



Popular Annual

Financial Report 2023

Town of Addison, Texas
Fiscal Year ended September 30, 2023

Addison Staff Organization Chart



David Gaines
City Manager



Passion
Hayes

Deputy City
Manager

Special Events

Parks &
Recreation

Airport

Police

Fire



Ashley
Shroyer

Deputy City
Manager

CMO / Special
Projects /
Volunteers

Marketing &
Tourism

Development
Services

Public Works &
Engineering

Economic
Development

City Secretary



Hamid
Khaleghipour

ED of Internal
Services

Information
Technology

General Services

Municipal
Court



Ashley
Wake

Dir. of Human
Resources



Steven
Glickman

Chief Financial
Officer

Table of Contents

Message From The Chief Financial Officer	1
Addison Way	2
City Council	2
Role	2
Vision	2
Key Focus Areas	2
Addison Fast Facts	3
Town Overview	4
Live, Work, Play	5
City Services	5
Addison Athletic Club	5
Education	5
Parks and Trails	5
Special Events	6
2022-2023 Highlights	7
Community	7
Culture	7
Cuisine	8
Corporate Investment	8
Financial Highlights	9
Changes in Net Position	9
Total Net Position	10
Capital, Lease, and Subscription Assets	10
Long-Term Debt Obligations	11
Governmental Fund Balance	11
General Fund Budgetary Highlights	12
Glossary of Key Finance Terms	12

Message From The Chief Financial Officer



Dear Citizens,

The Town of Addison is proud to present the Popular Annual Financial Report (PAFR) for the Fiscal Year ended September 30, 2023. Throughout the duration of the year, the Finance Department works on the budget, the audit, financial reporting, financial policies, financial forecasting, and financial management with the purpose:

“To provide responsive and accurate technical staff support to the City Manager and all operating departments and to plan, manage, and maintain the financial affairs of the City.”

The financial information contained within this report is taken from the financial statements that are a part of the Town of Addison’s 2023 Annual Comprehensive Financial Report (ACFR), which is prepared in accordance with the Generally Accepted Accounting Principles (GAAP) and is audited by an independent firm of certified public accountants, FORVIS, LLP of Dallas, TX. The ACFR contains additional detailed and extensive information, such as notes, statistical information, investments, and debt service obligations.

The purpose of the PAFR is to convey the information presented in the ACFR in a more easily comprehensible format. The PAFR is intended to provide an overview of the Town’s audited financial position, local taxing information, and economic climate. The PAFR represents another indication of the Town of Addison’s commitment to financial transparency and accountability.

If you should have any questions or concerns, please do not hesitate to contact the Town of Addison Finance Department at 972-450-7051, or by email at sglickman@addisontx.gov.

Thank you for your time,

A handwritten signature in black ink, appearing to read "St Glickman".

Steven Glickman, CPA
Chief Financial Officer
5350 Belt Line Rd
Dallas, TX 75254

Addison Way

The “Addison Way” is a philosophy that serves as the cornerstone of Addison’s service delivery model to our stakeholders. The heart of the “Addison Way” is to:

- » Be service-minded and kind.
- » Exceed expectations.
- » Be solution driven.
- » Value employees as partners.

The staff searches out all options to try and meet expectations during each customer service interaction.

City Council



Role

The role of the Council is to develop a long-term vision for the Town, to develop policies necessary to achieve the vision, and to communicate with, and seek input from, stakeholders. The Council meets on the second and fourth Tuesday of every month and the agenda is posted on the Town’s website (www.addisontexas.net) three days prior.



Vision Statement

The following Vision Statement was created by the City Council to define its primary long-term goals:

The Town of Addison is the benchmark for a diverse, vibrant, innovative, and connected community. Along with our services delivered the Addison Way, our unique places and experiences enhance the quality of life of our residents, businesses, workers, and visitors and makes Addison the place to live, work, and visit.

Key Focus Areas

Each year, the City Council identifies Key Focus Areas and Strategic Objectives that are used to guide the organization’s efforts to develop the Town’s annual budget and propose the allocation of resources. The Council’s current Key Focus Areas are:

- » Public Safety
- » Economic Development and Revitalization
- » Mobility and Connectivity
- » Infrastructure Development and Maintenance
- » Financial Health and Organizational Excellence
- » Community Engagement
- » Vibrant Active Community



2023 Addison Fast Facts



POPULATION
17,721

TAXABLE VALUE
\$6,119,151,951



MEDIAN HOUSEHOLD
INCOME
\$78,153



POPULATION PER
SQUARE MILE
4,045.9

MEDIAN AGE

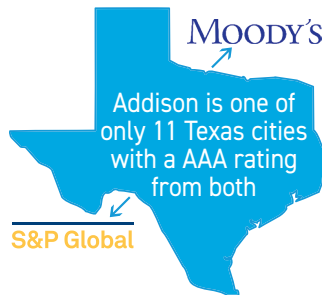
33.2

HAVING THE HIGHEST
POSSIBLE BOND
RATINGS ENSURES THE
LOWEST POSSIBLE
COST OF BORROWING.

AIRCRAFT BASED
AT ADDISON AIRPORT



600



1,293

SINGLE-FAMILY
RESIDENCES



4.38

SQUARE MILES

EDUCATION LEVEL

(Persons with a Bachelor's
Degree, Age 25 and above)



58.1%

OWNER-OCCUPIED
HOUSING UNIT
RATE

17.3%

Town Overview

The Town of Addison is located in an area once called Peters Colony. It was settled as early as 1846 when Preston Witt built a house on White Rock Creek. The area was not known as Addison until 1902. Addison was named after Addison Robertson, who served as the community's second postmaster from 1908-1916. In 1902, the first industry was introduced to Addison when a cotton gin was built on Addison Road, near the railroad, by the Pistole brothers.

The City of Addison was incorporated on June 15, 1953, under an aldermanic form of government and was changed to the "Town of Addison" in 1982. Addison's first Mayor was M.W. Morris and the aldermen were Guy Dennis, Robert W. Wood, J.E. Julian, Jr., Dr. H.T. Nesbit, and Seldon Knowles.

In 1975, an election to allow liquor by the drink served in town was a major contributor to the expansion of businesses and restaurants. All combined, Addison's restaurants and eating establishments can seat over 20,000 patrons at one time.

The area, which developed rapidly over the past five decades, is home to affluent neighborhoods, hundreds of million-dollar companies, and scores of quality restaurants. Because of Addison's overwhelmingly commercial atmosphere, residents of Addison enjoy a unique lifestyle not common in other suburbs. Though Addison has only 16,661 residents, the Town has developed into a cosmopolitan center which serves well over 125,000 business persons, shoppers, and visitors daily.

The area commands a central location in proximity to downtown Dallas, DFW International Airport, the Richardson telecommunications corridor, and the Plano Legacy corporate campus area. Addison places a special emphasis on quality of life that demands all development meet the most rigorous building requirements. For example, all commercial development must submit landscaping plans to ensure attractive green areas accompany buildings. The attention to aesthetics extends to all of Addison's major boulevards, which are also landscaped. This approach has made Addison a cosmopolitan "downtown uptown" distinguished from almost any other urban area in the nation.

Addison's reputation for maintaining a high quality of urban life has attracted considerable development over the past few years. Addison is home to nearly 12 million square feet of quality office and warehouse space. Addison also boasts 22 hotels with over 3,600 rooms and over 200 restaurants (an average of 46 restaurants per square mile). Developments such as Addison Circle and Vitruvian Park have not only become a desired location to live but a focal point for some of North Texas' major events such as nationally recognized Addison Kaboom Town!, Oktoberfest, and Taste Addison.

Award-Winning Reporting

Certificate of Achievement for Excellence in Financial Reporting

The Town has earned the Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR) from the Government Finance Officers Association for the forty-seventh consecutive year. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The ACFR is compiled by the finance department and audited by an independent firm of certified public accountants. The purpose of the ACFR is to give a detailed overview of the Town's financial status, including various funds, investments, and debt service obligations.

Award for Achievement in Popular Annual Financial Reporting

The Town has earned the Award for Achievement in Popular Annual Financial Reporting for the Popular Annual Financial Report (PAFR) from the Government Finance Officers Association for the third consecutive year. The PAFR is compiled by both the marketing and finance departments. The PAFR takes information from the ACFR and adds other valuable information about the Town. It is designed to be easily understandable to readers who have no background in public finance.

Distinguished Budget Presentation Award

The Town has earned the Distinguished Budget Presentation Award from the Government Finance Officers Association for the thirty-sixth consecutive year. It reflects the commitment of the Town's staff to meet the highest principles of governmental budgeting and the award represents a significant achievement. The budget presents the plan for accomplishing the Town's goals and objectives during the fiscal year. Preparation of this document requires a comparison of the anticipated revenues with adopted programs and priorities that are based on City Council's priorities, service demands, and prior year project commitments.

Transparency Stars

The Town has earned all five Transparency Stars from the Texas Comptroller of Public Accounts. The Transparency Stars program recognizes local governments for going above and beyond in their transparency efforts. The program recognizes government entities that open their books and provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data, and other relevant information. The five Transparency Stars include traditional finances, contracts and procurement, economic development, public pensions, and debt obligations.

Live, Work, Play

City Services

Addison employs 287 full time and 10 part-time employees, including 59 in the fire department and 71 in the police department. The community is served by two fire stations and participates in a regional public dispatch collaboration with Farmers Branch, Carrollton, and Coppell. Trash is collected twice weekly (recycling once a week) and bulk trash is collected upon request.



Addison Athletic Club

Touted as the favorite amenity in Town by many residents and promoted as a selling feature by local real estate agents, the Addison Athletic Club provides not only state-of-the-art workout facilities, but also serves as a community center for many of Addison's seniors. Since opening its doors in 1987, the cost to join has remained the same: a \$10 one-time fee.



Education

Addison is home to two of the best private schools in North Texas – Greenhill School and Trinity Christian Academy – and centrally located within 10 miles of more than a dozen other impressive options. These schools offer rigorous academic programs, extensive extracurricular activities, and state-of-the-art facilities, attracting families seeking top-tier education.

Addison does not have its own public school district, but its community is served by Dallas ISD and Carrollton/Farmers Branch ISD. Where you reside in town determines your school district, but both districts allow flexibility in specific school choice. *U.S. News and World Report* recently ranked three DISD high schools among the top 25 in America. CFBISD Academies offer high school students a unique opportunity to explore potential careers in engineering, hospitality, and architecture, just to name a few. They can even earn an associate degree at the Early College High School.

Parks and Trails

With 113 acres of lush green space, abundant recreation opportunities, and miles of walking trails, Addison's Parks and Recreation facilities are the perfect way to get out and play. Whether you are looking for a wide open park like Addison Circle or a quiet neighborhood spot like Celestial Park, Addison has just what you need to enjoy the great outdoors. Find a map of trails, parks and public art on the Town's website (www.addisontexas.net).



Special Events

Addison hosts a number of special events throughout the year that appeal to residents and visitors alike. They also partner with UDR, Inc., the developer of the Vitruvian community, to host a series of events at Vitruvian Park throughout the year including Vitruvian Lights, one of the most acclaimed holiday lights displays in North Texas.



Taste Addison – May 31-June 2
(www.TasteAddisonTexas.com)

This iconic, best-in-DFW festival dates back to 1993 and features national music artists, top-notch Addison eateries, wine and spirits tastings, special performances, and activities for the whole family.



Addison Kaboom Town! – July 3
(www.AddisonKaboomTown.com)

This dazzling, nationally ranked fireworks show takes to the skies over Addison on July 3. You can catch the Addison Airport airshow and the fireworks extravaganza (choreographed to music and simulcast on STAR 102.1) from almost anywhere in Addison.



Addison Oktoberfest – September 19-22
(www.AddisonOktoberfest.com)

The third weekend of September, experience Addison Oktoberfest, an authentic German Oktoberfest with a purely Texan twist. For more than 35 years, people have donned dirndls and lederhosen (or have just come as they are) for four days of revelry in German culture, food, music and beer.



Vitruvian Lights – Mid-November through January 1
www.udr.com/vitruvian-park/vitruvian-park-events

The most dazzling and spectacular time of the year is when Vitruvian Park transforms into a magical holiday wonderland during Vitruvian Lights. Walk or drive through the park and enjoy the 1.5 million sparkling LED lights that are wrapped around 555 trees during North Texas' largest free holiday light display.

Fiscal Year 2023 Highlights

FY23 Highlights (Oct. 1, 2022 – Sept. 30, 2023)

Addison's commitment to exceptional service and community vitality shines in the highlights of Fiscal Year 2023. With the approval and unveiling of captivating public art sculptures, the emergence of new restaurants, and significant corporate investments in the city's future, Addison continued to embody the Addison Way—a standard of service rooted in service, culture, and community.



Community

The community welcomed a new city manager, David Gaines, in January 2023. One of his first initiatives was to take the Addison Way a step further by redefining the organization's values to encourage employees to be BRAVE with their service delivery:

- ACCOUNTABILITY
- RESPONSIVENESS
- INNOVATION
- SERVICE
- INTEGRITY



The Fiscal Year kicked off with a ribbon-cutting for the newly renovated Athletic Club. The improvements included completely remodeled locker rooms, pool and hot tub updates, gym and track improvements, new furniture and flooring, and more. Just as it was when it opened in 1987, the membership fee is only \$10. Learn more at <https://addisontexas.net/parksrec/athletic-club>.

Culture

Addison is home to more public art per capita than any other city in the country. From whimsical installations adorning public spaces to thought-provoking works that spark conversations, each sculpture serves as a testament to the city's dedication to fostering creativity and enriching the lives of the people who live, work, and play in Addison. In FY23, the Addison Arbor Foundation (AAF) installed Akido, its 20th public art installation, in front of Galaxy FBO on Addison Road. They also added the Three Tenors and Mediation to Addison Circle Park and received Council approval for an aquatic themed sculpture for Vitruvian Park and a series Kinetic Bike sculptures along the Silver Line Hike and Bike Trail. Art around Addison takes all forms, including murals. Council also approved a new tiger mural for the side of a new restaurant called Loro near Belt Line Road and Montfort Drive.



The Addison Art program returned to the Addison Conference Centre in FY23 with six-week long shows featuring a variety of mediums by local artists. The art can be enjoyed whenever there are public meetings at the Conference Centre, which is where the Council Meetings are held.

Cuisine

In addition to its thriving arts scene, another of Addison's claims to fame is that, with more than 200 restaurants in 4.4 square miles, it is home to more restaurants per capita than any other city. In FY23, Addison further solidified its reputation as a dining destination of choice with the addition of Loro, Asian Mint, Jeremiah's Italian Ice, Toasted Yolk, and Soulful Street Bites, to name a few. Council also approved plans for new popular chains Hawkers and Nando's to join the ranks.

Corporate Investment

FY23 saw a surge in corporate investment in new developments and relocations, signaling confidence in Addison's economic vitality and growth potential. Firehawk Aerospace and Titan Logistics were just a couple of the diverse businesses who relocated their corporate headquarters to Addison. Buff City Soap opened a Support Center, along with a new store, bringing in 100 employees to town. Addison Airport welcomed Galaxy FBO, the third FBO at the airport. FIFA World Cup Trophy Tour by Coca-Cola was one of the first customers to visit Galaxy, which was one of only three stops in the United States. Frost Bank and the owners of Village on the Parkway received the green light to move forward with construction of new office buildings on either end of Town, and Trammel Crow was approved for a new mix-use development on Belt Line Road.

In addition to celebrating new businesses, there was also an opportunity to commemorate some of Addison's long-standing



businesses. Mary Kay marked its 60th anniversary by reopening the renovated Mary Kay Museum and Chamberlain's Steakhouse celebrated its 30th anniversary.

From the expansion of existing businesses to the establishment of new corporate headquarters, these investments energized the city's commercial landscape and provided opportunities for job creation and economic prosperity.

As Addison looks towards the future, the events of FY23 serve as a testament to the city's unwavering commitment to the Addison Way—a commitment to excellence, community, and service that continues to shape its identity and propel its evolution. With each public art sculpture, new restaurant opening, and corporate investment, Addison reaffirms its dedication to enriching the lives of its residents and visitors, creating a vibrant community that thrives on hospitality and unity.



Financial Highlights

The Town, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 currently maintains fifteen individual funds, including four major funds: the General Fund, General Obligation Debt Service Fund, Capital Projects Fund, and the Hotel Fund. More information can be found in the Annual Comprehensive Financial Report (ACFR) on the Town's website at www.addisontexas.net.

Changes in Net Position

The Statement of Net Position presents information on all the Town's assets, liabilities, and deferred inflows/outflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. In total, the Town's **total net position increased \$9,095,053**, which shows the Town is financially thriving and exceeding budget targets.

2023 Revenues

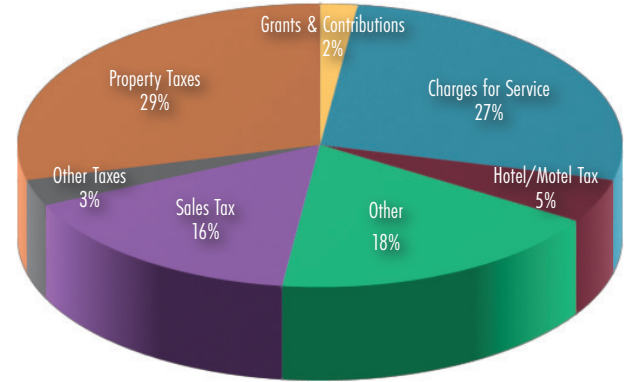
Charges For Services	\$	30,371,637
Grants & Contributions		2,154,653
Property Taxes		33,454,168
Sales Taxes		18,286,374
Other Taxes		2,157,699
Hotel/Motel Taxes		5,445,315
Other		20,378,738
Total 2023 Revenues	\$	<u>112,248,584</u>

2023 Expenses

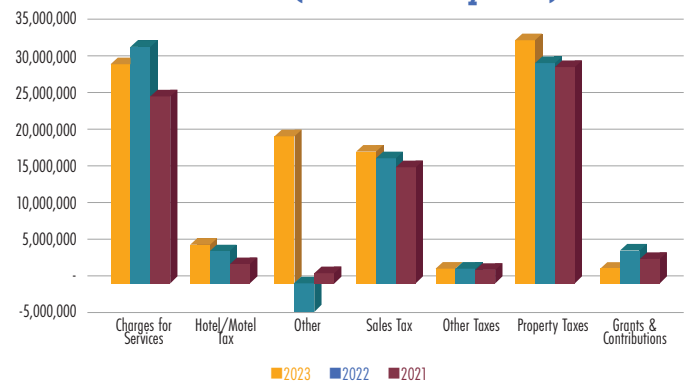
General Government	\$	13,791,308
Public Safety		30,645,228
Development Services		4,536,840
Streets		8,555,527
Parks and Recreation		8,851,065
Vistor Services		6,543,984
Interest on Long-Term Debt		2,705,036
Airport		8,696,459
Utilities		17,167,507
Stormwater		1,660,577
Total 2023 Expenses	\$	<u>103,153,531</u>

2023 Change in Net Position **\$** **9,095,053**

Fiscal Year 2023 Revenue



Revenues (Last three years)

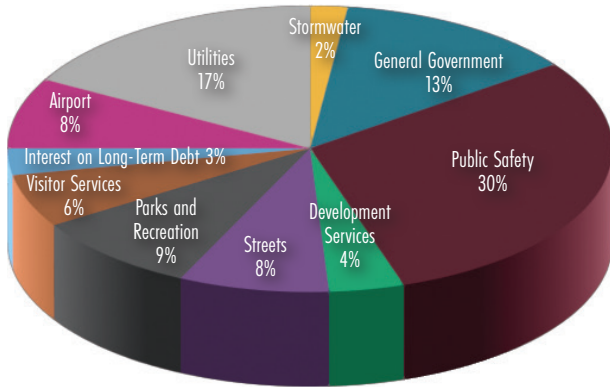


Revenue increased **\$24,680,093** from fiscal year 2022 and can be attributed to increases in **Other \$24,379,205**, **Hotel/Motel Tax \$899,671**, **Sales Tax \$877,161**, **Other Taxes \$41,203**, and **Property Taxes \$3,010,351**. Other revenue for the fiscal year 2023 includes Net Investment Income/(Loss) \$7,026,588, Gain on Disposition of Debt \$219,680, Public-Private Partnership Revenues \$12,578,484, and Miscellaneous Revenue \$553,986. The increases in other revenues resulted mainly from the following: the first-time recognition of public-private partnerships revenues of \$12,578,484 due to the implementation of GASB Statement No. 94; net investment income/(loss) swung from a net loss of (\$4,701,793) in fiscal year 2022 to net income of \$7,026,588 in fiscal year 2023 as older securities that were affected by the actions of the Federal Open Market Committee in 2022 matured. The increases in hotel/motel tax, sales tax, and other taxes stemmed from continued economic recovery from the Coronavirus pandemic. The increase in property tax was due to an increase in property market values. The increases were partially offset by decreases in **Charges for Services (\$2,160,719)**, **Operating Grants and Contributions (\$1,991,981)**, and **Capital Grants and Contributions (\$374,798)**, respectively. The decrease in charges for services is attributed to revenue in fiscal year 2022 from joint projects with outside entities that did not continue in fiscal year 2023, while the decrease in grants and contributions was predominantly due to funds received in fiscal year 2022 from the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) that did not repeat in 2023.

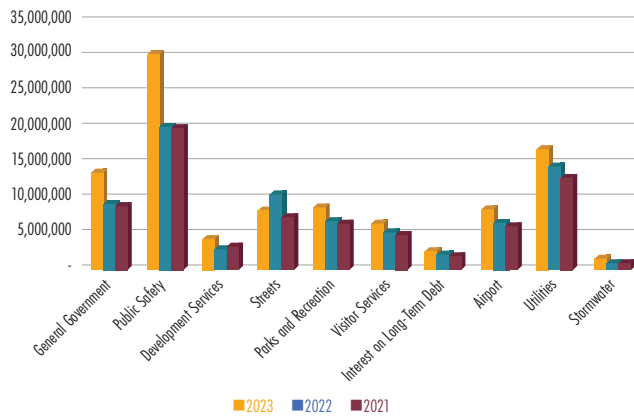
Expenses increased **\$22,501,994** from fiscal year 2022 and

can be attributed to increases in expenses associated with **General Government \$4,374,856, Public Safety \$10,313,529, Development Services \$1,475,325, Parks and Recreation \$1,827,394, Visitor Services \$1,147,372, Airport \$1,938,044, Utilities \$2,413,518, Stormwater \$599,975, and Interest on Long-Term Debt \$525,817**, offset by decreases in Streets (\$2,113,836). The main driver of the overall expense increase was due to the Town adopting a repeating Cost of Living Adjustment (COLA) in fiscal year 2023, which increased the Town's pension expense.

Fiscal Year 2023 Expenses



Expenses (Last three years)

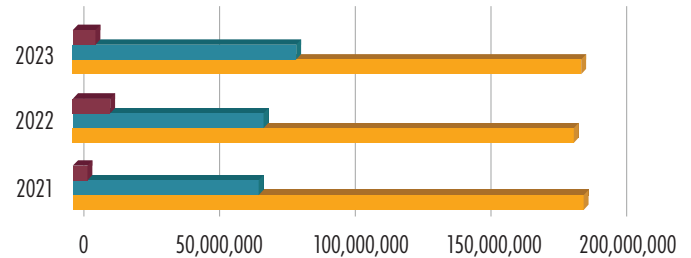


Total Net Position

The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources by **\$274,345,981**, which is the Town's **net position**. The increase from the previous year's net position of \$265,250,928 indicates the financial position of the Town has improved. The largest portion of the Town's net position, **\$186,306,693** or **67.91%**, is in **capital, lease, and subscription assets** (land, intangible assets, buildings, leased buildings, infrastructure, equipment, leased equipment, subscription assets, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens;

consequently, these assets are not available for future spending. Although the Town reports its capital, lease, and subscription assets net of related debt, the resources needed to repay this debt must be provided from other sources since the capital, lease, and subscription assets themselves cannot be used to liquidate these liabilities. A portion of the Town's net position is **restricted resources** of **\$7,241,743** or **2.64%**, which are subject to external restrictions on how they may be used. The remaining balance of **unrestricted net position, \$80,797,545** or **29.45%**, may be used to meet the government's ongoing obligations to citizens and creditors.

Net Position by Classification (last three years)



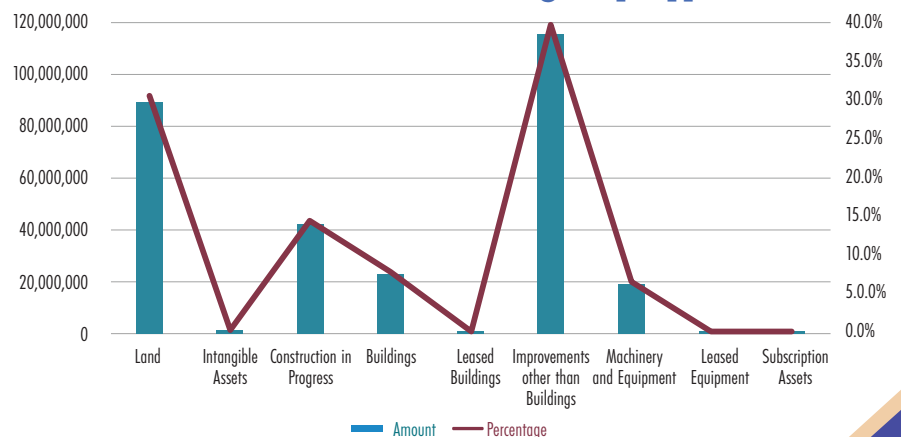
	2021	2022	2023
Restricted	4,118,234	12,757,611	7,241,743
Unrestricted	67,205,534	69,067,457	80,797,545
Investment in Capital Assets	187,010,206	183,425,860	186,306,693

■ Restricted ■ Unrestricted ■ Investment in Capital Assets

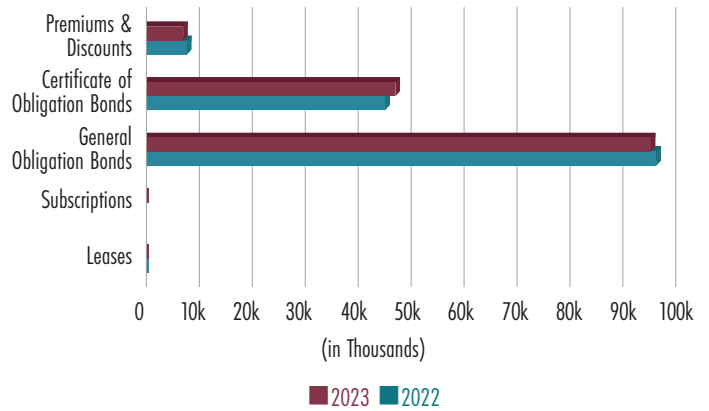
Capital, Lease, and Subscription Assets

The Town's governmental and business-type activities capital and lease assets at the end of fiscal year 2023 amount to \$291,242,532 (net of accumulated depreciation/amortization). Capital, lease, and subscription assets include land, intangible assets, construction in progress, buildings, leased buildings, improvements other than buildings, machinery and equipment, leased equipment, and subscription assets. The total increase in the Town's capital, lease, and subscription assets for the current year was 3.83%.

Capital, Lease, and Subscription Assets – Amount and Percentage by Type



Debt Information by Type (Last two years)



During fiscal year 2023, the Town issued \$4,865,000 of General Obligation Bonds (improving portions of Quorum Drive and Montfort Drive) and \$4,355,000 of Certificate of Obligation bonds (street improvements and Airport improvements).

Governmental Fund Balance

The focus of the Town's governmental funds are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of fiscal year 2023, the Town's governmental funds reported a combined fund balance of \$85,624,203, a decrease of \$2,263,117, or 2.6%, which is mainly due to the spending of prior year bond proceeds on capital projects during 2023.

The General Fund is the chief operating fund of the Town. As of the end of the current fiscal year, the total unassigned fund balance was \$20,023,732. Current expenditures had savings of \$858,466, which allowed monies to be transferred to the Capital Project Fund for self-financing of capital projects. The total fund balance increased from \$20,515,381 at September 30, 2022, to \$20,682,959 at September 30, 2023. This slight increase is due to strategic transfers of operating savings and excess revenue to the Capital Project Fund for planned one-time projects, ensuring fund balance did not decline.

The Hotel Fund balance of \$5,330,207, all of which is restricted for the promotion of tourism and the hotel industry, represents an increase from the prior year of \$688,907. This increase was due to increased hotel tax revenues as the hotel industry is recovering from the effects of the Coronavirus pandemic in 2020.

The Capital Project Fund provides information on both bond and cash financed capital projects and had an ending fund balance of \$55,776,929 at September 30, 2023, a decrease of \$3,714,865. Revenues and other financing sources totaled \$15,170,557, which included \$339,644 in property tax revenue, \$204,200 grant

Major capital, lease, and subscription asset activities during fiscal year 2023 included the following:

Governmental-type

Midway Road Reconstruction	\$ 10,325,958
Bella Lane Extension	1,387,254
Town Facility Renovations, 2019 Bond Proposition D	1,390,813
Completion of Athletic Club Renovations, 2019 Bond Propositions C and D	5,270,018
Completion of License Plate Recognition System	1,328,605

Business-type

Rawhide Creek Basin	\$ 1,864,598
Bravo/Golf Taxiway Improvements	1,067,528
Completion of Kellway Lift Station Rehabilitation	1,274,229
Completion of Chloramine Booster Station	1,220,055

Long-Term Debt Obligations

The Town's primary government had total outstanding bonded, lease, and subscription debt at September 30, 2023 of \$150,321,172. Of this total, \$117,417,454 was associated with governmental activities, and \$32,903,718 was associated with business-type activities. The total gross bonded, lease, and subscription debt includes \$95,305,000 of General Obligation (G.O.) bonds backed by the full faith and credit of the Town; \$47,140,000 of Certificate of Obligation bonds backed by the full faith and credit of the Town; \$7,163,237 in net premiums and discounts from bond issuances; \$359,345 in leases; and \$353,589 in subscriptions.

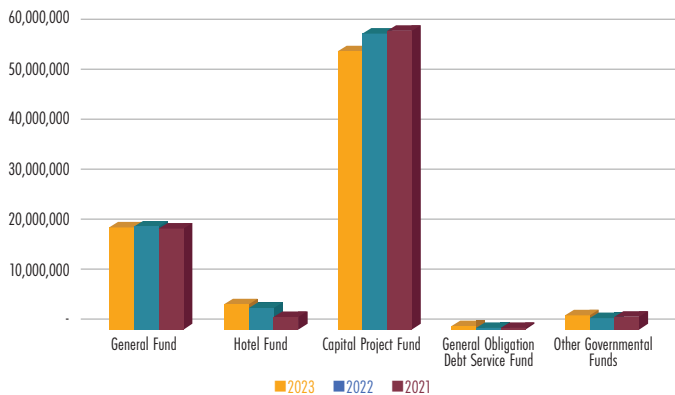


received for reimbursement of Fire Department expenditures, \$156,672 tree mitigation fees, \$496,500 reimbursements for costs on joint projects, \$3,759,536 net investment income/(loss), \$7,214,005 from debt issued and leases, and \$3,000,000 from the General Fund to cash finance projects. Total expenditures and other uses of \$18,885,422 consisted of \$13,317,892 for various street improvements and maintenance, \$90,571 for traffic and street signs and management as well as license plate readers, \$815,686 for park, trail, and streetscape improvements, \$290,808 for Proposition C & D improvements from the 2019 bond election at the Addison Athletic Club, and \$1,392,758 for Proposition D improvements and repairs at other Town facilities. The remaining expenditures consisted of debt issuance and lease payments and one-time projects or purchases approved in the annual budget process, such as \$500,000 funding of a trust for post-employment benefits and \$377,379 in building repairs.

The General Obligation Debt Service Fund had an ending fund balance of \$747,328, all of which is restricted for the payment of debt, represents an increase of \$95,211 from the prior year. This increase is mainly due to increases in transfers in from the business-type funds for coverage of their debt service.

The fund balance of non-major governmental funds increased by \$500,052 primarily due to an increase in the transfer into the Economic Development fund from the Hotel Fund.

Governmental Fund Balances (last three years)



General Fund Budgetary Highlights

During April and August each year, all department budgets are evaluated to determine whether they are in line with the original budgets. Departments that are anticipated to exceed the budget are revised to meet year-end final estimates. Departments that are under budget may be revised to allocate budget to other departments that are over budget. During the fiscal year ended September 30, 2023, the City Council amended the budget for the General Fund twice.

Budget adjustments made during fiscal year 2022-23 increased the original revenue budget by \$796,417 and increased the expenditure budget by the same amount. The General Fund's operational fund balance reserve slightly decreased to 42.95%, which far exceeds the Town's financial policy to maintain a 25% reserve of the fund's operating expenditures. In addition, the Town's fund balance reserve far exceeds the government industry best practice to have a 17% reserve, which further shows the financial stability of the Town.

Glossary of Key Finance Terms

Deferred Inflows of Resources

These represent acquisitions of net assets by the government that are applicable to a future reporting period.

Deferred Outflows of Resources

These represent a consumption of net assets by the government that is applicable to a future reporting period.

Depreciation

Depreciation expense is the portion of a capital asset that has been consumed in the current period and is charged to expense.

Amortization

Amortization expense is the portion of an intangible asset (such as a lease or subscription asset) that has been consumed in the current period and is charged to expense.

Governmental

Governmental funds rely partially on taxes to cover services provided to residents.

Business-type

Business-type funds for the Town include the Airport Fund, Utility Fund, and the Stormwater Fund. These funds operate like businesses in that they set customer fees at a rate that will cover expenses to provide their services.





P.O. Box 9010
Addison, TX 75001

IT ALL COMES
TOGETHER.

Local Postal Customer

PRSRT STD
ECRWSS
U.S. POSTAGE
PAID
PERMIT 58

IMPORTANT NUMBERS

Addison Town Hall
972.450.7000

Non-emergency Police Dispatch
972.450.7156

Missed Trash
972.392.9300, Option 2

Collection days are Monday (for
trash and recycling) and Thursday
(trash only) beginning at 7am.

Bulk Trash Request
972.450.2871 or
AddisonTexas.net/bulktrash

Athletic Club
972.450.7048

IMPORTANT WEBSITES

Town of Addison
AddisonTexas.net

Register for Emergency Alerts
AddisonAlert.com

Register Your Security Alarm
AddisonAlarmRegistration.com

Restaurants, Events and More
VisitAddison.com

Register for Weekly Newsletter
AddisonTexas.net/newsletter

ADDISON'S PEG CHANNELS

ATT Subscribers
Channel 99

Spectrum subscribers
Channel 16

Social Media

Facebook and Twitter
@townofaddison and
@visitaddison

Instagram
@townofaddison and
@visitaddison

AWARD-WINNING REPORTING



Certificate of Achievement for Excellence in Financial Reporting

The Town has earned the Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR) from the Government Finance Officers Association for the forty-seventh consecutive year. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The ACFR is compiled by the finance department and audited by an independent firm of certified public accountants. The purpose of the ACFR is to give a detailed overview of the Town's financial status, including various funds, investments, and debt service obligations.

Award for Achievement in Popular Annual Financial Reporting

The Town has earned the Award for Achievement in Popular Annual Financial Reporting for the Popular Annual Financial Report (PAFR) from the Government Finance Officers Association for the past three years. The PAFR is compiled by both the marketing and finance departments. The PAFR takes information from the ACFR and adds other valuable information about the Town. It is designed to be easily understandable to readers who have no background in public finance.

Distinguished Budget Presentation Award

The Town has earned the Distinguished Budget Presentation Award from the Government Finance Officers Association for the thirty-sixth consecutive year. It reflects the commitment of the Town's staff to meet the highest principles of governmental budgeting and the award represents a significant achievement. The budget presents the plan for accomplishing the Town's goals and objectives during the fiscal year. Preparation of this document requires a comparison of the anticipated revenues with adopted programs and priorities that are based on City Council's priorities, service demands, and prior year project commitments.

Transparency Stars

The Town has earned all five Transparency Stars from the Texas Comptroller of Public Accounts. The Transparency Stars program recognizes local governments for going above and beyond in their transparency efforts. The program recognizes government entities that open their books and provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data, and other relevant information. The five Transparency Stars include traditional finances, contracts and procurement, economic development, public pensions, and debt obligations.