

Town of Addison, Texas
Comprehensive Annual Financial Report

For the Year Ended September 30, 2011

Prepared by the
Department of Financial & Strategic Services
Marisa Perry, CPA, Financial Services Manager
Mushtaq Ali, Accountant

City Council

	Expiration of Term
Todd Meier, Mayor	May 2013
Blake W. Clemens, Mayor Pro Tempore	May 2013
Kimberly Lay, Deputy Mayor Pro Tempore	May 2012
Bruce Arfsten, Councilmember	May 2013
Chris DeFrancisco, Councilmember	May 2013
Roger S. Mellow, Councilmember	May 2012
Neil Resnik, Councilmember	May 2012

City Manager

Ron Whitehead

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Town of Addison, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2011

TABLE OF CONTENTS

	<u>Page No.</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	1
GFOA Certificate of Achievement	6
Organization Chart	7
List of Principal Officials	8
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	10
Management's Discussion and Analysis.....	13
 <u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Statement of Net Assets	23
Statement of Activities	24
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	25
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	26
Statement of Revenues, Expenditures, and Changes in Fund Balances	27
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Hotel Fund.....	30
Proprietary Funds:	
Statement of Net Assets	31
Statement of Revenues, Expenses, and Changes in Fund Net Assets	32
Statement of Cash Flows.....	33
Notes to Basic Financial Statements.....	35
 <u>Required Supplementary Information:</u>	
Texas Municipal Retirement System Analysis of Funding Progress.....	62
Retiree Health Plan Analysis of Funding Progress	63
 COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:	
<u>Major Governmental Funds:</u>	
General Fund:	
Comparative Balance Sheet.....	69
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	70
Schedule of Revenues – Budget and Actual.....	71
Schedule of Expenditures – Budget and Actual.....	72

Major Governmental Funds (continued):

Hotel Fund:

Comparative Balance Sheet..... 77
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 78
Schedule of Expenditures – Budget and Actual..... 79

Debt Service Funds:

General Obligation Debt Service Fund:

Comparative Balance Sheet..... 83
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 84

Hotel Debt Service Fund:

Comparative Balance Sheet..... 85
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 86

Capital Project Funds:

Combining Balance Sheet for Capital Projects 89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 90

Street Capital Projects

Comparative Balance Sheet..... 91
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 92

Parks Capital Projects

Comparative Balance Sheet..... 93
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 94

2002 Capital Projects

Comparative Balance Sheet..... 95
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 96

2004 Capital Projects

Comparative Balance Sheet..... 97
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 98

2006 Capital Projects

Comparative Balance Sheet..... 99
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 100

2008 Capital Projects

Comparative Balance Sheet..... 101
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 102

Reimbursement Grant Fund:

Comparative Balance Sheet..... 105
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 106

Non-Major Governmental Funds:

Combining Balance Sheet 109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 110

Non-Major Governmental Funds (continued):

Municipal Court Fund:
Comparative Balance Sheet..... 111
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 112

Public Safety Fund:
Comparative Balance Sheet..... 113
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 114

Advanced Funding Grant Fund:
Comparative Balance Sheet..... 115
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 116

American Recovery and Reinvestment Act (ARRA) Grant Fund:
Comparative Balance Sheet..... 117
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 118

Economic Development Fund:
Comparative Balance Sheet..... 119
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 120

Proprietary Funds:

Enterprise Funds:

Airport Fund
Comparative Statement of Net Assets 123
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets 124
Comparative Statement of Cash Flows..... 125

Utility Fund
Comparative Statement of Net Assets 127
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets 128
Comparative Statement of Cash Flows..... 129

Internal Service Funds:

Combining Statement of Net Assets..... 131
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets..... 132
Combining Statement of Cash Flows 133

Capital Replacement Fund
Comparative Statement of Net Assets 135
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets 136
Comparative Statement of Cash Flows..... 137

Information Technology Replacement Fund
Comparative Statement of Net Assets 139
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Assets 140
Comparative Statement of Cash Flows..... 141

Capital Assets Used in Operations of Governmental Funds:

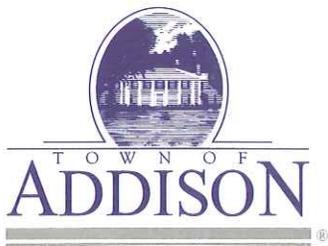
Comparative Schedule of Capital Assets by Source..... 145
Schedule of Capital Assets by Function and Activity 146
Schedule of Changes in Capital Assets by Function and Activity 147

**INTRODUCTORY
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FINANCIAL & STRATEGIC SERVICES

FAX: (972) 450-7096

Post Office Box 9010, Addison, Texas 75001-9010

(972) 450-7051 5350 Belt Line Road

March 1, 2012

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, 2011. The purpose of the report is to provide the City 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 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.

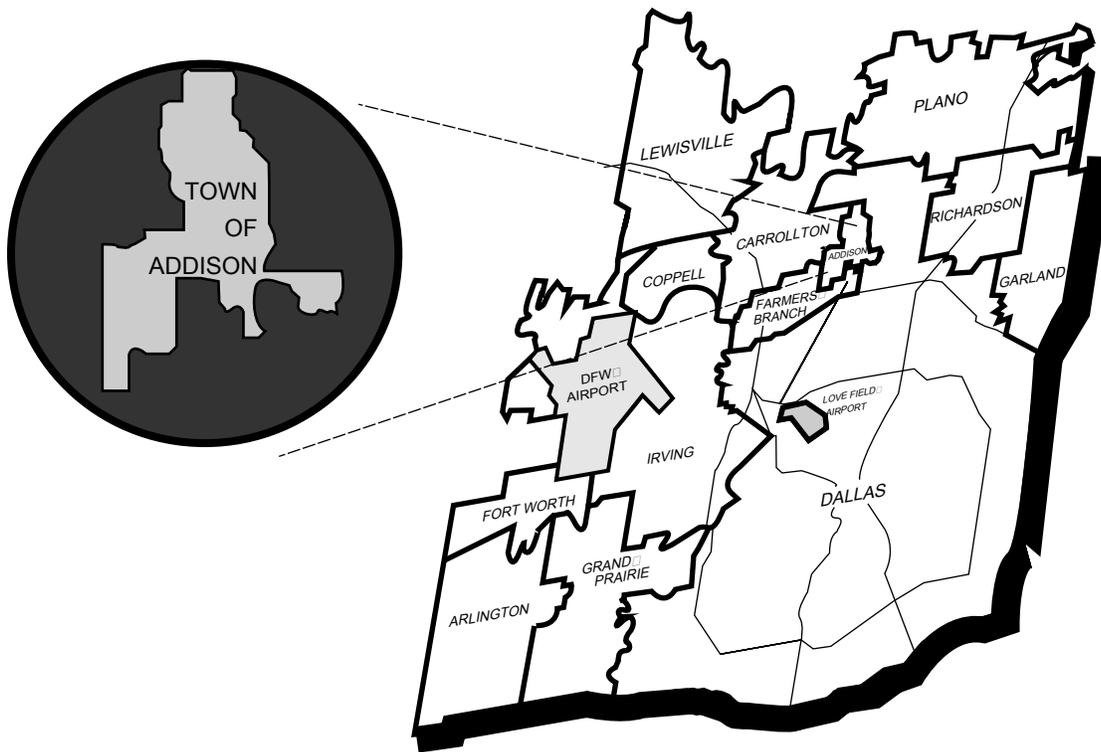
The *Financial Section* contains the opinion of the Town's independent auditor. The Town of Addison's financial statements have been audited by Weaver and Tidwell, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Addison for the fiscal year ended September 30, 2011 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, 2011 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 roughly 13,000 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 November 2010. Under the amended Charter, the Council is comprised of a mayor and six council members who enact local legislation, determine policies, and adopt the Town's budget. The mayor and council members are elected for two-year terms with the mayor and three council members being elected each odd-numbered year and the remaining three council members elected each even-numbered year. The City Manager is appointed by the City Council and is responsible to them for the proper administration of the affairs of the Town.

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

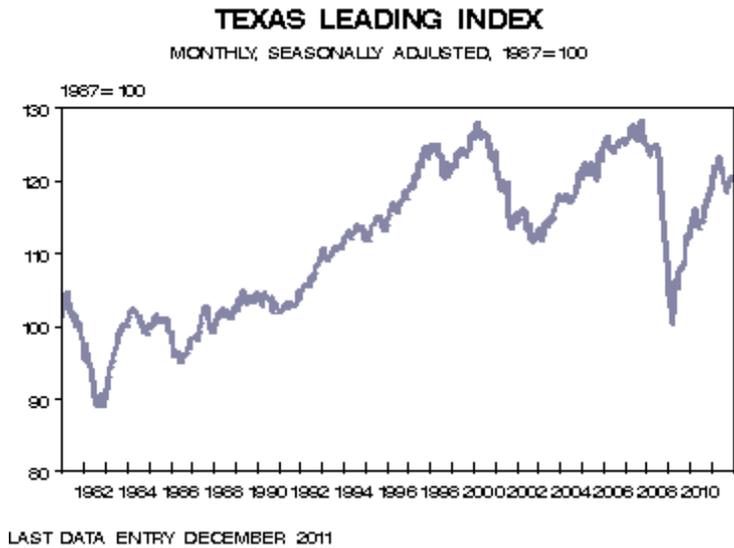
The annual budget of the Town of Addison serves as the foundation for the Town's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by the Town Charter and council ordinances.¹ The appropriated 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 29 as part of the basic financial statements for the governmental funds. For all governmental funds (including the General Fund) with appropriated annual budgets, this comparison is presented in the governmental fund section of this report, beginning on page 65.

FACTORS AFFECTING FINANCIAL CONDITION

Status of Local Economy

With its concentration of commercial and retail development, the Town of Addison's economy is strongly influenced by the region's economic climate. According to reports issued by the Federal Reserve Bank of Dallas, the regional economy has expanded 4.8 percent over the last year as reflected in the chart below.²



¹ Financial policies can be located beginning on page 115 of the Town of Addison Annual Budget 2011-12 document.

² Source: Federal Reserve Bank of Dallas, [December 2011 Data](#)

The United States unemployment rate remains high, although Texas appears to be faring better than the nation as a whole. Texas employment expanded 2 percent during 2011. The unemployment rate for Texas stood at 7.8 percent in December 2011, lower than the national rate of 8.5 percent.³



An important component to the State's economy is exports to other countries. Texas' export market has continued to grow, and in November 2011, the monetary value of exports was up 11.9 percent from a year earlier. In addition, Texas' housing and manufacturing markets have improved, suggesting a moderately improving economy.³



Because Addison is densely developed with nearly 10 million square feet of office space distributed among 94 office buildings, much attention is given to the occupancy rates of buildings in Addison. At the end of December 2011, Addison's occupancy rate stood at 76.7 percent compared with the 73.4 percent recorded a year earlier. Addison's occupancy rate is somewhat higher than the 71.4 percent average for all of Dallas County.⁴ The low occupancy rates are partly responsible for the 1.0 percent decline in property values of the 2011 certified tax roll that was used for the fiscal year 2012 property tax levy. This is the third consecutive year that values have declined. Over the past three years, values have declined a total 18.7 percent that reversed a four-year trend (fiscal years 2006 through 2009) that witnessed a cumulative 38 percent increase in values.

³ Source: Federal Reserve Bank of Dallas, February 2012 Texas Economic Indicators

⁴ Sources: Xceligent Report Q4 2011 and Q4 2010

For the 2011 fiscal year, General Fund revenues of \$27.7 million represented a 1.5 percent increase from fiscal year 2010. The increase is primarily due to an increase in sales tax and licenses and permits. The Town's sales tax receipts increased 5.2 percent from fiscal year 2010, indicative of an improving economy. The General Fund budget for the 2012 fiscal year assumes revenues of \$27.2 million, on par with 2011 actual amounts. The budget also established a property tax rate of 58.0¢ per \$100 appraised value, a 5.0¢ increase over the 2011 rate, which offsets the decline in property values. General Fund expenditures and transfers for the 2012 budget totaling \$27.6 million are approximately 2.8 percent less than the original 2011 budget. The General Fund ending balance is projected to decline from the actual ending 2011 balance to \$10.0 million, or 36.1 percent of fund operating expenditures.

Long-Term Financial Planning

Users of this document as well as others interested in the programs and services offered by the Town of Addison are encouraged to read the Town's 2011-12 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/.

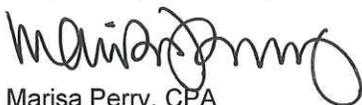
AWARDS AND ACKNOWLEDGMENTS

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, 2010. 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 35 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 2011 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 24 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 guidance provided by our auditors, Weaver and Tidwell, LLP, and the assistance in meeting the deadlines established for publication of the document. We are grateful for the support provided us by the City Manager and the City Council, and we affirm our pledge to be a resource to help them achieve the goals they have established for the Addison community.

Respectfully submitted,



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, 2010

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.

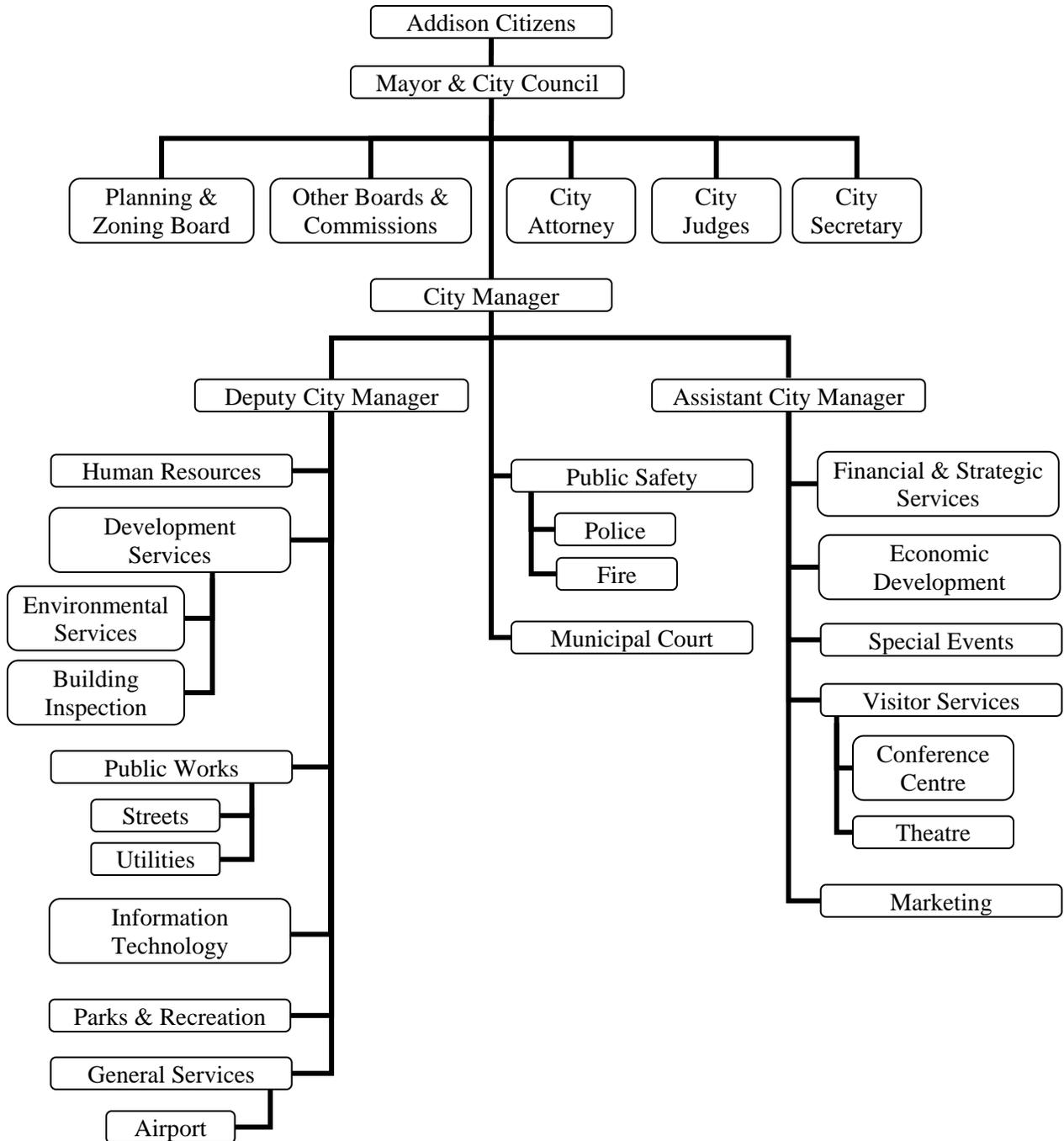


Linda C. Dandison

President

Jeffrey R. Emer

Executive Director



Town of Addison
LIST OF PRINCIPAL OFFICIALS
September 30, 2011

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

Mayor	Todd Meier	(972) 450-7027
City Manager	Ron Whitehead.....	(972) 450-7028
Deputy City Manager/Public Works	Lea Dunn.....	(972) 450-7037
Assistant City Manager/City Secretary	Chris Terry.....	(972) 450-7010
Financial Services Manager.....	Marisa Perry, CPA.....	(972) 450-7064
Director of General Services.....	Mark Acevedo	(972) 450-2848
Director of Human Resources.....	Passion Hayes	(972) 450-2819
Director of Information Technology.....	Hamid Khaleghipour.....	(972) 450-2868
Police Chief	Ron Davis	(972) 450-7168
Fire Chief.....	John O'Neal.....	(972) 450-7203
Director of Development Services	Carmen Moran	(972) 450-2886
Director of Parks and Recreation.....	Slade Strickland	(972) 450-2869
Director of Visitor Services.....	Bob Phillips.....	(972) 450-6202
Director of Communications and Marketing.....	Carrie Rice.....	(972) 450-7032
Director of Special Events.....	Barbara Kovacevich	(972) 450-6221
Director of Economic Development	Orlando Campos	(972) 450-7034

**FINANCIAL
SECTION**

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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, 2011, 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, 2011, 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.

As discussed in Note D, Assets, Liabilities, and Net Assets or Equity to the basic financial statements, the Town implemented Government Accounting Standards Board Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions".

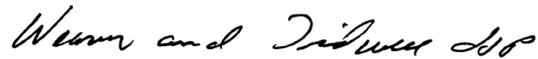
The information identified in the accompanying table of contents as *management's discussion and analysis*, *Texas Municipal Retirement System Analysis of Funding Progress*, and *the Retiree Health Plan Analysis of Funding Progress* are not a required part of the basic financial statements but is supplementary 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.

Town of Addison

Page 2

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.

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.

A handwritten signature in cursive script that reads "Weaver and Tidwell LLP".

WEAVER AND TIDWELL, L.L.P.

March 1, 2012
Dallas, Texas

Addison!®

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the Town of Addison, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Addison for the fiscal year ended September 30, 2011. 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.**

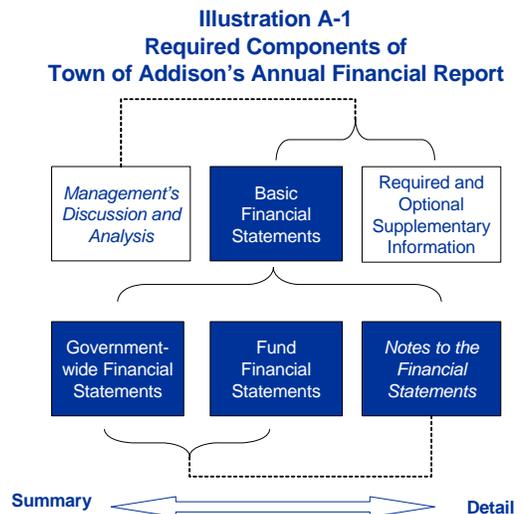
Financial Highlights

- The Town's assets exceeded its liabilities at the close of the 2011 fiscal year by \$212,947. This amount represents an increase over the previous year by \$16,487. The increase is attributed to governmental revenue from taxes and charges for services exceeding the cost of government activities and program revenues and capital grants exceeding expenses with the Town's business-type activities related to airport and utility operations.
- As of September 30, 2011, the Town's governmental funds reported combined ending fund balances of \$22,910, a decline of \$14,922. 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 2011 fiscal year, fund balance for the General Fund was \$10,367, or 37.7 percent of total fund expenditures. Fund balance decreased \$490 during the year.
- At year-end, the Town of Addison's outstanding debt totals \$66,470, a decline of \$6,650 from the previous year which 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 that provide more detailed data. These financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Illustration A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included other information such as the Town's long-term debt schedules and a statistical section, which, through the use of tables, presents comparative economic and financial data to give users of this report a perspective of the Town's financial performance over a number of years.

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

Illustration A-2			
Major Features of Town of Addison's Government-wide and Fund Financial Statements			
	<u>Government-wide Statements</u>	<u>Fund Statements</u>	
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>
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 23-24 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 15 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all these funds, with the exception of the Economic Development Fund, Municipal Court Fund, Public Safety Fund, and various grant and capital project funds, which are considered 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 35-59 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 109-110 and 131-133.

Government-wide Financial Analysis

As of the close of the 2011 fiscal year, the Town's net assets (assets exceeding liabilities) totaled \$212,947 (see Table A-1). Of this amount \$180,376, or 84.7 percent, represents the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. Because the Town of Addison uses these capital assets to provide services to the community, these assets are not available for future spending. A portion of net assets (\$1,007) 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 \$31,564. 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

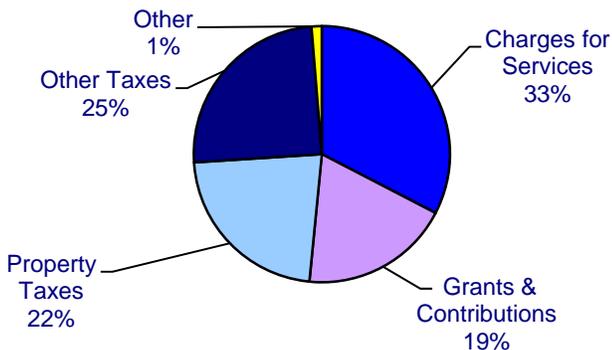
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and Other Assets	\$ 37,881	\$ 50,386	\$ 17,346	\$ 19,947	\$ 55,227	\$ 70,333
Capital Assets	171,467	158,636	60,200	47,949	231,667	206,585
Total Assets	209,348	209,022	77,546	67,896	286,894	276,918
Liabilities:						
Long-Term Liabilities Outstanding	53,314	57,293	14,360	17,104	67,674	74,397
Other Liabilities	4,036	4,309	2,237	1,752	6,273	6,061
Total Liabilities	57,350	61,602	16,597	18,856	73,947	80,458
Net Assets:						
Invested in Capital Assets, Net of Related Debt	129,262	123,041	51,114	36,300	180,376	159,341
Restricted for Debt Service	1,007	997	-	-	1,007	997
Unrestricted	21,729	23,382	9,835	12,740	31,564	36,122
Total Net Assets	\$ 151,998	\$ 147,420	\$ 60,949	\$ 49,040	\$ 212,947	\$ 196,460

As reflected in Table A-2, the Town's net assets increased \$16,487, or 8.4 percent during the 2011 fiscal year. The increase is primarily due to capital grants and developer contributions associated with the Vitruvian Park development, intersection improvements at Spring Valley Road, and improvements at the Addison Airport.

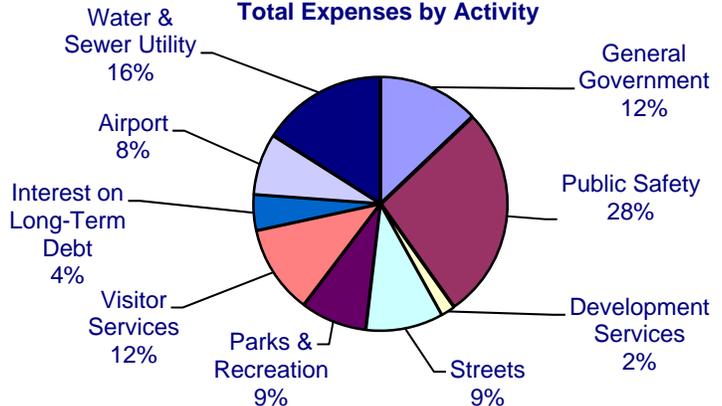
**Table A-2
Town of Addison's Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,672	\$ 5,821	\$ 15,267	\$ 13,095	\$ 22,939	\$ 18,916
Grants & Contributions	3,654	1,578	9,668	1,103	13,322	2,681
General Revenues:						
Property Taxes	15,773	15,901	-	-	15,773	15,901
Other Taxes	17,398	16,232	-	-	17,398	16,232
Other	921	2,815	(6)	30	915	2,845
Total Revenues	45,418	42,347	24,929	14,228	70,347	56,575
Expenses:						
General Government	6,709	6,876	-	-	\$ 6,709	\$ 6,876
Public Safety	14,915	14,550	-	-	14,915	14,550
Development Services	866	938	-	-	866	938
Streets	4,914	5,278	-	-	4,914	5,278
Parks & Recreation	4,743	4,502	-	-	4,743	4,502
Visitor Services	6,431	6,028	-	-	6,431	6,028
Interest on Long-Term Debt	2,262	2,424	-	-	2,262	2,424
Airport	-	-	4,387	4,181	4,387	4,181
Water & Sewer Utility	-	-	8,633	8,530	8,633	8,530
Total Expenses	40,840	40,596	13,020	12,711	53,860	53,307
Increase/(Decrease) in Net Assets	4,578	1,751	11,909	1,517	16,487	3,268
Net Assets - 10/01/10	147,420	145,669	49,040	47,523	196,460	193,192
Net Assets - 09/30/11	\$ 151,998	\$ 147,420	\$ 60,949	\$ 49,040	\$ 212,947	\$ 196,460

**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 \$4,578.

Business-Type Activities

The Town’s business-type activities experienced an \$11,909 increase in net assets with the Airport Fund recording an increase of \$9,801, while the Utility Fund posted a gain of \$2,108. Of the Airport Fund’s increase, \$9,595 is attributed to capital grants for improvements at the Addison Airport.

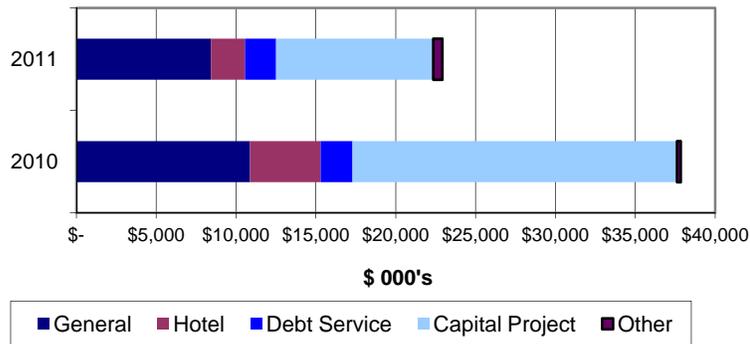
Financial Analysis of the Government Funds

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

As of September 30, 2011, the Town’s governmental funds reported combined ending fund balances of \$22,910, a decline of \$14,922 compared to balances a year earlier. Illustration A-5 graphically presents the composition of the various fund balances. Of the ending balance, \$10,266 or 44.8 percent is *unassigned* and is available to the Town for future spending. Most of the remaining fund balance is *restricted* for future capital projects (\$9,852) and debt service (\$1,945). Components of the net decrease of total fund balance are:

- In the General Fund, expenditures totaled \$27,467 compared to revenues of \$27,677. Revenues increased \$414 from the previous year. Most of the increase was due to receiving an additional \$486 in non-property (sales) taxes and an additional \$377 in licenses and permits, offset by a \$398 decline in property tax. Expenditures increased \$1,407 from the 2010 fiscal year. The increase is primarily due to resuming contributions to the capital replacement internal service funds after a one-year suspension.
- In the Hotel Fund, expenditures and transfers out to other funds totaled \$8,326 compared to revenues of \$6,026. Fund revenues increased a \$126 from the previous year. Expenditures increased \$2,214 from fiscal year 2010 due in large part to making ready the Visitor Services offices and the Visit Addison facilities at Village on the Parkway.
- Capital project funds recorded a net decline in fund balance of \$10,483 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 \$2,311 while the Utility Fund reported unrestricted net assets of \$7,524. Issues relating to these two funds were discussed in the 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 property tax revenue (\$110), and decreased court fine revenue (\$200). All revenue amendments resulted in a net budget decline of \$327. Allocations to various departments were made that resulted in a net increase to appropriations of \$710.

The adjustments resulted in decreasing budgeted revenue 1.2 percent and increasing expenditures by 2.6 percent. The projected deficit of expenditures and other uses exceeding revenues increased from \$1,612 to \$2,649. Fund balance actually decreased only \$490.

Capital Asset and Debt Administration

Capital assets – As detailed in Table A-3 below, the Town of Addison’s investment in capital assets for its governmental and business-type activities as of September 30, 2011, totals \$231,667 (net of accumulated depreciation). This amount represents a \$25,082 increase from the previous year and is attributed to investment in new assets exceeding depreciation of existing assets. Projects that are in progress include the Belt Line Streetscape, Redding Trail Extension, Spring Valley intersection, and Vitruvian Park infrastructure improvements. More information related to the Town’s capital assets can be found in Sections I, D, 4 and III, D of the Notes to Financial Statements.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 66,233	\$ 65,784	\$ 10,224	\$ 10,223	\$ 76,457	\$ 76,007
Buildings	11,644	12,200	1,468	1,531	13,112	13,731
Improvements other than Buildings	56,276	58,602	31,693	32,785	87,969	91,387
Machinery and Equipment	3,566	4,112	851	879	4,417	4,991
Construction in Progress	33,748	17,938	15,964	2,531	49,712	20,469
Total Capital Assets	\$ 171,467	\$ 158,636	\$ 60,200	\$ 47,949	\$ 231,667	\$ 206,585

Long-term debt – At the end of the 2011 fiscal year, the Town of Addison had total bonded debt outstanding of \$66,470 as detailed in Table A-4. No new debt was issued during 2011. The Town of Addison maintains an underlying bond rating of “AAA” from Standard & Poor’s and “Aa1” from Moody’s. Other than the 2008 issue, all of the Town’s outstanding debt is insured; however the insurers’ ratings have been downgraded in the past few years. Of the Town’s insurers as of September 30, 2011 MBIA carries a rating of “B” from Standard & Poor’s. Ambac’s rating was withdrawn by S&P on November 30, 2010. The insurer FSA changed its name to Assured Guaranty Municipal Corporation (AGM) and currently holds a rating of “AA-” by S&P. Because of the strength of the Town’s own credit ratings, future bond sales should obtain competitive bids with relatively low financing rates. More information related to the Town’s long-term debt can be found in Section III, F of the Notes to Financial Statements.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$ 19,575	\$ 22,775	\$ 5,275	\$ 7,760	\$ 24,850	\$ 30,535
Certificates of Obligation	32,444	33,117	9,176	9,468	41,620	42,585
Total Debt Outstanding	\$ 52,019	\$ 55,892	\$ 14,451	\$ 17,228	\$ 66,470	\$ 73,120

Economic Factors and Next Year's Budget and Rates

- The Texas Workforce Commission no longer maintains individual statistics for cities with a population of less than 25,000, and therefore information related to Addison employment is unavailable. However, the average unemployment rate for the adjacent cities of Carrollton and Farmers Branch as of December 2011 averaged 6.6 percent, somewhat lower than the 7.4 percent rate recorded a year earlier. This unemployment rate is less than that of the Dallas/Plano/Irving Metro Division, which recorded a 7.2 percent rate. The December 2011 rate for the State of Texas was 7.2 percent, lower than the 8.0 percent in December 2010.¹
- Sales tax collections for the Town were up 5.2 percent from the amount collected in 2010 after two consecutive years of decreases in annual collections. This increase appears to indicate a modestly improving economy.
- Hotel occupancy tax collections increased 9.1 percent from the previous year after two consecutive years of decreases in annual collections, although collections are still down 23.1 percent from the 2008 fiscal year.
- In July 2011 Addison received its certified property tax roll from the Dallas Central Appraisal District. This certified roll is what Texas local governments use to levy taxes for the 2011-12 fiscal year. Certified taxable property values in Addison totaled \$3,028,043, which represented a 1.0 percent decline from the previous year, and was the third consecutive year of decline following four consecutive years of increased values.

These various factors were taken into consideration in development of the Town's 2011-12 annual budget. The annual budget is adopted within context of five-year financial plans for the General, Hotel, Airport, and Utility funds. The long-term financial plans project operating revenues and expenses and changes in fund balances related to the Town's adopted financial policy to work to maintain a minimum 25% fund balance for these funds. Major aspects of the adopted 2011-12 budget include:

- The property tax rate was increased 5.0¢ to \$.5800 per \$100 appraised value. The increase offset the decline in property values and provided an additional \$458 for the Town's annual debt service. Of the 2012 budget tax rate, \$.3819 was levied for operation/maintenance (including \$.0185 for economic development funding) and \$.1981 for debt service. This compares to the 2011 distribution of \$.3479 and \$.1821 respectively. (*Note: The preceding tax rates are not reflected in \$000's of dollars*).
- The General Fund balance is projected to decline \$405 from the actual beginning fund balance of \$10,367 to \$9,962. The projected ending fund balance is 36.1 percent of operating expenditures.
- The Hotel Fund balance is projected to decline \$601 from the actual beginning fund balance to \$1,530. The projected ending fund balance is only 23.4 percent of operating expenditures, but the long-term financial plan for the fund restores fund balance to 25% of operating expenditures within the planning horizon.
- The budget included a five percent increase in water and sewer rates and established a library card fee and a business license fee.

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) 450-7064
Email: mperry@addisontx.gov

¹ Source: Texas Workforce Commission (December 2011 and 2010 data)

Basic Financial Statements

Addison!®

Town of Addison, Texas
Basic Financial Statements

TOWN OF ADDISON
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	Primary Government			Summarized 2010 Total
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and Investments	\$ 29,464,546	\$ 7,097,065	\$ 36,561,611	\$ 54,805,426
Receivables, Net of Allowances for Uncollectibles	8,026,125	2,630,939	10,657,064	7,690,735
Inventories, at Cost	87,835	16	87,851	106,540
Prepaid Items	110,329	230,275	340,604	41,600
Deferred Charges	192,037	149,204	341,241	395,475
Investment in Joint Venture	-	7,238,882	7,238,882	7,293,066
Capital Assets, Net of Accumulated Depreciation				
Land	66,233,099	10,223,421	76,456,520	76,007,544
Buildings	11,643,535	1,468,265	13,111,800	13,730,913
Improvements other than Buildings	56,276,141	31,693,205	87,969,346	91,387,352
Machinery and Equipment	3,566,079	850,515	4,416,594	4,990,432
Construction in Progress	33,748,347	15,964,000	49,712,347	20,468,909
Total Assets	\$ 209,348,073	\$ 77,545,787	\$ 286,893,860	\$ 276,917,992
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts Payable and Accrued Liabilities	\$ 3,374,334	\$ 1,335,444	\$ 4,709,778	\$ 4,771,752
Contracts and Retainage Payable	583,613	-	583,613	254,301
Intergovernmental Payable	55,557	-	55,557	140,207
Customer Deposits	22,441	901,324	923,765	894,920
Non-Current Liabilities:				
Due within One Year	5,451,278	2,985,038	8,436,316	7,514,913
Due in More Than One Year	47,862,376	11,375,476	59,237,852	66,882,364
Total Liabilities	57,349,599	16,597,282	73,946,881	80,458,457
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	129,261,976	51,113,892	180,375,868	159,341,142
Restricted for Debt Service	1,007,330	-	1,007,330	996,614
Unrestricted	21,729,168	9,834,613	31,563,781	36,121,779
Total Net Assets	151,998,474	60,948,505	212,946,979	196,459,535
Total Liabilities and Net Assets	\$ 209,348,073	\$ 77,545,787	\$ 286,893,860	\$ 276,917,992

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, 2011

Functions/Programs	Program Revenues			Net (Expense)/Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business - Type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 6,709,095	\$ 143,529	\$ -	\$ -	\$ (6,565,566)	\$ -	\$ (6,565,566)
Public Safety	14,914,759	1,899,711	223,792	-	(12,791,256)	-	(12,791,256)
Development Services	866,023	1,213,741	-	-	347,718	-	347,718
Streets	4,913,524	2,299,731	-	3,429,804	816,011	-	816,011
Parks and Recreation	4,742,946	107,387	-	-	(4,635,559)	-	(4,635,559)
Visitor Services	6,431,136	2,007,821	-	-	(4,423,315)	-	(4,423,315)
Interest on Long-Term Debt	2,261,571	-	-	-	(2,261,571)	-	(2,261,571)
Total Governmental Activities	<u>40,839,054</u>	<u>7,671,920</u>	<u>223,792</u>	<u>3,429,804</u>	<u>(29,513,538)</u>	<u>-</u>	<u>(29,513,538)</u>
Business-Type Activities:							
Airport	4,387,384	4,526,593	-	9,654,165	-	9,793,374	9,793,374
Utilities	8,633,217	10,740,568	-	14,000	-	2,121,351	2,121,351
Total Business-Type Activities	<u>13,020,601</u>	<u>15,267,161</u>	<u>-</u>	<u>9,668,165</u>	<u>-</u>	<u>11,914,725</u>	<u>11,914,725</u>
Total Primary Government	<u>\$ 53,859,655</u>	<u>\$ 22,939,081</u>	<u>\$ 223,792</u>	<u>\$ 13,097,969</u>	<u>\$ (29,513,538)</u>	<u>\$ 11,914,725</u>	<u>\$ (17,598,813)</u>
GENERAL REVENUES:							
Taxes:							
Property Taxes, Levied for General Purposes					15,772,858	-	15,772,858
Sales Taxes					10,604,803	-	10,604,803
Franchise Taxes					2,792,601	-	2,792,601
Hotel/Motel Taxes					4,000,786	-	4,000,786
Interest on Investments					148,966	(16,178)	132,788
Miscellaneous					772,276	10,145	782,421
Total General Revenues					<u>34,092,290</u>	<u>(6,033)</u>	<u>34,086,257</u>
Change in Net Assets					4,578,752	11,908,692	16,487,444
NET ASSETS, Beginning of Year					147,419,722	49,039,813	196,459,535
NET ASSETS, End of Year					<u>\$ 151,998,474</u>	<u>\$ 60,948,505</u>	<u>\$ 212,946,979</u>

See accompanying notes to basic financial statements.

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

**Governmental Funds
Balance Sheet
September 30, 2011**

	General	Hotel	General Obligation Debt Service	Hotel Debt Service	Capital Project Fund	Reimbursement Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:								
Cash and Investments	\$ 7,770,156	\$ 1,990,959	\$ 1,159,139	\$ 815,200	\$ 10,885,059	\$ -	\$ 922,038	\$ 23,542,551
Receivables:								
Ad Valorem Taxes, Including Interest and Penalties	300,166	-	133,032	-	-	-	-	433,198
Non-Property Taxes	1,925,207	297,082	-	-	-	-	-	2,222,289
Franchise Fees	657,399	-	-	-	-	-	-	657,399
Service Fees	1,038,818	-	-	-	-	-	-	1,038,818
Ambulance	198,522	-	-	-	-	-	-	198,522
Interest	26,581	5,044	2,948	2,073	18,313	-	5,196	60,155
Interfund	2,770,112	-	-	-	-	-	-	2,770,112
Other	-	121,783	-	-	56,394	3,086,241	53,458	3,317,876
Prepaid Items	67,135	43,194	-	-	-	-	-	110,329
Inventories, at Cost	87,835	-	-	-	-	-	-	87,835
Total Assets	\$ 14,841,931	\$ 2,458,062	\$ 1,295,119	\$ 817,273	\$ 10,959,766	\$ 3,086,241	\$ 980,692	\$ 34,439,084

LIABILITIES AND FUND BALANCE:

Liabilities:								
Accounts Payable and Accrued Liabilities	\$ 1,543,852	\$ 300,512	\$ -	\$ -	\$ 565,114	\$ 366,695	\$ 327,973	\$ 3,104,146
Contracts and Retainage Payable	-	-	-	-	542,890	-	40,723	583,613
Deferred Revenue	2,897,157	-	149,687	-	-	1,945,467	859	4,993,170
Intergovernmental Payable	32,487	5,469	17,601	-	-	-	-	55,557
Customer Deposits	1,741	20,700	-	-	-	-	-	22,441
Interfund Payable	-	-	-	-	-	2,719,440	50,672	2,770,112
Total Liabilities	4,475,237	326,681	167,288	-	1,108,004	5,031,602	420,227	11,529,039
Fund Balances:								
Nonspendable:								
Inventories	87,835	-	-	-	-	-	-	87,835
Prepaid Items	67,135	43,194	-	-	-	-	-	110,329
Restricted:								
Debt Service	-	-	1,127,831	817,273	-	-	-	1,945,104
Capital Projects	-	-	-	-	9,851,762	-	-	9,851,762
Court Technology	-	-	-	-	-	-	83,827	83,827
Building Security	-	-	-	-	-	-	72,462	72,462
Other Purposes	-	-	-	-	-	-	45,500	45,500
Committed:								
Economic Development	-	-	-	-	-	-	358,676	358,676
Assigned:								
Other Purposes	61,193	27,603	-	-	-	-	-	88,796
Unassigned	10,150,531	2,060,584	-	-	-	(1,945,361)	-	10,265,754
Total Fund Balance	10,366,694	2,131,381	1,127,831	817,273	9,851,762	(1,945,361)	560,465	22,910,045
Total Liabilities and Fund Balance	\$ 14,841,931	\$ 2,458,062	\$ 1,295,119	\$ 817,273	\$ 10,959,766	\$ 3,086,241	\$ 980,692	\$ 34,439,084

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, 2011

Total Fund Balances - Governmental Funds	\$ 22,910,045
The Town uses internal service funds to charge the costs of certain activities such as replacement of capital assets and information technology to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net assets. The effect of this consolidation is to increase net assets.	9,071,030
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 \$252,132,578, net of accumulated depreciation of \$83,716,544, exclusive of the capital assets of internal service funds with a net carrying value of \$3,051,167, included above increased net assets in the government-wide financial statements.	168,416,034
Debt issue costs have been reflected net of amortization in the government-wide financial statements.	192,037
Bonds payable, contractual obligations, and related premium and deferred refunding amounts have not been included in the fund financial statements.	(52,056,987)
Accrued liabilities for compensated absences have not been reflected in the fund financial statements.	(904,677)
Net OPEB obligation is not reflected in the fund financial statements.	(351,990)
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.	(270,188)
Revenue from property taxes, sales taxes, franchise fees, court bonds, ambulance billing, and intergovernmental grants is deferred in the fund financial statements until it is considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide statements.	4,993,170
Net Assets of Governmental Activities	<u>\$ 151,998,474</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, 2011**

	General	Hotel	General Obligation Debt Service	Hotel Debt Service	Capital Project Fund	Reimbursement Grant Fund	Non-Major Governmental Funds	Total Governmental
REVENUES:								
Ad Valorem Taxes	\$ 10,373,352	-	\$ 5,430,048	\$ -	\$ -	\$ -	\$ -	\$ 15,803,400
Non-Property Taxes	10,563,399	4,000,786	-	-	-	-	-	14,564,185
Franchise Fees	2,760,188	-	-	-	-	-	-	2,760,188
Licenses and Permits	1,210,058	-	-	-	-	-	-	1,210,058
Intergovernmental	-	-	-	-	-	1,711,914	1,831,443	3,543,357
Service Fees	1,414,120	1,426,197	-	-	-	-	-	2,840,317
Fines and Forfeitures	1,062,986	-	-	-	-	-	41,491	1,104,477
Earnings on Investments	25,514	9,934	10,111	3,336	66,210	(189)	7,212	122,128
Rental Charges	152,333	581,624	-	-	-	-	-	733,957
Recycling Proceeds	22,608	-	-	-	-	-	-	22,608
Other	91,985	7,836	-	-	419,888	-	11,440	531,149
Total Revenues	27,676,543	6,026,377	5,440,159	3,336	486,098	1,711,725	1,891,586	43,235,824
EXPENDITURES:								
Current:								
General Government	6,353,784	-	-	-	-	-	-	6,353,784
Public Safety	14,553,921	-	-	-	-	14,462	288,640	14,857,023
Development Services	885,218	-	-	-	-	-	-	885,218
Streets	1,612,011	-	-	-	-	-	-	1,612,011
Parks and Recreation	4,061,666	-	-	-	-	-	-	4,061,666
Visitor Services	-	7,655,939	-	-	-	-	-	7,655,939
Economic Development	-	-	-	-	-	-	342,200	342,200
Debt Service:								
Principal Retirement	-	-	3,318,610	555,000	-	-	-	3,873,610
Interest and Fiscal Charges	-	-	2,119,787	164,987	-	-	-	2,284,774
Capital Projects:								
Maintenance and Materials	-	-	-	-	9,870	-	-	9,870
Engineering and Contractual Services	-	-	-	-	1,683,926	-	162,993	1,846,919
Construction and Equipment	-	-	-	-	9,260,723	3,657,075	1,457,412	14,375,210
Total Expenditures	27,466,600	7,655,939	5,438,397	719,987	10,954,519	3,671,537	2,251,245	58,158,224
Excess/(Deficiency) of Revenues over Expenditures	209,943	(1,629,562)	1,762	(716,651)	(10,468,421)	(1,959,812)	(359,659)	(14,922,400)
OTHER FINANCING SOURCES/(USES):								
Transfers In	-	-	-	670,000	-	14,156	700,000	1,384,156
Transfers Out	(700,000)	(670,000)	-	-	(14,156)	-	-	(1,384,156)
Net Change in Fund Balance	(490,057)	(2,299,562)	1,762	(46,651)	(10,482,577)	(1,945,656)	340,341	(14,922,400)
Fund Balances at Beginning of Year	10,856,751	4,430,943	1,126,069	863,924	20,334,339	295	220,124	37,832,445
Fund Balances at End of Year	\$ 10,366,694	\$ 2,131,381	\$ 1,127,831	\$ 817,273	\$ 9,851,762	\$ (1,945,361)	\$ 560,465	\$ 22,910,045

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, 2011

Total Net Change in Fund Balances - Governmental Funds \$ (14,922,400)

The Town uses internal service funds to charge the costs of certain activities such as replacement of capital assets and information technology to appropriate functions in other funds. The revenues and expenses of the internal service funds are included in governmental activities in the government-wide statement of activities. The effect of this consolidation is to increase net assets. 262,753

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. Developer contributions are recorded as capital contributions in the government-wide financial statements. The effect of removing the capital outlays and recording the developer contributions is to increase net assets. 18,174,139

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. (4,873,375)

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. (22,552)

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. 3,873,610

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. (5,216)

The change in the net OPEB obligation is not shown in the fund financial statements. The effect of recording the decrease in liability is to increase net assets. 112,479

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. 23,203

Revenue from property taxes, sales taxes, franchise fees, court bonds, ambulance billing, and intergovernmental grants not recognized in fund financial statements on the modified accrual basis is recognized on the accrual basis in the government-wide financial statements. 1,956,111

Change in Net Assets of Governmental Activities \$ 4,578,752

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, 2011

	Budget		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Ad Valorem Taxes	\$ 10,386,590	\$ 10,276,590	\$ 10,373,352	\$ 96,762
Non-Property Taxes	10,337,780	10,337,780	10,563,399	225,619
Franchise Fees	2,607,960	2,602,960	2,760,188	157,228
Licenses and Permits	621,080	621,080	1,210,058	588,978
Service Fees	1,346,600	1,346,600	1,414,120	67,520
Fines and Forfeitures	1,225,000	1,025,000	1,062,986	37,986
Earnings on Investments	80,000	35,000	25,514	(9,486)
Rental Charges	153,000	153,000	152,333	(667)
Recycling Proceeds	20,000	20,000	22,608	2,608
Other	37,990	70,990	91,985	20,995
<i>Total Revenues</i>	<u>26,816,000</u>	<u>26,489,000</u>	<u>27,676,543</u>	<u>1,187,543</u>
EXPENDITURES:				
General Government	6,449,120	6,706,120	6,353,784	352,336
Public Safety	14,567,150	14,779,850	14,553,921	225,929
Development Services	898,680	898,680	885,218	13,462
Streets	1,794,880	1,779,880	1,612,011	167,869
Parks and Recreation	4,018,140	4,273,140	4,061,666	211,474
<i>Total Expenditures</i>	<u>27,727,970</u>	<u>28,437,670</u>	<u>27,466,600</u>	<u>971,070</u>
Excess/(Deficiency) of Revenues over Expenditures	(911,970)	(1,948,670)	209,943	2,158,613
OTHER FINANCING SOURCES/(USES):				
Transfers Out	<u>(700,000)</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,611,970)	(2,648,670)	(490,057)	2,158,613
Fund Balances at Beginning of Year	<u>10,856,751</u>	<u>10,856,751</u>	<u>10,856,751</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 9,244,781</u>	<u>\$ 8,208,081</u>	<u>\$ 10,366,694</u>	<u>\$ 2,158,613</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, 2011

	Budget		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Hotel/Motel Occupancy Taxes	\$ 3,550,000	\$ 4,000,000	\$ 4,000,786	\$ 786
Proceeds from Special Events	1,680,500	1,547,500	1,426,197	(121,303)
Conference Centre Rental	500,100	425,100	428,777	3,677
Theatre Centre Rental	303,540	78,000	82,107	4,107
Visitor Centre Rental	-	94,540	70,740	(23,800)
Earnings on Investments	13,000	13,000	9,934	(3,066)
Other	700	700	7,836	7,136
<i>Total Revenues</i>	<u>6,047,840</u>	<u>6,158,840</u>	<u>6,026,377</u>	<u>(132,463)</u>
EXPENDITURES:				
Visitor Services	1,098,570	1,098,570	1,008,029	90,548
Visit Addison	440,110	1,995,110	1,978,750	16,360
Conference Centre	1,028,370	1,053,370	1,007,162	46,205
Marketing	731,460	731,460	727,291	4,166
Special Events	2,392,720	2,392,720	2,405,602	(12,882)
Performing Arts	552,950	552,950	529,105	23,844
<i>Total Expenditures</i>	<u>6,244,180</u>	<u>7,824,180</u>	<u>7,655,939</u>	<u>168,241</u>
Excess/(Deficiency) of Revenues over Expenditures	(196,340)	(1,665,340)	(1,629,562)	35,778
OTHER FINANCING SOURCES/(USES):				
Transfers Out	(670,000)	(670,000)	(670,000)	-
Net Change in Fund Balance	(866,340)	(2,335,340)	(2,299,562)	35,778
Fund Balances at Beginning of Year	<u>4,430,943</u>	<u>4,430,943</u>	<u>4,430,943</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 3,564,603</u>	<u>\$ 2,095,603</u>	<u>\$ 2,131,381</u>	<u>\$ 35,778</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Proprietary Funds
Statement of Net Assets
September 30, 2011

	Business Type Activities - Enterprise Funds			Governmental Activities
	Airport	Utility	Total	Internal Service
ASSETS:				
Current Assets:				
Cash and Investments	\$ 2,133,522	\$ 4,963,543	\$ 7,097,065	\$ 5,921,995
Interest Receivable	5,519	12,793	18,312	15,059
Accounts Receivable	388,217	2,224,410	2,612,627	82,809
Inventory	16	-	16	-
Prepaid Items	166,277	63,998	230,275	-
Total Current Assets	2,693,551	7,264,744	9,958,295	6,019,863
Non-Current Assets:				
Deferred Charges	23,246	125,958	149,204	-
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	23,248,622	42,105,840	65,354,462	-
Machinery and Equipment	1,263,834	2,085,558	3,349,392	11,595,480
Accumulated Depreciation	(16,231,434)	(21,575,387)	(37,806,821)	(8,544,313)
Total Capital Assets, Net of Accumulated Depreciation	18,578,426	25,656,980	44,235,406	3,051,167
Construction in Progress	10,601,347	5,362,653	15,964,000	-
Net Property, Plant, and Equipment	29,179,773	31,019,633	60,199,406	3,051,167
Investment in Joint Venture	-	7,238,882	7,238,882	-
Total Assets	\$ 31,896,570	\$ 45,649,217	\$ 77,545,787	\$ 9,071,030
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 231,505	\$ 1,030,898	\$ 1,262,403	\$ -
Current Maturities of Bonds Payable	275,000	2,710,038	2,985,038	-
Accrued Interest Payable	15,036	58,005	73,041	-
Customer Deposits	159,016	742,308	901,324	-
Total Current Liabilities	680,557	4,541,249	5,221,806	-
Long-Term Debt, Net of Current Portion:				
General Obligation Bonds and Certificates of Obligation Payable	2,685,000	8,690,476	11,375,476	-
Total Liabilities	3,365,557	13,231,725	16,597,282	-
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	26,219,773	24,894,119	51,113,892	3,051,167
Unrestricted	2,311,240	7,523,373	9,834,613	6,019,863
Total Net Assets	\$ 28,531,013	\$ 32,417,492	\$ 60,948,505	\$ 9,071,030

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, 2011

	Business Type Activities - Enterprise Funds			Governmental Activities
	Airport	Utility	Total	Internal Service
OPERATING REVENUES:				
Water	\$ -	\$ 6,140,865	\$ 6,140,865	\$ -
Sewer	-	4,496,894	4,496,894	-
Penalties	-	71,834	71,834	-
Water and Sewer Taps and Other Fees	-	17,845	17,845	-
Fuel Flowage Fees	657,159	-	657,159	-
Customs Agent Fees	50,842	-	50,842	-
Rental Charges	3,481,639	-	3,481,639	-
Other Income	336,953	13,130	350,083	1,160,000
<i>Total Operating Revenues</i>	<u>4,526,593</u>	<u>10,740,568</u>	<u>15,267,161</u>	<u>1,160,000</u>
OPERATING EXPENSES:				
Salaries and Fringe Benefits	264,010	1,371,308	1,635,318	-
Supplies	19,695	115,407	135,102	-
Maintenance and Materials	2,061,944	415,161	2,477,105	-
Contractual Services	864,493	569,029	1,433,522	29,956
Water Purchases	-	2,520,302	2,520,302	-
Wastewater Purchases	-	1,889,041	1,889,041	-
Bad Debts Expense	-	-	-	-
<i>Total Operating Expenses (Excluding Depreciation)</i>	<u>3,210,142</u>	<u>6,880,248</u>	<u>10,090,390</u>	<u>29,956</u>
Depreciation	1,050,854	1,098,741	2,149,595	982,922
<i>Total Operating Expenses</i>	<u>4,260,996</u>	<u>7,978,989</u>	<u>12,239,985</u>	<u>1,012,878</u>
OPERATING INCOME/LOSS	<u>265,597</u>	<u>2,761,579</u>	<u>3,027,176</u>	<u>147,122</u>
NON-OPERATING REVENUES/(EXPENSES):				
Investment Income	7,558	(23,736)	(16,178)	26,837
Sale of Assets	-	10,145	10,145	88,794
Gain/(Loss) of the Joint Venture	-	(54,184)	(54,184)	-
Interest Expense	(124,063)	(509,932)	(633,995)	-
Amortization Expense	(2,325)	(80,713)	(83,038)	-
Fiscal Fees	-	(9,399)	(9,399)	-
<i>Total Non-Operating Revenues/(Expenses)</i>	<u>(118,830)</u>	<u>(667,819)</u>	<u>(786,649)</u>	<u>115,631</u>
NET INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	146,767	2,093,760	2,240,527	262,753
Capital Contributions and Grants	9,654,165	14,000	9,668,165	-
CHANGE IN NET ASSETS	9,800,932	2,107,760	11,908,692	262,753
Net Assets at Beginning of Year	18,730,081	30,309,732	49,039,813	8,808,277
Net Assets at End of Year	<u>\$ 28,531,013</u>	<u>\$ 32,417,492</u>	<u>\$ 60,948,505</u>	<u>\$ 9,071,030</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Airport	Utility	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 4,492,483	\$ 10,226,476	\$ 14,718,959	\$ 1,160,000
Payments to Suppliers	(3,131,430)	(4,909,521)	(8,040,951)	(29,956)
Payments to Employees for Services	(264,010)	(1,371,308)	(1,635,318)	-
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>1,097,043</u>	<u>3,945,647</u>	<u>5,042,690</u>	<u>1,130,044</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(10,690,520)	(3,695,338)	(14,385,858)	(513,353)
Principal Paid on Certificates of Obligation and General Obligation Bonds	(265,000)	(2,478,842)	(2,743,842)	-
Interest Paid on Certificates of Obligation and General Obligation Bonds	(125,222)	(574,979)	(700,201)	-
Proceeds from Sale of Capital Assets	-	10,145	10,145	5,985
Capital Grants	9,654,165	-	9,654,165	-
Fiscal Fees Related to Outstanding Debt	-	(9,399)	(9,399)	-
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>(1,426,577)</u>	<u>(6,748,413)</u>	<u>(8,174,990)</u>	<u>(507,368)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Cash and Investments	<u>7,080</u>	<u>(20,533)</u>	<u>(13,453)</u>	<u>22,583</u>
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	(322,454)	(2,823,299)	(3,145,753)	645,259
Cash and Cash Investments, October 1	2,455,976	7,786,842	10,242,818	5,276,736
Cash and Cash Investments, September 30	<u>\$ 2,133,522</u>	<u>\$ 4,963,543</u>	<u>\$ 7,097,065</u>	<u>\$ 5,921,995</u>
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$ 265,597	\$ 2,761,579	\$ 3,027,176	\$ 147,122
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:				
Depreciation	1,050,854	1,098,741	2,149,595	982,922
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivables	134,287	(539,692)	(405,405)	-
(Increase)/Decrease in Inventories	(16)	-	(16)	-
(Increase)/Decrease in Prepaid Items	(166,277)	(63,998)	(230,275)	-
Increase/(Decrease) in Accounts Payable	(185,282)	663,417	478,135	-
Increase/(Decrease) in Customer Deposits	(2,120)	25,600	23,480	-
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>\$ 1,097,043</u>	<u>\$ 3,945,647</u>	<u>\$ 5,042,690</u>	<u>\$ 1,130,044</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital Contributions	\$ 59,303	\$ -	\$ 59,303	\$ -
Gain/(Loss) of Joint Venture	-	(54,184)	(54,184)	-
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	<u>\$ 59,303</u>	<u>\$ (54,184)</u>	<u>\$ 5,119</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

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NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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.

B. Basic Financial Statements

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

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

Reimbursement Grant Fund – The Reimbursement Grant Fund accounts for expenditures for which the Town expects to be reimbursed. For any reimbursements not received prior to the fiscal year end, the Town will record a receivable. Amounts not received within 30 days of the fiscal year end are reported as deferred revenue.

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

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

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

Advanced Funding Grant Fund – The Advanced Funding Grant Fund accounts for grant monies that are received prior to the related expenditure, and therefore the fund may carry a balance from year to year if the Town does not expend the monies within the fiscal year.

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

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

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.

Additionally, the Town reports the following internal service funds:

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

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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, 2011 to be the fair value of investments. The government investment pools, TexPool and TexSTAR, operate in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of pool shares.

2) Receivables and Payables

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

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

3) Inventories and Prepaid Items

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

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

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

4) Capital Assets

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

- Expected useful life must be one year or more.
- Original unit cost of the item should be \$5,000 or greater and includes all costs enabling the item into operation, such as freight, installation, and accessories.
- The item should not be consumed, unduly altered, or materially reduced in value immediately by use.
- Bulk purchases of smaller equipment with a useful life of at least one year will be capitalized if the total amount of the purchase exceeds \$25,000.

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

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

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

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

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

5) Compensated Absences

Vacation, holiday, and sick pay costs are charged to operations when taken by the employees of the Town. In the event of termination, an employee is reimbursed for all accumulated vacation and holiday days not exceeding two years' accumulation. The amounts of such liabilities have been provided for in the government-wide financial statements. No reimbursements upon termination are made for accumulated sick leave; accordingly, no liability for unused sick leave has been provided. The Town's liability for compensated absences increased \$5,216 for a total liability of \$904,677.

6) Grants and Contributions

Included in capital grants and contributions in the government-wide financial statements is \$9,594,862 of grants and \$59,303 of developer contributions for improvements at the Addison Airport; \$1,821,810 for intersection improvements at Spring Valley Road; \$1,135,648 for the Vitruvian Park urban residential development, and \$486,346 for other various projects. Operating grants included \$191,200 for the Community Oriented Policing Services grant and \$32,592 of funding for public safety initiatives.

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

7) Fund Equity

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

Nonspendable – Amounts that are not in spendable form or are required to be maintained intact, such as inventory or permanent funds

Restricted – Amounts that can be spent only for specific purposes stipulated by external parties, such as grants, court technology fees, and court building security fees

Committed – Amounts that can be used only for specific purposes set by resolution of the City Council, such as economic development funding

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

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

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

8) 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, 2010, from which the summarized information was derived.

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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

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

Budget Data – The budget amounts presented in the statements reflect original and amended budget amounts. During the fiscal year, several budget amendments were approved by the City Council. The most notable amendments are described in the remainder of this section. In the General Fund, revenue decreased \$110,000 in Ad Valorem tax for the fiscal year due to appeals of property valuations, and court fine revenue was reduced by \$200,000 as a result of limited enforcement by motorcycle officers due to wet weather and workers compensation injuries. Contractual services expenditures for the City Manager’s Office were increased \$100,000 for the cost of a project coordinator for special projects. The Police budget was increased \$112,700 for additional overtime costs associated with special one-time events, increased outside agency costs, and the acquisition of animal control responsibilities from the Streets department. The Fire budget was increased \$100,000 due to increased vehicle maintenance costs, and the Parks budget was increased \$175,000 for additional water usage caused by the unseasonably dry weather. Hotel Fund revenue was increased \$450,000 for additional hotel occupancy tax revenue but was offset by a decrease in special event revenue (\$133,000) due to inclement weather at events which hampered attendance and a decrease in rental revenue (\$206,000). The budget for Visit Addison was increased \$1,555,000 to account for make-ready costs of the new offices and visitor center at the Village on the Parkway. Budget amendments recognized the shifting of intergovernmental revenue and expenditures previously budgeted in the Advanced Funding Grant Fund to the Reimbursement Grant Fund (\$1,000,000) and recognized an additional \$830,000 in grant funding for capital projects in the Reimbursement Grant Fund and \$115,000 of public safety grant funding in the ARRA Grant Fund. Expenditures for the Belt Line Streetscape project were increased \$1,044,000 in the 2002 Capital Project Fund and \$187,000 in the 2004 Capital Project Fund. Developer contributions of \$267,000 were recognized in the 2008 Capital Project Fund as well as an additional \$478,000 in capital costs for the Spring Valley intersection improvements.

Excess of Expenditures over Appropriations – For the year ended September 30, 2011, expenditures in the General Fund’s City Council Special Projects department exceeded appropriations by \$17,200 due primarily to additional rental charges for special meetings held outside Council chambers. Police expenditures exceeded appropriations by \$23,356 due to increased benefit costs. In the Hotel Fund, Special Event expenditures exceeded appropriations by \$12,882 due to the purchase of an online automation system approved by the City Council. Available fund balance was sufficient to provide for the excess expenditures.

Encumbrance accounting is employed in governmental funds. Encumbrances outstanding at year-end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the amounts will be expended the subsequent fiscal year.

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.

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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, 2011. Included in Cash and Investments is \$6,264 of petty cash. At year-end, the carrying amount of the Town's deposits was a credit balance of \$1,113,794 primarily consisting of outstanding checks. The respective bank balance totaled \$779,853. 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. The full bank balance was covered by Federal Deposit Insurance. In addition, collateral with a market value of \$1,685,089 was held by the pledging financial institution's account at the Federal Reserve Bank in the Town's name.

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

External Investment Pools

The Town's pool investments as of September 30, 2011 were invested in TexPool and TexSTAR (Texas Short Term Asset Reserve program).

Federated Investors is the full service provider for the TexPool program. As the provider, the responsibilities include managing the assets, providing participant services, and arranging for all custody and other functions in support of the operations under a contract with the State Comptroller of Public Accounts. JPMorgan Fleming Asset Management, Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMFAM provides investment management, fund accounting, transfer agency and custodial services, and FSAM provides administrative, marketing and participant services.

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

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

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

Investments

As of September 30, 2011, the Town held the following investments:

	Fair Value	Average Maturity (Days)
Agency Securities	\$ 14,238,317	309
Treasuries	4,016,800	213
Commercial Paper	4,998,380	34
Certificate of Deposit	7,063,176	156
<i>Total Investment in Securities</i>	30,316,673	
TexStar	3,597,315	
TexPool	3,755,153	
<i>Total Investment in Pools</i>	7,352,468	1
<i>Total Investments</i>	\$ 37,669,141	227

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, 2011 was \$37,670,096, of which \$14,387,569 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 investment policy related to the specific types of instruments presented.

- a) Debt obligations with a maturity not to exceed five years from the date of purchase issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities is pledged for payment: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). The Town's investments in bonds of U.S. Agencies were rated Aaa by Moody's Investors Service and AAA by Standard and Poor's. Mortgage-backed securities may be held as collateral although principal-only and interest-only mortgage-backed securities as well as all types of collateralized mortgage obligations (CMO) and real estate mortgage investment conduits (REMICs) are expressly prohibited.
 - b) Prime commercial paper with an original maturity of one hundred eighty days or less which at the time of purchase, is rated at least A-1 by Standard and Poor's, P-1 by Moodys or F1 by Fitch.
 - (1) At the time of purchase, the commercial paper must be rated by at least two of the above stated ratings agencies at the above stated minimum credit rating.
 - (2) If more than two of the above rated agencies rates an issuer, all the rating agencies must rate the issuer in accordance with the above stated minimum credit criteria.
 - (3) If the commercial paper issuer has senior debt* outstanding, the senior debt must be rated by each service that publishes a rating of the issue at least:
 - A-1 by Moodys
 - A+ by Standard and Poor's
 - A+ by Fitch
- (*Senior Debt is defined as the most senior secured or unsecured debt of an issuer with an original maturity exceeding one year)

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

If the commercial paper issuer is given a “plus (+) rating”, the maximum maturity of 270 days or less will be allowed.

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

Concentration of Credit Risk – It is the Town's policy to avoid a concentration of assets in a specific maturity, a specific issue, or a specific class of securities. The applicable limits on the Town's current investments are Instrumentality Securities (70%) of which the Town's portfolio is currently at 37.8%, Commercial Paper (30%) of which the Town's portfolio is currently at 13.3%, Certificates of Deposit (30%) of which the Town's portfolio is currently at 18.8%, and Local Government Investment Pools (40%) of which the Town's portfolio is currently at 19.5%. In addition, treasuries comprised 10.6% of the Town's portfolio.

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, 2010, upon which the fiscal year 2011 levy is based, was \$3,058,773,717

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, 2011 was \$.5300 per \$100, of which \$.3479 was allocated for general government and \$.1821 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, 2011 were 96.7% 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, 2011

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, 2011 was \$153,572.

C. Receivables

As of September 30, 2011, receivables for the Town's individual major governmental funds, non-major governmental funds, and internal service funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	<u>General</u>	<u>Hotel</u>	<u>Debt Service</u>	<u>Hotel Debt Service</u>	<u>Capital Projects</u>	<u>Reimbursement Grant Fund</u>	<u>Non-Major and Internal Service Funds</u>	<u>Total</u>
Taxes:								
Ad Valorem	\$ 400,971	\$ -	\$ 185,799	\$ -	\$ -	\$ -	\$ -	\$ 586,770
Non-Property	1,925,207	297,082	-	-	-	-	-	2,222,289
Franchise Fees	657,399	-	-	-	-	-	-	657,399
Service Fees	3,347,365	-	-	-	-	-	-	3,347,365
Ambulance	383,931	-	-	-	-	-	-	383,931
Interest	26,581	5,044	2,948	2,073	18,313	-	20,255	75,214
Interfund	2,770,112	-	-	-	-	-	-	2,770,112
Other	-	121,783	-	-	56,394	3,086,241	136,267	3,400,685
Gross Receivables	\$ 9,511,566	\$ 423,909	\$ 188,747	\$ 2,073	\$ 74,707	\$ 3,086,241	\$ 156,522	\$ 13,443,765
Less: Allowance for Uncollectibles	2,594,761	-	52,767	-	-	-	-	2,647,528
Net Receivables	<u>\$ 6,916,805</u>	<u>\$ 423,909</u>	<u>\$ 135,980</u>	<u>\$ 2,073</u>	<u>\$ 74,707</u>	<u>\$ 3,086,241</u>	<u>\$ 156,522</u>	<u>\$ 10,796,237</u>

The allowance for uncollectible accounts represents reserves for ambulance (\$185,409), court warrants (\$2,308,547), and property taxes (\$153,572). Of the \$3,086,241 intergovernmental receivable recorded in the Reimbursement Grant Fund, \$1,140,774 was received within 30 days from year end; the remaining \$1,945,467 is recorded as deferred revenue at year end.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

D. Capital Assets

Capital Asset activity for the year ended September 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, not Depreciable:					
Land	\$ 65,784,123	\$ 448,976	\$ -	\$ -	\$ 66,233,099
Construction in Progress	17,937,565	15,810,782	-	-	33,748,347
<i>Total Capital Assets, not Depreciable</i>	<u>83,721,688</u>	<u>16,259,758</u>	<u>-</u>	<u>-</u>	<u>99,981,446</u>
Capital Assets, Depreciable:					
Buildings	21,409,464	-	-	-	21,409,464
Improvements other than Buildings	126,487,627	1,765,762	-	-	128,253,389
Machinery and Equipment	13,919,774	661,972	(497,987)	-	14,083,759
<i>Total Capital Assets, Depreciable</i>	<u>161,816,865</u>	<u>2,427,734</u>	<u>(497,987)</u>	<u>-</u>	<u>163,746,612</u>
Less Accumulated Depreciation for:					
Buildings	(9,209,115)	(556,814)	-	-	(9,765,929)
Improvements other than Buildings	(67,885,074)	(4,092,174)	-	-	(71,977,248)
Machinery and Equipment	(9,808,358)	(1,207,309)	497,987	-	(10,517,680)
<i>Total Accumulated Depreciation</i>	<u>(86,902,547)</u>	<u>(5,856,297)</u>	<u>497,987</u>	<u>-</u>	<u>(92,260,857)</u>
<i>Total Capital Assets, Depreciable, net</i>	<u>74,914,318</u>	<u>(3,428,563)</u>	<u>-</u>	<u>-</u>	<u>71,485,755</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 158,636,006</u>	<u>\$ 12,831,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,467,201</u>
Business-type Activities:					
Capital Assets, not Depreciable:					
Land	\$ 10,223,421	\$ -	\$ -	\$ -	\$ 10,223,421
Construction in Progress	2,531,344	14,184,957	-	(752,301)	15,964,000
<i>Total Capital Assets, not Depreciable</i>	<u>12,754,765</u>	<u>14,184,957</u>	<u>-</u>	<u>(752,301)</u>	<u>26,187,421</u>
Capital Assets, Depreciable:					
Buildings	3,114,952	-	-	-	3,114,952
Improvements other than Buildings	64,542,858	59,303	-	752,301	65,354,462
Machinery and Equipment	3,211,797	155,597	(18,002)	-	3,349,392
<i>Total Capital Assets, Depreciable</i>	<u>70,869,607</u>	<u>214,900</u>	<u>(18,002)</u>	<u>752,301</u>	<u>71,818,806</u>
Less Accumulated Depreciation for:					
Buildings	(1,584,388)	(62,299)	-	-	(1,646,687)
Improvements other than Buildings	(31,758,059)	(1,903,198)	-	-	(33,661,257)
Machinery and Equipment	(2,332,781)	(184,098)	18,002	-	(2,498,877)
<i>Total Accumulated Depreciation</i>	<u>(35,675,228)</u>	<u>(2,149,595)</u>	<u>18,002</u>	<u>-</u>	<u>(37,806,821)</u>
<i>Total Capital Assets, Depreciable, net</i>	<u>35,194,379</u>	<u>(1,934,695)</u>	<u>-</u>	<u>752,301</u>	<u>34,011,985</u>
<i>Business-type Activities Capital Assets, net</i>	<u>\$ 47,949,144</u>	<u>\$ 12,250,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,199,406</u>

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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

	Governmental Activities	Business-type Activities
General Government	\$ 329,576	\$ -
Public Safety	817,984	-
Development Services	22,907	-
Streets	3,244,269	-
Parks and Recreation	794,589	-
Visitor Services	646,972	-
Airport Fund	-	1,050,854
Utility Fund	-	1,098,741
	<u>\$ 5,856,297</u>	<u>\$ 2,149,595</u>

The following tabulation presents the estimated significant commitment under unfinished capital construction contracts that are fully funded as of September 30, 2011:

Project	Estimated Commitments	Less Expenditures to Date	Total Unfinished Commitments
Governmental Activities			
Belt Line Streetscape	\$ 3,000,000	\$ 1,644,178	\$ 1,355,822
UDR Infrastructure – Phase 1	27,500,000	24,564,954	2,935,046
Spring Valley Intersection Improvements	4,500,000	4,191,908	308,092
	<u>35,000,000</u>	<u>30,401,040</u>	<u>4,598,960</u>
Business-type Activities			
UDR Infrastructure – Water/Sewer	1,600,000	1,587,120	12,880
Elevated Water Storage Tank	6,500,000	3,495,558	3,004,442
	<u>8,100,000</u>	<u>5,082,678</u>	<u>3,017,322</u>
	<u>\$ 43,100,000</u>	<u>\$ 35,483,718</u>	<u>\$ 7,616,282</u>

E. Interlocal Sanitary Sewer Interceptor Agreement

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

The Town's net investment and its share of general overhead expenses are reported in the Town's Utility Fund (an enterprise fund). The Town's equity interest in the North Dallas County Water Supply Corporation of \$7,238,882, net of \$5,275,000 of related debt, is included in Unrestricted Net Assets. Complete financial statements for the North Dallas County Water Supply Corporation can be obtained from Charles Cox, Secretary/Treasurer, North Dallas County Water Supply Corporation, 13000 William Dodson Parkway, Farmers Branch, Texas.

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

F. Long-Term Debt

The long-term debt of the Town consisted of the following as of September 30, 2011:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
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 "Aa1"; Standard & Poor's "AAA"; FGIC Insured	1,300,000	
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 "Aa1"; Standard & Poor's "AAA"; FGIC Insured	6,960,000	5,275,000
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 "Aa1"; Standard & Poor's "AAA"; AMBAC Insured	4,500,000	
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 "Aa1"; Standard & Poor's "AAA"; FSA Insured	6,605,000	

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Combination Tax and Revenue Certificates of Obligation Series of 2004		
<p>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.</p> <p>Ratings: Moody's "Aa1"; Standard & Poor's "AAA"; MBIA Insured</p>		
		2,960,000
General Obligation Refunding and Improvement Bonds Series of 2005		
<p>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.</p> <p>Ratings: Moody's "Aa1"; Standard & Poor's "AAA"; AMBAC Insured</p>		
	4,710,000	
Combination Tax and Revenue Certificates of Obligation Series of 2008		
<p>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.</p> <p>Ratings: Moody's "Aa1"; Standard & Poor's "AAA"</p>		
	<u>27,943,770</u>	<u>6,216,230</u>
Total Long-Term Debt Outstanding	<u>\$ 52,018,770</u>	<u>\$ 14,451,230</u>

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

Changes in Long-Term Liabilities

A summary of long-term liability activity for the year ended September 30, 2011 was as follows (in thousands of dollars):

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Funds:					
General Obligation Bonds	\$ 22,775	\$ -	\$ (3,200)	\$ 19,575	\$ 3,330
Premium on General Obligation Refunding Bonds	74	-	(15)	59	6
Deferred Loss on Refunding Amount on G.O. Bonds	(63)	-	19	(44)	(4)
Certificates of Obligation	33,117	-	(674)	32,443	1,213
Premium on Certificates of Obligation	25	-	(1)	24	1
Compensated Absences	899	1,141	(1,135)	905	905
Net OPEB Obligation	464	-	(112)	352	-
Long-Term Liabilities – Governmental Activities	<u>\$ 57,291</u>	<u>\$ 1,141</u>	<u>\$ (5,118)</u>	<u>\$ 53,314</u>	<u>\$ 5,451</u>
Proprietary Funds:					
General Obligation Bonds	\$ 7,760	\$ -	\$ (2,485)	\$ 5,275	\$ 2,590
<i>(Payable from utility system revenues)</i>					
Premium on General Obligation Refunding Bonds	16	-	(16)	-	-
Discount on General Obligation Refunding Bonds	(42)	-	7	(35)	(7)
Deferred Loss on Refunding Amount on G.O. Bonds	(103)	-	42	(61)	(15)
Combination Tax and Revenue Certificates of Obligation	3,225	-	(265)	2,960	275
<i>(Payable from levy of Ad Valorem tax)</i>					
Combination Tax and Revenue Certificates of Obligation	6,243	-	(27)	6,216	142
<i>(Payable from utility system revenues)</i>					
Premium on Combination Tax and Revenue C.O.	6	-	(1)	5	-
Long-Term Liabilities – Business-type Activities	<u>\$ 17,105</u>	<u>\$ -</u>	<u>\$ (2,745)</u>	<u>\$ 14,360</u>	<u>\$ 2,985</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 \$1,127,831 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, 2011.

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

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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:				
2012	\$ 3,330,000	\$ 748,141	\$ 2,590,000	\$ 142,656
2013	3,455,000	622,608	2,685,000	48,666
2014	2,910,000	501,912	-	-
2015-2019	9,625,000	916,888	-	-
2020-2022	255,000	10,300	-	-
	<u>\$ 19,575,000</u>	<u>\$ 2,799,849</u>	<u>\$ 5,275,000</u>	<u>\$ 191,322</u>
Certificates of Obligation:				
2012	\$ 1,213,040	\$ 1,375,000	\$ 416,960	\$ 388,003
2013	1,265,760	1,329,068	439,240	370,879
2014	1,515,710	1,277,251	499,290	352,109
2015-2019	7,867,490	5,442,134	2,852,510	1,428,594
2020-2024	6,490,830	4,029,090	1,834,170	904,735
2025-2033	14,090,940	2,988,389	3,134,060	664,898
	<u>\$ 32,443,770</u>	<u>\$ 16,440,932</u>	<u>\$ 9,176,230</u>	<u>\$ 4,109,218</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, 2011.

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Thereafter</u>	<u>Total</u>
\$ 156,667	\$ 137,500	\$120,000	\$120,000	\$200,000	\$ 734,167

H. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at September 30, 2011 is as follows:

	<u>Interfund Receivables:</u>	
<u>Interfund Payables:</u>	<u>General Fund</u>	
Reimbursement Grant Fund	\$ 2,719,440	Loan for grant expenditures, reimbursement expected in subsequent year
ARRA Grant Fund	50,672	Loan for grant expenditures, reimbursement expected in subsequent year
Total	<u>\$ 2,770,112</u>	

Transfers between funds during the year ended September 30, 2011 were comprised of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose of Transfer</u>
Reimbursement Grant Fund	\$ 14,156	\$ -	Reimbursement of Reimbursement Grant Fund expense
Street Capital Projects Fund	-	14,156	Reimbursement of Reimbursement Grant Fund expense
General Fund	-	700,000	To establish Economic Development Fund
Economic Development Fund	700,000	-	To establish Economic Development Fund
Hotel Fund	-	670,000	For payment of debt service
Hotel Debt Service Fund	670,000	-	For payment of debt service
<i>Total Transfers</i>	<u>\$ 1,384,156</u>	<u>\$ 1,384,156</u>	

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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 2011, the Town maintained workers compensation, general liability and property coverage through the Texas Municipal League Intergovernmental Risk Pool (TMLIRP). The Town pays an annual premium to TMLIRP for such coverage. TMLIRP purchases reinsurance, and the Town does not retain risks of loss exceeding deductibles. The Town's general liability coverage is \$5,000,000 and \$10,000,000 in the aggregate. Settled claims have not exceeded insurance coverage in each of the past three years.

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

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

B. Employee's Retirement System

1) Pension Plan

Plan Description

The Town provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 833 administered by TMRS, an agent multiple-employer public employee retirement system. Each of the municipalities has an annual individual actuarial valuation performed. All assumptions for the December 31, 2009 valuations are contained in the 2009 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.tmr.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 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

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

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 2010 is 14.35%, and the rate for 2011 is 15.01%. 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, 2011 valuation is effective for rates beginning January 2013).

Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost of \$2,328,673 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.

	<u>Fiscal Year Ending September 30</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual Pension Cost	\$ 2,240,980	\$ 2,238,741	\$ 2,328,673
Contributions Made	<u>2,240,980</u>	<u>2,238,741</u>	<u>2,328,673</u>
Net Pension Obligation (NPO) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a % of Annual Pension Cost	100%	100%	100%

NOTES TO FINANCIAL STATEMENTS
 September 30, 2011

Funding Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was 96.4% funded. The actuarial accrued liability for benefits was \$86,525,773, and the actuarial value of assets was \$83,398,352, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,127,421. The covered payroll (annual payroll of active employees covered by the plan as of the valuation date) was \$16,680,756, and the ratio of the UAAL to the covered payroll was 18.7%.

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 retirees, electing to approve these benefits on an ad hoc, or annual, basis in order to reduce the required contribution rate and improve funded status. The City Council approved annuity increases for calendar year 2010 at its December 8, 2009 meeting and approved increases for calendar year 2011 at its November 23, 2010 meeting.

	2008	2009	2010
Actuarial Assumptions:			
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	29 Yrs - Closed	28 Yrs - Closed	22 Yrs - Closed
Asset Valuation Method	Amortized Cost	10-Year Smoothed Market	10-Year Smoothed Market
Investment Rate of Return	7.5%	7.5%	7.0%
Inflation	3%	3%	3%
Projected Salary Increases	Varies by Age and Service	Varies by Age and Service	Varies by Age and Service
Cost-of-Living Adjustments	2.1%	2.1%	2.1%

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

2) Postemployment Benefits

Plan Description

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

Funding Policy

Before age 65, the Town will pay a \$150 monthly stipend toward the retiree's healthcare premium if the retiring employee meets the eligibility criteria at the time of termination and elects coverage in the health plan. For members who retire after 65 or were eligible for the \$150 stipend before age 65, the Town will pay a \$75 monthly stipend directly to the retiree. Current retirees contribute to the health plan the total blended premium for active and retired participants, less the \$150 stipend provided by the Town. The Town contribution to the health plan consists of total premiums in excess of retiree contributions. Retirees receiving medical benefits during fiscal year 2011 contribute \$496 to \$1,986 per month depending on coverage levels selected. In fiscal year 2011, total retiree contributions were \$101,135. The Town contributions to the plan for fiscal year 2011, which are also equal to premiums paid in excess of premiums collected from retirees, were \$26,414.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual other postemployment benefit (OPEB) cost (expense) for the health plan is calculated based on the annual required contribution (ARC) of the Town, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The Town of Addison utilized the actuarial services of Gabriel, Roeder, Smith & Company (GRS), a company who has been providing actuarial consulting services since 1938, under the shared services arrangement provided by GRS and North Central Texas Council of Governments. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and the net OPEB obligation for 2011.

Annual Required Contribution	\$ 176,442
Interest on OPEB Obligation	20,901
Adjustment to ARC	<u>(19,365)</u>
Annual OPEB Cost (Expense)	177,978
Contributions Made	<u>(290,457)</u>
Change in OPEB Obligation	(112,479)
Net OPEB Obligation (Asset) – Beginning of Year	<u>464,469</u>
Net OPEB Obligation (Asset) – End of Year	<u>\$ 351,990</u>

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2011 and the preceding two fiscal years were as follows:

Fiscal Year	Annual OPEB Costs	Actual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 254,772	\$ 22,950	9.0%	\$ 231,822
2010	254,772	22,125	8.7%	464,469
2011	177,978	290,457*	163.2%	351,990

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

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,968,533, none of which is funded. The covered payroll (annual payroll of active employees covered by the plan) was \$15,557,784, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.65%. Of the total actuarial accrued liability, \$1,436,129, or 73.0%, comprises the implied subsidy of health care for current retirees and active employees upon retirement. As noted previously, qualified retirees pay the blended cost of their health coverage, less the \$150 monthly stipend. However, GASB 45 requires governments to report the “implicit rate subsidy” that is provided to retirees who remain with the health plan provided to employees. It is assumed by actuaries that the cost of health care increases with the age of the covered employee or retiree. Since the Town’s health plan includes a blended rate that is the same for active employees and retirees, actuaries must estimate the amount the Town is subsidizing for retirees to pay the blended health plan premiums. For example, the actuarial estimated monthly cost for a 40 year old male employee’s health care benefit is \$372.87. The estimate for a male employee or retiree who is 60 years old is \$1,125.39. 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 that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As the Town chose to not establish an irrevocable trust, plan assets will always be reported under GASB Statement 45 as zero. Because the majority of the actuarial accrued liability is the “implicit rate subsidy” of retiree blended health plan premiums, the Town believes that its actual health plan postemployment benefit will not significantly grow over time and will continue to fund these benefits on a pay-as-you-go method. Changes to how future healthcare benefits are funded on a national basis may cause the Town to reexamine this funding method.

Actuarial Methods and Assumptions

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

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

In the December 31, 2010 actuarial valuation, the most recent valuation, the Projected Unit Credit Cost Method was used. The actuarial assumptions include a 4.5% investment rate of return (compounded annually net after investment expenses) and an annual healthcare cost trend of 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 an open period. The remaining amortization period at December 31, 2010 was 30 years.

C. Contingencies

As of September 30, 2011, 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.

E. Subsequent Event

In October 2011, the Town issued \$8,890,000 in General Obligation Refunding Bonds. The full amount of the issuance will be used to refund portions of the Town's outstanding debt.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

F. Statement of Working Capital

Statements of Working Capital for proprietary funds for the year ended September 30, 2011 are below. Working capital, which is equal to current assets less current liabilities, is similar to fund balance and is useful for assessing the near-term financing situation of proprietary funds.

SUMMARY OF CHANGES IN WORKING CAPITAL FOR PROPRIETARY FUNDS

	<u>2011</u>	<u>2010</u>
<u>AIRPORT FUND</u>		
Net Income (Excluding Depreciation)	\$ 10,851,786	\$ 1,257,826
Net Additions to Capital Assets	(10,690,520)	(49,752)
Net Retirement of Long-Term Debt	(265,000)	(255,000)
Net Increase/(Decrease) of Restricted Assets	(10,000)	(10,000)
Net Increase/(Decrease) in Other	2,325	2,325
Working Capital at the Beginning of the Year	<u>2,124,403</u>	<u>1,179,004</u>
Working Capital at the End of the Year	<u><u>\$ 2,012,994</u></u>	<u><u>\$ 2,124,403</u></u>
<u>UTILITY FUND</u>		
Net Income (Excluding Depreciation)	\$ 3,206,501	\$ 2,381,875
Net Additions to Capital Assets	(3,709,338)	(1,607,539)
Net Retirement of Long-Term Debt	(2,478,842)	(2,182,932)
Net Increase/(Decrease) of Restricted Assets	(220,570)	(295,910)
Net Increase/(Decrease) in Other	85,147	85,161
Working Capital at the Beginning of the Year	<u>5,851,222</u>	<u>7,470,567</u>
Working Capital at the End of the Year	<u><u>\$ 2,734,120</u></u>	<u><u>\$ 5,851,222</u></u>
<u>CAPITAL REPLACEMENT FUND</u>		
Net Income (Excluding Depreciation)	\$ 606,676	\$ 79,343
Net Additions to Capital Assets	(254,948)	(702,353)
Working Capital at the Beginning of the Year	<u>3,207,561</u>	<u>3,830,571</u>
Working Capital at the End of the Year	<u><u>\$ 3,559,289</u></u>	<u><u>\$ 3,207,561</u></u>
<u>INFORMATION TECHNOLOGY REPLACEMENT FUND</u>		
Net Income (Excluding Depreciation)	\$ 638,998	\$ 7,189
Net Additions to Capital Assets	(258,404)	(75,780)
Working Capital at the Beginning of the Year	<u>2,079,980</u>	<u>2,148,571</u>
Working Capital at the End of the Year	<u><u>\$ 2,460,574</u></u>	<u><u>\$ 2,079,980</u></u>

NOTES TO FINANCIAL STATEMENTS
September 30, 2011

G. New Accounting Pronouncements

The Town implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions," beginning with fiscal year 2011. This statement establishes new categories for reporting fund balance and revises the definitions for governmental fund types. Changes to the governmental fund balance types are reflected in the financial statements and schedules. See Note D, 7, of Section I for information on the governmental fund balance types reported by the Town.

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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, 2011

	(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 Liability (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Contributions	Actual Contributions
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
2010	12/31/09	53,138,426	65,266,945	81.42%	12,128,519	16,810,483	72.15%	2,240,980	2,240,980
2011	12/31/10	83,398,352	86,525,773	96.39%	3,127,421	16,680,756	18.75%	2,238,741	2,238,741

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 2006-2011. 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, 2011

		(1)	(2)		(3) = (2) - (1)	(4)	(5) = (3)/(4)
Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2009	12/31/08	\$ -	\$2,749,111	0.00%	\$2,749,111	\$15,764,082	17.44%
2011	12/31/10	-	\$1,968,533	0.00%	1,968,533	15,557,784	12.65%

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

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, 2011 and 2010

	2011	2010
ASSETS:		
Cash and Investments	\$ 7,770,156	\$ 10,869,858
Receivables:		
Ad Valorem Taxes, Including Interest and Penalties	300,166	316,458
Non-Property Taxes	1,925,207	1,845,293
Franchise Fees	657,399	521,508
Service Fees	1,038,818	1,037,623
Ambulance	198,522	239,389
Interest	26,581	23,698
Interfund	2,770,112	677,855
Prepaid Items	67,135	41,600
Inventories, at Cost	87,835	106,540
<i>Total Assets</i>	\$ 14,841,931	\$ 15,679,822
 LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 1,543,852	\$ 1,855,955
Deferred Revenue	2,897,157	2,872,264
Intergovernmental Payable	32,487	93,026
Customer Deposits	1,741	1,826
Total Liabilities	4,475,237	4,823,071
 Fund Balances:		
Nonspendable:		
Inventories	87,835	106,540
Prepaid Items	67,135	41,600
Assigned:		
Other Purposes	61,193	39,895
Unassigned	10,150,531	10,668,716
Total Fund Balance	10,366,694	10,856,751
 <i>Total Liabilities and Fund Balance</i>	\$ 14,841,931	\$ 15,679,822

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, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Ad Valorem Taxes	\$ 10,386,590	\$ 10,276,590	\$ 10,373,352	\$ 96,762	\$ 10,771,166
Non-Property Taxes	10,337,780	10,337,780	10,563,399	225,619	10,077,839
Franchise Fees	2,607,960	2,602,960	2,760,188	157,228	2,578,154
Licenses and Permits	621,080	621,080	1,210,058	588,978	833,178
Service Fees	1,346,600	1,346,600	1,414,120	67,520	1,491,528
Fines and Forfeitures	1,225,000	1,025,000	1,062,986	37,986	1,158,581
Earnings on Investments	80,000	35,000	25,514	(9,486)	60,681
Rental Charges	153,000	153,000	152,333	(667)	146,821
Recycling Proceeds	20,000	20,000	22,608	2,608	21,126
Other	37,990	70,990	91,985	20,995	123,544
<i>Total Revenues</i>	<u>26,816,000</u>	<u>26,489,000</u>	<u>27,676,543</u>	<u>1,187,543</u>	<u>27,262,618</u>
EXPENDITURES:					
General Government	6,449,120	6,706,120	6,353,784	352,336	6,323,891
Public Safety	14,567,150	14,779,850	14,553,921	225,929	13,477,643
Development Services	898,680	898,680	885,218	13,462	887,132
Streets	1,794,880	1,779,880	1,612,011	167,869	1,672,375
Parks and Recreation	4,018,140	4,273,140	4,061,666	211,474	3,698,831
<i>Total Expenditures</i>	<u>27,727,970</u>	<u>28,437,670</u>	<u>27,466,600</u>	<u>971,070</u>	<u>26,059,872</u>
Excess/(Deficiency) of Revenues over Expenditures	(911,970)	(1,948,670)	209,943	2,158,613	1,202,746
OTHER FINANCING SOURCES/(USES):					
Transfers In	-	-	-	-	1,263
Transfers Out	(700,000)	(700,000)	(700,000)	-	(1,000,000)
Net Change in Fund Balance	(1,611,970)	(2,648,670)	(490,057)	2,158,613	204,009
Fund Balances at Beginning of Year	<u>10,856,751</u>	<u>10,856,751</u>	<u>10,856,751</u>	<u>-</u>	<u>10,652,742</u>
Fund Balances at End of Year	<u>\$ 9,244,781</u>	<u>\$ 8,208,081</u>	<u>\$ 10,366,694</u>	<u>\$ 2,158,613</u>	<u>\$ 10,856,751</u>

Town of Addison, Texas
Major Governmental Funds - General Fund

General Fund
Schedule of Revenues - Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Taxes:					
Ad Valorem Taxes:					
Current	\$ 10,375,430	\$ 10,200,430	\$ 10,290,339	\$ 89,909	\$ 10,748,821
Delinquent	9,850	34,850	34,564	(286)	2,392
Penalties and Interest	1,310	41,310	48,449	7,139	19,953
Total Ad Valorem	10,386,590	10,276,590	10,373,352	96,762	10,771,166
Non-Property Taxes:					
Sales Tax	9,377,780	9,377,780	9,632,640	254,860	9,155,849
Alcoholic Beverage Tax	960,000	960,000	930,759	(29,241)	921,990
Total Non-Property Taxes	10,337,780	10,337,780	10,563,399	225,619	10,077,839
Total Taxes	20,724,370	20,614,370	20,936,751	322,381	20,849,005
Franchise Fees:					
Electric Franchise	1,500,000	1,500,000	1,625,027	125,027	1,445,519
Gas Franchise	250,000	220,000	219,959	(41)	215,705
Telephone Franchise	650,000	650,000	671,286	21,286	682,102
Cable Franchise	200,000	225,000	235,916	10,916	228,478
Street Rental Franchise	7,000	7,000	8,000	1,000	6,350
Wireless Network Franchise	960	960	-	(960)	-
Total Franchise Fees	2,607,960	2,602,960	2,760,188	157,228	2,578,154
Licenses and Permits:					
Business Licenses and Permits	167,340	167,340	247,176	79,836	147,885
Building and Construction Permits	453,740	453,740	962,882	509,142	685,293
Total Licenses and Permits	621,080	621,080	1,210,058	588,978	833,178
Service Fees:					
General Government	650	650	97	(553)	419
Public Safety	757,080	757,080	785,188	28,108	884,912
Urban Development	5,300	5,300	3,683	(1,617)	2,630
Streets and Sanitation	319,870	319,870	355,973	36,103	332,330
Recreation	79,400	79,400	84,879	5,479	86,937
Interfund	184,300	184,300	184,300	-	184,300
Total Service Fees	1,346,600	1,346,600	1,414,120	67,520	1,491,528
Fines and Forfeitures	1,225,000	1,025,000	1,062,986	37,986	1,158,581
Earnings on Investments	80,000	35,000	25,514	(9,486)	60,681
Rental Charges	153,000	153,000	152,333	(667)	146,821
Recycling Proceeds	20,000	20,000	22,608	2,608	21,126
Other	37,990	70,990	91,985	20,995	123,544
Total Revenues	\$ 26,816,000	\$ 26,489,000	\$ 27,676,543	\$ 1,187,543	\$ 27,262,618

Town of Addison, Texas
Major Governmental Funds - General Fund

General Fund
Schedule of Expenditures - Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
General Government:					
City Manager's Office:					
Salaries and Fringe Benefits	\$ 929,510	\$ 1,166,510	\$ 1,050,528	\$ 115,982	\$ 872,438
Supplies	26,850	26,850	36,513	(9,663)	39,121
Maintenance and Materials	31,000	31,000	32,214	(1,214)	33,655
Contractual Services	523,030	386,030	485,012	(98,982)	325,904
Capital Replacement	17,500	17,500	17,500	-	-
<i>Total City Manager's Office</i>	<u>1,527,890</u>	<u>1,627,890</u>	<u>1,621,767</u>	<u>6,123</u>	<u>1,271,118</u>
Financial and Strategic Services:					
Salaries and Fringe Benefits	501,250	559,250	569,802	(10,552)	560,597
Supplies	39,500	39,500	40,921	(1,421)	38,092
Maintenance and Materials	27,590	27,590	18,366	9,224	39,902
Contractual Services	253,680	253,680	214,037	39,643	213,134
Capital Replacement	17,800	17,800	17,800	-	-
<i>Total Financial and Strategic Services</i>	<u>839,820</u>	<u>897,820</u>	<u>860,926</u>	<u>36,894</u>	<u>851,725</u>
General Services:					
Salaries and Fringe Benefits	606,590	606,590	566,137	40,453	641,732
Supplies	27,700	27,700	23,598	4,102	20,344
Maintenance and Materials	55,600	71,600	62,866	8,734	50,263
Contractual Services	77,580	77,580	70,073	7,507	68,973
Capital Replacement	33,800	33,800	33,800	-	-
Capital Outlay	25,000	25,000	23,250	1,750	-
<i>Total General Services</i>	<u>826,270</u>	<u>842,270</u>	<u>779,724</u>	<u>62,546</u>	<u>781,312</u>
Municipal Court:					
Salaries and Fringe Benefits	413,550	413,550	388,053	25,497	439,784
Supplies	15,240	15,240	14,087	1,153	12,343
Maintenance and Materials	-	-	500	(500)	813
Contractual Services	56,390	56,390	48,697	7,693	48,018
Capital Replacement	24,400	24,400	24,400	-	-
<i>Total Municipal Court</i>	<u>509,580</u>	<u>509,580</u>	<u>475,737</u>	<u>33,843</u>	<u>500,958</u>
Human Resources:					
Salaries and Fringe Benefits	372,670	372,670	355,129	17,541	391,000
Supplies	11,750	14,250	12,664	1,586	6,559
Maintenance and Materials	500	500	718	(218)	-
Contractual Services	125,610	123,110	78,156	44,954	87,498
Capital Replacement	9,100	9,100	9,100	-	-
<i>Total Human Resources</i>	<u>\$ 519,630</u>	<u>\$ 519,630</u>	<u>\$ 455,767</u>	<u>\$ 63,863</u>	<u>\$ 485,057</u>

Town of Addison, Texas
Major Governmental Funds - General Fund

General Fund
Schedule of Expenditures - Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Information Technology:					
Salaries and Fringe Benefits	\$ 747,400	\$ 747,400	\$ 749,041	\$ (1,641)	\$ 730,268
Supplies	64,170	64,170	32,443	31,727	58,843
Maintenance and Materials	344,210	344,210	302,533	41,677	372,804
Contractual Services	84,720	84,720	30,964	53,756	72,746
Capital Replacement	55,100	55,100	55,100	-	-
Capital Outlay	30,000	30,000	25,949	4,051	-
<i>Total Information Technology</i>	<u>1,325,600</u>	<u>1,325,600</u>	<u>1,196,030</u>	<u>129,570</u>	<u>1,234,661</u>
Combined Services:					
Salaries and Fringe Benefits	37,090	57,090	49,725	7,365	51,695
Supplies	111,490	121,490	91,049	30,441	77,278
Contractual Services	454,100	444,100	445,209	(1,109)	473,032
<i>Total Combined Services</i>	<u>602,680</u>	<u>622,680</u>	<u>585,983</u>	<u>36,697</u>	<u>602,005</u>
City Council Special Projects:					
Salaries and Fringe Benefits	30,130	30,130	25,787	4,343	26,241
Supplies	17,340	24,340	24,745	(405)	30,861
Contractual Services	249,780	305,780	326,918	(21,138)	529,476
Capital Replacement	400	400	400	-	-
Capital Outlay	-	-	-	-	10,477
<i>Total City Council Special Projects</i>	<u>297,650</u>	<u>360,650</u>	<u>377,850</u>	<u>(17,200)</u>	<u>597,055</u>
<i>Total General Government</i>	<u>6,449,120</u>	<u>6,706,120</u>	<u>6,353,784</u>	<u>352,336</u>	<u>6,323,891</u>
Public Safety:					
Police:					
Salaries and Fringe Benefits	6,101,490	6,146,490	6,171,114	(24,624)	5,952,514
Supplies	314,080	314,080	298,932	15,148	331,489
Maintenance and Materials	209,290	209,290	218,349	(9,059)	325,660
Contractual Services	327,920	388,920	393,776	(4,856)	373,342
Capital Replacement	677,800	677,800	677,800	-	-
Capital Outlay	-	6,700	6,665	35	3,203
<i>Total Police</i>	<u>7,630,580</u>	<u>7,743,280</u>	<u>7,766,636</u>	<u>(23,356)</u>	<u>6,986,208</u>
Emergency Communications:					
Salaries and Fringe Benefits	845,710	845,710	746,157	99,553	801,854
Supplies	5,000	5,000	4,753	247	12,216
Maintenance and Materials	70,180	70,180	69,897	283	73,825
Contractual Services	235,400	235,400	193,145	42,255	185,473
<i>Total Emergency Communications</i>	<u>1,156,290</u>	<u>1,156,290</u>	<u>1,013,952</u>	<u>142,338</u>	<u>1,073,368</u>
Fire:					
Salaries and Fringe Benefits	4,963,620	4,943,070	4,855,995	87,075	4,759,833
Supplies	255,420	251,742	253,892	(2,150)	248,585
Maintenance and Materials	188,300	291,300	267,538	23,762	143,777
Contractual Services	264,440	274,990	276,730	(1,740)	243,996
Capital Replacement	108,500	108,500	108,500	-	-
Capital Outlay	-	10,678	10,678	-	21,876
<i>Total Fire</i>	<u>5,780,280</u>	<u>5,880,280</u>	<u>5,773,333</u>	<u>106,947</u>	<u>5,418,067</u>
<i>Total Public Safety</i>	<u>\$ 14,567,150</u>	<u>\$ 14,779,850</u>	<u>\$ 14,553,921</u>	<u>\$ 225,929</u>	<u>\$ 13,477,643</u>

Town of Addison, Texas
Major Governmental Funds - General Fund

General Fund
Schedule of Expenditures - Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Development Services:					
Development Services:					
Salaries and Fringe Benefits	\$ 770,150	\$ 770,150	\$ 774,726	\$ (4,576)	\$ 757,199
Supplies	16,170	16,870	17,410	(540)	16,165
Maintenance and Materials	5,150	5,150	1,078	4,072	274
Contractual Services	83,810	83,110	71,169	11,941	113,494
Capital Replacement	12,400	12,400	12,400	-	-
Capital Outlay	11,000	11,000	8,435	2,565	-
<i>Total Development Services</i>	<u>898,680</u>	<u>898,680</u>	<u>885,218</u>	<u>13,462</u>	<u>887,132</u>
Streets:					
Streets:					
Salaries and Fringe Benefits	548,440	548,440	425,122	123,318	530,666
Supplies	32,900	32,900	24,248	8,652	24,492
Maintenance and Materials	399,200	393,450	329,997	63,453	298,529
Contractual Services	798,740	789,490	817,044	(27,554)	818,688
Capital Replacement	15,600	15,600	15,600	-	-
<i>Total Streets</i>	<u>1,794,880</u>	<u>1,779,880</u>	<u>1,612,011</u>	<u>167,869</u>	<u>1,672,375</u>
Parks and Recreation:					
Parks:					
Salaries and Fringe Benefits	1,302,480	1,189,480	1,154,199	35,281	1,187,522
Supplies	165,400	165,400	121,461	43,939	141,391
Maintenance and Materials	492,500	489,500	381,527	107,973	349,166
Contractual Services	542,800	833,800	876,714	(42,914)	665,952
Capital Replacement	32,300	32,300	31,349	951	4,843
<i>Total Parks</i>	<u>2,535,480</u>	<u>2,710,480</u>	<u>2,565,250</u>	<u>145,230</u>	<u>2,348,874</u>
Recreation:					
Salaries and Fringe Benefits	833,840	808,840	782,300	26,540	815,304
Supplies	134,350	134,350	128,057	6,293	124,952
Maintenance and Materials	93,680	198,680	209,099	(10,419)	119,494
Contractual Services	322,190	322,190	278,682	43,508	290,207
Capital Replacement	68,600	68,600	68,600	-	-
Capital Outlay	30,000	30,000	29,678	322	-
<i>Total Recreation</i>	<u>1,482,660</u>	<u>1,562,660</u>	<u>1,496,416</u>	<u>66,244</u>	<u>1,349,957</u>
<i>Total Parks and Recreation</i>	<u>4,018,140</u>	<u>4,273,140</u>	<u>4,061,666</u>	<u>211,474</u>	<u>3,698,831</u>
Total Expenditures	<u><u>\$ 27,727,970</u></u>	<u><u>\$ 28,437,670</u></u>	<u><u>\$ 27,466,600</u></u>	<u><u>\$ 971,070</u></u>	<u><u>\$ 26,059,872</u></u>

HOTEL FUND

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

Addison!®

Town of Addison, Texas
Major Governmental Funds - Hotel Fund

Hotel Fund
Comparative Balance Sheet
September 30, 2011 and 2010

	2011	2010
ASSETS:		
Cash and Investments	\$ 1,990,959	\$ 4,088,860
Receivables:		
Accounts Receivable	121,783	128,578
Occupancy Taxes	297,082	436,982
Interest	5,044	8,399
Prepaid Items	43,194	-
<i>Total Assets</i>	\$ 2,458,062	\$ 4,662,819
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 300,512	\$ 213,708
Intergovernmental Payable	5,469	2,918
Customer Deposits	20,700	15,250
Total Liabilities	326,681	231,876
Fund Balances:		
Nonspendable:		
Prepaid Items	43,194	-
Assigned:		
Other Purposes	27,603	7,604
Unassigned	2,060,584	4,423,339
Total Fund Balance	2,131,381	4,430,943
<i>Total Liabilities and Fund Balance</i>	\$ 2,458,062	\$ 4,662,819

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, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Hotel/Motel Occupancy Taxes	\$ 3,550,000	\$ 4,000,000	\$ 4,000,786	\$ 786	\$ 3,666,781
Proceeds from Special Events	1,680,500	1,547,500	1,426,197	(121,303)	1,643,906
Conference Centre Rental	500,100	425,100	428,777	3,677	475,366
Theatre Centre Rental	303,540	78,000	82,107	4,107	78,020
Visitor Centre Rental	-	94,540	70,740	(23,800)	-
Earnings on Investments	13,000	13,000	9,934	(3,066)	24,657
Other	700	700	7,836	7,136	11,292
<i>Total Revenues</i>	<u>6,047,840</u>	<u>6,158,840</u>	<u>6,026,377</u>	<u>(132,463)</u>	<u>5,900,022</u>
EXPENDITURES:					
Visitor Services	1,098,570	1,098,570	1,008,029	90,541	806,786
Visit Addison	440,110	1,995,110	1,978,750	16,360	113,376
Conference Centre	1,028,370	1,053,370	1,007,162	46,208	963,908
Marketing	731,460	731,460	727,291	4,169	617,637
Special Events	2,392,720	2,392,720	2,405,602	(12,882)	2,376,492
Performing Arts	552,950	552,950	529,105	23,845	563,980
<i>Total Expenditures</i>	<u>6,244,180</u>	<u>7,824,180</u>	<u>7,655,939</u>	<u>168,241</u>	<u>5,442,179</u>
Excess/(Deficiency) of Revenues over Expenditures	(196,340)	(1,665,340)	(1,629,562)	35,778	457,843
OTHER FINANCING SOURCES/(USES):					
Transfer to Hotel Debt Service Fund	(670,000)	(670,000)	(670,000)	-	(670,000)
Net Change in Fund Balance	(866,340)	(2,335,340)	(2,299,562)	35,778	(212,157)
Fund Balances at Beginning of Year	4,430,943	4,430,943	4,430,943	-	4,643,100
Fund Balances at End of Year	<u>\$ 3,564,603</u>	<u>\$ 2,095,603</u>	<u>\$ 2,131,381</u>	<u>\$ 35,778</u>	<u>\$ 4,430,943</u>

Town of Addison, Texas
Major Governmental Funds - Hotel Fund

Hotel Fund
Schedule of Expenditures - Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Visitor Services:					
Salaries and Fringe Benefits	\$ 381,810	\$ 381,810	\$ 325,898	\$ 55,912	\$ 312,201
Supplies	23,260	23,260	70,159	(46,899)	11,081
Maintenance and Materials	47,660	47,660	199,391	(151,731)	25,554
Contractual Services	642,540	642,540	408,881	233,659	457,950
Capital Replacement	3,300	3,300	3,700	(400)	-
<i>Total Visitor Services</i>	<u>1,098,570</u>	<u>1,098,570</u>	<u>1,008,029</u>	<u>90,541</u>	<u>806,786</u>
Visit Addison:					
Supplies	16,000	96,000	155,667	(59,667)	-
Maintenance and Materials	58,000	1,223,000	1,197,350	25,650	679
Contractual Services	366,110	676,110	616,492	59,618	112,697
Capital Outlay	-	-	9,241	(9,241)	-
<i>Total Visit Addison</i>	<u>440,110</u>	<u>1,995,110</u>	<u>1,978,750</u>	<u>16,360</u>	<u>113,376</u>
Conference Centre:					
Salaries and Fringe Benefits	512,630	512,630	512,094	536	490,266
Supplies	73,550	73,550	61,799	11,751	78,156
Maintenance and Materials	202,000	227,000	176,262	50,738	161,972
Contractual Services	222,990	222,990	237,507	(14,517)	233,514
Capital Replacement	17,200	17,200	19,500	(2,300)	-
<i>Total Conference Centre</i>	<u>1,028,370</u>	<u>1,053,370</u>	<u>1,007,162</u>	<u>46,208</u>	<u>963,908</u>
Marketing:					
Salaries and Fringe Benefits	210	210	16,850	(16,640)	50
Supplies	500	500	7,377	(6,877)	25
Contractual Services	730,750	730,750	703,064	27,686	617,562
<i>Total Marketing</i>	<u>731,460</u>	<u>731,460</u>	<u>727,291</u>	<u>4,169</u>	<u>617,637</u>
Special Events:					
Salaries and Fringe Benefits	626,160	626,160	577,079	49,081	610,300
Supplies	12,700	12,700	8,861	3,839	13,750
Maintenance and Materials	170,740	170,740	195,923	(25,183)	158,603
Contractual Services	1,549,020	1,549,020	1,585,039	(36,019)	1,593,839
Capital Replacement	34,100	34,100	38,700	(4,600)	-
<i>Total Special Events</i>	<u>2,392,720</u>	<u>2,392,720</u>	<u>2,405,602</u>	<u>(12,882)</u>	<u>2,376,492</u>
Performing Arts:					
Salaries and Fringe Benefits	16,820	16,820	11,523	5,297	16,123
Supplies	25,500	25,500	26,249	(749)	40,327
Maintenance and Materials	60,200	60,200	67,981	(7,781)	61,874
Contractual Services	447,630	447,630	420,152	27,478	445,656
Capital Replacement	2,800	2,800	3,200	(400)	-
<i>Total Performing Arts</i>	<u>552,950</u>	<u>552,950</u>	<u>529,105</u>	<u>23,845</u>	<u>563,980</u>
Total Expenditures	<u><u>\$ 6,244,180</u></u>	<u><u>\$ 7,824,180</u></u>	<u><u>\$ 7,655,939</u></u>	<u><u>\$ 168,241</u></u>	<u><u>\$ 5,442,179</u></u>

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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, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Investments	\$ 1,159,139	\$ 1,184,554
Receivables:		
Ad Valorem Taxes, Including Interest and Penalties	133,032	147,281
Interest	2,948	2,433
<i>Total Assets</i>	<u>\$ 1,295,119</u>	<u>\$ 1,334,268</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Deferred Revenue	\$ 149,687	\$ 163,936
Intergovernmental Payable	17,601	44,263
Total Liabilities	<u>167,288</u>	<u>208,199</u>
Fund Balances:		
Restricted:		
Debt Service	1,127,831	1,126,069
Total Fund Balance	<u>1,127,831</u>	<u>1,126,069</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,295,119</u>	<u>\$ 1,334,268</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, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Ad Valorem Taxes:					
Current	\$ 5,430,770	\$ 5,430,770	\$ 5,386,594	\$ (44,176)	\$ 5,118,940
Delinquent	5,150	5,150	18,093	12,943	1,139
Penalties and Interest	690	690	25,361	24,671	9,502
Total Ad Valorem Taxes	5,436,610	5,436,610	5,430,048	(6,562)	5,129,581
Other Revenues:					
Earnings on Investments	20,000	20,000	10,111	(9,889)	12,485
Total Revenues	5,456,610	5,456,610	5,440,159	(16,451)	5,142,066
EXPENDITURES:					
Debt Service:					
Principal Retirement	3,318,610	3,318,610	3,318,610	-	3,834,520
Interest and Fiscal Charges	2,125,140	2,125,140	2,119,787	5,353	2,263,538
Total Expenditures	5,443,750	5,443,750	5,438,397	5,353	6,098,058
Excess/(Deficiency) of Revenues over Expenditures	12,860	12,860	1,762	(11,098)	(955,992)
OTHER FINANCING SOURCES/(USES):					
Transfer from General Fund	-	-	-	-	1,000,000
Net Change in Fund Balance	12,860	12,860	1,762	(11,098)	44,008
Fund Balances at Beginning of Year	1,126,069	1,126,069	1,126,069	-	1,082,061
Fund Balances at End of Year	\$ 1,138,929	\$ 1,138,929	\$ 1,127,831	\$ (11,098)	\$ 1,126,069

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

Hotel Debt Service Fund
Comparative Balance Sheet
September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Investments	\$ 815,200	\$ 862,154
Receivables:		
Interest	2,073	1,771
<i>Total Assets</i>	<u>\$ 817,273</u>	<u>\$ 863,925</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balances:		
Restricted:		
Debt Service	817,273	863,925
Total Fund Balance	<u>817,273</u>	<u>863,925</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 817,273</u>	<u>\$ 863,925</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, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 12,000	\$ 12,000	\$ 3,336	\$ (8,664)	\$ 7,685
<i>Total Revenues</i>	<u>12,000</u>	<u>12,000</u>	<u>3,336</u>	<u>(8,664)</u>	<u>7,685</u>
EXPENDITURES:					
Debt Service:					
Principal Retirement	555,000	555,000	555,000	-	535,000
Interest and Fiscal Charges	<u>164,990</u>	<u>164,990</u>	<u>164,987</u>	<u>3</u>	<u>181,337</u>
<i>Total Expenditures</i>	<u>719,990</u>	<u>719,990</u>	<u>719,987</u>	<u>3</u>	<u>716,337</u>
Excess/(Deficiency) of Revenues over Expenditures	(707,990)	(707,990)	(716,651)	(8,661)	(708,652)
OTHER FINANCING SOURCES/(USES):					
Transfer from Hotel Fund	<u>670,000</u>	<u>670,000</u>	<u>670,000</u>	<u>-</u>	<u>670,000</u>
Net Change in Fund Balance	(37,990)	(37,990)	(46,651)	(8,661)	(38,652)
Fund Balances at Beginning of Year	<u>863,924</u>	<u>863,924</u>	<u>863,924</u>	<u>-</u>	<u>902,577</u>
Fund Balances at End of Year	<u>\$ 825,934</u>	<u>\$ 825,934</u>	<u>\$ 817,273</u>	<u>\$ (8,661)</u>	<u>\$ 863,925</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 Balance Sheet for Capital Projects
September 30, 2011

	Street	Parks	2002	2004	2006	2008	Capital Projects
ASSETS:							
Cash and Investments	\$ 1,581,867	\$ 119,814	\$ 1,114,419	\$ 438,467	\$ 156,728	\$ 7,473,764	\$ 10,885,059
Receivables:							
Interest	4,022	449	2,835	1,115	897	8,995	18,313
Other	-	-	-	-	-	56,394	56,394
Total Assets	\$ 1,585,889	\$ 120,263	\$ 1,117,254	\$ 439,582	\$ 157,625	\$ 7,539,153	\$ 10,959,766
LIABILITIES AND FUND BALANCE:							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ -	\$ 13,968	\$ 246,481	\$ -	\$ -	\$ 304,665	\$ 565,114
Contracts and Retainage Payable	-	13,422	21,935	-	8,531	499,002	542,890
Total Liabilities	-	27,390	268,416	-	8,531	803,667	1,108,004
Fund Balances:							
Restricted:							
Capital Projects	1,585,889	92,873	848,838	439,582	149,094	6,735,486	9,851,762
Total Fund Balance	1,585,889	92,873	848,838	439,582	149,094	6,735,486	9,851,762
Total Liabilities and Fund Balance	\$ 1,585,889	\$ 120,263	\$ 1,117,254	\$ 439,582	\$ 157,625	\$ 7,539,153	\$ 10,959,766

Town of Addison, Texas
Capital Projects

Capital Project Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2011

	Street	Parks	2002	2004	2006	2008	Capital Projects
REVENUES:							
Earnings on Investments	\$ 7,493	\$ 1,013	\$ 6,544	\$ 2,060	\$ 1,657	\$ 47,443	\$ 66,210
Other	17,656	25,300	-	-	-	376,932	419,888
<i>Total Revenues</i>	<u>25,149</u>	<u>26,313</u>	<u>6,544</u>	<u>2,060</u>	<u>1,657</u>	<u>424,375</u>	<u>486,098</u>
EXPENDITURES:							
Maintenance and Materials	-	-	6,320	-	-	3,550	9,870
Engineering and Contractual Services	-	49,779	246,439	-	-	1,387,708	1,683,926
Construction and Equipment	-	211,198	438,729	-	204,351	8,406,445	9,260,723
<i>Total Expenditures</i>	<u>-</u>	<u>260,977</u>	<u>691,488</u>	<u>-</u>	<u>204,351</u>	<u>9,797,703</u>	<u>10,954,519</u>
Excess/(Deficiency) of Revenues over Expenditures	25,149	(234,664)	(684,944)	2,060	(202,694)	(9,373,328)	(10,468,421)
OTHER FINANCING SOURCES/(USES):							
Transfers Out	(14,156)	-	-	-	-	-	(14,156)
Net Change in Fund Balance	10,993	(234,664)	(684,944)	2,060	(202,694)	(9,373,328)	(10,482,577)
Fund Balances at Beginning of Year	1,574,896	327,537	1,533,782	437,522	351,788	16,108,814	20,334,339
Fund Balances at End of Year	<u>\$ 1,585,889</u>	<u>\$ 92,873</u>	<u>\$ 848,838</u>	<u>\$ 439,582</u>	<u>\$ 149,094</u>	<u>\$ 6,735,486</u>	<u>\$ 9,851,762</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

Street Capital Projects
Comparative Balance Sheet
September 30, 2011 and 2010

	2011	2010
ASSETS:		
Cash and Investments	\$ 1,581,867	\$ 1,595,835
Receivables:		
Interest	4,022	1,184
<i>Total Assets</i>	\$ 1,585,889	\$ 1,597,019
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ 2,836
Contracts and Retainage Payable	-	19,287
Total Liabilities	-	22,123
Fund Balances:		
Restricted:		
Capital Projects	1,585,889	1,574,896
Total Fund Balance	1,585,889	1,574,896
<i>Total Liabilities and Fund Balance</i>	\$ 1,585,889	\$ 1,597,019

Town of Addison, Texas
Major Governmental Funds - Capital Projects

Street Capital Projects
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 9,100	\$ 9,100	\$ 7,493	\$ (1,607)	\$ 6,125
Other	-	-	17,656	17,656	-
<i>Total Revenues</i>	<u>9,100</u>	<u>9,100</u>	<u>25,149</u>	<u>16,049</u>	<u>6,125</u>
EXPENDITURES:					
Maintenance and Materials	-	-	-	-	204,092
Engineering and Contractual Services	-	-	-	-	19,580
Construction and Equipment	<u>1,007,440</u>	<u>1,007,440</u>	-	<u>1,007,440</u>	<u>-</u>
<i>Total Expenditures</i>	<u>1,007,440</u>	<u>1,007,440</u>	<u>-</u>	<u>1,007,440</u>	<u>223,672</u>
Excess/(Deficiency) of Revenues over Expenditures	(998,340)	(998,340)	25,149	1,023,489	(217,547)
OTHER FINANCING SOURCES/(USES):					
Transfer from Reimbursement Grant Fund	-	-	-	-	462,564
Transfer to Reimbursement Grant Fund	<u>-</u>	<u>(14,160)</u>	<u>(14,156)</u>	<u>4</u>	<u>-</u>
Net Change in Fund Balance	(998,340)	(1,012,500)	10,993	1,023,493	245,017
Fund Balances at Beginning of Year	<u>1,574,896</u>	<u>1,574,896</u>	<u>1,574,896</u>	<u>-</u>	<u>1,329,879</u>
Fund Balances at End of Year	<u>\$ 576,556</u>	<u>\$ 562,396</u>	<u>\$ 1,585,889</u>	<u>\$ 1,023,493</u>	<u>\$ 1,574,896</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

Parks Capital Projects
Comparative Balance Sheet
September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Investments	\$ 119,814	\$ 361,400
Receivables:		
Interest	449	743
<i>Total Assets</i>	<u>\$ 120,263</u>	<u>\$ 362,143</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 13,968	\$ 34,606
Contracts and Retainage Payable	13,422	-
Total Liabilities	<u>27,390</u>	<u>34,606</u>
Fund Balances:		
Restricted:		
Capital Projects	92,873	327,537
Total Fund Balance	<u>92,873</u>	<u>327,537</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 120,263</u>	<u>\$ 362,143</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

Parks Capital Projects
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 3,070	\$ 3,070	\$ 1,013	\$ (2,057)	\$ 2,695
Other	-	-	25,300	25,300	27,235
<i>Total Revenues</i>	<u>3,070</u>	<u>3,070</u>	<u>26,313</u>	<u>23,243</u>	<u>29,930</u>
EXPENDITURES:					
Maintenance and Materials	-	-	-	-	27,275
Engineering and Contractual Services	9,700	9,700	49,779	(40,079)	72,218
Construction and Equipment	260,510	260,510	211,198	49,312	-
<i>Total Expenditures</i>	<u>270,210</u>	<u>270,210</u>	<u>260,977</u>	<u>9,233</u>	<u>99,493</u>
Net Change in Fund Balance	(267,140)	(267,140)	(234,664)	32,476	(69,563)
Fund Balances at Beginning of Year	<u>327,537</u>	<u>327,537</u>	<u>327,537</u>	-	<u>397,100</u>
Fund Balances at End of Year	<u>\$ 60,397</u>	<u>\$ 60,397</u>	<u>\$ 92,873</u>	<u>\$ 32,476</u>	<u>\$ 327,537</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2002 Capital Projects
Comparative Balance Sheet
September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Investments	\$ 1,114,419	\$ 1,530,638
Receivables:		
Interest	2,835	3,144
<i>Total Assets</i>	<u>\$ 1,117,254</u>	<u>\$ 1,533,782</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 246,481	\$ -
Contracts and Retainage Payable	21,935	-
Total Liabilities	<u>268,416</u>	<u>-</u>
Fund Balances:		
Restricted:		
Capital Projects	848,838	1,533,782
Total Fund Balance	<u>848,838</u>	<u>1,533,782</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,117,254</u>	<u>\$ 1,533,782</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2002 Capital Projects
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 14,390	\$ 14,390	\$ 6,544	\$ (7,846)	\$ 12,010
<i>Total Revenues</i>	<u>14,390</u>	<u>14,390</u>	<u>6,544</u>	<u>(7,846)</u>	<u>12,010</u>
EXPENDITURES:					
Maintenance and Materials	-	-	6,320	(6,320)	-
Engineering and Contractual Services	100,000	369,000	246,439	122,561	181,579
Construction and Equipment	400,000	1,175,000	438,729	736,271	29,906
<i>Total Expenditures</i>	<u>500,000</u>	<u>1,544,000</u>	<u>691,488</u>	<u>852,512</u>	<u>211,485</u>
Net Change in Fund Balance	(485,610)	(1,529,610)	(684,944)	844,666	(199,475)
Fund Balances at Beginning of Year	<u>1,533,782</u>	<u>1,533,782</u>	<u>1,533,782</u>	-	<u>1,733,257</u>
Fund Balances at End of Year	<u>\$ 1,048,172</u>	<u>\$ 4,172</u>	<u>\$ 848,838</u>	<u>\$ 844,666</u>	<u>\$ 1,533,782</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2004 Capital Projects
Comparative Balance Sheet
September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Investments	\$ 438,467	\$ 436,625
Receivables:		
Interest	1,115	897
<i>Total Assets</i>	<u>\$ 439,582</u>	<u>\$ 437,522</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balances:		
Restricted:		
Capital Projects	439,582	437,522
Total Fund Balance	<u>439,582</u>	<u>437,522</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 439,582</u>	<u>\$ 437,522</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2004 Capital Projects
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 5,050	\$ 5,050	\$ 2,060	\$ (2,990)	\$ 3,161
<i>Total Revenues</i>	<u>5,050</u>	<u>5,050</u>	<u>2,060</u>	<u>(2,990)</u>	<u>3,161</u>
EXPENDITURES:					
Construction and Equipment	-	187,000	-	187,000	-
<i>Total Expenditures</i>	<u>-</u>	<u>187,000</u>	<u>-</u>	<u>187,000</u>	<u>-</u>
Net Change in Fund Balance	5,050	(181,950)	2,060	184,010	3,161
Fund Balances at Beginning of Year	<u>437,522</u>	<u>437,522</u>	<u>437,522</u>	<u>-</u>	<u>434,361</u>
Fund Balances at End of Year	<u>\$ 442,572</u>	<u>\$ 255,572</u>	<u>\$ 439,582</u>	<u>\$ 184,010</u>	<u>\$ 437,522</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2006 Capital Projects
Comparative Balance Sheet
September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Investments	\$ 156,728	\$ 351,067
Receivables:		
Interest	897	721
<i>Total Assets</i>	<u>\$ 157,625</u>	<u>\$ 351,788</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Contracts and Retainage Payable	\$ 8,531	\$ -
Total Liabilities	<u>8,531</u>	<u>-</u>
Fund Balances:		
Restricted:		
Capital Projects	149,094	351,788
Total Fund Balance	<u>149,094</u>	<u>351,788</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 157,625</u>	<u>\$ 351,788</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2006 Capital Projects
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 4,060	\$ 4,060	\$ 1,657	\$ (2,403)	\$ 2,541
<i>Total Revenues</i>	<u>4,060</u>	<u>4,060</u>	<u>1,657</u>	<u>(2,403)</u>	<u>2,541</u>
EXPENDITURES:					
Construction and Equipment	180,000	180,000	204,351	(24,351)	-
<i>Total Expenditures</i>	<u>180,000</u>	<u>180,000</u>	<u>204,351</u>	<u>(24,351)</u>	<u>-</u>
Net Change in Fund Balance	(175,940)	(175,940)	(202,694)	(26,754)	2,541
Fund Balances at Beginning of Year	<u>351,788</u>	<u>351,788</u>	<u>351,788</u>	<u>-</u>	<u>349,247</u>
Fund Balances at End of Year	<u>\$ 175,848</u>	<u>\$ 175,848</u>	<u>\$ 149,094</u>	<u>\$ (26,754)</u>	<u>\$ 351,788</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2008 Capital Projects
Comparative Balance Sheet
September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Investments	\$ 7,473,764	\$ 17,476,208
Receivables:		
Interest	8,995	35,912
Other	56,394	-
<i>Total Assets</i>	<u>\$ 7,539,153</u>	<u>\$ 17,512,120</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 304,665	\$ 1,168,292
Contracts and Retainage Payable	499,002	235,014
Total Liabilities	<u>803,667</u>	<u>1,403,306</u>
Fund Balances:		
Restricted:		
Capital Projects	<u>6,735,486</u>	<u>16,108,814</u>
Total Fund Balance	<u>6,735,486</u>	<u>16,108,814</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 7,539,153</u>	<u>\$ 17,512,120</u>

Town of Addison, Texas
Major Governmental Funds - Capital Projects

2008 Capital Projects
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments	\$ 210,420	\$ 210,420	\$ 47,443	\$ (162,977)	\$ 162,794
Other	-	267,000	376,932	109,932	2,115,271
<i>Total Revenues</i>	<u>210,420</u>	<u>477,420</u>	<u>424,375</u>	<u>(53,045)</u>	<u>2,278,065</u>
EXPENDITURES:					
Supplies	-	-	-	-	937
Materials and Maintenance	-	-	3,550	(3,550)	-
Engineering and Contractual Services	-	1,628,000	1,387,708	240,292	2,292,226
Construction and Equipment	12,100,000	10,950,000	8,406,445	2,543,555	8,825,296
<i>Total Expenditures</i>	<u>12,100,000</u>	<u>12,578,000</u>	<u>9,797,703</u>	<u>2,780,297</u>	<u>11,118,459</u>
Net Change in Fund Balance	(11,889,580)	(12,100,580)	(9,373,328)	2,727,252	(8,840,394)
Fund Balances at Beginning of Year	<u>16,108,814</u>	<u>16,108,814</u>	<u>16,108,814</u>	-	<u>24,949,208</u>
Fund Balances at End of Year	<u>\$ 4,219,234</u>	<u>\$ 4,008,234</u>	<u>\$ 6,735,486</u>	<u>\$ 2,727,252</u>	<u>\$ 16,108,814</u>

REIMBURSEMENT GRANT FUND

The **Reimbursement Grant Fund** accounts for expenditures for which the Town expects to be reimbursed. For any reimbursements not received prior to the fiscal year end, the Town will record a receivable.

Addison!®

Town of Addison, Texas
Major Governmental Funds - Reimbursement Grant Fund

Reimbursement Grant Fund
Comparative Balance Sheet
September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS:		
Receivables:		
Interest	\$ -	\$ 820
Intergovernmental	3,086,241	647,779
<i>Total Assets</i>	<u>\$ 3,086,241</u>	<u>\$ 648,599</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 366,695	\$ 20,430
Deferred Revenue	1,945,467	-
Interfund Payable	2,719,440	627,874
Total Liabilities	<u>5,031,602</u>	<u>648,304</u>
Fund Balances:		
Unassigned	(1,945,361)	295
Total Fund Balance	<u>(1,945,361)</u>	<u>295</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 3,086,241</u>	<u>\$ 648,599</u>

Town of Addison, Texas
Major Governmental Funds - Reimbursement Grant Fund

Reimbursement Grant Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Intergovernmental	\$ 70,000	\$ 1,900,000	\$ 1,711,914	\$ (188,086)	\$ 1,094,969
Earnings on Investments and Other	-	-	(189)	(189)	195
<i>Total Revenues</i>	<u>70,000</u>	<u>1,900,000</u>	<u>1,711,725</u>	<u>(188,275)</u>	<u>1,095,164</u>
EXPENDITURES:					
Salaries and Fringe Benefits	19,200	10,200	8,866	1,334	31,148
Supplies	800	2,000	5,596	(3,596)	14,309
Contractual Services	50,000	-	-	-	9,573
Capital Outlay	-	2,000,000	3,657,075	(1,657,075)	576,012
<i>Total Expenditures</i>	<u>70,000</u>	<u>2,012,200</u>	<u>3,671,537</u>	<u>(1,659,337)</u>	<u>631,042</u>
Excess/(Deficiency) of Revenues over Expenditures	-	(112,200)	(1,959,812)	(1,847,612)	464,122
OTHER FINANCING SOURCES/(USES):					
Transfer from Street Capital Projects Fund	-	14,160	14,156	(4)	-
Transfer to General Fund	-	-	-	-	(1,263)
Transfer to Street Capital Projects Fund	-	-	-	-	(462,564)
Net Change in Fund Balance	-	(98,040)	(1,945,656)	(1,847,616)	295
Fund Balances at Beginning of Year	<u>295</u>	<u>295</u>	<u>295</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 295</u>	<u>\$ (97,745)</u>	<u>\$ (1,945,361)</u>	<u>\$ (1,847,616)</u>	<u>\$ 295</u>

NON-MAJOR GOVERNMENTAL FUNDS

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

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

The **Advanced Funding Grant Fund** was created during fiscal year 2010. The fund accounts for grant monies that are received prior to the related expenditure, and therefore the fund may carry a balance from year to year if the Town does not expend the monies within the fiscal year.

The **American Recovery and Reinvestment Act (ARRA) Grant Fund** was created during fiscal year 2010. The fund accounts for receipts and expenditures of ARRA grant monies. The Act requires the separation of ARRA funds from other grant monies.

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

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Town of Addison, Texas
Non-Major Governmental Funds

Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2011

	Municipal Court Fund	Public Safety Fund	Advanced Funding Grant Fund	ARRA Grant Fund	Economic Development Fund	Total Non-Major Governmental Funds
ASSETS:						
Cash and Investments	\$ 452,510	\$ 18,622	\$ 62,552	\$ -	\$ 388,354	\$ 922,038
Receivables:						
Interest	1,151	47	3,075	-	923	5,196
Intergovernmental	-	-	1,200	52,258	-	53,458
Total Assets	\$ 453,661	\$ 18,669	\$ 66,827	\$ 52,258	\$ 389,277	\$ 980,692

LIABILITIES AND FUND BALANCE:

Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 297,372	\$ -	\$ -	\$ -	\$ 30,601	\$ 327,973
Contracts and Retainage Payable	-	-	40,723	-	-	40,723
Deferred Revenue	-	859	-	-	-	859
Interfund Payable	-	-	-	50,672	-	50,672
Total Liabilities	297,372	859	40,723	50,672	30,601	420,227
Fund Balances:						
Restricted:						
Court Technology	83,827	-	-	-	-	83,827
Building Security	72,462	-	-	-	-	72,462
Other Purposes	-	17,810	26,104	1,586	-	45,500
Committed:						
Economic Development	-	-	-	-	358,676	358,676
Total Fund Balance	156,289	17,810	26,104	1,586	358,676	560,465
Total Liabilities and Fund Balance	\$ 453,661	\$ 18,669	\$ 66,827	\$ 52,258	\$ 389,277	\$ 980,692

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, 2011

	Municipal Court Fund	Public Safety Fund	Advanced Funding Grant Fund	ARRA Grant Fund	Economic Development Fund	Total Non-Major Governmental Funds
REVENUES:						
Court Awards	\$ -	\$ 2,011	\$ -	\$ -	\$ -	\$ 2,011
Building Security Fees	16,915	-	-	-	-	16,915
Court Technology Fees	22,565	-	-	-	-	22,565
Intergovernmental	-	-	1,566,252	265,191	-	1,831,443
Earnings on Investments and Other	13,494	91	4,165	26	876	18,652
Total Revenues	52,974	2,102	1,570,417	265,217	876	1,891,586
EXPENDITURES:						
Salaries and Fringe Benefits	14,446	-	-	191,200	63,280	268,926
Supplies	13,531	20,179	1,466	6,281	12,418	53,875
Maintenance and Materials	37,658	-	-	-	1,449	39,107
Contractual Services	-	-	100,746	66,126	265,053	431,925
Capital Outlay	-	-	1,457,412	-	-	1,457,412
Total Expenditures	65,635	20,179	1,559,624	263,607	342,200	2,251,245
Excess/(Deficiency) of Revenues over Expenditures	(12,661)	(18,077)	10,793	1,610	(341,324)	(359,659)
OTHER FINANCING SOURCES/(USES):						
Transfers In	-	-	-	-	700,000	700,000
Net Change in Fund Balance	(12,661)	(18,077)	10,793	1,610	358,676	340,341
Fund Balances at Beginning of Year	168,950	35,887	15,311	(24)	-	220,124
Fund Balances at End of Year	\$ 156,289	\$ 17,810	\$ 26,104	\$ 1,586	\$ 358,676	\$ 560,465

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

Municipal Court Fund
Comparative Balance Sheet
September 30, 2011 and 2010

	2011	2010
ASSETS:		
Cash and Investments	\$ 452,510	\$ 476,716
Receivables:		
Interest	1,151	1,002
<i>Total Assets</i>	\$ 453,661	\$ 477,718
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 297,372	\$ 308,768
Total Liabilities	297,372	308,768
Fund Balances:		
Restricted:		
Court Technology	83,827	90,617
Building Security	72,462	78,333
Total Fund Balance	156,289	168,950
<i>Total Liabilities and Fund Balance</i>	\$ 453,661	\$ 477,718

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

Municipal Court Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Building Security Fees	\$ 22,000	\$ 22,000	\$ 16,915	\$ (5,085)	\$ 13,842
Court Technology Fees	30,000	30,000	22,565	(7,435)	23,819
Earnings on Investments and Other	4,000	4,000	13,494	9,494	3,460
<i>Total Revenues</i>	<u>56,000</u>	<u>56,000</u>	<u>52,974</u>	<u>(3,026)</u>	<u>41,121</u>
EXPENDITURES:					
Salaries and Fringe Benefits	21,000	21,000	14,446	6,554	4,144
Supplies	-	-	13,531	(13,531)	5,052
Maintenance and Materials	60,900	60,900	37,658	23,242	80,259
Contractual Services	3,000	3,000	-	3,000	-
<i>Total Expenditures</i>	<u>84,900</u>	<u>84,900</u>	<u>65,635</u>	<u>19,265</u>	<u>89,455</u>
Net Change in Fund Balance	(28,900)	(28,900)	(12,661)	16,239	(48,334)
Fund Balances at Beginning of Year	<u>168,950</u>	<u>168,950</u>	<u>168,950</u>	<u>-</u>	<u>217,284</u>
Fund Balances at End of Year	<u>\$ 140,050</u>	<u>\$ 140,050</u>	<u>\$ 156,289</u>	<u>\$ 16,239</u>	<u>\$ 168,950</u>

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

Public Safety Fund
Comparative Balance Sheet
September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Investments	\$ 18,622	\$ 36,677
Receivables:		
Interest	47	69
<i>Total Assets</i>	<u>\$ 18,669</u>	<u>\$ 36,746</u>
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Deferred Revenue	\$ 859	\$ 859
Total Liabilities	<u>859</u>	<u>859</u>
Fund Balances:		
Restricted:		
Other Purposes	17,810	35,887
Total Fund Balance	<u>17,810</u>	<u>35,887</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 18,669</u>	<u>\$ 36,746</u>

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

Public Safety Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Court Awards	\$ 10,000	\$ 10,000	\$ 2,011	\$ (7,989)	\$ 19,172
Earnings on Investments and Other	200	200	91	(109)	142
<i>Total Revenues</i>	<u>10,200</u>	<u>10,200</u>	<u>2,102</u>	<u>(8,098)</u>	<u>19,314</u>
EXPENDITURES:					
Supplies	21,970	21,970	20,179	1,791	-
<i>Total Expenditures</i>	<u>21,970</u>	<u>21,970</u>	<u>20,179</u>	<u>1,791</u>	<u>-</u>
Net Change in Fund Balance	(11,770)	(11,770)	(18,077)	(6,307)	19,314
Fund Balances at Beginning of Year	<u>35,887</u>	<u>35,887</u>	<u>35,887</u>	<u>-</u>	<u>16,573</u>
Fund Balances at End of Year	<u>\$ 24,117</u>	<u>\$ 24,117</u>	<u>\$ 17,810</u>	<u>\$ (6,307)</u>	<u>\$ 35,887</u>

Town of Addison, Texas

Non-Major Governmental Funds - Advanced Funding Grant Fund

**Advanced Funding Grant Fund
Comparative Balance Sheet
September 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Investments	\$ 62,552	\$ 15,280
Receivables:		
Interest	3,075	31
Intergovernmental	1,200	-
<i>Total Assets</i>	<u>\$ 66,827</u>	<u>\$ 15,311</u>
 LIABILITIES AND FUND BALANCE:		
Liabilities:		
Contracts and Retainage Payable	\$ 40,723	\$ -
Total Liabilities	<u>40,723</u>	<u>-</u>
 Fund Balances:		
Restricted:		
Other Purposes	26,104	15,311
Total Fund Balance	<u>26,104</u>	<u>15,311</u>
 <i>Total Liabilities and Fund Balance</i>	<u>\$ 66,827</u>	<u>\$ 15,311</u>

Town of Addison, Texas
Non-Major Governmental Funds - Advanced Funding Grant Fund

Advanced Funding Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Intergovernmental	\$ 2,500,000	\$ 1,500,000	\$ 1,566,252	\$ 66,252	\$ 15,284
Earnings on Investments and Other	70	70	4,165	4,095	27
<i>Total Revenues</i>	<u>2,500,070</u>	<u>1,500,070</u>	<u>1,570,417</u>	<u>70,347</u>	<u>15,311</u>
EXPENDITURES:					
Supplies	-	6,200	1,466	4,734	-
Contractual Services	160,000	-	100,746	(100,746)	-
Capital Outlay	2,340,000	1,590,000	1,457,412	132,588	-
<i>Total Expenditures</i>	<u>2,500,000</u>	<u>1,596,200</u>	<u>1,559,624</u>	<u>36,576</u>	<u>-</u>
Net Change in Fund Balance	70	(96,130)	10,793	106,923	15,311
Fund Balances at Beginning of Year	<u>15,311</u>	<u>15,311</u>	<u>15,311</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 15,381</u>	<u>\$ (80,819)</u>	<u>\$ 26,104</u>	<u>\$ 106,923</u>	<u>\$ 15,311</u>

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

American Recovery and Reinvestment Act (ARRA) Grant Fund
Comparative Balance Sheet
September 30, 2011 and 2010

	2011	2010
ASSETS:		
Receivables:		
Intergovernmental	\$ 52,258	\$ 49,957
<i>Total Assets</i>	\$ 52,258	\$ 49,957
LIABILITIES AND FUND BALANCE:		
Liabilities:		
Interfund Payable	\$ 50,672	\$ 49,981
Total Liabilities	50,672	49,981
Fund Balances:		
Restricted:		
Other Purposes	1,586	(24)
Total Fund Balance	1,586	(24)
<i>Total Liabilities and Fund Balance</i>	\$ 52,258	\$ 49,957

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

American Recovery and Reinvestment Act (ARRA) Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Intergovernmental	\$ 140,000	\$ 255,000	\$ 265,191	\$ 10,191	\$ 213,578
Earnings on Investments and Other	-	-	26	26	(24)
<i>Total Revenues</i>	<u>140,000</u>	<u>255,000</u>	<u>265,217</u>	<u>10,217</u>	<u>213,554</u>
EXPENDITURES:					
Salaries and Fringe Benefits	140,000	188,000	191,200	(3,200)	139,757
Supplies	-	-	6,281	(6,281)	22,633
Contractual Services	-	67,000	66,126	874	16,100
Capital Outlay	-	-	-	-	35,088
<i>Total Expenditures</i>	<u>140,000</u>	<u>255,000</u>	<u>263,607</u>	<u>(8,607)</u>	<u>213,578</u>
Net Change in Fund Balance	-	-	1,610	1,610	(24)
Fund Balances at Beginning of Year	<u>(24)</u>	<u>(24)</u>	<u>(24)</u>	-	-
Fund Balances at End of Year	<u>\$ (24)</u>	<u>\$ (24)</u>	<u>\$ 1,586</u>	<u>\$ 1,610</u>	<u>\$ (24)</u>

Town of Addison, Texas

Non-Major Governmental Funds - Economic Development Fund

**Economic Development Fund
Comparative Balance Sheet
September 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash and Investments	\$ 388,354	\$ -
Receivables:		
Interest	923	-
<i>Total Assets</i>	<u>\$ 389,277</u>	<u>\$ -</u>
 LIABILITIES AND FUND BALANCE:		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 30,601	\$ -
Total Liabilities	<u>30,601</u>	<u>-</u>
 Fund Balances:		
Committed:		
Economic Development	358,676	-
Total Fund Balance	<u>358,676</u>	<u>-</u>
 <i>Total Liabilities and Fund Balance</i>	 <u>\$ 389,277</u>	 <u>\$ -</u>

Town of Addison, Texas

Non-Major Governmental Funds - Economic Development Fund

Economic Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2011
With Comparative Actual Totals for 2010

	2011			Variance with Final Budget Positive (Negative)	2010
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
REVENUES:					
Earnings on Investments and Other	\$ -	\$ -	\$ 876	\$ 876	\$ -
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>876</u>	<u>876</u>	<u>-</u>
EXPENDITURES:					
Salaries and Fringe Benefits	-	66,400	63,280	3,120	-
Supplies	-	11,060	12,418	(1,358)	-
Maintenance and Materials	-	-	1,449	(1,449)	-
Contractual Services	700,000	622,540	265,053	357,487	-
<i>Total Expenditures</i>	<u>700,000</u>	<u>700,000</u>	<u>342,200</u>	<u>357,800</u>	<u>-</u>
Excess/(Deficiency) of Revenues over Expenditures	(700,000)	(700,000)	(341,324)	358,676	-
OTHER FINANCING SOURCES/(USES):					
Transfers In	700,000	700,000	700,000	-	-
Net Change in Fund Balance	-	-	358,676	358,676	-
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,676</u>	<u>\$ 358,676</u>	<u>\$ -</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.

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, 2011 and 2010

	2011	2010
ASSETS:		
Current Assets:		
Cash and Investments	\$ 2,133,522	\$ 2,455,976
Interest Receivable	5,519	5,041
Accounts Receivable	388,217	522,504
Inventory	16	-
Prepaid Items	166,277	-
Total Current Assets	2,693,551	2,983,521
Non-Current Assets:		
Deferred Charges	23,246	25,571
Capital Assets:		
Land	8,911,357	8,911,357
Buildings	1,386,047	1,386,047
Improvements other than Buildings	23,248,622	22,437,018
Machinery and Equipment	1,263,834	1,233,964
Accumulated Depreciation	(16,231,434)	(15,180,580)
Total Capital Assets, Net of Accumulated Depreciation	18,578,426	18,787,806
Construction in Progress	10,601,347	752,301
Net Property, Plant, and Equipment	29,179,773	19,540,107
<i>Total Assets</i>	\$ 31,896,570	\$ 22,549,199
LIABILITIES:		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 231,505	\$ 416,787
Current Maturities of Certificates of Obligation	275,000	265,000
Accrued Interest Payable	15,036	16,195
Customer Deposits	159,016	161,136
Total Current Liabilities	680,557	859,118
Long-Term Debt, Net of Current Portion:		
Certificates of Obligation Payable	2,685,000	2,960,000
<i>Total Liabilities</i>	3,365,557	3,819,118
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	26,219,773	16,315,107
Unrestricted	2,311,240	2,414,974
<i>Total Net Assets</i>	\$ 28,531,013	\$ 18,730,081

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, 2011 and 2010

	2011	2010
OPERATING REVENUES:		
Fuel Flowage Fees	\$ 657,159	\$ 720,825
Customs Agent Fees	50,842	46,303
Rental Charges	3,481,639	3,430,003
Other Income	336,953	92,094
<i>Total Operating Revenues</i>	4,526,593	4,289,225
OPERATING EXPENSES:		
Salaries and Fringe Benefits	264,010	231,795
Supplies	19,695	41,234
Maintenance and Materials	2,061,944	1,184,683
Contractual Services	864,493	1,546,481
<i>Total Operating Expenses (Excluding Depreciation)</i>	3,210,142	3,004,193
Depreciation	1,050,854	1,041,531
<i>Total Operating Expenses</i>	4,260,996	4,045,724
OPERATING INCOME/(LOSS)	265,597	243,501
NON-OPERATING REVENUES/(EXPENSES):		
Investment Income	7,558	14,861
Interest Expense	(124,063)	(133,207)
Amortization Expense	(2,325)	(2,325)
<i>Total Non-Operating Revenues/(Expenses)</i>	(118,830)	(120,671)
NET INCOME/(LOSS)	146,767	122,830
Capital Contributions and Grants	9,654,165	93,465
CHANGE IN NET ASSETS	9,800,932	216,295
Net Assets at Beginning of Year	18,730,081	18,513,786
Net Assets at End of Year	\$ 28,531,013	\$ 18,730,081

Town of Addison, Texas
Proprietary Funds - Airport Fund

Airport Fund
Comparative Statement of Cash Flows
Year Ended September 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 4,492,483	\$ 4,366,826
Payments to Suppliers	(3,131,430)	(3,188,498)
Payments to Employees for Services	(264,010)	(231,795)
<i>Net Cash Provided/(Used) by Operating Activities</i>	1,097,043	946,533
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(10,690,520)	(49,752)
Principal Paid on Certificates of Obligation	(265,000)	(255,000)
Interest Paid on Certificates of Obligation	(125,222)	(134,323)
Intergovernmental - Aviation Capital Grants	9,654,165	93,465
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(1,426,577)	(345,610)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Cash and Investments	7,080	17,565
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	(322,454)	618,488
Cash and Cash Investments, October 1	2,455,976	1,837,488
Cash and Cash Investments, September 30	\$ 2,133,522	\$ 2,455,976
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ 265,597	\$ 243,501
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	1,050,854	1,041,531
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	134,287	80,284
(Increase)/Decrease in Inventories	(16)	-
(Increase)/Decrease in Prepaids	(166,277)	-
Increase/(Decrease) in Accounts Payable	(185,282)	(416,100)
Increase/(Decrease) in Customer Deposits	(2,120)	(2,683)
Net Cash Provided/(Used) by Operating Activities	\$ 1,097,043	\$ 946,533
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital Contributions	\$ 59,303	\$ -
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	\$ 59,303	\$ -

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Town of Addison, Texas
Proprietary Funds - Utility Fund

Utility Fund
Comparative Statement of Net Assets
September 30, 2011 and 2010

	2011	2010
ASSETS:		
Current Assets:		
Cash and Investments	\$ 4,963,543	\$ 7,786,842
Interest Receivable	12,793	15,996
Accounts Receivable	2,224,410	1,684,718
Prepaid Items	63,998	-
Total Current Assets	7,264,744	9,487,556
Non-Current Assets:		
Deferred Charges	125,958	156,921
Capital Assets:		
Land	1,312,064	1,312,064
Buildings	1,728,905	1,728,905
Improvements other than Buildings	42,105,840	42,105,840
Machinery and Equipment	2,085,558	1,977,833
Accumulated Depreciation	(21,575,387)	(20,494,648)
Total Capital Assets, Net of Accumulated Depreciation	25,656,980	26,629,994
Construction in Progress	5,362,653	1,779,043
Net Property, Plant, and Equipment	31,019,633	28,409,037
Investment in Joint Venture	7,238,882	7,293,066
<i>Total Assets</i>	\$ 45,649,217	\$ 45,346,580
LIABILITIES:		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 1,030,898	\$ 367,482
Current Maturities of General Obligation Bonds and Certificates of Obligation	2,710,038	2,478,842
Accrued Interest Payable	58,005	73,302
Customer Deposits	742,308	716,708
Total Current Liabilities	4,541,249	3,636,334
Long-Term Debt, Net of Current Portion:		
General Obligation Bonds and Certificates of Obligation Payable	8,690,476	11,400,514
<i>Total Liabilities</i>	13,231,725	15,036,848
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	24,894,119	19,984,681
Unrestricted	7,523,373	10,325,051
<i>Total Net Assets</i>	\$ 32,417,492	\$ 30,309,732

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, 2011 and 2010

	2011	2010
OPERATING REVENUES:		
Water	\$ 6,140,865	\$ 4,758,886
Sewer	4,496,894	3,933,498
Penalties	71,834	73,251
Water and Sewer Taps and Other Fees	17,845	21,490
Other Income	13,130	18,944
<i>Total Operating Revenues</i>	10,740,568	8,806,069
OPERATING EXPENSES:		
Salaries and Fringe Benefits	1,371,308	1,285,237
Supplies	115,407	105,177
Maintenance and Materials	415,161	354,034
Contractual Services	569,029	599,717
Water Purchases	2,520,302	2,603,155
Wastewater Purchases	1,889,041	1,736,262
Bad Debts Expense	-	10,374
<i>Total Operating Expenses (Excluding Depreciation)</i>	6,880,248	6,693,956
Depreciation	1,098,741	1,081,166
<i>Total Operating Expenses</i>	7,978,989	7,775,122
OPERATING INCOME/(LOSS)	2,761,579	1,030,947
NON-OPERATING REVENUES/(EXPENSES):		
Investment Income	(23,736)	(3,796)
Sale of Assets	10,145	1,531
Gain/(Loss) of the Joint Venture	(54,184)	(54,195)
Interest Expense	(509,932)	(619,652)
Amortization Expense	(80,713)	(80,712)
Fiscal Fees	(9,399)	17,201
<i>Total Non-Operating Revenues/(Expenses)</i>	(667,819)	(739,623)
NET INCOME/(LOSS)	2,093,760	291,324
Capital Contributions and Grants	14,000	1,009,385
CHANGE IN NET ASSETS	2,107,760	1,300,709
Net Assets at Beginning of Year	30,309,732	29,009,023
Net Assets at End of Year	\$ 32,417,492	\$ 30,309,732

Town of Addison, Texas
Proprietary Funds - Utility Fund

Utility Fund
Comparative Statement of Cash Flows
Year Ended September 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 10,226,476	\$ 8,589,285
Payments to Suppliers	(4,909,521)	(5,613,610)
Payments to Employees for Services	(1,371,308)	(1,285,237)
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>3,945,647</u>	<u>1,690,438</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(3,695,338)	(598,152)
Principal Paid on Certificates of Obligation and General Obligation Bonds	(2,478,842)	(2,182,932)
Interest Paid on Certificates of Obligation and General Obligation Bonds	(574,979)	(680,478)
Fiscal Fees Related to Outstanding Debt	(9,399)	17,201
Proceeds from Sale of Capital Assets	10,145	1,531
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>(6,748,413)</u>	<u>(3,442,830)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Cash and Investments	(20,533)	20,493
<i>Net Cash Provided/(Used) by Investing Activities</i>	<u>(20,533)</u>	<u>20,493</u>
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	(2,823,299)	(1,731,899)
Cash and Cash Investments, October 1	7,786,842	9,518,741
Cash and Cash Investments, September 30	<u>\$ 4,963,543</u>	<u>\$ 7,786,842</u>
 Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ 2,761,579	\$ 1,030,947
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	1,098,741	1,081,166
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	(539,692)	(259,864)
(Increase)/Decrease in Prepaid Items	(63,998)	8,054
Increase/(Decrease) in Accounts Payable	663,417	(212,945)
Increase/(Decrease) in Customer Deposits	25,600	43,080
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>\$ 3,945,647</u>	<u>\$ 1,690,438</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital Contributions	\$ -	\$ 1,009,385
Gain/(Loss) of Joint Venture	(54,184)	(54,195)
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	<u>\$ (54,184)</u>	<u>\$ 955,190</u>

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Town of Addison, Texas
Proprietary Funds - Internal Service Funds

Internal Service Funds
Combining Statement of Net Assets
September 30, 2011

	<u>Capital Replacement</u>	<u>Information Technology Replacement</u>	<u>Total Internal Service Funds</u>
ASSETS:			
Current Assets:			
Cash and Investments	\$ 3,467,662	\$ 2,454,333	\$ 5,921,995
Interest Receivable	8,818	6,241	15,059
Other Receivable	82,809	-	82,809
Total Current Assets	<u>3,559,289</u>	<u>2,460,574</u>	<u>6,019,863</u>
Non-Current Assets:			
Capital Assets:			
Machinery and Equipment	6,538,892	5,056,588	11,595,480
Accumulated Depreciation	<u>(4,434,308)</u>	<u>(4,110,005)</u>	<u>(8,544,313)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>2,104,584</u>	<u>946,583</u>	<u>3,051,167</u>
<i>Total Assets</i>	<u>\$ 5,663,873</u>	<u>\$ 3,407,157</u>	<u>\$ 9,071,030</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	\$ 2,104,584	\$ 946,583	\$ 3,051,167
Unrestricted	<u>3,559,289</u>	<u>2,460,574</u>	<u>6,019,863</u>
<i>Total Net Assets</i>	<u>\$ 5,663,873</u>	<u>\$ 3,407,157</u>	<u>\$ 9,071,030</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, 2011

	<u>Capital Replacement</u>	<u>Information Technology Replacement</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES:			
Department Contributions	\$ 509,000	\$ 651,000	\$ 1,160,000
<i>Total Operating Revenues</i>	<u>509,000</u>	<u>651,000</u>	<u>1,160,000</u>
OPERATING EXPENSES:			
Contractual Services	5,873	24,083	29,956
Depreciation	722,352	260,570	982,922
<i>Total Operating Expenses</i>	<u>728,225</u>	<u>284,653</u>	<u>1,012,878</u>
OPERATING INCOME/(LOSS)	(219,225)	366,347	147,122
NON-OPERATING REVENUES/(EXPENSES):			
Investment Income	15,745	11,092	26,837
Sale of Assets	87,804	990	88,794
<i>Total Non-Operating Revenues/(Expenses)</i>	<u>103,549</u>	<u>12,082</u>	<u>115,631</u>
CHANGE IN NET ASSETS	(115,676)	378,429	262,753
Net Assets at Beginning of Year	<u>5,779,549</u>	<u>3,028,728</u>	<u>8,808,277</u>
Net Assets at End of Year	<u>\$ 5,663,873</u>	<u>\$ 3,407,157</u>	<u>\$ 9,071,030</u>

Town of Addison, Texas
Proprietary Funds - Internal Service Funds

Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2011

	Capital Replacement	Information Technology Replacement	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Department Contributions	\$ 509,000	\$ 651,000	\$ 1,160,000
Payments to Suppliers	(5,873)	(24,083)	(29,956)
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>503,127</u>	<u>626,917</u>	<u>1,130,044</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and Construction of Capital Assets	(254,948)	(258,405)	(513,353)
Proceeds from Sale of Capital Assets	4,995	990	5,985
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>(249,953)</u>	<u>(257,415)</u>	<u>(507,368)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on Cash and Investments	13,480	9,103	22,583
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	266,654	378,605	645,259
Cash and Cash Investments, October 1	3,201,008	2,075,728	5,276,736
Cash and Cash Investments, September 30	<u>\$ 3,467,662</u>	<u>\$ 2,454,333</u>	<u>\$ 5,921,995</u>
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (219,225)	\$ 366,347	\$ 147,122
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:			
Depreciation	722,352	260,570	982,922
Net Cash Provided/(Used) by Operating Activities	<u>\$ 503,127</u>	<u>\$ 626,917</u>	<u>\$ 1,130,044</u>

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Town of Addison, Texas
Proprietary Funds - Capital Replacement Fund

Capital Replacement Fund
Comparative Statement of Net Assets
September 30, 2011 and 2010

	2011	2010
ASSETS:		
Current Assets:		
Cash and Investments	\$ 3,467,662	\$ 3,201,008
Interest Receivable	8,818	6,553
Other Receivable	82,809	-
Total Current Assets	3,559,289	3,207,561
Non-Current Assets:		
Capital Assets:		
Machinery and Equipment	6,538,892	6,745,440
Accumulated Depreciation	(4,434,308)	(4,173,452)
Total Capital Assets, Net of Accumulated Depreciation	2,104,584	2,571,988
<i>Total Assets</i>	\$ 5,663,873	\$ 5,779,549
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	\$ 2,104,584	\$ 2,571,988
Unrestricted	3,559,289	3,207,561
<i>Total Net Assets</i>	\$ 5,663,873	\$ 5,779,549

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, 2011 and 2010

	2011	2010
OPERATING REVENUES:		
Department Contributions	\$ 509,000	\$ -
<i>Total Operating Revenues</i>	509,000	-
OPERATING EXPENSES:		
Contractual Services	5,873	2,571
Depreciation	722,352	641,142
<i>Total Operating Expenses</i>	728,225	643,713
OPERATING INCOME/(LOSS)	(219,225)	(643,713)
NON-OPERATING REVENUES/(EXPENSES):		
Investment Income	15,745	26,050
Sale of Assets	87,804	55,864
<i>Total Non-Operating Revenues/(Expenses)</i>	103,549	81,914
CHANGE IN NET ASSETS	(115,676)	(561,799)
Net Assets at Beginning of Year	5,779,549	6,341,348
Net Assets at End of Year	\$ 5,663,873	\$ 5,779,549

Town of Addison, Texas
Proprietary Funds - Capital Replacement Fund

Capital Replacement Fund
Comparative Statement of Cash Flows
Year Ended September 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Department Contributions	\$ 509,000	\$ -
Payments to Suppliers	(5,873)	(2,571)
<i>Net Cash Provided/(Used) by Operating Activities</i>	503,127	(2,571)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(254,948)	(702,353)
Proceeds from Sale of Capital Assets	4,995	55,864
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(249,953)	(646,489)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Cash and Investments	13,480	35,632
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>	266,654	(613,428)
Cash and Cash Investments, October 1	3,201,008	3,814,436
Cash and Cash Investments, September 30	\$ 3,467,662	\$ 3,201,008
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (219,225)	\$ (643,713)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	722,352	641,142
Net Cash Provided/(Used) by Operating Activities	\$ 503,127	\$ (2,571)

Addison!®

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

Information Technology Replacement Fund
Comparative Statement of Net Assets
September 30, 2011 and 2010

	2011	2010
ASSETS:		
Current Assets:		
Cash and Investments	\$ 2,454,333	\$ 2,075,728
Interest Receivable	6,241	4,252
Total Current Assets	2,460,574	2,079,980
Non-Current Assets:		
Capital Assets:		
Machinery and Equipment	5,056,588	4,834,674
Accumulated Depreciation	(4,110,005)	(3,885,926)
Total Capital Assets, Net of Accumulated Depreciation	946,583	948,748
<i>Total Assets</i>	\$ 3,407,157	\$ 3,028,728
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	\$ 946,583	\$ 948,748
Unrestricted	2,460,574	2,079,980
<i>Total Net Assets</i>	\$ 3,407,157	\$ 3,028,728

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, 2011 and 2010

	2011	2010
OPERATING REVENUES:		
Department Contributions	\$ 651,000	\$ -
Other Income/(Expense)	-	1,165
<i>Total Operating Revenues</i>	651,000	1,165
OPERATING EXPENSES:		
Contractual Services	24,083	2,571
Depreciation	260,570	216,974
<i>Total Operating Expenses</i>	284,653	219,545
OPERATING INCOME/(LOSS)	366,347	(218,380)
NON-OPERATING REVENUES/(EXPENSES):		
Investment Income	11,092	15,302
Sale of Assets	990	(6,707)
<i>Total Non-Operating Revenues/(Expenses)</i>	12,082	8,595
CHANGE IN NET ASSETS	378,429	(209,785)
Net Assets at Beginning of Year	3,028,728	3,238,513
Net Assets at End of Year	\$ 3,407,157	\$ 3,028,728

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

Information Technology Replacement Fund
Comparative Statement of Cash Flows
Year Ended September 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Department Contributions	\$ 651,000	\$ -
Payments to Suppliers	(24,083)	(7,656)
	626,917	(7,656)
<i>Net Cash Provided/(Used) by Operating Activities</i>		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and Construction of Capital Assets	(258,405)	(82,487)
Proceeds from Sale of Capital Assets	990	-
	(257,415)	(82,487)
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Cash and Investments	9,103	20,131
	378,605	(70,012)
<i>Net Increase/(Decrease) in Cash and Cash Investments</i>		
Cash and Cash Investments, October 1	2,075,728	2,145,740
Cash and Cash Investments, September 30	\$ 2,454,333	\$ 2,075,728
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ 366,347	\$ (218,380)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	260,570	216,974
Change in Assets and Liabilities:		
Increase/(Decrease) in Accounts Payable	-	(6,250)
Net Cash Provided/(Used) by Operating Activities	\$ 626,917	\$ (7,656)

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, 2011 and 2010

	2011	2010
GENERAL CAPITAL ASSETS:		
Property and Equipment in Service:		
Land	\$ 66,233,099	\$ 65,784,123
Buildings	21,409,464	21,409,464
Improvements Other Than Buildings	128,253,389	126,487,627
Equipment	2,488,279	2,339,660
<i>Total Property and Equipment in Service</i>	218,384,231	216,020,874
Construction in Progress	33,748,347	17,937,565
<i>Total Capital Assets</i>	\$ 252,132,578	\$ 233,958,439
INVESTMENT IN GENERAL CAPITAL ASSETS BY SOURCE:		
Capital Projects Funds:		
General Obligation Bonds	\$ 89,692,338	\$ 88,550,617
Certificates of Obligation Bonds	36,638,647	26,842,203
Revenue Bonds	5,165,573	5,165,573
DART Grant	14,996,322	14,996,322
State Grant	530,821	530,821
Federal Grant	35,087	35,087
Contributions by Developers	60,993,430	60,883,190
Property Owners' Participation	1,026,857	1,026,857
Other Governments	7,391,728	2,180,374
General Fund:		
Revenues	20,453,788	20,355,432
Special Revenue Funds	13,711,386	12,127,357
Debt Service Fund	30,893	30,893
Donations	1,465,708	1,233,713
<i>Total Investment in General Capital Assets</i>	\$ 252,132,578	\$ 233,958,439

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, 2011

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Total</u>
GENERAL GOVERNMENT:					
City Manager	\$ 881,309	\$ 441,699	\$ 16,705	\$ 39,898	\$ 1,379,611
Financial & Strategic Services	663,561	653,868	-	58,435	1,375,864
General Services	-	829,974	5,499	168,176	1,003,649
Municipal Court	-	-	-	90,484	90,484
Human Resources	-	202,433	5,499	9,887	217,819
City Council Special Projects	-	-	-	1,623	1,623
<i>Total General Government</i>	<u>1,544,870</u>	<u>2,127,974</u>	<u>27,703</u>	<u>368,503</u>	<u>4,069,050</u>
PUBLIC SAFETY:					
Police	-	2,239,994	76,209	662,127	2,978,330
Fire	-	2,341,735	74,476	289,812	2,706,023
<i>Total Public Safety</i>	<u>-</u>	<u>4,581,729</u>	<u>150,685</u>	<u>951,939</u>	<u>5,684,353</u>
URBAN DEVELOPMENT					
	<u>-</u>	<u>161,946</u>	<u>10,998</u>	<u>18,648</u>	<u>191,592</u>
STREETS					
	<u>54,155,412</u>	<u>302,616</u>	<u>102,836,763</u>	<u>95,899</u>	<u>157,390,690</u>
PARKS AND RECREATION:					
Parks	3,971,374	531,800	13,715,636	128,942	18,347,752
Recreation	-	8,015,919	1,106,378	110,310	9,232,607
<i>Total Parks and Recreation</i>	<u>3,971,374</u>	<u>8,547,719</u>	<u>14,822,014</u>	<u>239,252</u>	<u>27,580,359</u>
VISITOR SERVICES:					
Visitor Services	-	-	172,918	34,037	206,955
Visit Addison	-	-	1,605,772	50,263	1,656,035
Conference Centre/Theatre	2,680,636	5,687,480	8,531,958	722,594	17,622,668
Special Events	3,880,807	-	94,578	7,144	3,982,529
<i>Total Visitor Services</i>	<u>6,561,443</u>	<u>5,687,480</u>	<u>10,405,226</u>	<u>814,038</u>	<u>23,468,187</u>
<i>Balance at End of Year</i>	<u>\$ 66,233,099</u>	<u>\$ 21,409,464</u>	<u>\$ 128,253,389</u>	<u>\$ 2,488,279</u>	<u>\$ 218,384,231</u>
Construction in Progress					<u>33,748,347</u>
<i>Total General Capital Assets</i>					<u><u>\$ 252,132,578</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, 2011

Function and Activity	Balance 9/30/2010	Additions	Deletions	Transfers	Balance 9/30/2011
GENERAL GOVERNMENT:					
City Manager	\$ 1,379,611	\$ -	\$ -	\$ -	\$ 1,379,611
Financial & Strategic Services	1,375,864	-	-	-	1,375,864
General Services	986,699	16,950	-	-	1,003,649
Municipal Court	81,694	8,790	-	-	90,484
Human Resources	217,819	-	-	-	217,819
City Council Special Projects	1,623	-	-	-	1,623
<i>Total General Government</i>	<u>4,043,310</u>	<u>25,740</u>	<u>-</u>	<u>-</u>	<u>4,069,050</u>
PUBLIC SAFETY:					
Police	2,962,875	15,455	-	-	2,978,330
Fire	2,695,345	10,678	-	-	2,706,023
<i>Total Public Safety</i>	<u>5,658,220</u>	<u>26,133</u>	<u>-</u>	<u>-</u>	<u>5,684,353</u>
URBAN DEVELOPMENT					
	<u>183,156</u>	<u>8,436</u>	<u>-</u>	<u>-</u>	<u>191,592</u>
STREETS					
	<u>156,941,714</u>	<u>448,976</u>	<u>-</u>	<u>-</u>	<u>157,390,690</u>
PARKS AND RECREATION:					
Parks	18,347,752	-	-	-	18,347,752
Recreation	9,202,929	29,678	-	-	9,232,607
<i>Total Parks and Recreation</i>	<u>27,550,681</u>	<u>29,678</u>	<u>-</u>	<u>-</u>	<u>27,580,359</u>
VISITOR SERVICES:					
Visitor Services	46,965	159,990	-	-	206,955
Visit Addison	-	1,656,035	-	-	1,656,035
Conference Centre/Theatre	17,614,299	8,369	-	-	17,622,668
Special Events	3,982,529	-	-	-	3,982,529
<i>Total Visitor Services</i>	<u>21,643,793</u>	<u>1,824,394</u>	<u>-</u>	<u>-</u>	<u>23,468,187</u>
<i>Total General Capital Assets</i> <i>Allocated by Function</i>	<u>216,020,874</u>	<u>2,363,357</u>	<u>-</u>	<u>-</u>	<u>218,384,231</u>
Construction in Progress	<u>17,937,565</u>	<u>15,810,782</u>	<u>-</u>	<u>-</u>	<u>33,748,347</u>
<i>Total General Capital Assets</i>	<u>\$ 233,958,439</u>	<u>\$ 18,174,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252,132,578</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, 2011 to Maturity

GENERAL OBLIGATION REFUNDING BONDS
SERIES 2001
BONDS OUTSTANDING: \$1,300,000.00

<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	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>\$ 1,300,000.00</u>	<u>\$ 56,665.00</u>	<u>\$ 1,356,665.00</u>	<u>\$ 1,356,665.00</u>

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2011 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS
SERIES 2002
BONDS OUTSTANDING: \$12,235,000.00

<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	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>\$ 12,235,000.00</u>	<u>\$ 1,213,700.03</u>	<u>\$ 13,448,700.03</u>	<u>\$ 13,448,700.03</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2011 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS
SERIES 2002
EXCLUDING WATER AND SEWER PORTION
BONDS OUTSTANDING: \$6,960,000.00

<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	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>\$ 6,960,000.00</u>	<u>\$ 1,022,378.14</u>	<u>\$ 7,982,378.14</u>	<u>\$ 7,982,378.14</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2011 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SUPPORTED BY HOTEL FUND
SERIES 2003
BONDS OUTSTANDING: \$4,500,000.00

<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	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>\$ 4,500,000.00</u>	<u>\$ 583,143.75</u>	<u>\$ 5,083,143.75</u>	<u>\$ 5,083,143.75</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2011 to Maturity

GENERAL OBLIGATION BONDS
SERIES 2004
BONDS OUTSTANDING: \$6,605,000.00

<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	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
<i>Total</i>		<u>\$ 6,605,000.00</u>	<u>\$ 1,201,518.75</u>	<u>\$ 7,806,518.75</u>	<u>\$ 7,806,518.75</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2011 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS
SERIES 2005
BONDS OUTSTANDING: \$4,710,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
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
<i>Total</i>		<u>\$ 4,710,000.00</u>	<u>\$ 519,287.50</u>	<u>\$ 5,229,287.50</u>	<u>\$ 5,229,287.50</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2011 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2008
BONDS OUTSTANDING: \$34,160,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
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		\$ 34,160,000.00	\$ 19,386,050.02	\$ 53,546,050.02	\$ 53,546,050.02

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2011 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2008
EXCLUDING WATER AND SEWER PORTION
BONDS OUTSTANDING: \$27,943,770.00

Payment Month	Year	Principal	Interest	Payment Total	Fiscal Year Total
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		\$ 27,943,770.00	\$ 15,857,788.94	\$ 43,801,558.94	\$ 43,801,558.94

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**COMBINING SCHEDULE OF
DETAILED DEBT SERVICE REQUIREMENTS**
From September 30, 2011 to Maturity

GENERAL OBLIGATION AND CERTIFICATES OF OBLIGATION BONDS
FOR GOVERNMENTAL ACTIVITIES*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,685,970.00	38,967.48	1,724,937.48
<i>Total</i>	<u>\$ 52,018,770.00</u>	<u>\$ 19,240,782.08</u>	<u>\$ 71,259,552.08</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, 2011 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS
SERIES 2002
WATER AND SEWER FUND PORTION
BONDS OUTSTANDING: \$5,275,000.00

<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	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>\$ 5,275,000.00</u>	<u>\$ 191,321.89</u>	<u>\$ 5,466,321.89</u>	<u>\$ 5,466,321.89</u>

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**DETAILED SCHEDULE OF
DEBT SERVICE REQUIREMENTS**
From September 30, 2011 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2008
WATER AND SEWER PORTION
BONDS OUTSTANDING: \$6,216,230.00

<u>Payment</u>						
<u>Month</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>		<u>Fiscal</u>
						<u>Year Total</u>
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		385,233.15
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		383,240.25
February	2033	374,030.00	8,670.03	382,700.03		
August	2033	-	-	-		382,700.03
Total		\$ 6,216,230.00	\$ 3,528,261.14	\$ 9,744,491.14		\$ 9,744,491.14

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**COMBINING SCHEDULE OF
DETAILED DEBT SERVICE REQUIREMENTS**

From September 30, 2011 to Maturity

WATER AND SEWER FUND*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 11,491,230.00</u>	<u>\$ 3,719,583.01</u>	<u>\$ 15,210,813.01</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, 2011 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2004
SUPPORTED BY AIRPORT FUND
BONDS OUTSTANDING: \$2,960,000.00

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
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
Total		\$ 2,960,000.00	\$ 580,957.50	\$ 3,540,957.50	\$ 3,540,957.50

* First call date.

Town of Addison, Texas
Long-Term Debt Schedules

**COMBINING SCHEDULE OF
DETAILED DEBT SERVICE REQUIREMENTS**

From September 30, 2011 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>
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	<u>374,030.00</u>	<u>8,670.03</u>	<u>382,700.03</u>
<i>Total</i>	<u>\$ 14,451,230.00</u>	<u>\$ 4,300,540.51</u>	<u>\$ 18,751,770.51</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, 2011 to Maturity

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Tax and Revenue Certificates of Obligation</u>	<u>Total Requirements</u>
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>27,841,171.28</u>	<u>62,170,151.27</u>	<u>90,011,322.55</u>
Less amounts representing interest	<u>2,991,171.28</u>	<u>20,550,151.27</u>	<u>23,541,322.55</u>
<i>Total Principal</i>	<u><u>\$ 24,850,000.00</u></u>	<u><u>\$ 41,620,000.00</u></u>	<u><u>\$ 66,470,000.00</u></u>

Town of Addison, Texas
Long-Term Debt Schedules

**SUMMARY OF TAX SUPPORTED
DEBT REQUIREMENTS**
From September 30, 2011 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⁾
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	2,112,086.22
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	1,731,511.72
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	\$ 27,841,171.28	\$ 62,170,151.27	\$ 5,083,143.75	\$ 3,540,957.50	\$ 15,210,813.01	\$ 66,176,408.29

⁽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.

**STATISTICAL
SECTION
(Unaudited)**

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Addison!®

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 Ten Fiscal Years (Accrual Basis of Accounting) (Unaudited)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities										
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service Unrestricted	\$ 109,193,571 -	\$ 108,172,454 2,113,424	\$ 114,752,714 1,574,618	\$ 117,007,853 1,408,795	\$ 117,537,709 1,578,392	\$ 117,446,984 1,569,846	\$ 117,389,355 781,304	\$ 120,308,696 918,483	\$ 123,041,354 996,614	\$ 129,261,976 1,007,330
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	\$ 147,419,722	\$ 151,998,474
Business-type Activities										
Invested in Capital Assets, Net of Related Debt Unrestricted	\$ 24,866,068 15,626,970	\$ 35,905,882 5,034,702	\$ 36,193,196 4,665,572	\$ 34,950,063 5,783,509	\$ 36,416,684 7,105,849	\$ 36,925,876 7,676,017	\$ 31,595,371 13,568,364	\$ 34,327,264 13,195,545	\$ 36,299,788 12,740,025	\$ 51,113,892 9,834,613
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	\$ 49,039,813	\$ 60,948,505
Primary Government										
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service Unrestricted	\$ 134,059,639 -	\$ 144,078,336 2,113,424	\$ 150,945,910 1,574,618	\$ 151,957,916 1,408,795	\$ 153,954,393 1,578,392	\$ 154,372,860 1,569,846	\$ 148,984,726 781,304	\$ 154,635,960 918,483	\$ 159,341,142 996,614	\$ 180,375,868 1,007,330
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	\$ 196,459,535	\$ 212,946,979

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 6,876,385	\$ 6,709,095
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	14,550,333	14,914,759
Development Services	524,227	489,613	502,033	553,651	549,107	833,330	940,555	856,793	938,059	866,023
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	5,277,938	4,913,524
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	4,502,295	4,742,946
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	6,027,442	6,431,136
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	2,423,732	2,261,571
Total Governmental Activities	34,357,441	32,296,936	32,909,384	34,062,838	36,217,985	37,151,468	40,425,647	41,354,130	40,596,184	40,839,054
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	4,181,256	4,387,384
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	8,529,681	8,633,217
Total Business-type Activities	11,116,960	10,816,942	11,620,245	11,917,121	12,609,021	12,985,404	12,981,557	12,828,958	12,710,937	13,020,601
Total Expenses - Primary Government	\$ 45,474,401	\$ 43,113,878	\$ 44,529,629	\$ 45,979,959	\$ 48,827,006	\$ 50,136,872	\$ 53,407,204	\$ 54,183,088	\$ 53,307,121	\$ 53,859,655
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	\$ 266,954	\$ 143,529
Public Safety	833,977	828,794	782,561	1,601,127	2,424,249	1,953,587	2,203,371	2,318,099	2,094,280	1,899,711
Development Services	-	-	-	4,325	651,408	743,201	798,006	429,681	835,808	1,213,741
Streets	-	-	-	193,071	206,134	318,731	333,645	350,587	332,330	2,299,731
Parks and Recreation	17,531	12,864	20,046	91,047	100,564	106,882	133,022	105,705	108,113	107,387
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	2,183,247	2,007,821
Operating Grants and Contributions	159,270	520,882	4,185,029	3,218,659	1,440,734	369,544	561,992	2,044,979	230,290	223,792
Capital Grants and Contributions	-	-	-	-	-	-	-	-	1,348,141	3,429,804
Total Governmental Activities	3,713,020	4,360,336	8,207,895	7,320,113	6,582,033	5,831,714	6,366,230	7,282,273	7,399,163	11,325,516
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	4,289,225	4,526,593
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	8,806,069	10,740,568
Operating Grants and Contributions	-	-	170,037	61,948	145,360	460,497	301,676	1,786,297	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	1,102,850	9,668,165
Total Business-type Activities	10,940,450	11,165,440	11,662,390	11,603,243	14,985,601	13,715,070	13,266,529	14,964,392	14,198,144	24,935,326
Total Program Revenues - Primary Government	\$ 14,653,470	\$ 15,525,776	\$ 19,870,285	\$ 18,923,356	\$ 21,567,634	\$ 19,546,784	\$ 19,632,759	\$ 22,246,665	\$ 21,597,307	\$ 36,260,842
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)	\$ (33,197,021)	\$ (29,513,538)
Business-Type Activities	(176,510)	348,498	42,145	(313,878)	2,376,580	729,666	284,972	2,135,434	1,487,207	11,914,725
Total Net Expense - Primary Government	\$ (30,820,931)	\$ (27,588,102)	\$ (24,659,344)	\$ (27,056,603)	\$ (27,259,372)	\$ (30,590,088)	\$ (33,774,445)	\$ (31,936,423)	\$ (31,709,814)	\$ (17,598,813)
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	\$ 15,900,631	\$ 15,772,858
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	9,987,439	10,604,803
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	2,578,154	2,792,601
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	3,666,781	4,000,786
Interest on Investments	980,882	677,618	595,916	765,850	1,354,575	1,700,412	1,504,162	1,383,743	339,986	148,966
Miscellaneous	356,572	289,158	124,557	242,203	311,705	374,662	509,092	325,634	2,474,485	772,276
Transfer	-	-	221,610	-	-	-	-	-	-	-
Total General Revenues	30,032,145	27,882,997	29,339,126	31,038,716	32,726,082	35,172,495	35,703,736	34,979,077	34,947,476	34,092,290
Business-type Activities										
Interest on Investments	216,715	99,048	80,758	171,791	335,828	388,070	260,533	214,492	11,065	(16,178)
Miscellaneous	-	-	16,891	16,891	76,553	(38,376)	16,337	9,148	18,732	10,145
Transfer	-	-	(221,610)	-	-	-	-	-	-	-
Total Business-type Activities	216,715	99,048	(123,961)	188,682	412,381	349,694	276,870	223,640	29,797	(6,033)
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	1,750,455	4,578,752
Business-type Activities	40,205	447,546	(81,816)	(125,196)	2,788,961	1,079,360	561,842	2,359,074	1,517,004	11,908,692
Total Change in Net Assets - Primary Government	\$ (572,071)	\$ 393,943	\$ 4,555,821	\$ 4,170,795	\$ 5,879,091	\$ 4,932,101	\$ 2,206,161	\$ 3,266,294	\$ 3,267,459	\$ 16,487,444

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund	\$ 86,168	\$ 168,743	\$ 89,973	\$ 127,088	\$ 101,836	\$ 305,918	\$ 358,337	\$ 420,883	\$ 188,035	\$ -
Reserved	-	-	-	-	-	-	-	-	-	-
Nonspendable:										
Inventories	-	-	-	-	-	-	-	-	-	87,835
Prepaid Items	-	-	-	-	-	-	-	-	-	67,135
Assigned for Other Purposes	-	-	-	-	-	-	-	-	-	61,193
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	10,668,716	10,150,531
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	10,856,751	10,366,694
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	1,302,623	-
Unreserved, Reported in:										
Special Revenue Funds	80,867	95,828	106,272	125,491	186,758	205,790	229,327	16,573	51,469	-
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	20,334,339	-
Debt Service Funds	2,126,937	2,731,398	765,623	778,627	810,936	864,331	890,310	902,577	863,925	-
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	4,423,339	-
Nonspendable:										
Prepaid Items	-	-	-	-	-	-	-	-	-	43,194
Restricted for:										
Debt Service	-	-	-	-	-	-	-	-	-	1,945,104
Capital Projects	-	-	-	-	-	-	-	-	-	9,851,762
Court Technology	-	-	-	-	-	-	-	-	-	83,827
Building Security	-	-	-	-	-	-	-	-	-	72,462
Other Purposes	-	-	-	-	-	-	-	-	-	45,500
Committed for:										
Economic Development	-	-	-	-	-	-	-	-	-	358,676
Assigned for:										
Other Purposes	-	-	-	-	-	-	-	-	-	27,603
Unassigned	-	-	-	-	-	-	-	-	-	115,223
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	26,975,695	12,543,351
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	\$ 37,832,446	\$ 22,910,045

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

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	\$ 15,900,747	\$ 15,803,400
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	13,744,620	14,564,185
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	2,578,154	2,760,188
Licenses and Permits	340,388	386,824	455,089	479,239	651,408	743,201	798,006	429,681	833,178	1,210,058
Intergovernmental	159,270	520,882	4,063,307	2,223,779	1,440,734	185,297	561,992	257,429	1,323,831	3,543,357
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	3,135,434	2,840,317
Fines and Forfeitures	833,977	828,794	782,561	862,839	1,185,093	1,239,873	1,297,064	1,322,196	1,215,414	1,104,477
Earnings on Investments	900,250	598,025	536,699	707,240	1,148,087	1,416,049	1,291,081	1,234,816	298,634	122,128
Contributions	-	-	-	-	-	184,247	-	-	-	-
Rental Charges	483,114	544,601	532,636	667,577	656,988	676,563	744,496	670,546	700,207	733,957
Recycling Proceeds	11,769	12,864	20,046	26,768	29,311	32,703	41,567	18,570	21,126	22,608
Other	17,950	129,244	45,240	120,964	194,943	333,005	333,101	90,574	2,277,342	531,149
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	\$ 42,028,687	\$ 43,235,824
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	\$ 6,323,891	\$ 6,353,784
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	13,812,617	14,857,023
Development Services	503,924	485,810	520,215	553,651	563,271	770,557	884,770	864,234	887,132	885,218
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	1,672,375	1,612,011
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	3,698,831	4,061,666
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	5,445,391	7,655,939
Economic Development	-	-	-	-	-	-	-	-	-	342,200
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	4,369,520	3,873,610
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	2,444,875	2,284,774
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	937	-
Maintenance and Materials	-	-	-	-	-	-	-	41,480	231,367	9,870
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	2,585,480	1,846,919
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	9,431,214	14,375,210
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	\$ 50,903,630	\$ 58,158,224
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)	(8,874,943)	(14,922,400)
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	2,133,827	1,384,156
Transfers Out	(969,537)	(2,413,496)	(1,456,770)	(704,610)	(968,890)	(706,710)	(700,000)	(979,528)	(2,133,827)	(1,384,156)
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)	\$ (8,874,943)	\$(14,922,400)
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%	17.63%	15.40%

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	Service Fees	Fines and Forfeitures	Interest	Rental Charges	Other ⁽¹⁾	Total
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
2010	29,645,367	2,578,154	833,178	1,323,831	3,135,434	1,215,414	109,308	700,207	155,962	39,696,855
2011	30,367,585	2,760,188	1,210,058	3,543,357	2,840,317	1,104,477	55,918	733,957	133,869	42,749,726

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

Notes:

⁽¹⁾ 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⁾	Economic Development	Debt Service	Total
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
2010	6,339,991	13,812,617	887,132	2,252,164	3,698,831	5,445,391	-	6,814,395	39,250,521
2011	6,353,784	14,857,023	885,218	6,889,491	4,061,666	7,655,939	342,200	6,158,384	47,203,705

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 through fiscal year 2009. As of October 1, 2009, the bylaws of the foundation were amended to remove the direct involvement of the Town in the foundation's affairs.
- ⁽³⁾ Hotel Fund.

SUMMARY OF TAX REVENUES AND FRANCHISE FEES
 Last Ten Fiscal Years

Fiscal Year	Property Taxes ⁽¹⁾	1% Town Sales Tax	Mixed Beverage Taxes	Franchise Fees	Hotel Occupancy Tax	Total
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	27,669,139
2004	11,883,632	9,303,529	892,560	2,674,701	3,447,058	28,201,480
2005	12,765,636	9,663,892	892,196	2,563,797	4,038,131	29,923,652
2006	13,293,707	9,941,386	966,366	2,681,263	4,679,099	31,561,821
2007	13,629,796	10,508,257	1,007,699	2,615,504	5,203,080	32,964,336
2008	14,367,964	10,649,989	987,289	2,555,927	5,204,247	33,765,416
2009	15,636,534	9,584,496	936,034	2,761,511	3,958,238	32,876,813
2010	15,900,747	9,155,849	921,990	2,578,154	3,666,781	32,223,521
2011	15,803,400	9,632,640	930,759	2,760,188	4,000,786	33,127,773

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⁾
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
2010	2009	3,095,240,320	633,330,780	(417,521,300)	3,311,049,800	0.4960
2011	2010	2,872,659,100	601,788,640	(415,674,023)	3,058,773,717	0.5300

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	Total Direct Ad Valorem Rate	Dallas County	Community College District	Dallas ISD	Carrollton/Farmers Branch ISD	Dallas County Hospital District	Total Ad Valorem Rate
2002	\$ 0.1804	\$ 0.2044	\$ 0.3848	\$ 0.2015	\$ 0.0600	\$ 1.5475	\$ 1.7242	\$ 0.2540	\$ 2.4479
2003	0.1890	0.2109	0.3999	0.2015	0.0600	1.5875	1.7224	0.2540	2.5029
2004	0.2201	0.2027	0.4228	0.2094	0.0778	1.6395	1.7358	0.2540	2.6035
2005	0.2597	0.2163	0.4760	0.2094	0.0803	1.6694	1.7824	0.2540	2.6891
2006	0.3060	0.1700	0.4760	0.2192	0.0816	1.6884	1.8259	0.2540	2.7192
2007	0.3110	0.1530	0.4640	0.2189	0.0810	1.5026	1.6830	0.2540	2.5206
2008	0.2990	0.1347	0.4337	0.2328	0.0804	1.1996	1.3670	0.2540	2.2006
2009	0.2828	0.1707	0.4535	0.2330	0.0894	1.1834	1.3623	0.2540	2.2133
2010	0.3360	0.1600	0.4960	0.2333	0.0949	1.2713	1.3422	0.2740	2.3696
2011	0.3479	0.1821	0.5300	0.2531	0.0992	1.2378	1.3469	0.2710	2.3911

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
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%
2010	2009	16,422,810	15,867,761	96.6%	3,531	15,871,292	96.6%
2011	2010	16,211,500	15,676,932	96.7%	52,657	15,729,589	97.0%

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							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	Total Primary Government				
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		
2010	7,275,000	15,500,000	-	33,117,380	-	7,760,000	-	9,467,620	73,120,000	13.29	5,204.27		
2011	6,605,000	12,970,000	-	32,443,770	-	5,275,000	-	9,176,230	66,470,000	13.00	5,089.59		

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 166.

RATIO OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Percentage of Actual Taxable Value	Per Capita
	General Obligation Bonds	General Obligation Refunding Bonds	Certificates of Obligation	Total Primary Government		
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
2010	7,275,000	15,500,000	28,062,380	50,837,380	1.54	3,618.32
2011	6,605,000	12,970,000	27,943,770	47,518,770	1.55	3,638.50

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, 2011

Taxing Jurisdiction	G.O. Bonded Debt	Percent Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Carrollton-Farmers Branch ISD	\$ 323,160,000	4.34%	\$ 14,025,144
Dallas County	129,817,389	1.93%	2,505,476
Dallas County Community College District	396,140,000	1.93%	7,645,502
Dallas County Hospital District	690,717,053	1.93%	13,330,839
Dallas ISD	2,628,105,000	3.44%	90,406,812
Total Overlapping Debt			127,913,773
Town of Addison (Direct Debt)	\$ 47,518,770 ⁽²⁾	100%	47,518,770
Total Direct and Overlapping Debt			\$ 175,432,543
Ratio of Overlapping G.O. Debt to 2010 Taxable Assessed Valuation			4.18%
Per Capita Overlapping G.O. Debt			\$ 9,794

SOURCE: Municipal Advisory Council of Texas report dated 9/14/11
 See Table 8 for taxable values and Table 16 for population data.

Notes:

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entity's taxable assessed value that is with the Town's boundaries and dividing by the entity's total taxable assessed value.
- (2) Total general obligation (G.O.) bonded debt shown for the Town of Addison excludes self-supporting debt and amount available for repayment in the Debt Service funds.

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

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements ⁽²⁾			Revenue Bond Coverage ⁽³⁾
	Gross Revenue	Expense ⁽¹⁾	Net Revenue	Principal	Interest	Total	
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
2010	8,803,804	6,811,662	1,992,142	-	-	-	N/A
2011	10,726,977	7,024,544	3,702,433	-	-	-	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	
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
2010	5,900,022	963,908	4,936,114	535,000	181,037	716,037	6.9
2011	6,026,377	1,007,162	5,019,215	555,000	164,988	719,988	7.0

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⁾
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	2,084,562	5.7%
2009	13,400	3,724,826,923	579,743	43,264	2,152,800	8.2%
2010	14,050	3,311,049,800	550,109	39,154	2,154,240	7.9%
2011	13,060	3,058,773,717	558,419	42,758	2,201,071	8.4%

SOURCES:

- (1) North Central Texas Council of Governments estimates
- (2) Dallas Central Appraisal District
- (3) Personal income is estimated by the U.S. Census Bureau based on current income trends within the area.
- (4) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented for September 2005 and forward represents the Dallas, Plano, Irving Metro Area.

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Name of Taxpayer	Nature of Property	2011			2002		
		Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation
Post Addison Circle	Mixed Development	\$ 111,250,000	1	3.64%	\$ 98,000,000	3	3.12%
SP Millenium Center, LP	Land, Office Buildings	105,185,040	2	3.44%			
Richmont Properties Ltd	Land, Office Buildings	61,454,040	3	2.01%	72,284,600	4	2.30%
DCO Savoye LLC	Apartments	46,500,000	4	1.52%			
MHSS-Addison LP	Land, Office Buildings	45,867,160	5	1.50%			
MBNA Texas Properties	Land, Office Buildings	44,742,720	6	1.46%	56,200,390	6	1.79%
Behringer Harvard Addison Circle	Land, Office Buildings	43,119,330	7	1.41%			
Spectrum Center Partners	Office Buildings	42,098,250	8	1.38%	61,258,950	5	1.95%
G&I V VOP LP	Land, Office Buildings	41,550,000	9	1.36%			
Fairfield Addison Circle	Apartments	37,300,000	10	1.22%			
EOP Colonnade of Dallas	Land, Office Buildings				136,105,660	1	4.34%
Crescent Real Estate	Land, Office Buildings				100,732,260	2	3.21%
Millennium Park Ph1 LP	Land, Office Buildings				49,600,000	7	1.60%
Champion Addison One	Office Buildings				47,000,000	8	1.50%
Carramerica Realty LP	Land, Hotel				40,818,750	9	1.30%
Registry Hotel Corp	Land, Hotel				35,352,500	10	1.13%
		<u>\$ 579,066,540</u>		<u>18.93%</u>	<u>\$ 697,353,110</u>		<u>22.24%</u>

SOURCE: Dallas Central Appraisal District

MAJOR EMPLOYERS
Current Year and Nine Years Ago

Company	Type of Business	2011		2002	
		Estimated Number of Employees	Percent of Total Employees ⁽¹⁾	Estimated Number of Employees	Percent of Total Employees ⁽¹⁾
Bank of America MBNA	Credit Clearinghouse	3,400	7.45%	2,000	4.38%
Mary Kay Cosmetics Inc.	Cosmetics	1,070	2.34%	1,000	2.19%
Barrett Daffin Frapier Turner and Engle	Real Estate/Litigation	566	1.24%	N/A*	N/A*
Rexel	Industrial Electrical Supplies	500	1.10%	N/A*	N/A*
United Surgical Partners	Health Services	360	0.79%	N/A*	N/A*
Hilton International	Hotel	319	0.70%	N/A*	N/A*
Glazer's Family of Companies	Beverage/Spirits Distributor	280	0.61%	N/A*	N/A*
Greenhill School	Education	256	0.56%	N/A*	N/A*
Hotel Intercontinental	Hotel	250	0.55%	483	1.06%
Behringer Harvard	Real Estate/Finance	230	0.50%	N/A*	N/A*

SOURCE: Human Resource Department of respective company

Notes:

* Not available.

(1) Total employment is based on 2000 Census.

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

<u>Function/Program</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>2010</u>	<u>2011</u>
General Government										
City Manager's Office	9.5	9.5	10.0	10.0	10.0	8.5	8.5	8.5	8.5	8.0
Financial and Strategic Services	11.0	11.5	12.0	12.0	11.0	10.0	10.0	10.0	9.0	8.0
Municipal Court	4.1	4.5	4.7	4.7	4.7	4.7	4.7	5.7	5.7	5.4
General Services	8.4	8.4	9.0	9.0	9.0	9.0	10.0	10.0	10.0	9.0
Human Resources	4.3	4.3	4.3	4.7	4.7	4.7	4.7	5.2	5.2	4.2
Information Technology	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Total General Government	<u>43.3</u>	<u>44.2</u>	<u>46.0</u>	<u>46.4</u>	<u>45.4</u>	<u>42.9</u>	<u>43.9</u>	<u>45.4</u>	<u>44.4</u>	<u>40.6</u>
Public Safety										
Police	85.1	84.8	84.8	83.8	81.8	68.3	69.3	70.3	73.3	72.3
Emergency Communications	-	-	-	-	-	12.5	12.5	13.5	13.5	13.5
Fire	55.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0	54.0	53.0
Total Public Safety	<u>140.1</u>	<u>139.8</u>	<u>139.8</u>	<u>138.8</u>	<u>136.8</u>	<u>135.8</u>	<u>136.8</u>	<u>138.8</u>	<u>140.8</u>	<u>138.8</u>
Development Services	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
Public Works										
Streets	6.4	6.4	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
Utilities	13.4	15.4	18.0	18.0	18.0	17.0	17.0	18.0	17.0	17.0
Total Public Works	<u>19.8</u>	<u>21.8</u>	<u>24.0</u>	<u>24.0</u>	<u>24.0</u>	<u>24.0</u>	<u>24.0</u>	<u>25.0</u>	<u>24.0</u>	<u>24.0</u>
Parks and Recreation										
Parks	20.0	20.0	20.0	20.0	20.0	20.0	20.0	21.0	20.0	20.0
Recreation	12.4	15.4	17.9	17.9	17.2	15.2	15.6	15.6	15.6	15.6
Total Parks and Recreation	<u>32.4</u>	<u>35.4</u>	<u>37.9</u>	<u>37.9</u>	<u>37.2</u>	<u>35.2</u>	<u>35.6</u>	<u>36.6</u>	<u>35.6</u>	<u>35.6</u>
Visitor Services										
Visitor Services	4.0	3.0	3.0	3.0	3.0	2.5	2.5	2.5	2.5	3.0
Conference Centre	7.5	7.0	7.5	7.5	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	4.0	3.0
Marketing	-	1.0	1.0	-	-	-	-	-	-	-
Performing Arts	0.5	-	-	-	-	-	-	-	-	-
Total Visitor Services	<u>15.0</u>	<u>13.0</u>	<u>14.5</u>	<u>13.5</u>	<u>14.5</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>13.5</u>
Airport Fund	3.2	3.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other										
Public Safety Fund	-	0.2	-	-	-	-	-	-	-	-
Street Capital Project Fund	2.1	2.1	-	-	-	-	-	-	-	-
2002 Capital Project Fund	-	0.5	-	-	-	-	-	-	-	-
Total Other	<u>2.1</u>	<u>2.8</u>	<u>-</u>							
TOTAL	<u>261.9</u>	<u>266.2</u>	<u>270.2</u>	<u>268.6</u>	<u>265.9</u>	<u>260.9</u>	<u>263.3</u>	<u>268.8</u>	<u>267.8</u>	<u>261.5</u>

SOURCE: Town of Addison Human Resources Department

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2002 ⁽¹⁾	2003 ⁽¹⁾	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Crimes Against Property	n/a	n/a	1,169	984	1,217	1,094	954	1,100	968	1,056
Crimes Against Persons	n/a	n/a	379	340	387	397	390	452	381	388
Arrests	n/a	n/a	2,270	2,289	2,071	2,227	2,844	3,220	2,775	2,876
Calls for Service	18,060	17,636	18,288	17,504	19,414	19,320	17,365	16,109	15,453	17,989
Fire										
Number of Fires	n/a	n/a	50	55	74	39	38	50	44	51
Dollar Loss	n/a	n/a	584,000	623,175	379,541	283,000	234,375	396,100	2,212,000	3,027,173
Calls for Service - Fire	1,374	1,164	1,133	1,119	1,037	968	1,033	893	834	866
Calls for Service - EMS	1,446	1,534	1,493	1,561	1,477	1,588	1,507	1,422	1,518	1,463
Streets										
Tons of Recycling Collected	n/a	n/a	328	360	365	357	354	343	328	330
Parks										
Acres Maintained	n/a	n/a	142	151	150	138	137	138	139	163
Recreation										
Recreation Event Participants	n/a	n/a	12,549	12,605	12,720	13,371	13,002	13,184	14,947	14,874
Number of Users	111,552	107,304	125,590	126,903	129,090	128,293	126,214	126,123	125,339	123,794
Active Athletic Club Members	3,500	3,515	3,426	3,506	3,757	3,595	3,395	3,222	3,300	3,428
Utilities										
Water Usage - Peak ⁽²⁾	8,880	9,682	8,845	9,652	9,900	8,000	8,421	8,748	8,895	9,402
Water Usage - Average ⁽²⁾	7,626	5,496	5,246	5,091	6,023	5,150	4,847	4,627	4,334	5,014
Service Line Breaks	n/a	n/a	13	19	15	17	13	11	11	7
Water Main Breaks	n/a	n/a	4	6	3	7	7	1	1	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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>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	41	41	41	41
Lane Miles	119	119	119	119	119	119	126	126	164	164
Traffic Signals	31	33	33	33	34	34	34	34	36	36
<u>Parks and Recreation</u> ⁽¹⁾										
Acres Maintained	136	138	142	151	149	149	136	138	139	163
Parks	12	13	13	15	15	16	12	13	13	15
Playgrounds	4	3	3	3	3	3	3	3	3	5
Soccer/Football Fields	1	1	1	1	1	1	0	0	0	1
Community Centers	2	2	2	2	2	2	1	1	1	1
<u>Water</u>										
Water Mains (Miles)	93	93	96	96	98	98	99	101	96	80
Fire Hydrants	1,050	983	1,030	1,030	1,040	1,150	1,175	1,200	1,013	1,052
<u>Wastewater</u>										
Miles of Sanitary Sewers	86	86	86	86	87	87	88	90	82	66
Miles of Storm Sewers	18.5	18.5	18.5	18.5	22	22	22	22	22	57

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.