

Department of Financial & Strategic Services
Quarterly Review

For the Period Ended September 30, 2012

*Town of Addison
September 2012*

Quarter Ended 9/30/12

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FY12 Budget Amendment Detail	Exhibit C
First Southwest Portfolio Report and Statement of Compliance	Attached

How to Read This Document

Welcome!

You are holding the internal Town of Addison quarterly review document for the period ending September 30, 2012. This document has been specially prepared to help you, the reader, learn of the year-to-date performance of major funds affecting the Addison community. Although you receive relevant figures of the Town's finances from these pages, the quarterly report has been designed to provide a brief overview for elected officials and Town staff only, with information pertaining to the production and performance of certain individual Town operations. The document is also designed as a communications device in which information is conveyed verbally and graphically.

Report Format

The document is divided into three major sections: Introduction, Financial and Attachments. The Introduction section contains the Memorandum to the City Manager, from the Chief Financial Officer, which explains the revenue/expenditure activity for the Town's four major funds (General, Hotel, Airport, Utility), as well as a report on the cash and investments for the period. This section also contains the executive dashboards, which are graphical slides used to organize and display key performance indicators in a format that is easy to read and interpret. The dashboards serve as a starting point from which the reader can get a sense of the big picture, or snapshot of the current status, before plowing deeper into data.

The Financial section displays the quantitative aspects of the Town's organization. Like many local governments, the Town uses the fund method of accounting. Simply stated, a fund is a unit of the Town which tracks the application of various public resources. For example, the Hotel Fund is established to track the use of hotel/motel occupancy tax. Most people are particularly interested in the General Fund which comprises most of the Town's operations like Police, Fire, and Parks. Financial statement summaries, including the adopted (amended) 2011-2012 budget, are presented for each fund. The statements show the fund's financial condition for the specific quarter, as well as the year-to-date totals and a comparison to prior fiscal year numbers. Also included in this section are additional collections related statements, which more fully illustrate various major tax revenue sources, cash receipts/disbursements information, and the Town's collateral summary. The section ends with a glossary of terms.

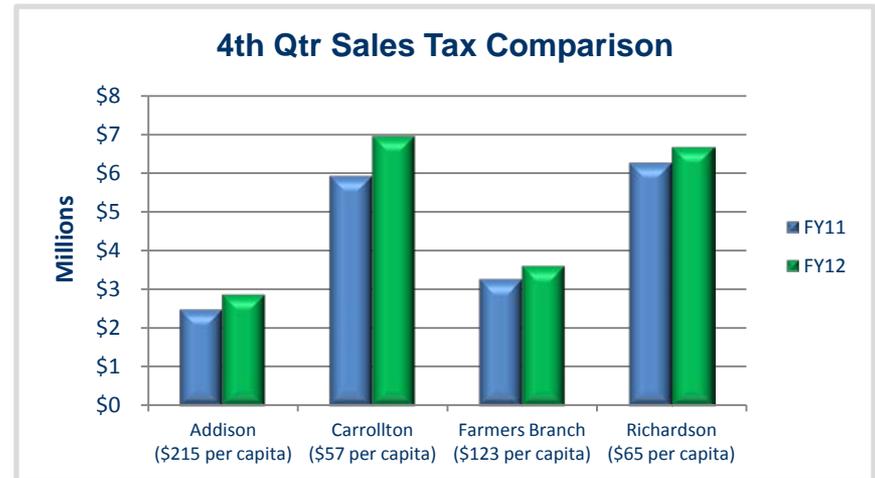
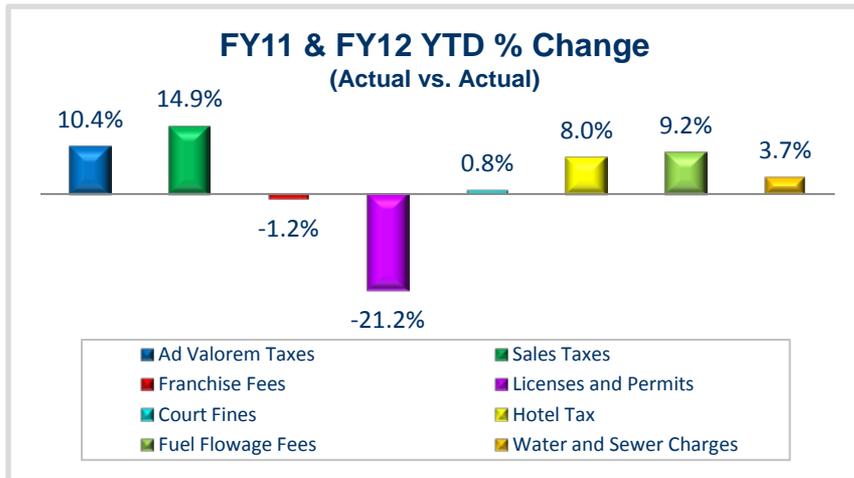
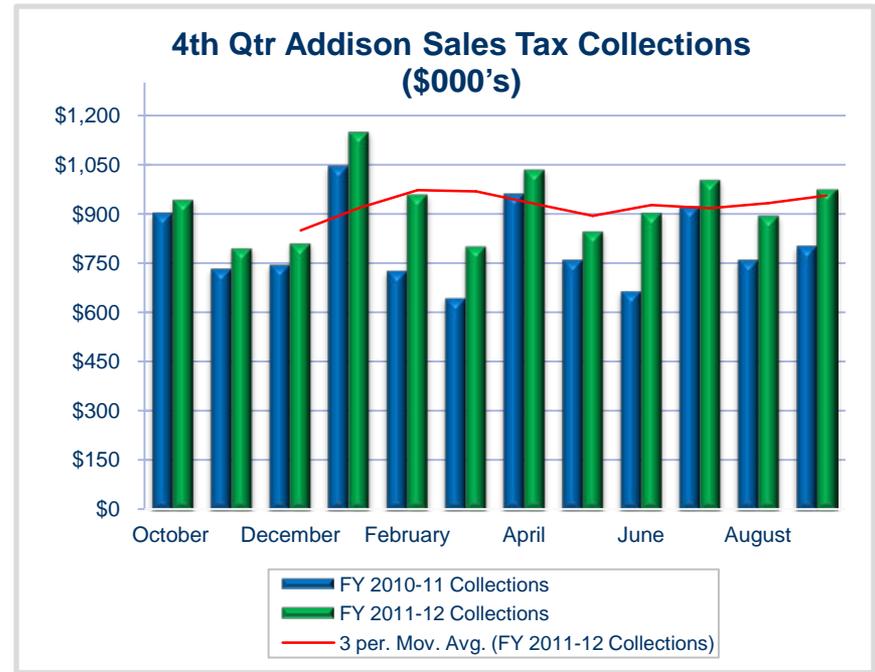
Finally, any relevant attachments are presented in a separate section towards the end of the document, and are used to more fully describe appropriate detail not included in the quarterly review. Currently, these attachments represent investment data from the Town's financial advisors, First Southwest Co., including the portfolio report and compliance statement for the same time period, as well as detail to any budget amendments for the year.

Executive Dashboard – 4th Quarter, 2012 Fiscal Year

Financial Indicators

Key Revenue Sources	FY12 Amended Budget	FY12 Actual*	Variance (Unfavorable)
Ad Valorem Taxes	\$17,352,100	\$17,471,785	\$119,685
Sales Taxes	\$10,955,340	\$11,089,866	\$134,526
Franchise Fees	\$2,647,000	\$2,727,370	\$80,370
Licenses and Permits	\$928,490	\$953,709	\$25,219
Court Fines	\$1,068,500	\$1,071,177	\$2,677
Hotel Tax	\$4,200,000	\$4,295,149	\$95,149
Fuel Flowage Fees	\$690,000	\$717,667	\$27,667
Water and Sewer Charges	\$10,844,700	\$11,033,655	\$188,955

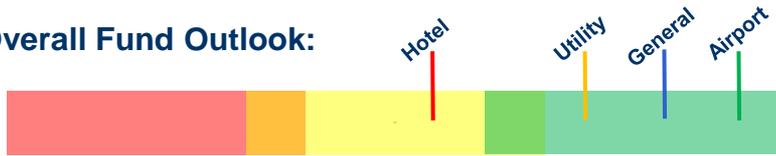
* Using "unaudited" data through September 30, 2012.



Executive Dashboard – 4th Quarter, 2012 Fiscal Year

Financial Indicators

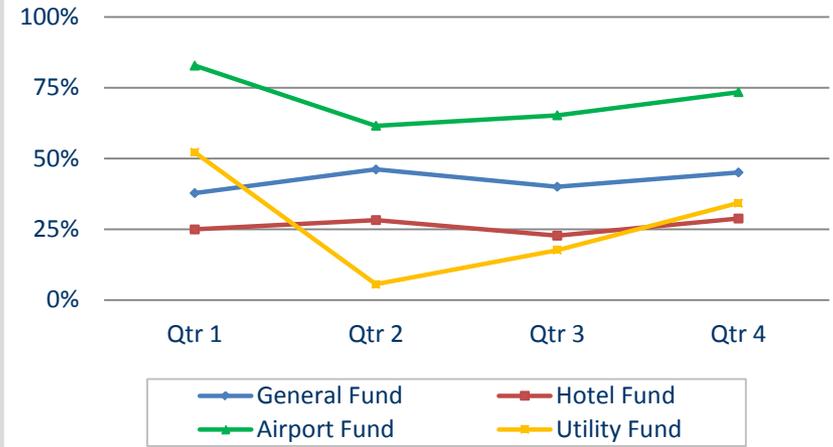
Overall Fund Outlook:



Key Expenditures	FY12 Budget	FY12 Actual*	Variance (Unfavorable)
General Fund	\$28,077,950	\$27,344,669	\$733,281
Hotel Fund	\$7,220,420	\$6,885,130	\$335,290
Economic Development	\$753,790	\$469,678	\$284,112
Airport Operations	\$3,590,930	\$2,843,337	\$747,593
Utility Dept.	\$2,751,750	\$2,505,833	\$245,917

* Using "unaudited" data through September 30, 2012.

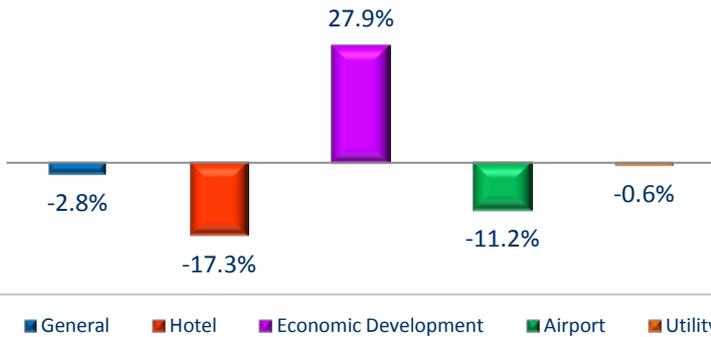
Ending Fund Balance - Four Major Funds



Q4 Budget Amendments:

Amendment	Amount	Fund
Please see <i>Exhibit C</i> in the Attachments section of this document.		

FY11 & FY12 YTD % Change (Actual vs. Actual)



Economic Development Incentives:

Executed Agreements	Amount Paid FY12	Total Incentives Committed	Notes
Five	\$75,000	\$241,000	Some obligations will be paid in FY13.

Executive Dashboard – 4th Quarter, 2012 Fiscal Year

Economic Indicators

Hotel Indicators:

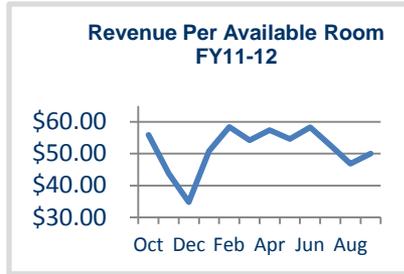
Hotel Occupancy



RevPAR



Source: STR Report



Occupancy Indicators:

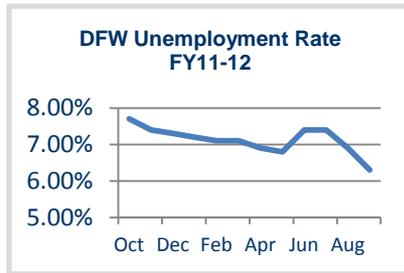
Office Occupancy



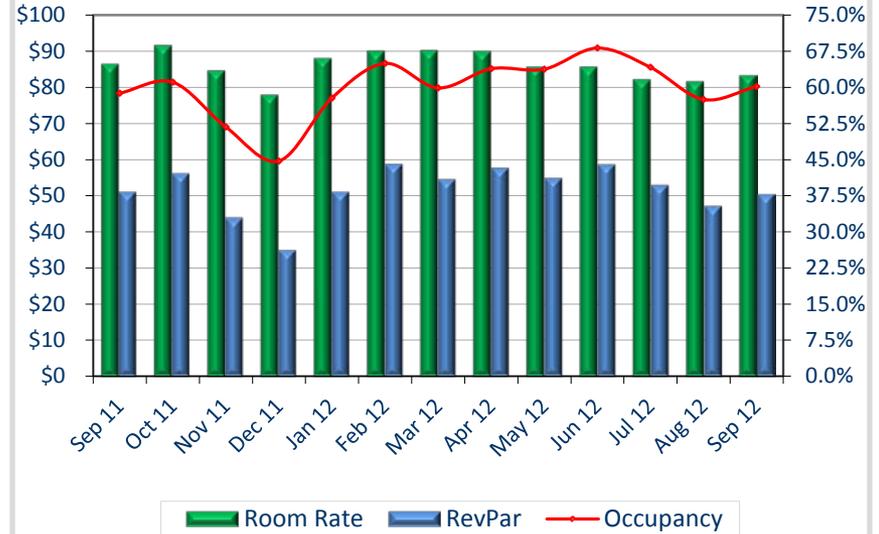
Retail Occupancy



Source: Xceligent



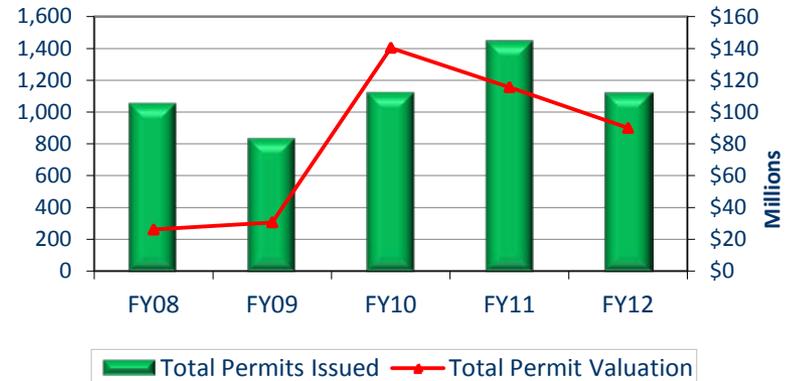
Addison Hotel Statistics



Quarterly Permit Activity



Total Permits Issued and Valuation





MEMO

To: Ron Whitehead, City Manager
From: Eric Cannon, CPA, Chief Financial Officer
Re: Fourth Quarter Financial Review
Date: November 21, 2012

GENERAL FUND

- For the year, revenues totaled \$29.3 million, which is \$1.7 million or 6.0% more than received this time last year. Property tax collections are slightly above budget as delinquent tax collections and penalties are higher than expected. Sales tax collections total \$11.1 million, a 14.9% increase over the previous year, indicating a continuing economic improvement. Licenses and permits collections for the quarter were \$156k, bringing the yearly total to \$954k or 2.7% above budget.
- Expenditures totaled \$27.3 million through September 30, 2012, which is 97.4% of budget and \$822k or 2.9% less than spent last year. Council Projects has spent 105.2% of budgeted amount due to expenditures incurred by the bond evaluation committee. Additionally, combined services experienced higher than budgeted expenses due to unexpected litigation.

HOTEL FUND

- For the year, revenues totaled \$6.7 million, an increase of \$792k from this time last year. Hotel occupancy tax (HOT) collections are continuing to improve, totaling \$4.3 million through September 30, 2012, or 8.0% greater than one year ago. Though most of the revenue in the Hotel Fund is represented by HOT collections, there was also \$1.7 million in proceeds from special events, a 20% increase over the prior year. The majority of the remaining \$740k is from Conference Centre and Visit Addison rental revenues, which are \$509k and \$182k, respectively. Only the interest and miscellaneous revenue came in significantly under budget at 66.6%, which can be attributed to a smaller amount of revenue in the fund being used to earn interest.
- Hotel fund expenditures of \$6.9 million are 95.2% of budget and \$1.4 million less than a year ago. FY2011 expenditures were higher due to construction costs associated with the Visitor Services offices and the Visit Addison facilities at Village on the Parkway.

AIRPORT FUND

- Operating revenue at the close of the fiscal year totaled \$4.4 million, a 3.5% increase from the previous year. For the year ending September 30, 2012 the fund experienced slight increases in all revenue categories, excluding operating grants which were 5.8% less than last year's receipts, and 91.1% of the budgeted amount.
- Operating expenses through September 30, 2012 amounted to \$2.8 million, with operation & maintenance expenditures of the Airport Operator only reaching 73.1% of the budgeted amount. As a result, net operating income¹ is \$1.5million, or approximately two times the amount projected for the year.

UTILITY FUND

- Operating revenue at the close of the fiscal year was recorded at \$11.1 million in operating revenues, a \$379k increase from the year before. The increased revenue is attributed to the new utility rate structure, as well as a slight reduction in our percentage of unbilled water compared to last year.
- Operating expenses totaled \$7.4 million, bringing net operating income¹ to \$3.7 million. Working capital declined \$3.3 million due to capital project expenses for the elevated storage tank and scheduled debt service payments.

CASH AND INVESTMENT REPORT

- Cash for all funds as of September 30, 2012 totaled \$71 million, an increase of approximately \$34 million from the previous quarter. The increase is attributable to receipt of bond proceeds from the FY12 sale. The proceeds were placed into the Town's TexSTAR pooled funds, and now account for over half of the total portfolio. As a result, the Town was able to increase its investment in AAA rated funds from 53% last quarter to 73% currently. Balances in the 2008 Capital Project and Streets Capital Project funds declined as expected because of planned expenditures in the fourth quarter.
- The Town's average investment yield to maturity at the end of September was 0.296 percent, a decrease from the previous quarter's yield of 0.447 percent. This yield is higher than the TexPool benchmark of 0.13 percent. The average weighted maturity decreased from 251 days to 122 days.
- As recommended by First Southwest Asset Management, we have invested in commercial paper up to the maximum threshold set in the Town's investment policy. In addition, we will continue to seek out CDs and callable agency securities in order to maximize yields. Finally, with interest rates expected to remain extremely low through the end 2014, we will look to extend the portfolio's duration to the extent cash flows allows.

¹ Net Operating Income: The fund's income after operating expenses are deducted from operating revenues. If this is a positive value, it is referred to as net operating income, while a negative value is called a net operating loss.

TOWN OF ADDISON
EXECUTIVE SUMMARY OF MAJOR OPERATING FUNDS FOR THE QUARTER ENDED SEPTEMBER 30, 2012
UNAUDITED ACTUAL AMOUNTS COMPARED TO THE 2012 ADOPTED BUDGET AS AMENDED
With Comparative Information from Prior Fiscal Year

	General Fund			Hotel Fund			Airport Fund			Utility Fund			Total Major Operating Funds*		
	Budget	Actual	PY Actual	Budget	Actual	PY Actual	Budget	Actual	PY Actual	Budget	Actual	PY Actual	Budget	Actual	PY Actual
RESOURCES															
Ad Valorem Tax	\$ 10,907,470	\$ 10,950,276	\$ 10,373,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,907,470	\$ 10,950,276	\$ 10,373,351
Non-Property Tax	11,695,340	11,888,630	10,582,293	4,200,000	4,295,149	3,977,412	-	-	-	-	-	-	15,895,340	16,183,779	14,559,705
Franchise Fees	2,647,000	2,727,370	2,759,651	-	-	-	-	-	-	-	-	-	2,647,000	2,727,370	2,759,651
Service/Permitting/License Fees	2,336,950	2,397,496	2,589,360	1,725,000	1,664,275	1,386,124	805,540	817,595	708,001	10,928,200	11,106,451	10,727,437	15,795,690	15,985,817	15,410,922
Rental, Interest and Other Income	1,327,230	1,358,540	1,352,051	784,550	780,687	584,148	3,569,640	3,575,206	3,933,803	(49,600)	(94,156)	(23,444)	5,631,820	5,620,277	5,846,558
Transfers and Other Sources	-	-	-	-	-	-	-	-	-	1,816,420	1,816,416	-	1,816,420	1,816,416	-
Total Resources	28,913,990	29,322,311	27,656,706	6,709,550	6,740,111	5,947,684	4,375,180	4,392,801	4,641,804	12,695,020	12,828,711	10,703,993	52,693,740	53,283,935	48,950,187
APPLICATION OF RESOURCES															
Personal Services	18,505,570	17,850,379	18,663,815	1,627,560	1,632,940	1,443,444	323,730	362,801	264,010	1,260,710	1,252,885	1,252,885	21,717,570	21,099,005	21,624,154
Supplies and Materials	1,282,915	1,219,472	1,124,772	210,120	186,322	330,112	62,600	37,927	19,696	128,170	111,913	111,913	1,683,805	1,555,635	1,586,493
Maintenance	2,131,695	1,806,978	1,894,682	558,430	453,961	1,836,907	2,354,730	1,772,551	2,061,944	597,250	426,121	426,121	5,642,105	4,459,610	6,219,654
Contractual Services	4,891,470	5,138,299	4,606,325	4,069,310	3,874,343	3,971,134	849,870	670,058	857,591	5,635,020	5,614,416	5,100,756	15,445,670	15,297,116	14,535,806
Capital Equipment Amortization	1,084,300	1,083,204	1,072,349	56,500	56,500	65,100	-	-	-	23,500	23,500	23,500	1,164,300	1,163,204	1,160,949
Capital Equipment/Projects	107,000	171,336	104,656	39,565	11,064	9,241	957,300	1,082,440	1,304,103	2,330,000	2,367,436	3,018,133	3,433,865	3,632,276	4,436,133
Transfers and Other Uses**	75,000	75,000	700,000	670,000	670,000	670,000	390,090	390,090	391,388	3,214,630	3,214,630	3,102,034	4,349,720	4,349,720	4,863,422
Total Application of Resources	28,077,950	27,344,669	28,166,599	7,231,485	6,885,130	8,325,938	4,938,320	4,315,867	4,898,732	13,189,280	13,010,900	13,035,342	53,437,035	51,556,566	54,426,611
Net Change in Fund Balances	\$ 836,040	\$ 1,977,642	\$ (509,893)	\$ (521,935)	\$ (145,019)	\$ (2,378,254)	\$ (563,140)	\$ 76,934	\$ (256,928)	\$ (494,260)	\$ (182,189)	\$ (2,331,349)	\$ (743,295)	\$ 1,727,368	\$ (5,476,424)

Notes:
* Totals may not exactly match due to rounding.
** Transfers and other uses includes interfund transfers and retirement of debt in the Airport and Utility funds.

TOWN OF ADDISON
GENERAL FUND
FY 2012 QUARTERLY STATEMENT OF REVENUES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Ad Valorem taxes:						
Current taxes	\$ 10,803,840	\$ (20,376)	\$ 10,831,138	100.3%	\$ 10,290,338	99.2%
Delinquent taxes	59,540	2,614	70,081	117.7%	34,564	350.9%
Penalty & interest	44,090	5,127	49,056	111.3%	48,449	3698.4%
Non-property taxes:						
Sales tax	10,955,340	2,854,089	11,089,866	101.2%	9,651,534	102.9%
Alcoholic beverage tax	740,000	393,875	798,763	107.9%	930,759	97.0%
Franchise / right-of-way use fees:						
Electric franchise	1,540,000	365,422	1,547,662	100.5%	1,625,028	108.3%
Gas franchise	215,000	-	204,559	95.1%	219,959	88.0%
Telecommunication access fees	660,000	165,747	665,883	100.9%	670,748	103.2%
Cable franchise & PEG Fees	225,000	83,230	302,916	134.6%	235,916	118.0%
Street rental fees	7,000	1,600	6,350	90.7%	8,000	100.5%
Licenses and permits:						
Business licenses and permits	171,540	23,968	145,059	84.6%	247,176	147.7%
Building and construction permits	756,950	132,134	808,650	106.8%	962,882	212.2%
Service fees:						
General government	50,650	96	305	0.6%	97	14.9%
Public safety	746,080	230,343	790,069	105.9%	750,370	99.1%
Urban development	3,000	1,080	2,380	79.3%	3,683	69.5%
Streets and sanitation	337,630	114,793	378,982	112.2%	355,973	111.3%
Recreation	86,800	27,992	87,750	101.1%	84,879	106.9%
Interfund	184,300	46,075	184,300	100.0%	184,300	100.0%
Court fines	1,068,500	250,577	1,071,177	100.3%	1,062,986	86.8%
Interest earnings	30,000	7,194	19,929	66.4%	61,296	76.6%
Rental income	153,000	47,625	162,738	106.4%	148,959	97.4%
Other	75,730	33,551	104,697	138.2%	78,810	135.9%
Total Revenues	\$ 28,913,990	\$ 4,766,756	\$ 29,322,311	101.4%	\$ 27,656,706	103.1%

TOWN OF ADDISON
GENERAL FUND
FY 2012 QUARTERLY STATEMENT OF EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
General Government:						
City manager	\$ 1,225,440	\$ 292,611	\$ 1,192,617	97.3%	\$ 1,621,767	106.1%
Financial & strategic services	944,820	198,753	781,099	82.7%	860,925	102.5%
General services	883,380	283,327	804,682	91.1%	779,723	94.4%
Municipal court	501,730	128,609	467,224	93.1%	475,737	93.4%
Human resources	552,740	140,706	546,089	98.8%	455,767	87.7%
Information technology	1,290,000	305,011	1,272,529	98.6%	1,196,031	90.2%
Combined services	617,270	256,471	703,583	114.0%	585,983	97.2%
Council projects	299,460	61,747	314,954	105.2%	377,851	126.9%
Public safety:						
Police	7,389,420	2,026,608	7,501,746	101.5%	7,766,636	101.8%
Emergency communications	1,298,980	374,731	1,184,856	91.2%	1,013,953	87.7%
Fire	5,877,700	1,530,220	5,731,503	97.5%	5,773,333	99.9%
Development services	902,300	237,459	886,705	98.3%	885,219	98.5%
Streets	1,688,510	570,116	1,612,699	95.5%	1,612,010	89.8%
Parks and Recreation:						
Parks	3,051,220	1,051,779	2,863,666	93.9%	2,565,249	101.2%
Recreation	1,479,980	429,051	1,405,717	95.0%	1,496,415	100.9%
Other financing uses:						
Transfer to Parks Capital Projects Fund	75,000	75,000	75,000	100.0%	700,000	0.0%
Total Expenditures and Other Uses	\$ 28,077,950	\$ 7,962,200	\$ 27,344,669	97.4%	\$ 28,166,599	99.1%

TOWN OF ADDISON

HOTEL FUND

FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Hotel/Motel occupancy taxes	\$ 4,200,000	\$ 1,102,217	\$ 4,295,149	102.3%	\$ 3,977,412	112.0%
Proceeds from special events	1,725,000	852,815	1,664,275	96.5%	1,386,124	82.5%
Conference centre rental	513,750	111,942	509,402	99.2%	428,749	85.7%
Visit Addison rental	175,000	40,034	181,760	103.9%	-	0.0%
Theatre centre rental	78,000	20,684	77,663	99.6%	152,847	50.4%
Interest and miscellaneous	17,800	2,982	11,862	66.6%	2,552	18.5%
Total Revenues	6,709,550	2,130,675	6,740,111	100.5%	5,947,684	98.3%
Expenditures and other uses:						
Visitor services	1,053,700	265,680	866,856	82.3%	1,008,028	91.8%
Visit Addison	610,740	133,392	564,118	92.4%	1,978,750	449.6%
Marketing	763,910	271,430	746,566	97.7%	727,292	99.4%
Special events	2,478,850	1,097,770	2,531,461	102.1%	2,405,601	100.5%
Conference centre	1,080,980	291,693	1,001,379	92.6%	1,007,161	97.9%
Performing arts	573,305	27,601	504,751	88.0%	529,106	95.7%
Other financing uses:						
Transfer to debt service fund	670,000	167,500	670,000	100.0%	670,000	100.0%
Total Expenditures and Other Uses	\$ 7,231,485	\$ 2,255,065	\$ 6,885,130	95.2%	\$ 8,325,938	120.4%

NOTES:

1) Amounts spent by special project:

Public Relations	\$ 315,250	\$ 113,230	\$ 292,733	92.9%	\$ 303,189	96.5%
Oktoberfest	529,640	269,332	276,619	52.2%	575,180	102.0%
Kaboom Town	264,030	192,927	263,969	100.0%	273,036	111.0%
Calendar	30,000	900	22,286	74.3%	57,469	114.9%
Hotel Support Program	200,000	36,736	141,043	70.5%	156,690	60.3%
Taste Addison	599,440	74,963	569,646	95.0%	586,539	97.9%
Shakespeare Festival	46,500	248	48,250	103.8%	48,092	103.4%
Summer Series Festivals	44,320	26,048	38,365	86.6%	41,188	92.4%
WorldFest	224,350	7,463	200,347	89.3%	205,332	95.5%
Book Fair	2,900	-	1,730	59.7%	2,032	69.6%
Weekend to Wipe Out Cancer	13,000	14,196	14,196	109.2%	13,947	107.3%
Vitruvian Park Events	92,000	16,938	159,374	173.2%	-	0.0%
TOTAL	\$ 2,361,430	\$ 752,981	\$ 2,028,558	85.9%	\$ 2,262,694	96.1%

TOWN OF ADDISON
ECONOMIC DEVELOPMENT FUND
FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Ad Valorem taxes:						
Current taxes	\$ 548,980	\$ (1,037)	\$ 551,440	100.4%	\$ -	0.0%
Delinquent taxes	490	-	-	0.0%	-	0.0%
Penalty & interest	970	201	1,800	185.5%	-	0.0%
Business license fee	85,000	7,500	72,650	85.5%	-	0.0%
Interest income and other	500	555	1,936	387.2%	876	0.0%
Other financing sources:						
Transfer from General Fund	-	-	-	0.0%	700,000	100.0%
Total Revenues and Other Sources	635,940	7,218	627,826	98.7%	700,876	100.1%
Expenditures:						
Personal services	136,040	40,022	153,003	112.5%	63,280	0.0%
Supplies	11,420	2,109	11,243	98.5%	12,418	0.0%
Maintenance	6,000	-	-	0.0%	1,449	0.0%
Contractual services	597,630	80,728	302,732	50.7%	290,052	41.4%
Capital replacement/lease	2,700	675	2,700	100.0%	-	0.0%
Total Expenditures	\$ 753,790	\$ 123,534	\$ 469,678	62.3%	\$ 367,199	52.5%

TOWN OF ADDISON
ADVANCED FUNDING GRANT FUND
FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Intergovernmental	\$ -	\$ -	\$ 4,560	0.0%	\$ 1,566,252	62.7%
Interest earnings and other	4,000	63	562	14.1%	4,165	5950.0%
Total Revenues	4,000	63	5,122	128.1%	1,570,417	62.8%
Expenditures:						
Supplies	-	-	-	0.0%	1,466	0.0%
Contractual services	18,000	-	5,142	28.6%	3,879	2.4%
Construction and equipment	-	11,353	11,353	0.0%	407,230	17.4%
Total Expenditures	\$ 18,000	\$ 11,353	\$ 16,495	91.6%	\$ 412,575	16.5%

TOWN OF ADDISON
REIMBURSEMENT GRANT FUND
FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Intergovernmental	\$ 1,334,000	\$ 1,305,270	\$ 1,334,373	100.0%	\$ 14,156	20.2%
Total Revenues	1,334,000	1,305,270	1,334,373	100.0%	14,156	20.2%
Expenditures:						
Personal services	5,000	436	2,932	58.6%	5,596	29.1%
Supplies	10,000	-	9,952	99.5%	-	0.0%
Contractual services	4,400	-	4,189	95.2%	774,039	1548.1%
Construction and equipment	5,600	-	5,586	99.7%	-	N/A
Total Expenditures	\$ 25,000	\$ 436	\$ 22,659	90.6%	\$ 779,635	1113.8%

TOWN OF ADDISON
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) GRANT FUND
FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Intergovernmental	\$ 188,000	\$ 522,641	\$ 622,037	330.9%	\$ 26	0.0%
Total Revenues	188,000	522,641	622,037	330.9%	26	0.0%
Expenditures:						
Personal services	189,590	50,704	150,099	79.2%	191,200	136.6%
Supplies	-	-	1,586	0.0%	-	0.0%
Contractual services	-	-	-	0.0%	6,052	0.0%
Construction and equipment	512,320	-	512,320	100.0%	-	0.0%
Total Expenditures	\$ 701,910	\$ 50,704	\$ 664,005	94.6%	\$ 197,252	140.9%

TOWN OF ADDISON
STREET CAPITAL PROJECT FUND
FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest income and other	\$ 6,500	\$ 1,619	\$ 5,761	88.6%	\$ 25,149	276.4%
Total Revenues	6,500	1,619	5,761	88.6%	25,149	276.4%
Expenditures:						
Contractual services	-	164,975	178,017	0.0%	-	0.0%
Construction and equipment	299,400	4,581	66,661	22.3%	-	0.0%
Total Expenditures	\$ 299,400	\$ 169,556	\$ 244,678	81.7%	\$ -	0.0%

TOWN OF ADDISON
PARKS CAPITAL PROJECT FUND
FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest income and other	\$ 38,210	\$ 30,896	\$ 38,030	99.5%	\$ 26,313	857.1%
Other financing sources:						
Transfer from General Fund	75,000	75,000	75,000	100.0%	-	0.0%
Total Revenues	113,210	105,896	113,030	99.8%	26,313	857.1%
Expenditures:						
Contractual services	-	26	14,670	0.0%	49,779	513.2%
Construction and equipment	142,510	-	84,987	59.6%	154,452	59.3%
Total Expenditures	\$ 142,510	\$ 26	\$ 99,657	69.9%	\$ 204,231	75.6%

TOWN OF ADDISON
2002 CAPITAL PROJECT FUND
FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ 1,040	\$ 97	\$ 1,158	111.3%	\$ 6,545	45.5%
Total Revenues	1,040	97	1,158	111.3%	6,545	45.5%
Expenditures:						
Contractual services	104,470	-	104,457	100.0%	252,759	252.8%
Construction and equipment	745,410	-	745,338	100.0%	438,729	109.7%
Total Expenditures	\$ 849,880	\$ -	\$ 849,795	100.0%	\$ 691,488	138.3%

TOWN OF ADDISON
2004 CAPITAL PROJECT FUND
FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ 1,500	\$ 14	\$ 736	49.1%	\$ 2,061	40.8%
Total Revenues	1,500	14	736	49.1%	2,061	40.8%
Expenditures:						
Contractual services	13,440	-	13,436	100.0%	-	0.0%
Construction and equipment	427,640	-	426,868	99.8%	-	0.0%
Total Expenditures	\$ 441,080	\$ -	\$ 440,304	99.8%	\$ -	0.0%

TOWN OF ADDISON
2006 CAPITAL PROJECT FUND
FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ 1,000	\$ 379	\$ 205,379	20537.9%	\$ 1,657	40.8%
Total Revenues	1,000	379	205,379	20537.9%	1,657	40.8%
Expenditures:						
Contractual services	-	-	-	0.0%	-	0.0%
Construction and equipment	-	-	-	0.0%	-	0.0%
Total Expenditures	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%

TOWN OF ADDISON
2008 CAPITAL PROJECT FUND
FY 2012 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ 168,000	\$ 4,585	\$ 170,650	101.6%	\$ 424,375	201.7%
Total Revenues	168,000	4,585	170,650	101.6%	424,375	201.7%
Expenditures:						
Contractual services	681,110	144,600	504,012	74.0%	1,487,176	0.0%
Construction and equipment	1,675,920	251,197	1,283,320	76.6%	12,570,029	103.9%
Other financing uses:						
Transfer of debt proceeds	-	-	1,816,416	0.0%	-	0.0%
Total Expenditures and Other Uses	\$ 2,357,030	\$ 395,797	\$ 3,603,748	152.9%	\$ 14,057,205	116.2%

AIRPORT FUND

FY 2012 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES TO WORKING CAPITAL COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Operating revenues:						
Operating grants	\$ 50,000	\$ 45,567	\$ 45,567	91.1%	\$ 48,350	96.7%
Fuel flowage fees	690,000	246,752	717,667	104.0%	\$ 657,159	77.7%
Rental	3,538,020	1,196,015	3,551,536	100.4%	\$ 3,481,639	100.4%
User fees	65,540	13,970	54,362	82.9%	\$ 50,842	132.4%
Other income	10,300	2,657	15,332	148.9%	-	0.0%
Total operating revenues	4,353,860	1,504,961	4,384,463	100.7%	4,237,990	96.1%
Operating expenses:						
Town - Personal services	323,730	91,189	362,801	112.1%	264,010	103.9%
Town - Supplies	62,600	26,899	37,927	60.6%	19,696	90.3%
Town - Maintenance	33,300	26,005	56,884	170.8%	36,293	123.9%
Town - Contractual services	544,670	125,098	384,739	70.6%	402,750	84.3%
Grant - Maintenance	100,000	-	92,784	92.8%	99,991	100.0%
Operator operation & maintenance	2,221,430	533,260	1,622,883	73.1%	1,925,660	84.8%
Operator service contract	305,200	78,162	285,319	93.5%	454,841	137.9%
Total operating expenses	3,590,930	880,613	2,843,337	79.2%	3,203,241	92.0%
Net operating income	762,930	624,348	1,541,126	202.0%	1,034,749	111.4%
Non-Operating revenues (expenses):						
Interest earnings and other	21,320	2,180	8,337	39.1%	403,814	2613.7%
Interest on debt, fiscal fees & other	(115,090)	(28,773)	(115,090)	100.0%	(126,388)	100.8%
Total non-operating revenues (expenses)	(93,770)	(26,593)	(106,753)	113.8%	277,426	-252.3%
Net income (excluding depreciation)	\$ 669,160	\$ 597,756	\$ 1,434,374	214.4%	\$ 1,312,175	160.2%
CHANGES IN WORKING CAPITAL						
Net income (excluding depreciation)	\$ 669,160	\$ 597,756	\$ 1,434,374	214.4%	\$ 1,312,175	160.2%
Sources (uses) of working capital:						
Retirement of long-term debt	(275,000)	(68,750)	(275,000)	100.0%	(265,000)	100.0%
Net additions to fixed assets with grants	(897,300)	-	(1,004,341)	111.9%	(1,214,930)	97.6%
Other net additions to fixed assets	(60,000)	-	(78,099)	130.2%	(89,173)	156.4%
Net sources (uses) of working capital	(1,232,300)	(68,750)	(1,357,440)	110.2%	(1,569,103)	100.1%
Net increase (decrease) in working capital	(563,140)	529,006	76,933	-13.7%	(256,928)	34.4%
Beginning fund balance	1,601,980	1,560,920	2,012,994	125.7%	2,124,403	122.0%
Ending fund balance	\$ 1,038,840	\$ 2,089,926	\$ 2,089,927	201.2%	\$ 1,867,475	188.0%

UTILITY FUND

FY 2012 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES TO WORKING CAPITAL COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

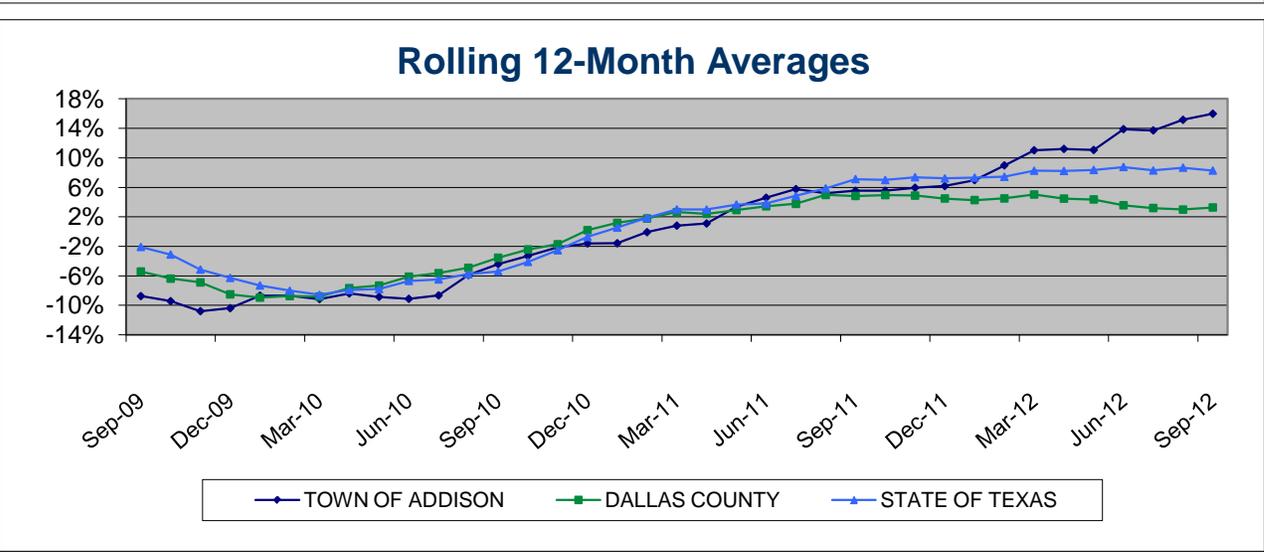
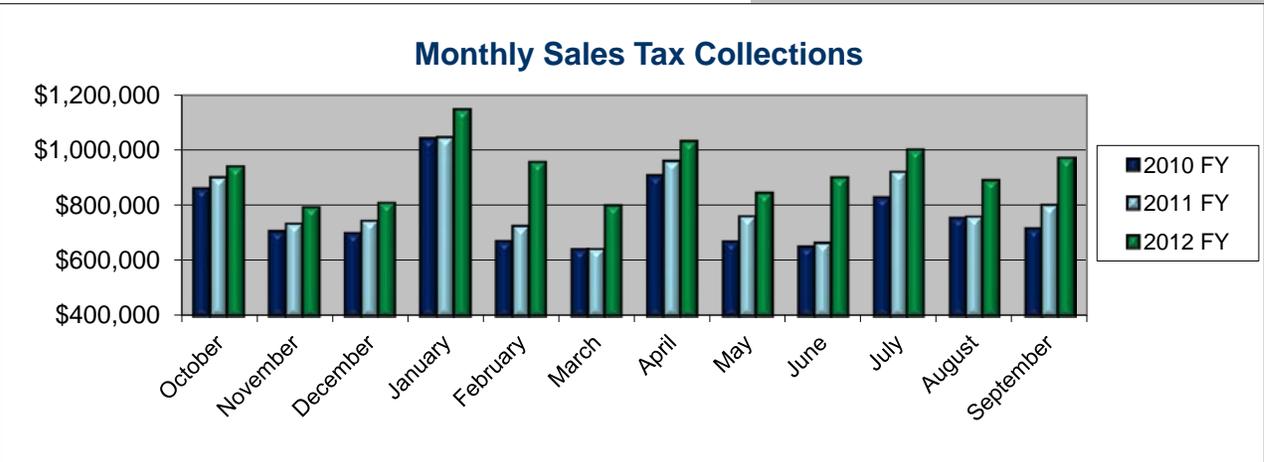
Category	FY2011-12				FY2010-11	
	Amended Budget	4th Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Operating revenues:						
Water sales	\$ 6,119,700	\$ 2,885,464	\$ 6,272,622	102.5%	\$ 6,140,864	112.4%
Sewer charges	4,725,000	1,709,901	4,761,033	100.8%	\$ 4,496,894	95.6%
Tap fees	10,000	1,635	7,740	77.4%	\$ 17,845	78.7%
Penalties	73,500	16,948	65,056	88.5%	\$ 71,834	102.6%
Total operating revenues	10,928,200	4,613,948	11,106,451	101.6%	10,727,437	104.6%
Operating expenses:						
Water purchases	2,841,200	1,012,392	2,859,959	100.7%	2,520,301	93.1%
Wastewater treatment	2,051,700	566,809	2,063,043	100.6%	1,889,041	95.4%
Utility operations	2,751,750	887,245	2,505,833	91.1%	2,497,506	94.4%
Total operating expenses	7,644,650	2,466,446	7,428,835	97.2%	6,906,848	94.2%
Net operating income	3,283,550	2,147,501	3,677,616	112.0%	3,820,589	130.6%
Non-Operating revenues (expenses):						
Interest earnings and other	(49,600)	(86,626)	(94,156)	189.8%	(23,444)	-360.7%
Interest on debt, fiscal fees & other	(459,830)	(114,958)	(459,830)	100.0%	(590,644)	112.8%
Total non-operating revenues (expenses)	(509,430)	(201,584)	(553,986)	108.7%	(614,088)	118.7%
Net income (excluding depreciation)	\$ 2,774,120	\$ 1,945,917	\$ 3,123,631	112.6%	\$ 3,206,501	133.2%
CHANGES IN WORKING CAPITAL						
Net income (excluding depreciation)	\$ 2,774,120	\$ 1,945,917	\$ 3,123,631	112.6%	\$ 3,206,501	133.2%
Sources (uses) of working capital:						
Retirement of long-term debt	(2,754,800)	(688,700)	(2,754,800)	100.0%	(2,511,390)	95.7%
Transfer of debt proceeds	1,816,420	-	1,816,416	100.0%	-	0.0%
Net additions to fixed assets	(2,330,000)	(491,995)	(2,367,436)	101.6%	(3,018,133)	79.7%
Net sources (uses) of working capital	(3,268,380)	(1,180,695)	(3,305,819)	101.1%	(5,529,523)	86.3%
Net increase (decrease) in working capital	(494,260)	765,222	(182,188)	36.9%	(2,323,022)	58.1%
Beginning fund balance	2,364,190	547,499	2,723,494	115.2%	5,851,222	116.4%
Ending fund balance	\$ 1,869,930	\$ 1,312,721	\$ 2,541,306	135.9%	\$ 3,528,200	343.9%

TOWN OF ADDISON

Schedule of Sales Tax Collections and Related Analyses

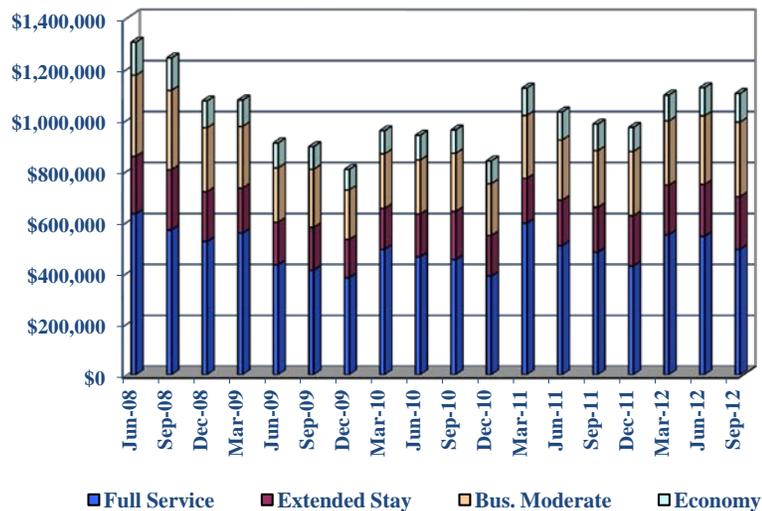
For the fiscal year ending September 30, 2012

	TOWN OF ADDISON				DALLAS COUNTY		STATE OF TEXAS	
	2011-12 Collections		% Change from Prior Year		% Change from Prior Year		% Change from Prior Year	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
October	\$ 941,812	\$ 941,812	4.6%	4.6%	5.3%	5.3%	5.7%	5.8%
November	795,061	1,736,873	8.5%	6.4%	0.1%	2.7%	8.6%	7.2%
December	810,293	2,547,166	8.9%	7.2%	2.9%	2.8%	8.3%	8.3%
January	1,148,174	3,695,340	10.0%	8.0%	0.9%	2.3%	6.7%	7.3%
February	957,579	4,652,919	32.0%	12.2%	3.2%	2.5%	8.0%	7.5%
March	800,861	5,453,780	24.6%	13.9%	10.3%	3.8%	15.1%	8.8%
April	1,033,235	6,487,015	7.8%	12.9%	-3.5%	2.7%	4.4%	8.1%
May	846,906	7,333,921	11.5%	12.7%	3.2%	2.8%	8.2%	8.1%
June	901,856	8,235,777	35.8%	14.8%	-0.8%	2.4%	11.0%	8.5%
July	1,002,455	9,238,232	8.9%	14.2%	-0.9%	2.1%	2.7%	7.9%
August	892,680	10,130,912	17.6%	14.5%	10.4%	2.8%	13.2%	8.4%
September	972,912	11,103,824	21.5%	15.0%	8.2%	3.3%	7.5%	8.3%
Budget 11-12:	\$ 9,565,340							
Projected Year End	\$ 11,103,824							



TOWN OF ADDISON HOTEL OCCUPANCY TAX COLLECTION
Hotels By Service Type for the Quarter and Year-to-Date Ended September 30, 2012
With Comparative Information from Prior Fiscal Year

	Rooms		4th Quarter FY 12		12 to 11	YTD FY 12		12 to 11
	Number	Percentage	Amount	Percentage	% Diff.	Amount	Percentage	% Diff.
Full Service								
Marriott Quorum	535	14%	\$ 230,360	21%	4%	\$ 772,674	18%	-2%
Intercontinental	532	13%	154,945	14%	-1%	775,902	18%	3%
Crowne Plaza	429	11%	106,095	10%	4%	461,353	11%	7%
	<u>1,496</u>	<u>38%</u>	<u>491,400</u>	<u>45%</u>	<u>2%</u>	<u>2,009,930</u>	<u>47%</u>	<u>2%</u>
Extended Stay								
Budget Suites	344	9%	3,754	0%	-29%	18,713	0%	0%
Hawthorne Suites	70	2%	12,948	1%	8%	56,499	1%	17%
Marriott Residence	150	4%	45,217	4%	-3%	193,571	5%	5%
Summerfield Suites	132	3%	36,327	3%	33%	123,706	3%	32%
Homewood Suites	128	3%	44,332	4%	5%	184,094	4%	3%
Springhill Suites	159	4%	64,660	6%	50%	225,963	5%	35%
	<u>983</u>	<u>25%</u>	<u>207,238</u>	<u>19%</u>	<u>18%</u>	<u>802,547</u>	<u>19%</u>	<u>16%</u>
Business Moderate								
Marriott Courtyard Quorum	176	4%	85,409	8%	48%	299,014	7%	24%
LaQuinta Inn	152	4%	34,819	3%	11%	132,872	3%	4%
Marriott Courtyard Proton	145	4%	50,483	5%	38%	182,038	4%	16%
Holiday Inn Express	102	3%	36,637	3%	22%	133,873	3%	4%
Hilton Garden Inn	96	2%	46,723	4%	30%	174,657	4%	24%
Holiday Inn - Arapaho	101	3%	24,869	2%	5%	99,305	2%	4%
Comfort Inn	86	2%	13,382	1%	107%	43,141	1%	152%
	<u>858</u>	<u>22%</u>	<u>292,322</u>	<u>27%</u>	<u>32%</u>	<u>1,064,900</u>	<u>25%</u>	<u>17%</u>
Economy								
Motel 6	126	3%	18,891	2%	0%	73,213	2%	4%
Hampton Inn	159	4%	50,053	5%	13%	185,006	4%	-1%
Quality Inn	115	3%	11,610	1%	4%	41,397	1%	-8%
Comfort Suites	78	2%	17,649	2%	5%	69,150	2%	13%
Super 8	78	2%	9,708	1%	8%	35,300	1%	10%
Best Value	60	2%	4,179	0%	-3%	14,540	0%	-6%
	<u>616</u>	<u>16%</u>	<u>112,090</u>	<u>10%</u>	<u>7%</u>	<u>418,607</u>	<u>10%</u>	<u>2%</u>
TOTAL	<u>3,953</u>	<u>100%</u>	<u>\$ 1,103,050</u>	<u>100%</u>	<u>12%</u>	<u>\$ 4,295,983</u>	<u>100%</u>	<u>8%</u>



TOWN OF ADDISON
INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Quarter Ending September 30, 2012

Fund	Balance 6/30/2012	Quarter Receipts	Quarter Disbursements	Balance 9/30/2012
General Fund	\$ 14,306,839	\$ 6,016,955	\$ 7,705,011	\$ 12,618,783
Special Revenue Funds:				
Hotel	1,603,845	3,682,876	2,915,500	2,371,221
Economic Development	633,136	14,483	105,591	542,028
Public Safety	22,596	23,415	8,075	37,936
Municipal Court	429,008	198,466	208,326	419,148
Advanced Funding Grant	26,061	22	11,353	14,730
Reimbursement Grant	(1,938,485)	1,305,350	436	(633,571)
ARRA Grant	(512,321)	50,704	50,704	(512,321)
Debt Service Funds:				
G. O. Bonds	2,085,002	71,139	941,769	1,214,372
Hotel Revenue Bonds	650,550	168,095	57,088	761,557
Capital Projects Funds:				
Streets	1,539,326	1,397	95,620	1,445,103
Parks	379	105,878	26	106,231
2002 G.O. Bonds	59,205	54	-	59,259
2004 G.O. Bonds	14	-	-	14
2006 G.O. Bonds	354,108	325	-	354,433
2008 C.O. Bonds	4,542,703	3,977	370,560	4,176,120
2012 C.O. Bonds	-	34,956,799	-	34,956,799
Enterprise Funds:				
Utility	4,003,099	3,687,880	3,059,071	4,631,908
Airport	2,718,153	1,208,620	1,922,599	2,004,174
Internal Service Funds:				
Capital Replacement	3,693,779	167,674	1,316	3,860,137
Information Technology	2,816,322	146,572	156,418	2,806,476
TOTAL - ALL FUNDS	\$ 37,033,319	\$ 51,810,681	\$ 17,609,463	\$ 71,234,537

Note: Cash inflows and outflows represent revenues, expenditures, and investment transactions.

INVESTMENTS BY MATURITY AND TYPE				
<i>For the Quarter Ending September 30, 2012</i>				
	Type	% of Portfolio	Yield to Maturity	Amount
	Pools	62.62%	0.16%	\$ 44,518,452
	Agencies	15.49%	0.44%	11,015,176
	Bank CD's	9.25%	0.58%	6,574,498
	Treasuries	0.00%	0.00%	-
	Commercial Paper	12.65%	0.60%	8,990,478
Total Investments		100.01%	0.30%	71,098,604
Accrued Interest Earnings				13,748
Demand Deposits				122,185
TOTAL				\$ 71,234,537

COLLATERAL SUMMARY

The first and most important objective for public funds investments is safety of assets. Therefore, all non-government security investments and bank accounts in excess of FDIC coverage must be secured by collateral. The bank balances and investments are monitored on a regular basis for appropriate coverage by marking the collateral to market. Collateral levels are adjusted to secure the varying levels of receipts throughout the fiscal year.

Town of Addison Collateral Analysis Demand Deposit Cash June 30, 2012

Pledging Institution	Safekeeping Location	Account Title	Pledged Security Description	Security Par Value	Market Value	FDIC Insurance	Ending Bank Balance	Difference Over(Under)
Frost Bank	Federal Reserve	Operating	GNMA due 9/15/2024	\$ 4,504,501	\$ 4,864,525			
Frost Bank	Federal Reserve	Operating	GNMA due 10/15/2037	\$ 227,944	\$ 254,291			
Frost Bank	Federal Reserve	Operating	GNMA due 10/15/2037	665,595	742,529			
				<u>\$ 5,398,039</u>	<u>\$ 5,861,344</u>	<u>\$ 2,599,962</u>	<u>\$ 2,349,962</u>	<u>\$ 6,111,344</u>

Glossary of Terms

A

Accrual Accounting – Recognition of the financial effects of transactions, events and circumstances in the period(s) when they occur regardless of when the cash is received or paid.

Ad Valorem – Latin for “value of.” Refers to the tax assessed against real (land and building) and personal (equipment and furniture) property.

Appropriation – A legal authorization granted by a legislative body (City Council) to make expenditures and incur obligation for designated purposes.

Assessed Valuation – A valuation set upon real estate or other property by a government as a basis for levying taxes.

B

Balance Sheet – The basic financial statement, which discloses the assets, liabilities and equities of an entity at a specific date in conformity with Generally Accepted Accounting Principles (GAAP).

Balanced Budget – Annual financial plan in which expenses do not exceed revenues.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for any given period and the proposed means of financing them.

C

Capital Outlays – Expenditures which result in the acquisition of or addition to fixed assets which are individually priced at more than \$5,000.

Contractual Services – The costs related to services performed for the Town by individuals, businesses, or utilities.

Cost – The amount of money or other consideration exchanged for property or services. Costs may be incurred even before the money is paid; that is, as soon as liability is incurred. Ultimately, however, money or other consideration must be given in exchange.

D

Delinquent Taxes – Taxes remaining unpaid on or after the date on which a penalty for nonpayment is attached.

E

Encumbrances – Commitments related to unperformed contracts for goods and services used in budgeting. Encumbrances are not expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

Expenditures – Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service, and capital outlays.

F

Fixed Assets – Assets of a long-term character, which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Franchise – A special privilege granted by a government permitting the continuing use of public property, such as city streets, and usually involving the elements of monopoly and regulation.

Fund – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities of balances, and charges therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance – The difference between governmental fund assets and liabilities, also referred to as fund equity.

FY – Acronym for fiscal year, a 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The Town of Addison's fiscal year begins October 1st and ends the following September 30th. The term FY2011 denotes the fiscal year beginning October 1, 2011 and ending September 30, 2012.

G

GAAP – Acronym for Generally Accepted Accounting Principles, which are a collection of rules and procedures that set the basis for the fair presentation of financial statements. The accounting and reporting policies of the Town conform to the GAAP applicable to state and local governments.

GASB – Acronym for Government Accounting Standards Board, an independent, non-profit agency responsible for the promulgation of accounting and financial reporting procedures for governmental entities.

Governmental Funds – Those funds through which most governmental functions typically are financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects, and Debt Service Funds).

M

Maintenance – The upkeep of physical properties in condition for use of occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Modified Accrual Accounting – Accounting system in which revenues are recognized and recorded in the accounts when they are measurable, available and collectible in the fiscal year.

Modified Level of Service – A modified level of service represents an increase or decrease in a department's scope of service or funding levels. A modified level of service may be a request for additional funding submitted by a department during the budget process for new or expanding programs or services, or it may be the elimination of a position in a department. Modified levels of service are highlighted in the department narratives in alternate color text.

O

Operating Expenditure – Expenditure on an existing item of property or equipment that is not a capital expenditure.

Ordinance – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, usually require ordinances.

P

Personal Services – The costs associated with compensating employees for their labor.

P-Card – Acronym for procurement card, a Town-issued credit card which allows employees to make small purchases in a cost effective manner.

Proprietary Fund – Operation that operates like a private commercial operation, in which services are financed through user charges and expenditures include the full cost of operations.

Purchase Order (PO) – A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

R

Revenues – Increases in net financial resources. Revenues include the receipt of assets for goods sold or services provided in the current reporting period, intergovernmental grants, and interest income.

S

Special Assessment – A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Special Revenue Fund – A fund used to account for the proceeds of specific revenue sources that are legally restricted or formally committed to expenditures for specified purposes.

Supplies – A cost category for minor items (individually priced at less than \$5,000) required by departments to conduct their operations.

T

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessment.

W

Working Capital – The amount of current assets which exceeds current liabilities.

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 11-12 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
General Fund / Revenues and Other Sources								
Increase in beginning fund balance	\$ 969,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in current property taxes	20,000	-	-	-	-	-	-	-
Increase in delinquent property taxes	50,000	-	-	-	-	-	-	-
Increase in property tax penalty and interest	25,000	-	-	-	-	-	-	-
Increase in sales tax	1,390,000	-	-	-	-	-	-	-
Increase in electric franchise fees	40,000	-	-	-	-	-	-	-
Increase in telecommunication access fees	10,000	-	-	-	-	-	-	-
Increase in building and construction permits	200,000	-	-	-	-	-	-	-
Reduction in court fines	(75,000)	-	-	-	-	-	-	-
Increase in recycling proceeds	3,000	-	-	-	-	-	-	-
Increase in other income	25,000	-	-	-	-	-	-	-
Total General Fund Revenues and Other Sources	\$ 2,657,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund / City Manager								
Total City Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund / Financial & Strategic Services								
Increase in professional services for CFO recruitment	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000
Decrease in salary reimbursement	-	10,000	-	-	-	-	-	10,000
Total Financial & Strategic Services	\$ -	\$ 10,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 35,000
General Fund / General Services								
Concord Commercial - Svc Center Lobby	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Total General Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
General Fund / Combined Services								
Total Combined Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 11-12 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
General Fund / Council Projects								
Increase in rental costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,130	\$ -	\$ 7,130
Increase for expanded service with Metrocrest Chamber	-	-	-	-	-	25,000	-	25,000
Streaming of Bond Evaluation Committee meeting	-	-	-	-	-	5,000	-	5,000
Total Council Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,130	\$ -	\$ 37,130
General Fund / Police								
Overtime for special events	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Forensics related to crimes	-	-	14,000	-	-	-	-	14,000
Increase wearing appeal and uniform cost	-	-	6,000	-	-	-	-	6,000
Decrease in combined services saving	-	-	-	-	10,000	-	-	10,000
Total Police	\$ -	\$ 35,000	\$ 20,000	\$ -	\$ -	\$ 10,000	\$ -	\$ 65,000
General Fund / Emergency Communications								
iXP Dispatch Systems agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,940	\$ -	\$ 39,940
Total Emergency Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,940	\$ -	\$ 39,940
General Fund / Fire								
Total Fire	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund / Streets								
Increase in trash disposal; offset by additional revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000
Total Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ 40,000
General Fund / Parks								
Transfer to Parks Capital Projects Fund	\$ (75,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Parks	\$ (75,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 11-12 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures					
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay	Total Department
General Fund / Recreation							
Total Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Fund / Revenues and Other Sources							
Decrease in beginning fund balance	\$ (247,990)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in hotel occupancy taxes	100,000	-	-	-	-	-	-
Increase in Conference Centre rental	25,000	-	-	-	-	-	-
Reduction in Visitor Centre rental	(18,000)	-	-	-	-	-	-
Total Hotel Fund Revenues and Other Sources	\$ (140,990)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Fund / Visit Addison							
Total Visit Addison	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Fund / Special Events							
Increase due to expanded special guest area/general attendance	\$ -	\$ -	\$ 16,890	\$ -	\$ -	\$ -	\$ 16,890
Total Special Events	\$ -	\$ -	\$ 16,890	\$ -	\$ -	\$ -	\$ 16,890
Economic Development Fund / ED Department							
Increase in beginning fund balance	\$ 110,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduction in Business License Fees	(65,000)	-	-	-	-	-	-
Total Economic Development	\$ 45,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Funding Grant Fund							
Increase in beginning fund balance	\$ 3,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize American Heart Association grant	1,500	-	-	-	-	-	-
Recognize expenditures of grant funding	-	-	-	-	18,000	-	18,000
Total Advanced Funding Grant Fund	\$ 4,890	\$ -	\$ -	\$ -	\$ 18,000	\$ -	\$ 18,000

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 11-12 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures					
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay	Total Department
Reimbursement Grant Fund							
Decrease in beginning fund balance, delay in reimbursements	\$ (1,945,670)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize Dallas County grant	1,319,000	-	-	-	-	-	-
Recognize various public safety grants	5,000	-	-	-	-	-	-
Recognize expenditures of grant funding	-	(5,000)	10,000	-	4,400	5,600	15,000
Total Reimbursement Grant Fund	\$ (621,670)	\$ (5,000)	\$ 10,000	\$ -	\$ 4,400	\$ 5,600	\$ 15,000
ARRA Grant Fund							
Increase in beginning fund balance	\$ 1,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize expenditures of grant funding	-	-	1,590	-	-	512,320	513,910
Total ARRA Grant Fund	\$ 1,590	\$ -	\$ 1,590	\$ -	\$ -	\$ 512,320	\$ 513,910
Public Safety Fund							
Recognize lower beginning fund balance	\$ (1,220)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase court awards revenue	\$ 24,000	-	-	-	-	-	-
Total Public Safety Fund	\$ 22,780	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Court Fund							
Recognize higher beginning fund balance	\$ 31,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduce interest income revenue	\$ (1,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Municipal Court Fund	\$ 30,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Obligation Debt Service Fund							
Recognize lower beginning fund balance	\$ (19,860)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize additional principal paid for 2011 refunding bonds	-	-	-	-	172,850	-	172,850
Total General Obligation Debt Service Fund	\$ (19,860)	\$ -	\$ -	\$ -	\$ 172,850	\$ -	\$ 172,850
Occupancy Tax Debt Service Fund							
Recognize lower beginning fund balance	\$ (310)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize additional principal paid for 2011 refunding bonds	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ 45,000
Total Occupancy Tax Debt Service Fund	\$ (310)	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ 45,000

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 11-12 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures					
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay	Total Department
Street Capital Project Fund							
Increase in beginning fund balance	\$ 229,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize delay of capital project expenditures	-	-	-	-	-	(520,000)	(520,000)
Total Street Capital Project Fund	\$ 229,190	\$ -	\$ -	\$ -	\$ -	\$ (520,000)	\$ (520,000)
Parks Capital Project Fund							
Recognize lower beginning fund balance	\$ (49,290)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize project donations	37,860	-	-	-	-	-	-
Recognize project transfer from General Fund	75,000	-	-	-	-	-	-
Total Parks Capital Project Fund	\$ 63,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2002 Capital Project Fund							
Increase in beginning fund balance	\$ 848,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize additional interest earnings	1,040	-	-	-	-	-	-
Additional expenses related to Belt Line Streetscape	-	-	-	-	104,470	745,410	849,880
Total 2002 Capital Project Fund	\$ 849,880	\$ -	\$ -	\$ -	\$ 104,470	\$ 745,410	\$ 849,880
2004 Capital Project Fund							
Increase in beginning fund balance	\$ 186,610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional expenses related to Belt Line Streetscape	-	-	-	-	13,440	262,530	275,970
Total 2004 Capital Project Fund	\$ 186,610	\$ -	\$ -	\$ -	\$ 13,440	\$ 262,530	\$ 275,970
2006 Capital Project Fund							
Reduce beginning fund balance	(204,600)	-	-	-	-	-	\$ -
Recognize delay of capital project expenditures	\$ -	\$ -	\$ -	\$ -	\$ (180,000)	\$ -	\$ (180,000)
Total 2006 Capital Project Fund	\$ (204,600)	\$ -	\$ -	\$ -	\$ (180,000)	\$ -	\$ (180,000)

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 11-12 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures					
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay	Total Department
2008 Capital Project Fund							
Increase in beginning fund balance	\$ 2,867,780	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Decrease in interest earnings	(7,000)	-	-	-	-	-	-
Additional developer contributions for Spring Valley	150,000	-	-	-	-	-	-
Additional expenses related to Vitruvian Park	-	-	-	-	493,590	857,760	1,351,350
Additional expenses related to Redding Trail & Bush Elementary	-	-	-	-	-	236,290	236,290
Additional expenses related to Halff - Prof. Services Stormwater	-	-	-	-	63,000	-	63,000
Recognize transfer of bond proceeds to Utility Fund	(1,816,420)	-	-	-	-	-	-
Total 2008 Capital Project Fund	\$ 1,194,360	\$ -	\$ -	\$ -	\$ 556,590	\$ 1,094,050	\$ 1,650,640
Airport Enterprise Fund							
Increase in fuel flowage fees	\$ 60,000						
Increase in rental income	\$ 50,000						
Increase in user fees	\$ 30,000						
Total Airport Enterprise Fund	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Enterprise Fund							
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in water sales revenue	\$ 100,000						
Reduce interest income	\$ (14,000)						
Additional expenses related to Elevated Storage Tank	-	-	-	-	160,280	297,610	457,890
Recognize transfer of bond proceeds from 2008 CPF	1,816,420	-	-	-	-	-	-
Total Utility Enterprise Fund	\$ 1,902,420	\$ -	\$ -	\$ -	\$ 160,280	\$ 297,610	\$ 457,890
Information Technology Internal Service Fund							
Total Information Technology Internal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Replacement Internal Service Fund							
Purchase of self-contained breathing apparatus	-	-	-	-	-	170,000	170,000
Total Capital Replacement Internal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,000	\$ 170,000



Third Quarter of Calendar Year 2012 Review

The National Oceanic and Atmospheric Administration (NOAA) reported the month of July was the hottest month in U.S. history since recordkeeping began 118 years ago. Compounding the discomfort is a nationwide drought that's slowly burning a wide swatch of American farmland. The stifling heat might not have anything to do with the lackluster economic growth, but it feels that way. The U.S. economy limped along at a revised 1.3% annualized rate in the second quarter of 2012, less than half the historical GDP average over the past 20 years. Although the initial third quarter GDP report won't be released until late October, the expected improvement will still fall well below the pace needed to generate sufficient jobs.

There were pockets of good news reported during the quarter, much of it related to housing. Fannie Mae and Freddie Mac announced in July they'd both earned fairly significant second quarter profits. This welcome news was a contributing factor in the Treasury Department's decision to modify its Preferred Stock Purchase Agreements, replacing Fannie and Freddie's required 10% dividend payment with a complete sweep of any and all future profits directly into the Treasury. This symbolically ended any chance that the mortgage giants could eventually stockpile enough cash to resurrect themselves. The Treasury also announced that their retained mortgage portfolios would now be required to shrink by 15% per year instead of the previous 10% pace. The takeaway here is that there will be less and less new agency debt to purchase.

Global economic problems garnered their share of headlines. As much of Europe sank into recession under the weight of harsh austerity measures, Spanish and Greek rioters took to the streets in protest, and interest rates in struggling countries shot higher, compounding the underlying debt problems. The European Central Bank responded by announcing a program to purchase short-term sovereign debt on the open market. China's economy, the global engine of growth for many years, has shifted into a lower gear, prompting accommodation from its own central bank. Even the Japanese central bank announced a huge asset purchase program in hopes of stoking the fire that hasn't produced any significant heat in two decades.

The decrease in global demand is beginning to have a negative effect on the factory sector as export growth slows. The U.S. ISM factory index fell from 49.8 to 49.6 in August. It was the third straight month below the 50 mark (indicating contraction) and the longest such string since mid-2009. Although the Eurozone Purchasing Managers' Index (PMI) climbed from 45.1 to 46.1, September still marked the 14th straight month of contraction in the European manufacturing sector. China's factory sector is also in contraction territory, as its official PMI rose from 49.2 to 49.8 in September. August had been the lowest reading of the year.

EMPLOYMENT

Job growth, or the lack thereof, has been a hot election topic all year. Fortunately for the current administration, the woeful second quarter job gains improved somewhat in the third quarter, but not enough to suggest a strengthening economy. Nonfarm payrolls increased by just 96k in August, well short of the median forecast for a gain of 130k. Revisions to the two previous months subtracted 41k jobs from the previous count, leaving July at 141k and June at a mere 45k. According to analysts, the level of job gains needed to legitimately chip away at the unemployment rate would be above 250k per month. Having said that, the unemployment rate fell from 8.3% to 8.1% in August, but the primary contributor was a 368k drop in the labor force, which took the participation rate down to 63.5%, the lowest in 33 years. The unemployment rate has been above 8% since February 2009, the longest such streak since 1948. Frankly, if the seven million people no longer looking for work are included in the calculation, unemployment climbs above 11%.

HOUSING

The housing market has bounced off historically low levels to become one of few bright spots in an otherwise anemic recovery. Unfortunately, its overall contribution to GDP growth going forward is likely to be relatively small. Nevertheless, recent reports have been encouraging. Buying a home has become 45% cheaper than renting, according to an analysis done by web-based home

listing service Trulia, and buyers are beginning to see the value. Existing home sales rose by 7.8% in August, the biggest jump in a year, to a 4.8 million unit annualized pace, the highest since May 2010. The median sales price for an existing home rose 9.5% year-over-year to \$187,400. It was the biggest annual price increase since January 2006. New home sales in July reached an annualized pace of 374k, the highest in two years. Sales in August were up 28% year-over-year. According to the National Association of Realtors, 2012 overall home sales are now on track to reach a five-year high. With the increase in buyer demand, and scarce inventory, prices on new homes soared. In fact, the median price for a new home jumped over 11% in August to \$256,900, the largest single month increase in history and 17% above the same period a year ago. Freddie Mac's 30-yr fixed rate mortgage index matched a record low of 3.40% at the end of September, and the Mortgage Bankers Association applications index quickly responded by surging to a three-year high.

CONSUMER SPENDING

Apparently, American consumers are beginning to feel better, although it isn't really clear why. The September University of Michigan confidence index jumped from 74.3 to 79.2, the second highest survey reading since before the recession began. And, the Conference Board's consumer confidence index unexpectedly jumped 9 points in September to 70.3, the highest level in seven months. The present situation index increased by 3.7 points to 50.2, the highest since April, while the future expectations index surged by a whopping 12.6 points to 83.7. Interestingly, the present situation index was bolstered by improvement in perceived employment conditions. Second quarter retail sales were all negative, but the third quarter has been quite a bit better. The retail sales report showed an increase of 0.9% in August, topping the revised 0.6% July increase. Unfortunately, the majority of the August increase resulted from higher gasoline station sales, which reflected the jump in gas prices. September vehicle sales exceeded forecasts rising to a 14.9 million unit annualized pace, the highest level since March 2008, just four months after the recession officially began. Auto industry experts speculate that low cost financing has provided a boost. Bankrate.com reported the average rate on a 48-month new car loan was 3.19% in September, down from 4.39% a year earlier.

INFLATION

Inflation hasn't been a concern when the measuring stick is the consumer price index (CPI). Although CPI rose 0.6% in August, it was the first increase in six months. On a year-over-year basis, CPI is rising at a benign 1.7% pace, up from 1.4% in July. Eighty-percent of the August increase was energy-related as energy costs jumped by 5.6%, the most in over three years. With a majority of developed nations either in recession or on the edge, it wasn't an increase in global demand for oil that drove crude prices higher, so much as continued geopolitical uncertainty in the Middle East. Nevertheless, the average price for gasoline nationwide had climbed more than \$0.50 per gallon by mid-September before settling down at quarter-end. Food prices also edged higher as America's farmland continued to wither under the oppressive heat. According to the U.S. Department of Agriculture (USDA), about 80% of farm land is in the midst of drought conditions, making the 2012 drought the worst since the 1950s. So far, the impact hasn't shown up in grocery store prices, but it will. Fortunately, the percentage of total food purchase price attributed to agricultural input is less than 15%, so with the exception of raw vegetables, overall food prices aren't expected to skyrocket. When the volatile food and energy prices are stripped out of the index, core CPI rose by just 0.1% in August, and on a year-over-year basis dropped to 1.9%, the lowest level in over a year.

THE FED

Even though the amount of Fed accommodation thus far has been unprecedented, the markets clamored for more. For a majority of economists and traders, it was simply a matter of time before the FOMC announced its latest round of bond purchases. Despite the dubious success of the prior quantitative easing programs, the Federal Open Market Committee announced on September 13, "...that without further policy accommodation, economic growth might not be strong enough to generate sustained improvement in labor market conditions." Fed officials were also concerned about the downside risks associated with the global financial markets. So, to address these concerns, the FOMC committed to purchase an additional \$40 billion per month in agency mortgage-backed securities with no set date for purchases to end. In fact, the official statement went on to say, "If the outlook for the labor market does not improve substantially, the

Committee will continue its purchases of agency mortgage-backed securities, undertake additional asset purchases, and employ its other policy tools as appropriate...” The FOMC also reiterated that it would continue longer-term asset purchases under the existing “Operation Twist” program until the end of the year, while reinvesting all principal payments from its portfolio of agency debt and mortgage-backed securities back into mortgage-backed securities. These combined future purchases will increase longer-term security holdings in the Fed’s already massive portfolio by approximately \$85 billion per month through the remainder of the year. And perhaps even more important to investors on the short end of the curve, the FOMC also announced an extension to the likely target date for the first rate increase by another six months until “at least mid-2015.”

STOCK MARKET MOVEMENT

The anticipation and ultimate announcement of additional Fed easing seemed to have a positive impact on U.S. equity markets, with the broad market S&P 500 closing the quarter less than 8% away from its pre-recession all-time high. Nine hundred billion dollars flowed into U.S. stock markets during the third quarter despite generally disappointing second quarter corporate profits and the prospect for lower profits later in the year. To some degree, stocks have benefited from a lack of viable investment alternatives, but even now, history makes a compelling argument for equities. In the past 10 years, the S&P 500 has only suffered a single calendar year of negative returns. Granted, it was a huge 37% loss in 2008 ...but still.

	DOW	S&P 500	NASDAQ
9/30/11	10,913	1,131	2,415
6/30/12	12,880	1,362	2,935
9/30/12	13,437	1,441	3,116
% Change for Q3-2012	+ 4.3%	+ 5.8%	+ 6.2%
% Change for 12 Months	+ 23.1%	+ 27.3%	+ 29.0%

INTEREST RATES

		Fed Funds	3 mo T-bill	6 mo T-bill	2 yr T-note	5 yr T-note	10 yr T-note
Last	6/30/12	0.00%	0.08%	0.15%	0.30%	0.72%	1.65%
High		0.00%	0.11%	0.15%	0.30%	0.82%	1.87%
Low		0.00%	0.07%	0.12%	0.20%	0.54%	1.39%
End	9/30/12	0.00%	0.09%	0.13%	0.23%	0.63%	1.63%

PORTFOLIO ACTIVITY SINCE JUNE 30TH

- Two bonds were called away prior to maturity and four bonds matured during the quarter, resulting in total runoff of \$12 million.
- This runoff was partially offset with five new investments totaling \$7mm. Purchases included \$5.5mm in three agency bullets with maturities in Aug-2013, Feb-2014, and Aug-2014. We also bought \$2mm of an agency callable maturing in Dec-2014 and callable quarterly from Mar-2013. Finally, we made a \$1mm investment in FCAR commercial paper with a May-2013 maturity. The weighted average yield on these purchases was 0.34%, more than double the quarter’s average LGIP rate of 0.14%.
- During September, the Town received approximately \$35mm in proceeds from the recent issuance of bonds. These funds are currently held in TexSTAR, pending the completion of a cash flow forecast which will guide investment decisions.

SUMMARY / OUTLOOK

It seems like forever, but it was just 1999 when the Congressional Budget Office (CBO) projected that the U.S. national debt would turn to a \$5.6 billion surplus by 2010. With that thought in mind, it only made sense for Congress to vote the American taxpayer a refund and in 2001 and 2003 significant tax reductions were put in place. Since the CBO warned these cuts would turn the projected surpluses into significant deficits, the reductions were scheduled to sunset at the end of 2010. But when 2010 rolled around the economy was still struggling mightily, so the cuts were extended for another two years. In fact, the economy was doing so poorly, that an additional payroll tax cut was granted and subsequently extended. Now, unless a sharply divided Congress decides to kick the can further down the road, as much as \$600 billion of expiring income tax cuts and capital gains reductions, tax credits and special exemptions, long-term unemployment benefits, a few new taxes and across-the-board spending cuts will all take effect in mass at the beginning of 2013. The nonpartisan Tax Policy Center concluded that Federal taxes would increase by \$536 billion or \$3,500 per household next year alone. The impact could chop as much as 4%-5% from GDP. Since GDP is estimated to end the year somewhere in the vicinity of 2%, the threat of recession looms. The November elections are expected to shape how and when the "fiscal cliff" issue is resolved.

On the monetary side, the Fed is doing all it can. The tried and true fed funds rate cut method has been completely ineffective. Short-term rates have hovered near zero since December 2008, but a collective deleveraging strategy by both households and businesses, combined with tighter credit standards have largely nullified any positive effect from lower borrowing costs. No one wants to borrow. But, the Fed has nevertheless pushed out the "extended period" during which it expects to hold the overnight funds rate at exceptionally low levels "until at least mid-2015." Fed officials have also launched another round of quantitative easing, but this one doesn't actually have an ending date. Although pundits and politicians have weighed in on the best solution, be it purely fiscal or monetary, or a combination, uncertainty rules the day. We've never been here before.

There is actually a lot less certainty on the interest rate front. With the Fed creating money to fund its asset purchases, which have now swelled to over \$2.8 trillion, common sense suggests that market interest rates are poised to rise, but the more likely scenario may be for yields to creep lower still. Money market funds and public funds investment pools could see balances soar at year-end when the Dodd-Frank Deposit Insurance Provision expires. This provision, which provides a full-faith-and-credit government guarantee on non-interest bearing bank deposits, was originally put in place in 2008, after the failure of Lehman Brothers. Since this "non-interest bearing rate" doesn't preclude fee credits for compensating balances, and with money market funds yielding next to nothing, many depositors have elected to take advantage of the risk free government guarantee. These accounts have attracted deposits estimated at \$1.6 trillion, much of which may be looking for a new home in the short fixed income market. Bank of America/Merrill Lynch thought the massive inflows could push Treasury-bill yields back into negative territory. But, as Federated Investor's CIO Deborah Cunningham told the Wall Street Journal, "From a fund-management perspective, there are very few options... so there's no real preparation." That just about says it all. And finally, Bill Gross of PIMCO recently wrote "I don't believe in the imminent demise of the U.S. economy and its financial markets. But," he adds, "I'm afraid for them." Buckle up. The ride may get a little bumpy.

PROJECTED STRATEGY FOR THE FOURTH QUARTER 2012:

Our investment strategy remains unchanged: reduce low yielding cash balances in favor of higher yielding commercial paper and bank CD's and supplement those positions with callable agency securities having final maturities out 24 to 36 months. We will also consider high quality municipal bonds from Texas issuers, although it has been difficult to find municipal issues that meet the policy's two-year final maturity limitation. Finally, we will need to focus on investing the recently received bond proceeds, which are currently held in the TexSTAR LGIP.

FirstSouthwest

A PlainsCapital Company



Investment Portfolio Summary

Town of Addison

Addison!

For the Quarter Ended

September 30, 2012

Report Name

Certification Page
Executive Summary
Benchmark Comparison
Detail of Security Holdings
Change in Value
Earned Income
Investment Transactions
Amortization and Accretion
Projected Fixed Income Cash Flows

MARKET RECAP:

The final revision to Q2 GDP further reduced an already poor 1.7% showing to a meager 1.3% annualized growth rate. That pretty much sums up the situation we are mired in. The economy is growing, but at such a slow pace the improvement is barely noticeable and the paltry pace of expansion leaves very little cushion to absorb any shocks, such as a further meltdown in Europe or the fiscal cliff we face in the U.S. The August payroll report kicked the month off on a sour note as payrolls expanded by a mere 96k and revisions to prior months subtracted 41k from already weak results. Optimists will point to a drop in the unemployment rate to 8.1%, but that was the result of a large 368k decline in the labor force. The labor force participation rate fell to 63.5%, the lowest since May 1979. Data for the rest of the month was generally weak. A decent 0.9% gain in retail sales was distorted by higher gasoline prices. Core retail sales, which strip out gas station and vehicle sales, increased a scant 0.1%. The only real improvement has come in the housing sector, as record low mortgage rates are boosting sales and lifting prices.

Once again the data has mostly taken a back seat to other events. Early in the month, the ECB announced a bond buying plan designed to lower borrowing costs for some of Europe's most troubled countries. The plan was cheered by investors and brought at least a temporary calm to financial markets. As the month drew to a close, widespread protests of austerity measures in Greece and Spain have raised doubts about the ultimate success of the ECB's proposals. In the U.S., the Federal Reserve announced another round of large-scale asset purchases, better known as quantitative easing, or QE. In the latest iteration, dubbed QE3, the Fed will make \$40 billion in monthly purchases of agency mortgage-backed securities. This should keep mortgage rates at or near record lows and likely contribute to continued improvement in the housing market. The Fed also extended until "at least mid-2015" the time frame for which it expects to maintain "exceptionally low levels" for the fed funds rate. The Fed went on to say, *"If the outlook for the labor market does not improve substantially, the Committee will continue its purchases of agency mortgage-backed securities, undertake additional asset purchases, and employ its other policy tools as appropriate until such improvement is achieved..."* Essentially, the Fed has thrown down the gauntlet and pledged to do whatever it can in order to get unemployment down. Yields all across the curve are declining in response. It appears we are in for several more years of extremely low investment rates.

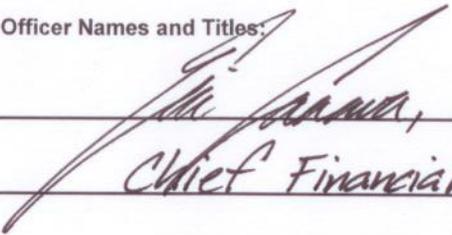


For the Quarter Ended
September 30, 2012

This report is prepared for the **Town of Addison** (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA. To the extent possible, market prices have been obtained from independent pricing sources.

The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made on behalf of the Entity and were made in full compliance with the PFIA and the approved Investment Policy.

Officer Names and Titles:



C.P.A.

Chief Financial Officer

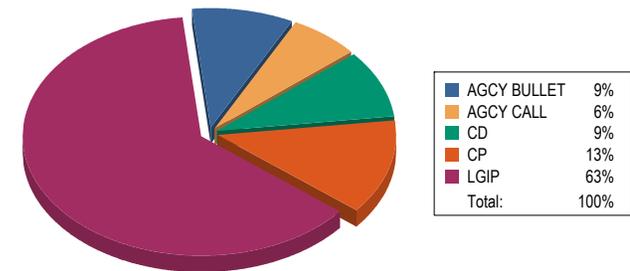
Account Summary

Allocation by Security Type

Beginning Values as of 06/30/12

Ending Values as of 09/30/12

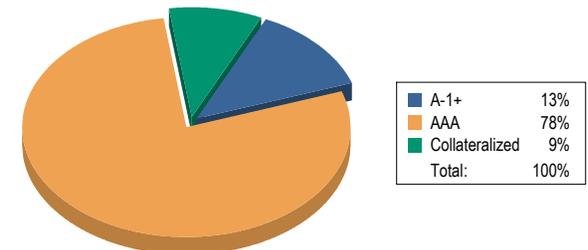
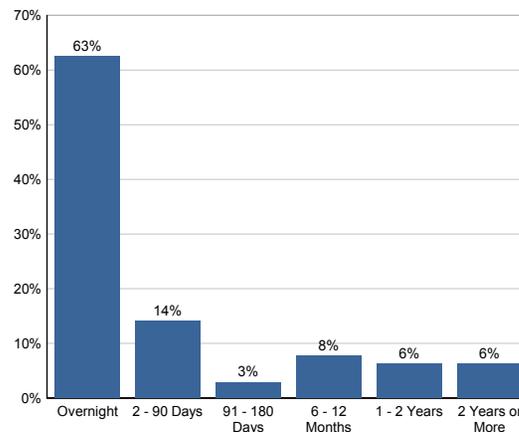
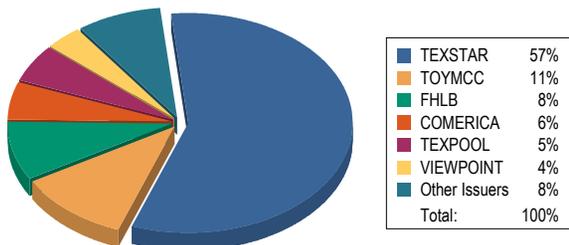
Par Value	37,276,166.83	71,092,950.33
Market Value	37,286,800.83	71,112,528.33
Book Value	37,276,036.79	71,098,604.22
Unrealized Gain / Loss	10,764.04	13,924.11
Market Value %	100.03%	100.03%
Weighted Avg. YTW	0.424%	0.284%
Weighted Avg. YTM	0.447%	0.296%



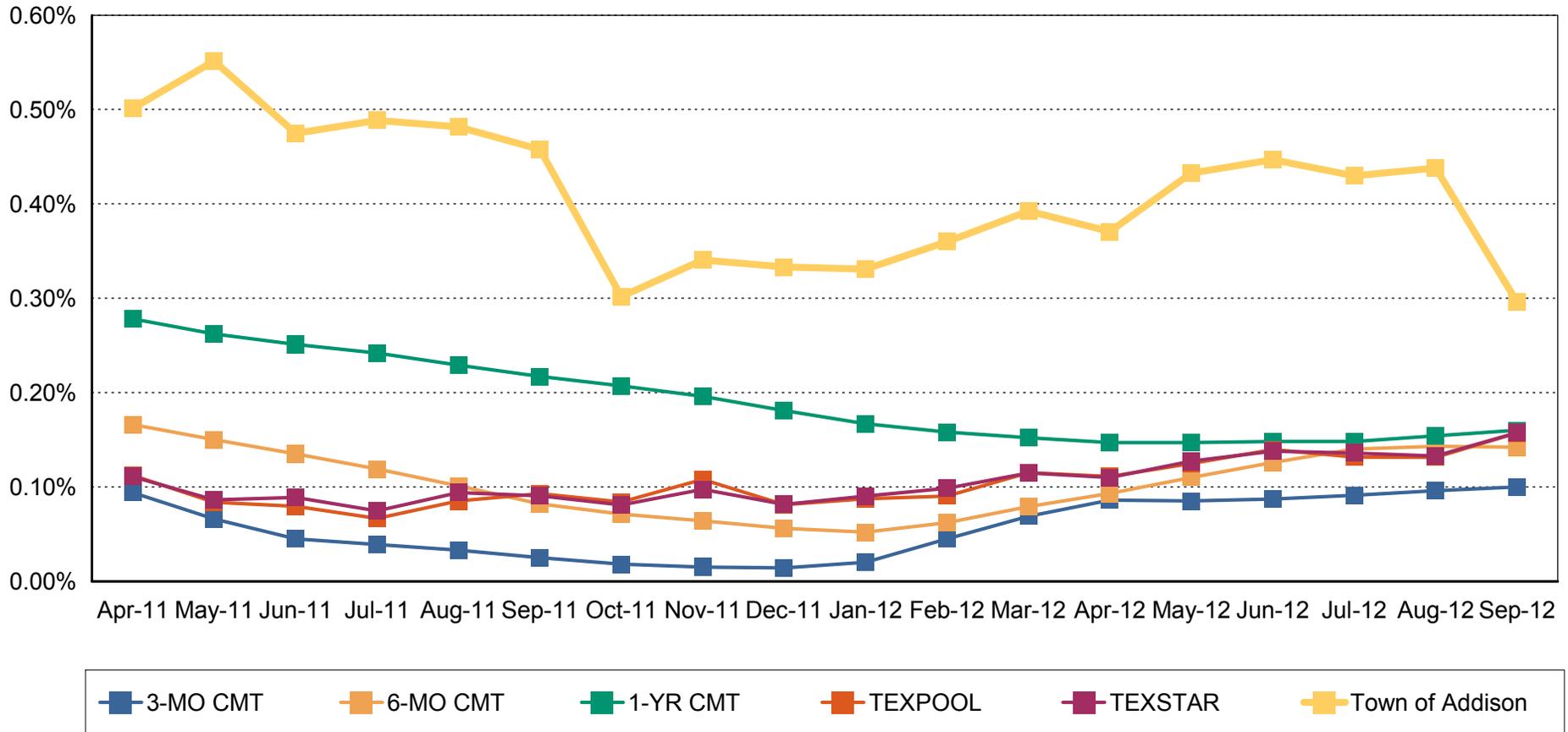
Allocation by Issuer

Maturity Distribution %

Credit Quality



Weighted Average Days to Maturity: 122



Note 1: CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities. The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year and 2-year CMT's are the daily averages for the previous 12-months.

Note 2: Benchmark data for TexPool is the monthly average yield.

Note 3: Benchmark data for TexSTAR is the monthly average yield.



Town of Addison
Detail of Security Holdings
 As of 09/30/2012

CUSIP	Settle Date	Sec. Type	Sec. Description	CPN	Mty Date	Next Call	Call Type	Par Value	Purch Price	Orig Cost	Book Value	Mkt Price	Market Value	Days to Mty	Days to Call	YTM	YTW
Pooled Funds																	
TEXPOOL		LGIP	TexPool					3,853,092.60	100.000	3,853,092.60	3,853,092.60	100.000	3,853,092.60	1		0.157	0.157
TEXSTAR		LGIP	TexSTAR					40,665,359.49	100.000	40,665,359.49	40,665,359.49	100.000	40,665,359.49	1		0.157	0.157
89233GKF2	01/20/12	CP - DISC	Toyota Mtr Cr		10/15/12			3,000,000.00	99.507	2,985,205.00	2,999,229.99	99.995	2,999,838.00	15		0.663	0.663
89233GM37	03/09/12	CP - DISC	Toyota Mtr Cr		12/03/12			4,000,000.00	99.567	3,982,664.44	3,995,940.00	99.972	3,998,864.00	64		0.583	0.583
CD-6693	09/08/11	CD	Comerica Bk CD	0.570	12/10/12			2,011,439.69	100.000	2,011,439.69	2,011,439.69	100.000	2,011,439.69	71		0.571	0.571
89233GMM5	03/27/12	CP - DISC	Toyota Mtr Cr		12/21/12			1,000,000.00	99.604	996,039.72	998,807.50	99.964	999,636.00	82		0.532	0.532
CD-8993-2	01/19/12	CD	Comerica Bk CD	0.560	01/21/13			2,048,320.66	100.000	2,048,320.66	2,048,320.66	100.000	2,048,320.66	113		0.561	0.561
CD-2270	10/07/11	CD	ViewPoint Bk CD	0.599	04/08/13			2,514,737.89	100.000	2,514,737.89	2,514,737.89	100.000	2,514,737.89	190		0.599	0.599
3024A0SA4	08/15/12	CP - DISC	FCAR Owner Trust		05/10/13			1,000,000.00	99.576	995,756.67	996,500.83	99.704	997,040.00	222		0.572	0.572
313376WB7	08/20/12	AGCY BULET	FHLB	0.280	08/13/13			2,000,000.00	100.046	2,000,920.00	2,000,813.22	100.070	2,001,400.00	317		0.233	0.233
3134G3BF6	03/27/12	AGCY BULET	FHLMC	0.625	12/23/13			1,000,000.00	100.356	1,003,560.00	1,002,516.61	100.450	1,004,500.00	449		0.419	0.419
313379LM9	07/24/12	AGCY BULET	FHLB	0.350	02/25/14			2,000,000.00	100.127	2,002,540.00	2,002,242.38	100.150	2,003,000.00	513		0.270	0.270
3134G3YW4	08/28/12	AGCY BULET	FHLMC	0.375	08/28/14			1,500,000.00	100.092	1,501,374.00	1,501,311.18	100.190	1,502,850.00	697		0.329	0.329
313380JV0	09/12/12	AGCY CALL	FHLB	0.400	12/04/14	03/04/13	QRTLY	2,000,000.00	100.000	2,000,000.00	2,000,000.00	100.060	2,001,200.00	795	155	0.400	0.400
3135G0LB7	05/30/12	AGCY CALL	FNMA	1.000	05/29/15	05/29/13	QRTLY	2,500,000.00	100.500	2,512,500.00	2,508,292.18	100.450	2,511,250.00	971	241	0.831	0.497
Total for Pooled Funds								71,092,950.33	99.973	71,073,510.16	71,098,604.22	100.028	71,112,528.33	122		0.296	0.284
Total for Town of Addison								71,092,950.33	99.973	71,073,510.16	71,098,604.22	100.028	71,112,528.33	122		0.296	0.284



Town of Addison
Change in Value
 From 06/30/2012 to 09/30/2012

CUSIP	Security Type	Security Description	06/30/12 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	09/30/12 Book Value	06/30/12 Market Value	09/30/12 Market Value	Change in Mkt Value
Pooled Funds											
TEXPOOL	LGIP	TexPool	3,451,685.84	1,000,901.75	(599,494.99)	0.00	0.00	3,853,092.60	3,451,685.84	3,853,092.60	401,406.76
TEXSTAR	LGIP	TexSTAR	3,759,525.19	37,355,322.75	(449,488.45)	0.00	0.00	40,665,359.49	3,759,525.19	40,665,359.49	36,905,834.30
36959HGJ0	CP - DISC	GE Capital Corp 0.000 07/18/12	1,999,678.88	0.00	(2,000,000.00)	321.12	0.00	0.00	1,999,880.00	0.00	(1,999,880.00)
31398AYM8	AGCY BULET	FNMA 1.750 08/10/12	3,004,783.41	0.00	(3,000,000.00)	(4,783.41)	0.00	0.00	3,005,100.00	0.00	(3,005,100.00)
3024A0HE8	CP - DISC	FCAR Owner Trust 0.000 08/14/12	999,266.67	0.00	(1,000,000.00)	733.33	0.00	0.00	999,788.00	0.00	(999,788.00)
3133XYWB7	AGCY BULET	FHLB 0.875 08/22/12	1,000,766.63	0.00	(1,000,000.00)	(766.63)	0.00	0.00	1,001,000.00	0.00	(1,001,000.00)
89233GKF2	CP - DISC	Toyota Mtr Cr 0.000 10/15/12	2,994,170.01	0.00	0.00	5,059.98	0.00	2,999,229.99	2,997,861.00	2,999,838.00	1,977.00
89233GM37	CP - DISC	Toyota Mtr Cr 0.000 12/03/12	3,990,011.12	0.00	0.00	5,928.88	0.00	3,995,940.00	3,994,452.00	3,998,864.00	4,412.00
CD-6693	CD	Comerica Bk CD 0.570 12/10/12	2,008,560.47	2,879.22	0.00	0.00	0.00	2,011,439.69	2,008,560.47	2,011,439.69	2,879.22
89233GMM5	CP - DISC	Toyota Mtr Cr 0.000 12/21/12	997,453.06	0.00	0.00	1,354.44	0.00	998,807.50	998,453.00	999,636.00	1,183.00
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	2,045,440.04	2,880.62	0.00	0.00	0.00	2,048,320.66	2,045,440.04	2,048,320.66	2,880.62
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	2,510,955.29	3,782.60	0.00	0.00	0.00	2,514,737.89	2,510,955.29	2,514,737.89	3,782.60
3024A0SA4	CP - DISC	FCAR Owner Trust 0.000 05/10/13	0.00	995,756.67	0.00	744.16	0.00	996,500.83	0.00	997,040.00	997,040.00
313376WB7	AGCY BULET	FHLB 0.280 08/13/13	0.00	2,000,920.00	0.00	(106.78)	0.00	2,000,813.22	0.00	2,001,400.00	2,001,400.00
3134G3BF6	AGCY BULET	FHLMC 0.625 12/23/13	1,003,027.73	0.00	0.00	(511.12)	0.00	1,002,516.61	1,003,800.00	1,004,500.00	700.00
313379LM9	AGCY BULET	FHLB 0.350 02/25/14	0.00	2,002,540.00	0.00	(297.62)	0.00	2,002,242.38	0.00	2,003,000.00	2,003,000.00
313378K83	AGCY CALL	FHLB 0.410 03/12/14	2,000,000.00	0.00	(2,000,000.00)	0.00	0.00	0.00	2,000,200.00	0.00	(2,000,200.00)
313379EF2	AGCY CALL	FHLB 0.400 05/22/14	2,999,290.50	0.00	(3,000,000.00)	709.50	0.00	0.00	2,997,600.00	0.00	(2,997,600.00)
3134G3YW4	AGCY BULET	FHLMC 0.375 08/28/14	0.00	1,501,374.00	0.00	(62.82)	0.00	1,501,311.18	0.00	1,502,850.00	1,502,850.00
313380JV0	AGCY CALL	FHLB 0.400 12/04/14	0.00	2,000,000.00	0.00	0.00	0.00	2,000,000.00	0.00	2,001,200.00	2,001,200.00
3135G0LB7	AGCY CALL	FNMA 1.000 05/29/15	2,511,421.95	0.00	0.00	(3,129.77)	0.00	2,508,292.18	2,512,500.00	2,511,250.00	(1,250.00)
Total for Pooled Funds			37,276,036.79	46,866,357.61	(13,048,983.44)	5,193.26	0.00	71,098,604.22	37,286,800.83	71,112,528.33	33,825,727.50
Total for Town of Addison			37,276,036.79	46,866,357.61	(13,048,983.44)	5,193.26	0.00	71,098,604.22	37,286,800.83	71,112,528.33	33,825,727.50



Town of Addison
Earned Income
 From 06/30/2012 to 09/30/2012

CUSIP	Security Type	Security Description	Beg. Accrued	Interest Earned	Interest Rec'd / Sold / Matured	Interest Purchased	Ending Accrued	Disc Accr / Prem Amort	Net Income
Pooled Funds									
TEXPOOL	LGIP	TexPool	0.00	1,406.76	1,406.76	0.00	0.00	0.00	1,406.76
TEXSTAR	LGIP	TexSTAR	0.00	3,501.12	3,501.12	0.00	0.00	0.00	3,501.12
36959HGJ0	CP - DISC	GE Capital Corp 0.000 07/18/12	0.00	0.00	0.00	0.00	0.00	321.12	321.12
31398AYM8	AGCY BULET	FNMA 1.750 08/10/12	20,562.50	5,687.50	26,250.00	0.00	0.00	(4,783.41)	904.09
3024A0HE8	CP - DISC	FCAR Owner Trust 0.000 08/14/12	0.00	0.00	0.00	0.00	0.00	733.33	733.33
3133XYWB7	AGCY BULET	FHLB 0.875 08/22/12	3,135.42	1,239.58	4,375.00	0.00	0.00	(766.63)	472.95
89233GKF2	CP - DISC	Toyota Mtr Cr 0.000 10/15/12	0.00	0.00	0.00	0.00	0.00	5,059.98	5,059.98
89233GM37	CP - DISC	Toyota Mtr Cr 0.000 12/03/12	0.00	0.00	0.00	0.00	0.00	5,928.88	5,928.88
CD-6693	CD	Comerica Bk CD 0.570 12/10/12	656.90	2,880.16	2,879.22	0.00	657.84	0.00	2,880.16
89233GMM5	CP - DISC	Toyota Mtr Cr 0.000 12/21/12	0.00	0.00	0.00	0.00	0.00	1,354.44	1,354.44
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	312.96	2,881.06	2,880.62	0.00	313.40	0.00	2,881.06
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	41.09	3,782.67	3,782.60	0.00	41.16	0.00	3,782.67
3024A0SA4	CP - DISC	FCAR Owner Trust 0.000 05/10/13	0.00	0.00	0.00	0.00	0.00	744.16	744.16
313376WB7	AGCY BULET	FHLB 0.280 08/13/13	0.00	637.78	0.00	(108.89)	746.67	(106.78)	531.00
3134G3BF6	AGCY BULET	FHLMC 0.625 12/23/13	138.89	1,562.50	0.00	0.00	1,701.39	(511.12)	1,051.38
313379LM9	AGCY BULET	FHLB 0.350 02/25/14	0.00	1,302.78	1,750.00	(1,147.22)	700.00	(297.62)	1,005.16
313378K83	AGCY CALL	FHLB 0.410 03/12/14	2,482.78	1,617.22	4,100.00	0.00	0.00	0.00	1,617.22
313379EF2	AGCY CALL	FHLB 0.400 05/22/14	1,300.00	700.00	2,000.00	0.00	0.00	709.50	1,409.50
3134G3YW4	AGCY BULET	FHLMC 0.375 08/28/14	0.00	515.63	0.00	0.00	515.63	(62.82)	452.81
313380JV0	AGCY CALL	FHLB 0.400 12/04/14	0.00	422.22	0.00	(177.78)	600.00	0.00	422.22
3135G0LB7	AGCY CALL	FNMA 1.000 05/29/15	2,222.22	6,250.00	0.00	0.00	8,472.22	(3,129.77)	3,120.23
Total for Pooled Funds			30,852.76	34,386.98	52,925.32	(1,433.89)	13,748.31	5,193.26	39,580.24
Total for Town of Addison			30,852.76	34,386.98	52,925.32	(1,433.89)	13,748.31	5,193.26	39,580.24



Town of Addison
Investment Transactions
 From 07/01/2012 to 09/30/2012

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
Pooled Funds															
Calls															
07/22/12	07/22/12	313379EF2	AGCY CALL	FHLB	0.400	05/22/14	07/22/12	3,000,000.00	100.000	3,000,000.00	2,000.00	3,002,000.00		0.413	0.400
09/12/12	09/12/12	313378K83	AGCY CALL	FHLB	0.410	03/12/14	09/12/12	2,000,000.00	100.000	2,000,000.00	0.00	2,000,000.00		0.410	0.410
Total for: Calls								5,000,000.00		5,000,000.00	2,000.00	5,002,000.00		0.412	0.404
Maturities															
07/18/12	07/18/12	36959HGJ0	CP - DISC	GE Capital Corp		07/18/12		2,000,000.00	100.000	2,000,000.00	0.00	2,000,000.00		0.341	
08/10/12	08/10/12	31398AYM8	AGCY BULET	FNMA	1.750	08/10/12		3,000,000.00	100.000	3,000,000.00	0.00	3,000,000.00		0.276	
08/14/12	08/14/12	3024A0HE8	CP - DISC	FCAR Owner Trust		08/14/12		1,000,000.00	100.000	1,000,000.00	0.00	1,000,000.00		0.603	
08/22/12	08/22/12	3133XYWB7	AGCY BULET	FHLB	0.875	08/22/12		1,000,000.00	100.000	1,000,000.00	0.00	1,000,000.00		0.333	
Total for: Maturities								7,000,000.00		7,000,000.00	0.00	7,000,000.00		0.349	
Purchases															
07/23/12	07/24/12	313379LM9	AGCY BULET	FHLB	0.350	02/25/14		2,000,000.00	100.127	2,002,540.00	1,147.22	2,003,687.22		0.270	0.270
08/15/12	08/15/12	3024A0SA4	CP - DISC	FCAR Owner Trust		05/10/13		1,000,000.00	99.576	995,756.67	0.00	995,756.67		0.572	0.572
08/17/12	08/20/12	313376WB7	AGCY BULET	FHLB	0.280	08/13/13		2,000,000.00	100.046	2,000,920.00	108.89	2,001,028.89		0.233	0.233
08/27/12	08/28/12	3134G3YW4	AGCY BULET	FHLMC	0.375	08/28/14		1,500,000.00	100.092	1,501,374.00	0.00	1,501,374.00		0.329	0.329
09/06/12	09/12/12	313380JV0	AGCY CALL	FHLB	0.400	12/04/14	03/04/13	2,000,000.00	100.000	2,000,000.00	177.78	2,000,177.78		0.400	0.400
Total for: Purchases								8,500,000.00		8,500,590.67	1,433.89	8,502,024.56		0.338	0.338
Income Payments															
07/08/12	07/10/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12				0.00	938.43	938.43			
07/19/12	07/21/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13				0.00	938.89	938.89			
07/31/12	07/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13				0.00	1,273.93	1,273.93			
08/08/12	08/10/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12				0.00	970.16	970.16			
08/10/12	08/10/12	31398AYM8	AGCY BULET	FNMA	1.750	08/10/12				0.00	26,250.00	26,250.00			
08/19/12	08/21/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13				0.00	970.64	970.64			
08/22/12	08/22/12	3133XYWB7	AGCY BULET	FHLB	0.875	08/22/12				0.00	4,375.00	4,375.00			
08/27/12	08/25/12	313379LM9	AGCY BULET	FHLB	0.350	02/25/14				0.00	1,750.00	1,750.00			
08/31/12	08/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13				0.00	1,274.58	1,274.58			



Town of Addison
Investment Transactions
 From 07/01/2012 to 09/30/2012

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
Pooled Funds															
Income Payments															
09/08/12	09/10/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12				0.00	970.63	970.63			
09/12/12	09/12/12	313378K83	AGCY CALL	FHLB	0.410	03/12/14				0.00	4,100.00	4,100.00			
09/19/12	09/21/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13				0.00	971.09	971.09			
09/30/12	09/30/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13				0.00	1,234.09	1,234.09			
Total for: Income Payments										0.00	46,017.44	46,017.44			
Capitalized Interest															
07/08/12	07/08/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12		938.43	100.000	938.43	0.00	938.43			
07/19/12	07/19/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13		938.89	100.000	938.89	0.00	938.89			
07/31/12	07/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13		1,273.93	100.000	1,273.93	0.00	1,273.93			
08/08/12	08/08/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12		970.16	100.000	970.16	0.00	970.16			
08/19/12	08/19/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13		970.64	100.000	970.64	0.00	970.64			
08/31/12	08/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13		1,274.58	100.000	1,274.58	0.00	1,274.58			
09/08/12	09/08/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12		970.63	100.000	970.63	0.00	970.63			
09/21/12	09/21/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13		971.09	100.000	971.09	0.00	971.09			
09/30/12	09/30/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13		1,234.09	100.000	1,234.09	0.00	1,234.09			
Total for: Capitalized Interest								9,542.44	9,542.44	0.00	9,542.44				



Town of Addison
Investment Transactions
 From 07/01/2012 to 09/30/2012

Trade Date	Settle Date	CUSIP	Security Type	Security Description	Coupon	Mty Date	Call Date	Par Value	Price	Principal Amount	Int Purchased / Received	Total Amount	Realized Gain / Loss	YTM	YTW
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Total for All Portfolios

Transaction Type	Quantity	Total Amount	Realized G/L	YTM	YTW
Total Calls	5,000,000.00	5,002,000.00		0.412	0.404
Total Maturities	7,000,000.00	7,000,000.00		0.349	
Total Purchases	8,500,000.00	8,502,024.56		0.338	0.338
Total Income Payments	0.00	46,017.44			
Total Capitalized Interest	9,542.44	9,542.44			



Town of Addison
Amortization and Accretion
 From 06/30/2012 to 09/30/2012

CUSIP	Settle Date	Security Type	Security Description	Next Call Date	Purchase Qty	Orig Price	Original Cost	Amrt/Accr for Period	Total Amrt/Accr Since Purch	Remaining Disc / Prem	Book Value
Pooled Funds											
36959HGJ0	01/20/12	CP - DISC	GE Capital Corp 0.000 07/18/12		0.00	99.830	0.00	321.12	0.00	0.00	0.00
31398AYM8	06/27/11	AGCY BULET	FNMA 1.750 08/10/12		0.00	101.646	0.00	(4,783.41)	0.00	0.00	0.00
3024A0HE8	11/18/11	CP - DISC	FCAR Owner Trust 0.000 08/14/12		0.00	99.550	0.00	733.33	0.00	0.00	0.00
3133XYWB7	05/19/11	AGCY BULET	FHLB 0.875 08/22/12		0.00	100.680	0.00	(766.63)	0.00	0.00	0.00
89233GKF2	01/20/12	CP - DISC	Toyota Mtr Cr 0.000 10/15/12		3,000,000.00	99.507	2,985,205.00	5,059.98	14,024.99	770.01	2,999,229.99
89233GM37	03/09/12	CP - DISC	Toyota Mtr Cr 0.000 12/03/12		4,000,000.00	99.567	3,982,664.44	5,928.88	13,275.56	4,060.00	3,995,940.00
CD-6693	09/08/11	CD	Comerica Bk CD 0.570 12/10/12		2,011,439.69	100.000	2,011,439.69	0.00	0.00	0.00	2,011,439.69
89233GMM5	03/27/12	CP - DISC	Toyota Mtr Cr 0.000 12/21/12		1,000,000.00	99.604	996,039.72	1,354.44	2,767.78	1,192.50	998,807.50
CD-8993-2	01/19/12	CD	Comerica Bk CD 0.560 01/21/13		2,048,320.66	100.000	2,048,320.66	0.00	0.00	0.00	2,048,320.66
CD-2270	10/07/11	CD	ViewPoint Bk CD 0.599 04/08/13		2,514,737.89	100.000	2,514,737.89	0.00	0.00	0.00	2,514,737.89
3024A0SA4	08/15/12	CP - DISC	FCAR Owner Trust 0.000 05/10/13		1,000,000.00	99.576	995,756.67	744.16	744.16	3,499.17	996,500.83
313376WB7	08/20/12	AGCY BULET	FHLB 0.280 08/13/13		2,000,000.00	100.046	2,000,920.00	(106.78)	(106.78)	(813.22)	2,000,813.22
3134G3BF6	03/27/12	AGCY BULET	FHLMC 0.625 12/23/13		1,000,000.00	100.356	1,003,560.00	(511.12)	(1,043.39)	(2,516.61)	1,002,516.61
313379LM9	07/24/12	AGCY BULET	FHLB 0.350 02/25/14		2,000,000.00	100.127	2,002,540.00	(297.62)	(297.62)	(2,242.38)	2,002,242.38
313378K83	03/12/12	AGCY CALL	FHLB 0.410 03/12/14		0.00	100.000	0.00	0.00	0.00	0.00	0.00
313379EF2	05/22/12	AGCY CALL	FHLB 0.400 05/22/14		0.00	99.975	0.00	709.50	0.00	0.00	0.00
3134G3YW4	08/28/12	AGCY BULET	FHLMC 0.375 08/28/14		1,500,000.00	100.092	1,501,374.00	(62.82)	(62.82)	(1,311.18)	1,501,311.18
313380JV0	09/12/12	AGCY CALL	FHLB 0.400 12/04/14	03/04/13	2,000,000.00	100.000	2,000,000.00	0.00	0.00	0.00	2,000,000.00
3135G0LB7	05/30/12	AGCY CALL	FNMA 1.000 05/29/15	05/29/13	2,500,000.00	100.500	2,512,500.00	(3,129.77)	(4,207.82)	(8,292.18)	2,508,292.18
Total for Pooled Funds					26,574,498.24		26,555,058.07	5,193.26	25,094.06	(5,653.89)	26,580,152.13
Total for Town of Addison					26,574,498.24		26,555,058.07	5,193.26	25,094.06	(5,653.89)	26,580,152.13



Town of Addison
Projected Cash Flows
Cash Flows for next 180 days from 09/30/2012

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
Pooled Funds						
CD-6693	CD	Comerica Bk CD 0.570 12/10/12	10/10/12	942.34	0.00	942.34
89233GKF2	CP - DISC	Toyota Mtr Cr 0.000 10/15/12	10/15/12	0.00	3,000,000.00	3,000,000.00
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	10/21/12	942.78	0.00	942.78
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	10/31/12	1,279.34	0.00	1,279.34
CD-6693	CD	Comerica Bk CD 0.570 12/10/12	11/10/12	973.75	0.00	973.75
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	11/21/12	974.21	0.00	974.21
3135G0LB7	AGCY CALL	FNMA 1.000 05/29/15	11/29/12	12,500.00	0.00	12,500.00
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	11/30/12	1,238.07	0.00	1,238.07
89233GM37	CP - DISC	Toyota Mtr Cr 0.000 12/03/12	12/03/12	0.00	4,000,000.00	4,000,000.00
313380JV0	AGCY CALL	FHLB 0.400 12/04/14	12/04/12	2,000.00	0.00	2,000.00
CD-6693	CD	Comerica Bk CD 0.570 12/10/12	12/10/12	942.34	2,011,439.69	2,012,382.03
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	12/21/12	942.78	0.00	942.78
89233GMM5	CP - DISC	Toyota Mtr Cr 0.000 12/21/12	12/21/12	0.00	1,000,000.00	1,000,000.00
3134G3BF6	AGCY BULET	FHLMC 0.625 12/23/13	12/23/12	3,125.00	0.00	3,125.00
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	12/31/12	1,279.34	0.00	1,279.34
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	01/21/13	974.21	2,048,320.66	2,049,294.87
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	01/31/13	1,279.34	0.00	1,279.34
313376WB7	AGCY BULET	FHLB 0.280 08/13/13	02/13/13	2,800.00	0.00	2,800.00
313379LM9	AGCY BULET	FHLB 0.350 02/25/14	02/25/13	3,500.00	0.00	3,500.00
3134G3YW4	AGCY BULET	FHLMC 0.375 08/28/14	02/28/13	2,812.50	0.00	2,812.50
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	02/28/13	1,155.53	0.00	1,155.53
Total for Pooled Funds				39,661.53	12,059,760.35	12,099,421.88



Town of Addison
Projected Cash Flows
Cash Flows for next 180 days from 09/30/2012

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
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Total for All Portfolios

	October 2012	3,164.46	3,000,000.00	3,003,164.46	
	November 2012	15,686.03	0.00	15,686.03	
	December 2012	8,289.46	7,011,439.69	7,019,729.15	
	January 2013	2,253.55	2,048,320.66	2,050,574.21	
	February 2013	10,268.03	0.00	10,268.03	
Total Projected Cash Flows for Town of Addison			39,661.53	12,059,760.35	12,099,421.88