



**COMPREHENSIVE ANNUAL**

# **FINANCIAL REPORT**

**Town of Addison, Texas**

*For the fiscal year ended  
September 30, 2013*

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

For the Year Ended September 30, 2013

**Prepared by the**  
**Department of Finance**  
Eric Cannon, CPA, Chief Financial Officer  
Mushtaq Ali, Accountant

**City Council**

	Expiration of Term
Todd Meier, Mayor	May 2015
Blake W. Clemens, Mayor Pro Tempore	May 2015
Bruce Arfsten, Deputy Mayor Pro Tempore	May 2015
Chris DeFrancisco, Councilmember	May 2015
Margie Gunther, Councilmember	May 2014
Janelle Moore, Councilmember	May 2014
Neil Resnik, Councilmember	May 2014

**City Manager**

Ron Whitehead



SM

**Town of Addison, Texas**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended September 30, 2013

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SM FINANCE DEPARTMENT

5350 Belt Line Road

Post Office Box 9010 Addison, Texas 75001

February 18, 2014

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

The Department of Finance 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, 2013. The purpose of the report is to provide the City Council, management, staff, the public and other interested parties with detailed information regarding 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.

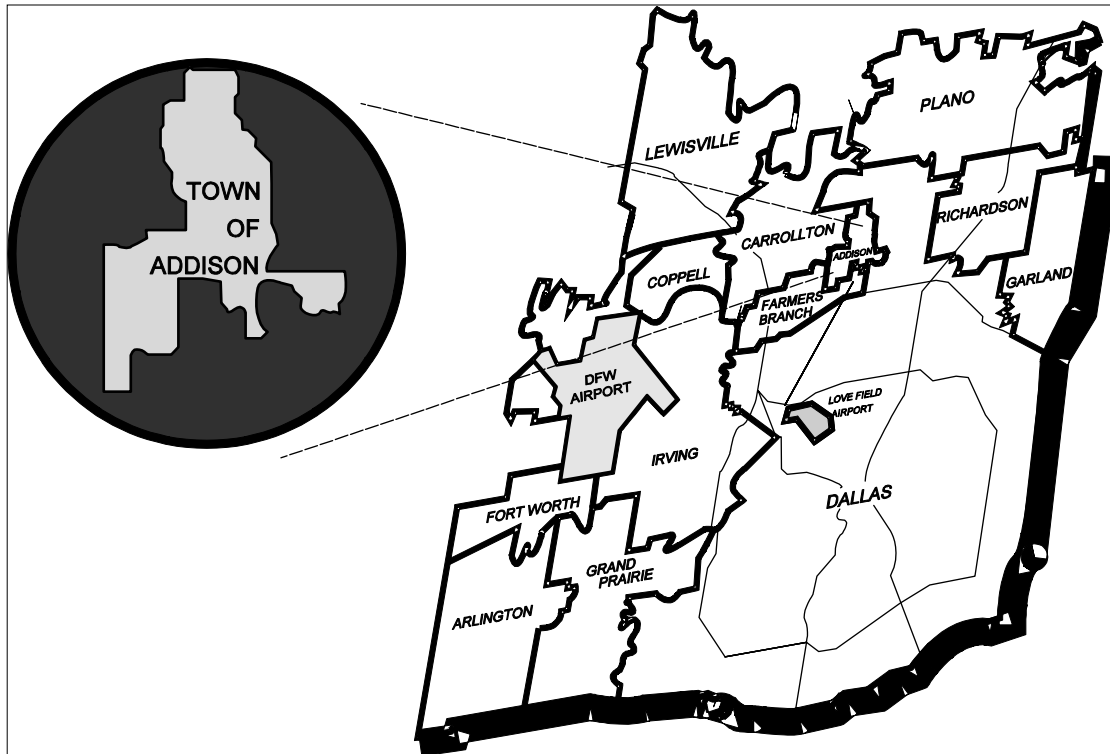
The *Financial Section* contains the opinion of the Town's independent auditor. The Town of Addison's financial statements have been audited by Weaver, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Addison for the fiscal year ended September 30, 2013 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, 2013 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 retail. At 4.3 square miles, Addison is the smallest, yet most densely developed, of the various suburbs located in the area. Although it has just over 15,000 residents, the Town has developed into a cosmopolitan center which serves well over 125,000 business persons, shoppers, and visitors daily.



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.

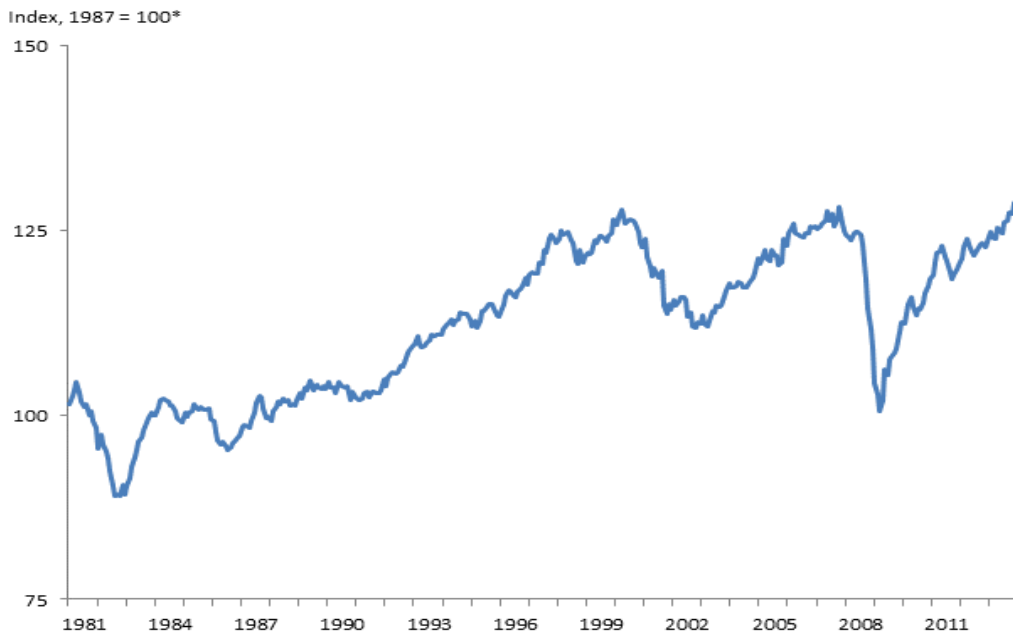
Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 29 as part of the basic financial statements for the governmental funds. For all governmental funds (including the General Fund) with appropriated annual budgets, this comparison is presented in the governmental fund section of this report, beginning on page 69.

**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 4.99 percent over the last year as reflected in the chart below.<sup>2</sup>

**Texas Leading Index**

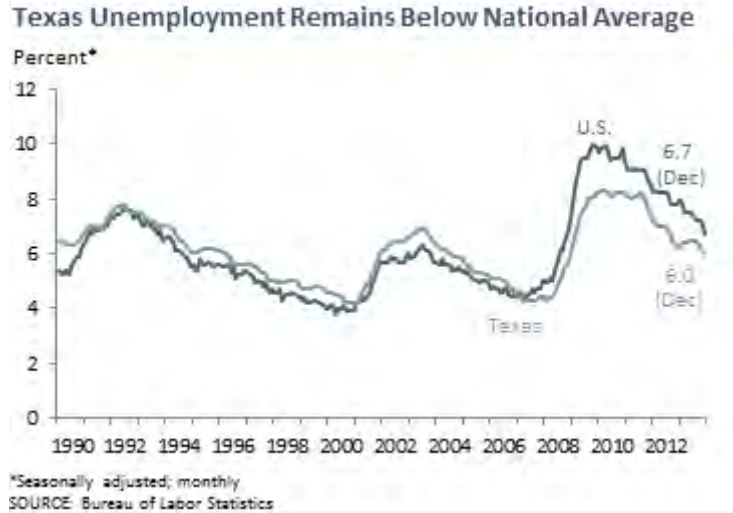


\*Monthly, seasonally adjusted.  
 Last data entry November 2013.  
 SOURCE: Federal Reserve Bank of Dallas.

<sup>1</sup> Financial policies can be located beginning on page 115 of the Town of Addison Annual Budget 2013-14 document.

<sup>2</sup> Source: Federal Reserve Bank of Dallas, [November 2013 Data](#)

The United States unemployment rate remains high, although Texas appears to be faring better than the nation as a whole. Texas employment expanded, with employment growing at a 2.3 percent annual rate in November 2013. The unemployment rate for Texas stood at 6.0 percent in December 2013, lower than the national rate of 6.7 percent.<sup>3</sup>



Because Addison is densely developed with nearly 12 million square feet of office space distributed among 94 office buildings, much attention is given to the occupancy rates of buildings in Addison. At the end of December 2013, Addison’s occupancy rate stood at 84.7 percent compared with the 80.14 percent recorded a year earlier. Addison’s occupancy rate is also slightly higher than the 81.8 percent average for all of Dallas County.<sup>4</sup> The Town experienced an 11.3% increase in taxable property values for the 2014 certified levy compared to a 4% increase for the 2013 certified levy. This is the second consecutive year that the Town has experienced an increase in property values.

For the 2013 fiscal year, General Fund revenues of \$29.8 million represented a 1.8 percent increase from fiscal year 2012. The increase is primarily due to an increase in sales tax. The Town’s sales tax receipts increased 10.2 percent from fiscal year 2012, indicative of an improving economy. The General Fund budget for the 2014 fiscal year assumes revenues of \$30.7 million, approximately \$870 thousand higher than 2013 actual amounts. The budget also established a property tax rate of 57.18¢ per \$100 appraised value, which is slight rate reduction from the 2013 budget. General Fund expenditures and transfers for the 2014 budget totaling \$31.5 million are approximately 6.5 percent more than the original 2013 budget. The General Fund ending balance is projected to be reduced from the actual ending 2013 balance to \$12.56 million, or 40 percent of fund operating expenditures.

**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 2013-14 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/).

<sup>3</sup> Source: Federal Reserve Bank of Dallas, February 2014 Texas Economic Indicators

<sup>4</sup> Source: <http://www.cbre.us/o/dfwmarket/real-estate-news/Pages/Office-Industrial-Markets-Continue-Recovery-Q4-2013.aspx>

## **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, 2012. 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 37 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 2013 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 26 consecutive years. Together, the *Award* and the *Certificate* are evidence of the Finance Department's 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 Finance Department who assisted us with assembling the information presented in this report and acknowledge the guidance provided by our auditors, Weaver, LLP, and the assistance 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,

A handwritten signature in black ink, appearing to read "Eric Cannon", written in a cursive style.

Eric Cannon, CPA  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

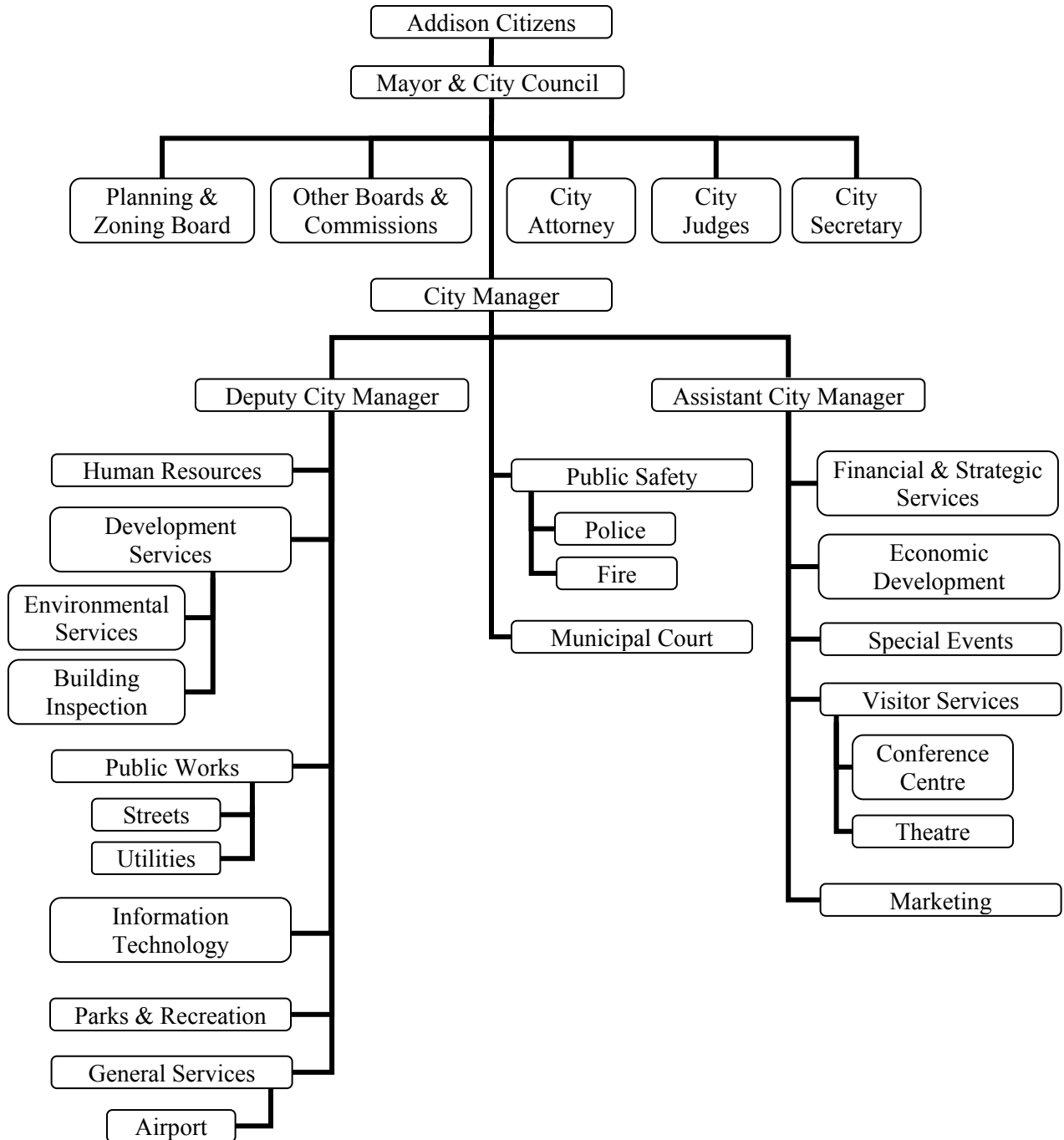
Presented to

**Town of Addison  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO



**Town of Addison  
LIST OF PRINCIPAL OFFICIALS  
September 30, 2013**

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

Mayor .....	Todd Meier .....	(972) 450-7027
City Manager .....	Ron Whitehead .....	(972) 450-7028
Deputy City Manager .....	Lea Dunn .....	(972) 450-7037
Assistant City Manager/City Secretary .....	Chris Terry .....	(972) 450-7010
Chief Financial Officer .....	Eric Cannon, CPA .....	(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
Police Chief .....	Ron Davis .....	(972) 450-7168
Fire Chief .....	John O'Neal .....	(972) 450-7203
Director of Development Services .....	Carmen Moran .....	(972) 450-2886
Director of Parks and Recreation .....	Slade Strickland .....	(972) 450-2869
Director of Visitor Services .....	Bob Phillips .....	(972) 450-6202
Director of Communications and Marketing .....	Carrie Rice .....	(972) 450-7032
Director of Special Events .....	Barbara Kovacevich .....	(972) 450-6221
Director of Economic Development .....	Orlando Campos .....	(972) 450-7034
Director of Infrastructure Operations & Services .	Lisa Pyles .....	(972) 450-2878







## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Addison (the Town) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Hotel Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System Analysis of Funding Progress, and the Retiree Health Plan Analysis of Funding Progress on pages 13-21 and 63-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Town of Addison  
February 18, 2014

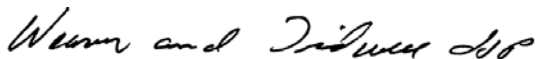
Page 3

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2014, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.



Weaver and Tidwell, L.L.P.  
Dallas, Texas

February 18, 2014



## 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, 2013. 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.**

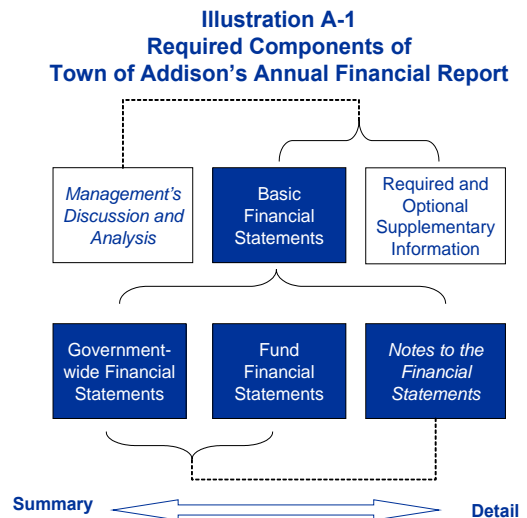
### Financial Highlights

- The Town's assets exceeded its liabilities at the close of the 2013 fiscal year by \$228,118. This amount represents an increase over the previous year by \$9,099. The increase is attributed to governmental revenue from taxes and charges for services exceeding the cost of government activities; however, the majority of the increase relates to capital grants and contributions received from the Town's business-type activities related to airport and utility operations.
- As of September 30, 2013, the Town's governmental funds reported combined ending fund balances of \$59,817, an increase of \$3,101. The majority of the increase is due the proceeds from bond issuance in the Capital Project fund and higher than anticipated sales tax collections.
- At the end of the 2013 fiscal year, fund balance for the General Fund was \$13,979, or 49.5 percent of total fund expenditures. Fund balance increased \$1,606 during the year.
- At year-end, the Town of Addison's outstanding debt totals \$104,544, an increase of \$10,646 from the previous year which is attributed to the issuance of new debt and the scheduled retirement of existing 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>
Scope	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
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net position * Statement of revenues, expenses, and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	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
Type of inflow/outflow information	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 22-23 of this document.

- The *statement of net position* presents information on all of the Town’s assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position **may** indicate the improvement or deterioration of the Town’s financial position.
- The *statement of activities* presents information showing how the Town’s net position changed during the concluded fiscal year. All changes in net position 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 11 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 Economic Development Fund, Municipal Court Fund, Public Safety Fund, and various grant and capital project funds, which are considered non-major funds and are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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, storm water (drainage), 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 33-60 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. This information is presented on pages 63-64.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented on pages 90-103 and 115-123. Individual proprietary comparative statements are presented on pages 104-122

The Town has included schedules of Capital Assets starting on page 126 and Long-Term Debt starting on page 130.

## Government-wide Financial Analysis

As of the close of the 2013 fiscal year, the Town's net position (assets exceeding liabilities) totaled \$228,118 (see Table A-1). Of this amount \$192,687, or 86 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 position has been restricted retiring the Town's long-term general obligation debt \$904, promotion of tourism and hotel industry (\$1,942) and other restrictions (\$286). The remaining amount of net position is labeled as unrestricted and totals \$29,763. 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 position, 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 Position**

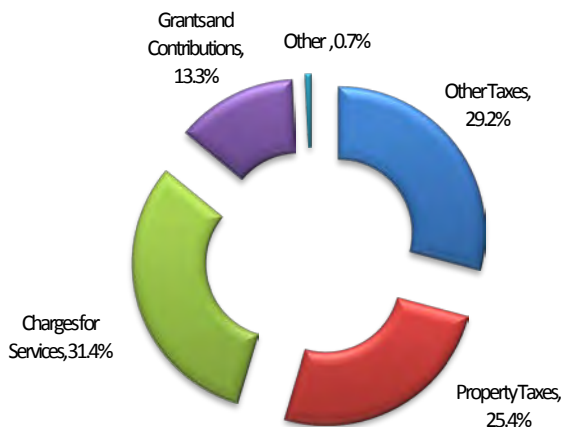
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets:</b>						
Current and Other Assets	\$ 73,586	\$ 71,794	\$ 28,163	\$ 16,382	\$ 101,749	\$ 88,176
Capital Assets	168,701	170,066	70,543	62,832	239,244	232,898
<b>Total Assets</b>	<b>242,287</b>	<b>241,860</b>	<b>98,706</b>	<b>79,214</b>	<b>340,993</b>	<b>321,074</b>
<b>Liabilities:</b>						
Long-Term Liabilities Outstanding	85,153	81,885	20,734	13,244	105,887	95,129
Other Liabilities	3,982	5,040	3,006	2,010	6,988	7,050
<b>Total Liabilities</b>	<b>89,135</b>	<b>86,925</b>	<b>23,740</b>	<b>15,254</b>	<b>112,875</b>	<b>102,179</b>
<b>Net Assets:</b>						
Invested in Capital Assets, Net of Related Debt	135,261	129,471	57,426	49,640	192,687	179,111
<b>Restricted :</b>						
Debt Service	904	1,699	-	-	904	1,699
Tourism/Hotel	1,942	1,993	-	-	1,942	1,993
Child Safety	31	-	-	-	31	-
Justice Administration	93	-	-	-	93	-
Court Technology	75	176	-	-	75	176
Building Security	65	-	-	-	65	-
Court Security	22	-	-	-	22	-
Unrestricted	14,758	21,596	17,541	14,320	32,299	35,916
<b>Total Net Position</b>	<b>\$ 153,151</b>	<b>\$ 154,935</b>	<b>\$ 74,967</b>	<b>\$ 63,960</b>	<b>\$ 228,118</b>	<b>\$ 218,895</b>

As reflected in Table A-2, the Town's net position increased \$9,099, or 4 percent during the 2013 fiscal year. The increase is primarily due to grant funding at the Addison Airport.

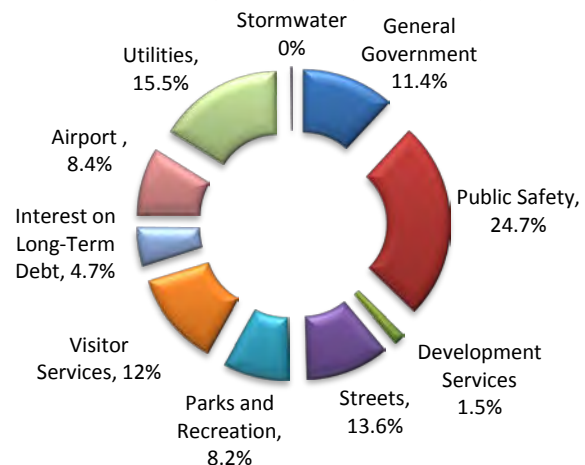
**Table A-2  
Town of Addison's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 5,605	\$ 6,189	\$ 16,616	\$ 15,384	\$ 22,221	\$ 21,573
Grants & Contributions	74	733	9,332	1,259	9,406	1,992
<b>General Revenues:</b>						
Property Taxes	17,975	17,401	-	-	17,975	17,401
Other Taxes	20,626	18,983	-	-	20,626	18,983
Other	595	868	(102)	(52)	493	816
<b>Total Revenues</b>	<b>44,875</b>	<b>44,174</b>	<b>25,846</b>	<b>16,591</b>	<b>70,721</b>	<b>60,765</b>
<b>Expenses:</b>						
General Government	7,021	6,486	-	-	\$ 7,021	\$ 6,486
Public Safety	15,229	15,130	-	-	15,229	15,130
Development Services	926	879	-	-	926	879
Streets	8,388	5,028	-	-	8,388	5,028
Parks & Recreation	5,063	4,963	-	-	5,063	4,963
Visitor Services	7,239	6,852	-	-	7,239	6,852
Interest on Long-Term Debt	2,917	1,899	-	-	2,917	1,899
Airport	-	-	5,154	4,505	5,154	4,505
Storm water	-	-	140	-	140	-
Water & Sewer Utility	-	-	9,545	9,075	9,545	9,075
<b>Total Expenses</b>	<b>46,783</b>	<b>41,237</b>	<b>14,839</b>	<b>13,580</b>	<b>61,622</b>	<b>54,817</b>
<b>Change in Net Position</b>	<b>(1,908)</b>	<b>2,937</b>	<b>11,007</b>	<b>3,011</b>	<b>9,099</b>	<b>5,948</b>
Net Position - 10/01/12	155,059	151,998	63,960	60,949	219,019	212,947
Net Position - 09/30/13	\$ 153,152	\$ 154,935	\$ 74,967	\$ 63,960	\$ 228,118	\$ 218,895

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



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



**Governmental Activities**

Governmental activities decreased the Town of Addison’s net position by \$1,908 primarily due to the purchase of land which was contributed to the Addison Airport.

**Business-Type Activities**

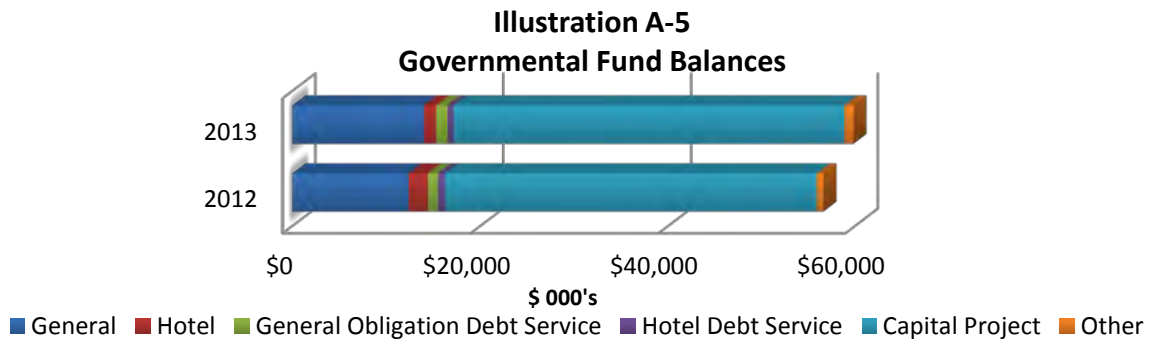
The Town’s business-type activities experienced an \$11,007 increase in net position with the Airport Fund recording an increase of \$8,601, while the Utility Fund posted a gain of \$1,235 and the Storm Water Fund increased by \$1,171. Of the Airport Fund’s increase, \$9,238 is attributed to capital grants for improvements at the Addison Airport.

**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, unassigned 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, 2013, the Town’s governmental funds reported combined ending fund balances of \$59,817, an increase of \$3,101 compared to balances a year earlier. Illustration A-5 graphically presents the composition of the various fund balances. Of the ending balance, \$13,637 or 22.8 percent is *unassigned* and is available to the Town for future spending. Most of the remaining fund balance is *restricted* for future capital projects (\$41,716), debt service (\$1,235) or *committed* for Economic Development (\$664). Components of the net increase of total fund balance are:

- In the General Fund, expenditures and transfers out totaled \$25,640 compared to revenues of \$29,830. Revenues increased \$524 from the previous year. The increase was due to receiving an additional \$1,141 in non-property (sales) taxes and an additional \$81 in rental income offset by a decline of \$453 in property taxes. Expenditures increased \$997 from the 2012 fiscal year. This increase is primarily due to public safety (\$506) and general government expenditures (\$264).
- In the Hotel Fund, expenditures and transfers out to other funds totaled \$7,686 compared to revenues of \$6,970. Fund revenues increased \$230 from the previous year, due to an increase in non-property taxes. Expenditures increased \$845 from fiscal year 2012 due in large part to the purchase of a new HVAC system for the Town’s Conference and Theater Centre facilities.
- Capital project funds recorded a net increase in fund balance of \$2,060 primarily due to proceeds from bonds issued.



*Proprietary funds* - The Town of Addison’s proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net position of the Airport Fund at the end of the fiscal year

amounted to \$5,224, the Utility Fund reported an unrestricted net position of \$11,146, while the Stormwater Fund reported an unrestricted net position of \$1,171.

**General Fund Budgetary Highlights**

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

- Revenues were amended to recognize increase in sales tax revenue (\$1,470), and building and construction permits (\$60). All revenue amendments resulted in a net budget increase of \$1,761. Allocations to various departments were made that resulted in a net increase to appropriations of \$172.

The adjustments resulted in increasing budgeted revenue 6.3 percent and increasing expenditures by .58 percent. The projected deficit of expenditures and other uses exceeding revenues decreased from \$1,381 to a surplus of \$207. Fund balance actually increased \$207.

**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, 2013, totals \$239,244 (net of accumulated depreciation). This amount represents a \$6,346 increase from the previous year and is attributed to investment in new assets exceeding depreciation of existing assets. Projects that are in progress include the Belt Line Road Utility Undergrounding, Pedestrian Connectivity, and Midway Road Revitalization. More information related to the Town’s capital assets can be found in Sections I, D, 4 and III, D of the Notes to Financial Statements.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 66,233	\$ 66,233	\$ 12,319	\$ 10,277	\$ 78,552	\$ 76,510
Buildings	11,114	11,086	7,850	1,406	18,964	12,492
Improvements other than Buildings	82,403	81,816	40,750	40,915	123,153	122,731
Machinery and Equipment	4,049	3,117	650	783	4,699	3,900
Construction in Progress	4,902	7,814	8,974	9,451	13,876	17,265
<b>Total Capital Assets</b>	<b>\$ 168,701</b>	<b>\$ 170,066</b>	<b>\$ 70,543</b>	<b>\$ 62,832</b>	<b>\$ 239,244</b>	<b>\$ 232,898</b>

*Long-term debt* – At the end of the 2013 fiscal year, the Town of Addison had total bonded debt outstanding of \$104,544 as detailed in Table A-4. The Town did issue new debt during 2013. The Town of Addison maintains an underlying bond rating of “AAA” from Standard & Poor’s and “Aa1” from Moody’s. Other than the 2008, 2011, and both 2012 issues, all of the Town’s outstanding debt is insured; however the insurers’ ratings have been downgraded in the past few years. Of the Town’s insurers as of September 30, 2013 MBIA carries a rating of “B” from Standard & Poor’s. Ambac’s rating was withdrawn by both S&P and Moody’s. The insurer FSA changed its name to Assured Guaranty Municipal Corporation (AGM) and currently holds a rating of “A2” by Moody’s. 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 in Section III, F of the Notes to Financial Statements.

**Table A-4**  
**Town of Addison's Outstanding Debt**  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 44,156	\$ 39,765	\$ -	\$ 2,611	\$ 44,156	\$ 42,376
Certificates of Obligation	39,719	40,941	20,669	10,581	60,388	51,522
<b>Total Debt Outstanding</b>	<b>\$ 83,875</b>	<b>\$ 80,706</b>	<b>\$ 20,669</b>	<b>\$ 13,192</b>	<b>\$ 104,544</b>	<b>\$ 93,898</b>

**Economic Factors and Next Year's Budget and Rates**

The Texas Workforce Commission no longer maintains individual statistics for cities with a population of less than 25,000, 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 2013 averaged 5.05 percent, somewhat lower than the 5.45 percent rate recorded a year earlier. This unemployment rate is less than that of the Dallas/Plano/Irving Metro Division, which recorded a 5.3 percent rate. The December 2013 rate for the State of Texas was 5.6 percent, lower than the 6 percent in December 2012.<sup>1</sup>

Sales tax collections for the Town were up 10.17 percent from the amount collected in 2012 after three consecutive years of increases in annual collections. This increase appears to indicate an improving local economy.

Hotel occupancy tax collections increased 6.52 percent from the previous year. This represents three consecutive years of increasing annual collections, although collections are still down 12.14 percent from the 2008 fiscal year. In July 2013 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 2013-14 fiscal year. Certified taxable property values in Addison totaled \$3,490,007 which represented an 11.33 percent increase from the previous year, and was the second year of increased values following three consecutive years of decreased values.

These various factors were taken into consideration in development of the Town's 2013-14 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 2013-14 budget include:

The property tax rate was lowered from \$.5800 to \$.5718 per \$100 appraised value. The decreased rate and increase in property values will provide an additional \$516 for the Town's annual debt service. Of the 2014 budget tax rate, \$.3588 was levied for operation/maintenance (including \$.0229 for economic development funding) and \$.213 for debt service. This compares to the 2013 distribution of \$.3593 and \$.2207 respectively. (Note: The preceding tax rates are not reflected in \$000's of dollars).

The General Fund balance is projected to decline \$778,669 from the actual beginning fund balance of \$13,336 to \$12,557. The projected ending fund balance is 40 percent of operating expenditures.

The Hotel Fund balance is projected to raise \$200 from the actual beginning fund balance of \$1,471 to \$1,671. The projected ending fund balance is 25% percent of operating expenditures, which is in line with the long-term financial plan for the fund.

The budget includes a water and sewer rate adjustment, which provides for a slight increase in water rates and a decrease in sewer rates. Overall, the new rates reflect an approximate reduction of 5% in the average Residential customer's monthly bill.

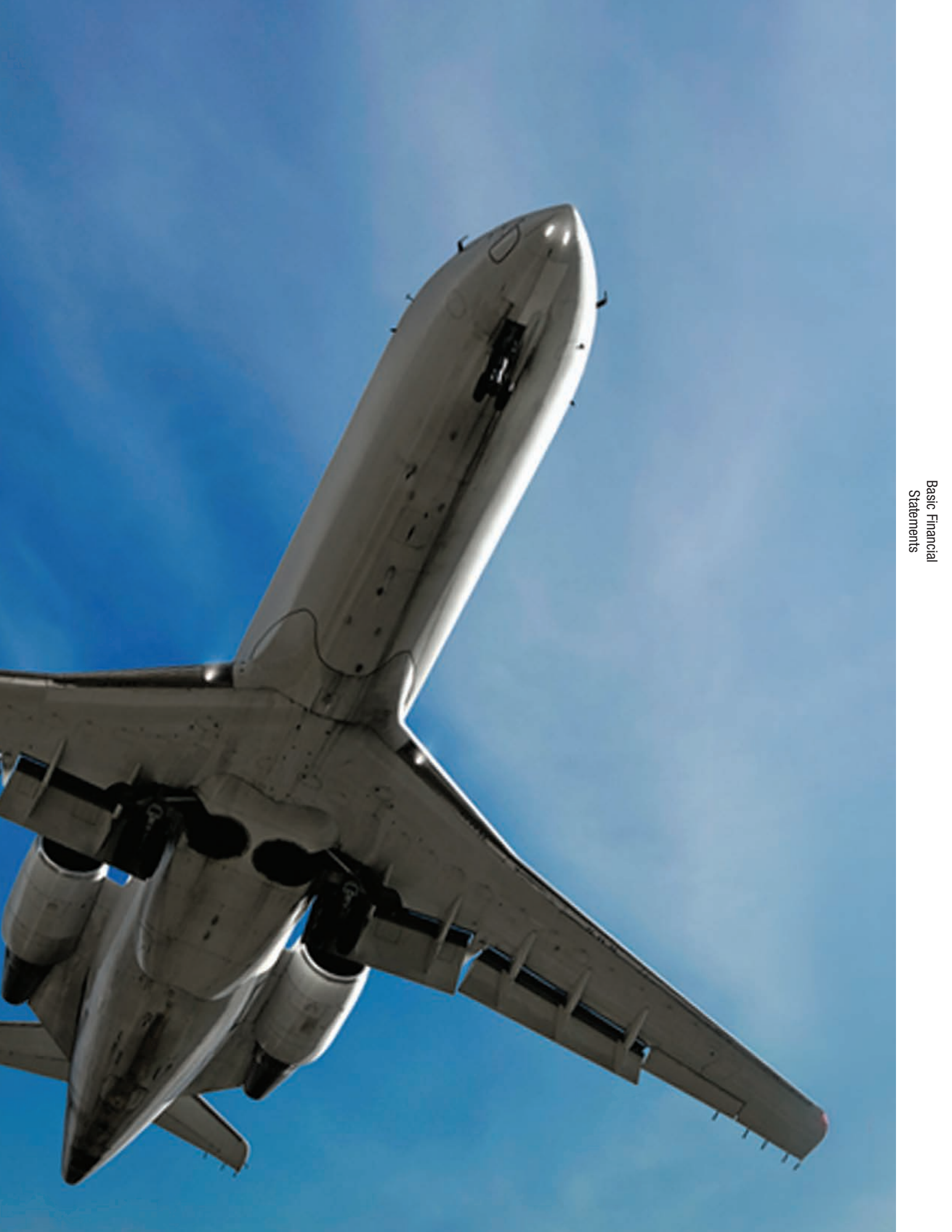
<sup>1</sup> "Indicators." *Texas Labor Market Review* (Jan. 2013): 16. *Texas Labor Market Information*. Texas Workforce Commission, Jan. 2013. Web. 01 Jan. 2014. <[http://www.tracer2.com/admin/uploadedPublications/2075\\_TLMR-January13.pdf](http://www.tracer2.com/admin/uploadedPublications/2075_TLMR-January13.pdf)>.  
"Indicators." *Texas Labor Market Review* (Jan. 2014): 16. *Texas Labor Market Information*. Texas Workforce Commission, Jan. 2014. Web. 01 Jan. 2014. <[http://www.tracer2.com/admin/uploadedPublications/2100\\_TLMR-January\\_14.pdf](http://www.tracer2.com/admin/uploadedPublications/2100_TLMR-January_14.pdf)>.

## 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 Finance  
Town of Addison  
P.O. Box 9010  
Addison, TX 75001  
Telephone: (972) 450-7050  
Email: [ecannon@addisontx.gov](mailto:ecannon@addisontx.gov)







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

TOWN OF ADDISON  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013

**Primary Government**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Investments	\$ 67,187,288	\$ 18,144,839	\$ 85,332,127
Receivables, Net of Allowances for Uncollectibles	5,550,116	2,787,791	8,337,907
Prepaid Items	291,424	-	291,424
Inventories, at Cost	44,486	-	44,486
Deferred Charges	512,187	106,027	618,214
Investment in Joint Venture	-	7,125,020	7,125,020
Capital Assets, Net of Accumulated Depreciation			
Land	66,233,100	12,319,116	78,552,216
Buildings	11,114,177	7,850,267	18,964,444
Improvements other than Buildings	82,403,034	40,749,542	123,152,576
Machinery and Equipment	4,049,172	650,266	4,699,438
Construction in Progress	4,901,991	8,973,626	13,875,617
<b>Total Assets</b>	<b>\$ 242,286,975</b>	<b>\$ 98,706,494</b>	<b>\$ 340,993,469</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 3,921,130	\$ 1,728,036	\$ 5,649,166
Contracts and Retainage Payable	4,198	299,774	303,972
Intergovernmental Payable	14,985	24,088	39,073
Customer Deposits	41,978	954,562	996,540
Non-Current Liabilities:			
Due within One Year	5,506,640	903,397	6,410,037
Due in More Than One Year	79,646,501	19,830,106	99,476,607
<b>Total Liabilities</b>	<b>89,135,432</b>	<b>23,739,963</b>	<b>112,875,395</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	\$ 135,260,723	\$ 57,425,620	\$ 192,686,343
Restricted			
Debt Service	904,422	-	904,422
Promotion of Tourism and Hotel Industry	1,942,378	-	1,942,378
Child Safety	30,635	-	30,635
Justice Administration	93,472	-	93,472
Court Technology	74,895	-	74,895
Building Security	64,742	-	64,742
Court Security	22,235	-	22,235
Unrestricted	14,758,041	17,540,911	32,298,952
<b>Total Net Position</b>	<b>\$ 153,151,543</b>	<b>\$ 74,966,531</b>	<b>\$ 228,118,074</b>

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

TOWN OF ADDISON  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Program Revenues					Net (Expense)/Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business - Type Activities	Total	
<b>Primary Government:</b>								
Governmental Activities:								
General Government	\$ 7,021,312	\$ 225,731	\$ 66,170	\$ -	\$ (6,729,411)	\$ -	\$ (6,729,411)	
Public Safety	15,229,474	1,611,320	3,348	-	(13,614,806)	-	(13,614,806)	
Development Services	925,830	888,908	-	-	(36,922)	-	(36,922)	
Streets	8,387,857	384,303	4,060	-	(7,999,494)	-	(7,999,494)	
Parks and Recreation	5,062,784	114,866	-	-	(4,947,918)	-	(4,947,918)	
Visitor Services	7,239,033	2,379,812	-	-	(4,859,221)	-	(4,859,221)	
Interest on Long-Term Debt	2,916,703	-	-	-	(2,916,703)	-	(2,916,703)	
<b>Total Governmental Activities</b>	<b>46,782,993</b>	<b>5,604,940</b>	<b>73,578</b>	<b>-</b>	<b>(41,104,475)</b>	<b>-</b>	<b>(41,104,475)</b>	
Business-Type Activities:								
Airport	5,153,445	4,505,430	-	9,238,288	-	8,590,273	8,590,273	
Utilities	9,545,377	10,802,692	-	93,552	-	1,350,867	1,350,867	
Stormwater	139,843	1,307,573	-	-	-	1,167,730	1,167,730	
<b>Total Business-Type Activities</b>	<b>14,838,665</b>	<b>16,615,695</b>	<b>-</b>	<b>9,331,840</b>	<b>-</b>	<b>11,108,870</b>	<b>11,108,870</b>	
<b>Total Primary Government</b>	<b>\$ 61,621,658</b>	<b>\$ 22,220,635</b>	<b>\$ 73,578</b>	<b>\$ 9,331,840</b>	<b>\$ (41,104,475)</b>	<b>\$ 11,108,870</b>	<b>\$ (29,995,605)</b>	
	<b>GENERAL REVENUES</b>							
	Taxes:							
	Property Taxes, Levied for General Purposes							
					17,975,149	-	17,975,149	
	Sales Taxes							
					13,029,712	-	13,029,712	
	Franchise Taxes							
					3,021,899	-	3,021,899	
	Hotel/Motel Taxes							
					4,575,083	-	4,575,083	
	Interest on Investments							
					133,140	(71,264)	61,876	
	Miscellaneous							
					461,641	(30,525)	431,116	
	<b>Total General Revenues</b>	<b>39,196,624</b>	<b>(101,789)</b>	<b>39,094,835</b>				
<b>Change in Net Assets</b>		<b>(1,907,851)</b>	<b>11,007,081</b>	<b>9,099,230</b>				
<b>NET ASSETS, Beginning of Year</b>		<b>155,059,394</b>	<b>63,959,450</b>	<b>219,018,844</b>				
<b>NET ASSETS, End of Year</b>	<b>\$ 153,151,543</b>	<b>\$ 74,966,531</b>	<b>\$ 228,118,074</b>					

Town of Addison, Texas  
Basic Financial Statements

Governmental Funds  
Balance Sheet  
September 30, 2013

	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	\$ 13,438,176	\$ 2,053,790	\$ 1,266,634	\$ 628,278	\$ 42,206,250	\$ 1,147,964	\$ 60,741,092
Receivables:							
Ad Valorem Taxes, Including Interest and Penalties			88,887	-	-	(1,441)	287,904
Non-Property Taxes	200,458	354,446	-	-	-	-	2,940,913
Franchise Fees	2,586,467	-	-	-	-	-	510,028
Service Fees	510,028	-	-	-	-	-	1,070,855
Ambulance	1,070,855	-	-	-	-	-	197,428
Interest	197,428	-	-	-	-	-	44,102
Other	9,725	1,487	928	446	30,697	819	494,305
Interfund	7,899	248,720	-	-	10,335	-	818,715
Prepaid Items	818,715	-	-	-	-	-	291,424
Inventories, at Cost	291,424	-	-	-	-	-	44,486
Total Assets	\$ 19,175,661	\$ 2,658,443	\$ 1,356,449	\$ 628,724	\$ 42,247,282	\$ 1,374,693	\$ 67,441,252
<b>LIABILITIES AND FUND BALANCE:</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 1,921,673	\$ 721,918	\$ 447	\$ 215	\$ 543,833	\$ 178,138	\$ 3,366,224
Contracts and Retainage Payable	-	-	-	-	4,198	-	4,198
Interfund Payable	-	585,000	-	-	-	233,715	818,715
Accrued Interest	-	-	32,388	-	-	-	32,388
Intergovernmental Payable	14,985	-	-	-	-	-	14,985
Customer Deposits	12,895	29,083	-	-	-	-	41,978
Deferred Revenue	3,246,710	8,573	88,887	-	-	1,650	3,345,820
Total Liabilities	\$ 5,196,263	\$ 1,344,574	\$ 121,722	\$ 215	\$ 548,031	\$ 413,503	\$ 7,624,308
Fund Balances:							
Nonspendable							
Inventories	44,486	-	-	-	-	-	44,486
Prepaid Items	291,424	-	-	-	-	-	291,424
Restricted							
Debt service	-	-	1,234,727	-	-	-	1,234,727
Promotion of Tourism and Hotel Industry	-	1,313,869	-	628,509	-	-	1,942,378
Capital Projects	-	-	-	-	41,699,251	17,174	41,716,425
Child safety	-	-	-	-	-	93,472	93,472
Justice administration	-	-	-	-	-	30,635	30,635
Court Technology	-	-	-	-	-	74,895	74,895
Building Security	-	-	-	-	-	64,742	64,742
Court Security	-	-	-	-	-	22,235	22,235
Committed							
Economic development	-	-	-	-	-	664,401	664,401
Assigned							
Other purposes	-	-	-	-	-	-	-
Unassigned	13,643,488	-	-	-	-	(6,364)	13,637,124
Total Fund Balance	\$ 13,979,398	\$ 1,313,869	\$ 1,234,727	\$ 628,509	\$ 41,699,251	\$ 961,190	\$ 59,816,944
Total Liabilities and Fund Balance	\$ 19,175,661	\$ 2,658,443	\$ 1,356,449	\$ 628,724	\$ 42,247,282	\$ 1,374,693	\$ 67,441,252

See accompanying notes to basic financial statements.

**TOWN OF ADDISON  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<b>Total Fund Balances - Governmental Funds</b>	\$	59,816,944
<p>The Town uses internal service funds to charge the costs of certain activities such as replacement of capital assets and information technology 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.</p>		
		9,379,057
<p>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 \$165,669,868, net of accumulated depreciation of \$95,511,204, exclusive of the capital assets of internal service funds with a net carrying value of \$3,031,606, included above increased net assets in the government-wide financial statements.</p>		
		165,669,868
<p>Debt issue costs have been reflected net of amortization in the government-wide financial statements.</p>		
		512,187
<p>Bonds payable, contractual obligations, and related premium and deferred refunding amounts have not been included in the fund financial statements.</p>		
		(83,855,981)
<p>Accrued liabilities for compensated absences have not been reflected in the fund financial statements.</p>		
		(882,375)
<p>Net OPEB obligation is not reflected in the fund financial statements.</p>		
		(414,785)
<p>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.</p>		
		(419,192)
<p>Revenue from property taxes, sales taxes, franchise fees, court bonds, ambulance billing, and intergovernmental grants is deferred in the fund financial statements until it is 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.</p>		
		3,345,820
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>153,151,543</b>

Town of Addison, Texas  
Basic Financial Statements

**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2013**

	General	Hotel	General Obligation Debt Service	Hotel Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental
<b>REVENUES:</b>							
Ad Valorem Taxes	\$ 10,480,308	\$ -	\$ 6,867,590	\$ -	\$ -	\$ 700,100	\$ 18,047,998
Non-Property Taxes	13,029,712	4,575,083	-	-	-	-	17,604,795
Franchise Fees	2,695,073	-	-	-	-	-	2,695,073
Licenses and Permits	886,423	-	-	-	-	-	886,423
Intergovernmental	-	-	-	-	-	73,578	73,578
Service Fees	1,469,715	1,469,891	-	-	-	-	2,939,606
Fines and Forfeitures	959,684	-	-	-	-	122,431	1,082,115
Earnings on Investments	3,790	5,164	6,502	1,485	102,004	3,224	122,169
Rental Charges	243,958	875,779	-	-	-	-	1,119,737
Recycling Proceeds	25,539	-	-	-	-	-	25,539
Other	35,715	44,272	25,573	-	-	243	105,803
<b>Total Revenues</b>	<b>29,829,917</b>	<b>6,970,189</b>	<b>6,899,665</b>	<b>1,485</b>	<b>102,004</b>	<b>899,576</b>	<b>44,702,836</b>
<b>EXPENDITURES:</b>							
Current:							
General Government	6,347,191	-	-	-	-	23,864	6,371,055
Public Safety	14,878,938	-	-	-	-	66,903	14,945,841
Development Services	927,684	-	-	-	-	-	927,684
Streets	1,750,500	-	-	-	-	-	1,750,500
Parks and Recreation	4,316,689	-	-	-	-	-	4,316,689
Visitor Services	-	7,116,334	-	-	-	-	7,116,334
Municipal Court	-	-	-	-	-	53,112	53,112
Economic Development	-	-	-	-	-	624,014	624,014
Debt Service:							
Principal Retirement	-	-	4,101,161	600,000	-	-	4,701,161
Interest and Fiscal Charges	-	-	2,643,031	104,623	-	-	2,747,654
Bond issuance costs	-	-	-	-	-	-	-
Capital Projects:							
Administration:							
Supplies	-	-	-	-	80,660	-	80,660
Maintenance and Materials	-	-	-	-	3,946	-	3,946
Contractual Services	-	-	-	-	49	-	49
Other	-	-	-	-	138,236	-	138,236
Design and Engineering:							
Engineering and Contractual Services	-	-	-	-	2,165,012	-	2,165,012
Construction and Equipment	-	-	-	-	3,742,776	-	3,742,776
<b>Total Expenditures</b>	<b>28,221,002</b>	<b>7,116,334</b>	<b>6,744,192</b>	<b>704,623</b>	<b>6,130,679</b>	<b>767,893</b>	<b>49,684,723</b>
Excess/(Deficiency) of Revenues over Expenditures	1,608,915	(146,145)	155,473	(703,138)	(6,028,675)	131,683	(4,981,887)
<b>OTHER FINANCING SOURCES/(USES):</b>							
Transfers In	2,960	-	-	570,000	5,541	-	578,501
Transfers Out	(5,541)	(570,000)	-	-	-	(2,960)	(578,501)
Proceeds from bond issuance	-	-	-	-	7,790,000	-	7,790,000
Premium on issuance	-	-	-	-	292,493	-	292,493
<b>Total Other Financing Sources/(Uses)</b>	<b>(2,581)</b>	<b>(570,000)</b>	<b>-</b>	<b>570,000</b>	<b>8,088,034</b>	<b>(2,960)</b>	<b>8,082,493</b>
Net Change in Fund Balance	1,606,334	(716,145)	155,473	(133,138)	2,059,359	128,723	3,100,606
Fund Balances at Beginning of Year	12,373,064	2,030,014	1,079,254	761,647	39,639,892	708,360	56,592,231
Prior Period Adjustment	-	-	-	-	-	124,107	124,107
Fund Balances at End of Year	\$ 13,979,398	\$ 1,313,869	\$ 1,234,727	\$ 628,509	\$ 41,699,251	\$ 961,190	\$ 59,816,944

**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, 2013**

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	3,100,606
<p>The Town uses internal service funds to charge the costs of certain activities such as replacement of capital assets and information technology to appropriate functions in other funds. The revenues and expenses of the internal service funds are included in governmental activities in the government-wide statement of activities. The effect of this consolidation is to increase net assets.</p>		
		35,254
<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>		
		4,501,828
<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>		
		(6,195,742)
<p>The repayment of the principal of long term debt consumes the current financial resources of governmental funds, but has no effect on net assets. The amortization of bond issuance costs, bond premiums, bond discounts, and deferred gain/loss on refunding of long term debts is reported in the statement of activities but does not require the use of current financial resources. Therefore the effect of the amortization of these various items are not reported in the statement of revenues, expenses, and changes in fund balance. This amount represents the increase(decrease) in net assets of the following:</p>		
Bond proceeds	(7,790,000)	
Bond repayments	4,701,161	
Debt issuance costs	81,253	
Bond premiums	(292,493)	
Bond discounts	56,983	
Amortization	63,011	(3,180,085)
<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>		
		(69,146)
<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>		
		(28,242)
<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 increase in accrued interest is to decrease net assets.</p>		
		(169,049)
<p>Revenue from property taxes, sales taxes, franchise fees, court bonds, ambulance billing, and intergovernmental grants not recognized in fund financial statements on the modified accrual basis is recognized on the accrual basis in the government-wide financial statements.</p>		
		96,725
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>(1,907,851)</b>

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

**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**

	Budget		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Ad Valorem Taxes	\$ 10,483,730	\$ 10,483,730	\$ 10,480,308	\$ (3,422)
Non-Property Taxes	11,560,010	13,216,000	13,029,712	(186,288)
Franchise Fees	2,724,690	2,724,690	2,695,073	(29,617)
Licenses and Permits	724,490	784,490	886,423	101,933
Service Fees	1,436,010	1,436,010	1,469,715	33,705
Fines and Forfeitures	1,047,000	1,047,000	959,684	(87,316)
Earnings on Investments	5,000	5,000	3,790	(1,210)
Rental Charges	137,500	137,500	243,958	106,458
Recycling Proceeds	21,000	21,000	25,539	4,539
Other	26,730	71,730	35,715	(36,015)
<i>Total Revenues</i>	<u>28,166,160</u>	<u>29,927,150</u>	<u>29,829,917</u>	<u>(97,233)</u>
<b>EXPENDITURES:</b>				
General Government	6,965,520	7,030,520	6,347,191	683,329
Public Safety	15,004,000	15,111,290	14,878,938	232,352
Development Services	984,930	984,930	927,684	57,246
Streets	1,811,450	1,811,450	1,750,500	60,950
Parks and Recreation	4,781,600	4,781,600	4,316,689	464,911
<i>Total Expenditures</i>	<u>29,547,500</u>	<u>29,719,790</u>	<u>28,221,002</u>	<u>1,498,788</u>
Excess/(Deficiency) of Revenues over Expenditures	(1,381,340)	207,360	1,608,915	1,401,555
<b>OTHER FINANCING SOURCES/(USES):</b>				
Transfers In	50,000	-	2,960	2,960
Transfers Out	-	-	(5,541)	(5,541)
Net Change in Fund Balance	(1,331,340)	207,360	1,606,334	1,398,974
Fund Balances at Beginning of Year	<u>12,373,064</u>	<u>12,373,064</u>	<u>12,373,064</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 11,041,724</u>	<u>\$ 12,580,424</u>	<u>\$ 13,979,398</u>	<u>\$ 1,398,974</u>

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

**Hotel Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**

	Budget		Actual GAAP Basis	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Hotel/Motel Occupancy Taxes	\$ 4,200,000	\$ 4,595,000	\$ 4,575,083	\$ (19,917)
Proceeds from Special Events	1,697,400	1,812,400	1,469,891	(342,509)
Conference Centre Rental	603,390	603,390	601,509	(1,881)
Theatre Centre Rental	70,000	70,000	58,647	(11,353)
Visitor Centre Rental	230,000	230,000	215,623	(14,377)
Earnings on Investments	5,000	5,000	5,164	164
Other	5,500	5,500	44,272	38,772
<i>Total Revenues</i>	<u>6,811,290</u>	<u>7,321,290</u>	<u>6,970,189</u>	<u>(351,101)</u>
<b>EXPENDITURES:</b>				
Visitor Services	1,008,600	1,008,600	967,711	40,889
Visit Addison	570,690	570,690	498,655	72,035
Conference Centre	1,041,840	1,690,840	1,626,644	64,196
Marketing	995,860	995,860	880,924	114,936
Special Events	2,522,430	2,631,330	2,646,869	(15,539)
Performing Arts	505,460	505,460	495,531	9,929
<i>Total Expenditures</i>	<u>6,644,880</u>	<u>7,402,780</u>	<u>7,116,334</u>	<u>286,446</u>
Excess/(Deficiency) of Revenues over Expenditures	166,410	(81,490)	(146,145)	(64,655)
<b>OTHER FINANCING SOURCES/(USES):</b>				
Transfer to Debt Service Fund	(620,000)	(570,000)	(570,000)	-
Net Change in Fund Balance	(453,590)	(651,490)	(716,145)	(64,655)
Fund Balances at Beginning of Year	<u>2,030,014</u>	<u>2,030,014</u>	<u>2,030,014</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,576,424</u>	<u>\$ 1,378,524</u>	<u>\$ 1,313,869</u>	<u>\$ (64,655)</u>



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

**Proprietary Funds**  
**Statement of Net Position**  
**September 30, 2013**

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
<b>ASSETS:</b>					
Current Assets:					
Cash and Investments	\$ 5,570,758	\$ 4,055,484	\$ 8,518,597	\$ 18,144,839	\$ 6,446,196
Interest Receivable	3,957	2,209	6,025	12,191	4,580
Accounts Receivable	442,148	2,088,737	244,715	2,775,600	-
<b>Total Current Assets</b>	<b>6,016,863</b>	<b>6,146,430</b>	<b>8,769,337</b>	<b>20,932,630</b>	<b>6,450,776</b>
Non-Current Assets:					
Deferred Charges	38,010	18,072	49,945	106,027	-
Capital Assets:					
Land	11,007,052	1,312,064	-	12,319,116	-
Buildings	1,637,209	8,050,067	-	9,687,276	-
Improvements other than Buildings	34,720,771	44,308,445	-	79,029,216	-
Machinery and Equipment	1,343,207	2,135,490	-	3,478,697	13,259,946
Accumulated Depreciation	(19,112,225)	(23,832,889)	-	(42,945,114)	(10,228,340)
Total Capital Assets, Net of Accumulated Depreciation	29,596,014	31,973,177	-	61,569,191	3,031,606
Construction in Progress	8,744,904	228,722	-	8,973,626	-
<b>Net Property, Plant, and Equipment</b>	<b>38,340,918</b>	<b>32,201,899</b>	<b>-</b>	<b>70,542,817</b>	<b>3,031,606</b>
Investment in Joint Venture	-	7,125,020	-	7,125,020	-
<b>Total Assets</b>	<b>\$ 44,395,791</b>	<b>\$ 45,491,421</b>	<b>\$ 8,819,282</b>	<b>\$ 98,706,494</b>	<b>\$ 9,482,382</b>
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 575,887	\$ 1,263,713	\$ 96,757	\$ 1,936,357	\$ 103,325
Accrued Interest Payable	48,525	42,928	-	91,453	-
Current Compensated Absences Payable	-	7,301	-	7,301	-
Current Maturities of Bonds Payable	397,328	257,952	240,816	896,096	-
Intergovernmental Payable	24,088	-	-	24,088	-
Customer Deposits	182,351	772,211	-	954,562	-
<b>Total Current Liabilities</b>	<b>1,228,179</b>	<b>2,344,105</b>	<b>337,573</b>	<b>3,909,857</b>	<b>103,325</b>
Long-Term Debt, Net of Current Portion:					
Compensated Absences Payable	-	57,239	-	57,239	-
General Obligation Bonds and Certificates of Obligation Payable	5,018,378	7,443,539	7,310,950	19,772,867	-
<b>Total Liabilities</b>	<b>6,246,557</b>	<b>9,844,883</b>	<b>7,648,523</b>	<b>23,739,963</b>	<b>103,325</b>
<b>NET POSITION:</b>					
Invested in Capital Assets, Net of Related Debt	32,925,212	24,500,408	-	57,425,620	3,031,606
Unrestricted	5,224,022	11,146,130	1,170,759	17,540,911	6,347,451
<b>Total Net Position</b>	<b>\$ 38,149,234</b>	<b>\$ 35,646,538</b>	<b>\$ 1,170,759</b>	<b>\$ 74,966,531</b>	<b>\$ 9,379,057</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 Position**  
**Year Ended September 30, 2013**

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
<b>OPERATING REVENUES:</b>					
Water	\$ -	\$ 5,935,142	\$ -	\$ 5,935,142	\$ -
Sewer	-	4,760,166	-	4,760,166	-
Drainage	-	-	1,307,573	1,307,573	-
Penalties	-	88,090	-	88,090	-
Water and Sewer Taps and Other Fees	-	16,359	-	16,359	-
Fuel Flowage Fees	758,758	-	-	758,758	-
Customs Agent Fees	57,382	-	-	57,382	-
Rental Charges	3,665,520	-	-	3,665,520	-
Other Income	23,770	2,935	-	26,705	-
Department Contributions	-	-	-	-	1,335,000
<i>Total Operating Revenues</i>	<u>4,505,430</u>	<u>10,802,692</u>	<u>1,307,573</u>	<u>16,615,695</u>	<u>1,335,000</u>
<b>OPERATING EXPENSES:</b>					
Salaries and Fringe Benefits	389,488	1,321,529	12,521	1,723,538	-
Supplies	47,226	115,287	-	162,513	-
Maintenance and Materials	2,202,822	520,290	-	2,723,112	630
Contractual Services	796,949	665,418	70,266	1,532,633	440,278
Capital Outlay	-	-	-	-	-
Water Purchases	-	3,032,183	-	3,032,183	-
Wastewater Purchases	-	2,146,382	-	2,146,382	-
<i>Total Operating Expenses (Excluding Depreciation)</i>	<u>3,436,485</u>	<u>7,801,089</u>	<u>82,787</u>	<u>11,320,361</u>	<u>440,908</u>
Depreciation	1,588,988	1,166,161	-	2,755,149	934,419
<i>Total Operating Expenses</i>	<u>5,025,473</u>	<u>8,967,250</u>	<u>82,787</u>	<u>14,075,510</u>	<u>1,375,327</u>
<b>OPERATING INCOME/LOSS</b>	<u>(520,043)</u>	<u>1,835,442</u>	<u>1,224,786</u>	<u>2,540,185</u>	<u>(40,327)</u>
<b>NON-OPERATING REVENUES/(EXPENSES):</b>					
Investment Income/(Expense)	6,830	(81,123)	3,029	(71,264)	16,387
Sale of Assets	3,911	22,144	-	26,055	59,194
Gain/(Loss) of the Joint Venture	-	(56,890)	-	(56,890)	-
Interest Expense	(127,473)	(382,834)	(62,872)	(573,179)	-
Amortization Expense	(499)	(159,583)	5,816	(154,266)	-
Fiscal Fees	-	(35,400)	-	(35,400)	-
<i>Total Non-Operating Revenues/(Expenses)</i>	<u>(117,231)</u>	<u>(693,686)</u>	<u>(54,027)</u>	<u>(864,944)</u>	<u>75,581</u>
<b>NET INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<u>(637,274)</u>	<u>1,141,756</u>	<u>1,170,759</u>	<u>1,675,241</u>	<u>35,254</u>
Capital Contributions	9,238,288	93,552	-	9,331,840	-
<b>CHANGE IN NET POSITION</b>	<u>8,601,014</u>	<u>1,235,308</u>	<u>1,170,759</u>	<u>11,007,081</u>	<u>35,254</u>
Net Position at Beginning of Year	29,548,220	34,411,230	-	63,959,450	9,343,803
Net Position at End of Year	<u>\$ 38,149,234</u>	<u>\$ 35,646,538</u>	<u>\$ 1,170,759</u>	<u>\$ 74,966,531</u>	<u>\$ 9,379,057</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, 2013**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Customers	\$ 4,464,541	\$ 10,826,149	\$ 1,062,858	\$ 16,353,548	\$ 1,335,000
Payments to Suppliers	(2,815,317)	(5,861,431)	(64,321)	(8,741,069)	(363,672)
Payments to Employees for Services	(389,488)	(1,321,529)	(12,521)	(1,723,538)	-
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>1,259,736</u>	<u>3,643,189</u>	<u>986,016</u>	<u>5,888,941</u>	<u>971,328</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and Construction of Capital Assets	(308,985)	(825,327)	-	(1,134,312)	(1,263,741)
Proceeds from Certificates of Obligation and General Obligation Bonds	3,003,120	-	7,507,637	10,510,757	-
Principal Paid on Certificates of Obligation and General Obligation Bonds	(290,000)	(2,953,358)	-	(3,243,358)	-
Interest Paid on Certificates of Obligation and General Obligation Bonds	(92,609)	(321,972)	27,940	(386,641)	-
Proceeds from Sale of Capital Assets	3,911	22,144	-	26,055	59,194
Fiscal Fees Related to Outstanding Debt	-	(35,400)	-	(35,400)	-
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>2,315,437</u>	<u>(4,113,913)</u>	<u>7,535,577</u>	<u>5,737,101</u>	<u>(1,204,547)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest on Cash and Investments	3,254	(82,452)	(2,996)	(82,194)	13,073
<i>Net Cash Provided/(Used) by Investing Activities</i>	<u>3,254</u>	<u>(82,452)</u>	<u>(2,996)</u>	<u>(82,194)</u>	<u>13,073</u>
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	3,578,427	(553,176)	8,518,597	11,543,848	(220,146)
Cash and Cash Equivalents, October 1	1,992,331	4,608,660	-	6,600,991	6,666,342
Cash and Cash Equivalents, September 30	<u>\$ 5,570,758</u>	<u>\$ 4,055,484</u>	<u>\$ 8,518,597</u>	<u>\$ 18,144,839</u>	<u>\$ 6,446,196</u>
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:					
Operating Income/(Loss)	\$ (520,043)	\$ 1,835,442	\$ 1,224,786	\$ 2,540,185	\$ (40,327)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:					
Depreciation	1,588,988	1,166,161	-	2,755,149	934,419
Change in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivables	(61,024)	3,324	(244,715)	(302,415)	-
(Increase)/Decrease in Inventories	16	-	-	16	-
(Increase)/Decrease in Prepaid Items	-	-	-	-	-
Increase/(Decrease) in Accounts Payable	231,664	618,129	5,945	855,738	77,236
Increase/(Decrease) in Customer Deposits	20,135	20,133	-	40,268	-
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>\$ 1,259,736</u>	<u>\$ 3,643,189</u>	<u>\$ 986,016</u>	<u>\$ 5,888,941</u>	<u>\$ 971,328</u>
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital Contributions	\$ 9,238,288	\$ 93,552	\$ -	\$ 9,331,840	\$ -
Gain/(Loss) of Joint Venture	-	(56,890)	-	(56,890)	-
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	<u>\$ 9,238,288</u>	<u>\$ 36,662</u>	<u>\$ -</u>	<u>\$ 9,274,950</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.



**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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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. 61 "The Financial Reporting Entity: Omnibus: an amendment of GASB Standards No. 14 and No. 34." As required by generally accepted accounting principles (GAAP), the Town's financial statements include all required activities relating to the Town and its operations. In accordance with the standards, the Town does not have component units requiring inclusion.

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.

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). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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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 Economic Development Fund and 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, 2013

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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 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.

American Recovery and Reinvestment Act (ARRA) Grant Fund – The American Recovery and Reinvestment Act (ARRA) Grant Fund accounts for receipts and expenditures of ARRA grant monies. The Act requires the separation of ARRA funds from other grant monies.

Economic Development Fund – The Economic Development Fund accumulates resources to support efforts that attract commercial enterprises to Addison and encourage existing businesses to remain in Addison.

Reimbursement Grant Fund – The Reimbursement Grant 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. Amounts not received within 30 days of the fiscal year end are reported as deferred revenue.

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.

Stormwater Fund - The Town's Stormwater Fund is financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. All operating, maintenance, and capital expenses are supported solely by the approved user fees.

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.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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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.

**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, 2013 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, 2013

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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.
- Bulk purchases of smaller equipment with a useful life of at least one year will be capitalized if the total amount of the purchase exceeds \$25,000.

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.

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 \$81,285 for a total liability of \$946,914.

6) Grants and Contributions

Included in capital grants and contributions in the government-wide financial statements is \$9,405,418 of grants; \$9,238,288 for improvements at the Addison Airport and \$93,552 for utility related projects. Operating grants included \$73,578 of funding for general government initiatives.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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7) Fund Equity

The Town reports governmental fund balances per GASB 54 definitions as follows:

Nonspendable – Amounts that are not in spendable form or are required to be maintained intact, such as inventory or prepaid amounts or that are legally or contractually required to remain intact

Restricted – Amounts that can be spent only for specific purposes stipulated by external parties, such as grants, court technology fees, and court building security fees or that are imposed by law through constitutional provisions or enabling legislation

Committed – Amounts whose use is constrained by specific limitations that the Town imposes itself, as determined by a resolution by the Town Council, such as economic development funding

Assigned – Amounts intended to be used for specific purposes. The Town Council has delegated the responsibility to assign funds to the CFO or his designee. Assignments may occur subsequent to fiscal year end.

Unassigned – Amounts not contained in other classifications that can be used for any purpose

Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted or committed. Assignments are made by City management based on Council direction.

The Town will utilize funds for expenditures from the most restrictive fund balance first when more than one fund balance classification is available.

8) Minimum Fund Balance Policy

It is the desire of the City to maintain adequate General Fund fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 25 percent of budgeted expenditures.

9) Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**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:

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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- 1) Prior to August 1 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.
- 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 assignments 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, Sales Tax revenue was increased \$1,655,990 due to higher than expected sales in the Town, resulting in higher collection of sales tax revenue. Rental Income revenue was increased \$60,000 due to the execution of a new lease with a local restaurant for Town owned property. The Combined Services budget was increased \$25,000 to cover attorney fees resulting from normal operations. Police and Fire budgets were adjusted \$41,730 and \$65,560, relatively, for increased costs resulting from vehicle maintenance. Hotel Fund occupancy revenue was increased \$395,000 for additional hotel occupancy tax. Also, special event revenue was increased \$115,000. The special events budget was increased \$108,900 primarily for increased security at Town events. The Conference Centre budget was increased \$649,000 for the purchase of capital related items. The Parks Capital Project fund expenditures were increased \$37,000 due to increase park projects. The 2012 Capital Project and 2013 Capital project funds revenues increased \$85,000 and \$8,082,493, respectively for interest income and bond proceeds. The 2012 Capital Project fund expenditures were increased \$3,403,000 to recognize project expenses related to Belt Line Rd. and Vitruvian Park. Airport enterprise fund increased revenues and working capital \$3,321,789 for bond proceeds and rental income. The Stormwater enterprise fund revenues and working capital were increased \$8,702,481 to reflect additional revenue received and increased \$65,000 in expenses for the operating costs.

*Excess of Expenditures over Appropriations* – For the year ended September 30, 2013, expenditures in the Hotel Fund, Special Event expenditures exceeded appropriations by \$15,539 due to increased security for the events. 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 assignments of fund balances and do not constitute expenditures or liabilities because the amounts will be expended the subsequent fiscal year.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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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, 2013. Included in Cash and Investments is \$6,075 of petty cash. At year-end, the carrying amount of the Town's deposits was a debit balance of \$1,494,806. The respective bank balance totaled \$3,082,296. In addition, collateral with a market value of \$5,507,733 was 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, 2013 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.

**NOTES TO FINANCIAL STATEMENTS**  
 September 30, 2013

Investments

As of September 30, 2013, the Town held the following investments:

	<u>Fair Value</u>	<u>Average Maturity (Days)</u>
Agency Securities	\$20,662,194	713
Commercial Paper	12,334,063	224
Certificate of Deposit	24,538,418	596
<i>Total Investment in Securities</i>	<u>57,534,675</u>	
TexStar	21,687,775	
TexPool	4,607,160	
<i>Total Investment in Pools</i>	<u>26,294,935</u>	1
<i>Total Investments</i>	<u><u>\$83,829,610</u></u>	566

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 carrying value of the Town's investments at September 30, 2013 was \$83,826,230, of which \$48,628,997 had maturities of less than one year at time of purchase.

*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) Debt obligations 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 Bank (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. Mortgage-backed securities may be held as collateral although principal-only and interest-only mortgage-backed securities as well as all types of collateralized mortgage obligations (CMO) and real estate mortgage investment conduits (REMICs) 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 of the above stated ratings agencies at the above stated minimum credit rating.
  - (2) If more than two 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

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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)

If the commercial paper issuer is given a "plus (+) rating", the maximum maturity of 270 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 which have been approved by the Town in accordance with its Investment Policy. 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 and Local 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 25%, Commercial Paper (30%) of which the Town's portfolio is currently at 15%, Certificates of Deposit (30%) of which the Town's portfolio is currently at 29%, and Local Government Investment Pools (40%) of which the Town's portfolio is currently at 31%. The Town received a large deposit in September that was invested in the Local Government Investment Pool which put the Town over the limit for Local Government Investment Pool investments. The funds were reinvested in October to reallocate the investments.

**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, 2012, upon which the fiscal year 2013 levy is based, was \$3,134,894,878.

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, 2013 was \$.58 per \$100, of which \$.3593 was allocated for general government and \$.2207 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, 2013 were 98.9% 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

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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.

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, 2013 was \$93,555.

**C. Receivables**

As of September 30, 2013, 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:

	<u>General</u>	<u>Hotel</u>	<u>Debt Service</u>	<u>Hotel Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Taxes:								
Ad Valorem	\$ 254,784	\$ -	\$ 124,487	\$ -	\$ -	\$ 2,188	\$ -	\$ 381,459
Non-Property	2,586,467	354,446	-	-	-	-	-	2,940,913
Franchise Fees	510,028	-	-	-	-	-	-	510,028
Service Fees	1,325,915	-	-	-	-	-	-	1,325,915
Ambulance	298,004	-	-	-	-	-	-	298,004
Interest	9,725	1,487	928	446	30,697	819	4,580	48,682
Other	7,899	248,720	-	-	10,335	227,351	-	494,305
Gross Receivables	\$4,992,822	\$ 604,653	\$ 125,415	\$446	\$41,032	\$230,358	\$ 4,580	\$5,999,306
Less: Allowance for Uncollectibles	409,962	-	35,600	-	-	3,629	-	449,191
Net Receivables	<u>\$ 4,582,860</u>	<u>\$ 604,653</u>	<u>\$ 89,815</u>	<u>\$ 446</u>	<u>\$ 41,032</u>	<u>\$ 226,729</u>	<u>\$ 4,580</u>	<u>\$ 5,550,115</u>

The allowance for uncollectible accounts represents reserves for ambulance (\$100,576), court warrants (\$255,060), and property taxes (\$93,555).

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D. Capital Assets

Capital Asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, not Depreciable:					
Land	\$ 66,233,099	\$ -	\$ -	\$ -	\$ 66,233,100
Construction in Progress	7,813,695	2,779,941	-	(5,691,645)	4,901,991
<i>Total Capital Assets, not Depreciable</i>	<u>74,046,794</u>	<u>2,779,941</u>	<u>-</u>	<u>(5,691,645)</u>	<u>71,135,091</u>
Capital Assets, Depreciable:					
Buildings	21,409,464	592,138	-	-	22,001,602
Improvements other than Buildings	158,653,799	324,264	-	5,691,645	164,669,708
Machinery and Equipment	14,649,538	2,069,225	(84,147)	-	16,634,616
<i>Total Capital Assets, Depreciable</i>	<u>194,712,801</u>	<u>2,985,627</u>	<u>(84,147)</u>	<u>5,691,645</u>	<u>203,305,926</u>
Less Accumulated Depreciation for:					
Buildings	(10,322,743)	(564,682)	-	-	(10,887,425)
Improvements other than Buildings	(76,837,673)	(5,429,001)	-	-	(82,266,674)
Machinery and Equipment	(11,533,113)	(1,136,478)	84,147	-	(12,585,444)
<i>Total Accumulated Depreciation</i>	<u>(98,693,529)</u>	<u>(7,130,161)</u>	<u>84,147</u>	<u>-</u>	<u>(105,739,543)</u>
<i>Total Capital Assets, Depreciable, net</i>	<u>96,019,272</u>	<u>(4,144,534)</u>	<u>-</u>	<u>5,691,645</u>	<u>97,566,383</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 170,066,066</u>	<u>\$ (1,364,593)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,701,474</u>
<b>Business-type Activities:</b>					
Capital Assets, not Depreciable:					
Land	\$ 10,277,084	\$ 2,042,032	\$ -	\$ -	\$ 12,319,116
Construction in Progress	9,451,410	7,710,474	-	(8,188,258)	8,973,626
<i>Total Capital Assets, not Depreciable</i>	<u>19,728,494</u>	<u>9,752,506</u>	<u>-</u>	<u>(8,188,258)</u>	<u>21,292,743</u>
Capital Assets, Depreciable:					
Buildings	3,114,952	251,161	-	6,321,162	9,687,275
Improvements other than Buildings	76,726,620	435,502	-	1,867,095	79,029,217
Machinery and Equipment	3,451,715	26,982	-	-	3,478,697
<i>Total Capital Assets, Depreciable</i>	<u>83,293,287</u>	<u>713,645</u>	<u>-</u>	<u>8,188,257</u>	<u>92,195,189</u>
Less Accumulated Depreciation for:					
Buildings	(1,708,986)	(128,022)	-	-	(1,837,008)
Improvements other than Buildings	(35,812,194)	(2,467,481)	-	-	(38,279,675)
Machinery and Equipment	(2,668,784)	(159,647)	-	-	(2,828,431)
<i>Total Accumulated Depreciation</i>	<u>(40,189,964)</u>	<u>(2,755,150)</u>	<u>-</u>	<u>-</u>	<u>(42,945,114)</u>
<i>Total Capital Assets, Depreciable, net</i>	<u>43,103,323</u>	<u>(2,041,505)</u>	<u>-</u>	<u>8,188,257</u>	<u>49,250,075</u>
<i>Business-type Activities Capital Assets, net</i>	<u>\$ 62,831,817</u>	<u>\$ 7,711,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,542,817</u>



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

	Governmental Activities	Business-type Activities
General Government	\$ 89,478	\$ -
Public Safety	154,461	-
Development Services	1,406	-
Streets	4,496,359	-
Parks and Recreation	734,568	-
Visitor Services	719,470	-
IT Replacement	321,433	-
Capital Replacement	612,986	-
Airport Fund	-	1,588,988
Utility Fund	-	1,166,161
	<u>\$ 7,130,161</u>	<u>\$ 2,755,150</u>

The following tabulation presents the estimated significant commitment under unfinished capital construction contracts that are fully funded as of September 30, 2013:

Project	Estimated Commitments	Less Expenditures to Date	Total Unfinished Commitments
Governmental Activities			
Belt Line Road Underground Utilities	\$ 10,800,000	\$ 1,550,330	\$ 9,249,670
Pedestrian Connectivity Improvements	3,500,000	150,177	3,349,823
	<u>14,300,000</u>	<u>1,700,507</u>	<u>12,599,493</u>
Business-type Activities			
Taxiway Alpha Reconstruction	\$ 9,000,000	\$ 7,767,149	\$ 1,232,851
Engineered Materials Arresting System (EMAS)	2,700,000	43,000	2,657,000
	<u>\$ 26,000,000</u>	<u>\$ 7,810,149</u>	<u>\$ 3,889,851</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 \$7,125,020, net 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.

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F. Long-Term Debt

The long-term debt of the Town consisted of the following as of September 30, 2013:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
<b>General Obligation Bonds</b>		
<b>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.	\$ 765,000	\$ -
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"; FSA Insured		
<b>Combination Tax and Revenue Certificates of Obligation</b>		
<b>Series of 2004</b>		
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.	-	2,395,000
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"; MBIA Insured		
<b>General Obligation Refunding and Improvement Bonds</b>		
<b>Series of 2005</b>		
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.	1,880,000	-
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"; AMBAC Insured		

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<u>Governmental</u>	<u>Business-type</u>
<u>Activities</u>	<u>Activities</u>

**Combination Tax and Revenue Certificates of Obligation Series of 2008**

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.

24,863,153	7,696,847
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Ratings: Moody's "Aa1"; Standard & Poor's "AAA"

**General Obligation Refunding Bonds Series of 2011**

A series of 1,778 bonds at \$5,000 each dated October 25, 2011. The bonds were issued to refund a portion of the Town's outstanding General Obligation Refunding Bonds, Series 2001, General Obligation Refund and Improvement Bonds, Series 2002 and Combination Tax and Revenue Certificates of Obligation, Series 2003; for interest savings, and costs of issuance associated with the sale of the bonds. The bonds mature serially through 2033 with interest rates ranging from 2.0% to 3.0%. The bonds are not callable. Bonds and interest are payable from a combination of Ad Valorem taxes and hotel occupancy taxes.

8,010,000	-
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Ratings: Moody's "Aa1"; Standard & Poor's "AAA"

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	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
<b>Combination Tax and Revenue Certificates of Obligation Series of 2012</b>		
<p>A series of 2,967 bonds at \$5,000 each dated August 15, 2012. The bonds were issued for the purpose of (i) acquiring and installing radio and telecommunication equipment for Town public safety operations, (ii) designing, acquiring, improving, constructing, and renovating water, wastewater and street infrastructure improvements, including drainage infrastructure, within the Vitruvian Park area of the Town; and (iii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the certificates. The bonds mature serially through 2032 with interest rates ranging from 1.5% to 4%. The bonds are callable at par value plus accrued interest on or after February 15, 2022 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> <p>Ratings: Moody's "Aa1"; Standard &amp; Poor's "AAA"</p>	14,835,000	-
<b>General Obligation Refunding and Improvement Bonds Series of 2012</b>		
<p>A series of 4,518 bonds at \$5,000 each dated August 15, 2012. The bonds were issued to fund various public improvement projects up to \$19,830,000 to include construction, engineering, and other professional service; refund the Town's outstanding General Obligation Bonds, Series 2004, and General Obligation Refunding and Improvement Bonds, Series 2005; and pay the costs of issuance associated with the sale of the bonds. The bonds mature serially through 2032 with interest rates ranging from 2% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2022 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from Ad Valorem taxes.</p> <p>Ratings: Moody's "Aa1"; Standard &amp; Poor's "AAA"; AMBAC Insured</p>	22,590,000	-
<b>General Obligation Bonds, Tax-Exempt Series of 2013</b>		
<p>A series of 933 bonds at \$5,000 each dated July 15, 2013. The bonds will be used to provide funds to (i) engineer, construct, improve, repairing, develop, extend and expand streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, included related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting and the acquisition of land therefore; (ii) acquire and improve of land and interest in land to provide improvements, additions and access to the Addison Municipal Airport, and (iii) pay the costs of issuing the Tax-Exempt Bonds.</p> <p>Ratings: Moody's "Aa1"; Standard &amp; Poor's "AAA"</p>	4,665,000	-

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	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b>General Obligation Bonds Series 2013A (AMT)</b>		
A series of 375 bonds at \$5,000 each dated July 15, 2013. The bonds will be used to provide funds to: (i) acquire and improve of land and interests in land to provide improvements, additions and access to the Addison Municipal Airport, and (ii) pay the costs of issuing the AMT bonds. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	1,875,000	-
<b>General Obligation Bonds Taxable Series 2013B</b>		
A series of 250 bonds at \$5,000 each dated July 15, 2013. The bonds, together with other available Town funds, will be used to provide funds to: (i) acquire and improve of land and interests in land to provide improvements, additions and access to the Addison Municipal Airport, and (ii) pay the costs of issuing the Taxable Bonds. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	1,250,000	-
<b>Combination Tax and Revenue Certificates of Obligation Series 2013</b>		
A series of 2,037 bonds at \$5,000 each dated July 15, 2013. The Certificates will be used for (i) (a) designing, acquiring, improving, constructing and renovating facilities and infrastructure at the Addison Municipal Airport and the acquisition and improvement of land and interests in land to provide improvements, additions and access to the airport, (b) designing, acquiring, improving, constructing, and renovating City drainage and stormwater infrastructure and facilities ((a) and (b) together, the "Project") and (ii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	-	10,185,000
<b>TOTAL LONG-TERM DEBT OUTSTANDING</b>	<b>\$ 80,733,153</b>	<b>\$ 20,276,847</b>

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Changes in Long-Term Liabilities

A summary of long-term liability activity for the year ended September 30, 2013 was as follows (in thousands of dollars):

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 36,725	\$ 7,790	\$ (3,480)	\$ 41,035	\$ 4,050
Premium on General Obligation Refunding Bonds	4,127	292	(280)	4,139	278
Discount on General Obligation Refunding Bonds	(405)	(57)	18	(444)	(18)
Deferred Loss on Refunding Amount on G.O. Bonds	(682)	-	108	(574)	(108)
Certificates of Obligation	40,919	-	(1,221)	39,698	1,036
Premium on Certificates of Obligation	22	-	(1)	21	1
Compensated Absences	814	882	(814)	882	67
Net OPEB Obligation	387	184	(155)	416	-
<b>Long-Term Liabilities – Governmental Activities</b>	<b>\$ 81,907</b>	<b>\$ 9,091</b>	<b>\$ (5,825)</b>	<b>\$ 85,151</b>	<b>\$ 5,506</b>
<b>Business-type Activities:</b>					
General Obligation Bonds	\$ 2,685	\$ -	\$ (2,685)	\$ -	\$ -
<i>(Payable from utility system revenues)</i>					
Discount on General Obligation Refunding Bonds	(28)	-	28	-	-
Deferred Loss on Refunding Amount on G.O. Bonds	(46)	-	46	-	-
Combination Tax and Revenue Certificates of Obligation	2,685	2,910	(290)	5,305	395
<i>(Payable from levy of Ad Valorem tax)</i>					
Premium on Combination Tax and Revenue C.O.	-	132	(3)	129	3
Discount on Combination Tax and Revenue C.O.	-	(19)	1	(18)	(1)
Combination Tax and Revenue Certificates of Obligation	7,891	-	(194)	7,697	259
<i>(Payable from utility system revenues)</i>					
Premium on Combination Tax and Revenue C.O.	5	-	-	5	1
Combination Tax and Revenue Certificates of Obligation	-	7,275	-	7,275	235
<i>(Payable from storm water system revenues)</i>					
Premium on Combination Tax and Revenue C.O.	-	330	(8)	321	7
Discount on Combination Tax and Revenue C.O.	-	(46)	1	(45)	(3)
Compensated Absences	52	65	(52)	65	7
<b>Long-Term Liabilities – Business-type Activities</b>	<b>\$ 13,244</b>	<b>\$ 10,647</b>	<b>\$ (3,156)</b>	<b>\$ 20,734</b>	<b>\$ 903</b>

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 \$1,234,727 available in the General Obligation Debt Service Fund to service the general obligation bonds.

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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, 2013.

For the governmental activities, compensated absences are generally liquidated in the General Fund, Economic Development Fund and Hotel Fund. The net OPEB obligation is generally liquidated in the General Fund.

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:				
2014	4,050,000	1,543,812	-	-
2015	4,210,000	1,391,583	-	-
2016	3,760,000	1,267,595	-	-
2017-2021	11,190,000	4,870,706	-	-
2022-2027	8,280,000	3,741,961	-	-
2028-2032	8,965,000	1,047,673	-	-
2033-2037	580,000	13,282	-	-
	<u>41,035,000</u>	<u>13,876,612</u>	<u>-</u>	<u>-</u>
Certificates of Obligation:				
2014	1,036,153	1,512,213	888,847	862,495
2015	1,068,152	1,474,026	956,848	799,054
2016	1,590,150	1,431,135	989,850	767,620
2017-2021	8,817,730	6,312,317	5,112,270	3,292,372
2022-2027	13,130,631	5,149,043	5,574,369	2,659,433
2028-2032	9,637,300	1,872,690	5,517,700	900,611
2033-2037	4,418,037	281,642	1,236,963	27,667
	<u>39,698,153</u>	<u>18,033,066</u>	<u>20,276,847</u>	<u>9,309,252</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, 2013.

2014	2015	2016	2017	Thereafter	Total
\$ 260,000	\$ 260,000	\$260,000	\$220,000	\$35,000	\$ 1,035,000

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

A summary of inter-fund receivables and payables at September 30, 2013 is as follows:

Inter-fund Payables:	Inter-fund Receivables:		
	General Fund		
Reimbursement Grant Fund	\$ 233,715		Loan for grant expenditures, reimbursement expected in subsequent year
Hotel Fund	585,000		Loan for HVAC system reimbursement expected in subsequent year
Total	<u>\$ 818,715</u>		

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

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**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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Transfers between funds during the year ended September 30, 2013 were comprised of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose of Transfer</u>
Capital Project Fund	5,541	-	Close Fund
General Fund	-	5,541	Close Fund
General Fund	2,960	-	Close Fund
Grant Fund	-	2,960	Close Fund
Hotel Fund	-	570,000	For payment of debt service
Hotel Debt Service Fund	570,000	-	For payment of debt service
<i>Total Transfers</i>	<u>\$ 578,501</u>	<u>\$ 578,501</u>	

**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 2012, 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 in each of the past three years.

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, 2012 valuations are contained in the 2012 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>



**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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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 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 2012 is 11.02%, and the rate for 2013 is 10.09%. 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, 2013 valuation is effective for rates beginning January 2015).

Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost of \$1,763,244 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.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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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		
	2011	2012	2013
Annual Pension Cost	\$ 2,328,673	\$ 1,934,462	\$ 1,763,244
Contributions Made	2,328,673	1,934,462	1,763,244
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, 2012, the most recent actuarial valuation date, the plan was 100.2% funded. The actuarial accrued liability for benefits was \$94,730,798, and the actuarial value of assets was \$94,883,851, resulting in an unfunded actuarial accrued liability (UAAL) of \$(153,053). The covered payroll (annual payroll of active employees covered by the plan as of the valuation date) was \$15,598,079, and the ratio of the UAAL to the covered payroll was (1)%.

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

**NOTES TO FINANCIAL STATEMENTS**  
 September 30, 2013

The City Council has approved annuity increases every calendar year since that decision.

	2010	2011	2012
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	20.5 Yrs - Closed	13.5 Yrs -Closed	2.5 Yrs -Closed
Asset Valuation Method	10-Year Smoothed Market	10-Year Smoothed Market	10-Year Smoothed Market
Investment Rate of Return	7.0%	7.0%	7.0%
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%	0%

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 2013 contribute \$395 to \$1,387 per month depending on coverage levels selected. In fiscal year 2013, total retiree contributions were \$122,257 The Town contributions to the plan for fiscal year 2013, which are also equal to premiums paid in excess of premiums collected from retirees, were \$8,027.

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

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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 2013.

Annual Required Contribution	\$ 182,254
Interest on OPEB Obligation	18,653
Adjustment to ARC	<u>(17,282)</u>
Annual OPEB Cost (Expense)	183,625
Contributions Made	<u>(155,383)</u>
Change in OPEB Obligation	28,242
Net OPEB Obligation (Asset) – Beginning of Year	<u>386,542</u>
Net OPEB Obligation (Asset) – End of Year	<u>\$ 414,784</u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2013 and the preceding two fiscal years were as follows:

Fiscal Year	Annual OPEB Costs	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 177,978	\$ 290,457*	163.2%	\$ 351,990
2012	182,900	148,348	81.1%	386,542
2013	183,625	155,383	81.7%	414,784

\* Employer contributions for the fiscal year ending September 30, 2011 includes historical implicit subsidies which were not reflected in prior years.

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$2,003,539, none of which is funded. The covered payroll (annual payroll of active employees covered by the plan) was \$15,598,079, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.8. Of the total actuarial accrued liability, \$1,375,282 or 69% 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 \$394.83. The estimate for a male employee or retiree who is 60 years old is \$1,387.03. The difference in these costs not covered by the health plan premium is considered to be the “implicit rate subsidy.”

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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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, 2012 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 7.5%, reduced by decrements to an ultimate rate of 4.5% after 9 years. Both rates include a 3% inflation assumption. The Town's unfunded actuarial accrued liability is being amortized as a level percent of active member payroll over an open period. The remaining amortization period at December 31, 2012 was 30 years.

C. Contingencies

As of September 30, 2013, 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 (the 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.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2013

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New Accounting Pronouncements

The GASB issued Statement No. 64, Accounting and Financial Reporting-for Derivative Instruments, which will be effective for periods beginning after June 15, 2011. The Statement clarifies the existing requirements for the termination of hedge accounting. This statement applies to all state and local governments and amends Statement 53, paragraphs 22d and 82. The Town has no derivative instruments. In the future, if there is a situation that applies to this Statement, the Town will account for it appropriately.

The GASB issued Statement No. 63, Accounting and Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which will be effective for periods beginning after December 15, 2011. The Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The Town will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, which will be effective for periods beginning after December 15, 2011. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The Town will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities, which will be effective for periods beginning after December 15, 2012. The Statement reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows or inflows of resources, and recognizes these items as outflows or inflows of resources. This statement applies to all state and local governmental entities. The Town will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 67, Financial Reporting for Pension Plans, which will be effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting of state and local governmental pension plans with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement applies to all state and governmental entities and amends Statements 25 and 50. The Town will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions, which will be effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting of state and local governmental pension plans. This Statement applies to all state-and governmental entities and replaces Statements 27 and 50. The Town will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

## Required Supplementary Information





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

**REQUIRED SUPPLEMENTARY INFORMATION**  
Texas Municipal Retirement System  
Analysis of Funding Progress (Unaudited)  
September 30, 2013

	(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
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
2011	12/31/10	83,398,352	86,525,773	96.39%	3,127,421	16,680,756	18.75%	2,238,741	2,238,741
2012	12/31/11	89,359,781	90,615,578	98.61%	1,255,797	15,787,262	7.95%	1,934,462	1,934,462
2013	12/31/12	94,883,851	94,730,798	100.16%	(153,053)	15,598,079	-0.98%	1,763,244	1,763,244

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 2008-2013. 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, 2013

		(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%
2011	12/31/10	-	\$1,968,533	0.00%	1,968,533	15,557,784	12.65%
2013	12/31/12	-	\$2,003,539	0.00%	2,003,539	15,598,079	12.84%

**Note:** Fiscal year 2009 was the first year the Town implemented GASB Statement No. 45.



# Major Governmental Funds



## 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.

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

**General Fund**  
**Comparative Balance Sheet**  
**September 30, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Cash and Investments	\$ 13,438,176	\$ 11,645,648
Receivables:		
Ad Valorem Taxes, Including Interest and Penalties	200,458	254,297
Non-Property Taxes	2,586,467	2,206,497
Franchise Fees	510,028	493,279
Service Fees	1,070,855	1,209,758
Ambulance	197,428	222,651
Interest	9,725	2,397
Other	7,899	-
Interfund	818,715	1,191,561
Prepaid Items	291,424	57,054
Inventories, at Cost	44,486	114,733
<i>Total Assets</i>	\$ 19,175,661	\$ 17,397,875
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 1,921,673	\$ 1,859,850
Contracts and Retainage Payable	-	-
Deferred Revenue	3,246,710	3,140,441
Intergovernmental Payable	14,985	23,069
Customer Deposits	12,895	1,451
Total Liabilities	5,196,263	5,024,811
Fund Balances:		
Nonspendable:		
Inventories	44,486	114,733
Prepaid Items	291,424	57,054
Assigned:		
For other purposes	-	23,061
Fund Balances Unreserved:		
Unassigned	13,643,488	12,178,216
Total Fund Balance	13,979,398	12,373,064
<i>Total Liabilities and Fund Balance</i>	\$ 19,175,661	\$ 17,397,875

Town of Addison, Texas  
Major Governmental Funds - General Fund

**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Ad Valorem Taxes	\$ 10,483,730	\$ 10,483,730	\$ 10,480,308	\$ (3,422)	\$ 10,933,472
Non-Property Taxes	11,560,010	13,216,000	13,029,712	(186,288)	11,888,630
Franchise Fees	2,724,690	2,724,690	2,695,073	(29,617)	2,727,370
Licenses and Permits	724,490	784,490	886,423	101,933	953,709
Service Fees	1,436,010	1,436,010	1,469,715	33,705	1,443,787
Fines and Forfeitures	1,047,000	1,047,000	959,684	(87,316)	1,071,177
Earnings on Investments	5,000	5,000	3,790	(1,210)	19,928
Rental Charges	137,500	137,500	243,958	106,458	162,738
Recycling Proceeds	21,000	21,000	25,539	4,539	26,414
Other	26,730	71,730	35,715	(36,015)	78,283
<i>Total Revenues</i>	<u>28,166,160</u>	<u>29,927,150</u>	<u>29,829,917</u>	<u>(97,233)</u>	<u>29,305,508</u>
<b>EXPENDITURES:</b>					
General Government	6,965,520	7,030,520	6,347,191	683,329	6,082,779
Public Safety	15,004,000	15,111,290	14,878,938	232,352	14,372,574
Development Services	984,930	984,930	927,684	57,246	886,705
Streets	1,811,450	1,811,450	1,750,500	60,950	1,612,699
Parks and Recreation	4,781,600	4,781,600	4,316,689	464,911	4,269,381
<i>Total Expenditures</i>	<u>29,547,500</u>	<u>29,719,790</u>	<u>28,221,002</u>	<u>1,498,788</u>	<u>27,224,138</u>
Excess/(Deficiency) of Revenues over Expenditures	(1,381,340)	207,360	1,608,915	1,401,555	2,081,370
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfers In	50,000	-	2,960	2,960	-
Transfers Out	-	-	(5,541)	(5,541)	(75,000)
<i>Total Other Financing Sources/(Uses):</i>	<u>50,000</u>	<u>-</u>	<u>(2,581)</u>	<u>(2,581)</u>	<u>(75,000)</u>
Net Change in Fund Balance	(1,331,340)	207,360	1,606,334	1,398,974	2,006,370
Fund Balances at Beginning of Year	<u>12,373,064</u>	<u>12,373,064</u>	<u>12,373,064</u>	<u>-</u>	<u>10,366,694</u>
Fund Balances at End of Year	<u>\$ 11,041,724</u>	<u>\$ 12,580,424</u>	<u>\$ 13,979,398</u>	<u>\$ 1,398,974</u>	<u>\$ 12,373,064</u>



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

**General Fund**  
**Schedule of Revenues - Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>Taxes:</b>					
Ad Valorem Taxes:					
Current	\$ 10,452,740	\$ 10,452,740	\$ 10,424,833	\$ (27,907)	\$ 10,814,335
Delinquent	11,620	11,620	18,555	6,935	70,081
Penalties and Interest	19,370	19,370	36,920	17,550	49,056
Total Ad Valorem	<u>10,483,730</u>	<u>10,483,730</u>	<u>10,480,308</u>	<u>(3,422)</u>	<u>10,933,472</u>
Non-Property Taxes:					
Sales Tax	10,744,010	12,400,000	12,217,439	(182,561)	11,089,866
Alcoholic Beverage Tax	816,000	816,000	812,273	(3,727)	798,764
Total Non-Property Taxes	<u>11,560,010</u>	<u>13,216,000</u>	<u>13,029,712</u>	<u>(186,288)</u>	<u>11,888,630</u>
Total Taxes	<u>22,043,740</u>	<u>23,699,730</u>	<u>23,510,020</u>	<u>(189,710)</u>	<u>22,822,102</u>
<b>Franchise Fees:</b>					
Electric Franchise	1,555,500	1,555,500	1,523,021	(32,479)	1,547,662
Gas Franchise	208,650	208,650	171,849	(36,801)	204,559
Telephone Franchise	663,000	663,000	656,512	(6,488)	665,883
Cable Franchise	290,540	290,540	337,341	46,801	302,916
Street Rental Franchise	7,000	7,000	6,350	(650)	6,350
Wireless Network Franchise	-	-	-	-	-
Total Franchise Fees	<u>2,724,690</u>	<u>2,724,690</u>	<u>2,695,073</u>	<u>(29,617)</u>	<u>2,727,370</u>
<b>Licenses and Permits:</b>					
Business Licenses and Permits	179,740	179,740	243,016	63,276	145,059
Building and Construction Permits	544,750	604,750	643,407	38,657	808,650
Total Licenses and Permits	<u>724,490</u>	<u>784,490</u>	<u>886,423</u>	<u>101,933</u>	<u>953,709</u>
<b>Service Fees:</b>					
General Government	500	500	401	(99)	305
Public Safety	763,460	763,460	767,869	4,409	790,070
Urban Development	3,000	3,000	2,485	(515)	2,380
Streets and Sanitation	379,320	379,320	384,303	4,983	378,982
Recreation	64,400	64,400	89,327	24,927	87,750
Interfund	225,330	225,330	225,330	-	184,300
Total Service Fees	<u>1,436,010</u>	<u>1,436,010</u>	<u>1,469,715</u>	<u>33,705</u>	<u>1,443,787</u>
<b>Fines and Forfeitures</b>	1,047,000	1,047,000	959,684	(87,316)	1,071,177
<b>Earnings on Investments</b>	5,000	5,000	3,790	(1,210)	19,928
<b>Rental Charges</b>	137,500	137,500	243,958	106,458	162,738
<b>Recycling Proceeds</b>	21,000	21,000	25,539	4,539	26,414
<b>Other</b>	26,730	71,730	35,715	(36,015)	78,283
<b>Total Revenues</b>	<u>\$ 28,166,160</u>	<u>\$ 29,927,150</u>	<u>\$ 29,829,917</u>	<u>\$ (97,233)</u>	<u>\$ 29,305,508</u>

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

**General Fund**  
**Schedule of Expenditures - Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>General Government:</b>					
City Manager's Office:					
Salaries and Fringe Benefits	\$ 738,230	\$ 738,230	\$ 767,520	\$ (29,290)	\$ 743,570
Supplies	29,600	29,600	34,980	(5,380)	31,967
Maintenance and Materials	32,800	32,800	40,400	(7,600)	27,001
Contractual Services	413,330	413,330	359,256	54,074	373,779
Capital Replacement	19,860	19,860	19,860	-	16,300
<i>Total City Manager's Office</i>	<u>1,233,820</u>	<u>1,233,820</u>	<u>1,222,016</u>	<u>11,804</u>	<u>1,192,617</u>
Financial and Strategic Services:					
Salaries and Fringe Benefits	534,390	534,390	411,426	122,964	415,246
Supplies	56,930	56,930	62,535	(5,605)	37,712
Maintenance and Materials	78,400	78,400	68,979	9,421	24,406
Contractual Services	257,310	257,310	271,010	(13,700)	284,236
Capital Replacement	23,510	23,510	23,510	-	19,500
<i>Total Financial and Strategic Services</i>	<u>950,540</u>	<u>950,540</u>	<u>837,460</u>	<u>113,080</u>	<u>781,100</u>
General Services:					
Salaries and Fringe Benefits	522,640	522,640	352,383	170,257	469,592
Supplies	30,750	30,750	22,241	8,509	20,698
Maintenance and Materials	80,800	80,800	88,887	(8,087)	64,330
Contractual Services	187,900	187,900	217,927	(30,027)	103,053
Capital Replacement	44,520	44,520	44,520	-	40,000
Capital Outlay	52,100	52,100	37,001	15,099	107,011
<i>Total General Services</i>	<u>918,710</u>	<u>918,710</u>	<u>762,959</u>	<u>155,751</u>	<u>804,684</u>
Municipal Court:					
Salaries and Fringe Benefits	423,430	423,430	387,563	35,867	392,764
Supplies	22,380	22,380	14,232	8,148	19,729
Maintenance and Materials	5,050	5,050	34	5,016	2,522
Contractual Services	52,440	52,440	34,141	18,299	38,909
Capital Replacement	16,170	16,170	16,170	-	13,300
<i>Total Municipal Court</i>	<u>519,470</u>	<u>519,470</u>	<u>452,140</u>	<u>67,330</u>	<u>467,224</u>
Human Resources:					
Salaries and Fringe Benefits	416,350	416,350	338,313	78,037	391,539
Supplies	15,250	15,250	14,402	848	11,034
Maintenance and Materials	240	240	260	(20)	220
Contractual Services	175,980	175,980	93,130	82,850	133,597
Capital Replacement	12,770	12,770	12,770	-	9,700
<i>Total Human Resources</i>	<u>620,590</u>	<u>620,590</u>	<u>458,875</u>	<u>161,715</u>	<u>546,090</u>

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

**General Fund**  
**Schedule of Expenditures - Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013				2012
<b>Information Technology:</b>					
Salaries and Fringe Benefits	835,410	835,410	818,570	16,840	735,758
Supplies	58,980	58,980	32,753	26,227	56,701
Maintenance and Materials	612,410	612,410	452,461	159,949	343,726
Contractual Services	168,870	168,870	158,769	10,101	103,344
Capital Replacement	20,320	20,320	20,320	-	33,000
<i>Total Information Technology</i>	<u>1,695,990</u>	<u>1,695,990</u>	<u>1,482,873</u>	<u>213,117</u>	<u>1,272,529</u>
<b>Combined Services:</b>					
Salaries and Fringe Benefits	57,890	57,890	79,232	(21,342)	48,480
Supplies	119,740	119,740	55,919	63,821	80,552
Contractual Services	469,350	494,350	573,770	(79,420)	574,548
<i>Total Combined Services</i>	<u>646,980</u>	<u>671,980</u>	<u>708,921</u>	<u>(36,941)</u>	<u>703,580</u>
<b>City Council Special Projects:</b>					
Salaries and Fringe Benefits	30,170	30,170	27,143	3,027	26,411
Supplies	13,500	13,500	27,833	(14,333)	21,707
Maintenance and Materials	-	-	3,178	(3,178)	-
Contractual Services	332,750	372,750	360,793	11,957	264,637
Capital Replacement	3,000	3,000	3,000	-	2,200.00
<i>Total City Council Special Projects</i>	<u>379,420</u>	<u>419,420</u>	<u>421,947</u>	<u>(2,527)</u>	<u>314,955</u>
<i>Total General Government</i>	<u>6,965,520</u>	<u>7,030,520</u>	<u>6,347,191</u>	<u>683,329</u>	<u>6,082,779</u>
<b>Public Safety:</b>					
<b>Police:</b>					
Salaries and Fringe Benefits	6,238,420	6,238,420	6,216,721	21,699	5,981,974
Supplies	345,890	345,890	350,688	(4,798)	335,898
Maintenance and Materials	175,210	216,940	251,828	(34,888)	201,481
Contractual Services	357,780	357,780	380,161	(22,381)	401,915
Capital Replacement	561,830	561,830	561,830	-	472,500
Capital Outlay	-	-	9,235	(9,235.00)	62,446
<i>Total Police</i>	<u>7,679,130</u>	<u>7,720,860</u>	<u>7,770,463</u>	<u>(49,603)</u>	<u>7,456,214</u>
<b>Emergency Communications:</b>					
Salaries and Fringe Benefits	926,590	926,590	818,846	107,744	785,005
Supplies	5,000	5,000	5,293	(293)	5,520
Maintenance and Materials	74,000	74,000	71,620	2,380	70,177
Contractual Services	246,180	246,180	163,344	82,836	324,154
<i>Total Emergency Communications</i>	<u>1,251,770</u>	<u>1,251,770</u>	<u>1,059,103</u>	<u>192,667</u>	<u>1,184,856</u>
<b>Fire:</b>					
Salaries and Fringe Benefits	4,843,180	4,843,180	4,896,846	(53,666)	4,758,093
Supplies	308,410	308,410	284,459	23,951	253,839
Maintenance and Materials	194,880	260,440	254,979	5,461	170,140
Contractual Services	323,710	323,710	255,168	68,542	230,552
Capital Replacement	357,920	357,920	357,920	-	317,000
Capital Outlay	45,000	45,000	-	45,000	1,880
<i>Total Fire</i>	<u>6,073,100</u>	<u>6,138,660</u>	<u>6,049,372</u>	<u>89,288</u>	<u>5,731,504</u>
<i>Total Public Safety</i>	<u>\$ 15,004,000</u>	<u>\$ 15,111,290</u>	<u>\$ 14,878,938</u>	<u>\$ 232,352</u>	<u>\$ 14,372,574</u>

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

**General Fund**  
**Schedule of Expenditures - Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013		2012		
<b>Development Services:</b>					
Development Services:					
Salaries and Fringe Benefits	795,610	795,610	804,685	(9,075)	766,678
Supplies	19,800	19,800	15,285	4,515	18,399
Maintenance and Materials	3,400	3,400	5,114	(1,714)	3,727
Contractual Services	137,000	137,000	73,480	63,520	69,301
Capital Replacement	29,120	29,120	29,120	-	28,600
Capital Outlay	-	-	-	-	-
<i>Total Development Services</i>	<u>984,930</u>	<u>984,930</u>	<u>927,684</u>	<u>57,246</u>	<u>886,705</u>
<b>Streets:</b>					
Streets:					
Salaries and Fringe Benefits	375,020	375,020	340,187	34,833	343,932
Supplies	28,060	28,060	20,515	7,545	30,245
Maintenance and Materials	583,400	583,400	528,092	55,308	339,821
Contractual Services	801,450	801,450	838,186	(36,736)	872,001
Capital Replacement	23,520	23,520	23,520	-	26,700
Capital Outlay	-	-	-	-	-
<i>Total Streets</i>	<u>1,811,450</u>	<u>1,811,450</u>	<u>1,750,500</u>	<u>60,950</u>	<u>1,612,699</u>
<b>Parks and Recreation:</b>					
Parks:					
Salaries and Fringe Benefits	1,409,030	1,409,030	1,282,691	126,339	1,183,256
Supplies	177,700	177,700	145,367	32,333	166,021
Maintenance and Materials	728,500	728,500	621,450	107,050	383,641
Contractual Services	847,500	847,500	711,111	136,389	1,085,243
Capital Replacement	54,260	54,260	53,196	1,064	45,504
Capital Outlay	9,000	9,000	8,924	76	-
<i>Total Parks</i>	<u>3,225,990</u>	<u>3,225,990</u>	<u>2,822,739</u>	<u>403,251</u>	<u>2,863,665</u>
Recreation:					
Salaries and Fringe Benefits	779,550	779,550	769,784	9,766	762,545
Supplies	179,500	179,500	154,887	24,613	129,454
Maintenance and Materials	223,130	223,130	210,993	12,137	175,784
Contractual Services	316,410	316,410	301,266	15,144	279,033
Capital Replacement	57,020	57,020	57,020	-	58,900
Capital Outlay	-	-	-	-	-
<i>Total Recreation</i>	<u>1,555,610</u>	<u>1,555,610</u>	<u>1,493,950</u>	<u>61,660</u>	<u>1,405,716</u>
<i>Total Parks and Recreation</i>	<u>4,781,600</u>	<u>4,781,600</u>	<u>4,316,689</u>	<u>464,911</u>	<u>4,269,381</u>
<b>Total Expenditures</b>	<u><u>\$ 29,547,500</u></u>	<u><u>\$ 29,719,790</u></u>	<u><u>\$ 28,221,002</u></u>	<u><u>\$ 1,498,788</u></u>	<u><u>\$ 27,224,138</u></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).

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

**Hotel Fund**  
**Comparative Balance Sheet**  
**September 30, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Cash and Investments	\$ 2,053,790	\$ 2,387,037
Receivables:		
Accounts Receivable	248,720	245,192
Occupancy Taxes	354,446	339,728
Interest	1,487	456
Prepaid Items	-	36,974
<i>Total Assets</i>	\$ 2,658,443	\$ 3,009,387
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 721,918	\$ 945,546
Deferred Revenue	8,573	-
Interfund Payable	585,000	-
Intergovernmental Payable	-	9,277
Customer Deposits	29,083	24,550
Total Liabilities	1,344,574	979,373
Fund Balances:		
Nonspendable:		
Prepaid Items	-	36,974
Restricted:		
Promotion of tourism and hotel industry	1,313,869	1,993,040
Total Fund Balance	1,313,869	2,030,014
<i>Total Liabilities and Fund Balance</i>	\$ 2,658,443	\$ 3,009,387

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

**Hotel Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Hotel/Motel Occupancy Taxes	\$ 4,200,000	\$ 4,595,000	\$ 4,575,083	\$ (19,917)	\$ 4,295,149
Proceeds from Special Events	1,697,400	1,812,400	1,469,891	(342,509)	1,658,258
Conference Centre Rental	603,390	603,390	601,509	(1,881)	509,458
Theatre Centre Rental	70,000	70,000	58,647	(11,353)	77,663
Visitor Centre Rental	230,000	230,000	215,623	(14,377)	181,760
Earnings on Investments	5,000	5,000	5,164	164	6,430
Other	5,500	5,500	44,272	38,772	11,394
<i>Total Revenues</i>	<u>6,811,290</u>	<u>7,321,290</u>	<u>6,970,189</u>	<u>(351,101)</u>	<u>6,740,112</u>
<b>EXPENDITURES:</b>					
Visitor Services	1,008,600	1,008,600	967,711	40,889	866,853
Visit Addison	570,690	570,690	498,655	72,035	564,117
Conference Centre	1,041,840	1,690,840	1,626,644	64,196	1,001,378
Marketing	995,860	995,860	880,924	114,936	723,433
Special Events	2,522,430	2,631,330	2,646,869	(15,539)	2,510,948
Performing Arts	505,460	505,460	495,531	9,929	504,750
<i>Total Expenditures</i>	<u>6,644,880</u>	<u>7,402,780</u>	<u>7,116,334</u>	<u>286,446</u>	<u>6,171,479</u>
Excess/(Deficiency) of Revenues over Expenditures	166,410	(81,490)	(146,145)	(64,655)	568,633
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfer to Debt Service Fund	(620,000)	(570,000)	(570,000)	-	(670,000)
Net Change in Fund Balance	(453,590)	(651,490)	(716,145)	(64,655)	(101,367)
Fund Balances at Beginning of Year	2,030,014	2,030,014	2,030,014	-	2,131,381
Fund Balances at End of Year	<u>\$ 1,576,424</u>	<u>\$ 1,378,524</u>	<u>\$ 1,313,869</u>	<u>\$ (64,655)</u>	<u>\$ 2,030,014</u>



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

**Hotel Fund**  
**Schedule of Expenditures - Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>Visitor Services:</b>					
Salaries and Fringe Benefits	\$ 285,260	\$ 285,260	\$ 325,262	\$ (40,002)	\$ 407,992
Supplies	28,360	28,360	12,805	15,555	22,556
Maintenance and Materials	69,220	69,220	69,227	(7)	39,335
Contractual Services	613,450	613,450	548,107	65,343	393,170
Capital Replacement	12,310	12,310	12,310	-	3,800
<i>Total Visitor Services</i>	<u>1,008,600</u>	<u>1,008,600</u>	<u>967,711</u>	<u>40,889</u>	<u>866,853</u>
<b>Visit Addison:</b>					
Salaries and Fringe Benefits	8,340	8,340	5,638	2,702	8,252.00
Supplies	41,650	41,650	14,985	26,665	49,290
Maintenance and Materials	50,500	50,500	28,568	21,932	31,892
Contractual Services	470,200	470,200	449,464	20,736	474,683
<i>Total Visit Addison</i>	<u>570,690</u>	<u>570,690</u>	<u>498,655</u>	<u>72,035</u>	<u>564,117</u>
<b>Conference Centre:</b>					
Salaries and Fringe Benefits	461,320	461,320	541,260	(79,940)	524,181
Supplies	106,050	106,050	101,960	4,090	72,471
Maintenance and Materials	157,050	157,050	171,340	(14,290)	169,612
Contractual Services	301,190	301,190	197,337	103,853	218,814
Capital Replacement	16,230	16,230	16,230	-	16,300
Capital Outlay	-	649,000	598,517	50,483	-
<i>Total Conference Centre</i>	<u>1,041,840</u>	<u>1,690,840</u>	<u>1,626,644</u>	<u>64,196</u>	<u>1,001,378</u>
<b>Marketing:</b>					
Salaries and Fringe Benefits	150,550	150,550	137,393	13,157	131,108
Supplies	5,770	5,770	6,631	(861)	6,461
Maintenance and Materials	6,090	6,090	-	6,090	1,108
Contractual Services	829,300	829,300	732,750	96,550	582,256
Capital Replacement	4,150	4,150	4,150	-	2,500
<i>Total Marketing</i>	<u>995,860</u>	<u>995,860</u>	<u>880,924</u>	<u>114,936</u>	<u>723,433</u>
<b>Special Events:</b>					
Salaries and Fringe Benefits	643,300	643,300	631,442	11,858	550,094
Supplies	28,910	28,910	24,062	4,848	7,438
Maintenance and Materials	154,590	154,590	158,165	(3,575)	160,151
Contractual Services	1,654,660	1,763,560	1,792,230	(28,670)	1,761,865
Capital Replacement	40,970	40,970	40,970	-	31,400
<i>Total Special Events</i>	<u>2,522,430</u>	<u>2,631,330</u>	<u>2,646,869</u>	<u>(15,539)</u>	<u>2,510,948</u>
<b>Performing Arts:</b>					
Salaries and Fringe Benefits	16,860	16,860	10,101	6,759	11,312
Supplies	36,200	36,200	36,448	(248)	28,104
Maintenance and Materials	50,390	50,390	42,999	7,391	51,862
Contractual Services	399,570	399,570	403,543	(3,973)	399,908
Capital Replacement	2,440	2,440	2,440	-	2,500
Capital Outlay	-	-	-	-	11,064
<i>Total Performing Arts</i>	<u>505,460</u>	<u>505,460</u>	<u>495,531</u>	<u>9,929</u>	<u>504,750</u>
<b>Total Expenditures</b>	<u><u>\$ 6,644,880</u></u>	<u><u>\$ 7,402,780</u></u>	<u><u>\$ 7,116,334</u></u>	<u><u>\$ 286,446</u></u>	<u><u>\$ 6,171,479</u></u>

## 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.

**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, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 1,266,634	\$ 1,214,300
Receivables:		
Ad Valorem Taxes, Including Interest and Penalties	88,887	107,797
Interest	928	230
<i>Total Assets</i>	<u>\$ 1,356,449</u>	<u>\$ 1,322,327</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 447	\$ -
Deferred Revenue	88,887	107,797
Intergovernmental Payable	-	12,943
Accrued Interest	32,388	122,333.00
Total Liabilities	<u>121,722</u>	<u>243,073</u>
Fund Balances:		
Restricted:		
Debt service	<u>1,234,727</u>	<u>1,079,254</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,356,449</u>	<u>\$ 1,322,327</u>

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

**General Obligation Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Ad Valorem Taxes:					
Current	\$ 6,849,530	\$ 6,849,530	\$ 6,831,270	\$ (18,260)	\$ 5,921,021
Delinquent	7,600	7,600	12,144	4,544	37,464
Penalties and Interest	12,690	12,690	24,176	11,486	26,445
<b>Total Ad Valorem Taxes</b>	<b>6,869,820</b>	<b>6,869,820</b>	<b>6,867,590</b>	<b>(2,230)</b>	<b>5,984,930</b>
Other Revenues:					
Earnings on Investments	7,500	7,500	6,502	(998)	7,383
Other	-	-	25,573	25,573	-
<b>Total Revenues</b>	<b>6,877,320</b>	<b>6,877,320</b>	<b>6,899,665</b>	<b>22,345</b>	<b>5,992,313</b>
<b>EXPENDITURES:</b>					
Debt Service:					
Principal Retirement	4,101,160	4,101,160	4,101,161	(1)	4,118,040
Interest and Fiscal Charges	2,757,480	2,757,480	2,643,031	114,449	1,810,497
Bond Issuance Costs	-	-	-	-	141,666
<b>Total Expenditures</b>	<b>6,858,640</b>	<b>6,858,640</b>	<b>6,744,192</b>	<b>114,448</b>	<b>6,070,203</b>
Excess/(Deficiency) of Revenues over Expenditures	18,680	18,680	155,473	136,793	(77,890)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfer from capital projects fund	-	-	-	-	513,263
Proceeds from bond issuance	-	-	-	-	14,495,177
Premium (discount) on issuance	-	-	-	-	488,197
Payment to refunded bond escrow agents	-	-	-	-	(14,834,842)
Discount on issuance of bonds	-	-	-	-	(632,482)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,313</b>
Net Change in Fund Balance	18,680	18,680	155,473	136,793	(48,577)
Fund Balances at Beginning of Year	1,079,254	1,079,254	1,079,254	-	1,127,831
Fund Balances at End of Year	<b>\$ 1,097,934</b>	<b>\$ 1,097,934</b>	<b>\$ 1,234,727</b>	<b>\$ 136,793</b>	<b>\$ 1,079,254</b>

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

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**Hotel Debt Service Fund**  
**Comparative Balance Sheet**  
**September 30, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Cash and Investments	\$ 628,278	\$ 761,502
Receivables:		
Interest	446	145
<i>Total Assets</i>	\$ 628,724	\$ 761,647
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 215	\$ -
Total Liabilities	215	-
Fund Balances:		
Restricted		
Promotion of tourism and hotel industry	628,509	761,647
Total Fund Balance	628,509	761,647
<i>Total Liabilities and Fund Balance</i>	\$ 628,724	\$ 761,647

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

**Hotel Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Earnings on Investments	\$ 3,000	\$ 3,000	\$ 1,485	\$ (1,515)	\$ 2,517
<b>EXPENDITURES:</b>					
Debt Service:					
Principal Retirement	600,000	600,000	600,000	-	620,000
Interest and Fiscal Charges	103,660	103,660	104,623	(963)	108,143
<i>Total Expenditures</i>	<u>703,660</u>	<u>703,660</u>	<u>704,623</u>	<u>(963)</u>	<u>728,143</u>
Excess/(Deficiency) of Revenues over Expenditures	(700,660)	(700,660)	(703,138)	(2,478)	(725,626)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfer from Hotel Fund	570,000	570,000	570,000	-	670,000
Net Change in Fund Balance	(130,660)	(130,660)	(133,138)	(2,478)	(55,626)
Fund Balances at Beginning of Year	761,647	761,647	761,647	-	817,273
Fund Balances at End of Year	<u>\$ 630,987</u>	<u>\$ 630,987</u>	<u>\$ 628,509</u>	<u>\$ (2,478)</u>	<u>\$ 761,647</u>



## CAPITAL PROJECT FUNDS

The **Capital Project Funds** accounts 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 fund). Capital projects are funded primarily by general obligation bonds.



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

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**Capital Projects Fund**  
**Comparative Balance Sheet**  
**September 30, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Cash and Investments	\$ 42,206,250	\$ 41,095,010
Receivables:		
Accounts Receivable	10,335	-
Interest	30,697	7,805
<i>Total Assets</i>	\$ 42,247,282	\$ 41,102,815
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 543,833	\$ 163,359
Retainage Payable	4,198	1,299,564
Total Liabilities	548,031	1,462,923
Fund Balances:		
Restricted		
Capital Expenditures	41,699,251	39,639,892
Total Fund Balance	41,699,251	39,639,892
<i>Total Liabilities and Fund Balance</i>	\$ 42,247,282	\$ 41,102,815

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

**Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Earnings on Investments	\$ 12,000	\$ 97,000	\$ 102,004	\$ 5,004	\$ 38,115
Other	-	-	-	-	392,206
<i>Total Revenues</i>	<u>12,000</u>	<u>97,000</u>	<u>102,004</u>	<u>5,004</u>	<u>430,321</u>
<b>EXPENDITURES:</b>					
Administration:					
Supplies	-	-	80,660	(80,660)	17,635
Maintenance	354,640	354,640	3,946	350,694	-
Contractual Services	-	-	49	(49)	-
Other	-	-	138,236	(138,236)	-
Design and Engineering:					
Engineering and Contractual Services	75,000	3,515,000	2,165,012	1,349,988	796,958
Construction and Equipment	3,019,350	4,251,519	3,742,776	508,743	3,038,501
<i>Total Expenditures</i>	<u>3,448,990</u>	<u>8,121,159</u>	<u>6,130,679</u>	<u>1,990,480</u>	<u>3,853,094</u>
Excess/(Deficiency) of Revenues over Expenditures	(3,436,990)	(8,024,159)	(6,028,675)	1,995,484	(3,422,773)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Bond Proceeds	-	7,790,000	7,790,000	-	31,819,823
Premium (Discount) on Bond Issuance	-	292,494	292,493	(1)	3,645,759
Transfers In	-	-	5,541	5,541	75,000
Transfers Out	-	-	-	-	(2,329,679)
<i>Total Other Financing Sources/(Uses)</i>	<u>-</u>	<u>8,082,494</u>	<u>8,088,034</u>	<u>5,540</u>	<u>33,210,903</u>
Net Change in Fund Balance	(3,436,990)	58,335	2,059,359	2,001,024	29,788,130
Fund Balances at Beginning of Year	<u>39,639,892</u>	<u>39,639,892</u>	<u>39,639,892</u>	<u>-</u>	<u>9,851,762</u>
Fund Balances at End of Year	<u>\$ 36,202,902</u>	<u>\$ 39,698,227</u>	<u>\$ 41,699,251</u>	<u>\$ 2,001,024</u>	<u>\$ 39,639,892</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 **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 **Economic Development Fund** accumulates resources to support efforts that attract commercial enterprises to Addison and encourage existing businesses to remain in Addison.

The **Reimbursement Grant Fund** accounts for expenditures for which the Town expects to be reimbursed.

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

**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2013**

	Municipal Court Fund	Public Safety Fund	Advanced Funding Grant Fund	ARRA Grant Fund	Economic Development Fund	Reimbursement Grant Fund	Total Non-Major Governmental Funds
<b>ASSETS:</b>							
Cash and Investments	\$ 403,531	\$ 22,219	\$ 17,162	\$ -	\$ 705,052	\$ -	\$ 1,147,964
Receivables:							
Interest	287	16	12	-	504	-	819
Intergovernmental	-	-	-	-	-	227,351	227,351
Taxes	-	-	-	-	(1,441)	-	(1,441)
<b>Total Assets</b>	<b>\$ 403,818</b>	<b>\$ 22,235</b>	<b>\$ 17,174</b>	<b>\$ -</b>	<b>\$ 704,115</b>	<b>\$ 227,351</b>	<b>\$ 1,374,693</b>
<b>LIABILITIES AND FUND BALANCE:</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 140,074	\$ -	\$ -	\$ -	\$ 38,064	\$ -	\$ 178,138
Deferred Revenue	-	-	-	-	1,650	-	1,650
Interfund Payable	-	-	-	-	-	233,715	233,715
<b>Total Liabilities</b>	<b>140,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,714</b>	<b>233,715</b>	<b>413,503</b>
Fund Balances:							
Restricted							
Child safety	93,472	-	-	-	-	-	93,472
Justice administration	30,635	-	-	-	-	-	30,635
Court technology	74,895	-	-	-	-	-	74,895
Building security	64,742	-	-	-	-	-	64,742
Court Security	-	22,235	-	-	-	-	22,235
Capital projects	-	-	17,174	-	-	-	17,174
Committed							
Economic development	-	-	-	-	664,401	-	664,401
Unassigned	-	-	-	-	-	(6,364)	(6,364)
<b>Total Fund Balance</b>	<b>263,744</b>	<b>22,235</b>	<b>17,174</b>	<b>-</b>	<b>664,401</b>	<b>(6,364)</b>	<b>961,190</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 403,818</b>	<b>\$ 22,235</b>	<b>\$ 17,174</b>	<b>\$ -</b>	<b>\$ 704,115</b>	<b>\$ 227,351</b>	<b>\$ 1,374,693</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, 2013**

	Municipal Court Fund	Public Safety Fund	Advanced Funding Grant Fund	ARRA Grant Fund	Economic Development Fund	Reimbursement Grant Fund	Total Non-Major Governmental Funds
<b>REVENUES:</b>							
Court Awards	\$ 12,794	\$ 3,822	\$ -	\$ -	\$ -	\$ -	\$ 16,616
Building Security Fees	15,008	-	-	-	-	-	15,008
Court Technology Fees	20,007	-	-	-	-	-	20,007
Other Service Fees	-	-	-	-	70,800	-	70,800
Ad Valorem Taxes	-	-	-	-	700,100	-	700,100
Intergovernmental	-	-	2,400	66,170	-	5,008	73,578
Earnings on Investments and Other	1,045	60	42	3	2,253	64	3,467
<b>Total Revenues</b>	<b>48,854</b>	<b>3,882</b>	<b>2,442</b>	<b>66,173</b>	<b>773,153</b>	<b>5,072</b>	<b>899,576</b>
<b>EXPENDITURES:</b>							
Salaries and Fringe Benefits	12,784	-	-	62,752	238,914	-	314,450
Supplies	1,129	17,156	-	-	18,864	4,151	41,300
Maintenance and Materials	39,199	-	-	-	1,391	-	40,590
Contractual Services	-	1,240	-	-	361,036	-	362,276
Capital Replacement	-	-	-	-	5,370	-	5,370
Capital Outlay	-	44	-	-	-	3,863	3,907
<b>Total Expenditures</b>	<b>53,112</b>	<b>18,440</b>	<b>-</b>	<b>62,752</b>	<b>625,575</b>	<b>8,014</b>	<b>767,893</b>
Excess/(Deficiency) of Revenues over Expenditures	(4,258)	(14,558)	2,442	3,421	147,578	(2,942)	131,683
<b>OTHER FINANCING SOURCES/(USES):</b>							
Transfers Out	-	-	-	(2,960)	-	-	(2,960)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,960)</b>	<b>-</b>	<b>-</b>	<b>(2,960)</b>
Net Change in Fund Balance	(4,258)	(14,558)	2,442	461	147,578	(2,942)	128,723
Fund Balances at Beginning of Year	143,895	36,793	14,732	(461)	516,823	(3,422)	708,360
Prior Period Adjustment	124,107	-	-	-	-	-	124,107
Fund Balances at End of Year	\$ 263,744	\$ 22,235	\$ 17,174	\$ -	\$ 664,401	\$ (6,364)	\$ 961,190

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

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**Municipal Court Fund**  
**Comparative Balance Sheet**  
**September 30, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Cash and Investments	\$ 403,531	\$ 419,117
Receivables:		
Interest	287	81
<i>Total Assets</i>	\$ 403,818	\$ 419,198
 <b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 140,074	\$ 151,196
Total Liabilities	140,074	151,196
Fund Balances:		
Restricted		
Child safety	93,472	93,472
Justice administration	30,635	30,635
Court technology	74,895	77,179
Building security	64,742	66,716
Total Fund Balance	263,744	268,002
<i>Total Liabilities and Fund Balance</i>	\$ 403,818	\$ 419,198

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

**Municipal Court Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Court Awards	\$ -	\$ -	\$ 12,794	\$ 12,794	\$ -
Building Security Fees	15,380	15,380	15,008	(372)	16,911
Court Technology Fees	23,200	23,200	20,007	(3,193)	22,244
Earnings on Investments and Other	2,750	2,750	1,045	(1,705)	2,821
<i>Total Revenues</i>	<u>41,330</u>	<u>41,330</u>	<u>48,854</u>	<u>7,524</u>	<u>41,976</u>
<b>EXPENDITURES:</b>					
Salaries and Fringe Benefits	24,000	24,000	12,784	11,216	14,135
Supplies	2,000	2,000	1,129	871	150
Maintenance and Materials	54,900	54,900	39,199	15,701	40,085
Contractual Services	1,500	1,500	-	1,500	-
<i>Total Expenditures</i>	<u>82,400</u>	<u>82,400</u>	<u>53,112</u>	<u>29,288</u>	<u>54,370</u>
Net Change in Fund Balance	(41,070)	(41,070)	(4,258)	36,812	(12,394)
Fund Balances at Beginning of Year	143,895	143,895	143,895	-	156,289
Prior Period Adjustment	-	-	124,107	(124,107)	-
Fund Balances at End of Year	<u>\$ 102,825</u>	<u>\$ 102,825</u>	<u>\$ 263,744</u>	<u>\$ (87,295)</u>	<u>\$ 143,895</u>



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

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**Public Safety Fund**  
**Comparative Balance Sheet**  
**September 30, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Cash and Investments	\$ 22,219	\$ 37,932
Receivables:		
Interest	16	7
<i>Total Assets</i>	\$ 22,235	\$ 37,939
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ 287
Deferred Revenue	-	859
Total Liabilities	-	1,146
Fund Balances:		
Restricted		
Court Security	22,235	36,793
Total Fund Balance	22,235	36,793
<i>Total Liabilities and Fund Balance</i>	\$ 22,235	\$ 37,939

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

**Public Safety Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Court Awards	\$ 7,500	\$ 7,500	\$ 3,822	\$ (3,678)	\$ 25,791
Earnings on Investments and Other	100	100	60	(40)	96
<i>Total Revenues</i>	<u>7,600</u>	<u>7,600</u>	<u>3,882</u>	<u>(3,718)</u>	<u>25,887</u>
<b>EXPENDITURES:</b>					
Supplies	23,000	23,000	17,156	5,844	4,156
Contractual Services	-	-	1,240	(1,240)	2,748
Capital Outlay	-	-	44	(44)	-
<i>Total Expenditures</i>	<u>23,000</u>	<u>23,000</u>	<u>18,440</u>	<u>4,560</u>	<u>6,904</u>
Net Change in Fund Balance	(15,400)	(15,400)	(14,558)	842	18,983
Fund Balances at Beginning of Year	<u>36,793</u>	<u>36,793</u>	<u>36,793</u>	-	<u>17,810</u>
Fund Balances at End of Year	<u>\$ 21,393</u>	<u>\$ 21,393</u>	<u>\$ 22,235</u>	<u>\$ 842</u>	<u>\$ 36,793</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, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 17,162	\$ 14,729
Receivables:		
Interest	12	3
<i>Total Assets</i>	<u>\$ 17,174</u>	<u>\$ 14,732</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Fund Balances:		
Restricted		
Capital Projects	17,174	14,732
Total Fund Balance	<u>17,174</u>	<u>14,732</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 17,174</u>	<u>\$ 14,732</u>

**Town of Addison, Texas**

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

**Advanced Funding Grant Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ -	\$ 2,400	\$ 2,400	\$ 4,560
Earnings on Investments and Other	-	-	42	42	562
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>2,442</u>	<u>2,442</u>	<u>5,122</u>
<b>EXPENDITURES:</b>					
Supplies	-	-	-	-	11,352
Contractual Services	-	-	-	-	5,142
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,494</u>
Net Change in Fund Balance	-	-	2,442	2,442	(11,372)
Fund Balances at Beginning of Year	<u>14,732</u>	<u>14,732</u>	<u>14,732</u>	<u>-</u>	<u>26,104</u>
Fund Balances at End of Year	<u>\$ 14,732</u>	<u>\$ 14,732</u>	<u>\$ 17,174</u>	<u>\$ 2,442</u>	<u>\$ 14,732</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, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Receivables:		
Intergovernmental	\$ -	\$ 557,453
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Interfund Payable	-	557,914
Total Liabilities	-	557,914
Fund Balances:		
Restricted		
Other purposes	-	(461)
Total Fund Balance	-	(461)
<i>Total Liabilities and Fund Balance</i>	\$ -	\$ 557,453

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

**American Recovery and Reinvestment Act (ARRA) Grant Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ -	\$ 66,170	\$ 66,170	\$ 707,552
Earnings on Investments and Other	-	-	3	3	(62)
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>66,173</u>	<u>66,173</u>	<u>707,490</u>
<b>EXPENDITURES:</b>					
Salaries and Fringe Benefits	-	-	62,752	(62,752)	195,629
Supplies	-	-	-	-	1,588
Capital Outlay	-	-	-	-	512,320
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>62,752</u>	<u>(62,752)</u>	<u>709,537</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>3,421</u>	<u>3,421</u>	<u>(2,047)</u>
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfers Out	-	-	(2,960)	(2,960)	-
Net Change in Fund Balance	-	-	461	461	(2,047)
Fund Balances at Beginning of Year	<u>(461)</u>	<u>(461)</u>	<u>(461)</u>	<u>-</u>	<u>1,586</u>
Fund Balances at End of Year	<u><u>\$ (461)</u></u>	<u><u>\$ (461)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 461</u></u>	<u><u>\$ (461)</u></u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds - Economic Development Fund**

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**Economic Development Fund**  
**Comparative Balance Sheet**  
**September 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 705,052	\$ 542,936
Receivables:		
Interest	504	103
Taxes	(1,441)	-
<i>Total Assets</i>	<u>\$ 704,115</u>	<u>\$ 543,039</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 38,064	\$ 26,216
Deferred Revenue	1,650	\$ -
Total Liabilities	<u>39,714</u>	<u>26,216</u>
Fund Balances:		
Committed		
Economic development	664,401	516,823
Total Fund Balance	<u>664,401</u>	<u>516,823</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 704,115</u>	<u>\$ 543,039</u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds - Economic Development Fund**

**Economic Development Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Ad Valorem Taxes	\$ 700,370	\$ 700,370	\$ 700,100	\$ (270)	\$ 553,240
Earnings on Investments and Other	1,500	1,500	2,253	753	1,936
Service Fees	85,000	85,000	70,800	(14,200)	72,650
<i>Total Revenues</i>	<u>786,870</u>	<u>786,870</u>	<u>773,153</u>	<u>(13,717)</u>	<u>627,826</u>
<b>EXPENDITURES:</b>					
Salaries and Fringe Benefits	192,140	192,140	238,914	(46,774)	153,005
Supplies	15,000	15,000	18,864	(3,864)	11,241
Maintenance and Materials	9,090	9,090	1,391	7,699	-
Contractual Services	566,890	566,890	361,036	205,854	302,733
Capital Replacement	5,370	5,370	5,370	-	2,700
<i>Total Expenditures</i>	<u>788,490</u>	<u>788,490</u>	<u>625,575</u>	<u>162,915</u>	<u>469,679</u>
Net Change in Fund Balance	(1,620)	(1,620)	147,578	149,198	158,147
Fund Balances at Beginning of Year	<u>516,823</u>	<u>516,823</u>	<u>516,823</u>	<u>-</u>	<u>358,676</u>
Fund Balances at End of Year	<u>\$ 515,203</u>	<u>\$ 515,203</u>	<u>\$ 664,401</u>	<u>\$ 149,198</u>	<u>\$ 516,823</u>



**Town of Addison, Texas**

**Non-Major Governmental Funds - Reimbursement Grant Fund**

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**Reimbursement Grant Fund  
Comparative Balance Sheet  
September 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS:</b>		
Receivables:		
Intergovernmental	\$ 227,351	\$ 630,225
<i>Total Assets</i>	<u>\$ 227,351</u>	<u>\$ 630,225</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Interfund Payable	\$ 233,715	\$ 633,647
<i>Total Liabilities</i>	<u>233,715</u>	<u>633,647</u>
Fund Balances:		
Restricted		
Capital projects		
Unassigned	(6,364)	(3,422)
<i>Total Fund Balance</i>	<u>(6,364)</u>	<u>(3,422)</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 227,351</u>	<u>\$ 630,225</u>

**Town of Addison, Texas**

**Non-Major Governmental Funds - Reimbursement Grant Fund**

**Reimbursement Grant Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2013**  
**With Comparative Actual Totals for 2012**

	2013			Variance with Final Budget Positive (Negative)	2012
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ -	\$ 5,008	\$ 5,008	\$ 1,964,680
Earnings on Investments and Other	-	-	64	64	(81)
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>5,072</u>	<u>5,072</u>	<u>1,964,599</u>
<b>EXPENDITURES:</b>					
Salaries and Fringe Benefits	-	-	-	-	2,932
Supplies	-	-	4,151	(4,151)	9,953
Contractual Services	-	-	-	-	4,189
Capital Outlay	-	-	3,863	(3,863)	5,586
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>8,014</u>	<u>(8,014)</u>	<u>22,660</u>
Net Change in Fund Balance	-	-	(2,942)	(2,942)	1,941,939
Fund Balances at Beginning of Year	<u>(3,422)</u>	<u>(3,422)</u>	<u>(3,422)</u>	<u>-</u>	<u>(1,945,361)</u>
Fund Balances at End of Year	<u>\$ (3,422)</u>	<u>\$ (3,422)</u>	<u>\$ (6,364)</u>	<u>\$ (2,942)</u>	<u>\$ (3,422)</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.

The **Stormwater Fund** is financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. All operating, maintenance, and capital expenses are supported solely by the approved user fees.

### 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.

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

**Airport Fund**  
**Comparative Statement of Net Position**  
**September 30, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 5,570,758	\$ 1,992,331
Interest Receivable	3,957	381
Accounts Receivable	442,148	381,124
Inventory	-	16
Total Current Assets	6,016,863	2,373,852
Non-Current Assets:		
Deferred Charges	38,010	20,922
Capital Assets:		
Land	11,007,052	8,965,020
Buildings	1,637,209	1,386,047
Improvements other than Buildings	34,720,771	34,620,779
Machinery and Equipment	1,343,207	1,316,225
Accumulated Depreciation	(19,112,225)	(17,523,236)
Total Capital Assets, Net of Accumulated Depreciation	29,596,014	28,764,835
Construction in Progress	8,744,904	1,617,799
Net Property, Plant, and Equipment	38,340,918	30,382,634
<i>Total Assets</i>	44,395,791	32,777,408
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	575,887	368,311
Current Maturities of Certificates of Obligation	397,328	290,000
Accrued Interest Payable	48,525	13,661
Intergovernmental Payable	24,088	-
Customer Deposits	182,351	162,216
Total Current Liabilities	1,228,179	834,188
Long-Term Debt, Net of Current Portion:		
Certificates of Obligation Payable	5,018,378	2,395,000
<i>Total Liabilities</i>	6,246,557	3,229,188
<b>NET POSITION:</b>		
Invested in Capital Assets, Net of Related Debt	32,925,212	27,697,634
Unrestricted	5,224,022	1,850,586
<i>Total Net Position</i>	\$ 38,149,234	\$ 29,548,220

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

**Airport Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2013 and 2012**

	2013	2012
<b>OPERATING REVENUES:</b>		
Fuel Flowage Fees	\$ 758,758	\$ 717,667
Customs Agent Fees	57,382	54,362
Rental Charges	3,665,520	3,551,536
Other Income (Expense)	23,770	(68,018)
<i>Total Operating Revenues</i>	4,505,430	4,255,547
<b>OPERATING EXPENSES:</b>		
Salaries and Fringe Benefits	389,488	362,802
Supplies	47,226	37,926
Maintenance and Materials	2,202,822	1,995,507
Contractual Services	796,949	701,404
<i>Total Operating Expenses (Excluding Depreciation)</i>	3,436,485	3,097,639
Depreciation	1,588,988	1,291,802
<i>Total Operating Expenses</i>	5,025,473	4,389,441
<b>OPERATING INCOME/(LOSS)</b>	(520,043)	(133,894)
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	6,830	8,338
Sale of Assets	3,911	-
Interest Expense	(127,473)	(113,710)
Amortization Expense	(499)	(2,325)
<i>Total Non-Operating Revenues/(Expenses)</i>	(117,231)	(107,697)
<b>NET INCOME/(LOSS)</b>	(637,274)	(241,591)
Capital Contributions	9,238,288	1,258,798
<b>CHANGE IN NET POSITION</b>	8,601,014	1,017,207
Net Position at Beginning of Year	29,548,220	28,531,013
Net Position at End of Year	\$ 38,149,234	\$ 29,548,220

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

**Airport Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2013 and 2012**

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 4,464,541	\$ 4,333,858
Payments to Suppliers	(2,815,317)	(2,499,772)
Payments to Employees for Services	(389,488)	(362,802)
<i>Net Cash Provided/(Used) by Operating Activities</i>	1,259,736	1,471,284
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(308,985)	(1,235,867)
Proceeds from Certificates of Obligation	3,003,120	-
Principal Paid on Certificates of Obligation	(290,000)	(275,000)
Interest Paid on Certificates of Obligation	(92,609)	(115,084)
Proceeds from Sale of Capital Assets	3,911	-
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	2,315,437	(1,625,951)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	3,254	13,476
<i>Net Cash Provided/(Used) by Investing Activities</i>	3,254	13,476
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	3,578,427	(141,191)
Cash and Cash Equivalents, October 1	1,992,331	2,133,522
Cash and Cash Equivalents, September 30	\$ 5,570,758	\$ 1,992,331
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (520,043)	\$ (133,894)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	1,588,988	1,291,802
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	(61,024)	7,093
(Increase)/Decrease in Inventories	16	-
(Increase)/Decrease in Prepaids	-	166,277
Increase/(Decrease) in Accounts Payable	231,664	136,806
Increase/(Decrease) in Customer Deposits	20,135	3,200
<i>Net Cash Provided/(Used) by Operating Activities</i>	\$ 1,259,736	\$ 1,471,284
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital Contributions	\$ 9,238,288	\$ 1,258,798
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	\$ 9,238,288	\$ 1,258,798

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

**Utility Fund**  
**Comparative Statement of Net Position**  
**September 30, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 4,055,484	\$ 4,608,660
Interest Receivable	2,209	880
Accounts Receivable	2,088,737	2,092,061
Total Current Assets	6,146,430	6,701,601
Non-Current Assets:		
Deferred Charges	18,072	103,658
Capital Assets:		
Land	1,312,064	1,312,064
Buildings	8,050,067	1,728,905
Improvements other than Buildings	44,308,445	42,105,841
Machinery and Equipment	2,135,490	2,135,490
Accumulated Depreciation	(23,832,889)	(22,666,728)
Total Capital Assets, Net of Accumulated Depreciation	31,973,177	24,615,572
Construction in Progress	228,722	7,833,611
Net Property, Plant, and Equipment	32,201,899	32,449,183
Investment in Joint Venture	7,125,020	7,181,945
<i>Total Assets</i>	45,491,421	46,436,387
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	1,263,713	710,124
Current Compensated Absences payable	7,301	-
Current Maturities of General Obligation Bonds and Certificates of Obligation	257,952	2,856,917
Accrued Interest Payable	42,928	56,063
Customer Deposits	772,211	752,078
Total Current Liabilities	2,344,105	4,375,182
Long-Term Debt, Net of Current Portion:		
Compensated Absences Payable	57,239	
General Obligation Bonds and Certificates of Obligation Payable	7,443,539	7,649,975
<i>Total Liabilities</i>	9,844,883	12,025,157
<b>NET POSITION:</b>		
Invested in Capital Assets, Net of Related Debt	24,500,408	21,942,291
Unrestricted	11,146,130	12,468,939
<i>Total Net Position</i>	\$ 35,646,538	\$ 34,411,230



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

**Utility Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2013 and 2012**

	2013	2012
<b>OPERATING REVENUES:</b>		
Water	\$ 5,935,142	\$ 6,272,622
Sewer	4,760,166	4,761,033
Penalties	88,090	65,056
Water and Sewer Taps and Other Fees	16,359	15,490
Other Income/(Expense)	2,935	14,499
<i>Total Operating Revenues</i>	10,802,692	11,128,700
<b>OPERATING EXPENSES:</b>		
Salaries and Fringe Benefits	1,321,529	1,252,883
Supplies	115,287	111,913
Maintenance and Materials	520,290	426,121
Contractual Services	665,418	691,416
Water Purchases	3,032,183	2,859,454
Wastewater Purchases	2,146,382	2,063,043
<i>Total Operating Expenses (Excluding Depreciation)</i>	7,801,089	7,404,830
Depreciation	1,166,161	1,091,340
<i>Total Operating Expenses</i>	8,967,250	8,496,170
<b>OPERATING INCOME/(LOSS)</b>	1,835,442	2,632,530
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income/(Expense)	(81,123)	(60,181)
Sale of Assets	22,144	405
Gain/(Loss) of the Joint Venture	(56,890)	(56,938)
Interest Expense	(382,834)	(454,356)
Amortization Expense	(159,583)	(44,532)
Fiscal Fees	(35,400)	(23,190)
<i>Total Non-Operating Revenues/(Expenses)</i>	(693,686)	(638,792)
<b>NET INCOME/(LOSS)</b>	1,141,756	1,993,738
Capital Contributions and Grants	93,552	-
<b>CHANGE IN NET POSITION</b>	1,235,308	1,993,738
Net Position at Beginning of Year	34,411,230	32,417,492
Net Position at End of Year	\$ 35,646,538	\$ 34,411,230

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

**Utility Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2013 and 2012**

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 10,826,149	\$ 11,270,820
Payments to Suppliers	(5,861,431)	(6,408,724)
Payments to Employees for Services	(1,321,529)	(1,252,883)
<i>Net Cash Provided/(Used) by Operating Activities</i>	3,643,189	3,609,213
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(825,327)	(2,520,889)
Principal Paid on Certificates of Obligation and General Obligation Bonds	(2,953,358)	(2,731,960)
Interest Paid on Certificates of Obligation and General Obligation Bonds	(321,972)	(456,298)
Fiscal Fees Related to Outstanding Debt	(35,400)	-
Proceeds from Transfer of Debt	-	1,816,416
Proceeds from Sale of Capital Assets	22,144	405
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(4,113,913)	(3,892,326)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	(82,452)	(71,770)
<i>Net Cash Provided/(Used) by Investing Activities</i>	(82,452)	(71,770)
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	(553,176)	(354,883)
Cash and Cash Equivalents, October 1	4,608,660	4,963,543
Cash and Cash Equivalents, September 30	\$ 4,055,484	\$ 4,608,660
 Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ 1,835,442	\$ 2,632,530
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	1,166,161	1,091,340
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	3,324	132,349
(Increase)/Decrease in Prepaid Items	-	63,998
Increase/(Decrease) in Accounts Payable	618,129	(320,774)
Increase/(Decrease) in Customer Deposits	20,133	9,770
Net Cash Provided/(Used) by Operating Activities	\$ 3,643,189	\$ 3,609,213
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital Contributions	\$ 93,552	\$ -
Gain/(Loss) of Joint Venture	(56,890)	(56,938)
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	\$ 36,662	\$ (56,938)

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

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**Stormwater Fund**  
**Comparative Statement of Net Position**  
**September 30, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 8,518,597	\$ -
Interest Receivable	6,025	-
Accounts Receivable	244,715	-
Total Current Assets	8,769,337	-
Non-Current Assets:		
Deferred Charges	49,945	-
<i>Total Assets</i>	8,819,282	-
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	96,757	-
Current Maturities of General Obligation Bonds and Certificates of Obligation	240,816	-
Total Current Liabilities	337,573	-
Long-Term Debt, Net of Current Portion:		
General Obligation Bonds and Certificates of Obligation Payab	7,310,950	-
<i>Total Liabilities</i>	7,648,523	-
<b>NET POSITION:</b>		
Unrestricted	1,170,759	-
<i>Total Net Position</i>	\$ 1,170,759	\$ -

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

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**Stormwater Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2013 and 2012**

	2013	2012
<b>OPERATING REVENUES:</b>		
Drainage	\$ 1,307,573	\$ -
<b>OPERATING EXPENSES:</b>		
Salaries and Fringe Benefits	12,521	-
Contractual Services	70,266	-
<i>Total Operating Expenses</i>	82,787	-
<b>OPERATING INCOME/(LOSS)</b>	1,224,786	-
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	3,029	-
Interest Expense	(62,872)	-
Amortization Expense	5,816	-
<i>Total Non-Operating Revenues/(Expenses)</i>	(54,027)	-
<b>CHANGE IN NET POSITION</b>	1,170,759	-
Net Position at Beginning of Year	-	-
Net Position at End of Year	\$ 1,170,759	\$ -

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

**Stormwater Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2013 and 2012**

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 1,062,858	\$ -
Payments to Suppliers	(64,321)	-
Payments to Employees for Services	(12,521)	-
	986,016	-
<i>Net Cash Provided/(Used) by Operating Activities</i>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from Certificates of Obligation	7,507,637	-
Interest Paid on Certificates of Obligation	27,940	-
	7,535,577	-
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	(2,996)	-
	(2,996)	-
<i>Net Cash Provided/(Used) by Investing Activities</i>		
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	8,518,597	-
Cash and Cash Equivalents, October 1	-	-
Cash and Cash Equivalents, September 30	\$ 8,518,597	\$ -
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ 1,224,786	\$ -
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	(244,715)	-
Increase/(Decrease) in Accounts Payable	5,945	-
Net Cash Provided/(Used) by Operating Activities	\$ 986,016	\$ -

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

**Internal Service Funds**  
**Combining Statement of Net Position**  
**September 30, 2013**

	<u>Capital Replacement</u>	<u>Information Technology Replacement</u>	<u>Total Internal Service Funds</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Investments	\$ 3,356,680	\$ 3,089,516	\$ 6,446,196
Interest Receivable	<u>2,385</u>	<u>2,195</u>	<u>4,580</u>
Total Current Assets	<u>3,359,065</u>	<u>3,091,711</u>	<u>6,450,776</u>
Non-Current Assets:			
Capital Assets:			
Machinery and Equipment	7,738,313	5,521,633	13,259,946
Accumulated Depreciation	<u>(5,469,094)</u>	<u>(4,759,246)</u>	<u>(10,228,340)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>2,269,219</u>	<u>762,387</u>	<u>3,031,606</u>
<i>Total Assets</i>	<u>5,628,284</u>	<u>3,854,098</u>	<u>9,482,382</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	<u>62,267</u>	<u>41,058</u>	<u>103,325</u>
<b>NET POSITION:</b>			
Invested in Capital Assets, Net of Related Debt	2,269,219	762,387	3,031,606
Unrestricted	<u>3,296,798</u>	<u>3,050,653</u>	<u>6,347,451</u>
<i>Total Net Position</i>	<u>\$ 5,566,017</u>	<u>\$ 3,813,040</u>	<u>\$ 9,379,057</u>

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

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2013**

	Capital Replacement	Information Technology Replacement	Total Internal Service Funds
<b>OPERATING REVENUES:</b>			
Department Contributions	\$ 584,999	\$ 750,001	\$ 1,335,000
<b>OPERATING EXPENSES:</b>			
Maintenance and Materials	630	-	630
Contractual Services	7,991	6,926	14,917
Capital Outlay	160,379	264,982	425,361
<i>Total Operating Expenses (Excluding Depreciation)</i>	169,000	271,908	440,908
Depreciation	612,986	321,433	934,419
<i>Total Operating Expenses</i>	781,986	593,341	1,375,327
<b>OPERATING INCOME/(LOSS)</b>	(196,987)	156,660	(40,327)
<b>NON-OPERATING REVENUES/(EXPENSES):</b>			
Investment Income	8,788	7,599	16,387
Sale of Assets	59,194	-	59,194
<i>Total Non-Operating Revenues/(Expenses)</i>	67,982	7,599	75,581
<b>CHANGE IN NET POSITION</b>	(129,005)	164,259	35,254
Net Position at Beginning of Year	5,695,022	3,648,781	9,343,803
Net Position at End of Year	\$ 5,566,017	\$ 3,813,040	\$ 9,379,057

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

**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended September 30, 2013**

	Capital Replacement	Information Technology Replacement	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Department Contributions	\$ 584,999	\$ 750,001	\$ 1,335,000
Payments to Suppliers	<u>(130,730)</u>	<u>(232,942)</u>	<u>(363,672)</u>
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>454,269</u>	<u>517,059</u>	<u>971,328</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and Construction of Capital Assets	(1,023,782)	(239,959)	(1,263,741)
Proceeds from Sale of Capital Assets	<u>59,194</u>	<u>-</u>	<u>59,194</u>
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>(964,588)</u>	<u>(239,959)</u>	<u>(1,204,547)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on Cash and Investments	<u>7,136</u>	<u>5,937</u>	<u>13,073</u>
<i>Net Cash Provided/(Used) by Investing Activities</i>	<u>7,136</u>	<u>5,937</u>	<u>13,073</u>
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	(503,183)	283,037	(220,146)
Cash and Cash Equivalents, October 1	<u>3,859,863</u>	<u>2,806,479</u>	<u>6,666,342</u>
Cash and Cash Equivalents, September 30	<u><u>\$ 3,356,680</u></u>	<u><u>\$ 3,089,516</u></u>	<u><u>\$ 6,446,196</u></u>
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (196,987)	\$ 156,660	\$ (40,327)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:			
Depreciation	612,986	321,433	934,419
Change in Assets and Liabilities:			
Increase/(Decrease) in Accounts Payable	<u>38,270</u>	<u>38,966</u>	<u>77,236</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ 454,269</u></u>	<u><u>\$ 517,059</u></u>	<u><u>\$ 971,328</u></u>



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

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**Capital Replacement Fund**  
**Comparative Statement of Net Position**  
**September 30, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 3,356,680	\$ 3,859,863
Interest Receivable	2,385	733
Total Current Assets	3,359,065	3,860,596
Non-Current Assets:		
Capital Assets:		
Machinery and Equipment	7,738,313	6,798,678
Accumulated Depreciation	(5,469,094)	(4,940,255)
Total Capital Assets, Net of Accumulated Depreciation	2,269,219	1,858,423
<i>Total Assets</i>	5,628,284	5,719,019
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	62,267	23,997
<i>Total Liabilities</i>	62,267	23,997
<b>NET POSITION:</b>		
Invested in Capital Assets, Net of Related Debt	2,269,219	1,858,423
Unrestricted	3,296,798	3,836,599
<i>Total Net Position</i>	5,566,017	5,695,022
<i>Total Liabilities and Net Position</i>	\$ 5,628,284	\$ 5,719,019

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

**Capital Replacement Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2013 and 2012**

	2013	2012
<b>OPERATING REVENUES:</b>		
Department Contributions	\$ 584,999	\$ 585,000
<b>OPERATING EXPENSES:</b>		
Maintenance and Materials	630	-
Contractual Services	7,991	5,757
Capital Outlay	160,379	-
<i>Total Operating Expenses (Excluding Depreciation)</i>	169,000	5,757
Depreciation	612,986	612,428
<i>Total Operating Expenses</i>	781,986	618,185
<b>OPERATING INCOME/(LOSS)</b>	(196,987)	(33,185)
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	8,788	13,389
Sale of Assets	59,194	50,945
<i>Total Non-Operating Revenues/(Expenses)</i>	67,982	64,334
<b>CHANGE IN NET POSITION</b>	(129,005)	31,149
Net Position at Beginning of Year	5,695,022	5,663,873
Net Position at End of Year	\$ 5,566,017	\$ 5,695,022

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

**Capital Replacement Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2013 and 2012**

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Department Contributions	\$ 584,999	\$ 585,000
Payments to Suppliers	(130,730)	18,240
<i>Net Cash Provided/(Used) by Operating Activities</i>	454,269	603,240
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(1,023,782)	(366,267)
Proceeds from Sale of Capital Assets	59,194	133,754
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(964,588)	(232,513)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	7,136	21,474
<i>Net Cash Provided/(Used) by Investing Activities</i>	7,136	21,474
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	(503,183)	392,201
Cash and Cash Equivalents, October 1	3,859,863	3,467,662
Cash and Cash Equivalents, September 30	\$ 3,356,680	\$ 3,859,863
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (196,987)	\$ (33,185)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	612,986	612,428
Change in Assets and Liabilities:		
Increase/(Decrease) in Accounts Payable	38,270	23,997
Net Cash Provided/(Used) by Operating Activities	\$ 454,269	\$ 603,240

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

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**Information Technology Replacement Fund**  
**Comparative Statement of Net Position**  
**September 30, 2013 and 2012**

	2013	2012
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 3,089,516	\$ 2,806,479
Interest Receivable	2,195	533
Total Current Assets	3,091,711	2,807,012
Non-Current Assets:		
Capital Assets:		
Machinery and Equipment	5,521,633	5,281,674
Accumulated Depreciation	(4,759,246)	(4,437,813)
Total Capital Assets, Net of Accumulated Depreciation	762,387	843,861
<i>Total Assets</i>	3,854,098	3,650,873
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	41,058	2,092
<b>NET POSITION:</b>		
Invested in Capital Assets, Net of Related Debt	762,387	843,861
Unrestricted	3,050,653	2,804,920
<i>Total Net Position</i>	\$ 3,813,040	\$ 3,648,781

**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 Position**  
**Year Ended September 30, 2013 and 2012**

	2013	2012
<b>OPERATING REVENUES:</b>		
Department Contributions	\$ 750,001	\$ 576,000
<b>OPERATING EXPENSES:</b>		
Contractual Services	6,926	16,768
Capital Outlay	264,982	-
<i>Total Operating Expenses (Excluding Depreciation)</i>	271,908	16,768
Depreciation	321,433	327,808
<i>Total Operating Expenses</i>	593,341	344,576
<b>OPERATING INCOME/(LOSS)</b>	156,660	231,424
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	7,599	9,705
Sale of Assets	-	495
<i>Total Non-Operating Revenues/(Expenses)</i>	7,599	10,200
<b>CHANGE IN NET POSITION</b>	164,259	241,624
Net Position at Beginning of Year	3,648,781	3,407,157
Net Position at End of Year	\$ 3,813,040	\$ 3,648,781

**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, 2013 and 2012**

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Department Contributions	\$ 750,001	\$ 576,000
Payments to Suppliers	(232,942)	(14,676)
	517,059	561,324
<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	(239,959)	(225,086)
Proceeds from Sale of Capital Assets	-	495
	(239,959)	(224,591)
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	5,937	15,413
	5,937	15,413
<i>Net Cash Provided/(Used) by Investing Activities</i>		
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	283,037	352,146
Cash and Cash Equivalents, October 1	2,806,479	2,454,333
Cash and Cash Equivalents, September 30	\$ 3,089,516	\$ 2,806,479
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	156,660	\$ 231,424
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	321,433	327,808
Change in Assets and Liabilities:		
Increase/(Decrease) in Accounts Payable	38,966	2,092
Net Cash Provided/(Used) by Operating Activities	\$ 517,059	\$ 561,324



## Capital Assets Used in Operations of Governmental Funds



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

**COMPARATIVE SCHEDULE OF CAPITAL ASSETS  
BY SOURCE**

September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>GENERAL CAPITAL ASSETS:</b>		
Property and Equipment in Service:		
Land	\$ 66,233,100	\$ 66,233,100
Buildings	22,001,602	21,409,464
Improvements Other Than Buildings	164,669,708	158,653,798
Equipment	<u>3,374,669</u>	<u>2,569,186</u>
<i>Total Property and Equipment in Service</i>	256,279,079	248,865,548
Construction in Progress	<u>4,901,991</u>	<u>7,813,695</u>
 <i>Total Capital Assets</i>	 <u><u>\$ 261,181,070</u></u>	 <u><u>\$ 256,679,243</u></u>
 <b>INVESTMENT IN GENERAL CAPITAL ASSETS BY SOURCE:</b>		
Capital Projects Funds:		
General Obligation Bonds	\$ 96,084,997	\$ 92,242,835
Certificates of Obligation Bonds	38,472,259	38,459,149
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	35,087
Contributions by Developers	60,993,430	60,993,430
Property Owners' Participation	1,026,857	1,026,857
Other Governments	7,391,728	7,391,728
General Fund:		
Revenues	20,644,746	20,618,391
Special Revenue Funds	14,342,649	13,722,449
Debt Service Fund	30,893	30,893
Donations	<u>1,465,708</u>	<u>1,465,708</u>
 <i>Total Investment in General Capital Assets</i>	 <u><u>\$ 261,181,070</u></u>	 <u><u>\$ 256,679,243</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, 2013

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Total</u>
<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	-	1,397,134	5,499	168,176	1,570,809
Municipal Court	-	-	-	90,484	90,484
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>2,695,134</u>	<u>27,703</u>	<u>368,503</u>	<u>4,636,210</u>
<b>PUBLIC SAFETY:</b>					
Police	-	2,239,994	76,209	917,255	3,233,458
Fire	-	2,341,735	74,476	289,812	2,706,023
<i>Total Public Safety</i>	<u>-</u>	<u>4,581,729</u>	<u>150,685</u>	<u>1,207,067</u>	<u>5,939,481</u>
<b>URBAN DEVELOPMENT</b>	<u>-</u>	<u>161,946</u>	<u>10,998</u>	<u>18,648</u>	<u>191,592</u>
<b>STREETS</b>	<u>54,155,412</u>	<u>302,616</u>	<u>138,594,403</u>	<u>95,897</u>	<u>193,148,328</u>
<b>PARKS AND RECREATION:</b>					
Parks	3,971,374	531,800	14,374,315	128,942	19,006,431
Recreation	-	8,040,898	1,106,378	110,310	9,257,586
<i>Total Parks and Recreation</i>	<u>3,971,374</u>	<u>8,572,698</u>	<u>15,480,693</u>	<u>239,252</u>	<u>28,264,017</u>
<b>VISITOR SERVICES:</b>					
Visitor Services	-	-	172,918	34,037	206,955
Visit Addison	-	-	1,605,772	50,263	1,656,035
Conference Centre/Theatre	2,680,637	5,687,479	8,531,958	1,353,858	18,253,932
Special Events	3,880,807	-	94,578	7,144	3,982,529
<i>Total Visitor Services</i>	<u>6,561,444</u>	<u>5,687,479</u>	<u>10,405,226</u>	<u>1,445,302</u>	<u>24,099,451</u>
<i>Balance at End of Year</i>	<u>\$ 66,233,100</u>	<u>\$ 22,001,602</u>	<u>\$ 164,669,708</u>	<u>\$ 3,374,669</u>	<u>\$ 256,279,079</u>
Construction in Progress					<u>4,901,991</u>
<i>Total General Capital Assets</i>					<u>\$ 261,181,070</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, 2013

Function and Activity	Balance 9/30/2012	Additions	Deletions	Transfers	Balance 9/30/2013
<b>GENERAL GOVERNMENT:</b>					
City Manager	\$ 1,379,611	\$ -	\$ -	\$ -	\$ 1,379,611
Financial & Strategic Services	1,375,864	-	-	-	1,375,864
General Services	1,003,649	-	-	567,160	1,570,809
Municipal Court	90,484	-	-	-	90,484
Human Resources	217,819	-	-	-	217,819
City Council Special Projects	1,623	-	-	-	1,623
<i>Total General Government</i>	<u>4,069,050</u>	<u>-</u>	<u>-</u>	<u>567,160</u>	<u>4,636,210</u>
<b>PUBLIC SAFETY:</b>					
Police	3,048,174	185,284	-	-	3,233,458
Fire	2,706,023	-	-	-	2,706,023
<i>Total Public Safety</i>	<u>5,754,197</u>	<u>185,284</u>	<u>-</u>	<u>-</u>	<u>5,939,481</u>
<b>URBAN DEVELOPMENT</b>					
	<u>191,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,592</u>
<b>STREETS</b>					
	<u>187,791,098</u>	<u>891,424</u>	<u>-</u>	<u>4,465,806</u>	<u>193,148,328</u>
<b>PARKS AND RECREATION:</b>					
Parks	18,347,752	-	-	658,679	19,006,431
Recreation	9,232,607	24,979	-	-	9,257,586
<i>Total Parks and Recreation</i>	<u>27,580,359</u>	<u>24,979</u>	<u>-</u>	<u>658,679</u>	<u>28,264,017</u>
<b>VISITOR SERVICES:</b>					
Visitor Services	206,955	-	-	-	206,955
Visit Addison	1,656,035	-	-	-	1,656,035
Conference Centre/Theatre	17,633,732	620,200	-	-	18,253,932
Special Events	3,982,529	-	-	-	3,982,529
<i>Total Visitor Services</i>	<u>23,479,251</u>	<u>620,200</u>	<u>-</u>	<u>-</u>	<u>24,099,451</u>
<i>Total General Capital Assets</i>					
<i>Allocated by Function</i>	248,865,547	1,721,887	-	5,691,645	256,279,079
Construction in Progress	<u>7,813,695</u>	<u>2,779,941</u>	<u>-</u>	<u>(5,691,645)</u>	<u>4,901,991</u>
<i>Total General Capital Assets</i>	<u>\$ 256,679,242</u>	<u>\$ 4,501,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>261,181,070</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.



# Long-Term Debt Schedules

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

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity

GENERAL OBLIGATION BONDS  
SERIES 2004  
BONDS OUTSTANDING: \$765,000

<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	2014	\$ 765,000.00	\$ 14,343.75	\$ 779,343.75	779,343.75
<i>Total</i>		<u>\$ 765,000.00</u>	<u>\$ 14,343.75</u>	<u>\$ 779,343.75</u>	<u>\$ 779,343.75</u>

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

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS  
SERIES 2005  
BONDS OUTSTANDING: \$1,880,000

<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	2014 *	\$ 920,000.00	\$ 37,600.00	\$ 957,600.00	
August	2014	-	19,200.00	19,200.00	\$ 976,800.00
February	2015	960,000.00	19,200.00	979,200.00	979,200.00
<i>Total</i>		<u>\$ 1,880,000.00</u>	<u>\$ 76,000.00</u>	<u>\$ 1,956,000.00</u>	<u>\$ 1,956,000.00</u>

\* First call date.

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

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2008  
EXCLUDING WATER AND SEWER PORTION  
BONDS OUTSTANDING: \$24,683,153.13

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2014	\$ 836,152.95	\$ 554,686.56	\$ 1,390,839.51	
August	2014	-	537,963.50	537,963.50	\$ 1,928,803.01
February	2015	878,152.05	537,963.50	1,416,115.55	
August	2015	-	520,400.46	520,400.46	1,936,516.01
February	2016	920,150.10	520,400.46	1,440,550.56	
August	2016	-	501,997.46	501,997.46	1,942,548.02
February	2017	958,331.38	501,997.46	1,460,328.84	
August	2017	-	478,039.18	478,039.18	1,938,368.02
February	2018	1,004,147.62	478,039.18	1,482,186.80	
August	2018	-	457,956.23	457,956.23	1,940,143.03
February	2019 *	1,053,782.22	457,956.23	1,511,738.45	
August	2019	-	436,880.58	436,880.58	1,948,619.03
February	2020	1,103,417.20	436,880.58	1,540,297.78	
August	2020	-	414,812.24	414,812.24	1,955,110.02
February	2021	1,153,051.48	414,812.24	1,567,863.72	
August	2021	-	391,030.55	391,030.55	1,958,894.27
February	2022	1,210,322.52	391,030.55	1,601,353.07	
August	2022	-	365,311.20	365,311.20	1,966,664.27
February	2023	1,267,592.98	365,311.20	1,632,904.18	
August	2023	-	338,374.85	338,374.85	1,971,279.03
February	2024	1,324,863.93	338,374.85	1,663,238.78	
August	2024	-	305,253.25	305,253.25	1,968,492.03
February	2025	1,389,771.27	305,253.25	1,695,024.52	
August	2025	-	274,852.00	274,852.00	1,969,876.52
February	2026	1,454,677.77	274,852.00	1,729,529.77	
August	2026	-	242,121.75	242,121.75	1,971,651.52
February	2027	1,523,402.58	242,121.75	1,765,524.33	
August	2027	-	204,036.69	204,036.69	1,969,561.02
February	2028	1,595,945.42	204,036.69	1,799,982.11	
August	2028	-	168,127.91	168,127.91	1,968,110.02
February	2029	1,309,591.50	168,127.91	1,477,719.41	
August	2029	-	138,662.11	138,662.11	1,616,381.52
February	2030	1,370,680.42	138,662.11	1,509,342.53	
August	2030	-	106,965.12	106,965.12	1,616,307.65
February	2031	1,435,587.72	106,965.12	1,542,552.84	
August	2031	-	71,075.43	71,075.43	1,613,628.27
February	2032	1,500,495.00	71,075.43	1,571,570.43	
August	2032	-	36,376.48	36,376.48	1,607,946.91
February	2033	1,573,037.02	36,376.48	1,609,413.50	1,609,413.50
<b>Total</b>		<b>\$ 24,863,153.13</b>	<b>\$ 12,535,160.54</b>	<b>\$ 37,398,313.67</b>	<b>\$ 37,398,313.67</b>

\* First call date.



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

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity

GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2011  
EXCLUDING HOTEL FUND PORTION  
BONDS OUTSTANDING: \$4,705,000

<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	2014	\$ 1,130,000.00	\$ 64,925.00	\$ 1,194,925.00	
August	2014	-	53,625.00	53,625.00	\$ 1,248,550.00
February	2015	1,160,000.00	53,625.00	1,213,625.00	
August	2015	-	36,225.00	36,225.00	1,249,850.00
February	2016	1,190,000.00	36,225.00	1,226,225.00	
August	2016	-	18,375.00	18,375.00	1,244,600.00
February	2017	1,225,000.00	18,375.00	1,243,375.00	1,243,375.00
<i>Total</i>		<u>\$ 4,705,000.00</u>	<u>\$ 281,375.00</u>	<u>\$ 4,986,375.00</u>	<u>\$ 4,986,375.00</u>

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

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity

GENERAL OBLIGATION REFUNDING BONDS  
SUPPORTED BY HOTEL FUND  
SERIES 2011  
BONDS OUTSTANDING: \$3,305,000

<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	2014	\$ 625,000.00	\$ 46,450.00	\$ 671,450.00	
August	2014	-	40,200.00	40,200.00	\$ 711,650.00
February	2015	640,000.00	40,200.00	680,200.00	
August	2015	-	30,600.00	30,600.00	710,800.00
February	2016	660,000.00	30,600.00	690,600.00	
August	2016	-	20,700.00	20,700.00	711,300.00
February	2017	680,000.00	20,700.00	700,700.00	
August	2017	-	10,500.00	10,500.00	711,200.00
February	2018	700,000.00	10,500.00	710,500.00	710,500.00
<i>Total</i>		<u>\$ 3,305,000.00</u>	<u>\$ 250,450.00</u>	<u>\$ 3,555,450.00</u>	<u>\$ 3,555,450.00</u>

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

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**

From September 30, 2013 to Maturity

GENERAL OBLIGATION REFUND AND IMPROVEMENT BONDS, SERIES 2012

BONDS OUTSTANDING: \$22,590,000

Payment		Principal	Interest	Payment Total	Fiscal
Month	Year				Year Total
February	2014	\$ 375,000.00	\$ 456,490.63	\$ 831,490.63	
August	2014	-	452,740.63	452,740.63	\$ 1,284,231.26
February	2015	1,175,000.00	452,740.63	1,627,740.63	
August	2015	-	435,115.63	435,115.63	2,062,856.26
February	2016	1,630,000.00	435,115.63	2,065,115.63	
August	2016	-	410,665.63	410,665.63	2,475,781.26
February	2017	1,690,000.00	410,665.63	2,100,665.63	
August	2017	-	385,315.63	385,315.63	2,485,981.26
February	2018	1,740,000.00	385,315.63	2,125,315.63	
August	2018	-	350,515.63	350,515.63	2,475,831.26
February	2019	1,820,000.00	350,515.63	2,170,515.63	
August	2019	-	314,115.63	314,115.63	2,484,631.26
February	2020	885,000.00	314,115.63	1,199,115.63	
August	2020	-	296,415.63	296,415.63	1,495,531.26
February	2021	920,000.00	296,415.63	1,216,415.63	
August	2021	-	278,015.63	278,015.63	1,494,431.26
February	2022 *	875,000.00	278,015.63	1,153,015.63	
August	2022	-	260,515.63	260,515.63	1,413,531.26
February	2023	910,000.00	260,515.63	1,170,515.63	
August	2023	-	237,765.63	237,765.63	1,408,281.26
February	2024	955,000.00	237,765.63	1,192,765.63	
August	2024	-	213,890.63	213,890.63	1,406,656.26
February	2025	1,010,000.00	213,890.63	1,223,890.63	
August	2025	-	188,640.63	188,640.63	1,412,531.26
February	2026	1,060,000.00	188,640.63	1,248,640.63	
August	2026	-	162,140.63	162,140.63	1,410,781.26
February	2027	1,115,000.00	162,140.63	1,277,140.63	
August	2027	-	134,265.63	134,265.63	1,411,406.26
February	2028	1,170,000.00	134,265.63	1,304,265.63	
August	2028	-	105,015.63	105,015.63	1,409,281.26
February	2029	1,230,000.00	105,015.63	1,335,015.63	
August	2029	-	74,265.63	74,265.63	1,409,281.26
February	2030	1,295,000.00	74,265.63	1,369,265.63	
August	2030	-	41,890.63	41,890.63	1,411,156.26
February	2031	1,350,000.00	41,890.63	1,391,890.63	
August	2031	-	21,640.63	21,640.63	1,413,531.26
February	2032	1,385,000.00	21,640.63	1,406,640.63	1,406,640.63
<b>Total</b>		<b>\$ 22,590,000.00</b>	<b>\$ 9,182,353.31</b>	<b>\$ 31,772,353.31</b>	<b>\$ 31,772,353.31</b>

\* First call date.

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

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity  
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2012  
BONDS OUTSTANDING: \$14,835,000

<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	2014	\$ 200,000.00	\$ 210,781.25	\$ 410,781.25	
August	2014	-	208,781.25	208,781.25	\$ 619,562.50
February	2015	190,000.00	208,781.25	398,781.25	
August	2015	-	206,881.25	206,881.25	605,662.50
February	2016	670,000.00	206,881.25	876,881.25	
August	2016	-	201,856.25	201,856.25	1,078,737.50
February	2017	680,000.00	201,856.25	881,856.25	
August	2017	-	195,056.25	195,056.25	1,076,912.50
February	2018	700,000.00	195,056.25	895,056.25	
August	2018	-	188,056.25	188,056.25	1,083,112.50
February	2019	710,000.00	188,056.25	898,056.25	
August	2019	-	180,956.25	180,956.25	1,079,012.50
February	2020	720,000.00	180,956.25	900,956.25	
August	2020	-	173,756.25	173,756.25	1,074,712.50
February	2021	735,000.00	173,756.25	908,756.25	
August	2021	-	166,406.25	166,406.25	1,075,162.50
February	2022 *	755,000.00	166,406.25	921,406.25	
August	2022	-	155,081.25	155,081.25	1,076,487.50
February	2023	780,000.00	155,081.25	935,081.25	
August	2023	-	139,481.25	139,481.25	1,074,562.50
February	2024	815,000.00	139,481.25	954,481.25	
August	2024	-	123,181.25	123,181.25	1,077,662.50
February	2025	840,000.00	123,181.25	963,181.25	
August	2025	-	110,581.25	110,581.25	1,073,762.50
February	2026	870,000.00	110,581.25	980,581.25	
August	2026	-	97,531.25	97,531.25	1,078,112.50
February	2027	900,000.00	97,531.25	997,531.25	
August	2027	-	84,031.25	84,031.25	1,081,562.50
February	2028	455,000.00	84,031.25	539,031.25	
August	2028	-	77,206.25	77,206.25	616,237.50
February	2029	470,000.00	77,206.25	547,206.25	
August	2029	-	70,156.25	70,156.25	617,362.50
February	2030	485,000.00	70,156.25	555,156.25	
August	2030	-	62,881.25	62,881.25	618,037.50
February	2031	500,000.00	62,881.25	562,881.25	
August	2031	-	55,381.25	55,381.25	618,262.50
February	2032	515,000.00	55,381.25	570,381.25	
August	2032	-	47,334.38	47,334.38	617,715.63
February	2033	530,000.00	47,334.38	577,334.38	
August	2033	-	38,721.88	38,721.88	616,056.26
February	2034	550,000.00	38,721.88	588,721.88	
August	2034	-	29,784.38	29,784.38	618,506.26
February	2035	570,000.00	29,784.38	599,784.38	
August	2035	-	20,165.63	20,165.63	619,950.01
February	2036	585,000.00	20,165.63	605,165.63	
August	2036	-	10,293.75	10,293.75	615,459.38
February	2037	610,000.00	10,293.75	620,293.75	
<i>Total</i>		<u>\$ 14,835,000.00</u>	<u>\$ 5,497,906.29</u>	<u>\$ 20,332,906.29</u>	<u>\$ 20,332,906.29</u>

\* First call date.

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

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity  
GENERAL OBLIGATION BONDS, TAX-EXEMPT SERIES 2013  
BONDS OUTSTANDING: \$4,665,000

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2014	\$ 140,000.00	\$ 117,591.98	\$ 257,591.98	
August	2014	-	99,393.13	99,393.13	\$ 356,985.11
February	2015	160,000.00	99,393.13	259,393.13	
August	2015	-	96,993.13	96,993.13	356,386.26
February	2016	165,000.00	96,993.13	261,993.13	
August	2016	-	94,518.13	94,518.13	356,511.26
February	2017	170,000.00	94,518.13	264,518.13	
August	2017	-	91,968.13	91,968.13	356,486.26
February	2018	175,000.00	91,968.13	266,968.13	
August	2018	-	88,468.13	88,468.13	355,436.26
February	2019	180,000.00	88,468.13	268,468.13	
August	2019	-	84,868.13	84,868.13	353,336.26
February	2020	190,000.00	84,868.13	274,868.13	
August	2020	-	81,068.13	81,068.13	355,936.26
February	2021	195,000.00	81,068.13	276,068.13	
August	2021	-	76,193.13	76,193.13	352,261.26
February	2022	205,000.00	76,193.13	281,193.13	
August	2022	-	71,068.13	71,068.13	352,261.26
February	2023 *	220,000.00	71,068.13	291,068.13	
August	2023	-	65,568.13	65,568.13	356,636.26
February	2024	230,000.00	65,568.13	295,568.13	
August	2024	-	59,818.13	59,818.13	355,386.26
February	2025	240,000.00	59,818.13	299,818.13	
August	2025	-	53,818.13	53,818.13	353,636.26
February	2026	255,000.00	53,818.13	308,818.13	
August	2026	-	47,443.13	47,443.13	356,261.26
February	2027	265,000.00	47,443.13	312,443.13	
August	2027	-	40,818.13	40,818.13	353,261.26
February	2028	280,000.00	40,818.13	320,818.13	
August	2028	-	33,818.13	33,818.13	354,636.26
February	2029	295,000.00	33,818.13	328,818.13	
August	2029	-	27,770.63	27,770.63	356,588.76
February	2030	305,000.00	27,770.63	332,770.63	
August	2030	-	21,441.88	21,441.88	354,212.51
February	2031	320,000.00	21,441.88	341,441.88	
August	2031	-	14,641.88	14,641.88	356,083.76
February	2032	330,000.00	14,641.88	344,641.88	
August	2032	-	7,546.88	7,546.88	352,188.76
February	2033	345,000.00	7,546.88	352,546.88	352,546.88
<i>Total</i>		<u>\$ 4,665,000.00</u>	<u>\$ 2,432,038.42</u>	<u>\$ 7,097,038.42</u>	<u>\$ 7,097,038.42</u>

\* First call date.

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

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity  
GENERAL OBLIGATION BONDS, TAXABLE SERIES 2013B  
BONDS OUTSTANDING: \$1,250,000

<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	2014	\$ 35,000.00	\$ 32,885.42	\$ 67,885.42	
August	2014	-	27,531.25	27,531.25	\$ 95,416.67
February	2015	45,000.00	27,531.25	72,531.25	
August	2015	-	26,687.50	26,687.50	99,218.75
February	2016	45,000.00	26,687.50	71,687.50	
August	2016	-	25,843.75	25,843.75	97,531.25
February	2017	45,000.00	25,843.75	70,843.75	
August	2017	-	25,000.00	25,000.00	95,843.75
February	2018	50,000.00	25,000.00	75,000.00	
August	2018	-	24,062.50	24,062.50	99,062.50
February	2019	50,000.00	24,062.50	74,062.50	
August	2019	-	23,125.00	23,125.00	97,187.50
February	2020	50,000.00	23,125.00	73,125.00	
August	2020	-	22,187.50	22,187.50	95,312.50
February	2021	55,000.00	22,187.50	77,187.50	
August	2021	-	21,156.25	21,156.25	98,343.75
February	2022	55,000.00	21,156.25	76,156.25	
August	2022	-	20,125.00	20,125.00	96,281.25
February	2023 *	60,000.00	20,125.00	80,125.00	
August	2023	-	19,000.00	19,000.00	99,125.00
February	2024	60,000.00	19,000.00	79,000.00	
August	2024	-	17,500.00	17,500.00	96,500.00
February	2025	65,000.00	17,500.00	82,500.00	
August	2025	-	15,875.00	15,875.00	98,375.00
February	2026	65,000.00	15,875.00	80,875.00	
August	2026	-	14,250.00	14,250.00	95,125.00
February	2027	70,000.00	14,250.00	84,250.00	
August	2027	-	12,500.00	12,500.00	96,750.00
February	2028	75,000.00	12,500.00	87,500.00	
August	2028	-	10,625.00	10,625.00	98,125.00
February	2029	75,000.00	10,625.00	85,625.00	
August	2029	-	8,750.00	8,750.00	94,375.00
February	2030	80,000.00	8,750.00	88,750.00	
August	2030	-	6,750.00	6,750.00	95,500.00
February	2031	85,000.00	6,750.00	91,750.00	
August	2031	-	4,625.00	4,625.00	96,375.00
February	2032	90,000.00	4,625.00	94,625.00	
August	2032	-	2,375.00	2,375.00	97,000.00
February	2033	95,000.00	2,375.00	97,375.00	97,375.00
<i>Total</i>		<u>\$ 1,250,000.00</u>	<u>\$ 688,822.92</u>	<u>\$ 1,938,822.92</u>	<u>\$ 1,938,822.92</u>

\* First call date.

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

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity  
GENERAL OBLIGATION BONDS, SERIES 2013A (AMT)  
BONDS OUTSTANDING: \$1,875,000

<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	2014	\$ 60,000.00	\$ 43,849.90	\$ 103,849.90	
August	2014	-	36,985.63	36,985.63	\$ 140,835.53
February	2015	70,000.00	36,985.63	106,985.63	
August	2015	-	36,285.63	36,285.63	143,271.26
February	2016	70,000.00	36,285.63	106,285.63	
August	2016	-	35,585.63	35,585.63	141,871.26
February	2017	70,000.00	35,585.63	105,585.63	
August	2017	-	34,885.63	34,885.63	140,471.26
February	2018	70,000.00	34,885.63	104,885.63	
August	2018	-	34,098.13	34,098.13	138,983.76
February	2019	75,000.00	34,098.13	109,098.13	
August	2019	-	32,551.25	32,551.25	141,649.38
February	2020	75,000.00	32,551.25	107,551.25	
August	2020	-	31,004.38	31,004.38	138,555.63
February	2021	80,000.00	31,004.38	111,004.38	
August	2021	-	29,354.38	29,354.38	140,358.76
February	2022	85,000.00	29,354.38	114,354.38	
August	2022	-	27,601.25	27,601.25	141,955.63
February	2023 *	90,000.00	27,601.25	117,601.25	
August	2023	-	25,745.00	25,745.00	143,346.25
February	2024	90,000.00	25,745.00	115,745.00	
August	2024	-	23,832.50	23,832.50	139,577.50
February	2025	95,000.00	23,832.50	118,832.50	
August	2025	-	21,813.75	21,813.75	140,646.25
February	2026	100,000.00	21,813.75	121,813.75	
August	2026	-	19,688.75	19,688.75	141,502.50
February	2027	105,000.00	19,688.75	124,688.75	
August	2027	-	17,457.50	17,457.50	142,146.25
February	2028	110,000.00	17,457.50	127,457.50	
August	2028	-	15,120.00	15,120.00	142,577.50
February	2029	115,000.00	15,120.00	130,120.00	
August	2029	-	12,360.00	12,360.00	142,480.00
February	2030	120,000.00	12,360.00	132,360.00	
August	2030	-	9,480.00	9,480.00	141,840.00
February	2031	125,000.00	9,480.00	134,480.00	
August	2031	-	6,480.00	6,480.00	140,960.00
February	2032	130,000.00	6,480.00	136,480.00	
August	2032	-	3,360.00	3,360.00	139,840.00
February	2033	140,000.00	3,360.00	143,360.00	143,360.00
<i>Total</i>		<u>\$ 1,875,000.00</u>	<u>\$ 951,228.72</u>	<u>\$ 2,826,228.72</u>	<u>\$ 2,826,228.72</u>

\* First call date.

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

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**COMBINING SCHEDULE OF  
DETAILED DEBT SERVICE REQUIREMENTS**

From September 30, 2013 to Maturity

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 5,086,152.95	\$ 3,056,024.88	\$ 8,142,177.83
2015	5,278,152.05	2,865,608.99	8,143,761.04
2016	5,350,150.10	2,698,730.45	8,048,880.55
2017	5,518,331.38	2,530,306.67	8,048,638.05
2018	4,439,147.62	2,363,921.69	6,803,069.31
2019	3,888,782.22	2,215,653.71	6,104,435.93
2020	3,023,417.20	2,091,740.97	5,115,158.17
2021	3,138,051.48	1,981,400.32	5,119,451.80
2022	3,185,322.52	1,861,858.65	5,047,181.17
2023	3,327,592.98	1,725,637.32	5,053,230.30
2024	3,474,863.93	1,569,410.62	5,044,274.55
2025	3,639,771.27	1,409,056.52	5,048,827.79
2026	3,804,677.77	1,248,756.27	5,053,434.04
2027	3,978,402.58	1,076,284.71	5,054,687.29
2028	3,685,945.42	903,022.12	4,588,967.54
2029	3,494,591.50	741,877.54	4,236,469.04
2030	3,655,680.42	581,373.50	4,237,053.92
2031	3,815,587.72	423,253.07	4,238,840.79
2032	3,950,495.00	270,836.93	4,221,331.93
2033	2,683,037.02	135,714.62	2,818,751.64
2034	550,000.00	68,506.26	618,506.26
2035	570,000.00	49,950.01	619,950.01
2036	585,000.00	30,459.38	615,459.38
2037	610,000.00	10,293.75	620,293.75
<i>Total</i>	<u>\$ 80,733,153.13</u>	<u>\$ 31,909,678.95</u>	<u>\$ 112,642,832.08</u>

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



**Town of Addison, Texas**  
**Long-Term Debt Schedules - Business-type Activities**

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2004  
SUPPORTED BY AIRPORT FUND  
BONDS OUTSTANDING: \$2,685,000

<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	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	398,287.50
<i>Total</i>		<u>\$ 2,395,000.00</u>	<u>\$ 362,687.50</u>	<u>\$ 2,757,687.50</u>	<u>\$ 2,757,687.50</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Business-type activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity  
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2013  
BONDS OUTSTANDING: \$2,910,000

Payment		Principal	Interest	Payment Total	Fiscal
Month	Year				Year Total
February	2014	\$ 95,000.00	\$ 67,034.48	\$ 162,034.48	
August	2014	-	56,508.13	56,508.13	\$ 218,542.61
February	2015	105,000.00	56,508.13	161,508.13	
August	2015	-	55,458.13	55,458.13	216,966.26
February	2016	110,000.00	55,458.13	165,458.13	
August	2016	-	54,358.13	54,358.13	219,816.26
February	2017	110,000.00	54,358.13	164,358.13	
August	2017	-	53,258.13	53,258.13	217,616.26
February	2018	110,000.00	53,258.13	163,258.13	
August	2018	-	52,158.13	52,158.13	215,416.26
February	2019	115,000.00	52,158.13	167,158.13	
August	2019	-	50,433.13	50,433.13	217,591.26
February	2020	120,000.00	50,433.13	170,433.13	
August	2020	-	48,633.13	48,633.13	219,066.26
February	2021	125,000.00	48,633.13	173,633.13	
August	2021	-	46,133.13	46,133.13	219,766.26
February	2022	130,000.00	46,133.13	176,133.13	
August	2022	-	43,533.13	43,533.13	219,666.26
February	2023 *	135,000.00	43,533.13	178,533.13	
August	2023	-	40,158.13	40,158.13	218,691.26
February	2024	140,000.00	40,158.13	180,158.13	
August	2024	-	36,658.13	36,658.13	216,816.26
February	2025	145,000.00	36,658.13	181,658.13	
August	2025	-	33,033.13	33,033.13	214,691.26
February	2026	155,000.00	33,033.13	188,033.13	
August	2026	-	29,158.13	29,158.13	217,191.26
February	2027	165,000.00	29,158.13	194,158.13	
August	2027	-	25,033.13	25,033.13	219,191.26
February	2028	170,000.00	25,033.13	195,033.13	
August	2028	-	20,783.13	20,783.13	215,816.26
February	2029	180,000.00	20,783.13	200,783.13	
August	2029	-	17,093.13	17,093.13	217,876.26
February	2030	185,000.00	17,093.13	202,093.13	
August	2030	-	13,254.38	13,254.38	215,347.51
February	2031	195,000.00	13,254.38	208,254.38	
August	2031	-	9,110.63	9,110.63	217,365.01
February	2032	205,000.00	9,110.63	214,110.63	
August	2032	-	4,703.13	4,703.13	218,813.76
February	2033	215,000.00	4,703.13	219,703.13	219,703.13
<i>Total</i>		<u>\$ 2,910,000.00</u>	<u>\$ 1,445,950.92</u>	<u>\$ 4,355,950.92</u>	<u>\$ 4,355,950.92</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Business-type Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2008  
WATER AND SEWER PORTION  
BONDS OUTSTANDING: \$7,890,685.64

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2014	\$ 258,847.05	\$ 171,713.44	\$ 430,560.49	
August	2014	-	166,536.50	166,536.50	597,096.99
February	2015	271,847.95	166,536.50	438,384.45	
August	2015	-	161,099.54	161,099.54	599,483.99
February	2016	284,849.90	161,099.54	445,949.44	
August	2016	-	155,402.54	155,402.54	601,351.98
February	2017	296,668.62	155,402.54	452,071.16	
August	2017	-	147,985.83	147,985.83	600,056.99
February	2018 *	310,852.38	147,985.83	458,838.21	
August	2018	-	141,768.78	141,768.78	600,606.99
February	2019	326,217.78	141,768.78	467,986.56	
August	2019	-	135,244.43	135,244.43	603,230.99
February	2020	341,582.80	135,244.43	476,827.23	
August	2020	-	128,412.77	128,412.77	605,240.00
February	2021	356,948.52	128,412.77	485,361.29	
August	2021	-	121,050.71	121,050.71	606,412.00
February	2022	374,677.48	121,050.71	495,728.19	
August	2022	-	113,088.81	113,088.81	608,817.00
February	2023	392,407.02	113,088.81	505,495.83	
August	2023	-	104,750.16	104,750.16	610,245.99
February	2024	410,136.07	104,750.16	514,886.23	
August	2024	-	94,496.76	94,496.76	609,382.99
February	2025	430,228.73	94,496.76	524,725.49	
August	2025	-	85,085.51	85,085.51	609,811.00
February	2026	450,322.23	85,085.51	535,407.74	
August	2026	-	74,953.26	74,953.26	610,361.00
February	2027	471,597.42	74,953.26	546,550.68	
August	2027	-	63,163.32	63,163.32	609,714.00
February	2028	494,054.58	63,163.32	557,217.90	
August	2028	-	52,047.09	52,047.09	609,264.99
February	2029	405,408.50	52,047.09	457,455.59	
August	2029	-	42,925.40	42,925.40	500,380.99
February	2030	424,319.58	42,925.40	467,244.98	
August	2030	-	33,133.01	33,133.01	500,377.99
February	2031	444,412.28	33,113.01	477,525.29	
August	2031	-	22,002.70	22,002.70	499,527.99
February	2032	464,505.27	22,002.70	486,507.97	
August	2032	-	11,261.02	11,261.02	497,768.99
February	2033	486,962.98	11,261.02	498,224.00	498,224.00
<b>Total</b>		<b>\$ 7,696,847.14</b>	<b>\$ 3,880,509.72</b>	<b>\$ 11,577,356.86</b>	<b>\$ 11,577,356.86</b>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Business-type Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2013 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2013  
DRAINAGE  
BONDS OUTSTANDING: \$7,275,000

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2014	\$ 235,000.00	\$ 167,659.48	\$ 402,659.48	
August	2014	-	141,358.13	141,358.13	544,017.61
February	2015	265,000.00	141,358.13	406,358.13	
August	2015	-	138,708.13	138,708.13	545,066.26
February	2016	270,000.00	138,708.13	408,708.13	
August	2016	-	136,008.13	136,008.13	544,716.26
February	2017	275,000.00	136,008.13	411,008.13	
August	2017	-	133,258.13	133,258.13	544,266.26
February	2018	280,000.00	133,258.13	413,258.13	
August	2018	-	130,458.13	130,458.13	543,716.26
February	2019	290,000.00	130,458.13	420,458.13	
August	2019	-	126,108.13	126,108.13	546,566.26
February	2020	295,000.00	126,108.13	421,108.13	
August	2020	-	121,683.13	121,683.13	542,791.26
February	2021	305,000.00	121,683.13	426,683.13	
August	2021	-	115,583.13	115,583.13	542,266.26
February	2022	320,000.00	115,583.13	435,583.13	
August	2022	-	109,183.13	109,183.13	544,766.26
February	2023 *	335,000.00	109,183.13	444,183.13	
August	2023	-	100,808.13	100,808.13	544,991.26
February	2024	350,000.00	100,808.13	450,808.13	
August	2024	-	92,058.13	92,058.13	542,866.26
February	2025	370,000.00	92,058.13	462,058.13	
August	2025	-	82,808.13	82,808.13	544,866.26
February	2026	390,000.00	82,808.13	472,808.13	
August	2026	-	73,058.13	73,058.13	545,866.26
February	2027	410,000.00	73,058.13	483,058.13	
August	2027	-	62,808.13	62,808.13	545,866.26
February	2028	430,000.00	62,808.13	492,808.13	
August	2028	-	52,058.13	52,058.13	544,866.26
February	2029	450,000.00	52,058.13	502,058.13	
August	2029	-	42,833.13	42,833.13	544,891.26
February	2030	470,000.00	42,833.13	512,833.13	
August	2030	-	33,080.63	33,080.63	545,913.76
February	2031	490,000.00	33,080.63	523,080.63	
August	2031	-	22,668.13	22,668.13	545,748.76
February	2032	510,000.00	22,668.13	532,668.13	
August	2032	-	11,703.13	11,703.13	544,371.26
February	2033	535,000.00	11,703.13	546,703.13	546,703.13
<b>Total</b>		<b>\$ 7,275,000.00</b>	<b>\$ 3,620,123.42</b>	<b>\$ 10,895,123.42</b>	<b>\$ 10,895,123.42</b>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Business-type Activities**

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**COMBINING SCHEDULE OF  
DETAILED DEBT SERVICE REQUIREMENTS**

From September 30, 2013 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>
2014	\$ 888,847.05	\$ 862,495.16	\$ 1,751,342.21
2015	956,847.95	799,053.56	1,755,901.51
2016	989,849.90	767,619.60	1,757,469.50
2017	1,021,668.62	733,555.89	1,755,224.51
2018	1,055,852.38	698,094.63	1,753,947.01
2019	1,101,217.78	660,423.23	1,761,641.01
2020	1,146,582.80	618,802.22	1,765,385.02
2021	786,948.52	581,496.00	1,368,444.52
2022	824,677.48	548,572.04	1,373,249.52
2023	862,407.02	511,521.49	1,373,928.51
2024	900,136.07	468,929.44	1,369,065.51
2025	945,228.73	424,139.79	1,369,368.52
2026	995,322.23	378,096.29	1,373,418.52
2027	1,046,597.42	328,174.10	1,374,771.52
2028	1,094,054.58	275,892.93	1,369,947.51
2029	1,035,408.50	227,740.01	1,263,148.51
2030	1,079,319.58	182,319.68	1,261,639.26
2031	1,129,412.28	133,229.48	1,262,641.76
2032	1,179,505.27	81,448.74	1,260,954.01
2033	<u>1,236,962.98</u>	<u>27,667.28</u>	<u>1,264,630.26</u>
<i>Total</i>	<u>\$ 20,276,847.14</u>	<u>\$ 9,309,271.56</u>	<u>\$ 29,586,118.70</u>

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

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Summary of Governmental Activities & Business-type Activities**

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**SUMMARY OF DEBT SERVICE**

From September 30, 2013 to Maturity

FOR GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Fiscal Year	General Obligation Bonds	Tax and Revenue Certificates of Obligation	Total Requirements
2014	7,522,615.33	2,370,904.71	9,893,520.04
2015	7,538,098.54	2,361,564.01	9,899,662.55
2016	6,970,143.05	2,836,207.00	9,806,350.05
2017	6,971,725.55	2,832,137.01	9,803,862.56
2018	5,719,956.81	2,837,059.51	8,557,016.32
2019	5,025,423.43	2,840,653.51	7,866,076.94
2020	4,040,445.67	2,840,097.52	6,880,543.19
2021	4,044,289.30	2,443,607.02	6,487,896.32
2022	3,970,693.67	2,449,737.02	6,420,430.69
2023	3,978,667.80	2,448,491.01	6,427,158.81
2024	3,966,612.05	2,446,728.01	6,413,340.06
2025	3,975,065.29	2,443,131.02	6,418,196.31
2026	3,975,321.54	2,451,531.02	6,426,852.56
2027	3,973,124.79	2,456,334.02	6,429,458.81
2028	3,972,730.04	1,986,185.01	5,958,915.05
2029	3,619,106.54	1,880,511.01	5,499,617.55
2030	3,619,016.42	1,879,676.76	5,498,693.18
2031	3,620,578.29	1,880,904.26	5,501,482.55
2032	3,603,616.30	1,878,669.64	5,482,285.94
2033	2,202,695.38	1,880,686.52	4,083,381.90
2034	-	618,506.26	618,506.26
2035	-	619,950.01	619,950.01
2036	-	615,459.38	615,459.38
2037	-	620,293.75	620,293.75
	<u>92,309,925.79</u>	<u>49,919,024.99</u>	<u>142,228,950.78</u>
Less amounts representing interest	<u>26,411,772.66</u>	<u>14,807,177.85</u>	<u>41,218,950.51</u>
<i>Total Principal</i>	<u>\$ 65,898,153.13</u>	<u>\$ 35,111,847.14</u>	<u>\$ 101,010,000.27</u>

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Summary of Tax Supported Debt Requirements**

**SUMMARY OF TAX SUPPORTED  
DEBT REQUIREMENTS**  
From September 30, 2013 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>	Less Amount Supported by Stormwater Fund <sup>(1)</sup>	Net Tax Supported Debt Service Requirements <sup>(2)</sup>
2014	7,522,615.33	2,370,904.71	711,650.00	610,227.61	597,096.99	544,017.61	7,430,527.83
2015	7,538,098.54	2,361,564.01	710,800.00	611,351.26	599,483.99	545,066.26	7,432,961.04
2016	6,970,143.05	2,836,207.00	711,300.00	611,401.26	601,351.98	544,716.26	7,337,580.55
2017	6,971,725.55	2,832,137.01	711,200.00	610,901.26	600,056.99	544,266.26	7,337,438.05
2018	5,719,956.81	2,837,059.51	710,500.00	609,623.76	600,606.99	543,716.26	6,092,569.31
2019	5,025,423.43	2,840,653.51	-	611,843.76	603,230.99	546,566.26	6,104,435.93
2020	4,040,445.67	2,840,097.52	-	617,353.76	605,240.00	542,791.26	5,115,158.17
2021	4,044,289.30	2,443,607.02	-	219,766.26	606,412.00	542,266.26	5,119,451.80
2022	3,970,693.67	2,449,737.02	-	219,666.26	608,817.00	544,766.26	5,047,181.17
2023	3,978,667.80	2,448,491.01	-	218,691.26	610,245.99	544,991.26	5,053,230.30
2024	3,966,612.05	2,446,728.01	-	216,816.26	609,382.99	542,866.26	5,044,274.55
2025	3,975,065.29	2,443,131.02	-	214,691.26	609,811.00	544,866.26	5,048,827.79
2026	3,975,321.54	2,451,531.02	-	217,191.26	610,361.00	545,866.26	5,053,434.04
2027	3,973,124.79	2,456,334.02	-	219,191.26	609,714.00	545,866.26	5,054,687.29
2028	3,972,730.04	1,986,185.01	-	215,816.26	609,264.99	544,866.26	4,588,967.54
2029	3,619,106.54	1,880,511.01	-	217,876.26	500,380.99	544,891.26	4,236,469.04
2030	3,619,016.42	1,879,676.76	-	215,347.51	500,377.99	545,913.76	4,237,053.92
2031	3,620,578.29	1,880,904.26	-	217,365.01	499,527.99	545,748.76	4,238,840.79
2032	3,603,616.30	1,878,669.64	-	218,813.76	497,768.99	544,371.26	4,221,331.93
2033	2,202,695.38	1,880,686.52	-	-	498,224.00	546,703.13	3,038,454.77
2034	-	618,506.26	-	-	-	-	618,506.26
2035	-	619,950.01	-	-	-	-	619,950.01
2036	-	615,459.38	-	-	-	-	615,459.38
2037	-	620,293.75	-	-	-	-	620,293.75
<b>Total</b>	<b>\$ 92,309,925.79</b>	<b>\$ 49,919,024.99</b>	<b>\$ 3,555,450.00</b>	<b>\$ 6,893,935.29</b>	<b>\$ 11,577,356.86</b>	<b>\$ 10,895,123.42</b>	<b>\$109,307,085.21</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.
- Stormwater Improvements - Debt paid by operations revenue of the Stormwater 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.







## 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.

**Town of Addison, Texas**  
Statistical Section

Table 1

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Net Position by Component</b>										
<b>Last Ten Fiscal Years</b>										
<b>(Accrual Basis of Accounting)</b>										
<b>(Unaudited)</b>										
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 114,752,714	\$ 117,007,853	\$ 117,537,709	\$ 117,446,984	\$ 117,389,355	\$ 120,308,696	\$ 123,041,354	\$ 129,261,976	\$ 129,471,095	\$ 135,260,723
Restricted for Debt Service	1,574,618	1,408,795	1,578,392	1,569,846	781,304	918,483	-	1,007,330	1,698,555	904,422
Promotion of Tourism and Hotel Industry									1,993,040	1,942,378
Child Safety										30,635
Justice Administration										93,472
Court Technology									77,179	74,895
Building Security									66,716	64,742
Other purposes									32,449	22,235
Unrestricted	15,551,534	17,758,209	20,148,886	24,100,898	26,591,388	24,442,088	23,381,754	21,729,168	21,596,253	14,758,041
<b>Total Net Position - Governmental Activities</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>\$ 146,423,108</b>	<b>\$ 151,998,474</b>	<b>\$ 154,935,287</b>	<b>\$ 153,151,543</b>
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 36,193,196	\$ 34,950,063	\$ 36,416,684	\$ 36,925,876	\$ 31,595,371	\$ 34,327,264	\$ 36,299,788	\$ 51,113,892	\$ 49,639,925	\$ 59,994,314
Unrestricted	4,665,572	5,783,509	7,105,849	7,676,017	13,568,364	13,195,545	12,740,025	9,834,613	14,319,525	14,972,217
	\$ 40,858,768	\$ 40,733,572	\$ 43,522,533	\$ 44,601,893	\$ 45,163,735	\$ 47,522,809	\$ 49,039,813	\$ 60,948,505	\$ 63,959,450	\$ 74,966,531
<b>Primary Government</b>										
Invested in Capital Assets, Net of Related Debt	\$ 150,945,910	\$ 151,957,916	\$ 153,954,393	\$ 154,372,860	\$ 148,984,726	\$ 154,635,960	\$ 159,341,142	\$ 180,375,868	\$ 179,111,020	\$ 195,255,037
Restricted for Debt Service	1,574,618	1,408,795	1,578,392	1,569,846	781,304	918,483	-	1,007,330	1,698,555	904,422
Promotion of Tourism and Hotel Industry									1,993,040	1,942,378
Child Safety										30,635
Justice Administration										93,472
Court Technology									77,179	74,895
Building Security									66,716	64,742
Other purposes									32,449	22,235
Unrestricted	20,217,106	23,541,718	27,254,735	31,776,915	40,159,752	37,637,633	36,121,779	31,563,781	35,915,778	29,730,258
<b>Total Net Position - Primary Government</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>\$ 195,462,921</b>	<b>\$ 212,946,979</b>	<b>\$ 218,894,737</b>	<b>\$ 228,118,074</b>

**SOURCE:** Town of Addison Comprehensive Annual Financial Reports



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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 89,973	\$ 127,088	\$ 101,836	\$ 305,918	\$ 358,337	\$ 420,883	\$ 188,035	\$ -	\$ -	\$ -
Nonspendable:										
Inventories	-	-	-	-	-	-	-	87,835	114,733	44,486
Prepaid Items	-	-	-	-	-	-	-	67,135	94,028	291,424
Assigned for Other Purposes	-	-	-	-	-	-	-	61,193	23,061	-
Unreserved	7,209,812	6,923,417	8,073,344	10,378,247	11,337,593	10,231,859	10,668,716	10,150,531	-	-
Total General Fund	7,299,785	7,050,505	8,175,180	10,684,165	11,695,930	10,652,742	10,856,751	10,366,694	231,822	335,910
All Other Governmental Funds										
Reserved	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	106,272	125,491	186,758	205,790	229,327	16,573	51,469	-	-	-
Capital Project Funds	22,414,425	9,224,315	7,553,427	7,114,632	33,491,143	29,190,201	20,334,339	-	-	-
Debt Service Funds	765,623	778,627	810,936	864,331	890,310	902,577	863,925	-	-	-
Hotel Fund	4,699,920	4,617,539	4,639,050	5,382,310	5,715,693	4,635,799	4,423,339	-	-	-
Restricted for:										
Debt Service	-	-	-	-	-	-	-	1,945,104	1,840,901	1,234,727
Promotion of Tourism & Hotel Industry	-	-	-	-	-	-	-	-	1,993,040	1,942,378
Capital Projects	-	-	-	-	-	-	-	9,851,762	39,654,624	41,716,425
Child safety	-	-	-	-	-	-	-	-	-	93,472
Justice administration	-	-	-	-	-	-	-	83,827	201,286	30,635
Court Technology	-	-	-	-	-	-	-	-	66,716	74,895
Building Security	-	-	-	-	-	-	-	72,462	36,793	64,742
Other Purposes	-	-	-	-	-	-	-	45,500	-	22,235
Committed for:										
Economic Development	-	-	-	-	-	-	-	358,676	516,823	664,401
Assigned for:										
Other Purposes	-	-	-	-	-	-	-	27,603	-	-
Unassigned	-	-	-	-	-	-	-	115,223	12,174,333	13,637,124
Total All Other Governmental Funds	29,646,431	16,234,481	14,946,151	15,336,357	41,874,691	36,054,647	26,975,695	12,500,157	56,484,516	59,481,034
Total Governmental Funds	\$ 36,946,216	\$ 23,284,986	\$ 23,121,331	\$ 26,020,522	\$ 53,570,621	\$ 46,707,389	\$ 37,832,446	\$ 22,866,851	\$ 56,716,338	\$ 59,816,944

**SOURCE:** Town of Addison Comprehensive Annual Financial Reports

**Note:** The Town implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.



**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
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
2011	30,367,585	2,760,188	1,210,058	3,543,357	2,840,317	1,104,477	55,918	733,957	133,869	42,749,726
2012	33,655,421	2,727,370	953,709	2,676,792	3,104,592	1,208,773	37,857	931,619	117,217	45,413,350
2013	35,652,793	2,695,073	886,423	73,578	2,939,606	1,082,115	122,169	1,119,737	131,342	44,702,836

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>	Economic Development	Debt Service	Total
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
2011	6,353,784	14,857,023	885,218	6,889,491	4,061,666	7,655,939	342,200	6,158,384	47,203,705
2012	6,135,191	15,130,127	886,705	1,612,699	4,269,381	6,171,479	469,679	6,798,346	41,473,607
2013	6,371,055	14,998,953	927,684	1,750,500	4,316,689	7,116,334	624,014	7,448,815	43,554,044

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
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
2011	15,803,400	9,632,640	930,759	2,760,188	4,000,786	33,127,773
2012	16,918,402	11,089,866	798,764	2,727,370	4,295,149	35,829,551
2013	18,047,998	12,217,439	812,273	2,695,073	4,575,083	38,347,866

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>
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
2011	2010	2,872,659,100	601,788,640	(415,674,023)	3,058,773,717	0.5300
2012	2011	2,864,186,430	586,674,080	(422,817,942)	3,028,042,568	0.5800
2013	2012	2,955,211,640	580,038,950	(400,355,712)	3,134,894,878	0.5800

**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>					
	Operating General Rates	General Obligation Debt Service	Total Direct Ad Valorem Rate	Dallas County	Community College District	Dallas ISD	Carrollton/Farmers Branch ISD	Dallas County Hospital District	Total Ad Valorem Rate
2004	0.2201	0.2027	0.4228	0.2094	0.0778	1.6395	1.7358	0.2540	2.6035
2005	0.2597	0.2163	0.4760	0.2094	0.0803	1.6694	1.7824	0.2540	2.6891
2006	0.3060	0.1700	0.4760	0.2192	0.0816	1.6884	1.8259	0.2540	2.7192
2007	0.3110	0.1530	0.4640	0.2189	0.0810	1.5026	1.6830	0.2540	2.5206
2008	0.2990	0.1347	0.4337	0.2328	0.0804	1.1996	1.3670	0.2540	2.2006
2009	0.2828	0.1707	0.4535	0.2330	0.0894	1.1834	1.3623	0.2540	2.2133
2010	0.3360	0.1600	0.4960	0.2333	0.0949	1.2713	1.3422	0.2740	2.3696
2011	0.3479	0.1821	0.5300	0.2531	0.0992	1.2378	1.3469	0.2710	2.3911
2012	0.3819	0.1981	0.5800	0.2531	0.0997	1.2903	1.3568	0.2710	2.4941
2013	0.3593	0.2207	0.5800	0.2531	0.1247	1.2821	1.3235	0.2760	2.5159

**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
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%
2011	2010	16,211,500	15,676,932	96.7%	52,657	15,729,589	97.0%
2012	2011	17,562,650	17,286,939	98.4%	107,545	17,394,485	99.0%
2013	2012	18,182,390	17,952,493	98.7%	31,948	17,984,441	98.9%

**SOURCE:** Dallas Central Appraisal District

Notes:

- (1) 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	Certificates of Obligation	General Obligation Refunding Bonds	Certificates of Obligation					
2004	39,133,311	9,450,000	18,934,234	-	80,840,856	16.01	5,733.39		
2005	36,864,769	8,540,000	17,465,231	4,400,000	79,854,769	15.24	5,526.28		
2006	36,724,769	7,085,000	15,805,231	4,185,000	82,734,769	13.84	5,552.67		
2007	33,469,769	6,605,000	14,090,231	3,960,000	74,979,769	12.07	4,916.71		
2008	30,050,000	34,327,000	12,060,000	10,003,000	106,545,000	15.91	6,986.56		
2009	26,495,000	33,766,900	9,950,000	9,748,100	97,810,000	16.87	7,299.25		
2010	22,775,000	33,117,380	7,760,000	9,467,620	88,620,000	16.11	6,307.47		
2011	19,575,000	32,443,770	5,275,000	9,176,230	79,440,000	15.54	6,082.70		
2012 *	39,765,000	40,941,000	2,611,000	10,581,000	129,128,000	17.55	9,439.18		
2013 *	44,157,000	39,719,000		20,732,000	104,608,000	13.59	8,012.25		

\* Presented net of original issuance discounts and premiums

**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

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

Fiscal Year	General Obligation Bonds(1)	Certificates of Obligation(1)	Less: Amounts Available in Debt Service Fund (2)	Total Outstanding Debt	Percentage of Actual Taxable Value	Per Capita
2004	58,067,545	1,450,000	1,574,618	57,942,927	2.01	4,109.43
2005	54,330,000	5,390,000	1,401,992	58,318,008	2.16	4,035.85
2006	52,530,000	4,185,000	1,649,428	55,065,572	1.97	3,695.68
2007	47,560,000	3,960,000	1,613,153	49,906,847	1.65	3,272.58
2008	42,110,000	38,225,000	1,360,440	78,974,560	2.27	5,178.66
2009	36,445,000	37,925,000	1,082,061	73,287,939	1.97	5,469.25
2010	30,535,000	37,530,000	1,126,069	66,938,931	2.02	4,764.34
2011	24,850,000	37,120,000	1,127,831	60,842,169	1.99	4,658.67
2012	42,376,000	51,522,000	1,079,254	92,818,746	3.07	6,785.00
2013	44,157,000	60,451,000	1,234,727	103,373,273	3.30	7,917.68

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance and premiums.

(2) This is the amount restricted for debt service principal payments

**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, 2013

Taxing Jurisdiction	G.O. Bonded Debt	Percent Applicable <sup>(1)</sup>	Estimated Share of Overlapping Debt
Carrollton-Farmers Branch ISD	\$ 331,290,000	4.34%	\$ 14,377,986
Dallas County	136,430,000	1.99%	2,714,957
Dallas County Community College District	355,880,000	1.99%	7,082,012
Dallas County Hospital District	705,000,000	1.99%	14,029,500
Dallas ISD	2,470,770,000	3.37%	<u>83,264,949</u>
Total Overlapping Debt			121,469,405
Town of Addison (Direct Debt)	\$ 77,428,154 <sup>(2)</sup>	100%	<u>77,428,154</u>
Total Direct and Overlapping Debt			<u><u>\$ 198,897,559</u></u>
Ratio of Overlapping G.O. Debt to 2013 Taxable Assessed Valuation			3.87%
Per Capita Overlapping G.O. Debt			\$ 9,304

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

Notes:

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entity's taxable assessed value that is with the Town's boundaries and dividing by the entity's total taxable assessed value.
- (2) 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	
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
2011	10,726,977	7,024,544	3,702,433	-	-	-	N/A
2012	11,068,924	7,529,490	3,539,434				N/A
2013	10,743,714	9,219,124	1,524,590				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	
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
2011	6,026,377	1,007,162	5,019,215	555,000	164,988	719,988	7.0
2012	6,740,112	1,080,980	5,659,132	620,000	108,143	728,143	7.8
2013	6,970,189	1,626,644	5,343,545	600,000	104,623	704,623	7.6

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>
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%
2011	13,060	3,058,773,717	558,419	42,758	2,201,071	8.4%
2012	13,680	3,028,042,568	735,847	53,790	2,225,546	6.3%
2013	13,056	3,134,894,878	769,912	58,970	2,288,740	6.0%

**SOURCES:**

- (1) North Central Texas Council of Governments estimates
- (2) Dallas Central Appraisal District
- (3) Personal income is estimated by the U.S. Census Bureau 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	2013			2004		
		Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation
DCO Realty Inc	Apartments	\$ 206,092,200	1	6.57%			
FPG Colonnade LP	Land, Office Buildings	186,204,000	2	5.94%			
Post Properties Inc	Mixed Development	141,335,800	3	4.51%	110,042,830	1	4.08%
Real Pink Limited	Office Buildings	68,295,710	4	2.18%			
COP Spectrum Center LLC	Office Buildings	59,100,000	5	1.89%	39,321,560	8	1.46%
SIR Properties Trust	Land, Office Buildings	58,200,000	6	1.86%			
KBS Millennium 1	Land, Office Buildings	54,910,500	7	1.75%			
MHSS-Addison LP	Land, Office Buildings	51,636,170	8	1.65%			
Behringer Harvard Addison Cir	Office Buildings	51,473,950	9	1.64%			
Fairfield Addison Circle SPE L	Land, Office Buildings	47,610,000	10	1.52%			
EOP Colonnade of Dallas	Land, Office Buildings				108,692,190	2	4.03%
Crescent Real Estate	Land, Office Buildings				66,072,650	3	2.45%
MBNA Texas Properties	Land, Office Buildings				65,113,140	4	2.41%
Richmond Properties	Land, Office Buildings				52,505,200	5	1.95%
Millennium Park Ph1 LP	Land, Office Buildings				40,863,700	6	1.52%
ATV Partners LTD	Shopping Center				40,500,000	7	1.50%
FSP Addison Cir LTD Ph 1 LP	Office Buildings				34,722,590	9	1.29%
HMC Acquisition/Marriott dba MaryKay Inc	land, Hotel				31,693,000	10	1.18%
		<u>\$ 924,858,330</u>		<u>29.51%</u>	<u>\$ 589,526,860</u>		<u>21.87%</u>

SOURCE: Dallas Central Appraisal District

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

Company	Type of Business	2013		2004	
		Estimated Number of Employees	Percent of Total Employees	Estimated Number of Employees	Percent of Total Employees
Bank of America	Finance	3,400	4.86%	N/A*	N/A*
Mary Kay Cosmetics Inc.	Cosmetics	1,200	1.71%	1,000	1.43%
Homeward Residential	Mortgage	600	0.86%	N/A*	N/A*
Rexel	Industrial Electrical Supplies	500	0.71%	N/A*	N/A*
National Default Exchange Management	Mortgage	500	0.71%	N/A*	N/A*
Intercontinental	hotel	450	0.64%	498	0.71%
Hitachi Consulting	IT Consulting	400	0.57%	N/A*	N/A*
United Surgical Partners International	Medical	379	0.54%	N/A*	N/A*
USAA	Insurance	374	0.53%	N/A*	N/A*
Hilton Worldwide, Incorporated	Hospitality	319	0.46%	N/A*	N/A*
Zurich	Business Insurance	300	0.43%	N/A*	N/A*
Concentra	Medical	300	0.43%	200	0.29%
Glazer's Family of Companies	Spirits	280	0.40%	175	0.25%
Encore Payment System	Credit Card Processor	280	0.40%	N/A*	N/A*

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

Notes:

\* Not available.

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Government</b>										
City Manager's Office	10.0	10.0	10.0	8.5	8.5	8.5	8.5	8.0	7.5	6.0
Financial and Strategic Services	12.0	12.0	11.0	10.0	10.0	10.0	9.0	8.0	8.0	8.0
Municipal Court	4.7	4.7	4.7	4.7	4.7	5.7	5.7	5.4	5.4	5.4
General Services	9.0	9.0	9.0	9.0	10.0	10.0	10.0	9.0	8.0	5.0
Human Resources	4.3	4.7	4.7	4.7	4.7	5.2	5.2	4.2	5.2	4.2
Information Technology	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0
<b>Total General Government</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>40.6</b>	<b>40.1</b>	<b>35.6</b>
<b>Public Safety</b>										
Police	84.8	83.8	81.8	68.3	69.3	70.3	73.3	72.3	73.8	73.8
Emergency Communications	-	-	-	12.5	12.5	13.5	13.5	13.5	13.5	13.5
Fire	55.0	55.0	55.0	55.0	55.0	55.0	54.0	53.0	52.0	52.0
<b>Total Public Safety</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>138.8</b>	<b>139.3</b>	<b>139.3</b>
<b>Development Services</b>										
Development Services	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.2	7.2
<b>Economic Development</b>										
Economic Development	-	-	-	-	-	-	-	-	1.0	2.0
<b>Public Works</b>										
Streets	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	5.0	5.0
Utilities	18.0	18.0	18.0	17.0	17.0	18.0	17.0	17.0	16.0	18.0
<b>Total Public Works</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>24.0</b>	<b>21.0</b>	<b>23.0</b>
<b>Parks and Recreation</b>										
Parks	20.0	20.0	20.0	20.0	20.0	21.0	20.0	20.0	20.0	21.0
Recreation	17.9	17.9	17.2	15.2	15.6	15.6	15.6	15.6	14.6	14.6
<b>Total Parks and Recreation</b>	<b>37.9</b>	<b>37.9</b>	<b>37.2</b>	<b>35.2</b>	<b>35.6</b>	<b>36.6</b>	<b>35.6</b>	<b>35.6</b>	<b>34.6</b>	<b>35.6</b>
<b>Visitor Services</b>										
Visitor Services	3.0	3.0	3.0	2.5	2.5	2.5	2.5	3.0	3.0	3.0
Conference Centre	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	8.0	7.0
Special Events	3.0	3.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.5
Marketing	1.0	-	-	-	-	-	-	-	1.0	1.0
Performing Arts	-	-	-	-	-	-	-	-	-	-
<b>Total Visitor Services</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>13.5</b>	<b>15.0</b>	<b>14.5</b>
<b>Airport Fund</b>										
Airport Fund	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
<b>Other</b>										
Public Safety Fund	-	-	-	-	-	-	-	-	-	-
Street Capital Project Fund	-	-	-	-	-	-	-	-	-	-
2002 Capital Project Fund	-	-	-	-	-	-	-	-	-	-
<b>Total Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>270.2</b>	<b>268.6</b>	<b>265.9</b>	<b>260.9</b>	<b>263.3</b>	<b>268.8</b>	<b>267.8</b>	<b>261.5</b>	<b>261.2</b>	<b>260.2</b>

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

**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Crimes Against Property	1,169	984	1,217	1,094	954	1,100	968	1,056	933	942
Crimes Against Persons	379	340	387	397	390	452	381	388	435	393
Arrests	2,270	2,289	2,071	2,227	2,844	3,220	2,775	2,876	2,924	2,548
Calls for Service	18,288	17,504	19,414	19,320	17,365	16,109	15,453	17,989	17,390	16,463
<b>Fire</b>										
Number of Fires	50	55	74	39	38	50	44	51	45	61
Dollar Loss	584,000	623,175	379,541	283,000	234,375	396,100	2,212,000	3,027,173	2,484,545	1,166,345
Calls for Service - Fire	1,133	1,119	1,037	968	1,033	893	834	866	837	896
Calls for Service - EMS	1,493	1,561	1,477	1,588	1,507	1,422	1,518	1,463	1,676	1,696
<b>Streets</b>										
Tons of Recycling Collected	328	360	365	357	354	343	328	330	334	360
<b>Parks</b>										
Acres Maintained	142	151	150	138	137	138	139	163	163	163
<b>Recreation</b>										
Recreation Event Participants	12,549	12,605	12,720	13,371	13,002	13,184	14,947	14,874	22,496	22,632
Number of Users	125,590	126,903	129,090	128,293	126,214	126,123	125,339	123,794	131,730	128,722
Active Athletic Club Members	3,426	3,506	3,757	3,595	3,395	3,222	3,300	3,428	3,637	3,669
<b>Utilities</b>										
Water Usage - Peak <sup>(2)</sup>	8,845	9,652	9,900	8,000	8,421	8,748	8,895	9,402	8,871	8,979
Water Usage - Average <sup>(2)</sup>	5,246	5,091	6,023	5,150	4,847	4,627	4,334	5,014	5,021	4,829
Service Line Breaks	13	19	15	17	13	11	11	7	10	11
Water Main Breaks	4	6	3	7	7	1	1	1	2	5

**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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</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	41	41	41	41	41	41
Lane Miles	119	119	119	119	126	126	164	164	164	164
Traffic Signals	33	33	34	34	34	34	36	36	36	36
<u>Parks and Recreation</u> <sup>(1)</sup>										
Acres Maintained	142	151	149	149	136	138	139	163	163	163
Parks	13	15	15	16	12	13	13	15	15	15
Playgrounds	3	3	3	3	3	3	3	5	5	5
Soccer/Football Fields	1	1	1	1	0	0	0	1	1	1
Community Centers	2	2	2	2	1	1	1	1	1	1
<u>Water</u>										
Water Mains (Miles)	96	96	98	98	99	101	96	80	80	80
Fire Hydrants	1,030	1,030	1,040	1,150	1,175	1,200	1,013	1,052	1,052	1,038
<u>Wastewater</u>										
Miles of Sanitary Sewers	86	86	87	87	88	90	82	66	66	66
Miles of Storm Sewers	18.5	18.5	22	22	22	22	22	57	57	60

**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.



**Town of Addison**  
Department of Finance