$ 30,309,732	\$ 29,009,023

**Town of Addison, Texas**  
**Proprietary Funds - Utility Fund**

**Utility Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2010 and 2009**

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 8,589,285	\$ 9,373,623
Payments to Suppliers	(5,613,610)	(5,928,726)
Payments to Employees for Services	(1,285,237)	(1,235,913)
	1,690,438	2,208,984
<i>Net Cash Provided/(Used) by Operating Activities</i>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(598,152)	(1,067,114)
Principal Paid on Certificates of Obligation and General Obligation Bonds	(2,182,932)	(2,087,354)
Interest Paid on Certificates of Obligation and General Obligation Bonds	(680,478)	(844,039)
Fiscal Fees Related to Outstanding Debt	17,201	(779)
Proceeds from Sale of Capital Assets	1,531	-
	(3,442,830)	(3,999,286)
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	20,493	191,753
Cash Received from Equipment Rental	-	2,552
	20,493	194,305
<i>Net Cash Provided/(Used) by Investing Activities</i>		
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	(1,731,899)	(1,595,997)
Cash and Cash Investments, October 1	9,518,741	11,114,738
Cash and Cash Investments, September 30	\$ 7,786,842	\$ 9,518,741
 Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ 1,030,947	\$ 1,485,411
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	1,081,166	731,181
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	(259,864)	163,629
(Increase)/Decrease in Prepaid Items	8,054	19,986
Increase/(Decrease) in Accounts Payable	(212,945)	(212,356)
Increase/(Decrease) in Customer Deposits	43,080	21,133
Net Cash Provided/(Used) by Operating Activities	\$ 1,690,438	\$ 2,208,984
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital Contributions	\$ 1,009,385	\$ 1,049,758
Gain/(Loss) of Joint Venture	(54,195)	(51,407)
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	\$ 955,190	\$ 998,351

The logo for the Town of Addison, Texas, featuring the word "Addison!" in a bold, black, cursive script. A registered trademark symbol (®) is located at the end of the word.



**Town of Addison, Texas**  
**Proprietary Funds - Internal Service Funds**

**Internal Service Funds**  
**Combining Statement of Net Assets**  
**September 30, 2010**

	<u>Capital Replacement</u>	<u>Information Technology Replacement</u>	<u>Total Internal Service Funds</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Investments	\$ 3,201,008	\$ 2,075,728	\$ 5,276,736
Interest Receivable	6,553	4,252	10,805
Total Current Assets	<u>3,207,561</u>	<u>2,079,980</u>	<u>5,287,541</u>
Non-Current Assets:			
Capital Assets:			
Machinery and Equipment	6,745,440	4,834,674	11,580,114
Accumulated Depreciation	<u>(4,173,452)</u>	<u>(3,885,926)</u>	<u>(8,059,378)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>2,571,988</u>	<u>948,748</u>	<u>3,520,736</u>
<i>Total Assets</i>	<u>\$ 5,779,549</u>	<u>\$ 3,028,728</u>	<u>\$ 8,808,277</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	\$ 2,571,988	\$ 948,748	\$ 3,520,736
Unrestricted	<u>3,207,561</u>	<u>2,079,980</u>	<u>5,287,541</u>
<i>Total Net Assets</i>	<u>\$ 5,779,549</u>	<u>\$ 3,028,728</u>	<u>\$ 8,808,277</u>

**Town of Addison, Texas**  
**Proprietary Funds - Internal Service Funds**

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Year Ended September 30, 2010**

	Capital Replacement	Information Technology Replacement	Total Internal Service Funds
<b>OPERATING REVENUES:</b>			
Department Contributions	\$ -	\$ -	\$ -
Other Income/(Expense)	-	1,165	1,165
<i>Total Operating Revenues</i>	<u>-</u>	<u>1,165</u>	<u>1,165</u>
<b>OPERATING EXPENSES:</b>			
Contractual Services	2,571	2,571	5,142
Depreciation	641,142	216,974	858,116
<i>Total Operating Expenses</i>	<u>643,713</u>	<u>219,545</u>	<u>863,258</u>
<b>OPERATING INCOME/(LOSS)</b>	<u>(643,713)</u>	<u>(218,380)</u>	<u>(862,093)</u>
<b>NON-OPERATING REVENUES/(EXPENSES):</b>			
Investment Income	26,050	15,302	41,352
Sale of Assets	55,864	(6,707)	49,157
<i>Total Non-Operating Revenues/(Expenses)</i>	<u>81,914</u>	<u>8,595</u>	<u>90,509</u>
<b>CHANGE IN NET ASSETS</b>	(561,799)	(209,785)	(771,584)
Net Assets at Beginning of Year	<u>6,341,348</u>	<u>3,238,513</u>	<u>9,579,861</u>
Net Assets at End of Year	<u>\$ 5,779,549</u>	<u>\$ 3,028,728</u>	<u>\$ 8,808,277</u>

**Town of Addison, Texas**  
**Proprietary Funds - Internal Service Funds**

**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended September 30, 2010**

	<u>Capital Replacement</u>	<u>Information Technology Replacement</u>	<u>Total Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Department Contributions	\$ -	\$ -	\$ -
Payments to Suppliers	<u>(2,571)</u>	<u>(7,656)</u>	<u>(10,227)</u>
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>(2,571)</u>	<u>(7,656)</u>	<u>(10,227)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and Construction of Capital Assets	(702,353)	(82,487)	(784,840)
Proceeds from Sale of Capital Assets	<u>55,864</u>	<u>-</u>	<u>55,864</u>
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>(646,489)</u>	<u>(82,487)</u>	<u>(728,976)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on Cash and Investments	<u>35,632</u>	<u>20,131</u>	<u>55,763</u>
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	(613,428)	(70,012)	(683,440)
Cash and Cash Investments, October 1	<u>3,814,436</u>	<u>2,145,740</u>	<u>5,960,176</u>
Cash and Cash Investments, September 30	<u>\$ 3,201,008</u>	<u>\$ 2,075,728</u>	<u>\$ 5,276,736</u>
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (643,713)	\$ (218,380)	\$ (862,093)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:			
Depreciation	641,142	216,974	858,116
Change in Assets and Liabilities:			
Increase/(Decrease) in Accounts Payable	<u>-</u>	<u>(6,250)</u>	<u>(6,250)</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (2,571)</u>	<u>\$ (7,656)</u>	<u>\$ (10,227)</u>

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**Town of Addison, Texas**  
**Proprietary Funds - Capital Replacement Fund**

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**Capital Replacement Fund**  
**Comparative Statement of Net Assets**  
**September 30, 2010 and 2009**

	2010	2009
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 3,201,008	\$ 3,814,436
Interest Receivable	6,553	16,135
Total Current Assets	3,207,561	3,830,571
Non-Current Assets:		
Capital Assets:		
Machinery and Equipment	6,745,440	6,523,129
Accumulated Depreciation	(4,173,452)	(4,012,352)
Total Capital Assets, Net of Accumulated Depreciation	2,571,988	2,510,777
<i>Total Assets</i>	<b>\$ 5,779,549</b>	<b>\$ 6,341,348</b>
<b>NET ASSETS:</b>		
Invested in Capital Assets, Net of Related Debt	\$ 2,571,988	\$ 2,510,777
Unrestricted	3,207,561	3,830,571
<i>Total Net Assets</i>	<b>\$ 5,779,549</b>	<b>\$ 6,341,348</b>

**Town of Addison, Texas**  
**Proprietary Funds - Capital Replacement Fund**

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**Capital Replacement Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Year Ended September 30, 2010 and 2009**

	2010	2009
<b>OPERATING REVENUES:</b>		
Department Contributions	\$ -	\$ 502,700
<i>Total Operating Revenues</i>	-	502,700
<b>OPERATING EXPENSES:</b>		
Contractual Services	2,571	2,677
Depreciation	641,142	719,899
<i>Total Operating Expenses</i>	643,713	722,576
<b>OPERATING INCOME/(LOSS)</b>	(643,713)	(219,876)
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	26,050	84,667
Sale of Assets	55,864	84,381
<i>Total Non-Operating Revenues/(Expenses)</i>	81,914	169,048
<b>NET INCOME/(LOSS)</b>	(561,799)	(50,828)
Transfer from General Fund	-	38,878
Transfer from Hotel Fund	-	14,769
<b>CHANGE IN NET ASSETS</b>	(561,799)	2,819
Net Assets at Beginning of Year	6,341,348	6,338,529
Net Assets at End of Year	\$ 5,779,549	\$ 6,341,348

**Town of Addison**  
**Proprietary Funds - Capital Replacement Fund**

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**Capital Replacement Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2010 and 2009**

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Department Contributions	\$ -	\$ 502,700
Payments to Suppliers	(2,571)	(2,677)
<i>Net Cash Provided/(Used) by Operating Activities</i>	(2,571)	500,023
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(702,353)	(222,636)
Proceeds from Sale of Capital Assets	55,864	84,381
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(646,489)	(138,255)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	35,632	86,674
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	(613,428)	448,442
Cash and Cash Investments, October 1	3,814,436	3,365,994
Cash and Cash Investments, September 30	\$ 3,201,008	\$ 3,814,436
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (643,713)	\$ (219,876)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	641,142	719,899
Net Cash Provided/(Used) by Operating Activities	\$ (2,571)	\$ 500,023

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**Town of Addison, Texas**  
**Proprietary Funds - Information Technology Replacement Fund**

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**Information Technology Replacement Fund**  
**Comparative Statement of Net Assets**  
**September 30, 2010 and 2009**

	2010	2009
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 2,075,728	\$ 2,145,740
Interest Receivable	4,252	9,081
Total Current Assets	2,079,980	2,154,821
Non-Current Assets:		
Capital Assets:		
Machinery and Equipment	4,834,674	9,080,552
Accumulated Depreciation	(3,885,926)	(7,990,610)
Total Capital Assets, Net of Accumulated Depreciation	948,748	1,089,942
<i>Total Assets</i>	\$ 3,028,728	\$ 3,244,763
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ 6,250
<i>Total Liabilities</i>	-	6,250
<b>NET ASSETS:</b>		
Invested in Capital Assets, Net of Related Debt	948,748	1,089,942
Unrestricted	2,079,980	2,148,571
<i>Total Net Assets</i>	\$ 3,028,728	\$ 3,238,513

**Town of Addison, Texas**  
**Proprietary Funds - Information Technology Replacement Fund**

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**Information Technology Replacement Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Year Ended September 30, 2010 and 2009**

	2010	2009
<b>OPERATING REVENUES:</b>		
Department Contributions	\$ -	\$ 435,070
Other Income/(Expense)	1,165	(26,428)
<i>Total Operating Revenues</i>	1,165	408,642
<b>OPERATING EXPENSES:</b>		
Contractual Services	2,571	2,677
Depreciation	216,974	231,533
<i>Total Operating Expenses</i>	219,545	234,210
<b>OPERATING INCOME/(LOSS)</b>	(218,380)	174,432
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	15,302	64,260
Sale of Assets	(6,707)	-
<i>Total Non-Operating Revenues/(Expenses)</i>	8,595	64,260
<b>NET INCOME/(LOSS)</b>	(209,785)	238,692
Transfer from Hotel Fund	-	29,392
<b>CHANGE IN NET ASSETS</b>	(209,785)	268,084
Net Assets at Beginning of Year	3,238,513	2,970,429
Net Assets at End of Year	\$ 3,028,728	\$ 3,238,513

**Town of Addison, Texas**  
**Proprietary Funds - Information Technology Replacement Fund**

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**Information Technology Replacement Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2010 and 2009**

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Department Contributions	\$ -	\$ 435,070
Payments to Suppliers	(7,656)	(22,855)
<i>Net Cash Provided/(Used) by Operating Activities</i>	(7,656)	412,215
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(82,487)	(1,118,369)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	20,131	70,172
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	(70,012)	(635,982)
Cash and Cash Investments, October 1	2,145,740	2,781,722
Cash and Cash Investments, September 30	\$ 2,075,728	\$ 2,145,740
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (218,380)	\$ 174,432
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	216,974	231,533
Change in Assets and Liabilities:		
Increase/(Decrease) in Accounts Payable	(6,250)	6,250
Net Cash Provided/(Used) by Operating Activities	\$ (7,656)	\$ 412,215

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# Capital Assets Used in Operations of Governmental Funds

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**Town of Addison, Texas**  
**Capital Assets Used in Operations by Governmental Funds**

**COMPARATIVE SCHEDULE OF CAPITAL ASSETS  
BY SOURCE**

September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>GENERAL CAPITAL ASSETS:</b>		
Property and Equipment in Service:		
Land	\$ 65,784,123	\$ 65,024,009
Buildings	21,409,464	21,409,464
Improvements Other Than Buildings	126,487,627	126,177,539
Equipment	<u>2,339,660</u>	<u>2,269,014</u>
<i>Total Property and Equipment in Service</i>	216,020,874	214,880,026
Construction in Progress	<u>17,937,565</u>	<u>6,833,638</u>
<i>Total Capital Assets</i>	<u><u>\$ 233,958,439</u></u>	<u><u>\$ 221,713,664</u></u>
<b>INVESTMENT IN GENERAL CAPITAL ASSETS BY SOURCE:</b>		
Capital Projects Funds:		
General Obligation Bonds	\$ 88,550,617	\$ 88,732,692
Certificates of Obligation Bonds	26,842,203	15,782,949
Revenue Bonds	5,165,573	5,165,573
DART Grant	14,996,322	14,996,322
State Grant	530,821	530,821
Federal Grant	35,087	-
Contributions by Developers	60,883,190	60,628,590
Property Owners' Participation	1,026,857	1,026,857
Other Governments	2,180,374	1,138,021
General Fund:		
Revenues	20,355,432	20,319,876
Special Revenue Funds	12,127,357	12,127,357
Debt Service Fund	30,893	30,893
Donations	<u>1,233,713</u>	<u>1,233,713</u>
<i>Total Investment in General Capital Assets</i>	<u><u>\$ 233,958,439</u></u>	<u><u>\$ 221,713,664</u></u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts.

**Town of Addison, Texas**  
**Capital Assets Used in Operations by Governmental Funds**

**SCHEDULE OF CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**

September 30, 2010

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Equipment	Total
<b>GENERAL GOVERNMENT:</b>					
City Manager	\$ 881,309	\$ 441,699	\$ 16,705	\$ 39,898	\$ 1,379,611
Financial & Strategic Services	663,561	653,868	-	58,435	1,375,864
General Services	-	829,974	5,499	151,226	986,699
Municipal Court	-	-	-	81,694	81,694
Human Resources	-	202,433	5,499	9,887	217,819
City Council Special Projects	-	-	-	1,623	1,623
<i>Total General Government</i>	<u>1,544,870</u>	<u>2,127,974</u>	<u>27,703</u>	<u>342,763</u>	<u>4,043,310</u>
<b>PUBLIC SAFETY:</b>					
Police	-	2,239,994	76,209	646,672	2,962,875
Fire	-	2,341,735	74,476	279,134	2,695,345
<i>Total Public Safety</i>	<u>-</u>	<u>4,581,729</u>	<u>150,685</u>	<u>925,806</u>	<u>5,658,220</u>
<b>URBAN DEVELOPMENT</b>					
	<u>-</u>	<u>161,946</u>	<u>10,998</u>	<u>10,212</u>	<u>183,156</u>
<b>STREETS</b>					
	<u>53,706,436</u>	<u>302,616</u>	<u>102,836,763</u>	<u>95,899</u>	<u>156,941,714</u>
<b>PARKS AND RECREATION:</b>					
Parks	3,971,374	531,800	13,715,636	128,942	18,347,752
Recreation	-	8,015,919	1,106,378	80,632	9,202,929
<i>Total Parks and Recreation</i>	<u>3,971,374</u>	<u>8,547,719</u>	<u>14,822,014</u>	<u>209,574</u>	<u>27,550,681</u>
<b>VISITOR SERVICES:</b>					
Visitor Services	-	-	12,928	34,037	46,965
Conference Centre/Theatre	2,680,636	5,687,480	8,531,958	714,225	17,614,299
Special Events	3,880,807	-	94,578	7,144	3,982,529
<i>Total Visitor Services</i>	<u>6,561,443</u>	<u>5,687,480</u>	<u>8,639,464</u>	<u>755,406</u>	<u>21,643,793</u>
<i>Balance at End of Year</i>	<u>\$ 65,784,123</u>	<u>\$ 21,409,464</u>	<u>\$ 126,487,627</u>	<u>\$ 2,339,660</u>	<u>\$ 216,020,874</u>
Construction in Progress					<u>17,937,565</u>
<i>Total General Capital Assets</i>					<u><u>\$ 233,958,439</u></u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts.



**Town of Addison, Texas**  
**Capital Assets Used in Operations by Governmental Funds**

**SCHEDULE OF CHANGES IN CAPITAL ASSETS  
BY FUNCTION AND ACTIVITY**

For the fiscal year ended September 30, 2010

Function and Activity	Balance 9/30/2009	Additions	Deletions	Transfers	Balance 9/30/2010
<b>GENERAL GOVERNMENT:</b>					
City Manager	\$ 1,349,793	\$ 10,477	\$ -	\$ 19,341	\$ 1,379,611
Financial & Strategic Services	1,375,864	-	-	-	1,375,864
General Services	986,699	-	-	-	986,699
Municipal Court	81,694	-	-	-	81,694
Human Resources	217,819	-	-	-	217,819
City Council Special Projects	1,623	-	-	-	1,623
<i>Total General Government</i>	<u>4,013,492</u>	<u>10,477</u>	<u>-</u>	<u>19,341</u>	<u>4,043,310</u>
<b>PUBLIC SAFETY:</b>					
Police	2,924,582	38,293	-	-	2,962,875
Fire	2,692,810	21,876	-	(19,341)	2,695,345
<i>Total Public Safety</i>	<u>5,617,392</u>	<u>60,169</u>	<u>-</u>	<u>(19,341)</u>	<u>5,658,220</u>
<b>URBAN DEVELOPMENT</b>					
	<u>183,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,156</u>
<b>STREETS</b>					
	<u>155,871,512</u>	<u>1,014,714</u>	<u>-</u>	<u>55,488</u>	<u>156,941,714</u>
<b>PARKS AND RECREATION:</b>					
Parks	18,338,368	-	-	9,384	18,347,752
Recreation	9,212,313	-	-	(9,384)	9,202,929
<i>Total Parks and Recreation</i>	<u>27,550,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,550,681</u>
<b>VISITOR SERVICES:</b>					
Visitor Services	226,353	-	-	(179,388)	46,965
Conference Centre/Theatre	17,529,489	-	-	84,810	17,614,299
Special Events	3,887,951	-	-	94,578	3,982,529
<i>Total Visitor Services</i>	<u>21,643,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,643,793</u>
<i>Total General Capital Assets Allocated by Function</i>	<u>214,880,026</u>	<u>1,085,360</u>	<u>-</u>	<u>55,488</u>	<u>216,020,874</u>
Construction in Progress	<u>6,833,638</u>	<u>11,159,415</u>	<u>-</u>	<u>(55,488)</u>	<u>17,937,565</u>
<i>Total General Capital Assets</i>	<u>\$ 221,713,664</u>	<u>\$ 12,244,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,958,439</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts.

Addison!®

# Long-Term Debt Schedules

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2001  
BONDS OUTSTANDING: \$4,210,000.00

<u>Payment</u>						<u>Fiscal</u>
<u>Month</u>	<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Year Total</u>
February	2011	*	\$ 2,910,000.00	\$ 100,705.00	\$ 3,010,705.00	
August	2011		-	27,955.00	27,955.00	3,038,660.00
February	2012		640,000.00	27,955.00	667,955.00	
August	2012		-	14,355.00	14,355.00	682,310.00
February	2013		660,000.00	14,355.00	674,355.00	
August	2013		-	-	-	674,355.00
<i>Total</i>			<u>\$ 4,210,000.00</u>	<u>\$ 185,325.00</u>	<u>\$ 4,395,325.00</u>	<u>\$ 4,395,325.00</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2001  
EXCLUDING WATER AND SEWER PORTION  
BONDS OUTSTANDING: \$1,905,000.00

<u>Payment</u>						<u>Fiscal</u>
<u>Month</u>	<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Year Total</u>
February	2011	*	\$ 605,000.00	\$ 43,080.00	\$ 648,080.00	
August	2011		-	27,955.00	27,955.00	676,035.00
February	2012		640,000.00	27,955.00	667,955.00	
August	2012		-	14,355.00	14,355.00	682,310.00
February	2013		660,000.00	14,355.00	674,355.00	
August	2013		-	-	-	674,355.00
<i>Total</i>			<u>\$ 1,905,000.00</u>	<u>\$ 127,700.00</u>	<u>\$ 2,032,700.00</u>	<u>\$ 2,032,700.00</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS  
SERIES 2002  
BONDS OUTSTANDING: \$13,425,000.00

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2011	\$ 1,190,000.00	\$ 265,743.76	\$ 1,455,743.76	
August	2011	-	245,662.51	245,662.51	1,701,406.27
February	2012	3,635,000.00	245,662.51	3,880,662.51	
August	2012 *	-	182,050.01	182,050.01	4,062,712.52
February	2013	3,770,000.00	182,050.01	3,952,050.01	
August	2013	-	113,718.75	113,718.75	4,065,768.76
February	2014	1,125,000.00	113,718.75	1,238,718.75	
August	2014	-	92,625.00	92,625.00	1,331,343.75
February	2015	1,175,000.00	92,625.00	1,267,625.00	
August	2015	-	63,250.00	63,250.00	1,330,875.00
February	2016	1,235,000.00	63,250.00	1,298,250.00	
August	2016	-	32,375.00	32,375.00	1,330,625.00
February	2017	1,295,000.00	32,375.00	1,327,375.00	
August	2017	-	-	-	1,327,375.00
<i>Total</i>		<u>\$ 13,425,000.00</u>	<u>\$ 1,725,106.30</u>	<u>\$ 15,150,106.30</u>	<u>\$ 15,150,106.30</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS  
SERIES 2002  
EXCLUDING WATER AND SEWER PORTION  
BONDS OUTSTANDING: \$7,970,000.00

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2011	\$ 1,010,000.00	\$ 168,715.63	\$ 1,178,715.63	
August	2011	-	151,671.88	151,671.88	1,330,387.51
February	2012	1,045,000.00	151,671.88	1,196,671.88	
August	2012 *	-	133,384.38	133,384.38	1,330,056.26
February	2013	1,085,000.00	133,384.38	1,218,384.38	
August	2013	-	113,718.75	113,718.75	1,332,103.13
February	2014	1,125,000.00	113,718.75	1,238,718.75	
August	2014	-	92,625.00	92,625.00	1,331,343.75
February	2015	1,175,000.00	92,625.00	1,267,625.00	
August	2015	-	63,250.00	63,250.00	1,330,875.00
February	2016	1,235,000.00	63,250.00	1,298,250.00	
August	2016	-	32,375.00	32,375.00	1,330,625.00
February	2017	1,295,000.00	32,375.00	1,327,375.00	
August	2017	-	-	-	1,327,375.00
<i>Total</i>		<u>\$ 7,970,000.00</u>	<u>\$ 1,342,765.65</u>	<u>\$ 9,312,765.65</u>	<u>\$ 9,312,765.65</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SUPPORTED BY HOTEL FUND  
SERIES 2003  
BONDS OUTSTANDING: \$5,055,000.00

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2011	\$ 555,000.00	\$ 86,506.25	\$ 641,506.25	
August	2011	-	78,181.25	78,181.25	719,687.50
February	2012	575,000.00	78,181.25	653,181.25	
August	2012	-	68,837.50	68,837.50	722,018.75
February	2013	595,000.00	68,837.50	663,837.50	
August	2013	-	58,425.00	58,425.00	722,262.50
February	2014 *	620,000.00	58,425.00	678,425.00	
August	2014	-	48,350.00	48,350.00	726,775.00
February	2015	640,000.00	48,350.00	688,350.00	
August	2015	-	37,550.00	37,550.00	725,900.00
February	2016	665,000.00	37,550.00	702,550.00	
August	2016	-	25,912.50	25,912.50	728,462.50
February	2017	690,000.00	25,912.50	715,912.50	
August	2017	-	13,406.25	13,406.25	729,318.75
February	2018	715,000.00	13,406.25	728,406.25	
August	2018	-	-	-	728,406.25
<i>Total</i>		<u>\$ 5,055,000.00</u>	<u>\$ 747,831.25</u>	<u>\$ 5,802,831.25</u>	<u>\$ 5,802,831.25</u>

\* First call date.



**Town of Addison, Texas**  
**Long-Term Debt Schedules**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

GENERAL OBLIGATION BONDS  
SERIES 2004  
BONDS OUTSTANDING: \$7,275,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2011	\$ 670,000.00	\$ 147,118.75	\$ 817,118.75	
August	2011	-	135,393.75	135,393.75	952,512.50
February	2012	700,000.00	135,393.75	835,393.75	
August	2012	-	123,143.75	123,143.75	958,537.50
February	2013	730,000.00	123,143.75	853,143.75	
August	2013	-	109,456.25	109,456.25	962,600.00
February	2014	765,000.00	109,456.25	874,456.25	
August	2014	-	95,112.50	95,112.50	969,568.75
February	2015 *	805,000.00	95,112.50	900,112.50	
August	2015	-	79,012.50	79,012.50	979,125.00
February	2016	840,000.00	79,012.50	919,012.50	
August	2016	-	62,212.50	62,212.50	981,225.00
February	2017	880,000.00	62,212.50	942,212.50	
August	2017	-	42,412.50	42,412.50	984,625.00
February	2018	920,000.00	42,412.50	962,412.50	
August	2018	-	21,712.50	21,712.50	984,125.00
February	2019	965,000.00	21,712.50	986,712.50	
August	2019	-	-	-	986,712.50
<i>Total</i>		<u>\$ 7,275,000.00</u>	<u>\$ 1,484,031.25</u>	<u>\$ 8,759,031.25</u>	<u>\$ 8,759,031.25</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS  
SERIES 2005  
BONDS OUTSTANDING: \$5,625,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2011	\$ 915,000.00	\$ 105,400.00	\$ 1,020,400.00	
August	2011	-	89,387.50	89,387.50	1,109,787.50
February	2012	945,000.00	89,387.50	1,034,387.50	
August	2012	-	72,850.00	72,850.00	1,107,237.50
February	2013 *	980,000.00	72,850.00	1,052,850.00	
August	2013	-	55,700.00	55,700.00	1,108,550.00
February	2014	1,020,000.00	55,700.00	1,075,700.00	
August	2014	-	35,300.00	35,300.00	1,111,000.00
February	2015	1,060,000.00	35,300.00	1,095,300.00	
August	2015	-	14,100.00	14,100.00	1,109,400.00
February	2016	105,000.00	14,100.00	119,100.00	
August	2016	-	12,000.00	12,000.00	131,100.00
February	2017	110,000.00	12,000.00	122,000.00	
August	2017	-	9,800.00	9,800.00	131,800.00
February	2018	115,000.00	9,800.00	124,800.00	
August	2018	-	7,500.00	7,500.00	132,300.00
February	2019	120,000.00	7,500.00	127,500.00	
August	2019	-	5,100.00	5,100.00	132,600.00
February	2020	125,000.00	5,100.00	130,100.00	
August	2020	-	2,600.00	2,600.00	132,700.00
February	2021	130,000.00	2,600.00	132,600.00	
August	2021	-	-	-	132,600.00
<i>Total</i>		<u>\$ 5,625,000.00</u>	<u>\$ 714,075.00</u>	<u>\$ 6,339,075.00</u>	<u>\$ 6,339,075.00</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2008  
BONDS OUTSTANDING: \$34,305,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2011	\$ 145,000.00	\$ 761,300.00	\$ 906,300.00	
August	2011	-	758,400.00	758,400.00	1,664,700.00
February	2012	780,000.00	758,400.00	1,538,400.00	
August	2012	-	742,800.00	742,800.00	2,281,200.00
February	2013	820,000.00	742,800.00	1,562,800.00	
August	2013	-	726,400.00	726,400.00	2,289,200.00
February	2014	1,095,000.00	726,400.00	1,821,400.00	
August	2014	-	704,500.00	704,500.00	2,525,900.00
February	2015	1,150,000.00	704,500.00	1,854,500.00	
August	2015	-	681,500.00	681,500.00	2,536,000.00
February	2016	1,205,000.00	681,500.00	1,886,500.00	
August	2016	-	657,400.00	657,400.00	2,543,900.00
February	2017	1,255,000.00	657,400.00	1,912,400.00	
August	2017	-	626,025.00	626,025.00	2,538,425.00
February	2018 *	1,315,000.00	626,025.00	1,941,025.00	
August	2018	-	599,725.00	599,725.00	2,540,750.00
February	2019	1,380,000.00	599,725.00	1,979,725.00	
August	2019	-	572,125.00	572,125.00	2,551,850.00
February	2020	1,445,000.00	572,125.00	2,017,125.00	
August	2020	-	543,225.00	543,225.00	2,560,350.00
February	2021	1,510,000.00	543,225.00	2,053,225.00	
August	2021	-	512,081.25	512,081.25	2,565,306.25
February	2022	1,585,000.00	512,081.25	2,097,081.25	
August	2022	-	478,400.00	478,400.00	2,575,481.25
February	2023	1,660,000.00	478,400.00	2,138,400.00	
August	2023	-	443,125.00	443,125.00	2,581,525.00
February	2024	1,735,000.00	443,125.00	2,178,125.00	
August	2024	-	399,750.00	399,750.00	2,577,875.00
February	2025	1,820,000.00	399,750.00	2,219,750.00	
August	2025	-	359,937.50	359,937.50	2,579,687.50
February	2026	1,905,000.00	359,937.50	2,264,937.50	
August	2026	-	317,075.00	317,075.00	2,582,012.50
February	2027	1,995,000.00	317,075.00	2,312,075.00	
August	2027	-	267,200.00	267,200.00	2,579,275.00
February	2028	2,090,000.00	267,200.00	2,357,200.00	
August	2028	-	220,175.00	220,175.00	2,577,375.00
February	2029	1,715,000.00	220,175.00	1,935,175.00	
August	2029	-	181,587.50	181,587.50	2,116,762.50
February	2030	1,795,000.00	181,587.50	1,976,587.50	
August	2030	-	140,078.13	140,078.13	2,116,665.63
February	2031	1,880,000.00	140,078.13	2,020,078.13	
August	2031	-	93,078.13	93,078.13	2,113,156.26
February	2032	1,965,000.00	93,078.13	2,058,078.13	
August	2032	-	47,637.50	47,637.50	2,105,715.63
February	2033	2,060,000.00	47,637.50	2,107,637.50	
August	2033	-	-	-	2,107,637.50
<b>Total</b>		<b>\$ 34,305,000.00</b>	<b>\$ 20,905,750.02</b>	<b>\$ 55,210,750.02</b>	<b>\$ 55,210,750.02</b>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2008  
EXCLUDING WATER AND SEWER PORTION  
BONDS OUTSTANDING: \$28,062,380.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2011	\$ 118,610.00	\$ 622,743.40	\$ 741,353.40	
August	2011	-	620,371.20	620,371.20	1,361,724.60
February	2012	638,040.00	620,371.20	1,258,411.20	
August	2012	-	607,610.40	607,610.40	1,866,021.60
February	2013	670,760.00	607,610.40	1,278,370.40	
August	2013	-	594,195.20	594,195.20	1,872,565.60
February	2014	895,710.00	594,195.20	1,489,905.20	
August	2014	-	576,281.00	576,281.00	2,066,186.20
February	2015	940,700.00	576,281.00	1,516,981.00	
August	2015	-	557,467.00	557,467.00	2,074,448.00
February	2016	985,690.00	557,467.00	1,543,157.00	
August	2016	-	537,753.20	537,753.20	2,080,910.20
February	2017	1,026,590.00	537,753.20	1,564,343.20	
August	2017	-	512,088.45	512,088.45	2,076,431.65
February	2018 *	1,075,670.00	512,088.45	1,587,758.45	
August	2018	-	490,575.05	490,575.05	2,078,333.50
February	2019	1,128,840.00	490,575.05	1,619,415.05	
August	2019	-	467,998.25	467,998.25	2,087,413.30
February	2020	1,182,010.00	467,998.25	1,650,008.25	
August	2020	-	444,358.05	444,358.05	2,094,366.30
February	2021	1,235,180.00	444,358.05	1,679,538.05	
August	2021	-	418,882.46	418,882.46	2,098,420.51
February	2022	1,296,530.00	418,882.46	1,715,412.46	
August	2022	-	391,331.20	391,331.20	2,106,743.66
February	2023	1,357,880.00	391,331.20	1,749,211.20	
August	2023	-	362,476.25	362,476.25	2,111,687.45
February	2024	1,419,230.00	362,476.25	1,781,706.25	
August	2024	-	326,995.50	326,995.50	2,108,701.75
February	2025	1,488,760.00	326,995.50	1,815,755.50	
August	2025	-	294,428.88	294,428.88	2,110,184.38
February	2026	1,558,290.00	294,428.88	1,852,718.88	
August	2026	-	259,367.35	259,367.35	2,112,086.23
February	2027	1,631,910.00	259,367.35	1,891,277.35	
August	2027	-	218,569.60	218,569.60	2,109,846.95
February	2028	1,709,620.00	218,569.60	1,928,189.60	
August	2028	-	180,103.15	180,103.15	2,108,292.75
February	2029	1,402,870.00	180,103.15	1,582,973.15	
August	2029	-	148,538.58	148,538.58	1,731,511.73
February	2030	1,468,310.00	148,538.58	1,616,848.58	
August	2030	-	114,583.91	114,583.91	1,731,432.49
February	2031	1,537,840.00	114,583.91	1,652,423.91	
August	2031	-	76,137.91	76,137.91	1,728,561.82
February	2032	1,607,370.00	76,137.91	1,683,507.91	
August	2032	-	38,967.48	38,967.48	1,722,475.39
February	2033	1,685,970.00	38,967.48	1,724,937.48	
August	2033	-	-	-	1,724,937.48
<b>Total</b>		<b>\$ 28,062,380.00</b>	<b>\$ 17,100,903.54</b>	<b>\$ 45,163,283.54</b>	<b>\$ 45,163,283.54</b>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

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**COMBINING SCHEDULE OF  
DETAILED DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

GENERAL OBLIGATION AND CERTIFICATES OF OBLIGATION BONDS  
FOR GOVERNMENTAL ACTIVITIES\*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,873,610.00	\$ 2,276,524.61	\$ 6,150,134.61
2012	4,543,040.00	2,123,141.61	6,666,181.61
2013	4,720,760.00	1,951,676.23	6,672,436.23
2014	4,425,710.00	1,779,163.70	6,204,873.70
2015	4,620,700.00	1,599,048.00	6,219,748.00
2016	3,830,690.00	1,421,632.70	5,252,322.70
2017	4,001,590.00	1,247,960.40	5,249,550.40
2018	2,825,670.00	1,097,494.75	3,923,164.75
2019	2,213,840.00	992,885.80	3,206,725.80
2020	1,307,010.00	920,056.30	2,227,066.30
2021	1,365,180.00	865,840.51	2,231,020.51
2022	1,296,530.00	810,213.66	2,106,743.66
2023	1,357,880.00	753,807.45	2,111,687.45
2024	1,419,230.00	689,471.75	2,108,701.75
2025	1,488,760.00	621,424.38	2,110,184.38
2026	1,558,290.00	553,796.23	2,112,086.23
2027	1,631,910.00	477,936.95	2,109,846.95
2028	1,709,620.00	398,672.75	2,108,292.75
2029	1,402,870.00	328,641.73	1,731,511.73
2030	1,468,310.00	263,122.49	1,731,432.49
2031	1,537,840.00	190,721.82	1,728,561.82
2032	1,607,370.00	115,105.39	1,722,475.39
2033	<u>1,685,970.00</u>	<u>38,967.48</u>	<u>1,724,937.48</u>
<i>Total</i>	<u>\$ 55,892,380.00</u>	<u>\$ 21,517,306.69</u>	<u>\$ 77,409,686.69</u>

\* Exclusive of portions of debt supported by the Airport and Water and Sewer funds.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2001  
WATER AND SEWER FUND PORTION  
BONDS OUTSTANDING: \$2,305,000.00

<u>Payment</u>						<u>Fiscal</u>
<u>Month</u>	<u>Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Year Total</u>
February	2011	*	\$ 2,305,000.00	\$ 57,625.00	\$ 2,362,625.00	
August	2011		-	-	-	2,362,625.00
<i>Total</i>			<u>\$ 2,305,000.00</u>	<u>\$ 57,625.00</u>	<u>\$ 2,362,625.00</u>	<u>\$ 2,362,625.00</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS  
SERIES 2002  
WATER AND SEWER FUND PORTION  
BONDS OUTSTANDING: \$5,455,000.00

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2011	\$ 180,000.00	\$ 97,028.13	\$ 277,028.13	
August	2011	-	93,990.63	93,990.63	371,018.76
February	2012	2,590,000.00	93,990.63	2,683,990.63	
August	2012 *	-	48,665.63	48,665.63	2,732,656.26
February	2013	2,685,000.00	48,665.63	2,733,665.63	
August	2013	-	-	-	2,733,665.63
<i>Total</i>		<u>\$ 5,455,000.00</u>	<u>\$ 382,340.65</u>	<u>\$ 5,837,340.65</u>	<u>\$ 5,837,340.65</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2008  
WATER AND SEWER PORTION  
BONDS OUTSTANDING: \$6,242,620.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2011	\$ 26,390.00	\$ 138,556.60	\$ 164,946.60	
August	2011	-	138,028.80	138,028.80	302,975.40
February	2012	141,960.00	138,028.80	279,988.80	
August	2012	-	135,189.60	135,189.60	415,178.40
February	2013	149,240.00	135,189.60	284,429.60	
August	2013	-	132,204.80	132,204.80	416,634.40
February	2014	199,290.00	132,204.80	331,494.80	
August	2014	-	128,219.00	128,219.00	459,713.80
February	2015	209,300.00	128,219.00	337,519.00	
August	2015	-	124,033.00	124,033.00	461,552.00
February	2016	219,310.00	124,033.00	343,343.00	
August	2016	-	119,646.80	119,646.80	462,989.80
February	2017	228,410.00	119,646.80	348,056.80	
August	2017	-	113,936.55	113,936.55	461,993.35
February	2018 *	239,330.00	113,936.55	353,266.55	
August	2018	-	109,149.95	109,149.95	462,416.50
February	2019	251,160.00	109,149.95	360,309.95	
August	2019	-	104,126.75	104,126.75	464,436.70
February	2020	262,990.00	104,126.75	367,116.75	
August	2020	-	98,866.95	98,866.95	465,983.70
February	2021	274,820.00	98,866.95	373,686.95	
August	2021	-	93,198.79	93,198.79	466,885.74
February	2022	288,470.00	93,198.79	381,668.79	
August	2022	-	87,068.80	87,068.80	468,737.59
February	2023	302,120.00	87,068.80	389,188.80	
August	2023	-	80,648.75	80,648.75	469,837.55
February	2024	315,770.00	80,648.75	396,418.75	
August	2024	-	72,754.50	72,754.50	469,173.25
February	2025	331,240.00	72,754.50	403,994.50	
August	2025	-	65,508.63	65,508.63	469,503.13
February	2026	346,710.00	65,508.63	412,218.63	
August	2026	-	57,707.65	57,707.65	469,926.28
February	2027	363,090.00	57,707.65	420,797.65	
August	2027	-	48,630.40	48,630.40	469,428.05
February	2028	380,380.00	48,630.40	429,010.40	
August	2028	-	40,071.85	40,071.85	469,082.25
February	2029	312,130.00	40,071.85	352,201.85	
August	2029	-	33,048.93	33,048.93	385,250.78
February	2030	326,690.00	33,048.93	359,738.93	
August	2030	-	25,494.22	25,494.22	385,233.14
February	2031	342,160.00	25,494.22	367,654.22	
August	2031	-	16,940.22	16,940.22	384,594.44
February	2032	357,630.00	16,940.22	374,570.22	
August	2032	-	8,670.03	8,670.03	383,240.24
February	2033	374,030.00	8,670.03	382,700.03	
August	2033	-	-	-	382,700.03
<b>Total</b>		<b>\$ 6,242,620.00</b>	<b>\$ 3,804,846.50</b>	<b>\$ 10,047,466.50</b>	<b>\$ 10,047,466.50</b>

\* First call date.



**Town of Addison, Texas**  
**Long-Term Debt Schedules**

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**COMBINING SCHEDULE OF  
DETAILED DEBT SERVICE REQUIREMENTS**

From September 30, 2010 to Maturity

WATER AND SEWER FUND\*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 2,511,390.00	\$ 525,229.16	\$ 3,036,619.16
2012	2,731,960.00	415,874.66	3,147,834.66
2013	2,834,240.00	316,060.03	3,150,300.03
2014	199,290.00	260,423.80	459,713.80
2015	209,300.00	252,252.00	461,552.00
2016	219,310.00	243,679.80	462,989.80
2017	228,410.00	233,583.35	461,993.35
2018	239,330.00	223,086.50	462,416.50
2019	251,160.00	213,276.70	464,436.70
2020	262,990.00	202,993.70	465,983.70
2021	274,820.00	192,065.74	466,885.74
2022	288,470.00	180,267.59	468,737.59
2023	302,120.00	167,717.55	469,837.55
2024	315,770.00	153,403.25	469,173.25
2025	331,240.00	138,263.13	469,503.13
2026	346,710.00	123,216.28	469,926.28
2027	363,090.00	106,338.05	469,428.05
2028	380,380.00	88,702.25	469,082.25
2029	312,130.00	73,120.78	385,250.78
2030	326,690.00	58,543.14	385,233.14
2031	342,160.00	42,434.44	384,594.44
2032	357,630.00	25,610.24	383,240.24
2033	374,030.00	8,670.03	382,700.03
<i>Total</i>	<u>\$ 14,002,620.00</u>	<u>\$ 4,244,812.15</u>	<u>\$ 18,247,432.15</u>

\* Includes general obligation and certificates of obligation bonds.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2010 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2004  
SUPPORTED BY AIRPORT FUND  
BONDS OUTSTANDING: \$3,225,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2011	\$ 265,000.00	\$ 64,780.00	\$ 329,780.00	
August	2011	-	60,142.50	60,142.50	389,922.50
February	2012	275,000.00	60,142.50	335,142.50	
August	2012	-	54,642.50	54,642.50	389,785.00
February	2013	290,000.00	54,642.50	344,642.50	
August	2013	-	48,842.50	48,842.50	393,485.00
February	2014	300,000.00	48,842.50	348,842.50	
August	2014	-	42,842.50	42,842.50	391,685.00
February	2015 *	315,000.00	42,842.50	357,842.50	
August	2015	-	36,542.50	36,542.50	394,385.00
February	2016	325,000.00	36,542.50	361,542.50	
August	2016	-	30,042.50	30,042.50	391,585.00
February	2017	340,000.00	30,042.50	370,042.50	
August	2017	-	23,242.50	23,242.50	393,285.00
February	2018	355,000.00	23,242.50	378,242.50	
August	2018	-	15,965.00	15,965.00	394,207.50
February	2019	370,000.00	15,965.00	385,965.00	
August	2019	-	8,287.50	8,287.50	394,252.50
February	2020	390,000.00	8,287.50	398,287.50	
August	2020	-	-	-	398,287.50
<i>Total</i>		<u>\$ 3,225,000.00</u>	<u>\$ 705,880.00</u>	<u>\$ 3,930,880.00</u>	<u>\$ 3,930,880.00</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

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**COMBINING SCHEDULE OF  
DETAILED DEBT SERVICE REQUIREMENTS**

From September 30, 2010 to Maturity

**GENERAL OBLIGATION AND CERTIFICATES OF OBLIGATION BONDS  
FOR BUSINESS-TYPE ACTIVITIES\***

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 2,776,390.00	\$ 650,151.66	\$ 3,426,541.66
2012	3,006,960.00	530,659.66	3,537,619.66
2013	3,124,240.00	419,545.03	3,543,785.03
2014	499,290.00	352,108.80	851,398.80
2015	524,300.00	331,637.00	855,937.00
2016	544,310.00	310,264.80	854,574.80
2017	568,410.00	286,868.35	855,278.35
2018	594,330.00	262,294.00	856,624.00
2019	621,160.00	237,529.20	858,689.20
2020	652,990.00	211,281.20	864,271.20
2021	274,820.00	192,065.74	466,885.74
2022	288,470.00	180,267.59	468,737.59
2023	302,120.00	167,717.55	469,837.55
2024	315,770.00	153,403.25	469,173.25
2025	331,240.00	138,263.13	469,503.13
2026	346,710.00	123,216.28	469,926.28
2027	363,090.00	106,338.05	469,428.05
2028	380,380.00	88,702.25	469,082.25
2029	312,130.00	73,120.78	385,250.78
2030	326,690.00	58,543.14	385,233.14
2031	342,160.00	42,434.44	384,594.44
2032	357,630.00	25,610.24	383,240.24
2033	374,030.00	8,670.03	382,700.03
<i>Total</i>	<u>\$ 17,227,620.00</u>	<u>\$ 4,950,692.15</u>	<u>\$ 22,178,312.15</u>

\* Includes general obligation and certificates of obligation bonds issued for water/sewer and airport purposes.

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

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**SUMMARY OF DEBT SERVICE**  
From September 30, 2010 to Maturity

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Tax and Revenue Certificates of Obligation</u>	<u>Total Requirements</u>
2011	\$ 6,802,366.27	\$ 2,774,310.00	\$ 9,576,676.27
2012	6,810,797.52	3,393,003.75	10,203,801.27
2013	6,811,273.76	3,404,947.50	10,216,221.26
2014	3,411,912.50	3,644,360.00	7,056,272.50
2015	3,419,400.00	3,656,285.00	7,075,685.00
2016	2,442,950.00	3,663,947.50	6,106,897.50
2017	2,443,800.00	3,661,028.75	6,104,828.75
2018	1,116,425.00	3,663,363.75	4,779,788.75
2019	1,119,312.50	2,946,102.50	4,065,415.00
2020	132,700.00	2,958,637.50	3,091,337.50
2021	132,600.00	2,565,306.25	2,697,906.25
2022	-	2,575,481.25	2,575,481.25
2023	-	2,581,525.00	2,581,525.00
2024	-	2,577,875.00	2,577,875.00
2025	-	2,579,687.50	2,579,687.50
2026	-	2,582,012.50	2,582,012.50
2027	-	2,579,275.00	2,579,275.00
2028	-	2,577,375.00	2,577,375.00
2029	-	2,116,762.50	2,116,762.50
2030	-	2,116,665.63	2,116,665.63
2031	-	2,113,156.26	2,113,156.26
2032	-	2,105,715.63	2,105,715.63
2033	-	2,107,637.50	2,107,637.50
	<u>34,643,537.55</u>	<u>64,944,461.27</u>	<u>99,587,998.82</u>
Less amounts representing interest	<u>4,108,537.55</u>	<u>22,359,461.27</u>	<u>26,467,998.82</u>
<i>Total Principal</i>	<u>\$ 30,535,000.00</u>	<u>\$ 42,585,000.00</u>	<u>\$ 73,120,000.00</u>

**Town of Addison, Texas**  
**Long-Term Debt Schedules**

**SUMMARY OF TAX SUPPORTED  
DEBT REQUIREMENTS**  
From September 30, 2010 to Maturity

Fiscal Year	General Obligation Debt Service Requirements	Certificates of Obligation Debt Service Requirements	Less Amount Supported by Hotel Fund <sup>(1)</sup>	Less Amount Supported by Airport Fund <sup>(1)</sup>	Less Amount Supported by Water and Sewer Fund <sup>(1)</sup>	Net Tax Supported Debt Service Requirements <sup>(2)</sup>
2011	\$ 6,802,366.27	\$ 2,774,310.00	\$ 719,687.50	\$ 389,922.50	\$ 3,036,619.16	\$ 5,430,447.11
2012	6,810,797.52	3,393,003.75	722,018.75	389,785.00	3,147,834.66	5,944,162.86
2013	6,811,273.76	3,404,947.50	722,262.50	393,485.00	3,150,300.03	5,950,173.73
2014	3,411,912.50	3,644,360.00	726,775.00	391,685.00	459,713.80	5,478,098.70
2015	3,419,400.00	3,656,285.00	725,900.00	394,385.00	461,552.00	5,493,848.00
2016	2,442,950.00	3,663,947.50	728,462.50	391,585.00	462,989.80	4,523,860.20
2017	2,443,800.00	3,661,028.75	729,318.75	393,285.00	461,993.35	4,520,231.65
2018	1,116,425.00	3,663,363.75	728,406.25	394,207.50	462,416.50	3,194,758.50
2019	1,119,312.50	2,946,102.50	-	394,252.50	464,436.70	3,206,725.80
2020	132,700.00	2,958,637.50	-	398,287.50	465,983.70	2,227,066.30
2021	132,600.00	2,565,306.25	-	-	466,885.74	2,231,020.51
2022	-	2,575,481.25	-	-	468,737.59	2,106,743.66
2023	-	2,581,525.00	-	-	469,837.55	2,111,687.45
2024	-	2,577,875.00	-	-	469,173.25	2,108,701.75
2025	-	2,579,687.50	-	-	469,503.13	2,110,184.37
2026	-	2,582,012.50	-	-	469,926.28	2,112,086.22
2027	-	2,579,275.00	-	-	469,428.05	2,109,846.95
2028	-	2,577,375.00	-	-	469,082.25	2,108,292.75
2029	-	2,116,762.50	-	-	385,250.78	1,731,511.72
2030	-	2,116,665.63	-	-	385,233.14	1,731,432.49
2031	-	2,113,156.26	-	-	384,594.44	1,728,561.82
2032	-	2,105,715.63	-	-	383,240.24	1,722,475.39
2033	-	2,107,637.50	-	-	382,700.03	1,724,937.47
<b>Total</b>	<b>\$ 34,643,537.55</b>	<b>\$ 64,944,461.27</b>	<b>\$ 5,802,831.25</b>	<b>\$ 3,930,880.00</b>	<b>\$ 18,247,432.17</b>	<b>\$ 71,606,855.40</b>

<sup>(1)</sup> By ordinance, all General Obligation Bond debt is backed by the Ad Valorem taxing power of the Town. By budget, the debt for certain specified refunded bonds and certificates will continue to be paid by using funds derived from other sources which are listed below:

- Arts and Event District Improvements - Debt paid by operations revenue of the Hotel Fund.
- Addison Airport Improvements - Debt paid by operations revenue of the Airport Fund.
- Water and Sewer Improvements - Debt paid by operations revenue of the Utility Fund.

<sup>(2)</sup> The Net Tax Supported Debt Service Requirements schedule shows the actual Ad Valorem tax burden placed on the taxpayers, most of which are commercial businesses rather than resident citizens.

Addison!®

**STATISTICAL  
SECTION  
(Unaudited)**

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## STATISTICAL SECTION

(Unaudited)

The Town of Addison's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

		<b>Tables</b>
<b>Financial Trends</b>	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being has changed over time.	1-7
<b>Revenue Capacity</b>	These schedules present information to help the reader assess the Town's most significant local revenue source, the property tax.	8-10
<b>Debt Capacity</b>	These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	11-15
<b>Demographic &amp; Economic Indicators</b>	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	16-18
<b>Operating Information</b>	These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	19-21

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Net Assets by Component  
Last Nine Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental Activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 109,193,571	\$ 108,172,454	\$ 114,752,714	\$ 117,007,853	\$ 117,537,709	\$ 117,446,984	\$ 117,389,355	\$ 120,308,696	\$ 123,041,354
Restricted for Debt Service	-	2,113,424	1,574,618	1,408,795	1,578,392	1,569,846	781,304	918,483	996,614
Unrestricted	18,101,261	16,955,351	15,551,534	17,758,209	20,148,886	24,100,898	26,591,388	24,442,088	23,381,754
<b>Total Net Assets - Governmental Activities</b>	<b>\$ 127,294,832</b>	<b>\$ 127,241,229</b>	<b>\$ 131,878,866</b>	<b>\$ 136,174,857</b>	<b>\$ 139,264,987</b>	<b>\$ 143,117,728</b>	<b>\$ 144,762,047</b>	<b>\$ 145,669,267</b>	<b>\$ 147,419,722</b>
<b>Business-type Activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 24,866,068	\$ 35,905,882	\$ 36,193,196	\$ 34,950,063	\$ 36,416,684	\$ 36,925,876	\$ 31,595,371	\$ 34,327,264	\$ 36,299,788
Unrestricted	15,626,970	5,034,702	4,665,572	5,783,509	7,105,849	7,676,017	13,568,364	13,195,545	12,740,025
<b>Total Net Assets - Business-type Activities</b>	<b>\$ 40,493,038</b>	<b>\$ 40,940,584</b>	<b>\$ 40,858,768</b>	<b>\$ 40,733,572</b>	<b>\$ 43,522,533</b>	<b>\$ 44,601,893</b>	<b>\$ 45,163,735</b>	<b>\$ 47,522,809</b>	<b>\$ 49,039,813</b>
<b>Primary Government</b>									
Invested in Capital Assets, Net of Related Debt	\$ 134,059,639	\$ 144,078,336	\$ 150,945,910	\$ 151,957,916	\$ 153,954,393	\$ 154,372,860	\$ 148,984,726	\$ 154,635,960	\$ 159,341,142
Restricted for Debt Service	-	2,113,424	1,574,618	1,408,795	1,578,392	1,569,846	781,304	918,483	996,614
Unrestricted	33,728,231	21,990,053	20,217,106	23,541,718	27,254,735	31,776,915	40,159,752	37,637,633	36,121,779
<b>Total Net Assets - Primary Government</b>	<b>\$ 167,787,870</b>	<b>\$ 168,181,813</b>	<b>\$ 172,737,634</b>	<b>\$ 176,908,429</b>	<b>\$ 182,787,520</b>	<b>\$ 187,719,621</b>	<b>\$ 189,925,782</b>	<b>\$ 193,192,076</b>	<b>\$ 196,459,535</b>

SOURCE: Town of Addison Comprehensive Annual Financial Reports, beginning with implementation of GASB 34 (2002).

**Changes in Net Assets  
Last Nine Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>									
Governmental Activities:									
General Government	\$ 5,729,867	\$ 5,177,758	\$ 5,771,545	\$ 5,929,812	\$ 6,251,658	\$ 5,769,960	\$ 6,405,494	\$ 6,527,735	\$ 6,876,385
Public Safety	11,895,570	10,982,315	11,434,040	12,136,999	12,641,284	13,452,066	13,994,387	14,743,542	14,550,333
Development Services	524,227	489,613	502,033	553,651	549,107	833,330	940,555	856,793	938,059
Streets	4,879,415	4,897,731	4,047,277	3,873,029	4,562,905	5,072,907	5,269,124	4,998,440	5,277,938
Parks and Recreation	3,852,873	3,633,439	3,719,576	4,084,150	4,305,515	4,054,147	4,759,378	5,119,320	4,502,295
Visitor Services	5,639,658	5,117,318	5,223,648	5,524,971	6,151,819	6,370,107	6,928,724	6,687,392	6,027,442
Interest on Long-Term Debt	1,835,831	1,998,762	2,211,265	1,960,226	1,755,697	1,598,951	2,127,985	2,420,908	2,423,732
Total Governmental Activities	<u>34,357,441</u>	<u>32,296,936</u>	<u>32,909,384</u>	<u>34,062,838</u>	<u>36,217,985</u>	<u>37,151,468</u>	<u>40,425,647</u>	<u>41,354,130</u>	<u>40,596,184</u>
Business-type Activities:									
Airport	3,573,316	3,492,184	4,125,194	4,292,548	4,426,545	4,473,096	4,198,855	4,289,852	4,181,256
Utilities	7,543,644	7,324,758	7,495,051	7,624,573	8,182,476	8,512,308	8,782,702	8,539,106	8,529,681
Total Business-type Activities	<u>11,116,960</u>	<u>10,816,942</u>	<u>11,620,245</u>	<u>11,917,121</u>	<u>12,609,021</u>	<u>12,985,404</u>	<u>12,981,557</u>	<u>12,828,958</u>	<u>12,710,937</u>
Total Expenses - Primary Government	<u>\$ 45,474,401</u>	<u>\$ 43,113,878</u>	<u>\$ 44,529,629</u>	<u>\$ 45,979,959</u>	<u>\$ 48,827,006</u>	<u>\$ 50,136,872</u>	<u>\$ 53,407,204</u>	<u>\$ 54,183,088</u>	<u>\$ 53,307,121</u>
<b>Program Revenues</b>									
Governmental Activities:									
Charges for Services:									
General Government	\$ 1,591,654	\$ 1,742,925	\$ 1,844,636	\$ 652,602	\$ 100,957	\$ 285,301	\$ 186,920	\$ 203,258	\$ 266,954
Public Safety	833,977	828,794	782,561	1,601,127	2,424,249	1,953,587	2,203,371	2,318,099	2,094,280
Development Services	-	-	-	4,325	651,408	743,201	798,006	429,681	835,808
Streets	-	-	-	193,071	206,134	318,731	333,645	350,587	332,330
Parks and Recreation	17,531	12,864	20,046	91,047	100,564	106,882	133,022	105,705	108,113
Visitor Services	1,110,588	1,254,871	1,375,623	1,559,282	1,657,987	2,054,468	2,149,274	1,829,964	2,183,247
Operating Grants and Contributions	159,270	520,882	4,185,029	3,218,659	1,440,734	369,544	561,992	2,044,979	230,290
Capital Grants and Contributions	-	-	-	-	-	-	-	-	1,348,141
Total Governmental Activities	<u>3,713,020</u>	<u>4,360,336</u>	<u>8,207,895</u>	<u>7,320,113</u>	<u>6,582,033</u>	<u>5,831,714</u>	<u>6,366,230</u>	<u>7,282,273</u>	<u>7,399,163</u>
Business-type Activities:									
Charges for Services:									
Airport	4,068,911	4,039,109	4,066,085	4,215,280	4,062,398	4,203,815	4,061,347	3,989,304	4,289,225
Utilities	6,871,539	7,126,331	7,426,268	7,326,015	10,777,843	9,050,758	8,903,506	9,188,791	8,806,069
Operating Grants and Contributions	-	-	170,037	61,948	145,360	460,497	301,676	1,786,297	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	1,102,850
Total Business-type Activities	<u>10,940,450</u>	<u>11,165,440</u>	<u>11,662,390</u>	<u>11,603,243</u>	<u>14,985,601</u>	<u>13,715,070</u>	<u>13,266,529</u>	<u>14,964,392</u>	<u>14,198,144</u>
Total Program Revenues - Primary Government	<u>\$ 14,653,470</u>	<u>\$ 15,525,776</u>	<u>\$ 19,870,285</u>	<u>\$ 18,923,356</u>	<u>\$ 21,567,634</u>	<u>\$ 19,546,784</u>	<u>\$ 19,632,759</u>	<u>\$ 22,246,665</u>	<u>\$ 21,597,307</u>
<b>Net (Expense)/Revenue</b>									
Governmental Activities	\$ (30,644,421)	\$ (27,936,600)	\$ (24,701,489)	\$ (26,742,725)	\$ (29,635,952)	\$ (31,319,754)	\$ (34,059,417)	\$ (34,071,857)	\$ (33,197,021)
Business-Type Activities	(176,510)	348,498	42,145	(313,878)	2,376,580	729,666	284,972	2,135,434	1,487,207
Total Net Expense - Primary Government	<u>\$ (30,820,931)</u>	<u>\$ (27,588,102)</u>	<u>\$ (24,659,344)</u>	<u>\$ (27,056,603)</u>	<u>\$ (27,259,372)</u>	<u>\$ (30,590,088)</u>	<u>\$ (33,774,445)</u>	<u>\$ (31,936,423)</u>	<u>\$ (31,709,814)</u>
<b>General Revenues</b>									
Taxes:									
Property Taxes, Levied for General Purposes	\$ 12,064,301	\$ 11,594,844	\$ 12,018,231	\$ 12,830,522	\$ 13,297,948	\$ 13,587,051	\$ 14,310,671	\$ 15,711,056	\$ 15,900,631
Sales Taxes	9,897,640	9,660,644	10,225,550	10,597,327	10,936,530	11,691,786	11,619,637	10,838,895	9,987,439
Franchise Taxes	3,169,378	2,314,536	2,706,204	2,564,683	2,146,225	2,615,504	2,555,927	2,761,511	2,578,154
Hotel/Motel Taxes	3,563,372	3,346,197	3,447,058	4,038,131	4,679,099	5,203,080	5,204,247	3,958,238	3,666,781
Interest on Investments	980,882	677,618	595,916	765,850	1,354,575	1,700,412	1,504,162	1,383,743	339,986
Miscellaneous	356,572	289,158	124,557	242,203	311,705	374,662	509,092	325,634	2,474,485
Transfer	-	-	221,610	-	-	-	-	-	-
Total General Revenues	<u>30,032,145</u>	<u>27,882,997</u>	<u>29,339,126</u>	<u>31,038,716</u>	<u>32,726,082</u>	<u>35,172,495</u>	<u>35,703,736</u>	<u>34,979,077</u>	<u>34,947,476</u>
<b>Business-type Activities</b>									
Interest on Investments	216,715	99,048	80,758	171,791	335,828	388,070	260,533	214,492	11,065
Miscellaneous	-	-	16,891	16,891	76,553	(38,376)	16,337	9,148	18,732
Transfer	-	-	(221,610)	-	-	-	-	-	-
Total Business-type Activities	<u>216,715</u>	<u>99,048</u>	<u>(123,961)</u>	<u>188,682</u>	<u>412,381</u>	<u>349,694</u>	<u>276,870</u>	<u>223,640</u>	<u>29,797</u>
<b>Change in Net Assets</b>									
Governmental Activities	(612,276)	(53,603)	4,637,637	4,295,991	3,090,130	3,852,741	1,644,319	907,220	1,750,455
Business-type Activities	40,205	447,546	(81,816)	(125,196)	2,788,961	1,079,360	561,842	2,359,074	1,517,004
Total Change in Net Assets - Primary Government	<u>\$ (572,071)</u>	<u>\$ 393,943</u>	<u>\$ 4,555,821</u>	<u>\$ 4,170,795</u>	<u>\$ 5,879,091</u>	<u>\$ 4,932,101</u>	<u>\$ 2,206,161</u>	<u>\$ 3,266,294</u>	<u>\$ 3,267,459</u>

SOURCE: Town of Addison Comprehensive Annual Financial Reports, beginning with implementation of GASB 34 (2002).

**Town of Addison, Texas**  
**Statistical Section**

**Table 3**

**Fund Balances, Governmental Funds**  
**Last Nine Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund									
Reserved	\$ 86,168	\$ 168,743	\$ 89,973	\$ 127,088	\$ 101,836	\$ 305,918	\$ 358,337	\$ 420,883	\$ 188,035
Unreserved	8,489,491	7,845,899	7,209,812	6,923,417	8,073,344	10,378,247	11,337,593	10,231,859	10,668,716
Total General Fund	8,575,659	8,014,642	7,299,785	7,050,505	8,175,180	10,684,165	11,695,930	10,652,742	10,856,751
All Other Governmental Funds									
Reserved	126,201	187,653	1,660,191	1,488,509	1,755,980	1,769,294	1,548,218	1,309,497	1,302,623
Unreserved, Reported in:									
Special Revenue Funds	80,867	95,828	106,272	125,491	186,758	205,790	229,327	16,573	51,469
Capital Project Funds	7,757,645	15,561,134	22,414,425	9,224,315	7,553,427	7,114,632	33,491,143	29,190,201	20,334,339
Debt Service Funds	2,126,937	2,731,398	765,623	778,627	810,936	864,331	890,310	902,577	863,925
Hotel Fund	6,232,181	5,248,751	4,699,920	4,617,539	4,639,050	5,382,310	5,715,693	4,635,799	4,423,339
Total All Other Governmental Funds	16,323,831	23,824,764	29,646,431	16,234,481	14,946,151	15,336,357	41,874,691	36,054,647	26,975,695
Total Governmental Funds	\$ 24,899,490	\$ 31,839,406	\$ 36,946,216	\$ 23,284,986	\$ 23,121,331	\$ 26,020,522	\$ 53,570,621	\$ 46,707,389	\$ 37,832,446

**SOURCE:** Town of Addison Comprehensive Annual Financial Reports, beginning with implementation of GASB 34 (2002).

Changes in Fund Balances, Governmental Funds  
Last Nine Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>REVENUES:</b>									
Ad Valorem Taxes	\$12,155,577	\$ 12,176,518	\$ 11,883,632	\$ 12,765,636	\$ 13,293,707	\$ 13,629,796	\$ 14,367,964	\$ 15,636,534	\$ 15,900,747
Non-Property Taxes	13,285,717	13,042,476	13,643,147	14,594,219	15,586,851	16,719,036	16,841,525	14,478,768	13,744,620
Franchise Fees	3,169,378	2,450,145	2,674,701	2,563,797	2,681,263	2,615,504	2,555,927	2,761,511	2,578,154
Licenses and Permits	340,388	386,824	455,089	479,239	651,408	743,201	798,006	429,681	833,178
Intergovernmental	159,270	520,882	4,063,307	2,223,779	1,440,734	185,297	561,992	257,429	1,323,831
Service Fees	1,935,092	2,018,592	2,157,156	2,157,963	2,414,454	2,648,853	2,944,353	2,696,581	3,135,434
Fines and Forfeitures	833,977	828,794	782,561	862,839	1,185,093	1,239,873	1,297,064	1,322,196	1,215,414
Earnings on Investments	900,250	598,025	536,699	707,240	1,148,087	1,416,049	1,291,081	1,234,816	298,634
Contributions	-	-	-	-	-	184,247	-	-	-
Rental Charges	483,114	544,601	532,636	667,577	656,988	676,563	744,496	670,546	700,207
Recycling Proceeds	11,769	12,864	20,046	26,768	29,311	32,703	41,567	18,570	21,126
Other	17,950	129,244	45,240	120,964	194,943	333,005	333,101	90,574	2,277,342
<b>Total Revenues</b>	<b>\$33,292,482</b>	<b>\$ 32,708,965</b>	<b>\$ 36,794,214</b>	<b>\$ 37,170,021</b>	<b>\$ 39,282,839</b>	<b>\$ 40,424,127</b>	<b>\$ 41,777,076</b>	<b>\$ 39,597,206</b>	<b>\$ 42,028,687</b>
<b>EXPENDITURES:</b>									
Current:									
General Government	\$ 5,400,331	\$ 4,916,867	\$ 5,406,092	\$ 5,799,332	\$ 6,138,990	\$ 5,699,206	\$ 6,412,823	\$ 6,357,501	\$ 6,323,891
Public Safety	11,528,376	11,082,467	11,930,745	12,286,885	12,745,195	13,318,918	14,193,406	14,374,702	13,812,617
Development Services	503,924	485,810	520,215	553,651	563,271	770,557	884,770	864,234	887,132
Streets	1,659,910	1,504,349	1,425,047	1,276,489	1,421,464	1,476,582	1,805,175	2,356,219	1,672,375
Parks and Recreation	3,106,036	3,114,382	3,296,846	3,519,130	3,671,919	3,569,031	4,108,418	4,072,051	3,698,831
Visitor Services	6,274,822	4,971,996	4,774,003	5,015,755	5,801,404	6,040,917	6,512,965	6,216,141	5,445,391
Debt Service:									
Principal Retirement	3,008,551	2,510,522	3,645,076	3,178,542	3,570,000	3,735,000	3,919,769	4,115,100	4,369,520
Interest and Fiscal Charges	3,805,446	4,204,999	3,322,316	3,605,378	1,747,186	1,628,447	1,624,105	2,808,332	2,444,875
Debt Issuance Costs	-	-	85,000	-	-	-	-	-	-
Capital Projects:									
Salaries and Fringe Benefits	-	228,162	200,541	144,444	50,461	52,304	36,908	4,325	-
Supplies	-	55	-	-	2,340	-	-	2,878	937
Maintenance and Materials	-	-	-	-	-	-	-	41,480	231,367
Engineering and Contractual Services	1,007,800	2,253,876	1,265,921	1,135,319	449,930	123,695	745,837	1,591,103	2,585,480
Construction and Equipment	6,176,176	13,590,564	6,564,077	14,316,326	4,796,080	1,110,279	2,232,634	3,573,333	9,431,214
<b>Total Expenditures</b>	<b>\$42,471,372</b>	<b>\$ 48,864,049</b>	<b>\$ 42,435,879</b>	<b>\$ 50,831,251</b>	<b>\$ 40,958,240</b>	<b>\$ 37,524,936</b>	<b>\$ 42,476,810</b>	<b>\$ 46,377,399</b>	<b>\$ 50,903,630</b>
Excess/(Deficiency) of Revenues over Expenditures	(9,178,890)	(16,155,084)	(5,641,665)	(13,661,230)	(1,675,401)	2,899,191	(699,734)	(6,780,193)	(8,874,943)
<b>OTHER FINANCING SOURCES/(USES):</b>									
Proceeds from Refunding Bonds Issued	5,602,016	-	-	-	6,355,000	-	-	-	-
Payment to Refunded Bond Escrow Agent	(5,553,675)	-	-	-	(6,228,588)	-	-	-	-
Issuance of Debt	-	23,095,000	10,695,000	-	1,500,000	-	28,222,000	-	-
Bond Issuance Costs	-	-	-	-	(114,666)	-	-	-	-
Premium on Issuance of Bonds	-	-	53,475	-	-	-	27,833	-	-
Transfers In	469,537	2,413,496	1,456,770	704,610	968,890	706,710	700,000	896,489	2,133,827
Transfers Out	(969,537)	(2,413,496)	(1,456,770)	(704,610)	(968,890)	(706,710)	(700,000)	(979,528)	(2,133,827)
<b>Total Other Financing Sources/(Uses)</b>	<b>(451,659)</b>	<b>23,095,000</b>	<b>10,748,475</b>	<b>-</b>	<b>1,511,746</b>	<b>-</b>	<b>28,249,833</b>	<b>(83,039)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ (9,630,549)</b>	<b>\$ 6,939,916</b>	<b>\$ 5,106,810</b>	<b>\$(13,661,230)</b>	<b>\$ (163,655)</b>	<b>\$ 2,899,191</b>	<b>\$ 27,550,099</b>	<b>\$ (6,863,232)</b>	<b>\$ (8,874,943)</b>
Debt Service as a Percentage of									
Non-Capital Expenditures	19.18%	19.99%	20.36%	19.31%	15.00%	14.97%	14.14%	17.51%	17.63%

SOURCE: Town of Addison Comprehensive Annual Financial Reports, beginning with implementation of GASB 34 (2002).

**GENERAL GOVERNMENTAL REVENUES  
BY SELECTED SOURCES**  
Last Ten Fiscal Years

Fiscal Year	Taxes	Franchise Fees	Licenses and Permits	Inter-governmental	Service Fees	Fines and Forfeitures	Interest	Rental Charges	Other <sup>(1)</sup>	Total
2001	\$ 26,744,261	\$ 3,026,839	\$ 466,749	\$ 157,794	\$ 1,500,325	\$ 796,324	\$ 1,221,302	\$ 421,892	\$ 223,782	\$ 34,559,268
2002	25,441,294	3,169,378	340,388	140,822	1,935,092	833,977	469,379	483,114	28,855	32,842,299
2003	25,218,994	2,450,145	386,824	-	2,018,592	828,794	281,579	544,601	121,293	31,850,822
2004	25,526,779	2,674,701	455,089	55,527	2,157,156	782,561	270,649	532,636	65,286	32,520,384
2005	27,359,855	2,563,797	479,239	245,789	2,157,963	862,839	317,889	667,577	147,732	34,802,680
2006	28,880,558	2,681,263	651,408	-	2,414,454	1,185,093	734,727	656,988	224,254	37,428,745
2007	30,348,832	2,615,504	743,201	-	2,648,853	1,239,873	1,010,957	676,563	292,861	39,576,644
2008	31,209,489	2,555,927	798,006	-	2,944,353	1,297,064	818,547	744,496	239,304	40,607,186
2009	30,115,302	2,761,511	429,681	101,300	2,696,581	1,322,196	478,617	670,546	106,444	38,682,178
2010	29,645,367	2,578,154	833,178	1,323,831	3,135,434	1,215,414	109,308	700,207	155,962	39,696,855

Table includes General, Special Revenue, and Debt Service funds.

Notes:

<sup>(1)</sup> Includes recycling fees and contributions.

**GENERAL GOVERNMENTAL EXPENDITURES  
BY FUNCTION**

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety <sup>(1)</sup>	Development Services	Streets	Parks and Recreation <sup>(2)</sup>	Visitor Services <sup>(3)</sup>	Debt Service	Total
2001	\$ 4,786,844	\$ 10,916,645	\$ 463,937	\$ 1,359,732	\$ 2,854,387	\$ 4,930,250	\$ 7,129,672	\$ 32,441,467
2002	5,400,331	11,528,376	503,924	1,461,875	3,106,036	6,274,822	6,813,997	35,089,361
2003	4,916,867	11,040,379	485,810	1,504,349	3,114,382	4,971,996	6,715,521	32,749,304
2004	5,406,092	11,930,745	520,215	1,425,047	3,296,846	4,774,003	6,967,392	34,320,340
2005	5,799,332	12,286,885	553,651	1,276,489	3,519,130	5,015,755	6,783,920	35,235,162
2006	6,138,990	12,745,195	563,271	1,421,464	3,671,919	5,812,233	5,431,852	35,784,924
2007	5,699,206	13,318,918	770,557	1,476,582	3,569,031	6,040,917	5,363,447	36,238,658
2008	6,412,823	14,193,406	884,770	1,805,175	4,108,418	6,512,965	5,543,874	39,461,431
2009	6,357,501	14,374,702	864,234	2,356,219	4,072,051	6,216,141	6,923,432	41,164,280
2010	6,339,991	13,812,617	887,132	2,252,164	3,698,831	5,445,391	6,814,395	39,250,521

Table includes General, Special Revenue, and Debt Service funds.

Notes:

<sup>(1)</sup> The Municipal Court Fund was created in fiscal year 2003. Beginning in 2003, Municipal Court expenditures are included in the Public Safety category.

<sup>(2)</sup> The Arbor Fund was created in fiscal year 1996 to account for the activities of the Addison Parks Foundation, a Texas non-profit corporation, and is included in the Parks and Recreation category through fiscal year 2009. As of October 1, 2009, the bylaws of the foundation were amended to remove the direct involvement of the Town in the foundation's affairs.

<sup>(3)</sup> Hotel Fund.

**SUMMARY OF TAX REVENUES AND FRANCHISE FEES**  
 Last Ten Fiscal Years

Fiscal Year	Property Taxes <sup>(1)</sup>	1% Town Sales Tax	Mixed Beverage Taxes	Franchise Fees	Hotel Occupancy Tax	Total
2001	\$ 11,789,691	\$ 9,801,182	\$ 717,291	\$ 3,026,839	\$ 4,436,097	\$ 29,771,100
2002	12,155,577	9,020,793	701,552	3,169,378	3,563,372	28,610,672
2003	12,176,518	8,971,759	724,520	2,450,145	3,346,197	27,669,139
2004	11,883,632	9,303,529	892,560	2,674,701	3,447,058	28,201,480
2005	12,765,636	9,663,892	892,196	2,563,797	4,038,131	29,923,652
2006	13,293,707	9,941,386	966,366	2,681,263	4,679,099	31,561,821
2007	13,629,796	10,508,257	1,007,699	2,615,504	5,203,080	32,964,336
2008	14,367,964	10,649,989	987,289	2,555,927	5,204,247	33,765,416
2009	15,636,534	9,584,496	936,034	2,761,511	3,958,238	32,876,813
2010	15,900,747	9,155,849	921,990	2,578,154	3,666,781	32,223,521

Table includes General, Special Revenue and Debt Service funds.

Notes:

(1) Includes penalty and interest.



**ASSESSED AND ESTIMATED  
MARKET VALUE OF TAXABLE PROPERTY**  
Last Ten Fiscal Years

Fiscal Year	Actual Levy Year	Real Property Assessed Value <sup>(1)</sup>	Personal Property Assessed Value	Less Tax-Exempt Property Assessed Value	Total Taxable Value	Total Direct Tax Rate <sup>(2)</sup>
2001	2000	\$ 2,632,271,991	\$ 695,858,170	\$ (229,813,296)	\$ 3,098,316,865	\$ 0.3810
2002	2001	2,730,337,944	706,267,000	(241,909,314)	3,194,695,630	0.3848
2003	2002	2,598,035,207	748,577,450	(259,709,659)	3,086,902,998	0.3999
2004	2003	2,453,576,988	692,547,030	(259,882,104)	2,886,241,914	0.4228
2005	2004	2,358,157,460	605,585,490	(267,252,593)	2,696,490,357	0.4760
2006	2005	2,431,288,850	635,155,220	(273,069,618)	2,793,374,452	0.4760
2007	2006	2,676,126,320	647,121,940	(293,642,826)	3,029,605,434	0.4640
2008	2007	3,133,172,520	654,923,060	(306,253,403)	3,481,842,177	0.4337
2009	2008	3,316,069,140	759,489,460	(350,731,677)	3,724,826,923	0.4535
2010	2009	3,095,240,320	633,330,780	(417,521,300)	3,311,049,800	0.4960

**SOURCE:** Dallas Central Appraisal District

Notes:

(1) Assessed value is 100% of estimated market value.

(2) Per \$100 of valuation.

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**(PER \$100 OF ASSESSED VALUE)**  
Last Ten Fiscal Years

Fiscal Year	City Direct Rates <sup>(1)</sup>		Overlapping Rates <sup>(2)</sup>					Total Ad Valorem Rate
	Operating General Rates	General Obligation Debt Service	Dallas County	Community College District	Dallas ISD	Carrollton/Farmers Branch ISD	Dallas County Hospital District	
2001	\$ 0.1662	\$ 0.2148	\$ 0.2017	\$ 0.0500	\$ 1.5475	\$ 1.6737	\$ 0.2540	\$ 2.4342
2002	0.1804	0.2044	0.2015	0.0600	1.5475	1.7242	0.2540	2.4479
2003	0.1890	0.2109	0.2015	0.0600	1.5875	1.7224	0.2540	2.5029
2004	0.2201	0.2027	0.2094	0.0778	1.6395	1.7358	0.2540	2.6035
2005	0.2597	0.2163	0.2094	0.0803	1.6694	1.7824	0.2540	2.6891
2006	0.3060	0.1700	0.2192	0.0816	1.6884	1.8259	0.2540	2.7192
2007	0.3110	0.1530	0.2189	0.0810	1.5026	1.6830	0.2540	2.5206
2008	0.2990	0.1347	0.2328	0.0804	1.1996	1.3670	0.2540	2.2006
2009	0.2828	0.1707	0.2330	0.0894	1.1834	1.3623	0.2540	2.2133
2010	0.3360	0.1600	0.2333	0.0949	1.2713	1.3422	0.2740	2.3696

**SOURCE:** Dallas Central Appraisal District

Notes:

- (1) The Town's operating tax rate may be increased only by a majority vote of the City Council up to the limit prescribed by State law, after which the Town's residents may petition for a vote. Rates for debt service are set based on each year's requirements.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the Town of Addison. The Carrollton/Farmers Branch ISD tax rate is excluded from the total Ad Valorem rate because most of the property owners in Addison are within the Dallas ISD geographic boundaries.

**PROPERTY TAX LEVIES AND COLLECTIONS**  
Last Ten Fiscal Years

Fiscal Year	Actual Levy Year	Taxes Levied for the Fiscal Year	Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>(1)</sup>	Total Collections to Date	
			Current Tax Collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2001	2000	\$ 11,804,587	\$ 11,735,452	99.4%	\$ 12,226	\$ 11,747,678	99.5%
2002	2001	12,293,190	12,085,620	98.3%	15,934	12,101,554	98.4%
2003	2002	12,344,525	12,083,669	97.9%	37,901	12,121,570	98.2%
2004	2003	12,203,031	11,880,084	97.4%	(54,256)	11,825,828	96.9%
2005	2004	12,835,294	12,587,375	98.1%	84,329	12,671,704	98.7%
2006	2005	13,296,460	13,197,440	99.3%	23,531	13,220,971	99.4%
2007	2006	14,057,369	13,685,151	97.4%	(137,238)	13,547,913	96.4%
2008	2007	15,100,750	14,284,974	94.6%	14,221	14,299,195	94.7%
2009	2008	16,892,090	15,628,630	92.5%	(25,508)	15,603,122	92.4%
2010	2009	16,422,810	15,867,761	96.6%	3,531	15,871,292	96.6%

**SOURCE:** Dallas Central Appraisal District

Notes:

<sup>(1)</sup> Negative amounts represent refunds of taxes to property owners who appealed their values for the current year (or previous years) to the Dallas Central Appraisal District and received lower valuations as a result of the appeal.

**RATIO OF OUTSTANDING DEBT BY TYPE**  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita <sup>(1)</sup>
	General Obligation Bonds	General Obligation Refunding Bonds	Hotel Occupancy Tax Revenue Bonds	Certificates of Obligation	General Obligation Bonds	General Obligation Refunding Bonds	Water and Sewer Refunding Bonds	Certificates of Obligation	General Obligation Refunding Bonds				
2001	\$ 14,195,000	\$ 1,872,690	\$ 1,050,000	\$ 6,990,000	\$ 155,782	\$ -	\$ 5,800,000	\$ 15,890,000	\$ -	\$ 45,953,472	8.15 %	\$ 3,147.50	
2002	11,540,000	6,664,139	690,000	2,305,000	10,505,168	-	5,290,000	5,510,000	-	42,504,307	7.82	2,931.33	
2003	16,085,000	15,218,386	340,000	9,890,000	-	20,030,859	-	-	-	61,564,245	10.96	4,173.85	
2004	25,810,000	13,323,311	-	9,450,000	-	18,934,234	-	-	-	67,517,545	13.37	4,788.48	
2005	24,280,000	12,584,769	-	8,540,000	-	17,465,231	-	4,400,000	-	67,270,000	12.84	4,655.36	
2006	17,790,000	18,934,769	-	7,085,000	-	15,805,231	-	4,185,000	-	63,800,000	10.67	4,281.88	
2007	16,615,000	16,854,769	-	6,605,000	-	14,090,231	-	3,960,000	-	58,125,000	9.36	3,811.48	
2008	9,945,000	20,105,000	-	34,327,000	-	12,060,000	-	10,003,000	-	86,440,000	12.91	5,668.20	
2009	8,645,000	17,850,000	-	33,766,900	-	9,950,000	-	9,748,100	-	79,960,000	13.79	5,967.16	
2010	7,275,000	15,500,000	-	33,117,380	-	7,760,000	-	9,467,620	-	73,120,000	13.29	5,204.27	

**SOURCE:** Town of Addison Comprehensive Annual Financial Reports  
See Table 16 for personal income and population data.

Notes:

<sup>(1)</sup> The Net Tax Supported Debt Service Requirements schedule shows the actual Ad Valorem tax burden placed on the taxpayers, most of which are commercial businesses rather than resident citizens. This schedule can be found on page 165.

**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Percentage of Actual Taxable Value	Per Capita
	General Obligation Bonds	General Obligation Refunding Bonds	Certificates of Obligation	Total Primary Government		
2001	\$ 14,195,000	\$ 1,872,690	\$ 6,990,000	\$ 23,057,690	0.74 %	\$ 1,579.29
2002	11,540,000	6,664,139	2,305,000	20,509,139	0.64	1,414.42
2003	16,085,000	15,218,386	1,890,000	33,193,386	1.08	2,250.40
2004	25,810,000	13,323,311	1,450,000	40,583,311	1.41	2,878.25
2005	24,280,000	12,584,769	990,000	37,854,769	1.40	2,619.71
2006	17,790,000	18,934,769	-	36,724,769	1.31	2,464.75
2007	16,615,000	16,854,769	-	33,469,769	1.10	2,194.74
2008	9,945,000	20,105,000	28,222,000	58,272,000	1.67	3,821.11
2009	8,645,000	17,850,000	28,176,900	54,671,900	1.47	4,079.99
2010	7,275,000	15,500,000	28,062,380	50,837,380	1.54	3,618.32

**SOURCE:** Town of Addison Comprehensive Annual Financial Reports  
 See Table 8 for taxable values and Table 16 for population data.

**DIRECT AND OVERLAPPING DEBT**  
 Year Ended September 30, 2010

Taxing Jurisdiction	G.O. Bonded Debt	Percent Applicable	Estimated Share of Overlapping Debt
Carrollton-Farmers Branch ISD	\$ 355,595,000	0.58%	\$ 2,062,451
Dallas County	121,176,552	2.15%	2,605,296
Dallas County Community College District	416,040,000	2.15%	8,944,860
Dallas County Hospital District	705,000,000	2.15%	15,157,500
Dallas ISD	1,707,730,000	3.63%	<u>61,990,599</u>
Total Overlapping Debt			90,760,706
Town of Addison (Direct Debt)	\$ 50,837,380 <sup>(1)</sup>	100%	<u>50,837,380</u>
Total Direct and Overlapping Debt			<u><u>\$ 141,598,086</u></u>
Ratio of Overlapping G.O. Debt to 2009 Taxable Assessed Valuation			2.74%
Per Capita Overlapping G.O. Debt			\$ 6,460

**SOURCE:** Municipal Advisory Council of Texas  
 See Table 8 for taxable values and Table 16 for population data.

Notes:

<sup>(1)</sup> Total general obligation (G.O.) bonded debt shown for the Town of Addison excludes self-supporting debt and amount available for repayment in the Debt Service funds.

**SCHEDULE OF REVENUE BOND COVERAGE**  
**WATER AND SEWER FUND**  
 Last Ten Fiscal Years

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements <sup>(2)</sup>			Revenue Bond Coverage <sup>(3)</sup>
	Gross Revenue	Expense <sup>(1)</sup>	Net Revenue	Principal	Interest	Total	
2001	\$ 7,443,173	\$ 4,764,366	\$ 2,678,807	\$ 470,000	\$ 325,280	\$ 795,280	3.4
2002	6,937,714	5,565,524	1,372,190	510,000	302,955	812,955	1.7
2003	6,862,799	5,685,179	1,177,620	-	-	-	N/A
2004	7,501,174	5,738,577	1,762,597	-	-	-	N/A
2005	7,408,715	5,926,601	1,482,114	-	-	-	N/A
2006	10,448,742	6,594,211	3,854,531	-	-	-	N/A
2007	9,378,480	6,837,579	2,540,901	-	-	-	N/A
2008	9,086,984	6,970,850	2,116,134	-	-	-	N/A
2009	9,362,976	7,105,167	2,257,809	-	-	-	N/A
2010	8,803,804	6,811,662	1,992,142	-	-	-	N/A

Notes:

- <sup>(1)</sup> Includes "operating expenses excluding depreciation" and "non-operating expenses" excluding interest expense.
- <sup>(2)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.
- <sup>(3)</sup> Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest. Revenue bonds were retired in fiscal year 2002. Current year debt associated with the Town's Utility (Water and Sewer) Fund is limited to general obligation bonds and certificates of obligation. This debt is secured by the Town's property taxes but is supported by Utility Fund revenues.

**SCHEDULE OF COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION COVERAGE  
 HOTEL FUND  
 Last Ten Fiscal Years**

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements			Bond Coverage <sup>(2)</sup>
	Gross Revenue	Expenditure <sup>(1)</sup>	Net Revenue	Principal	Interest	Total	
2001	\$ 5,639,540	\$ 697,900	\$ 4,941,640	\$ 375,000	\$ 48,548	\$ 423,548	11.7
2002	4,875,734	806,536	4,069,198	360,000	34,770	394,770	10.3
2003	4,681,695	721,460	3,960,235	350,000	21,105	371,105	10.6
2004	4,895,842	839,410	4,056,432	340,000	274,883	614,883	6.6
2005	5,676,622	850,326	4,826,296	450,000	254,613	704,613	6.8
2006	6,539,634	1,118,079	5,421,555	465,000	240,887	705,887	7.7
2007	7,490,887	942,884	6,548,003	480,000	226,710	706,710	9.3
2008	7,546,348	1,077,436	6,468,912	500,000	212,012	712,012	9.1
2009	5,887,509	973,467	4,914,042	515,000	196,788	711,788	6.9
2010	5,900,022	963,908	4,936,114	535,000	181,037	716,037	6.9

Notes:

<sup>(1)</sup> Combination Tax and Revenue Certificates of Obligation bond covenants require only Conference Centre expenditures be considered when calculating bond coverage.

<sup>(2)</sup> Bond coverage is equal to net revenue available for debt service divided by total principal and interest.



**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**AS OF SEPTEMBER 30**  
Last Ten Fiscal Years

Fiscal Year	Estimated Population <sup>(1)</sup>	Assessed Valuations <sup>(2)</sup>	Personal Income (Thousands)	Per Capita Personal Income <sup>(3)</sup>	Labor Force <sup>(4)</sup>	Unemployment Rate <sup>(4)</sup>
2001	14,600	\$ 3,098,316,865	\$ 563,648	\$ 38,606	8,318	4.8%
2002	14,500	3,194,695,630	543,230	37,464	8,252	6.2%
2003	14,750	3,086,902,998	561,672	38,079	8,350	5.9%
2004	14,100	2,886,241,914	505,077	35,821	8,171	4.9%
2005	14,450	2,696,490,357	523,909	36,257	2,026,997	5.2%
2006	14,900	2,793,374,452	597,852	40,124	2,093,468	4.6%
2007	15,250	3,029,605,434	621,311	40,742	2,108,631	3.9%
2008	15,250	3,481,842,177	669,683	43,914	2,084,562	5.7%
2009	13,400	3,724,826,923	579,743	43,264	2,152,800	8.2%
2010	14,050	3,311,049,800	550,109	39,154	2,154,240	7.9%

**SOURCES:**

- (1) Population for 2000 is estimated based on 2000 Census. Populations for 2001 and forward are NCTCOG estimates.
- (2) Dallas Central Appraisal District
- (3) Personal income for fiscal year 2001 was obtained from the U.S. Census Bureau for the 2000 census. Remaining years were estimated based on current income trends within the area.
- (4) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented for September 2005 and forward represents the Dallas, Plano, Irving Metro Area.

**PRINCIPAL PROPERTY TAXPAYERS**  
Current Year and Nine Years Ago

Name of Taxpayer	Nature of Property	2010			2001		
		Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation
Colonnade Realty Holdings	Land, Office Buildings	\$ 117,997,180	1	3.86%	\$ 151,266,920	1	4.88%
Post Addison Circle	Mixed Development	115,000,000	2	3.76%	131,322,630	2	4.24%
Richmont Properties Ltd	Land, Office Buildings	63,318,740	3	2.07%	72,478,980	5	2.34%
G&I V VOP LP	Land, Office Buildings	50,000,000	4	1.63%			
DCO Savoye LLC	Apartments	48,690,430	5	1.59%			
MBNA Texas Properties	Land, Office Buildings	44,318,610	6	1.45%	64,338,800	6	2.08%
Spectrum Center Partners	Office Buildings	43,431,250	7	1.42%	75,418,940	4	2.43%
KBS Millennium LLC	Office Buildings	40,298,490	8	1.32%			
Fairfield Addison Circle	Apartments	33,800,000	9	1.11%			
FSP Addison Circle LP	Land, Office Buildings	31,566,000	10	1.03%			
Crescent Real Estate	Land, Office Buildings				112,615,070	3	3.63%
Marriott Corporation	Land, Hotel				57,137,500	7	1.84%
Carramerica Realty LP	Land, Hotel				50,065,310	8	1.62%
Registry Hotel Corp	Land, Hotel				49,560,870	9	1.60%
Champion Addison One	Office Buildings				47,000,000	10	1.52%
		<u>\$ 588,420,700</u>		<u>19.24%</u>	<u>\$ 811,205,020</u>		<u>26.18%</u>

**SOURCE:** Dallas Central Appraisal District

**MAJOR EMPLOYERS**  
Current Year and Nine Years Ago

<u>Company</u>	<u>Type of Business</u>	<u>2010</u>		<u>2001</u>	
		<u>Estimated Number of Employees</u>	<u>Percent of Total Employees<sup>(1)</sup></u>	<u>Estimated Number of Employees</u>	<u>Percent of Total Employees</u>
Mary Kay Cosmetics Inc.	Cosmetics	1,183	2.59%	1,000	2.19%
Bank of America	Credit Clearinghouse	837	1.83%	2,000	4.38%
Pizza Hut Corporate Offices	Food Specialties	620	1.36%	850	1.86%
Concentra Health Services	Health Services	432	0.95%	250	0.55%
Glazers Wholesale	Beer, Wine and Spirits	300	0.66%	140	0.31%
United Surgical Partners	Health Services	275	0.60%	N/A*	N/A*
National Business Research	Surveying and Research	267	0.58%	N/A*	N/A*
Greenhill School	Education	258	0.57%	240	0.53%
Regus Group PLC	Office Accomodations	250	0.55%	50	0.11%
Palm Harbor Homes LP	Manufactured Homes	240	0.53%	N/A*	N/A*

**SOURCE:** Human Resource Department of respective company

Notes:

\* Not available.

(1) Total employment is based on 2000 Census.

**BUDGETED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>										
City Manager's Office	8.8	9.5	9.5	10.0	10.0	10.0	8.5	8.5	8.5	8.5
Financial and Strategic Services	11.0	11.0	11.5	12.0	12.0	11.0	10.0	10.0	10.0	9.0
Municipal Court	4.1	4.1	4.5	4.7	4.7	4.7	4.7	4.7	5.7	5.7
General Services	7.7	8.4	8.4	9.0	9.0	9.0	9.0	10.0	10.0	10.0
Human Resources	4.0	4.3	4.3	4.3	4.7	4.7	4.7	4.7	5.2	5.2
Information Technology	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>Total General Government</b>	<b>40.6</b>	<b>43.3</b>	<b>44.2</b>	<b>46.0</b>	<b>46.4</b>	<b>45.4</b>	<b>42.9</b>	<b>43.9</b>	<b>45.4</b>	<b>44.4</b>
<b>Public Safety</b>										
Police	81.6	85.1	84.8	84.8	83.8	81.8	68.3	69.3	70.3	73.3
Emergency Communications	-	-	-	-	-	-	12.5	12.5	13.5	13.5
Fire	55.4	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	54.0
<b>Total Public Safety</b>	<b>137.0</b>	<b>140.1</b>	<b>139.8</b>	<b>139.8</b>	<b>138.8</b>	<b>136.8</b>	<b>135.8</b>	<b>136.8</b>	<b>138.8</b>	<b>140.8</b>
<b>Development Services</b>										
Development Services	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0
<b>Public Works</b>										
Streets	6.4	6.4	6.4	6.0	6.0	6.0	7.0	7.0	7.0	7.0
Utilities	13.4	13.4	15.4	18.0	18.0	18.0	17.0	17.0	18.0	17.0
<b>Total Public Works</b>	<b>19.8</b>	<b>19.8</b>	<b>21.8</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>25.0</b>	<b>24.0</b>
<b>Parks and Recreation</b>										
Parks	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	21.0	20.0
Recreation	12.4	12.4	15.4	17.9	17.9	17.2	15.2	15.2	15.2	15.2
<b>Total Parks and Recreation</b>	<b>32.4</b>	<b>32.4</b>	<b>35.4</b>	<b>37.9</b>	<b>37.9</b>	<b>37.2</b>	<b>35.2</b>	<b>35.2</b>	<b>36.2</b>	<b>35.2</b>
<b>Visitor Services</b>										
Hotel Fund	14.2	-	-	-	-	-	-	-	-	-
Visitor Services	-	4.0	3.0	3.0	3.0	3.0	2.5	2.5	2.5	2.5
Conference Centre	-	7.5	7.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Special Events	-	3.0	2.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
Marketing	-	-	1.0	1.0	-	-	-	-	-	-
Performing Arts	-	0.5	-	-	-	-	-	-	-	-
<b>Total Visitor Services</b>	<b>14.2</b>	<b>15.0</b>	<b>13.0</b>	<b>14.5</b>	<b>13.5</b>	<b>14.5</b>	<b>14.0</b>	<b>14.0</b>	<b>14.0</b>	<b>14.0</b>
<b>Airport Fund</b>										
Airport Fund	2.4	3.2	3.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Other</b>										
Public Safety Fund	4.0	-	0.2	-	-	-	-	-	-	-
Street Capital Project Fund	2.1	2.1	2.1	-	-	-	-	-	-	-
2002 Capital Project Fund	-	-	0.5	-	-	-	-	-	-	-
<b>Total Other</b>	<b>6.1</b>	<b>2.1</b>	<b>2.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>258.5</b>	<b>261.9</b>	<b>266.2</b>	<b>270.2</b>	<b>268.6</b>	<b>265.9</b>	<b>260.9</b>	<b>262.9</b>	<b>268.4</b>	<b>267.4</b>

**SOURCE:** Town of Addison Human Resources Department

OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Nine Fiscal Years

Function/Program	2002 <sup>(1)</sup>	2003 <sup>(1)</sup>	2004	2005	2006	2007	2008	2009	2010
<b>Police</b>									
Crimes Against Property	n/a	n/a	1,169	984	1,217	1,094	954	1,100	968
Crimes Against Persons	n/a	n/a	379	340	387	397	390	452	381
Arrests	n/a	n/a	2,270	2,289	2,071	2,227	2,844	3,220	2,775
Calls for Service	18,060	17,636	18,288	17,504	19,414	19,320	17,365	16,109	15,453
<b>Fire</b>									
Number of Fires	n/a	n/a	50	55	74	39	38	50	44
Dollar Loss	n/a	n/a	584,000	623,175	379,541	283,000	234,375	396,100	2,212,000
Calls for Service - Fire	1,374	1,164	1,133	1,119	1,037	968	1,033	893	834
Calls for Service - EMS	1,446	1,534	1,493	1,561	1,477	1,588	1,507	1,422	1,518
<b>Streets</b>									
Tons of Recycling Collected	n/a	n/a	328	360	365	357	354	343	328
<b>Parks</b>									
Acres Maintained	n/a	n/a	142	151	150	138	137	138	139
<b>Recreation</b>									
Recreation Event Participants	n/a	n/a	12,549	12,605	12,720	13,371	13,002	13,184	14,947
Number of Users	111,552	107,304	125,590	126,903	129,090	128,293	126,214	126,123	125,339
Active Athletic Club Members	3,500	3,515	3,426	3,506	3,757	3,595	3,395	3,222	3,300
<b>Utilities</b>									
Water Usage - Peak <sup>(2)</sup>	8,880	9,682	8,845	9,652	9,900	8,000	8,421	8,748	8,895
Water Usage - Average <sup>(2)</sup>	7,626	5,496	5,246	5,091	6,023	5,150	4,847	4,627	4,334
Service Line Breaks	n/a	n/a	13	19	15	17	13	11	11
Water Main Breaks	n/a	n/a	4	6	3	7	7	1	1

**SOURCE:** Town of Addison Department Data

Notes:

<sup>(1)</sup> For this schedule, n/a means this information is not available.

<sup>(2)</sup> In thousands of gallons

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Public Safety</u>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
<u>Public Works</u>										
Streets - Paved (miles)	39	39	39	39	39	39	39	41	41	41
Lane Miles	119	119	119	119	119	119	119	126	126	164
Traffic Signals	30	31	33	33	33	34	34	34	34	36
<u>Parks and Recreation</u> <sup>(1)</sup>										
Acres Maintained	135	136	138	142	151	149	149	136	138	139
Parks	12	12	13	13	15	15	16	12	13	13
Playgrounds	4	4	3	3	3	3	3	3	3	3
Soccer/Football Fields	1	1	1	1	1	1	1	0	0	0
Community Centers	2	2	2	2	2	2	2	1	1	1
<u>Water</u>										
Water Mains (Miles)	92	93	93	96	96	98	98	99	101	96
Fire Hydrants	979	1050	983	1030	1030	1040	1150	1175	1200	1013
<u>Wastewater</u>										
Miles of Sanitary Sewers	82	86	86	86	86	87	87	88	90	82
Miles of Storm Sewers	18.5	18.5	18.5	18.5	18.5	22	22	22	22	22

**SOURCE:** Town of Addison Department Data

**Notes:**

- <sup>(1)</sup> In 2008, the joint use agreement between the Town of Addison and Trinity Christian Academy terminated. The agreement had allowed the Town use of the Trinity Christian Academy facilities in exchange for sharing the maintenance of these facilities.