

# ADDISON

SM

## Comprehensive Annual Financial Report

TOWN OF ADDISON, TEXAS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

**Town of Addison, Texas**  
**Comprehensive Annual Financial Report**

For the Year Ended September 30, 2014

**Prepared by the  
Department of Finance**  
Eric Cannon, CPA, Chief Financial Officer  
Steven Glickman, CGFO, Assistant Finance Director  
Amanda Turner, CPA, Accounting Manager  
Mushtaq Ali, Accountant

**City Council**

	Expiration of Term
Todd Meier, Mayor	May 2015
Blake W. Clemens, Mayor Pro Tempore	May 2015
Janelle Moore, Deputy Mayor Pro Tempore	May 2016
Bruce Arfsten, Councilmember	May 2015
Chris DeFrancisco, Councilmember	May 2015
Mary Carpenter, Councilmember	May 2016
David Heape, Councilmember	May 2016

**City Manager**

Lea Dunn



**SM**

**Town of Addison, Texas**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended September 30, 2014

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WELCOMING  
INCLUSIVE  
COOL

The background is a solid yellow-green color. On the right side, there are several overlapping circles of varying shades of green and a small red circle. A large, thick, 3D-style spiral shape is positioned in the lower right quadrant, overlapping the circles. The text 'WELCOMING INCLUSIVE COOL' is centered on the left side in a white, sans-serif font.





<sup>SM</sup> FINANCE DEPARTMENT

5350 Belt Line Road

Post Office Box 9010 Addison, Texas 75001

February 18, 2015

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

The Department of Finance 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, 2014. 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.

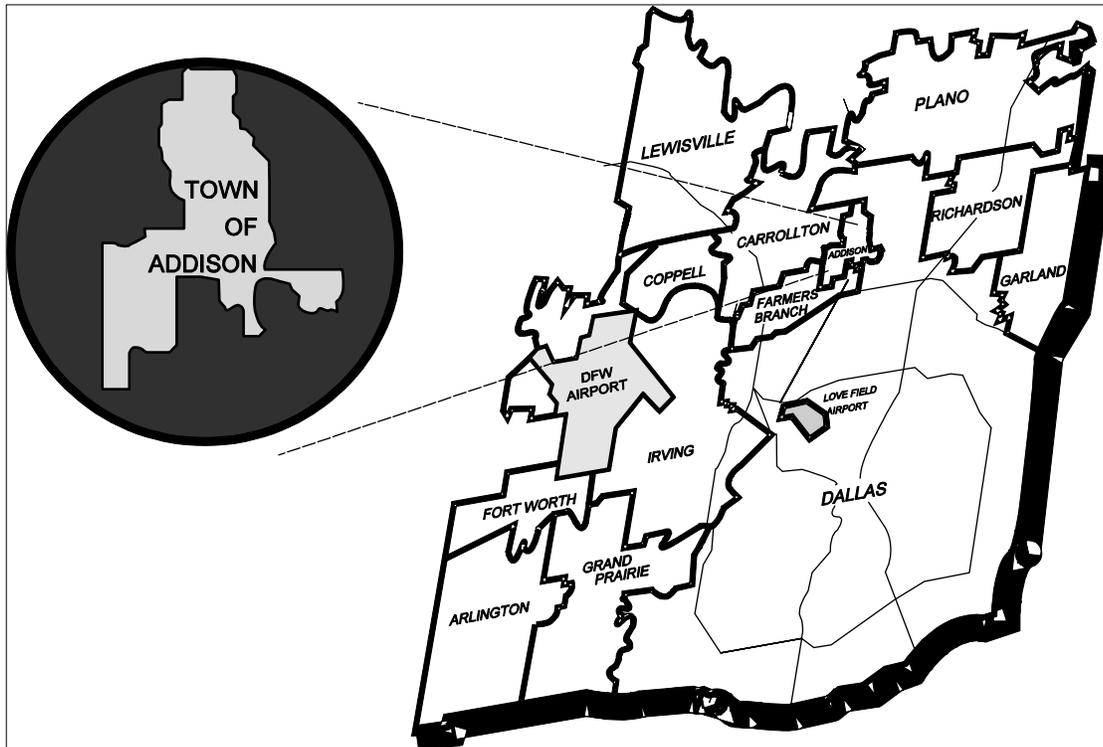
The *Financial Section* contains the opinion of the Town's independent auditor. The Town of Addison's financial statements have been audited by Weaver, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Addison for the fiscal year ended September 30, 2014 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 unmodified opinion that the Town of Addison's financial statements for the fiscal year ended September 30, 2014 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 4.3 square miles, Addison is the smallest, yet most densely developed, of the various suburbs located in the area. Although it has just over 15,000 residents, the Town has developed into a cosmopolitan center which serves well over 125,000 business persons, shoppers, and visitors daily.



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.<sup>1</sup> 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.

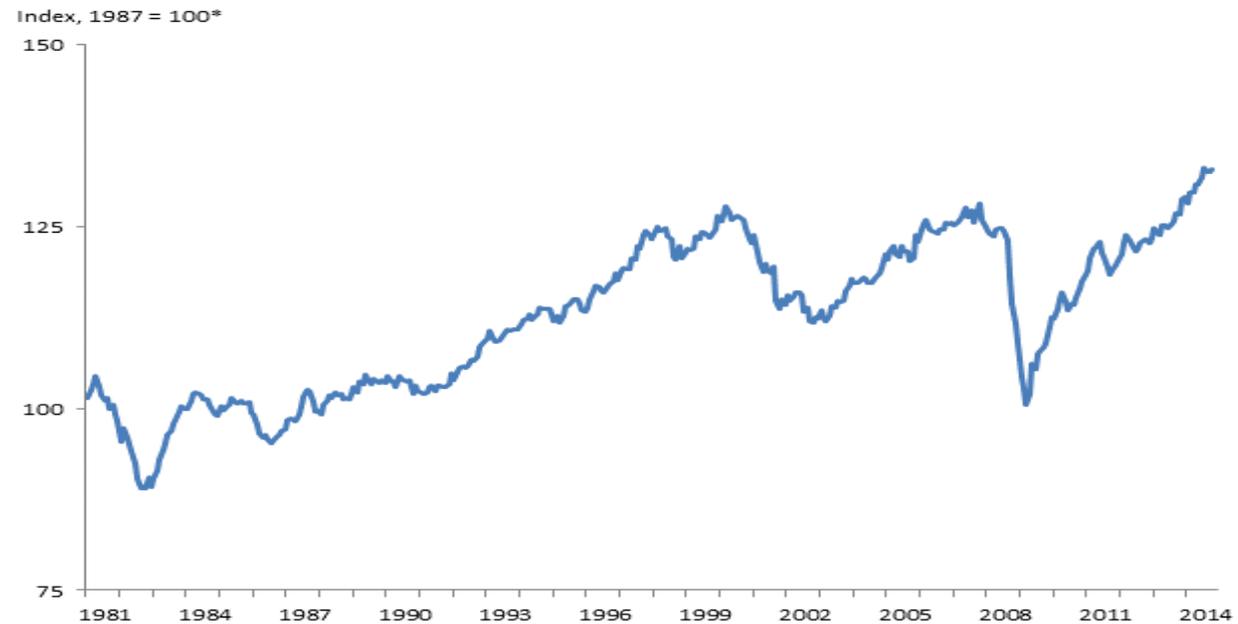
Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For all governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund section of this report, beginning on page 68.

**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 4.83 percent over the last year as reflected in the chart below.<sup>2</sup>

**Texas Leading Index**

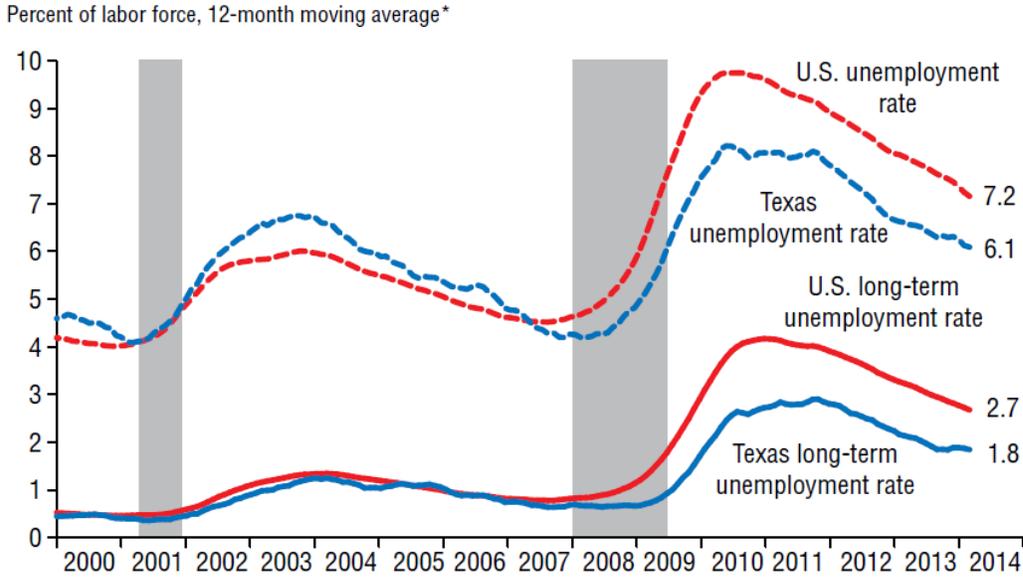


\*Monthly, seasonally adjusted.  
 Last data entry October 2014.  
 SOURCE: Federal Reserve Bank of Dallas.

<sup>1</sup> Financial policies can be located beginning on page 112 of the Town of Addison Annual Budget 2014-15 document.

<sup>2</sup> Source: Federal Reserve Bank of Dallas, [October 2014 Data](#)

The United States unemployment rate remains high, although Texas appears to be faring better than the nation as a whole. Texas employment expanded, with employment growing at a 4.7 percent annual rate in October 2014. The unemployment rate for Texas stood at 5.1 percent in October 2014, lower than the national rate of 5.8 percent.<sup>3</sup>



\*Seasonally adjusted.

NOTE: The long-term unemployment rate depicts the percent of the labor force that has been unemployed 27 weeks or more. Shaded areas indicate U.S. recessions.

SOURCES: Bureau of Labor Statistics' Current Population Survey; author's calculations.

Because Addison is densely developed with over 9.3 million square feet of office space distributed among 107 office buildings, much attention is given to the occupancy rates of buildings in Addison. At the end of December 2014, Addison's occupancy rate stood at 84.1 percent compared with the 84.7 percent recorded a year earlier. Addison's occupancy rate is slightly lower than the 85.9 percent average for all of Dallas County.<sup>4</sup> The Town experienced a 9 percent increase in taxable property values for the 2014 certified levy compared to a 11.3 percent increase for the 2013 certified levy. This is the third consecutive year that the Town has experienced an increase in property values.

For the 2014 fiscal year, General Fund revenues of \$32.2 million represented an 8.0 percent increase from fiscal year 2013. The increase is primarily due to an increase in sales tax. The Town's sales tax receipts increased 10.8 percent from fiscal year 2013, indicative of an improving economy. The General Fund budget for the 2015 fiscal year assumes revenues of \$32.1 million; approximately \$100 thousand lower than 2014 actual amounts. The budget also established a property tax rate of 56.18¢ per \$100 appraised value, which is slight rate reduction from the 2014 budget. General Fund expenditures and transfers for the 2015 budget totaling \$36.9 million are approximately 17.3 percent more than the original 2014 budget. The primary reason for the increase is a \$4 million transfer to seed an infrastructure investment fund. The General Fund ending balance is projected to be reduced from the actual ending 2014 balance to \$11.3 million, or 34 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 2014-15 Annual Budget. The document details the Town's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the

<sup>3</sup> Source: Federal Reserve Bank of Dallas, December 2014 Texas Economic Indicators

<sup>4</sup> Source: <http://www.cbre.us/research/Pages/Local-Reports.aspx>

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/](http://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, 2013. 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 38 consecutive years. We believe our current report continues to conform to the *Certificate of Achievement* program requirements, and we are submitting it to GFOA for consideration.

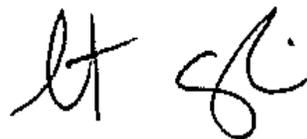
In addition to the *Certificate*, the Town received GFOA's *Award for Distinguished Budget Presentation* for its fiscal year 2014 annual budget document. In order to qualify for the *Award*, the Town's budget document was judged to be proficient or exceptional in several categories including policy documentation, financial planning, and operations guide. The Town has received the *Award* for 27 consecutive years. Together, the *Award* and the *Certificate* are evidence of the Finance Department's 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 Finance Department who assisted us with assembling the information presented in this report and acknowledge our auditors, Weaver, LLP, and the assistance they provided 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,



Eric Cannon, CPA  
Chief Financial Officer



Steven Glickman  
Assistant Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

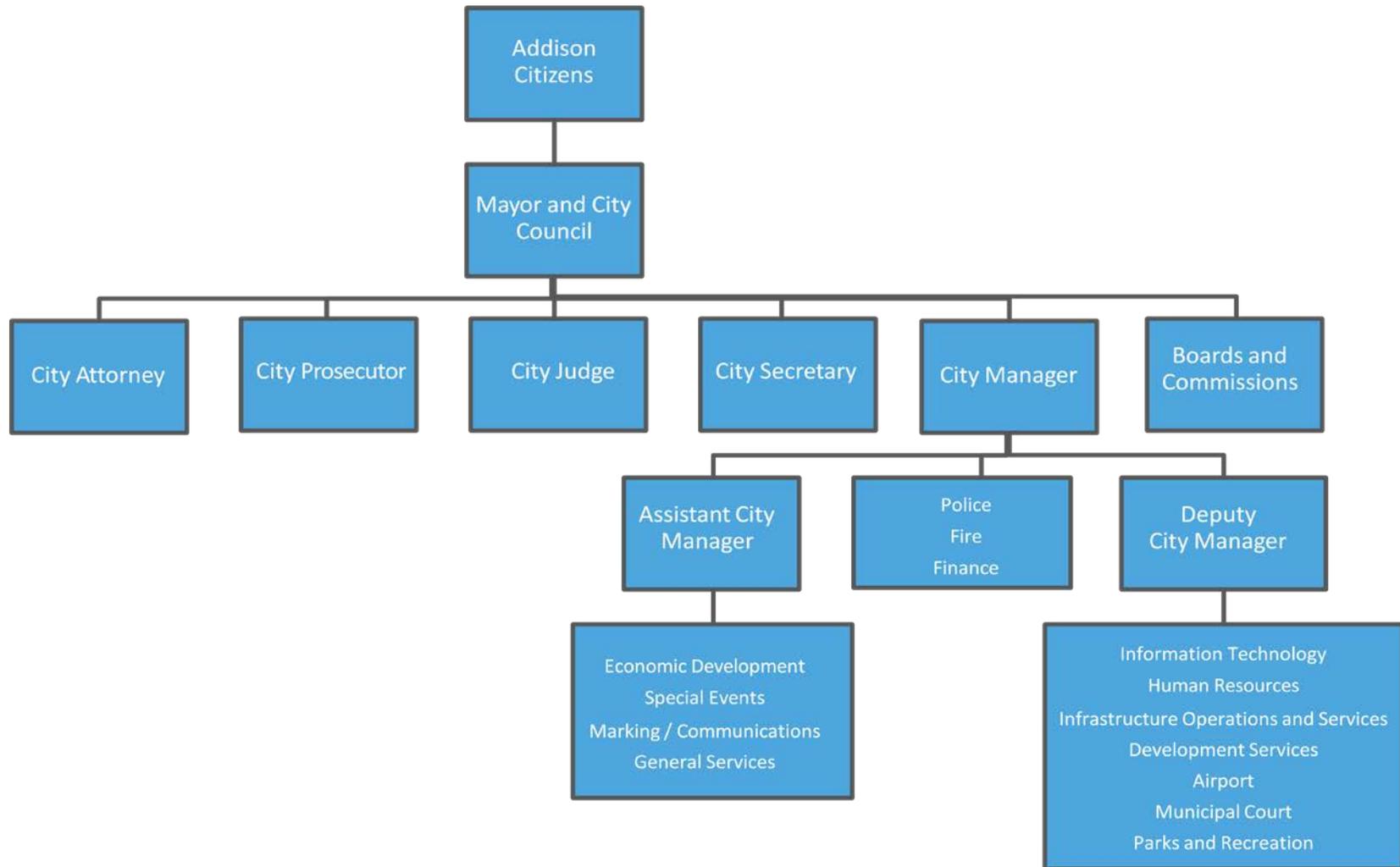
Presented to

**Town of Addison  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO



**Town of Addison**  
**LIST OF PRINCIPAL OFFICIALS**  
**September 30, 2014**

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

Mayor .....	Todd Meier .....	(972) 450-7027
City Manager .....	Lea Dunn .....	(972) 450-7028
Deputy City Manager .....	Cheryl Delaney .....	(972) 450-7037
Assistant City Manager .....	Chris Terry .....	(972) 450-7010
Chief Financial Officer .....	Eric Cannon, CPA .....	(972) 450-7050
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 Parks and Recreation .....	Slade Strickland .....	(972) 450-2869
Director of Special Events .....	Barbara Kovacevich .....	(972) 450-6221
Director of Economic Development & Tourism .....	Orlando Campos .....	(972) 450-7034
Director of Infrastructure Operations & Services .	Lisa Pyles .....	(972) 450-2878



SAFE

FUN

EASY





## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Addison (the Town) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Hotel Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in note E to the financial statements, the Town has adopted the provisions of GASB Statement No. 65, *Items previously Reported as Assets and Liabilities, as of September 30, 2014*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System Analysis of Funding Progress, and the Retiree Health Plan Analysis of Funding Progress on pages 13-20 and 63-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Town of Addison  
February 20, 2015

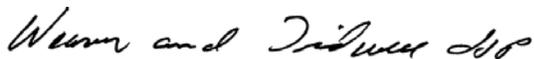
Page 3

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2015, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.



Weaver and Tidwell, L.L.P.  
Dallas, Texas

February 20, 2015



## 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, 2014. 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.**

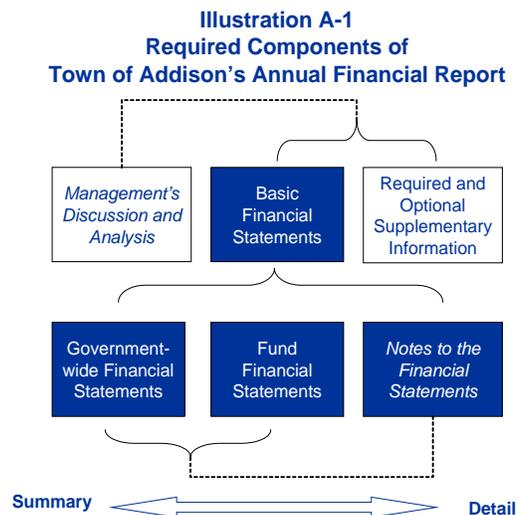
### Financial Highlights

- The Town’s assets and deferred outflows exceeded its liabilities at the close of the 2014 fiscal year by \$234,689. This amount represents an increase over the previous year by \$7,529. The majority of the increase relates to capital grants and transfers received by the Town’s business-type activities related to airport operations.
- As of September 30, 2014, the Town’s governmental funds reported combined ending fund balances of \$64,850 an increase of \$5,033. The majority of the increase is due to debt issuance proceeds in the Capital Project Fund and higher than anticipated sales tax collections in the General Fund.
- At the end of the 2014 fiscal year, the fund balance for the General Fund was \$16,130, or 53.6 percent of total fund expenditures. Fund balance increased \$2,151 during the year.
- At year-end, the Town of Addison’s outstanding debt totals \$118,913, an increase of \$13,474 from the previous year, which is attributed to the issuance of new debt net of the scheduled retirement of existing 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.

<b>Illustration A-2</b>			
<b>Major Features of Town of Addison's Government-wide and Fund Financial Statements</b>			
	<b>Government-wide Statements</b>	<b>Fund Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>
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 position * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net position * Statement of revenues, expenses, and changes in net position * 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 21-22 of this document.

- The *statement of net position* presents information on all of the Town’s asset, liabilities, and deferred inflows and outflows, with the difference being reported as *net position*. Over time, increases or decreases in net position **may** indicate the improvement or deterioration of the Town’s financial position.
- The *statement of activities* presents information showing how the Town’s net position changed during the concluded fiscal year. All changes in net position 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 10 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, Advanced Funding Grant Fund, and Reimbursement Grant Fund, which are considered non-major funds and are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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, storm water (drainage), 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, utility system, and storm drainage system, all 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 33-60 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. This information is presented on pages 63-64.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented on pages 90-91 and 113-121. Individual proprietary comparative statements are presented on pages 104-121. The Town has included schedules of Capital Assets starting on page 124 and Long-Term Debt starting on page 128.

## Government-wide Financial Analysis

As of the close of the 2014 fiscal year, the Town's net position (assets and deferred outflows exceeding liabilities) totaled \$234,689 (see Table A-1). Of this amount \$189,983, or 81 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 position has been restricted for the Town's long-term general obligation debt (\$606), promotion of tourism and hotel industry (\$1,682) and other restrictions (\$299). The remaining amount of net position is labeled as unrestricted and totals \$42,119. 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 position, 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 Position**

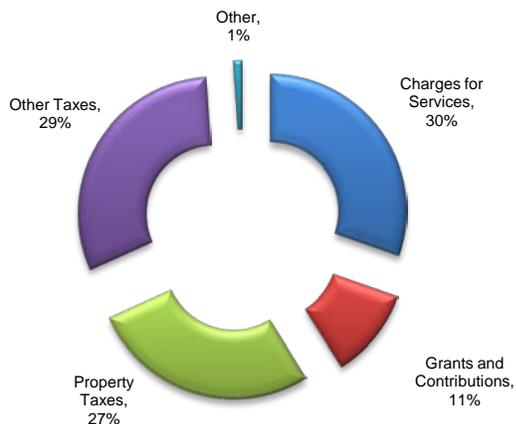
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Assets:</b>						
Current and Other Assets	\$ 79,324	\$ 73,073	\$ 34,000	\$ 28,057	\$113,324	\$101,130
Capital Assets	165,827	168,701	82,642	70,543	248,469	239,244
<b>Total Assets</b>	<b>245,151</b>	<b>241,774</b>	<b>116,642</b>	<b>98,600</b>	<b>361,793</b>	<b>340,374</b>
<b>Deferred Outflows of Resources:</b>						
Deferred Charges	466	574	32	-	498	574
<b>Total Deferred Outflows of Resources</b>	<b>466</b>	<b>574</b>	<b>32</b>	<b>-</b>	<b>498</b>	<b>574</b>
<b>Liabilities:</b>						
Long-Term Liabilities Outstanding	92,696	86,004	27,512	20,788	120,208	106,792
Other Liabilities	4,641	3,982	2,753	3,014	7,394	6,996
<b>Total Liabilities</b>	<b>97,337</b>	<b>89,986</b>	<b>30,265</b>	<b>23,802</b>	<b>127,602</b>	<b>113,788</b>
<b>Net Assets:</b>						
Net Investment in Capital Assets	120,034	135,261	69,949	57,426	189,983	192,687
<b>Restricted :</b>						
Debt Service	606	904	-	-	606	904
Tourism/Hotel	1,682	1,942	-	-	1,682	1,942
Child Safety	102	93	-	-	102	93
Justice Administration	32	31	-	-	32	31
Court Technology	80	75	-	-	80	75
Building Security	66	65	-	-	66	65
Court Security	19	22	-	-	19	22
Unrestricted	25,659	13,969	16,460	17,372	42,119	31,341
<b>Total Net Position</b>	<b>\$ 148,280</b>	<b>\$ 152,362</b>	<b>\$ 86,409</b>	<b>\$ 74,798</b>	<b>\$234,689</b>	<b>\$227,160</b>

As reflected in Table A-2, the Town's net position increased \$7,529, or 3 percent during the 2014 fiscal year. The increase is primarily due to grant funding and transfers related to the Addison Airport.

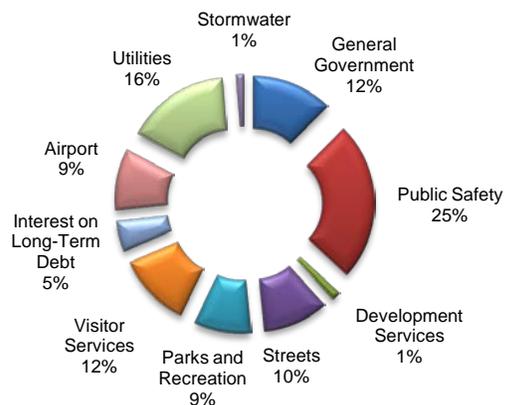
**Table A-2  
Town of Addison's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,335	\$ 5,605	\$ 16,451	\$ 16,616	\$ 21,786	\$ 22,221
Grants & Contributions	19	74	7,661	9,332	7,680	9,406
General Revenues:						
Property Taxes	19,485	17,975	-	-	19,485	17,975
Other Taxes	22,041	20,626	-	-	22,041	20,626
Other	744	595	(15)	(102)	729	493
<b>Total Revenues</b>	<b>47,624</b>	<b>44,875</b>	<b>24,097</b>	<b>25,846</b>	<b>71,721</b>	<b>70,721</b>
Expenses:						
General Government	7,939	7,021	-	-	7,939	7,021
Public Safety	15,765	15,229	-	-	15,765	15,229
Development Services	932	926	-	-	932	926
Streets	6,451	8,388	-	-	6,451	8,388
Parks & Recreation	5,597	5,063	-	-	5,597	5,063
Visitor Services	7,358	7,239	-	-	7,358	7,239
Interest and Fiscal Charges on Long-Term Debt	3,038	3,056	-	-	3,038	3,056
Airport	-	-	6,027	5,189	6,027	5,189
Storm water	-	-	768	234	768	234
Water & Sewer Utility	-	-	10,317	9,460	10,317	9,460
<b>Total Expenses</b>	<b>47,080</b>	<b>46,922</b>	<b>17,112</b>	<b>14,883</b>	<b>64,192</b>	<b>61,805</b>
Increase (decrease) in net position before transfers	544	(2,047)	6,985	10,963	7,529	8,916
Transfers	(4,626)	-	4,626	-	-	-
<b>Change in Net Position</b>	<b>(4,082)</b>	<b>(2,047)</b>	<b>11,611</b>	<b>10,963</b>	<b>7,529</b>	<b>8,916</b>
Net Position - Beginning as Restated	152,362	154,409	74,798	63,835	227,160	218,244
<b>Net Position - Ending</b>	<b>\$ 148,280</b>	<b>\$ 152,362</b>	<b>\$ 86,409</b>	<b>\$ 74,798</b>	<b>\$234,689</b>	<b>\$227,160</b>

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



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



## Governmental Activities

Governmental activities decreased the Town of Addison’s net position by \$4,082 primarily due to the purchase of land which was contributed to the Addison Airport. Additionally, a change in accounting principle related to implementation of GASB 65 resulted in a decrease in the beginning net position of governmental activities by \$789.

## Business-Type Activities

The Town’s business-type activities experienced an \$11,611 increase in net position with the Airport Fund recording an increase of \$11,129, while the Utility Fund posted a decrease of \$415, and the Storm Water Fund an increase of \$897. Of the Airport Fund’s increase, \$7,661 is attributed to capital grants for improvements at the Addison Airport and \$4,626 is related to a transfer of land from governmental activities of the Town to the airport.

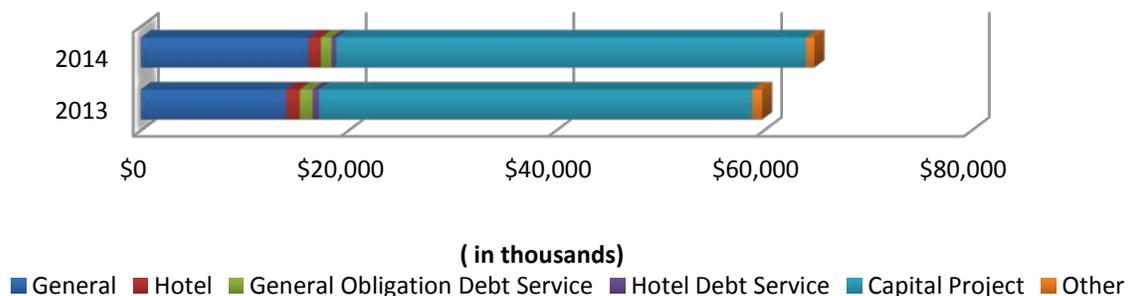
## Financial Analysis of the Government Funds

*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, 2014, the Town’s governmental funds reported combined ending fund balances of \$64,850, an increase of \$5,033 compared to balances a year earlier. Illustration A-5 graphically presents the composition of the various fund balances. Of the ending balance, \$15,794 or 24.4 percent is *unassigned* and is available to the Town for future spending. Most of the remaining fund balance is *restricted* for future capital projects (\$45,239), promotion of tourism and hotel industry (\$1,682), debt service (\$1,020) or *committed* for Economic Development (\$477). Components of the net increase of total fund balance are:

- In the General Fund, expenditures and transfers out totaled \$30,076 compared to revenues of \$32,226. Revenues increased \$2,396 from the previous year. The increase was due to receiving an additional \$1,406 in non-property (sales) taxes and an additional \$838 in property taxes offset by a decline of \$82 in fines and forfeitures. Expenditures increased \$1,855 from the 2013 fiscal year. This increase is primarily due to public safety (\$992) and parks and recreation expenditures (\$558).
- In the Hotel Fund, expenditures and transfers out to other funds totaled \$7,301 compared to revenues of \$7,181. Fund revenues increased \$211 from the previous year, due to an increase in non-property taxes. Expenditures decreased \$386 from fiscal year 2013 due in large part to the purchase of a new HVAC system for the Town’s Conference and Theater Centre facilities in 2013.
- Capital project funds recorded a net increase in fund balance of \$3,518, primarily due to proceeds from bonds issued.

**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 position of the Airport Fund at the end of the fiscal year amounted to \$2,663; the Utility Fund reported an unrestricted net position of \$12,215, while the Stormwater Fund reported an unrestricted net position of \$1,973.

## General Fund Budgetary Highlights

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

- Revenues were amended to recognize increases in sales tax revenue (\$1,350), franchise fees (\$29), other (\$50) and rental income (\$50) and a decrease in recycling proceeds of (\$5). In total, the amendments resulted in a budget increase of \$1,474 in revenue and an increase of \$94 in expenditures. Allocations to various departments were made that did not result in a net change to appropriations.

The adjustments resulted in increasing budgeted revenue 4.8 percent and increasing expenditures by .3 percent. The projected deficit of \$779 (expenditures and other uses exceeding revenues) changed to a surplus of \$601. Fund balance actually increased \$2,151.

## 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, 2014, totals \$248,469 (net of accumulated depreciation). This amount represents a \$9,225 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 Road Utility Undergrounding, Pedestrian Connectivity, Midway Road Revitalization, and Addison Road Rehabilitation. More information related to the Town’s capital assets can be found in Sections I, D, 4 and II, 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	
	2014	2013	2014	2013	2014	2013
Land	\$ 66,233	\$ 66,233	\$ 16,945	\$ 12,319	\$ 83,178	\$ 78,552
Buildings	10,566	11,114	7,676	7,850	18,242	18,964
Improvements other than Buildings	77,263	82,403	48,570	40,750	125,833	123,153
Machinery and Equipment	3,657	4,049	667	650	4,324	4,699
Construction in Progress	8,108	4,902	8,784	8,974	16,892	13,876
<b>Total Capital Assets</b>	<b>\$165,827</b>	<b>\$168,701</b>	<b>\$ 82,642</b>	<b>\$ 70,543</b>	<b>\$248,469</b>	<b>\$239,244</b>

*Long-term debt* – At the end of the 2014 fiscal year, the Town of Addison had total bonded debt outstanding of \$118,913 as detailed in Table A-4. The Town did issue new debt during 2014. The Town of Addison maintains an underlying bond rating of “AAA” from Standard & Poor’s and “Aa1” from Moody’s. Several of the Town’s outstanding debt issuances are insured. Because of the strength of the Town’s 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**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 52,867	\$ 45,096	\$ 2,145	\$ -	\$ 55,012	\$ 45,096
Certificates of Obligation	38,579	39,611	25,322	20,732	63,901	60,343
<b>Total Debt Outstanding</b>	<b>\$ 91,446</b>	<b>\$ 84,707</b>	<b>\$ 27,467</b>	<b>\$ 20,732</b>	<b>\$118,913</b>	<b>\$105,439</b>

## 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 November 2014 averaged 4.4 percent, substantially lower than the 5.4 percent rate recorded a year earlier. This unemployment rate is less than that of the Dallas/Plano/Irving Metro Division, which recorded a 4.6 percent rate. The November 2014 rate for the State of Texas was 4.6 percent, lower than the 5.8 percent in November 2013.<sup>1</sup>

Sales tax collections for the Town were up 10.8 percent from the amount collected in 2013 after four consecutive years of increases in annual collections. This increase appears to indicate an improving local economy.

Hotel occupancy tax collections increased 9.49 percent from the previous year. This represents four consecutive years of increasing annual collections, although collections are still down 3.75 percent from the 2008 fiscal year. In July 2014 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 each fiscal year. Certified taxable property values in Addison totaled \$3,805,581 for fiscal year 2015 which represented a 9.04 percent increase from the previous year, and was the third year of increased values following three consecutive years of decreased values.

These various factors were taken into consideration in development of the Town's 2014-15 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 2014-15 budget include:

The property tax rate was lowered from \$.5718 to \$.5618 per \$100 appraised value. The decreased rate and increase in property values will provide an additional \$843 for the Town's annual debt service. Of the 2015 budget tax rate, \$.3437 was levied for operation/maintenance (including \$.0265 for economic development funding and \$.0062 for infrastructure investment funding) and \$.2181 for debt service. This compares to the 2014 distribution of \$.3588 and \$.213 respectively. (Note: The preceding tax rates are not reflected in \$000's of dollars).

The General Fund's fund balance is projected to decline \$4,838 from the actual beginning fund balance of \$16,130 to \$11,292. The decrease is the primary result of a \$4,000 transfer to seed the infrastructure investment fund. The projected ending fund balance is 34 percent of operating expenditures.

The Hotel Fund balance is projected to raise \$709 from the actual beginning fund balance of \$1,067 to \$1,776. The projected ending fund balance is 30 percent of operating expenditures, which is in line with the long-term financial plan for the fund.

### 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 Finance  
Town of Addison  
P.O. Box 9010  
Addison, TX 75001  
Telephone: (972) 450-7098  
Email: [sglickman@addisontx.gov](mailto:sglickman@addisontx.gov)

<sup>1</sup> Information is obtained via labor market information at [www.tracer2.com](http://www.tracer2.com).

CENTRAL  
INNOVATIVE  
ENERGY



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

TOWN OF ADDISON  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Investments	\$ 73,005,064	\$ 24,458,362	\$ 97,463,426
Receivables, Net of Allowances for Uncollectibles	5,671,308	2,477,527	8,148,835
Prepaid Items	273,442	-	273,442
Inventories, at Cost	66,933	-	66,933
Investment in Joint Venture	307,800	7,064,475	7,372,275
Capital Assets, Net of Accumulated Depreciation			
Land	66,233,100	16,945,437	83,178,537
Buildings	10,565,808	7,675,920	18,241,728
Improvements other than Buildings	77,262,943	48,570,324	125,833,267
Machinery and Equipment	3,656,609	666,293	4,322,902
Construction in Progress	8,108,551	8,784,117	16,892,668
<b>Total Assets</b>	<b>\$ 245,151,558</b>	<b>\$ 116,642,455</b>	<b>\$ 361,794,013</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	465,993	32,464	498,457
<b>Total Deferred Outflows of Resources</b>	<b>\$ 465,993</b>	<b>\$ 32,464</b>	<b>\$ 498,457</b>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 4,583,222	\$ 1,692,393	\$ 6,275,615
Intergovernmental Payable	1,779	10,129	11,908
Customer Deposits	55,859	1,050,607	1,106,466
Non-Current Liabilities:			
Due within One Year	5,826,933	1,124,445	6,951,378
Due in More Than One Year	86,869,497	26,387,913	113,257,410
<b>Total Liabilities</b>	<b>\$ 97,337,290</b>	<b>\$ 30,265,487</b>	<b>\$ 127,602,777</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 120,034,622	\$ 69,948,582	\$ 189,983,204
Restricted			
Debt Service	606,471	-	606,471
Promotion of Tourism and Hotel Industry	1,682,165	-	1,682,165
Child Safety	101,664	-	101,664
Justice Administration	31,898	-	31,898
Court Technology	79,591	-	79,591
Building Security	65,782	-	65,782
Court Security	19,185	-	19,185
Unrestricted	25,658,883	16,460,850	42,119,733
<b>Total Net Position</b>	<b>\$ 148,280,261</b>	<b>\$ 86,409,432</b>	<b>\$ 234,689,693</b>

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, 2014

Functions/Programs	Program Revenues				Net (Expense)/Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business - Type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government	\$ 7,938,875	\$ 235,233	\$ -	\$ -	\$ (7,703,642)	\$ -	\$ (7,703,642)
Public Safety	15,765,099	1,506,770	9,556	-	(14,248,773)	-	(14,248,773)
Development Services	932,247	904,895	-	-	(27,352)	-	(27,352)
Streets	6,450,628	390,453	9,537	-	(6,050,638)	-	(6,050,638)
Parks and Recreation	5,597,254	102,288	-	-	(5,494,966)	-	(5,494,966)
Visitor Services	7,358,141	2,195,803	-	-	(5,162,338)	-	(5,162,338)
Interest on Long-Term Debt	3,037,574	-	-	-	(3,037,574)	-	(3,037,574)
<b>Total Governmental Activities</b>	<u>47,079,818</u>	<u>5,335,442</u>	<u>19,093</u>	<u>-</u>	<u>(41,725,283)</u>	<u>-</u>	<u>(41,725,283)</u>
Business-Type Activities:							
Airport	6,027,300	4,857,759	-	7,660,647	-	6,491,106	6,491,106
Utilities	10,317,160	9,953,099	-	-	-	(364,061)	(364,061)
Stormwater	768,016	1,640,615	-	-	-	872,599	872,599
<b>Total Business-Type Activities</b>	<u>17,112,476</u>	<u>16,451,473</u>	<u>-</u>	<u>7,660,647</u>	<u>-</u>	<u>6,999,644</u>	<u>6,999,644</u>
<b>Total Primary Government</b>	<u>\$ 64,192,294</u>	<u>\$ 21,786,915</u>	<u>\$ 19,093</u>	<u>\$ 7,660,647</u>	<u>\$ (41,725,283)</u>	<u>\$ 6,999,644</u>	<u>\$ (34,725,639)</u>

**GENERAL REVENUES**

Taxes:		
Property Taxes, Levied for General Purposes		19,484,538
Sales Taxes		14,222,194
Franchise Taxes		2,806,656
Hotel/Motel Taxes		5,011,671
Interest on Investments		130,419
Miscellaneous		613,432
Transfers		(4,626,322)
<b>Total General Revenues and Transfers</b>		<u>37,642,588</u>
<b>Change in Net Position</b>		(4,082,695)
<b>NET POSITION, Beginning of Year as Restated</b>		<u>152,362,956</u>
<b>NET POSITION, End of Year</b>		<u>\$ 148,280,261</u>
		<u>\$ 86,409,432</u>
		<u>\$ 234,689,693</u>

Town of Addison, Texas  
Basic Financial Statements

Governmental Funds  
Balance Sheet  
September 30, 2014

	General	Hotel	General Obligation Debt Service	Hotel Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>							
Cash and Investments	\$ 16,177,869	\$ 1,710,968	\$ 1,065,570	\$ 487,176	\$ 45,514,416	\$ 964,986	\$ 65,920,985
Receivables:							
Ad Valorem Taxes, Including Interest and Penalties	303,493	-	181,253	-	-	14,317	499,063
Non-Property Taxes	2,402,122	709,447	-	-	-	-	3,111,569
Franchise Fees	480,944	-	-	-	-	-	480,944
Service Fees	940,733	-	-	-	-	-	940,733
Ambulance	152,632	-	-	-	-	-	152,632
Interest	10,601	1,020	697	315	29,408	621	42,662
Other	1,000	210,768	-	-	-	227,351	439,119
Interfund	517,236	-	-	-	-	-	517,236
Prepaid Items	272,713	-	-	-	-	-	272,713
Inventories, at Cost	66,933	-	-	-	-	-	66,933
<b>Total Assets</b>	<b>\$ 21,326,276</b>	<b>\$ 2,632,203</b>	<b>\$ 1,247,520</b>	<b>\$ 487,491</b>	<b>\$ 45,543,824</b>	<b>\$ 1,207,275</b>	<b>\$ 72,444,589</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE:</b>							
Liabilities:							
Accounts Payable and Accrued Liabilities	\$ 2,242,168	\$ 1,091,377	\$ -	\$ -	\$ 326,227	\$ 166,367	\$ 3,826,139
Interfund Payable	-	293,000	-	-	-	224,236	517,236
Accrued Interest	-	-	46,108	-	-	-	46,108
Intergovernmental Payable	1,779	-	-	-	-	-	1,779
Customer Deposits	13,830	42,029	-	-	-	-	55,859
<b>Total Liabilities</b>	<b>2,257,777</b>	<b>1,426,406</b>	<b>46,108</b>	<b>-</b>	<b>326,227</b>	<b>390,603</b>	<b>4,447,121</b>
Deferred Inflows of Resources:							
Unavailable Resources	2,938,403	11,123	181,253	-	-	16,317	3,147,096
<b>Total Deferred Inflows of Resources</b>	<b>2,938,403</b>	<b>11,123</b>	<b>181,253</b>	<b>-</b>	<b>-</b>	<b>16,317</b>	<b>3,147,096</b>
Fund Balances:							
Nonspendable							
Inventories	66,933	-	-	-	-	-	66,933
Prepaid Items	272,713	-	-	-	-	-	272,713
Restricted							
Debt service	-	-	1,020,159	-	-	-	1,020,159
Promotion of Tourism and Hotel Industry	-	1,194,674	-	487,491	-	-	1,682,165
Capital Projects	-	-	-	-	45,217,597	21,887	45,239,484
Child safety	-	-	-	-	-	101,664	101,664
Justice administration	-	-	-	-	-	31,898	31,898
Court Technology	-	-	-	-	-	79,591	79,591
Building Security	-	-	-	-	-	65,782	65,782
Court Security	-	-	-	-	-	19,185	19,185
Committed							
Economic development	-	-	-	-	-	477,233	477,233
Unassigned	15,790,450	-	-	-	-	3,115	15,793,565
<b>Total Fund Balance</b>	<b>16,130,096</b>	<b>1,194,674</b>	<b>1,020,159</b>	<b>487,491</b>	<b>45,217,597</b>	<b>800,355</b>	<b>64,850,372</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 21,326,276</b>	<b>\$ 2,632,203</b>	<b>\$ 1,247,520</b>	<b>\$ 487,491</b>	<b>\$ 45,543,824</b>	<b>\$ 1,207,275</b>	<b>\$ 72,444,589</b>

See accompanying notes to basic financial statements.

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**TOWN OF ADDISON**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

<b>Total Fund Balances - Governmental Funds</b>	\$	64,850,372
<p>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 position. The effect of this consolidation is to increase net position.</p>		
		9,743,568
<p>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 \$163,056,075, net of accumulated depreciation of \$101,996,604, exclusive of the capital assets of internal service funds with a net carrying value of \$2,770,936, included above, increased net position in the government-wide financial statements.</p>		
		163,056,075
<p>Investments in Joint Venture are not financial resources and are not reported in the fund financial statements. Investment's in Joint Venture of \$307,800 increased net position in the government-wide financial statements.</p>		
		307,800
<p>Prepaid Insurance associated with the issuance of long-term debt has been reflected net of amortization in the government-wide financial statements.</p>		
		729
<p>Deferred losses on refundings of debt have been reflected net of amortization in the government-wide financial statements.</p>		
		465,993
<p>Bonds payable, contractual obligations, and related premium and discount amounts have not been included in the fund financial statements.</p>		
		(91,446,571)
<p>Accrued liabilities for compensated absences have not been reflected in the fund financial statements.</p>		
		(820,869)
<p>Net OPEB obligation is not reflected in the fund financial statements.</p>		
		(428,991)
<p>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 position.</p>		
		(594,941)
<p>Revenue from property taxes, sales taxes, franchise fees, court bonds, ambulance billing, and intergovernmental grants is a deferred inflow 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.</p>		
		3,147,096
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>148,280,261</b>

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

**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2014**

	General	Hotel	General Obligation Debt Service	Hotel Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental
<b>REVENUES:</b>							
Ad Valorem Taxes	\$ 11,318,306	\$ -	\$ 7,181,188	\$ -	\$ -	\$ 775,226	\$ 19,274,720
Non-Property Taxes	14,435,547	5,009,121	-	-	-	-	19,444,668
Franchise Fees	2,818,869	-	-	-	-	-	2,818,869
Licenses and Permits	901,645	-	-	-	-	-	901,645
Intergovernmental	-	-	-	-	-	19,093	19,093
Service Fees	1,485,206	1,273,252	-	-	-	-	2,758,458
Fines and Forfeitures	877,776	-	-	-	-	110,798	988,574
Earnings on Investments	5,933	3,791	6,699	1,139	122,355	3,382	143,299
Rental Charges	260,000	859,551	-	-	-	-	1,119,551
Recycling Proceeds	13,295	-	-	-	-	-	13,295
Other	109,687	35,591	-	-	60,879	-	206,157
<i>Total Revenues</i>	<u>32,226,264</u>	<u>7,181,306</u>	<u>7,187,887</u>	<u>1,139</u>	<u>183,234</u>	<u>908,499</u>	<u>47,688,329</u>
<b>EXPENDITURES:</b>							
Current:							
General Government	6,639,762	-	2,448	507	-	3,870	6,646,587
Public Safety	15,871,423	-	-	-	-	5,001	15,876,424
Development Services	962,584	-	-	-	-	-	962,584
Streets	1,727,403	-	-	-	-	-	1,727,403
Parks and Recreation	4,874,394	-	-	-	-	-	4,874,394
Visitor Services	-	6,730,501	-	-	-	-	6,730,501
Municipal Court	-	-	-	-	-	30,878	30,878
Economic Development	-	-	-	-	-	1,029,585	1,029,585
Debt Service:							
Principal Retirement	-	-	4,461,153	625,000	-	-	5,086,153
Interest and Fiscal Charges	-	-	2,938,854	86,650	85,200	-	3,110,704
Capital Projects:							
Administration:							
Supplies	-	-	-	-	12,459	-	12,459
Design and Engineering:							
Engineering and Contractual Services	-	-	-	-	422,982	-	422,982
Construction and Equipment	-	-	-	-	8,241,546	-	8,241,546
<i>Total Expenditures</i>	<u>30,075,566</u>	<u>6,730,501</u>	<u>7,402,455</u>	<u>712,157</u>	<u>8,762,187</u>	<u>1,069,334</u>	<u>54,752,200</u>
Excess/(Deficiency) of Revenues over Expenditures	2,150,698	450,805	(214,568)	(711,018)	(8,578,953)	(160,835)	(7,063,871)
<b>OTHER FINANCING SOURCES/(USES):</b>							
Transfers In	-	-	-	570,000	-	-	570,000
Transfers Out	-	(570,000)	-	-	-	-	(570,000)
Proceeds from bond issuance	-	-	-	-	12,000,000	-	12,000,000
Premium on issuance	-	-	-	-	97,299	-	97,299
<i>Total Other Financing Sources/(Uses)</i>	<u>-</u>	<u>(570,000)</u>	<u>-</u>	<u>570,000</u>	<u>12,097,299</u>	<u>-</u>	<u>12,097,299</u>
Net Change in Fund Balance	2,150,698	(119,195)	(214,568)	(141,018)	3,518,346	(160,835)	5,033,428
Fund Balances at Beginning of Year	13,979,398	1,313,869	1,234,727	628,509	41,699,251	961,190	59,816,944
Fund Balances at End of Year	<u>\$ 16,130,096</u>	<u>\$ 1,194,674</u>	<u>\$ 1,020,159</u>	<u>\$ 487,491</u>	<u>\$ 45,217,597</u>	<u>\$ 800,355</u>	<u>\$ 64,850,372</u>

See accompanying notes to 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, 2014**

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	5,033,428
<p>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 position.</p>		
		364,511
<p>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 grants and contributions in the government-wide financial statements. The effect of removing the capital outlays and recording the developer contributions is to increase net position.</p>		
		4,179,407
<p>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 position.</p>		
		(6,485,400)
<p>The issuance of long term debt increases the current financial resources of governmental funds while the repayment of the principal of long term debt consumes the current financial resources of governmental funds, but both have no effect on net position. The amortization of prepaid insurance associated with the issuance of long-term debt, bond premiums, bond discounts, and deferred gain/loss on refunding of long term debts is reported in the statement of activities but does not require the use of current financial resources. Therefore the effect of the amortization of these various items are not reported in the statement of revenues, expenditures, and changes in fund balance. This amount represents the increase(decrease) in net position of the following:</p>		
Bond proceeds	(12,000,000)	
Bond repayments	5,086,152	
Bond premiums	(97,299)	
Amortization	163,679	(6,847,468)
<p>The change in compensated absences liability is not shown in the fund financial statements. The net effect of the current year's decrease in liability is to increase net position.</p>		
		61,506
<p>The change in the net OPEB obligation is not shown in the fund financial statements. The effect of recording the increase in liability is to decrease net position.</p>		
		(14,206)
<p>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 increase in accrued interest is to decrease net position.</p>		
		(175,749)
<p>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.</p>		
		(198,724)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>(4,082,695)</b>

**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, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Ad Valorem Taxes	\$ 11,624,270	\$ 11,624,270	\$ 11,318,306	\$ (305,964)	\$ 10,480,308
Non-Property Taxes	13,035,000	14,385,000	14,435,547	50,547	13,029,712
Franchise Fees	2,627,000	2,655,641	2,818,869	163,228	2,695,073
Licenses and Permits	740,000	740,000	901,645	161,645	886,423
Service Fees	1,443,500	1,443,500	1,485,206	41,706	1,469,715
Fines and Forfeitures	1,000,000	1,000,000	877,776	(122,224)	959,684
Earnings on Investments	10,000	10,000	5,933	(4,067)	3,790
Rental Charges	170,000	220,000	260,000	40,000	243,958
Recycling Proceeds	24,000	19,000	13,295	(5,705)	25,539
Other	25,000	75,000	109,687	34,687	35,715
<i>Total Revenues</i>	<u>30,698,770</u>	<u>32,172,411</u>	<u>32,226,264</u>	<u>53,853</u>	<u>29,829,917</u>
<b>EXPENDITURES:</b>					
General Government	7,469,230	7,557,830	6,639,762	918,068	6,347,191
Public Safety	16,098,487	16,103,955	15,871,423	232,532	14,878,938
Development Services	1,019,372	1,030,147	962,584	67,563	927,684
Streets	1,836,671	1,808,671	1,727,403	81,268	1,750,500
Parks and Recreation	5,053,679	5,071,138	4,874,394	196,744	4,316,689
<i>Total Expenditures</i>	<u>31,477,439</u>	<u>31,571,741</u>	<u>30,075,566</u>	<u>1,496,175</u>	<u>28,221,002</u>
Excess/(Deficiency) of Revenues over Expenditures	(778,669)	600,670	2,150,698	1,550,028	1,608,915
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfers In	-	-	-	-	2,960
Transfers Out	-	-	-	-	(5,541)
<i>Total Other Financing Sources/(Uses):</i>	-	-	-	-	(2,581)
Net Change in Fund Balance	(778,669)	600,670	2,150,698	1,550,028	1,606,334
Fund Balances at Beginning of Year	<u>13,979,398</u>	<u>13,979,398</u>	<u>13,979,398</u>	<u>-</u>	<u>12,373,064</u>
Fund Balances at End of Year	<u>\$ 13,200,729</u>	<u>\$ 14,580,068</u>	<u>\$ 16,130,096</u>	<u>\$ 1,550,028</u>	<u>\$ 13,979,398</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, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Hotel/Motel Occupancy Taxes	\$ 4,922,495	\$ 4,972,495	\$ 5,009,121	\$ 36,626	\$ 4,575,083
Proceeds from Special Events	1,817,500	1,428,204	1,273,252	(154,952)	1,469,891
Conference Centre Rental	632,100	632,100	570,833	(61,267)	601,509
Theatre Centre Rental	70,000	70,000	72,160	2,160	58,647
Visitor Centre Rental	237,500	237,500	216,558	(20,942)	215,623
Earnings on Investments	5,000	5,000	3,791	(1,208)	5,164
Other	5,000	5,000	35,591	30,591	44,272
<i>Total Revenues</i>	<u>7,689,595</u>	<u>7,350,299</u>	<u>7,181,306</u>	<u>(168,992)</u>	<u>6,970,189</u>
<b>EXPENDITURES:</b>					
Visitor Services	1,096,261	1,096,261	987,389	108,872	967,711
Visit Addison	626,588	629,323	618,768	10,555	498,655
Conference Centre	1,098,607	1,111,279	1,063,116	48,163	1,626,644
Marketing	917,800	1,069,559	967,187	102,372	880,924
Special Events	2,615,202	2,645,505	2,552,629	92,876	2,646,869
Performing Arts	565,341	565,341	541,412	23,929	495,531
<i>Total Expenditures</i>	<u>6,919,799</u>	<u>7,117,268</u>	<u>6,730,501</u>	<u>386,767</u>	<u>7,116,334</u>
Excess/(Deficiency) of Revenues over Expenditures	769,796	233,031	450,805	217,775	(146,145)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfer to Debt Service Fund	(570,000)	(570,000)	(570,000)	-	(570,000)
Net Change in Fund Balance	199,796	(336,969)	(119,195)	217,775	(716,145)
Fund Balances at Beginning of Year	1,313,869	1,313,869	1,313,869	-	2,030,014
Fund Balances at End of Year	<u>\$ 1,513,665</u>	<u>\$ 976,900</u>	<u>\$ 1,194,674</u>	<u>\$ 217,775</u>	<u>\$ 1,313,869</u>

See accompanying notes to basic financial statements.

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

**Proprietary Funds**  
**Statement of Net Position**  
**September 30, 2014**

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
<b>ASSETS:</b>					
Current Assets:					
Cash and Investments	\$ 2,957,080	\$ 12,360,198	\$ 9,141,084	\$ 24,458,362	\$ 7,084,079
Interest Receivable	1,920	8,002	5,910	15,832	4,586
Accounts Receivable	395,724	1,811,978	253,993	2,461,695	-
<b>Total Current Assets</b>	<b>3,354,724</b>	<b>14,180,178</b>	<b>9,400,987</b>	<b>26,935,889</b>	<b>7,088,665</b>
Non-Current Assets:					
Capital Assets:					
Land	15,633,373	1,312,064	-	16,945,437	-
Buildings	1,637,209	8,069,661	-	9,706,870	-
Improvements other than Buildings	45,162,400	44,308,445	-	89,470,845	-
Machinery and Equipment	1,377,802	2,239,976	-	3,617,778	13,690,549
Accumulated Depreciation	(20,816,960)	(25,065,996)	-	(45,882,956)	(10,919,613)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<b>42,993,824</b>	<b>30,864,150</b>	<b>-</b>	<b>73,857,974</b>	<b>2,770,936</b>
Construction in Progress	8,614,345	169,772	-	8,784,117	-
<b>Net Property, Plant, and Equipment</b>	<b>51,608,169</b>	<b>31,033,922</b>	<b>-</b>	<b>82,642,091</b>	<b>2,770,936</b>
Investment in Joint Venture	-	7,064,475	-	7,064,475	-
<b>Total Assets</b>	<b>\$ 54,962,893</b>	<b>\$ 52,278,575</b>	<b>\$ 9,400,987</b>	<b>\$ 116,642,455</b>	<b>\$ 9,859,601</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred Charge on Refunding	32,464	-	-	32,464	-
<b>Total Deferred Outflows of Resources</b>	<b>32,464</b>	<b>-</b>	<b>-</b>	<b>32,464</b>	<b>-</b>
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 456,437	\$ 938,538	\$ 47,591	\$ 1,442,566	\$ 116,033
Accrued Interest Payable	17,627	196,860	35,340	249,827	-
Current Compensated Absences Payable	-	7,459	-	7,459	-
Current Maturities of Bonds Payable	451,623	383,805	281,558	1,116,986	-
Intergovernmental Payable	10,129	-	-	10,129	-
Customer Deposits	207,230	843,377	-	1,050,607	-
<b>Total Current Liabilities</b>	<b>1,143,046</b>	<b>2,370,039</b>	<b>364,489</b>	<b>3,877,574</b>	<b>116,033</b>
Noncurrent Liabilities:					
Compensated Absences Payable, Net of Current Portion	-	37,619	-	37,619	-
Long-Term Debt, Net of Current Portion	4,630,247	14,656,929	7,063,118	26,350,294	-
<b>Total Liabilities</b>	<b>5,773,293</b>	<b>17,064,587</b>	<b>7,427,607</b>	<b>30,265,487</b>	<b>116,033</b>
<b>NET POSITION:</b>					
Net Investment in Capital Assets	46,558,763	23,389,819	-	69,948,582	2,770,936
Unrestricted	2,663,301	11,824,169	1,973,380	16,460,850	6,972,632
<b>Total Net Position</b>	<b>\$ 49,222,064</b>	<b>\$ 35,213,988</b>	<b>\$ 1,973,380</b>	<b>\$ 86,409,432</b>	<b>\$ 9,743,568</b>

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 Position**  
**Year Ended September 30, 2014**

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
<b>OPERATING REVENUES:</b>					
Water	\$ -	\$ 5,479,937	\$ -	\$ 5,479,937	\$ -
Sewer	-	4,362,009	-	4,362,009	-
Drainage	-	-	1,640,615	1,640,615	-
Penalties	-	78,227	-	78,227	-
Water and Sewer Taps and Other Fees	-	3,990	-	3,990	-
Fuel Flowage Fees	784,286	-	-	784,286	-
Customs Agent Fees	66,075	-	-	66,075	-
Rental Charges	3,868,780	-	-	3,868,780	-
Other Income	138,618	20,733	-	159,351	-
Department Contributions	-	-	-	-	1,472,000
<i>Total Operating Revenues</i>	<u>4,857,759</u>	<u>9,944,896</u>	<u>1,640,615</u>	<u>16,443,270</u>	<u>1,472,000</u>
<b>OPERATING EXPENSES:</b>					
Salaries and Fringe Benefits	336,278	1,202,282	45,205	1,583,765	-
Supplies	40,054	133,141	5,780	178,975	-
Maintenance and Materials	2,599,953	1,013,972	-	3,613,925	243,508
Contractual Services	1,183,724	625,554	479,794	2,289,072	7,465
Water Purchases	-	2,933,034	-	2,933,034	-
Wastewater Purchases	-	2,480,657	-	2,480,657	-
<i>Total Operating Expenses (Excluding Depreciation)</i>	<u>4,160,009</u>	<u>8,388,640</u>	<u>530,779</u>	<u>13,079,428</u>	<u>250,973</u>
Depreciation	1,704,734	1,254,276	-	2,959,010	990,353
<i>Total Operating Expenses</i>	<u>5,864,743</u>	<u>9,642,916</u>	<u>530,779</u>	<u>16,038,438</u>	<u>1,241,326</u>
<b>OPERATING INCOME/LOSS</b>	<u>(1,006,984)</u>	<u>301,980</u>	<u>1,109,836</u>	<u>404,832</u>	<u>230,674</u>
<b>NON-OPERATING REVENUES/(EXPENSES):</b>					
Investment Income/(Expense)	11,200	(57,650)	24,436	(22,014)	17,834
Sale of Assets	-	7,000	-	7,000	116,003
Gain/(Loss) of the Joint Venture	-	(60,545)	-	(60,545)	-
Interest Expense and Fiscal Charges	(162,557)	(605,263)	(237,237)	(1,005,057)	-
<i>Total Non-Operating Revenues/(Expenses)</i>	<u>(151,357)</u>	<u>(716,458)</u>	<u>(212,801)</u>	<u>(1,080,616)</u>	<u>133,837</u>
<b>NET INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS</b>	<u>(1,158,341)</u>	<u>(414,478)</u>	<u>897,035</u>	<u>(675,784)</u>	<u>364,511</u>
Capital Grants and Contributions	12,286,969	-	-	12,286,969	-
<b>CHANGE IN NET POSITION</b>	<u>11,128,628</u>	<u>(414,478)</u>	<u>897,035</u>	<u>11,611,185</u>	<u>364,511</u>
Net Position at Beginning of Year, as Restated	<u>38,093,436</u>	<u>35,628,466</u>	<u>1,076,345</u>	<u>74,798,247</u>	<u>9,379,057</u>
Net Position at End of Year	<u>\$ 49,222,064</u>	<u>\$ 35,213,988</u>	<u>\$ 1,973,380</u>	<u>\$ 86,409,432</u>	<u>\$ 9,743,568</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, 2014**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Customers	\$ 4,929,062	\$ 10,292,821	\$ 1,631,337	\$ 16,853,220	\$ 1,472,000
Payments to Suppliers	(3,957,140)	(7,530,995)	(443,928)	(11,932,063)	(238,265)
Payments to Employees for Services	(336,278)	(1,202,282)	(45,205)	(1,583,765)	-
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>635,644</u>	<u>1,559,544</u>	<u>1,142,204</u>	<u>3,337,392</u>	<u>1,233,735</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and Construction of Capital Assets	(2,685,017)	(43,961)	-	(2,728,978)	(729,684)
Proceeds from Issuance of Long-Term Debt	-	7,534,190	-	7,534,190	-
Principal Paid on Long-Term Debt	(395,000)	(257,749)	(235,000)	(887,749)	-
Interest and Fiscal Charges Paid on Long-Term Debt	(182,542)	(442,453)	(309,268)	(934,263)	-
Proceeds from Sale of Capital Assets	-	7,000	-	7,000	116,003
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>(3,262,559)</u>	<u>6,797,027</u>	<u>(544,268)</u>	<u>2,990,200</u>	<u>(613,681)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest on Cash and Investments	13,237	(51,857)	24,551	(14,069)	17,829
<i>Net Cash Provided/(Used) by Investing Activities</i>	<u>13,237</u>	<u>(51,857)</u>	<u>24,551</u>	<u>(14,069)</u>	<u>17,829</u>
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	<u>(2,613,678)</u>	<u>8,304,714</u>	<u>622,487</u>	<u>6,313,523</u>	<u>637,883</u>
Cash and Cash Equivalents, October 1	5,570,758	4,055,484	8,518,597	18,144,839	6,446,196
Cash and Cash Equivalents, September 30	<u>\$ 2,957,080</u>	<u>\$ 12,360,198</u>	<u>\$ 9,141,084</u>	<u>\$ 24,458,362</u>	<u>\$ 7,084,079</u>
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:					
Operating Income/(Loss)	\$ (1,006,984)	\$ 301,980	\$ 1,109,836	\$ 404,832	\$ 230,674
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:					
Depreciation	1,704,734	1,254,276	-	2,959,010	990,353
Change in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivables	46,424	276,759	(9,278)	313,905	-
Increase/(Decrease) in Accounts Payable	(133,409)	(344,637)	41,646	(436,400)	12,708
Increase/(Decrease) in Customer Deposits	24,879	71,166	-	96,045	-
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>\$ 635,644</u>	<u>\$ 1,559,544</u>	<u>\$ 1,142,204</u>	<u>\$ 3,337,392</u>	<u>\$ 1,233,735</u>
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital Grants and Contributions	\$ 12,286,969	\$ -	\$ -	\$ 12,286,969	\$ -
Refunding Bonds Issued	2,145,000	-	-	2,145,000	-
Gain/(Loss) of Joint Venture	-	(60,545)	-	(60,545)	-
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	<u>\$ 14,431,969</u>	<u>\$ (60,545)</u>	<u>\$ -</u>	<u>\$ 14,371,424</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.



**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2014

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**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. 61 "The Financial Reporting Entity: Omnibus: an amendment of GASB Standards No. 14 and No. 34." As required by generally accepted accounting principles (GAAP), the Town's financial statements include all required activities relating to the Town and its operations. In accordance with the standards, the Town does not have component units requiring inclusion.

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.

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.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2014

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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, 2014

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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.

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.

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.

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.

Stormwater Fund - The Town's Stormwater Fund is financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. All operating, maintenance, and capital expenses are supported solely by the approved user fees.

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, 2014

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D. Assets, Liabilities, and Net Position 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, 2014 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, health insurance premiums, and postage.

4) Capital Assets

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

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2014

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- 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 decreased \$80,967 for a total liability of \$865,947.

6) Grants and Contributions

Included in capital grants and contributions in the government-wide financial statements is \$7,660,647 of capital contributions; all of which are related to improvements at the Addison Airport. Operating grants included \$19,093 of funding for general government initiatives. Additionally, the airport's fund financial statements include capital contributions of \$4,626,322 which were contributed directly from the Town's governmental activities via land purchased with proceeds from the 2013 GO Tax Exempt Series 2013 bonds and the 2013 GO Series 2013 AMT bonds. On the government-wide financial statements this transaction is presented as a transfer from governmental activities to business-type activities.

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 prepaid amounts or that are legally or contractually required to remain intact

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2014

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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 or that are imposed by law through constitutional provisions or enabling legislation

Committed – Amounts whose use is constrained by specific limitations that the Town imposes itself, as determined by a resolution by the Town Council, such as economic development funding

Assigned – Amounts intended to be used for specific purposes. Intent may be expressed by the governing body or by an official or body to which the governing body delegates the authority. The Town Council has delegated the CFO or his designee as the official authorized to assign fund balance for a specific purpose as approved by the fund balance policy.

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

Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on Council direction.

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

8) Minimum Fund Balance Policy

It is the desire of the City to maintain adequate General Fund fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 25 percent of budgeted expenditures.

9) Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**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.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2014

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- 4) The department level is the legal level of control enacted by the Town Charter. The Town has also adopted a budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer. Transfers between operating departments may occur with the approval of the City Manager and Chief Financial Officer provided a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors. Open encumbrances are reported as 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, Non-Property Tax revenue was increased \$1,350,000 due to higher than expected sales in the Town, resulting in higher collection of sales and mixed beverage taxes. Franchise fee revenue was increased \$28,641, as amounts received related to gas franchise fees exceeded the budgeted amount. Rental income was increased \$50,000 due to new leases agreements entered into during fiscal year 2014. Miscellaneous revenue and revenue associated with the sale of city property were increased \$25,000 each due to higher than anticipated activity in these accounts, while recycling revenue was decreased by \$5,000. The Finance budget was increased \$88,600 due to a finance review and implementation (\$66,000) and recruitment costs related to a new Assistant Finance Director (\$22,600). The Fire (\$5,468), Development Services (\$10,775), Parks (\$6,825), and Recreation (\$10,634) budgets were increased related to rebranding initiatives in fiscal year 2014. Hotel Fund occupancy revenue was increased \$50,000 for additional hotel occupancy tax, while special event revenue was decreased \$389,296 primarily related to a change in scope and nature of one of the Town's major events. The special events (\$30,303), conference centre (\$12,672), Visit Addison (\$2,735), and marketing (\$151,759) budgets were increased related to rebranding initiatives in fiscal year 2014. The Economic Development Fund budget was increased \$282,524 related to construction/remodeling of a new facility (\$174,465) and rent associated with the new facility (\$108,059).

*Excess of Expenditures over Appropriations* – For the year ended September 30, 2014, expenditures in the General Fund, Police expenditures exceeded appropriations by \$147,492 due to increased salaries and overtime associated with high department turnover and unanticipated legal expenditures. 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.

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2014

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**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 operating pool available for all funds. Each fund type's portion of this pool is reported on the Combined Balance Sheet as "Cash and Investments." The other demand accounts are reported in the same manner.

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

Cash

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies or instrumentalities that have a market value of not less than the principal amount of the deposits. The Town's deposits were fully insured or collateralized as required by the state statutes at September 30, 2014. Included in Cash and Investments is \$5,925 of petty cash. At year-end, the carrying amount of the Town's deposits was a debit balance of \$36,615,088. The respective bank balance totaled \$38,789,034. In addition, collateral with a market value of \$31,800,764 and an unused letters of credit in the amount of \$8,504,663 were 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 operating pool.

External Investment Pools

The Town's pool investments as of September 30, 2014 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.

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Investments

As of September 30, 2014, the Town held the following investments:

	<u>Fair Value</u>	<u>Average Maturity (Days)</u>
Agency Securities	\$ 31,060,000	371
Commercial Paper	11,485,269	194
Certificates of Deposit	33,621,426	379
<i>Total Investment in Securities</i>	<u>76,166,695</u>	<u>348</u>
TexStar	13,685,617	1
TexPool	4,608,710	1
<i>Total Investment in Pools</i>	<u>18,294,327</u>	<u>1</u>
<i>Total Investments</i>	<u>\$ 94,461,022</u>	281

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 carrying value of the Town's investments at September 30, 2014 was \$94,461,022, of which \$39,779,796 had maturities of less than one year at time of purchase.

*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.

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- (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)

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 meets 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 33%, Commercial Paper (30%) of which the Town's portfolio is currently at 13%, Certificates of Deposit (30%) of which the Town's portfolio is currently at 36%, and Local Government Investment Pools (40%) of which the Town's portfolio is currently at 20%.

**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, 2013, upon which the fiscal year 2014 levy is based, was \$3,490,007,698.

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, 2014 was \$.5717 per \$100, of which \$.3587 was allocated for general government and \$.2130 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, 2014 were 96.23% 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.

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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.

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 inflows of resources and recognized as they become available. Taxes collected prior to the levy date to which they apply are recorded as unearned 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, 2014 was \$112,761.

**C. Receivables**

As of September 30, 2014, receivables for the Town's individual major governmental funds, non-major governmental funds, and internal service funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	General	Hotel	Debt Service	Hotel Debt Service	Capital Projects	Non-Major Funds	Internal Service Funds	Total
Taxes:								
Ad Valorem	\$ 369,051	\$ -	\$ 227,284	\$ -	\$ -	\$ 15,489	\$ -	\$ 611,824
Non-Property	2,402,122	709,447	-	-	-	-	-	3,111,569
Franchise Fees	480,944	-	-	-	-	-	-	480,944
Service Fees	1,251,344	-	-	-	-	-	-	1,251,344
Ambulance	220,407	-	-	-	-	-	-	220,407
Interest	10,601	1,020	697	315	29,408	621	4,586	47,248
Other	1,000	210,768	-	-	-	227,351	-	439,119
Gross Receivables	\$ 4,735,469	\$ 921,235	\$ 227,981	\$ 315	\$ 29,408	\$ 243,461	\$ 4,586	\$ 6,162,455
Less: Allowance for Uncollectibles	443,944	-	46,031	-	-	1,172	-	491,147
Net Receivables	\$ 4,291,525	\$ 921,235	\$ 181,950	\$ 315	\$ 29,408	\$ 242,289	\$ 4,586	\$ 5,671,308

The allowance for uncollectible accounts represents reserves for ambulance (\$67,775), court warrants (\$310,611), and property taxes (\$112,761).

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**D. Capital Assets**

Capital Asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital Assets, not Depreciable:					
Land	\$ 66,233,100	\$ -	\$ -	\$ -	\$ 66,233,100
Construction in Progress	4,901,991	3,206,560	-	-	8,108,551
<i>Total Capital Assets, not Depreciable</i>	<u>71,135,091</u>	<u>3,206,560</u>	<u>-</u>	<u>-</u>	<u>74,341,651</u>
Capital Assets, Depreciable:					
Buildings	22,001,602	24,772	-	-	22,026,374
Improvements other than Buildings	164,669,708	554,968	-	-	165,224,676
Machinery and Equipment	16,634,616	814,992	(299,081)	-	17,150,527
<i>Total Capital Assets, Depreciable</i>	<u>203,305,926</u>	<u>1,394,732</u>	<u>(299,081)</u>	<u>-</u>	<u>204,401,577</u>
Less Accumulated Depreciation for:					
Buildings	(10,887,425)	(573,141)	-	-	(11,460,566)
Improvements other than Buildings	(82,266,674)	(5,695,059)	-	-	(87,961,733)
Machinery and Equipment	(12,585,444)	(1,207,555)	299,081	-	(13,493,918)
<i>Total Accumulated Depreciation</i>	<u>(105,739,543)</u>	<u>(7,475,755)</u>	<u>299,081</u>	<u>-</u>	<u>(112,916,217)</u>
<i>Total Capital Assets, Depreciable, net</i>	<u>97,566,383</u>	<u>(6,081,023)</u>	<u>-</u>	<u>-</u>	<u>91,485,360</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 168,701,474</u>	<u>\$ (2,874,463)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,827,011</u>
<b>Business-type Activities:</b>					
Capital Assets, not Depreciable:					
Land	\$ 12,319,116	\$ 4,626,321	\$ -	\$ -	\$ 16,945,437
Construction in Progress	8,973,626	8,456,317	(295,129)	(8,350,697)	8,784,117
<i>Total Capital Assets, not Depreciable</i>	<u>21,292,742</u>	<u>13,082,638</u>	<u>(295,129)</u>	<u>(8,350,697)</u>	<u>25,729,554</u>
Capital Assets, Depreciable:					
Buildings	9,687,275	19,595	-	-	9,706,870
Improvements other than Buildings	79,029,217	2,090,930	-	8,350,697	89,470,844
Machinery and Equipment	3,478,697	160,250	(21,168)	-	3,617,779
<i>Total Capital Assets, Depreciable</i>	<u>92,195,189</u>	<u>2,270,775</u>	<u>(21,168)</u>	<u>8,350,697</u>	<u>102,795,493</u>
Less Accumulated Depreciation for:					
Buildings	(1,837,008)	(193,942)	-	-	(2,030,950)
Improvements other than Buildings	(38,279,675)	(2,620,845)	-	-	(40,900,520)
Machinery and Equipment	(2,828,431)	(144,223)	21,168	-	(2,951,486)
<i>Total Accumulated Depreciation</i>	<u>(42,945,114)</u>	<u>(2,959,010)</u>	<u>21,168</u>	<u>-</u>	<u>(45,882,956)</u>
<i>Total Capital Assets, Depreciable, net</i>	<u>49,250,075</u>	<u>(688,235)</u>	<u>-</u>	<u>8,350,697</u>	<u>56,912,537</u>
<i>Business-type Activities Capital Assets, net</i>	<u>\$ 70,542,817</u>	<u>\$ 12,394,403</u>	<u>\$ (295,129)</u>	<u>\$ -</u>	<u>\$ 82,642,091</u>

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

	Governmental Activities	Business-type Activities
General Government	\$ 90,419	\$ -
Public Safety	167,255	-
Development Services	2,698	-
Streets	4,738,352	-
Parks and Recreation	749,814	-
Visitor Services	736,864	-
IT Replacement	321,296	-
Capital Replacement	669,057	-
Airport Fund	-	1,704,734
Utility Fund	-	1,254,276
	<u>\$ 7,475,755</u>	<u>\$ 2,959,010</u>

The following tabulation presents the estimated significant commitment under unfinished capital construction and equipment contracts that are fully funded as of September 30, 2014:

Project	Estimated Commitments	Less Expenditures to Date	Total Commitment Remaining
<u>Governmental Activities</u>			
Belt Line Road Underground Utilities	\$ 20,830,000	\$ 2,323,294	\$ 18,506,706
Pedestrian Connectivity Improvements	3,500,000	547,622	2,952,378
Vitruvian Public Infrastructure	10,021,107	1,167,382	8,853,725
Public Safety Radio Replacement	3,000,000	1,820,907	1,179,093
Addison Road Rehabilitation	2,274,473	21,677	2,252,796
Midway Road Design	1,000,000	35,816	964,184
	<u>\$ 40,625,580</u>	<u>\$ 5,916,698</u>	<u>\$ 34,708,882</u>
<u>Business-type Activities</u>			
Engineered Materials Arresting System (EMAS)	4,000,000	3,492,226	507,774
Water Storage Facility	3,531,189	344,622	3,186,567
Mary Kay/Keller Springs Basin Improvements	1,700,000	76,311	1,623,689
	<u>\$ 9,231,189</u>	<u>\$ 3,913,159</u>	<u>\$ 5,318,030</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

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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 \$7,064,475, net of related debt, is included in Unrestricted Net Position. 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.

**F. Joint Venture and Shared Radio System**

The North Texas Emergency Communications Center, Inc. (NTECC) is a joint venture between the Town of Addison, City of Carrollton, City of Coppell, and City of Farmers Branch (the "Cities") formed during fiscal year 2014 to establish and operate a joint public safety dispatch center. The affairs of the NTECC are managed by a four-person board of directors representing each of the four participating Cities.

The Cities are responsible for funding capital and operating costs of the NTECC in the proportions stated in the inter-local agreement. The Town financed its portion of construction funds with proceeds from Combination Tax and Revenue Certificates of Obligation, Series 2012. The Town of Addison's equity interest in the NTECC is \$307,800 at September 30, 2014 and is reported as investment in joint venture in the governmental activities on the government-wide Statement of Net Position. Financial statements for the NTECC will not be available until after the start of operations in 2015.

Additionally, the Cities have entered into an inter-local agreement to jointly procure a public safety radio system. While this agreement did not include the formation of a separate legal joint venture entity, it is possible that this system may be consolidated into the NTECC in the future. The Town has financed its portion of construction funds with proceeds from Combination Tax and Revenue Certificates of Obligation, Series 2012. The Cities are responsible for funding a portion of the radio system in the proportions stated in the inter-local agreement. The Town of Addison's portion of the system costs at September 30, 2014 of \$1,820,907 is capitalized as construction in progress in the governmental activities on the government-wide Statement of Net Position.

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G. Long-Term Debt

The long-term debt of the Town consisted of the following as of September 30, 2014:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b>General Obligation Refunding and Improvement Bonds</b>		
<b>Series of 2005</b>		
<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>		
	\$ 960,000	\$ -
<p>Ratings: Moody's "Aa1"; Standard &amp; Poor's "AAA"; AMBAC Insured</p>		
<b>Combination Tax and Revenue Certificates of Obligation</b>		
<b>Series of 2008</b>		
<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>		
	24,027,000	7,438,000
<p>Ratings: Moody's "Aa1"; Standard &amp; Poor's "AAA"</p>		

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	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b>General Obligation Refunding Bonds Series of 2011</b>		
<p>A series of 1,778 bonds at \$5,000 each dated October 25, 2011. The bonds were issued to refund a portion of the Town's outstanding General Obligation Refunding Bonds, Series 2001, General Obligation Refund and Improvement Bonds, Series 2002 and Combination Tax and Revenue Certificates of Obligation, Series 2003; for interest savings, and costs of issuance associated with the sale of the bonds. The bonds mature serially through 2033 with interest rates ranging from 2.0% to 3.0%. The bonds are not callable. Bonds and interest are payable from a combination of Ad Valorem taxes and hotel occupancy taxes.</p> <p>Ratings: Moody's "Aa1"; Standard &amp; Poor's "AAA"</p>	6,255,000	-
<b>Combination Tax and Revenue Certificates of Obligation Series of 2012</b>		
<p>A series of 2,967 bonds at \$5,000 each dated August 15, 2012. The bonds were issued for the purpose of (i) acquiring and installing radio and telecommunication equipment for Town public safety operations, (ii) designing, acquiring, improving, constructing, and renovating water, wastewater and street infrastructure improvements, including drainage infrastructure, within the Vitruvian Park area of the Town; and (iii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the certificates. The bonds mature serially through 2032 with interest rates ranging from 1.5% to 4%. The bonds are callable at par value plus accrued interest on or after February 15, 2022 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 &amp; Poor's "AAA"</p>	14,635,000	-

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	<b>Governmental Activities</b>	<b>Business-type Activities</b>
<b>General Obligation Refunding and Improvement Bonds Series of 2012</b>		
<p>A series of 4,518 bonds at \$5,000 each dated August 15, 2012. The bonds were issued to fund various public improvement projects up to \$19,830,000 to include construction, engineering, and other professional service; refund the Town's outstanding General Obligation Bonds, Series 2004, and General Obligation Refunding and Improvement Bonds, Series 2005; and pay the costs of issuance associated with the sale of the bonds. The bonds mature serially through 2032 with interest rates ranging from 2% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2022 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 &amp; Poor's "AAA"; AMBAC Insured</p>	22,215,000	-
<b>General Obligation Bonds, Tax-Exempt Series of 2013</b>		
<p>A series of 933 bonds at \$5,000 each dated July 15, 2013. The bonds will be used to provide funds to (i) engineer, construct, improve, repairing, develop, extend and expand streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, included related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting and the acquisition of land therefore; (ii) acquire and improve of land and interest in land to provide improvements, additions and access to the Addison Municipal Airport, and (iii) pay the costs of issuing the Tax-Exempt Bonds.</p> <p>Ratings: Moody's "Aa1"; Standard &amp; Poor's "AAA"</p>	4,525,000	-
<b>General Obligation Bonds Series 2013A (AMT)</b>		
<p>A series of 375 bonds at \$5,000 each dated July 15, 2013. The bonds will be used to provide funds to: (i) acquire and improve of land and interests in land to provide improvements, additions and access to the Addison Municipal Airport, and (ii) pay the costs of issuing the AMT bonds.</p> <p>Ratings: Moody's "Aa1"; Standard &amp; Poor's "AAA"</p>	1,815,000	-

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	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b>General Obligation Bonds</b>		
<b>Taxable Series 2013B</b>		
A series of 250 bonds at \$5,000 each dated July 15, 2013. The bonds, together with other available Town funds, will be used to provide funds to: (i) acquire and improve of land and interests in land to provide improvements, additions and access to the Addison Municipal Airport, and (ii) pay the costs of issuing the Taxable Bonds.		
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	1,215,000	-
<b>Combination Tax and Revenue Certificates of Obligation</b>		
<b>Series 2013</b>		
A series of 2,037 bonds at \$5,000 each dated July 15, 2013. The Certificates will be used for (i) (a) designing, acquiring, improving, constructing and renovating facilities and infrastructure at the Addison Municipal Airport and the acquisition and improvement of land and interests in land to provide improvements, additions and access to the airport, (b) designing, acquiring, improving, constructing, and renovating City drainage and stormwater infrastructure and facilities ((a) and (b) together, the "Project") and (ii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates.	-	9,855,000
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		
<b>General Obligation Bonds, Tax-Exempt</b>		
<b>Series 2014</b>		
A series of 2,400 bonds at \$5,000 each dated February 15, 2014. The bonds will be used to provide funds for: (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting, and the acquisition of land therefor; relocating utilities currently located in or adjacent to the Belt Line Road right-of-way and acquiring, constructing, and developing Belt Line Road roadway and streetscape improvements and the acquisition of land therefor; and (iii) for the payment of the costs of issuing the Tax-Exempt Bonds.		
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	12,000,000	-

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	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<b>Certificates of Obligation Series 2014</b>		
A series of 1,513 bonds at \$5,000 each dated February 15, 2014. The Certificates will be used for (i) designing, constructing, installing, acquiring and equipping additions, extensions and improvements to the Town's water and wastewater system, and the acquisition of land and interests in land for such projects, (the "Project") and (ii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates.	-	7,565,000
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		
<b>General Obligation Refunding Bonds Series 2014 (AMT)</b>		
A series of 429 bonds at \$5,000 each dated February 15, 2014. The bonds will be used to: (i) refund a portion of the Town's outstanding Combination Tax and Revenue Certificates of Obligation, Series 2004 for debt service savings, and (ii) to pay the costs of issuing the AMT Bonds.	-	2,145,000
Ratings: Moody's "Aa1"; Standard & Poor's "AAA"		
<b>TOTAL LONG-TERM DEBT OUTSTANDING</b>	<u>\$ 87,647,000</u>	<u>\$ 27,003,000</u>

**Town of Addison, Texas**  
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**NOTES TO FINANCIAL STATEMENTS**  
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Changes in Long-Term Liabilities

A summary of long-term liability activity for the year ended September 30, 2014 was as follows (in thousands of dollars):

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 41,035	\$ 12,000	\$ (4,050)	\$ 48,985	\$ 4,405
Premium on General Obligation Bonds	4,119	97	(278)	3,938	280
Discount on General Obligation Bonds	(58)	-	2	(56)	(2)
Certificates of Obligation	39,698	-	(1,036)	38,662	1,068
Premium on Certificates of Obligation	21	-	(1)	20	1
Discount on Certificates of Obligation	(108)	-	5	(103)	(5)
Compensated Absences	882	821	(882)	821	80
Net OPEB Obligation	415	189	(175)	429	-
<b>Long-Term Liabilities – Governmental Activities</b>	<b>\$ 86,004</b>	<b>\$ 13,107</b>	<b>\$ (6,415)</b>	<b>\$ 92,696</b>	<b>\$ 5,827</b>
<b>Business-type Activities:</b>					
General Obligation Refunding Bonds	\$ -	\$ 2,145	\$ -	\$ 2,145	\$ 340
<i>(Payable from levy of Ad Valorem tax)</i>					
Combination Tax and Revenue Certificates of Obligation	5,305	-	(2,490)	2,815	105
<i>(Payable from levy of Ad Valorem tax)</i>					
Premium on Combination Tax and Revenue C.O.	129	-	(7)	122	7
Combination Tax and Revenue Certificates of Obligation	7,697	7,565	(259)	15,003	382
<i>(Payable from utility system revenues)</i>					
Premium on Combination Tax and Revenue C.O.	5	34	(1)	38	2
Combination Tax and Revenue Certificates of Obligation	7,275	-	(235)	7,040	265
<i>(Payable from storm water system revenues)</i>					
Premium on Combination Tax and Revenue C.O.	321	-	(17)	304	17
Compensated Absences	65	45	(65)	45	7
<b>Long-Term Liabilities – Business-type Activities</b>	<b>\$ 20,797</b>	<b>\$ 9,789</b>	<b>\$ (3,074)</b>	<b>\$ 27,512</b>	<b>\$ 1,125</b>

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 \$1,020,159 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, 2014.

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

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

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
General Obligation Bonds:				
2015	\$ 4,405,000	\$ 1,981,476	\$ 340,000	\$ 26,300
2016	4,210,000	1,650,208	345,000	22,875
2017	3,980,000	1,527,720	350,000	19,400
2018-2022	11,085,000	6,177,591	1,110,000	29,575
2023-2027	10,185,000	4,184,369	-	-
2028-2032	12,785,000	1,721,492	-	-
2033-2037	2,335,000	79,751	-	-
	<u>\$ 48,985,000</u>	<u>\$ 17,322,607</u>	<u>\$ 2,145,000</u>	<u>\$ 98,150</u>
Certificates of Obligation:				
2015	\$ 1,068,152	\$ 1,474,026	\$ 751,848	\$ 1,057,500
2016	1,590,150	1,431,135	929,850	924,197
2017	1,638,331	1,376,949	961,669	900,708
2018-2022	9,144,721	6,013,197	5,370,279	4,063,290
2023-2027	11,165,309	4,071,214	6,674,691	2,894,039
2028-2032	9,637,300	1,872,690	7,857,700	1,338,939
2033-2037	4,418,037	281,642	2,311,963	71,167
	<u>\$ 38,662,000</u>	<u>\$ 16,520,853</u>	<u>\$ 24,858,000</u>	<u>\$ 11,249,840</u>

H. 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, 2014.

2014	2015	2016	2017	Thereafter	Total
<u>\$260,000</u>	<u>\$260,000</u>	<u>\$260,000</u>	<u>\$220,000</u>	<u>\$35,000</u>	<u>\$1,035,000</u>

I. Interfund Receivables, Payables, and Transfers

A summary of inter-fund receivables and payables at September 30, 2014 is as follows:

Inter-fund Payables:	Inter-fund Receivables:	
	General Fund	
Reimbursement Grant Fund	\$224,236	Loan for grant expenditures, reimbursement expected in subsequent year
Hotel Fund	293,000	Loan for HVAC system, reimbursement expected in subsequent year
Total	<u>\$517,236</u>	

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Transfers between funds during the year ended September 30, 2014 were comprised of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose of Transfer</u>
Hotel Fund	-	570,000	For payment of debt service
Hotel Debt Service Fund	570,000	-	For payment of debt service
<i>Total Transfers</i>	<u>\$ 570,000</u>	<u>\$ 570,000</u>	

**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 2014, 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 four 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 858 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, 2013 valuations are contained in the 2013 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. The report is also available on the System's web site at: <http://www.tmrs.org/publications.php>

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

**NOTES TO FINANCIAL STATEMENTS**  
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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 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 2013 is 10.09%, and the rate for 2014 is 9.93%. 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, 2013 valuation is effective for rates beginning January 2015).

Annual Pension Cost and Net Pension Obligation

The Town’s annual pension cost of \$1,804,359 was equal to the required contribution. As reflected in the schedule, the Town satisfied its requirements for all three years; therefore there is no net pension obligation. The analysis of funding progress, included as required supplementary information following the notes to the financial statements, presents multiyear trend information about the actuarial value of plan assets in relation to the actuarial accrued liability for benefits.

	Fiscal Year Ending September 30		
	2012	2013	2014
Annual Pension Cost	\$ 1,934,462	\$ 1,763,244	\$ 1,804,359
Contributions Made	1,934,462	1,763,244	1,804,359
Net Pension Obligation (NPO) at End of Year	\$ -	\$ -	\$ -
Contributions as a % of Annual Pension Cost	100%	100%	100%

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Funding Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was 96.7% funded. The actuarial accrued liability for benefits was \$104,736,637, and the actuarial value of assets was \$101,291,340, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,445,297. The covered payroll (annual payroll of active employees covered by the plan as of the valuation date) was \$16,603,192, and the ratio of the UAAL to the covered payroll was 20.8%.

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. However, in October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

The 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 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 has approved annuity increases every calendar year since that decision.

	2011	2012	2013
Actuarial Assumptions:			
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	13.5 Yrs -Closed	3.0 Yrs -Closed	11.9 Yrs -Closed
Asset Valuation Method	10-Year Smoothed Market	10-Year Smoothed Market	10-Year Smoothed Market
Investment Rate of Return	7.00%	7.00%	7.00%
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%	0%

**NOTES TO FINANCIAL STATEMENTS**  
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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 2014 contribute \$378 to \$1,966 per month depending on coverage levels selected. In fiscal year 2014, total retiree contributions were \$132,476.

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 2014.

Annual Required Contribution	\$ 187,722
Interest on OPEB Obligation	21,645
Adjustment to ARC	<u>(20,054)</u>
Annual OPEB Cost (Expense)	189,313
Contributions Made	<u>(175,107)</u>
Change in OPEB Obligation	14,206
Net OPEB Obligation (Asset) – Beginning of Year	<u>414,784</u>
Net OPEB Obligation (Asset) – End of Year	<u><u>\$ 428,990</u></u>

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

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**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2014

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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, 2014 and the preceding two fiscal years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Costs</u>	<u>Actual Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 182,900	\$ 148,348	81.1%	\$ 386,542
2013	183,625	155,383	84.6%	414,784
2014	189,313	175,107	92.5%	428,990

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$2,003,539, none of which is funded. The covered payroll (annual payroll of active employees covered by the plan) was \$16,603,192, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.1%. Of the total actuarial accrued liability, \$1,375,282 or 69% 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 \$394.83. The estimate for a male employee or retiree who is 60 years old is \$1,387.03. 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.

In the December 31, 2012 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 7.5%, reduced by decrements to an ultimate rate of

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

**NOTES TO FINANCIAL STATEMENTS**  
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4.5% after 9 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, 2012 was 30 years.

**C. Contingencies**

The Town is party to various legal actions arising in the ordinary course of business, none of which is believed by the Town’s management to have a material impact on the financial condition of the Town. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

**D. Keller Springs Tollway**

In 1999, the North Texas Tollway Authority (the 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. Restatement of Beginning Net Position**

As a result of the implementation of GASB No. 65, Items Previously Reported as Assets and Liabilities, the Town restated the ending fiscal year 2012 net position of the airport fund, utility fund, and governmental activities. Additionally, in this report the Town restated all statements, comparative statements, and schedules that contain information related to fiscal year 2013 so that the financial statement presentation illustrates the Town’s net position consistently throughout the document. All restatements are related to issuance costs associated with long-term debt which were previously presented as an asset and amortized over the life of the debt. Under GASB 65 debt issuance costs, except the portion related to prepaid insurance, are expensed in the period in which they are incurred. The table below illustrates the effect of GASB 65 on the Town’s net position for fiscal years 2012 and 2013.

	Governmental Activities	Airport Fund	Utility Fund	Stormwater Fund
Net Position, at September 30, 2012, as previously reported	\$ 155,059,394	\$ 29,548,220	\$ 34,411,230	\$ -
GASB 65 Restatement	(650,350)	(20,922)	(103,658)	-
Net Position at September 30, 2012, as Restated	154,409,044	29,527,298	34,307,572	-
Fiscal Year 2013 Change in Net Position	(1,907,851)	8,601,014	1,235,308	1,170,759
Net Position at September 30, 2013	152,501,193	38,128,312	35,542,880	1,170,759
GASB 65 Restatement	(138,237)	(34,876)	85,586	(94,414)
Net Position at September 30, 2013, as Restated	<u>\$ 152,362,956</u>	<u>\$ 38,093,436</u>	<u>\$ 35,628,466</u>	<u>\$ 1,076,345</u>

**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2014

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F. New Accounting Pronouncements

The GASB has issued the following statements which became effective for fiscal year 2014.

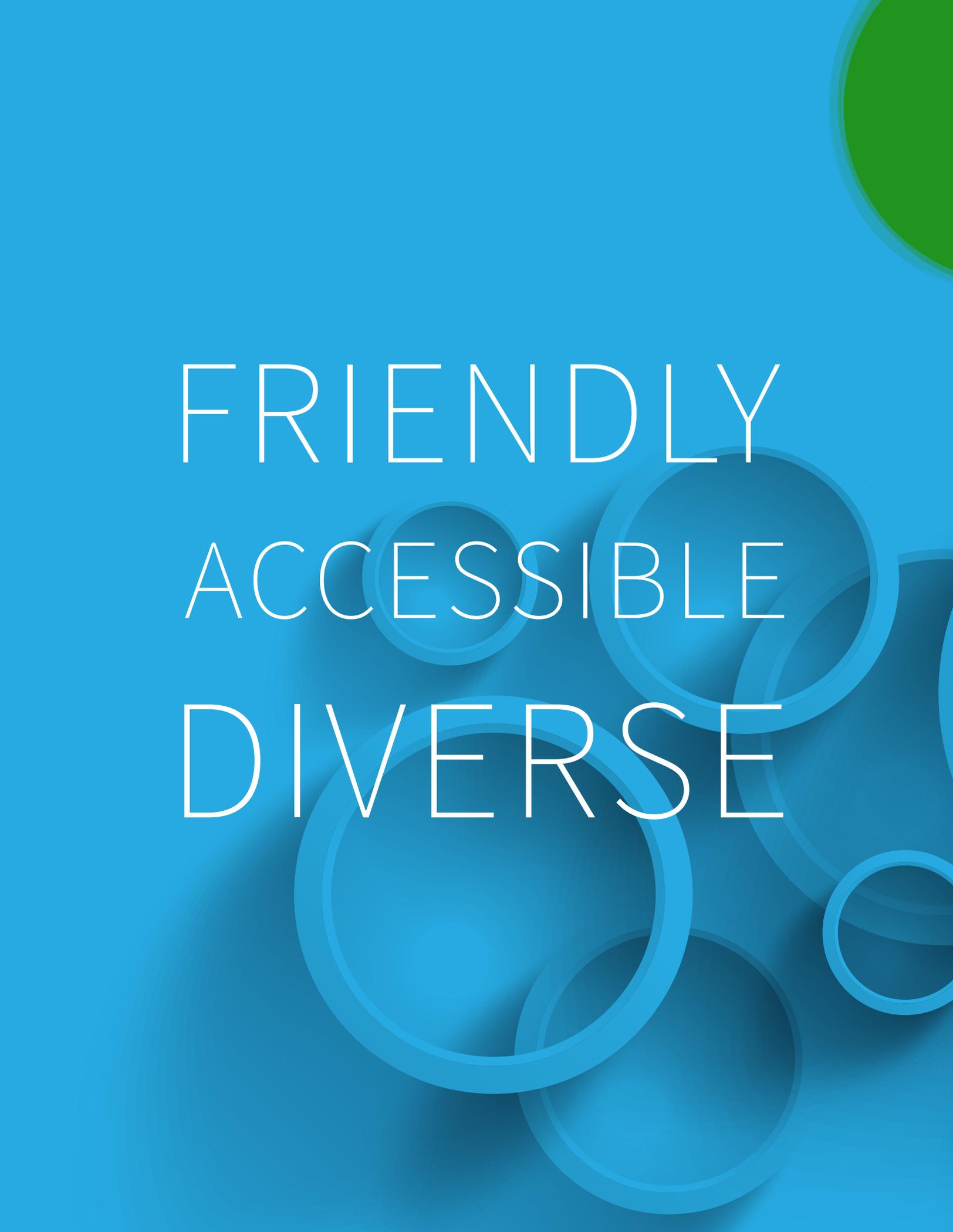
Statement No. 65, Items Previously Reported as Assets and Liabilities (effective for periods beginning after December 15, 2012) - The Statement reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows or inflows of resources, and recognizes these items as outflows or inflows of resources. This statement applies to all state and local governmental entities. The Town has evaluated the impact of the standard on its financial statements and has implemented it in the fiscal year 2014 report. Refer to the Other Information, Note E section of the notes to the financial statements for details regarding the cumulative effect of this pronouncement.

The GASB has issued the following statements which will become effective in future years.

Statement No. 68, Accounting and Financial Reporting for Pensions (effective for periods beginning after June 15, 2014) - The objective of this Statement is to improve accounting and financial reporting of state and local governmental pension plans. This Statement applies to all state-and governmental entities and replaces Statements 27 and 50. The Town will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

Statement No. 69, Government Combinations and Disposals of Government Operation (effective for periods beginning after December 15, 2013) – The objective of this Statement is to establish accounting and financial reporting standards for mergers, acquisitions, and transfers of operations. The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The Town will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees (effective for periods beginning after June 15, 2013) – This Statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under a specified condition. This issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state or local government extends or receives a nonexchange financial guarantee. The Town will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.



FRIENDLY

ACCESSIBLE

DIVERSE



## Required Supplementary Information



**Town of Addison, Texas**  
**Required Supplementary Information**

**REQUIRED SUPPLEMENTARY INFORMATION**  
Texas Municipal Retirement System  
Analysis of Funding Progress (Unaudited)  
September 30, 2014

	(1)	(2)	(3) = (1)/(2)	(4) = (2) - (1)	(5)	(6) = (4)/(5)			
Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded	Unfunded Actuarial Accrued Liability (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Contributions	Actual Contributions
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
2012	12/31/11	89,359,781	90,615,578	98.61%	1,255,797	15,787,262	7.95%	1,934,462	1,934,462
2013	12/31/12	94,883,851	94,730,798	100.16%	(153,053)	15,598,079	-0.98%	1,763,244	1,763,244
2014	12/31/13	101,291,340	104,736,637	96.71%	3,445,297	16,603,192	20.75%	1,804,359	1,804,359 *

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 2008-2013. This information can be referred to in separately issued financial reports of the pension fund.

\* For fiscal year 2014, the Town has presented information based on new actuarial methods used by TMRS. 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, 2013.

**Town of Addison, Texas**  
**Required Supplementary Information**

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**REQUIRED SUPPLEMENTARY INFORMATION**  
 Retiree Health Plan  
 Analysis of Funding Progress (Unaudited)  
 September 30, 2014

		(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%
2013	12/31/12	-	2,003,539	0.00%	2,003,539	15,598,079	12.84%

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



ENTERTAINING  
AUTHENTIC  
SPIRITED



# Major Governmental Funds



## 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.

**Town of Addison, Texas**  
**Major Governmental Funds - General Fund**

**General Fund**  
**Comparative Balance Sheet**  
**September 30, 2014 and 2013**

	2014	2013
<b>ASSETS:</b>		
Cash and Investments	\$ 16,177,869	\$ 13,438,176
Receivables:		
Ad Valorem Taxes, Including Interest and Penalties	303,493	200,458
Non-Property Taxes	2,402,122	2,586,467
Franchise Fees	480,944	510,028
Service Fees	940,733	1,070,855
Ambulance	152,632	197,428
Interest	10,601	9,725
Other	1,000	7,899
Interfund	517,236	818,715
Prepaid Items	272,713	291,424
Inventories, at Cost	66,933	44,486
<i>Total Assets</i>	\$ 21,326,276	\$ 19,175,661
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 2,242,168	\$ 1,921,673
Intergovernmental Payable	1,779	14,985
Customer Deposits	13,830	12,895
Total Liabilities	2,257,777	1,949,553
Deferred Inflows of Resources:		
Unavailable Resources	2,938,403	3,246,710
Total Deferred Inflows	2,938,403	3,246,710
Fund Balances:		
Nonspendable:		
Inventories	66,933	44,486
Prepaid Items	272,713	291,424
Fund Balances Unreserved:		
Unassigned	15,790,450	13,643,488
Total Fund Balance	16,130,096	13,979,398
<i>Total Liabilities and Fund Balance</i>	\$ 21,326,276	\$ 19,175,661

Town of Addison, Texas  
Major Governmental Funds - General Fund

**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Ad Valorem Taxes	\$ 11,624,270	\$ 11,624,270	\$ 11,318,306	\$ (305,964)	\$ 10,480,308
Non-Property Taxes	13,035,000	14,385,000	14,435,547	50,547	13,029,712
Franchise Fees	2,627,000	2,655,641	2,818,869	163,228	2,695,073
Licenses and Permits	740,000	740,000	901,645	161,645	886,423
Service Fees	1,443,500	1,443,500	1,485,206	41,706	1,469,715
Fines and Forfeitures	1,000,000	1,000,000	877,776	(122,224)	959,684
Earnings on Investments	10,000	10,000	5,933	(4,067)	3,790
Rental Charges	170,000	220,000	260,000	40,000	243,958
Recycling Proceeds	24,000	19,000	13,295	(5,705)	25,539
Other	25,000	75,000	109,687	34,687	35,715
<i>Total Revenues</i>	<u>30,698,770</u>	<u>32,172,411</u>	<u>32,226,264</u>	<u>53,853</u>	<u>29,829,917</u>
<b>EXPENDITURES:</b>					
General Government	7,469,230	7,557,830	6,639,762	918,068	6,347,191
Public Safety	16,098,487	16,103,955	15,871,423	232,532	14,878,938
Development Services	1,019,372	1,030,147	962,584	67,563	927,684
Streets	1,836,671	1,808,671	1,727,403	81,268	1,750,500
Parks and Recreation	5,053,679	5,071,138	4,874,394	196,744	4,316,689
<i>Total Expenditures</i>	<u>31,477,439</u>	<u>31,571,741</u>	<u>30,075,566</u>	<u>1,496,175</u>	<u>28,221,002</u>
Excess/(Deficiency) of Revenues over Expenditures	(778,669)	600,670	2,150,698	1,550,028	1,608,915
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfers In	-	-	-	-	2,960
Transfers Out	-	-	-	-	(5,541)
<i>Total Other Financing Sources/(Uses):</i>	-	-	-	-	(2,581)
Net Change in Fund Balance	(778,669)	600,670	2,150,698	1,550,028	1,606,334
Fund Balances at Beginning of Year	<u>13,979,398</u>	<u>13,979,398</u>	<u>13,979,398</u>	<u>-</u>	<u>12,373,064</u>
Fund Balances at End of Year	<u>\$ 13,200,729</u>	<u>\$ 14,580,068</u>	<u>\$ 16,130,096</u>	<u>\$ 1,550,028</u>	<u>\$ 13,979,398</u>

**Town of Addison, Texas**  
**Major Governmental Funds - General Fund**

**General Fund**  
**Schedule of Revenues - Budget and Actual**  
**Year Ended September 30, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>Taxes:</b>					
Ad Valorem Taxes:					
Current	\$ 11,603,710	\$ 11,603,710	\$ 11,300,197	\$ (303,513)	\$ 10,424,833
Delinquent	5,880	5,880	(5,965)	(11,845)	18,555
Penalties and Interest	14,680	14,680	24,074	9,394	36,920
Total Ad Valorem	<u>11,624,270</u>	<u>11,624,270</u>	<u>11,318,306</u>	<u>(305,964)</u>	<u>10,480,308</u>
Non-Property Taxes:					
Sales Tax	12,250,000	13,500,000	13,440,938	(59,062)	12,217,439
Alcoholic Beverage Tax	785,000	885,000	994,609	109,609	812,273
Total Non-Property Taxes	<u>13,035,000</u>	<u>14,385,000</u>	<u>14,435,547</u>	<u>50,547</u>	<u>13,029,712</u>
Total Taxes	<u>24,659,270</u>	<u>26,009,270</u>	<u>25,753,853</u>	<u>(255,417)</u>	<u>23,510,020</u>
<b>Franchise Fees:</b>					
Electric Franchise	1,500,000	1,500,000	1,581,713	81,713	1,523,021
Gas Franchise	175,000	203,641	203,641	-	171,849
Telephone Franchise	665,000	665,000	659,906	(5,094)	656,512
Cable Franchise	280,000	280,000	363,609	83,609	337,341
Street Rental Franchise	7,000	7,000	10,000	3,000	6,350
Total Franchise Fees	<u>2,627,000</u>	<u>2,655,641</u>	<u>2,818,869</u>	<u>163,228</u>	<u>2,695,073</u>
<b>Licenses and Permits:</b>					
Business Licenses and Permits	180,000	180,000	166,188	(13,812)	243,016
Building and Construction Permits	560,000	560,000	735,457	175,457	643,407
Total Licenses and Permits	<u>740,000</u>	<u>740,000</u>	<u>901,645</u>	<u>161,645</u>	<u>886,423</u>
<b>Service Fees:</b>					
General Government	500	500	1,203	703	401
Public Safety	765,000	765,000	768,951	3,951	767,869
Urban Development	3,000	3,000	3,250	250	2,485
Streets and Sanitation	378,400	378,400	388,759	10,359	384,303
Recreation	66,600	66,600	89,013	22,413	89,327
Interfund	230,000	230,000	234,030	4,030	225,330
Total Service Fees	<u>1,443,500</u>	<u>1,443,500</u>	<u>1,485,206</u>	<u>41,706</u>	<u>1,469,715</u>
<b>Fines and Forfeitures</b>	1,000,000	1,000,000	877,776	(122,224)	959,684
<b>Earnings on Investments</b>	10,000	10,000	5,933	(4,067)	3,790
<b>Rental Charges</b>	170,000	220,000	260,000	40,000	243,958
<b>Recycling Proceeds</b>	24,000	19,000	13,295	(5,705)	25,539
<b>Other</b>	<u>25,000</u>	<u>75,000</u>	<u>109,687</u>	<u>34,687</u>	<u>35,715</u>
<i>Total Revenues</i>	<u>\$ 30,698,770</u>	<u>\$ 32,172,411</u>	<u>\$ 32,226,264</u>	<u>\$ 53,853</u>	<u>\$ 29,829,917</u>

**Town of Addison, Texas**  
**Major Governmental Funds - General Fund**

**General Fund**  
**Schedule of Expenditures - Budget and Actual**  
**Year Ended September 30, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>General Government:</b>					
City Manager's Office:					
Salaries and Fringe Benefits	\$ 813,145	\$ 813,145	\$ 847,061	\$ (33,916)	\$ 767,520
Supplies	26,000	26,000	29,085	(3,085)	34,980
Maintenance and Materials	61,780	61,780	50,570	11,210	40,400
Contractual Services	208,150	208,150	111,223	96,927	359,256
Capital Replacement	42,000	42,000	44,320	(2,320)	19,860
<i>Total City Manager's Office</i>	<u>1,151,075</u>	<u>1,151,075</u>	<u>1,082,259</u>	<u>68,816</u>	<u>1,222,016</u>
Financial and Strategic Services:					
Salaries and Fringe Benefits	529,987	529,987	435,788	94,199	411,426
Supplies	56,930	56,930	27,197	29,733	62,535
Maintenance and Materials	28,680	28,680	64,986	(36,306)	68,979
Contractual Services	273,448	362,048	322,707	39,341	271,010
Capital Replacement	54,730	54,730	54,730	-	23,510
<i>Total Financial and Strategic Services</i>	<u>943,775</u>	<u>1,032,375</u>	<u>905,409</u>	<u>126,966</u>	<u>837,460</u>
General Services:					
Salaries and Fringe Benefits	443,002	443,002	417,447	25,555	352,383
Supplies	31,100	31,100	24,400	6,700	22,241
Maintenance and Materials	73,700	73,700	73,562	138	88,887
Contractual Services	88,660	88,660	85,513	3,147	217,927
Capital Replacement	50,480	50,480	50,480	-	44,520
Capital Outlay	60,000	60,000	45,566	14,434	37,001
<i>Total General Services</i>	<u>746,942</u>	<u>746,942</u>	<u>696,969</u>	<u>49,973</u>	<u>762,959</u>
Municipal Court:					
Salaries and Fringe Benefits	459,389	459,389	416,091	43,298	387,563
Supplies	22,470	22,470	13,437	9,033	14,232
Maintenance and Materials	2,500	2,500	9,799	(7,299)	34
Contractual Services	54,900	54,900	31,900	23,000	34,141
Capital Replacement	28,060	28,060	28,060	-	16,170
<i>Total Municipal Court</i>	<u>567,319</u>	<u>567,319</u>	<u>499,287</u>	<u>68,032</u>	<u>452,140</u>
Human Resources:					
Salaries and Fringe Benefits	392,887	392,887	351,172	41,715	338,313
Supplies	13,750	13,750	13,398	352	14,402
Maintenance and Materials	740	740	373	367	260
Contractual Services	186,800	186,800	162,905	23,895	93,130
Capital Replacement	28,060	28,060	28,060	-	12,770
<i>Total Human Resources</i>	<u>622,237</u>	<u>622,237</u>	<u>555,909</u>	<u>66,328</u>	<u>458,875</u>

**Town of Addison, Texas**  
**Major Governmental Funds - General Fund**

<b>General Fund</b>					
<b>Schedule of Expenditures - Budget and Actual</b>					
<b>Year Ended September 30, 2014</b>					
<b>With Comparative Actual Totals for 2013</b>					
	2014				2013
	Budget		Actual GAAP	Variance with Final Budget	Actual GAAP
	Original	Final	Basis	Positive (Negative)	Basis
<b>Information Technology:</b>					
Salaries and Fringe Benefits	899,726	899,726	791,654	108,072	818,570
Supplies	58,980	58,980	26,597	32,383	32,753
Maintenance and Materials	815,408	815,408	564,149	251,259	452,461
Contractual Services	154,830	154,830	106,766	48,064	158,769
Capital Replacement	34,120	34,120	34,120	-	20,320
<b>Total Information Technology</b>	<b>1,963,064</b>	<b>1,963,064</b>	<b>1,523,285</b>	<b>439,779</b>	<b>1,482,873</b>
<b>Combined Services:</b>					
Salaries and Fringe Benefits	69,470	69,470	50,058	19,412	79,232
Supplies	98,000	98,000	42,491	55,509	55,919
Contractual Services	737,290	737,290	747,018	(9,728)	573,770
<b>Total Combined Services</b>	<b>904,760</b>	<b>904,760</b>	<b>839,567</b>	<b>65,193</b>	<b>708,921</b>
<b>City Council Special Projects:</b>					
Salaries and Fringe Benefits	34,418	34,418	37,479	(3,061)	27,143
Supplies	16,500	16,500	26,171	(9,671)	27,833
Maintenance and Materials	-	-	-	-	3,178
Contractual Services	515,500	515,500	469,787	45,713	360,793
Capital Replacement	3,640	3,640	3,640	-	3,000
<b>Total City Council Special Projects</b>	<b>570,058</b>	<b>570,058</b>	<b>537,077</b>	<b>32,981</b>	<b>421,947</b>
<b>Total General Government</b>	<b>7,469,230</b>	<b>7,557,830</b>	<b>6,639,762</b>	<b>918,068</b>	<b>6,347,191</b>
<b>Public Safety:</b>					
<b>Police:</b>					
Salaries and Fringe Benefits	6,548,614	6,548,614	6,601,063	(52,449)	6,216,721
Supplies	372,608	403,408	394,447	8,961	350,688
Maintenance and Materials	211,422	211,422	203,042	8,380	251,828
Contractual Services	433,570	402,770	535,154	(132,384)	380,161
Capital Replacement	440,800	440,800	440,800	-	561,830
Capital Outlay	20,000	20,000	-	20,000	9,235
<b>Total Police</b>	<b>8,027,014</b>	<b>8,027,014</b>	<b>8,174,506</b>	<b>(147,492)</b>	<b>7,770,463</b>
<b>Emergency Communications:</b>					
Salaries and Fringe Benefits	959,488	959,488	895,348	64,140	818,846
Supplies	15,000	15,000	4,970	10,030	5,293
Maintenance and Materials	74,000	74,000	65,900	8,100	71,620
Contractual Services	236,180	236,180	251,398	(15,218)	163,344
<b>Total Emergency Communications</b>	<b>1,284,668</b>	<b>1,284,668</b>	<b>1,217,615</b>	<b>67,053</b>	<b>1,059,103</b>
<b>Fire:</b>					
Salaries and Fringe Benefits	5,321,845	5,321,845	5,166,860	154,985	4,896,846
Supplies	300,090	305,558	255,823	49,735	284,459
Maintenance and Materials	271,050	271,050	260,746	10,304	254,979
Contractual Services	303,620	303,620	294,615	9,005	255,168
Capital Replacement	307,200	307,200	307,200	-	357,920
Capital Outlay	283,000	283,000	194,057	88,943	-
<b>Total Fire</b>	<b>6,786,805</b>	<b>6,792,273</b>	<b>6,479,302</b>	<b>312,971</b>	<b>6,049,372</b>
<b>Total Public Safety</b>	<b>\$ 16,098,487</b>	<b>\$ 16,103,955</b>	<b>\$ 15,871,423</b>	<b>\$ 232,532</b>	<b>\$ 14,878,938</b>

**Town of Addison, Texas**  
**Major Governmental Funds - General Fund**

<b>General Fund</b>					
<b>Schedule of Expenditures - Budget and Actual</b>					
<b>Year Ended September 30, 2014</b>					
<b>With Comparative Actual Totals for 2013</b>					
	2014				2013
	Budget		Actual GAAP	Variance with	Actual GAAP
	Original	Final	Basis	Final Budget	Basis
				Positive	
				(Negative)	
<b>Development Services:</b>					
Development Services:					
Salaries and Fringe Benefits	838,262	838,262	757,995	80,267	804,685
Supplies	21,250	32,025	21,705	10,320	15,285
Maintenance and Materials	5,400	5,400	7,343	(1,943)	5,114
Contractual Services	86,700	86,700	107,781	(21,081)	73,480
Capital Replacement	67,760	67,760	67,760	-	29,120
<i>Total Development Services</i>	<u>1,019,372</u>	<u>1,030,147</u>	<u>962,584</u>	<u>67,563</u>	<u>927,684</u>
<b>Streets:</b>					
Streets:					
Salaries and Fringe Benefits	376,631	376,631	338,623	38,008	340,187
Supplies	30,550	32,550	29,268	3,282	20,515
Maintenance and Materials	585,400	555,400	482,212	73,188	528,092
Contractual Services	766,450	766,450	799,660	(33,210)	838,186
Capital Replacement	77,640	77,640	77,640	-	23,520
<i>Total Streets</i>	<u>1,836,671</u>	<u>1,808,671</u>	<u>1,727,403</u>	<u>81,268</u>	<u>1,750,500</u>
<b>Parks and Recreation:</b>					
Parks:					
Salaries and Fringe Benefits	1,419,402	1,419,402	1,350,263	69,139	1,282,691
Supplies	177,700	185,054	170,336	14,718	145,367
Maintenance and Materials	990,200	989,671	891,927	97,744	621,450
Contractual Services	846,900	846,900	865,622	(18,722)	711,111
Capital Replacement	89,450	89,450	88,418	1,032	53,196
Capital Outlay	-	-	-	-	8,924
<i>Total Parks</i>	<u>3,523,652</u>	<u>3,530,477</u>	<u>3,366,566</u>	<u>163,911</u>	<u>2,822,739</u>
Recreation:					
Salaries and Fringe Benefits	798,315	798,315	756,582	41,733	769,784
Supplies	152,300	162,934	159,466	3,468	154,887
Maintenance and Materials	200,972	200,972	203,674	(2,702)	210,993
Contractual Services	324,280	324,280	333,946	(9,666)	301,266
Capital Replacement	54,160	54,160	54,160	-	57,020
<i>Total Recreation</i>	<u>1,530,027</u>	<u>1,540,661</u>	<u>1,507,828</u>	<u>32,833</u>	<u>1,493,950</u>
<i>Total Parks and Recreation</i>	<u>5,053,679</u>	<u>5,071,138</u>	<u>4,874,394</u>	<u>196,744</u>	<u>4,316,689</u>
<b>Total Expenditures</b>	<u><u>\$ 31,477,439</u></u>	<u><u>\$ 31,571,741</u></u>	<u><u>\$ 30,075,566</u></u>	<u><u>\$ 1,496,175</u></u>	<u><u>\$ 28,221,002</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).

**Town of Addison, Texas**  
**Major Governmental Funds - Hotel Fund**

**Hotel Fund**  
**Comparative Balance Sheet**  
**September 30, 2014 and 2013**

	2014	2013
<b>ASSETS:</b>		
Cash and Investments	\$ 1,710,968	\$ 2,053,790
Receivables:		
Accounts Receivable	210,768	248,720
Occupancy Taxes	709,447	354,446
Interest	1,020	1,487
Prepaid Items	-	-
<i>Total Assets</i>	\$ 2,632,203	\$ 2,658,443
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 1,091,377	\$ 721,918
Interfund Payable	293,000	585,000
Intergovernmental Payable	-	-
Customer Deposits	42,029	29,083
Total Liabilities	1,426,406	1,336,001
Deferred Inflows of Resources:		
Unavailable Resources	11,123	8,573
Total Deferred Inflows of Resources	11,123	8,573
Fund Balances:		
Restricted:		
Promotion of tourism and hotel industry	1,194,674	1,313,869
Total Fund Balance	1,194,674	1,313,869
<i>Total Liabilities and Fund Balance</i>	\$ 2,632,203	\$ 2,658,443

**Town of Addison, Texas**  
**Major Governmental Funds - Hotel Fund**

**Hotel Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Hotel/Motel Occupancy Taxes	\$ 4,922,495	\$ 4,972,495	\$ 5,009,121	\$ 36,626	\$ 4,575,083
Proceeds from Special Events	1,817,500	1,428,204	1,273,252	(154,952)	1,469,891
Conference Centre Rental	632,100	632,100	570,833	(61,267)	601,509
Theatre Centre Rental	70,000	70,000	72,160	2,160	58,647
Visitor Centre Rental	237,500	237,500	216,558	(20,942)	215,623
Earnings on Investments	5,000	5,000	3,791	(1,208)	5,164
Other	5,000	5,000	35,591	30,591	44,272
<i>Total Revenues</i>	<u>7,689,595</u>	<u>7,350,299</u>	<u>7,181,306</u>	<u>(168,992)</u>	<u>6,970,189</u>
<b>EXPENDITURES:</b>					
Visitor Services	1,096,261	1,096,261	987,389	108,872	967,711
Visit Addison	626,588	629,323	618,768	10,555	498,655
Conference Centre	1,098,607	1,111,279	1,063,116	48,163	1,626,644
Marketing	917,800	1,069,559	967,187	102,372	880,924
Special Events	2,615,202	2,645,505	2,552,629	92,876	2,646,869
Performing Arts	565,341	565,341	541,412	23,929	495,531
<i>Total Expenditures</i>	<u>6,919,799</u>	<u>7,117,268</u>	<u>6,730,501</u>	<u>386,767</u>	<u>7,116,334</u>
Excess/(Deficiency) of Revenues over Expenditures	769,796	233,031	450,805	217,775	(146,145)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfer to Debt Service Fund	(570,000)	(570,000)	(570,000)	-	(570,000)
Net Change in Fund Balance	199,796	(336,969)	(119,195)	217,775	(716,145)
Fund Balances at Beginning of Year	1,313,869	1,313,869	1,313,869	-	2,030,014
Fund Balances at End of Year	<u>\$ 1,513,665</u>	<u>\$ 976,900</u>	<u>\$ 1,194,674</u>	<u>\$ 217,775</u>	<u>\$ 1,313,869</u>

**Town of Addison, Texas**  
**Major Governmental Funds - Hotel Fund**

**Hotel Fund**  
**Schedule of Expenditures - Budget and Actual**  
**Year Ended September 30, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>Visitor Services:</b>					
Salaries and Fringe Benefits	\$ 342,321	\$ 342,321	\$ 401,334	\$ (59,013)	\$ 325,262
Supplies	28,360	28,360	12,686	15,674	12,805
Maintenance and Materials	69,720	69,720	63,737	5,983	69,227
Contractual Services	643,550	643,550	492,682	150,868	548,107
Capital Replacement	12,310	12,310	16,950	(4,640)	12,310
<b>Total Visitor Services</b>	<b>1,096,261</b>	<b>1,096,261</b>	<b>987,389</b>	<b>108,872</b>	<b>967,711</b>
<b>Visit Addison:</b>					
Salaries and Fringe Benefits	8,630	8,630	3,607	5,023	5,638
Supplies	41,650	44,385	16,105	28,280	14,985
Maintenance and Materials	50,500	50,500	24,850	25,650	28,568
Contractual Services	525,808	525,808	574,206	(48,398)	449,464
<b>Total Visit Addison</b>	<b>626,588</b>	<b>629,323</b>	<b>618,768</b>	<b>10,555</b>	<b>498,655</b>
<b>Conference Centre:</b>					
Salaries and Fringe Benefits	491,627	491,627	499,156	(7,529)	541,260
Supplies	84,180	96,852	77,939	18,913	101,960
Maintenance and Materials	160,700	160,700	164,931	(4,231)	171,340
Contractual Services	306,340	306,340	284,837	21,503	197,337
Capital Replacement	26,060	26,060	26,060	-	16,230
Capital Outlay	29,700	29,700	10,193	19,507	598,517
<b>Total Conference Centre</b>	<b>1,098,607</b>	<b>1,111,279</b>	<b>1,063,116</b>	<b>48,163</b>	<b>1,626,644</b>
<b>Marketing:</b>					
Salaries and Fringe Benefits	156,460	156,460	131,786	24,674	137,393
Supplies	5,770	157,529	11,150	146,379	6,631
Maintenance and Materials	6,090	6,090	62	6,028	-
Contractual Services	741,800	741,800	816,509	(74,709)	732,750
Capital Replacement	7,680	7,680	7,680	-	4,150
<b>Total Marketing</b>	<b>917,800</b>	<b>1,069,559</b>	<b>967,187</b>	<b>102,372</b>	<b>880,924</b>
<b>Special Events:</b>					
Salaries and Fringe Benefits	677,010	677,010	625,032	51,978	631,442
Supplies	58,642	69,945	33,466	36,479	24,062
Maintenance and Materials	254,820	254,820	197,097	57,723	158,165
Contractual Services	1,583,760	1,602,760	1,634,564	(31,804)	1,792,230
Capital Replacement	40,970	40,970	62,470	(21,500)	40,970
<b>Total Special Events</b>	<b>2,615,202</b>	<b>2,645,505</b>	<b>2,552,629</b>	<b>92,876</b>	<b>2,646,869</b>
<b>Performing Arts:</b>					
Salaries and Fringe Benefits	18,781	18,781	5,315	13,466	10,101
Supplies	27,790	27,790	24,897	2,893	36,448
Maintenance and Materials	51,740	51,740	46,295	5,445	42,999
Contractual Services	454,930	454,930	462,805	(7,875)	403,543
Capital Replacement	2,100	2,100	2,100	-	2,440
Capital Outlay	10,000.00	10,000	-	10,000	-
<b>Total Performing Arts</b>	<b>565,341</b>	<b>565,341</b>	<b>541,412</b>	<b>23,929</b>	<b>495,531</b>
<b>Total Expenditures</b>	<b>\$ 6,919,799</b>	<b>\$ 7,117,268</b>	<b>\$ 6,730,501</b>	<b>\$ 386,767</b>	<b>\$ 7,116,334</b>

## 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.

**Town of Addison, Texas**

**Major Governmental Funds - General Obligation Debt Service Fund**

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**General Obligation Debt Service Fund  
Comparative Balance Sheet  
September 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 1,065,570	\$ 1,266,634
Receivables:		
Ad Valorem Taxes, Including Interest and Penalties	181,253	88,887
Interest	697	928
<i>Total Assets</i>	<u>\$ 1,247,520</u>	<u>\$ 1,356,449</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ 447
Accrued Interest	46,108	32,388
<i>Total Liabilities</i>	<u>46,108</u>	<u>32,835</u>
Deferred Inflows of Resources:		
Unavailable Resources	181,253	88,887
<i>Total Deferred Inflows of Resources</i>	<u>181,253</u>	<u>88,887</u>
Fund Balances:		
Restricted:		
Debt service	1,020,159	1,234,727
<i>Total Liabilities and Fund Balance</i>	<u>\$ 1,247,520</u>	<u>\$ 1,356,449</u>

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

**General Obligation Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Ad Valorem Taxes:					
Current	\$ 7,373,630	\$ 7,373,630	\$ 7,170,836	\$ (202,794)	\$ 6,831,270
Delinquent	3,720	3,720	(4,902)	(8,622)	12,144
Penalties and Interest	9,310	9,310	15,254	5,944	24,176
<b>Total Ad Valorem Taxes</b>	<u>7,386,660</u>	<u>7,386,660</u>	<u>7,181,188</u>	<u>(205,472)</u>	<u>6,867,590</u>
Other Revenues:					
Earnings on Investments	7,500	7,500	6,699	(801)	6,502
Other	-	-	-	-	25,573
<b>Total Revenues</b>	<u>7,394,160</u>	<u>7,394,160</u>	<u>7,187,887</u>	<u>(206,273)</u>	<u>6,899,665</u>
<b>EXPENDITURES:</b>					
Administration:					
Contractual Services	-	-	2,448	(2,448)	-
Debt Service:					
Principal Retirement	4,461,153	4,461,153	4,461,153	-	4,101,161
Interest and Fiscal Charges	2,979,375	2,979,375	2,938,854	40,521	2,643,031
<b>Total Expenditures</b>	<u>7,440,528</u>	<u>7,440,528</u>	<u>7,402,455</u>	<u>38,072</u>	<u>6,744,192</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>(46,368)</u>	<u>(46,368)</u>	<u>(214,568)</u>	<u>(168,201)</u>	<u>155,473</u>
Net Change in Fund Balance	(46,368)	(46,368)	(214,568)	(168,201)	155,473
Fund Balances at Beginning of Year	<u>1,234,727</u>	<u>1,234,727</u>	<u>1,234,727</u>	<u>-</u>	<u>1,079,254</u>
Fund Balances at End of Year	<u>\$ 1,188,359</u>	<u>\$ 1,188,359</u>	<u>\$ 1,020,159</u>	<u>\$ (168,201)</u>	<u>\$ 1,234,727</u>

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

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**Hotel Debt Service Fund**  
**Comparative Balance Sheet**  
**September 30, 2014 and 2013**

	2014	2013
<b>ASSETS:</b>		
Cash and Investments	\$ 487,176	\$ 628,278
Receivables:		
Interest	315	446
<i>Total Assets</i>	\$ 487,491	\$ 628,724
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ -	\$ 215
Total Liabilities	-	215
Fund Balances:		
Restricted		
Promotion of tourism and hotel industry	487,491	628,509
Total Fund Balance	487,491	628,509
<i>Total Liabilities and Fund Balance</i>	\$ 487,491	\$ 628,724

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

**Hotel Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Earnings on Investments	\$ 2,000	\$ 2,000	\$ 1,139	\$ (861)	\$ 1,485
<b>EXPENDITURES:</b>					
Administration:					
Contractual Services	-	-	507	(507)	-
Debt Service:					
Principal Retirement	625,000	625,000	625,000	-	600,000
Interest and Fiscal Charges	86,950	86,950	86,650	300	104,623
<i>Total Expenditures</i>	<u>711,950</u>	<u>711,950</u>	<u>712,157</u>	<u>(207)</u>	<u>704,623</u>
Excess/(Deficiency) of Revenues over Expenditures	(709,950)	(709,950)	(711,018)	(1,068)	(703,138)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfer from Hotel Fund	570,000	570,000	570,000	-	570,000
Net Change in Fund Balance	(139,950)	(139,950)	(141,018)	(1,068)	(133,138)
Fund Balances at Beginning of Year	628,509	628,509	628,509	-	761,647
Fund Balances at End of Year	<u>\$ 488,559</u>	<u>\$ 488,559</u>	<u>\$ 487,491</u>	<u>\$ (1,068)</u>	<u>\$ 628,509</u>



## CAPITAL PROJECT FUND

The **Capital Project Fund** accounts 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 fund). Capital projects are funded primarily by general obligation bonds.

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Project Fund**

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**Capital Project Fund**  
**Comparative Balance Sheet**  
**September 30, 2014 and 2013**

	2014	2013
<b>ASSETS:</b>		
Cash and Investments	\$ 45,514,416	\$ 42,206,250
Receivables:		
Accounts Receivable	-	10,335
Interest	29,408	30,697
<i>Total Assets</i>	<b>\$ 45,543,824</b>	<b>\$ 42,247,282</b>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 326,227	\$ 543,833
Retainage Payable	-	4,198
Total Liabilities	326,227	548,031
Fund Balances:		
Restricted		
Capital Expenditures	45,217,597	41,699,251
Total Fund Balance	45,217,597	41,699,251
<i>Total Liabilities and Fund Balance</i>	<b>\$ 45,543,824</b>	<b>\$ 42,247,282</b>

**Town of Addison, Texas**  
**Major Governmental Funds - Capital Project Fund**

**Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Earnings on Investments	\$ 2,500	\$ 2,500	\$ 122,355	\$ 119,855	\$ 102,004
Other	-	-	60,879	60,879	-
<i>Total Revenues</i>	<u>2,500</u>	<u>2,500</u>	<u>183,234</u>	<u>180,734</u>	<u>102,004</u>
<b>EXPENDITURES:</b>					
Administration:					
Supplies	-	175,000	12,459	162,541	80,660
Maintenance	354,473	354,473	-	354,473	3,946
Contractual Services	-	-	-	-	49
Interest and Fiscal Charges	-	-	85,200	(85,200)	138,236
Design and Engineering:					
Engineering and Contractual Services	8,277,294	8,102,294	8,241,546	(139,252)	2,165,012
Construction and Equipment	23,927,492	23,927,492	422,982	23,504,510	3,742,776
<i>Total Expenditures</i>	<u>32,559,259</u>	<u>32,559,259</u>	<u>8,762,187</u>	<u>23,797,073</u>	<u>6,130,679</u>
Excess/(Deficiency) of Revenues over Expenditures	(32,556,759)	(32,556,759)	(8,578,953)	23,977,807	(6,028,675)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Bond Proceeds	-	-	12,000,000	12,000,000	7,790,000
Premium (Discount) on Bond Issuance	-	-	97,299	97,299	292,493
Transfers In	-	-	-	-	5,541
<i>Total Other Financing Sources/(Uses)</i>	<u>-</u>	<u>-</u>	<u>12,097,299</u>	<u>12,097,299</u>	<u>8,088,034</u>
Net Change in Fund Balance	(32,556,759)	(32,556,759)	3,518,346	36,075,105	2,059,359
Fund Balances at Beginning of Year	<u>41,699,251</u>	<u>41,699,251</u>	<u>41,699,251</u>	<u>-</u>	<u>39,639,892</u>
Fund Balances at End of Year	<u>\$ 9,142,492</u>	<u>\$ 9,142,492</u>	<u>\$ 45,217,597</u>	<u>\$ 36,075,105</u>	<u>\$ 41,699,251</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 **Economic Development Fund** accumulates resources to support efforts that attract commercial enterprises to Addison and encourage existing businesses to remain in Addison.

The **Reimbursement Grant Fund** accounts for expenditures for which the Town expects to be reimbursed.

**Town of Addison, Texas**  
**Non-Major Governmental Funds**

**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2014**

	Municipal Court Fund	Public Safety Fund	Advanced Funding Grant Fund	Economic Development Fund	Reimbursement Grant Fund	Total Non-Major Governmental Funds
<b>ASSETS:</b>						
Cash and Investments	\$ 426,669	\$ 21,411	\$ 21,873	\$ 495,033	\$ -	\$ 964,986
Receivables:						
Interest	275	14	14	318	-	621
Intergovernmental	-	-	-	-	227,351	227,351
Taxes	-	-	-	14,317	-	14,317
<b>Total Assets</b>	<b>\$ 426,944</b>	<b>\$ 21,425</b>	<b>\$ 21,887</b>	<b>\$ 509,668</b>	<b>\$ 227,351</b>	<b>\$ 1,207,275</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE:</b>						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 148,009	\$ 240	\$ -	\$ 18,118	\$ -	\$ 166,367
Interfund Payable	-	-	-	-	224,236	224,236
<b>Total Liabilities</b>	<b>148,009</b>	<b>240</b>	<b>-</b>	<b>18,118</b>	<b>224,236</b>	<b>390,603</b>
Deferred Inflows of Resources:						
Unavailable Resources	-	2,000	-	14,317	-	16,317
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>14,317</b>	<b>-</b>	<b>16,317</b>
Fund Balances:						
Restricted						
Child safety	101,664	-	-	-	-	101,664
Justice administration	31,898	-	-	-	-	31,898
Court technology	79,591	-	-	-	-	79,591
Building security	65,782	-	-	-	-	65,782
Court Security	-	19,185	-	-	-	19,185
Capital projects	-	-	21,887	-	-	21,887
Committed						
Economic development	-	-	-	477,233	-	477,233
Unassigned	-	-	-	-	3,115	3,115
<b>Total Fund Balance</b>	<b>278,935</b>	<b>19,185</b>	<b>21,887</b>	<b>477,233</b>	<b>3,115</b>	<b>800,355</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 426,944</b>	<b>\$ 21,425</b>	<b>\$ 21,887</b>	<b>\$ 509,668</b>	<b>\$ 227,351</b>	<b>\$ 1,207,275</b>

**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, 2014**

	Municipal Court Fund	Public Safety Fund	Advanced Funding Grant Fund	Economic Development Fund	Reimbursement Grant Fund	Total Non-Major Governmental Funds
<b>REVENUES:</b>						
Court Awards	\$ 8,861	\$ 762	\$ -	\$ -	\$ -	\$ 9,623
Building Security Fees	15,414	-	-	-	-	15,414
Court Technology Fees	20,556	-	-	-	-	20,556
Other Service Fees	-	-	-	65,205	-	65,205
Ad Valorem Taxes	-	-	-	775,226	-	775,226
Intergovernmental	-	-	4,639	-	14,454	19,093
Earnings on Investments and Other	1,238	58	74	1,986	26	3,382
<i>Total Revenues</i>	<u>46,069</u>	<u>820</u>	<u>4,713</u>	<u>842,417</u>	<u>14,480</u>	<u>908,499</u>
<b>EXPENDITURES:</b>						
Salaries and Fringe Benefits	14,665	-	-	268,861	-	283,526
Supplies	-	3,616	-	19,129	5,001	27,746
Maintenance and Materials	16,213	-	-	5,518	-	21,731
Contractual Services	-	254	-	729,007	-	729,261
Capital Replacement	-	-	-	7,070	-	7,070
<i>Total Expenditures</i>	<u>30,878</u>	<u>3,870</u>	<u>-</u>	<u>1,029,585</u>	<u>5,001</u>	<u>1,069,334</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>15,191</u>	<u>(3,050)</u>	<u>4,713</u>	<u>(187,168)</u>	<u>9,479</u>	<u>(160,835)</u>
Net Change in Fund Balance	15,191	(3,050)	4,713	(187,168)	9,479	(160,835)
Fund Balances at Beginning of Year	<u>263,744</u>	<u>22,235</u>	<u>17,174</u>	<u>664,401</u>	<u>(6,364)</u>	<u>961,190</u>
Fund Balances at End of Year	<u>\$ 278,935</u>	<u>\$ 19,185</u>	<u>\$ 21,887</u>	<u>\$ 477,233</u>	<u>\$ 3,115</u>	<u>\$ 800,355</u>

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

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**Municipal Court Fund**  
**Comparative Balance Sheet**  
**September 30, 2014 and 2013**

	2014	2013
<b>ASSETS:</b>		
Cash and Investments	\$ 426,669	\$ 403,531
Receivables:		
Interest	275	287
<i>Total Assets</i>	\$ 426,944	\$ 403,818
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 148,009	\$ 140,074
Total Liabilities	148,009	140,074
Fund Balances:		
Restricted		
Child safety	101,664	93,472
Justice administration	31,898	30,635
Court technology	79,591	74,895
Building security	65,782	64,742
Total Fund Balance	278,935	263,744
<i>Total Liabilities and Fund Balance</i>	\$ 426,944	\$ 403,818

**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, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Court Awards	\$ -	\$ -	\$ 8,861	\$ 8,861	\$ 12,794
Building Security Fees	16,000	16,000	15,414	(586)	15,008
Court Technology Fees	24,000	24,000	20,556	(3,444)	20,007
Earnings on Investments and Other	2,800	2,800	1,238	(1,562)	1,045
<i>Total Revenues</i>	<u>42,800</u>	<u>42,800</u>	<u>46,069</u>	<u>3,269</u>	<u>48,854</u>
<b>EXPENDITURES:</b>					
Salaries and Fringe Benefits	24,000	24,000	14,665	9,335	12,784
Supplies	2,000	2,000	-	2,000	1,129
Maintenance and Materials	30,000	30,000	16,213	13,787	39,199
Contractual Services	7,500	7,500	-	7,500	-
<i>Total Expenditures</i>	<u>63,500</u>	<u>63,500</u>	<u>30,878</u>	<u>32,622</u>	<u>53,112</u>
Net Change in Fund Balance	(20,700)	(20,700)	15,191	35,891	(4,258)
Fund Balances at Beginning of Year	263,744	263,744	263,744	-	143,895
Prior Period Adjustment	-	-	-	-	124,107
Fund Balances at End of Year	<u>\$ 243,044</u>	<u>\$ 243,044</u>	<u>\$ 278,935</u>	<u>\$ 35,891</u>	<u>\$ 263,744</u>

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

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**Public Safety Fund**  
**Comparative Balance Sheet**  
**September 30, 2014 and 2013**

	2014	2013
<b>ASSETS:</b>		
Cash and Investments	\$ 21,411	\$ 22,219
Receivables:		
Interest	14	16
<i>Total Assets</i>	\$ 21,425	\$ 22,235
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 240	\$ -
Total Liabilities	240	-
Deferred Inflows of Resources:		
Unavailable Resources	2,000	-
Total Deferred Inflows of Resources	2,000	-
Fund Balances:		
Restricted		
Court Security	19,185	22,235
Total Fund Balance	19,185	22,235
<i>Total Liabilities and Fund Balance</i>	\$ 21,425	\$ 22,235

**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, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Court Awards	\$ 7,500	\$ 7,500	\$ 762	\$ (6,738)	\$ 3,822
Earnings on Investments and Other	100	100	58	(42)	60
<i>Total Revenues</i>	<u>7,600</u>	<u>7,600</u>	<u>820</u>	<u>(6,780)</u>	<u>3,882</u>
<b>EXPENDITURES:</b>					
Supplies	24,000	24,000	3,616	20,384	17,156
Contractual Services	-	-	254	(254)	1,240
Capital Outlay	-	-	-	-	44
<i>Total Expenditures</i>	<u>24,000</u>	<u>24,000</u>	<u>3,870</u>	<u>20,130</u>	<u>18,440</u>
Net Change in Fund Balance	(16,400)	(16,400)	(3,050)	13,350	(14,558)
Fund Balances at Beginning of Year	<u>22,235</u>	<u>22,235</u>	<u>22,235</u>	-	<u>36,793</u>
Fund Balances at End of Year	<u>\$ 5,835</u>	<u>\$ 5,835</u>	<u>\$ 19,185</u>	<u>\$ 13,350</u>	<u>\$ 22,235</u>

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

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**Advanced Funding Grant Fund**  
**Comparative Balance Sheet**  
**September 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 21,873	\$ 17,162
Receivables:		
Interest	14	12
<i>Total Assets</i>	<u>\$ 21,887</u>	<u>\$ 17,174</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Fund Balances:		
Restricted		
Capital Projects	21,887	17,174
Total Fund Balance	<u>21,887</u>	<u>17,174</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 21,887</u>	<u>\$ 17,174</u>

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

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**Advanced Funding Grant Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ -	\$ 4,639	\$ 4,639	\$ 2,400
Earnings on Investments and Other	-	-	74	74	42
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>4,713</u>	<u>4,713</u>	<u>2,442</u>
Net Change in Fund Balance	-	-	4,713	4,713	2,442
Fund Balances at Beginning of Year	<u>17,174</u>	<u>17,174</u>	<u>17,174</u>	<u>-</u>	<u>14,732</u>
Fund Balances at End of Year	<u><u>\$ 17,174</u></u>	<u><u>\$ 17,174</u></u>	<u><u>\$ 21,887</u></u>	<u><u>\$ 4,713</u></u>	<u><u>\$ 17,174</u></u>

**Town of Addison, Texas**  
**Non-Major Governmental Funds - Economic Development Fund**

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**Economic Development Fund**  
**Comparative Balance Sheet**  
**September 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>ASSETS:</b>		
Cash and Investments	\$ 495,033	\$ 705,052
Receivables:		
Interest	318	504
Taxes	14,317	(1,441)
<i>Total Assets</i>	<u>\$ 509,668</u>	<u>\$ 704,115</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE:</b>		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 18,118	\$ 38,064
Total Liabilities	<u>18,118</u>	<u>38,064</u>
Deferred Inflows of Resources:		
Unavailable Resources	14,317	1,650
Total Deferred Inflows of Resources	<u>14,317</u>	<u>1,650</u>
Fund Balances:		
Committed		
Economic development	477,233	664,401
Total Fund Balance	<u>477,233</u>	<u>664,401</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 509,668</u>	<u>\$ 704,115</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, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Ad Valorem Taxes	\$ 793,400	\$ 793,400	\$ 775,226	\$ (18,174)	\$ 700,100
Earnings on Investments and Other	1,500	1,500	1,986	486	2,253
Service Fees	80,000	80,000	65,205	(14,795)	70,800
<i>Total Revenues</i>	<u>874,900</u>	<u>874,900</u>	<u>842,417</u>	<u>(32,483)</u>	<u>773,153</u>
<b>EXPENDITURES:</b>					
Salaries and Fringe Benefits	295,428	295,428	268,861	26,567	238,914
Supplies	18,300	18,300	19,129	(829)	18,864
Maintenance and Materials	7,500	115,559	5,518	110,041	1,391
Contractual Services	894,377	1,068,842	729,007	339,835	361,036
Capital Replacement	5,370	5,370	7,070	(1,700)	5,370
<i>Total Expenditures</i>	<u>1,220,975</u>	<u>1,503,499</u>	<u>1,029,585</u>	<u>473,914</u>	<u>625,575</u>
Net Change in Fund Balance	(346,075)	(628,599)	(187,168)	441,431	147,578
Fund Balances at Beginning of Year	<u>664,401</u>	<u>664,401</u>	<u>664,401</u>	<u>-</u>	<u>516,823</u>
Fund Balances at End of Year	<u>\$ 318,326</u>	<u>\$ 35,802</u>	<u>\$ 477,233</u>	<u>\$ 441,431</u>	<u>\$ 664,401</u>

**Town of Addison, Texas**

**Non-Major Governmental Funds - Reimbursement Grant Fund**

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**Reimbursement Grant Fund  
Comparative Balance Sheet  
September 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>ASSETS:</b>		
Receivables:		
Intergovernmental	\$ 227,351	\$ 227,351
<i>Total Assets</i>	<u>\$ 227,351</u>	<u>\$ 227,351</u>
<b>LIABILITIES AND FUND BALANCE:</b>		
Liabilities:		
Interfund Payable	\$ 224,236	\$ 233,715
Total Liabilities	<u>224,236</u>	<u>233,715</u>
Fund Balances:		
Restricted		
Capital projects		
Unassigned	3,115	(6,364)
Total Fund Balance	<u>3,115</u>	<u>(6,364)</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 227,351</u>	<u>\$ 227,351</u>

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

**Reimbursement Grant Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**Year Ended September 30, 2014**  
**With Comparative Actual Totals for 2013**

	2014			Variance with Final Budget Positive (Negative)	2013
	Budget		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>REVENUES:</b>					
Intergovernmental	\$ -	\$ -	\$ 14,454	\$ 14,454	\$ 5,008
Earnings on Investments and Other	-	-	26	26	64
<i>Total Revenues</i>	<u>-</u>	<u>-</u>	<u>14,480</u>	<u>14,480</u>	<u>5,072</u>
<b>EXPENDITURES:</b>					
Supplies	-	-	5,001	(5,001)	4,151
Capital Outlay	-	-	-	-	3,863
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>5,001</u>	<u>(5,001)</u>	<u>8,014</u>
Net Change in Fund Balance	-	-	9,479	9,479	(2,942)
Fund Balances at Beginning of Year	<u>(6,364)</u>	<u>(6,364)</u>	<u>(6,364)</u>	<u>-</u>	<u>(3,422)</u>
Fund Balances at End of Year	<u>\$ (6,364)</u>	<u>\$ (6,364)</u>	<u>\$ 3,115</u>	<u>\$ 9,479</u>	<u>\$ (6,364)</u>



## PROPRIETARY FUNDS

### Enterprise Funds:

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

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.

The **Stormwater Fund** is financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. All operating, maintenance, and capital expenses are supported solely by the approved user fees.

### 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.

**Town of Addison, Texas**  
**Proprietary Funds - Airport Fund**

**Airport Fund**  
**Comparative Statement of Net Position**  
**September 30, 2014 and 2013**

	2014	2013
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 2,957,080	\$ 5,570,758
Interest Receivable	1,920	3,957
Accounts Receivable	395,724	442,148
Total Current Assets	3,354,724	6,016,863
Non-Current Assets:		
Capital Assets:		
Land	15,633,373	11,007,052
Buildings	1,637,209	1,637,209
Improvements other than Buildings	45,162,400	34,720,771
Machinery and Equipment	1,377,802	1,343,207
Accumulated Depreciation	(20,816,960)	(19,112,225)
Total Capital Assets, Net of Accumulated Depreciation	42,993,824	29,596,014
Construction in Progress	8,614,345	8,744,904
Net Property, Plant, and Equipment	51,608,169	38,340,918
<i>Total Assets</i>	54,962,893	44,357,781
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred Charge on Refunding	32,464	-
<i>Total Deferred Outflows of Resources</i>	32,464	-
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	456,437	575,887
Current Portion of Long-Term Debt	451,623	398,200
Accrued Interest Payable	17,627	48,525
Intergovernmental Payable	10,129	24,088
Customer Deposits	207,230	182,351
Total Current Liabilities	1,143,046	1,229,051
Noncurrent Liabilities:		
Long-Term Debt, Net of Current Portion	4,630,247	5,035,294
<i>Total Liabilities</i>	5,773,293	6,264,345
<b>NET POSITION:</b>		
Net Investment in Capital Assets	46,558,763	32,925,212
Unrestricted	2,663,301	5,168,224
<i>Total Net Position</i>	\$ 49,222,064	\$ 38,093,436

**Town of Addison, Texas**  
**Proprietary Funds - Airport Fund**

**Airport Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2014 and 2013**

	2014	2013
<b>OPERATING REVENUES:</b>		
Fuel Flowage Fees	\$ 784,286	\$ 758,758
Customs Agent Fees	66,075	57,382
Rental Charges	3,868,780	3,665,520
Other Income (Expense)	138,618	23,770
<i>Total Operating Revenues</i>	4,857,759	4,505,430
<b>OPERATING EXPENSES:</b>		
Salaries and Fringe Benefits	336,278	389,488
Supplies	40,054	47,226
Maintenance and Materials	2,599,953	2,202,822
Contractual Services	1,183,724	796,949
<i>Total Operating Expenses (Excluding Depreciation)</i>	4,160,009	3,436,485
Depreciation	1,704,734	1,588,988
<i>Total Operating Expenses</i>	5,864,743	5,025,473
<b>OPERATING INCOME/(LOSS)</b>	(1,006,984)	(520,043)
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	11,200	6,830
Sale of Assets	-	3,911
Interest Expense and Fiscal Charges	(162,557)	(162,848)
<i>Total Non-Operating Revenues/(Expenses)</i>	(151,357)	(152,107)
<b>NET INCOME/(LOSS)</b>	(1,158,341)	(672,150)
Capital Grants and Contributions	12,286,969	9,238,288
<b>CHANGE IN NET POSITION</b>	11,128,628	8,566,138
Net Position at Beginning of Year, as Restated	38,093,436	29,527,298
Net Position at End of Year	\$ 49,222,064	\$ 38,093,436

**Town of Addison, Texas**  
**Proprietary Funds - Airport Fund**

**Airport Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2014 and 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 4,929,062	\$ 4,464,541
Payments to Suppliers	(3,957,140)	(2,815,317)
Payments to Employees for Services	(336,278)	(389,488)
<i>Net Cash Provided/(Used) by Operating Activities</i>	635,644	1,259,736
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(2,685,017)	(308,985)
Proceeds from Issuance of Long-Term Debt	-	3,003,120
Principal Paid on Long-Term Debt	(395,000)	(290,000)
Interest and Fiscal Charges Paid on Long-Term Debt	(182,542)	(92,609)
Proceeds from Sale of Capital Assets	-	3,911
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(3,262,559)	2,315,437
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	13,237	3,254
<i>Net Cash Provided/(Used) by Investing Activities</i>	13,237	3,254
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	(2,613,678)	3,578,427
Cash and Cash Equivalents, October 1	5,570,758	1,992,331
Cash and Cash Equivalents, September 30	\$ 2,957,080	\$ 5,570,758
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ (1,006,984)	\$ (520,043)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	1,704,734	1,588,988
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	46,424	(61,024)
(Increase)/Decrease in Inventories	-	16
Increase/(Decrease) in Accounts Payable	(133,409)	231,664
Increase/(Decrease) in Customer Deposits	24,879	20,135
Net Cash Provided/(Used) by Operating Activities	\$ 635,644	\$ 1,259,736
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital Grants and Contributions	\$ 12,286,969	\$ 9,238,288
Refunding Bonds Issued	2,145,000	-
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	\$ 14,431,969	\$ 9,238,288

**Town of Addison, Texas**  
**Proprietary Funds - Utility Fund**

**Utility Fund**  
**Comparative Statement of Net Position**  
**September 30, 2014 and 2013**

	2014	2013
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 12,360,198	\$ 4,055,484
Interest Receivable	8,002	2,209
Accounts Receivable	1,811,978	2,088,737
Total Current Assets	14,180,178	6,146,430
Non-Current Assets:		
Capital Assets:		
Land	1,312,064	1,312,064
Buildings	8,069,661	8,050,067
Improvements other than Buildings	44,308,445	44,308,445
Machinery and Equipment	2,239,976	2,135,490
Accumulated Depreciation	(25,065,996)	(23,832,889)
Total Capital Assets, Net of Accumulated Depreciation	30,864,150	31,973,177
Construction in Progress	169,772	228,722
Net Property, Plant, and Equipment	31,033,922	32,201,899
Investment in Joint Venture	7,064,475	7,125,020
<i>Total Assets</i>	52,278,575	45,473,349
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	938,538	1,263,713
Current Compensated Absences Payable	7,459	7,301
Current Portion of Long-Term Debt	383,805	257,952
Accrued Interest Payable	196,860	42,928
Customer Deposits	843,377	772,211
Total Current Liabilities	2,370,039	2,344,105
Noncurrent Liabilities:		
Compensated Absences Payable, Net of Current Portion	37,619	57,239
Long-Term Debt, Net of Current Portion	14,656,929	7,443,539
<i>Total Liabilities</i>	17,064,587	9,844,883
<b>NET POSITION:</b>		
Net Investment in Capital Assets	23,389,819	24,500,408
Unrestricted	11,824,169	11,128,058
<i>Total Net Position</i>	\$ 35,213,988	\$ 35,628,466

**Town of Addison, Texas**  
**Proprietary Funds - Utility Fund**

**Utility Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2014 and 2013**

	2014	2013
<b>OPERATING REVENUES:</b>		
Water	\$ 5,479,937	\$ 5,935,142
Sewer	4,362,009	4,760,166
Penalties	78,227	88,090
Water and Sewer Taps and Other Fees	3,990	16,359
Other Income/(Expense)	20,733	2,935
<i>Total Operating Revenues</i>	9,944,896	10,802,692
<b>OPERATING EXPENSES:</b>		
Salaries and Fringe Benefits	1,202,282	1,321,529
Supplies	133,141	115,287
Maintenance and Materials	1,013,972	520,290
Contractual Services	625,554	665,418
Water Purchases	2,933,034	3,032,183
Wastewater Purchases	2,480,657	2,146,382
<i>Total Operating Expenses (Excluding Depreciation)</i>	8,388,640	7,801,089
Depreciation	1,254,276	1,166,161
<i>Total Operating Expenses</i>	9,642,916	8,967,250
<b>OPERATING INCOME/(LOSS)</b>	301,980	1,835,442
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income/(Expense)	(57,650)	(81,123)
Sale of Assets	7,000	22,144
Gain/(Loss) of the Joint Venture	(60,545)	(56,890)
Interest Expense and Fiscal Charges	(605,263)	(492,231)
<i>Total Non-Operating Revenues/(Expenses)</i>	(716,458)	(608,100)
<b>NET INCOME/(LOSS)</b>	(414,478)	1,227,342
Capital Grants and Contributions	-	93,552
<b>CHANGE IN NET POSITION</b>	(414,478)	1,320,894
Net Position at Beginning of Year, as Restated	35,628,466	34,307,572
Net Position at End of Year	\$ 35,213,988	\$ 35,628,466

**Town of Addison, Texas**  
**Proprietary Funds - Utility Fund**

**Utility Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2014 and 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 10,292,821	\$ 10,826,149
Payments to Suppliers	(7,530,995)	(5,861,431)
Payments to Employees for Services	(1,202,282)	(1,321,529)
	1,559,544	3,643,189
<i>Net Cash Provided/(Used) by Operating Activities</i>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(43,961)	(825,327)
Proceeds from Issuance of Long-Term Debt	7,534,190	-
Principal Paid on Long-Term Debt	(257,749)	(2,953,358)
Interest and Fiscal Charges Paid on Long-Term Debt	(442,453)	(357,372)
Proceeds from Sale of Capital Assets	7,000	22,144
	6,797,027	(4,113,913)
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	(51,857)	(82,452)
	(51,857)	(82,452)
<i>Net Cash Provided/(Used) by Investing Activities</i>		
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	8,304,714	(553,176)
Cash and Cash Equivalents, October 1	4,055,484	4,608,660
Cash and Cash Equivalents, September 30	\$ 12,360,198	\$ 4,055,484
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ 301,980	\$ 1,835,442
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	1,254,276	1,166,161
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	276,759	3,324
Increase/(Decrease) in Accounts Payable	(344,637)	618,129
Increase/(Decrease) in Customer Deposits	71,166	20,133
Net Cash Provided/(Used) by Operating Activities	\$ 1,559,544	\$ 3,643,189
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital Grants and Contributions	\$ -	\$ 93,552
Gain/(Loss) of Joint Venture	(60,545)	(56,890)
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	\$ (60,545)	\$ 36,662

**Town of Addison, Texas**  
**Proprietary Funds - Stormwater Fund**

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**Stormwater Fund**  
**Comparative Statement of Net Position**  
**September 30, 2014 and 2013**

	2014	2013
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 9,141,084	\$ 8,518,597
Interest Receivable	5,910	6,025
Accounts Receivable	253,993	244,715
Total Current Assets	9,400,987	8,769,337
<i>Total Assets</i>	9,400,987	8,769,337
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	47,591	5,945
Current Portion of Long-Term Debt	281,558	242,996
Accrued Interest Payable	35,340	90,812
Total Current Liabilities	364,489	339,753
Noncurrent Liabilities:		
Long-Term Debt, Net of Current Portion	7,063,118	7,353,239
<i>Total Liabilities</i>	7,427,607	7,692,992
<b>NET POSITION:</b>		
Unrestricted	1,973,380	1,076,345
<i>Total Net Position</i>	\$ 1,973,380	\$ 1,076,345

**Town of Addison, Texas**  
**Proprietary Funds - Stormwater Fund**

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**Stormwater Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2014 and 2013**

	2014	2013
<b>OPERATING REVENUES:</b>		
Drainage	\$ 1,640,615	\$ 1,307,573
<b>OPERATING EXPENSES:</b>		
Salaries and Fringe Benefits	45,205	12,521
Supplies	5,780	-
Contractual Services	479,794	70,266
<i>Total Operating Expenses</i>	530,779	82,787
<b>OPERATING INCOME/(LOSS)</b>	1,109,836	1,224,786
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	24,436	3,029
Interest Expense and Fiscal Charges	(237,237)	(151,470)
<i>Total Non-Operating Revenues/(Expenses)</i>	(212,801)	(148,441)
<b>CHANGE IN NET POSITION</b>	897,035	1,076,345
Net Position at Beginning of Year, as Restated	1,076,345	-
Net Position at End of Year	\$ 1,973,380	\$ 1,076,345

**Town of Addison, Texas**  
**Proprietary Funds - Stormwater Fund**

**Stormwater Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2014 and 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 1,631,337	\$ 1,062,858
Payments to Suppliers	(443,928)	(64,321)
Payments to Employees for Services	(45,205)	(12,521)
<i>Net Cash Provided/(Used) by Operating Activities</i>	1,142,204	986,016
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from Issuance of Long-Term Debt	-	7,507,637
Principal Paid on Long-Term Debt	(235,000)	-
Interest and Fiscal Charges Paid on Long-Term Debt	(309,268)	27,940
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(544,268)	7,535,577
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	24,551	(2,996)
<i>Net Cash Provided/(Used) by Investing Activities</i>	24,551	(2,996)
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	622,487	8,518,597
Cash and Cash Equivalents, October 1	8,518,597	-
Cash and Cash Equivalents, September 30	\$ 9,141,084	\$ 8,518,597
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ 1,109,836	\$ 1,224,786
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivables	(9,278)	(244,715)
Increase/(Decrease) in Accounts Payable	41,646	5,945
Net Cash Provided/(Used) by Operating Activities	\$ 1,142,204	\$ 986,016

**Town of Addison, Texas**  
**Proprietary Funds - Internal Service Funds**

**Internal Service Funds**  
**Combining Statement of Net Position**  
**September 30, 2014**

	<u>Capital Replacement</u>	<u>Information Technology Replacement</u>	<u>Total Internal Service Funds</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Investments	\$ 3,801,079	\$ 3,283,000	\$ 7,084,079
Interest Receivable	<u>2,463</u>	<u>2,123</u>	<u>4,586</u>
Total Current Assets	<u>3,803,542</u>	<u>3,285,123</u>	<u>7,088,665</u>
Non-Current Assets:			
Capital Assets:			
Machinery and Equipment	7,817,387	5,873,162	13,690,549
Accumulated Depreciation	<u>(5,839,070)</u>	<u>(5,080,543)</u>	<u>(10,919,613)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>1,978,317</u>	<u>792,619</u>	<u>2,770,936</u>
<i>Total Assets</i>	<u>5,781,859</u>	<u>4,077,742</u>	<u>9,859,601</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	<u>67,494</u>	<u>48,539</u>	<u>116,033</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	1,978,317	792,619	2,770,936
Unrestricted	<u>3,736,048</u>	<u>3,236,584</u>	<u>6,972,632</u>
<i>Total Net Position</i>	<u>\$ 5,714,365</u>	<u>\$ 4,029,203</u>	<u>\$ 9,743,568</u>

**Town of Addison, Texas**  
**Proprietary Funds - Internal Service Funds**

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2014**

	<u>Capital Replacement</u>	<u>Information Technology Replacement</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUES:</b>			
Department Contributions	<u>\$ 722,000</u>	<u>\$ 750,000</u>	<u>\$ 1,472,000</u>
<b>OPERATING EXPENSES:</b>			
Maintenance and Materials	26,090	217,418	243,508
Contractual Services	<u>3,922</u>	<u>3,543</u>	<u>7,465</u>
<i>Total Operating Expenses (Excluding Depreciation)</i>	30,012	220,961	250,973
Depreciation	<u>669,057</u>	<u>321,296</u>	<u>990,353</u>
<i>Total Operating Expenses</i>	<u>699,069</u>	<u>542,257</u>	<u>1,241,326</u>
<b>OPERATING INCOME/(LOSS)</b>	<u>22,931</u>	<u>207,743</u>	<u>230,674</u>
<b>NON-OPERATING REVENUES/(EXPENSES):</b>			
Investment Income	9,414	8,420	17,834
Sale of Assets	<u>116,003</u>	<u>-</u>	<u>116,003</u>
<i>Total Non-Operating Revenues/(Expenses)</i>	<u>125,417</u>	<u>8,420</u>	<u>133,837</u>
<b>CHANGE IN NET POSITION</b>	148,348	216,163	364,511
Net Position at Beginning of Year	<u>5,566,017</u>	<u>3,813,040</u>	<u>9,379,057</u>
Net Position at End of Year	<u>\$ 5,714,365</u>	<u>\$ 4,029,203</u>	<u>\$ 9,743,568</u>

**Town of Addison, Texas**  
**Proprietary Funds - Internal Service Funds**

**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**Year Ended September 30, 2014**

	Capital Replacement	Information Technology Replacement	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Department Contributions	\$ 722,000	\$ 750,000	\$ 1,472,000
Payments to Suppliers	(24,785)	(213,480)	(238,265)
<i>Net Cash Provided/(Used) by Operating Activities</i>	697,215	536,520	1,233,735
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and Construction of Capital Assets	(378,155)	(351,528)	(729,683)
Proceeds from Sale of Capital Assets	116,003	-	116,003
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(262,152)	(351,528)	(613,680)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on Cash and Investments	9,336	8,492	17,828
<i>Net Cash Provided/(Used) by Investing Activities</i>	9,336	8,492	17,828
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	444,399	193,484	637,883
Cash and Cash Equivalents, October 1	3,356,680	3,089,516	6,446,196
Cash and Cash Equivalents, September 30	\$ 3,801,079	\$ 3,283,000	\$ 7,084,079
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ 22,931	\$ 207,743	\$ 230,674
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:			
Depreciation	669,057	321,296	990,353
Change in Assets and Liabilities:			
Increase/(Decrease) in Accounts Payable	5,227	7,481	12,708
Net Cash Provided/(Used) by Operating Activities	\$ 697,215	\$ 536,520	\$ 1,233,735

**Town of Addison, Texas**  
**Proprietary Funds - Capital Replacement Fund**

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**Capital Replacement Fund**  
**Comparative Statement of Net Position**  
**September 30, 2014 and 2013**

	2014	2013
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 3,801,079	\$ 3,356,680
Interest Receivable	2,463	2,385
Total Current Assets	3,803,542	3,359,065
Non-Current Assets:		
Capital Assets:		
Machinery and Equipment	7,817,387	7,738,313
Accumulated Depreciation	(5,839,070)	(5,469,094)
Total Capital Assets, Net of Accumulated Depreciation	1,978,317	2,269,219
<i>Total Assets</i>	5,781,859	5,628,284
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	67,494	62,267
<i>Total Liabilities</i>	67,494	62,267
<b>NET POSITION:</b>		
Net Investment in Capital Assets	1,978,317	2,269,219
Unrestricted	3,736,048	3,296,798
<i>Total Net Position</i>	5,714,365	5,566,017
<i>Total Liabilities and Net Position</i>	\$ 5,781,859	\$ 5,628,284

**Town of Addison, Texas**  
**Proprietary Funds - Capital Replacement Fund**

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**Capital Replacement Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2014 and 2013**

	2014	2013
<b>OPERATING REVENUES:</b>		
Department Contributions	\$ 722,000	\$ 584,999
<b>OPERATING EXPENSES:</b>		
Maintenance and Materials	26,090	161,009
Contractual Services	3,922	7,991
<i>Total Operating Expenses (Excluding Depreciation)</i>	30,012	169,000
Depreciation	669,057	612,986
<i>Total Operating Expenses</i>	699,069	781,986
<b>OPERATING INCOME/(LOSS)</b>	22,931	(196,987)
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	9,414	8,788
Sale of Assets	116,003	59,194
<i>Total Non-Operating Revenues/(Expenses)</i>	125,417	67,982
<b>CHANGE IN NET POSITION</b>	148,348	(129,005)
Net Position at Beginning of Year	5,566,017	5,695,022
Net Position at End of Year	\$ 5,714,365	\$ 5,566,017

**Town of Addison**  
**Proprietary Funds - Capital Replacement Fund**

**Capital Replacement Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2014 and 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Department Contributions	\$ 722,000	\$ 584,999
Payments to Suppliers	(24,785)	(130,730)
<i>Net Cash Provided/(Used) by Operating Activities</i>	697,215	454,269
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(378,155)	(1,023,782)
Proceeds from Sale of Capital Assets	116,003	59,194
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(262,152)	(964,588)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	9,336	7,136
<i>Net Cash Provided/(Used) by Investing Activities</i>	9,336	7,136
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	444,399	(503,183)
Cash and Cash Equivalents, October 1	3,356,680	3,859,863
Cash and Cash Equivalents, September 30	\$ 3,801,079	\$ 3,356,680
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	\$ 22,931	\$ (196,987)
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	669,057	612,986
Change in Assets and Liabilities:		
Increase/(Decrease) in Accounts Payable	5,227	38,270
Net Cash Provided/(Used) by Operating Activities	\$ 697,215	\$ 454,269

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

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**Information Technology Replacement Fund**  
**Comparative Statement of Net Position**  
**September 30, 2014 and 2013**

	2014	2013
<b>ASSETS:</b>		
Current Assets:		
Cash and Investments	\$ 3,283,000	\$ 3,089,516
Interest Receivable	2,123	2,195
Total Current Assets	3,285,123	3,091,711
Non-Current Assets:		
Capital Assets:		
Machinery and Equipment	5,873,162	5,521,633
Accumulated Depreciation	(5,080,543)	(4,759,246)
Total Capital Assets, Net of Accumulated Depreciation	792,619	762,387
<i>Total Assets</i>	4,077,742	3,854,098
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	48,539	41,058
<b>NET POSITION:</b>		
Net Investment in Capital Assets	792,619	762,387
Unrestricted	3,236,584	3,050,653
<i>Total Net Position</i>	\$ 4,029,203	\$ 3,813,040

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

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**Information Technology Replacement Fund**  
**Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended September 30, 2014 and 2013**

	2014	2013
<b>OPERATING REVENUES:</b>		
Department Contributions	\$ 750,000	\$ 750,001
<b>OPERATING EXPENSES:</b>		
Maintenance and Materials	217,418	264,982
Contractual Services	3,543	6,926
<i>Total Operating Expenses (Excluding Depreciation)</i>	220,961	271,908
Depreciation	321,296	321,433
<i>Total Operating Expenses</i>	542,257	593,341
<b>OPERATING INCOME/(LOSS)</b>	207,743	156,660
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
Investment Income	8,420	7,599
<i>Total Non-Operating Revenues/(Expenses)</i>	8,420	7,599
<b>CHANGE IN NET POSITION</b>	216,163	164,259
Net Position at Beginning of Year	3,813,040	3,648,781
Net Position at End of Year	\$ 4,029,203	\$ 3,813,040

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

**Information Technology Replacement Fund**  
**Comparative Statement of Cash Flows**  
**Year Ended September 30, 2014 and 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Department Contributions	\$ 750,000	\$ 750,001
Payments to Suppliers	(213,480)	(232,942)
<i>Net Cash Provided/(Used) by Operating Activities</i>	536,520	517,059
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and Construction of Capital Assets	(351,528)	(239,959)
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	(351,528)	(239,959)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on Cash and Investments	8,492	5,937
<i>Net Cash Provided/(Used) by Investing Activities</i>	8,492	5,937
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	193,484	283,037
Cash and Cash Equivalents, October 1	3,089,516	2,806,479
Cash and Cash Equivalents, September 30	\$ 3,283,000	\$ 3,089,516
Reconciliation of Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	207,743	156,660
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	321,296	321,433
Change in Assets and Liabilities:		
Increase/(Decrease) in Accounts Payable	7,481	38,966
Net Cash Provided/(Used) by Operating Activities	\$ 536,520	\$ 517,059



# Capital Assets Used in Operations of Governmental Funds

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

**COMPARATIVE SCHEDULE OF CAPITAL ASSETS**  
**BY SOURCE**

September 30, 2014 and 2013

	2014	2013
<b>GENERAL CAPITAL ASSETS:</b>		
Property and Equipment in Service:		
Land	\$ 66,233,100	\$ 66,233,100
Buildings	22,026,374	22,001,602
Improvements Other Than Buildings	165,224,676	164,669,708
Equipment	3,459,978	3,374,669
<i>Total Property and Equipment in Service</i>	256,944,128	256,279,079
Construction in Progress	8,108,551	4,901,991
<i>Total Capital Assets</i>	\$ 265,052,679	\$ 261,181,070
<b>INVESTMENT IN GENERAL CAPITAL ASSETS BY SOURCE:</b>		
Capital Projects Funds:		
General Obligation Bonds	\$ 99,706,788	\$ 96,084,997
Certificates of Obligation Bonds	38,472,259	38,472,259
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	60,993,430
Property Owners' Participation	1,026,857	1,026,857
Other Governments	7,391,728	7,391,728
General Fund:		
Revenues	20,884,370	20,644,746
Special Revenue Funds	14,352,843	14,342,649
Debt Service Fund	30,893	30,893
Donations	1,465,708	1,465,708
<i>Total Investment in General Capital Assets</i>	\$ 265,052,679	\$ 261,181,070

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, 2014

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Total</u>
<b>GENERAL GOVERNMENT:</b>					
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	-	1,397,134	5,499	213,743	1,616,376
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>2,695,134</u>	<u>27,703</u>	<u>414,070</u>	<u>4,681,777</u>
<b>PUBLIC SAFETY:</b>					
Police	-	2,239,994	76,209	917,255	3,233,458
Fire	-	2,366,507	220,333	313,241	2,900,081
<i>Total Public Safety</i>	<u>-</u>	<u>4,606,501</u>	<u>296,542</u>	<u>1,230,496</u>	<u>6,133,539</u>
<b>URBAN DEVELOPMENT</b>	<u>-</u>	<u>161,946</u>	<u>10,998</u>	<u>18,648</u>	<u>191,592</u>
<b>STREETS</b>	<u>54,155,412</u>	<u>302,616</u>	<u>139,003,514</u>	<u>95,897</u>	<u>193,557,439</u>
<b>PARKS AND RECREATION:</b>					
Parks	3,971,374	531,800	14,374,315	128,942	19,006,431
Recreation	-	8,040,898	1,106,378	110,310	9,257,586
<i>Total Parks and Recreation</i>	<u>3,971,374</u>	<u>8,572,698</u>	<u>15,480,693</u>	<u>239,252</u>	<u>28,264,017</u>
<b>VISITOR SERVICES:</b>					
Visitor Services	-	-	172,918	34,037	206,955
Visit Addison	-	-	1,605,772	50,263	1,656,035
Conference Centre/Theatre	2,680,637	5,687,479	8,531,958	1,370,171	18,270,245
Special Events	3,880,807	-	94,578	7,144	3,982,529
<i>Total Visitor Services</i>	<u>6,561,444</u>	<u>5,687,479</u>	<u>10,405,226</u>	<u>1,461,615</u>	<u>24,115,764</u>
<i>Balance at End of Year</i>	<u>\$66,233,100</u>	<u>\$22,026,374</u>	<u>\$165,224,676</u>	<u>\$3,459,978</u>	<u>\$256,944,128</u>
Construction in Progress					<u>8,108,551</u>
<i>Total General Capital Assets</i>					<u><u>\$265,052,679</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, 2014

Function and Activity	Balance 9/30/2013	Additions	Deletions	Transfers	Balance 9/30/2014
<b>GENERAL GOVERNMENT:</b>					
City Manager	\$ 1,379,611	\$ -	\$ -	\$ -	\$ 1,379,611
Financial & Strategic Services	1,375,864	-	-	-	1,375,864
General Services	1,570,809	45,567	-	-	1,616,376
Municipal Court	90,484	-	-	-	90,484
Human Resources	217,819	-	-	-	217,819
City Council Special Projects	1,623	-	-	-	1,623
<i>Total General Government</i>	<u>4,636,210</u>	<u>45,567</u>	<u>-</u>	<u>-</u>	<u>4,681,777</u>
<b>PUBLIC SAFETY:</b>					
Police	3,233,458	-	-	-	3,233,458
Fire	2,706,023	194,058	-	-	2,900,081
<i>Total Public Safety</i>	<u>5,939,481</u>	<u>194,058</u>	<u>-</u>	<u>-</u>	<u>6,133,539</u>
<b>URBAN DEVELOPMENT</b>					
	<u>191,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,592</u>
<b>STREETS</b>					
	<u>193,148,328</u>	<u>409,111</u>	<u>-</u>	<u>-</u>	<u>193,557,439</u>
<b>PARKS AND RECREATION:</b>					
Parks	19,006,431	-	-	-	19,006,431
Recreation	9,257,586	-	-	-	9,257,586
<i>Total Parks and Recreation</i>	<u>28,264,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,264,017</u>
<b>VISITOR SERVICES:</b>					
Visitor Services	206,955	-	-	-	206,955
Visit Addison	1,656,035	-	-	-	1,656,035
Conference Centre/Theatre	18,253,932	16,313	-	-	18,270,245
Special Events	3,982,529	-	-	-	3,982,529
<i>Total Visitor Services</i>	<u>24,099,451</u>	<u>16,313</u>	<u>-</u>	<u>-</u>	<u>24,115,764</u>
<i>Total General Capital Assets Allocated by Function</i>	<u>256,279,079</u>	<u>665,049</u>	<u>-</u>	<u>-</u>	<u>256,944,128</u>
Construction in Progress	<u>4,901,991</u>	<u>3,206,560</u>	<u>-</u>	<u>-</u>	<u>8,108,551</u>
<i>Total General Capital Assets</i>	<u>\$ 261,181,070</u>	<u>\$ 3,871,609</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,052,679</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.



WELCOMING  
DYNAMIC  
FRIENDLY



# Long-Term Debt Schedules

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Governmental Activities**

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

GENERAL OBLIGATION REFUNDING & IMPROVEMENT BONDS  
SERIES 2005  
BONDS OUTSTANDING: \$960,000

<u>Payment</u>					<u>Fiscal</u>
<u>Month</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Year Total</u>
February	2015	\$ 960,000.00	\$ 19,200.00	\$ 979,200.00	\$ 979,200.00
<i>Total</i>		<u>\$ 960,000.00</u>	<u>\$ 19,200.00</u>	<u>\$ 979,200.00</u>	<u>\$ 979,200.00</u>

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Governmental Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2008  
EXCLUDING WATER AND SEWER PORTION  
BONDS OUTSTANDING: \$24,027,000.49

Payment		Principal	Interest	Payment Total	Fiscal
Month	Year				Year Total
February	2015	\$ 878,151.93	\$ 537,963.51	\$ 1,416,115.44	
August	2015	-	520,400.47	520,400.47	1,936,515.91
February	2016	920,150.50	520,400.47	1,440,550.97	
August	2016	-	501,997.46	501,997.46	1,942,548.43
February	2017	958,331.02	501,997.46	1,460,328.48	
August	2017	-	478,039.19	478,039.19	1,938,367.67
February	2018	1,004,147.64	478,039.19	1,482,186.83	
August	2018	-	457,956.23	457,956.23	1,940,143.06
February	2019 *	1,053,782.32	457,956.23	1,511,738.55	
August	2019	-	436,880.59	436,880.59	1,948,619.14
February	2020	1,103,416.99	436,880.59	1,540,297.58	
August	2020	-	414,812.25	414,812.25	1,955,109.83
February	2021	1,153,051.67	414,812.25	1,567,863.92	
August	2021	-	391,030.56	391,030.56	1,958,894.48
February	2022	1,210,322.45	391,030.56	1,601,353.01	
August	2022	-	365,311.20	365,311.20	1,966,664.21
February	2023	1,267,593.22	365,311.20	1,632,904.42	
August	2023	-	338,374.85	338,374.85	1,971,279.27
February	2024	1,324,864.00	338,374.85	1,663,238.85	
August	2024	-	305,253.25	305,253.25	1,968,492.10
February	2025	1,389,770.88	305,253.25	1,695,024.13	
August	2025	-	274,852.01	274,852.01	1,969,876.14
February	2026	1,454,677.77	274,852.01	1,729,529.78	
August	2026	-	242,121.76	242,121.76	1,971,651.54
February	2027	1,523,402.70	242,121.76	1,765,524.46	
August	2027	-	204,036.69	204,036.69	1,969,561.15
February	2028	1,595,945.69	204,036.69	1,799,982.38	
August	2028	-	168,127.92	168,127.92	1,968,110.30
February	2029	1,309,591.80	168,127.92	1,477,719.72	
August	2029	-	138,662.10	138,662.10	1,616,381.82
February	2030	1,370,680.63	138,662.10	1,509,342.73	
August	2030	-	106,965.11	106,965.11	1,616,307.84
February	2031	1,435,587.51	106,965.11	1,542,552.62	
August	2031	-	71,075.42	71,075.42	1,613,628.04
February	2032	1,500,494.39	71,075.42	1,571,569.81	
August	2032	-	36,376.49	36,376.49	1,607,946.30
February	2033	1,573,037.38	36,376.49	1,609,413.87	1,609,413.87
<i>Total</i>		<u>\$ 24,027,000.49</u>	<u>\$ 11,442,510.61</u>	<u>\$ 35,469,511.10</u>	<u>\$ 35,469,511.10</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Governmental Activities**

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2011  
EXCLUDING HOTEL FUND PORTION  
BONDS OUTSTANDING: \$3,575,000

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2015	\$ 1,160,000.00	\$ 53,625.00	\$ 1,213,625.00	
August	2015	-	36,225.00	36,225.00	1,249,850.00
February	2016	1,190,000.00	36,225.00	1,226,225.00	
August	2016	-	18,375.00	18,375.00	1,244,600.00
February	2017	1,225,000.00	18,375.00	1,243,375.00	1,243,375.00
<i>Total</i>		<u>\$ 3,575,000.00</u>	<u>\$ 162,825.00</u>	<u>\$ 3,737,825.00</u>	<u>\$ 3,737,825.00</u>

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Governmental Activities**

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

GENERAL OBLIGATION REFUNDING BONDS  
SUPPORTED BY HOTEL FUND  
SERIES 2011  
BONDS OUTSTANDING: \$2,680,000

<u>Payment</u>					<u>Fiscal</u>
<u>Month</u>	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Year Total</u>
February	2015	\$ 640,000.00	\$ 40,200.00	\$ 680,200.00	
August	2015	-	30,600.00	30,600.00	710,800.00
February	2016	660,000.00	30,600.00	690,600.00	
August	2016	-	20,700.00	20,700.00	711,300.00
February	2017	680,000.00	20,700.00	700,700.00	
August	2017	-	10,500.00	10,500.00	711,200.00
February	2018	700,000.00	10,500.00	710,500.00	710,500.00
<i>Total</i>		<u>\$ 2,680,000.00</u>	<u>\$ 163,800.00</u>	<u>\$ 2,843,800.00</u>	<u>\$ 2,843,800.00</u>

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Governmental Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

GENERAL OBLIGATION REFUND AND IMPROVEMENT BONDS, SERIES 2012  
BONDS OUTSTANDING: \$22,215,000

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2015	\$ 1,175,000.00	\$ 452,740.63	\$ 1,627,740.63	
August	2015	-	435,115.63	435,115.63	2,062,856.26
February	2016	1,630,000.00	435,115.63	2,065,115.63	
August	2016	-	410,665.63	410,665.63	2,475,781.26
February	2017	1,690,000.00	410,665.63	2,100,665.63	
August	2017	-	385,315.63	385,315.63	2,485,981.26
February	2018	1,740,000.00	385,315.63	2,125,315.63	
August	2018	-	350,515.63	350,515.63	2,475,831.26
February	2019	1,820,000.00	350,515.63	2,170,515.63	
August	2019	-	314,115.63	314,115.63	2,484,631.26
February	2020	885,000.00	314,115.63	1,199,115.63	
August	2020	-	296,415.63	296,415.63	1,495,531.26
February	2021	920,000.00	296,415.63	1,216,415.63	
August	2021	-	278,015.63	278,015.63	1,494,431.26
February	2022 *	875,000.00	278,015.63	1,153,015.63	
August	2022	-	260,515.63	260,515.63	1,413,531.26
February	2023	910,000.00	260,515.63	1,170,515.63	
August	2023	-	237,765.63	237,765.63	1,408,281.26
February	2024	955,000.00	237,765.63	1,192,765.63	
August	2024	-	213,890.63	213,890.63	1,406,656.26
February	2025	1,010,000.00	213,890.63	1,223,890.63	
August	2025	-	188,640.63	188,640.63	1,412,531.26
February	2026	1,060,000.00	188,640.63	1,248,640.63	
August	2026	-	162,140.63	162,140.63	1,410,781.26
February	2027	1,115,000.00	162,140.63	1,277,140.63	
August	2027	-	134,265.63	134,265.63	1,411,406.26
February	2028	1,170,000.00	134,265.63	1,304,265.63	
August	2028	-	105,015.63	105,015.63	1,409,281.26
February	2029	1,230,000.00	105,015.63	1,335,015.63	
August	2029	-	74,265.63	74,265.63	1,409,281.26
February	2030	1,295,000.00	74,265.63	1,369,265.63	
August	2030	-	41,890.63	41,890.63	1,411,156.26
February	2031	1,350,000.00	41,890.63	1,391,890.63	
August	2031	-	21,640.63	21,640.63	1,413,531.26
February	2032	1,385,000.00	21,640.63	1,406,640.63	1,406,640.63
<b>Total</b>		<b>\$ 22,215,000.00</b>	<b>\$ 8,273,122.05</b>	<b>\$ 30,488,122.05</b>	<b>\$ 30,488,122.05</b>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Governmental Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2012  
BONDS OUTSTANDING: \$14,635,000

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2015	\$ 190,000.00	\$ 208,781.25	\$ 398,781.25	
August	2015	-	206,881.25	206,881.25	605,662.50
February	2016	670,000.00	206,881.25	876,881.25	
August	2016	-	201,856.25	201,856.25	1,078,737.50
February	2017	680,000.00	201,856.25	881,856.25	
August	2017	-	195,056.25	195,056.25	1,076,912.50
February	2018	700,000.00	195,056.25	895,056.25	
August	2018	-	188,056.25	188,056.25	1,083,112.50
February	2019	710,000.00	188,056.25	898,056.25	
August	2019	-	180,956.25	180,956.25	1,079,012.50
February	2020	720,000.00	180,956.25	900,956.25	
August	2020	-	173,756.25	173,756.25	1,074,712.50
February	2021	735,000.00	173,756.25	908,756.25	
August	2021	-	166,406.25	166,406.25	1,075,162.50
February	2022 *	755,000.00	166,406.25	921,406.25	
August	2022	-	155,081.25	155,081.25	1,076,487.50
February	2023	780,000.00	155,081.25	935,081.25	
August	2023	-	139,481.25	139,481.25	1,074,562.50
February	2024	815,000.00	139,481.25	954,481.25	
August	2024	-	123,181.25	123,181.25	1,077,662.50
February	2025	840,000.00	123,181.25	963,181.25	
August	2025	-	110,581.25	110,581.25	1,073,762.50
February	2026	870,000.00	110,581.25	980,581.25	
August	2026	-	97,531.25	97,531.25	1,078,112.50
February	2027	900,000.00	97,531.25	997,531.25	
August	2027	-	84,031.25	84,031.25	1,081,562.50
February	2028	455,000.00	84,031.25	539,031.25	
August	2028	-	77,206.25	77,206.25	616,237.50
February	2029	470,000.00	77,206.25	547,206.25	
August	2029	-	70,156.25	70,156.25	617,362.50
February	2030	485,000.00	70,156.25	555,156.25	
August	2030	-	62,881.25	62,881.25	618,037.50
February	2031	500,000.00	62,881.25	562,881.25	
August	2031	-	55,381.25	55,381.25	618,262.50
February	2032	515,000.00	55,381.25	570,381.25	
August	2032	-	47,334.38	47,334.38	617,715.63
February	2033	530,000.00	47,334.38	577,334.38	
August	2033	-	38,721.88	38,721.88	616,056.26
February	2034	550,000.00	38,721.88	588,721.88	
August	2034	-	29,784.38	29,784.38	618,506.26
February	2035	570,000.00	29,784.38	599,784.38	
August	2035	-	20,165.63	20,165.63	619,950.01
February	2036	585,000.00	20,165.63	605,165.63	
August	2036	-	10,293.75	10,293.75	615,459.38
February	2037	610,000.00	10,293.75	620,293.75	
					620,293.75
<b>Total</b>		<b>\$ 14,635,000.00</b>	<b>\$ 5,078,343.79</b>	<b>\$ 19,713,343.79</b>	<b>\$ 19,713,343.79</b>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Governmental Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

GENERAL OBLIGATION BONDS, TAX-EXEMPT SERIES 2013  
BONDS OUTSTANDING: \$4,525,000

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2015	\$ 160,000.00	\$ 99,393.13	\$ 259,393.13	
August	2015	-	96,993.13	96,993.13	356,386.26
February	2016	165,000.00	96,993.13	261,993.13	
August	2016	-	94,518.13	94,518.13	356,511.26
February	2017	170,000.00	94,518.13	264,518.13	
August	2017	-	91,968.13	91,968.13	356,486.26
February	2018	175,000.00	91,968.13	266,968.13	
August	2018	-	88,468.13	88,468.13	355,436.26
February	2019	180,000.00	88,468.13	268,468.13	
August	2019	-	84,868.13	84,868.13	353,336.26
February	2020	190,000.00	84,868.13	274,868.13	
August	2020	-	81,068.13	81,068.13	355,936.26
February	2021	195,000.00	81,068.13	276,068.13	
August	2021	-	76,193.13	76,193.13	352,261.26
February	2022	205,000.00	76,193.13	281,193.13	
August	2022	-	71,068.13	71,068.13	352,261.26
February	2023 *	220,000.00	71,068.13	291,068.13	
August	2023	-	65,568.13	65,568.13	356,636.26
February	2024	230,000.00	65,568.13	295,568.13	
August	2024	-	59,818.13	59,818.13	355,386.26
February	2025	240,000.00	59,818.13	299,818.13	
August	2025	-	53,818.13	53,818.13	353,636.26
February	2026	255,000.00	53,818.13	308,818.13	
August	2026	-	47,443.13	47,443.13	356,261.26
February	2027	265,000.00	47,443.13	312,443.13	
August	2027	-	40,818.13	40,818.13	353,261.26
February	2028	280,000.00	40,818.13	320,818.13	
August	2028	-	33,818.13	33,818.13	354,636.26
February	2029	295,000.00	33,818.13	328,818.13	
August	2029	-	27,770.63	27,770.63	356,588.76
February	2030	305,000.00	27,770.63	332,770.63	
August	2030	-	21,441.88	21,441.88	354,212.51
February	2031	320,000.00	21,441.88	341,441.88	
August	2031	-	14,641.88	14,641.88	356,083.76
February	2032	330,000.00	14,641.88	344,641.88	
August	2032	-	7,546.88	7,546.88	352,188.76
February	2033	345,000.00	7,546.88	352,546.88	352,546.88
<b>Total</b>		<b>\$ 4,525,000.00</b>	<b>\$ 2,215,053.31</b>	<b>\$ 6,740,053.31</b>	<b>\$ 6,740,053.31</b>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Governmental Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

GENERAL OBLIGATION BONDS, TAXABLE SERIES 2013B  
BONDS OUTSTANDING: \$1,215,000

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2015	\$ 45,000.00	\$ 27,531.25	\$ 72,531.25	
August	2015	-	26,687.50	26,687.50	99,218.75
February	2016	45,000.00	26,687.50	71,687.50	
August	2016	-	25,843.75	25,843.75	97,531.25
February	2017	45,000.00	25,843.75	70,843.75	
August	2017	-	25,000.00	25,000.00	95,843.75
February	2018	50,000.00	25,000.00	75,000.00	
August	2018	-	24,062.50	24,062.50	99,062.50
February	2019	50,000.00	24,062.50	74,062.50	
August	2019	-	23,125.00	23,125.00	97,187.50
February	2020	50,000.00	23,125.00	73,125.00	
August	2020	-	22,187.50	22,187.50	95,312.50
February	2021	55,000.00	22,187.50	77,187.50	
August	2021	-	21,156.25	21,156.25	98,343.75
February	2022	55,000.00	21,156.25	76,156.25	
August	2022	-	20,125.00	20,125.00	96,281.25
February	2023 *	60,000.00	20,125.00	80,125.00	
August	2023	-	19,000.00	19,000.00	99,125.00
February	2024	60,000.00	19,000.00	79,000.00	
August	2024	-	17,500.00	17,500.00	96,500.00
February	2025	65,000.00	17,500.00	82,500.00	
August	2025	-	15,875.00	15,875.00	98,375.00
February	2026	65,000.00	15,875.00	80,875.00	
August	2026	-	14,250.00	14,250.00	95,125.00
February	2027	70,000.00	14,250.00	84,250.00	
August	2027	-	12,500.00	12,500.00	96,750.00
February	2028	75,000.00	12,500.00	87,500.00	
August	2028	-	10,625.00	10,625.00	98,125.00
February	2029	75,000.00	10,625.00	85,625.00	
August	2029	-	8,750.00	8,750.00	94,375.00
February	2030	80,000.00	8,750.00	88,750.00	
August	2030	-	6,750.00	6,750.00	95,500.00
February	2031	85,000.00	6,750.00	91,750.00	
August	2031	-	4,625.00	4,625.00	96,375.00
February	2032	90,000.00	4,625.00	94,625.00	
August	2032	-	2,375.00	2,375.00	97,000.00
February	2033	95,000.00	2,375.00	97,375.00	97,375.00
<b>Total</b>		<b>\$ 1,215,000.00</b>	<b>\$ 628,406.25</b>	<b>\$ 1,843,406.25</b>	<b>\$ 1,843,406.25</b>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Governmental Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

GENERAL OBLIGATION BONDS, SERIES 2013A (AMT)  
BONDS OUTSTANDING: \$1,815,000

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2015	\$ 70,000.00	\$ 36,985.63	\$ 106,985.63	
August	2015	-	36,285.63	36,285.63	143,271.26
February	2016	70,000.00	36,285.63	106,285.63	
August	2016	-	35,585.63	35,585.63	141,871.26
February	2017	70,000.00	35,585.63	105,585.63	
August	2017	-	34,885.63	34,885.63	140,471.26
February	2018	70,000.00	34,885.63	104,885.63	
August	2018	-	34,098.13	34,098.13	138,983.76
February	2019	75,000.00	34,098.13	109,098.13	
August	2019	-	32,551.25	32,551.25	141,649.38
February	2020	75,000.00	32,551.25	107,551.25	
August	2020	-	31,004.38	31,004.38	138,555.63
February	2021	80,000.00	31,004.38	111,004.38	
August	2021	-	29,354.38	29,354.38	140,358.76
February	2022	85,000.00	29,354.38	114,354.38	
August	2022	-	27,601.25	27,601.25	141,955.63
February	2023 *	90,000.00	27,601.25	117,601.25	
August	2023	-	25,745.00	25,745.00	143,346.25
February	2024	90,000.00	25,745.00	115,745.00	
August	2024	-	23,832.50	23,832.50	139,577.50
February	2025	95,000.00	23,832.50	118,832.50	
August	2025	-	21,813.75	21,813.75	140,646.25
February	2026	100,000.00	21,813.75	121,813.75	
August	2026	-	19,688.75	19,688.75	141,502.50
February	2027	105,000.00	19,688.75	124,688.75	
August	2027	-	17,457.50	17,457.50	142,146.25
February	2028	110,000.00	17,457.50	127,457.50	
August	2028	-	15,120.00	15,120.00	142,577.50
February	2029	115,000.00	15,120.00	130,120.00	
August	2029	-	12,360.00	12,360.00	142,480.00
February	2030	120,000.00	12,360.00	132,360.00	
August	2030	-	9,480.00	9,480.00	141,840.00
February	2031	125,000.00	9,480.00	134,480.00	
August	2031	-	6,480.00	6,480.00	140,960.00
February	2032	130,000.00	6,480.00	136,480.00	
August	2032	-	3,360.00	3,360.00	139,840.00
February	2033	140,000.00	3,360.00	143,360.00	
<b>Total</b>		<b>\$ 1,815,000.00</b>	<b>\$ 870,393.19</b>	<b>\$ 2,685,393.19</b>	<b>\$ 2,685,393.19</b>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Governmental Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

GENERAL OBLIGATION BONDS, SERIES 2014  
BONDS OUTSTANDING: \$12,000,000

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2015	\$ 195,000.00	\$ 395,212.50	\$ 590,212.50	
August	2015	-	194,681.25	194,681.25	784,893.75
February	2016	450,000.00	194,681.25	644,681.25	
August	2016	-	187,931.25	187,931.25	832,612.50
February	2017	100,000.00	187,931.25	287,931.25	
August	2017	-	186,431.25	186,431.25	474,362.50
February	2018	470,000.00	186,431.25	656,431.25	
August	2018	-	179,381.25	179,381.25	835,812.50
February	2019	490,000.00	179,381.25	669,381.25	
August	2019	-	172,031.25	172,031.25	841,412.50
February	2020	510,000.00	172,031.25	682,031.25	
August	2020	-	164,381.25	164,381.25	846,412.50
February	2021	530,000.00	164,381.25	694,381.25	
August	2021	-	156,431.25	156,431.25	850,812.50
February	2022	555,000.00	156,431.25	711,431.25	
August	2022	-	145,331.25	145,331.25	856,762.50
February	2023	575,000.00	145,331.25	720,331.25	
August	2023	-	136,706.25	136,706.25	857,037.50
February	2024 *	600,000.00	136,706.25	736,706.25	
August	2024	-	127,706.25	127,706.25	864,412.50
February	2025	625,000.00	127,706.25	752,706.25	
August	2025	-	118,331.25	118,331.25	871,037.50
February	2026	650,000.00	118,331.25	768,331.25	
August	2026	-	108,581.25	108,581.25	876,912.50
February	2027	675,000.00	108,581.25	783,581.25	
August	2027	-	98,456.25	98,456.25	882,037.50
February	2028	705,000.00	98,456.25	803,456.25	
August	2028	-	87,000.00	87,000.00	890,456.25
February	2029	735,000.00	87,000.00	822,000.00	
August	2029	-	74,596.88	74,596.88	896,596.88
February	2030	760,000.00	74,596.88	834,596.88	
August	2030	-	61,771.88	61,771.88	896,368.76
February	2031	795,000.00	61,771.88	856,771.88	
August	2031	-	47,859.38	47,859.38	904,631.26
February	2032	825,000.00	47,859.38	872,859.38	
August	2032	-	32,906.25	32,906.25	905,765.63
February	2033	860,000.00	32,906.25	892,906.25	
August	2033	-	16,781.25	16,781.25	909,687.50
February	2034	895,000.00	16,781.25	911,781.25	
<i>Total</i>		<u>\$ 12,000,000.00</u>	<u>\$ 4,989,806.28</u>	<u>\$ 16,989,806.28</u>	<u>\$ 16,989,806.28</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Governmental Activities**

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**COMBINING SCHEDULE OF  
DETAILED DEBT SERVICE REQUIREMENTS**

From September 30, 2014 to Maturity

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 5,473,151.93	\$ 3,455,502.76	\$ 8,928,654.69
2016	5,800,150.50	3,081,342.96	8,881,493.46
2017	5,618,331.02	2,904,669.18	8,523,000.20
2018	4,909,147.64	2,729,734.20	7,638,881.84
2019	4,378,782.32	2,567,066.22	6,945,848.54
2020	3,533,416.99	2,428,153.49	5,961,570.48
2021	3,668,051.67	2,302,212.84	5,970,264.51
2022	3,740,322.45	2,163,621.16	5,903,943.61
2023	3,902,593.22	2,007,674.82	5,910,268.04
2024	4,074,864.00	1,833,823.12	5,908,687.12
2025	4,264,770.88	1,655,094.03	5,919,864.91
2026	4,454,677.77	1,475,668.79	5,930,346.56
2027	4,653,402.70	1,283,322.22	5,936,724.92
2028	4,390,945.69	1,088,478.38	5,479,424.07
2029	4,229,591.80	903,474.42	5,133,066.22
2030	4,415,680.63	717,742.24	5,133,422.87
2031	4,610,587.51	532,884.31	5,143,471.82
2032	4,775,494.39	351,602.56	5,127,096.95
2033	3,543,037.38	185,402.13	3,728,439.51
2034	1,445,000.00	85,287.51	1,530,287.51
2035	570,000.00	49,950.01	619,950.01
2036	585,000.00	30,459.38	615,459.38
2037	610,000.00	10,293.75	620,293.75
<i>Total</i>	<u>\$ 87,647,000.49</u>	<u>\$ 33,843,460.48</u>	<u>\$ 121,490,460.97</u>

\* Exclusive of portions of debt supported by the Airport, Water and Sewer, and Stormwater Drainage funds.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Business-type Activities**

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**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

GENERAL OBLIGATION REFUNDING BONDS  
AMT SERIES 2014  
SUPPORTED BY AIRPORT FUND  
BONDS OUTSTANDING: \$2,145,000

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2015	\$ 340,000.00	\$ 14,000.00	\$ 354,000.00	
August	2015	-	12,300.00	12,300.00	366,300.00
February	2016	345,000.00	12,300.00	357,300.00	
August	2016	-	10,575.00	10,575.00	367,875.00
February	2017	350,000.00	10,575.00	360,575.00	
August	2017	-	8,825.00	8,825.00	369,400.00
February	2018	360,000.00	8,825.00	368,825.00	
August	2018	-	6,575.00	6,575.00	375,400.00
February	2019	370,000.00	6,575.00	376,575.00	
August	2019	-	3,800.00	3,800.00	380,375.00
February	2020	380,000.00	3,800.00	383,800.00	383,800.00
<i>Total</i>		<u>\$ 2,145,000.00</u>	<u>\$ 98,150.00</u>	<u>\$ 2,243,150.00</u>	<u>\$ 2,243,150.00</u>

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Business-type activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2013  
SUPPORTED BY AIRPORT FUND  
BONDS OUTSTANDING: \$2,815,000

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2015	\$ 105,000.00	\$ 56,508.13	\$ 161,508.13	
August	2015	-	55,458.13	55,458.13	216,966.26
February	2016	110,000.00	55,458.13	165,458.13	
August	2016	-	54,358.13	54,358.13	219,816.26
February	2017	110,000.00	54,358.13	164,358.13	
August	2017	-	53,258.13	53,258.13	217,616.26
February	2018	110,000.00	53,258.13	163,258.13	
August	2018	-	52,158.13	52,158.13	215,416.26
February	2019	115,000.00	52,158.13	167,158.13	
August	2019	-	50,433.13	50,433.13	217,591.26
February	2020	120,000.00	50,433.13	170,433.13	
August	2020	-	48,633.13	48,633.13	219,066.26
February	2021	125,000.00	48,633.13	173,633.13	
August	2021	-	46,133.13	46,133.13	219,766.26
February	2022	130,000.00	46,133.13	176,133.13	
August	2022	-	43,533.13	43,533.13	219,666.26
February	2023 *	135,000.00	43,533.13	178,533.13	
August	2023	-	40,158.13	40,158.13	218,691.26
February	2024	140,000.00	40,158.13	180,158.13	
August	2024	-	36,658.13	36,658.13	216,816.26
February	2025	145,000.00	36,658.13	181,658.13	
August	2025	-	33,033.13	33,033.13	214,691.26
February	2026	155,000.00	33,033.13	188,033.13	
August	2026	-	29,158.13	29,158.13	217,191.26
February	2027	165,000.00	29,158.13	194,158.13	
August	2027	-	25,033.13	25,033.13	219,191.26
February	2028	170,000.00	25,033.13	195,033.13	
August	2028	-	20,783.13	20,783.13	215,816.26
February	2029	180,000.00	20,783.13	200,783.13	
August	2029	-	17,093.13	17,093.13	217,876.26
February	2030	185,000.00	17,093.13	202,093.13	
August	2030	-	13,254.38	13,254.38	215,347.51
February	2031	195,000.00	13,254.38	208,254.38	
August	2031	-	9,110.63	9,110.63	217,365.01
February	2032	205,000.00	9,110.63	214,110.63	
August	2032	-	4,703.13	4,703.13	218,813.76
February	2033	215,000.00	4,703.13	219,703.13	
<i>Total</i>		<u>\$ 2,815,000.00</u>	<u>\$ 1,322,408.31</u>	<u>\$ 4,137,408.31</u>	<u>\$ 4,137,408.31</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Business-type Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2008  
WATER AND SEWER PORTION  
BONDS OUTSTANDING: \$7,437,999.51

<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	2015	\$ 271,848.07	\$ 166,536.49	\$ 438,384.56	
August	2015	-	161,099.53	161,099.53	599,484.09
February	2016	284,849.50	161,099.53	445,949.03	
August	2016	-	155,402.54	155,402.54	601,351.57
February	2017	296,668.98	155,402.54	452,071.52	
August	2017	-	147,985.81	147,985.81	600,057.33
February	2018 *	310,852.36	147,985.81	458,838.17	
August	2018	-	141,768.77	141,768.77	600,606.94
February	2019	326,217.68	141,768.77	467,986.45	
August	2019	-	135,244.41	135,244.41	603,230.86
February	2020	341,583.01	135,244.41	476,827.42	
August	2020	-	128,412.75	128,412.75	605,240.17
February	2021	356,948.33	128,412.75	485,361.08	
August	2021	-	121,050.69	121,050.69	606,411.77
February	2022	374,677.55	121,050.69	495,728.24	
August	2022	-	113,088.80	113,088.80	608,817.04
February	2023	392,406.78	113,088.80	505,495.58	
August	2023	-	104,750.15	104,750.15	610,245.73
February	2024	410,136.00	104,750.15	514,886.15	
August	2024	-	94,496.75	94,496.75	609,382.90
February	2025	430,229.12	94,496.75	524,725.87	
August	2025	-	85,085.49	85,085.49	609,811.36
February	2026	450,322.23	85,085.49	535,407.72	
August	2026	-	74,953.24	74,953.24	610,360.96
February	2027	471,597.30	74,953.24	546,550.54	
August	2027	-	63,163.31	63,163.31	609,713.85
February	2028	494,054.31	63,163.31	557,217.62	
August	2028	-	52,047.09	52,047.09	609,264.71
February	2029	405,408.20	52,047.09	457,455.29	
August	2029	-	42,925.40	42,925.40	500,380.69
February	2030	424,319.37	42,925.40	467,244.77	
August	2030	-	33,113.02	33,113.02	500,357.79
February	2031	444,412.49	33,113.02	477,525.51	
August	2031	-	22,002.70	22,002.70	499,528.21
February	2032	464,505.61	22,002.70	486,508.31	
August	2032	-	11,261.01	11,261.01	497,769.32
February	2033	486,962.62	11,261.01	498,223.63	
<i>Total</i>		<u>\$ 7,437,999.51</u>	<u>\$ 3,542,239.41</u>	<u>\$ 10,980,238.92</u>	<u>\$ 10,980,238.92</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Business-type Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2013  
DRAINAGE  
BONDS OUTSTANDING: \$7,040,000

<u>Payment</u>		<u>Principal</u>	<u>Interest</u>	<u>Payment Total</u>	<u>Fiscal Year Total</u>
<u>Month</u>	<u>Year</u>				
February	2015	\$ 265,000.00	\$ 141,358.13	\$ 406,358.13	
August	2015	-	138,708.13	138,708.13	545,066.26
February	2016	270,000.00	138,708.13	408,708.13	
August	2016	-	136,008.13	136,008.13	544,716.26
February	2017	275,000.00	136,008.13	411,008.13	
August	2017	-	133,258.13	133,258.13	544,266.26
February	2018	280,000.00	133,258.13	413,258.13	
August	2018	-	130,458.13	130,458.13	543,716.26
February	2019	290,000.00	130,458.13	420,458.13	
August	2019	-	126,108.13	126,108.13	546,566.26
February	2020	295,000.00	126,108.13	421,108.13	
August	2020	-	121,683.13	121,683.13	542,791.26
February	2021	305,000.00	121,683.13	426,683.13	
August	2021	-	115,583.13	115,583.13	542,266.26
February	2022	320,000.00	115,583.13	435,583.13	
August	2022	-	109,183.13	109,183.13	544,766.26
February	2023 *	335,000.00	109,183.13	444,183.13	
August	2023	-	100,808.13	100,808.13	544,991.26
February	2024	350,000.00	100,808.13	450,808.13	
August	2024	-	92,058.13	92,058.13	542,866.26
February	2025	370,000.00	92,058.13	462,058.13	
August	2025	-	82,808.13	82,808.13	544,866.26
February	2026	390,000.00	82,808.13	472,808.13	
August	2026	-	73,058.13	73,058.13	545,866.26
February	2027	410,000.00	73,058.13	483,058.13	
August	2027	-	62,808.13	62,808.13	545,866.26
February	2028	430,000.00	62,808.13	492,808.13	
August	2028	-	52,058.13	52,058.13	544,866.26
February	2029	450,000.00	52,058.13	502,058.13	
August	2029	-	42,833.13	42,833.13	544,891.26
February	2030	470,000.00	42,833.13	512,833.13	
August	2030	-	33,080.63	33,080.63	545,913.76
February	2031	490,000.00	33,080.63	523,080.63	
August	2031	-	22,668.13	22,668.13	545,748.76
February	2032	510,000.00	22,668.13	532,668.13	
August	2032	-	11,703.13	11,703.13	544,371.26
February	2033	535,000.00	11,703.13	546,703.13	
<i>Total</i>		<u>\$ 7,040,000.00</u>	<u>\$ 3,311,105.81</u>	<u>\$ 10,351,105.81</u>	<u>\$ 10,351,105.81</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Business-type Activities**

**DETAILED SCHEDULE OF  
DEBT SERVICE REQUIREMENTS**  
From September 30, 2014 to Maturity

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2014  
WATER AND SEWER  
BONDS OUTSTANDING: \$7,565,000

Payment		Principal	Interest	Payment Total	Fiscal Year Total
Month	Year				
February	2015	\$ 110,000.00	\$ 225,587.50	\$ 335,587.50	
August	2015	-	112,243.75	112,243.75	447,831.25
February	2016	265,000.00	112,243.75	377,243.75	
August	2016	-	110,918.75	110,918.75	488,162.50
February	2017	280,000.00	110,918.75	390,918.75	
August	2017	-	109,518.75	109,518.75	500,437.50
February	2018	290,000.00	109,518.75	399,518.75	
August	2018	-	107,706.25	107,706.25	507,225.00
February	2019	300,000.00	107,706.25	407,706.25	
August	2019	-	105,456.25	105,456.25	513,162.50
February	2020	315,000.00	105,456.25	420,456.25	
August	2020	-	102,306.25	102,306.25	522,762.50
February	2021	325,000.00	102,306.25	427,306.25	
August	2021	-	97,431.25	97,431.25	524,737.50
February	2022	340,000.00	97,431.25	437,431.25	
August	2022	-	92,331.25	92,331.25	529,762.50
February	2023	355,000.00	92,331.25	447,331.25	
August	2023	-	87,006.25	87,006.25	534,337.50
February	2024 *	370,000.00	87,006.25	457,006.25	
August	2024	-	81,456.25	81,456.25	538,462.50
February	2025	385,000.00	81,456.25	466,456.25	
August	2025	-	75,681.25	75,681.25	542,137.50
February	2026	400,000.00	75,681.25	475,681.25	
August	2026	-	69,681.25	69,681.25	545,362.50
February	2027	415,000.00	69,681.25	484,681.25	
August	2027	-	63,196.88	63,196.88	547,878.13
February	2028	430,000.00	63,196.88	493,196.88	
August	2028	-	56,209.38	56,209.38	549,406.26
February	2029	450,000.00	56,209.38	506,209.38	
August	2029	-	48,615.63	48,615.63	554,825.01
February	2030	470,000.00	48,615.63	518,615.63	
August	2030	-	40,390.63	40,390.63	559,006.26
February	2031	485,000.00	40,390.63	525,390.63	
August	2031	-	31,600.00	31,600.00	556,990.63
February	2032	505,000.00	31,600.00	536,600.00	
August	2032	-	21,500.00	21,500.00	558,100.00
February	2033	525,000.00	21,500.00	546,500.00	
August	2033	-	11,000.00	11,000.00	557,500.00
February	2034	550,000.00	11,000.00	561,000.00	
<i>Total</i>		<u>\$ 7,565,000.00</u>	<u>\$ 3,074,087.54</u>	<u>\$ 10,639,087.54</u>	<u>\$ 10,639,087.54</u>

\* First call date.

**Town of Addison, Texas**  
**Long-Term Debt Schedules - Business-type Activities**

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**COMBINING SCHEDULE OF  
DETAILED DEBT SERVICE REQUIREMENTS**

From September 30, 2014 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>
2015	\$ 1,091,848.07	\$ 1,083,799.79	\$ 2,175,647.86
2016	1,274,849.50	947,072.09	2,221,921.59
2017	1,311,668.98	920,108.37	2,231,777.35
2018	1,350,852.36	891,512.10	2,242,364.46
2019	1,401,217.68	859,708.20	2,260,925.88
2020	1,451,583.01	822,077.18	2,273,660.19
2021	1,111,948.33	781,233.46	1,893,181.79
2022	1,164,677.55	738,334.51	1,903,012.06
2023	1,217,406.78	690,858.97	1,908,265.75
2024	1,270,136.00	637,391.92	1,907,527.92
2025	1,330,229.12	581,277.26	1,911,506.38
2026	1,395,322.23	523,458.75	1,918,780.98
2027	1,461,597.30	461,052.20	1,922,649.50
2028	1,524,054.31	395,299.18	1,919,353.49
2029	1,485,408.20	332,565.02	1,817,973.22
2030	1,549,319.37	271,305.95	1,820,625.32
2031	1,614,412.49	205,220.12	1,819,632.61
2032	1,684,505.61	134,548.73	1,819,054.34
2033	1,761,962.62	60,167.27	1,822,129.89
2034	550,000.00	11,000.00	561,000.00
<i>Total</i>	<u>\$ 27,002,999.51</u>	<u>\$ 11,347,991.07</u>	<u>\$ 38,350,990.58</u>

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

**Town of Addison, Texas**

**Long-Term Debt Schedules - Summary of Governmental Activities & Business-type Activities**

**SUMMARY OF DEBT SERVICE**

From September 30, 2014 to Maturity

FOR GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Fiscal Year	General Obligation Bonds	Tax and Revenue Certificates of Obligation	Total Requirements
2015	\$ 8,689,292.19	\$ 2,415,010.36	\$ 11,104,302.55
2016	8,170,630.96	2,932,784.09	11,103,415.05
2017	7,815,487.70	2,939,289.85	10,754,777.55
2018	6,931,169.34	2,950,076.96	9,881,246.30
2019	6,247,211.04	2,959,563.38	9,206,774.42
2020	5,270,657.98	2,964,572.69	8,235,230.67
2021	4,895,102.01	2,968,344.29	7,863,446.30
2022	4,827,456.11	2,979,499.56	7,806,955.67
2023	4,835,705.54	2,982,828.25	7,818,533.79
2024	4,831,024.62	2,985,190.42	7,816,215.04
2025	4,846,102.41	2,985,268.88	7,831,371.29
2026	4,852,234.06	2,996,893.48	7,849,127.54
2027	4,855,162.42	3,004,212.00	7,859,374.42
2028	4,863,186.57	2,535,590.99	7,398,777.56
2029	4,515,703.72	2,435,335.72	6,951,039.44
2030	4,515,385.37	2,438,662.82	6,954,048.19
2031	4,525,209.32	2,437,895.11	6,963,104.43
2032	4,509,381.32	2,436,769.97	6,946,151.29
2033	3,112,383.25	2,438,186.15	5,550,569.40
2034	911,781.25	1,179,506.26	2,091,287.51
2035	-	619,950.01	619,950.01
2036	-	615,459.38	615,459.38
2037	-	620,293.75	620,293.75
	<u>104,020,267.18</u>	<u>55,821,184.37</u>	<u>159,841,451.55</u>
Less amounts representing interest	<u>28,863,266.69</u>	<u>16,328,184.86</u>	<u>45,191,451.55</u>
<i>Total Principal</i>	<u><u>\$ 75,157,000.49</u></u>	<u><u>\$ 39,492,999.51</u></u>	<u><u>\$ 114,650,000.00</u></u>

**Town of Addison, Texas**

**Long-Term Debt Schedules - Summary of Tax Supported Debt Requirements**

**SUMMARY OF TAX SUPPORTED  
DEBT REQUIREMENTS**  
From September 30, 2014 to Maturity

Fiscal Year	General Obligation Debt Service Requirements	Certificates of Obligation Debt Service Requirements	Less Amount Supported by Hotel Fund <sup>(1)</sup>	Less Amount Supported by Airport Fund <sup>(1)</sup>	Less Amount Supported by Water and Sewer Fund <sup>(1)</sup>	Less Amount Supported by Stormwater Fund <sup>(1)</sup>	Net Tax Supported Debt Service Requirements <sup>(2)</sup>
2015	\$ 8,689,292.19	\$ 2,415,010.36	\$ 710,800.00	\$ 583,266.26	\$ 1,047,315.34	\$ 545,066.26	\$ 8,217,854.69
2016	8,170,630.96	2,932,784.09	711,300.00	587,691.26	1,089,514.07	544,716.26	8,170,193.46
2017	7,815,487.70	2,939,289.85	711,200.00	587,016.26	1,100,494.83	544,266.26	7,811,800.20
2018	6,931,169.34	2,950,076.96	710,500.00	590,816.26	1,107,831.94	543,716.26	6,928,381.84
2019	6,247,211.04	2,959,563.38	-	597,966.26	1,116,393.36	546,566.26	6,945,848.54
2020	5,270,657.98	2,964,572.69	-	602,866.26	1,128,002.67	542,791.26	5,961,570.48
2021	4,895,102.01	2,968,344.29	-	219,766.26	1,131,149.27	542,266.26	5,970,264.51
2022	4,827,456.11	2,979,499.56	-	219,666.26	1,138,579.54	544,766.26	5,903,943.61
2023	4,835,705.54	2,982,828.25	-	218,691.26	1,144,583.23	544,991.26	5,910,268.04
2024	4,831,024.62	2,985,190.42	-	216,816.26	1,147,845.40	542,866.26	5,908,687.12
2025	4,846,102.41	2,985,268.88	-	214,691.26	1,151,948.86	544,866.26	5,919,864.91
2026	4,852,234.06	2,996,893.48	-	217,191.26	1,155,723.46	545,866.26	5,930,346.56
2027	4,855,162.42	3,004,212.00	-	219,191.26	1,157,591.98	545,866.26	5,936,724.92
2028	4,863,186.57	2,535,590.99	-	215,816.26	1,158,670.97	544,866.26	5,479,424.07
2029	4,515,703.72	2,435,335.72	-	217,876.26	1,055,205.70	544,891.26	5,133,066.22
2030	4,515,385.37	2,438,662.82	-	215,347.51	1,059,364.05	545,913.76	5,133,422.87
2031	4,525,209.32	2,437,895.11	-	217,365.01	1,056,518.84	545,748.76	5,143,471.82
2032	4,509,381.32	2,436,769.97	-	218,813.76	1,055,869.32	544,371.26	5,127,096.95
2033	3,112,383.25	2,438,186.15	-	219,703.13	1,055,723.63	546,703.13	3,728,439.51
2034	911,781.25	1,179,506.26	-	-	561,000.00	-	1,530,287.51
2035	-	619,950.01	-	-	-	-	619,950.01
2036	-	615,459.38	-	-	-	-	615,459.38
2037	-	620,293.75	-	-	-	-	620,293.75
<b>Total</b>	<b>\$ 104,020,267.18</b>	<b>\$ 55,821,184.37</b>	<b>\$ 2,843,800.00</b>	<b>\$ 6,380,558.31</b>	<b>\$ 21,619,326.46</b>	<b>\$ 10,351,105.81</b>	<b>\$ 118,646,660.97</b>

<sup>(1)</sup> 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.
- Stormwater Improvements - Debt paid by operations revenue of the Stormwater Fund.

<sup>(2)</sup> 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.



CONNECTING  
TOGETHER  
PURPOSEFUL



## 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.

		<b>Tables</b>
<b>Financial Trends</b>	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
<b>Revenue Capacity</b>	These schedules present information to help the reader assess the Town's most significant local revenue source, the property tax.	8-10
<b>Debt Capacity</b>	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
<b>Demographic &amp; Economic Indicators</b>	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
<b>Operating Information</b>	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.

**Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 117,007,853	\$ 117,537,709	\$ 117,446,984	\$ 117,389,355	\$ 120,308,696	\$ 123,041,354	\$ 129,261,976	\$ 129,471,095	\$ 135,260,723	\$ 120,034,622
Restricted for Debt Service	1,408,795	1,578,392	1,569,846	781,304	918,483	-	1,007,330	1,698,555	904,422	606,471
Promotion of Tourism and Hotel Industry	-	-	-	-	-	-	-	1,993,040	1,942,378	1,682,165
Child Safety	-	-	-	-	-	-	-	30,635	30,635	101,664
Justice Administration	-	-	-	-	-	-	-	93,472	93,472	31,898
Court Technology	-	-	-	-	-	-	-	77,179	74,895	79,591
Building Security	-	-	-	-	-	-	-	66,716	64,742	65,782
Court Security	-	-	-	-	-	-	-	-	-	19,185
Other purposes	-	-	-	-	-	-	-	32,449	22,235	-
Unrestricted	17,758,209	20,148,886	24,100,898	26,591,388	24,442,088	23,381,754	21,729,168	20,945,903	13,969,454	25,658,883
<b>Total Net Position - Governmental Activities</b>	<b>\$ 136,174,857</b>	<b>\$ 139,264,987</b>	<b>\$ 143,117,728</b>	<b>\$ 144,762,047</b>	<b>\$ 145,669,267</b>	<b>\$ 146,423,108</b>	<b>\$ 151,998,474</b>	<b>\$ 154,409,044</b>	<b>\$ 152,362,956</b>	<b>\$ 148,280,261</b>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	\$ 34,950,063	\$ 36,416,684	\$ 36,925,876	\$ 31,595,371	\$ 34,327,264	\$ 36,299,788	\$ 51,113,892	\$ 49,639,925	\$ 57,425,620	\$ 69,948,582
Unrestricted	5,783,509	7,105,849	7,676,017	13,568,364	13,195,545	12,740,025	9,834,613	14,194,945	17,372,627	16,460,850
	<b>\$ 40,733,572</b>	<b>\$ 43,522,533</b>	<b>\$ 44,601,893</b>	<b>\$ 45,163,735</b>	<b>\$ 47,522,809</b>	<b>\$ 49,039,813</b>	<b>\$ 60,948,505</b>	<b>\$ 63,834,870</b>	<b>\$ 74,798,247</b>	<b>\$ 86,409,432</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 151,957,916	\$ 153,954,393	\$ 154,372,860	\$ 148,984,726	\$ 154,635,960	\$ 159,341,142	\$ 180,375,868	\$ 179,111,020	\$ 192,686,343	\$ 189,592,748
Restricted for Debt Service	1,408,795	1,578,392	1,569,846	781,304	918,483	-	1,007,330	1,698,555	904,422	606,471
Promotion of Tourism and Hotel Industry	-	-	-	-	-	-	-	1,993,040	1,942,378	1,682,165
Child Safety	-	-	-	-	-	-	-	30,635	30,635	101,664
Justice Administration	-	-	-	-	-	-	-	93,472	93,472	31,898
Court Technology	-	-	-	-	-	-	-	77,179	74,895	79,591
Building Security	-	-	-	-	-	-	-	66,716	64,742	65,782
Court Security	-	-	-	-	-	-	-	-	-	19,185
Other purposes	-	-	-	-	-	-	-	32,449	22,235	-
Unrestricted	23,541,718	27,254,735	31,776,915	40,159,752	37,637,633	36,121,779	31,563,781	35,140,848	31,342,081	42,510,189
<b>Total Net Position - Primary Government</b>	<b>\$ 176,908,429</b>	<b>\$ 182,787,520</b>	<b>\$ 187,719,621</b>	<b>\$ 189,925,782</b>	<b>\$ 193,192,076</b>	<b>\$ 195,462,921</b>	<b>\$ 212,946,979</b>	<b>\$ 218,243,914</b>	<b>\$ 227,161,203</b>	<b>\$ 234,689,693</b>

SOURCE: Town of Addison Comprehensive Annual Financial Reports

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 5,929,812	\$ 6,251,658	\$ 5,769,960	\$ 6,405,494	\$ 6,527,735	\$ 6,876,385	\$ 6,709,095	\$ 6,485,716	\$ 7,021,312	\$ 7,938,875
Public Safety	12,136,999	12,641,284	13,452,066	13,994,387	14,743,542	14,550,333	14,914,759	15,130,157	15,229,474	15,765,099
Development Services	553,651	549,107	833,330	940,555	856,793	938,059	866,023	879,253	925,830	932,247
Streets	3,873,029	4,562,905	5,072,907	5,269,124	4,998,440	5,277,938	4,913,524	5,028,071	8,387,857	6,450,628
Parks and Recreation	4,084,150	4,305,515	4,054,147	4,759,378	5,119,320	4,502,295	4,742,946	4,963,327	5,062,784	5,597,254
Visitor Services	5,524,971	6,151,819	6,370,107	6,928,724	6,687,392	6,027,442	6,431,136	6,852,198	7,239,033	7,358,141
Interest on Long-Term Debt	1,960,226	1,755,697	1,598,951	2,127,985	2,420,908	2,423,732	2,263,571	2,548,945	3,054,940	3,037,574
Total Governmental Activities	34,062,838	36,217,985	37,151,468	40,425,647	41,354,130	40,596,184	40,839,054	41,887,667	46,921,230	47,079,818
Business-type Activities:										
Airport	4,292,548	4,426,545	4,473,096	4,198,855	4,289,852	4,181,256	4,387,384	4,526,398	5,188,321	6,027,300
Utilities	7,624,573	8,182,476	8,512,308	8,782,702	8,539,106	8,529,681	8,633,217	9,178,844	9,459,791	10,317,160
Storm Water	-	-	-	-	-	-	-	-	234,257	768,016
Total Business-type Activities	11,917,121	12,609,021	12,985,404	12,981,557	12,828,958	12,710,937	13,020,601	13,705,242	14,882,369	17,112,476
Total Expenses - Primary Government	\$ 45,979,959	\$ 48,827,006	\$ 50,136,872	\$ 53,407,204	\$ 54,183,088	\$ 53,307,121	\$ 53,859,655	\$ 55,592,909	\$ 61,803,599	\$ 64,192,294
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 652,602	\$ 100,957	\$ 285,301	\$ 186,920	\$ 203,258	\$ 266,954	\$ 143,529	\$ 208,734	\$ 225,731	\$ 235,233
Public Safety	1,601,127	2,424,249	1,953,587	2,203,371	2,318,099	2,094,280	1,899,711	2,225,165	1,611,320	1,506,770
Development Services	4,325	651,408	743,201	798,006	429,681	835,808	1,213,741	956,089	888,908	904,895
Streets	193,071	206,134	318,731	333,645	350,587	332,330	2,299,731	378,982	384,303	390,453
Parks and Recreation	91,047	100,564	106,882	133,022	105,705	108,113	107,387	114,164	114,866	102,288
Visitor Services	1,559,282	1,657,987	2,054,468	2,149,274	1,829,964	2,183,247	2,007,821	2,429,686	2,379,812	2,195,803
Operating Grants and Contributions	3,218,659	1,440,734	369,544	561,992	2,044,979	230,290	223,792	164,749	73,578	19,093
Capital Grants and Contributions	-	-	-	-	-	1,348,141	3,429,804	568,285	-	-
Total Governmental Activities	7,320,113	6,582,033	5,831,714	6,366,230	7,282,273	7,399,163	11,325,516	7,045,854	5,678,518	5,354,535
Business-type Activities:										
Charges for Services:										
Airport	4,215,280	4,062,398	4,203,815	4,061,347	3,989,304	4,289,225	4,526,593	4,255,547	4,505,430	4,857,759
Utilities	7,326,015	10,777,843	9,050,758	8,903,506	9,188,791	8,806,069	10,740,568	11,128,700	10,802,692	9,953,099
Storm Water	-	-	-	-	-	-	-	-	1,307,573	1,640,615
Operating Grants and Contributions	61,948	145,360	460,497	301,676	1,786,297	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	1,102,850	9,668,165	1,258,798	9,331,840	7,660,647
Total Business-type Activities	11,603,243	14,985,601	13,715,070	13,266,529	14,964,392	14,198,144	24,935,326	16,643,045	25,947,535	24,112,120
Total Program Revenues - Primary Government	\$ 18,923,356	\$ 21,567,634	\$ 19,546,784	\$ 19,632,759	\$ 22,246,665	\$ 21,597,307	\$ 36,260,842	\$ 23,688,899	\$ 31,626,053	\$ 29,466,655
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$(26,742,725)	\$(29,635,952)	\$(31,319,754)	\$(34,059,417)	\$(34,071,857)	\$(33,197,021)	\$(29,513,538)	\$(34,841,813)	\$(41,242,712)	\$(41,725,283)
Business-Type Activities	(313,878)	2,376,580	729,666	284,972	2,135,434	1,487,207	11,914,725	2,937,803	11,065,166	6,999,644
Total Net Expense - Primary Government	\$(27,056,603)	\$(27,259,372)	\$(30,590,088)	\$(33,774,445)	\$(31,936,423)	\$(31,709,814)	\$(17,598,813)	\$(31,904,010)	\$(30,177,546)	\$(34,725,639)
<b>General Revenues</b>										
Taxes:										
Property Taxes, Levied for General Purposes	\$ 12,830,522	\$ 13,297,948	\$ 13,587,051	\$ 14,310,671	\$ 15,711,056	\$ 15,900,631	\$ 15,772,858	\$ 17,400,696	\$ 17,975,149	\$ 19,484,538
Sales Taxes	10,597,327	10,936,530	11,691,786	11,619,637	10,838,895	9,987,439	10,604,803	11,988,116	13,029,712	14,222,194
Franchise Taxes	2,564,683	2,146,225	2,615,504	2,555,927	2,761,511	2,578,154	2,792,601	2,699,520	3,021,899	2,806,656
Hotel/Motel Taxes	4,038,131	4,679,099	5,203,080	5,204,247	3,958,238	3,666,781	4,000,786	4,295,149	4,575,083	5,011,671
Interest on Investments	765,850	1,354,575	1,700,412	1,504,162	1,383,743	339,986	148,966	99,065	133,140	130,419
Miscellaneous	242,203	311,705	374,662	509,092	325,634	2,474,485	772,276	769,837	461,641	613,432
Transfer	-	-	-	-	-	-	-	-	-	(4,626,322)
Total General Revenues	31,038,716	32,726,082	35,172,495	35,703,736	34,979,077	34,947,476	34,092,290	37,252,383	39,196,624	37,642,588
<b>Business-type Activities</b>										
Interest on Investments	171,791	335,828	388,070	260,533	214,492	11,065	(16,178)	(51,843)	(71,264)	(22,013)
Miscellaneous	16,891	76,553	(38,376)	16,337	9,148	18,732	10,145	405	(30,525)	7,232
Transfer	-	-	-	-	-	-	-	-	-	4,626,322
Total Business-type Activities	188,682	412,381	349,694	276,870	223,640	29,797	(6,033)	(51,438)	(101,789)	4,611,541
<b>Change in Net Position</b>										
Governmental Activities	4,295,991	3,090,130	3,852,741	1,644,319	907,220	1,750,455	4,578,752	2,410,570	(2,046,088)	(4,082,695)
Business-type Activities	(125,196)	2,788,961	1,079,360	561,842	2,359,074	1,517,004	11,908,692	2,886,365	10,963,377	11,611,185
Total Change in Net Position - Primary Government	\$ 4,170,795	\$ 5,879,091	\$ 4,932,101	\$ 2,206,161	\$ 3,266,294	\$ 3,267,459	\$ 16,487,444	\$ 5,296,935	\$ 8,917,289	\$ 7,528,490

SOURCE: Town of Addison Comprehensive Annual Financial Reports

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 127,088	\$ 101,836	\$ 305,918	\$ 358,337	\$ 420,883	\$ 188,035	\$ -	\$ -	\$ -	\$ -
Nonspendable:										
Inventories	-	-	-	-	-	-	87,835	114,733	44,486	66,933
Prepaid Items	-	-	-	-	-	-	67,135	57,054	291,424	272,713
Assigned for Other Purposes	-	-	-	-	-	-	61,193	23,061	-	-
Unassigned	6,923,417	8,073,344	10,378,247	11,337,593	10,231,859	10,668,716	10,150,531	12,178,216	13,643,488	15,790,450
Total General Fund	7,050,505	8,175,180	10,684,165	11,695,930	10,652,742	10,856,751	10,366,694	12,373,064	13,979,398	16,130,096
All Other Governmental Funds										
Reserved	1,488,509	1,755,980	1,769,294	1,548,218	1,309,497	1,302,623	-	-	-	-
Unreserved, Reported in:										
Special Revenue Funds	125,491	186,758	205,790	229,327	16,573	51,469	-	-	-	-
Capital Project Funds	9,224,315	7,553,427	7,114,632	33,491,143	29,190,201	20,334,339	-	-	-	-
Debt Service Funds	778,627	810,936	864,331	890,310	902,577	863,925	-	-	-	-
Hotel Fund	4,617,539	4,639,050	5,382,310	5,715,693	4,635,799	4,423,339	-	-	-	-
Nonspendable:										
Prepaid Items	-	-	-	-	-	-	-	36,974	-	-
Restricted for:										
Debt Service	-	-	-	-	-	-	1,945,104	1,840,901	1,234,727	1,020,159
Promotion of Tourism & Hotel Industry	-	-	-	-	-	-	-	1,993,040	1,942,378	1,682,165
Capital Projects	-	-	-	-	-	-	9,851,762	39,654,624	41,716,425	45,239,484
Child safety	-	-	-	-	-	-	-	-	93,472	101,664
Justice administration	-	-	-	-	-	-	-	-	30,635	31,898
Court Technology	-	-	-	-	-	-	83,827	201,286	74,895	79,591
Building Security	-	-	-	-	-	-	72,462	66,716	64,742	65,782
Court Security	-	-	-	-	-	-	-	-	-	19,185
Other Purposes	-	-	-	-	-	-	45,500	36,793	22,235	-
Committed for:										
Economic Development	-	-	-	-	-	-	358,676	516,823	664,401	477,233
Assigned for:										
Other Purposes	-	-	-	-	-	-	27,603	-	-	-
Unassigned	-	-	-	-	-	-	115,223	(3,883)	(6,364)	3,115
Total All Other Governmental Funds	16,234,481	14,946,151	15,336,357	41,874,691	36,054,647	26,975,695	12,500,157	44,343,274	45,837,546	48,720,276
Total Governmental Funds	\$ 23,284,986	\$ 23,121,331	\$ 26,020,522	\$ 53,570,621	\$ 46,707,389	\$ 37,832,446	\$ 22,866,851	\$ 56,716,338	\$ 59,816,944	\$ 64,850,372

SOURCE: Town of Addison Comprehensive Annual Financial Reports

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)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES:</b>										
Ad Valorem Taxes	\$ 12,765,636	\$13,293,707	\$13,629,796	\$14,367,964	\$15,636,534	\$15,900,747	\$ 15,803,400	\$17,471,642	\$18,047,998	\$19,274,720
Non-Property Taxes	14,594,219	15,586,851	16,719,036	16,841,525	14,478,768	13,744,620	14,564,185	16,183,779	17,604,795	19,444,668
Franchise Fees	2,563,797	2,681,263	2,615,504	2,555,927	2,761,511	2,578,154	2,760,188	2,727,370	2,695,073	2,818,869
Licenses and Permits	479,239	651,408	743,201	798,006	429,681	833,178	1,210,058	953,709	886,423	901,645
Intergovernmental	2,223,779	1,440,734	185,297	561,992	257,429	1,323,831	3,543,357	2,676,792	73,578	19,093
Service Fees	2,157,963	2,414,454	2,648,853	2,944,353	2,696,581	3,135,434	2,840,317	3,104,592	2,939,606	2,758,458
Fines and Forfeitures	862,839	1,185,093	1,239,873	1,297,064	1,322,196	1,215,414	1,104,477	1,208,773	1,082,115	988,574
Earnings on Investments	707,240	1,148,087	1,416,049	1,291,081	1,234,816	298,634	122,128	75,972	122,169	143,299
Contributions	-	-	184,247	-	-	-	-	-	-	-
Rental Charges	667,577	656,988	676,563	744,496	670,546	700,207	733,957	931,619	1,119,737	1,119,551
Recycling Proceeds	26,768	29,311	32,703	41,567	18,570	21,126	22,608	26,414	25,539	13,295
Other	120,964	194,943	333,005	333,101	90,574	2,277,342	531,149	483,009	105,803	206,157
<b>Total Revenues</b>	<b>\$ 37,170,021</b>	<b>\$39,282,839</b>	<b>\$40,424,127</b>	<b>\$41,777,076</b>	<b>\$39,597,206</b>	<b>\$42,028,687</b>	<b>\$ 43,235,824</b>	<b>\$45,843,671</b>	<b>\$44,702,836</b>	<b>\$47,688,329</b>
<b>EXPENDITURES:</b>										
Current:										
General Government	\$ 5,799,332	\$ 6,138,990	\$ 5,699,206	\$ 6,412,823	\$ 6,357,501	\$ 6,323,891	\$ 6,353,784	\$ 6,135,191	\$ 6,371,055	\$ 6,646,587
Public Safety	12,286,885	12,745,195	13,318,918	14,193,406	14,374,702	13,812,617	14,857,023	15,075,757	14,945,841	15,876,424
Development Services	553,651	563,271	770,557	884,770	864,234	887,132	885,218	886,705	927,684	962,584
Streets	1,276,489	1,421,464	1,476,582	1,805,175	2,356,219	1,672,375	1,612,011	1,612,699	1,750,500	1,727,403
Parks and Recreation	3,519,130	3,671,919	3,569,031	4,108,418	4,072,051	3,698,831	4,061,666	4,269,381	4,316,689	4,874,394
Visitor Services	5,015,755	5,801,404	6,040,917	6,512,965	6,216,141	5,445,391	7,655,939	6,171,479	7,116,334	6,730,501
Municipal Court	-	-	-	-	-	-	-	54,370	53,112	30,878
Economic Development	-	-	-	-	-	-	342,200	469,679	624,014	1,029,585
Debt Service:										
Principal Retirement	3,178,542	3,570,000	3,735,000	3,919,769	4,115,100	4,369,520	3,873,610	4,738,040	4,701,161	5,086,153
Interest and Fiscal Charges	3,605,378	1,747,186	1,628,447	1,624,105	2,808,332	2,444,875	2,284,774	1,918,640	2,747,654	3,110,704
Debt Issuance Costs	-	-	-	-	-	-	-	141,666	-	-
Capital Projects:										
Salaries and Fringe Benefits	144,444	50,461	52,304	36,908	4,325	-	-	-	-	-
Supplies	-	2,340	-	-	2,878	937	-	17,635	80,660	-
Maintenance and Materials	-	-	-	-	41,480	231,367	9,870	-	3,946	12,459
Contractual Services	-	-	-	-	-	-	-	-	49	-
Other	-	-	-	-	-	-	-	-	138,236	-
Engineering and Contractual Services	1,135,319	449,930	123,695	745,837	1,591,103	2,585,480	1,846,919	796,958	2,165,012	422,982
Construction and Equipment	14,316,326	4,796,080	1,110,279	2,232,634	3,573,333	9,431,214	14,375,210	3,038,501	3,742,776	8,241,546
<b>Total Expenditures</b>	<b>\$ 50,831,251</b>	<b>\$40,958,240</b>	<b>\$37,524,936</b>	<b>\$42,476,810</b>	<b>\$46,377,399</b>	<b>\$50,903,630</b>	<b>\$ 58,158,224</b>	<b>\$45,326,701</b>	<b>\$49,684,723</b>	<b>\$54,752,200</b>
Excess/(Deficiency) of Revenues over Expenditures	<u>(13,661,230)</u>	<u>(1,675,401)</u>	<u>2,899,191</u>	<u>(699,734)</u>	<u>(6,780,193)</u>	<u>(8,874,943)</u>	<u>(14,922,400)</u>	<u>516,970</u>	<u>(4,981,887)</u>	<u>(7,063,871)</u>
<b>OTHER FINANCING SOURCES/(USES):</b>										
Proceeds from Refunding Bonds Issued	-	6,355,000	-	-	-	-	-	46,315,000	-	-
Proceeds from bond issuance	-	-	-	-	-	-	-	-	7,790,000	12,000,000
Payment to Refunded Bond Escrow Agent	-	(6,228,588)	-	-	-	-	-	(14,834,842)	-	-
Issuance of Debt	-	1,500,000	-	28,222,000	-	-	-	-	-	-
Discount on issuance of bonds	-	-	-	-	-	-	-	(632,482)	-	-
Bond Issuance Costs	-	(114,666)	-	-	-	-	-	-	-	-
Premium on Issuance of Bonds	-	-	-	27,833	-	-	-	4,133,956	292,493	97,299
Transfers In	704,610	968,890	706,710	700,000	896,489	2,133,827	1,384,156	1,258,263	578,501	570,000
Transfers Out	(704,610)	(968,890)	(706,710)	(700,000)	(979,528)	(2,133,827)	(1,384,156)	(3,074,679)	(578,501)	(570,000)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>1,511,746</b>	<b>-</b>	<b>28,249,833</b>	<b>(83,039)</b>	<b>-</b>	<b>-</b>	<b>33,165,216</b>	<b>8,082,493</b>	<b>12,097,299</b>
<b>Net Change in Fund Balance</b>	<b><u>\$(13,661,230)</u></b>	<b><u>\$ (163,655)</u></b>	<b><u>\$ 2,899,191</u></b>	<b><u>\$27,550,099</u></b>	<b><u>\$(6,863,232)</u></b>	<b><u>\$(8,874,943)</u></b>	<b><u>\$(14,922,400)</u></b>	<b><u>\$33,682,186</u></b>	<b><u>\$ 3,100,606</u></b>	<b><u>\$ 5,033,428</u></b>
Debt Service as a Percentage of										
Non-Capital Expenditures	19.31%	15.00%	14.97%	14.14%	17.51%	17.63%	15.40%	16.32%	17.27%	16.11%

SOURCE: Town of Addison Comprehensive Annual Financial Reports

**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 <sup>(1)</sup>	Total
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
2012	33,655,421	2,727,370	953,709	2,676,792	3,104,592	1,208,773	37,857	931,619	117,217	45,413,350
2013	35,652,793	2,695,073	886,423	73,578	2,939,606	1,082,115	20,165	1,119,737	131,342	44,600,832
2014	38,719,388	2,818,869	901,645	19,093	2,758,458	988,574	20,944	1,119,551	158,573	47,505,095

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

Notes:

<sup>(1)</sup> Includes recycling fees and contributions.

**GENERAL GOVERNMENTAL EXPENDITURES  
BY FUNCTION**  
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety <sup>(1)</sup>	Development Services	Streets	Parks and Recreation <sup>(2)</sup>	Visitor Services <sup>(3)</sup>	Economic Development	Debt Service	Total
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
2012	6,135,191	15,130,127	886,705	1,612,699	4,269,381	6,171,479	469,679	6,798,346	41,473,607
2013	6,371,055	14,998,953	927,684	1,750,500	4,316,689	7,116,334	624,014	7,448,815	43,554,044
2014	6,646,587	15,907,302	962,584	1,727,403	4,874,394	6,730,501	1,029,585	8,111,657	45,990,013

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 <sup>(1)</sup>	1% Town Sales Tax	Mixed Beverage Taxes	Franchise Fees	Hotel Occupancy Tax	Total
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
2012	16,918,402	11,089,866	798,764	2,727,370	4,295,149	35,829,551
2013	18,047,998	12,217,439	812,273	2,695,073	4,575,083	38,347,866
2014	19,274,720	13,440,938	994,609	2,818,869	5,009,121	41,538,257

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 <sup>(1)</sup>	Personal Property Assessed Value	Less Tax-Exempt Property Assessed Value	Total Taxable Value	Total Direct Tax Rate <sup>(2)</sup>
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
2012	2011	2,864,186,430	586,674,080	(422,817,942)	3,028,042,568	0.5800
2013	2012	2,955,211,640	580,038,950	(400,355,712)	3,134,894,878	0.5800
2014	2013	3,270,235,970	621,418,790	(401,647,062)	3,490,007,698	0.5718

**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 <sup>(1)</sup>			Overlapping Rates <sup>(2)</sup>					
	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
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
2012	0.3819	0.1981	0.5800	0.2531	0.0997	1.2903	1.3568	0.2710	2.4941
2013	0.3593	0.2207	0.5800	0.2531	0.1190	1.2903	1.3306	0.2710	2.5134
2014	0.3588	0.2130	0.5718	0.2531	0.1247	1.2820	1.3235	0.2760	2.5076

**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 <sup>(1)</sup>	Total Collections to Date	
			Current Tax Collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
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%
2012	2011	17,562,650	17,286,939	98.4%	107,545	17,394,485	99.0%
2013	2012	18,182,390	17,952,493	98.7%	31,948	17,984,441	98.9%
2014	2013	20,000,565	19,245,018	96.2%	(11,276)	19,233,742	96.2%

**SOURCE:** Dallas Central Appraisal District

Notes:

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

**RATIO OF OUTSTANDING DEBT BY TYPE**  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita <sup>(1)</sup>
	General Obligation Bonds	Certificates of Obligation	General Obligation Refunding Bonds	Certificates of Obligation			
2005	36,864,769	8,540,000	17,465,231	4,400,000	79,854,769	15.24	5,526.28
2006	36,724,769	7,085,000	15,805,231	4,185,000	82,734,769	13.84	5,552.67
2007	33,469,769	6,605,000	14,090,231	3,960,000	74,979,769	12.07	4,916.71
2008	30,050,000	34,327,000	12,060,000	10,003,000	106,545,000	15.91	6,986.56
2009	26,495,000	33,766,900	9,950,000	9,748,100	97,810,000	16.87	7,299.25
2010	22,775,000	33,117,380	7,760,000	9,467,620	88,620,000	16.11	6,307.47
2011	19,575,000	32,443,770	5,275,000	9,176,230	79,440,000	15.54	6,082.70
2012 *	39,765,000	40,941,000	2,611,000	10,581,000	129,128,000	17.55	9,439.18
2013 *	44,157,000	39,719,000	-	20,732,000	104,608,000	13.59	8,012.25
2014 *	48,985,000	38,662,000	2,145,000	24,858,000	114,650,000	17.66	7,552.70

\* Presented net of original issuance discounts and premiums

**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.

**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds(1)</u>	<u>Certificates of Obligation(1)</u>	<u>Less: Amounts Available in Debt Service Fund (2)</u>	<u>Total Outstanding Debt</u>	<u>Percentage of Actual Taxable Value</u>	<u>Per Capita</u>
2005	54,330,000	5,390,000	1,401,992	58,318,008	2.16	4,035.85
2006	52,530,000	4,185,000	1,649,428	55,065,572	1.97	3,695.68
2007	47,560,000	3,960,000	1,613,153	49,906,847	1.65	3,272.58
2008	42,110,000	38,225,000	1,360,440	78,974,560	2.27	5,178.66
2009	36,445,000	37,925,000	1,082,061	73,287,939	1.97	5,469.25
2010	30,535,000	37,530,000	1,126,069	66,938,931	2.02	4,764.34
2011	24,850,000	37,120,000	1,127,831	60,842,169	1.99	4,658.67
2012	42,376,000	51,522,000	1,079,254	92,818,746	3.07	6,785.00
2013	44,157,000	60,451,000	1,234,727	103,373,273	3.30	7,917.68
2014	48,985,000	38,662,000	1,020,159	86,626,841	2.48	5,706.64

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance and premiums.

(2) This is the amount restricted for debt service principal payments.

**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, 2014

Taxing Jurisdiction	G.O. Bonded Debt	Percent Applicable <sup>(1)</sup>	Estimated Share of Overlapping Debt
Carrollton-Farmers Branch ISD	\$ 304,535,000	0.96%	\$ 2,923,536
Dallas County	111,350,000	2.13%	2,371,755
Dallas County Community College District	339,035,000	2.13%	7,221,446
Dallas County Hospital District	736,235,000	2.13%	15,681,806
Dallas County Schools	67,265,000	2.13%	1,432,745
Dallas ISD	2,404,515,000	3.51%	84,398,477
Total Overlapping Debt			114,029,765
Town of Addison (Direct Debt)	\$ 84,967,000 <sup>(2)</sup>	100%	84,967,000
Total Direct and Overlapping Debt			\$ 198,996,765
Ratio of Overlapping G.O. Debt to 2014 Taxable Assessed Valuation			3.27%
Per Capita Overlapping G.O. Debt			\$ 7,512

**SOURCE:** Municipal Advisory Council of Texas  
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 <sup>(2)</sup>			Revenue Bond Coverage <sup>(3)</sup>
	Gross Revenue	Expense <sup>(1)</sup>	Net Revenue	Principal	Interest	Total	
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
2012	11,068,924	7,529,490	3,539,434	-	-	-	N/A
2013	10,743,714	8,052,963	2,690,751	-	-	-	N/A
2014	9,902,450	8,522,388	1,380,062	-	-	-	N/A

Notes:

- <sup>(1)</sup> Includes "operating expenses excluding depreciation" and "non-operating expenses excluding interest expense".
- <sup>(2)</sup> Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the enterprise fund.
- <sup>(3)</sup> 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 <sup>(2)</sup>
	Gross Revenue	Expenditure <sup>(1)</sup>	Net Revenue	Principal	Interest	Total	
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
2012	6,740,112	1,080,980	5,659,132	620,000	108,143	728,143	7.8
2013	6,970,189	1,626,644	5,343,545	600,000	104,623	704,623	7.6
2014	7,053,241	1,063,116	5,990,125	625,000	86,650	711,650	8.4

Notes:

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

<sup>(2)</sup> 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 <sup>(1)</sup>	Assessed Valuations <sup>(2)</sup>	Personal Income (Thousands)	Per Capita Personal Income <sup>(3)</sup>	Labor Force <sup>(4)</sup>	Unemployment Rate <sup>(4)</sup>
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%
2012	13,680	3,028,042,568	735,847	53,790	2,225,546	6.3%
2013	13,056	3,134,894,878	769,912	58,970	2,288,740	6.0%
2014	15,180	3,490,007,698	649,124	87,981	2,329,755	5.0%

**SOURCES:**

- (1) North Central Texas Council of Governments estimates
- (2) Dallas Central Appraisal District
- (3) Personal income is estimated from Town of Addison Budget Book
- (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	2014			2005		
		Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation
Post Properties Inc	Mixed Development	\$ 149,679,150	1	4.29%	\$ 103,739,890	2	3.85%
COP Spectrum Center LLC	Office Buildings	74,500,000	2	2.13%	39,346,560	8	1.46%
MHSS-Addison LP	Land, Office Buildings	70,638,860	3	2.02%			
FPG Colonnade LP	Land, Office Buildings	68,351,310	4	1.96%			
Fiori LLC	Land, Hotel	66,558,320	5	1.91%			
Gaedeke Holdings IX LLC	Office Buildings	66,500,000	6	1.91%			
Real Pink Limited	Office Buildings	63,875,000	7	1.83%			
VOP LP	Shopping Center	61,000,000	8	1.75%	50,838,060	5	1.89%
FPG Colonnade LP	Land, Office Buildings	57,178,910	9	1.64%			
SIR Properties Trust	Land, Office Buildings	55,337,280	10	1.59%			
EOP Colonnade of Dallas	Land, Office Buildings				128,550,000	1	4.77%
Crescent Real Estate	Land, Office Buildings				48,085,300	6	1.78%
MBNA Texas Properties	Land, Office Buildings				63,630,740	3	2.36%
Richmond Properties	Land, Office Buildings				53,505,470	4	1.98%
Millennium Park Ph1 LP	Land, Office Buildings				43,452,630	7	1.61%
FSP Addison Cir LTD Ph 1 LP	Office Buildings				34,756,830	9	1.29%
HMC Acquisition/Marriott dba MaryKay Inc	Land, Hotel				31,000,000	10	1.15%
		<u>\$ 733,618,830</u>		<u>21.03%</u>	<u>\$ 596,905,480</u>		<u>22.14%</u>

**SOURCE:** Dallas Central Appraisal District

**MAJOR EMPLOYERS**  
 Current Year and Nine Years Ago

Company	Type of Business	2014		2005	
		Estimated Number of Employees	Percent of Total Employees	Estimated Number of Employees	Percent of Total Employees
Bank of America	Finance	3,400	3.78%	N/A*	N/A*
Mary Kay Cosmetics Inc.	Cosmetics	1,070	1.19%	1,200	1.33%
National Default Exchange Management	Mortgage	566	0.63%	N/A*	N/A*
Rexel	Industrial Electrical Supplies	550	0.61%	N/A*	N/A*
National Bankruptcy Services	Finance	425	0.47%	N/A*	N/A*
United Surgical Partners International	Medical	360	0.40%	N/A*	N/A*
Concentra	Medical	321	0.36%	400	0.44%
Hilton Worldwide, Incorporated	Hospitality	319	0.35%	N/A*	N/A*
Zurich	Business Insurance	300	0.33%	N/A*	N/A*
Glazer's Family of Companies	Spirits	280	0.31%	N/A*	N/A*
Greenhill School	Education	256	0.28%	N/A*	N/A*

**SOURCE:** Human Resource Department of respective company

Notes:

\* Not available.

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

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government										
City Manager's Office	10.0	10.0	8.5	8.5	8.5	8.5	8.0	7.5	6.0	7.0
Financial and Strategic Services	12.0	11.0	10.0	10.0	10.0	9.0	8.0	8.0	8.0	7.5
Municipal Court	4.7	4.7	4.7	4.7	5.7	5.7	5.4	5.4	5.4	5.7
General Services	9.0	9.0	9.0	10.0	10.0	10.0	9.0	8.0	5.0	5.0
Human Resources	4.7	4.7	4.7	4.7	5.2	5.2	4.2	5.2	4.2	4.2
Information Technology	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
Total General Government	<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>	<u>40.1</u>	<u>35.6</u>	<u>36.4</u>
Public Safety										
Police	83.8	81.8	68.3	69.3	70.3	73.3	72.3	73.8	73.8	75.3
Emergency Communications	-	-	12.5	12.5	13.5	13.5	13.5	13.5	13.5	13.5
Fire	55.0	55.0	55.0	55.0	55.0	54.0	53.0	52.0	52.0	55.3
Total Public Safety	<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>	<u>139.3</u>	<u>139.3</u>	<u>144.1</u>
Development Services	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.2	7.2	7.2
Economic Development	-	-	-	-	-	-	-	1.0	2.0	3.0
Public Works										
Streets	6.0	6.0	7.0	7.0	7.0	7.0	7.0	5.0	5.0	5.0
Stormwater										1.4
Utilities	18.0	18.0	17.0	17.0	18.0	17.0	17.0	16.0	18.0	18.3
Total Public Works	<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>	<u>21.0</u>	<u>23.0</u>	<u>24.7</u>
Parks and Recreation										
Parks	20.0	20.0	20.0	20.0	21.0	20.0	20.0	20.0	21.0	21.0
Recreation	17.9	17.2	15.2	15.6	15.6	15.6	15.6	14.6	14.6	14.6
Total Parks and Recreation	<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>	<u>34.6</u>	<u>35.6</u>	<u>35.6</u>
Visitor Services										
Visitor Services	3.0	3.0	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0
Conference Centre	7.5	7.5	7.5	7.5	7.5	7.5	7.5	8.0	7.0	8.7
Special Events	3.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.5	4.0
Marketing	-	-	-	-	-	-	-	1.0	1.0	1.0
Performing Arts	-	-	-	-	-	-	-	-	-	-
Total Visitor Services	<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>	<u>15.0</u>	<u>14.5</u>	<u>16.7</u>
Airport Fund	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Other										
Public Safety Fund	-	-	-	-	-	-	-	-	-	-
Street Capital Project Fund	-	-	-	-	-	-	-	-	-	-
2002 Capital Project Fund	-	-	-	-	-	-	-	-	-	-
Total Other	<u>-</u>									
<b>TOTAL</b>	<u><u>268.6</u></u>	<u><u>265.9</u></u>	<u><u>260.9</u></u>	<u><u>263.3</u></u>	<u><u>268.8</u></u>	<u><u>267.8</u></u>	<u><u>261.5</u></u>	<u><u>261.2</u></u>	<u><u>260.2</u></u>	<u><u>270.7</u></u>

**SOURCE:** Town of Addison Human Resources Department

**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Police</b>										
Crimes Against Property	984	1,217	1,094	954	1,100	968	1,056	933	942	768
Crimes Against Persons	340	387	397	390	452	381	388	435	393	358
Arrests	2,289	2,071	2,227	2,844	3,220	2,775	2,876	2,924	2,548	2,006
Calls for Service	17,504	19,414	19,320	17,365	16,109	15,453	17,989	17,390	16,463	16,624
<b>Fire</b>										
Number of Fires	55	74	39	38	50	44	51	45	61	63
Dollar Loss	623,175	379,541	283,000	234,375	396,100	2,212,000	3,027,173	2,484,545	1,166,345	1,268,010
Calls for Service - Fire	1,119	1,037	968	1,033	893	834	866	837	896	989
Calls for Service - EMS	1,561	1,477	1,588	1,507	1,422	1,518	1,463	1,676	1,696	1,598
<b>Streets</b>										
Tons of Recycling Collected	360	365	357	354	343	328	330	334	360	387
<b>Parks</b>										
Acres Maintained	151	150	138	137	138	139	163	163	163	163
<b>Recreation</b>										
Recreation Event Participants	12,605	12,720	13,371	13,002	13,184	14,947	14,874	22,496	22,632	21,392
Number of Users	126,903	129,090	128,293	126,214	126,123	125,339	123,794	131,730	128,722	122,656
Active Athletic Club Members	3,506	3,757	3,595	3,395	3,222	3,300	3,428	3,637	3,669	3,942
<b>Utilities</b>										
Water Usage - Peak <sup>(2)</sup>	9,652	9,900	8,000	8,421	8,748	8,895	9,402	8,871	8,979	10,042
Water Usage - Average <sup>(2)</sup>	5,091	6,023	5,150	4,847	4,627	4,334	5,014	5,021	4,829	4,577
Service Line Breaks	19	15	17	13	11	11	7	10	11	16
Water Main Breaks	6	3	7	7	1	1	1	2	5	7

**SOURCE:** Town of Addison Department Data

**Notes:**

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

<sup>(2)</sup> In thousands of gallons

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</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	41	41	41	41	41	41	41
Lane Miles	119	119	119	126	126	164	164	164	164	164
Traffic Signals	33	34	34	34	34	36	36	36	36	36
<u>Parks and Recreation</u> <sup>(1)</sup>										
Acres Maintained	151	149	149	136	138	139	163	163	163	163
Parks	15	15	16	12	13	13	15	15	15	15
Playgrounds	3	3	3	3	3	3	5	5	5	5
Soccer/Football Fields	1	1	1	0	0	0	1	1	1	1
Community Centers	2	2	2	1	1	1	1	1	1	1
<u>Water</u>										
Water Mains (Miles)	96	98	98	99	101	96	80	80	80	80
Fire Hydrants	1,030	1,040	1,150	1,175	1,200	1,013	1,052	1,052	1,038	1,038
<u>Wastewater</u>										
Miles of Sanitary Sewers	86	87	87	88	90	82	66	66	66	66
Miles of Storm Sewers	18.5	22	22	22	22	22	57	57	60	60

**SOURCE:** Town of Addison Department Data

**Notes:**

<sup>(1)</sup> 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.



**IT ALL COMES  
TOGETHER.<sup>SM</sup>**

**ADDISON**<sup>SM</sup>

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