

Department of Financial & Strategic Services
Quarterly Review

For the Period Ended December 31, 2012

*Town of Addison
December 2012*

Quarter Ended 12/31/12

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FY13 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 December 31, 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 2012-2013 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.

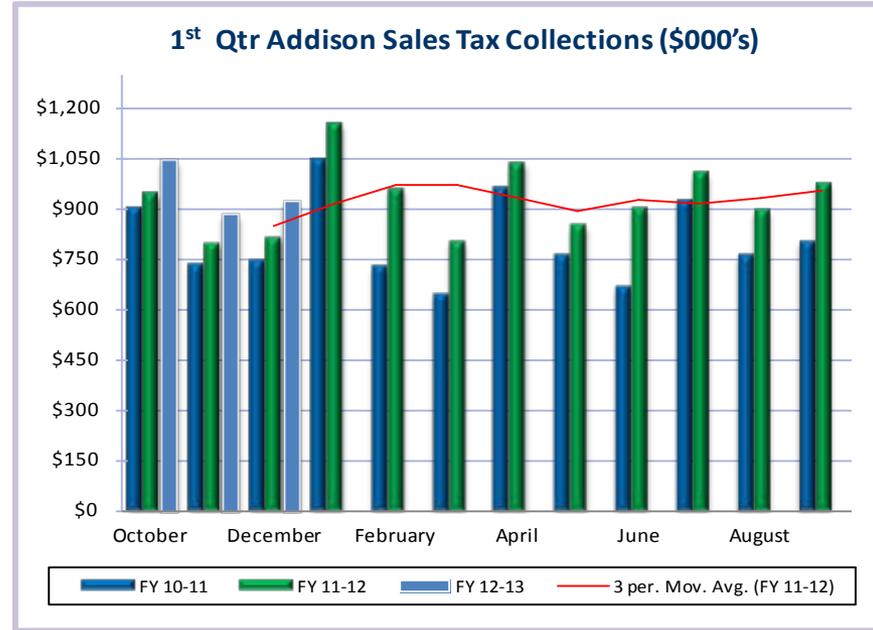
Finally, any relevant attachments are presented in a separate section towards the end of the document, and are used to more fully describe appropriate detail not included in the quarterly review. Currently, these attachments represent investment data from the Town's financial advisors, First Southwest 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 – 1st Quarter, 2013 Fiscal Year

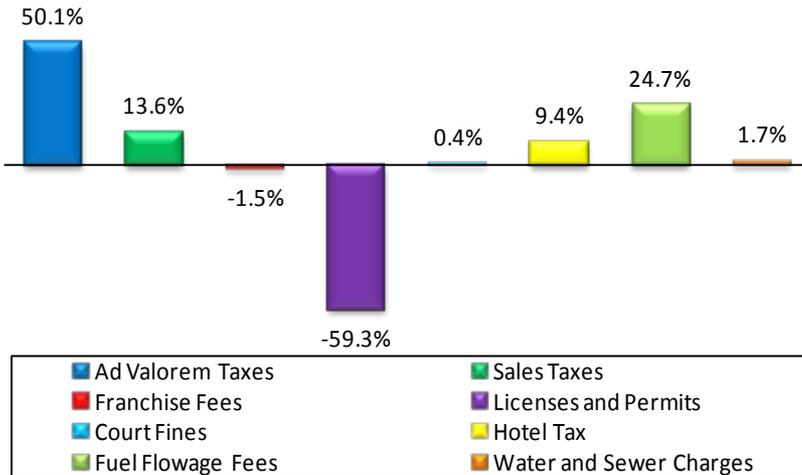
Financial Indicators

Key Revenue Sources	FY13 Budget	FY13 Qtr 1 Actual	% Annual Budget
Ad Valorem Taxes	\$ 10,483,730	\$ 2,923,521	27.89%
Sales Taxes	\$ 11,560,010	\$ 2,893,118	25.03%
Hotel Tax	\$ 4,200,000	\$ 1,060,702	25.25%
Franchise Fees	\$ 2,724,690	\$ 705,504	25.89%
Service/Permitting/License Fees	\$ 3,777,000	\$ 471,714	12.49%
Rental, Interest and Other Income	\$ 5,747,700	\$ 1,327,888	23.10%
Fuel Flowage Fees	\$ 679,250	\$ 144,224	21.23%
Water and Sewer Charges	\$ 10,661,520	\$ 1,929,508	18.10%

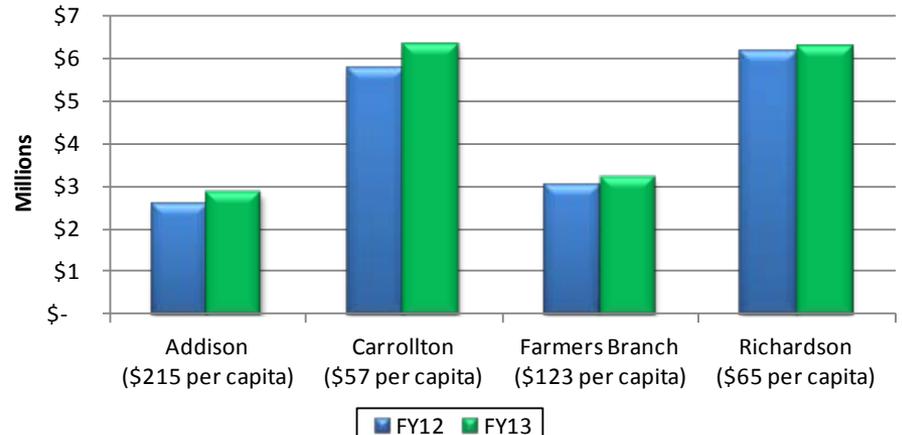
1st Quarter – 25% of FY 2013 Completed



FY12 & FY13 YTD % Change



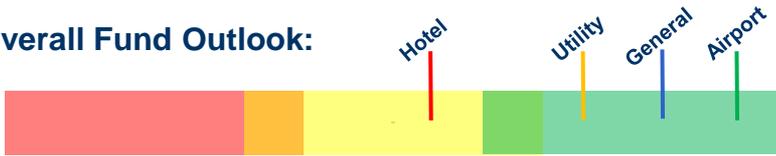
1st Qtr Sales Tax Comparison



Executive Dashboard – 1st Quarter, 2013 Fiscal Year

Financial Indicators

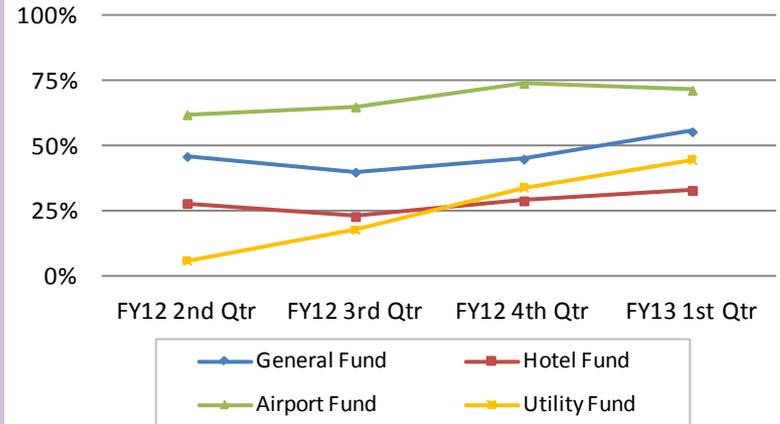
Overall Fund Outlook:



Key Expenditures	FY13 Budget	FY13 Qtr 1 Actual	% Annual Budget
General Fund	\$ 29,547,500	\$ 6,135,624	20.77%
Hotel Fund	\$ 7,264,880	\$ 1,422,913	19.59%
Economic Development	\$ 788,490	\$ 102,093	12.95%
Airport Operations	\$ 4,144,500	\$ 624,561	15.07%
Utility Operations	\$ 11,747,360	\$ 1,525,032	12.98%

1st Quarter – 25% of FY 2013 Completed

Ending Fund Balance - Four Major Funds

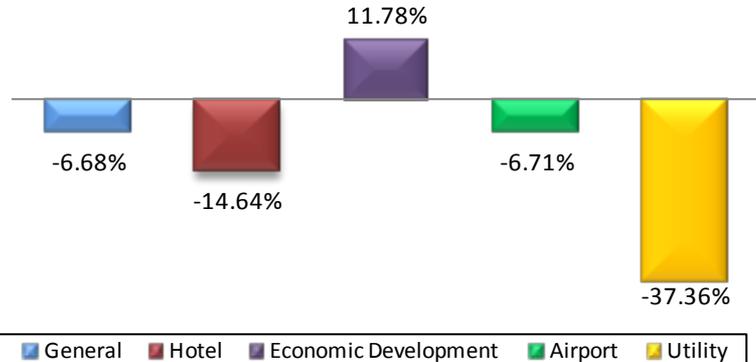


Q1 FY13 Budget Amendments:

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

FY12 & FY13 YTD % Change

(Actual vs. Actual)



Economic Development Incentives:

Executed Agreements	Amount Paid FY13	Total Incentives Committed	Notes
1	\$20,000	\$183,500	

Executive Dashboard – 1st Quarter, 2013 Fiscal Year

Economic Indicators

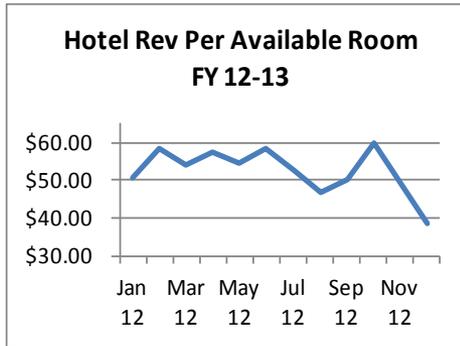
Hotel Indicators:

Hotel Occupancy

RevPAR



Source: STR Report



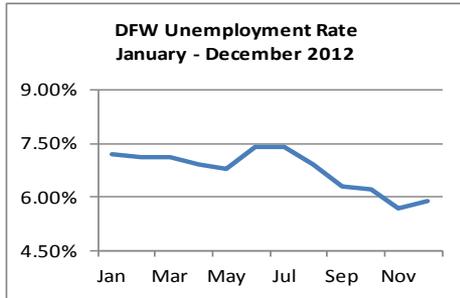
Occupancy Indicators:

Office Occupancy

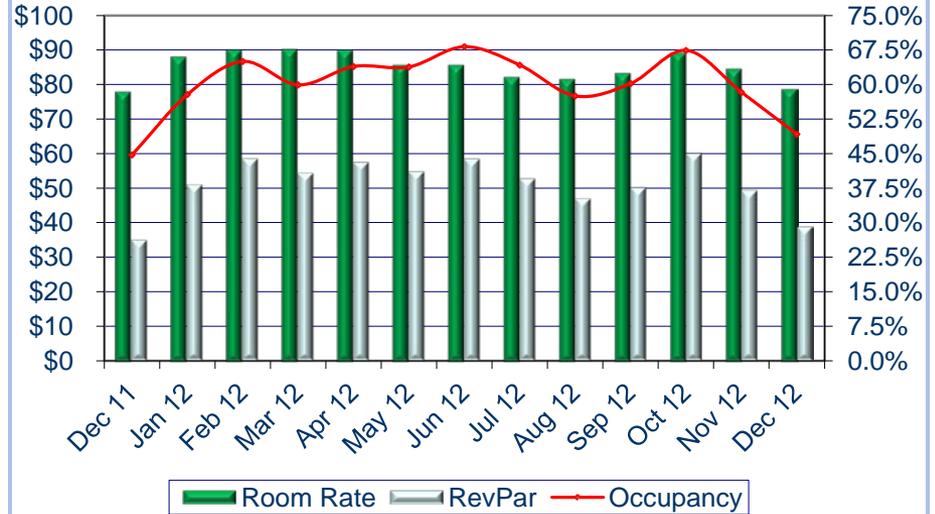
Retail Occupancy



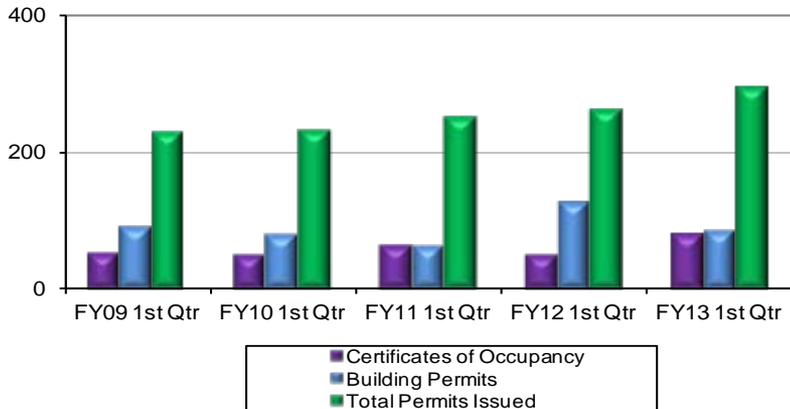
Source: Xceligent



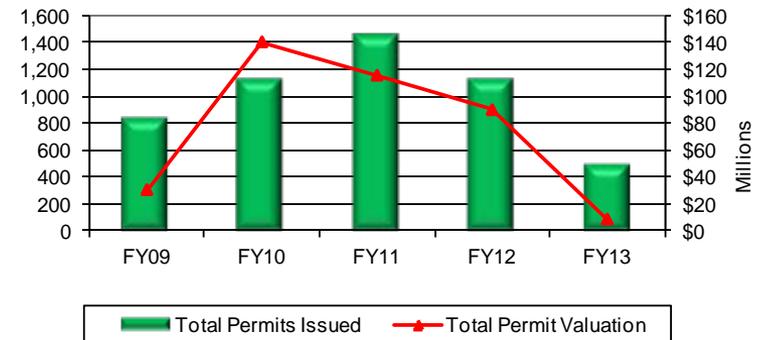
Addison Hotel Statistics



Quarterly Permit Activity



Total Permits Issued and Valuation





MEMO

To: Ron Whitehead, City Manager
From: Eric Cannon, CPA, Chief Financial Officer
Re: First Quarter Financial Review
Date: February 28, 2013

This is the first report for the 2012-2013 fiscal year. Revenues and expenditures reflect activity from October 1, 2012 through December 31, 2012.

GENERAL FUND

- Revenues for the quarter ended December 31, 2012 totaled \$7.4 million, which is \$1.2 million or 19.8% more than received this time last year. Property tax collections are significantly higher than prior year collections but are still projected to meet budget. Sales tax collections total \$2.9 million, a 13.6% increase over the previous year. This increase illustrates a two year trend that seems to indicate a modestly improving local economy. The increase in “other” revenue is attributed to proceeds from the Town’s auction of property. Rental income has experienced an increase because we received several months of FY12 payments in the current period resulting in a significant increase over to this same time last year.
- First quarter expenditures totaled \$6.1 million, which is 20.8% of budget and \$439k or 7% less than spent this time last year. All departments appear to be on pace with budget. Council Projects has spent 62.2% of budgeted expenditures due to the payment of non-profit grant funding in the fall.

HOTEL FUND

- For the first three months, revenues totaled \$1.3 million, an increase of \$69k from this time last year. Hotel occupancy tax (HOT) collections are continuing to improve and the first quarter’s collections are 90k or 10% greater than the same quarter last fiscal year. Most of the other revenue categories are on pace with their budget. Proceeds from special events, theatre and conference center revenues are expected to pick up as their busy season has yet to come.
- Hotel fund expenditures of \$1.4 million are 19.6% of budget and \$244k less than this time a year ago. All departments appear to be on pace with budget.

AIRPORT FUND

Operating revenue for the quarter totaled \$867k, significantly more than the previous year because the FY12 report reflects just two month of income compared to the FY13 report which includes three months of income.

- First quarter operating expenses amounted to \$615k, resulting in net income of \$252k. The FY2013 budget anticipates \$21k in expenditures for the Town's maintenance, to date \$10,895 has been expended, which is 51.7% of budget. This can be attributed to the Airport's IT contribution.

UTILITY FUND

- For the quarter, the fund recorded \$1.9 million in operating revenues, a \$32k increase from the year before. The increased revenue is attributed to as a slight increase in the volume of water sold.
- Operating expenses totaled \$1.3 million, bringing net income to \$587k. Working capital increased \$410k due to no debt service payments as compared to the same quarter in the prior year.

CASH AND INVESTMENT REPORT

- Cash for all funds as of December 31, 2012 totaled \$73 million, an increase of approximately \$1.9 million from the previous quarter. The increase is attributable to the receipt of ad valorem tax payments..
- The Town's average investment yield to maturity at the end of September was 0.319 percent, an increase from the previous quarter's yield of 0.023 percent. This yield is higher than the TexPool benchmark of 0.151 percent. The average weighted maturity increased from 122 days to 222 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.

TOWN OF ADDISON
EXECUTIVE SUMMARY OF MAJOR OPERATING FUNDS FOR THE QUARTER ENDED DECEMBER 31, 2012
UNAUDITED ACTUAL AMOUNTS COMPARED TO THE 2013 ADOPTED BUDGET
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	\$ 10,483,730	\$ 2,923,521	\$ 1,948,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,483,730	\$ 2,923,521	\$ 1,948,313
Non-Property Tax	11,560,010	2,893,118	2,547,166	4,200,000	1,060,702	969,778	-	-	-	-	-	-	15,760,010	3,953,820	3,516,945
Franchise Fees	2,724,690	705,504	716,014	-	-	-	-	-	-	-	-	-	2,724,690	705,504	716,014
Service/Permitting/License Fees	2,160,500	442,239	665,651	1,700,000	48,276	56,314	-	-	122,795	10,578,020	1,910,707	1,897,706	14,438,520	2,401,222	2,742,466
Rental, Interest and Other Income	1,237,230	416,378	282,521	911,290	162,666	176,133	4,174,430	868,609	574,796	104,000	24,459	(9,866)	6,426,950	1,472,112	1,023,584
Transfers and Other Sources	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000	-	-
Total Resources	28,216,160	7,380,760	6,159,666	6,811,290	1,271,644	1,202,225	4,174,430	868,609	697,591	10,682,020	1,935,166	1,887,840	49,883,900	11,456,179	9,947,322
APPLICATION OF RESOURCES															
Personal Services	18,925,910	4,304,127	4,573,520	1,565,630	360,931	363,648	366,530	95,887	92,608	1,386,020	296,349	352,037	22,244,090	5,057,294	5,381,814
Supplies and Materials	1,411,490	258,044	260,475	246,940	53,390	66,597	62,600	402	3,861	129,870	15,910	26,242	1,850,900	327,746	357,176
Maintenance	2,844,320	343,523	327,703	487,840	91,965	98,114	2,363,320	341,598	344,798	428,280	48,943	37,266	6,123,760	826,029	807,881
Contractual Services	5,087,960	923,412	1,141,655	4,268,370	755,102	945,858	839,060	176,675	130,701	6,057,670	982,078	1,003,464	16,253,060	2,837,267	3,221,677
Capital Equipment Amortization	1,223,820	-	271,606	76,100	19,025	14,125	-	-	-	-	8,927	5,875	1,299,920	27,952	291,606
Capital Equipment/Projects	54,000	306,518	-	-	-	11,064	118,000	9,999	-	435,000	-	206,185	607,000	316,517	217,249
Transfers and Other Uses**	-	-	-	620,000	142,500	167,500	394,990	-	97,523	3,310,520	172,825	803,658	4,325,510	315,325	1,068,680
Total Application of Resources	29,547,500	6,135,624	6,574,960	7,264,880	1,422,913	1,666,907	4,144,500	624,561	669,491	11,747,360	1,525,032	2,434,726	52,704,240	9,708,130	11,346,083
Net Change in Fund Balances	\$ (1,331,340)	\$ 1,245,136	\$ (415,294)	\$ (453,590)	\$ (151,269)	\$ (464,682)	\$ 29,930	\$ 244,048	\$ 28,101	\$ (1,065,340)	\$ 410,134	\$ (546,885)	\$ (2,820,340)	\$ 1,748,049	\$ (1,398,761)

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 2013 QUARTERLY STATEMENT OF REVENUES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Ad Valorem taxes:						
Current taxes	\$ 10,452,740	\$ 2,910,029	\$ 2,910,029	27.8%	\$ 1,925,201	17.8%
Delinquent taxes	11,620	10,638	10,638	91.5%	14,503	24.4%
Penalty & interest	19,370	2,854	2,854	14.7%	8,609	19.5%
Non-property taxes:						
Sales tax	10,744,010	2,893,118	2,893,118	26.9%	2,547,166	23.3%
Alcoholic beverage tax	816,000	-	-	0.0%	-	0.0%
Franchise / right-of-way use fees:						
Electric franchise	1,555,500	454,235	454,235	29.2%	478,686	31.1%
Gas franchise	208,650	-	-	0.0%	-	0.0%
Telecommunication access fees	663,000	167,637	167,637	25.3%	165,167	25.0%
Cable franchise	290,540	82,382	82,382	28.4%	69,911	31.1%
Street rental fees	7,000	1,250	1,250	17.9%	2,250	32.1%
Licenses and permits:						
Business licenses and permits	179,740	38,006	38,006	21.1%	38,704	22.6%
Building and construction permits	544,750	115,231	115,231	21.2%	338,254	44.7%
Service fees:						
General government	500	113	113	22.6%	60	0.1%
Public safety	763,460	141,785	141,785	18.6%	155,114	20.8%
Urban development	3,000	1,080	1,080	36.0%	270	9.0%
Streets and sanitation	379,320	75,341	75,341	19.9%	74,737	22.1%
Recreation	64,400	14,350	14,350	22.3%	12,437	14.3%
Interfund	225,330	56,333	56,333	25.0%	46,075	25.0%
Court fines	1,047,000	242,389	242,389	23.2%	241,373	22.6%
Interest earnings	5,000	(658)	(658)	-13.2%	(1,479)	-4.9%
Rental income	137,500	48,958	48,958	35.6%	23,875	15.6%
Other	47,730	125,689	125,689	263.3%	18,752	24.8%
Other financing sources:						
Transfer from Hotel fund	50,000	-	-	0.0%	-	0.0%
Total Revenues	\$ 28,216,160	\$ 7,380,760	\$ 7,380,760	26.2%	\$ 6,159,666	21.3%

TOWN OF ADDISON

GENERAL FUND

FY 2013 QUARTERLY STATEMENT OF EXPENDITURES COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
General Government:						
City manager	\$ 1,233,820	\$ 254,949	\$ 254,949	20.7%	\$ 300,120	24.5%
Financial & strategic services	950,540	216,911	216,911	22.8%	224,324	23.7%
General services	918,710	114,564	114,564	12.5%	158,091	17.9%
Municipal court	519,470	96,554	96,554	18.6%	110,892	22.1%
Human resources	620,590	98,349	98,349	15.8%	136,739	24.7%
Information technology	1,695,990	267,871	267,871	15.8%	259,453	20.1%
Combined services	646,980	150,407	150,407	23.2%	157,306	25.5%
Council projects	379,420	235,987	235,987	62.2%	180,509	60.3%
Public safety:						
Police	7,679,130	1,859,363	1,859,363	24.2%	1,836,607	24.8%
Emergency communications	1,251,770	173,418	173,418	13.9%	339,375	26.1%
Fire	6,073,100	1,421,956	1,421,956	23.4%	1,452,718	24.7%
Development services	984,930	223,617	223,617	22.7%	225,589	25.0%
Streets	1,811,450	213,633	213,633	11.8%	279,630	16.6%
Parks and Recreation:						
Parks	3,225,990	505,184	505,184	15.7%	611,001	20.5%
Recreation	1,555,610	302,864	302,864	19.5%	302,606	20.4%
Other financing uses:						
Transfers	-	-	-	N/A	-	0.0%
Total Expenditures	\$ 29,547,500	\$ 6,135,627	\$ 6,135,627	20.8%	\$ 6,574,960	23.6%

TOWN OF ADDISON

HOTEL FUND

FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Hotel/Hotel occupancy taxes	\$ 4,200,000	\$ 1,060,702	\$ 1,060,702	25.3%	\$ 969,778	23.1%
Proceeds from special events	1,700,000	48,276	48,276	2.8%	56,314	3.3%
Conference centre rental	603,290	99,845	99,845	16.6%	126,463	24.6%
Visit Addison rental	230,000	49,551	49,551	21.5%	29,303	16.7%
Theatre centre rental	70,000	11,273	11,273	16.1%	17,734	22.7%
Interest and miscellaneous	8,000	1,997	1,997	25.0%	2,632	14.8%
Total Revenues	6,811,290	1,271,644	1,271,644	18.7%	1,202,225	17.9%
Expenditures and other uses:						
Visitor services	1,008,600	177,221	177,221	17.6%	194,288	18.4%
Visit Addison	570,690	85,641	85,641	15.0%	138,628	22.7%
Marketing	995,860	171,375	171,375	17.2%	128,383	16.8%
Special events	2,522,430	335,964	335,964	13.3%	513,777	20.7%
Conference centre	1,041,840	235,106	235,106	22.6%	237,020	21.6%
Performing arts	505,460	275,107	275,107	54.4%	287,311	51.1%
Other financing uses:						
Transfer to debt service fund	620,000	142,500	142,500	23.0%	167,500	25.0%
Total Expenditures and Other Uses	\$ 7,264,880	\$ 1,422,914	\$ 1,422,914	19.6%	\$ 1,666,907	23.0%

NOTES:

1) Amounts spent by special event

Public Relations	\$ -	\$ -	\$ -	0.0%	\$ 45,007	14.3%
Oktoberfest	550,000	(13,225)	(13,225)	-2.4%	7,287	1.4%
Kaboom Town	282,880	4,000	4,000	1.4%	2,750	1.0%
Calendar	-	-	-	0.0%	18,341	61.1%
Hotel Support Program	-	-	-	0.0%	26,959	13.5%
Taste Addison	596,000	1,500	1,500	0.3%	1,500	0.3%
Shakespeare Festival	46,500	33,146	33,146	71.3%	32,502	69.9%
Summer Jazz Festival	44,320	3,194	3,194	7.2%	152	0.3%
WorldFest	219,350	153,465	153,465	70.0%	185,197	82.5%
Book Fair	-	1,055	1,055	0.0%	1,730	59.7%
Weekend to Wipe Out Cancer	13,000	111	111	0.9%	-	0.0%
Vitruvian Park Events	-	-	-	0.0%	131,984	143.5%
TO TAL	\$ 1,752,050	\$ 183,246	\$ 183,246	10.5%	\$ 453,408	19.2%

TOWN OF ADDISON
ECONOMIC DEVELOPMENT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Ad Valorem taxes:						
Current taxes	\$ 698,300	\$ 194,403	\$ 194,403	27.8%	\$ 98,017	17.9%
Delinquent taxes	780	703	703	90.1%	738	150.6%
Penalty & interest	1,290	185	185	14.3%	438	45.2%
Business license fee	85,000	2,900	2,900	3.4%	-	0.0%
Interest income and other	1,500	301	301	20.1%	279	55.8%
Total Revenues and Other Sources	786,870	198,492	198,492	25.2%	99,472	15.6%
Expenditures:						
Personal services	192,140	48,102	48,102	25.0%	31,701	23.3%
Supplies	15,000	4,454	4,454	29.7%	2,485	21.8%
Maintenance	9,090	1,391	1,391	15.3%	-	0.0%
Contractual services	566,890	46,803	46,803	8.3%	56,475	9.4%
Capital replacement/lease	5,370	1,343	1,343	25.0%	675	25.0%
Total Expenditures	\$ 788,490	\$ 102,093	\$ 102,093	12.9%	\$ 91,335	12.1%

TOWN OF ADDISON
ADVANCED FUNDING GRANT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Intergovernmental	\$ -	\$ 1,200	\$ 1,200	0.0%	\$ -	0.0%
Interest earnings and other	-	12	12	0.0%	453	11.3%
Total Revenues	-	1,212	1,212	0.0%	453	11.3%
Expenditures:						
Contractual services	-	-	-	0.0%	134	0.7%
Construction and equipment	-	-	-	0.0%	-	0.0%
Total Expenditures	\$ -	\$ -	\$ -	0.0%	\$ 134	0.7%

TOWN OF ADDISON
REIMBURSEMENT GRANT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Intergovernmental	\$ -	\$ 948	\$ 948	0.0%	\$ 3,900	0.3%
Total Revenues	<u>-</u>	<u>948</u>	<u>948</u>	0.0%	<u>3,900</u>	<u>0.3%</u>
Expenditures:						
Personal services	-	-	-	0.0%	-	0.0%
Supplies	-	-	-	0.0%	1,287	12.9%
Contractual services	-	-	-	0.0%	-	0.0%
Construction and equipment	-	-	-	0.0%	9,905	176.9%
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0.0%	<u>\$ 11,192</u>	<u>44.8%</u>

TOWN OF ADDISON
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) GRANT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Intergovernmental	\$ -	\$ 88,872	\$ 88,872	0.0%	\$ -	0.0%
Total Revenues	<u>-</u>	<u>88,872</u>	<u>88,872</u>	0.0%	<u>-</u>	<u>0.0%</u>
Expenditures:						
Personal services	-	-	-	0.0%	-	0.0%
Supplies	-	-	-	0.0%	1,199	0.0%
Contractual services	-	-	-	0.0%	-	0.0%
Construction and equipment	-	-	-	0.0%	-	0.0%
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0.0%	<u>\$ 1,199</u>	<u>0.2%</u>

TOWN OF ADDISON
STREET CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest income and other	\$ 2,500	\$ 1,025	\$ 1,025	41.0%	\$ 1,312	20.2%
Total Revenues	2,500	1,025	1,025	41.0%	1,312	20.2%
Expenditures:						
Engineering and contractual services	-	39,712	39,712	0.0%	-	0.0%
Construction and equipment	1,294,350	-	-	0.0%	-	0.0%
Total Expenditures	\$ 1,294,350	\$ 39,712	\$ 39,712	3.1%	\$ -	0.0%

TOWN OF ADDISON
PARKS CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest income and other	\$ -	\$ 51	\$ 51	0.0%	\$ 85	0.2%
Other financing sources:						
Transfer from General Fund	-	-	-	0.0%	-	0.0%
Total Revenues	-	51	51	0.0%	85	0.2%
Expenditures:						
Maintenance	-	95,335	95,335	0.0%	-	0.0%
Engineering and contractual services	-	-	-	-	8,824	0.0%
Construction and equipment	75,000	-	-	0.0%	7,833	5.5%
Total Expenditures	\$ 75,000	\$ 95,335	\$ 95,335	127.1%	\$ 16,657	11.7%

TOWN OF ADDISON
2002 CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ -	\$ 12	\$ 12	0.0%	\$ 688	66.2%
Total Revenues	-	12	12	0.0%	688	66.2%
Expenditures:						
Engineering and contractual services	-	-	-	0.0%	26,074	25.0%
Construction and equipment	-	-	-	0.0%	203,175	27.3%
Total Expenditures	\$ -	\$ -	\$ -	0.0%	\$ 229,249	27.0%

TOWN OF ADDISON
2004 CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ -	\$ -	\$ -	0.0%	\$ 364	24.3%
Total Revenues	-	-	-	0.0%	364	24.3%
Expenditures:						
Contractual services	-	-	-	0.0%	-	0.0%
Construction and equipment	-	-	-			
Total Expenditures	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%

Note: This fund was closed as of 9/30/2012

TOWN OF ADDISON
2006 CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ 500	\$ 269	\$ 269	53.8%	\$ 292	29.2%
Total Revenues	<u>500</u>	<u>269</u>	<u>269</u>	53.8%	<u>292</u>	<u>29.2%</u>
Expenditures:						
Maintenance	354,640	-	-	0.0%	-	0.0%
Engineering and contractual services	-	-	-	0.0%	-	-
Total Expenditures	<u>\$ 354,640</u>	<u>\$ -</u>	<u>\$ -</u>	0.0%	<u>\$ -</u>	<u>0.0%</u>

TOWN OF ADDISON
2008 CAPITAL PROJECT FUND
FY 2013 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Revenues:						
Interest earnings and other	\$ 9,000	\$ 3,038	\$ 3,038	33.8%	\$ 5,623	3.3%
Total Revenues	<u>9,000</u>	<u>3,038</u>	<u>3,038</u>	33.8%	<u>5,623</u>	<u>3.3%</u>
Expenditures:						
Engineering and contractual services	-	9,022	9,022	0.0%	140,855	20.7%
Construction and equipment	1,725,000	285,975	285,975	16.6%	599,118	35.7%
Total Expenditures	<u>\$ 1,725,000</u>	<u>\$ 294,997</u>	<u>\$ 294,997</u>	17.1%	<u>\$ 739,973</u>	<u>31.4%</u>

AIRPORT FUND

FY 2013 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES TO WORKING CAPITAL COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Operating revenues:						
Operating grants	\$ 50,000	\$ 33,016	\$ 33,016	66.0%	\$ -	0.0%
Fuel flowage fees	679,250	144,224	144,224	21.2%	115,640	16.8%
Rental	3,363,080	680,407	680,407	20.2%	572,098	16.2%
User fees	52,300	8,236	8,236	15.7%	7,155	10.9%
Other income	-	1,105	1,105	0.0%	889	8.6%
Total operating revenues	4,144,630	866,988	866,988	20.9%	695,783	16.0%
Operating expenses:						
Town - Personal services	366,530	95,887	95,887	26.2%	92,608	28.6%
Town - Supplies	62,600	402	402	0.6%	3,861	6.2%
Town - Maintenance	21,000	10,859	10,859	51.7%	12,848	38.6%
Town - Contractual services	543,850	84,128	84,128	15.5%	77,038	14.1%
Grant - Maintenance	100,000	1,860	1,860	1.9%	1,650	1.7%
Operator operation & maintenance	2,242,320	328,879	328,879	14.7%	330,299	14.9%
Operator service contract	295,210	92,547	92,547	31.3%	53,663	17.6%
Total operating expenses	3,631,510	614,562	614,562	16.9%	571,968	15.9%
Net operating income	513,120	252,426	252,426	49.2%	123,815	16.2%
Non-Operating revenues (expenses):						
Interest earnings and other	29,800	1,621	1,621	5.4%	1,808	8.5%
Interest on debt, fiscal fees & other	(104,990)	-	-	0.0%	(28,773)	25.0%
Total non-operating revenues (expenses)	(75,190)	1,621	1,621	-2.2%	(26,965)	28.8%
Net income (excluding depreciation)	\$ 437,930	\$ 254,047	\$ 254,047	58.0%	\$ 96,850	14.5%
CHANGES IN WORKING CAPITAL						
Net income (excluding depreciation)	\$ 437,930	\$ 254,047	\$ 254,047	58.0%	\$ 96,850	14.5%
Sources (uses) of working capital:						
Retirement of long-term debt	(290,000)	-	-	0.0%	(68,750)	25.0%
Net additions to fixed assets with grants	(98,000)	(9,999)	(9,999)	10.2%	-	0.0%
Other net additions to fixed assets	(20,000)	-	-	0.0%	-	0.0%
Net sources (uses) of working capital	(408,000)	(9,999)	(9,999)	2.5%	(68,750)	5.6%
Net increase (decrease) in working capital	29,930	244,048	244,048	815.4%	28,100	-5.0%
Beginning working capital	1,539,664	1,539,664	1,539,664	100.0%	1,511,564	71.9%
Ending working capital	\$ 1,569,594	\$ 1,783,712	\$ 1,783,712	113.6%	\$ 1,539,664	100.0%

NOTES:

1) Current year operator expenses reflect three months of data. However, current year operating revenues only represent two months. FY2012 operating revenues and operator expenses only show two months of data from airport operator due to reporting delay.

UTILITY FUND

FY 2013 QUARTERLY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES TO WORKING CAPITAL COMPARED TO BUDGET

With Comparative Information from Prior Fiscal Year

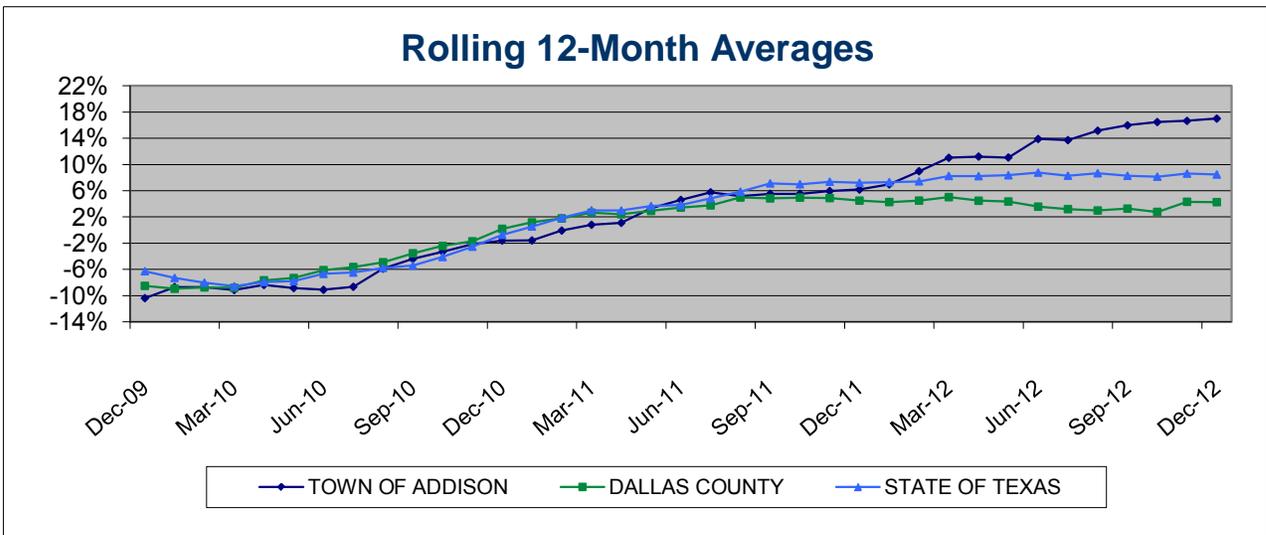
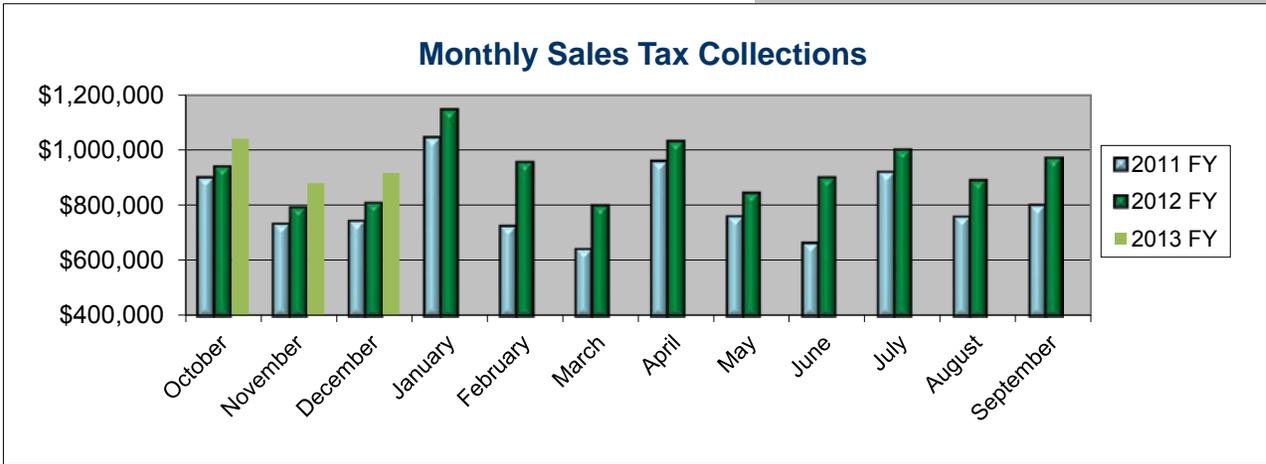
Category	FY2012-13				FY2011-12	
	Budget	1st Quarter	Year-to-Date	YTD as % of Budget	Year-to-Date	YTD as % of Budget
Operating revenues:						
Water sales	\$ 5,933,820	\$ 1,094,402	\$ 1,094,402	18.4%	\$ 1,078,035	17.6%
Sewer charges	4,644,200	816,305	816,305	17.6%	804,306	17.0%
Tap fees	10,000	35	35	0.4%	3,105	31.1%
Penalties	73,500	18,766	18,766	25.5%	12,260	16.7%
Total operating revenues	10,661,520	1,929,508	1,929,508	18.1%	1,897,706	17.4%
Operating expenses:						
Water purchases	2,955,200	494,673	494,673	16.7%	488,399	17.2%
Wastewater treatment	2,279,460	339,528	339,528	14.9%	380,556	18.5%
Utility operations	2,721,410	514,211	514,211	18.9%	555,929	20.2%
Total operating expenses	7,956,070	1,348,412	1,348,412	16.9%	1,424,883	18.6%
Net operating income	2,705,450	581,096	581,096	21.5%	472,823	14.4%
Non-Operating revenues (expenses):						
Interest earnings and other	20,500	5,658	5,658	27.6%	(9,866)	19.9%
Interest on debt, fiscal fees & other	(395,970)	-	-	0.0%	(114,958)	25.0%
Total non-operating revenues (expenses)	(375,470)	5,658	5,658	-1.5%	(124,824)	24.5%
Net income (excluding depreciation)	\$ 2,329,980	\$ 586,754	\$ 586,754	25.2%	\$ 348,000	12.5%
CHANGES IN WORKING CAPITAL						
Net income (excluding depreciation)	\$ 2,329,980	\$ 586,754	\$ 586,754	25.2%	\$ 348,000	12.5%
Sources (uses) of working capital:						
Retirement of long-term debt	(2,878,840)	-	-	0.0%	(688,700)	25.0%
Transfer of debt proceeds	-	-	-	0.0%	-	0.0%
Net additions to fixed assets	(516,480)	(176,621)	(176,621)	34.2%	(206,185)	8.8%
Net sources (uses) of working capital	(3,395,320)	(176,621)	(176,621)	5.2%	(894,885)	27.4%
Net increase (decrease) in working capital	(1,065,340)	410,133	410,133	-38.5%	(546,885)	110.6%
Beginning working capital	2,315,121	2,315,121	2,315,121	100.0%	2,862,006	101.9%
Ending working capital	\$ 1,249,781	\$ 2,725,254	\$ 2,725,254	218.1%	\$ 2,315,121	100.0%

TOWN OF ADDISON

Schedule of Sales Tax Collections and Related Analyses

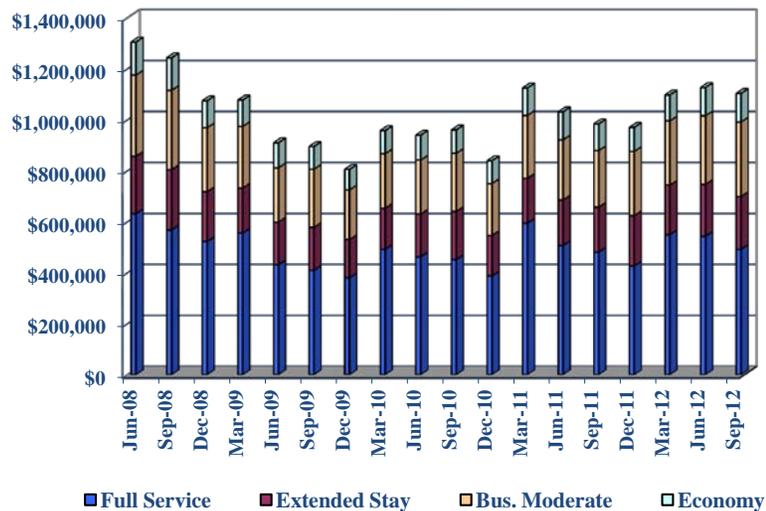
For the fiscal year ending December 31, 2012

	TOWN OF ADDISON				DALLAS COUNTY		STATE OF TEXAS	
	2012-13 Collections		% Change from Prior Year		% Change from Prior Year		% Change from Prior Year	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
October	\$ 1,041,298	\$ 1,041,298	15.6%	15.6%	-0.7%	2.8%	4.1%	8.1%
November	879,908	1,921,206	20.1%	17.6%	18.6%	4.3%	14.2%	8.6%
December	916,410	2,837,616	23.2%	19.4%	2.3%	4.3%	6.6%	8.5%
January								
February								
March								
April								
May								
June								
July								
August								
September								
Budget 12-13:		\$ 10,744,010						
Projected Year End		\$ 11,084,667						



TOWN OF ADDISON HOTEL OCCUPANCY TAX COLLECTION
Hotels By Service Type for the Quarter and Year-to-Date Ended December 31, 2012
With Comparative Information from Prior Fiscal Year

	Rooms		1st Quarter FY13		13 to 12	YTD FY 13		13 to 12
	Number	Percentage	Amount	Percentage	% Diff.	Amount	Percentage	% Diff.
Full Service								
Marriott Quorum	535	14%	\$ 178,119	18%	4%	\$ 178,119	18%	23%
Intercontinental	532	13%	161,817	16%	-1%	161,817	16%	-9%
Crowne Plaza	429	11%	104,650	11%	4%	104,650	11%	1%
	<u>1,496</u>	<u>38%</u>	<u>444,585</u>	<u>45%</u>	<u>-8%</u>	<u>444,585</u>	<u>45%</u>	<u>-77%</u>
Extended Stay								
Budget Suites	344	9%	3,463	0%	-29%	3,463	0%	-32%
Hawthorne Suites	70	2%	15,794	2%	8%	15,794	2%	27%
Marriott Residence	150	4%	41,644	4%	-3%	41,644	4%	-10%
Summerfield Suites	132	3%	38,279	4%	33%	38,279	4%	49%
Homewood Suites	128	3%	46,259	5%	5%	46,259	5%	1%
Springhill Suites	159	4%	46,668	5%	50%	46,668	5%	-25%
	<u>983</u>	<u>25%</u>	<u>192,107</u>	<u>19%</u>	<u>9%</u>	<u>192,107</u>	<u>19%</u>	<u>-72%</u>
Business Moderate								
Marriott Courtyard Quorum	176	4%	60,079	6%	48%	60,079	6%	-22%
LaQuinta Inn	152	4%	33,093	3%	11%	33,093	3%	24%
Marriott Courtyard Proton	145	4%	36,597	4%	38%	36,597	4%	-27%
Holiday Inn Express	102	3%	34,889	4%	22%	34,889	4%	13%
Hilton Garden Inn	96	2%	42,379	4%	30%	42,379	4%	12%
Holiday Inn - Arapaho	101	3%	23,092	2%	5%	23,092	2%	5%
Comfort Inn	86	2%	14,894	2%	107%	14,894	2%	97%
	<u>858</u>	<u>22%</u>	<u>245,024</u>	<u>25%</u>	<u>10%</u>	<u>245,024</u>	<u>25%</u>	<u>-73%</u>
Economy								
Motel 6	126	3%	16,858	2%	0%	16,858	2%	-2%
Hampton Inn	159	4%	50,331	5%	13%	50,331	5%	20%
Quality Inn	115	3%	9,140	1%	4%	9,140	1%	8%
Comfort Suites	78	2%	16,392	2%	5%	16,392	2%	3%
Super 8	78	2%	8,340	1%	8%	8,340	1%	15%
Best Value	60	2%	3,399	0%	-3%	3,399	0%	7%
	<u>616</u>	<u>16%</u>	<u>104,460</u>	<u>11%</u>	<u>0%</u>	<u>104,460</u>	<u>11%</u>	<u>-75%</u>
TOTAL	<u>3,953</u>	<u>100%</u>	<u>\$ 986,177</u>	<u>100%</u>	<u>12%</u>	<u>\$ 986,177</u>	<u>100%</u>	<u>2%</u>



TOWN OF ADDISON
INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Quarter Ending December 31 2012

Fund	Balance 9/30/2012	Quarter Receipts	Quarter Disbursements	Balance 12/31/2012
General Fund	\$ 12,780,633	\$ 11,391,322	\$ 11,616,948	\$ 12,555,007
Special Revenue Funds:				
Hotel	2,390,798	1,653,197	2,521,673	1,522,322
Economic Development	542,936	394,115	323,891	613,160
Public Safety	37,932	31	17,796	20,167
Municipal Court	419,117	215,288	205,769	428,636
Advanced Funding Grant	14,729	1,215	-	15,944
Reimbursement Grant	(633,647)	399,959	-	(233,688)
ARRA Grant	(557,914)	560,872	-	2,958
Debt Service Funds:				
G. O. Bonds	1,214,300	3,858,097	1,928,739	3,143,658
Hotel Revenue Bonds	761,502	143,242	-	904,744
Capital Projects Funds:				
Streets	1,445,001	1,299	138,016	1,308,284
Parks	106,226	71	95,336	10,961
2002 G.O. Bonds	59,257	23	51,283	7,997
2004 G.O. Bonds	-	-	-	-
2006 G.O. Bonds	354,406	337	-	354,743
2008 C.O. Bonds	4,175,820	3,831	306,815	3,872,836
2012 C.O. Bonds	34,954,300	33,201	-	34,987,501
Enterprise Funds:				
Utility	4,641,138	3,304,055	1,933,717	6,011,476
Airport	2,005,540	1,288,957	1,029,061	2,265,436
Internal Service Funds:				
Capital Replacement	3,859,863	149,751	447,250	3,562,364
Information Technology	2,806,479	190,189	2,456	2,994,212
TOTAL - ALL FUNDS	\$ 71,378,416	\$ 23,589,052	\$ 20,618,750	\$ 74,348,718

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

INVESTMENTS BY MATURITY AND TYPE				
<i>For the Quarter Ending December 31 2012</i>				
	Type	% of Portfolio	Yield to Maturity	Amount
	Pools	31.66%	0.16%	\$ 23,117,222
	Agencies	31.05%	0.34%	22,669,933
	Bank CD's	9.00%	0.58%	6,569,700
	Treasuries	0.00%	0.00%	-
	Commercial Paper	28.29%	0.39%	20,659,169
Total Investments		100.00%	0.32%	73,016,024
	Accrued Interest Earnings			145,298
	Demand Deposits			1,187,396
TOTAL				\$ 74,348,718

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 December 31, 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	\$ 4,149,503	\$ 4,443,528			
Frost Bank	Federal Reserve	Operating	GNMA due 10/15/2037	\$ 199,512	\$ 218,884			
Frost Bank	Federal Reserve	Operating	GNMA due 10/15/2037	582,576	639,140			
				<u>\$ 4,931,591</u>	<u>\$ 5,301,551</u>	<u>\$ 1,887,084</u>	<u>\$ 1,637,084</u>	<u>\$ 5,551,551</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 12-13 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in current property taxes	-	-	-	-	-	-	-
Increase in delinquent property taxes	-	-	-	-	-	-	-
Increase in property tax penalty and interest	-	-	-	-	-	-	-
Increase in sales tax	-	-	-	-	-	-	-
Increase in electric franchise fees	-	-	-	-	-	-	-
Increase in telecommunication access fees	-	-	-	-	-	-	-
Increase in building and construction permits	-	-	-	-	-	-	-
Reduction in court fines	-	-	-	-	-	-	-
Increase in recycling proceeds	-	-	-	-	-	-	-
Increase in other income	-	-	-	-	-	-	-
Total General Fund Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund / City Manager							
Total City Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund / Financial & Strategic Services							
Increase in professional services for CFO recruitment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Decrease in salary reimbursement	-	-	-	-	-	-	-
Total Financial & Strategic Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund / General Services							
Concord Commercial - Svc Center Lobby	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total General Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund / Combined Services							
Total Combined Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 12-13 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Increase for expanded service with Metrocrest Chamber	-	-	-	-	-	-	-	-
Streaming of Bond Evaluation Committee meeting	-	-	-	-	-	-	-	-
Total Council Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
General Fund / Police								
Overtime for special events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Forensics related to crimes	-	-	-	-	-	-	-	-
Increase wearing appeal and uniform cost	-	-	-	-	-	-	-	-
Decrease in combined services saving	-	-	-	-	-	-	-	-
Total Police	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
General Fund / Emergency Communications								
iXP Dispatch Systems agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Emergency Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
General Fund / Fire								
Total Fire	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
General Fund / Streets								
Increase in trash disposal; offset by additional revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
General Fund / Parks								
Transfer to Parks Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Parks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 12-13 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
General Fund / Recreation								
Total Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Fund / Revenues and Other Sources								
Decrease in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in hotel occupancy taxes	-	-	-	-	-	-	-	-
Increase in Conference Centre rental	-	-	-	-	-	-	-	-
Reduction in Visitor Centre rental	-	-	-	-	-	-	-	-
Total Hotel Fund Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Fund / Visit Addison								
Total Visit Addison	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel Fund / Special Events								
Increase due to expanded special guest area/general attendance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Special Events	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic Development Fund / ED Department								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduction in Business License Fees	-	-	-	-	-	-	-	-
Total Economic Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced Funding Grant Fund								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize American Heart Association grant	-	-	-	-	-	-	-	-
Recognize expenditures of grant funding	-	-	-	-	-	-	-	-
Total Advanced Funding Grant Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 12-13 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
Reimbursement Grant Fund								
Decrease in beginning fund balance, delay in reimbursements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize Dallas County grant	-	-	-	-	-	-	-	-
Recognize various public safety grants	-	-	-	-	-	-	-	-
Recognize expenditures of grant funding	-	-	-	-	-	-	-	-
Total Reimbursement Grant Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ARRA Grant Fund								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize expenditures of grant funding	-	-	-	-	-	-	-	-
Total ARRA Grant Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety Fund								
Recognize lower beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase court awards revenue	\$ -	-	-	-	-	-	-	-
Total Public Safety Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Court Fund								
Recognize higher beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduce interest income revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Municipal Court Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Obligation Debt Service Fund								
Recognize lower beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize additional principal paid for 2011 refunding bonds	-	-	-	-	-	-	-	-
Total General Obligation Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Occupancy Tax Debt Service Fund								
Recognize lower beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recognize additional principal paid for 2011 refunding bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Occupancy Tax Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 12-13 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
Street Capital Project Fund								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Recognize delay of capital project expenditures	-	-	-	-	-	-	-	-
Total Street Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Parks Capital Project Fund								
Recognize lower beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Recognize project donations	-	-	-	-	-	-	-	-
Recognize project transfer from General Fund	-	-	-	-	-	-	-	-
Total Parks Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2002 Capital Project Fund								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Recognize additional interest earnings	-	-	-	-	-	-	-	-
Additional expenses related to Belt Line Streetscape	-	-	-	-	-	-	-	-
Total 2002 Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2004 Capital Project Fund								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Additional expenses related to Belt Line Streetscape	-	-	-	-	-	-	-	-
Total 2004 Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2006 Capital Project Fund								
Reduce beginning fund balance	-	-	-	-	-	-	-	\$ -
Recognize delay of capital project expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total 2006 Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

TOWN OF ADDISON
DETAIL OF RECOMMENDED FY 12-13 BUDGET AMENDMENTS

Fund / Category	Revenues and Other Funding Sources/Uses	Expenditures						Total Department
		Personal Services	Supplies	Maintenance	Contractual Services	Capital Outlay		
2008 Capital Project Fund								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Decrease in interest earnings	-	-	-	-	-	-	-	-
Additional developer contributions for Spring Valley	-	-	-	-	-	-	-	-
Additional expenses related to Vitruvian Park	-	-	-	-	-	-	-	-
Additional expenses related to Redding Trail & Bush Elementary	-	-	-	-	-	-	-	-
Additional expenses related to Halff - Prof. Services Stormwater	-	-	-	-	-	-	-	-
Recognize transfer of bond proceeds to Utility Fund	-	-	-	-	-	-	-	-
Total 2008 Capital Project Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Airport Enterprise Fund								
Increase in fuel flowage fees	\$ -	-	-	-	-	-	-	-
Increase in rental income	\$ -	-	-	-	-	-	-	-
Increase in user fees	\$ -	-	-	-	-	-	-	-
Total Airport Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Enterprise Fund								
Increase in beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in water sales revenue	\$ -	-	-	-	-	-	-	-
Reduce interest income	\$ -	-	-	-	-	-	-	-
Additional expenses related to Elevated Storage Tank	-	-	-	-	-	-	-	-
Recognize transfer of bond proceeds from 2008 CPF	-	-	-	-	-	-	-	-
Total Utility Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Information Technology Internal Service Fund								
Total Information Technology Internal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Replacement Internal Service Fund								
Purchase of self-contained breathing apparatus	-	-	-	-	-	-	-	-
Total Capital Replacement Internal Service Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Fourth Quarter of Calendar Year 2012 Review

Financial market focus during the fourth quarter was squarely fixed on the so-called fiscal cliff, which took on the dreaded uncertainty of Y2K. A frantic, last minute deal was eventually reached, which didn't seem to make anyone on either side of the political aisle happy. The key component was an extension of the Bush tax cuts for everyone ... up to \$400,000 for individuals and \$450,000 for families. Income beyond these earnings points is to be taxed at 39.6% instead of 35%. Some of the other important compromises were:

- Federal long-term unemployment benefits were extended *for another year*.
- The payroll tax (which funds social security) will revert back to 6.2% from the "tax holiday" rate of 4.2%.
- The Alternative Minimum Tax will be permanently indexed for inflation.
- The dividend and capital gains tax rate will increase from 15% to 20% for more affluent Americans, while the estate tax will climb from 35% to 40%.
- The Child Tax Credit, the Earned Income Tax Credit and the American Opportunity Tax Credit were extended for five more years.

The "sequestration," or sequester cuts, which are what we are now calling the \$1.2 trillion in across-the-board spending cuts, were postponed. These cuts were scheduled to begin this year after the "Super Committee" failed to reach an agreement in November 2011. After crunching through all the numbers, the Congressional Budget Office (CBO) reported the new fiscal compromise would increase the deficit by \$3.9 trillion over the next 10 years.

Much of the economic data produced during the quarter may have been negatively influenced by the looming crisis as businesses and individuals delayed spending until the picture became less cloudy. "Superstorm Sandy" complicated things even further as it hammered the eastern seaboard in late October and forced the first unscheduled, market-wide shutdown since 9-11, as well as the first weather-related market close in over 100 years.

The final revision to U.S. third quarter GDP brought the annualized growth rate up to 3.1%, the strongest economic growth of the year, although the initial forecasts for the 4th quarter are about half that.

EMPLOYMENT

Job growth has proceeded at a lackluster pace over the past six months after a very poor spring hiring season. December nonfarm payrolls increased by 155,000 and November payrolls were revised upward by 15,000 to 161,000. For a full year of 2012, payroll growth averaged 153,000 per month, the exact same average as 2011. Although this may sound like a significant number of jobs created, most experts believe it is merely enough to satisfy the job demands of new workers entering the labor force, while bypassing the 12.2 million Americans currently out of work. The December unemployment rate exactly matched the revised 7.8% rate from November. Although this was the lowest level in almost 5 years, the decline is almost entirely due to a drop in the labor force participation rate, which is hovering at a 30-year low. Of course, unemployment becomes an even more important indicator now that the Fed is targeting specific levels (more on that below). Analysts at the Brookings Institution, a Washington think tank, did a rough calculation on how long it would take to reduce the unemployment rate to 6.5% at the current pace of 150k new jobs per month - the answer was spring 2018. At 200k per month, the expected timeframe shortens to fall 2015.

HOUSING

The housing market improved throughout 2012, and has begun a positive contribution to GDP that is generally expected to accelerate in 2013. According to the National Association of Realtors, 2012 U.S. home sales are on track to reach a 5-year high. The National Association of Homebuilders December housing index climbed to its *highest level since April 2006*. Existing home sales (which now make up 93% of all sales) rose by 5.9% in November to a 5.04 million unit annual rate, *the fastest pace in three years*. New home sales reached an annualized pace of

377k, the highest since the Federal new home buyer tax credit ended in April 2010. As sales increase and housing inventory is reduced, more homes are scheduled to be built. October housing starts confirmed this by rising at the highest pace in over five years. And the demand for houses is pushing prices higher as well. The median price for an existing home climbed to \$180,600 in November, an increase of 10% from a year ago. The Fed continues to make a huge contribution to the housing comeback story by ratcheting interest rates down to a series of record lows. In mid-December, Freddie Mac reported the average 30-year fixed rate mortgage had fallen to a new low of 3.32%.

CONSUMER SPENDING

After a stellar third quarter in which monthly retail sales averaged nearly a 1.0% increase per month, purchases slowed significantly in the fourth quarter. Retail sales dropped by 0.3% in October, perhaps due in part to Hurricane Sandy barreling up the east coast during the final week. In November, sales rose by 0.3%, although apparently this disappointing number was attributed to a decline in gasoline and service station receipts resulting from a sharp drop in gasoline prices. By contrast, car and light truck sales rose to a 4½-year high of 15.5 million annualized units in November as a number of vehicles destroyed by Superstorm Sandy were replaced. For all of 2012, Kelly Blue Book believes 14.5 million vehicles were sold, a 13% increase over last year, and the strongest pace since the financial crisis struck. The relatively brisk car and truck sales were not totally unexpected. When 2012 began, the average U.S. vehicle was 10.8 years old. A year later, the average age has increased to 11, providing ample reason to expect solid sales in the future. The Conference Board's measure of consumer confidence rose in October to the highest level in almost five years. The 73.7 reading was nearly triple the low point experienced back in February 2009. But, confidence withered in both November and December as consumers expressed concern over the fiscal cliff.

INFLATION

On the inflation front, the producer price index (PPI) actually declined every month in the fourth quarter, with readings of -0.2%, -0.8% and -0.2%. Headline PPI is now rising at a very pedestrian 1.3% pace, the slowest rate of producer inflation in six months. The consumer price index (CPI), which is a much more important inflation indicator, was unchanged in December and up just 1.7% on a year-over-year basis. Energy costs are a major contributor to the declines, as the average price for a gallon of gasoline fell to the lowest level in a year during December. Core CPI, which excludes food and energy costs, rose by just 1.9% for all of 2012. With the economy in a low gear, and a near-term upsurge considered unlikely, consumer inflation appears benign. In theory, this grants the Fed considerable leeway in conducting its super-accommodative monetary policy.

THE FED

In December, Fed officials announced they had replaced the date specific timeframe for eventual tightening with actual data targets. As a result, the FOMC no longer expects to hold short-term rates at exceptionally low levels until "at least mid-2015," and instead will hold the fed funds rate near zero until the unemployment rate dips below 6.5% and/or future inflation expectations rise above 2.5%. Actually, these aren't hard targets either as Fed officials granted themselves considerable leeway in adding that they will "consider other information, including additional measures of labor market conditions, indications of inflation pressures and inflation expectations, and readings on financial developments."

Note that the current official unemployment rate is 7.8%, but the labor force participation rate is at the lowest point in over 30 years, and the broader U6 measure of unemployment is 14.4%. In theory, if the economy were to strengthen in the future and hiring increased, the millions of people who have abandoned job searches and involuntary part-time workers would reenter the workforce and keep the unemployment rate from falling too much, or perhaps even cause it to inch higher. So, the days of 6.5% unemployment are probably still many years away. As far as inflation is concerned, the Fed's favorite measure, the personal consumption expenditure (PCE) deflator, is currently rising at around 1.5%, and with global demand slowing (both the 17-member Euro-zone and Japan have recently reentered recession), an inflation rate above 2.5% is also unlikely anytime soon.

The Fed also announced in December it would continue buying \$40 billion in mortgage-backed securities every month as part of the most recent round of quantitative easing (QE3), which has no specific end date or targeted total purchase amount. They will also continue reinvesting all

principal payments received into additional agency mortgage-back securities. On top of this, the FOMC voted to begin outright purchases of Treasury securities following the December conclusion of "Operation Twist." The targeted Treasury purchase amount will add another \$45 billion per month to the Fed's balance sheet, which suggests the Fed's already massive security portfolio could approach \$4 trillion within the next couple of years. Since the Treasury purchases will be concentrated in the intermediate-to-long area of the curve, mortgage lending rates should remain near historical lows for the foreseeable future.

STOCK MARKET MOVEMENT

Despite all the uncertainty surrounding the fiscal cliff, the S&P 500 closed the year near a 5-year high and actually established that high point in early 2013, shortly after the fiscal agreement was announced. This probably says as much about a lack of viable investment alternatives as it does absolute confidence in the equity markets, but there's no denying past performance. Corporate profits in the third quarter reached a record high of \$1.75 trillion, up 18.6% year-over-year. According to Forbes Magazine, Q3 profits accounted for a record 11.1% of the U.S. economy. For all of 2012, the S&P 500 index rose 13.4%.

	DOW	S&P 500	NASDAQ
12/31/11	12,218	1,258	2,605
9/30/12	13,437	1,441	3,116
12/31/12	13,104	1,426	3,020
% Change for Q4-2012	- 2.5%	- 1.0%	- 3.1%
% Change for 12 Months	+ 7.3%	+ 13.4%	+ 15.9%

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	9/30/12	0.00%	0.09%	0.13%	0.23%	0.63%	1.63%
High		0.00%	0.11%	0.16%	0.31%	0.82%	1.87%
Low		0.00%	0.01%	0.09%	0.23%	0.54%	1.39%
End	12/31/12	0.00%	0.04%	0.11%	0.25%	0.63%	1.63%

PORTFOLIO ACTIVITY SINCE SEPTEMBER 30TH

- No calls were exercised during the quarter, but there were four maturities totaling \$10 million, as three separate commercial paper positions and one CD matured.
- There were several investment purchases during the quarter as much of the \$35 million in bond proceeds received during September was invested. Final maturities for these investments were matched against expected cash flow requirements. When combined with non-bond related purchases, a total of \$33mm was invested in seven positions. Purchases included \$11.35mm in an agency bullet maturing in Feb-2014; one CD for \$2mm maturing in Dec-2014; and five separate CP positions totaling \$19.7mm with maturities ranging from April through September 2013. The weighted average yield on these purchases was 0.35%, more than double the quarter's average LGIP rate of 0.16%.

SUMMARY / OUTLOOK

The fiscal cliff was narrowly averted, but not without a cost. Moody's estimated the deal would result in 600,000 fewer jobs in 2013 than would have been created had existing tax policies been extended. And, the stakes for February could be even higher, with a possible government shutdown if the debt ceiling isn't raised, as well as a Moody's downgrade on U.S. debt if the government doesn't make credible spending cuts. What's likely to make the upcoming fights even tougher than the December battles is that both sides believe they've already made significant concessions and are likely to demand more from the other side. The GOP may have a stronger

argument here since the Bush tax cuts were not fully extended for the wealthy. In return, Republican leaders are now looking for significant spending cuts; in particular to entitlement programs like Social Security and Medicare, considered the third rail of politics.

But the future isn't entirely dim. There is a counter-balance that should keep growth from softening further. Household balance sheets have improved substantially as equity portfolios and home values have steadily risen. According to the Federal Reserve, combined net worth of U.S. households increased by \$4.5 trillion during the first three quarters of 2012, and is now just \$2.5 trillion below the \$67.3 trillion high point of Q3 2006. This suggests consumers are in better position to spend, and pent-up demand in housing and autos suggests a great deal of spending may take place in the big ticket arena.

During the 10-year period before the recession struck, the pace of new household formation had averaged 1.5 million per year. During the recession, the average pace plunged to 500,000 as elderly parents moved in with their kids, kids moved back with their parents (or simply never left) and struggling Americans found roommates. In recent years, the trend toward shared households has slowly turned around, and it may be a game-changer. The Atlantic Online proclaimed in December that household formation was "the most overlooked statistic in economics" and declared it on the verge of an epic comeback. As reported in a December *Business Insider* story, analysis by a trio of Goldman economists showed annual household formation increasing from its current rate of 1.0 million to 1.2 million in 2013, and 1.3 million in each of the next three years. Obviously, this bodes well for continuation of the housing recovery that finally established itself in 2012. The ongoing clean-up and reconstruction effort from Sandy alone is expected to add half a percentage point to GDP growth in 2013. The housing bubble, which ignited and fueled the recession, seems to have deflated, and is now growing at a more reasonable pace.

State and local governments, which account for 12% of the U.S. economy, have generally emerged from a five-year period of belt-tightening and consolidation, and according to Bloomberg News will not restrain GDP growth for the first time since 2009. Mark Zandi, the Chief Economist at Moody's, believes state and local governments are in their best financial shape since 2007 and predicts that by the fourth quarter their payrolls will be 220,000 higher than in the same period in 2012.

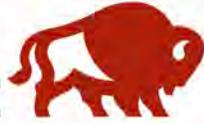
Factory sector growth and exports, to a large degree, will depend on how quickly the global economy mends. But there is hope here as well. In a recent Bloomberg News poll, two-thirds of the 862 investors surveyed described the global economy as stable or improving, the best outlook in 18 months. And, according to forecasts by economists at the UN, World Gross Product is expected to gradually increase from 2.2% in 2012, to 2.4% in 2013, and 3.2% in 2014. By comparison, the Conference Board forecast for U.S. annual Gross Domestic Product is 2.2% for 2012, 1.6% for 2013 and 2.4% for 2014. Given the optimism noted above, these are disappointing projections. The U.S. forecasted growth rates, if they materialize, would not likely be strong enough to ratchet unemployment down below 6.5% or push inflation up above 2.5%. In fact, if the economy were to continue to grow at such a mediocre pace, the Fed could find itself holding the overnight funds rate within the same 0.00% to 0.25% target range for much longer than the recently abandoned mid-2015 estimated tightening date. Hopefully, we can do better.

PROJECTED STRATEGY FOR THE FIRST QUARTER 2013:

We continue to advocate reducing low yielding cash and LGIP balances in favor of higher yielding commercial paper, bank CD's, and callable agency securities. With the Fed committed to aggressive monetary policy, and a very flat yield curve on the short-end, we prefer callable agencies with final maturities in the three- to five-year range. We believe these bonds offer a more attractive risk/reward trade-off than shorter maturities. However, we must be cognizant of cash needs and remain vigilant in the maintenance of adequate liquidity.

FirstSouthwest

A PlainsCapital Company



Investment Portfolio Summary

Town of Addison

Addison!

For the Quarter Ended

December 31, 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:

Not surprisingly, the big story in December was the fiscal cliff, which has overshadowed most other news including an important FOMC announcement on monetary policy. Markets spent much of the month caught in a tug-of-war of competing fiscal policy headlines. Periodic word of a possible compromise is cheered by the markets one day, and then quickly panned the next as hopes for a deal are repeatedly shattered. Congress did manage to reach a limited agreement on January 1st, narrowly averting a complete disaster. However, many of the most troublesome decisions, including those on spending cuts, entitlement reform, and the debt ceiling were postponed temporarily and still must be addressed in the next few months.

Fed officials concluded their final FOMC meeting of the year by dropping the date-specific “until at least mid-2015” timeframe from their policy statement and replacing it with actual economic data targets. The FOMC said it would hold the fed funds target near zero until the unemployment rate dips below 6.5% and/or future inflation expectations rise above 2.5%. However, Fed officials gave themselves quite a bit of leeway on these targets by adding that they will “consider other information, including additional measures of labor market conditions, indications of inflation pressures and inflation expectations, and readings on financial developments.” The Fed also voted to continue buying \$40 billion in mortgage-backed securities per month as part of the most recent round of quantitative easing (QE3), and announced it would add another \$45 billion in Treasury notes every month for an undetermined period. The Treasury purchases will be concentrated in the long-to-intermediate area of the curve, which suggests mortgage lending rates should continue to stay very low for the foreseeable future.

Those low mortgage rates have been a significant contributor to continuing improvement in the housing market. Existing home sales rose 5.9% in November to a 5 million unit annualized pace, the highest in three years. The median price for a single family home increased from \$177k to \$181k in November, more than 10% higher than a year ago. Meanwhile, the final revision to third quarter gross domestic product (GDP) pushed the annualized growth rate of the economy up from 2.7% to 3.1%. This solidified third-quarter growth as the strongest of the year after growth of 2.0% and 1.3% in Q1 and Q2 respectively.

For the Quarter Ended
December 31, 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:

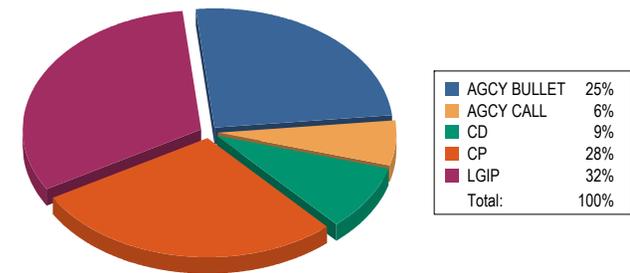
Account Summary

Allocation by Security Type

Beginning Values as of 09/30/12

Ending Values as of 12/31/12

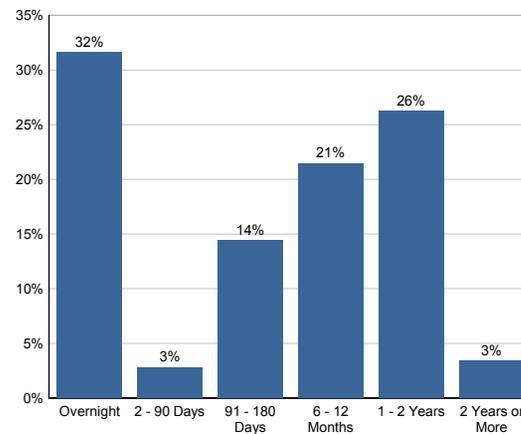
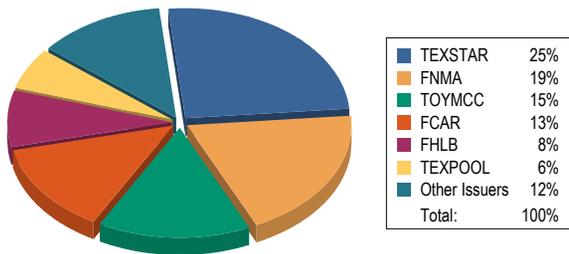
Par Value	71,092,950.33	72,736,921.95
Market Value	71,112,528.33	73,044,263.45
Book Value	71,098,604.22	73,016,023.74
Unrealized Gain / Loss	13,924.11	28,239.71
Market Value %	100.03%	100.42%
Weighted Avg. YTW	0.284%	0.307%
Weighted Avg. YTM	0.296%	0.319%



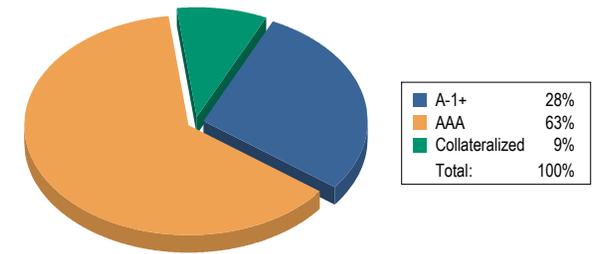
Allocation by Issuer

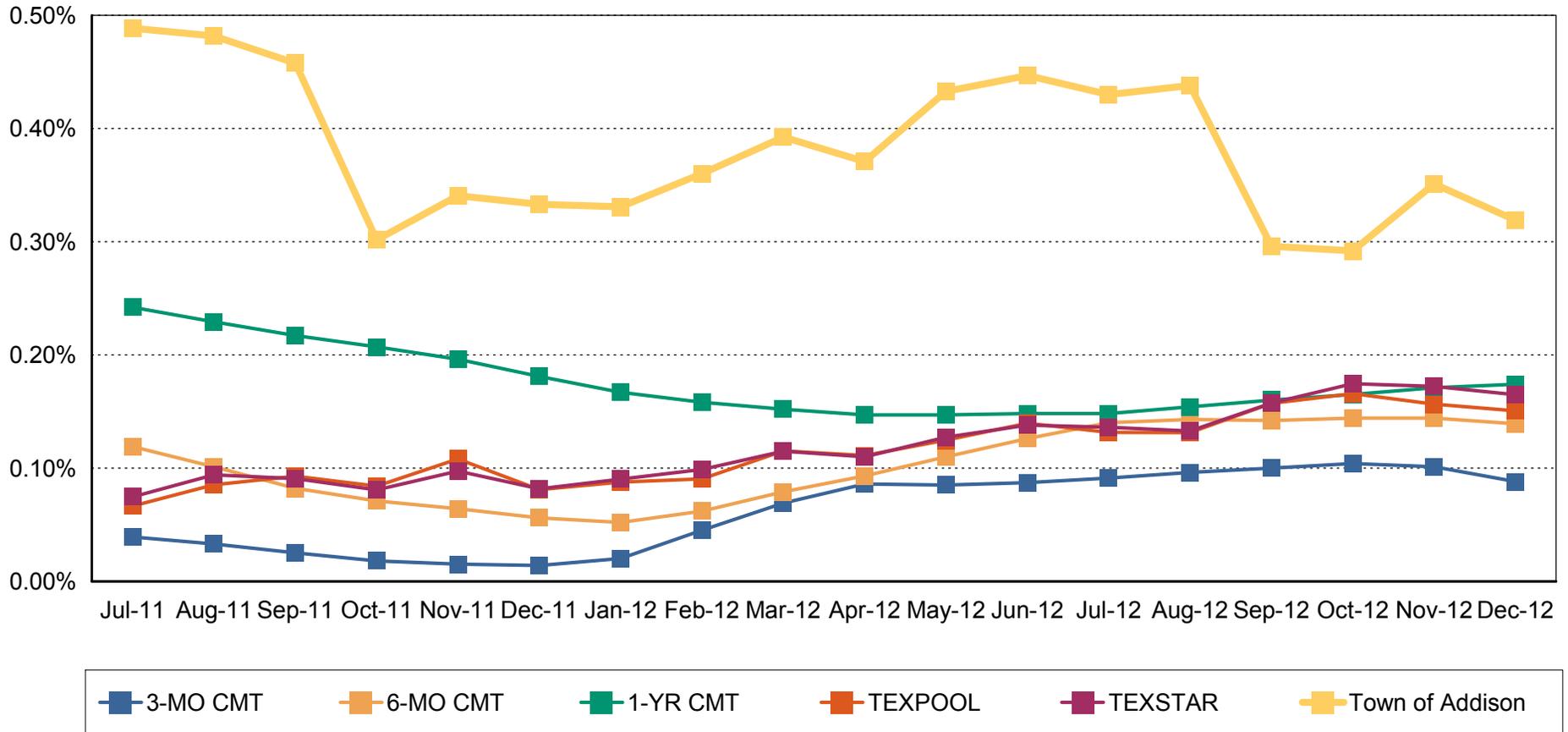
Maturity Distribution %

Credit Quality



Weighted Average Days to Maturity: 222





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 12/31/2012

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					4,604,621.34	100.000	4,604,621.34	4,604,621.34	100.000	4,604,621.34	1		0.151	0.151
TEXSTAR		LGIP	TexSTAR					18,512,600.47	100.000	18,512,600.47	18,512,600.47	100.000	18,512,600.47	1		0.165	0.165
CD-6693	09/08/11	CD	Comerica Bk CD	0.570	12/10/12			0.00	100.000	0.00	0.00	100.000	0.00	-21		0.571	0.571
CD-8993-2	01/19/12	CD	Comerica Bk CD	0.560	01/21/13			2,051,173.96	100.000	2,051,173.96	2,051,173.96	100.000	2,051,173.96	21		0.561	0.561
89233GR24	12/03/12	CP - DISC	Toyota Mtr Cr		04/02/13			4,000,000.00	99.920	3,996,800.00	3,997,573.32	99.941	3,997,648.00	92		0.240	0.240
CD-2270	10/07/11	CD	ViewPoint Bk CD	0.599	04/08/13			2,518,526.18	100.000	2,518,526.18	2,518,526.18	100.000	2,518,526.18	98		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	997,957.50	99.866	998,664.00	130		0.572	0.572
89233GSF4	11/16/12	CP - DISC	Toyota Mtr Cr		05/15/13			3,000,000.00	99.855	2,995,650.00	2,996,761.68	99.903	2,997,075.00	135		0.290	0.290
89233GUC8	10/16/12	CP - DISC	Toyota Mtr Cr		07/12/13			3,000,000.00	99.768	2,993,050.83	2,995,040.01	99.845	2,995,335.00	193		0.311	0.311
3024A0V69	11/09/12	CP - DISC	FCAR Owner Trust		08/06/13			8,700,000.00	99.625	8,667,375.00	8,673,779.16	99.728	8,676,292.50	218		0.502	0.502
313376WB7	08/20/12	AGCY BULET	FHLB	0.280	08/13/13			2,000,000.00	100.046	2,000,920.00	2,000,578.80	100.060	2,001,200.00	225		0.233	0.233
89233GWH5	12/21/12	CP - DISC	Toyota Mtr Cr		09/17/13			1,000,000.00	99.798	997,975.00	998,057.50	99.762	997,617.00	260		0.271	0.271
3134G3BF6	03/27/12	AGCY BULET	FHLMC	0.625	12/23/13			1,000,000.00	100.356	1,003,560.00	1,002,005.39	100.400	1,004,000.00	357		0.419	0.419
31398AVD1	11/07/12	AGCY BULET	FNMA	2.750	02/05/14			11,350,000.00	103.097	11,701,509.50	11,659,206.46	102.860	11,674,610.00	401		0.256	0.256
313379LM9	07/24/12	AGCY BULET	FHLB	0.350	02/25/14			2,000,000.00	100.127	2,002,540.00	2,001,842.52	100.170	2,003,400.00	421		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	1,501,139.85	100.180	1,502,700.00	605		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	100.040	2,000,800.00	703	63	0.400	0.400
CD-6693-1	12/10/12	CD	Comerica Bk CD	0.570	12/19/14			2,000,000.00	100.000	2,000,000.00	2,000,000.00	100.000	2,000,000.00	718		0.570	0.570
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	2,505,159.60	100.320	2,508,000.00	879	149	0.831	0.497
Total for Pooled Funds								72,736,921.95	100.450	73,055,932.95	73,016,023.74	100.433	73,044,263.45	222		0.319	0.307
Total for Town of Addison								72,736,921.95	100.450	73,055,932.95	73,016,023.74	100.433	73,044,263.45	222		0.319	0.307



Town of Addison
Change in Value
 From 09/30/2012 to 12/31/2012

CUSIP	Security Type	Security Description	09/30/12 Book Value	Cost of Purchases	Maturities / Calls / Sales	Amortization / Accretion	Realized Gain/(Loss)	12/31/12 Book Value	09/30/12 Market Value	12/31/12 Market Value	Change in Mkt Value
Pooled Funds											
TEXPOOL	LGIP	TexPool	3,853,092.60	1,000,995.56	(249,466.82)	0.00	0.00	4,604,621.34	3,853,092.60	4,604,621.34	751,528.74
TEXSTAR	LGIP	TexSTAR	40,665,359.49	2,008,471.77	(24,161,230.79)	0.00	0.00	18,512,600.47	40,665,359.49	18,512,600.47	(22,152,759.02)
89233GKF2	CP - DISC	Toyota Mtr Cr 0.000 10/15/12	2,999,229.99	0.00	(3,000,000.00)	770.01	0.00	0.00	2,999,838.00	0.00	(2,999,838.00)
89233GM37	CP - DISC	Toyota Mtr Cr 0.000 12/03/12	3,995,940.00	0.00	(4,000,000.00)	4,060.00	0.00	0.00	3,998,864.00	0.00	(3,998,864.00)
CD-6693	CD	Comerica Bk CD 0.570 12/10/12	2,011,439.69	1,911.32	(2,013,351.01)	0.00	0.00	0.00	2,011,439.69	0.00	(2,011,439.69)
89233GMM5	CP - DISC	Toyota Mtr Cr 0.000 12/21/12	998,807.50	0.00	(1,000,000.00)	1,192.50	0.00	0.00	999,636.00	0.00	(999,636.00)
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	2,048,320.66	2,853.30	0.00	0.00	0.00	2,051,173.96	2,048,320.66	2,051,173.96	2,853.30
89233GR24	CP - DISC	Toyota Mtr Cr 0.000 04/02/13	0.00	3,996,800.00	0.00	773.32	0.00	3,997,573.32	0.00	3,997,648.00	3,997,648.00
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	2,514,737.89	3,788.29	0.00	0.00	0.00	2,518,526.18	2,514,737.89	2,518,526.18	3,788.29
3024A0S44	CP - DISC	FCAR Owner Trust 0.000 05/10/13	996,500.83	0.00	0.00	1,456.67	0.00	997,957.50	997,040.00	998,664.00	1,624.00
89233GSF4	CP - DISC	Toyota Mtr Cr 0.000 05/15/13	0.00	2,995,650.00	0.00	1,111.68	0.00	2,996,761.68	0.00	2,997,075.00	2,997,075.00
89233GUC8	CP - DISC	Toyota Mtr Cr 0.000 07/12/13	0.00	2,993,050.83	0.00	1,989.18	0.00	2,995,040.01	0.00	2,995,335.00	2,995,335.00
3024A0V69	CP - DISC	FCAR Owner Trust 0.000 08/06/13	0.00	8,667,375.00	0.00	6,404.16	0.00	8,673,779.16	0.00	8,676,292.50	8,676,292.50
313376WB7	AGCY BULET	FHLB 0.280 08/13/13	2,000,813.22	0.00	0.00	(234.42)	0.00	2,000,578.80	2,001,400.00	2,001,200.00	(200.00)
89233GWH5	CP - DISC	Toyota Mtr Cr 0.000 09/17/13	0.00	997,975.00	0.00	82.50	0.00	998,057.50	0.00	997,617.00	997,617.00
3134G3BF6	AGCY BULET	FHLMC 0.625 12/23/13	1,002,516.61	0.00	0.00	(511.22)	0.00	1,002,005.39	1,004,500.00	1,004,000.00	(500.00)
31398AVD1	AGCY BULET	FNMA 2.750 02/05/14	0.00	11,701,509.50	0.00	(42,303.04)	0.00	11,659,206.46	0.00	11,674,610.00	11,674,610.00
313379LM9	AGCY BULET	FHLB 0.350 02/25/14	2,002,242.38	0.00	0.00	(399.86)	0.00	2,001,842.52	2,003,000.00	2,003,400.00	400.00
3134G3YW4	AGCY BULET	FHLMC 0.375 08/28/14	1,501,311.18	0.00	0.00	(171.33)	0.00	1,501,139.85	1,502,850.00	1,502,700.00	(150.00)
313380JV0	AGCY CALL	FHLB 0.400 12/04/14	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00	2,001,200.00	2,000,800.00	(400.00)
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	0.00	2,000,000.00	0.00	0.00	0.00	2,000,000.00	0.00	2,000,000.00	2,000,000.00
3135G0LB7	AGCY CALL	FNMA 1.000 05/29/15	2,508,292.18	0.00	0.00	(3,132.58)	0.00	2,505,159.60	2,511,250.00	2,508,000.00	(3,250.00)
Total for Pooled Funds			71,098,604.22	36,370,380.57	(34,424,048.62)	(28,912.43)	0.00	73,016,023.74	71,112,528.33	73,044,263.45	1,931,735.12
Total for Town of Addison			71,098,604.22	36,370,380.57	(34,424,048.62)	(28,912.43)	0.00	73,016,023.74	71,112,528.33	73,044,263.45	1,931,735.12



Town of Addison
Earned Income
 From 09/30/2012 to 12/31/2012

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	1,528.74	1,528.74	0.00	0.00	0.00	1,528.74
TEXSTAR	LGIP	TexSTAR	0.00	11,775.48	11,775.48	0.00	0.00	0.00	11,775.48
89233GKF2	CP - DISC	Toyota Mtr Cr 0.000 10/15/12	0.00	0.00	0.00	0.00	0.00	770.01	770.01
89233GM37	CP - DISC	Toyota Mtr Cr 0.000 12/03/12	0.00	0.00	0.00	0.00	0.00	4,060.00	4,060.00
CD-6693	CD	Comerica Bk CD 0.570 12/10/12	657.84	2,256.88	2,914.72	0.00	0.00	0.00	2,256.88
89233GMM5	CP - DISC	Toyota Mtr Cr 0.000 12/21/12	0.00	0.00	0.00	0.00	0.00	1,192.50	1,192.50
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	313.40	2,885.12	2,853.30	0.00	345.22	0.00	2,885.12
89233GR24	CP - DISC	Toyota Mtr Cr 0.000 04/02/13	0.00	0.00	0.00	0.00	0.00	773.32	773.32
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	41.16	3,788.35	3,788.29	0.00	41.22	0.00	3,788.35
3024A0SA4	CP - DISC	FCAR Owner Trust 0.000 05/10/13	0.00	0.00	0.00	0.00	0.00	1,456.67	1,456.67
89233GSF4	CP - DISC	Toyota Mtr Cr 0.000 05/15/13	0.00	0.00	0.00	0.00	0.00	1,111.68	1,111.68
89233GUC8	CP - DISC	Toyota Mtr Cr 0.000 07/12/13	0.00	0.00	0.00	0.00	0.00	1,989.18	1,989.18
3024A0V69	CP - DISC	FCAR Owner Trust 0.000 08/06/13	0.00	0.00	0.00	0.00	0.00	6,404.16	6,404.16
313376WB7	AGCY BULET	FHLB 0.280 08/13/13	746.67	1,400.00	0.00	0.00	2,146.67	(234.42)	1,165.58
89233GWH5	CP - DISC	Toyota Mtr Cr 0.000 09/17/13	0.00	0.00	0.00	0.00	0.00	82.50	82.50
3134G3BF6	AGCY BULET	FHLMC 0.625 12/23/13	1,701.39	1,562.50	3,125.00	0.00	138.89	(511.22)	1,051.28
31398AVD1	AGCY BULET	FNMA 2.750 02/05/14	0.00	46,818.75	0.00	(79,765.28)	126,584.03	(42,303.04)	4,515.71
313379LM9	AGCY BULET	FHLB 0.350 02/25/14	700.00	1,750.00	0.00	0.00	2,450.00	(399.86)	1,350.14
3134G3YW4	AGCY BULET	FHLMC 0.375 08/28/14	515.63	1,406.25	0.00	0.00	1,921.88	(171.33)	1,234.92
313380JV0	AGCY CALL	FHLB 0.400 12/04/14	600.00	2,000.00	2,000.00	0.00	600.00	0.00	2,000.00
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	0.00	406.03	0.00	0.00	406.03	0.00	406.03
3135G0LB7	AGCY CALL	FNMA 1.000 05/29/15	8,472.22	6,250.00	12,500.00	0.00	2,222.22	(3,132.58)	3,117.42
Total for Pooled Funds			13,748.31	83,828.10	40,485.53	(79,765.28)	136,856.16	(28,912.43)	54,915.67
Total for Town of Addison			13,748.31	83,828.10	40,485.53	(79,765.28)	136,856.16	(28,912.43)	54,915.67



Town of Addison
Investment Transactions
 From 10/01/2012 to 12/31/2012

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															
Maturities															
10/15/12	10/15/12	89233GKF2	CP - DISC	Toyota Mtr Cr		10/15/12		3,000,000.00	100.000	3,000,000.00	0.00	3,000,000.00		0.663	
12/03/12	12/03/12	89233GM37	CP - DISC	Toyota Mtr Cr		12/03/12		4,000,000.00	100.000	4,000,000.00	0.00	4,000,000.00		0.583	
12/10/12	12/10/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12		2,013,351.01	100.000	2,013,351.01	0.00	2,013,351.01		0.571	
12/21/12	12/21/12	89233GMM5	CP - DISC	Toyota Mtr Cr		12/21/12		1,000,000.00	100.000	1,000,000.00	0.00	1,000,000.00		0.532	
Total for: Maturities								10,013,351.01		10,013,351.01	0.00	10,013,351.01		0.599	
Purchases															
10/15/12	10/16/12	89233GUC8	CP - DISC	Toyota Mtr Cr		07/12/13		3,000,000.00	99.768	2,993,050.83	0.00	2,993,050.83		0.311	0.311
11/06/12	11/07/12	31398AVD1	AGCY BULET	FNMA	2.750	02/05/14		11,350,000.00	103.097	11,701,509.50	79,765.28	11,781,274.78		0.256	0.256
11/08/12	11/09/12	3024A0V69	CP - DISC	FCAR Owner Trust		08/06/13		8,700,000.00	99.625	8,667,375.00	0.00	8,667,375.00		0.502	0.502
11/15/12	11/16/12	89233GSF4	CP - DISC	Toyota Mtr Cr		05/15/13		3,000,000.00	99.855	2,995,650.00	0.00	2,995,650.00		0.290	0.290
11/30/12	12/03/12	89233GR24	CP - DISC	Toyota Mtr Cr		04/02/13		4,000,000.00	99.920	3,996,800.00	0.00	3,996,800.00		0.240	0.240
12/10/12	12/10/12	CD-6693-1	CD	Comerica Bk CD	0.570	12/19/14		2,000,000.00	100.000	2,000,000.00	0.00	2,000,000.00		0.570	0.570
12/20/12	12/21/12	89233GWH5	CP - DISC	Toyota Mtr Cr		09/17/13		1,000,000.00	99.798	997,975.00	0.00	997,975.00		0.271	0.271
Total for: Purchases								33,050,000.00		33,352,360.33	79,765.28	33,432,125.61		0.346	0.346
Income Payments															
10/08/12	10/10/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12				0.00	939.77	939.77			
10/19/12	10/21/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13				0.00	940.21	940.21			
10/31/12	10/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13				0.00	1,275.85	1,275.85			
11/08/12	11/10/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12				0.00	971.55	971.55			
11/19/12	11/21/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13				0.00	972.00	972.00			
11/29/12	11/29/12	3135G0LB7	AGCY CALL	FNMA	1.000	05/29/15				0.00	12,500.00	12,500.00			
11/30/12	11/30/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13				0.00	1,235.32	1,235.32			
12/04/12	12/04/12	313380JV0	AGCY CALL	FHLB	0.400	12/04/14				0.00	2,000.00	2,000.00			
12/10/12	12/10/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12				0.00	1,003.40	1,003.40			
12/19/12	12/21/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13				0.00	941.09	941.09			
12/24/12	12/23/12	3134G3BF6	AGCY BULET	FHLMC	0.625	12/23/13				0.00	3,125.00	3,125.00			
12/31/12	12/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13				0.00	1,277.12	1,277.12			



Town of Addison
Investment Transactions
 From 10/01/2012 to 12/31/2012

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																
Total for: Income Payments											0.00	27,181.31	27,181.31			
Capitalized Interest																
10/08/12	10/08/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12		939.77	100.000	939.77	0.00	939.77				
10/19/12	10/19/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13		940.21	100.000	940.21	0.00	940.21				
10/31/12	10/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13		1,275.85	100.000	1,275.85	0.00	1,275.85				
11/08/12	11/08/12	CD-6693	CD	Comerica Bk CD	0.570	12/10/12		971.55	100.000	971.55	0.00	971.55				
11/19/12	11/19/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13		972.00	100.000	972.00	0.00	972.00				
11/30/12	11/30/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13		1,235.32	100.000	1,235.32	0.00	1,235.32				
12/19/12	12/19/12	CD-8993-2	CD	Comerica Bk CD	0.560	01/21/13		941.09	100.000	941.09	0.00	941.09				
12/31/12	12/31/12	CD-2270	CD	ViewPoint Bk CD	0.599	04/08/13		1,277.12	100.000	1,277.12	0.00	1,277.12				
Total for: Capitalized Interest								8,552.91	8,552.91	0.00	8,552.91					



Town of Addison
Investment Transactions
 From 10/01/2012 to 12/31/2012

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 Maturities	10,013,351.01	10,013,351.01		0.599	
Total Purchases	33,050,000.00	33,432,125.61		0.346	0.346
Total Income Payments	0.00	27,181.31			
Total Capitalized Interest	8,552.91	8,552.91			



Town of Addison
Amortization and Accretion
 From 09/30/2012 to 12/31/2012

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											
89233GKF2	01/20/12	CP - DISC	Toyota Mtr Cr 0.000 10/15/12		0.00	99.507	0.00	770.01	0.00	0.00	0.00
89233GM37	03/09/12	CP - DISC	Toyota Mtr Cr 0.000 12/03/12		0.00	99.567	0.00	4,060.00	0.00	0.00	0.00
CD-6693	09/08/11	CD	Comerica Bk CD 0.570 12/10/12		0.00	100.000	0.00	0.00	0.00	0.00	0.00
89233GMM5	03/27/12	CP - DISC	Toyota Mtr Cr 0.000 12/21/12		0.00	99.604	0.00	1,192.50	0.00	0.00	0.00
CD-8993-2	01/19/12	CD	Comerica Bk CD 0.560 01/21/13		2,051,173.96	100.000	2,051,173.96	0.00	0.00	0.00	2,051,173.96
89233GR24	12/03/12	CP - DISC	Toyota Mtr Cr 0.000 04/02/13		4,000,000.00	99.920	3,996,800.00	773.32	773.32	2,426.68	3,997,573.32
CD-2270	10/07/11	CD	ViewPoint Bk CD 0.599 04/08/13		2,518,526.18	100.000	2,518,526.18	0.00	0.00	0.00	2,518,526.18
3024A0SA4	08/15/12	CP - DISC	FCAR Owner Trust 0.000 05/10/13		1,000,000.00	99.576	995,756.67	1,456.67	2,200.83	2,042.50	997,957.50
89233GSF4	11/16/12	CP - DISC	Toyota Mtr Cr 0.000 05/15/13		3,000,000.00	99.855	2,995,650.00	1,111.68	1,111.68	3,238.32	2,996,761.68
89233GUC8	10/16/12	CP - DISC	Toyota Mtr Cr 0.000 07/12/13		3,000,000.00	99.768	2,993,050.83	1,989.18	1,989.18	4,959.99	2,995,040.01
3024A0V69	11/09/12	CP - DISC	FCAR Owner Trust 0.000 08/06/13		8,700,000.00	99.625	8,667,375.00	6,404.16	6,404.16	26,220.84	8,673,779.16
313376WB7	08/20/12	AGCY BULET	FHLB 0.280 08/13/13		2,000,000.00	100.046	2,000,920.00	(234.42)	(341.20)	(578.80)	2,000,578.80
89233GWH5	12/21/12	CP - DISC	Toyota Mtr Cr 0.000 09/17/13		1,000,000.00	99.798	997,975.00	82.50	82.50	1,942.50	998,057.50
3134G3BF6	03/27/12	AGCY BULET	FHLMC 0.625 12/23/13		1,000,000.00	100.356	1,003,560.00	(511.22)	(1,554.61)	(2,005.39)	1,002,005.39
31398AVD1	11/07/12	AGCY BULET	FNMA 2.750 02/05/14		11,350,000.00	103.097	11,701,509.50	(42,303.04)	(42,303.04)	(309,206.46)	11,659,206.46
313379LM9	07/24/12	AGCY BULET	FHLB 0.350 02/25/14		2,000,000.00	100.127	2,002,540.00	(399.86)	(697.48)	(1,842.52)	2,001,842.52
3134G3YW4	08/28/12	AGCY BULET	FHLMC 0.375 08/28/14		1,500,000.00	100.092	1,501,374.00	(171.33)	(234.15)	(1,139.85)	1,501,139.85
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
CD-6693-1	12/10/12	CD	Comerica Bk CD 0.570 12/19/14		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	(3,132.58)	(7,340.40)	(5,159.60)	2,505,159.60
Total for Pooled Funds					49,619,700.14		49,938,711.14	(28,912.43)	(39,909.21)	(279,101.79)	49,898,801.93
Total for Town of Addison					49,619,700.14		49,938,711.14	(28,912.43)	(39,909.21)	(279,101.79)	49,898,801.93



Town of Addison
Projected Cash Flows
Cash Flows for next 180 days from 12/31/2012

CUSIP	Security Type	Security Description	Pay Date	Interest	Principal	Total Amount
Pooled Funds						
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	01/19/13	968.21	0.00	968.21
CD-8993-2	CD	Comerica Bk CD 0.560 01/21/13	01/21/13	957.21	2,051,173.96	2,052,131.17
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	01/31/13	1,281.27	0.00	1,281.27
31398AVD1	AGCY BULET	FNMA 2.750 02/05/14	02/05/13	156,062.50	0.00	156,062.50
313376WB7	AGCY BULET	FHLB 0.280 08/13/13	02/13/13	2,800.00	0.00	2,800.00
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	02/19/13	968.21	0.00	968.21
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	1,157.28	0.00	1,157.28
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	03/19/13	874.52	0.00	874.52
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	03/31/13	1,281.27	0.00	1,281.27
89233GR24	CP - DISC	Toyota Mtr Cr 0.000 04/02/13	04/02/13	0.00	4,000,000.00	4,000,000.00
CD-2270	CD	ViewPoint Bk CD 0.599 04/08/13	04/08/13	86.96	2,518,526.18	2,518,613.14
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	04/19/13	968.21	0.00	968.21
3024A0SA4	CP - DISC	FCAR Owner Trust 0.000 05/10/13	05/10/13	0.00	1,000,000.00	1,000,000.00
89233GSF4	CP - DISC	Toyota Mtr Cr 0.000 05/15/13	05/15/13	0.00	3,000,000.00	3,000,000.00
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	05/19/13	936.98	0.00	936.98
3135G0LB7	AGCY CALL	FNMA 1.000 05/29/15	05/29/13	12,500.00	2,500,000.00	2,512,500.00
313380JV0	AGCY CALL	FHLB 0.400 12/04/14	06/04/13	4,000.00	0.00	4,000.00
CD-6693-1	CD	Comerica Bk CD 0.570 12/19/14	06/19/13	968.21	0.00	968.21
3134G3BF6	AGCY BULET	FHLMC 0.625 12/23/13	06/23/13	3,125.00	0.00	3,125.00
Total for Pooled Funds				195,248.33	15,069,700.14	15,264,948.47



Town of Addison
Projected Cash Flows
Cash Flows for next 180 days from 12/31/2012

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

January 2013	3,206.69	2,051,173.96	2,054,380.65
February 2013	167,300.49	0.00	167,300.49
March 2013	2,155.79	0.00	2,155.79
April 2013	1,055.17	6,518,526.18	6,519,581.35
May 2013	13,436.98	6,500,000.00	6,513,436.98
June 2013	8,093.21	0.00	8,093.21
Total Projected Cash Flows for Town of Addison	195,248.33	15,069,700.14	15,264,948.47