

Town of Addison, Texas
Comprehensive Annual Financial Report

For the Year Ended September 30, 2009

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

City Council

	Expiration of Term
Joe Chow, Mayor	May 2011
Roger S. Mellow, Mayor Pro Tempore	May 2010
Tom Braun, Deputy Mayor Pro Tempore	May 2010
Blake W. Clemens, Councilmember	May 2011
Don R. Daseke, Councilmember	May 2011
Kimberly Lay, Councilmember	May 2010
Bianca R. Noble, Councilmember	May 2011

City Manager

Ron Whitehead

Addison!®

Town of Addison, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2009

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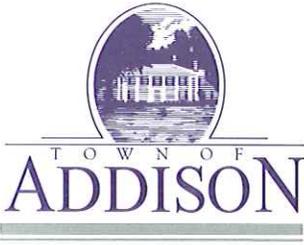
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**INTRODUCTORY
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Addison!



February 15, 2010

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

The Department of Financial & Strategic Services of the Town of Addison is pleased to submit the Comprehensive Annual Financial Report of the Town of Addison, Texas for the fiscal year ended September 30, 2009. The purpose of the report is to provide the council, management, staff, the public and other interested parties with detailed information reflecting the Town's financial condition.

THE REPORT

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

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

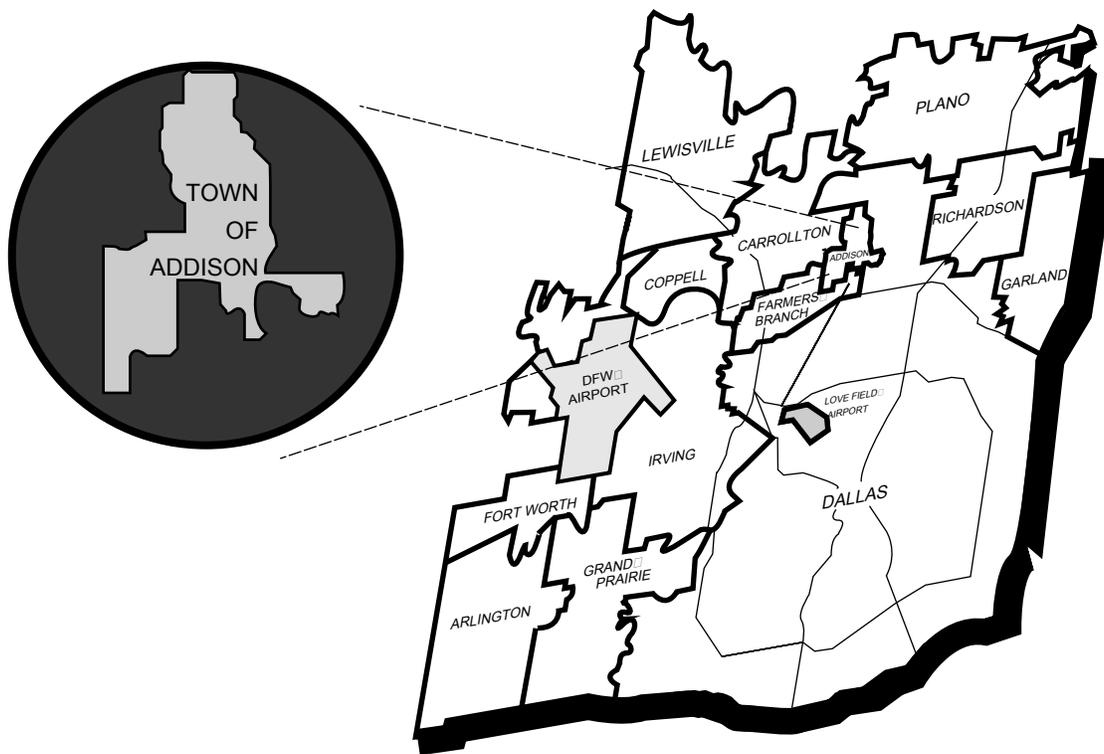
The *Financial Section* contains the opinion of the Town's independent auditor. The Town of Addison's financial statements have been audited by Weaver and Tidwell, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Addison for the fiscal year ended September 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Addison's financial statements for the fiscal year ended September 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

THE REPORTING ENTITY

The Town of Addison is located in the Dallas North Parkway area, which has been referred to as the "platinum corridor" of the Dallas Metroplex. The area, which developed rapidly over the past three decades, is home to affluent neighborhoods, hundreds of million-dollar companies, scores of quality restaurants, and two spacious malls. At 4.4 square miles, Addison is the smallest, yet most densely developed, of the various suburbs located in the area. Although it has only 13,400 residents, the Town has developed into a cosmopolitan center which daily serves an estimated 100,000 to 200,000 business persons, shoppers, and visitors.



The Town was incorporated in 1953 and is operating under a Charter adopted in 1978 and last amended in January 1993. Under the amended Charter, the Council is comprised of a mayor and six council members who enact local legislation, determine policies, and adopt the Town's budget. The mayor and council members are elected for two-year terms with the mayor and three council members being elected each odd-numbered year and the remaining three council members elected each even-numbered year. The City Manager is appointed by the City Council and is responsible to them for the proper administration of the affairs of the Town.

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

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

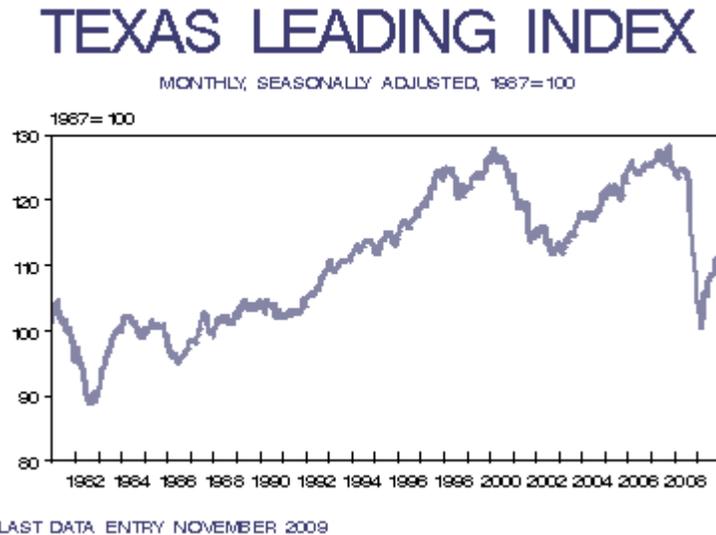
Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 31 as part of the basic financial statements for the governmental funds. For all governmental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

¹ Financial policies can be located beginning on page 115 of the Town of Addison Annual Budget 2009-10 document.

FACTORS AFFECTING FINANCIAL CONDITION

Status of Local Economy

With its concentration of commercial and retail development, the Town of Addison's economy is strongly influenced by the region's economic climate. According to reports issued by the Federal Reserve Bank of Dallas, the regional economy continued to contract the first three months of calendar year 2009, with March values declining to an index value of 100.5. Since then, the economy has modestly expanded, and November reported a value of 111.2.²

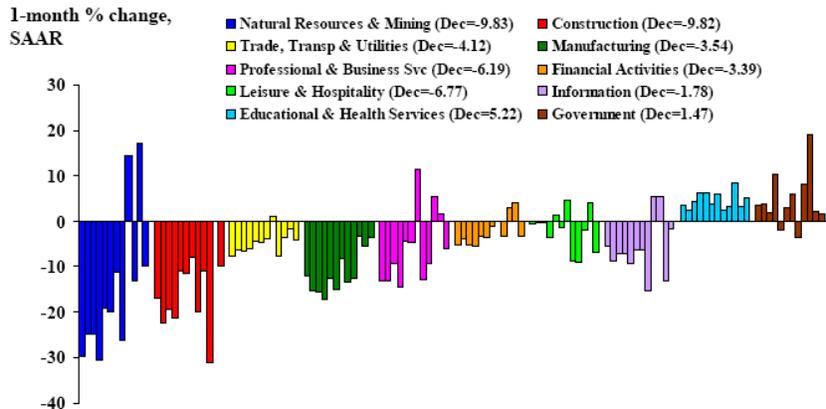


A component of the leading index is new unemployment claims. Although Texas' unemployment rate is 8.3%, that rate compares favorably to the 10% national unemployment rate. As the chart below reflects, although there were employment losses through most of 2009, there appears to be some improvement in most segments of the economy through the later months.



Texas Industry Employment NAICS Super Sectors Monthly Growth. SA by FRB Dallas

January 2009 - December 2009

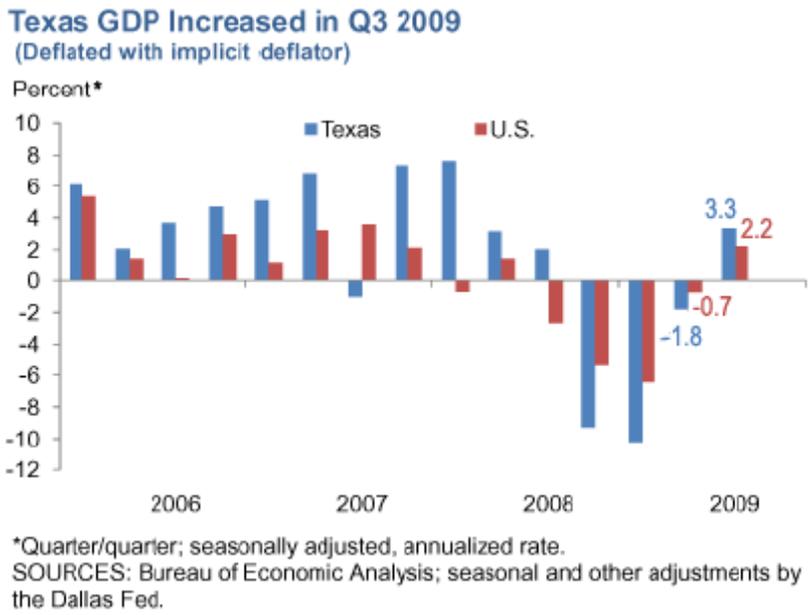


Source: BLS/TWC, seasonal and other adjustments by FRB Dallas

<http://www.dallasfed.org>

² Source: Federal Reserve Bank of Dallas, [November 2009 Data](#)

The state's gross domestic product grew in the third quarter of 2009, giving hope that the period of economic contraction has come to an end. Economic forecasts are that Texas and the region will begin experiencing modest recovery and that employment will grow between one and two percent.³



Because Addison is densely developed with almost 11.4 million square feet of office space distributed over 115 buildings, much attention is given to the occupancy rates of buildings in Addison. At the end of December 2009, Addison's occupancy rate stood at 75% compared with the 80% recorded a year earlier. Addison's occupancy rate is lower than the 81% average for all of Dallas County.⁴ The low occupancy rates were the cause of the 11% decline in property values of the 2009 certified tax roll that was used for the 2010 property tax levy. This decline reversed a four-year trend that witnessed a cumulative 38% increase in values.

For the 2009 fiscal year, General Fund revenues of \$26.7 million represented a 5.6% decline from fiscal year 2008. The decline is attributed to the recession gripping the nation and the region. The Town's sales tax receipts declined 10.0% from fiscal year 2008. The General Fund budget for the 2010 fiscal year assumes a 1.2% increase in sales taxes over 2009 actual amounts. This budget projection is reasonable given the forecasts of a modest economic recovery in 2010. The budget also established a property tax rate of 49.6¢, a 4.25¢ increase over the 2009 rate. However, due to the decline in property values, the tax levy was actually \$469,000 less than that of the prior year. Total General Fund revenues are budgeted to be \$27.5 million or 5.2% less than the original 2009 budget. General Fund expenditures for the 2010 budget are slightly less than the 2009 budget of \$30 million. The General Fund ending balance is projected to be \$10.3 million, or 37.7% of fund operating expenditures.

³ Source: Federal Reserve Bank of Dallas, February 2010 Regional Economic Update
⁴ Sources: CoStar Group and Town of Addison Department of Financial & Strategic Services

Long-Term Financial Planning

Users of this document as well as others interested in the programs and services offered by the Town of Addison are encouraged to read the Town's 2009-10 Annual Budget. The document details the Town's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the Town's capital improvement program. The Town's Annual Budget also includes long-term financial plans for the major operating funds that forecast revenues and expenditures over a five-year horizon. The plans are driven by financial policies adopted by the City Council that are designed to protect the Town's financial integrity. The policies include establishing significant fund balances, or reserves, to protect the Town from the boom/bust economic cycle common to the state and the region. The budget document can be obtained from the Town of Addison's Financial and Strategic Services Department by calling (972) 450-7051. The Annual Budget can also be accessed through the department's web site at www.addisontx.gov/departments/financial_strategic/.

CASH MANAGEMENT

The Town's cash management policy is adopted by the City Council and strictly defines the parameters by which Town investments are made. The policy fully conforms to the Public Funds Investments Act passed by the 70th State Legislature in 1987 and amended through 2009. Under the policy, the Town may use any of the following instruments:

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

The cash management policy establishes that the weighted average maturity of all securities and certificates of deposit may not exceed one and one-half years. To ensure a diversified portfolio, the policy also sets limits on the amount that can be invested in any one instrument. Interest earnings on all investments made during the 2009 fiscal year amounted to \$1,598,235 compared to \$1,764,695 in 2008. The average rate of interest earned from investments was 2.2% compared to 3.8% in 2008. The decline in investment income corresponds to the lower interest rates of the various investment instruments. The Town reports earnings on investments net of credit card discounts. As of 9/30/09, the Town's distribution of investments was as follows:

Local government investment pools	35.6 %
Certificates of deposit	18.5
U.S. Government Agencies	<u>45.9</u>
Total	<u>100.0</u> %

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Town of Addison, Texas for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2008. The *Certificate*, which is reproduced herein, is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a *Certificate of Achievement*, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. The document must satisfy both generally accepted accounting principles and applicable legal requirements. A *Certificate of Achievement* is valid for a period of one year only. The Town of Addison has received a *Certificate* for the last 33 consecutive years. We believe our current report continues to conform to the *Certificate of Achievement* program requirements, and we are submitting it to GFOA.

In addition to the *Certificate*, the Town received GFOA's *Award for Distinguished Budget Presentation* for its fiscal year 2009 annual budget document. In order to qualify for the *Award*, the Town's budget document was judged to be proficient or exceptional in several categories including policy documentation, financial planning, and operations guide. The Town has received the *Award* for 22 consecutive years. Together, the *Award* and the *Certificate* are evidence of the Financial & Strategic Services' dedication to producing documents that effectively communicate the Town's financial condition to elected officials, city administrators, and the general public.

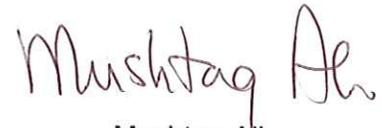
We wish to thank all members of the Department of Financial & Strategic Services who assisted us with assembling the information presented in this report and acknowledge the assistance provided by our auditors, Weaver and Tidwell, in meeting the deadlines established for publication of the document.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

Respectfully submitted,



Randolph C. Moravec, CGFO
Chief Financial Officer

Marisa Perry, CPA
Financial Services Manager



Mushtaq Ali
Accountant

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Addison
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

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

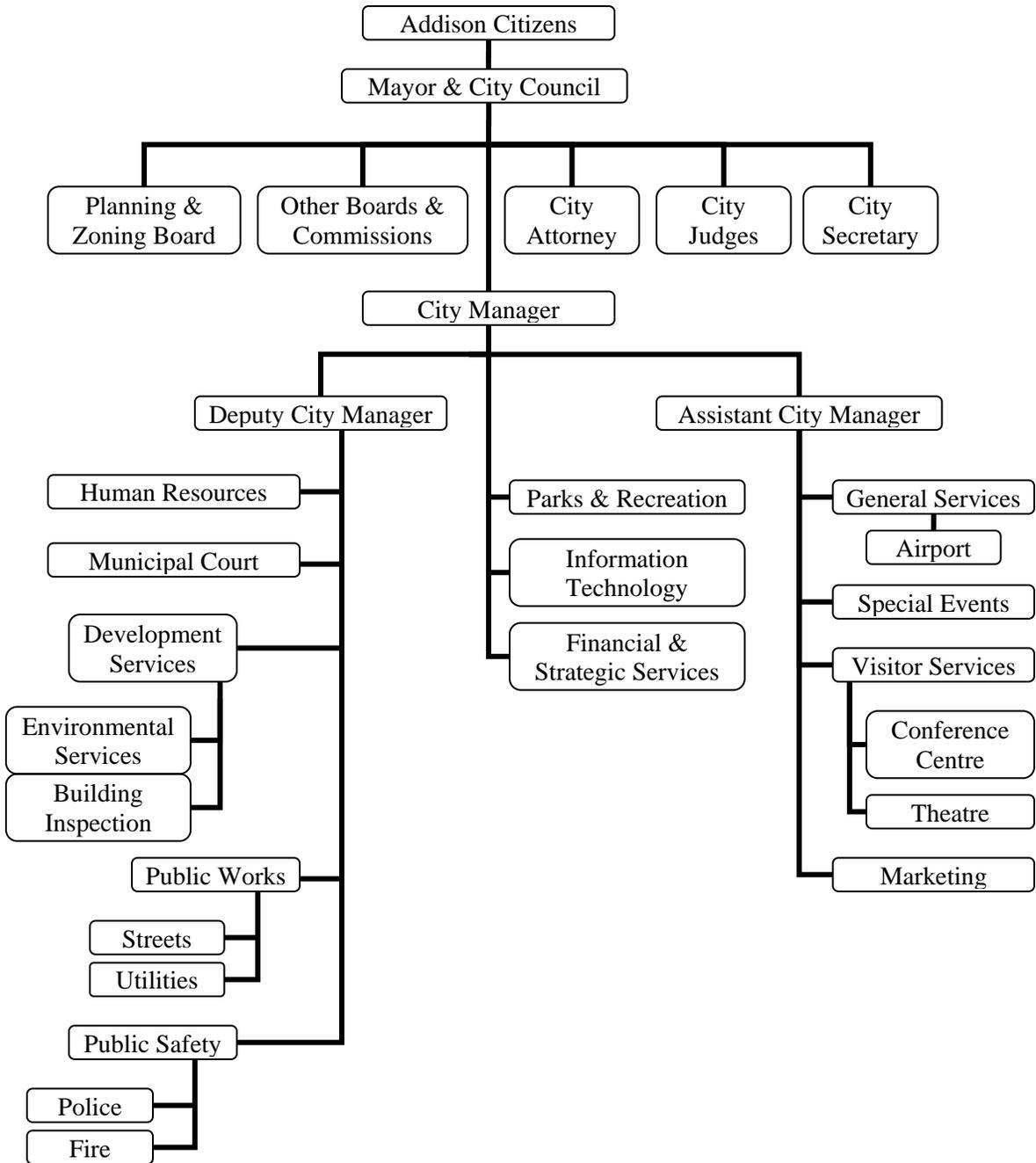


A stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

President

A handwritten signature in black ink that reads "Jeffrey R. Enner".

Executive Director



Town of Addison
LIST OF PRINCIPAL OFFICIALS
September 30, 2009

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

Mayor	Joe Chow.....	450-7026
City Manager	Ron Whitehead.....	450-7028
Deputy City Manager/City Secretary	Lea Dunn.....	450-7037
Assistant City Manager.....	Chris Terry.....	450-7010
Chief Financial Officer	Randolph C. Moravec, CGFO	450-7050
Director of Development Services	Carmen Moran	450-7018
Director of Human Resources	Passion Hayes	450-2819
Chief of Police.....	Ron Davis	450-7168
Assistant Fire Chief.....	David Benson	450-7212
City Engineer/Director of Public Works	Nancy S. Cline.....	450-2886
Director of Parks and Recreation	Slade Strickland	450-2869
Director of Information Technology	Hamid Khaleghipour.....	450-2868
Director of General Services	Mark Acevedo	450-2848
Director of Visitor Services	Bob Phillips.....	450-6202

**FINANCIAL
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Town of Addison, Texas (the Town) as of and for the year ended September 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's administration. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2009, and the respective changes in financial position and the cash flows, where applicable, and the respective budgetary comparison for the General Fund and the Hotel Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

Town of Addison
February 16, 2010

Page 2

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

February 16, 2010
Dallas, Texas

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Addison, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Addison for the fiscal year ended September 30, 2009. Readers are encouraged to read this narrative in conjunction with the transmittal letter at the front of this report and the Town's financial statements, which follow this section. **All amounts reported in this MD&A, unless otherwise indicated, are expressed in thousands of dollars.**

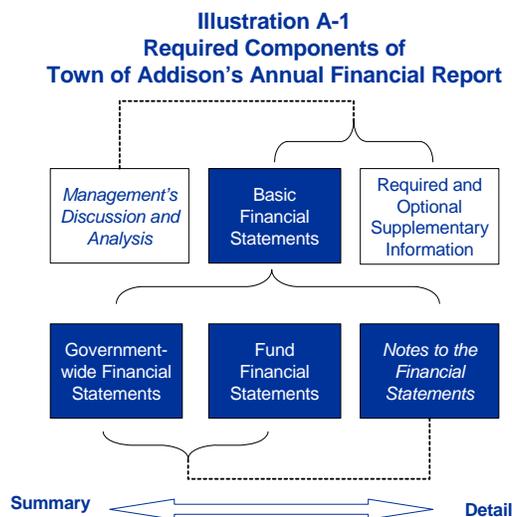
Financial Highlights

- The Town's assets exceeded its liabilities at the close of the 2009 fiscal year by \$193,192. This amount represents an increase over the previous year by \$3,266. The increase is attributed to governmental revenue from taxes and charges for services exceeding the cost of government activities.
- As of September 30, 2009, the Town's governmental funds reported combined ending fund balances of \$46,707, a decline of \$6,863. Most of the decline is due to the application of bond proceeds in the capital project funds to the construction of infrastructure throughout the city.
- At the end of the 2009 fiscal year, fund balance for the General Fund was \$10,653, or 38.1% of total fund expenditures. Fund balance declined \$1,043 during the year.
- At year-end, the Town of Addison's outstanding debt totals \$79,700, a decline of \$6,446 from the previous year. The decline is attributed to the scheduled retirement of debt and no issuance of new debt during the year.

Overview of Financial Statements

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

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



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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

The Town of Addison maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all these funds, with the exception of the Municipal Court, Arbor, Public Safety, and various capital project funds, which are considered minor funds and are combined into a single, aggregated presentation. Individual fund data for each of these minor funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

The combining statements referred to earlier in connection with minor governmental funds and internal service funds are presented on pages 107-108 and 125-127.

Government-wide Financial Analysis

As of the close of the 2009 fiscal year, the Town's net assets (assets exceeding liabilities) totaled \$193,192 (see Table A-1). Of this amount \$156,529, or 81.0%, represents the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. Because the Town of Addison uses these capital assets to provide services to the community, these assets are not available for future spending. A portion of net assets (\$918) has been restricted for retiring the Town's long-term general obligation debt. The remaining amount of net assets is labeled as unrestricted and totals \$35,745. This amount is available to meet the Town's ongoing obligations to citizens and creditors.

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

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

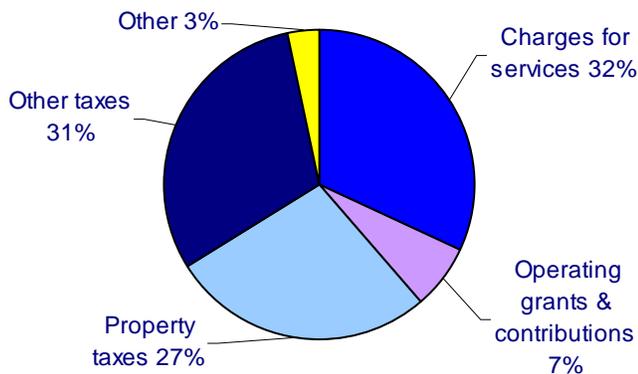
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and Other Assets	\$ 59,395	\$ 67,268	\$ 21,003	\$ 22,701	\$ 80,398	\$ 89,969
Capital Assets	151,273	148,169	48,415	47,015	199,688	195,184
Total Assets	210,668	215,437	69,418	69,716	280,086	285,153
Liabilities:						
Long-Term Liabilities Outstanding	61,264	64,271	19,542	21,875	80,806	86,146
Other Liabilities	3,735	6,404	2,353	2,677	6,088	9,081
Total Liabilities	64,999	70,675	21,895	24,552	86,894	95,227
Net Assets:						
Invested in Capital Assets, net of Related Debt	120,309	117,390	36,220	32,539	156,529	149,929
Restricted for Debt Service	918	781	-	-	918	781
Unrestricted	24,442	26,591	11,303	12,625	35,745	39,216
Total Net Assets	\$ 145,669	\$ 144,762	\$ 47,523	\$ 45,164	\$ 193,192	\$ 189,926

As reflected in Table A-2, the Town's net assets increased \$3,266, or 1.7%, during the 2009 fiscal year. The increase is primarily due to the growth of revenues in property taxes and charges for services associated with the governmental activities.

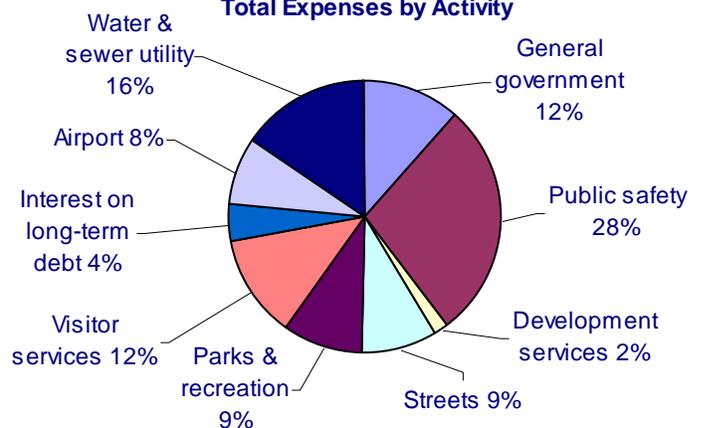
**Table A-2
Town of Addison's Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,237	\$ 5,804	\$ 13,178	\$ 12,965	\$ 18,415	\$ 18,769
Operating Grants & Contributions	2,045	562	1,786	302	3,831	864
General Revenues:						
Property Taxes	15,711	14,311	-	-	15,711	14,311
Other Taxes	17,559	19,380	-	-	17,559	19,380
Other	1,709	2,013	224	277	1,933	2,290
Total Revenues	42,261	42,070	15,188	13,544	57,449	55,614
Expenses:						
General Government	6,528	6,406	-	-	6,528	6,406
Public Safety	14,744	13,994	-	-	14,744	13,994
Development Services	857	941	-	-	857	941
Streets	4,998	5,269	-	-	4,998	5,269
Parks & Recreation	5,119	4,759	-	-	5,119	4,759
Visitor Services	6,687	6,929	-	-	6,687	6,929
Interest on Long-Term Debt	2,421	2,128	-	-	2,421	2,128
Airport	-	-	4,290	4,199	4,290	4,199
Water & Sewer Utility	-	-	8,539	8,783	8,539	8,783
Total Expenses	41,354	40,426	12,829	12,982	54,183	53,408
Increase (Decrease) in Net Assets	907	1,644	2,359	562	3,266	2,206
Net Assets - 10/01/08	144,762	143,118	45,164	44,602	189,926	187,720
Net Assets - 09/30/09	\$ 145,669	\$ 144,762	\$ 47,523	\$ 45,164	\$ 193,192	\$ 189,926

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



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



Governmental Activities

Governmental activities increased the Town of Addison's net assets by \$907.

Business-Type Activities

The Town's business-type activities experienced a \$2,359 increase in net assets with the Airport Fund recording an increase of \$485, while the Utility fund posted a gain of \$1,874. Of the Utility Fund's increase, \$1,050 is attributed to developer contributions of water and wastewater infrastructure associated with new apartment and office buildings.

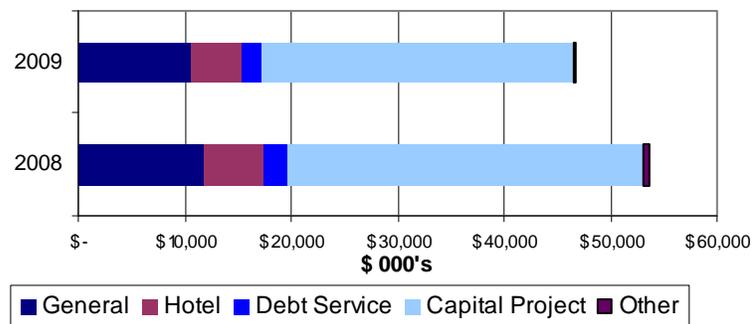
Financial Analysis of the Government Funds

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

As of September 30, 2009, the Town's governmental funds reported combined ending fund balances of \$46,707, a decline of \$6,863 compared to balances a year earlier. Illustration A-5 graphically presents the composition of the various fund balances. Of the ending balance, \$14,884 or 32% is *unreserved and undesignated* and is available to the Town for future spending. Most of the remaining fund balance is *reserved or designated* for future capital projects (\$29,190) and debt service (\$1,985). Components of the net decrease of total fund balance are:

- In the General Fund, expenditures totaled \$27,924 compared to revenues of \$26,723. Revenues declined \$1,599 from the previous year. Most of the decline was due to a \$1,065 reduction in sales tax collections attributed to the national economic recession. Property tax collections were down \$153 despite a 1.98-cent increase in the tax rates because of reduced commercial property values. Expenditures increased \$614 over the 2008 fiscal year because of a large scope of street maintenance projects. Affecting the change in fund balance were transfers involving the Arbor and Capital Replacement funds. The Arbor Fund was closed out as of September 30, 2009, and its assets of \$197 were transferred to the General Fund for payment to the private foundation that is now assuming the responsibilities of the Arbor Fund. The Street department received a brush chipper (\$39) through a regional grant, which was subsequently transferred to the Capital Replacement Fund. Despite the \$1,043 decline in the General Fund balance, the reduction was significantly less than the amended budget decline of \$2,073.
- In the Hotel Fund, expenditures and transfers out to other funds totaled \$6,960 compared to revenues of \$5,887. Fund revenues declined \$1,659, primarily as a result of a \$1,246 reduction in hotel occupancy tax which, like sales tax in the General Fund, is attributed to the national recession. Expenditures declined \$297 from the prior year. The \$1,073 decline in the Hotel Fund balance is slightly greater than the amended budget decline of \$1,054.
- Capital project funds recorded a net decline in fund balance of \$4,298 due to scheduled application of funds for capital projects.

**Illustration A-5
Governmental Fund Balances**



Proprietary funds - The Town of Addison's proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net assets of the Airport Fund at the end of the fiscal year amounted to \$1,462 while the Utility (water & sewer) Fund reported unrestricted net assets of \$9,841. Issues relating to these two funds were discussed in preceding narrative of the Town's business-type activities.

General Fund Budgetary Highlights

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

- Revenues were amended to recognize decreased revenue from property tax (\$320), sales tax (\$1,225), and interest earnings (\$343). Allocations to various departments were made that resulted in a net increase to appropriations of \$195.

The adjustments resulted in decreasing budgeted revenue by 6.5% and increasing expenditures by only 0.6%. The projected deficit of expenditures and other uses exceeding revenues increased from \$9 to \$2,073. As noted earlier, fund balance actually declined \$1,043.

Capital Asset and Debt Administration

Capital assets – As summarized in Table A-3 below, the Town of Addison's investment in capital assets for its governmental and business-type activities as of September 30, 2009, totals \$199,688 (net of accumulated depreciation). This amount represents a \$4,504 increase from the previous year and is attributed to investment in new assets exceeding depreciation of existing assets. Projects completed during the fiscal year include construction of the first phase of streets serving the Ashton Woods development, improvements to Quorum Road associated with the Fairfield apartments, and Spruill Park. Projects that are in progress include town-wide signalization improvements, the Belt Line Streetscape, and Vitruvian Park infrastructure improvements. More detailed information on capital asset activity can be found on page 48 in the Notes to the Financial Statements.

Table A-3
Town of Addison's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 65,024	\$ 65,024	\$ 10,223	\$ 10,223	\$ 75,247	\$ 75,247
Buildings	12,757	13,644	1,593	1,655	14,350	15,299
Improvements other than Buildings	62,317	64,239	33,237	33,406	95,554	97,645
Machinery and Equipment	4,341	4,021	980	813	5,321	4,834
Construction in Progress	6,834	1,242	2,382	917	9,216	2,159
Total Capital Assets	\$ 151,273	\$ 148,170	\$ 48,415	\$ 47,014	\$ 199,688	\$ 195,184

Long-term debt – At the end of the 2009 fiscal year, the Town of Addison had total bonded debt outstanding of \$79,960 as detailed in Table A-4. No new debt was issued during 2009.

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 26,495	\$ 30,050	\$ 9,950	\$ 12,060	\$ 36,445	\$ 42,110
Certificates of Obligation	33,767	34,327	9,748	10,003	43,515	44,330
Total Debt Outstanding	\$ 60,262	\$ 64,377	\$ 19,698	\$ 22,063	\$ 79,960	\$ 86,440

The Town of Addison maintains an underlying bond rating of “AAA” from Standard & Poor’s and “Aa2” from Moody’s. These ratings were upgraded with the 2008 issuance of Certificates of Obligation from “AA” and “Aa3”, respectively. The two rating agencies justified the upgrades by citing the Town’s strong financial management and performance, high fund reserves, rapid retirement of outstanding debt, and high community wealth and income levels. Other than the 2008 issue, all of the Town’s outstanding debt is insured. However, in late 2008 and early 2009, the various bond insurers of the Town’s debt had their own ratings downgraded. Of the Town’s insurers as of December 29, 2009, MBIA carries a rating of BB+ from Standard & Poor’s and a B3 rating from Moody’s. Ambac ratings from the two agencies are CC and Caa2, while FGIC has had its credit ratings withdrawn. Because of the strength of the Town’s own credit ratings, future bond sales should obtain competitive bids with relatively low financing rates. More information related to the Town’s long-term debt can be found on page 50 of the Notes to Financial Statements.

Economic Factors and Next Year’s Budgets and Rates

- The Texas Workforce Commission no longer maintains individual statistics for cities with less than 25,000 population, and therefore information related to Addison employment is unavailable. However, the average unemployment rate for the adjacent cities of Carrollton and Farmers Branch as of December 2009 averaged 7.4% compared to 5.6% in 2008. The increase in the unemployment rate is somewhat less than that of Dallas County, which recorded a 8.4% rate in 2009 and a 6.3% rate in 2008. The December 2009 rate for the State of Texas was 8.0%.¹ The increasing unemployment rates are attributed to the recession impacting the national economy.
- Sales tax collections for the Town were down 10% from the amount collected in 2008. This is the first decline following five consecutive years of increases in annual collections. The 2009 lower collections are attributed to the national and regional economic recession.
- Hotel occupancy tax collections declined 23.9% from the previous year. Because many of Addison’s hotels cater to business travelers, the 2009 results are further evidence of depressed economic activity.
- In July 2009 Addison received its certified property tax roll from the Dallas Central Appraisal District. This certified roll is what Texas local governments use to levy taxes for their 2009-10 fiscal years’ use. Certified taxable property values in Addison totaled \$3,311,050, which represented an 11.1% decline from the previous year, following four consecutive years of increased values.

These various factors were taken into consideration in development of the Town’s 2009-10 annual budget. The annual budget is adopted within context of five-year financial plans for the General, Hotel, Airport, and Utility funds. The long-term financial plans project operating revenues and expenses and changes in fund balances related to the Town’s adopted financial policy of maintaining a minimum 25% fund balance for these funds. Major aspects of the adopted 2009-10 budget include:

- The property tax rate was increased 4.25¢ to \$.4960 per \$100 appraised value. The increase was a response to the 11.1% decline in property values. Even with the increased tax rate, the total tax levy for the 2010 fiscal year was 2.8% less than the 2009 fiscal year levy. Of the 2010 budget tax rate, \$.3360 was levied for operation/maintenance and \$.1600 for debt service. This compared to the 2009 distribution of \$.2828 and \$.1707 respectively. (*Note: The preceding numbers are not reflected in \$000’s of dollars.*)
- The General Fund balance is projected to decline \$798 to \$10,285. The projected ending fund balance is 37.7% of operating expenditures.
- The Hotel Fund balance is projected to decline \$2,152 to \$2,829. This projected ending fund balance represents 36.6% of operating expenditures.
- The budget anticipated no increase in service fees.

Requests for Information

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

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

¹ Source: Texas Workforce Commission (December 2009 and 2008 data)

Basic Financial Statements

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

Town of Addison, Texas
Basic Financial Statements

TOWN OF ADDISON
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	Primary Government			Summarized 2008 Total
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Investments	\$ 54,112,625	\$ 11,356,229	\$ 65,468,854	\$ 74,907,995
Receivables (Net of Allowances for Uncollectibles)	4,644,945	2,075,672	6,720,617	6,762,623
Inventories, at Cost	94,535	-	94,535	95,142
Prepaid Items	299,789	8,054	307,843	291,235
Deferred Charges	243,014	215,781	458,795	512,900
Investment in Joint Venture	-	7,347,261	7,347,261	7,398,668
Capital Assets, Net of Accumulated Depreciation				
Land	65,024,009	10,223,421	75,247,430	75,247,430
Buildings	12,757,437	1,592,862	14,350,299	15,298,971
Improvements other than Buildings	62,317,446	33,236,724	95,554,170	97,645,126
Machinery and Equipment	4,340,575	979,833	5,320,408	4,833,919
Construction in Progress	6,833,638	2,381,711	9,215,349	2,158,683
Total Assets	\$ 210,668,013	\$ 69,417,548	\$ 280,085,561	\$ 285,152,692
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable and Accrued Liabilities	\$ 3,234,829	\$ 1,515,005	\$ 4,749,834	\$ 6,664,540
Contracts and Retainage Payable	93,096	-	93,096	127,220
Arbitrage Payable	20,247	-	20,247	43,881
Intergovernmental Payable	340,551	-	340,551	534,648
Customer Deposits	46,040	837,447	883,487	883,349
Non-Current Liabilities:				
Compensated Absences	874,700	-	874,700	827,726
Due within One Year	4,367,864	2,437,932	6,805,796	6,444,142
Due in More Than One Year	56,021,419	17,104,355	73,125,774	79,701,404
Total Liabilities	64,998,746	21,894,739	86,893,485	95,226,910
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	120,308,696	36,219,525	156,528,221	149,928,394
Restricted for Debt Service	918,483	-	918,483	781,304
Unrestricted	24,442,088	11,303,284	35,745,372	39,216,084
Total Net Assets	145,669,267	47,522,809	193,192,076	189,925,782
Total Liabilities and Net Assets	\$ 210,668,013	\$ 69,417,548	\$ 280,085,561	\$ 285,152,692

See accompanying notes to basic financial statements.

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

**TOWN OF ADDISON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Functions/Programs	Program Revenues					Net (Expense)/Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government		
					Business - Type Activities	Total	
Primary Government:							
Governmental Activities:							
General Government	\$ 6,527,735	\$ 203,258	\$ 101,300	\$ (6,223,177)	\$ -	\$ (6,223,177)	
Public Safety	14,743,542	2,318,099	-	(12,425,443)	-	(12,425,443)	
Development Services	856,793	429,681	-	(427,112)	-	(427,112)	
Streets	4,998,440	350,587	1,943,679	(2,704,174)	-	(2,704,174)	
Parks and Recreation	5,119,320	105,705	-	(5,013,615)	-	(5,013,615)	
Visitor Services	6,687,392	1,829,964	-	(4,857,428)	-	(4,857,428)	
Interest on Long-Term Debt	2,420,908	-	-	(2,420,908)	-	(2,420,908)	
Total Governmental Activities	41,354,130	5,237,294	2,044,979	(34,071,857)	-	(34,071,857)	
Business-Type Activities:							
Airport	4,289,852	3,989,304	736,539	-	435,991	435,991	
Utilities	8,539,106	9,188,791	1,049,758	-	1,699,443	1,699,443	
Total Business-Type Activities	12,828,958	13,178,095	1,786,297	-	2,135,434	2,135,434	
Total Primary Government	\$ 54,183,088	\$ 18,415,389	\$ 3,831,276	\$ (34,071,857)	\$ 2,135,434	\$ (31,936,423)	
GENERAL REVENUES:							
Taxes:							
Property Taxes, Levied for General Purposes				15,711,056	-	15,711,056	
Sales Taxes				10,838,895	-	10,838,895	
Franchise Taxes				2,761,511	-	2,761,511	
Hotel/Motel Taxes				3,958,238	-	3,958,238	
Interest on Investments				1,383,743	214,492	1,598,235	
Miscellaneous				325,634	9,148	334,782	
Total General Revenues				34,979,077	223,640	35,202,717	
Change in Net Assets				907,220	2,359,074	3,266,294	
NET ASSETS, Beginning of Year				144,762,047	45,163,735	189,925,782	
NET ASSETS, End of Year				\$ 145,669,267	\$ 47,522,809	\$ 193,192,076	

See accompanying notes to basic financial statements.

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

**Governmental Funds
Balance Sheet
September 30, 2009**

	General	Hotel	General Obligation Debt Service	Hotel Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and Investments	\$ 11,402,681	\$ 4,616,446	\$ 1,216,566	\$ 898,773	\$ 29,451,874	\$ 566,109	\$ 48,152,449
Receivables:							
Ad Valorem Taxes, including Interest and Penalties	329,011	-	134,845	-	-	-	463,856
Non-Property Taxes	1,751,152	344,852	-	-	-	-	2,096,004
Franchise Fees	596,891	-	-	-	-	-	596,891
Service Fees	1,027,833	-	-	-	-	-	1,027,833
Ambulance	157,155	-	-	-	-	-	157,155
Interest	48,291	19,538	5,149	3,804	124,646	2,367	203,795
Other	3,447	70,748	-	-	-	-	74,195
Prepaid Items	299,789	-	-	-	-	-	299,789
Inventories, at Cost	94,535	-	-	-	-	-	94,535
Total Assets	\$ 15,710,785	\$ 5,051,584	\$ 1,356,560	\$ 902,577	\$ 29,576,520	\$ 568,476	\$ 53,166,502

LIABILITIES AND FUND BALANCE:

Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 1,941,983	\$ 347,930	\$ -	\$ -	\$ 290,372	\$ 333,760	\$ 2,914,045
Contracts and Retainage Payable	-	-	-	-	93,096	-	93,096
Deferred Revenue	2,899,521	14,045	150,956	-	-	859	3,065,381
Intergovernmental Payable	215,789	1,219	123,543	-	-	-	340,551
Customer Deposits	750	45,290	-	-	-	-	46,040
Total Liabilities	5,058,043	408,484	274,499	-	383,468	334,619	6,459,113
Fund Balances:							
Fund Balances Reserved:							
Reserved for Encumbrances	26,559	7,301	-	-	2,851	-	36,711
Reserved for Inventories	94,535	-	-	-	-	-	94,535
Reserved for Prepaid Items	299,789	-	-	-	-	-	299,789
Reserved for Court Technology	-	-	-	-	-	116,541	116,541
Reserved for Building Security	-	-	-	-	-	100,743	100,743
Reserved for Debt Service	-	-	1,082,061	-	-	-	1,082,061
Fund Balances Unreserved:							
Designated for Debt Service	-	-	-	902,577	-	-	902,577
Designated for Capital Outlays	-	-	-	-	29,190,201	-	29,190,201
Unreserved - Undesignated	10,231,859	4,635,799	-	-	-	-	14,867,658
Unreserved - Undesignated - Public Safety	-	-	-	-	-	16,573	16,573
Total Fund Balance	10,652,742	4,643,100	1,082,061	902,577	29,193,052	233,857	46,707,389
Total Liabilities and Fund Balance	\$ 15,710,785	\$ 5,051,584	\$ 1,356,560	\$ 902,577	\$ 29,576,520	\$ 568,476	\$ 53,166,502

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

TOWN OF ADDISON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Total Fund Balances - Governmental Funds	\$ 46,707,389
The Town uses internal service funds to charge the costs of certain activities, such as capital asset and information technology replacement, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The effect of this consolidation is to increase net assets.	9,579,861
Capital assets used in governmental activities, including infrastructure and developer contributions, are not financial resources and therefore are not reported in fund financial statements. Capital assets of \$221,713,667, net of accumulated depreciation of \$74,041,281, exclusive of the capital assets of internal service funds with a net carrying values of \$3,600,719, included above increased net assets in the government-wide financial statements.	147,672,386
Debt issue costs have been reflected net of amortization on the government-wide financial statements.	243,014
Bonds payable, contractual obligations and related premium and deferred refunding amounts have not been included in the fund financial statements.	(60,157,461)
Accrued liabilities for compensated absences have not been reflected in the fund financial statements.	(874,700)
Accrued liabilities for arbitrage rebate have not been reflected in the fund financial statements.	(20,247)
Net OPEB obligation is not reflected in the fund financial statements.	(231,822)
Interest payable on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. The effect of recording accrued interest is to decrease net assets.	(314,534)
Revenue from property taxes and ambulance billings are deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide statements.	620,903
Revenue for sales taxes, court bonds and special event fees are deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide statements.	<u>2,444,478</u>
Net Assets of Governmental Activities	<u><u>\$ 145,669,267</u></u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2009

	General	Hotel	General Obligation Debt Service	Hotel Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental
REVENUES:							
Ad Valorem Taxes	\$ 9,751,967	\$ -	\$ 5,884,567	\$ -	\$ -	\$ -	\$ 15,636,534
Non-Property Taxes	10,520,530	3,958,238	-	-	-	-	14,478,768
Franchise Fees	2,761,511	-	-	-	-	-	2,761,511
Licenses and Permits	429,681	-	-	-	-	-	429,681
Intergovernmental	101,300	-	-	-	156,129	-	257,429
Service Fees	1,400,529	1,296,052	-	-	-	-	2,696,581
Fines and Forfeitures	1,253,029	-	-	-	-	69,167	1,322,196
Earnings on Investments	273,920	113,352	48,398	24,555	756,199	18,392	1,234,816
Rental Charges	151,721	518,825	-	-	-	-	670,546
Recycling Proceeds	-	-	-	-	-	18,570	18,570
Other	79,033	1,042	-	-	2,700	7,799	90,574
Total Revenues	26,723,221	5,887,509	5,932,965	24,555	915,028	113,928	39,597,206
EXPENDITURES:							
Current:							
General Government	6,357,501	-	-	-	-	-	6,357,501
Public Safety	14,290,988	-	-	-	-	83,714	14,374,702
Development Services	864,234	-	-	-	-	-	864,234
Streets	2,356,219	-	-	-	-	-	2,356,219
Parks and Recreation	4,055,278	-	-	-	-	16,773	4,072,051
Visitor Services	-	6,216,141	-	-	-	-	6,216,141
Debt Service:							
Principal Retirement	-	-	3,600,100	515,000	-	-	4,115,100
Interest and Fiscal Charges	-	-	2,611,244	197,088	-	-	2,808,332
Capital Projects:							
Administration:							
Salaries and Fringe Benefits	-	-	-	-	4,325	-	4,325
Supplies	-	-	-	-	2,878	-	2,878
Materials and Maintenance	-	-	-	-	41,480	-	41,480
Design and Engineering:							
Engineering & Contractual Services	-	-	-	-	1,591,103	-	1,591,103
Construction and Equipment	-	-	-	-	3,573,333	-	3,573,333
Total Expenditures	27,924,220	6,216,141	6,211,344	712,088	5,213,119	100,487	46,377,399
Excess/(Deficiency) of Revenues over Expenditures	(1,200,999)	(328,632)	(278,379)	(687,533)	(4,298,091)	13,441	(6,780,193)
OTHER FINANCING SOURCES/(USES):							
Transfers In	196,689	-	-	699,800	-	-	896,489
Transfers Out	(38,878)	(743,961)	-	-	-	(196,689)	(979,528)
Total Other Financing Sources/(Uses)	157,811	(743,961)	-	699,800	-	(196,689)	(83,039)
Net Change in Fund Balance	(1,043,188)	(1,072,593)	(278,379)	12,267	(4,298,091)	(183,248)	(6,863,232)
Fund Balances at Beginning of Year	11,695,930	5,715,693	1,360,440	890,310	33,491,143	417,105	53,570,621
Fund Balances at End of Year	\$ 10,652,742	\$ 4,643,100	\$ 1,082,061	\$ 902,577	\$ 29,193,052	\$ 233,857	\$ 46,707,389

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

TOWN OF ADDISON
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Total Net Change in Fund Balances - Governmental Funds	\$(6,863,232)
 The Town uses internal service funds to charge the costs of certain activities, such as capital asset and information technology replacement, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The effect of this consolidation is to increase net assets.	270,903
 Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. Developer contributions are recorded as capital contributions in the government-wide financial statements. The effect of removing the 2009 capital outlays and recording the developer contributions is to increase net assets.	6,841,012
 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net assets.	(4,206,926)
 Amortization of costs associated with debt issuances is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's amortization is to decrease net assets.	(25,185)
 Current year long-term debt principal payments on contractual obligation bonds payable are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	4,115,100
 The change in compensated absences liability is not shown in the fund financial statements. The net effect of the current year's increase in liability is to decrease net assets.	(46,974)
 The change in arbitrage rebate liability is not shown in the fund financial statements. The effect of recording the decrease in liability is to increase net assets.	23,634
 The change in the net OPEB obligation is not shown in the fund financial statements. The effect of recording the increase in liability is to decrease net assets.	(231,822)
 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. The effect of recording the decrease in accrued interest is to increase net assets.	387,424
 Revenue from property taxes, sales taxes, ambulance billings, court bonds and special event fees not recognized in fund financial statements on the modified accrual basis were recognized on the accrual basis in the government-wide financial statements.	<u>643,286</u>
 Change in Net Assets of Governmental Activities	<u>\$ 907,220</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2009

	Budget		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Ad Valorem Taxes	\$ 10,295,420	\$ 9,974,950	\$ 9,751,967	\$ (222,983)
Non-Property Taxes	12,129,560	10,905,060	10,520,530	(384,530)
Franchise Fees	2,559,680	2,559,680	2,761,511	201,831
Licenses and Permits	658,560	658,560	429,681	(228,879)
Intergovernmental	-	-	101,300	101,300
Service Fees	1,284,600	1,284,600	1,400,529	115,929
Fines and Forfeitures	1,300,000	1,300,000	1,253,029	(46,971)
Earnings on Investments	552,500	210,000	273,920	63,920
Rental Charges	156,500	156,500	151,721	(4,779)
Other	54,000	54,000	79,033	25,033
<i>Total Revenues</i>	<u>28,990,820</u>	<u>27,103,350</u>	<u>26,723,221</u>	<u>(380,129)</u>
EXPENDITURES:				
General Government	6,845,950	6,900,950	6,357,501	543,449
Public Safety	14,658,720	14,658,720	14,290,988	367,732
Development Services	975,160	975,160	864,234	110,926
Streets	2,308,180	2,448,180	2,356,219	91,961
Parks and Recreation	4,193,810	4,193,810	4,055,278	138,532
<i>Total Expenditures</i>	<u>28,981,820</u>	<u>29,176,820</u>	<u>27,924,220</u>	<u>1,252,600</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>9,000</u>	<u>(2,073,470)</u>	<u>(1,200,999)</u>	<u>872,471</u>
OTHER FINANCING SOURCES/(USES):				
Transfer from Arbor Fund	-	-	196,689	196,689
Transfer to Capital Replacement Fund	-	-	(38,878)	(38,878)
<i>Total Other Financing Sources/(Uses)</i>	<u>-</u>	<u>-</u>	<u>157,811</u>	<u>157,811</u>
Net Change in Fund Balance	9,000	(2,073,470)	(1,043,188)	1,030,282
Fund Balances at Beginning of Year	<u>11,695,930</u>	<u>11,695,930</u>	<u>11,695,930</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 11,704,930</u>	<u>\$ 9,622,460</u>	<u>\$ 10,652,742</u>	<u>\$ 1,030,282</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Hotel Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2009

	Budget		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Hotel/Motel Occupancy Taxes	\$ 5,200,000	\$ 4,200,000	\$ 3,958,238	\$ (241,762)
Proceeds from Special Events	1,474,600	1,474,600	1,296,052	(178,548)
Conference Centre Rental	640,000	640,000	438,886	(201,114)
Theatre Centre Rental	90,000	90,000	79,939	(10,061)
Earnings on Investments	275,000	275,000	113,352	(161,648)
Other	-	-	1,042	1,042
<i>Total Revenues</i>	<u>7,679,600</u>	<u>6,679,600</u>	<u>5,887,509</u>	<u>(792,091)</u>
EXPENDITURES:				
Visitor Services	1,292,700	1,292,700	831,098	461,602
Conference Centre	1,038,910	1,038,910	973,467	65,443
Marketing	1,178,980	1,178,980	971,113	207,867
Special Events	2,961,750	2,961,750	2,883,177	78,573
Performing Arts	561,270	561,270	557,286	3,984
Capital Projects	-	-	-	-
<i>Total Expenditures</i>	<u>7,033,610</u>	<u>7,033,610</u>	<u>6,216,141</u>	<u>817,469</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>645,990</u>	<u>(354,010)</u>	<u>(328,632)</u>	<u>25,378</u>
OTHER FINANCING SOURCES/(USES):				
Transfer to Hotel Debt Service Fund	(699,800)	(699,800)	(699,800)	-
Transfer to Capital Replacement Fund	-	-	(14,769)	(14,769)
Transfer to IT Replacement Fund	-	-	(29,392)	(29,392)
<i>Total Other Financing Sources/(Uses)</i>	<u>(699,800)</u>	<u>(699,800)</u>	<u>(743,961)</u>	<u>(44,161)</u>
Net Change in Fund Balance	(53,810)	(1,053,810)	(1,072,593)	(18,783)
Fund Balances at Beginning of Year	<u>5,715,693</u>	<u>5,715,693</u>	<u>5,715,693</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 5,661,883</u>	<u>\$ 4,661,883</u>	<u>\$ 4,643,100</u>	<u>\$ (18,783)</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Proprietary Funds
Statement of Net Assets
September 30, 2009

	Business Type Activities - Enterprise Funds			Governmental Activities
	Airport	Utility	Total	Internal Service
ASSETS:				
Current Assets:				
Cash and Investments	\$ 1,837,488	\$ 9,518,741	\$ 11,356,229	\$ 5,960,176
Interest Receivable	7,745	40,285	48,030	25,216
Accounts Receivable	602,788	1,424,854	2,027,642	-
Prepaid Items	-	8,054	8,054	-
Total Current Assets	2,448,021	10,991,934	13,439,955	5,985,392
Non-Current Assets:				
Deferred Charges	27,896	187,885	215,781	-
Capital Assets:				
Land	8,911,357	1,312,064	10,223,421	-
Buildings	1,386,047	1,728,905	3,114,952	-
Improvements other than Buildings	21,969,418	41,155,133	63,124,551	-
Machinery and Equipment	1,206,929	1,915,518	3,122,447	15,603,681
Accumulated Depreciation	(14,139,050)	(19,413,481)	(33,552,531)	(12,002,962)
Total Capital Assets, net of Accumulated Depreciation	19,334,701	26,698,139	46,032,840	3,600,719
Construction in Progress	1,197,185	1,184,526	2,381,711	-
Net Property, Plant, and Equipment	20,531,886	27,882,665	48,414,551	3,600,719
Investment in Joint Venture	-	7,347,261	7,347,261	-
Total Assets	\$ 23,007,803	\$ 46,409,745	\$ 69,417,548	\$ 9,586,111
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 832,887	\$ 580,427	\$ 1,413,314	\$ 6,250
Current Maturities of Bonds Payable	255,000	2,182,932	2,437,932	-
Accrued Interest Payable	17,311	84,380	101,691	-
Customer Deposits	163,819	673,628	837,447	-
Total Current Liabilities	1,269,017	3,521,367	4,790,384	6,250
Long-Term Debt, net of Current Portion:				
General Obligation Bonds & Certificates of Obligation Payable	3,225,000	13,879,355	17,104,355	-
Total Liabilities	4,494,017	17,400,722	21,894,739	6,250
NET ASSETS:				
Invested in Capital Assets, net of Related Debt	17,051,886	19,167,639	36,219,525	3,600,719
Unrestricted	1,461,900	9,841,384	11,303,284	5,979,142
Total Net Assets	\$ 18,513,786	\$ 29,009,023	\$ 47,522,809	\$ 9,579,861

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year Ended September 30, 2009

	Business Type Activities - Enterprise Funds			Governmental Activities
	Airport	Utility	Total	Internal Service
OPERATING REVENUES:				
Water	\$ -	\$ 4,972,519	\$ 4,972,519	\$ -
Sewer	-	4,108,426	4,108,426	-
Penalties	-	83,636	83,636	-
Water and Sewer Taps	-	24,210	24,210	-
Fuel Flowage Fees	627,559	-	627,559	-
Customs Agent Fees	40,881	-	40,881	-
Rental Charges	3,282,117	-	3,282,117	-
Other Income	38,747	-	38,747	-
Department Contributions	-	-	-	937,770
<i>Total Operating Revenues</i>	<u>3,989,304</u>	<u>9,188,791</u>	<u>13,178,095</u>	<u>937,770</u>
OPERATING EXPENSES:				
Salaries and Fringe Benefits	269,626	1,235,913	1,505,539	-
Supplies	14,271	113,244	127,515	-
Maintenance and Materials	1,445,942	539,808	1,985,750	-
Contractual Services	1,406,563	594,241	2,000,804	5,354
Water Purchases	-	2,555,204	2,555,204	-
Wastewater Purchases	-	1,933,859	1,933,859	-
<i>Total Operating Expenses (Excluding Depreciation)</i>	<u>3,136,402</u>	<u>6,972,269</u>	<u>10,108,671</u>	<u>5,354</u>
Depreciation	1,009,125	731,181	1,740,306	951,432
<i>Total Operating Expenses</i>	<u>4,145,527</u>	<u>7,703,450</u>	<u>11,848,977</u>	<u>956,786</u>
OPERATING INCOME/(LOSS)	<u>(156,223)</u>	<u>1,485,341</u>	<u>1,329,118</u>	<u>(19,016)</u>
NON-OPERATING REVENUES/(EXPENSES):				
Investment Income	42,929	171,563	214,492	148,927
Intergovernmental - Aviation Capital Grants	60,355	-	60,355	-
Rental Income	-	2,552	2,552	-
Sale of Assets	6,596	-	6,596	84,381
Gain/(Loss) of the Joint Venture	-	(51,407)	(51,407)	-
Interest Expense	(142,001)	(702,828)	(844,829)	-
Amortization Expense	(2,324)	(80,712)	(83,036)	-
Other Income/(Expense)	-	(709)	(709)	(26,428)
<i>Total Non-Operating Revenues/(Expenses)</i>	<u>(34,445)</u>	<u>(661,541)</u>	<u>(695,986)</u>	<u>206,880</u>
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>(190,668)</u>	<u>823,800</u>	<u>633,132</u>	<u>187,864</u>
Transfer from General Fund	-	-	-	38,878
Transfer from Hotel Fund	-	-	-	44,161
Capital Contributions	676,184	1,049,758	1,725,942	-
CHANGE IN NET ASSETS	<u>485,516</u>	<u>1,873,558</u>	<u>2,359,074</u>	<u>270,903</u>
Net Assets at Beginning of Year	<u>18,028,270</u>	<u>27,135,465</u>	<u>45,163,735</u>	<u>9,308,958</u>
Net Assets at End of Year	<u>\$ 18,513,786</u>	<u>\$ 29,009,023</u>	<u>\$ 47,522,809</u>	<u>\$ 9,579,861</u>

See accompanying notes to the basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Airport	Utility	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 4,069,525	\$ 9,373,553	\$ 13,443,078	\$ -
Department Contributions	-	-	-	937,770
Payments to Suppliers	(2,907,014)	(5,928,726)	(8,835,740)	896
Payments to Employees for Services	(269,626)	(1,235,913)	(1,505,539)	-
<i>Net Cash Provided by Operating Activities</i>	<u>892,885</u>	<u>2,208,914</u>	<u>3,101,799</u>	<u>938,666</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(346,791)	(1,067,114)	(1,413,905)	(1,367,433)
Principal Paid on Certificates of Obligation and General Obligation Bonds	(245,000)	(2,087,354)	(2,332,354)	-
Interest Paid on Certificates of Obligation and General Obligation Bonds	(143,072)	(844,039)	(987,111)	-
Proceeds from Sale of Capital Assets	6,596	-	6,596	84,381
Capital Grants	60,355	-	60,355	-
Fiscal Fees Related to Outstanding Debt	-	(709)	(709)	-
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>(667,912)</u>	<u>(3,999,216)</u>	<u>(4,667,128)</u>	<u>(1,283,052)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Cash and Investments	43,878	191,753	235,631	156,846
Cash Received from Equipment Rental	-	2,552	2,552	-
<i>Net Cash Provided by Investing Activities</i>	<u>43,878</u>	<u>194,305</u>	<u>238,183</u>	<u>156,846</u>
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	268,851	(1,595,997)	(1,327,146)	(187,540)
Cash and Cash Investments, October 1	1,568,637	11,114,738	12,683,375	6,147,716
Cash and Cash Investments, September 30	<u>\$ 1,837,488</u>	<u>\$ 9,518,741</u>	<u>\$ 11,356,229</u>	<u>\$ 5,960,176</u>
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:				
Operating Income/(Loss)	\$ (156,223)	\$ 1,485,341	\$ 1,329,118	\$ (19,016)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided by Operating Activities:				
Depreciation	1,009,125	731,181	1,740,306	951,432
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivables	81,210	163,629	244,839	-
(Increase)/Decrease in Prepaid Items	-	19,986	19,986	-
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(40,238)	(212,356)	(252,594)	6,250
Increase/(Decrease) in Customer Deposits	(989)	21,133	20,144	-
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 892,885</u>	<u>\$ 2,208,914</u>	<u>\$ 3,101,799</u>	<u>\$ 938,666</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital Contributions	676,184	1,049,758	1,725,942	-
Gain/(Loss) of Joint Venture	-	(51,407)	(51,407)	-
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	<u>\$ 676,184</u>	<u>\$ 998,351</u>	<u>\$ 1,674,535</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

The financial statements are formatted so that the reader can clearly distinguish between the primary government and its component units. Since some relationships with the primary government are extensive, however, some component units are blended as though they are part of the primary government. The following blended component unit has a September 30 year-end.

Blended Component Unit. The Addison Parks Foundation is a Texas non-profit corporation organized to promote the park system and the parks and recreation programs of the Town. Donations and gifts from the public, as well as recycling revenues, are used to support activities stipulated by the charter of the corporation. The foundation is governed by a board appointed by the Town's elected council and is comprised of the Assistant City Manager, Director of Parks and Recreation, and the Chief Financial Officer. Transactions of the foundation are accounted for in the Arbor Fund that is presented in the non-major governmental funds statements section of the report. The foundation provides services entirely to the Town, and therefore, is included as a blended component of the Town for the fiscal year ended September 30, 2009. As of October 1, 2009, the bylaws of the foundation were amended to remove the direct involvement of the Town in the foundation's affairs. The foundation serves as an independent contractor to the Town, and the board of directors is now comprised of private citizens rather than Town staff. The fund balance of the Arbor Fund was transferred to the General Fund as of September 30, 2009 for payment to the independently run Addison Arbor Foundation.

B. Basic Financial Statements

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

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are clearly identifiable with a specific function.

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

The Town reports the following major governmental funds:

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

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

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

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

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

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

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

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

Arbor Fund – The Arbor Fund is used to account for transactions related to the Town's Parks Foundation, a Texas non-profit corporation organized to promote the public park system and parks and recreation programs of the Town through donations and gifts from the public as well as recycling revenue recovered from the Town's businesses and residents. This fund represents a blended component unit of the Town for the fiscal year ended September 30, 2009. As of October 1, 2009, the bylaws of the foundation were amended to remove the direct involvement of the Town in the foundation's affairs.

The Town reports the following major proprietary funds:

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

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

Additionally, the Town reports the following internal service funds:

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1) Cash and Investments

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

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

Investments for the Town are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The Town considers quoted market price at September 30, 2009 to be the fair value of investments. The government investment pools, TexPool and TexSTAR, operate in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of pool shares.

2) Receivables and Payables

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

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

3) Inventories and Prepaid Items

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

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

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

4) Capital Assets

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

5) Compensated Absences

Vacation, holiday, and sick pay costs are charged to operations when taken by the employees of the Town. In the event of termination, an employee is reimbursed for all accumulated vacation and holiday days not exceeding two years' accumulation. The amounts of such liabilities have been provided for in the government-wide financial statements. No reimbursements upon termination are made for accumulated sick leave; accordingly, no liability for unused sick leave has been provided. The Town's liability for compensated absences increased \$46,974 for a total liability of \$874,700.

6) Fund Equity

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

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

Reservations:

Encumbrances – A reservation that signifies fund balance is restricted for open encumbrances at September 30, 2009.

Prepaid Items and Inventories – A reservation that signifies fund balance is restricted for payments to vendors for services that will benefit periods beyond September 30, 2009.

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

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

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

Designations:

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

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

7) Comparative Data/Reclassification

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended September 30, 2008, from which the summarized information was derived.

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

- 1) Prior to August 1st each year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means to finance them.
- 2) Public hearings are conducted where all interested persons' comments concerning the budget are heard.
- 3) The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.
- 4) The department level is the legal level of control enacted by the Town Charter. The Town has also adopted a budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer. Transfers between operating departments may occur with the approval of the City Manager and Chief Financial Officer provided a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

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

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

Budget Data – The budget amounts presented in the statements reflect original and amended budget amounts. During the fiscal year, several budget amendments were approved by the City Council. The most notable amendments are described in the remainder of this section. In the General Fund, revenue decreased \$320,470 in Ad Valorem taxes for the fiscal year. This decline is a result of a lower property tax levy associated with lower property values as a result of taxpayer appeals. Revenues also decreased \$1,224,500 in non-property taxes due to lower sales tax generation resulting from the national economic recession. Interest earnings were reduced by \$342,500 due to lower interest rates. Council Projects' contractual services expenses were increased \$43,000 to accommodate to the cost of broadcasting City Council meetings and developing the State of the City Presentation. Hotel Fund revenue was decreased \$1,000,000 due to a reduction in hotel occupancy tax revenue caused by reduced frequency of business and personal travel associated with the recession. The budget for Streets maintenance projects was increased \$100,000. A portion of prior year projects was not completed within FY 2008 and was therefore charged to FY 2009. The budget for Public Works' recycling study was increased \$40,000.

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

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

Cash

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies or instrumentalities that have a market value of not less than the principal amount of the deposits. The Town's deposits were fully insured or collateralized as required by the state statutes at September 30, 2009. At year-end, the carrying amount of the Town's deposits was a credit balance of \$1,025,765 primarily consisting of outstanding checks. The respective bank balance totaled \$891,429. The general ledger account balance is negative due to the cash management policy of the Town. Under this policy, idle cash is invested until checks are presented to the Town's bank. The balance, therefore, is reflective of the timing differences of when checks were issued and presented to the bank. Of the bank balance, \$100,000 was covered by Federal Deposit Insurance. The remaining balance of \$791,429 was collateralized with securities held by the pledging financial institution's account at the Federal Reserve Bank in the Town's name.

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

External Investment Pools

The Town's pool investments as of September 30, 2009 were invested in TexPool and TexSTAR (Texas Short Term Asset Reserve program).

Federated Investors is the full service provider for the TexPool program. As the provider, the responsibilities include managing the assets, providing participant services, and arranging for all custody and other functions in support of the operations under a contract with the State Comptroller of Public Accounts.

JPMorgan Fleming Asset Management, Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMFAM provides investment management, fund accounting, transfer agency and custodial services, and FSAM provides administrative, marketing and participant services.

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

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

Investments

As of September 30, 2009, the Town held the following investments:

	<u>Fair Value</u>	<u>Average Maturity (Days)</u>
Agency Securities	\$ 30,525,872	164
Commercial Paper	-	-
Certificate of Deposit	12,274,309	212
<i>Total Investment in Securities</i>	<u>42,800,181</u>	
TexStar	9,581,048	
TexPool	14,121,237	
<i>Total Investment in Pools</i>	<u>23,702,285</u>	1
<i>Total Investments</i>	<u>\$ 66,502,466</u>	115

In accordance with GASB Statement No. 31, “Accounting and Financial Reporting for Certain Investments and for External Investment Pools,” the Town records investments at fair value. However, for investments with maturities of one year or less at time of purchase, the Town reports these investments at book value. The book value of the Town’s investments at September 30, 2009 was \$66,383,483, of which \$41,759,270 had maturities of less than one year.

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

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

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

(*senior debt is defined as the most senior secured or unsecured debt of an issuer with an original maturity exceeding one year)

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

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

Concentration of Credit Risk – It is the policy of the Town to avoid a concentration of assets in a specific maturity, a specific issue, or a specific class of securities. The applicable limits on the Town's current investments are Instrumentality Securities (70%) of which the Town's portfolio is currently at 45.9%, Commercial Paper (30%) of which the Town's portfolio is currently at 0%, Certificates of Deposit (30%) of which the Town's portfolio is currently at 18.5%, and Local Government Investment Pools (40%) of which the Town's portfolio is currently at 35.6%.

B. Ad Valorem (Property) Taxes

Property taxes attach as an enforceable lien on property as of January 1. The Town's property tax is levied on the assessed value listed as of the prior January 1 for all real and business personal property located in the Town. Assessed values are established by Dallas Central Appraisal District at 100% of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll of January 1, 2008, upon which the fiscal year 2009 levy is based, was \$3,724,826,923.

The Town is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for the year ended September 30, 2009 was \$.4535 per \$100, of which \$.2828 was allocated for general government and \$.1707 was allocated for the payment of principal and interest on general obligation and certificates of obligation long-term debt.

Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year. Taxes unpaid as of February 1 are subject to penalty and interest as the City Council provides by ordinance. Current tax collections for the year ended September 30, 2009 were 92.5% of the original tax levy. In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the Town may at its own expense require annual reviews of appraised values. The Town may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this arrangement, the Town continues to set tax rates on Town property. However, if the effective tax rate, excluding tax rates for retirement of bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the Town may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year. This legislation also provides that, if approved by the qualified voters in the Town, both the appraisal and collection functions may be placed with the appraisal district.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

Taxes are recognized as revenue beginning on the date of levy when they become available. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within thirty (30) days of the fiscal year ending are recorded as deferred revenues and recognized as they become available. Taxes collected prior to the levy date to which they apply are recorded as deferred revenues and recognized as revenue of the period to which they apply. An allowance for uncollectible taxes, including principal and interest, is provided based on an analysis of historical trends. The allowance for uncollectible taxes at September 30, 2009 was \$231,827.

C. Receivables

As of September 30, 2009, receivables for the Town's individual major governmental funds, non-major governmental funds, and internal service funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	General	Hotel	Debt Service	Hotel Debt Service	Capital Projects	Non-Major and Internal Service Funds	Total
Taxes:							
Ad Valorem	\$ 473,577	\$ -	\$ 222,106	\$ -	\$ -	\$ -	\$ 695,683
Non-Property	1,751,152	344,852	-	-	-	-	2,096,004
Franchise Fees	596,891	-	-	-	-	-	596,891
Service Fees	2,860,993	-	-	-	-	-	2,860,993
Ambulance	696,069	-	-	-	-	-	696,069
Interest	48,291	19,538	5,149	3,804	124,646	27,583	229,011
Other	3,447	70,748	-	-	-	-	74,195
Gross Receivables	<u>\$ 6,430,420</u>	<u>\$ 435,138</u>	<u>\$ 227,255</u>	<u>\$ 3,804</u>	<u>\$ 124,646</u>	<u>\$ 27,583</u>	<u>\$ 7,248,846</u>
Less: Allowance for Uncollectibles	<u>2,516,641</u>	<u>-</u>	<u>87,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,603,902</u>
Net Receivables	<u>\$ 3,913,779</u>	<u>\$ 435,138</u>	<u>\$ 139,994</u>	<u>\$ 3,804</u>	<u>\$ 124,646</u>	<u>\$ 27,583</u>	<u>\$ 4,644,944</u>

The allowance for uncollectible accounts represents reserves for ambulance (\$538,914), court warrants (\$1,833,161), and property taxes (\$231,827).

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

D. Capital Assets

Capital Asset activity for the year ended September 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, not Depreciable:					
Land	\$ 65,024,009	\$ -	\$ -	\$ -	\$ 65,024,009
Construction in Progress	<u>1,241,853</u>	<u>6,662,353</u>	<u>-</u>	<u>(1,070,568)</u>	<u>6,833,638</u>
<i>Total Capital Assets, not Depreciable</i>	<u>66,265,862</u>	<u>6,662,353</u>	<u>-</u>	<u>(1,070,568)</u>	<u>71,857,647</u>
Capital Assets, Depreciable:					
Buildings	21,409,464	-	-	-	21,409,464
Improvements other than Buildings	124,993,008	113,963	-	1,070,568	126,177,539
Machinery and Equipment	<u>17,584,113</u>	<u>1,508,309</u>	<u>(1,219,727)</u>	<u>-</u>	<u>17,872,695</u>
<i>Total Capital Assets, Depreciable</i>	<u>163,986,585</u>	<u>1,622,272</u>	<u>(1,219,727)</u>	<u>1,070,568</u>	<u>165,459,698</u>
Less Accumulated Depreciation for:					
Buildings	(7,765,654)	(886,373)	-	-	(8,652,027)
Improvements other than Buildings	(60,754,298)	(3,105,795)	-	-	(63,860,093)
Machinery and Equipment	<u>(13,563,376)</u>	<u>(1,166,190)</u>	<u>1,197,446</u>	<u>-</u>	<u>(13,532,120)</u>
<i>Total Accumulated Depreciation</i>	<u>(82,083,328)</u>	<u>(5,158,358)</u>	<u>1,197,446</u>	<u>-</u>	<u>(86,044,240)</u>
<i>Total Capital Assets, Depreciable, net</i>	<u>81,903,257</u>	<u>(3,536,086)</u>	<u>(22,281)</u>	<u>1,070,568</u>	<u>79,415,458</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 148,169,119</u>	<u>\$ 3,126,267</u>	<u>\$ (22,281)</u>	<u>\$ -</u>	<u>\$ 151,273,105</u>
Business-type Activities:					
Capital Assets, not Depreciable:					
Land	\$ 10,223,421	\$ -	\$ -	\$ -	\$ 10,223,421
Construction in Progress	<u>916,830</u>	<u>1,464,881</u>	<u>-</u>	<u>-</u>	<u>2,381,711</u>
<i>Total Capital Assets, not Depreciable</i>	<u>11,140,251</u>	<u>1,464,881</u>	<u>-</u>	<u>-</u>	<u>12,605,132</u>
Capital Assets, Depreciable:					
Buildings	3,114,952	-	-	-	3,114,952
Improvements other than Buildings	61,518,668	1,605,883	-	-	63,124,551
Machinery and Equipment	<u>3,083,865</u>	<u>70,025</u>	<u>(31,443)</u>	<u>-</u>	<u>3,122,447</u>
<i>Total Capital Assets, Depreciable</i>	<u>67,717,485</u>	<u>1,675,908</u>	<u>(31,443)</u>	<u>-</u>	<u>69,361,950</u>
Less Accumulated Depreciation for:					
Buildings	(1,459,791)	(62,299)	-	-	(1,522,090)
Improvements other than Buildings	(28,112,252)	(1,775,575)	-	-	(29,887,827)
Machinery and Equipment	<u>(2,270,683)</u>	<u>97,568</u>	<u>30,501</u>	<u>-</u>	<u>(2,142,614)</u>
<i>Total Accumulated Depreciation</i>	<u>(31,842,726)</u>	<u>(1,740,306)</u>	<u>30,501</u>	<u>-</u>	<u>(33,552,531)</u>
<i>Total Capital Assets, Depreciable, net</i>	<u>35,874,759</u>	<u>(64,398)</u>	<u>(942)</u>	<u>-</u>	<u>35,809,419</u>
<i>Business-type Activities Capital Assets, net</i>	<u>\$ 47,015,010</u>	<u>\$ 1,400,483</u>	<u>\$ (942)</u>	<u>\$ -</u>	<u>\$ 48,414,551</u>

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

	Governmental Activities	Business-type Activities
General Government	\$ 239,638	
Public Safety	913,394	
Development Services	4,352	
Streets	2,448,016	
Parks and Recreation	1,067,466	
Visitor Services	485,492	
Airport Fund		\$ 1,009,125
Utility Fund		731,181
	<u>\$ 5,158,358</u>	<u>\$ 1,740,306</u>

The following tabulation presents the estimated significant commitment under unfinished capital construction contracts that are fully funded as of September 30, 2009:

Project	Estimated Commitments	Less Expenditures to Date	Total Unfinished Commitments
Governmental Activities			
Belt Line Streetscape	\$ 1,600,000	\$ 748,586	\$ 851,414
UDR Infrastructure – Phase 1	22,012,000	3,109,983	18,902,017
Town-Wide Signal Upgrade	743,000	706,006	36,994
	<u>24,355,000</u>	<u>4,564,575</u>	<u>19,790,425</u>
Business-type Activities			
UDR Infrastructure – Water/Sewer	1,278,000	907,168	370,832
Elevated Water Storage Tank	5,000,000	277,358	4,722,642
	<u>6,278,000</u>	<u>1,184,526</u>	<u>5,093,474</u>
	<u>\$ 30,633,000</u>	<u>\$ 5,749,101</u>	<u>\$ 24,883,899</u>

E. Interlocal Sanitary Sewer Interceptor Agreement

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

The Town's net investment and its share of general overhead expenses are reported in the Town's Utility Fund (an enterprise fund). The Town's equity interest in the North Dallas County Water Supply Corporation is \$7,347,261. Complete financial statements for the North Dallas County Water Supply Corporation can be obtained from Greg Vicke, Secretary, North Dallas County Water Supply Corporation, 13000 William Dodson Parkway, Farmers Branch, Texas.

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NOTES TO FINANCIAL STATEMENTS
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F. Long-Term Debt

The long-term debt of the Town consisted of the following as of September 30, 2009:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
General Obligation Bonds		
Series of 2000		
A series of 1,981 bonds at \$5,000 each, dated May 15, 2000. The bonds were originally issued to improve streets, athletic facilities, and Town Hall facilities. The bonds mature serially through 2015 with rates ranging from 5.45% to 6.0%. A portion of this issue (\$4,335,000) was refunded with the Series 2005 issuance of General Obligation Refunding and Improvement bonds. Bonds and interest are payable from Ad Valorem taxes. Ratings: Moody's "Aa2"; Standard & Poor's "AAA"; MBIA insured	730,000	
General Obligation Refunding Bonds		
Series of 2001		
A series of 3,213 bonds at \$5,000 each, dated August 15, 2001. The bonds were issued to refund a portion of the Town's outstanding Combination Tax and Revenue Certificates of Obligation, Series 1993; General Obligation Bonds, Series 1995; and Combination Tax and Revenue Certificates of Obligation, Series 1997; for interest savings, and costs of issuance associated with the sale of the bonds. The bonds mature serially through 2013 with interest rates ranging from 4.0% to 4.35%. The bonds are callable at par plus accrued interest on or after February 15, 2011. Bonds and interest are payable from Ad Valorem taxes. Ratings: Moody's "Aa2"; Standard & Poor's "AAA"; FGIC insured	3,135,000	4,495,000
General Obligation Refunding and Improvement Bonds		
Series of 2002		
A series of 5,075 bonds at \$5,000 each dated September 15, 2002. The bonds were issued to fund various public improvements, refund the Town's outstanding Combination Tax and Revenue Certificates of Obligation, Series 1993; and Waterworks and Sewer Revenue Refunding Bonds, Series 1993; and costs of issuance associated with the sale of the bonds. The bonds mature serially through 2017 with interest rates ranging from 2.0% to 5.0%. The bonds are callable at par plus accrued interest on or after August 15, 2012 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from Ad Valorem taxes. Ratings: Moody's "Aa2"; Standard & Poor's "AAA"; FGIC Insured	8,945,000	5,455,000
Combination Tax and Revenue Certificates of Obligation		
Series of 2003		
A series of 1,600 bonds at \$5,000 each dated June 1, 2003. The bonds were issued for the purpose of additions and improvements to the Addison Conference Center facilities and to pay costs associated with the issuance of the bonds. The bonds mature serially through 2018 with interest rates ranging from 3.0% to 3.75%. The bonds are callable at par plus accrued interest on or after February 15, 2014 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from a combination of Ad Valorem taxes and hotel occupancy taxes. Ratings: Moody's "Aa2"; Standard & Poor's "AAA"; AMBAC Insured	5,590,000	

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	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
General Obligation Bonds		
Series of 2004		
A series of 2,139 bonds at \$5,000 each dated August 15, 2004. The bonds were issued for the purpose of constructing an extension of Arapaho Road from Addison Road to Surveyor Road including construction of a bridge over Midway Road with related pedestrian walkways, for resurfacing Belt Line Road and for engineering and design of improvements to the Belt Line Road/Dallas Parkway intersection, and to pay costs associated with the issuance of the bonds. The bonds mature serially through 2018 with interest rates ranging from 3.5% to 4.5%. The bonds are callable at par plus accrued interest on or after February 15, 2015 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from Ad Valorem taxes. Ratings: Moody's "Aa2"; Standard & Poor's "AAA"; FSA Insured	7,915,000	
Combination Tax and Revenue Certificates of Obligation		
Series of 2004		
A series of 880 bonds at \$5,000 each dated November 15, 2004. The bonds were issued for the purpose of constructing improvements to and expanding the Addison Airport including improvements to runways, taxiways, lighting, drainage systems and facilities, the construction, design and engineering of a fuel farm, and to pay costs associated with the issuance of the certificates. The bonds mature serially through 2020 with interest rates ranging from 3.5% to 4.25%. The bonds are callable at par plus accrued interest on or after February 15, 2015 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from Ad Valorem taxes. Ratings: Moody's "Aa2"; Standard & Poor's "AAA"		3,480,000
General Obligation Refunding and Improvement Bonds		
Series of 2005		
A series of 1,571 bonds at \$5,000 each dated November 1, 2005. The bonds were issued to fund various public improvement projects up to \$1,500,000 to include engineering and other professional services, refund the Town's outstanding General Obligation Bonds, Series 1995; Combination Tax and Revenue Certificates of Obligation, Series 1997; \$4,335,000 of General Obligation Bonds, Series 2000; and costs of issuance associated with the sale of the bonds. The bonds mature serially through 2021 with interest rates ranging from 3.5% to 4.0%. The bonds are callable at par plus accrued interest on or after February 15, 2013 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from Ad Valorem taxes. Ratings: Moody's "Aa2"; Standard & Poor's "AAA"; AMBAC Insured	5,770,000	
Combination Tax and Revenue Certificates of Obligation		
Series of 2008		
A series of 6,900 bonds at \$5,000 each dated May 1, 2008. The bonds were issued for the purpose of constructing improvements to (i) water, sewer, drainage, park and streets including sidewalks, street lighting, landscaping, extensions and relocations, and acquisition of land and rights-of-way; (ii) acquisition and construction of a water tower; (iii) acquisition of land for street and other municipal purposes (collectively with items (i) and (ii)); and (iv) payment of professional services of attorneys, financial advisors and other professionals in connection with the issuance of the certificates. The bonds mature serially through 2033 with interest rates ranging from 4% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2018 in whole or in part in principal amounts of \$5,000. Bonds and interest are payable from a combination of Ad Valorem taxes and a limited pledge (not to exceed \$1,000) of surplus net revenues of the Town's Utility Fund. Ratings: Moody's "Aa2"; Standard & Poor's "AAA"; AMBAC Insured	28,176,900	6,268,100
Total Long-Term Debt Outstanding	<u>\$ 60,261,900</u>	<u>\$ 19,698,100</u>

Town of Addison, Texas
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Changes in long-term liabilities:

A summary of long-term liability activity for the year ended September 30, 2009 was as follows (in thousands of dollars):

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Funds:					
General Obligation Bonds	\$ 30,050	\$ -	\$ (3,555)	\$ 26,495	\$ 3,720
Premium on General Obligation Refunding Bonds	192	-	(34)	158	33
Deferred Loss on Refunding Amount on G.O. Bonds	(326)	-	37	(289)	(36)
Certificates of Obligation	34,327	-	(560)	33,767	650
Premium on Certificates of Obligation	28	-	(2)	26	1
Compensated Absences	828	1,163	(1,116)	875	875
Net OPEB Obligation	-	232	-	232	-
Long-Term Liabilities – Governmental Activities	<u>\$ 65,099</u>	<u>\$ 1,395</u>	<u>\$ (5,230)</u>	<u>\$ 61,264</u>	<u>\$ 5,243</u>
Proprietary Funds:					
General Obligation Bonds	\$ 12,060	\$ -	\$ (2,110)	\$ 9,950	\$ 2,190
<i>(Payable from utility system revenues)</i>					
Premium on General Obligation Refunding Bonds	50	-	(17)	33	17
Discount on General Obligation Refunding Bonds	(56)	-	7	(49)	(7)
Deferred Loss on Refunding Amount on G.O. Bonds	(188)	-	42	(146)	(43)
Combination Tax and Revenue Certificates of Obligation	3,725	-	(245)	3,480	255
<i>(Payable from levy of Ad Valorem tax)</i>					
Combination Tax and Revenue Certificates of Obligation	6,278	-	(10)	6,268	25
<i>(Payable from utility system revenues)</i>					
Premium on Combination Tax and Revenue C.O.	6	-	-	6	-
Long-Term Liabilities – Business-type Activities	<u>\$ 21,875</u>	<u>\$ -</u>	<u>\$ (2,333)</u>	<u>\$ 19,542</u>	<u>\$ 2,437</u>

The Town intends to retire all of its general obligation bonds (other than those recorded in the enterprise funds), plus interest, from future Ad Valorem tax levies, interest income, and transfers from other funds. The Town is required by ordinance to create from such tax revenues a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due. There is \$1,082,061 available in the General Obligation Debt Service Fund to service the general obligation bonds.

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

There are a number of limitations and restrictions contained in the various general obligations, certificates of obligation, and revenue bond indentures. The Town is in compliance with all significant limitations and restrictions at September 30, 2009.

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

Town of Addison, Texas
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The debt service requirements on the aforementioned bonded debt are as follows:

	Governmental Activities		Business-type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
General Obligation Bonds:				
2010	\$ 3,720,000	\$ 1,002,885	\$ 2,190,000	\$ 353,106
2011	3,200,000	868,723	2,485,000	248,644
2012	3,330,000	748,141	2,590,000	142,656
2013-2017	13,870,000	1,925,671	2,685,000	48,666
2018-2022	2,375,000	126,038	-	-
	<u>\$ 26,495,000</u>	<u>\$ 4,671,458</u>	<u>\$ 9,950,000</u>	<u>\$ 793,072</u>
Certificates of Obligation:				
2010	\$ 649,520	\$ 1,428,815	\$ 280,480	\$ 411,645
2011	673,610	1,407,802	291,390	401,508
2012	1,213,040	1,375,000	416,960	388,003
2013-2017	7,729,450	6,073,810	2,575,550	1,651,758
2018-2022	6,633,230	4,560,454	2,431,770	1,083,438
2023-2033	16,868,050	4,431,668	3,751,950	986,019
	<u>\$ 33,766,900</u>	<u>\$ 19,277,549</u>	<u>\$ 9,748,100</u>	<u>\$ 4,922,371</u>

G. Property under Operating Leases

The Town leases land with a book value of \$63,560 to tenants under non-cancelable lease agreements. The following is a schedule by year of minimum lease rental receipts as of September 30, 2009.

2010	\$ 146,500
2011	146,500
2012	156,667
2013	137,500
Thereafter	440,000
Total	<u>\$ 1,027,167</u>

H. Interfund Transfers

Transfers between funds during the year ended September 30, 2009 were comprised of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose of Transfer</u>
Arbor Fund	\$	\$ 196,689	For fund transfer to Arbor Foundation
General Fund	196,689		For fund transfer to Arbor Foundation
General Fund		38,878	Transfer of funds to Internal Service Funds for asset purchase
Hotel Fund		44,161	Transfer of funds to Internal Service Funds for asset purchase
Capital Replacement	53,647		Transfer of funds to Internal Service Funds for asset purchase
IT Replacement Fund	29,392		Transfer of funds to Internal Service Funds for asset purchase
Hotel Fund		699,800	For payment of debt service
Hotel Debt Service Fund	699,800		For payment of debt service
<i>Total Transfers</i>	<u>\$ 979,528</u>	<u>\$ 979,528</u>	

NOTES TO FINANCIAL STATEMENTS
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IV. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2009, the Town maintained workers compensation, general liability and property coverage through the Texas Municipal League Intergovernmental Risk Pool (TMLIRP). The Town pays an annual premium to TMLIRP for such coverage. TMLIRP purchases reinsurance, and the Town does not retain risks of loss exceeding deductibles. The Town's general liability coverage is \$5,000,000 and \$10,000,000 in the aggregate. Settled claims have not exceeded insurance coverage.

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

Workers Compensation Claims	2009	2008
Claims Payable at Beginning of Year	\$ -	\$ 6,569
Claims Incurred and Change in Estimate	-	-
Claims Paid	-	(6,569)
Claims Payable at End of Year	<u>\$ -</u>	<u>\$ -</u>

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

B. Employee's Retirement System

1) Pension Plan

Plan Description

The Town provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 833 administered by TMRS, an agent multiple-employer public employee retirement system. Each of the municipalities has an annual individual actuarial valuation performed. All assumptions for the December 31, 2008 valuations are contained in the 2008 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. The report is also available on the System's web site at: <http://www.tmrs.org/publications.php>

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the Town-financed monetary credits, with interest. At the date the plan began, the Town granted monetary credits for services rendered before the plan began based on a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200 percent of the employee's accumulated contributions. Beginning in 1994, the Town

NOTES TO FINANCIAL STATEMENTS
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adopted on an annually repeating basis another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and Town matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity. Also in 1994, the Town adopted annually repeating annuity increases for its retirees equal to 70% of the change in the consumer price index.

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

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

Funding Policy

Under the state law governing TMRS, the actuary annually determines the Town contribution rate on a calendar year basis. The rate for calendar year 2008 is 14.07%, and the rate for 2009 is 14.13%. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the Town matching percent, which are the obligation of the Town as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the Town to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (over-funded) actuarial liability (asset) over the remainder of the plan's amortization period. Both the employees and the Town make contributions monthly. Since the Town needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2008 valuation is effective for rates beginning January 2010).

Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost of \$2,123,822 was equal to the required contribution. As reflected in the schedule, the Town satisfied its requirements for all three years; therefore there is no net pension obligation. The analysis of funding progress, included as required supplementary information following the notes to the financial statements, presents multiyear trend information about the actuarial value of plan assets in relation to the actuarial accrued liability for benefits.

	Fiscal Year Ending September 30		
	2006	2007	2008
Annual Pension Cost	\$ 1,884,965	\$ 1,974,491	\$ 2,123,822
Contributions Made	1,884,965	1,974,491	2,123,822
Net Pension Obligation (NPO) at End of Year	\$ -	\$ -	\$ -
Contributions as a % of Annual Pension Cost	100%	100%	100%

NOTES TO FINANCIAL STATEMENTS
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Funding Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was 81.3% funded. The actuarial accrued liability for benefits was \$59,542,189, and the actuarial value of assets was \$48,391,009, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,151,180. The covered payroll (annual payroll of active employees covered by the plan as of the valuation date) was \$16,237,145, and the ratio of the UAAL to the covered payroll was 68.7%.

Changes in Actuarial and Amortization Methods

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

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

At its December 30, 2008 meeting, the City Council decided to withdraw the automatic repeating annuity increases to employees, electing to approve these benefits on an ad hoc, or annual, basis in order to reduce the required contribution rate from 20.49% to 14.13% and improve funded status.

	2006	2007	2008
Actuarial Assumptions:			
Actuarial Cost Method	Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level % of Payroll	Level % of Payroll	Level % of Payroll
Remaining Amortization Period	25 Yrs - Open	30 Yrs - Closed	29 Yrs - Closed
Asset Valuation Method	Amortized Cost	Amortized Cost	Amortized Cost
Investment Rate of Return	7%	7%	7.5%
Inflation	3.5%	3%	3%
Projected Salary Increases	None	Varies by Age & Service	Varies by Age & Service
Cost-of-Living Adjustments	None	2.1%	2.1%

NOTES TO FINANCIAL STATEMENTS
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2) Postemployment Benefits

Effective for fiscal year 2009, the Town implemented Governmental Accounting Standards Board (GASB) Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)" prospectively (no beginning net OPEB obligation).

Plan Description

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

Funding Policy

Before age 65, the Town will pay a \$150 monthly stipend toward the retiree's healthcare premium if the retiring employee meets the eligibility criteria at the time of termination and elects coverage in the health plan. For members who retire after 65 or were eligible for the \$150 stipend before age 65, the Town will pay a \$75 monthly stipend directly to the retiree. Current retirees contribute to the health plan the total blended premium for active and retired participants, less the \$150 stipend provided by the Town. The Town contribution to the health plan consists of total premiums in excess of retiree contributions. Retirees receiving medical benefits during fiscal year 2009 contribute \$414 to \$1,657 per month depending on coverage levels selected. In fiscal year 2009, total retiree contributions were \$73,516. The Town contributions to the plan for fiscal year 2009, which are also equal to premiums paid in excess of premiums collected from retirees, were \$22,950.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other postemployment benefit (OPEB) cost (expense) for the health plan is calculated based on the annual required contribution (ARC) of the Town, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The Town of Addison utilized the actuarial services of Gabriel, Roeder, Smith & Company (GRS), a company who has been providing actuarial consulting services since 1938, under the shared services arrangement provided by GRS and North Central Texas Council of Governments (NCTCOG). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and the net OPEB obligation for 2009. As fiscal year 2009 is the first year of the implementation of GASB Statement 45, the OPEB obligation at the beginning of the year is zero and the OPEB cost (expense) is equal to the ARC.

Annual Required Contribution	\$ 254,772	Net OPEB Obligation (Asset) – Beginning of Year	\$ -
Contributions Made	<u>22,950</u>	Change in OPEB Obligation	<u>231,822</u>
Change in OPEB Obligation	<u>\$ 231,822</u>	Net OPEB Obligation (Asset) – End of Year	<u>\$ 231,822</u>

Percentage of Annual OPEB
Cost Contributed 9.0%

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

Funded Status and Funding Progress

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

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

Actuarial Methods and Assumptions

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

In the December 31, 2008 actuarial valuation, the Projected Unit Credit Cost Method was used. The actuarial assumptions include a 4.5% investment rate of return (compounded annually net after investment expenses) and an annual healthcare cost trend of 9%, reduced by decrements to an ultimate rate of 4.5% after 10 years. Both rates include a 3% inflation assumption. The Town's unfunded actuarial accrued liability is being amortized as a level percent of active member payroll over a closed period. The remaining amortization period at December 31, 2008 was 30 years.

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

C. Contingencies

THROUGH-THE-FENCE AIRPORT ACCESS

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

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

There is still one lawsuit remaining related to the through-the-fence access. The case was tried in March 2007, and the court entered a final judgment in favor of the Town in November. The Plaintiff filed a motion with the court in December 2007 for a new trial.

On January 7, 2009, oral argument in the case was heard by the 5th Court of Appeals in Dallas. A Final Judgment After Remand was signed on November 5, 2009. All matters in this case have now been finalized and completed.

ADDISON AIRPORT FUEL FARM

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

The Town has answered the lawsuit and discovery has ensued. In August 2008, the Town filed a plea to the jurisdiction and a hearing was held on the plea on December 10, 2008. By Order signed December 11, 2008, the Court denied the plea to the jurisdiction. The Town has appealed the Court's denial of the plea. A portion of the Plaintiff's claims have been dismissed, leaving a breach of contract claim. During February 2010, the case was submitted to mediation, and a settlement of all claims was finalized.

As of September 30, 2009, other litigation is pending with respect to matters arising in the normal course of the Town's operations. The Town's management is of the opinion that the settlement of the other pending litigation will not have a material adverse effect on the Town's financial statements.

D. Keller Springs Tollway

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

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

E. Statement of Working Capital

Schedules of Working Capital for proprietary funds for the year ended September 30, 2009 are as follows:

SUMMARY OF CHANGES IN WORKING CAPITAL FOR PROPRIETARY FUNDS

	<u>2009</u>	<u>2008</u>
<u>AIRPORT FUND</u>		
Net Income (Excluding Depreciation)	\$ 1,494,641	\$ 877,342
Net Additions to Capital Assets	(1,022,975)	(1,368,155)
Net Retirement of Long-Term Debt	(245,000)	(235,000)
Net Increase (Decrease) of Restricted Assets	(10,000)	(10,000)
Net Increase (Decrease) in Other	2,324	2,324
Working Capital at the Beginning of the Year	<u>960,014</u>	<u>1,693,503</u>
Working Capital at the End of the Year	<u>\$ 1,179,004</u>	<u>\$ 960,014</u>
 <u>UTILITY FUND</u>		
Net Income (Excluding Depreciation)	\$ 2,604,739	\$ 1,785,594
Net Additions to Capital Assets	(2,116,872)	(524,482)
Net Retirement of Long-Term Debt	(2,183,242)	4,197,149
Net Increase (Decrease) of Restricted Assets	21,133	26,239
Net Reduction of Payables from Restricted Assets	(21,133)	(26,239)
Net Increase (Decrease) in Other	82,369	122,551
Working Capital at the Beginning of the Year	<u>9,083,573</u>	<u>3,502,761</u>
Working Capital at the End of the Year	<u>\$ 7,470,567</u>	<u>\$ 9,083,573</u>
 <u>CAPITAL REPLACEMENT FUND</u>		
Net Income (Excluding Depreciation)	\$ 722,718	\$ 865,905
Net Additions to Capital Assets	(276,283)	(462,140)
Working Capital at the Beginning of the Year	<u>3,384,136</u>	<u>2,980,371</u>
Working Capital at the End of the Year	<u>\$ 3,830,571</u>	<u>\$ 3,384,136</u>
 <u>INFORMATION TECHNOLOGY REPLACEMENT FUND</u>		
Net Income (Excluding Depreciation)	\$ 499,617	\$ 464,237
Net Additions to Capital Assets	(1,147,761)	(18,150)
Working Capital at the Beginning of the Year	<u>2,796,715</u>	<u>2,350,628</u>
Working Capital at the End of the Year	<u>\$ 2,148,571</u>	<u>\$ 2,796,715</u>

NOTES TO FINANCIAL STATEMENTS
September 30, 2009

F. New Accounting Pronouncements

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

In March 2009, GASB issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," which establishes requirements to improve the usefulness of fund balance information by providing clearer fund balance classifications and clarifying the existing governmental fund type definitions. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned and unassigned. This statement is effective for financial statements for periods beginning after June 15, 2010. The Town is in the process of reviewing and evaluating this statement and its potential impact on the financial statements.

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Required Supplementary Information

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
Texas Municipal Retirement System
Analysis of Funding Progress (Unaudited)
September 30, 2009

	(1)	(2)	(3) = (1)/(2)	(4) = (2) - (1)	(5)	(6) = (4)/(5)			
Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded	Unfunded Actuarial Accrued Liability (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Contributions	Actual Contributions
2004	12/31/03	40,764,036	49,926,573	81.60%	9,162,537	12,948,046	70.80%	1,671,957	1,671,957
2005	12/31/04	43,276,488	52,145,929	82.99%	8,869,441	13,021,715	68.11%	1,872,450	1,872,450
2006	12/31/05	44,500,440	54,187,138	82.12%	9,686,698	13,330,709	72.66%	1,885,203	1,885,203
2007	12/31/06	45,023,526	55,786,598	80.71%	10,763,072	13,753,045	78.26%	1,884,965	1,884,965
2008	12/31/07	44,895,953	57,197,193	78.49%	12,301,240	14,455,362	85.10%	1,974,491	1,974,491 *
2008	12/31/07	44,895,953	67,325,269	66.69%	22,429,316	14,455,362	155.16%	1,974,491	1,974,491 *
2009	12/31/08	48,391,009	59,542,189	81.27%	11,151,180	16,237,145	68.68%	2,123,822	2,123,822

Six-year historical trend information is designed to provide information about the fund's progress made in accumulating sufficient assets to pay benefits when due for plan years 2004-2009. This information can be referred to in separately issued financial reports of the pension fund.

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

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
 Retiree Health Plan
 Analysis of Funding Progress (Unaudited)
 September 30, 2009

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

Addison!

Major Governmental Funds

Addison!®

GENERAL FUND

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

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Town of Addison, Texas
Major Governmental Funds - General Fund

General Fund
Comparative Balance Sheet
September 30, 2009 and 2008

	2009	2008
ASSETS:		
Cash and Investments	\$ 11,402,681	\$ 12,863,434
Receivables:		
Ad Valorem Taxes, including Interest and Penalties	329,011	282,554
Non-Property Taxes	1,751,152	1,927,708
Franchise Fees	596,891	228,912
Service Fees	1,027,833	811,380
Ambulance	157,155	138,963
Interest	48,291	66,120
Other	3,447	3,803
Prepaid Items	299,789	263,195
Inventories, at Cost	94,535	95,142
<i>Total Assets</i>	\$ 15,710,785	\$ 16,681,211
 LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 1,941,983	\$ 2,314,643
Deferred Revenue	2,899,521	2,299,273
Intergovernmental Payable	215,789	370,380
Customer Deposits	750	985
Total Liabilities	5,058,043	4,985,281
 Fund Balances:		
Fund Balances Reserved:		
Reserved for Encumbrances	26,559	-
Reserved for Inventories	94,535	95,142
Reserved for Prepaid Items	299,789	263,195
Fund Balances Unreserved:		
Unreserved - Undesignated	10,231,859	11,337,593
Total Fund Balance	10,652,742	11,695,930
 <i>Total Liabilities and Fund Balance</i>	 \$ 15,710,785	 \$ 16,681,211

Town of Addison, Texas
Major Governmental Funds - General Fund

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

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Ad Valorem Taxes	\$ 10,295,420	\$ 9,974,950	\$ 9,751,967	\$ (222,983)	\$ 9,905,274
Non-Property Taxes	12,129,560	10,905,060	10,520,530	(384,530)	11,637,278
Franchise Fees	2,559,680	2,559,680	2,761,511	201,831	2,555,927
Licenses and Permits	658,560	658,560	429,681	(228,879)	798,006
Intergovernmental	-	-	101,300	101,300	-
Service Fees	1,284,600	1,284,600	1,400,529	115,929	1,420,244
Fines and Forfeitures	1,300,000	1,300,000	1,253,029	(46,971)	1,222,897
Earnings on Investments	552,500	210,000	273,920	63,920	472,156
Rental Charges	156,500	156,500	151,721	(4,779)	157,546
Other	54,000	54,000	79,033	25,033	152,724
<i>Total Revenues</i>	<u>28,990,820</u>	<u>27,103,350</u>	<u>26,723,221</u>	<u>(380,129)</u>	<u>28,322,052</u>
EXPENDITURES:					
General Government	6,845,950	6,900,950	6,357,501	543,449	6,412,823
Public Safety	14,658,720	14,658,720	14,290,988	367,732	14,101,619
Development Services	975,160	975,160	864,234	110,926	884,770
Streets	2,308,180	2,448,180	2,356,219	91,961	1,805,175
Parks and Recreation	4,193,810	4,193,810	4,055,278	138,532	4,105,900
<i>Total Expenditures</i>	<u>28,981,820</u>	<u>29,176,820</u>	<u>27,924,220</u>	<u>1,252,600</u>	<u>27,310,287</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>9,000</u>	<u>(2,073,470)</u>	<u>(1,200,999)</u>	<u>872,471</u>	<u>1,011,765</u>
OTHER FINANCING SOURCES/(USES):					
Transfer from Arbor Fund	-	-	196,689	196,689	-
Transfer to Capital Replacement Fund	-	-	(38,878)	(38,878)	-
<i>Total Other Financing Sources/(Uses)</i>	<u>-</u>	<u>-</u>	<u>157,811</u>	<u>157,811</u>	<u>-</u>
Net Change in Fund Balance	9,000	(2,073,470)	(1,043,188)	1,030,282	1,011,765
Fund Balances at Beginning of Year	<u>11,695,930</u>	<u>11,695,930</u>	<u>11,695,930</u>	<u>-</u>	<u>10,684,165</u>
Fund Balances at End of Year	<u>\$ 11,704,930</u>	<u>\$ 9,622,460</u>	<u>\$ 10,652,742</u>	<u>\$ 1,030,282</u>	<u>\$ 11,695,930</u>

Town of Addison, Texas
Major Governmental Funds - General Fund

General Fund
Schedule of Revenues - Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Taxes:					
Ad Valorem Taxes:					
Current	\$ 10,270,470	\$ 9,950,000	\$ 9,744,498	\$ (205,502)	\$ 9,848,061
Delinquent	3,120	3,120	(14,883)	(18,003)	9,804
Penalties and Interest	21,830	21,830	22,352	522	47,409
Total Ad Valorem	10,295,420	9,974,950	9,751,967	(222,983)	9,905,274
Non-Property Taxes:					
Sales Tax	11,124,500	9,900,000	9,584,496	(315,504)	10,649,989
Alcoholic Beverage Tax	1,005,060	1,005,060	936,034	(69,026)	987,289
Total Non-Property Taxes	12,129,560	10,905,060	10,520,530	(384,530)	11,637,278
Total Taxes	22,424,980	20,880,010	20,272,497	(607,513)	21,542,552
Franchise Fees:					
Electric Franchise	1,550,000	1,550,000	1,514,152	(35,848)	1,574,344
Gas Franchise	301,680	301,680	329,963	28,283	241,342
Telephone Franchise	575,000	575,000	738,637	163,637	596,820
Cable Franchise	125,000	125,000	170,479	45,479	128,020
Street Rental Franchise	7,000	7,000	7,000	-	7,000
Wireless Network Franchise	1,000	1,000	1,280	280	8,401
Total Franchise Fees	2,559,680	2,559,680	2,761,511	201,831	2,555,927
Licenses and Permits:					
Business Licenses and Permits	158,560	158,560	160,607	2,047	153,965
Building and Construction Permits	500,000	500,000	269,074	(230,926)	644,041
Total Licenses and Permits	658,560	658,560	429,681	(228,879)	798,006
Intergovernmental:					
State	-	-	101,300	101,300	-
Service Fees:					
General Government	600	600	465	(135)	626
Public Safety	713,000	713,000	777,791	64,791	805,262
Urban Development	5,000	5,000	2,945	(2,055)	9,421
Streets and Sanitation	310,250	310,250	350,587	40,337	333,645
Recreation	74,100	74,100	87,085	12,985	89,634
Interfund	181,650	181,650	181,656	6	181,656
Total Service Fees	1,284,600	1,284,600	1,400,529	115,929	1,420,244
Fines and Forfeitures	1,300,000	1,300,000	1,253,029	(46,971)	1,222,897
Earnings on Investments	552,500	210,000	273,920	63,920	472,156
Rental Charges	156,500	156,500	151,721	(4,779)	157,546
Other	54,000	54,000	79,033	25,033	152,724
Total Revenues	\$ 28,990,820	\$ 27,103,350	\$ 26,723,221	\$ (380,129)	\$ 28,322,052

Town of Addison, Texas
Major Governmental Funds - General Fund

General Fund
Schedule of Expenditures - Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
General Government:					
City Manager's Office:					
Salaries and Fringe Benefits	\$ 1,008,530	\$ 1,008,530	\$ 869,345	\$ 139,185	\$ 958,247
Supplies	30,350	30,350	44,864	(14,514)	36,000
Maintenance and Materials	40,590	40,590	33,037	7,553	120,872
Contractual Services	359,450	359,450	319,770	39,680	277,652
Capital Replacement	15,280	15,280	15,280	-	15,280
Capital Outlay	50,000	50,000	19,341	30,659	2,795
<i>Total City Manager's Office</i>	<u>1,504,200</u>	<u>1,504,200</u>	<u>1,301,637</u>	<u>202,563</u>	<u>1,410,846</u>
Financial & Strategic Services:					
Salaries and Fringe Benefits	744,950	708,530	579,502	129,028	548,905
Supplies	32,360	44,660	41,907	2,753	40,054
Maintenance and Materials	38,030	38,030	30,102	7,928	37,816
Contractual Services	220,130	244,250	262,693	(18,443)	222,732
Capital Replacement	16,580	16,580	16,580	-	16,580
<i>Total Financial & Strategic Services</i>	<u>1,052,050</u>	<u>1,052,050</u>	<u>930,784</u>	<u>121,266</u>	<u>866,087</u>
General Services:					
Salaries and Fringe Benefits	633,440	633,440	621,890	11,550	597,467
Supplies	24,250	24,250	27,686	(3,436)	19,919
Maintenance and Materials	101,180	101,180	90,457	10,723	185,621
Contractual Services	70,910	70,910	78,927	(8,017)	108,388
Capital Replacement	26,120	26,120	26,120	-	26,684
Capital Outlay	24,470	24,470	24,605	(135)	2,795
<i>Total General Services</i>	<u>880,370</u>	<u>880,370</u>	<u>869,685</u>	<u>10,685</u>	<u>940,874</u>
Municipal Court:					
Salaries and Fringe Benefits	436,230	436,230	435,934	296	374,879
Supplies	18,240	21,740	18,557	3,183	13,530
Maintenance and Materials	1,900	1,900	226	1,674	835
Contractual Services	56,330	52,830	48,346	4,484	43,577
Capital Replacement	7,870	7,870	7,870	-	7,870
<i>Total Municipal Court</i>	<u>520,570</u>	<u>520,570</u>	<u>510,933</u>	<u>9,637</u>	<u>440,691</u>
Human Resources:					
Salaries and Fringe Benefits	397,340	397,340	412,393	(15,053)	270,443
Supplies	13,200	13,800	12,626	1,174	12,646
Maintenance and Materials	600	600	526	74	6
Contractual Services	155,070	154,470	70,885	83,585	57,462
Capital Replacement	6,750	6,750	6,750	-	6,750
<i>Total Human Resources</i>	<u>572,960</u>	<u>572,960</u>	<u>503,180</u>	<u>69,780</u>	<u>347,307</u>

Town of Addison, Texas
Major Governmental Funds - General Fund

General Fund
Schedule of Expenditures - Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Information Technology:					
Salaries and Fringe Benefits	724,170	724,170	717,180	6,990	700,801
Supplies	64,170	64,170	50,349	13,821	32,678
Maintenance and Materials	391,980	391,980	335,075	56,905	382,729
Contractual Services	80,200	80,200	66,000	14,200	45,649
Capital Replacement	11,920	11,920	11,920	-	11,920
Capital Outlay	-	-	-	-	157,927
<i>Total Information Technology</i>	<u>1,272,440</u>	<u>1,272,440</u>	<u>1,180,524</u>	<u>91,916</u>	<u>1,331,704</u>
Combined Services:					
Salaries and Fringe Benefits	37,090	61,090	44,363	16,727	74,150
Supplies	118,030	118,030	108,361	9,669	115,491
Contractual Services	638,900	614,900	602,807	12,093	600,685
<i>Total Combined Services</i>	<u>794,020</u>	<u>794,020</u>	<u>755,531</u>	<u>38,489</u>	<u>790,326</u>
City Council Special Projects:					
Salaries and Fringe Benefits	30,390	30,390	27,459	2,931	29,187
Supplies	15,590	27,590	21,830	5,760	27,730
Contractual Services	201,390	244,390	253,968	(9,578)	226,101
Capital Replacement	1,970	1,970	1,970	-	1,970
<i>Total City Council Special Projects</i>	<u>249,340</u>	<u>304,340</u>	<u>305,227</u>	<u>(887)</u>	<u>284,988</u>
<i>Total General Government</i>	<u>6,845,950</u>	<u>6,900,950</u>	<u>6,357,501</u>	<u>543,449</u>	<u>6,412,823</u>
Public Safety:					
Police:					
Salaries and Fringe Benefits	5,936,470	5,936,470	6,032,856	(96,386)	5,762,169
Supplies	369,830	355,110	297,610	57,500	340,822
Maintenance and Materials	328,160	328,160	201,059	127,101	178,284
Contractual Services	361,660	377,460	371,076	6,384	387,417
Capital Replacement	373,900	373,900	373,900	-	459,119
Capital Outlay	22,830	21,750	11,750	10,000	28,250
<i>Total Police</i>	<u>7,392,850</u>	<u>7,392,850</u>	<u>7,288,251</u>	<u>104,599</u>	<u>7,156,061</u>
Emergency Communications:					
Salaries and Fringe Benefits	842,160	842,160	756,597	85,563	734,789
Maintenance and Materials	75,950	75,950	73,032	2,918	79,921
Contractual Services	231,890	231,890	208,701	23,189	173,811
<i>Total Emergency Communications</i>	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,038,330</u>	<u>111,670</u>	<u>988,521</u>
Fire:					
Salaries and Fringe Benefits	5,101,350	5,110,930	4,973,045	137,885	4,842,437
Supplies	299,070	294,320	239,746	54,574	266,444
Maintenance and Materials	165,640	168,640	200,787	(32,147)	229,991
Contractual Services	257,240	248,410	257,348	(8,938)	228,124
Capital Replacement	272,770	272,770	272,770	-	390,041
Capital Outlay	19,800	20,800	20,711	89	-
<i>Total Fire</i>	<u>6,115,870</u>	<u>6,115,870</u>	<u>5,964,407</u>	<u>151,463</u>	<u>5,957,037</u>
<i>Total Public Safety</i>	<u>14,658,720</u>	<u>14,658,720</u>	<u>14,290,988</u>	<u>367,732</u>	<u>14,101,619</u>

Town of Addison, Texas
Major Governmental Funds - General Fund

General Fund
Schedule of Expenditures - Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Development Services:					
<i>Development Services:</i>					
Salaries and Fringe Benefits	746,450	746,450	739,466	6,984	721,416
Supplies	22,570	22,570	14,785	7,785	20,265
Maintenance and Materials	4,000	4,000	5,158	(1,158)	1,302
Contractual Services	189,680	189,680	92,365	97,315	119,038
Capital Replacement	12,460	12,460	12,460	-	22,749
<i>Total Development Services</i>	<u>975,160</u>	<u>975,160</u>	<u>864,234</u>	<u>110,926</u>	<u>884,770</u>
Streets:					
Salaries and Fringe Benefits	532,270	532,270	512,062	20,208	503,627
Supplies	38,520	38,520	22,156	16,364	27,765
Maintenance and Materials	919,430	1,040,750	970,597	70,153	581,987
Contractual Services	790,350	809,030	823,686	(14,656)	660,375
Capital Replacement	27,610	27,610	27,610	-	31,421
Capital Outlay	-	-	108	(108)	-
<i>Total Streets</i>	<u>2,308,180</u>	<u>2,448,180</u>	<u>2,356,219</u>	<u>91,961</u>	<u>1,805,175</u>
Parks and Recreation:					
<i>Parks:</i>					
Salaries and Fringe Benefits	1,305,120	1,298,120	1,174,733	123,387	1,156,176
Supplies	184,490	196,090	153,191	42,899	173,678
Maintenance and Materials	532,700	523,600	424,506	99,094	475,846
Contractual Services	637,600	645,200	823,597	(178,397)	668,210
Capital Replacement	51,140	51,140	49,982	1,158	52,521
Capital Outlay	55,000	51,900	51,545	355	10,907
<i>Total Parks</i>	<u>2,766,050</u>	<u>2,766,050</u>	<u>2,677,554</u>	<u>88,496</u>	<u>2,537,338</u>
<i>Recreation:</i>					
Salaries and Fringe Benefits	812,730	812,730	786,859	25,871	773,437
Supplies	120,300	114,300	128,567	(14,267)	119,407
Maintenance and Materials	113,970	121,670	121,871	(201)	293,607
Contractual Services	343,400	341,700	303,067	38,633	323,636
Capital Replacement	37,360	37,360	37,360	-	34,360
Capital Outlay	-	-	-	-	24,115
<i>Total Recreation</i>	<u>1,427,760</u>	<u>1,427,760</u>	<u>1,377,724</u>	<u>50,036</u>	<u>1,568,562</u>
<i>Total Parks and Recreation</i>	<u>4,193,810</u>	<u>4,193,810</u>	<u>4,055,278</u>	<u>138,532</u>	<u>4,105,900</u>
Total Expenditures	<u>\$ 28,981,820</u>	<u>\$ 29,176,820</u>	<u>\$ 27,924,220</u>	<u>\$ 1,252,600</u>	<u>\$ 27,310,287</u>

HOTEL FUND

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

Addison!®

Town of Addison, Texas
Major Governmental Funds - Hotel Fund

Hotel Fund
Comparative Balance Sheet
September 30, 2009 and 2008

	2009	2008
ASSETS:		
Cash and Investments	\$ 4,616,446	\$ 6,533,000
Receivables:		
Accounts Receivable	70,748	78,047
Occupancy Taxes	344,852	511,545
Interest	19,538	35,231
<i>Total Assets</i>	\$ 5,051,584	\$ 7,157,823
 LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 347,930	\$ 1,377,069
Deferred Revenue	14,045	-
Intergovernmental Payable	1,219	-
Customer Deposits	45,290	65,061
<i>Total Liabilities</i>	408,484	1,442,130
 Fund Balances:		
Fund Balances Reserved:		
Reserved for Encumbrances	7,301	-
Fund Balances Unreserved:		
Unreserved - Undesignated	4,635,799	5,715,693
<i>Total Fund Balance</i>	4,643,100	5,715,693
 <i>Total Liabilities and Fund Balance</i>	 \$ 5,051,584	 \$ 7,157,823

Town of Addison, Texas
Major Governmental Funds - Hotel Fund

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

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Hotel/Motel Occupancy Taxes	\$ 5,200,000	\$ 4,200,000	\$ 3,958,238	\$ (241,762)	\$ 5,204,247
Proceeds from Special Events	1,474,600	1,474,600	1,296,052	(178,548)	1,524,109
Conference Centre Rental	640,000	640,000	438,886	(201,114)	500,463
Theatre Centre Rental	90,000	90,000	79,939	(10,061)	86,487
Earnings on Investments	275,000	275,000	113,352	(161,648)	192,827
Other	-	-	1,042	1,042	38,215
<i>Total Revenues</i>	<u>7,679,600</u>	<u>6,679,600</u>	<u>5,887,509</u>	<u>(792,091)</u>	<u>7,546,348</u>
EXPENDITURES:					
Visitor Services	1,292,700	1,292,700	831,098	461,602	880,633
Conference Centre	1,038,910	1,038,910	973,467	65,443	1,077,436
Marketing	1,178,980	1,178,980	971,113	207,867	1,121,226
Special Events	2,961,750	2,961,750	2,883,177	78,573	2,725,836
Performing Arts	561,270	561,270	557,286	3,984	707,834
Capital Projects	-	-	-	-	-
<i>Total Expenditures</i>	<u>7,033,610</u>	<u>7,033,610</u>	<u>6,216,141</u>	<u>817,469</u>	<u>6,512,965</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>645,990</u>	<u>(354,010)</u>	<u>(328,632)</u>	<u>25,378</u>	<u>1,033,383</u>
OTHER FINANCING SOURCES/(USES):					
Transfer to Hotel Debt Service Fund	(699,800)	(699,800)	(699,800)	-	(700,000)
Transfer to Capital Replacement Fund	-	-	(14,769)	(14,769)	-
Transfer to IT Replacement Fund	-	-	(29,392)	(29,392)	-
<i>Total Other Financing Sources/(Uses)</i>	<u>(699,800)</u>	<u>(699,800)</u>	<u>(743,961)</u>	<u>(44,161)</u>	<u>(700,000)</u>
Net Change in Fund Balance	(53,810)	(1,053,810)	(1,072,593)	(18,783)	333,383
Fund Balances at Beginning of Year	<u>5,715,693</u>	<u>5,715,693</u>	<u>5,715,693</u>	<u>-</u>	<u>5,382,310</u>
Fund Balances at End of Year	<u>\$ 5,661,883</u>	<u>\$ 4,661,883</u>	<u>\$ 4,643,100</u>	<u>\$ (18,783)</u>	<u>\$ 5,715,693</u>

Town of Addison, Texas
Major Governmental Funds - Hotel Fund

Hotel Fund
Schedule of Expenditures - Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Visitor Services:					
Salaries and Fringe Benefits	\$ 345,260	\$ 345,260	\$ 351,841	\$ (6,581)	\$ 331,529
Supplies	19,260	19,260	18,909	351	8,460
Maintenance and Materials	225,060	225,060	21,810	203,250	21,591
Contractual Services	698,900	698,900	434,318	264,582	514,833
Capital Replacement	4,220	4,220	4,220	-	4,220
Total Visitor Services	1,292,700	1,292,700	831,098	461,602	880,633
Conference Centre:					
Salaries and Fringe Benefits	514,370	514,370	484,616	29,754	505,667
Supplies	57,800	47,250	48,059	(809)	67,925
Maintenance and Materials	181,370	200,370	200,677	(307)	191,083
Contractual Services	261,450	259,000	222,196	36,804	232,113
Capital Replacement	9,920	9,920	9,920	-	9,920
Capital Outlay	14,000	8,000	7,999	1	70,728
Total Conference Centre	1,038,910	1,038,910	973,467	65,443	1,077,436
Marketing:					
Salaries and Fringe Benefits	210	210	-	210	210
Supplies	5,500	5,500	-	5,500	942
Contractual Services	1,173,270	1,173,270	971,113	202,157	1,120,074
Total Marketing	1,178,980	1,178,980	971,113	207,867	1,121,226
Special Events:					
Salaries and Fringe Benefits	751,030	751,030	739,057	11,973	716,861
Supplies	14,450	16,450	22,393	(5,943)	15,559
Maintenance and Materials	181,460	191,760	213,387	(21,627)	174,532
Contractual Services	1,953,180	1,940,880	1,866,710	74,170	1,724,938
Capital Replacement	41,630	41,630	41,630	-	41,630
Capital Outlay	20,000	20,000	-	20,000	52,316
Total Special Events	2,961,750	2,961,750	2,883,177	78,573	2,725,836
Performing Arts:					
Salaries and Fringe Benefits	9,600	9,600	14,836	(5,236)	11,702
Supplies	25,700	25,700	25,669	31	19,898
Maintenance and Materials	69,380	69,380	63,973	5,407	140,519
Contractual Services	434,060	434,060	430,356	3,704	500,902
Capital Replacement	5,030	5,030	5,030	-	5,030
Capital Outlay	17,500	17,500	17,422	78	29,783
Total Performing Arts	561,270	561,270	557,286	3,984	707,834
Total Expenditures	\$ 7,033,610	\$ 7,033,610	\$ 6,216,141	\$ 817,469	\$ 6,512,965

Addison!®

DEBT SERVICE FUNDS

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

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

Addison!®

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

General Obligation Debt Service Fund
Comparative Balance Sheet
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash and Investments	\$ 1,216,566	\$ 1,695,939
Receivables:		
Ad Valorem Taxes, including Interest and Penalties	134,845	106,780
Interest	<u>5,149</u>	<u>8,255</u>
<i>Total Assets</i>	<u><u>\$ 1,356,560</u></u>	<u><u>\$ 1,810,974</u></u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ 163,444
Deferred Revenue	150,956	122,822
Intergovernmental Payable	<u>123,543</u>	<u>164,268</u>
Total Liabilities	<u>274,499</u>	<u>450,534</u>
Fund Balances:		
Fund Balances Unreserved:		
Designated for Debt Service	<u>1,082,061</u>	<u>1,360,440</u>
Total Fund Balance	<u>1,082,061</u>	<u>1,360,440</u>
<i>Total Liabilities and Fund Balance</i>	<u><u>\$ 1,356,560</u></u>	<u><u>\$ 1,810,974</u></u>

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

General Obligation Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Ad Valorem Taxes:					
Current	\$ 6,199,330	\$ 6,199,330	\$ 5,881,702	\$ (317,628)	\$ 4,436,913
Delinquent	1,880	1,880	(10,626)	(12,506)	4,417
Penalties and Interest	13,170	13,170	13,491	321	21,360
Total Ad Valorem Taxes	6,214,380	6,214,380	5,884,567	(329,813)	4,462,690
Other Revenues:					
Earnings on Investments	70,000	70,000	48,398	(21,602)	88,626
Total Revenues	6,284,380	6,284,380	5,932,965	(351,415)	4,551,316
EXPENDITURES:					
Debt Service:					
Principal Retirement	3,607,620	3,607,620	3,600,100	7,520	3,419,769
Interest and Fiscal Charges	2,770,510	2,770,510	2,611,244	159,266	1,304,043
Bond Issuance Costs	-	-	-	-	108,050
Total Expenditures	6,378,130	6,378,130	6,211,344	166,786	4,831,862
Excess/(Deficiency) of Revenues over Expenditures	(93,750)	(93,750)	(278,379)	(184,629)	(280,546)
OTHER FINANCING SOURCES/(USES):					
Premium on Bond Issuance	-	-	-	-	27,833
Net Change in Fund Balance	(93,750)	(93,750)	(278,379)	(184,629)	(252,713)
Fund Balances at Beginning of Year	1,360,440	1,360,440	1,360,440	-	1,613,153
Fund Balances at End of Year	\$ 1,266,690	\$ 1,266,690	\$ 1,082,061	\$ (184,629)	\$ 1,360,440

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

Hotel Debt Service Fund
Comparative Balance Sheet
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash and Investments	\$ 898,773	\$ 885,537
Receivables:		
Interest	3,804	4,773
<i>Total Assets</i>	<u>\$ 902,577</u>	<u>\$ 890,310</u>
LIABILITIES AND FUND BALANCE:		
Fund Balances:		
Fund Balances Unreserved:		
Designated for Debt Service	<u>\$ 902,577</u>	<u>\$ 890,310</u>
Total Fund Balance	<u>902,577</u>	<u>890,310</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 902,577</u>	<u>\$ 890,310</u>

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

Hotel Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 40,000	\$ 40,000	\$ 24,555	\$ (15,445)	\$ 37,991
<i>Total Revenues</i>	<u>40,000</u>	<u>40,000</u>	<u>24,555</u>	<u>(15,445)</u>	<u>37,991</u>
EXPENDITURES:					
Debt Service:					
Principal Retirement	515,000	515,000	515,000	-	500,000
Interest and Fiscal Charges	<u>203,790</u>	<u>203,790</u>	<u>197,088</u>	<u>6,702</u>	<u>212,012</u>
<i>Total Expenditures</i>	<u>718,790</u>	<u>718,790</u>	<u>712,088</u>	<u>6,702</u>	<u>712,012</u>
Excess/(Deficiency) of Revenues over Expenditures	(678,790)	(678,790)	(687,533)	(8,743)	(674,021)
OTHER FINANCING SOURCES/(USES):					
Transfer from Hotel Fund	<u>699,800</u>	<u>699,800</u>	<u>699,800</u>	<u>-</u>	<u>700,000</u>
Net Change in Fund Balance	21,010	21,010	12,267	(8,743)	25,979
Fund Balances at Beginning of Year	<u>890,310</u>	<u>890,310</u>	<u>890,310</u>	<u>-</u>	<u>864,331</u>
Fund Balances at End of Year	<u>\$ 911,320</u>	<u>\$ 911,320</u>	<u>\$ 902,577</u>	<u>\$ (8,743)</u>	<u>\$ 890,310</u>

CAPITAL PROJECT SUB-FUNDS

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

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

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

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

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

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

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

Addison!®

Town of Addison, Texas
Capital Projects

Capital Project Fund
Combining Schedule of Capital Projects
September 30, 2009

	Street	Parks	2002	2004	2006	2008	Capital Projects
ASSETS:							
Cash and Investments	\$ 1,324,275	\$ 481,591	\$ 1,726,923	\$ 432,530	\$ 347,775	\$ 25,138,780	\$ 29,451,874
Receivables:							
Interest	5,604	2,038	7,309	1,831	1,472	106,392	124,646
<i>Total Assets</i>	<u>\$ 1,329,879</u>	<u>\$ 483,629</u>	<u>\$ 1,734,232</u>	<u>\$ 434,361</u>	<u>\$ 349,247</u>	<u>\$ 25,245,172</u>	<u>\$ 29,576,520</u>
LIABILITIES AND FUND BALANCE:							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ 61,981	\$ 975	\$ -	\$ -	\$ 227,416	\$ 290,372
Contracts and Retainage Payable	-	24,548	-	-	-	68,548	93,096
<i>Total Liabilities</i>	<u>-</u>	<u>86,529</u>	<u>975</u>	<u>-</u>	<u>-</u>	<u>295,964</u>	<u>383,468</u>
Fund Balances:							
Fund Balances Reserved:							
Reserved for Encumbrances	2,851	-	-	-	-	-	2,851
Fund Balances Unreserved:							
Designated for Capital Outlays	1,327,028	397,100	1,733,257	434,361	349,247	24,949,208	29,190,201
<i>Total Fund Balance</i>	<u>1,329,879</u>	<u>397,100</u>	<u>1,733,257</u>	<u>434,361</u>	<u>349,247</u>	<u>24,949,208</u>	<u>29,193,052</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,329,879</u>	<u>\$ 483,629</u>	<u>\$ 1,734,232</u>	<u>\$ 434,361</u>	<u>\$ 349,247</u>	<u>\$ 25,245,172</u>	<u>\$ 29,576,520</u>

Town of Addison, Texas
Capital Projects

Capital Project Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2009

	Street	Parks	2002	2004	2006	2008	Capital Projects
REVENUES:							
Intergovernmental	\$ 156,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,129
Earnings on Investments	54,151	18,157	44,407	10,055	7,976	621,453	756,199
Other	-	-	-	-	-	2,700	2,700
Total Revenues	210,280	18,157	44,407	10,055	7,976	624,153	915,028
EXPENDITURES:							
Salaries and Fringe Benefits	-	4,238	-	-	-	87	4,325
Supplies	-	1,180	-	-	-	1,698	2,878
Materials and Maintenance	-	14,519	26,961	-	-	-	41,480
Engineering & Contractual Services	139,205	9,787	244,585	-	-	1,197,526	1,591,103
Construction and Equipment	1,499,738	487,526	16,275	-	-	1,569,794	3,573,333
Total Expenditures	1,638,943	517,250	287,821	-	-	2,769,105	5,213,119
Net Change in Fund Balance	(1,428,663)	(499,093)	(243,414)	10,055	7,976	(2,144,952)	(4,298,091)
Fund Balances at Beginning of Year	2,758,542	896,193	1,976,671	424,306	341,271	27,094,160	33,491,143
Fund Balances at End of Year	\$ 1,329,879	\$ 397,100	\$ 1,733,257	\$ 434,361	\$ 349,247	\$ 24,949,208	\$ 29,193,052

Town of Addison, Texas
Major Governmental Funds - Capital Projects

Street Capital Projects
Comparative Balance Sheet
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash and Investments	\$ 1,324,275	\$ 2,747,834
Receivables:		
Interest	5,604	14,810
<i>Total Assets</i>	<u>\$ 1,329,879</u>	<u>\$ 2,762,644</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ 4,102
Total Liabilities	<u>-</u>	<u>4,102</u>
Fund Balances:		
Fund Balances Reserved:		
Reserved for Encumbrances	2,851	-
Fund Balances Unreserved:		
Designated for Capital Outlays	1,327,028	2,758,542
Total Fund Balance	<u>1,329,879</u>	<u>2,758,542</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,329,879</u>	<u>\$ 2,762,644</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

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

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
DART Grants	\$ 600,000	\$ 600,000	\$ -	\$ (600,000)	\$ -
Dallas County Grants	-	-	156,129	156,129	561,992
Earnings on Investments	100,000	100,000	54,151	(45,849)	123,452
Other	-	-	-	-	135,364
<i>Total Revenues</i>	<u>700,000</u>	<u>700,000</u>	<u>210,280</u>	<u>(489,720)</u>	<u>820,808</u>
EXPENDITURES:					
Administration:					
Salaries and Fringe Benefits	-	-	-	-	23,366
Design and Engineering:					
Engineering & Contractual Services	43,000	43,000	139,205	(96,205)	126,152
Construction and Equipment	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,499,738</u>	<u>(299,738)</u>	<u>1,346,336</u>
<i>Total Expenditures</i>	<u>1,243,000</u>	<u>1,243,000</u>	<u>1,638,943</u>	<u>(395,943)</u>	<u>1,495,854</u>
Net Change in Fund Balance	(543,000)	(543,000)	(1,428,663)	(885,663)	(675,046)
Fund Balances at Beginning of Year	<u>2,758,542</u>	<u>2,758,542</u>	<u>2,758,542</u>	-	<u>3,433,588</u>
Fund Balances at End of Year	<u>\$ 2,215,542</u>	<u>\$ 2,215,542</u>	<u>\$ 1,329,879</u>	<u>\$ (885,663)</u>	<u>\$ 2,758,542</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

Parks Capital Projects
Comparative Balance Sheet
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash and Investments	\$ 481,591	\$ 896,312
Receivables:		
Interest	2,038	4,831
<i>Total Assets</i>	<u>\$ 483,629</u>	<u>\$ 901,143</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 61,981	\$ 4,950
Contracts and Retainage Payable	24,548	-
Total Liabilities	<u>86,529</u>	<u>4,950</u>
Fund Balances:		
Fund Balances Unreserved:		
Designated for Capital Outlays	397,100	896,193
Total Fund Balance	<u>397,100</u>	<u>896,193</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 483,629</u>	<u>\$ 901,143</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

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

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 20,000	\$ 20,000	\$ 18,157	\$ (1,843)	\$ 33,887
<i>Total Revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>18,157</u>	<u>(1,843)</u>	<u>33,887</u>
EXPENDITURES:					
Administration:					
Salaries and Fringe Benefits	2,000	2,000	4,238	(2,238)	421
Supplies	-	5,500	1,180	4,320	-
Materials and Maintenance	-	10,000	14,519	(4,519)	-
Design and Engineering:					
Engineering & Contractual Services	5,000	5,000	9,787	(4,787)	28,165
Construction and Equipment	934,340	918,840	487,526	431,314	943
<i>Total Expenditures</i>	<u>941,340</u>	<u>941,340</u>	<u>517,250</u>	<u>424,090</u>	<u>29,529</u>
Net Change in Fund Balance	(921,340)	(921,340)	(499,093)	422,247	4,358
Fund Balances at Beginning of Year	<u>896,193</u>	<u>896,193</u>	<u>896,193</u>	<u>-</u>	<u>891,835</u>
Fund Balances at End of Year	<u>\$ (25,147)</u>	<u>\$ (25,147)</u>	<u>\$ 397,100</u>	<u>\$ 422,247</u>	<u>\$ 896,193</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2002 Capital Projects
Comparative Balance Sheet
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash and Investments	\$ 1,726,923	\$ 1,980,957
Receivables:		
Interest	7,309	10,677
<i>Total Assets</i>	<u>\$ 1,734,232</u>	<u>\$ 1,991,634</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 975	\$ 14,963
Total Liabilities	<u>975</u>	<u>14,963</u>
Fund Balances:		
Fund Balances Unreserved:		
Designated for Capital Outlays	<u>1,733,257</u>	<u>1,976,671</u>
Total Fund Balance	<u>1,733,257</u>	<u>1,976,671</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,734,232</u>	<u>\$ 1,991,634</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2002 Capital Projects
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 75,000	\$ 75,000	\$ 44,407	\$ (30,593)	\$ 75,026
<i>Total Revenues</i>	<u>75,000</u>	<u>75,000</u>	<u>44,407</u>	<u>(30,593)</u>	<u>75,026</u>
EXPENDITURES:					
Administration:					
Salaries and Fringe Benefits	-	-	-	-	12,500
Materials and Maintenance	-	25,000	26,961	(1,961)	-
Design and Engineering:					
Engineering & Contractual Services	400,000	375,000	244,585	130,415	124,776
Construction and Equipment	<u>1,200,000</u>	<u>1,200,000</u>	<u>16,275</u>	<u>1,183,725</u>	<u>12,888</u>
<i>Total Expenditures</i>	<u>1,600,000</u>	<u>1,600,000</u>	<u>287,821</u>	<u>1,312,179</u>	<u>150,164</u>
Net Change in Fund Balance	(1,525,000)	(1,525,000)	(243,414)	1,281,586	(75,138)
Fund Balances at Beginning of Year	<u>1,976,671</u>	<u>1,976,671</u>	<u>1,976,671</u>	<u>-</u>	<u>2,051,809</u>
Fund Balances at End of Year	<u>\$ 451,671</u>	<u>\$ 451,671</u>	<u>\$ 1,733,257</u>	<u>\$ 1,281,586</u>	<u>\$ 1,976,671</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2004 Capital Projects
Comparative Balance Sheet
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash and Investments	\$ 432,530	\$ 422,031
Receivables:		
Interest	1,831	2,275
<i>Total Assets</i>	<u>\$ 434,361</u>	<u>\$ 424,306</u>
 LIABILITIES AND FUND BALANCE:		
Fund Balances:		
Fund Balances Unreserved:		
Designated for Capital Outlays	\$ 434,361	\$ 424,306
Total Fund Balance	<u>434,361</u>	<u>424,306</u>
 <i>Total Liabilities and Fund Balance</i>	 <u>\$ 434,361</u>	 <u>\$ 424,306</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2004 Capital Projects
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 15,000	\$ 15,000	\$ 10,055	\$ (4,945)	\$ 15,580
<i>Total Revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>10,055</u>	<u>(4,945)</u>	<u>15,580</u>
EXPENDITURES:					
Design and Engineering:					
Engineering & Contractual Services	15,000	15,000	-	15,000	-
<i>Total Expenditures</i>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	10,055	10,055	15,580
Fund Balances at Beginning of Year	<u>424,306</u>	<u>424,306</u>	<u>424,306</u>	-	<u>408,726</u>
Fund Balances at End of Year	<u><u>\$ 424,306</u></u>	<u><u>\$ 424,306</u></u>	<u><u>\$ 434,361</u></u>	<u><u>\$ 10,055</u></u>	<u><u>\$ 424,306</u></u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2006 Capital Projects
Comparative Balance Sheet
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash and Investments	\$ 347,775	\$ 339,442
Receivables:		
Interest	1,472	1,829
<i>Total Assets</i>	<u>\$ 349,247</u>	<u>\$ 341,271</u>
LIABILITIES AND FUND BALANCE:		
Fund Balances:		
Fund Balances Unreserved:		
Designated for Capital Outlays	\$ 349,247	\$ 341,271
Total Fund Balance	<u>349,247</u>	<u>341,271</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 349,247</u>	<u>\$ 341,271</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2006 Capital Projects
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 15,000	\$ 15,000	\$ 7,976	\$ (7,024)	\$ 12,597
<i>Total Revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>7,976</u>	<u>(7,024)</u>	<u>12,597</u>
EXPENDITURES:					
Administration	-	-	-	-	-
Design and Engineering	-	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	15,000	15,000	7,976	(7,024)	12,597
Fund Balances at Beginning of Year	<u>341,271</u>	<u>341,271</u>	<u>341,271</u>	<u>-</u>	<u>328,674</u>
Fund Balances at End of Year	<u>\$ 356,271</u>	<u>\$ 356,271</u>	<u>\$ 349,247</u>	<u>\$ (7,024)</u>	<u>\$ 341,271</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

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

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash and Investments	\$ 25,138,780	\$ 26,953,096
Receivables:		
Interest	106,392	145,269
<i>Total Assets</i>	<u><u>\$ 25,245,172</u></u>	<u><u>\$ 27,098,365</u></u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 227,416	\$ 4,205
Contracts and Retainage Payable	68,548	-
Total Liabilities	<u>295,964</u>	<u>4,205</u>
Fund Balances:		
Fund Balances Unreserved:		
Designated for Capital Outlays	24,949,208	27,094,160
Total Fund Balance	<u>24,949,208</u>	<u>27,094,160</u>
<i>Total Liabilities and Fund Balance</i>	<u><u>\$ 25,245,172</u></u>	<u><u>\$ 27,098,365</u></u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

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

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 500,000	\$ 500,000	\$ 621,453	\$ 121,453	\$ 211,992
Other	-	-	2,700	2,700	-
<i>Total Revenues</i>	<u>500,000</u>	<u>500,000</u>	<u>624,153</u>	<u>124,153</u>	<u>211,992</u>
EXPENDITURES:					
Administration:					
Salaries and Fringe Benefits	50,000	50,000	87	49,913	621
Supplies	-	-	1,698	(1,698)	-
Design and Engineering:					
Engineering & Contractual Services	1,200,000	1,200,000	1,197,526	2,474	466,744
Construction and Equipment	15,250,000	15,250,000	1,569,794	13,680,206	872,467
<i>Total Expenditures</i>	<u>16,500,000</u>	<u>16,500,000</u>	<u>2,769,105</u>	<u>13,730,895</u>	<u>1,339,832</u>
Excess/(Deficiency) of Revenues over Expenditures	(16,000,000)	(16,000,000)	(2,144,952)	13,855,048	(1,127,840)
OTHER FINANCING SOURCES/(USES):					
Issuance of Debt	-	-	-	-	28,222,000
Net Change in Fund Balance	(16,000,000)	(16,000,000)	(2,144,952)	13,855,048	27,094,160
Fund Balances at Beginning of Year	<u>27,094,160</u>	<u>27,094,160</u>	<u>27,094,160</u>	-	-
Fund Balances at End of Year	<u>\$ 11,094,160</u>	<u>\$ 11,094,160</u>	<u>\$ 24,949,208</u>	<u>\$ 13,855,048</u>	<u>\$ 27,094,160</u>

NON-MAJOR GOVERNMENTAL FUNDS

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

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

The **Arbor Fund** is used to account for transactions related to the Town's Parks Foundation, a Texas non-profit corporation organized to promote the public park system and parks and recreation programs of the Town through donations and gifts from the public, as well as, recycling revenue recovered from the Town's businesses and residents. This fund represents a blended component unit of the Town.

Addison!

Town of Addison, Texas
Non-Major Governmental Funds

Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2009

	Municipal Court Fund	Public Safety	Arbor	Total Non-Major Governmental Funds
ASSETS:				
Cash and Investments	\$ 548,722	\$ 17,387	\$ -	\$ 566,109
Receivables:				
Interest	2,322	45	-	2,367
<i>Total Assets</i>	<u>\$ 551,044</u>	<u>\$ 17,432</u>	<u>\$ -</u>	<u>\$ 568,476</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 333,760	\$ -	\$ -	\$ 333,760
Deferred Revenue	-	859	-	859
<i>Total Liabilities</i>	<u>333,760</u>	<u>859</u>	<u>-</u>	<u>334,619</u>
Fund Balances:				
Fund Balances Reserved:				
Reserved for Court Technology	116,541	-	-	116,541
Reserved for Building Security	100,743	-	-	100,743
Fund Balances Unreserved:				
Unreserved - Undesignated	-	16,573	-	16,573
<i>Total Fund Balance</i>	<u>217,284</u>	<u>16,573</u>	<u>-</u>	<u>233,857</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 551,044</u>	<u>\$ 17,432</u>	<u>\$ -</u>	<u>\$ 568,476</u>

Town of Addison, Texas
Non-Major Governmental Funds

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2009

	Municipal Court Fund	Public Safety	Arbor	Total Non-Major Governmental Funds
REVENUES:				
Recycling Proceeds	\$ -	\$ -	\$ 18,570	\$ 18,570
Contributions	-	-	7,799	7,799
Court Awards	-	10,022	-	10,022
Building Security Fees	26,722	-	-	26,722
Court Technology Fees	32,423	-	-	32,423
Earnings on Investments and Other	12,934	1,022	4,436	18,392
<i>Total Revenues</i>	<u>72,079</u>	<u>11,044</u>	<u>30,805</u>	<u>113,928</u>
EXPENDITURES:				
Salaries and Fringe Benefits	9,000	-	-	9,000
Supplies	-	23,150	-	23,150
Maintenance and Materials	-	17,991	16,273	34,264
Contractual Services	-	-	500	500
Capital Outlay	33,573	-	-	33,573
<i>Total Expenditures</i>	<u>42,573</u>	<u>41,141</u>	<u>16,773</u>	<u>100,487</u>
Excess/(Deficiency) of Revenues over Expenditures	29,506	(30,097)	14,032	13,441
OTHER FINANCING SOURCES/(USES):				
Transfer to General Fund	-	-	(196,689)	(196,689)
Net Change in Fund Balance	29,506	(30,097)	(182,657)	(183,248)
Fund Balances at Beginning of Year	<u>187,778</u>	<u>46,670</u>	<u>182,657</u>	<u>417,105</u>
Fund Balances at End of Year	<u>\$ 217,284</u>	<u>\$ 16,573</u>	<u>\$ -</u>	<u>\$ 233,857</u>

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

Municipal Court Fund
Comparative Balance Sheet
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash and Investments	\$ 548,722	\$ 531,085
Receivables:		
Interest	2,322	2,863
<i>Total Assets</i>	<u>\$ 551,044</u>	<u>\$ 533,948</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 333,760	\$ 346,170
<i>Total Liabilities</i>	<u>333,760</u>	<u>346,170</u>
Fund Balances:		
Fund Balances Reserved:		
Reserved for Court Technology	116,541	99,884
Reserved for Building Security	100,743	87,894
<i>Total Fund Balance</i>	<u>217,284</u>	<u>187,778</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 551,044</u>	<u>\$ 533,948</u>

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

Municipal Court Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Building Security Fees	\$ 22,000	\$ 22,000	\$ 26,722	\$ 4,722	\$ 22,056
Court Technology Fees	25,000	25,000	32,423	7,423	25,002
Earnings on Investments and Other	14,000	14,000	12,934	(1,066)	15,991
<i>Total Revenues</i>	<u>61,000</u>	<u>61,000</u>	<u>72,079</u>	<u>11,079</u>	<u>63,049</u>
EXPENDITURES:					
Salaries and Fringe Benefits	9,000	9,000	9,000	-	8,990
Supplies	4,000	4,000	-	4,000	-
Contractual Services	2,000	2,000	-	2,000	1,309
Capital Outlay	104,500	104,500	33,573	70,927	21,113
<i>Total Expenditures</i>	<u>119,500</u>	<u>119,500</u>	<u>42,573</u>	<u>76,927</u>	<u>31,412</u>
Net Change in Fund Balance	(58,500)	(58,500)	29,506	88,006	31,637
Fund Balances at Beginning of Year	<u>187,778</u>	<u>187,778</u>	<u>187,778</u>	-	<u>156,141</u>
Fund Balances at End of Year	<u>\$ 129,278</u>	<u>\$ 129,278</u>	<u>\$ 217,284</u>	<u>\$ 88,006</u>	<u>\$ 187,778</u>

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

Public Safety Fund
Comparative Balance Sheet
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash and Investments	\$ 17,387	\$ 46,437
Receivables:		
Interest	45	233
<i>Total Assets</i>	<u>\$ 17,432</u>	<u>\$ 46,670</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Deferred Revenue	\$ 859	\$ -
Total Liabilities	<u>859</u>	<u>-</u>
Fund Balances:		
Fund Balances Unreserved:		
Unreserved - Undesignated	<u>16,573</u>	<u>46,670</u>
Total Fund Balance	<u>16,573</u>	<u>46,670</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 17,432</u>	<u>\$ 46,670</u>

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

Public Safety Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2009
With Comparative Actual Totals for 2008

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Court Awards	\$ 3,000	\$ 3,000	\$ 10,022	\$ 7,022	\$ 27,109
Earnings on Investments and Other	2,500	2,500	1,022	(1,478)	5,101
<i>Total Revenues</i>	<u>5,500</u>	<u>5,500</u>	<u>11,044</u>	<u>5,544</u>	<u>32,210</u>
EXPENDITURES:					
Supplies	25,000	25,000	23,150	1,850	1,124
Maintenance and Materials	-	-	17,991	(17,991)	-
Contractual Services	-	-	-	-	9,252
Capital Outlay	-	-	-	-	49,999
<i>Total Expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>41,141</u>	<u>(16,141)</u>	<u>60,375</u>
Net Change in Fund Balance	(19,500)	(19,500)	(30,097)	(10,597)	(28,165)
Fund Balances at Beginning of Year	<u>46,670</u>	<u>46,670</u>	<u>46,670</u>	<u>-</u>	<u>74,835</u>
Fund Balances at End of Year	<u>\$ 27,170</u>	<u>\$ 27,170</u>	<u>\$ 16,573</u>	<u>\$ (10,597)</u>	<u>\$ 46,670</u>

Town of Addison, Texas
Non-Major Governmental Funds - Arbor Fund

Arbor Fund
Comparative Balance Sheet
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash and Investments	\$ -	\$ 181,800
Receivables:		
Interest	-	980
<i>Total Assets</i>	<u>\$ -</u>	<u>\$ 182,780</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ 123
Total Liabilities	<u>-</u>	<u>123</u>
Fund Balances:		
Fund Balances Unreserved:		
Unreserved - Undesignated	-	182,657
Total Fund Balance	<u>-</u>	<u>182,657</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ -</u>	<u>\$ 182,780</u>

Town of Addison, Texas
Non-Major Governmental Funds - Arbor Fund

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

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Recycling Proceeds	\$ 30,000	\$ 30,000	\$ 18,570	\$ (11,430)	\$ 41,567
Contributions	6,000	6,000	7,799	1,799	6,798
Earnings on Investments	5,300	5,300	4,436	(864)	5,855
<i>Total Revenues</i>	<u>41,300</u>	<u>41,300</u>	<u>30,805</u>	<u>(10,495)</u>	<u>54,220</u>
EXPENDITURES:					
Maintenance and Materials	30,000	30,000	16,273	13,727	2,396
Contractual Services	-	-	500	(500)	122
<i>Total Expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>16,773</u>	<u>13,227</u>	<u>2,518</u>
Excess/(Deficiency) of Revenues over Expenditures	11,300	11,300	14,032	2,732	51,702
OTHER FINANCING SOURCES/(USES):					
Transfer to General Fund	-	-	(196,689)	(196,689)	-
Net Change in Fund Balance	11,300	11,300	(182,657)	(193,957)	51,702
Fund Balances at Beginning of Year	<u>182,657</u>	<u>182,657</u>	<u>182,657</u>	<u>-</u>	<u>130,955</u>
Fund Balances at End of Year	<u>\$ 193,957</u>	<u>\$ 193,957</u>	<u>\$ -</u>	<u>\$ (193,957)</u>	<u>\$ 182,657</u>

PROPRIETARY FUNDS

Enterprise Funds:

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

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

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

Internal Service Funds:

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

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

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

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Town of Addison, Texas
Proprietary Funds - Airport Fund

Airport Fund
Comparative Statement of Net Assets
September 30, 2009 and 2008

	2009	2008
ASSETS:		
Current Assets:		
Cash and Investments	\$ 1,837,488	\$ 1,568,637
Interest Receivable	7,745	8,694
Accounts Receivable	602,788	683,998
Total Current Assets	2,448,021	2,261,329
Non-Current Assets:		
Deferred Charges	27,896	30,220
Capital Assets:		
Land	8,911,357	8,911,357
Buildings	1,386,047	1,386,047
Improvements other than Buildings	21,969,418	21,413,293
Machinery and Equipment	1,206,929	1,215,464
Accumulated Depreciation	(14,139,050)	(13,160,426)
Total Capital Assets, Net of Accumulated Depreciation	19,334,701	19,765,735
Construction in Progress	1,197,185	752,301
Net Property, Plant, and Equipment	20,531,886	20,518,036
<i>Total Assets</i>	\$ 23,007,803	\$ 22,809,585
LIABILITIES:		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 832,887	\$ 873,125
Current Maturities of Certificates of Obligation	255,000	245,000
Accrued Interest Payable	17,311	18,382
Customer Deposits	163,819	164,808
Total Current Liabilities	1,269,017	1,301,315
Long-Term Debt, net of Current Portion:		
Certificates of Obligation Payable	3,225,000	3,480,000
<i>Total Liabilities</i>	4,494,017	4,781,315
NET ASSETS:		
Invested in Capital Assets, net of Related Debt	17,051,886	16,793,036
Unrestricted	1,461,900	1,235,234
<i>Total Net Assets</i>	\$ 18,513,786	\$ 18,028,270

Town of Addison, Texas
Proprietary Funds - Airport Fund

Airport Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year Ended September 30, 2009 and 2008

	2009	2008
OPERATING REVENUES:		
Fuel Flowage Fees	\$ 627,559	\$ 784,783
Customs Agent Fees	40,881	40,204
Rental Charges	3,282,117	3,226,103
Other Income	38,747	10,257
<i>Total Operating Revenues</i>	3,989,304	4,061,347
OPERATING EXPENSES:		
Salaries and Fringe Benefits	269,626	272,194
Supplies	14,271	19,634
Maintenance and Materials	1,445,942	1,428,314
Contractual Services	1,406,563	1,441,906
<i>Total Operating Expenses (Excluding Depreciation)</i>	3,136,402	3,162,048
Depreciation	1,009,125	884,039
<i>Total Operating Expenses</i>	4,145,527	4,046,087
OPERATING INCOME/(LOSS)	(156,223)	15,260
NON-OPERATING REVENUES/(EXPENSES):		
Investment Income	42,929	81,938
Intergovernmental - Aviation Capital Grants	60,355	48,873
Sale of Assets	6,596	-
Interest Expense	(142,001)	(150,444)
Amortization Expense	(2,324)	(2,324)
<i>Total Non-Operating Revenues/(Expenses)</i>	(34,445)	(21,957)
NET INCOME/(LOSS)	(190,668)	(6,697)
Capital Contributions	676,184	-
CHANGE IN NET ASSETS	485,516	(6,697)
Net Assets at Beginning of Year	18,028,270	18,034,967
Net Assets at End of Year	\$ 18,513,786	\$ 18,028,270

Town of Addison, Texas
Proprietary Funds - Airport Fund

Airport Fund
Comparative Statement of Cash Flows
Year Ended September 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 4,069,525	\$ 3,722,904
Payments to Suppliers	(2,907,014)	(2,686,678)
Payments to Employees for Services	(269,626)	(272,194)
<i>Net Cash Provided by Operating Activities</i>	892,885	764,032
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(346,791)	(1,368,155)
Principal Paid on Certificates of Obligation	(245,000)	(235,000)
Interest Paid on Certificates of Obligation	(143,072)	(151,472)
Intergovernmental - Aviation Capital Grants	60,355	48,873
Proceeds from Sale of Capital Assets	6,596	-
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(667,912)	(1,705,754)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Cash and Investments	43,878	86,483
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	268,851	(855,239)
Cash and Cash Investments, October 1	1,568,637	2,423,876
Cash and Cash Investments, September 30	\$ 1,837,488	\$ 1,568,637
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:		
Operating Income/(Loss)	\$ (156,223)	\$ 15,260
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided by Operating Activities:		
Depreciation	1,009,125	884,039
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	81,210	(333,592)
Increase/(Decrease) in Accounts Payable	(40,238)	203,176
Increase/(Decrease) in Customer Deposits	(989)	(4,851)
Net Cash Provided by Operating Activities	\$ 892,885	\$ 764,032
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital Contribution	676,184	-
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	676,184	-

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Town of Addison, Texas
Proprietary Funds - Utility Fund

Utility Fund
Comparative Statement of Net Assets
September 30, 2009 and 2008

	2009	2008
ASSETS:		
Current Assets:		
Cash and Investments	\$ 9,518,741	\$ 11,114,738
Interest Receivable	40,285	60,475
Accounts Receivable	1,424,854	1,588,483
Prepaid Items	8,054	28,040
Total Current Assets	10,991,934	12,791,736
Non-Current Assets:		
Deferred Charges	187,885	218,847
Capital Assets:		
Land	1,312,064	1,312,064
Buildings	1,728,905	1,728,905
Improvements other than Buildings	41,155,133	40,105,376
Machinery and Equipment	1,915,518	1,868,400
Accumulated Depreciation	(19,413,481)	(18,682,300)
Total Capital Assets, Net of Accumulated Depreciation	26,698,139	26,332,445
Construction in Progress	1,184,526	164,529
Net Property, Plant, and Equipment	27,882,665	26,496,974
Investment in Joint Venture	7,347,261	7,398,668
<i>Total Assets</i>	\$ 46,409,745	\$ 46,906,225
LIABILITIES:		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 580,427	\$ 792,783
Current Maturities of General Obligation Bonds and Certificates of Obligation	2,182,932	2,087,042
Accrued Interest Payable	84,380	175,843
Customer Deposits	673,628	652,495
Total Current Liabilities	3,521,367	3,708,163
Long-Term Debt, net of Current Portion:		
General Obligation Bonds & Certificates of Obligation Payable	13,879,355	16,062,597
<i>Total Liabilities</i>	17,400,722	19,770,760
NET ASSETS:		
Invested in Capital Assets, net of Related Debt	19,167,639	15,746,003
Unrestricted	9,841,384	11,389,462
<i>Total Net Assets</i>	\$ 29,009,023	\$ 27,135,465

Town of Addison, Texas
Proprietary Funds - Utility Fund

Utility Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year Ended September 30, 2009 and 2008

	2009	2008
OPERATING REVENUES:		
Water	\$ 4,972,519	\$ 4,618,862
Sewer	4,108,426	4,193,659
Penalties	83,636	70,235
Water and Sewer Taps	24,210	20,750
<i>Total Operating Revenues</i>	9,188,791	8,903,506
OPERATING EXPENSES:		
Salaries and Fringe Benefits	1,235,913	1,255,513
Supplies	113,244	114,937
Maintenance and Materials	539,808	502,600
Contractual Services	594,241	671,336
Water Purchases	2,555,204	2,408,778
Wastewater Purchases	1,933,859	1,832,671
<i>Total Operating Expenses (Excluding Depreciation)</i>	6,972,269	6,785,835
Depreciation	731,181	1,217,055
<i>Total Operating Expenses</i>	7,703,450	8,002,890
OPERATING INCOME/(LOSS)	1,485,341	900,616
NON-OPERATING REVENUES/(EXPENSES):		
Investment Income	171,563	178,595
Rental Income	2,552	4,883
Gain/(Loss) of the Joint Venture	(51,407)	(116,888)
Interest Expense	(702,828)	(583,343)
Amortization Expense	(80,712)	(79,507)
Fiscal Fees	(779)	(1,089)
Other Income/(Expense)	70	12,469
<i>Total Non-Operating Revenues/(Expenses)</i>	(661,541)	(584,880)
NET INCOME/(LOSS)	823,800	315,736
Capital Contributions	1,049,758	252,803
CHANGE IN NET ASSETS	1,873,558	568,539
Net Assets at Beginning of Year	27,135,465	26,566,926
Net Assets at End of Year	\$ 29,009,023	\$ 27,135,465

Town of Addison, Texas
Proprietary Funds - Utility Fund

Utility Fund
Comparative Statement of Cash Flows
Year Ended September 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 9,373,553	\$ 8,813,168
Payments to Suppliers	(5,928,726)	(5,403,042)
Payments to Employees for Services	(1,235,913)	(1,255,513)
<i>Net Cash Provided by Operating Activities</i>	2,208,914	2,154,613
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(1,067,114)	(271,679)
Bond Proceeds	-	6,278,000
Principal Paid on Certificates of Obligation and General Obligation Bonds	(2,087,354)	(1,991,182)
Interest Paid on Certificates of Obligation and General Obligation Bonds	(844,039)	(550,283)
Fiscal Fees Related to Outstanding Debt	(709)	11,380
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(3,999,216)	3,476,236
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Cash and Investments	191,753	147,686
Cash Received from Equipment Rental	2,552	4,883
<i>Net Cash Provided by Investing Activities</i>	194,305	152,569
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	(1,595,997)	5,783,418
Cash and Cash Investments, October 1	11,114,738	5,331,320
Cash and Cash Investments, September 30	\$ 9,518,741	\$ 11,114,738
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:		
Operating Income/(Loss)	\$ 1,485,341	\$ 900,616
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided by Operating Activities:		
Depreciation	731,181	1,217,055
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	163,629	(116,577)
(Increase)/Decrease in Prepaid Items	19,986	61,526
Increase/(Decrease) in Accounts Payable	(212,356)	26,239
Increase/(Decrease) in Customer Deposits	21,133	65,754
<i>Net Cash Provided by Operating Activities</i>	\$ 2,208,914	\$ 2,154,613
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital Contribution	1,049,758	252,803
Gain/(Loss) of Joint Venture	(51,407)	(116,888)
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	998,351	135,915

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Town of Addison, Texas
Proprietary Funds - Internal Service Funds

Internal Service Funds
Combining Statement of Net Assets
September 30, 2009

	<u>Capital Replacement</u>	<u>Information Technology Replacement</u>	<u>Total Internal Service Funds</u>
ASSETS:			
Current Assets:			
Cash and Investments	\$ 3,814,436	\$ 2,145,740	\$ 5,960,176
Interest Receivable	16,135	9,081	25,216
Total Current Assets	<u>3,830,571</u>	<u>2,154,821</u>	<u>5,985,392</u>
Non-Current Assets:			
Capital Assets:			
Machinery and Equipment	6,523,129	9,080,552	15,603,681
Accumulated Depreciation	<u>(4,012,352)</u>	<u>(7,990,610)</u>	<u>(12,002,962)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>2,510,777</u>	<u>1,089,942</u>	<u>3,600,719</u>
<i>Total Assets</i>	<u>\$ 6,341,348</u>	<u>\$ 3,244,763</u>	<u>\$ 9,586,111</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ -	\$ 6,250	\$ 6,250
<i>Total Liabilities</i>	<u>-</u>	<u>6,250</u>	<u>6,250</u>
NET ASSETS:			
Invested in Capital Assets, net of Related Debt	2,510,777	1,089,942	3,600,719
Unrestricted	<u>3,830,571</u>	<u>2,148,571</u>	<u>5,979,142</u>
Total Net Assets	<u>\$ 6,341,348</u>	<u>\$ 3,238,513</u>	<u>\$ 9,579,861</u>

Town of Addison, Texas
Proprietary Funds - Internal Service Funds

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year Ended September 30, 2009

	Capital Replacement	Information Technology Replacement	Total Internal Service Funds
OPERATING REVENUES:			
Department Contributions	\$ 502,700	\$ 435,070	\$ 937,770
<i>Total Operating Revenues</i>	<u>502,700</u>	<u>435,070</u>	<u>937,770</u>
OPERATING EXPENSES:			
Contractual Services	2,677	2,677	5,354
Depreciation	719,899	231,533	951,432
<i>Total Operating Expenses</i>	<u>722,576</u>	<u>234,210</u>	<u>956,786</u>
OPERATING INCOME/(LOSS)	(219,876)	200,860	(19,016)
NON-OPERATING REVENUES/(EXPENSES):			
Investment Income	84,667	64,260	148,927
Sale of Assets	84,381	-	84,381
Other Income/(Expense)	-	(26,428)	(26,428)
<i>Total Non-Operating Revenues/(Expenses)</i>	<u>169,048</u>	<u>37,832</u>	<u>206,880</u>
NET INCOME/(LOSS)	(50,828)	238,692	187,864
Transfer from General Fund	38,878	-	38,878
Transfer from Hotel Fund	14,769	29,392	44,161
CHANGE IN NET ASSETS	2,819	268,084	270,903
Net Assets at Beginning of Year	<u>6,338,529</u>	<u>2,970,429</u>	<u>9,308,958</u>
Net Assets at End of Year	<u>\$ 6,341,348</u>	<u>\$ 3,238,513</u>	<u>\$ 9,579,861</u>

Town of Addison, Texas
Proprietary Funds - Internal Service Funds

Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2009

	Capital Replacement	Information Technology Replacement	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Department Contributions	\$ 502,700	\$ 435,070	\$ 937,770
Payments to Suppliers	(2,677)	3,573	896
<i>Net Cash Provided by Operating Activities</i>	<u>500,023</u>	<u>438,643</u>	<u>938,666</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets	(222,636)	(1,144,797)	(1,367,433)
Proceeds from Sale of Capital Assets	84,381	-	84,381
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>(138,255)</u>	<u>(1,144,797)</u>	<u>(1,283,052)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on Cash and Investments	86,674	70,172	156,846
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	448,442	(635,982)	(187,540)
Cash and Cash Investments, October 1	3,365,994	2,781,722	6,147,716
Cash and Cash Investments, September 30	<u>\$ 3,814,436</u>	<u>\$ 2,145,740</u>	<u>\$ 5,960,176</u>
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ (219,876)	\$ 200,860	\$ (19,016)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided by Operating Activities:			
Depreciation	719,899	231,533	951,432
Change in Assets and Liabilities:			
Increase/(Decrease) in Accounts Payable	-	6,250	6,250
Net Cash Provided by Operating Activities	<u>\$ 500,023</u>	<u>\$ 438,643</u>	<u>\$ 938,666</u>

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Town of Addison, Texas
Proprietary Funds - Capital Replacement Fund

Capital Replacement Fund
Comparative Statement of Net Assets
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS:		
Current Assets:		
Cash and Investments	\$ 3,814,436	\$ 3,365,994
Interest Receivable	16,135	18,142
Total Current Assets	<u>3,830,571</u>	<u>3,384,136</u>
Non-Current Assets:		
Capital Assets:		
Machinery and Equipment	6,523,129	7,425,587
Accumulated Depreciation	<u>(4,012,352)</u>	<u>(4,471,194)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>2,510,777</u>	<u>2,954,393</u>
<i>Total Assets</i>	<u>\$ 6,341,348</u>	<u>\$ 6,338,529</u>
LIABILITIES:		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ -
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>
NET ASSETS:		
Invested in Capital Assets, net of Related Debt	2,510,777	2,954,393
Unrestricted	<u>3,830,571</u>	<u>3,384,136</u>
<i>Total Net Assets</i>	<u>\$ 6,341,348</u>	<u>\$ 6,338,529</u>

Town of Addison, Texas
Proprietary Funds - Capital Replacement Fund

Capital Replacement Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year Ended September 30, 2009 and 2008

	2009	2008
OPERATING REVENUES:		
Department Contributions	\$ 502,700	\$ 722,295
<i>Total Operating Revenues</i>	502,700	722,295
OPERATING EXPENSES:		
Contractual Services	2,677	1,887
Depreciation	719,899	495,857
<i>Total Operating Expenses</i>	722,576	497,744
OPERATING INCOME/(LOSS)	(219,876)	224,551
NON-OPERATING REVENUES/(EXPENSES):		
Investment Income	84,667	119,911
Sale of Assets	84,381	55,761
Other Income/(Expense)	-	(30,175)
<i>Total Non-Operating Revenues/(Expenses)</i>	169,048	145,497
NET INCOME/(LOSS)	(50,828)	370,048
Transfer from General Fund	38,878	-
Transfer from Hotel Fund	14,769	-
CHANGE IN NET ASSETS	2,819	370,048
Net Assets at Beginning of Year	6,338,529	5,968,481
Net Assets at End of Year	\$ 6,341,348	\$ 6,338,529

Town of Addison, Texas
Proprietary Funds - Capital Replacement Fund

Capital Replacement Fund
Comparative Statement of Cash Flows
Year Ended September 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Department Contributions	\$ 502,700	\$ 722,295
Payments to Suppliers	(2,677)	(22,236)
<i>Net Cash Provided by Operating Activities</i>	500,023	700,059
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(222,636)	(492,315)
Proceeds from Sale of Capital Assets	84,381	55,761
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(138,255)	(436,554)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Cash and Investments	86,674	118,033
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	448,442	381,538
Cash and Cash Investments, October 1	3,365,994	2,984,456
Cash and Cash Investments, September 30	\$ 3,814,436	\$ 3,365,994
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:		
Operating Income/(Loss)	\$ (219,876)	\$ 224,551
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided by Operating Activities:		
Depreciation	719,899	495,857
Change in Assets and Liabilities:		
Increase/(Decrease) in Accounts Payable	-	(20,349)
Net Cash Provided by Operating Activities	\$ 500,023	\$ 700,059

Addison!®

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

Information Technology Replacement Fund
Comparative Statement of Net Assets
September 30, 2009 and 2008

	2009	2008
ASSETS:		
Current Assets:		
Cash and Investments	\$ 2,145,740	\$ 2,781,722
Interest Receivable	9,081	14,993
Total Current Assets	2,154,821	2,796,715
Non-Current Assets:		
Capital Assets:		
Machinery and Equipment	9,080,552	7,932,791
Accumulated Depreciation	(7,990,610)	(7,759,077)
Total Capital Assets, Net of Accumulated Depreciation	1,089,942	173,714
<i>Total Assets</i>	\$ 3,244,763	\$ 2,970,429
LIABILITIES:		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 6,250	\$ -
<i>Total Liabilities</i>	6,250	-
NET ASSETS:		
Invested in Capital Assets, net of Related Debt	1,089,942	173,714
Unrestricted	2,148,571	2,796,715
<i>Total Net Assets</i>	\$ 3,238,513	\$ 2,970,429

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

Information Technology Replacement Fund
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year Ended September 30, 2009 and 2008

	2009	2008
OPERATING REVENUES:		
Department Contributions	\$ 435,070	\$ 435,070
<i>Total Operating Revenues</i>	435,070	435,070
OPERATING EXPENSES:		
Maintenance and Materials	-	950
Contractual Services	2,677	1,887
Depreciation	231,533	183,510
<i>Total Operating Expenses</i>	234,210	186,347
OPERATING INCOME/(LOSS)	200,860	248,723
NON-OPERATING REVENUES/(EXPENSES):		
Investment Income	64,260	93,170
Sale of Assets	-	899
Other Income/(Expense)	(26,428)	(62,065)
<i>Total Non-Operating Revenues/(Expenses)</i>	37,832	32,004
NET INCOME/(LOSS)	238,692	280,727
Transfer from Hotel Fund	29,392	-
CHANGE IN NET ASSETS	268,084	280,727
Net Assets at Beginning of Year	2,970,429	2,689,702
Net Assets at End of Year	\$ 3,238,513	\$ 2,970,429

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

Information Technology Replacement Fund
Comparative Statement of Cash Flows
Year Ended September 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Department Contributions	\$ 435,070	\$ 435,070
Payments to Suppliers	3,573	(29,730)
<i>Net Cash Provided by Operating Activities</i>	438,643	405,340
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(1,144,797)	(80,215)
Proceeds from Sale of Capital Assets	-	899
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(1,144,797)	(79,316)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Cash and Investments	70,172	91,063
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	(635,982)	417,087
Cash and Cash Investments, October 1	2,781,722	2,364,635
Cash and Cash Investments, September 30	\$ 2,145,740	\$ 2,781,722
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:		
Operating Income/(Loss)	\$ 200,860	\$ 248,723
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided by Operating Activities:		
Depreciation	231,533	183,510
Change in Assets and Liabilities:		
(Increase)/Decrease Inventory	-	950
Increase/(Decrease) in Accounts Payable	6,250	(27,843)
Net Cash Provided by Operating Activities	\$ 438,643	\$ 405,340

Addison!®

Capital Assets Used in Operations of Governmental Funds

Addison!®

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

**COMPARATIVE SCHEDULE OF CAPITAL ASSETS
BY SOURCE**

September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
GENERAL CAPITAL ASSETS:		
Property and Equipment in Service:		
Land	\$ 65,024,009	\$ 65,024,009
Buildings	21,409,464	21,409,464
Improvements Other Than Buildings	126,177,539	124,993,008
Equipment	<u>2,269,014</u>	<u>2,204,320</u>
<i>Total Property and Equipment in Service</i>	214,880,026	213,630,801
Construction in Progress	<u>6,833,638</u>	<u>1,241,853</u>
 <i>Total Capital Assets</i>	 <u><u>\$ 221,713,664</u></u>	 <u><u>\$ 214,872,654</u></u>
INVESTMENT IN GENERAL CAPITAL ASSETS BY SOURCE:		
Capital Projects Funds:		
General Obligation Bonds	\$ 88,732,692	\$ 86,401,041
Certificates of Obligation Bonds	15,782,949	13,126,996
Revenue Bonds	5,165,573	5,165,573
DART Grant	14,996,322	14,996,322
State Grant	530,821	530,821
Contributions by Developers	60,628,590	58,839,880
Property Owners' Participation	1,026,857	1,026,857
Other Governments	1,138,021	1,138,021
General Fund:		
Revenues	20,319,876	20,255,180
Special Revenue Funds	12,127,357	12,127,357
Debt Service Fund	30,893	30,893
Donations	<u>1,233,713</u>	<u>1,233,713</u>
 <i>Total Investment in General Capital Assets</i>	 <u><u>\$ 221,713,664</u></u>	 <u><u>\$ 214,872,654</u></u>

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

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

SCHEDULE OF CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
September 30, 2009

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Equipment	Total
GENERAL GOVERNMENT:					
City Manager	\$ 881,309	\$ 441,699	\$ 16,705	\$ 10,080	\$ 1,349,793
Financial & Strategic Services	663,561	653,868	-	58,435	1,375,864
General Services	-	829,974	5,499	151,226	986,699
Municipal Court	-	-	-	81,694	81,694
Human Resources	-	202,433	5,499	9,887	217,819
City Council Special Projects	-	-	-	1,623	1,623
<i>Total General Government</i>	<u>1,544,870</u>	<u>2,127,974</u>	<u>27,703</u>	<u>312,945</u>	<u>4,013,492</u>
PUBLIC SAFETY:					
Police	-	2,239,994	76,209	608,379	2,924,582
Fire	-	2,341,735	74,476	276,599	2,692,810
<i>Total Public Safety</i>	<u>-</u>	<u>4,581,729</u>	<u>150,685</u>	<u>884,978</u>	<u>5,617,392</u>
URBAN DEVELOPMENT	<u>-</u>	<u>161,946</u>	<u>10,998</u>	<u>10,212</u>	<u>183,156</u>
STREETS	<u>52,946,322</u>	<u>302,616</u>	<u>102,526,675</u>	<u>95,899</u>	<u>155,871,512</u>
PARKS AND RECREATION:					
Parks	3,971,374	531,800	13,715,636	119,558	18,338,368
Recreation	-	8,015,919	1,106,378	90,016	9,212,313
<i>Total Parks and Recreation</i>	<u>3,971,374</u>	<u>8,547,719</u>	<u>14,822,014</u>	<u>209,574</u>	<u>27,550,681</u>
VISITOR SERVICES:					
Visitor Services	-	179,388	12,928	34,037	226,353
Conference Centre/Theatre	2,680,636	5,508,092	8,626,536	714,225	17,529,489
Special Events	3,880,807	-	-	7,144	3,887,951
<i>Total Visitor Services</i>	<u>6,561,443</u>	<u>5,687,480</u>	<u>8,639,464</u>	<u>755,406</u>	<u>21,643,793</u>
<i>Balance at End of Year</i>	<u>\$ 65,024,009</u>	<u>\$ 21,409,464</u>	<u>\$ 126,177,539</u>	<u>\$ 2,269,014</u>	<u>\$ 214,880,026</u>
Construction in Progress					<u>6,833,638</u>
<i>Total General Capital Assets</i>					<u><u>\$ 221,713,664</u></u>

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

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

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

For the fiscal year ended September 30, 2009

Function and Activity	Balance 9/30/2008	Additions	Deletions	Transfers	Balance 9/30/2009
GENERAL GOVERNMENT:					
City Manager	\$ 1,349,793	\$ -	\$ -	\$ -	\$ 1,349,793
Financial & Strategic Services	1,375,864	-	-	-	1,375,864
General Services	968,198	18,501	-	-	986,699
Municipal Court	81,694	-	-	-	81,694
Human Resources	217,819	-	-	-	217,819
City Council Special Projects	1,623	-	-	-	1,623
<i>Total General Government</i>	<u>3,994,991</u>	<u>18,501</u>	<u>-</u>	<u>-</u>	<u>4,013,492</u>
PUBLIC SAFETY:					
Police	2,912,834	11,748	-	-	2,924,582
Fire	2,667,749	25,061	-	-	2,692,810
<i>Total Public Safety</i>	<u>5,580,583</u>	<u>36,809</u>	<u>-</u>	<u>-</u>	<u>5,617,392</u>
URBAN DEVELOPMENT					
	<u>183,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,156</u>
STREETS					
	<u>155,253,385</u>	<u>113,963</u>	<u>-</u>	<u>504,164</u>	<u>155,871,512</u>
PARKS AND RECREATION:					
Parks	17,771,964	-	-	566,404	18,338,368
Recreation	9,202,929	9,384	-	-	9,212,313
<i>Total Parks and Recreation</i>	<u>26,974,893</u>	<u>9,384</u>	<u>-</u>	<u>566,404</u>	<u>27,550,681</u>
VISITOR SERVICES:					
Visitor Services	226,353	-	-	-	226,353
Conference Centre/Theatre	17,529,489	-	-	-	17,529,489
Special Events	3,887,951	-	-	-	3,887,951
<i>Total Visitor Services</i>	<u>21,643,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,643,793</u>
<i>Total General Capital Assets</i>					
<i>Allocated by Function</i>	<u>213,630,801</u>	<u>178,657</u>	<u>-</u>	<u>1,070,568</u>	<u>214,880,026</u>
Construction in Progress	<u>1,241,853</u>	<u>6,662,353</u>	<u>-</u>	<u>(1,070,568)</u>	<u>6,833,638</u>
<i>Total General Capital Assets</i>	<u>\$ 214,872,654</u>	<u>\$ 6,841,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,713,664</u>

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

Addison!®

Long-Term Debt Schedules

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Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

GENERAL OBLIGATION BONDS
SERIES 2000
BONDS OUTSTANDING: \$730,000.00

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2010	\$ 730,000.00	\$ 20,075.00	\$ 750,075.00	
August	2010	-	-	-	750,075.00
<i>Total</i>		<u>\$ 730,000.00</u>	<u>\$ 20,075.00</u>	<u>\$ 750,075.00</u>	<u>\$ 750,075.00</u>

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

GENERAL OBLIGATION REFUNDING BONDS
SERIES 2001
BONDS OUTSTANDING: \$7,630,000.00

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2010	\$ 3,420,000.00	\$ 169,105.00	\$ 3,589,105.00	
August	2010	-	100,705.00	100,705.00	3,689,810.00
February	2011 *	2,910,000.00	100,705.00	3,010,705.00	
August	2011	-	27,955.00	27,955.00	3,038,660.00
February	2012	640,000.00	27,955.00	667,955.00	
August	2012	-	14,355.00	14,355.00	682,310.00
February	2013	660,000.00	14,355.00	674,355.00	
August	2013	-	-	-	674,355.00
<i>Total</i>		<u>\$ 7,630,000.00</u>	<u>\$ 455,135.00</u>	<u>\$ 8,085,135.00</u>	<u>\$ 8,085,135.00</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

GENERAL OBLIGATION REFUNDING BONDS
SERIES 2001
EXCLUDING WATER AND SEWER PORTION
BONDS OUTSTANDING: \$3,135,000.00

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2010	\$ 1,230,000.00	\$ 67,680.00	\$ 1,297,680.00	
August	2010	-	43,080.00	43,080.00	1,340,760.00
February	2011 *	605,000.00	43,080.00	648,080.00	
August	2011	-	27,955.00	27,955.00	676,035.00
February	2012	640,000.00	27,955.00	667,955.00	
August	2012	-	14,355.00	14,355.00	682,310.00
February	2013	660,000.00	14,355.00	674,355.00	
August	2013	-	-	-	674,355.00
<i>Total</i>		<u>\$ 3,135,000.00</u>	<u>\$ 238,460.00</u>	<u>\$ 3,373,460.00</u>	<u>\$ 3,373,460.00</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS
SERIES 2002
BONDS OUTSTANDING: \$14,400,000.00

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2010	\$ 975,000.00	\$ 281,587.51	\$ 1,256,587.51	
August	2010	-	265,743.76	265,743.76	1,522,331.27
February	2011	1,190,000.00	265,743.76	1,455,743.76	
August	2011	-	245,662.51	245,662.51	1,701,406.27
February	2012	3,635,000.00	245,662.51	3,880,662.51	
August	2012 *	-	182,050.01	182,050.01	4,062,712.52
February	2013	3,770,000.00	182,050.01	3,952,050.01	
August	2013	-	113,718.75	113,718.75	4,065,768.76
February	2014	1,125,000.00	113,718.75	1,238,718.75	
August	2014	-	92,625.00	92,625.00	1,331,343.75
February	2015	1,175,000.00	92,625.00	1,267,625.00	
August	2015	-	63,250.00	63,250.00	1,330,875.00
February	2016	1,235,000.00	63,250.00	1,298,250.00	
August	2016	-	32,375.00	32,375.00	1,330,625.00
February	2017	1,295,000.00	32,375.00	1,327,375.00	
August	2017	-	-	-	1,327,375.00
<i>Total</i>		<u>\$ 14,400,000.00</u>	<u>\$ 2,272,437.57</u>	<u>\$ 16,672,437.57</u>	<u>\$ 16,672,437.57</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS
SERIES 2002
EXCLUDING WATER AND SEWER PORTION
BONDS OUTSTANDING: \$8,945,000.00

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2010	\$ 975,000.00	\$ 184,559.38	\$ 1,159,559.38	
August	2010	-	168,715.63	168,715.63	1,328,275.01
February	2011	1,010,000.00	168,715.63	1,178,715.63	
August	2011	-	151,671.88	151,671.88	1,330,387.51
February	2012	1,045,000.00	151,671.88	1,196,671.88	
August	2012 *	-	133,384.38	133,384.38	1,330,056.26
February	2013	1,085,000.00	133,384.38	1,218,384.38	
August	2013	-	113,718.75	113,718.75	1,332,103.13
February	2014	1,125,000.00	113,718.75	1,238,718.75	
August	2014	-	92,625.00	92,625.00	1,331,343.75
February	2015	1,175,000.00	92,625.00	1,267,625.00	
August	2015	-	63,250.00	63,250.00	1,330,875.00
February	2016	1,235,000.00	63,250.00	1,298,250.00	
August	2016	-	32,375.00	32,375.00	1,330,625.00
February	2017	1,295,000.00	32,375.00	1,327,375.00	
August	2017	-	-	-	1,327,375.00
<i>Total</i>		<u>\$ 8,945,000.00</u>	<u>\$ 1,696,040.66</u>	<u>\$ 10,641,040.66</u>	<u>\$ 10,641,040.66</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SUPPORTED BY HOTEL FUND
SERIES 2003
BONDS OUTSTANDING: \$5,590,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2010	\$ 535,000.00	\$ 94,531.25	\$ 629,531.25	
August	2010	-	86,506.25	86,506.25	716,037.50
February	2011	555,000.00	86,506.25	641,506.25	
August	2011	-	78,181.25	78,181.25	719,687.50
February	2012	575,000.00	78,181.25	653,181.25	
August	2012	-	68,837.50	68,837.50	722,018.75
February	2013	595,000.00	68,837.50	663,837.50	
August	2013	-	58,425.00	58,425.00	722,262.50
February	2014 *	620,000.00	58,425.00	678,425.00	
August	2014	-	48,350.00	48,350.00	726,775.00
February	2015	640,000.00	48,350.00	688,350.00	
August	2015	-	37,550.00	37,550.00	725,900.00
February	2016	665,000.00	37,550.00	702,550.00	
August	2016	-	25,912.50	25,912.50	728,462.50
February	2017	690,000.00	25,912.50	715,912.50	
August	2017	-	13,406.25	13,406.25	729,318.75
February	2018	715,000.00	13,406.25	728,406.25	
August	2018	-	-	-	728,406.25
<i>Total</i>		<u>\$ 5,590,000.00</u>	<u>\$ 928,868.75</u>	<u>\$ 6,518,868.75</u>	<u>\$ 6,518,868.75</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

GENERAL OBLIGATION BONDS
SERIES 2004
BONDS OUTSTANDING: \$7,915,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2010	\$ 640,000.00	\$ 158,318.75	\$ 798,318.75	
August	2010	-	147,118.75	147,118.75	945,437.50
February	2011	670,000.00	147,118.75	817,118.75	
August	2011	-	135,393.75	135,393.75	952,512.50
February	2012	700,000.00	135,393.75	835,393.75	
August	2012	-	123,143.75	123,143.75	958,537.50
February	2013	730,000.00	123,143.75	853,143.75	
August	2013	-	109,456.25	109,456.25	962,600.00
February	2014	765,000.00	109,456.25	874,456.25	
August	2014	-	95,112.50	95,112.50	969,568.75
February	2015 *	805,000.00	95,112.50	900,112.50	
August	2015	-	79,012.50	79,012.50	979,125.00
February	2016	840,000.00	79,012.50	919,012.50	
August	2016	-	62,212.50	62,212.50	981,225.00
February	2017	880,000.00	62,212.50	942,212.50	
August	2017	-	42,412.50	42,412.50	984,625.00
February	2018	920,000.00	42,412.50	962,412.50	
August	2018	-	21,712.50	21,712.50	984,125.00
February	2019	965,000.00	21,712.50	986,712.50	
August	2019	-	-	-	986,712.50
Total		\$ 7,915,000.00	\$ 1,789,468.75	\$ 9,704,468.75	\$ 9,704,468.75

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS
SERIES 2005
BONDS OUTSTANDING: \$5,770,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2010	\$ 145,000.00	\$ 107,937.50	\$ 252,937.50	
August	2010	-	105,400.00	105,400.00	358,337.50
February	2011	915,000.00	105,400.00	1,020,400.00	
August	2011	-	89,387.50	89,387.50	1,109,787.50
February	2012	945,000.00	89,387.50	1,034,387.50	
August	2012	-	72,850.00	72,850.00	1,107,237.50
February	2013 *	980,000.00	72,850.00	1,052,850.00	
August	2013	-	55,700.00	55,700.00	1,108,550.00
February	2014	1,020,000.00	55,700.00	1,075,700.00	
August	2014	-	35,300.00	35,300.00	1,111,000.00
February	2015	1,060,000.00	35,300.00	1,095,300.00	
August	2015	-	14,100.00	14,100.00	1,109,400.00
February	2016	105,000.00	14,100.00	119,100.00	
August	2016	-	12,000.00	12,000.00	131,100.00
February	2017	110,000.00	12,000.00	122,000.00	
August	2017	-	9,800.00	9,800.00	131,800.00
February	2018	115,000.00	9,800.00	124,800.00	
August	2018	-	7,500.00	7,500.00	132,300.00
February	2019	120,000.00	7,500.00	127,500.00	
August	2019	-	5,100.00	5,100.00	132,600.00
February	2020	125,000.00	5,100.00	130,100.00	
August	2020	-	2,600.00	2,600.00	132,700.00
February	2021	130,000.00	2,600.00	132,600.00	
August	2021	-	-	-	132,600.00
Total		\$ 5,770,000.00	\$ 927,412.50	\$ 6,697,412.50	\$ 6,697,412.50

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2008
BONDS OUTSTANDING: \$34,445,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2010	\$ 140,000.00	\$ 764,100.00	\$ 904,100.00	
August	2010	-	761,300.00	761,300.00	1,665,400.00
February	2011	145,000.00	761,300.00	906,300.00	
August	2011	-	758,400.00	758,400.00	1,664,700.00
February	2012	780,000.00	758,400.00	1,538,400.00	
August	2012	-	742,800.00	742,800.00	2,281,200.00
February	2013	820,000.00	742,800.00	1,562,800.00	
August	2013	-	726,400.00	726,400.00	2,289,200.00
February	2014	1,095,000.00	726,400.00	1,821,400.00	
August	2014	-	704,500.00	704,500.00	2,525,900.00
February	2015	1,150,000.00	704,500.00	1,854,500.00	
August	2015	-	681,500.00	681,500.00	2,536,000.00
February	2016	1,205,000.00	681,500.00	1,886,500.00	
August	2016	-	657,400.00	657,400.00	2,543,900.00
February	2017	1,255,000.00	657,400.00	1,912,400.00	
August	2017	-	626,025.00	626,025.00	2,538,425.00
February	2018	* 1,315,000.00	626,025.00	1,941,025.00	
August	2018	-	599,725.00	599,725.00	2,540,750.00
February	2019	1,380,000.00	599,725.00	1,979,725.00	
August	2019	-	572,125.00	572,125.00	2,551,850.00
February	2020	1,445,000.00	572,125.00	2,017,125.00	
August	2020	-	543,225.00	543,225.00	2,560,350.00
February	2021	1,510,000.00	543,225.00	2,053,225.00	
August	2021	-	512,081.25	512,081.25	2,565,306.25
February	2022	1,585,000.00	512,081.25	2,097,081.25	
August	2022	-	478,400.00	478,400.00	2,575,481.25
February	2023	1,660,000.00	478,400.00	2,138,400.00	
August	2023	-	443,125.00	443,125.00	2,581,525.00
February	2024	1,735,000.00	443,125.00	2,178,125.00	
August	2024	-	399,750.00	399,750.00	2,577,875.00
February	2025	1,820,000.00	399,750.00	2,219,750.00	
August	2025	-	359,937.50	359,937.50	2,579,687.50
February	2026	1,905,000.00	359,937.50	2,264,937.50	
August	2026	-	317,075.00	317,075.00	2,582,012.50
February	2027	1,995,000.00	317,075.00	2,312,075.00	
August	2027	-	267,200.00	267,200.00	2,579,275.00
February	2028	2,090,000.00	267,200.00	2,357,200.00	
August	2028	-	220,175.00	220,175.00	2,577,375.00
February	2029	1,715,000.00	220,175.00	1,935,175.00	
August	2029	-	181,587.50	181,587.50	2,116,762.50
February	2030	1,795,000.00	181,587.50	1,976,587.50	
August	2030	-	140,078.13	140,078.13	2,116,665.63
February	2031	1,880,000.00	140,078.13	2,020,078.13	
August	2031	-	93,078.13	93,078.13	2,113,156.26
February	2032	1,965,000.00	93,078.13	2,058,078.13	
August	2032	-	47,637.50	47,637.50	2,105,715.63
February	2033	2,060,000.00	47,637.50	2,107,637.50	
August	2033	-	-	-	2,107,637.50
Total		\$ 34,445,000.00	\$ 22,431,150.02	\$ 56,876,150.02	\$ 56,876,150.02

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2008
EXCLUDING WATER AND SEWER PORTION
BONDS OUTSTANDING: \$28,176,900.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2010	\$ 114,520.00	\$ 625,033.80	\$ 739,553.80	
August	2010	-	622,743.40	622,743.40	1,362,297.20
February	2011	118,610.00	622,743.40	741,353.40	
August	2011	-	620,371.20	620,371.20	1,361,724.60
February	2012	638,040.00	620,371.20	1,258,411.20	
August	2012	-	607,610.40	607,610.40	1,866,021.60
February	2013	670,760.00	607,610.40	1,278,370.40	
August	2013	-	594,195.20	594,195.20	1,872,565.60
February	2014	895,710.00	594,195.20	1,489,905.20	
August	2014	-	576,281.00	576,281.00	2,066,186.20
February	2015	940,700.00	576,281.00	1,516,981.00	
August	2015	-	557,467.00	557,467.00	2,074,448.00
February	2016	985,690.00	557,467.00	1,543,157.00	
August	2016	-	537,753.20	537,753.20	2,080,910.20
February	2017	1,026,590.00	537,753.20	1,564,343.20	
August	2017	-	512,088.45	512,088.45	2,076,431.65
February	2018 *	1,075,670.00	512,088.45	1,587,758.45	
August	2018	-	490,575.05	490,575.05	2,078,333.50
February	2019	1,128,840.00	490,575.05	1,619,415.05	
August	2019	-	467,998.25	467,998.25	2,087,413.30
February	2020	1,182,010.00	467,998.25	1,650,008.25	
August	2020	-	444,358.05	444,358.05	2,094,366.30
February	2021	1,235,180.00	444,358.05	1,679,538.05	
August	2021	-	418,882.46	418,882.46	2,098,420.51
February	2022	1,296,530.00	418,882.46	1,715,412.46	
August	2022	-	391,331.20	391,331.20	2,106,743.66
February	2023	1,357,880.00	391,331.20	1,749,211.20	
August	2023	-	362,476.25	362,476.25	2,111,687.45
February	2024	1,419,230.00	362,476.25	1,781,706.25	
August	2024	-	326,995.50	326,995.50	2,108,701.75
February	2025	1,488,760.00	326,995.50	1,815,755.50	
August	2025	-	294,428.88	294,428.88	2,110,184.38
February	2026	1,558,290.00	294,428.88	1,852,718.88	
August	2026	-	259,367.35	259,367.35	2,112,086.23
February	2027	1,631,910.00	259,367.35	1,891,277.35	
August	2027	-	218,569.60	218,569.60	2,109,846.95
February	2028	1,709,620.00	218,569.60	1,928,189.60	
August	2028	-	180,103.15	180,103.15	2,108,292.75
February	2029	1,402,870.00	180,103.15	1,582,973.15	
August	2029	-	148,538.58	148,538.58	1,731,511.73
February	2030	1,468,310.00	148,538.58	1,616,848.58	
August	2030	-	114,583.91	114,583.91	1,731,432.49
February	2031	1,537,840.00	114,583.91	1,652,423.91	
August	2031	-	76,137.91	76,137.91	1,728,561.82
February	2032	1,607,370.00	76,137.91	1,683,507.91	
August	2032	-	38,967.48	38,967.48	1,722,475.39
February	2033	1,685,970.00	38,967.48	1,724,937.48	
August	2033	-	-	-	1,724,937.48
Total		\$ 28,176,900.00	\$ 18,348,680.74	\$ 46,525,580.74	\$ 46,525,580.74

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**COMBINING SCHEDULE OF
DETAILED DEBT SERVICE REQUIREMENTS**

From September 30, 2009 to Maturity

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 4,369,520.00	\$ 2,431,699.71	\$ 6,801,219.71
2011	3,873,610.00	2,276,524.61	6,150,134.61
2012	4,543,040.00	2,123,141.61	6,666,181.61
2013	4,720,760.00	1,951,676.23	6,672,436.23
2014	4,425,710.00	1,779,163.70	6,204,873.70
2015	4,620,700.00	1,599,048.00	6,219,748.00
2016	3,830,690.00	1,421,632.70	5,252,322.70
2017	4,001,590.00	1,247,960.40	5,249,550.40
2018	2,825,670.00	1,097,494.75	3,923,164.75
2019	2,213,840.00	992,885.80	3,206,725.80
2020	1,307,010.00	920,056.30	2,227,066.30
2021	1,365,180.00	865,840.51	2,231,020.51
2022	1,296,530.00	810,213.66	2,106,743.66
2023	1,357,880.00	753,807.45	2,111,687.45
2024	1,419,230.00	689,471.75	2,108,701.75
2025	1,488,760.00	621,424.38	2,110,184.38
2026	1,558,290.00	553,796.23	2,112,086.23
2027	1,631,910.00	477,936.95	2,109,846.95
2028	1,709,620.00	398,672.75	2,108,292.75
2029	1,402,870.00	328,641.73	1,731,511.73
2030	1,468,310.00	263,122.49	1,731,432.49
2031	1,537,840.00	190,721.82	1,728,561.82
2032	1,607,370.00	115,105.39	1,722,475.39
2033	<u>1,685,970.00</u>	<u>38,967.48</u>	<u>1,724,937.48</u>
<i>Total</i>	<u>\$ 60,261,900.00</u>	<u>\$ 23,949,006.40</u>	<u>\$ 84,210,906.40</u>

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

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

GENERAL OBLIGATION REFUNDING BONDS
SERIES 2001
WATER AND SEWER FUND PORTION
BONDS OUTSTANDING: \$4,495,000

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2010	\$ 2,190,000.00	\$ 101,425.00	\$ 2,291,425.00	
August	2010	-	57,625.00	57,625.00	2,349,050.00
February	2011 *	2,305,000.00	57,625.00	2,362,625.00	
August	2011	-	-	-	2,362,625.00
<i>Total</i>		<u>\$ 4,495,000.00</u>	<u>\$ 216,675.00</u>	<u>\$ 4,711,675.00</u>	<u>\$ 4,711,675.00</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

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

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2010	\$ -	\$ 97,028.13	\$ 97,028.13	
August	2010	-	97,028.13	97,028.13	194,056.26
February	2011	180,000.00	97,028.13	277,028.13	
August	2011	-	93,990.63	93,990.63	371,018.76
February	2012	2,590,000.00	93,990.63	2,683,990.63	
August	2012 *	-	48,665.63	48,665.63	2,732,656.26
February	2013	2,685,000.00	48,665.63	2,733,665.63	
August	2013	-	-	-	2,733,665.63
<i>Total</i>		<u>\$ 5,455,000.00</u>	<u>\$ 576,396.91</u>	<u>\$ 6,031,396.91</u>	<u>\$ 6,031,396.91</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2008
WATER AND SEWER PORTION
BONDS OUTSTANDING: \$6,268,100.00

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2010	\$ 25,480.00	\$ 139,066.20	\$ 164,546.20	
August	2010	-	138,556.60	138,556.60	303,102.80
February	2011	26,390.00	138,556.60	164,946.60	
August	2011	-	138,028.80	138,028.80	302,975.40
February	2012	141,960.00	138,028.80	279,988.80	
August	2012	-	135,189.60	135,189.60	415,178.40
February	2013	149,240.00	135,189.60	284,429.60	
August	2013	-	132,204.80	132,204.80	416,634.40
February	2014	199,290.00	132,204.80	331,494.80	
August	2014	-	128,219.00	128,219.00	459,713.80
February	2015	209,300.00	128,219.00	337,519.00	
August	2015	-	124,033.00	124,033.00	461,552.00
February	2016	219,310.00	124,033.00	343,343.00	
August	2016	-	119,646.80	119,646.80	462,989.80
February	2017	228,410.00	119,646.80	348,056.80	
August	2017	-	113,936.55	113,936.55	461,993.35
February	2018 *	239,330.00	113,936.55	353,266.55	
August	2018	-	109,149.95	109,149.95	462,416.50
February	2019	251,160.00	109,149.95	360,309.95	
August	2019	-	104,126.75	104,126.75	464,436.70
February	2020	262,990.00	104,126.75	367,116.75	
August	2020	-	98,866.95	98,866.95	465,983.70
February	2021	274,820.00	98,866.95	373,686.95	
August	2021	-	93,198.79	93,198.79	466,885.74
February	2022	288,470.00	93,198.79	381,668.79	
August	2022	-	87,068.80	87,068.80	468,737.59
February	2023	302,120.00	87,068.80	389,188.80	
August	2023	-	80,648.75	80,648.75	469,837.55
February	2024	315,770.00	80,648.75	396,418.75	
August	2024	-	72,754.50	72,754.50	469,173.25
February	2025	331,240.00	72,754.50	403,994.50	
August	2025	-	65,508.63	65,508.63	469,503.13
February	2026	346,710.00	65,508.63	412,218.63	
August	2026	-	57,707.65	57,707.65	469,926.28
February	2027	363,090.00	57,707.65	420,797.65	
August	2027	-	48,630.40	48,630.40	469,428.05
February	2028	380,380.00	48,630.40	429,010.40	
August	2028	-	40,071.85	40,071.85	469,082.25
February	2029	312,130.00	40,071.85	352,201.85	
August	2029	-	33,048.93	33,048.93	385,250.78
February	2030	326,690.00	33,048.93	359,738.93	
August	2030	-	25,494.22	25,494.22	385,233.14
February	2031	342,160.00	25,494.22	367,654.22	
August	2031	-	16,940.22	16,940.22	384,594.44
February	2032	357,630.00	16,940.22	374,570.22	
August	2032	-	8,670.03	8,670.03	383,240.24
February	2033	374,030.00	8,670.03	382,700.03	
August	2033	-	-	-	382,700.03
Total		\$ 6,268,100.00	\$ 4,082,469.30	\$ 10,350,569.30	\$ 10,350,569.30

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**COMBINING SCHEDULE OF
DETAILED DEBT SERVICE REQUIREMENTS**

From September 30, 2009 to Maturity

WATER AND SEWER FUND*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 2,215,480.00	\$ 630,729.06	\$ 2,846,209.06
2011	2,511,390.00	525,229.16	3,036,619.16
2012	2,731,960.00	415,874.66	3,147,834.66
2013	2,834,240.00	316,060.03	3,150,300.03
2014	199,290.00	260,423.80	459,713.80
2015	209,300.00	252,252.00	461,552.00
2016	219,310.00	243,679.80	462,989.80
2017	228,410.00	233,583.35	461,993.35
2018	239,330.00	223,086.50	462,416.50
2019	251,160.00	213,276.70	464,436.70
2020	262,990.00	202,993.70	465,983.70
2021	274,820.00	192,065.74	466,885.74
2022	288,470.00	180,267.59	468,737.59
2023	302,120.00	167,717.55	469,837.55
2024	315,770.00	153,403.25	469,173.25
2025	331,240.00	138,263.13	469,503.13
2026	346,710.00	123,216.28	469,926.28
2027	363,090.00	106,338.05	469,428.05
2028	380,380.00	88,702.25	469,082.25
2029	312,130.00	73,120.78	385,250.78
2030	326,690.00	58,543.14	385,233.14
2031	342,160.00	42,434.44	384,594.44
2032	357,630.00	25,610.24	383,240.24
2033	<u>374,030.00</u>	<u>8,670.03</u>	<u>382,700.03</u>
<i>Total</i>	<u>\$ 16,218,100.00</u>	<u>\$ 4,875,541.21</u>	<u>\$ 21,093,641.21</u>

* Includes general obligation and certificates of obligation bonds.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2009 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2004
SUPPORTED BY AIRPORT FUND
BONDS OUTSTANDING: \$3,480,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2010	\$ 255,000.00	\$ 69,242.50	\$ 324,242.50	
August	2010	-	64,780.00	64,780.00	389,022.50
February	2011	265,000.00	64,780.00	329,780.00	
August	2011	-	60,142.50	60,142.50	389,922.50
February	2012	275,000.00	60,142.50	335,142.50	
August	2012	-	54,642.50	54,642.50	389,785.00
February	2013	290,000.00	54,642.50	344,642.50	
August	2013	-	48,842.50	48,842.50	393,485.00
February	2014	300,000.00	48,842.50	348,842.50	
August	2014	-	42,842.50	42,842.50	391,685.00
February	2015 *	315,000.00	42,842.50	357,842.50	
August	2015	-	36,542.50	36,542.50	394,385.00
February	2016	325,000.00	36,542.50	361,542.50	
August	2016	-	30,042.50	30,042.50	391,585.00
February	2017	340,000.00	30,042.50	370,042.50	
August	2017	-	23,242.50	23,242.50	393,285.00
February	2018	355,000.00	23,242.50	378,242.50	
August	2018	-	15,965.00	15,965.00	394,207.50
February	2019	370,000.00	15,965.00	385,965.00	
August	2019	-	8,287.50	8,287.50	394,252.50
February	2020	390,000.00	8,287.50	398,287.50	
August	2020	-	-	-	398,287.50
<i>Total</i>		<u>\$ 3,480,000.00</u>	<u>\$ 839,902.50</u>	<u>\$ 4,319,902.50</u>	<u>\$ 4,319,902.50</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**COMBINING SCHEDULE OF
DETAILED DEBT SERVICE REQUIREMENTS**

From September 30, 2009 to Maturity

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 2,470,480.00	\$ 764,751.56	\$ 3,235,231.56
2011	2,776,390.00	650,151.66	3,426,541.66
2012	3,006,960.00	530,659.66	3,537,619.66
2013	3,124,240.00	419,545.03	3,543,785.03
2014	499,290.00	352,108.80	851,398.80
2015	524,300.00	331,637.00	855,937.00
2016	544,310.00	310,264.80	854,574.80
2017	568,410.00	286,868.35	855,278.35
2018	594,330.00	262,294.00	856,624.00
2019	621,160.00	237,529.20	858,689.20
2020	652,990.00	211,281.20	864,271.20
2021	274,820.00	192,065.74	466,885.74
2022	288,470.00	180,267.59	468,737.59
2023	302,120.00	167,717.55	469,837.55
2024	315,770.00	153,403.25	469,173.25
2025	331,240.00	138,263.13	469,503.13
2026	346,710.00	123,216.28	469,926.28
2027	363,090.00	106,338.05	469,428.05
2028	380,380.00	88,702.25	469,082.25
2029	312,130.00	73,120.78	385,250.78
2030	326,690.00	58,543.14	385,233.14
2031	342,160.00	42,434.44	384,594.44
2032	357,630.00	25,610.24	383,240.24
2033	374,030.00	8,670.03	382,700.03
<i>Total</i>	<u>\$ 19,698,100.00</u>	<u>\$ 5,715,443.71</u>	<u>\$ 25,413,543.71</u>

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

Town of Addison, Texas
Long-Term Debt Schedules

SUMMARY OF DEBT SERVICE
From September 30, 2009 to Maturity

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Tax and Revenue Certificates of Obligation</u>	<u>Total Requirements</u>
2010	\$ 7,265,991.27	\$ 2,770,460.00	\$ 10,036,451.27
2011	6,802,366.27	2,774,310.00	9,576,676.27
2012	6,810,797.52	3,393,003.75	10,203,801.27
2013	6,811,273.76	3,404,947.50	10,216,221.26
2014	3,411,912.50	3,644,360.00	7,056,272.50
2015	3,419,400.00	3,656,285.00	7,075,685.00
2016	2,442,950.00	3,663,947.50	6,106,897.50
2017	2,443,800.00	3,661,028.75	6,104,828.75
2018	1,116,425.00	3,663,363.75	4,779,788.75
2019	1,119,312.50	2,946,102.50	4,065,415.00
2020	132,700.00	2,958,637.50	3,091,337.50
2021	132,600.00	2,565,306.25	2,697,906.25
2022	-	2,575,481.25	2,575,481.25
2023	-	2,581,525.00	2,581,525.00
2024	-	2,577,875.00	2,577,875.00
2025	-	2,579,687.50	2,579,687.50
2026	-	2,582,012.50	2,582,012.50
2027	-	2,579,275.00	2,579,275.00
2028	-	2,577,375.00	2,577,375.00
2029	-	2,116,762.50	2,116,762.50
2030	-	2,116,665.63	2,116,665.63
2031	-	2,113,156.26	2,113,156.26
2032	-	2,105,715.63	2,105,715.63
2033	-	2,107,637.50	2,107,637.50
	<u>41,909,528.82</u>	<u>67,714,921.27</u>	<u>109,624,450.09</u>
Less amounts representing interest	<u>5,464,528.82</u>	<u>24,199,921.27</u>	<u>29,664,450.09</u>
<i>Total Principal</i>	<u>\$ 36,445,000.00</u>	<u>\$ 43,515,000.00</u>	<u>\$ 79,960,000.00</u>

Town of Addison, Texas
Long-Term Debt Schedules

**SUMMARY OF TAX SUPPORTED
DEBT REQUIREMENTS**
From September 30, 2009 to Maturity

Fiscal Year	General Obligation Debt Service Requirements	Certificates of Obligation Debt Service Requirements	Less Amount Supported by Hotel Fund ⁽¹⁾	Less Amount Supported by Airport Fund ⁽¹⁾	Less Amount Supported by Water and Sewer Fund ⁽¹⁾	Net Tax Supported Debt Service Requirements ⁽²⁾
2010	\$ 7,265,991.27	\$ 2,770,460.00	\$ 716,037.50	\$ 389,022.50	\$ 2,846,209.06	\$ 6,085,182.21
2011	6,802,366.27	2,774,310.00	719,687.50	389,922.50	3,036,619.16	5,430,447.11
2012	6,810,797.52	3,393,003.75	722,018.75	389,785.00	3,147,834.66	5,944,162.86
2013	6,811,273.76	3,404,947.50	722,262.50	393,485.00	3,150,300.03	5,950,173.73
2014	3,411,912.50	3,644,360.00	726,775.00	391,685.00	459,713.80	5,478,098.70
2015	3,419,400.00	3,656,285.00	725,900.00	394,385.00	461,552.00	5,493,848.00
2016	2,442,950.00	3,663,947.50	728,462.50	391,585.00	462,989.80	4,523,860.20
2017	2,443,800.00	3,661,028.75	729,318.75	393,285.00	461,993.35	4,520,231.65
2018	1,116,425.00	3,663,363.75	728,406.25	394,207.50	462,416.50	3,194,758.50
2019	1,119,312.50	2,946,102.50	-	394,252.50	464,436.70	3,206,725.80
2020	132,700.00	2,958,637.50	-	398,287.50	465,983.70	2,227,066.30
2021	132,600.00	2,565,306.25	-	-	466,885.74	2,231,020.51
2022	-	2,575,481.25	-	-	468,737.59	2,106,743.66
2023	-	2,581,525.00	-	-	469,837.55	2,111,687.45
2024	-	2,577,875.00	-	-	469,173.25	2,108,701.75
2025	-	2,579,687.50	-	-	469,503.13	2,110,184.38
2026	-	2,582,012.50	-	-	469,926.28	2,112,086.23
2027	-	2,579,275.00	-	-	469,428.05	2,109,846.95
2028	-	2,577,375.00	-	-	469,082.25	2,108,292.75
2029	-	2,116,762.50	-	-	385,250.78	1,731,511.73
2030	-	2,116,665.63	-	-	385,233.14	1,731,432.49
2031	-	2,113,156.26	-	-	384,594.44	1,728,561.82
2032	-	2,105,715.63	-	-	383,240.24	1,722,475.39
2033	-	2,107,637.50	-	-	382,700.03	1,724,937.48
Total	\$ 41,909,528.82	\$ 67,714,921.27	\$ 6,518,868.75	\$ 4,319,902.50	\$ 21,093,641.21	\$ 77,692,037.63

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

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

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

Addison!®

**STATISTICAL
SECTION
(Unaudited)**

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STATISTICAL SECTION

(Unaudited)

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

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

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

Town of Addison, Texas
Statistical Section

Table 1

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

	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities								
Invested in Capital Assets, net of Related Debt	\$ 109,193,571	\$ 108,172,454	\$ 114,752,714	\$ 117,007,853	\$ 117,537,709	\$ 117,446,984	\$ 117,389,355	\$ 120,308,696
Restricted for Debt Service	-	2,113,424	1,574,618	1,408,795	1,578,392	1,569,846	781,304	918,483
Unrestricted	18,101,261	16,955,351	15,551,534	17,758,209	20,148,886	24,100,898	26,591,388	24,442,088
Total Net Assets - Governmental Activities	\$ 127,294,832	\$ 127,241,229	\$ 131,878,866	\$ 136,174,857	\$ 139,264,987	\$ 143,117,728	\$ 144,762,047	\$ 145,669,267
Business-type Activities								
Invested in Capital Assets, net of Related Debt	\$ 24,206,957	\$ 26,664,196	\$ 34,664,102	\$ 35,400,551	\$ 35,844,857	\$ 37,173,256	\$ 32,539,039	\$ 36,219,525
Unrestricted	16,286,081	14,276,388	6,194,666	5,333,021	7,677,676	7,428,637	12,624,696	11,303,284
Total Net Assets - Business-type Activities	\$ 40,493,038	\$ 40,940,584	\$ 40,858,768	\$ 40,733,572	\$ 43,522,533	\$ 44,601,893	\$ 45,163,735	\$ 47,522,809
Primary Government								
Invested in Capital Assets, net of Related Debt	\$ 133,400,528	\$ 134,836,650	\$ 149,416,816	\$ 152,408,404	\$ 153,382,566	\$ 154,620,240	\$ 149,928,394	\$ 156,528,221
Restricted for Debt Service	-	2,113,424	1,574,618	1,408,795	1,578,392	1,569,846	781,304	918,483
Unrestricted	34,387,342	31,231,739	21,746,200	23,091,230	27,826,562	31,529,535	39,216,084	35,745,372
Total Net Assets - Primary Government	\$ 167,787,870	\$ 168,181,813	\$ 172,737,634	\$ 176,908,429	\$ 182,787,520	\$ 187,719,621	\$ 189,925,782	\$ 193,192,076

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

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

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

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

Fund Balances, Governmental Funds
Last Eight Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

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

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

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

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

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

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

Fiscal Year	Taxes	Franchise Fees	Licenses and Permits	Inter-governmental ⁽¹⁾	Service Fees ⁽¹⁾	Fines and Forfeitures	Interest ⁽¹⁾	Rental Charges ⁽¹⁾	Other ⁽¹⁾⁽²⁾	Total ⁽¹⁾
2000	\$ 25,926,213	\$ 2,779,740	\$ 502,003	\$ 53,110	\$ 2,463,658	\$ 806,182	\$ 1,137,657	\$ 551,176	\$ 68,831	\$ 34,288,570
2001	26,744,261	3,026,839	466,749	157,794	1,500,325	796,324	1,221,302	421,892	223,782	34,559,268
2002	25,441,294	3,169,378	340,388	140,822	1,935,092	833,977	469,379	483,114	28,855	32,842,299
2003	25,218,994	2,450,145	386,824	-	2,018,592	828,794	281,579	544,601	121,293	31,850,822
2004	25,526,779	2,674,701	455,089	55,527	2,157,156	782,561	270,649	532,636	65,286	32,520,384
2005	27,359,855	2,563,797	479,239	245,789	2,157,963	862,839	317,889	667,577	147,732	34,802,680
2006	28,880,558	2,681,263	651,408	-	2,414,454	1,185,093	734,727	656,988	224,254	37,428,745
2007	30,348,832	2,615,504	743,201	-	2,648,853	1,239,873	1,010,957	676,563	292,861	39,576,644
2008	31,209,489	2,555,927	798,006	-	2,944,353	1,297,064	818,547	744,496	239,304	40,607,186
2009	30,115,302	2,761,511	429,681	101,300	2,696,581	1,322,196	478,617	670,546	106,444	38,682,178

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

Notes:

⁽¹⁾ For fiscal year 2001 and subsequent years, the Airport Fund is classified as an enterprise fund. In previous fiscal years, airport functions were reported as a special revenue, governmental fund. Accordingly, this statement includes airport revenues for fiscal year 2000 but excludes these revenues for fiscal years after

⁽²⁾ Includes recycling fees and contributions.

GENERAL GOVERNMENTAL EXPENDITURES
BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety ⁽¹⁾	Development Services	Streets	Parks and Recreation ⁽²⁾	Visitor Services ⁽³⁾	Airport ⁽⁴⁾	Debt Service	Total ⁽⁴⁾
2000	\$ 3,899,338	\$ 10,348,247	\$ 458,096	\$ 1,136,205	\$ 2,646,790	\$ 4,276,293	\$ 2,174,093	\$ 6,869,538	\$ 31,808,600
2001	4,786,844	10,916,645	463,937	1,359,732	2,854,387	4,930,250	-	7,129,672	32,441,467
2002	5,400,331	11,528,376	503,924	1,461,875	3,106,036	6,274,822	-	6,813,997	35,089,361
2003	4,916,867	11,040,379	485,810	1,504,349	3,114,382	4,971,996	-	6,715,521	32,749,304
2004	5,406,092	11,930,745	520,215	1,425,047	3,296,846	4,774,003	-	6,967,392	34,320,340
2005	5,799,332	12,286,885	553,651	1,276,489	3,519,130	5,015,755	-	6,783,920	35,235,162
2006	6,138,990	12,745,195	563,271	1,421,464	3,671,919	5,812,233	-	5,431,852	35,784,924
2007	5,699,206	13,318,918	770,557	1,476,582	3,569,031	6,040,917	-	5,363,447	36,238,658
2008	6,412,823	14,193,406	884,770	1,805,175	4,108,418	6,512,965	-	5,543,874	39,461,431
2009	6,357,501	14,374,702	864,234	2,356,219	4,072,051	6,216,141	-	6,923,432	41,164,280

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

Notes:

- (1) The Municipal Court Fund was created in fiscal year 2003. Beginning in 2003, Municipal Court expenditures are included in the Public Safety category.
- (2) The Arbor Fund was created in fiscal year 1996 to account for the activities of the Addison Parks Foundation, a Texas non-profit corporation and is included in the Parks and Recreation category.
- (3) Hotel Fund.
- (4) For fiscal year 2001 and subsequent years, the Airport Fund is classified as an enterprise fund. In previous fiscal years, Airport functions were reported as a special revenue, governmental fund. This statement includes Airport expenditures for fiscal years 1993-2000 but excludes these expenditures for fiscal years after 2000.

SUMMARY OF TAX REVENUES AND FRANCHISE FEES
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Taxes ⁽¹⁾</u>	<u>1% Town Sales Tax</u>	<u>Mixed Beverage Taxes</u>	<u>Franchise Fees</u>	<u>Hotel Occupancy Tax</u>	<u>Total</u>
2000	\$ 10,226,376	\$ 10,056,019	\$ 685,830	\$ 2,779,740	\$ 4,957,988	\$ 28,705,953
2001	11,789,691	9,801,182	717,291	3,026,839	4,436,097	29,771,100
2002	12,155,577	9,020,793	701,552	3,169,378	3,563,372	28,610,672
2003	12,176,518	8,971,759	724,520	2,450,145	3,346,197	27,669,138
2004	11,883,632	9,303,529	892,560	2,674,701	3,447,058	28,201,480
2005	12,765,636	9,663,892	892,196	2,563,797	4,038,131	29,923,652
2006	13,293,707	9,941,386	966,366	2,681,263	4,679,099	31,561,821
2007	13,629,796	10,508,257	1,007,699	2,615,504	5,203,080	32,964,336
2008	14,367,964	10,649,989	987,289	2,555,927	5,204,247	33,765,416
2009	15,636,534	9,584,496	936,034	2,761,511	3,958,238	32,876,813

Table includes General, Special Revenue and Debt Service funds.

Notes:

(1) Includes penalty and interest.

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

Fiscal Year	Actual Levy Year	Real Property Assessed Value ⁽¹⁾	Personal Property Assessed Value	Less Tax-Exempt Property Assessed Value	Total Taxable Value	Total Direct Tax Rate ⁽²⁾
2000	1999	\$ 2,447,316,465	\$ 539,716,360	\$ (213,371,219)	\$ 2,773,661,606	\$ 0.3846
2001	2000	2,632,271,991	695,858,170	(229,813,296)	3,098,316,865	0.3810
2002	2001	2,730,337,944	706,267,000	(241,909,314)	3,194,695,630	0.3848
2003	2002	2,598,035,207	748,577,450	(259,709,659)	3,086,902,998	0.3999
2004	2003	2,453,576,988	692,547,030	(259,882,104)	2,886,241,914	0.4228
2005	2004	2,358,157,460	605,585,490	(267,252,593)	2,696,490,357	0.4760
2006	2005	2,431,288,850	635,155,220	(273,069,618)	2,793,374,452	0.4760
2007	2006	2,676,126,320	647,121,940	(293,642,826)	3,029,605,434	0.4640
2008	2007	3,133,172,520	654,923,060	(306,253,403)	3,481,842,177	0.4337
2009	2008	3,316,069,140	759,489,460	(350,731,677)	3,724,826,923	0.4535

SOURCE: Dallas Central Appraisal District

Notes:

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

(2) Per \$100 of valuation.

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

Fiscal Year	City Direct Rates ⁽¹⁾		Overlapping Rates ⁽²⁾					
	Operating General Rates	General Obligation Debt Service	Dallas County	Community College District	Dallas ISD	Carrollton/Farmers Branch ISD	Dallas County Hospital District	Total Ad Valorem Rate
2000	\$ 0.1582	\$ 0.2264	\$ 0.1960	\$ 0.0500	\$ 1.4605	\$ 1.6137	\$ 0.1960	\$ 2.2871
2001	0.1662	0.2148	0.1960	0.0500	1.5475	1.6737	0.2540	2.4285
2002	0.1804	0.2044	0.1960	0.0600	1.5475	1.7242	0.2540	2.4423
2003	0.1890	0.2109	0.1960	0.0600	1.5875	1.7224	0.2540	2.4974
2004	0.2201	0.2027	0.2039	0.0778	1.6395	1.7358	0.2540	2.5980
2005	0.2597	0.2163	0.2039	0.0803	1.6694	1.7824	0.2540	2.6836
2006	0.3060	0.1700	0.2139	0.0816	1.6884	1.8259	0.2540	2.7139
2007	0.3110	0.1530	0.2139	0.0810	1.5026	1.6830	0.2540	2.5155
2008	0.2990	0.1347	0.2281	0.0804	1.1996	1.3670	0.2540	2.1958
2009	0.2828	0.1707	0.2281	0.0894	1.1834	1.3623	0.2540	2.2084

SOURCE: Dallas Central Appraisal District

Notes:

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

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Actual Levy Year	Taxes Levied for the Fiscal Year	Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years ⁽¹⁾	Total Collections to Date	
			Current Tax Collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2000	1999	\$ 10,667,502	\$ 10,601,242	99.4%	\$ (414,138)	\$ 10,187,104	95.5%
2001	2000	11,804,587	11,735,452	99.4%	12,226	11,747,678	99.5%
2002	2001	12,293,190	12,085,620	98.3%	15,934	12,101,554	98.4%
2003	2002	12,344,525	12,083,669	97.9%	37,901	12,121,570	98.2%
2004	2003	12,203,031	11,880,084	97.4%	(54,256)	11,825,828	96.9%
2005	2004	12,835,294	12,587,375	98.1%	84,329	12,671,704	98.7%
2006	2005	13,296,460	13,197,440	99.3%	23,531	13,220,971	99.4%
2007	2006	14,057,369	13,685,151	97.4%	(137,238)	13,547,913	96.4%
2008	2007	15,100,750	14,284,974	94.6%	14,221	14,299,195	94.7%
2009	2008	16,892,090	15,628,630	92.5%	(25,508)	15,603,122	92.4%

SOURCE: Dallas Central Appraisal District

Notes:

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

RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita ⁽¹⁾
	General Obligation Bonds	General Obligation Refunding Bonds	Hotel Occupancy Tax Revenue Bonds	Certificates of Obligation	General Obligation Bonds	General Obligation Refunding Bonds	Water and Sewer Refunding Bonds	Certificates of Obligation			
2000	\$14,870,000	\$2,702,556	\$1,425,000	\$8,000,000	\$224,815	\$-	\$6,270,000	\$15,890,000	\$49,382,371	11.44 %	\$3,485.98
2001	14,195,000	1,872,690	1,050,000	6,990,000	155,782	-	5,800,000	15,890,000	45,953,472	8.15	3,147.50
2002	11,540,000	6,664,139	690,000	2,305,000	10,505,168	-	5,290,000	5,510,000	42,504,307	7.82	2,931.33
2003	16,085,000	15,218,386	340,000	9,890,000	-	20,030,859	-	-	61,564,245	10.96	4,173.85
2004	25,810,000	13,323,311	-	9,450,000	-	18,934,234	-	-	67,517,545	13.37	4,788.48
2005	24,280,000	12,584,769	-	8,540,000	-	17,465,231	-	4,400,000	67,270,000	12.84	4,655.36
2006	17,790,000	18,934,769	-	7,085,000	-	15,805,231	-	4,185,000	63,800,000	10.67	4,281.88
2007	16,615,000	16,854,769	-	6,605,000	-	14,090,231	-	3,960,000	58,125,000	9.36	3,811.48
2008	9,945,000	20,105,000	-	34,327,000	-	12,060,000	-	10,003,000	86,440,000	12.91	5,668.20
2009	8,645,000	17,850,000	-	33,766,900	-	9,950,000	-	9,748,100	79,960,000	13.79	5,967.16

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

Notes:

⁽¹⁾ The Net Tax Supported Debt Service Requirements schedule shows the actual Ad Valorem tax burden placed on the taxpayers, most of which are commercial businesses rather than resident citizens. This schedule can be found on page 163.

RATIO OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

Governmental Activities						
Fiscal Year	General Obligation Bonds	General Obligation Refunding Bonds	Certificates of Obligation	Total Primary Government	Percentage of Actual Taxable Value	Per Capita
2000	\$ 14,870,000	\$ 2,702,556	\$ 8,000,000	\$ 25,572,556	0.92 %	\$ 1,805.21
2001	14,195,000	1,872,690	6,990,000	23,057,690	0.74	1,579.29
2002	11,540,000	6,664,139	2,305,000	20,509,139	0.64	1,414.42
2003	16,085,000	15,218,386	1,890,000	33,193,386	1.08	2,250.40
2004	25,810,000	13,323,311	1,450,000	40,583,311	1.41	2,878.25
2005	24,280,000	12,584,769	990,000	37,854,769	1.40	2,619.71
2006	17,790,000	18,934,769	-	36,724,769	1.31	2,464.75
2007	16,615,000	16,854,769	-	33,469,769	1.10	2,194.74
2008	9,945,000	20,105,000	28,222,000	58,272,000	1.67	3,821.11
2009	8,645,000	17,850,000	28,176,900	54,671,900	1.47	4,079.99

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

DIRECT AND OVERLAPPING DEBT
 Year Ended September 30, 2009

Taxing Jurisdiction	G.O. Bonded Debt	Percent Applicable	Estimated Share of Overlapping Debt
Carrollton-Farmers Branch ISD	\$ 382,655,000	1.04%	\$ 3,979,612
Dallas County	138,531,552	2.16%	2,992,282
Dallas County Community College District	387,260,000	2.16%	8,364,816
Dallas County Hospital District	705,000,000	2.16%	15,228,000
Dallas ISD	1,783,730,000	3.78%	<u>67,424,994</u>
Total Overlapping Debt			97,989,704
Town of Addison (Direct Debt)	\$ 54,671,900 ⁽¹⁾	100%	<u>54,671,900</u>
Total Direct and Overlapping Debt			<u><u>\$ 152,661,604</u></u>
Ratio of Overlapping G.O. Debt to 2008 Taxable Assessed Valuation			2.63%
Per Capita Overlapping G.O. Debt			\$ 7,313

SOURCE: Municipal Advisory Council of Texas

Notes:

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

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

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements ⁽²⁾			Revenue Bond Coverage ⁽³⁾
	Gross Revenue	Expense ⁽¹⁾	Net Revenue	Principal	Interest	Total	
2000	\$ 7,846,701	\$ 5,504,086	\$ 2,342,615	\$ 450,000	\$ 345,980	\$ 795,980	2.9
2001	7,443,173	4,764,366	2,678,807	470,000	325,280	795,280	3.4
2002	6,937,714	5,565,524	1,372,190	510,000	302,955	812,955	1.7
2003	6,862,799	5,685,179	1,177,620	-	-	-	N/A
2004	7,501,174	5,738,577	1,762,597	-	-	-	N/A
2005	7,408,715	5,926,601	1,482,114	-	-	-	N/A
2006	10,448,742	6,594,211	3,854,531	-	-	-	N/A
2007	9,378,480	6,837,579	2,540,901	-	-	-	N/A
2008	9,086,984	6,970,850	2,116,134	-	-	-	N/A
2009	9,362,976	7,105,167	2,257,809	-	-	-	N/A

Notes:

⁽¹⁾ Includes "operating expenses excluding depreciation" and "non-operating expenses" excluding interest expense.

⁽²⁾ Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.

⁽³⁾ Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest. Revenue bonds were retired in fiscal year 2002. Current year debt associated with the Town's Utility (Water and Sewer) Fund is limited to general obligation bonds and certificates of obligation. This debt is secured by the Town's property taxes but is supported by Utility Fund revenues.

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

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements			Bond Coverage ⁽²⁾
	Gross Revenue	Expenditure ⁽¹⁾	Net Revenue	Principal	Interest	Total	
2000	\$ 6,027,690	\$ 621,357	\$ 5,406,333	\$ 385,000	\$ 62,415	\$ 447,415	12.1
2001	5,639,540	697,900	4,941,640	375,000	48,548	423,548	11.7
2002	4,875,734	806,536	4,069,198	360,000	34,770	394,770	10.3
2003	4,681,695	721,460	3,960,235	350,000	21,105	371,105	10.6
2004	4,895,842	839,410	4,056,432	340,000	274,883	614,883	6.6
2005	5,676,622	850,326	4,826,296	450,000	254,613	704,613	6.8
2006	6,539,634	1,118,079	5,421,555	465,000	240,887	705,887	7.7
2007	7,490,887	942,884	6,548,003	480,000	226,710	706,710	9.3
2008	7,546,348	1,077,436	6,468,912	500,000	212,012	712,012	9.1
2009	5,887,509	973,467	4,914,042	515,000	196,788	711,788	6.9

Notes:

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

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

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

Fiscal Year	Estimated Population ⁽¹⁾	Assessed Valuations ⁽²⁾	Personal Income (Thousands)	Per Capita Personal Income ⁽³⁾	Labor Force ⁽⁴⁾	Unemployment Rate ⁽⁴⁾
2000	14,166	\$ 2,773,661,606	\$ 431,640	\$ 30,470	8,217	2.7%
2001	14,600	3,098,316,865	563,648	38,606	8,318	4.8%
2002	14,500	3,194,695,630	543,230	37,464	8,252	6.2%
2003	14,750	3,086,902,998	561,672	38,079	8,350	5.9%
2004	14,100	2,886,241,914	505,077	35,821	8,171	4.9%
2005	14,450	2,696,490,357	523,909	36,257	2,026,997	5.2%
2006	14,900	2,793,374,452	597,852	40,124	2,093,468	4.6%
2007	15,250	3,029,605,434	621,311	40,742	2,108,631	3.9%
2008	15,250	3,481,842,177	669,683	43,914	1,183,455	5.7%
2009	13,400	3,724,826,923	579,743	43,264	2,152,800	8.2%

SOURCES:

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

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Name of Taxpayer	Nature of Property	2009			2000		
		Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation
Colonade Realty Holdings	Land, Office Buildings	\$ 140,892,640	1	4.26%	\$ 150,422,240	1	5.42%
Post Addison Circle	Mixed Development	122,170,000	2	3.69%	110,022,840	3	3.97%
Richmont Properties Ltd	Land, Office Buildings	65,731,740	3	1.99%	81,248,350	4	2.93%
Equastone North Dallas/Aberdeen	Mixed Development	56,550,860	4	1.71%			
Spectrum Center Partners	Office Buildings	54,820,250	5	1.66%	77,218,940	5	2.78%
G&I V VOP LP	Land, Office Buildings	54,587,150	6	1.65%			
FSP Addison CIR/LIBERTY LP	Business Personal Property	54,067,220	7	1.63%			
KBS Millennium LLC	Office Buildings	51,618,490	8	1.56%			
MBNA Texas Properties	Land, Office Buildings	46,558,410	9	1.41%	65,678,720	6	2.38%
DCO Greenhaven/Clipper Pointe	Apartments	43,890,420	10	1.33%			
Registry Hotel Corp	Land, Hotel				53,012,070	8	1.91%
Crescent Real Estate	Land, Office Buildings				112,613,470	2	4.06%
Marriott Corporation	Hotel				55,622,900	7	2.01%
Carramerica Realty LP	Land, Office Buildings				51,008,260	9	1.84%
Champion Addison One	Office Buildings				45,585,000	10	1.64%
		<u>\$ 690,887,180</u>		<u>20.89%</u>	<u>\$ 802,432,790</u>		<u>28.94%</u>

SOURCE: Dallas Central Appraisal District

MAJOR EMPLOYERS
 Current Year and Nine Years Ago

Company	Type of Business	2009		2000	
		Estimated Number of Employees	Percent of Total Employees	Estimated Number of Employees	Percent of Total Employees
Mary Kay Cosmetics Inc.	Cosmetics	1,250	2.74%	1,000	2.19%
Bank of America	Credit Clearinghouse	830	1.82%	2,000	4.38%
Pizza Hut Corporate Offices	Food Specialties	750	1.64%	300	0.66%
Barrett Burke Wilson & Castle	Attorney Firm	550	1.20%	300	0.66%
Jones Lang LaSalle	Real Estate	505	1.11%	300	0.66%
Concentra Health Services	Health Services	400	0.88%	250	0.55%
Hotel InterContinental Dallas	Hotel	365	0.80%	483	1.06%
United Surgical Partners	Health Services	270	0.59%	N/A*	N/A*
Town of Addison	Municipal Government Services	268	0.59%	253	0.55%
Greenhill School	Elementary & High School	252	0.55%	198	0.43%

SOURCE: Human Resource Department of respective company

* Not available.

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

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
City Manager's Office	8.5	8.8	9.5	9.5	10.0	10.0	10.0	8.5	8.5	8.5
Economic Development	0.8	-	-	-	-	-	-	-	-	-
Financial and Strategic Services	11.7	11.0	11.0	11.5	12.0	12.0	11.0	10.0	10.0	10.0
Municipal Court	4.1	4.1	4.1	4.5	4.7	4.7	4.7	4.7	4.7	5.7
General Services	8.0	7.7	8.4	8.4	9.0	9.0	9.0	9.0	10.0	10.0
Human Resources	4.0	4.0	4.3	4.3	4.3	4.7	4.7	4.7	4.7	5.2
Information Technology	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Total General Government	42.1	40.6	43.3	44.2	46.0	46.4	45.4	42.9	43.9	45.4
Public Safety										
Police	83.1	81.6	85.1	84.8	84.8	83.8	81.8	68.3	69.3	70.3
Emergency Communications	-	-	-	-	-	-	-	12.5	12.5	13.5
Fire	54.4	55.4	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0
Total Public Safety	137.5	137.0	140.1	139.8	139.8	138.8	136.8	135.8	136.8	138.8
Development Services										
Development Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0
Public Works										
Streets	6.4	6.4	6.4	6.4	6.0	6.0	6.0	7.0	7.0	7.0
Utilities	13.2	13.4	13.4	15.4	18.0	18.0	18.0	17.0	17.0	18.0
Total Public Works	19.6	19.8	19.8	21.8	24.0	24.0	24.0	24.0	24.0	25.0
Parks and Recreation										
Parks	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	21.0
Recreation	11.4	12.4	12.4	15.4	17.9	17.9	17.2	15.2	15.2	15.2
Total Parks and Recreation	31.4	32.4	32.4	35.4	37.9	37.9	37.2	35.2	35.2	36.2
Visitor Services										
Hotel Fund	13.2	14.2	-	-	-	-	-	-	-	-
Visitor Services	-	-	4.0	3.0	3.0	3.0	3.0	2.5	2.5	2.5
Conference Centre	-	-	7.5	7.0	7.5	7.5	7.5	7.5	7.5	7.5
Special Events	-	-	3.0	2.0	3.0	3.0	4.0	4.0	4.0	4.0
Marketing	-	-	-	1.0	1.0	-	-	-	-	-
Performing Arts	-	-	0.5	-	-	-	-	-	-	-
Total Visitor Services	13.2	14.2	15.0	13.0	14.5	13.5	14.5	14.0	14.0	14.0
Airport Fund										
Airport Fund	0.3	2.4	3.2	3.2	2.0	2.0	2.0	2.0	2.0	2.0
Other										
Public Safety Fund	1.0	4.0	-	0.2	-	-	-	-	-	-
Street Capital Project Fund	2.1	2.1	2.1	2.1	-	-	-	-	-	-
2002 Capital Project Fund	-	-	-	0.5	-	-	-	-	-	-
Total Other	3.1	6.1	2.1	2.8	-	-	-	-	-	-
TOTAL	253.2	258.5	261.9	266.2	270.2	268.6	265.9	260.9	262.9	268.4

SOURCE: Town of Addison Human Resources Department

OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Eight Fiscal Years

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

SOURCE: Town of Addison Department Data

Notes:

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

⁽²⁾ In thousands of gallons

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Public Safety</u>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
<u>Public Works</u>										
Streets - Paved (miles)	39	39	39	39	39	39	39	39	41	41
Lane Miles	119	119	119	119	119	119	119	119	126	126
Traffic Signals	30	30	31	33	33	33	34	34	34	34
<u>Parks and Recreation</u> ⁽¹⁾										
Acres Maintained	134	135	136	138	142	151	149	149	136	138
Parks	12	12	12	13	13	15	15	16	12	13
Playgrounds	4	4	4	3	3	3	3	3	3	3
Soccer/Football Fields	1	1	1	1	1	1	1	1	0	0
Community Centers	2	2	2	2	2	2	2	2	1	1
<u>Water</u>										
Water Mains (Miles)	92	92	93	93	96	96	98	98	99	101
Fire Hydrants	979	979	1050	983	1030	1030	1040	1150	1175	1200
<u>Wastewater</u>										
Miles of Sanitary Sewers	82	82	86	86	86	86	87	87	88	90
Miles of Storm Sewers	18.5	18.5	18.5	18.5	18.5	18.5	22	22	22	22

SOURCE: Town of Addison Department Data

Notes:

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