



Addison City Council Meeting

February 27, 2024

Addison Conference Centre

15650 Addison Road

Addison, Texas 75001

Email comments may be submitted using the Public Comment Form located on Addison's website by 3:00 PM on the meeting day. The meeting will be live-streamed at www.addisontexas.net.

WORK SESSION

The Addison City Council will convene in the Council Chambers beginning at 5:30 PM.

1. **Call Meeting to Order and Announce that a Quorum is Present.**
2. **Citizen Comments on the Consent Agenda Items.** This item allows citizens to speak on any item listed on the Consent Agenda prior to its consideration. Citizen comments are limited to three (3) minutes, unless otherwise required by law. To address the Council, please fill out a City Council Appearance Card and submit it to a staff member prior to the beginning of this item.
3. **Council Questions and Answers.**
4. **Council Member Clarification Requests Regarding Consent Agenda Items.**
5. **Work Session Reports**
 - a. Present and discuss the Town Strategic Plan.
 - b. Present and discuss the FY 2023 audit and Annual Comprehensive Financial Report (ACFR).

- c. Present and discuss the Town of Addison FY 2024 First Quarter Financial Report.

COUNCIL MEETING

The Addison City Council will convene for a Council Meeting beginning at 7:30 PM in the Council Chambers.

1. **Pledge of Allegiance.** United States and Texas Flags
2. **Proclamations / Presentations**
 - a. City Manager's Announcements.
 - b. Employee Recognition.
3. **Public Comment.** The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to Public Hearings will be heard when the specific hearing starts. Citizen comments are limited to three (3) minutes, unless otherwise required by law. To address the Council, please fill out a City Council Appearance Card and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.
4. **Consent Agenda.** All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.
 - a. Consider action on the Minutes from the February 8, 2024 City Council Strategic Planning Retreat.
 - b. Consider action on the Minutes from the February 9, 2024 City Council Strategic Planning Retreat.

- c. Consider action on the Minutes from the February 13, 2024 City Council Meeting.
- d. Consider action to approve a resolution authorizing the City Manager to file an application for financial assistance with the State Infrastructure Bank in an amount up to \$44,600,000.
- e. Consider action on acceptance of the FY 2023 Annual Comprehensive Financial Report (ACFR).
- f. Consider action on a Resolution approving an agreement with Fritz Olsen Sculptures to fabricate "Heroes Among Us" sculpture for an amount not to exceed \$150,000 and authorizing the City Manager to execute the agreement and provide an effective date.
- g. Consider action on a Resolution approving an encroachment agreement with Explorer Pipeline Company for the construction of a portion of the Cotton Belt Trail authorizing the City Manager to execute the agreement and providing for an effective date.
- h. Consider a Resolution authorizing the City Manager to execute easement and property acquisition documents necessary for Dallas Area Rapid Transit (DART) to construct Phase 2 of the Cotton Belt Trail in Addison with limits east of Surveyor Blvd. to the Dallas North Tollway for public use in conjunction with the construction of Phase 2 of the Cotton Belt Trail; execute such necessary instruments on behalf of the Town; and providing the effective date.

5. Items for Individual Consideration.

- a. Present, discuss and consider action on a Resolution approving an agreement with OJB Landscape Architecture for the Addison Circle Park Vision Plan in an amount not to exceed \$188,000 and providing an effective date.
- b. Present, discuss, and consider action on a Resolution accepting the resignation of Planning & Zoning Commission Place 6 and appointing a new commissioner for a term ending on December 12, 2025.

6. **Items of Community Interest.** The City Council will have this opportunity to address items of community interest, including: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition; a reminder about an upcoming event organized or sponsored by the Town of Addison; information regarding a social, ceremonial, or community event that was or will be attended by an Addison City Council member or an official; and, announcements involving an eminent threat to public health and safety in Addison that has arisen since posting this agenda.

7. **Adjourn Meeting.**

NOTE: The City Council reserves the right to meet in a Closed Meeting at any time during this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551. Any decision held on such matters will be conducted in an Open Meeting following the conclusion of the Closed Meeting.

THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES. PLEASE CALL (972) 450-7017 AT LEAST 48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.

Posted by: _____
Date posted: _____ Time posted: _____
Date removed from bulletin board: _____
Removed by: _____

City Council (FY24)

3.

Meeting Date: 02/27/2024

Department: City Manager

AGENDA CAPTION:

Council Questions and Answers.

BACKGROUND:

The Council Questions and Answer document, along with any handout(s) provided during the meeting, will be attached below. Due to the requirement to post the agenda prior to these attachments being created, the Council Questions and Answers document will be uploaded just prior to the meeting. Any handouts presented during the meeting will be added on the next business day.

RECOMMENDATION:

Information only. No action required.

City Council (FY24)

5. a.

Meeting Date: 02/27/2024

Department: City Manager

AGENDA CAPTION:

Present and discuss the Town Strategic Plan.

BACKGROUND:

Since 2016, Addison's City Council has met annually to discuss strategic questions and identify key priorities for the Town. The last annual plan (FY 2024 Vision Statement, Strategic Pillars, and Milestones) was adopted by Council through Resolution on April 25, 2023. The plan is used to assist with the annual budget development and propose the allocation of resources with Council identified priorities, to guide staff and the organization's efforts, and to measure progress towards defined goals.

On Thursday, February 8 and Friday, February 9, 2024, City Council met in a Special Meeting to discuss and develop an updated plan with the assistance of an outside facilitator (Nick Kittle with Sustainovation) and input from Town staff.

A new format for the strategic plan was introduced:

- *Key Focus Areas:* Key areas around which we build and focus our efforts and resources
- *Strategic Objectives:* Top ways that we succeed in our Key Focus Areas (~3-7 per Key Focus Area).
- *Initiatives:* Specific means by which we accomplish our Strategic Objectives.

Through the discussion, Council developed proposed Key Focus Areas and Strategic Objectives as shown in the attached presentation.

A Consent Agenda item for approval is planned to be placed on the City Council agenda for March 5, 2024.

RECOMMENDATION:

Staff requests direction from Council regarding the drafted Vision Statement, Key Focus Areas, and Strategic Objectives.

Attachments

Presentation

FY2025 City Council Strategic Plan

ADDISON

City Council Meeting
Work Session
February 27, 2024

Background and Purpose

- Since 2016, the Addison City Council has met annually to discuss strategic questions and identify key priorities for the Town.
- The last annual plan (FY2024 Vision Statement, Strategic Pillars, and Milestones) was adopted by Council by Resolution on April 25, 2023.
- The plan is used to:
 - To assist with the annual budget development and propose the allocation of resources with Council identified priorities.
 - To guide the organization's efforts and staff.
 - To measure progress towards defined goals.

Strategic Plan Development

- City Council met in a Special Meeting on Thursday, Feb. 1 and Friday, Feb. 2 to discuss and develop an updated plan with the assistance of an outside facilitator and input from Town staff.
- A new format for the strategic plan was introduced:

Key Focus Areas (KFA): Key areas around which we build and focus our efforts and resources.

Strategic Objectives: Top ways that we succeed in our Key Focus Areas (~3-7 per KFA).

Initiatives: Specific means by which we accomplish our Strategic Objectives.

- Council focused on developing the new Key Focus Areas and Strategic Objectives during the Special Meeting.

- There was some discussion amongst Council to keep the prior Vision Statement, with a minor adjustment to promote and protect the importance of the Addison Way moving forward.
- Suggested edit to incorporate feedback:

*The Town of Addison is the benchmark for a diverse, vibrant, innovative, and connected community. **Along with our services delivered the Addison Way, our** unique places and experiences enhance the quality of life for our residents, businesses, workers, and visitors and makes Addison the place to live, work, and visit.*

- The Addison Way and brand were also emphasized and reflected in development of the Strategic Objectives.

Key Focus Area**Strategic Objectives****Public Safety**

- Retain, recruit, and train quality employees in the Addison Way and provide adequate resources (facilities, tools, equipment, etc.).
- Proactively enforce and strengthen Town zoning, building, and health and safety codes.
- Prepare for the impact of new growth, redevelopment, and density.
- Continuously evaluate response needs to changing environment.

Economic Development and Revitalization

- Pursue new economic development and zoning tools to revitalize declining areas.
 - Implement the Transit-Oriented Development (TOD) and leverage that investment as a catalyst to improve the surrounding area.
 - Provide premium development in all forms through the vision established in the Town's new Comprehensive Plan.
 - Optimize and market Addison's brand, uniqueness, and our Addison Way culture.
 - Leverage the Addison Airport to maximize business growth and expansion.
 - Revitalize existing hotels and attract high quality hotel and meeting space options.
-

Key Focus Area	Strategic Objectives
Mobility and Connectivity	<ul style="list-style-type: none">• Facilitate build-out of Addison as a major North Dallas transportation HUB.• Improve East-West pedestrian connectivity.• Update and implement Master Transportation Plan (MTP).• Address first mile/last mile TOD connectivity.• Connect major destinations in Town.• Improve pedestrian safety.
Infrastructure Development and Maintenance	<ul style="list-style-type: none">• Continue to invest in and maintain our Asset Management Plan.• Evaluate infrastructure needs for new development and redevelopment staying true with the Addison brand.
Financial Health and Organizational Excellence	<ul style="list-style-type: none">• Attract, retain, and develop top tier employees.• Implement continuous improvement and business process efficiencies maximizing the Addison Way and brand.• Maintain credit rating and a fiscally resilient budget process.• Explore opportunities for consolidating and/or expanding Town facilities.

Key Focus Area**Strategic Objectives****Community Engagement**

- Develop a pathway for future community leaders.
- Create meaningful short-term service opportunities.
- Use innovative approaches to marketing and engagement the Addison Way.
- Leverage the Addison brand through the Addison website and social media.

Vibrant Active Community

- Enhance the resident and visitor experience by activating our community parks and Town assets.
 - Enhance Addison gateways and visual appeal of streetscapes to optimize Addison brand.
 - Vision and create special moments that make people want to be in Addison (arts, events, AAC, markets) to optimize the Addison brand.
-

- Staff is requesting direction from Council regarding the proposed Vision Statement, Key Focus Areas, and Strategic Objectives.
- **Next Steps:**
 - Council considers adoption of the Strategic Plan on March 5, 2024
 - Staff develop Initiatives to accomplish each Strategic Objective
 - Staff has started this process and is reviewing as a leadership team
 - Will incorporate some Initiatives identified during the retreat (will highlight those)
 - May be current Initiatives
 - May be proposed Initiatives to be considered as part of the upcoming budget process
 - Develop funding packages for consideration as part of the FY25 Budget process
 - Update Council Agenda item templates to align items to KFA's where appropriate
 - Launch Envisio software to track and report on progress on a quarterly basis
 - Target to launch in April 2024 to report on current initiatives

Questions

City Council (FY24)

5. b.

Meeting Date: 02/27/2024

Department: Finance

Pillars: Gold Standard in Financial Health

Milestones: Continue development and implementation of the Long-Term Financial Plan

AGENDA CAPTION:

Present and discuss the FY 2023 audit and Annual Comprehensive Financial Report (ACFR).

BACKGROUND:

Staff will provide a brief introduction to the financial statements and audit process and introduce the Town's auditors, FORVIS. FORVIS will present their audit report and opinion on the Town's financial statements and provide an overview of the Town's Annual Comprehensive Financial Report (ACFR) for FY 2023. FORVIS will also be available to answer any questions regarding the audit and the financial statements.

RECOMMENDATION:

Information only. No action required.

Attachments

Presentation - FY 2023 Audit

FY 2023 ACFR

FY 2023 Audit Report to Council



FORVISTM

Town of Addison, Texas

FY2023 Audit Presentation to Town Council

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Introductions



Rachel Ormsby, CPA

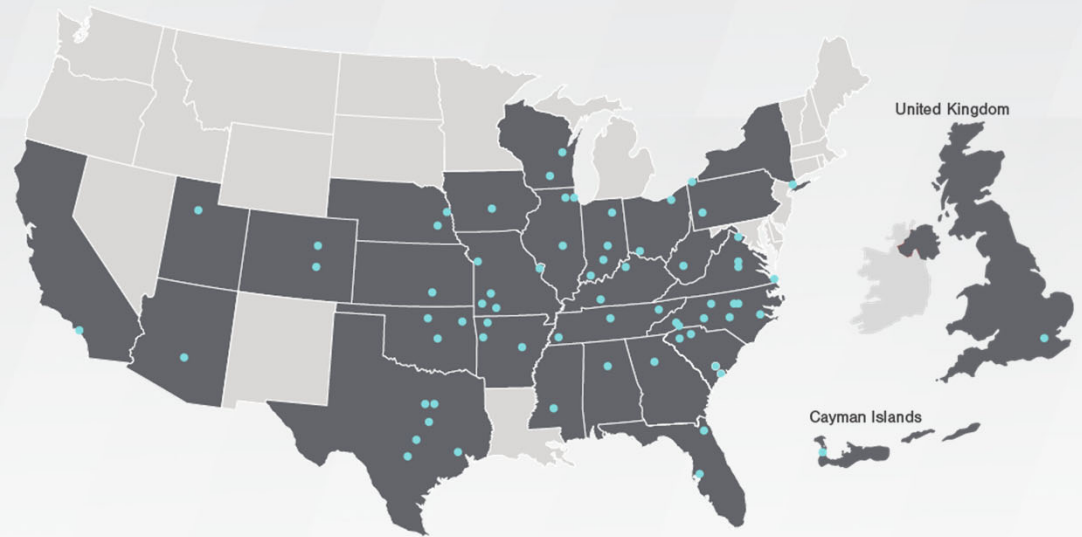
Partner & Market Industry Leader

Lead Audit Engagement Executive

Rachel.Ormsby@forvis.com

FORVIS

As a top 10 firm with true national coverage, we're exponentially stronger—for the benefit of our clients, our people, and the market of the future.



FORVIS



8th

Largest
U.S. Firm*

530+

Partners &
Principals

28

States + U.K. &
Cayman Islands**

10+

Industries

5,700+

Team Members

72

Markets

Agenda



Audit Scope and Results



Future Pronouncements and Other Matters



Financial Overview



Questions

Audit Scope and Results

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

Audit Scope and Results

- Unmodified “Clean” Opinions
 - Independent Auditor’s Report on Basic Financial Statements
- Qualitative Aspects of Significant Accounting Policies and Practices
 - Significant Accounting Policies
 - The Town’s significant accounting policies are described in *Note 1* of the audited financial statements.
 - Implementation of GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
 - Implementation of GASB 96, *Subscription-Based Information Technology Arrangements*
 - Alternative Accounting Treatments
 - No matters are reportable

Audit Scope and Results (cont.)

- Qualitative Aspects of Significant Accounting Policies and Practices (continued)
 - Management Judgments and Accounting Estimates
 - Accounts receivable and related allowance for uncollectible amounts
 - Compensated absences
 - Total other postemployment benefits (OPEB) liability and related deferred inflows and outflows of resources
 - Net pension liability and related deferred inflows and outflows of resources
 - Key estimates related to leases, public-private partnerships, and subscription-based information technology arrangements – discount rate, term, and payments/receipts
 - Depreciation
 - Financial Statement Disclosures
 - Net pension liability
 - Total OPEB liability
 - Leases
 - Public-Private Partnerships
 - Subscription-Based Information Technology Arrangements

Audit Scope and Results (cont.)

- Audit Adjustments
 - Proposed audit adjustments recorded:
 - None
 - Proposed audit adjustments not recorded:
 - None

Audit Scope and Results (cont.)

- Auditor's Judgments About the Quality of the Town's Accounting Principles
 - Adoption of GASB Statements No. 94 and 96
- Significant Issues Discussed with Management During the Audit Process
 - Implementation of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
 - Implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

Future Pronouncements and Other Matters

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Accounting Updates - GASB Statement No. 101, *Compensated Absences*

Summary

- Updates the recognition and measurement guidance for compensated absences under a unified model.
- Defines compensated absences and requires that liabilities be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.
- Liability for compensated absences should be accounted for and reported on a basis consistent with governmental fund accounting principles for financial statements prepared using the current financial resources measurement focus.
- GASB 96 is effective for the Town's 2025 fiscal year. Earlier application is encouraged.

Potential Impact

- GASB 101 amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change).
- No longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.
- The changes adopted at transition to conform to the provisions of GASB 101, should be reported as a change in accounting principle in accordance with GASB 100, including the related display and disclosure requirements

Accounting Updates - GASB Statement No. 102, *Certain Risk Disclosures*

- This statement requires governments to disclose information about certain concentrations or constraints that could affect services provided or the ability to meet obligations as they come due. The statement includes four nonauthoritative examples of concentrations and constraints, including a financial resource provider, collective bargaining, mandated spending, and an employer concentration.
- GASB 102 is effective for the Town's fiscal year ended September 30, 2025.

Other Matters

- Meeting the Increasing Challenges of Cybersecurity
 - Cybersecurity Risk Assessment
 - Identifies possible threats to organizations and can help determine how well the organization can prevent, detect and respond to cyber-attacks
 - Addresses cybersecurity risk in the context of business risk and uses generally accepted frameworks
 - State of Texas Cybersecurity Awareness Training – annual basis – must be completed by August 31st each year

Financial Overview Discussion

FORV/S

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office.

General Fund – Unassigned Fund Balance

The Town has adopted a financial standard to maintain a General Fund minimum fund balance of 30% of budgeted expenditures.

Unassigned Fund Balance at 9/30/23	Adopted FY2024 Budget Total Expenditures	Unassigned Fund Balance as % of Adopted FY2024 Budget Total Expenditures
\$20,023,732	\$48,155,864	41.6%

Texas Municipal Retirement System (TMRS) Pension Funded Status As of Measurement Year 2022 (12/31/22)

Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Percent Funded
\$169,078,831	\$140,394,280	\$28,684,551	83.03%

Questions?

forvis.com

The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by FORVIS or the author(s) as to any individual situation as situations are fact specific. The reader should perform its own analysis and form its own conclusions regarding any specific situation. Further, the author(s) conclusions may be revised without notice with or without changes in industry information and legal authorities. FORVIS has been registered in the U.S. Patent and Trademark Office, which registration is pending.

FORVIS

Assurance / Tax / Advisory

Thank you!

forvis.com

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FORVIS

Assurance / Tax / Advisory

Town of Addison, Texas

Annual Comprehensive Financial Report

For the Year Ended September 30, 2023

City Council

Expiration of Term

Bruce Arfsten, Mayor	May 2025
Eileen Resnik, Mayor Pro Tempore	May 2024
Guillermo Quintanilla, Deputy Mayor Pro Tempore	May 2024
Nancy Craig, Council Member	May 2025
Darren Gardner, Council Member	May 2024
Dan Liscio, Council Member	May 2025
Marlin Willesen, Council Member	May 2025

City Manager

David Gaines

Prepared by the Department of Finance

Steven Glickman, CPA, CGFO, Chief Financial Officer
Amanda Turner, CPA, CGFO, Assistant Director of Finance
Kristen Solares, CGFO, Budget Manager
Tandi Dickey, Controller
Ben Nguyen, CGFO, Senior Treasury Analyst
Ismael Villalta, CPA, CGFO, Senior Accountant
Daniel Cardona, Accountant
Eric Wellman, Senior Accounting Specialist



Town of Addison, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

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February 16, 2024

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

I am pleased to submit the Annual Comprehensive Financial Report of the Town of Addison, Texas for the fiscal year ended September 30, 2023. 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 Annual Comprehensive Financial Report (ACFR) is organized into three major sections: *Introductory*, *Financial*, and *Statistical*. 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 FORVIS, 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, 2023 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 (i.e., clean opinion) that the Town of Addison's financial statements for the fiscal year ended September 30, 2023 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.

**CITY MANAGER'S
OFFICE**

5300 Belt Line Road
Dallas, TX 75254

P.O. Box 9010
Addison, TX 75001

phone: 972.450.7000
fax: 972.450.7043

ADDISONTXAS.NET

IT ALL COMES
TOGETHER.

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 "platinum corridor," which is the area north of I-635 continuing up to Highway 121 in Frisco, 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. The malls, the Galleria and Stonebriar, both have over 200 stores. Additionally, the area holds the Willow Bend mall, which has over 125 stores. At 4.4 square miles, Addison is one of the smallest, yet most densely developed of the various suburbs located in the DFW Region. With just over 17,000 residents, the Town has developed into a cosmopolitan center which serves well over 125,000 business persons, shoppers, and visitors daily. Niche.com recognizes Addison as the top suburb in Texas for young professionals, and Nerdwallet.com recognizes Addison as the top community to start a business in Texas.



The Town was incorporated in 1953 and is operating under a Charter adopted in 1978 and last amended in January 2021. 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, stormwater, 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.

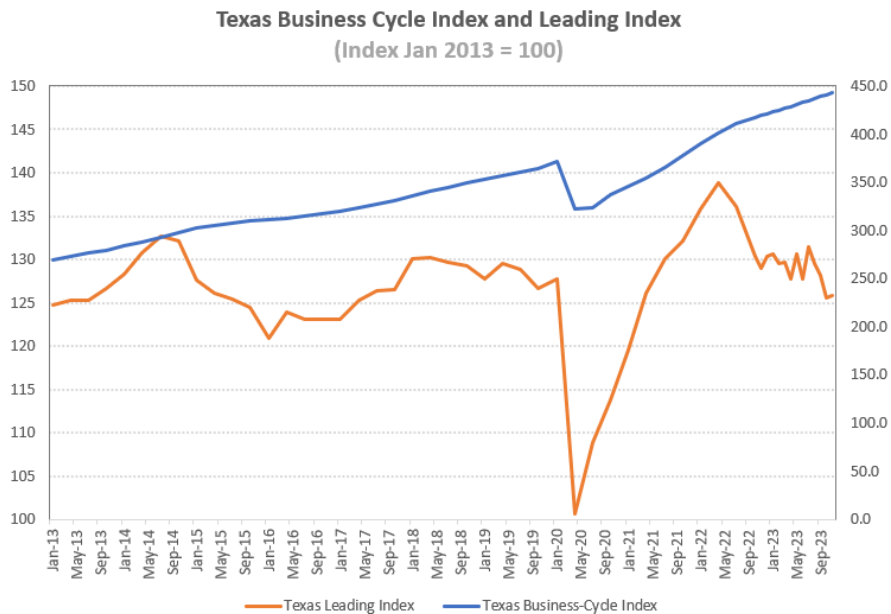
The annual budget of the Town of Addison serves as the foundation for the Town's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by the Town Charter and Council ordinances. The appropriated 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 major fund for which an appropriated annual budget has been adopted. All major funds, other than the capital project fund that follows a five year plan, as well as all proprietary and special revenue funds adopt annual budgets. For the non-major governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund financial statements and schedules section of this report.

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 Leading Index indicators decreased slightly while the Business Cycle Index indicators increased significantly during FY2023, primarily due to continued economic expansion following the COVID-19 pandemic. Both indices, after consistent increases throughout FY2022 showed varied results in FY2023. Overall, the trend bodes well for the continued economic strength of the Town.



The United States unemployment rate slightly increased, but remained fairly consistent throughout fiscal year 2023. Texas ended the year above the nation as a whole. Texas began fiscal year 2023 at 3.8% unemployment, and ended the year at 4.1%, just above the U.S. rate of 3.8%.

Addison is densely developed with 11.4 million square feet of office space distributed among 120 office buildings. Much attention is given to the occupancy rates of buildings in Addison. At the end of September 2023, Addison's occupancy rate stood at 78.9 percent compared with the 79.6 percent recorded a year earlier. Addison's occupancy rate is 3.4 percentage points higher than the 75.5 percent average for all of the Dallas/Ft. Worth Area. (Source: CoStar Group)

The Town experienced a 12.0 percent increase in taxable property values for the fiscal year 2023 compared to a 3.0 percent increase for the fiscal year 2022.

For the 2023 fiscal year, General Fund revenues of \$47.2 million represented a 10.5% increase from \$42.7 million in fiscal year 2022, primarily due to increased property taxes, sales taxes, and investment revenue. The property tax levy produced 48% of the total revenue available to the Town's General Fund for this year, while the sales tax revenue category produced 38%. The Town's sales tax receipts increased 4.2 percent from fiscal year 2022. General Fund expenditures and transfers for the 2023 fiscal year totaled \$47.1 million. The General Fund ending fund balance increased by \$168 thousand to \$20.7 million, with an ending fund balance of 46.9% of General Fund operating expenditures. Although the dollar value of fund balance increased, the fund balance percentage of operating expenditures decreased slightly due to the increase in expenditures from fiscal year 2022 to fiscal year 2023.

Long-Term Financial Planning

The City Council has adopted various financial policies for operations, capital, and debt management. Fiscal year 2023 was most significantly impacted by the Town's debt management policies ensuring the Town can cover needed capital project costs increasing due to inflation while decreasing the overall property tax rate.

Because the Town's major source of revenue is taxes, the Town occasionally offers tax abatement incentive agreements to attract new businesses and development. The Town believes these agreements attract quality businesses to our community that provide long-term benefits such as creating more jobs and increasing the tax revenue to spend on additional or enhanced services to our residents.

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 2023-24 Annual Budget. The document details the Town's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the Town's capital improvement program. The Town's Annual Budget also includes long-term financial plans for the major operating funds that forecast revenues and expenditures over a five-year horizon. The plans are driven by financial policies adopted by the City Council that are designed to protect the Town's financial integrity. The policies include establishing significant fund balances, or reserves, to protect the Town from the boom/bust economic cycle common to the state and the region. The budget document can be obtained from the Town of Addison's Finance Department by calling (972) 450-7051. The Annual Budget can also be accessed through the department's website at:

<http://addisontexas.net/index.php?section=finance-department> [Addison-budget.](#)

AWARDS AND ACKNOWLEDGMENTS

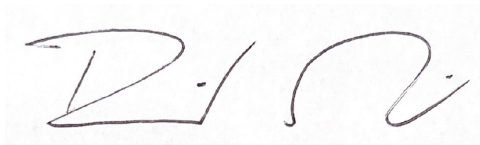
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Town of Addison, Texas for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022. The *Certificate*, 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 ACFR 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 47 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 2023 annual budget document. In order to qualify for the *Budget 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 36 consecutive years.

Also, the Town earned the *Award for Achievement in Popular Annual Financial Reporting for the Popular Annual Financial Report* (PAFR) from GFOA for the third consecutive time for the fiscal year ended September 30, 2022. The PAFR is compiled by both the marketing and finance departments. The PAFR takes information from the ACFR and adds other valuable information about the Town in a format designed to be easily understandable to readers who have no background in public finance. Together, the *Budget Award*, *PAFR 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.

I wish to thank all members of the Finance Department who assisted in preparing and assembling the information presented in this report. I also acknowledge our auditors, FORVIS, LLP, and the assistance they provided in meeting the deadlines established for publication of the document. I am grateful for the support provided by the City Council, and affirm our pledge to be a resource to help them achieve the goals they have established for the Addison community.

Respectfully submitted,



David Gaines
City Manager



Steven Glickman, CPA, CGFO
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Addison
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

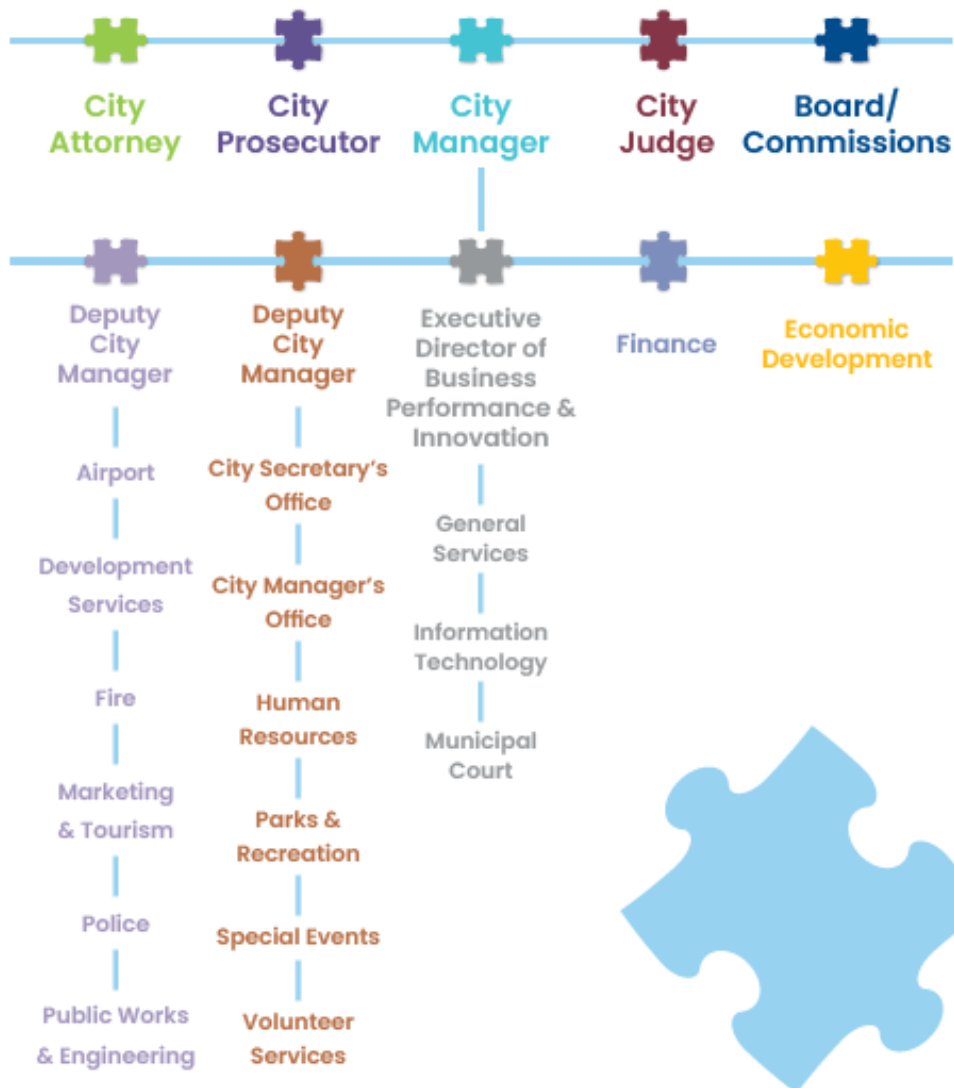
Christopher P. Morill

Executive Director/CEO

ADDISON STAFF *Organization Chart*



MAYOR / CITY COUNCIL



Town of Addison
LIST OF PRINCIPAL OFFICIALS
September 30, 2023

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

Elected Officials

Mayor	Bruce Arfsten	(972) 450-7000
Mayor Pro Tempore	Eileen Resnik	(972) 450-7000
Deputy Mayor Pro Tempore	Guillermo Quintanilla	(972) 450-7000
Council Member	Nancy Craig	(972) 450-7000
Council Member	Darren Gardner	(972) 450-7000
Council Member	Dan Liscio	(972) 450-7000
Council Member	Marlin Willesen	(972) 450-7000

Town Management

City Manager	David Gaines	(972) 450-7037
Deputy City Manager	Ashley Shroyer	(972) 450-7010
Deputy City Manager	Passion Hayes	(972) 450-2819
Exec. Dir. of Internal Services	Hamid Khaleghipour	(972) 450-2868
City Secretary	Irma Parker	(972) 450-7017
Director of Airport Administration	Joel Jenkinson	(972) 392-4855
Director of Economic Development	Wayne Emerson	(972) 450-7034
Director of Development Services	Ken Schmidt	(972) 450-7027
Chief Financial Officer	Steven Glickman	(972) 450-7050
Fire Chief	David Jones	(972) 450-7206
Director of General Services	Bill Hawley	(972) 450-7016
Asset Mgmt & Special Projects Director	Rob Bourestom	(972) 450-6203
Director of Human Resources	Ashley Wake	(972) 450-7085
Director of Parks and Recreation	Janna Tidwell	(972) 450-2869
Police Chief	Paul Spencer	(972) 450-7168
Director of Marketing & Tourism	Mary Rosenbleeth	(972) 450-7032
Director of Public Works & Engineering	Shannon Hicks	(972) 450-2849
Director of Special Events & Theatre	Abby Morales	(972) 450-6221

Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Addison, Texas (Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the hotel fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in *Notes III. D, III. F, III. I, III. J, and IV* to the financial statements, in fiscal year 2023 the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 supplementary information, including the combining and individual fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS,LLP

**Dallas, Texas
February 16, 2024**

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, 2023. 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 (000's).**

Financial Highlights

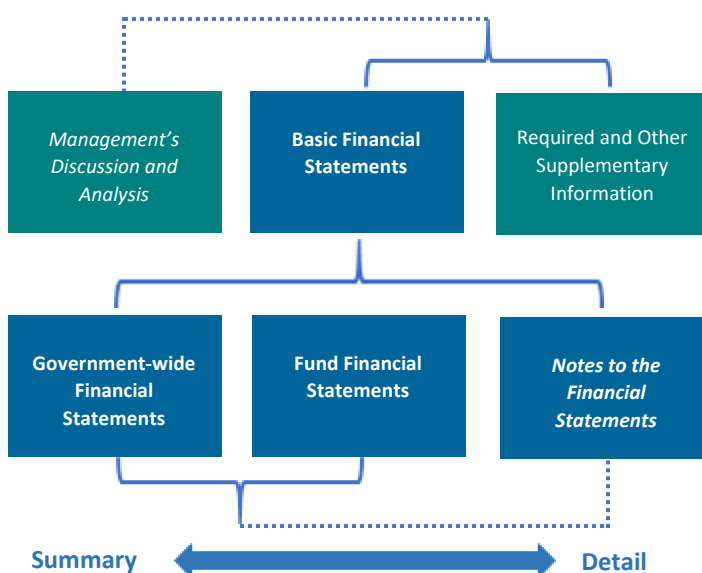
- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the 2023 fiscal year by \$274,346. This amount represents an increase over the previous year of \$9,095. The increase is due to the recognition of public-partnership revenues for the first time as part of the implementation of GASB Statement No. 94 for the fiscal year ended September 30, 2023.
- As of September 30, 2023, the Town's governmental funds reported combined ending fund balances of \$85,624, a decrease of \$(2,263). The majority of the decrease was due to spending down of bond proceeds in the Capital Project Fund on large construction projects, as part of the five-year capital projects plan.
- At the end of the 2023 fiscal year, the fund balance for the General Fund was \$20,683, or 47 percent of total fund expenditures. Fund balance increased \$167 during the year. This slight increase was mainly due to increasing the annual transfer to the Capital Project Fund to utilize as much excess funds as possible while maintaining a stable fund balance in the General Fund.
- At year-end, the Town of Addison's outstanding long-term liabilities totaled \$184,054, an increase of \$27,620 from the previous year, which is attributed mainly to the swing from a net pension asset in fiscal year 2022 to a net pension liability in fiscal year 2023, stemming from the adoption of a repeating Cost of Living Adjustment (COLA) in 2022 and unfavorable market performance.

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 such as 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 as business-like, such as the airport.

**Illustration A-1 Required Components of
Town of Addison's Annual Financial Report**



The financial statements also include *notes*, which elaborate on some of the information in the financial statements, providing 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 statistical section, which, through the use of tables, presents comparative economic and financial data to give users of this report a perspective of the Town's financial performance over a number of years.

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

Illustration A-2			
Major Features of Town of Addison's Government-wide and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire Town government	Activities of the Town that are not proprietary, such as police, fire, and parks	Activities the Town operates similar to a private-sector business: airport, water/sewer utility, and storm water
Required financial statements	* Statement of net position * Statement of activities	* Balance Sheet * Statement of revenues, expenditures, and changes in fund balances * Budget and actual	* 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 assets, liabilities, and deferred inflows and outflows, with the difference 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 the Town's change in net position 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 other 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, utility system and storm water system fall within this category.

Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources which 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.

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 9 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, Grant Fund and PEG Fees 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 almost all its governmental funds. A budgetary comparison statement is provided for each fund to demonstrate compliance with this budget except for the Capital Projects Fund.

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, major equipment, its technological information systems, and to repair and improve existing facilities. All of these services predominantly benefit governmental rather than business-type functions hence 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, all 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 36-81 in 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 (TMRS) and to provide other postemployment benefits to Town employees upon retirement.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented on pages 91-103.

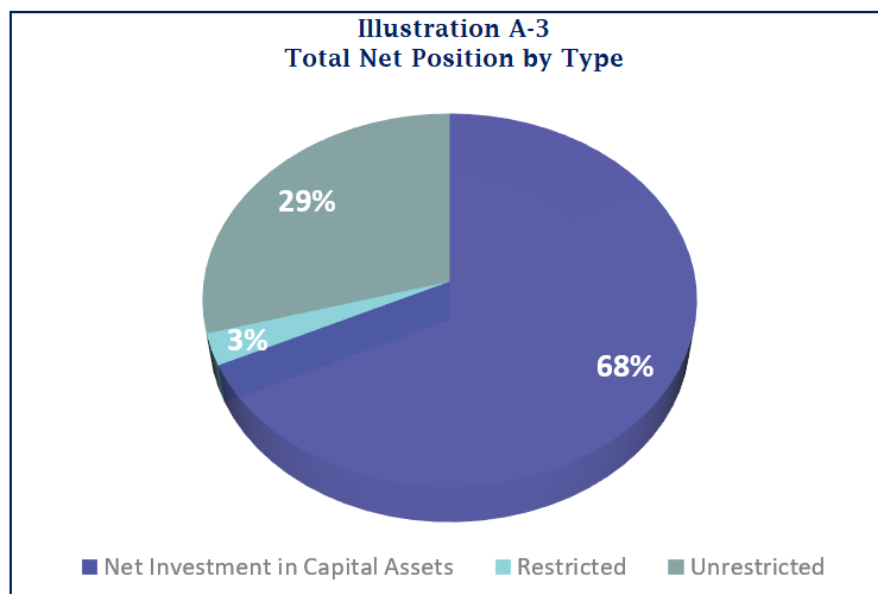
Government-wide Financial Analysis

As of the close of the 2023 fiscal year, the Town's net position (assets and deferred outflows exceeding liabilities and deferred inflows) totaled \$274,346 (see Table A-1). Of this amount \$186,307, or 68 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. 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 (\$830), promotion of tourism and hotel industry (\$5,880), and other restrictions (\$531). The remaining amount of net position is labeled as unrestricted and totals \$80,798. 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 three 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 (000's)**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and Other Assets	\$ 106,058	\$ 114,208	\$ 114,302	\$ 41,878	\$ 220,360	\$ 156,086
Capital, Lease, and Subscription Assets	196,639	186,559	94,604	93,940	291,243	280,499
Total Assets	302,697	300,767	208,906	135,818	511,868	436,585
Deferred Outflows of Resources:						
Deferred Charges on Refundings	1,020	1,127	418	462	1,438	1,589
Deferred Outflows on Pensions	11,839	3,144	2,200	202	14,039	3,346
Deferred Outflows on OPEB	998	719	220	63	1,218	782
Total Deferred Outflows of Resources	13,857	4,990	2,838	727	16,695	5,717
Liabilities:						
Long-Term Liabilities Outstanding	145,749	123,396	38,305	33,037	184,054	156,433
Other Liabilities	8,794	8,238	3,427	2,853	12,221	11,091
Total Liabilities	154,543	131,634	41,732	35,890	196,275	167,524
Deferred Inflows of Resources:						
Deferred Inflows on Pensions	-	8,824	-	513	-	9,337
Deferred Inflows on OPEB	1,284	175	283	15	1,567	190
Deferred Inflows on Public-Private Partnerships	-	-	56,109	-	56,109	-
Total Deferred Inflows of Resources	1,284	8,999	56,392	528	57,676	9,527
Net Position:						
Net Investment in Capital Assets	116,635	115,284	69,672	68,142	186,307	183,426
Restricted :						
Debt Service	830	770	-	-	830	770
Tourism/Hotel	5,880	4,972	-	-	5,880	4,972
Child Safety	166	141	-	-	166	141
Justice Administration	89	72	-	-	89	72
Court Technology	54	41	-	-	54	41
Public Safety	101	124	-	-	101	124
Court Security	51	47	-	-	51	47
Other Purposes	70	218	-	-	70	218
Pensions	-	6,022	-	350	-	6,372
Unrestricted	36,850	37,433	43,948	31,635	80,798	69,068
Total Net Position	\$ 160,726	\$ 165,124	\$ 113,620	\$ 100,127	\$ 274,346	\$ 265,251

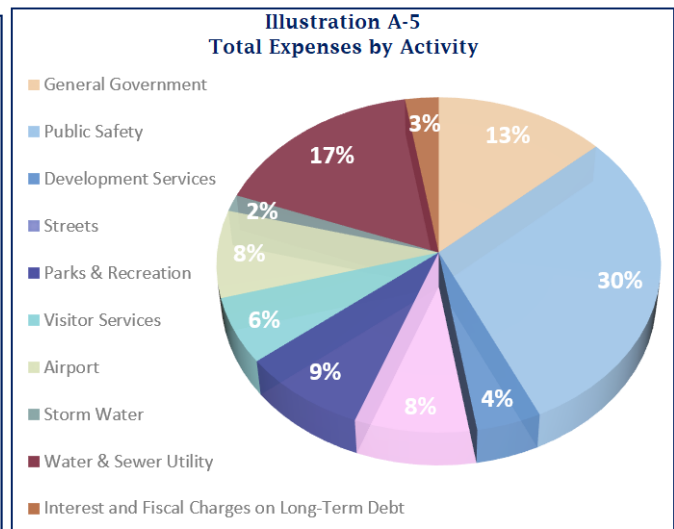
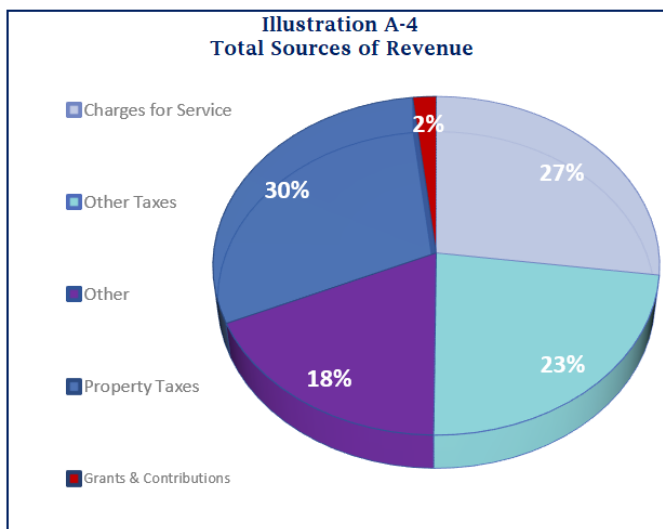


As reflected in Table A-2, the Town's net position increased \$9,095 during the 2023 fiscal year.

**Table A-2
Town of Addison's Change in Net Position (000's)**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,597	\$ 7,287	\$ 24,775	\$ 25,246	\$ 30,372	\$ 32,533
Capital Grants & Contributions	302	25	1,403	2,055	1,705	2,080
Operating Grants & Contributions	400	2,244	50	198	450	2,442
General Revenues:						
Property Taxes	33,454	30,444	-	-	33,454	30,444
Other Taxes	25,889	24,071	-	-	25,889	24,071
Other	4,680	(3,074)	15,699	(927)	20,379	(4,002)
Total Revenues	70,322	60,997	41,927	26,572	112,249	87,569
Expenses:						
General Government	13,791	9,416	-	-	13,791	9,416
Public Safety	30,645	20,332	-	-	30,645	20,332
Development Services	4,537	3,061	-	-	4,537	3,061
Streets	8,556	10,669	-	-	8,556	10,669
Parks & Recreation	8,851	7,024	-	-	8,851	7,024
Visitor Services	6,544	5,397	-	-	6,544	5,397
Interest and Fiscal Charges on Long-Term Debt	2,705	2,179	-	-	2,705	2,179
Airport	-	-	8,696	6,758	8,696	6,758
Storm water	-	-	1,661	1,061	1,661	1,061
Water & Sewer Utility	-	-	17,168	14,754	17,168	14,754
Total Expenses	75,629	58,079	27,525	22,573	103,154	80,652
Increase (decrease) in net position	(5,307)	2,918	14,402	3,999	9,095	6,917
Transfers	909	-	(909)	-	-	-
Change in Net Position	(4,398)	2,918	13,493	3,999	9,095	6,917
Net Position - Beginning of year	165,124	162,206	100,127	96,128	265,251	258,334
Net Position - End of year	\$ 160,726	\$ 165,124	\$ 113,620	\$ 100,127	\$ 274,346	\$ 265,251

Note: 2022 balances in tables A-1 and A-2 are not restated for adoption of GASB 96 or GASB 94



Governmental Activities

Governmental activities decreased the Town of Addison's net position by \$(4,398) in fiscal year 2023 as compared to a \$2,918 increase in fiscal year 2022. The major changes from 2022 to 2023 are as follows:

1. Hotel tax revenue increased by \$899 due to increased hotel occupancy related to continued economic recovery following the coronavirus pandemic.
2. Sales taxes revenue increased by \$877 as the economy continues to recover from the financial impact of the Coronavirus pandemic.
3. Property tax revenue increased by \$3,010 due to increasing market values of properties.
4. Net Investment Income/(Loss) increased by \$7,644 due to increases in market value of the Town's investment portfolio, as older securities that were affected by the actions of the Federal Open Market Committee in 2022 matured.
5. Transfers In increased by \$909, as the business-type activities began contributing to the debt service fund in fiscal year 2023 for their share of debt.
6. Streets charges for services decreased by \$2,113 because in fiscal year 2022 there were some large streets projects the Town jointly participated in and received several large reimbursement of expenses.
7. Visitor Services grants and contributions decreased by \$2,019 due to funds received from the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) that were applied to the Hotel Fund in the prior fiscal year did not repeat.
8. Overall expenses increased \$17,284 primarily due to the increase in the net pension liability. In fiscal year 2022, there was a net pension asset, which further decreased overall expenses in that year.

Business-Type Activities

The Town's business-type activities experienced a \$13,493 increase in net position, with the Airport Fund recording an increase of \$12,568, due mainly to the first-time recognition of public-private partnership revenues of \$12,578 for the implementation of GASB Statement No. 94. This standard also increased the airport's assets by \$69,431,319 and deferred inflows of resources by \$56,109,099. The Utility Fund posted a decrease in net position of \$(285), due mainly to increased pension expense from the increase in the net pension liability. The Storm Water Fund posted an increase in net position of \$782, mainly due to maintaining drainage fee rates that cover the stormwater operational costs and build healthy reserves.

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, 2023, the Town's governmental funds reported combined ending fund balances of \$85,624, a decrease of \$(2,263) compared to balances a year earlier. Of the ending balance, \$20,024 or 23.4 percent is *unassigned* and is available to the Town for future spending. Most of the remaining fund balance is *restricted* for future capital projects (\$37,280), promotion of tourism and hotel industry (\$5,330), debt service (\$747) or *committed* for Economic Development (\$2,593) and Capital Projects (\$18,497). Components of the net decrease of total fund balance are:

- In the General Fund, expenditures and transfers out totaled \$47,105 compared to revenues of \$47,154. Expenditures increased \$3,524 from the 2022 fiscal year. This increase is primarily due to the increases in public safety (\$1,754), general government (\$742), and parks and recreation services (\$504), all due to inflation and rising costs of supplies and services and increases in public safety personnel costs. Revenues increased \$4,467 from the previous year. The increase was mainly due to an increase in ad valorem taxes and in investment earnings.
- In the Hotel Fund, expenditures and transfers out to other funds totaled \$6,405 compared to revenues and transfers in of \$7,094. Fund revenues decreased \$(356) from the previous year due in large part to a decrease in intergovernmental revenue from funds received from the CSLFRF used to replace lost revenue in the prior fiscal year, offset by increased hotel occupancy taxes as occupancy rates return to pre-pandemic levels. Expenditures increased \$460 from fiscal year 2022 mainly due to inflation and increased prices on various services.
- The General Obligation Debt Service Fund recorded a net increase in fund balance of \$95, which is \$16 more than the net increase for fiscal year 2022. The increase is predominantly due to the increases in transfers in from the proprietary funds for coverage of their debt service.

- The Capital Project Fund recorded a net decrease in fund balance of \$3,715, primarily due to capital expenditures of \$18,870 offset by revenue (\$4,957) which reflects an increase in investment earnings, transfers in (\$3,000) and the proceeds from the 2023 General Obligation Bonds and 2023 Tax and Revenue Certificates of Obligations, both of which will be expended in the future. The Town is steadily spending its bond proceeds in accordance with its five year capital improvement projects plan. Included in these funds is the Infrastructure Investment Fund with an ending fund balance of \$6,051 as of September 30, 2023. Other balances included are for capital projects funded with unspent bond proceeds as of the end of the fiscal year, as well as savings from general operations transferred to the Self-Funded Project fund for future capital projects, and a small fund designated for street maintenance.

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 \$20,616; the Utility Fund reported an unrestricted net position of \$12,956, while the Stormwater Fund reported an unrestricted net position of \$8,535.

General Fund Budgetary Highlights

Major differences between the original budget and the final amended budget are described below, **not expressed in thousands of dollars (000's)**:

Sales tax revenue was amended to recognize an increase in sales tax collections by \$796,417. Additionally, the budget was amended for personnel costs associated with the City Manager's Office, Information Technology, Finance, General Services, and Police. The budget was also amended to appropriate funds for a full-time Long-Range Planning position in the Development Services Department, personnel costs for Council Special Projects, to contribute funds to the Facility Maintenance Fund, and to appropriate funding for street maintenance and prior year encumbrances for street lighting. Additional appropriations were also made for water purchases in the Parks Department due to the hot and dry summer, and funds for a prior year encumbrance to replace a bus shelter damaged by a motorist in the Parks Department. All budget amendments approved did not result in a net change to appropriations.

The adjustments resulted in increasing budgeted revenue 1.8 percent and increasing expenditures by 1.8 percent. \$3,000,000 was transferred to the Self-Funded Project Fund for future capital needs. This was authorized by Section 3 of the September budget amendment ordinance that allowed the City Manager to transfer unexpended appropriations and excess revenue at the end of the fiscal year.

The final actuals resulted in revenues were 4.9 percent higher than the revised budget, due primarily to property and sales tax outperforming budget projections. Expenditures were 1.9 percent lower than the revised budget. The decrease in expenditures resulted from savings on maintenance and contractual services in various departments.

Capital, Subscription and Lease Asset and Debt Administration

Capital, subscription and lease assets – As detailed in Table A-3 below, the Town of Addison's investment in capital, subscription and lease assets for its governmental and business-type activities as of September 30, 2023, totals \$291,243 (net of accumulated depreciation/ amortization). This amount represents a \$10,745 increase from the previous year and is attributed to the increase in current construction of assets less depreciation of existing assets. Some of the projects in progress include Vitruvian Public Infrastructure, Midway Road Rehabilitation, Airport Parkway Reconstruction, Keller Springs Road Reconstruction, and Rawhide Creek Basin Drainage Improvement. More information related to the Town's capital assets can be found in Sections; I, D, 4 and III, D of the Notes to Financial Statements.

Table A-3
Town of Addison's Capital, Subscription and Lease Assets
 (Net of Depreciation/Amortization) (000's)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 72,164	\$ 71,358	\$ 17,259	\$ 17,259	\$ 89,423	\$ 88,617
Intangible Assets	862	862	-	-	862	862
Buildings	7,240	7,518	15,542	14,622	22,782	22,140
Leased Buildings	205	352	-	-	205	352
Improvements other than Buildings	62,912	64,345	53,452	54,836	116,364	119,181
Machinery and Equipment	14,831	11,323	4,228	3,160	19,059	14,483
Leased Equipment	136	165	-	-	136	165
Subscription Assets	366	-	-	-	366	-
Construction in Progress	37,923	30,636	4,123	4,062	42,046	34,698
Total Capital, Subscription, and Lease Assets	\$ 196,639	\$ 186,559	\$ 94,604	\$ 93,939	\$ 291,243	\$ 280,498

Note: Table A-3 does not restate 2022 balances for adoption of GASB 96 or GASB 94

Long-term debt – At the end of the 2023 fiscal year, the Town of Addison had total bonded debt outstanding of \$149,608 as detailed in Table A-4. The Town of Addison maintains an underlying bond rating of “AAA” from Standard & Poor’s and “Aaa” from Moody’s. Several of the Town’s outstanding debt issuances are insured. 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 Bonded Debt (000's)**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 89,858	\$ 90,964	\$ 10,722	\$ 11,279	\$ 100,580	\$ 102,243
Certificates of Obligation	26,846	25,949	22,182	21,134	49,028	47,083
Total Debt Outstanding	\$ 116,704	\$ 116,913	\$ 32,904	\$ 32,413	\$ 149,608	\$ 149,326

Economic Factors and Next Year’s Budget and Rates

The development of the Town's budget is guided by several factors including the Town's strategic plan and prevailing economic conditions. The fiscal year 2024 budget plan adopted by the City Council adheres to the Town's financial policies and preserves the Town's strong financial position while providing excellent levels of service. 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 major operating revenues and categories of expenses. Changes in fund balances are monitored to ensure that the Town is in compliance with adopted fund balance policy.

Major programs in the General Fund continue to focus on public safety, community development and parks to ensure the high quality of life enjoyed by Addison citizens and visitors.

Revenue assumptions in the General Fund are expected to take into consideration current economic indicators. Revenues, such as property tax revenue and sales tax revenue, are forecasted using both historical results and current trends. Certified taxable property values in Addison totaled \$6,119,151,951 for fiscal year 2024 which represented an 9.7 percent increase from the previous year. The property tax rate remained the same at \$0.609822 per \$100 appraised value, as compared to the previous fiscal year. Of the 2024 budget tax rate, \$0.450330 was levied for operation/maintenance and \$0.159492 for debt service.

Sales tax collections for the Town were conservatively budgeted from the amount collected in 2023. Sales tax collections were projected to increase slightly in fiscal year 2024 compared to the 2023 budget.

Hotel occupancy tax collections were budgeted to increase by approximately 9.4 percent between fiscal year 2023 and fiscal year 2024.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Addison’s finances and to show the Town's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Town of Addison
 Finance Department
 P.O. Box 9010
 Addison, TX 75001
 Telephone: (972) 450-7050
 Email: sglickman@addisontx.gov

Town of Addison, Texas
Basic Financial Statements

TOWN OF ADDISON
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled Cash and Investments	\$ 97,244,956	\$ 34,870,148	\$ 132,115,104
Receivables, Net of Allowances for Uncollectibles	6,555,826	3,973,338	10,529,164
Prepaid Items	605,698	60,043	665,741
Inventories, at Cost	57,529	-	57,529
Internal Balances	176,667	(176,667)	-
Investment in Joint Venture	1,417,050	6,143,633	7,560,683
Public-Private Partnerships Receivable	-	69,431,319	69,431,319
Capital, Lease, and Subscription Assets, Net of Accumulated Depreciation/Amortization			
Land	72,163,696	17,258,730	89,422,426
Intangible Assets	862,221	-	862,221
Buildings	7,239,329	15,541,851	22,781,180
Leased Buildings	204,943	-	204,943
Improvements other than Buildings	62,912,383	53,451,843	116,364,226
Machinery and Equipment	14,830,576	4,228,175	19,058,751
Leased Equipment	136,093	-	136,093
Subscription Assets	366,227	-	366,227
Construction in Progress	37,923,057	4,123,408	42,046,465
Total Assets	302,696,251	208,905,821	511,602,072
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refundings	1,019,932	417,716	1,437,648
Deferred Outflows on Pensions	11,839,104	2,200,465	14,039,569
Deferred Outflows on OPEB	997,706	220,345	1,218,051
Total Deferred Outflows of Resources	13,856,742	2,838,526	16,695,268
LIABILITIES			
Accounts Payable and Accrued Liabilities	8,779,134	1,575,428	10,354,562
Customer Deposits	14,275	1,851,627	1,865,902
Long-Term Liabilities			
Due within One Year	7,416,054	2,060,473	9,476,527
Due in More Than One Year	138,333,255	36,244,557	174,577,812
Total Liabilities	154,542,718	41,732,085	196,274,803
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows on OPEB	1,283,902	283,555	1,567,457
Deferred Inflows on Public-Private Partnerships	-	56,109,099	56,109,099
Total Deferred Inflows of Resources	1,283,902	56,392,654	57,676,556
NET POSITION			
Net Investment in Capital Assets	116,634,762	69,671,931	186,306,693
Restricted for:			
Debt Service	830,459	-	830,459
Promotion of Tourism and Hotel Industry	5,879,548	-	5,879,548
Child Safety	166,297	-	166,297
Justice Administration	89,137	-	89,137
Court Technology	53,669	-	53,669
Court Security	51,544	-	51,544
Public Safety	100,768	-	100,768
Other Purposes	70,321	-	70,321
Unrestricted	36,849,868	43,947,677	80,797,545
Total Net Position	\$ 160,726,373	\$ 113,619,608	\$ 274,345,981

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, 2023

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
Primary Government:							
Governmental Activities:							
General Government	\$ 13,791,308	\$ 928,417	\$ -	\$ -	\$ (12,862,891)	\$ -	\$ (12,862,891)
Public Safety	30,645,228	1,432,620	390,693	46,000	(28,775,915)	-	(28,775,915)
Development Services	4,536,840	1,254,806	9,083	-	(3,272,951)	-	(3,272,951)
Streets	8,555,527	466,103	-	25,890	(8,063,534)	-	(8,063,534)
Parks and Recreation	8,851,065	242,373	-	230,000	(8,378,692)	-	(8,378,692)
Visitor Services	6,543,984	1,272,806	-	-	(5,271,178)	-	(5,271,178)
Interest on Long-Term Debt	2,705,036	-	-	-	(2,705,036)	-	(2,705,036)
Total Governmental Activities	75,628,988	5,597,125	399,776	301,890	(69,330,197)	-	(69,330,197)
Business-Type Activities:							
Airport	8,696,459	5,978,554	50,000	1,211,940	-	(1,455,965)	(1,455,965)
Utilities	17,167,507	16,244,659	-	191,047	-	(731,801)	(731,801)
Stormwater	1,660,577	2,551,299	-	-	-	890,722	890,722
Total Business-Type Activities	27,524,543	24,774,512	50,000	1,402,987	-	(1,297,044)	(1,297,044)
Total Primary Government	\$ 103,153,531	\$ 30,371,637	\$ 449,776	\$ 1,704,877	(69,330,197)	(1,297,044)	(70,627,241)
General Revenues							
Taxes							
Property Taxes, Levied for General Purposes					33,454,168	-	33,454,168
Sales Taxes					18,286,374	-	18,286,374
Franchise Taxes					2,157,699	-	2,157,699
Hotel/Motel Taxes					5,445,315	-	5,445,315
Net Investment Income/(Loss)					4,036,686	2,989,902	7,026,588
Gain on Disposition of Debt					219,680	-	219,680
Public-Private Partnership Revenues					-	12,578,484	12,578,484
Miscellaneous					423,086	130,900	553,986
Transfers					909,405	(909,405)	-
Total General Revenues and Transfers					64,932,413	14,789,881	79,722,294
Change in Net Position					(4,397,784)	13,492,837	9,095,053
NET POSITION, Beginning of Year					165,124,157	100,126,771	265,250,928
NET POSITION, End of Year					\$ 160,726,373	\$ 113,619,608	\$ 274,345,981

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Governmental Funds
Balance Sheet
September 30, 2023

	General Fund	Hotel	General Obligation Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:						
Pooled Cash and Investments	\$ 21,415,580	\$ 5,533,057	\$ 743,929	\$ 58,269,453	\$ 3,280,052	\$ 89,242,071
Receivables:						
Ad Valorem Taxes, Including Interest and Penalties, Net	238,698	-	96,051	3,572	13,737	352,058
Non-Property Taxes	3,339,500	570,364	-	-	-	3,909,864
Franchise Fees	314,647	-	-	-	-	314,647
Service Fees, Net	223,083	-	-	-	-	223,083
Ambulance, Net	568,971	-	-	-	-	568,971
Interest	138,909	30,481	3,399	286,544	17,622	476,955
Intergovernmental	-	-	-	204,200	-	204,200
Other	107,141	346,553	-	-	-	453,694
Due from Other Funds	-	-	-	176,667	-	176,667
Prepaid Items	601,698	-	-	-	4,000	605,698
Inventories, At Cost	57,529	-	-	-	-	57,529
Total Assets	<u>\$ 27,005,756</u>	<u>\$ 6,480,455</u>	<u>\$ 843,379</u>	<u>\$ 58,940,436</u>	<u>\$ 3,315,411</u>	<u>\$ 96,585,437</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 3,688,604	\$ 849,426	\$ -	\$ 3,159,935	\$ 214,895	\$ 7,912,860
Customer Deposits	800	13,475	-	-	-	14,275
Total Liabilities	<u>3,689,404</u>	<u>862,901</u>	<u>-</u>	<u>3,159,935</u>	<u>214,895</u>	<u>7,927,135</u>
Deferred Inflows of Resources:						
Unavailable Resources	<u>2,633,393</u>	<u>287,347</u>	<u>96,051</u>	<u>3,572</u>	<u>13,736</u>	<u>3,034,099</u>
Total Deferred Inflows of Resources	<u>2,633,393</u>	<u>287,347</u>	<u>96,051</u>	<u>3,572</u>	<u>13,736</u>	<u>3,034,099</u>
Fund Balances:						
Nonspendable						
Inventories	57,529	-	-	-	-	57,529
Prepaid Items	601,698	-	-	-	-	601,698
Restricted						
Debt Service	-	-	747,328	-	-	747,328
Promotion of Tourism and Hotel Industry	-	5,330,207	-	-	-	5,330,207
Capital Projects	-	-	-	37,280,119	-	37,280,119
Child Safety	-	-	-	-	166,297	166,297
Justice Administration	-	-	-	-	60,244	60,244
Court Technology	-	-	-	-	53,669	53,669
Court Security	-	-	-	-	51,544	51,544
Public Safety	-	-	-	-	92,198	92,198
Governmental Public Education	-	-	-	-	70,321	70,321
Committed						
Capital Projects	-	-	-	18,496,810	-	18,496,810
Economic Development	-	-	-	-	2,592,507	2,592,507
Unassigned	<u>20,023,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,023,732</u>
Total Fund Balance	<u>20,682,959</u>	<u>5,330,207</u>	<u>747,328</u>	<u>55,776,929</u>	<u>3,086,780</u>	<u>85,624,203</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 27,005,756</u>	<u>\$ 6,480,455</u>	<u>\$ 843,379</u>	<u>\$ 58,940,436</u>	<u>\$ 3,315,411</u>	<u>\$ 96,585,437</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

TOWN OF ADDISON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total Fund Balances - Total Governmental Funds	\$ 85,624,203
Amounts reported for governmental activities in the statement of net position are different because:	
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. A portion of 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.	14,554,329
Capital, lease, and subscription assets used in governmental activities, including infrastructure and developer contributions, are not financial resources and therefore are not reported in fund financial statements. Capital, lease, and subscription assets of \$189,370,428, net of accumulated depreciation/amortization of \$165,478,517, increased net position in the government-wide financial statements. This amount is exclusive of the capital and subscription assets of internal service funds with a net carrying value of \$7,528,441, of which \$260,346 was applied to business-type activities and \$7,268,095 was applied to governmental activities.	189,370,428
Investment in Joint Venture is not financial resources and is not reported in the fund financial statements. Investment in Joint Venture increased net position in the government-wide financial statements.	1,417,050
Deferred losses on refundings of debt have been reflected net of amortization in the government-wide financial statements.	1,019,932
Bonds payable, contractual obligations, and related premium and discount amounts have not been included in the fund financial statements.	(116,704,520)
Accrued liabilities for compensated absences have not been reflected in the fund financial statements.	(1,030,373)
Total OPEB liability is not reflected in the fund financial statements.	(3,111,798)
Deferred outflows on OPEB, net of amortization, are not reflected in fund financial statements.	997,706
Deferred inflows on OPEB, net of amortization, are not reflected in fund financial statements.	(1,283,902)
Deferred outflows on pension costs, net of amortization, are not reflected in fund financial statements.	11,839,104
Net pension liability is not reflected in fund financial statements.	(24,189,682)
Leases payable are not reflected in fund financial statements.	(359,344)
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.	(450,859)
Revenue from property taxes, sales taxes, hotel taxes, franchise fees, court bonds, ambulance billing, alarm 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.	3,034,099
Net Position of Governmental Activities	<u>\$ 160,726,373</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2023

	General Fund	Hotel	General Obligation Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:						
Ad Valorem Taxes	\$ 22,739,622	\$ -	\$ 9,017,967	\$ 339,644	\$ 1,298,984	\$ 33,396,217
Non-Property Taxes	18,022,335	5,683,639	-	-	-	23,705,974
Franchise Fees	2,125,941	-	-	-	31,758	2,157,699
Licenses and Permits	1,219,541	-	-	-	-	1,219,541
Intergovernmental	-	-	-	204,200	191,976	396,176
Service Fees	2,132,772	1,222,856	-	156,672	33,105	3,545,405
Fines and Forfeitures	391,711	-	-	-	67,261	458,972
Net Investment Income/(Loss)	194,259	41,712	9,131	3,759,536	32,048	4,036,686
Rental Charges	8,340	145,534	-	-	-	153,874
Other	319,665	2	14,256	496,500	65,017	895,440
Total Revenues	47,154,186	7,093,743	9,041,354	4,956,552	1,720,149	69,965,984
EXPENDITURES:						
Current:						
General Government	10,043,539	-	-	-	179,850	10,223,389
Public Safety	23,226,106	-	-	-	268,637	23,494,743
Development Services	1,933,207	-	-	-	2,378	1,935,585
Streets	2,275,695	-	-	-	-	2,275,695
Parks and Recreation	6,587,120	-	-	-	-	6,587,120
Visitor Services	-	5,636,836	-	-	-	5,636,836
Municipal Court	-	-	-	-	10,314	10,314
Economic Development	-	-	-	-	1,402,616	1,402,616
Debt Service:						
Principal Retirement	31,475	-	6,465,000	12,351	114,682	6,623,508
Interest and Fiscal Charges	7,457	-	3,390,548	2,876	5,151	3,406,032
Capital Projects:						
Engineering and Contractual Services	-	-	-	1,795,052	-	1,795,052
Construction and Equipment	-	-	-	17,075,143	-	17,075,143
Total Expenditures	44,104,599	5,636,836	9,855,548	18,885,422	1,983,628	80,466,033
Excess/(Deficiency) of Revenues over/(under) Expenditures	3,049,587	1,456,907	(814,194)	(13,928,870)	(263,479)	(10,500,049)
OTHER FINANCING SOURCES/(USES):						
Transfers In	4,469	-	909,405	3,000,000	768,000	4,681,874
Transfers Out	(3,000,000)	(768,000)	-	-	(4,469)	(3,772,469)
Leases (as Lessee)	113,522	-	-	122,950	-	236,472
Issuance or Refunding of Debt	-	-	-	6,800,000	-	6,800,000
Premium on Issuance or Refunding	-	-	-	291,055	-	291,055
Total Other Financing Sources/(Uses)	(2,882,009)	(768,000)	909,405	10,214,005	763,531	8,236,932
Net Change in Fund Balance	167,578	688,907	95,211	(3,714,865)	500,052	(2,263,117)
Fund Balances at Beginning of Year	20,515,381	4,641,300	652,117	59,491,794	2,586,728	87,887,320
Fund Balances at End of Year	\$ 20,682,959	\$ 5,330,207	\$ 747,328	\$ 55,776,929	\$ 3,086,780	\$ 85,624,203

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, 2023**

Total Net Change in Fund Balances - Total Governmental Funds			\$ (2,263,117)
Amounts reported for governmental activities in the statement of activities are different because:			
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. A portion of 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.			
		368,012	
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital, lease, and subscription assets in the government-wide financial statements. The effect of removing the capital outlays is to increase net position. This amount excludes \$1,934,049 of capital outlays from the internal service funds for governmental activities.			
		17,715,134	
Capital assets donated to governmental funds are not recognized in fund financial statements. The government-wide statement of activities will reflect an increase in revenue.			
		255,890	
Depreciation and amortization are not recognized as an expense in governmental funds since they do not require the use of current financial resources. The effect of recording the current year's depreciation and amortization is to decrease net position. This amount excludes \$1,217,953 depreciation and amortization in the internal service funds, of which \$1,204,540 was for governmental activities and \$13,413 was for business-type activities.			
		(8,781,547)	
The Town's share of net gain from Investment in Joint Venture is not reflected in fund financials.			
		136,113	
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 decrease in net position of the following:			
New debt from bond issuances, including premiums, discounts, and loss on refundings	(7,091,055)		
Leases Issued	(236,472)		
Bond repayments, including refunded amounts of principal and premiums	6,465,000		
Lease principal payments	158,508		
Amortization of bond premiums, discounts, and losses on refunding	727,233	23,214	
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.			
		108,103	
The current year decrease in the total OPEB liability of \$1,732,054, amortization of deferred inflows and and outflows on OPEB of (\$830,955) are not shown in the fund financial statements. The effect of recording these amounts is to increase net position.			
		901,099	
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.			
		(19,454)	
Increase in net pension liability of \$24,189,682, decrease of net pension asset of \$6,022,075 and amortization of deferred inflows and outflows on pensions of \$17,519,417, decrease net position by increasing the pension expense in each function.			
		(12,692,340)	
Leases are long-term debt and are not reflected in fund financial statements. The early termination of a lease resulted in a gain on disposal of debt of \$219,680 and a loss on disposal of the leased asset of \$248,816. The effect of these items decreases net position.			
		(29,136)	
Revenue from property taxes, sales taxes, hotel taxes, franchise fees, court bonds, ambulance billing, alarm 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.			
		(119,755)	
Change in Net Position of Governmental Activities			\$ (4,397,784)

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2023

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad Valorem Taxes:				
Current	\$ 22,559,394	\$ 22,559,394	\$ 22,917,929	\$ 358,535
Delinquent	(200,000)	(200,000)	(249,526)	(49,526)
Penalties and Interest	50,000	50,000	71,219	21,219
Total Ad Valorem	<u>22,409,394</u>	<u>22,409,394</u>	<u>22,739,622</u>	<u>330,228</u>
Non-Property Taxes:				
Sales Tax	14,400,000	15,196,417	16,661,868	1,465,451
Alcoholic Beverage Tax	1,225,000	1,225,000	1,360,467	135,467
Total Non-Property Taxes	<u>15,625,000</u>	<u>16,421,417</u>	<u>18,022,335</u>	<u>1,600,918</u>
Total Taxes	<u>38,034,394</u>	<u>38,830,811</u>	<u>40,761,957</u>	<u>1,931,146</u>
Franchise Fees:				
Electric Franchise	1,575,000	1,575,000	1,497,546	(77,454)
Gas Franchise	250,000	250,000	349,536	99,536
Telephone Franchise	200,000	200,000	168,873	(31,127)
Cable Franchise	130,000	130,000	109,986	(20,014)
Total Franchise Fees	<u>2,155,000</u>	<u>2,155,000</u>	<u>2,125,941</u>	<u>(29,059)</u>
Licenses and Permits:				
Business Licenses and Permits	209,700	209,700	182,338	(27,362)
Building and Construction Permits	960,400	960,400	1,037,203	76,803
Total Licenses and Permits	<u>1,170,100</u>	<u>1,170,100</u>	<u>1,219,541</u>	<u>49,441</u>
Service Fees:				
Public Safety	1,071,700	1,071,700	1,140,326	68,626
Urban Development	2,200	2,200	2,160	(40)
Streets and Sanitation	480,000	480,000	466,103	(13,897)
Recreation	70,300	70,300	79,893	9,593
Interfund	444,290	444,290	444,290	-
Total Service Fees	<u>2,068,490</u>	<u>2,068,490</u>	<u>2,132,772</u>	<u>64,282</u>
Fines and Forfeitures	245,000	245,000	391,711	146,711
Net Investment Income/(Loss)	200,000	200,000	194,259	(5,741)
Rental Charges	8,000	8,000	8,340	340
Other	<u>270,500</u>	<u>270,500</u>	<u>319,665</u>	<u>49,165</u>
Total Revenues	<u>\$ 44,151,484</u>	<u>\$ 44,947,901</u>	<u>\$ 47,154,186</u>	<u>\$ 2,206,285</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2023

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government:				
City Secretary:				
Salaries and Fringe Benefits	141,950	141,950	136,707	5,243
Supplies	10,950	10,950	3,913	7,037
Contractual Services	79,250	79,250	54,384	24,866
Total City Secretary	232,150	232,150	195,004	37,146
City Manager's Office:				
Salaries and Fringe Benefits	1,126,174	1,026,174	981,415	44,759
Supplies	22,303	22,303	30,661	(8,358)
Maintenance and Materials	42,665	42,665	28,143	14,522
Contractual Services	102,252	102,252	103,550	(1,298)
Capital Replacement	16,388	16,388	16,388	-
Total City Manager's Office	1,309,782	1,209,782	1,160,157	49,625
Financial and Strategic Services:				
Salaries and Fringe Benefits	1,261,253	1,311,253	1,311,751	(498)
Supplies	15,500	15,500	17,960	(2,460)
Maintenance and Materials	42,430	42,430	29,553	12,877
Contractual Services	514,448	514,448	500,688	13,760
Capital Replacement	28,309	28,309	28,309	-
Total Financial and Strategic Services	1,861,940	1,911,940	1,888,261	23,679
General Services:				
Salaries and Fringe Benefits	587,147	737,147	742,126	(4,979)
Supplies	34,687	34,687	35,066	(379)
Maintenance and Materials	108,415	108,415	90,910	17,505
Contractual Services	73,381	73,381	67,559	5,822
Capital Replacement	304,979	554,979	554,979	-
Total General Services	1,108,609	1,508,609	1,490,640	17,969
Municipal Court:				
Salaries and Fringe Benefits	544,946	544,946	519,066	25,880
Supplies	8,436	8,436	10,650	(2,214)
Maintenance and Materials	77,600	77,600	71,333	6,267
Contractual Services	83,324	83,324	77,669	5,655
Capital Replacement	27,173	27,173	27,173	-
Total Municipal Court	741,479	741,479	705,891	35,588
Human Resources:				
Salaries and Fringe Benefits	456,105	426,105	403,638	22,467
Supplies	77,490	77,490	74,740	2,750
Maintenance and Materials	18,831	18,831	13,645	5,186
Contractual Services	195,844	225,844	241,985	(16,141)
Capital Replacement	10,211	10,211	10,211	-
Total Human Resources	758,481	758,481	744,219	14,262

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2023

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Information Technology:				
Salaries and Fringe Benefits	1,311,358	1,211,358	1,177,481	33,877
Supplies	55,655	55,655	34,889	20,766
Maintenance and Materials	923,615	923,615	683,157	240,458
Contractual Services	110,088	110,088	116,451	(6,363)
Capital Replacement	17,892	17,892	17,892	-
Capital Outlay	-	-	13,637	(13,637)
Total Information Technology	<u>2,418,608</u>	<u>2,318,608</u>	<u>2,043,507</u>	<u>275,101</u>
Combined Services:				
Salaries and Fringe Benefits	107,500	107,500	111,559	(4,059)
Supplies	22,225	22,225	38,823	(16,598)
Contractual Services	1,355,400	1,355,400	1,325,250	30,150
Total Combined Services	<u>1,485,125</u>	<u>1,485,125</u>	<u>1,475,632</u>	<u>9,493</u>
City Council Special Projects:				
Salaries and Fringe Benefits	27,930	27,930	25,406	2,524
Supplies	18,000	18,000	20,980	(2,980)
Contractual Services	296,920	296,920	293,842	3,078
Total City Council Special Projects	<u>342,850</u>	<u>342,850</u>	<u>340,228</u>	<u>2,622</u>
Total General Government	<u>10,259,024</u>	<u>10,509,024</u>	<u>10,043,539</u>	<u>465,485</u>
Public Safety:				
Police:				
Salaries and Fringe Benefits	9,398,070	9,058,070	9,057,912	158
Supplies	274,428	274,428	431,839	(157,411)
Maintenance and Materials	306,943	306,943	343,674	(36,731)
Contractual Services	950,822	1,290,822	1,130,582	160,240
Capital Replacement	432,552	432,552	432,552	-
Capital Outlay	-	-	124,440	(124,440)
Total Police	<u>11,362,815</u>	<u>11,362,815</u>	<u>11,520,999</u>	<u>(158,184)</u>
Emergency Communications:				
Maintenance and Materials	65,167	65,167	166,030	(100,863)
Contractual Services	1,699,220	1,699,220	1,562,435	136,785
Total Emergency Communications	<u>1,764,387</u>	<u>1,764,387</u>	<u>1,728,465</u>	<u>35,922</u>
Fire:				
Salaries and Fringe Benefits	8,469,631	8,469,631	8,449,198	20,433
Supplies	305,154	305,154	342,093	(36,939)
Maintenance and Materials	312,267	312,267	384,304	(72,037)
Contractual Services	397,420	397,420	424,095	(26,675)
Capital Replacement	422,651	422,651	376,651	46,000
Capital Outlay	-	-	301	(301)
Total Fire	<u>9,907,123</u>	<u>9,907,123</u>	<u>9,976,642</u>	<u>(69,519)</u>
Total Public Safety	<u>23,034,325</u>	<u>23,034,325</u>	<u>23,226,106</u>	<u>(191,781)</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2023

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Development Services:				
Development Services:				
Salaries and Fringe Benefits	1,617,930	1,673,347	1,660,719	12,628
Supplies	60,336	60,336	48,784	11,552
Maintenance and Materials	19,350	19,350	20,870	(1,520)
Contractual Services	246,972	246,972	165,140	81,832
Capital Replacement	37,694	37,694	37,694	-
Total Development Services	<u>1,982,282</u>	<u>2,037,699</u>	<u>1,933,207</u>	<u>104,492</u>
Streets:				
Streets:				
Salaries and Fringe Benefits	483,739	483,739	489,351	(5,612)
Supplies	59,250	59,250	49,075	10,175
Maintenance and Materials	832,840	1,083,840	741,757	342,083
Contractual Services	717,970	717,970	729,311	(11,341)
Capital Replacement	142,201	142,201	142,201	-
Capital Outlay	-	-	124,000	(124,000)
Total Streets	<u>2,236,000</u>	<u>2,487,000</u>	<u>2,275,695</u>	<u>211,305</u>
Parks and Recreation:				
Parks:				
Salaries and Fringe Benefits	2,149,516	2,149,516	2,096,238	53,278
Supplies	417,388	417,388	373,324	44,064
Maintenance and Materials	650,106	690,106	684,220	5,886
Contractual Services	1,235,301	1,435,301	1,468,264	(32,963)
Capital Replacement	120,734	120,734	117,997	2,737
Capital Outlay	178,000	178,000	116,082	61,918
Total Parks	<u>4,751,045</u>	<u>4,991,045</u>	<u>4,856,125</u>	<u>134,920</u>
Recreation:				
Salaries and Fringe Benefits	1,100,427	1,050,427	999,815	50,612
Supplies	180,894	180,894	181,909	(1,015)
Maintenance and Materials	205,530	205,530	172,274	33,256
Contractual Services	380,394	430,394	302,909	127,485
Capital Replacement	36,727	36,727	36,727	-
Capital Outlay	-	-	37,361	(37,361)
Total Recreation	<u>1,903,972</u>	<u>1,903,972</u>	<u>1,730,995</u>	<u>172,977</u>
Total Parks and Recreation	<u>6,655,017</u>	<u>6,895,017</u>	<u>6,587,120</u>	<u>307,897</u>
Debt Service:				
Principal Retirement	-	-	31,475	(31,475)
Interest and Fiscal Charges	-	-	7,457	(7,457)
Total Debt Service	<u>-</u>	<u>-</u>	<u>38,932</u>	<u>(38,932)</u>
Total Expenditures	<u>44,166,648</u>	<u>44,963,065</u>	<u>44,104,599</u>	<u>858,466</u>
Excess of revenues over expenditures	<u>(15,164)</u>	<u>(15,164)</u>	<u>3,049,587</u>	<u>3,064,751</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2023

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES/(USES):				
Transfers In	-	-	4,469	4,469
Transfers Out	-	-	(3,000,000)	(3,000,000)
Proceeds on Asset Sales	20,000	20,000	-	(20,000)
Leases (as Lessee)	-	-	113,522	113,522
Total Other Financing Sources/(Uses)	20,000	20,000	(2,882,009)	(2,902,009)
Net Change in Fund Balance	4,836	4,836	167,578	162,742
Fund Balances at Beginning of Year	20,515,381	20,515,381	20,515,381	-
Fund Balances at End of Year	<u>\$ 20,520,217</u>	<u>\$ 20,520,217</u>	<u>\$ 20,682,959</u>	<u>\$ 162,742</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, 2023

	2023			Variance With Final Budget Positive (Negative)
	Budget		Actual GAAP Basis	
	Original	Final		
REVENUES:				
Hotel/Motel Occupancy Taxes	\$ 4,800,000	\$ 4,800,000	\$ 5,683,639	\$ 883,639
Proceeds from Special Events and Service Fees	1,127,000	1,127,000	1,222,856	95,856
Net Investment Income/(Loss)	20,000	20,000	41,712	21,712
Rental Charges	30,000	30,000	145,534	115,534
Other	100	100	2	(98)
Total Revenues	<u>5,977,100</u>	<u>5,977,100</u>	<u>7,093,743</u>	<u>1,116,643</u>
EXPENDITURES:				
Conference Centre	220,510	220,510	195,446	25,064
Marketing	1,193,362	1,193,362	999,701	193,661
Special Events	3,845,612	3,845,612	3,513,333	332,279
Performing Arts	692,368	692,368	758,959	(66,591)
General Hotel Operations	186,197	186,197	169,397	16,800
Total Expenditures	<u>6,138,049</u>	<u>6,138,049</u>	<u>5,636,836</u>	<u>501,213</u>
Excess/(Deficiency) of Revenues over/(under) Expenditures	<u>(160,949)</u>	<u>(160,949)</u>	<u>1,456,907</u>	<u>1,617,856</u>
OTHER FINANCING SOURCES/(USES):				
Transfer to Economic Development Fund	<u>(768,000)</u>	<u>(768,000)</u>	<u>(768,000)</u>	<u>-</u>
Net Change in Fund Balance	(928,949)	(928,949)	688,907	1,617,856
Fund Balances at Beginning of Year	<u>4,641,300</u>	<u>4,641,300</u>	<u>4,641,300</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 3,712,351</u>	<u>\$ 3,712,351</u>	<u>\$ 5,330,207</u>	<u>\$ 1,617,856</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Proprietary Funds
Statement of Net Position
September 30, 2023

	Business Type Activities - Enterprise Funds				Governmental
	Airport	Utility	Stormwater	Total	Internal Service
ASSETS:					
Current Assets:					
Pooled Cash and Investments	\$ 11,837,852	\$ 12,601,035	\$ 8,587,621	\$ 33,026,508	\$ 9,846,525
Interest Receivable	230,707	68,414	47,354	346,475	52,354
Accounts Receivable, Net	163,492	3,091,357	372,014	3,626,863	-
Current Public-Private Partnerships Receivable	15,485,047	-	-	15,485,047	-
Prepaid Items	60,043	-	-	60,043	-
Total Current Assets	27,777,141	15,760,806	9,006,989	52,544,936	9,898,879
Non-Current Assets:					
Capital and Subscription Assets:					
Land	15,633,373	1,625,357	-	17,258,730	-
Construction in Progress	1,363,042	570,061	2,190,305	4,123,408	291,600
Buildings	10,868,436	8,695,310	-	19,563,746	6,597
Improvements other than Buildings	61,616,683	57,882,633	5,500,017	124,999,333	-
Machinery and Equipment	3,070,871	3,629,471	187,863	6,888,205	16,220,129
Subscription Assets	-	-	-	-	412,005
Accumulated Depreciation and Amortization	(41,066,412)	(36,678,369)	(744,980)	(78,489,761)	(9,401,890)
Total Capital and Subscription Assets, Net of Accumulated Depreciation/Amortization	51,485,993	35,724,463	7,133,205	94,343,661	7,528,441
Investment in Joint Venture	-	6,143,633	-	6,143,633	-
Public-Private Partnerships Receivable	53,946,272	-	-	53,946,272	-
Total Assets	133,209,406	57,628,902	16,140,194	206,978,502	17,427,320
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Charges on Refundings	45,637	257,223	114,856	417,716	-
Deferred Outflows on Pensions	992,680	1,042,619	165,166	2,200,465	-
Deferred Outflows on OPEB	86,847	113,400	20,098	220,345	-
Total Deferred Outflows of Resources	1,125,164	1,413,242	300,120	2,838,526	-
LIABILITIES:					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 623,089	\$ 504,455	\$ 309,064	\$ 1,436,608	\$ 413,554
Accrued Interest Payable	43,232	85,083	7,593	135,908	4,773
Current Compensated Absences Payable	8,815	16,658	-	25,473	-
Current Maturities of Long-Term Liabilities	525,000	1,080,000	430,000	2,035,000	54,366
Due to Other Funds	176,667	-	-	176,667	-
Customer Deposits	612,246	1,239,381	-	1,851,627	-
Total Current Liabilities	1,989,049	2,925,577	746,657	5,661,283	472,693
Non-Current Liabilities:					
Long-Term Liabilities, Net of Current Portion	12,427,873	19,270,525	4,546,159	36,244,557	299,224
Total Liabilities	14,416,922	22,196,102	5,292,816	41,905,840	771,917
DEFERRED INFLOWS OF RESOURCES:					
Deferred Inflows on OPEB	111,761	145,931	25,863	283,555	-
Deferred Inflows on Public-Private Partnerships	56,109,099	-	-	56,109,099	-
Total Deferred Inflows of Resources	56,220,860	145,931	25,863	56,392,654	-
NET POSITION:					
Net Investment in Capital Assets	43,080,617	23,744,455	2,586,513	69,411,585	6,814,305
Unrestricted	20,616,171	12,955,656	8,535,122	42,106,949	9,841,098
Total Net Position	\$ 63,696,788	\$ 36,700,111	\$ 11,121,635	\$ 111,518,534	\$ 16,655,403

Reconciliation to business-type activities:

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service balances are included with business-type activities.

	\$ 2,101,074
Net Position of business type activities	<u>\$ 113,619,608</u>

Town of Addison, Texas
Basic Financial Statements

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year ended September 30, 2023

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
OPERATING REVENUES:					
Water	\$ -	\$ 9,437,297	\$ -	\$ 9,437,297	\$ -
Sewer	-	6,649,435	-	6,649,435	-
Drainage	-	-	2,548,749	2,548,749	-
Penalties	-	118,932	-	118,932	-
Water and Sewer Taps and Other Fees	-	121,813	2,550	124,363	-
Fuel Flowage Fees	1,195,788	-	-	1,195,788	-
Customs Agent Fees	161,815	-	-	161,815	-
Rental Charges	4,426,042	-	-	4,426,042	-
Other Income	334,874	40,935	-	375,809	1,000
Department Contributions	-	-	-	-	2,388,964
Total Operating Revenues	6,118,519	16,368,412	2,551,299	25,038,230	2,389,964
OPERATING EXPENSES:					
Salaries and Fringe Benefits	3,775,242	3,870,794	643,762	8,289,798	-
Supplies	41,993	221,180	49,558	312,731	58,542
Maintenance and Materials	688,499	1,009,883	331,020	2,029,402	483,912
Contractual Services	1,187,100	1,368,261	342,539	2,897,900	-
Water Purchases	29,119	4,470,618	-	4,499,737	-
Wastewater Purchases	-	3,913,210	-	3,913,210	-
Total Operating Expenses (Excluding Depreciation and Amortization)	5,721,953	14,853,946	1,366,879	21,942,778	542,454
Depreciation and Amortization	2,864,503	1,718,384	213,457	4,796,344	1,217,953
Total Operating Expenses	8,586,456	16,572,330	1,580,336	26,739,122	1,760,407
OPERATING INCOME/(LOSS)	(2,467,937)	(203,918)	970,963	(1,700,892)	629,557
NON-OPERATING REVENUES/(EXPENSES):					
Net Investment Income/(Loss)	2,095,940	591,975	301,987	2,989,902	71,123
Gain/(Loss) on Disposal of Assets	-	-	-	-	105,351
Gain/(Loss) on Joint Venture	-	(82,818)	-	(82,818)	-
Public-Private Partnership Revenues	12,578,484	-	-	12,578,484	-
Interest Expense and Fiscal Charges	(341,697)	(781,713)	(90,371)	(1,213,781)	(9,659)
Total Non-Operating Revenues/(Expenses)	14,332,727	(272,556)	211,616	14,271,787	166,815
NET INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS	11,864,790	(476,474)	1,182,579	12,570,895	796,372
Capital Grants and Contributions	1,211,940	191,047	-	1,402,987	-
Transfers Out	(508,966)	-	(400,439)	(909,405)	-
CHANGE IN NET POSITION	12,567,764	(285,427)	782,140	13,064,477	796,372
Net Position at Beginning of Year	51,129,024	36,985,538	10,339,495	98,454,057	15,859,031
Net Position at End of Year	<u>\$ 63,696,788</u>	<u>\$ 36,700,111</u>	<u>\$ 11,121,635</u>	<u>\$ 111,518,534</u>	<u>\$ 16,655,403</u>

Reconciliation to business-type activities:
Change in net position of enterprise funds \$ 13,064,477

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service balances are included with business-type activities.
Change in net position of business type activities \$ 13,492,837

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental
	Airport	Utility	Stormwater	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ 5,687,445	\$ 15,727,815	\$ 2,529,457	\$ 23,944,717	\$ 2,388,964
Other Receipts	-	-	-	-	1,000
Payments to Suppliers	(2,069,631)	(10,989,536)	(637,769)	(13,696,936)	(503,482)
Payments to Employees for Services	(2,480,128)	(2,614,130)	(429,255)	(5,523,513)	-
<i>Net Cash Provided by Operating Activities</i>	<u>1,137,686</u>	<u>2,124,149</u>	<u>1,462,433</u>	<u>4,724,268</u>	<u>1,886,482</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and Construction of Capital Assets	(1,060,247)	(498,768)	(2,062,410)	(3,621,425)	(2,239,868)
Proceeds from Issuance of Long-Term Debt	2,534,168	-	-	2,534,168	-
Principal Paid on Long-Term Debt	(440,000)	(1,050,000)	(420,000)	(1,910,000)	(58,415)
Transfers to Debt Service Fund for Long-Term Debt	(508,966)	-	(400,439)	(909,405)	-
Interest and Fiscal Charges Paid on Long-Term Debt	(346,287)	(872,350)	(80,032)	(1,298,669)	(4,886)
Principal Paid on Interfund Loan for Capital Purchase	(176,666)	-	-	(176,666)	-
Proceeds from Sale of Capital Assets	-	-	-	-	105,009
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>2,002</u>	<u>(2,421,118)</u>	<u>(2,962,881)</u>	<u>(5,381,997)</u>	<u>(2,198,160)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on Cash and Investments	1,898,329	571,603	299,262	2,769,194	63,011
<i>Net Cash Provided/(Used) by Investing Activities</i>	<u>1,898,329</u>	<u>571,603</u>	<u>299,262</u>	<u>2,769,194</u>	<u>63,011</u>
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	3,038,017	274,634	(1,201,186)	2,111,465	(248,667)
Cash and Cash Equivalents, October 1	8,799,835	12,326,401	9,788,807	30,915,043	10,095,192
Cash and Cash Equivalents, September 30	<u>\$ 11,837,852</u>	<u>\$ 12,601,035</u>	<u>\$ 8,587,621</u>	<u>\$ 33,026,508</u>	<u>\$ 9,846,525</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	\$ (2,467,937)	\$ (203,918)	\$ 970,963	\$ (1,700,892)	\$ 629,557
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Depreciation and Amortization	2,864,503	1,718,384	213,457	4,796,344	1,217,953
Change in Assets, Liabilities, and Deferred Items:					
(Increase)/Decrease in Accounts Receivables	25,456	(690,987)	(21,842)	(687,373)	-
(Increase)/Decrease in Prepaid Items	(60,043)	-	-	(60,043)	-
Increase/(Decrease) in Accounts Payable	(33,464)	17,337	87,687	71,560	38,972
Increase/(Decrease) in Customer Deposits	287,206	50,390	-	337,596	-
(Increase)/Decrease in Deferred Outflows on Pensions	(992,680)	(840,402)	(165,166)	(1,998,248)	-
(Increase)/Decrease in Deferred Outflows on OPEB	(75,904)	(66,653)	(15,270)	(157,827)	-
Increase/(Decrease) in Deferred Inflows on Pensions	-	(512,582)	-	(512,582)	-
Increase/(Decrease) in Deferred Inflows on OPEB	109,105	134,548	24,721	268,374	-
Increase/(Decrease) in Net Pension Liability	2,027,998	2,128,394	338,477	4,494,869	-
(Increase)/Decrease in Net Pension Asset	-	349,817	-	349,817	-
Increase/(Decrease) in Total OPEB Liability	197,182	39,821	29,406	266,409	-
(Increase)/Decrease in Public-Private Partnerships Receivable	943,653	-	-	943,653	-
Increase/(Decrease) in Deferred Inflows on Public-Private Partnerships	(1,687,389)	-	-	(1,687,389)	-
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 1,137,686</u>	<u>\$ 2,124,149</u>	<u>\$ 1,462,433</u>	<u>\$ 4,724,268</u>	<u>\$ 1,886,482</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital Grants and Contributions	\$ 1,211,940	\$ 191,047	\$ -	\$ 1,402,987	\$ -
Capital Assets in Accounts Payable	412,544	99,494	152,720	664,758	360,546
Amortization of Public-Private Partnership Deferrals	12,578,484	-	-	12,578,484	-
Gain/(Loss) on Joint Venture	-	(82,818)	-	(82,818)	-
<i>Net Noncash Items from Capital and Related Financing Activities</i>	<u>\$ 14,202,968</u>	<u>\$ 207,723</u>	<u>\$ 152,720</u>	<u>\$ 14,563,411</u>	<u>\$ 360,546</u>

See accompanying notes to the basic financial statements.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 last amended in January 2021. 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, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, including lease and subscription liabilities, which are recorded when due, and compensated absences, pension, and post-employment benefit obligations, 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, General Obligation Debt Service Fund and Capital Project Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services (except ambulance services), fines and forfeitures (except court warrants), and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Ambulance services, court warrants and 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.

Capital Project Fund – The Capital Project 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, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Grant Fund - The 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. The fund also accounts for expenditures for which the Town expects to be reimbursed.

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.

PEG Fees Fund - The PEG Fees Fund was created to collect state restricted public, educational, and government access channels, or PEG, fees and account for their use.

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 accounts for maintenance and improvements to Town stormwater infrastructure. It 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. This fund has been designated as a major fund by Town management.

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 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 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, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Facility Maintenance Fund - The Facility Maintenance Fund is used to accumulate sufficient resources to repair and improve Town facilities. Resources are acquired through charges to operating departments in the funds. The charges are calculated using a straight-line amortization of each component of the facilities based on its expected life. The funds are used to finance repairs and improvements of facilities when needed.

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, 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 investments.

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 in debt securities for the Town are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town considers quoted market price at September 30, 2023 to be the fair value of investments. Investments in negotiable certificates of deposit are carried at fair value. The government investment pools, TexPool, TexSTAR, Texas CLASS, and LOGIC operate in accordance with state laws and regulations. Investments in external pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the Town's fiscal year end. In instances where pools transact at amortized cost, such as TexPool, no readily determinable fair value is deemed available.

2) Receivables

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 levy date and are considered delinquent after January 31. 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 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 maintenance agreements, the quarterly payment to Dallas Central Appraisal District for appraisal fees, the quarterly payment to North Texas Emergency Communication Center for dispatch services, the quarterly payment to US Customs and Border Protection for services at the Addison Airport, and postage.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4) Capital, Lease, and Subscription Assets

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

- Expected useful life must be three years or more for equipment and ten years or more for improvements.
- Original unit cost of the equipment should be \$5,000 or greater and includes all costs enabling the item into operation, such as freight, installation, and accessories; capital improvements should be \$25,000 or greater.
- The item should not be consumed, unduly altered, or materially reduced in value immediately by use.

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

The internal service funds may record assets that have an original cost of \$5,000 or less if 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 acquisition value as of the date donated. Depreciation and amortization 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
Leased buildings.....	10 years
Improvements other than buildings.....	20-50 years
Equipment.....	3-50 years
Leased equipment.....	3-10 years
Subscription assets.....	3-10 years

Depreciation and amortization of current year additions/ 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 liability is computed based on the reimbursable hours at the employees' rate of pay as of September 30, 2023. The Town's liability for compensated absences decreased \$91,685 for a total liability of \$1,249,568.

6) Leases

The Town of Addison is a lessee for noncancellable leases of equipment and building office space. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The town recognizes lease assets with an initial, individual value of \$30,000 or more.

At the commencement of a lease, the Town of Addison initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key estimates and judgements related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The interest rate charged by the lessor will be used as the discount rate. When the interest rate charged by the lessor is not provided, the Town will generally use its estimated incremental borrowing rate as the discount rate for the leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town of Addison monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

7) Subscription-Based Information Technology Arrangements (SBITA)

The Town of Addison has one software subscription under GASB 96. The Town recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the Internal Service Funds. The town recognizes subscription assets with an initial, individual value of \$30,000 or more.

At the commencement of a subscription, the Town of Addison initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at, and certain payments made before the subscription commencement date, plus certain initial direct costs. The subscription asset is amortized on a straight-line basis over the shorter of its useful life or the subscription term.

Key estimates and judgements related to subscriptions include how the Town determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The interest rate charged by the vendor will be used as the discount rate. When the interest rate charged by the vendor is not provided, the Town will generally use its estimated incremental borrowing rate as the discount rate for the subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town of Addison monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liability.

8) Grants and Contributions

Included in capital grants and contributions in the government-wide financial statements is \$1,211,940 in leasehold improvements from agreements that did not qualify under GASB Statement No. 94 for the Airport, and \$191,047 in developer contributions to the Utility Fund. Capital grants also includes a \$46,000 grant for Public Safety to purchase equipment, a \$25,890 developer contribution to Streets, and \$230,000 in artwork donations. Operating grants and contributions includes \$390,693 of grant funding for public safety, a \$9,083 retail food regulatory grant, and a \$50,000 grant for Airport operations.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net assets that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and other postemployment benefit (OPEB) contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in pension and OPEB assumptions - These changes are deferred and recognized over the estimated average remaining service lives of all employees that are provided with pensions and OPEB through the pension and OPEB plans (active and inactive employees) determined as of the beginning of the measurement period.
- Difference in expected versus actual experience for pensions and OPEB - This difference is deferred and amortized over the estimated average remaining service lives of all employees that are provided with pensions through the pension plan (active and inactive employees) determined as of the beginning of the measurement period or employees who are provided OPEB through the Town's OPEB plan.
- The difference between projected and actual investment earnings on pension plan - This difference is deferred and amortized over the estimated average remaining service lives of all employees that are provided with pensions through the pension plan (active and inactive employees) determined as of the beginning of the measurement period. In the full accrual government-wide statements, the unavailable resources are recognized as revenue and not deferred.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three types of items that qualify for reporting in this category. The difference due to changes in OPEB assumptions is deferred and recognized over the estimated average remaining service lives of all employees that are provided with OPEB through the OPEB plans (active and inactive employees) determined as of the beginning of the measurement period. The difference in expected and actual OPEB experience is deferred and recognized over the estimated average remaining service lives of all employees that are provided with OPEB through the OPEB plans (active and inactive employees) determined as of the beginning of the measurement period. The deferred inflows from public-private partnerships are amortized over the life of the agreements.

10) 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.

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 through an ordinance passed by the Town Council. Once adopted, the limitation imposed by the ordinance remains in place until another ordinance removes or revises the limitation.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 City 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. Only the General Fund reports a positive unassigned fund balance. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Governmental 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 Town 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, with most restrictive being restricted, then committed, then assigned, and lastly unassigned.

11) Minimum Fund Balance Policy

It is the desire of the Town to maintain adequate fund balances 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 30 percent of budgeted expenditures, and a minimum fund balance of 25 percent of budgeted expenditures for all other operating funds.

12) Net Position

Net Position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. 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 Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the remaining amount not contained in the other classifications and can be used for any purpose. Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budgetary control is maintained at the department level, which is a subset of the functional level, by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.

- 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. Accordingly, no comparison of budget to actual is presented in the financial statements for the Capital Project fund.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budget Data – The budget amounts presented in the statements reflect original and amended budget amounts. The FY2023 budget was amended two times, and the amendments were approved by City Council on April 25, 2023, and September 26, 2023. The April 25th amendment was to allocate funds to the General Fund for a Long-Range Planning position in the Development Services Department. Additionally, this amendment was to allocate funds to the Reimbursement Grant Fund offset by an equal increase in Intergovernmental - Federal Revenue, for revenue and expenditures related to a 911 grant received by North Texas Emergency Communications Center cities on their behalf. The amendment also added funding for various projects in the Self-Funded Special Projects Fund including Tree Mitigation Fees, as well as, allocated funds from the Debt Service Fund for the 2023 General Obligation Refunding Bonds offset by bond proceeds of an equal amount. The September 26th budget amendment appropriated funds from the General Fund for contributions to the Facility Maintenance Fund and temporary employment services in the General Services Department, personnel costs in the Finance Department, which were offset by decreases in personnel costs in the City Manager's Office and Information Technology Department. Additional funds were allocated for street maintenance and prior year encumbrances for street lighting, replacement of a damaged bus shelter, and for water purchases. The amendment also reflects an allocation for expenditures from the Capital Projects Fund for prior year encumbrances from the 2013 Stormwater CO's, the 2012 GO/CO Fund, and the 2021 GO Bond Fund. In addition, this amendment allocated funds from the Self-Funded Special Projects Fund for prior year encumbrances for Oncor transformer relocations at the Police Department, Wheeler Bridge painting, Vitruvian Park Fitness Court, traffic signal design, pavement condition assessment services, fire station bay door grill gates, a forklift, and an allocation in the Utility Fund for increased wholesale water purchases offset by water sales revenue of an equal amount. Finally, this amendment also gives the City Manager authority to transfer from the General Fund to the Self-Funded Special Projects Fund unexpended appropriations and excess revenue for the fiscal year ended September 30, 2023.

Excess of Expenditures over Appropriations – For the year ended September 30, 2023, the Police Department expenditures exceeded appropriations by \$158,184, mainly due to overtime costs exceeding the budget, as well as, supplies and capital outlay expenditures. Fire Department expenditures exceeded appropriations by \$69,519 due to slight negative budget variances in tools and equipment, motor vehicle maintenance, and contractual services. The excess of appropriations for expenditures in other departments in the General Fund were more than enough to cover these overages, so fund balance was not impacted.

Encumbrance accounting is employed in governmental funds, but all operating encumbrances are liquidated at year-end. Only encumbrances for capital project contracts and capital equipment purchase orders roll forward to the next fiscal year to increase following year capital budgets.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town has seven bank accounts: the Operating Account, Controlled Disbursement Account, Payroll Account, ACH/Wire Account, Benefits Account, Police Seizure Escrow Account, and the Addison Airport 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 as "Pooled Cash and Investments." The other demand accounts are reported in the same manner. The Police Seizure Escrow Account is used to hold police seized funds pending legal judgments. The Addison Airport account is a checking account used by the management companies at the Airport to cover operational expenses.

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 fair 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, 2023. Included in Pooled Cash and Investments is \$3,950 of petty cash. At year-end, the carrying amount of the Town's deposits was a debit balance of \$4,338,120. The respective bank balance totaled \$5,149,353. In addition, collateral with a fair value of \$5,772,741 were held by the pledging financial institution's account at the Bank of New York Mellon 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, 2023 were invested in LOGIC, TexPool, TexSTAR (Texas Short Term Asset Reserve program) and Texas CLASS (Texas Cooperative Liquid Assets Securities System).

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. State Street Bank serves as custodian to TexPool Hilltop Securities, Inc. (HTS) and JPMorgan Investment Management, Inc. (JPMIM) serve as co-administrators for LOGIC and TexSTAR under an agreement with its Board of Trustees and Board of Directors, respectively. HTS provides distribution, administrative, participant support and marketing services. JPMIM provides investment management, custody and fund accounting services. JPMorgan Chase Bank, N.A. serves as custodian for LOGIC and TexSTAR. Texas CLASS is administered by Public Trust Advisors, LLC and UMB Bank serves as custodian which provide investment, financial or other cash management services.

LOGIC, TexPool, TexSTAR and Texas CLASS are not registered with the Securities and Exchange Commission (SEC) as investment companies. LOGIC, TexPool, TexSTAR and Texas CLASS 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 government investment pool TexPool is carried at amortized cost. LOGIC, TexSTAR, and Texas CLASS are carried at net asset value.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Investments

As of September 30, 2023, the Town held the following investments:

	<u>Carrying Value</u>	<u>WAM (Days)</u>
Agency Securities	\$ 47,501,010	313
U.S. Treasuries	977,226	2
Municipal Bonds	38,532,226	195
Commerical Paper	3,944,072	3
Negotiable Certificates of Deposit	6,713,128	36
<i>Total Investment in Securities</i>	<u>97,667,662</u>	
LOGIC	24,373,388	83
TexPool	1,053,793	72
TexSTAR	1,050,965	86
Texas CLASS	3,627,226	57
<i>Total Investment in Pools</i>	<u>30,105,372</u>	
<i>Total Investments</i>	<u>\$ 127,773,034</u>	549

In accordance with GASB Statement No. 72, “Fair Value Measurement and Application,” the Town records investments at fair value. However, for participating interest-earning investment contracts with maturities of one year or less at time of purchase, the Town reports these investments at amortized cost. Investments in debt securities are carried at fair value. Fair value for debt securities is determined using a multi-dimensional relational model using standard inputs including TRACE reported trades. Investments in negotiable certificates of deposits are carried at fair value.

Interest Rate Risk – In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the weighted average days to maturity of its investment portfolio to 24 months (730 days). This means investing operating funds primarily in short-term securities, money market mutual funds or similar investment pools.

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

1. 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.
2. Time Certificates of Deposit with a maturity not to exceed five 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.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

3. Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent with a maturity not to exceed five (5) years from the date of purchase.
4. Prime commercial paper with an original maturity of two hundred seventy (270) days or less which, at the time of purchase, is rated at least A-1 by Standard and Poor's, P-1 by Moody's, or F1 by Fitch.
 - At the time of the purchase, the commercial paper must be rated by at least two of the above stated ratings agencies at the above stated minimum credit criteria.
 - 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.
 - 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, and 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.)
5. State and Local Investment Pools organized under the Interlocal Cooperation Act that meet the requirements of Chapter 2256 Texas Government Code and have been specifically approved by the CFO and authorized by the City Council. LOGIC, TexPool, TexSTAR and Texas CLASS are all currently rated AAA 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 investments as of September 30, 2023 based on par value, are Instrumentality Securities (70%) of which the Town's portfolio is currently at 38.5%, Municipal Bonds (50%) of which the Town's portfolio is currently at 30.4%, Commercial Paper (30%) of which the Town's portfolio is currently at 3.0%, Certificates of Deposit (50%) of which the Town's portfolio is currently at 5.2%, and Local Government Investment Pools (70%) of which the Town's portfolio is currently at 22.9%.

Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- | | |
|----------------|---|
| Level 1 | Quoted prices in active markets for identical assets or liabilities |
| Level 2 | Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities |
| Level 3 | Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities |

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair hierarchy in which the fair value measurements fall at September 30, 2023:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Investments by fair value level				
U.S. Agency Securities	\$ 47,501,010	\$ 986,923	\$ 46,514,087	\$ -
U.S. Treasuries	977,226	977,226	-	-
Municipal Bonds	38,532,226	1,205,024	37,327,202	-
Commerical Paper	3,944,072	-	3,944,072	-
Negotiable Certificates of Deposit	6,713,128	-	6,713,128	-
<i>Total Investment by fair value level</i>	<u>97,667,662</u>	<u>\$ 3,169,173</u>	<u>\$ 94,498,489</u>	<u>\$ -</u>
Investments measured at net asset value - LOGIC	24,373,388			
Investments measured at amortized cost - TexPool	1,053,793			
Investments measured at net asset value - TexSTAR	1,050,965			
Investments measured at net asset value - Texas CLASS	3,627,226			
<i>Total Investments</i>	<u>\$ 127,773,034</u>			

Certain investments that are measured at amortized cost or using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above approximate amortized cost or net asset value for all related external investment pool balances.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, and the assets are classified in Level 2, their fair values are estimated by using the matrix pricing technique. This technique includes quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At September 30, 2023, no investments are held by the Town meeting the Level 3 hierarchy classification.

Investment in State Investment Pools

During the year, the Town invested in multiple public fund investment pools, including LOGIC, TexPool, TexSTAR and Texas CLASS. TexPool is measured at amortized cost, and LOGIC, TexSTAR, and Texas CLASS are measured at net asset value. Each pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds. The Town can liquidate funds daily without penalty, and there is no unfunded commitment.

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, 2022, upon which the fiscal year 2023 levy is based, was \$5,576,316,621.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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, 2023 was \$.609822 per \$100, of which \$.445082 was allocated for general government and \$.164740 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, 2023, were 98.74% 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.

If the effective tax rate, excluding tax rates for retirement of bonds and other debt, adjusted for new improvements, exceeds the rate for the previous year by more than 3.5%, the Town is required to hold an election to determine whether to limit the tax rate to no more than 3.5%. 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.

In the governmental funds financial statements, 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 is provided based on an analysis of historical trends.

C. Receivables

As of September 30, 2023, 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	Debt Service	Capital Projects	Non-Major Funds	Total
Taxes:					
Ad Valorem	\$ 703,059	\$ 301,411	\$ 10,608	\$ 42,083	\$ 1,057,161
Service Fees	856,019	-	-	-	856,019
Ambulance	948,285	-	-	-	948,285
Gross Receivables	\$ 2,507,363	\$ 301,411	\$ 10,608	\$ 42,083	\$ 2,861,465
Less: Allowance for Uncollectibles	1,476,611	205,360	7,036	28,346	1,717,353
Net Receivables	\$ 1,030,752	\$ 96,051	\$ 3,572	\$ 13,737	\$ 1,144,112

The above allowance for uncollectible accounts represents reserves for ambulance (\$379,314), court warrants (\$557,822), alarm (\$75,114), and property taxes (\$705,103).

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

In the proprietary funds at September 30, 2023 the Airport fund has \$186,081 regulated and short-term leases receivable, net of an allowance of \$22,589. The Utility fund has \$3,146,998 in water and sewer sales receivable, net of an allowance of \$55,641. The Stormwater fund has stormwater fees receivable of \$397,280, net of an allowance of \$25,266.

D. Capital, Lease, and Subscription Assets

Capital, Lease, and Subscription Asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance (Restated)*	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, not Depreciable:					
Land	\$ 71,357,956	\$ 805,740	\$ -	\$ -	\$ 72,163,696
Intangible Assets	862,221	-	-	-	862,221
Construction in Progress	30,636,375	15,945,194	-	(8,658,512)	37,923,057
Total Capital Assets, not Depreciable	102,856,552	16,750,934	-	(8,658,512)	110,948,974
Capital, Lease, and Subscription Assets, being					
Depreciated/Amortized					
Buildings	23,700,304	236,747	-	-	23,937,051
Leased Buildings	526,903	236,472	(526,903)	-	236,472
Improvements other than Buildings	200,896,421	522,014	(357,773)	4,911,918	205,972,580
Machinery and Equipment	24,166,238	2,158,906	(267,384)	3,746,594	29,804,354
Leased Equipment	194,084	-	-	-	194,084
Subscription Assets	412,005	-	-	-	412,005
Total Capital, Lease, and Subscription Assets, Depreciable	249,895,955	3,154,139	(1,152,060)	8,658,512	260,556,546
Less Accumulated Depreciation/Amortization for:					
Buildings	(16,181,930)	(515,792)	-	-	(16,697,722)
Leased Buildings	(175,634)	(133,982)	278,087	-	(31,529)
Improvements other than Buildings	(136,551,515)	(6,866,455)	357,773	-	(143,060,197)
Machinery and Equipment	(12,842,808)	(2,395,197)	264,227	-	(14,973,778)
Leased Equipment	(29,108)	(28,883)	-	-	(57,991)
Subscription Assets	-	(45,778)	-	-	(45,778)
Total Accumulated Depreciation/Amortization	(165,780,995)	(9,986,087)	900,087	-	(174,866,995)
Total Capital, Lease, and Subscription Assets, net	84,114,960	(6,831,948)	(251,973)	8,658,512	85,689,551
Governmental Activities Capital, Lease, and Subscription Assets, net	\$ 186,971,512	\$ 9,918,986	\$ (251,973)	\$ -	\$ 196,638,525
*Beginning balance restated for implementation of GASB 96.					
Business-type Activities:					
Capital Assets, not Depreciable:					
Land	\$ 17,258,730	\$ -	\$ -	\$ -	\$ 17,258,730
Construction in Progress	4,062,406	3,672,439	-	(3,611,437)	4,123,408
Total Capital Assets, not Depreciable	21,321,136	3,672,439	-	(3,611,437)	21,382,138
Capital Assets, Depreciable:					
Buildings	18,232,794	981,906	-	349,046	19,563,746
Improvements other than Buildings	122,502,207	412,810	-	2,084,316	124,999,333
Machinery and Equipment	5,576,817	407,073	-	1,178,075	7,161,965
Total Capital Assets, Depreciable	146,311,818	1,801,789	-	3,611,437	151,725,044
Less Accumulated Depreciation for:					
Buildings	(3,610,553)	(411,342)	-	-	(4,021,895)
Improvements other than Buildings	(67,666,358)	(3,881,132)	-	-	(71,547,490)
Machinery and Equipment	(2,416,506)	(517,284)	-	-	(2,933,790)
Total Accumulated Depreciation	(73,693,417)	(4,809,758)	-	-	(78,503,175)
Total Capital Assets, Depreciable, net	72,618,401	(3,007,969)	-	3,611,437	73,221,869
Business-type Activities Capital Assets, net	\$ 93,939,537	\$ 664,470	\$ -	\$ -	\$ 94,604,007

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

	Governmental Activities	Business-type Activities
General Government	\$ 300,528	\$ -
Public Safety	613,955	-
Development Services	105,163	-
Streets	5,999,702	-
Parks and Recreation	1,230,432	-
Visitor Services	531,767	-
IT Replacement	375,242	-
Capital Replacement	826,031	13,414
Facility Maintenance	3,267	-
Airport Fund	-	2,864,503
Utility Fund	-	1,718,384
Stormwater Fund	-	213,457
	<u>\$ 9,986,087</u>	<u>\$ 4,809,758</u>

The following tabulation presents the estimated significant commitments under unfinished capital construction and equipment contracts that are fully funded as of September 30, 2023:

Project	Estimated Commitments	Less Expenditures to Date	Total Commitment Remaining
<u>Governmental Activities</u>			
Vitruvian Public Infrastructure (various)	23,946,073	15,330,305	\$ 8,615,768
Airport Parkway Reconstruction	9,400,000	890,047	\$ 8,509,953
Keller Springs Reconstruction	12,900,000	1,867,053	11,032,947
Montfort Drive Reconstruction	7,300,000	146,910	7,153,090
Les Lacs Pond Improvements	3,282,108	609,500	2,672,608
Midway Road Reconstruction	42,356,038	30,094,230	12,261,808
Quorum Drive Reconstruction	26,834,899	411,068	26,423,831
2019 Bond Prop D Ph 1 & Ph 2	4,604,159	2,450,727	2,153,432
	<u>\$ 130,623,277</u>	<u>\$ 51,799,840</u>	<u>\$ 78,823,437</u>
<u>Business Type Activities</u>			
Bravo/Golf Taxiway Improvements	1,414,770	1,137,804	276,966
Jimmy Dolittle Dr Reconstruction	1,550,000	121,028	1,428,972
Rawhide Creek Basin Drainage Improvement	2,645,801	2,190,305	455,496
Lake Forest Drive Water & Sewer Improvements	1,508,455	391,771	1,116,684
	<u>\$ 7,119,026</u>	<u>\$ 3,840,908</u>	<u>\$ 3,278,118</u>

As mentioned in Note IIA, the Town employs encumbrance accounting. The Town had the following outstanding encumbrances related to capital projects at September 30, 2023. The Stormwater fund had \$119,633 for drainage improvements, the Utility fund had \$1,755,064 for pump station and sewer line improvements, the Internal Service funds had \$65,523 for the license plate recognition project, and the Capital Project fund had \$18,707,873 for various streets, facilities, and parks projects.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Investments in Joint Ventures

Interlocal Sanitary Sewer Interceptor Agreement

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

The Town's net investment and its share of general overhead expenses are reported in the Town's Utility Fund (an enterprise fund). The Town's equity interest in the North Dallas County Water Supply Corporation of \$6,143,633 is included in Unrestricted Net Position. This joint venture provides audited financial statements bi-annually. Complete financial statements for the North Dallas County Water Supply Corporation for the fiscal year ended September 30, 2023 can be obtained from Mark Woodward, Treasury Manager, North Dallas County Water Supply Corporation, 13000 William Dodson Parkway, Farmers Branch, Texas.

Public Safety Dispatch Center Agreement

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 2015 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 (currently 16%) in the NTECC is reported as investment in joint venture in the governmental activities on the government-wide Statement of Net Position at \$1,417,050, and is included in Unrestricted Net Position. The joint venture provides annual audited financial statements. The most recent audit report available is for the fiscal year ended September 30, 2023. Complete financial statements for the NTECC can be obtained from Mark Carriere, Accounting Administrator, North Texas Emergency Communications Center, 1649 W. Frankford Rd #150, Carrollton, Texas.

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

F. Long-Term Debt

The long-term debt of the Town consisted of the following as of September 30, 2023:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Obligation Bonds, Tax-Exempt Series 2014		
A series of 2,400 bonds at \$5,000 each dated February 15, 2014. The bonds were issued 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. The bonds mature serially through 2034 with interest rates ranging from 3% to 3.625%. The bonds are callable at par plus accrued interest on or after February 15, 2024 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	\$ 8,125,000	\$ -
Certificates of Obligation Series 2014		
A series of 1,513 bonds at \$5,000 each dated February 15, 2014. The Certificates were issued 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. The bonds mature serially through 2034 with interest rates ranging from 1% to 4%. The bonds are callable at par plus accrued interest on or after February 15, 2024 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	\$ -	\$ 4,985,000
General Obligation Refunding Bonds Series 2016		
A series of 4,712 bonds at \$5,000 each dated May 13, 2016. The bonds were issued to refund a portion of the Town's outstanding debt for debt service savings and to pay the costs associated with the issuance of the bonds. The bonds mature serially through 2033 with interest rates ranging from 3% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2026 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	\$ 12,770,000	\$ 3,950,000

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
Combination Tax and Revenue Certificates of Obligation Series 2018		
<p>A series of 2,623 bonds at \$5,000 each dated December 11, 2018. The bonds were issued for the purpose of (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, (ii) designing, acquiring, improving, constructing, and renovating facilities and infrastructure at the Addison Municipal Airport related to constructing and equipping a new customs and airport administration facility, and (iii) to pay for 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 2039 with interest rates ranging from 3% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2028 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 "Aaa"; Standard & Poor's "AAA"</p>	\$ -	\$ 11,425,000
Combination Tax and Revenue Certificates of Obligation Series 2019		
<p>A series of 3,380 bonds at \$5,000 each dated September 10, 2019. The bonds were issued for the purpose of (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, (ii) improvements to a groundwater well to supply water to the Town's Vitruvian Park, and (iii) to pay for 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 2039 with interest rates ranging from 3% to 4%. The bonds are callable at par value plus accrued interest on or after February 15, 2028 in whole or in part in principal amounts of \$5,000.</p> <p>Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	\$ 14,305,000	\$ -

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Obligation Bonds Series 2020		
<p>A series of 2,727 bonds at \$5,000 each dated August 11, 2020. The bonds were issued for the purpose of (i) constructing and improving Keller Springs Road and Airport Parkway, including sidewalks, bridges, landscaping, streetlighting, right-of-way protection, and related storm drainage improvements and acquiring rights-of-way in connection therewith, (ii) acquiring, developing, renovating and improving parks, park facilities, including the Addison Athletic Club, and open spaces for park and recreation purposes in and for the Town, including the acquisition of land therefor, (iii) renovating, repairing, improving, and equipping existing Town service, public safety, conference and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventilation equipment and systems, facade improvements, and improvements required by the Americans with Disabilities Act and other applicable laws, (iv) improving, acquiring and equipping advanced traffic control systems and facilities, and (v) paying of the costs of issuance of the Bonds. The bonds mature serially through 2040 with interest rates ranging from 2% to 5%. The bonds are callable at par value plus accrued interest on or after August 15, 2029 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	\$ 12,045,000	\$ -
General Obligation Refunding Bonds Taxable Series 2020		
<p>A series of 2,641 bonds at \$5,000 each dated August 11, 2020. The bonds were issued for the purpose of (i) refund the Refunded Bonds, and (ii) pay of the costs of issuance of the Bonds. The bonds mature serially through 2032 with interest rates ranging from 0.2% to 2%. The bonds are callable at par value plus accrued interest on or after August 15, 2029 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	\$ 11,490,000	\$ -

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Obligation Bonds		
Series 2021		
<p>A series of 2,970 bonds at \$5,000 each dated August 1, 2021. The bonds were issued for the purpose of (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, 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, (ii) acquiring, developing, renovating and improving parks, park facilities, recreation facilities, including the Addison Athletic Club, and open spaces for park and recreation purposes in and for the Town, including the acquisition of land therefor, (iii) renovating, repairing, improving, and equipping existing Town service, public safety, conference and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventilation equipment and systems, facade improvements, and improvements required by the Americans with Disabilities Act and other applicable laws, (iv) improving, acquiring and equipping advanced traffic control systems and facilities, and (v) paying of the costs of issuance of the Bonds. The bonds mature serially through 2041 with interest rates ranging from 2% to 5%. The bonds are callable at par value plus accrued interest on or after August 15, 2030 in whole or in part in principal amounts of \$5,000.</p>		
	\$ 13,785,000	\$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		
General Obligation Refunding Bonds		
Taxable Series 2021		
<p>A series of 2,192 bonds at \$5,000 each dated August 1, 2021. The bonds were issued for the purpose of (i) to refund certain outstanding ad valorem tax obligations of the Town as described in Schedule I - Schedule of Refunding Obligations for debt service savings, and (ii) for payment of the costs of issuance of the Taxable Bonds. The bonds mature serially through 2033 with interest rates ranging from 1.15% to 3%. The bonds are callable at par value plus accrued interest on or after August 15, 2030 in whole or in part in principal amounts of \$5,000.</p>		
	\$ 4,155,000	\$ 6,400,000
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
General Obligation Refunding Bonds Series 2022		
<p>A series of 1,734 bonds at \$5,000 each dated January 1, 2022. The bonds were issued for the purpose of (i) to refund certain outstanding ad valorem tax obligations of the Town as described in Schedule I – Schedule of Refunded Obligations for debt service savings, and (ii) to pay the costs of issuance of the Bonds. The bonds mature serially through 2037 with interest rates ranging from 2% to 4%. The bonds are callable at par value plus accrued interest on or after February 15, 2031 in whole or in part in principal amounts of \$5,000.</p> <p>Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>		
	\$ 7,945,000	\$ -
General Obligation Bonds Series 2022		
<p>A series of 2,028 bonds at \$5,000 each dated August 1, 2022. The bonds were issued for the purpose of (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, (ii) acquiring, developing, renovating and improving parks, park facilities, recreation facilities, including the Addison Athletic Club, and open spaces for park and recreation purposes in and for the Town, including the acquisition of land therefor; (iii) renovating, repairing, improving, and equipping existing Town service, public safety, conference and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventilation equipment and systems, façade improvements, and improvements required by the Americans with Disabilities Act and other applicable laws and (iv) paying the costs of issuing the Bonds. The bonds mature serially through 2042 with interest rates ranging from 3% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2032 in whole or in part in principal amounts of \$5,000.</p> <p>Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>		
	\$ 9,775,000	\$ -

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
Combination Tax and Revenue Certificates of Obligation Series 2022		
<p>A series of 2,499 bonds at \$5,000 each dated August 1, 2022. The bonds were issued for the purpose of (i) designing, engineering, developing, constructing, improving and repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor; (ii) designing, developing, constructing, and improving Town water and sewer system improvements and facilities; and (vi) professional services incurred in connection with items (i) and (ii), and to pay the costs incurred in connection with the issuance of the Certificates. The bonds mature serially through 2042 with interest rates ranging from 3.5% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2032 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	\$ 9,290,000	\$ 2,780,000
General Obligation Bonds Series 2023		
<p>A series of 973 bonds at \$5,000 each dated August 1, 2023. The bonds were issued for the purpose of (i) designing, developing, constructing and improving Quorum Drive from the DART Rail line to Dallas North Tollway and Montfort Drive from Beltline Road to the Addison city limits, including sidewalks, bridges, landscaping, streetlighting, right-of-way protection and related storm drainage improvements; and acquiring rights-of-way in connection therewith and (ii) paying the costs of issuing the Bonds. The bonds mature serially through 2043 with interest rates ranging from 4% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2033 in whole or in part in principal amounts of \$5,000. These bonds were issued with a \$198,619 premium. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	\$ 4,865,000	\$ -

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
<p>Combination Tax and Revenue Certificates of Obligation Series 2023</p> <p>A series of 871 bonds at \$5,000 each dated August 1, 2023. The bonds were issued for the purpose of (i) designing, engineering, developing, constructing, improving and repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor, including roadway improvements at the City's airport; (ii) professional services incurred in connection with item (ii) and to pay the costs incurred in connection with the issuance of the Certificates. The bonds mature serially through 2043 with interest rates ranging from 4% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2033 in whole or in part in principal amounts of \$5,000. These bonds were issued with a \$206,604 premium. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	<p>\$ 1,935,000</p>	<p>\$ 2,420,000</p>
TOTAL LONG-TERM DEBT OUTSTANDING	<p>\$ 110,485,000</p>	<p>\$ 31,960,000</p>

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

A summary of long-term liability activity for the year ended September 30, 2023 was as follows (in thousands of dollars):

	Beginning Balance (Restated)*	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 85,565	\$ 4,865	\$ (5,475)	\$ 84,955	\$ 5,765
Premium on General Obligation Bonds	5,406	198	(695)	4,909	-
Discount on General Obligation Bonds	(7)	-	1	(6)	-
Certificates of Obligation	24,585	1,935	(990)	25,530	1,075
Premium on Certificates of Obligation	1,364	92	(139)	1,317	-
Discount on Certificates of Obligation	-	-	-	-	-
Leases	501	236	(378)	359	73
Subscriptions	412	-	(59)	353	54
Net Pension Liability	-	28,255	(4,065)	24,190	-
Compensated Absences	1,138	159	(267)	1,030	229
Total OPEB Liability	4,844	-	(1,732)	3,112	220
Long-Term Liabilities – Governmental Activities	\$ 123,808	\$ 35,740	\$ (13,799)	\$ 145,749	\$ 7,416

*Beginning balance has been restated for implementation of GASB 96.

Business-type Activities:					
General Obligation Refunding Bonds	\$ 10,825	\$ -	\$ (475)	\$ 10,350	\$ 965
(Payable from airport, storm water, and utility revenues)					
Premium on General Obligation Refunding Bonds	462	-	(83)	379	-
Discount on General Obligation Refunding Bonds	(8)	-	1	(7)	-
Combination Tax and Revenue Certificates of Obligation	6,425	2,420	(405)	8,440	355
(Payable from airport revenues)					
Premium on Combination Tax and Revenue C.O.	183	114	(19)	278	-
Combination Tax and Revenue Certificates of Obligation	13,865	-	(695)	13,170	715
(Payable from utility system revenues)					
Premium on Combination Tax and Revenue C.O.	326	-	(32)	294	-
Combination Tax and Revenue Certificates of Obligation	335	-	(335)	-	-
(Payable from storm water system revenues)					
Net Pension Liability	-	5,250	(755)	4,495	-
Compensated Absences	203	42	(26)	219	25
Total OPEB Liability	421	411	(145)	687	-
Long-Term Liabilities – Business-type Activities	\$ 33,037	\$ 8,237	\$ (2,969)	\$ 38,305	\$ 2,060

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 \$747,328 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.

Bonded debt is direct obligations and pledge the full faith and credit of the government for both governmental and business-type activities. 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, 2023.

For the governmental activities, compensated absences are generally liquidated in the General Fund, Economic Development Fund and Hotel Fund. Also for governmental activities, the net pension liability and total OPEB liability are generally liquidated from the General Fund.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

The debt service requirements on the aforementioned bonded debt are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
General Obligation Bonds:				
2024	\$ 5,765,000	\$ 2,619,300	\$ 965,000	\$ 264,655
2025	5,940,000	2,458,398	990,000	243,705
2026	6,140,000	2,273,298	1,020,000	219,955
2027	6,335,000	2,072,068	1,050,000	193,205
2028	6,100,000	1,854,874	1,070,000	164,933
2029-2033	30,540,000	6,016,910	5,255,000	393,765
2034-2038	15,355,000	2,231,013	-	-
2039-2043	8,780,000	495,981	-	-
	<u>\$ 84,955,000</u>	<u>\$ 20,021,841</u>	<u>\$ 10,350,000</u>	<u>\$ 1,480,218</u>
Certificates of Obligation:				
2024	\$ 1,075,000	\$ 891,134	\$ 1,070,000	\$ 801,325
2025	1,110,000	851,881	1,105,000	772,463
2026	1,160,000	804,131	1,145,000	732,763
2027	1,210,000	756,381	1,190,000	687,978
2028	1,250,000	710,631	1,245,000	637,656
2029-2033	7,030,000	2,800,906	7,120,000	2,330,247
2034-2038	8,360,000	1,459,219	6,225,000	993,053
2039-2043	4,335,000	277,191	2,510,000	158,359
	<u>\$ 25,530,000</u>	<u>\$ 8,551,475</u>	<u>\$ 21,610,000</u>	<u>\$ 7,113,843</u>

At September 30, 2023, the Town had \$49,872,000 authorized but unissued general obligation bonds.

G. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at September 30, 2023 is as follows, and it has been classified as internal balances within the government-wide statement of net position:

	Interfund Receivables	Interfund Payables	
Capital Project Fund	\$ 176,667	\$ -	- Loan for Airport Rescue Fire-fighting Apparatus (ARFF);
Airport Fund	-	176,667	reimbursement expected in subsequent years
Total	<u>\$ 176,667</u>	<u>\$ 176,667</u>	

Transfers between funds during the year ended September 30, 2023 were comprised of the following:

Fund	Transfers In	Transfers Out	Purpose of Transfer
General Fund	\$ -	\$ 3,000,000	For capital projects
Capital Project Fund	3,000,000	-	For capital projects
Hotel Fund	-	768,000	For economic development
Economic Development Fund	768,000	-	For economic development
Airport Fund	-	508,966	To fund airport debt service
Debt Service Fund	508,966	-	To fund airport debt service
Stormwater Fund	-	400,439	To fund stormwater debt service
Debt Service Fund	400,439	-	To fund stormwater debt service
Grant Fund	-	4,469	To move non-grant cash to General Fund
General Fund	4,469	-	To move non-grant cash to General Fund
Total Transfers	<u>\$ 4,681,874</u>	<u>\$ 4,681,874</u>	

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Leases

(1) Lease Receivable

During the current fiscal year, the Town of Addison had no leases as a lessor that were not one of the following: short-term, immaterial, or regulated. Regulated leases and short-term leases are discussed later in this note.

(2) Lease Payable

The measurement of the lease payable is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee. During the current fiscal year, the Town of Addison had five leases where the Town was the lessee, and they are described below.

Remote Capture Equipment Lease

As part of the Town of Addison's depository contract entered into in 2019, the Town leases six remote capture check scanners for a term of three years with three, one-year renewal options that will be exercised. An initial lease liability was recorded in the amount of \$22,727 as of October 1, 2021. The Town is required to make fixed monthly principal and interest payments of \$660. There are also variable monthly costs of \$.09 per check deposited, \$.80 per credit posted, and \$.12 per deposit for reporting. For the fiscal year ending September 30, 2023 the Town paid \$1,851 for variable costs. The lease has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 3.07%. The equipment has an estimated useful life of 3 years remaining as of October 1, 2021. The value of the lease asset as of the end of the current fiscal year was \$7,576, net of accumulated amortization of \$15,152.

Chlorine Generators Equipment Lease

The Town entered into a lease agreement for two chlorine generators in 2020 for a term of five years plus 4, one-year renewal options that will be exercised. An initial lease liability was recorded in the amount of \$172,257 as of October 1, 2021. The Town is required to make fixed monthly principal and interest payments of \$2,048. The lease has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 3.07%. The equipment has an estimated useful life of 8 years remaining as of October 1, 2021. The value of the lease asset as of the end of the current fiscal year was \$128,518, net of accumulated amortization of \$42,839.

Office Space Lease #1

The Town entered into a lease agreement for building office space in 2014 for an original term of five years, which was extended in 2019 for another five years. An initial lease liability was recorded in the amount of \$526,903 as of October 1, 2021. The Town was required to make fixed monthly principal and interest payments of \$17,267. The lease has no stated interest rate, so the Town was using a long-term incremental borrowing rate of 3.716%. The building had an estimated useful life of 3 years remaining as of October 1, 2021. The owner of the property allowed the Town to terminate the lease early in 2023 so that the property could be redeveloped. The value of the lease asset as of the end of the lease was \$248,816, net of accumulated amortization of \$278,087. The early termination of the lease resulted in a loss on disposal of leased building of \$248,816 and a gain on the disposition of the lease debt of \$219,680.

Office Space Lease #2

The Town entered into a lease agreement for building office space in February 2023 for a term of five years. An initial lease liability was recorded in the amount of \$122,950 as of February 1, 2023. The Town is required to make fixed monthly principal and interest payments of \$2,182 starting in year one, and each year the payments increase by set amounts. The lease has no stated interest rate, so the Town is using a long-term incremental

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

borrowing rate of 4.254%. The building has an estimated useful life of 5 years. The value of the lease asset as of the end of the current fiscal year was \$106,557, net of accumulated amortization of \$16,393.

Office Space Lease #3

The Town entered into a lease agreement for building office space in February 2023 for a term of five years. An initial lease liability was recorded in the amount of \$113,522 as of February 1, 2023. The Town is required to make fixed monthly principal and interest payments of \$2,167 starting in year one, and each year the payments increase by set amounts. The lease has no stated interest rate, so the Town is using a long-term incremental borrowing rate of 4.254%. The building has an estimated useful life of 5 years. The value of the lease asset as of the end of the current fiscal year was \$98,386, net of accumulated amortization of \$15,136.

The future principal and interest lease payments for leases payable as of September 30, 2023 were as follows:

Fiscal Year Ending	Principal	Interest	Total
September 30,			
2024	\$ 73,360	\$ 12,367	\$ 85,727
2025	69,770	9,636	\$ 79,406
2026	74,197	6,840	\$ 81,037
2027	78,861	3,860	\$ 82,721
2028	42,961	1,187	\$ 44,148
2029-2033	<u>20,195</u>	<u>285</u>	<u>\$ 20,480</u>
Totals	<u>\$ 359,344</u>	<u>\$ 34,175</u>	<u>\$ 393,519</u>

(3) GASB No. 87 Excluded Leases - Regulated

In accordance with GASB No. 87, the Town does not recognize a lease receivable and a deferred inflow of resources for regulated leases in which the Town is the lessor. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and air carries and other aeronautical users. The Town has the following regulated leases:

T and Patio Hangar Leases

These leases are aircraft storage rental agreements for T hangars, patio hangars, and the T hangar end-cap storage units. These leases allow the tenants the use of that portion of the hangar and ramp. Hangar usage is restricted to aviation use only and regulated by the FAA. These leases typically have a standard one-year term that fall to month-to-month with a 30 day termination notice. However, the Town had twelve leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2023 was \$80,021.

Jet Hangar Leases

These leases are conventional hangar leases for commercial aviation use for larger aircrafts. The leases allow the tenants use of the hangar, ramp, and a parking area. Hangar usage is restricted to aviation use only and regulated by the FAA. The terms of these leases vary depending on the tenants' need and the airport's plan for the hangar's redevelopment. The leases typically have a CPI adjustment each year. The Town had nine leases

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2023 was \$845,162.

Fuel Tank License Agreements

These aviation bulk fuel dispensing license agreements allow the license holders to take delivery and to store fuel in their designated fuel tanks owned by the Town. The license holder is responsible for maintaining a specific portion of the facilities, such as down-stream hoses, and the airport must maintain all other improvements. The tank rental fees consist of a base fee and an additional fee. The base fee has specific rent step increases stipulated in the agreements. The additional fee is assessed annually by the Town and consists of common area maintenance such as utilities and a replacement recovery allowance for the fuel tanks and related equipment. The Town had 16 leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2023 was \$199,405.

The fuel tank license agreements also call for a fuel flowage variable fee that is \$0.14 per gallon for public fixed base operations, which are fuel tank licensees that store their aircrafts and equipment at the Airport, and \$0.22 for non-public operators' equipment and aircrafts that are not based at the airport. These rates can be changed by City Council, and licensees are given at least 30 days written notice of rate changes. The fuel flowage fees received during the fiscal year ended September 30, 2023 was \$1,195,788.

The future principal and interest lease receipts for regulated leases as of September 30, 2023 were as follows:

Fiscal Year Ending				
September 30,	Principal		Interest	Total
2024	\$ 873,107		\$ 208,299	\$ 1,081,406
2025	702,148		178,962	881,110
2026	373,949		157,837	531,786
2027	360,919		144,467	505,386
2028	348,281		131,197	479,478
2029-2033	1,799,425		455,209	2,254,634
2034-2038	1,220,019		149,277	1,369,296
2039-2043	171,317		44,970	216,287
2044-2048	156,595		12,423	169,018
Totals	<u>\$ 6,005,760</u>		<u>\$ 1,482,641</u>	<u>\$ 7,488,401</u>

(4) GASB No. 87 Excluded Leases - Short-Term

Pursuant to GASB No. 87, the Town does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that, at the commencement of the lease term, have a maximum possible term under the lease contract of 12 months or less.

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Public-Private Partnerships

During the fiscal year ended September 30, 2023, the Town of Addison, as transferor, had thirty agreements that met the criteria for a public-private partnership (PPP) under GASB No. 94. Under these agreements, the operators are required to improve or construct capital assets. These assets will revert to the Town at varying dates from 2023 to 2073. The assets are estimated to have a carrying value of \$18,965,000 at the date of their reversions, which is included in the public-private partnerships receivable.

Each agreement requires monthly fixed payments ranging from \$360 per month to \$59,325 per month. Two of the agreements had set price increases at certain dates, and the other agreements have biennial Consumer Price Index (CPI) adjustments. The amount of the CPI adjustments for the year ended September 30, 2023 was \$53,115. The Town was unable to obtain borrowing rates from any of the operators, so the Town used the Town's current incremental borrowing rate of 4.254% for each agreement.

The agreements all require that the operators construct or improve assets and contribute them to the Town at a specified date. The Town has recognized a receivable and a corresponding deferred inflow of resources for these assets as of implementation date October 1, 2022 of \$18,965,000. The deferred inflow is being amortized over the length of each assets' time before reversion. The amortization of this deferred inflow for the fiscal year ended September 30, 2023 resulted in a recognition of \$12,578,484 in Public-Private Partnership Revenue.

The following is a schedule by year of minimum payments to be received under the Town's public-private partnerships that are included in the measurement of the public-private partnerships receivable as of September 30, 2023:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 785,047	\$ 2,130,417	\$ 2,915,464
2025	835,443	2,096,323	2,931,766
2026	897,405	2,059,419	2,956,824
2027	936,278	2,020,546	2,956,824
2028	976,836	1,979,988	2,956,824
2029-2033	5,033,119	9,266,842	14,299,961
2034-2038	5,339,535	8,156,513	13,496,048
2039-2043	6,094,525	6,977,366	13,071,891
2044-2048	6,746,919	5,597,195	12,344,114
2049-2053	7,653,899	4,058,507	11,712,406
2054-2058	7,912,745	2,418,458	10,331,203
2059-2063	6,202,951	733,019	6,935,970
2064-2068	490,105	174,267	664,372
2069-2073	561,512	58,570	620,082
Totals	<u>\$ 50,466,319</u>	<u>\$ 47,727,430</u>	<u>\$ 98,193,749</u>

Public-Private partnership receivables at September 30, 2023 per the statement of net position include installment payments of \$50,466,319 and underlying assets of \$18,965,000, for a total of \$69,431,319.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Subscription-Based Information Technology Arrangements (SBITAs)

The measurement of the SBITA liability is based on the present value of SBITA payments expected to be paid during the SBITA term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any incentives payable. During the current fiscal year, the Town of Addison had one SBITA, as described below.

Public Safety Software Subscription

The Town entered into a contract for the purchase of various public safety equipment with a related software subscription for a term of ten years starting in October 2021, with an initial five year term and an automatic five year extension. An initial subscription liability was recorded in the amount of \$412,005 as of October 1, 2022. The Town is required to make fixed biannual principal and interest payments ranging from \$9,805 to \$50,099. There are also fixed biannual costs for equipment maintenance, supplies and other services ranging from \$2,769 to \$22,894. For the fiscal year ended September 30, 2023 the Town paid \$41,884 for non-subscription costs. The subscription agreement has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 2.7%. The equipment has an estimated useful life of 9 years remaining as of October 1, 2022. The value of the subscription asset as of the end of the current fiscal year was \$366,227, net of accumulated amortization of \$45,778.

The future principal and interest subscription payments for the subscriptions liability as of September 30, 2023 were as follows:

Fiscal Year Ending				
September 30,	Principal	Interest	Total	
2024	\$ 54,366	\$ 8,323	\$ 62,689	
2025	39,384	7,188	46,572	
2026	40,456	6,105	46,561	
2027	41,555	4,993	46,548	
2028	42,685	3,851	46,536	
2029-2031	<u>135,143</u>	<u>4,385</u>	<u>139,528</u>	
Totals	<u>\$ 353,589</u>	<u>\$ 34,845</u>	<u>\$ 388,434</u>	

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 2023, 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 five years.

For the period of October 2022 to September 2023, the Town offered health benefits through one of two plans operated by Blue Cross Blue Shield. Employees were able to choose either an HSA (health savings account) plan or a PPO (preferred provider organization) plan. The Town also offers a dental plan through Delta Dental and a vision plan through Blue Cross Blue Shield of Texas Vision. The HSA, 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 vision plan is solely from employee contributions.

Blue Cross and Delta Dental plans are fully insured contracts. Monthly premiums paid to Blue Cross and Delta Dental were based upon fixed employee and dependent rates that are established each year.

B. Employee's Retirement System

1) Pension Plan

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, Town specific information about its fiduciary net position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the Town's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's net pension liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

Plan Description

The Town provides pension benefits for all of its full-time employees through a nontraditional, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of over 920 administered by TMRS, an agent multiple-employer public employee retirement system. Each of the municipalities has an annual individual actuarial valuation performed. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

TMRS issues a publicly available Annual Comprehensive Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. The report is also available on the System’s web site at: http://www.tmr.com/financial_reports.php.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

Benefits depend upon the sum of the employee’s contributions to the plan 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 an amount equal to two times what would have been contributed by the employee plus interest. Monetary credits for service since the plan began are 200 percent of the employee’s accumulated contributions. Beginning in 1994, the Town adopted an annually repeating type of monetary credit referred to as an updated service credit 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. The calculation included a three-year exponential average of the actual salaries paid during the prior fiscal years.

At retirement, the benefit is calculated as if the sum of the employee’s accumulated contributions with interest and the employer-financed monetary credits plus interest were used to purchase an annuity. In 1994 the Town adopted annually repeating annuity increases for its retirees equal to 70% of the change in the consumer price index. The Town discontinued the annual increases in January 2009 and began doing ad hoc increases through 2014, still at 70%. The Town did not adopt an ad hoc COLA after 2014. In fiscal year 2023, the Town adopted annually repeating annuity increases for its retirees equal to 30% of the change in the consumer price index. During the measurement year ended December 31, 2022, these COLA’s were applied retroactively. However, after the measurement date of December 31, 2022, the Town elected to change these COLA’s to be non-retroactive. The impact of these changes is unknown at this time and will be evaluated further in the December 31, 2023 valuation.

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

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	251
Inactive employees entitled to but not yet receiving benefits	264
Active employees	<u>289</u>
Total	<u>804</u>

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for the Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Since the Town needs to know its contribution rates in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The Town elected to contribute at the full rates for calendar years 2022 of 11.78% and 2023 of 16.39%. Accordingly, contributions to TMRS for the year ended September 30, 2023 were \$4,059,743 and were equal to the required contribution.

Net Pension Liability/(Asset)

The Town's Net Pension Liability/(Asset) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability/(Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year including inflation
Investment rate of return	6.75% net of pension plan investment expense including inflation

Salary increases were based on service-related tables. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries were based on the gender -distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income. In order to satisfy the short-term and long-term funding needs of TMRS.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Location</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	<u>100.0%</u>	

Single Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Changes in the Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 10/1/2022	\$ 148,507,800	\$ 154,879,692	\$ (6,371,892)
Changes for the year:			
Service cost	4,286,332	-	4,286,332
Interest	10,750,024	-	10,750,024
Change in benefit terms including substantively automatic status	12,571,126	-	12,571,126
Difference between expected and actual experience	888,494	-	888,494
Contributions - employer	-	2,935,832	(2,935,832)
Contributions - employee	-	1,768,002	(1,768,002)
Net investment income	-	(11,283,212)	11,283,212
Benefit payments, including refunds of employee contributions	(7,924,945)	(7,924,945)	-
Administrative expense	-	(97,832)	97,832
Other	-	116,743	(116,743)
Net changes	20,571,031	(14,485,412)	35,056,443
Balance at 9/30/2023	\$ 169,078,831	\$ 140,394,280	\$ 28,684,551

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Town's net pension liability	\$ 51,659,126	\$ 28,684,551	\$ 9,794,636

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at www.tmr.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023, the Town recognized pension expense of \$19,044,074. At September 30, 2023, the Town reported deferred outflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

	<u>Deferred Outflows of Resources</u>
Differences between expected & actual economic experience	\$ 1,214,563
Contributions subsequent to the measurement date	3,189,807
Change of assumptions	8,859
Difference between projected and actual investment earnings	<u>9,626,340</u>
Total	<u>\$ 14,039,569</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date but before the end of the Town's reporting period of \$3,189,807 will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September 30</u>	<u>Net deferred outflows (inflows) of resources</u>
2024	\$ 931,752
2025	2,756,031
2026	2,814,463
2027	<u>4,347,516</u>
Total	<u>\$ 10,849,762</u>

Allocation of Pension Items

The City allocates pension items between governmental activities and business-type activities on the basis of employee payroll.

2) Deferred Compensation Plan

The Town offers all employees a deferred compensation plan through Mission Squared (Trustee) in accordance with Internal Revenue Code Section 457. The ICMA-RC 457 plan provides employees the option to supplement their TMRS retirement benefits by making pre-tax contributions to their plan. The Town matches 2.67% of employee contributions up to 4.0% of their base salaries. The 457 plan contribution maximums for 2023 are \$22,500 for individuals under 50, \$30,000 for age 50 catch-up, and \$45,000 for the regular catch-up provision. Employees may enroll in the plan and/or change their contribution amounts at any time. The total amount contributed by the Town for fiscal year 2023 was \$660,326.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

3) Other Postemployment Benefits

A summary of OPEB related items as of and for the year ended September 30, 2023, is presented below.

Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Care Plan				
Governmental Activities	\$ 2,294,756	\$ 847,535	\$ (914,314)	\$ 190,555
Business-Type Activities	506,802	187,180	(201,930)	42,085
Supplemental Death Benefits				
Governmental Activities	817,042	150,171	(369,588)	51,646
Business-Type Activities	180,446	33,165	(81,625)	11,406
Total	\$ 3,799,046	\$ 1,218,051	\$ (1,567,457)	\$ 295,692

Retiree Health Care 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. For the year under audit, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Subsequent to the December 31, 2022 measurement date, the Town created a trust in calendar year 2023, and the plan's related fiduciary net position will be reflected in the December 31, 2023 measurement of the net OPEB liability. The trust activity will be reported in the Town's financial statements for the fiscal year ended September 30, 2024. The initial funding of this trust was in the amount of \$560,000.

Benefits Provided

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. 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.

A measurement date of December 31, 2022 was used for the September 30, 2023 liability and expense. The information that follows was determined as of a valuation date of December 31, 2022.

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	53
Active Members	<u>286</u>
Total	<u>339</u>

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Contributions

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 2023 contributed \$499 to \$1,600 per month depending on coverage levels selected. In fiscal year 2023, total retiree contributions were \$766,455. Amounts that were paid after the measurement date of December 31, 2022 but before fiscal year-end, including contributions to the newly created trust, were included as a deferred outflow subsequent to the measurement date.

Total OPEB Liability for Retiree Health Care Plan

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 Town’s total OPEB liability for healthcare benefits of \$2,801,558 was measured as of December 31, 2022.

Actuarial assumptions

The Town’s total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50% per year
Salary Increases	3.50% to 11.50%, including inflation
Discount rate	4.05% (1.84% in prior year)
Healthcare cost trend rates	7.0% for 2023, declining to 4.25% after 15 years
Participation rates	50% of employees who retire before age 65 and 90% of employees who retire at age 65 or older (same in prior year)

For plans that do not have a formal trust that meets the GASB’s requirements, the discount rate is equal to the tax-exempt municipal bond rate based on a 20-year general obligation AA bond rating as of the measurement date. The rate of 4.05 percent is based on the daily rate closest to but not later than the measurement date using the Fidelity 20-Year Municipal G.O. AA Index.

Mortality rates were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables and projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Changes in the Total OPEB Liability for Retiree Health Care Plan

	Total OPEB Liability
Balance as of 10/1/22	\$ 3,813,177
Changes for the year:	
Service cost	253,278
Interest on OPEB Liability	70,518
Effect of difference in expected & actual experience	(557,603)
Effect of changes of assumptions	(563,188)
Benefit payments	(214,624)
Change in total OPEB Liability	<u>(1,011,619)</u>
Balance as of 9/30/23	\$ <u>2,801,558</u>

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability of the Town, calculated using a discount rate of 4.05% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

	1% Decrease 3.05%	Current Discount Rate 4.05%	1% Increase 5.05%
Total OPEB liability	\$ 3,092,158	\$ 2,801,558	\$ 2,545,559

Sensitivity of Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the plan's total OPEB liability of the Town, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,581,866	\$ 2,801,558	\$ 3,064,607

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023, the Town recognized OPEB expense of \$232,640. At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual economic experience	\$ 8,083	\$ (572,693)
Change of assumptions	305,779	(543,551)
Benefit payments made subsequent to measurement date	<u>720,853</u>	<u>-</u>
Total	<u>\$ 1,034,715</u>	<u>\$ (1,116,244)</u>

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date but before the end of the Town's reporting period of \$720,853 will be recognized as a decrease to the total OPEB liability during the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2024	\$ (91,156)
2025	(91,156)
2026	(91,156)
2027	(100,101)
2028	(96,352)
Thereafter	<u>(332,461)</u>
Total	<u>\$ (802,382)</u>

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Supplemental Death Benefits Fund Description

Texas Municipal Retirement System (“TMRS”) administers an agent multiple-employer defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (“SDBF”). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (“OPEB”) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees’ entire careers.

A measurement date of December 31, 2022 was used for the September 30, 2023 liability and expense. The information that follows was determined as of a valuation date of December 31, 2022.

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	181
Inactive employees entitled to but not yet receiving benefits	74
Active employees	<u>289</u>
Total	<u>544</u>

Contributions

Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer’s yearly contribution for retirees. The Town’s Supplemental Death Benefit Plan contributions for 2023 were \$25,303.

Total OPEB Liability for Supplemental Death Benefits

The Town’s total OPEB liability for supplemental death benefits of \$997,488 was measured as of December 31, 2022.

Actuarial assumptions

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50% per year
Salary increases	3.50% to 11.50%, including inflation
Discount rate	4.05% (1.84% in prior year)

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

For plans that do not have a formal trust that meets the GASB's requirements, the discount rate is equal to the tax-exempt municipal bond rate based on a 20-year general obligation AA bond rating as of the measurement date. The rate of 4.05 percent is based on the daily rate closest to but not later than the measurement date using the Fidelity 20-Year Municipal G.O. AA Index.

Mortality rates were based on the 2019 Municipal Retirees of Texas Mortality Tables and projected on a fully generational basis with scale UMP.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability for supplemental death benefits

	Total OPEB Liability
Balance as of 10/1/22	\$ 1,451,514
Changes for the year:	
Service cost	60,727
Interest on OPEB Liability	27,034
Effect of difference in expected & actual experience	(10,975)
Effect of changes in assumptions or other inputs	(505,509)
Benefit payments	(25,303)
Change in OPEB Liability	<u>(454,026)</u>
Balance as of 9/30/23	<u>\$ 997,488</u>

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability of the Town, calculated using a discount rate of 4.05% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

	1% Decrease 3.05%	Current Discount Rate 4.05%	1% Increase 5.05%
Total OPEB liability	\$ 1,190,831	\$ 997,488	\$ 846,915

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023, the Town recognized OPEB expense of \$63,052. At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,961	\$ (21,862)
Change of assumptions	181,375	(429,351)
Total	<u>\$ 183,336</u>	<u>\$ (451,213)</u>

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2024	\$ (36,963)
2025	(22,297)
2026	(55,227)
2027	(82,927)
2028	(70,463)
Total	<u>\$ (267,877)</u>

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.

The Town of Addison has a \$5,000,000 loan from the North Central Texas Council of Governments (NCTCOG) for Addison's future contribution to Dallas Area Rapid Transit (DART) for the Cotton Belt, also known as the Silver Line. NCTCOG transferred the \$5,000,000 to DART in 2019. The loan is to be repaid over 10 years at 1.8% interest, starting after the completion of the Cotton Belt. The Town of Addison is not responsible for any repayment of the loan unless and until the Cotton Belt is finished. If the Cotton Belt fails to materialize, the Town has no obligation to repay the loan. Completion is currently anticipated in 2026.

D. Tax Incentive Rebates

The Town of Addison has three active Commercial Development and Job Related Incentive Rebates that develop or redevelop a particular property attracting businesses that generate incremental tax revenues. In addition to GASB 77, the agreements are subject to Chapter 380 of the Texas Local Government Code that promotes local economic development, commercial activity and business stimulation. City Council approves the agreements via resolution. As part of the agreements, the Town agrees to rebate a portion of the ad valorem or sales tax after confirmation of payment. If the businesses do not meet the obligations as set forth in the agreements in a particular year, the businesses forego the rebates in that year.

The agreement with one entity, executed March 4, 2016, provides a rebate for 50% of business personal property (ad valorem) tax for ten years and a total amount of \$50,000 for waiver of permit fees. The entity did not meet the eligibility criteria to receive the incentive in the last year ended September 30, 2023, and the amount forgone was \$0. The entity ceased to operate in fiscal year 2023, terminating the contract in place. Over the life of the contract, the entity has forgone \$104,247.

The agreement with one entity, executed September 27, 2022, provides a rebate for 50% of business personal property (ad valorem) tax for five years and a total amount of \$6,069 for waiver of permit fees. The entity did not meet the eligibility criteria to receive the incentive in the year ended September 30, 2023, and the amount forgone was \$12,293. Over the life of the contract, the entity has forgone \$12,293.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

The agreement with the another entity provides a rebate for 75% of sales tax over a threshold amount, of which the calculation is outlined in the contract. The Town paid \$321,639 during the fiscal year ended September 30, 2023, and has paid \$2,432,398 over the life of the contract. Also, the contract allows for the Town of Addison to commission an independent traffic study regarding an area specified in the contract, and if warranted, the Town will pay for capital expenses related to potential signalization or other needed improvements in the specified area.

No traffic study has been warranted or commissioned as of September 30, 2023. Also, the contract requires a tree mitigation amount of \$424,385 to be paid in five installments starting the 10th anniversary of the issuance of certain certificates of occupancy, which was in 2014.

E. New Accounting Pronouncements

The Town has adopted and implemented the following statements during the fiscal year 2023.

Statement No. 91, *Conduit Debt Obligations* – This statement provides a single method of reporting conduit debt and clarifies that these obligations are not government liabilities. The adoption had no effect on the Town's beginning net position at October 1, 2022.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – This statement addresses issues related to public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). The adoption had no material effect on the Town's beginning net position at October 1, 2022, and no restatement of net position was made.

Statement No. 96, *Subscription-Based Information Technology Arrangements* – This statement provides guidance on subscription-based information technology arrangements (SBITAs) to further report on government's obligations and assets from SBITAs. The adoption had no material effect on the Town's beginning net position at October 1, 2022, and no restatement of net position was made.

Statement No. 99, *Omnibus 2022* – This statement improves comparability and consistency of application of accounting and financial reporting and also authoritative literature. The adoption had no effect on the Town's beginning net position at October 1, 2022.

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62 – This statement improves the clarity and requirements for accounting changes and error corrections. This statement will be effective for the Town in fiscal year 2024. The Town will evaluate the potential impact on the Town's net position.

GASB Statement No. 101, *Compensated Absences* – This statement addresses the recognition and measurement of compensated absences. This statement will be effective for the Town in fiscal year 2025. The Town will evaluate the potential impact on the Town's net position.

GASB Statement No. 102, *Certain Risk Disclosures* – This statement provides users with information regarding concentrations or constraints and events that have occurred or will occur that make the entity vulnerable to substantial impact. This statement will be effective for the Town in fiscal year 2025. The Town will evaluate the potential impact on the Town's net position.

Required Supplementary Information

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
Texas Municipal Retirement System
Schedule of the Town's Changes in Net Pension Liability/(Asset) and Related Ratios (Unaudited)
Last Nine Measurement Years (Previous years are not available)

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018
Total pension liability:					
Service cost	\$ 2,819,937	\$ 3,120,695	\$ 2,740,122	\$ 2,862,674	\$ 3,028,227
Interest (on the Total Pension Liability)	8,660,470	9,031,058	7,721,380	8,023,052	8,365,372
Changes in benefit terms including substantively automatic status	-	-	(20,027,692)	-	-
Difference between expected and actual experience	(987,858)	(1,253,581)	(37,547)	827,177	154,569
Change in assumptions	-	467,077	-	-	-
Benefit payments, including refunds of employee contributions	(5,193,445)	(5,504,175)	(6,038,979)	(5,993,041)	(7,455,524)
Net change in total pension liability	5,299,104	5,861,074	(15,642,716)	5,719,862	4,092,644
Total pension liability - beginning	124,907,757	130,206,861	136,067,935	120,425,219	126,145,081
Total pension liability - ending (a)	130,206,861	136,067,935	120,425,219	126,145,081	130,237,725
Plan fiduciary net position:					
Contributions - employer	1,789,255	1,824,122	1,743,443	1,942,088	2,066,662
Contributions - employee	1,224,976	1,257,382	1,266,899	1,323,808	1,382,710
Net investment income	6,157,338	164,587	7,376,667	15,717,180	(3,781,614)
Benefit payments, including refunds of employee contributions	(5,193,445)	(5,504,175)	(6,038,979)	(5,993,041)	(7,455,524)
Administrative expense	(64,289)	(100,255)	(83,336)	(81,484)	(73,147)
Other	(5,286)	(4,952)	(4,490)	(4,130)	(3,822)
Net change in plan fiduciary net position	3,908,549	(2,363,291)	4,260,204	12,904,421	(7,864,735)
Plan fiduciary net position - beginning	107,639,477	111,548,026	109,184,735	113,444,939	126,349,361
Plan fiduciary net position - ending (b)	111,548,026	109,184,735	113,444,939	126,349,360	118,484,626
Net pension liability/(asset) - ending (a) - (b)	\$ 18,658,835	\$ 26,883,200	\$ 6,980,280	\$ (204,279)	\$ 11,753,098
Plan fiduciary net position as a percentage of total pension liability	85.67%	80.24%	94.20%	100.16%	90.98%
Covered payroll	\$ 17,479,153	\$ 17,945,341	\$ 18,098,559	\$ 18,895,541	\$ 19,727,861
Net pension liability/(asset) as a percentage of covered payroll	106.75%	149.81%	38.57%	-1.08%	59.58%

Changes in assumptions: In the 2015 valuation the investment rate of return decreased from 7.0% to 6.75%; the inflation rate was lowered from 3.0% to 2.5%; the experience study for retirement age was updated.

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

Texas Municipal Retirement System
Schedule of the Town's Changes in Net Pension Liability/(Asset) and Related Ratios, Continued (Unaudited)
Last Nine Measurement Years (Previous years are not available)

	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total pension liability:				
Service cost	\$ 3,261,975	\$ 3,442,943	\$ 3,866,304	\$ 4,286,332
Interest (on the Total Pension Liability)	8,672,125	9,077,037	9,468,644	10,750,024
Changes in benefit terms including substantively automatic status	-	-	-	12,571,126
Difference between expected and actual experience	857,318	800,065	666,896	888,494
Change in assumptions	402,607	-	-	-
Benefit payments, including refunds of employee contributions	(6,785,567)	(7,786,079)	(7,674,193)	(7,924,945)
Net change in total pension liability	6,408,458	5,533,966	6,327,651	20,571,031
Total pension liability - beginning	130,237,725	136,646,183	142,180,149	148,507,800
Total pension liability - ending (a)	136,646,183	142,180,149	148,507,800	169,078,831
Plan fiduciary net position:				
Contributions - employer	2,259,912	2,450,696	2,796,361	2,935,832
Contributions - employee	1,480,167	1,551,077	1,725,318	1,768,002
Net investment income	18,296,106	10,128,771	18,211,116	(11,283,212)
Benefit payments, including refunds of employee contributions	(6,785,567)	(7,786,079)	(7,674,193)	(7,924,945)
Administrative expense	(103,502)	(65,634)	(84,389)	(97,832)
Other	(3,109)	(2,561)	578	116,744
Net change in plan fiduciary net position	15,144,007	6,276,270	14,974,790	(14,485,412)
Plan fiduciary net position - beginning	118,484,627	133,628,634	139,904,902	154,879,692
Plan fiduciary net position - ending (b)	133,628,634	139,904,904	154,879,692	140,394,280
Net pension liability/(asset) - ending (a) - (b)	\$ 3,017,549	\$ 2,275,245	\$ (6,371,892)	\$ 28,684,551
Plan fiduciary net position as a percentage of total pension liability	97.79%	98.40%	104.29%	83.03%
Covered payroll	\$ 21,140,471	\$ 22,112,672	\$ 24,516,829	\$ 25,303,021
Net pension liability/(asset) as a percentage of covered payroll	14.27%	10.29%	-25.99%	113.36%

Changes in assumptions: In the 2015 valuation the investment rate of return decreased from 7.0% to 6.75%; the inflation rate was lowered from 3.0% to 2.5%; the experience study for retirement age was updated.

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
Texas Municipal Retirement System
Schedule of Town Contributions (Unaudited)
September 30, 2023

	(1)	(2)	(3) = (2) - (1)	(4)	(5) = (1) / (4)	(6) = (2) / (4)
Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Actuarially determined contributions as a percentage of covered payroll	Contributions as a percentage of covered payroll
2015	1,874,383	1,874,383	-	18,804,927	9.97%	9.97%
2016	1,786,827	1,786,827	-	18,465,892	9.68%	9.68%
2017	1,893,931	1,893,931	-	18,796,558	10.08%	10.08%
2018	2,136,195	2,136,195	-	19,933,808	10.72%	10.72%
2019	2,172,375	2,172,375	-	21,064,448	10.31%	10.31%
2020	2,259,912	2,259,912	-	21,140,471	10.69%	10.69%
2021	2,450,696	2,450,696	-	22,268,039	11.01%	11.01%
2022	2,796,361	2,796,361	-	24,627,157	11.35%	11.35%
2023	4,059,743	4,059,743	-	25,387,992	15.99%	15.99%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumption Used to Determine Contribution Rate for 2023:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 Years (longest amortization ladder)
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes
Adopted 30% repeating COLA.
Removed statutory max.

The information in this schedule has been determined as of the Town's fiscal year-end and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods for which such information is available are presented.

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

Retiree Healthcare Plan

Schedule of Changes in the Town's Total OPEB Liability and Related Ratios (Unaudited)
 Last Six Measurement Years (Previous years are not available)

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total OPEB liability:			
Total OPEB liability - beginning	\$ 2,881,200	\$ 3,152,539	\$ 3,160,157
Service cost	135,826	176,485	151,275
Interest on the total OPEB liability	110,017	105,055	117,504
Difference between expected and actual experience of the total OPEB liability	(4,477)	(45,102)	(1,268)
Changes of assumptions	153,032	(94,984)	144,221
Benefit payments	<u>(123,059)</u>	<u>(133,836)</u>	<u>(137,138)</u>
Net change in total OPEB liability	<u>271,339</u>	<u>7,618</u>	<u>274,594</u>
Total OPEB liability - ending	<u>\$ 3,152,539</u>	<u>\$ 3,160,157</u>	<u>\$ 3,434,751</u>
Covered-employee payroll	\$ 18,897,760	\$ 20,042,555	\$ 21,353,599
Total OPEB liability as a percentage of covered-employee payroll	16.68%	15.77%	16.09%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this OPEB plan.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

REQUIRED SUPPLEMENTARY INFORMATION

Retiree Healthcare Plan

Schedule of Changes in the Town's Total OPEB Liability and Related Ratios, Continued (Unaudited)
 Last Six Measurement Years (Previous years are not available)

	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total OPEB liability:			
Total OPEB liability - beginning	\$ 3,434,751	\$ 3,655,367	\$ 3,813,177
Service cost	223,105	221,235	253,278
Interest on the total OPEB liability	94,810	73,244	70,518
Difference between expected and actual experience of the total OPEB liability	(82,782)	10,432	(557,603)
Changes of assumptions	182,815	60,506	(563,188)
Benefit payments	<u>(197,332)</u>	<u>(207,607)</u>	<u>(214,624)</u>
Net change in total OPEB liability	<u>220,616</u>	<u>157,810</u>	<u>(1,011,619)</u>
Total OPEB liability - ending	<u>\$ 3,655,367</u>	<u>\$ 3,813,177</u>	<u>\$ 2,801,558</u>
Covered-employee payroll	\$ 22,268,039	\$ 24,627,157	\$ 25,387,992
Total OPEB liability as a percentage of covered-employee payroll	16.42%	15.48%	11.03%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this OPEB plan.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
 TMRS Supplemental Death Benefits Fund (SDBF)
 Schedule of Changes in the Town's Total OPEB Liability and Related Ratios (Unaudited)
 Last Six Measurement Years (Previous years are not available)

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total OPEB liability:			
Total OPEB liability - beginning	\$ 794,578	\$ 918,237	\$ 878,424
Service cost	20,785	25,646	25,369
Interest on the total OPEB liability	30,321	30,720	32,942
Differences between expected and actual experience	-	(21,647)	(10,521)
Changes of assumptions	78,222	(68,614)	185,527
Benefit payments	(5,669)	(5,918)	(6,342)
Net change in total OPEB liability	<u>123,659</u>	<u>(39,813)</u>	<u>226,975</u>
Total OPEB liability - ending	<u>\$ 918,237</u>	<u>\$ 878,424</u>	<u>\$ 1,105,399</u>
Covered-employee payroll	\$ 18,895,541	\$ 19,727,861	\$ 21,140,471
Total OPEB liability as a percentage of covered-employee payroll	4.86%	4.45%	5.23%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this OPEB plan.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
 TMRS Supplemental Death Benefits Fund (SDBF)
 Schedule of Changes in the Town's Total OPEB Liability and Related Ratios, Continued (Unaudited)
 Last Six Measurement Years (Previous years are not available)

	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total OPEB liability:			
Total OPEB liability - beginning	\$ 1,105,399	\$ 1,338,872	\$ 1,451,514
Service cost	37,592	58,840	60,727
Interest on the total OPEB liability	30,824	27,145	27,034
Differences between expected and actual experience	(11,779)	3,010	(10,975)
Changes of assumptions	183,470	45,712	(505,509)
Benefit payments	(6,634)	(22,065)	(25,303)
Net change in total OPEB liability	<u>233,473</u>	<u>112,642</u>	<u>(454,026)</u>
Total OPEB liability - ending	<u>\$ 1,338,872</u>	<u>\$ 1,451,514</u>	<u>\$ 997,488</u>
Covered-employee payroll	\$ 22,112,672	\$ 24,516,829	\$ 25,303,021
Total OPEB liability as a percentage of covered-employee payroll	6.05%	5.92%	3.94%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this OPEB plan.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

DEBT SERVICE FUND

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

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

General Obligation Debt Service
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			Variance With Final Budget Positive (Negative)
	Budget		Actual GAAP Basis	
	Original	Final		
REVENUES:				
Current Property Taxes	\$ 8,951,749	\$ 8,951,749	\$ 9,095,088	\$ 143,339
Delinquent Property Taxes	(35,000)	(35,000)	(105,587)	(70,587)
Penalties and Interest	20,000	20,000	28,466	8,466
Net Investment Income/(Loss)	15,000	15,000	9,131	(5,869)
Other	-	-	14,256	14,256
Total Revenues	<u>8,951,749</u>	<u>8,951,749</u>	<u>9,041,354</u>	<u>89,605</u>
EXPENDITURES:				
Contractual Services	5,000	5,000	-	5,000
Principal Retirement	6,465,000	6,465,000	6,465,000	-
Interest and Fiscal Charges	3,391,154	3,391,154	3,390,548	606
Total Expenditures	<u>9,861,154</u>	<u>9,861,154</u>	<u>9,855,548</u>	<u>5,606</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>(909,405)</u>	<u>(909,405)</u>	<u>(814,194)</u>	<u>95,211</u>
OTHER FINANCING SOURCES/(USES):				
Transfers In	<u>909,405</u>	<u>909,405</u>	<u>909,405</u>	<u>-</u>
Net Change in Fund Balance	-	-	95,211	95,211
Fund Balances at Beginning of Year	<u>652,117</u>	<u>652,117</u>	<u>652,117</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 652,117</u>	<u>\$ 652,117</u>	<u>\$ 747,328</u>	<u>\$ 95,211</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.

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

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

The **PEG Fees Fund** accounts for state restricted fees collected and the expenditures using these monies.

Town of Addison, Texas
Non-Major Governmental Funds

Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2023

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Municipal Court Fund	Public Safety Fund	Grant Fund	Economic Development Fund	PEG Fees Fund	
ASSETS:						
Pooled Cash and Investments	\$ 405,108	\$ 30,909	\$ 75,636	\$ 2,698,530	\$ 69,869	\$ 3,280,052
Receivables:						
Ad Valorem Taxes, Including Interest and Penalties, Net	-	-	-	13,737	-	13,737
Interest	2,125	87	540	14,418	452	17,622
Prepaid Items	-	-	-	4,000	-	4,000
Total Assets	<u>\$ 407,233</u>	<u>\$ 30,996</u>	<u>\$ 76,176</u>	<u>\$ 2,730,685</u>	<u>\$ 70,321</u>	<u>\$ 3,315,411</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 75,479	\$ 14,974	\$ -	\$ 124,442	\$ -	\$ 214,895
Total Liabilities	<u>75,479</u>	<u>14,974</u>	<u>-</u>	<u>124,442</u>	<u>-</u>	<u>214,895</u>
Deferred Inflows of Resources:						
Unavailable Resources	-	-	-	13,736	-	13,736
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,736</u>	<u>-</u>	<u>13,736</u>
Fund Balances:						
Restricted						
Child Safety	166,297	-	-	-	-	166,297
Justice Administration	60,244	-	-	-	-	60,244
Court Technology	53,669	-	-	-	-	53,669
Court Security	51,544	-	-	-	-	51,544
Public Safety	-	16,022	76,176	-	-	92,198
Governmental Public Education	-	-	-	-	70,321	70,321
Committed:						
Economic Development	-	-	-	2,592,507	-	2,592,507
Total Fund Balance	<u>331,754</u>	<u>16,022</u>	<u>76,176</u>	<u>2,592,507</u>	<u>70,321</u>	<u>3,086,780</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 407,233</u>	<u>\$ 30,996</u>	<u>\$ 76,176</u>	<u>\$ 2,730,685</u>	<u>\$ 70,321</u>	<u>\$ 3,315,411</u>

Town of Addison, Texas
 Non-Major Governmental Funds

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2023

Special Revenue Funds

	Municipal Court Fund	Public Safety Fund	Grant Fund	Economic Development Fund	PEG Fees Fund	Total Nonmajor Governmental Funds
REVENUES:						
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ 1,298,984	\$ -	\$ 1,298,984
Franchise Fees	-	-	-	-	31,758	31,758
Intergovernmental	-	-	191,976	-	-	191,976
Service Fees	-	-	-	33,105	-	33,105
Fines and Forfeitures	67,261	-	-	-	-	67,261
Net Investment Income/(Loss)	2,878	4,538	5,059	19,163	410	32,048
Other	-	-	49,600	15,417	-	65,017
Total Revenues	<u>70,139</u>	<u>4,538</u>	<u>246,635</u>	<u>1,366,669</u>	<u>32,168</u>	<u>1,720,149</u>
EXPENDITURES:						
General Government	-	-	-	-	179,850	179,850
Public Safety	-	52,480	216,157	-	-	268,637
Development Services	-	-	2,378	-	-	2,378
Municipal Court	10,314	-	-	-	-	10,314
Economic Development	-	-	-	1,402,616	-	1,402,616
Principal Retirement	-	-	-	114,682	-	114,682
Interest and Fiscal Charges	-	-	-	5,151	-	5,151
Total Expenditures	<u>10,314</u>	<u>52,480</u>	<u>218,535</u>	<u>1,522,449</u>	<u>179,850</u>	<u>1,983,628</u>
Excess/(Deficiency) of Revenues over/(under) Expenditures	<u>59,825</u>	<u>(47,942)</u>	<u>28,100</u>	<u>(155,780)</u>	<u>(147,682)</u>	<u>(263,479)</u>
OTHER FINANCING SOURCES/(USES):						
Transfers In	-	-	-	768,000	-	768,000
Transfers Out	-	-	(4,469)	-	-	(4,469)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>(4,469)</u>	<u>768,000</u>	<u>-</u>	<u>763,531</u>
Net Change in Fund Balance	59,825	(47,942)	23,631	612,220	(147,682)	500,052
Fund Balances at Beginning of Year	<u>271,929</u>	<u>63,964</u>	<u>52,545</u>	<u>1,980,287</u>	<u>218,003</u>	<u>2,586,728</u>
Fund Balances at End of Year	<u>\$ 331,754</u>	<u>\$ 16,022</u>	<u>\$ 76,176</u>	<u>\$ 2,592,507</u>	<u>\$ 70,321</u>	<u>\$ 3,086,780</u>

Town of Addison, Texas
Non-Major Governmental Funds

Municipal Court Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and Forfeitures	\$ 29,872	\$ 29,872	\$ 67,261	\$ 37,389
Net Investment Income/(Loss)	1,800	1,800	2,878	1,078
Total Revenues	<u>31,672</u>	<u>31,672</u>	<u>70,139</u>	<u>38,467</u>
EXPENDITURES:				
Salaries and Fringe Benefits	25,671	25,671	10,314	15,357
Supplies	4,000	4,000	-	4,000
Maintenance and Materials	1,000	1,000	-	1,000
Contractual Services	27,500	27,500	-	27,500
Total Expenditures	<u>58,171</u>	<u>58,171</u>	<u>10,314</u>	<u>47,857</u>
Net Change in Fund Balance	(26,499)	(26,499)	59,825	86,324
Fund Balance at Beginning of Year	<u>271,929</u>	<u>271,929</u>	<u>271,929</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 245,430</u>	<u>\$ 245,430</u>	<u>\$ 331,754</u>	<u>\$ 86,324</u>

Town of Addison, Texas
Non-Major Governmental Funds

Public Safety Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Net Investment Income/(Loss)	\$ 500	\$ 500	\$ 4,538	\$ 4,038
Total Revenues	<u>500</u>	<u>500</u>	<u>4,538</u>	<u>4,038</u>
EXPENDITURES:				
Supplies	50,000	50,000	44,939	5,061
Capital Outlay	-	-	7,541	(7,541)
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>52,480</u>	<u>(2,480)</u>
Net Change in Fund Balance	(49,500)	(49,500)	(47,942)	1,558
Fund Balance at Beginning of Year	<u>63,964</u>	<u>63,964</u>	<u>63,964</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 14,464</u>	<u>\$ 14,464</u>	<u>\$ 16,022</u>	<u>\$ 1,558</u>

Town of Addison, Texas
Non-Major Governmental Funds

Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 8,100	\$ 198,100	\$ 191,976	\$ (6,124)
Net Investment Income/(Loss)	400	400	5,059	4,659
Other	-	-	49,600	49,600
Total Revenues	<u>8,500</u>	<u>198,500</u>	<u>246,635</u>	<u>48,135</u>
EXPENDITURES:				
Salaries and Fringe Benefits	-	-	2,378	(2,378)
Supplies	-	-	25,997	(25,997)
Contractual Services	13,700	203,700	148,082	55,618
Capital Outlay	-	-	42,078	(42,078)
Total Expenditures	<u>13,700</u>	<u>203,700</u>	<u>218,535</u>	<u>(14,835)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(5,200)</u>	<u>(5,200)</u>	<u>28,100</u>	<u>33,300</u>
Other financing sources (uses)				
Transfers Out	-	-	(4,469)	(4,469)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,469)</u>	<u>(4,469)</u>
Net Change in Fund Balance	(5,200)	(5,200)	23,631	28,831
Fund Balance at Beginning of Year	<u>52,545</u>	<u>52,545</u>	<u>52,545</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 47,345</u>	<u>\$ 47,345</u>	<u>\$ 76,176</u>	<u>\$ 28,831</u>

Town of Addison, Texas
Non-Major Governmental Funds

Economic Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Ad Valorem Taxes	\$ 1,280,691	\$ 1,280,691	\$ 1,298,984	\$ 18,293
Service Fees	60,000	60,000	33,105	(26,895)
Net Investment Income/(Loss)	20,000	20,000	19,163	(837)
Other	-	-	15,417	15,417
Total Revenues	<u>1,360,691</u>	<u>1,360,691</u>	<u>1,366,669</u>	<u>5,978</u>
EXPENDITURES:				
Salaries and Fringe Benefits	577,836	577,836	496,339	81,497
Supplies	18,371	18,371	16,678	1,693
Maintenance and Materials	30,720	30,720	9,736	20,984
Contractual Services	1,536,160	1,536,160	866,491	669,669
Capital Replacement	13,372	13,372	13,372	-
Principal Retirement	-	-	114,682	(114,682)
Interest and Fiscal Charges	-	-	5,151	(5,151)
Total Expenditures	<u>2,176,459</u>	<u>2,176,459</u>	<u>1,522,449</u>	<u>654,010</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(815,768)</u>	<u>(815,768)</u>	<u>(155,780)</u>	<u>659,988</u>
Other financing sources (uses)				
Transfers In	768,000	768,000	768,000	-
Total other financing sources (uses)	<u>768,000</u>	<u>768,000</u>	<u>768,000</u>	<u>-</u>
Net Change in Fund Balance	(47,768)	(47,768)	612,220	659,988
Fund Balance at Beginning of Year	<u>1,980,287</u>	<u>1,980,287</u>	<u>1,980,287</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,932,519</u>	<u>\$ 1,932,519</u>	<u>\$ 2,592,507</u>	<u>\$ 659,988</u>

Town of Addison, Texas
Non-Major Governmental Funds

PEG Fees Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Franchise Fees	\$ 40,000	\$ 40,000	\$ 31,758	\$ (8,242)
Net Investment Income/(Loss)	1,500	1,500	410	(1,090)
Total Revenues	<u>41,500</u>	<u>41,500</u>	<u>32,168</u>	<u>(9,332)</u>
EXPENDITURES:				
Supplies	-	-	71,703	(71,703)
Capital Outlay	210,000	210,000	108,147	101,853
Total Expenditures	<u>210,000</u>	<u>210,000</u>	<u>179,850</u>	<u>30,150</u>
Net Change in Fund Balance	(168,500)	(168,500)	(147,682)	20,818
Fund Balance at Beginning of Year	<u>218,003</u>	<u>218,003</u>	<u>218,003</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 49,503</u>	<u>\$ 49,503</u>	<u>\$ 70,321</u>	<u>\$ 20,818</u>

PROPRIETARY FUNDS

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.

The **Facility Maintenance Fund** is used to account for financial resources set aside annually to repair and improve Town facilities as their useful lives are consumed.

Town of Addison, Texas
Proprietary Funds - Internal Service Funds

Internal Service Funds
Combining Statement of Net Position
September 30, 2023

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total
ASSETS:				
Current Assets:				
Pooled Cash and Investments	\$ 4,374,720	\$ 4,034,651	\$ 1,437,154	\$ 9,846,525
Interest Receivable	23,264	21,797	7,293	52,354
Total Current Assets	<u>4,397,984</u>	<u>4,056,448</u>	<u>1,444,447</u>	<u>9,898,879</u>
Non-Current Assets:				
Capital and Subscription Assets:				
Construction in Progress	291,600	-	-	291,600
Buildings	-	-	6,597	6,597
Machinery and Equipment	9,616,598	6,573,496	30,035	16,220,129
Subscription Assets	-	412,005	-	412,005
Accumulated Depreciation and Amortization	<u>(5,256,942)</u>	<u>(4,141,549)</u>	<u>(3,399)</u>	<u>(9,401,890)</u>
Total Capital and Subscription Assets, Net of Accumulated Depreciation and Amortization	<u>4,651,256</u>	<u>2,843,952</u>	<u>33,233</u>	<u>7,528,441</u>
Total Assets	<u>9,049,240</u>	<u>6,900,400</u>	<u>1,477,680</u>	<u>17,427,320</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	-	394,010	19,544	413,554
Accrued Interest Payable	-	4,773	-	4,773
Current Maturities of Long-Term Liabilities	-	54,366	-	54,366
Total Current Liabilities	<u>-</u>	<u>453,149</u>	<u>19,544</u>	<u>472,693</u>
Non-Current Liabilities				
Long-Term Liabilities, Net of Current Portion	<u>-</u>	<u>299,224</u>	<u>-</u>	<u>299,224</u>
Total Liabilities	<u>-</u>	<u>752,373</u>	<u>19,544</u>	<u>771,917</u>
NET POSITION:				
Net Investment in Capital Assets	4,651,256	2,129,816	33,233	6,814,305
Unrestricted	4,397,984	4,018,211	1,424,903	9,841,098
Total Net Position	<u>\$ 9,049,240</u>	<u>\$ 6,148,027</u>	<u>\$ 1,458,136</u>	<u>\$ 16,655,403</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, 2023

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total Internal Service Funds
OPERATING REVENUES:				
Other Income	\$ -	\$ 1,000	\$ -	\$ 1,000
Department Contributions	1,215,000	573,964	600,000	2,388,964
Total Operating Revenues	<u>1,215,000</u>	<u>574,964</u>	<u>600,000</u>	<u>2,389,964</u>
OPERATING EXPENSES:				
Supplies	-	58,542	-	58,542
Maintenance and Materials	-	57,595	426,317	483,912
Total Operating Expenses (Excluding Depreciation and Amortization)	-	116,137	426,317	542,454
Depreciation and Amortization	839,444	375,242	3,267	1,217,953
Total Operating Expenses	<u>839,444</u>	<u>491,379</u>	<u>429,584</u>	<u>1,760,407</u>
OPERATING INCOME	<u>375,556</u>	<u>83,585</u>	<u>170,416</u>	<u>629,557</u>
NON-OPERATING REVENUES/(EXPENSES):				
Net Investment Income/(Loss)	32,519	29,522	9,082	71,123
Gain/(Loss) on Disposal of Assets	105,351	-	-	105,351
Interest Expense and Fiscal Charges	-	(9,659)	-	(9,659)
Total Non-Operating Revenues/(Expenses)	<u>137,870</u>	<u>19,863</u>	<u>9,082</u>	<u>166,815</u>
CHANGE IN NET POSITION	513,426	103,448	179,498	796,372
Net Position at Beginning of Year	<u>8,535,814</u>	<u>6,044,579</u>	<u>1,278,638</u>	<u>15,859,031</u>
Net Position at End of Year	<u>\$ 9,049,240</u>	<u>\$ 6,148,027</u>	<u>\$ 1,458,136</u>	<u>\$ 16,655,403</u>

Town of Addison, Texas
Proprietary Funds - Internal Service Funds

Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2023

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Department Contributions	\$ 1,215,000	\$ 573,964	\$ 600,000	\$ 2,388,964
Other Receipts	-	1,000	-	1,000
Payments to Suppliers	-	(82,676)	(420,806)	(503,482)
<i>Net Cash Provided by Operating Activities</i>	<u>1,215,000</u>	<u>492,288</u>	<u>179,194</u>	<u>1,886,482</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(1,872,595)	(337,238)	(30,035)	(2,239,868)
Proceeds from Sale of Capital Assets	105,009	-	-	105,009
Principal Paid on Long-Term Debt	-	(58,415)	-	(58,415)
Interest and Fiscal Charges Paid on Long-Term Debt	-	(4,886)	-	(4,886)
<i>Net Cash Used by Capital and Related Financing Activities</i>	<u>(1,767,586)</u>	<u>(400,539)</u>	<u>(30,035)</u>	<u>(2,198,160)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Cash and Investments	30,899	25,644	6,468	63,011
<i>Net Cash Provided/(Used) by Investing Activities</i>	<u>30,899</u>	<u>25,644</u>	<u>6,468</u>	<u>63,011</u>
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	(521,687)	117,393	155,627	(248,667)
Cash and Cash Equivalents, October 1	4,896,407	3,917,258	1,281,527	10,095,192
Cash and Cash Equivalents, September 30	<u>\$ 4,374,720</u>	<u>\$ 4,034,651</u>	<u>\$ 1,437,154</u>	<u>\$ 9,846,525</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$ 375,556	\$ 83,585	\$ 170,416	\$ 629,557
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:				
Depreciation and Amortization	839,444	375,242	3,267	1,217,953
Change in Assets and Liabilities:				
Increase/(Decrease) in Accounts Payable	-	33,461	5,511	38,972
Net Cash Provided/(Used) by Operating Activities	<u>\$ 1,215,000</u>	<u>\$ 492,288</u>	<u>\$ 179,194</u>	<u>\$ 1,886,482</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital Assets in Accounts Payable	\$ -	\$ 360,546	\$ -	\$ 360,546
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	<u>\$ -</u>	<u>\$ 360,546</u>	<u>\$ -</u>	<u>\$ 360,546</u>

STATISTICAL SECTION

(Unaudited)

The Statistical Section presents detailed information to assist in understanding the information in the financial statements, note disclosures, and required supplementary information. It includes five categories of information:

Financial Trends (tables 1-6) – contain trend information to help the reader understand how the government’s financial position has changed over time.

Revenue Capacity (tables 7-10) – contain information to help the reader assess the government’s ability to generate its own revenues.

Debt Capacity (tables 11-15) – present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

Demographic and Economic Information (tables 16-18) – offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the government’s financial activities take place.

Operating Information (tables 19-21) – contain employee and capital asset data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 120,034,622	\$ 121,444,364	\$ 122,079,968	\$ 124,922,785	\$ 125,983,819	\$ 125,521,642	\$ 121,008,111	\$ 118,883,370	\$ 115,283,708	\$ 116,634,762
Restricted for:										
Debt Service	606,471	555,279	660,955	500,094	310,619	83,524	63,194	661,804	770,005	830,459
Promotion of Tourism and Hotel Industry	1,682,165	2,529,271	3,869,581	4,334,037	4,167,549	3,449,095	3,239,356	2,710,600	4,972,399	5,879,548
Child Safety	101,664	190,635	98,540	86,906	84,284	90,718	110,712	126,062	140,935	166,297
Justice Administration	31,898	63,638	30,952	21,851	23,222	52,722	56,887	33,404	72,179	89,137
Court Technology	79,591	91,942	86,147	74,667	33,370	27,831	27,651	32,421	41,069	53,669
Building Security	65,782	176,512	63,655	53,584	-	-	-	-	-	-
Court Security	19,185	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639	51,544
Public Safety	-	-	-	33,238	84,870	101,240	123,730	112,729	124,490	100,768
Other purposes	-	25,484	33,694	191,575	242,042	303,147	359,096	402,711	218,003	70,321
Pensions	-	-	-	-	-	-	-	-	6,022,075	-
Unrestricted	25,658,883	7,051,958	7,031,223	29,561,964	31,164,711	33,180,155	31,791,785	39,204,079	37,432,655	36,849,868
Total Net Position - Governmental Activities	\$ 148,280,261	\$ 132,148,273	\$ 133,982,840	\$ 159,827,601	\$ 162,141,330	\$ 162,847,569	\$ 156,813,363	\$ 162,205,683	\$ 165,124,157	\$ 160,726,373
Business-type Activities										
Net Investment in Capital Assets	\$ 69,948,582	\$ 63,308,088	\$ 62,547,252	\$ 65,363,662	\$ 64,971,096	\$ 63,424,919	\$ 69,493,275	\$ 68,126,836	\$ 68,142,152	\$ 69,671,931
Restricted for:										
Pensions	-	-	-	-	-	-	-	-	349,817	-
Unrestricted	16,460,850	23,121,874	24,910,364	22,218,951	22,483,060	25,438,188	25,266,288	28,001,455	31,634,802	43,947,677
	<u>\$ 86,409,432</u>	<u>\$ 86,429,962</u>	<u>\$ 87,457,616</u>	<u>\$ 87,582,613</u>	<u>\$ 87,454,156</u>	<u>\$ 88,863,107</u>	<u>\$ 94,759,563</u>	<u>\$ 96,128,291</u>	<u>\$ 100,126,771</u>	<u>\$ 113,619,608</u>
Primary Government										
Net Investment in Capital Assets	\$ 189,983,204	\$ 184,752,452	\$ 184,627,220	\$ 190,286,447	\$ 190,954,915	\$ 188,946,561	\$ 190,501,386	\$ 187,010,206	\$ 183,425,860	\$ 186,306,693
Restricted for:										
Debt Service	606,471	555,279	660,955	500,094	310,619	83,524	63,194	661,804	770,005	830,459
Promotion of Tourism and Hotel Industry	1,682,165	2,529,271	3,869,581	4,334,037	4,167,549	3,449,095	3,239,356	2,710,600	4,972,399	5,879,548
Child Safety	101,664	190,635	98,540	86,906	84,284	90,718	110,712	126,062	140,935	166,297
Justice Administration	31,898	63,638	30,952	21,851	23,222	52,722	56,887	33,404	72,179	89,137
Court Technology	79,591	91,942	86,147	74,667	33,370	27,831	27,651	32,421	41,069	53,669
Building Security	65,782	176,512	63,655	53,584	-	-	-	-	-	-
Court Security	19,185	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639	51,544
Public Safety	-	-	-	33,238	84,870	101,240	123,730	112,729	124,490	100,768
Other Purposes	-	25,484	33,694	191,575	242,042	303,147	359,096	402,711	218,003	70,321
Pensions	-	-	-	-	-	-	-	-	6,371,892	-
Unrestricted	42,119,733	30,173,832	31,941,587	51,780,915	53,647,771	58,618,343	57,058,073	67,205,534	69,067,457	80,797,545
Total Net Position - Primary Government	\$ 234,689,693	\$ 218,578,235	\$ 221,440,456	\$ 247,410,214	\$ 249,595,486	\$ 251,710,676	\$ 251,572,926	\$ 258,333,974	\$ 265,250,928	\$ 274,345,981

SOURCE: Town of Addison Annual Comprehensive Financial Reports

Note: 2016 and prior Public Safety included in Other Purposes. Starting in 2017, Public Safety is separate from Other Purposes.

Town of Addison, Texas
Statistical Section

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

	2014	2015	2016	2017
Expenses				
Governmental Activities:				
General Government	\$ 7,938,875	\$ 8,730,944	\$ 10,015,214	\$ 7,184,325
Public Safety	15,765,099	16,820,899	17,528,619	7,021,636
Development Services	932,247	1,032,105	1,278,232	100,924
Streets	6,450,628	8,105,373	6,567,732	6,660,591
Parks and Recreation	5,597,254	5,517,049	5,796,136	4,259,992
Visitor Services	7,358,141	6,106,103	7,537,477	6,839,484
Interest on Long-Term Debt	3,037,574	3,018,672	2,417,435	1,713,819
Total Governmental Activities	47,079,818	49,331,145	51,140,845	33,780,771
Business-type Activities:				
Airport	6,027,300	5,893,611	6,454,693	6,509,127
Utilities	10,317,160	10,748,886	10,821,202	10,081,401
Storm Water	768,016	848,354	2,092,187	1,408,133
Total Business-type Activities	17,112,476	17,490,851	19,368,082	17,998,661
Total Expenses - Primary Government	\$ 64,192,294	\$ 66,821,996	\$ 70,508,927	\$ 51,779,432
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 235,233	\$ 688,005	\$ 753,062	\$ 961,336
Public Safety	1,506,770	945,217	1,070,517	947,071
Development Services	904,895	1,015,053	774,364	1,242,223
Streets	390,453	400,561	375,564	391,126
Parks and Recreation	102,288	82,681	74,719	86,595
Visitor Services	2,195,803	1,890,522	3,532,634	3,249,506
Operating Grants and Contributions	19,093	25,806	27,472	51,063
Capital Grants and Contributions	-	158,253	148,518	-
Total Governmental Activities	5,354,535	5,206,098	6,756,850	6,928,920
Business-type Activities:				
Charges for Services:				
Airport	4,857,759	5,138,479	5,387,660	5,479,786
Utilities	9,953,099	9,877,262	10,576,707	10,983,136
Storm Water	1,640,615	1,726,526	1,883,841	2,034,484
Operating Grants and Contributions	-	-	129,093	50,000
Capital Grants and Contributions	7,660,647	1,025,835	2,130,601	148,158
Total Business-type Activities	24,112,120	17,768,102	20,107,902	18,695,564
Total Program Revenues - Primary Government	\$ 29,466,655	\$ 22,974,200	\$ 26,864,752	\$ 25,624,484
Net (Expense)/Revenue				
Governmental Activities	\$ (41,725,283)	\$ (44,125,047)	\$ (44,383,995)	\$ (26,851,851)
Business-Type Activities	6,999,644	277,251	739,820	696,903
Total Net Expense - Primary Government	\$ (34,725,639)	\$ (43,847,796)	\$ (43,644,175)	\$ (26,154,948)
General Revenues				
Taxes:				
Property Taxes, Levied for General Purposes	\$ 19,484,538	\$ 20,385,225	\$ 22,593,188	\$ 23,572,225
Sales Taxes	14,222,194	14,104,584	13,847,507	15,126,354
Franchise Taxes	2,806,656	2,828,420	3,074,519	2,664,422
Hotel/Motel Taxes	5,011,671	5,510,406	6,132,432	5,996,924
Net Investment Income/(Loss)	130,419	181,811	316,288	472,896
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-
Gain on Disposition of Debt	-	-	-	-
Miscellaneous	613,432	590,619	581,628	3,736,791
Transfers	(4,626,322)	-	-	800,000
Total General Revenues and Transfers	37,642,588	43,601,065	46,545,562	52,369,612
Business-type Activities				
Net Investment Income/(Loss)	(22,013)	100,928	151,937	185,046
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-
Public-Private Partnership Revenues	-	-	-	-
Miscellaneous	7,232	512,888	135,897	43,048
Transfers	4,626,322	-	-	(800,000)
Total Business-type Activities	4,611,541	613,816	287,834	(571,906)
Change in Net Position				
Governmental Activities	(4,082,695)	(523,982)	2,161,567	25,517,761
Business-type Activities	11,611,185	891,067	1,027,654	124,997
Total Change in Net Position - Primary Government	\$ 7,528,490	\$ 367,085	\$ 3,189,221	\$ 25,642,758

SOURCE: Town of Addison Annual Comprehensive Financial Reports

Table 2

	2018	2019	2020	2021	2022	2023
\$	10,218,620	\$ 10,149,540	\$ 10,206,304	\$ 9,265,244	\$ 9,416,452	\$ 13,791,308
	17,814,777	19,855,190	20,337,267	20,235,377	20,331,699	30,645,228
	1,379,071	3,137,715	3,320,919	3,437,779	3,061,515	4,536,840
	7,249,140	7,677,651	8,326,816	7,619,194	10,669,363	8,555,527
	6,068,682	6,840,345	6,784,214	6,675,787	7,023,671	8,851,065
	7,118,492	6,884,597	4,310,828	5,011,538	5,396,612	6,543,984
	2,038,203	1,938,010	2,153,845	2,007,306	2,179,219	2,705,036
	<u>51,886,985</u>	<u>56,483,048</u>	<u>55,440,193</u>	<u>54,252,225</u>	<u>58,078,531</u>	<u>75,628,988</u>
	6,996,377	6,574,351	6,893,786	6,235,571	6,758,415	8,696,459
	12,708,842	12,329,112	12,361,224	13,100,779	14,753,989	17,167,507
	820,337	1,427,551	1,361,880	1,065,470	1,060,602	1,660,577
	<u>20,525,556</u>	<u>20,331,014</u>	<u>20,616,890</u>	<u>20,401,820</u>	<u>22,573,006</u>	<u>27,524,543</u>
\$	<u>72,412,541</u>	<u>76,814,062</u>	<u>76,057,083</u>	<u>74,654,045</u>	<u>80,651,537</u>	<u>103,153,531</u>
\$	407,531	\$ 763,244	\$ 770,105	\$ 595,391	\$ 802,863	\$ 928,417
	848,523	916,430	889,868	1,027,810	1,214,031	1,432,620
	1,414,425	1,379,721	1,227,095	852,648	1,155,862	1,254,806
	414,493	403,676	505,545	796,446	2,916,935	466,103
	82,122	64,453	34,914	74,703	56,442	242,373
	2,206,293	1,834,700	286,892	1,088,609	1,140,565	1,272,806
	106,322	100,904	634,082	2,934,576	2,243,757	399,776
	121,578	130,000	100	228,952	25,000	301,890
	<u>5,601,287</u>	<u>5,593,128</u>	<u>4,348,601</u>	<u>7,599,135</u>	<u>9,555,455</u>	<u>6,298,791</u>
	6,197,849	6,725,125	5,392,936	5,588,284	7,160,453	5,978,554
	12,178,231	11,847,562	12,818,071	13,272,935	15,524,151	16,244,659
	2,140,112	2,237,953	2,322,350	2,521,318	2,561,054	2,551,299
	121,226	69,241	207,000	107,000	198,000	50,000
	395,372	457,426	1,358,225	120,726	2,054,675	1,402,987
	<u>21,032,790</u>	<u>21,337,307</u>	<u>22,098,582</u>	<u>21,610,263</u>	<u>27,498,333</u>	<u>26,227,499</u>
\$	<u>26,634,077</u>	<u>26,930,435</u>	<u>26,447,183</u>	<u>29,209,398</u>	<u>37,053,788</u>	<u>32,526,290</u>
\$	(46,285,698)	\$ (50,889,920)	\$ (51,091,592)	\$ (46,653,090)	\$ (48,523,076)	\$ (69,330,197)
	507,234	1,006,293	1,481,692	1,208,443	4,925,327	(1,297,044)
\$	<u>(45,778,464)</u>	<u>(49,883,627)</u>	<u>(49,609,900)</u>	<u>(45,444,647)</u>	<u>(43,597,749)</u>	<u>(70,627,241)</u>
\$	23,600,531	\$ 25,180,507	\$ 27,005,415	\$ 29,960,335	\$ 30,443,817	\$ 33,454,168
	17,734,689	16,258,669	15,036,200	16,113,549	17,409,213	18,286,374
	2,624,458	2,513,414	2,227,367	1,989,938	2,116,496	2,157,699
	5,507,072	5,436,211	3,232,320	2,702,204	4,545,644	5,445,315
	831,714	1,365,659	1,116,915	85,076	(3,607,419)	4,036,686
	27,311	12,935	21,503	364,018	7,187	-
	-	-	-	-	-	219,680
	292,272	328,764	207,898	774,276	526,612	423,086
	500,000	500,000	(3,790,232)	56,014	-	909,405
	<u>51,118,047</u>	<u>51,596,159</u>	<u>45,057,386</u>	<u>52,045,410</u>	<u>51,441,550</u>	<u>64,932,413</u>
	335,367	833,703	569,513	32,098	(1,094,374)	2,989,902
	(242,744)	-	24,005	103,818	42,044	-
	-	-	-	-	-	12,578,484
	22,102	68,955	31,014	80,383	125,483	130,900
	(500,000)	(500,000)	3,790,232	(56,014)	-	(909,405)
	<u>(385,275)</u>	<u>402,658</u>	<u>4,414,764</u>	<u>160,285</u>	<u>(926,847)</u>	<u>14,789,881</u>
	4,832,349	706,239	(6,034,206)	5,392,320	2,918,474	(4,397,784)
	121,959	1,408,951	5,896,456	1,368,728	3,998,480	13,492,837
\$	<u>4,954,308</u>	<u>2,115,190</u>	<u>(137,750)</u>	<u>6,761,048</u>	<u>6,916,954</u>	<u>9,095,053</u>

Town of Addison, Texas
Statistical Section

Table 3

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable:										
Inventories	\$ 66,933	\$ 63,176	\$ 41,001	\$ 39,550	\$ 54,843	\$ 34,155	\$ 20,946	\$ 47,161	\$ 41,092	\$ 57,529
Prepaid Items	272,713	267,357	84,681	449,442	442,875	470,103	60,668	497,647	636,808	601,698
Unassigned	15,166,365	11,271,328	12,765,117	15,879,046	20,465,238	20,083,986	20,052,825	19,698,867	19,837,481	20,023,732
Total General Fund	<u>15,506,011</u>	<u>11,601,861</u>	<u>12,890,799</u>	<u>16,368,038</u>	<u>20,962,956</u>	<u>20,588,244</u>	<u>20,134,439</u>	<u>20,243,675</u>	<u>20,515,381</u>	<u>20,682,959</u>
All Other Governmental Funds										
Nonspendable:										
Prepaid Items	-	-	50,836	38,669	-	-	-	-	-	-
Restricted for:										
Debt Service	1,020,159	831,366	541,074	370,527	168,535	17,993	6,335	573,411	652,117	747,328
Promotion of Tourism & Hotel Industry	1,682,165	2,529,271	3,861,008	4,331,245	4,122,537	3,449,095	3,149,259	2,710,600	4,641,300	5,330,207
Capital Projects	45,239,484	40,901,630	33,162,293	21,834,283	13,687,452	11,067,329	39,199,567	46,856,016	45,061,870	37,280,119
Child Safety	101,664	88,479	98,540	86,906	84,284	90,718	110,712	126,062	140,935	166,297
Justice Administration	31,898	28,893	30,952	21,851	23,222	23,829	27,994	33,404	43,286	60,244
Court Technology	79,591	77,831	86,147	74,667	33,370	27,831	27,651	32,421	41,069	53,669
Building Security	65,782	63,789	63,655	53,584	-	-	-	-	-	-
Court Security	19,185	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639	51,544
Public Safety	-	-	30,521	31,059	82,691	95,319	115,696	112,729	116,509	92,198
Other Purposes	-	25,484	327,000	191,575	242,042	303,147	359,096	402,711	218,003	70,321
Committed for:										
Capital Projects	-	-	-	7,688,169	8,120,427	8,951,963	10,368,778	13,511,945	14,429,924	18,496,810
Economic Development	477,233	752,819	968,178	1,257,093	1,437,025	1,797,019	1,968,832	2,012,219	1,980,287	2,592,507
Unassigned	3,115	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>48,720,276</u>	<u>45,318,752</u>	<u>39,248,329</u>	<u>36,026,528</u>	<u>28,048,429</u>	<u>25,861,738</u>	<u>55,366,761</u>	<u>66,410,021</u>	<u>67,371,939</u>	<u>64,941,244</u>
Total Governmental Funds	<u>\$ 64,226,287</u>	<u>\$ 56,920,613</u>	<u>\$ 52,139,128</u>	<u>\$ 52,394,566</u>	<u>\$ 49,011,385</u>	<u>\$ 46,449,982</u>	<u>\$ 75,501,200</u>	<u>\$ 86,653,696</u>	<u>\$ 87,887,320</u>	<u>\$ 85,624,203</u>

SOURCE: Town of Addison Annual Comprehensive Financial Reports

**Town of Addison, Texas
Statistical Section**

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

	2014	2015	2016	2017
REVENUES:				
Ad Valorem Taxes	\$ 19,274,720	\$ 20,560,124	\$ 22,559,004	\$ 23,521,642
Non-Property Taxes	19,444,668	19,728,511	20,181,697	21,217,028
Franchise Fees	2,818,869	2,828,420	3,074,519	2,664,422
Licenses and Permits	901,645	1,011,223	768,964	1,225,373
Intergovernmental	19,093	180,612	160,619	15,565
Service Fees	2,758,458	2,543,707	4,463,789	4,520,358
Fines and Forfeitures	988,574	764,144	603,282	468,734
Earnings on Investments	143,299	277,680	372,088	472,896
Rental Charges	1,119,551	1,201,389	949,956	704,701
Recycling Proceeds	13,295	10,403	2,426	3,258
Other	206,157	199,880	377,608	391,883
Total Revenues	47,688,329	49,306,093	53,513,952	55,205,860
EXPENDITURES:				
Current:				
General Government	6,646,587	7,657,465	7,598,584	8,057,632
Public Safety	15,876,424	16,699,726	16,301,539	16,945,126
Development Services	962,584	1,090,973	1,207,871	1,158,967
Streets	1,727,403	1,803,139	1,791,257	1,942,584
Parks and Recreation	4,874,394	4,755,341	4,912,455	5,020,975
Visitor Services	6,730,501	5,454,910	7,077,371	7,595,136
Municipal Court	30,878	60,426	17,610	66,616
Economic Development	1,029,585	1,281,649	1,349,920	1,747,750
Debt Service:				
Principal Retirement	5,086,153	5,473,152	5,800,151	5,618,331
Interest and Fiscal Charges	3,110,704	3,417,820	3,089,643	2,810,607
Capital Projects:				
Maintenance and Materials	12,459	-	-	-
Engineering and Contractual Services	422,982	5,076,254	62,647	416,179
Construction and Equipment	8,241,546	3,840,912	9,086,389	7,583,129
Total Expenditures	54,752,200	56,611,767	58,295,437	58,963,032
Excess/(Deficiency) of Revenues over/(under) Expenditures	(7,063,871)	(7,305,674)	(4,781,485)	(3,757,172)
OTHER FINANCING SOURCES/(USES):				
Payment to Refunded Bond Escrow Agent	-	-	-	-
Issuance of Debt	12,000,000	-	-	-
Premium on Issuance of Bonds	97,299	-	-	-
Leases (as Lessee)	-	-	-	-
Transfers In	570,000	5,226,082	2,349,124	7,624,205
Transfers Out	(570,000)	(5,226,082)	(2,349,124)	(6,824,205)
Proceeds on Asset Sales	-	-	-	3,212,610
Total Other Financing Sources/(Uses)	12,097,299	-	-	4,012,610
Net Change in Fund Balance	\$ 5,033,428	\$ (7,305,674)	\$ (4,781,485)	\$ 255,438
Debt Service as a Percentage of Non-Capital Expenditures	16.11%	18.38%	18.07%	16.41%

SOURCE: Town of Addison Annual Comprehensive Financial Reports

Table 4

2018	2019	2020	2021	2022	2023
\$ 23,783,670	\$ 25,196,771	\$ 26,876,741	\$ 29,869,955	\$ 30,578,292	\$ 33,396,217
23,148,710	21,595,724	18,432,169	18,488,945	21,701,243	23,705,974
2,624,458	2,513,414	2,227,367	1,989,938	2,116,496	2,157,699
1,404,035	1,366,941	1,183,285	824,908	1,120,552	1,219,541
16,228	193,904	471,145	3,148,053	2,250,134	396,176
3,620,748	2,997,653	2,157,047	2,795,244	3,162,551	3,545,405
358,737	415,721	263,146	197,335	359,142	458,972
831,714	1,365,659	1,116,915	85,076	(3,607,419)	4,036,686
635,165	566,257	270,001	94,303	124,445	153,874
11,407	616	162	2,471	2,546	-
324,961	254,100	306,147	1,078,332	2,477,924	895,440
<u>56,759,833</u>	<u>56,466,760</u>	<u>53,304,125</u>	<u>58,574,560</u>	<u>60,285,906</u>	<u>69,965,984</u>
8,381,216	8,923,060	8,946,301	9,203,895	9,510,413	10,223,389
17,919,259	18,708,501	19,215,910	20,669,001	21,487,192	23,494,743
1,374,246	1,350,598	1,501,596	1,560,348	1,644,970	1,935,585
1,895,171	1,777,128	1,799,513	1,951,588	2,047,734	2,275,695
5,054,566	5,520,903	5,407,703	5,695,541	6,108,572	6,587,120
6,780,909	7,313,226	3,622,979	4,634,221	5,177,008	5,636,836
75,904	53,096	19,400	2,938	4,826	10,314
1,475,201	1,553,813	1,647,246	1,839,493	1,328,152	1,402,616
4,909,148	4,280,000	4,105,000	4,985,000	5,889,926	6,623,508
2,631,422	2,475,279	2,915,428	2,725,605	2,952,920	3,406,032
-	-	-	-	-	-
758,687	1,469,752	1,780,857	993,326	3,580,551	1,795,052
9,414,596	6,115,742	6,792,067	9,780,860	20,119,010	17,075,143
<u>60,670,325</u>	<u>59,541,098</u>	<u>57,754,000</u>	<u>64,041,816</u>	<u>79,851,274</u>	<u>80,466,033</u>
<u>(3,910,492)</u>	<u>(3,074,338)</u>	<u>(4,449,875)</u>	<u>(5,467,256)</u>	<u>(19,565,368)</u>	<u>(10,500,049)</u>
-	-	(13,090,212)	(4,261,861)	(9,477,585)	-
-	-	43,740,000	19,165,000	28,425,000	6,800,000
-	-	2,829,802	1,352,595	1,844,390	291,055
-	-	-	-	-	236,472
3,618,152	5,686,504	3,992,900	3,844,950	2,225,875	4,681,874
(3,118,152)	(5,186,504)	(3,992,900)	(3,844,950)	(2,225,875)	(3,772,469)
27,311	12,935	21,503	364,018	7,187	-
<u>527,311</u>	<u>512,935</u>	<u>33,501,093</u>	<u>16,619,752</u>	<u>20,798,992</u>	<u>8,236,932</u>
<u>\$ (3,383,181)</u>	<u>\$ (2,561,403)</u>	<u>\$ 29,051,218</u>	<u>\$ 11,152,496</u>	<u>\$ 1,233,624</u>	<u>\$ (2,263,117)</u>
14.71%	12.98%	13.81%	14.37%	14.96%	15.98%

**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	Net Investment Income/(Loss)	Rental Charges	Other (1)	Total
2014	38,719,388	2,818,869	901,645	19,093	2,758,458	988,574	143,299	1,119,551	13,295	47,482,172
2015	40,288,635	2,828,420	1,011,223	180,612	2,543,707	764,144	277,680	1,201,389	10,403	49,106,213
2016	42,740,701	3,074,519	768,964	160,619	4,463,789	603,282	372,088	949,956	2,426	53,136,344
2017	44,738,670	2,664,422	1,225,373	15,565	4,520,358	468,734	472,896	704,701	3,258	54,813,977
2018	46,932,380	2,624,458	1,404,035	16,228	3,620,748	358,737	831,714	635,165	336,368	56,759,833
2019	46,792,495	2,513,414	1,366,941	193,904	2,997,653	415,721	1,365,659	566,257	254,716	56,466,760
2020	45,308,910	2,227,367	1,183,285	471,145	2,157,047	263,146	1,116,915	270,001	306,309	53,304,125
2021	48,358,900	1,989,938	824,908	3,148,053	2,795,244	197,335	85,076	94,303	1,080,803	58,574,560
2022	52,279,535	2,116,496	1,120,552	2,250,134	3,162,551	359,142	(3,607,419)	124,445	2,480,470	60,285,906
2023	57,102,191	2,157,699	1,219,541	396,176	3,545,405	458,972	4,036,686	153,874	895,440	69,965,984

Table includes General, Special Revenue, Capital Project, and Debt Service Funds

Notes: (1) Includes recycling fees and contributions.

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

Fiscal Year	General Government(2)	Public Safety	Development Services	Streets	Parks and Recreation	Visitor Services(1)	Economic Development	Debt Service	Total
2014	6,677,465	15,876,424	962,584	1,727,403	4,874,394	6,730,501	1,029,585	8,196,857	46,075,213
2015	7,717,891	16,699,726	1,090,973	1,803,139	4,755,341	5,454,910	1,281,649	8,890,972	47,694,601
2016	7,616,194	16,301,539	1,207,871	1,791,257	4,912,455	7,077,371	1,349,920	8,889,794	49,146,401
2017	8,124,248	16,945,126	1,158,967	1,942,584	5,020,975	7,595,136	1,747,750	8,428,938	50,963,724
2018	8,401,512	17,919,259	1,374,246	1,895,171	5,054,566	5,547,740	1,474,105	8,830,443	50,497,042
2019	8,976,156	18,708,501	1,350,598	1,777,128	5,520,903	7,313,226	1,553,813	6,755,279	51,955,604
2020	8,965,701	19,215,910	1,501,596	1,799,513	5,407,703	3,622,979	1,647,246	7,020,428	49,181,076
2021	9,206,833	20,669,001	1,560,348	1,951,588	5,695,541	4,634,221	1,839,493	7,710,605	53,267,630
2022	9,515,239	21,487,192	1,644,970	2,047,734	6,108,572	5,177,008	1,328,152	8,842,846	56,151,713
2023	10,233,703	23,494,743	1,935,585	2,275,695	6,587,120	5,636,836	1,402,616	10,029,540	61,595,838

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

Notes:

- (1) Hotel Fund
- (2) Includes Municipal Court

SUMMARY OF TAX REVENUES AND FRANCHISE FEES
 Last Ten Fiscal Years

Fiscal Year	Property Taxes ¹	1% Town Sales Tax	Mixed Beverage Taxes	Franchise Fees	Hotel Occupancy Tax	Total
2014	19,274,720	13,440,938	994,609	2,818,869	5,009,121	41,538,257
2015	20,560,124	13,038,912	1,176,643	2,828,420	5,512,956	43,117,055
2016	22,559,004	12,831,723	1,211,761	3,074,519	6,138,213	45,815,220
2017	23,521,642	14,032,616	1,229,708	2,664,422	5,954,703	47,403,091
2018	23,783,670	16,449,993	1,146,633	2,624,458	5,552,084	49,556,838
2019	25,196,771	15,017,082	1,151,057	2,513,414	5,427,585	49,305,909
2020	26,876,741	14,302,624	888,599	2,227,367	3,240,946	47,536,277
2021	29,869,955	14,881,277	1,084,108	1,989,938	2,523,560	50,348,838
2022	30,578,292	15,997,283	1,350,605	2,116,496	4,353,355	54,396,031
2023	33,396,217	16,661,868	1,360,467	2,157,699	5,683,639	59,259,890

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

Notes:

(1) Includes penalty and interest.

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

Fiscal Year	Actual Levy Year	Real Property Assessed Value ¹	Personal Property Assessed Value	Less Tax-Exempt Property Assessed Value	Total Taxable Value	Total Direct Tax Rate ²
2014	2013	3,270,235,970	621,418,790	(401,647,062)	3,490,007,698	0.5718
2015	2014	3,538,702,310	685,963,840	(419,085,309)	3,805,580,841	0.5618
2016	2015	3,742,314,940	722,808,570	(428,399,743)	4,036,723,767	0.5792
2017	2016	3,996,508,870	757,661,770	(453,899,085)	4,300,271,555	0.5605
2018	2017	4,179,274,260	730,791,690	(459,532,446)	4,450,533,504	0.5500
2019	2018	4,477,513,780	729,708,210	(481,462,821)	4,725,759,169	0.5500
2020	2019	4,557,534,840	759,254,790	(496,882,188)	4,819,907,442	0.5835
2021	2020	4,438,590,218	718,946,820	(498,128,042)	4,659,408,996	0.6087
2022	2021	4,774,627,130	747,592,040	(544,899,165)	4,977,320,005	0.6147
2023	2022	5,326,669,270	836,635,330	(586,987,979)	5,576,316,621	0.6098

SOURCE: Dallas Central Appraisal District

Notes:

- (1) Assessed value is 100% of estimated market value.
- (2) Per \$100 of valuation.

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

Fiscal Year	City Direct Rates ¹			Overlapping Rates ²					
	Operating General Rates	General Obligation Debt Service	Total Direct Ad Valorem Rate	Dallas County	Community College District	Dallas ISD	Carrollton/Farmers Branch ISD	Dallas County Hospital District	Total Ad Valorem Rate
2014	0.3588	0.2130	0.5718	0.2531	0.1247	1.2820	1.3235	0.2760	2.5076
2015	0.3437	0.2181	0.5618	0.2531	0.1248	1.2820	1.3033	0.2860	2.5077
2016	0.3767	0.2024	0.5792	0.2431	0.1237	1.2921	1.2817	0.2860	2.5240
2017	0.3812	0.1793	0.5605	0.2431	0.1229	1.2914	1.3810	0.2794	2.4973
2018	0.3970	0.1530	0.5500	0.2431	0.1242	1.2921	1.3810	0.2794	2.4888
2019	0.4074	0.1426	0.5500	0.2431	0.1240	1.4220	1.3700	0.2794	2.6185
2020	0.4341	0.1494	0.5835	0.2431	0.1240	1.3204	1.2684	0.2695	2.5405
2021	0.4411	0.1676	0.6087	0.2397	0.1240	1.3067	1.2547	0.2661	2.5453
2022	0.4411	0.1736	0.6147	0.2279	0.1235	1.2582	1.2013	0.2550	2.4794
2023	0.4451	0.1647	0.6098	0.2179	0.1159	1.1949	1.1429	0.2358	2.3744

SOURCE: Dallas County Tax Office

Notes:

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

PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

Fiscal Year	Actual Levy Year	Taxes Levied for the Fiscal Year	Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
			Current Tax Collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2014	2013	20,000,565	19,246,998	96.2%	(11,276)	19,235,722	96.2%
2015	2014	21,430,622	20,641,789	96.3%	(125,202)	20,516,587	95.7%
2016	2015	23,445,994	22,584,093	96.3%	(77,086)	22,507,007	96.0%
2017	2016	24,175,503	23,458,172	97.0%	(6,535)	23,451,637	97.0%
2018	2017	24,531,963	23,833,997	97.2%	(115,949)	23,718,048	96.7%
2019	2018	26,050,652	25,281,036	97.0%	(142,606)	25,138,430	96.5%
2020	2019	28,199,326	27,322,025	96.9%	(418,445)	26,903,580	95.4%
2021	2020	30,018,305	30,015,545	100.0%	(319,924)	29,695,621	98.9%
2022	2021	30,630,834	30,800,200	100.6%	(304,814)	30,495,386	99.6%
2023	2022	34,094,138	33,664,494	98.7%	(369,985)	33,294,509	97.7%

SOURCE: Dallas County Tax Office

Notes:

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

RATIO OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income (%)	Per Capita
	General Obligation Bonds	Certificates of Obligation	Leases (1)	Subscriptions (2)	General Obligation Bonds	Certificates of Obligation			
2014	52,868,244	38,578,326	-	-	2,145,000	25,322,281	118,913,851	15.71	7,834
2015	48,157,452	37,513,716	-	-	1,805,000	24,545,293	112,021,461	14.93	7,213
2016	65,165,138	15,642,986	-	-	8,122,465	17,312,599	106,243,188	14.10	6,810
2017	59,974,766	14,009,287	-	-	7,663,243	16,305,591	97,952,887	12.89	6,227
2018	56,085,819	12,309,771	-	-	7,186,019	15,274,984	90,856,593	10.65	5,765
2019	51,888,184	11,604,403	-	-	6,410,005	28,118,950	98,021,542	11.31	6,123
2020	63,729,611	28,222,499	-	-	5,615,515	27,095,962	124,663,587	15.55	7,895
2021	75,791,264	26,773,149	-	-	11,834,241	19,445,154	133,843,808	16.24	8,245
2022	90,963,718	25,948,703	501,060	-	11,279,388	21,134,268	149,827,137	16.41	8,455
2023	89,857,949	26,846,571	359,345	353,589	10,722,006	22,181,712	150,321,172	15.13	8,483

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

- (1) The Town implemented GASB 87 Leases in the fiscal year ended September 30, 2022. Lease balances are not available before this date.
- (2) The Town implemented GASB 96 Subscription-Based Information Technology Arrangements in the fiscal year ended September 30, 2023. Subscription balances are not available before this date.

RATIO OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds ¹	Certificates of Obligation ¹	Less: Amounts Available in Debt Service Fund ²	Total Outstanding Debt	Percentage of Actual Taxable Value (%)	Per Capita
2014	55,013,244	63,900,607	1,020,159	117,893,692	3.38	7,766.38
2015	49,962,452	62,059,009	831,367	111,190,094	2.92	7,159.70
2016	73,287,603	32,955,585	541,075	105,702,113	2.62	6,775.78
2017	67,638,009	30,314,878	370,527	97,582,360	2.27	6,203.58
2018	63,271,838	27,584,755	168,535	90,688,058	2.04	5,754.32
2019	57,654,198	39,023,647	17,993	96,659,852	2.05	6,121.59
2020	69,345,126	55,318,461	6,333	124,657,254	2.59	7,894.70
2021	87,625,505	46,218,303	573,411	133,270,397	2.86	8,166.08
2022	102,243,107	47,082,971	652,117	148,673,961	2.99	8,390.18
2023	100,579,954	49,028,283	747,328	148,860,909	2.67	8,400.25

NOTES: (1) The schedule of general bonded debt includes general obligation debt of both governmental activities and business-type activities, including premiums and discounts of the associated debt.
 (2) This is the amount restricted for debt service principal payments at the fund level.

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

DIRECT AND OVERLAPPING DEBT
Year Ended September 30, 2023

Taxing Jurisdiction	Debt	Percent Applicable ¹	Estimated Share of Overlapping Debt
Carrollton-Farmers Branch ISD	\$ 336,185,000	1.56%	\$ 5,244,486
Dallas County	236,605,000	1.49%	3,525,415
Dallas County Community College District	436,680,000	1.49%	6,506,532
Dallas County Hospital District	556,450,741	1.49%	8,291,116
Dallas ISD	3,467,730,000	2.95%	102,298,035
Total Overlapping Debt			125,865,584
Town of Addison (Direct Debt)	\$ 117,417,454 ⁽²⁾	100%	117,417,454
Total Direct and Overlapping Debt			\$ 243,283,038
Ratio of Overlapping Debt to 2022 Taxable Assessed Valuation			4.36%
Per Capita Overlapping Debt			\$ 13,729

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 is estimated using taxable assessed property values. Applicable percentages were estimated by determining the assessed valuation of taxable property within both the overlapping taxing body and the Town's boundaries and dividing that shared value by the total taxable assessed value within the overlapping taxing body.
- (2) Total debt shown for the Town of Addison excludes self-supporting debt and amount available for repayment in the Debt Service funds. It includes all bonded debt that is secured by ad valorem taxes, as well as leases and subscriptions.

SCHEDULE OF REVENUE BOND COVERAGE
UTILITY FUND
Last Ten Fiscal Years

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements ²			Revenue Bond Coverage ³
	Gross Revenue	Expense ¹	Net Revenue	Principal	Interest	Total	
2014	9,894,247	8,449,185	1,445,062	-	-	-	N/A
2015	10,241,191	9,017,932	1,223,259	-	-	-	N/A
2016	10,688,878	9,116,360	1,572,518	-	-	-	N/A
2017	11,087,788	8,988,724	2,099,064	-	-	-	N/A
2018	12,211,566	11,121,149	1,090,417	-	-	-	N/A
2019	11,939,132	10,729,825	1,209,307	-	-	-	N/A
2020	12,906,145	10,637,638	2,268,507	-	-	-	N/A
2021	13,365,766	11,487,878	1,877,888	-	-	-	N/A
2022	15,632,451	12,638,529	2,993,922	-	-	-	N/A
2023	16,368,412	14,936,764	1,431,648	-	-	-	N/A

Notes:

- (1) Includes "operating expenses excluding depreciation" and "non-operating expenses excluding interest expense".
- (2) Includes principal and interest of revenue bonds only. It does not include the general obligation bonds or combination tax and revenue certificates of obligation reported in the enterprise fund.
- (3) Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest. Revenue bonds were retired in fiscal year 2002. Current year debt associated with the Town's Utility (Water and Sewer) Fund is limited to general obligation bonds and combination tax and revenue certificates of obligation. This debt is secured by the Town's property taxes but is supported by Utility Fund net revenues.

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

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements			Bond Coverage ²
	Gross Revenue	Expenditure ¹	Net Revenue	Principal	Interest	Total	
2014	7,181,306	1,063,116	6,118,190	625,000	86,650	711,650	8.6
2015	7,512,047	959,140	6,552,907	640,000	70,800	710,800	9.2
2016	9,680,180	1,156,760	8,523,420	660,001	52,050	712,051	12.0
2017	9,307,410	1,211,193	8,096,217	680,000	31,200	711,200	11.4
2018	7,889,706	1,027,977	6,861,729	700,000	10,500	710,500	9.7
2019	7,354,784	956,507	6,398,277	-	-	-	N/A
2020	3,707,143	796,479	2,910,664	-	-	-	N/A
2021	4,579,562	242,198	4,337,364	-	-	-	N/A
2022	7,449,829	229,056	7,220,773	-	-	-	N/A
2023	7,093,743	195,446	6,898,297	-	-	-	N/A

Notes:

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

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

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

Fiscal Year	Estimated Population ¹	Assessed Valuations ²	Personal Income (Thousands)	Per Capita Personal Income ³	Labor Force ⁴	Unemployment Rate ⁵
2014	15,180	3,490,007,698	756,981	49,867	3,530,240	4.8%
2015	15,530	3,805,580,841	750,379	48,318	3,583,846	3.9%
2016	15,600	4,036,723,767	753,761	48,318	3,703,129	3.9%
2017	15,730	4,300,271,555	760,042	48,318	3,778,245	3.3%
2018	15,760	4,450,533,504	852,821	54,113	3,859,214	3.4%
2019	15,790	4,725,759,169	854,444	54,113	3,941,598	3.2%
2020	15,790	4,819,907,442	801,927	50,787	3,977,747	6.1%
2021	16,320	4,659,408,996	828,844	50,787	4,115,168	5.4%
2022	17,720	4,977,320,005	912,793	51,512	4,225,179	3.5%
2023	17,721	5,576,316,621	993,847	56,083	4,462,696	3.7%

SOURCES:

- (1) North Central Texas Council of Governments estimates
- (2) Dallas Central Appraisal District
- (3) United States Census American Community Survey; figures are based on the most current data available.
- (4) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented represents the Dallas, Fort Worth, Arlington Metro Area.
- (5) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented represents the City of Farmers Branch, a neighboring city.

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Name of Taxpayer	Nature of Property	2023			2014		
		Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation
Post Apartment Homes LP	Apartments	\$ 269,950,000	1	4.84%			
FPG Colonnade LP	Land, Office Buildings	246,034,800	2	4.41%	68,352,310	4	1.96%
SAVOYE2 LLC	Apartments	161,030,650	3	2.89%			
DCO Realty Inc	Land, Office Buildings	122,320,240	4	2.19%			
Costco Wholesale Corporation	Retail	112,301,610	5	2.01%			
Mary Kay Inc	Office Buildings	105,426,310	6	1.89%			
Fiori LLC	Land, Hotel	102,000,000	7	1.83%	66,558,320	5	1.91%
Spectrum Drive Owner LLC	Office Buildings	101,250,000	8	1.82%			
VOP Partners LLC	Office Buildings	95,725,000	9	1.72%			
GS Addison Circle LLC	Apartments	92,000,000	10	1.65%			
Post Properties Inc	Mixed Development				149,679,150	1	4.29%
COP Spectrum Center LLC	Office Buildings				74,500,000	2	2.13%
MHSS-Addison LP	Land, Office Buildings				70,638,860	3	2.02%
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%
FPG Colonnade LP	Land, Office Buildings				57,178,910	9	1.64%
SIR Properties Trust	Land, Office Buildings				55,337,280	10	1.59%
		<u>\$ 1,408,038,610</u>		<u>25.25%</u>	<u>\$ 733,619,830</u>		<u>21.03%</u>

SOURCE: Dallas County Tax Office (2023); Town of Addison ACFR (2014)

MAJOR EMPLOYERS
Current Year and Nine Years Ago

Company	Type of Business	2023		2014	
		Estimated Number of Employees	Percent of Total Employees ¹	Estimated Number of Employees	Percent of Total Employees
Mary Kay Cosmetics	Cosmetics	3,607	23.69%	1,070	1.19%
Bank of America	Finance	1,800	11.82%	3,400	3.78%
Concentra	Medical	600	3.94%	321	0.36%
Analog Devices, Inc	Manufacturing	500	3.28%	N/A	N/A
National Teachers Associates Life Insurance Company	Insurance	500	3.28%	N/A	N/A
Winstop Restaurants, Inc.	Food Services	494	3.24%	N/A	N/A
National Bankruptcy Services	Finance	450	2.96%	425	0.47%
Exponent HR Spaces.	Professional Services	435	2.86%	N/A	N/A
National Life Group	Real Estate	354	2.32%	N/A	N/A
National Default Exchange Management	Insurance	350	2.30%	N/A	N/A
	Mortgage	N/A		566	0.63%
	Industrial Electrical				
Rexel	Supplies	N/A		550	0.61%
United Surgical Partners International	Medical	N/A		360	0.40%
Hilton Worldwide, Incorporated	Hospitality	N/A		319	0.35%
Zurich American Insurance Co.	Insurance	N/A		300	0.33%
Glazer's Family of Companies	Spirits	N/A		280	0.31%

Total employees per CoStar estimated employees in Addison¹

SOURCE: CoStar (2023); Town of Addison ACFR (2014)

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Manager's Office	7.0	8.0	7.5	6.5	6.5	7.5	7.5	6.9	6.5	6.5
Financial and Strategic Services	7.5	9.7	13.0	13.0	13.0	13.0	13.0	11.8	11.0	11.0
Municipal Court	5.7	5.7	5.8	5.8	5.8	5.0	5.0	5.0	5.0	5.0
General Services	5.0	5.0	5.0	4.8	4.8	5.5	5.5	5.5	5.5	6.0
Human Resources	4.2	3.5	4.0	4.0	4.0	4.0	4.0	3.4	3.0	3.0
Information Technology	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Total General Government	36.4	38.9	42.3	41.1	41.1	42.0	42.0	39.6	38.0	38.5
Public Safety										
Police	75.3	79.8	79.8	71.0	71.0	72.0	74.0	74.0	74.0	75.0
Emergency Communications	13.5	13.5	14.5	-	-	-	-	-	-	-
Fire	55.3	55.3	55.3	56.0	57.0	57.0	58.0	58.0	58.0	58.0
Total Public Safety	144.1	148.6	149.6	127.0	128.0	129.0	132.0	132.0	132.0	133.0
Development Services										
Economic Development	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Public Works										
Streets	5.0	5.4	5.4	6.4	6.4	7.4	7.4	7.4	6.4	6.4
Stormwater	1.4	1.7	1.7	2.0	2.0	4.0	4.0	4.0	5.0	5.0
Utilities	18.3	16.6	17.6	19.2	19.2	22.2	25.2	27.4	28.2	28.2
Total Public Works	24.7	23.7	24.7	27.6	27.6	33.6	36.6	38.8	39.6	39.6
Parks and Recreation										
Parks	21.0	21.0	22.0	22.0	22.0	21.0	25.0	25.0	25.0	25.0
Recreation	14.6	15.1	15.1	15.7	15.7	15.7	15.7	15.7	15.7	15.7
Total Parks and Recreation	35.6	36.1	37.1	37.7	37.7	36.7	40.7	40.7	40.7	40.7
Visitor Services										
Visitor Services	3.0	-	-	-	-	-	-	-	-	-
Conference Centre & Theatre	8.7	8.5	9.5	9.5	9.5	9.5	9.5	1.5	1.5	1.5
Special Events	4.0	4.3	4.3	4.2	4.2	4.5	4.5	4.5	4.5	6.0
Marketing	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Hotel Operations	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Visitor Services	16.7	14.8	15.8	16.7	16.7	17.0	17.0	9.0	9.0	10.5
Airport Fund										
Airport Fund	3.0	3.0	3.0	3.4	3.4	4.4	4.4	19.6	20.4	21.6
Capital Improvements Program										
Capital Improvements Program	-	-	-	-	-	-	-	3.0	3.0	3.0
TOTAL	270.7	276.3	283.7	268.5	269.5	278.7	289.7	299.8	300.8	306.0

SOURCE: Town of Addison Finance Department

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Crimes Against Property (1)	768	728	835	804	866	846	1,278	1,588	1,656	1,815
Crimes Against Persons (1)	358	55	97	106	61	91	414	514	521	524
Arrests	2,006	1,712	1,679	1,702	1,706	1,567	1,060	1,135	1,319	1,083
Calls for Service	16,624	17,181	20,700	17,163	17,092	17,298	16,190	19,009	20,313	15,516
Fire										
Number of Fires	63	51	39	42	60	45	35	55	102	67
Dollar Loss	\$ 1,268,010	\$ 608,900	\$ 686,920	\$ 1,394,390	\$ 3,324,215	\$ 3,422,870	\$ 277,360	\$ 10,905,801	\$ 897,952	\$ 1,858,450
Calls for Service - Fire	989	996	865	652	823	802	1,132	1,882	1,238	1,433
Calls for Service - EMS	1,598	1,730	1,765	1,683	1,608	1,726	2,181	2,312	2,636	2,716
Streets										
Tons of Recycling Collected	387	323	390	419	463	418	429	381	437	385
Parks										
Acres Maintained	163	163	163	163	163	163	163	163	163	163
Recreation										
Recreation Event Participants	21,392	21,392	22,462	26,401	24,640	26,561	9,962	5,373	36,749	38,375
Number of Users	122,656	122,656	122,111	126,287	123,961	126,228	76,016	72,074	72,481	114,680
Active Athletic Club Members	3,942	3,942	3,665	3,815	3,949	4,135	3,517	3,251	3,352	4,254
Utilities										
Water Usage - Peak (2)	10,042	11,093	8,846	7,652	8,803	8,073	8,983	9,298	10,698	10,692
Water Usage - Average (2)	4,577	4,682	4,628	4,672	4,895	4,478	4,477	5,367	5,418	5,469
Service Line Breaks	16	8	4	10	12	6	3	8	9	2
Water Main Breaks	7	4	2	7	4	4	1	3	1	3

Notes:
(1) Reporting structure changed in FY2020
(2) In thousands of gallons

SOURCE: Town of Addison Department Data

Statistical Section

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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)	41	41	43	43	43	43	43	43	43	43
Lane Miles	164	164	167	167	167	167	167	167	167	167
Traffic Signals	36	36	36	36	37	37	37	37	37	37
<u>Parks and Recreation</u>										
Acres Maintained	163	163	163	163	163	163	163	163	163	163
Parks	15	15	14	14	14	14	14	14	14	14
Playgrounds	5	5	3	3	3	3	3	3	3	3
Soccer/Football Fields	1	1	-	-	-	-	-	-	-	-
Community Centers	1	1	1	1	1	1	1	1	1	1
<u>Water</u>										
Water Mains (Miles)	80	80	80	96	96	96	96	97	97	97
Fire Hydrants	1,038	1,038	1,052	1,052	1,052	1,076	1,090	1,090	1,090	1,090
<u>Wastewater</u>										
Miles of Sanitary Sewers	66	66	66	75	75	72	72	73	73	73
<u>Stormwater</u>										
Miles of Storm Sewers	60	60	76	76	76	76	76	76	76	83

SOURCE: Town of Addison Department Data

FORVIS Report to the Honorable Mayor, Members of Town Council, and Management

Town of Addison, Texas

Results of the 2023 Financial Statement Audit, Including Required Communications

For the Year Ended September 30, 2023

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	<p>This report covers audit results related to your financial statements and supplementary information:</p> <ul style="list-style-type: none">As of and for the year ended September 30, 2023Conducted in accordance with our contract dated July 14, 2023
Our Responsibilities	<p>FORVIS is responsible for forming and expressing opinions about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p>
Audit Scope & Inherent Limitations to Reasonable Assurance	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.</p>
Extent of Our Communication	<p>In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.</p>
Independence	<p>The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.</p>
Your Responsibilities	<p>Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.</p>



Matter	Discussion
Distribution Restriction	<p>This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:</p> <ul style="list-style-type: none"> • Honorable Mayor, Members of Town Council, and Management • Others within the Town

Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management’s annual comprehensive financial report. Management is responsible for preparing the annual comprehensive financial report.

We were not engaged to audit the introductory and statistical sections contained in the annual comprehensive financial report, and as a result, our opinions do not provide assurance as to the completeness and accuracy of the introductory and statistical information contained therein.

As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management’s attention and review subsequent revisions.

Auditor Objectives Related to Other Information

Our objectives related to the other information accompanying the audited financial statements were to:

- Consider whether a material inconsistency exists between the other information and the financial statements
- Remain alert for indications that:
 - A material inconsistency exists between the other information and the auditor’s knowledge obtained in the audit, or
 - A material misstatement of fact exists or the other information is otherwise misleading
- Respond appropriately when we identify that such material inconsistencies appear to exist or when we otherwise become aware that other information appears to be materially misstated. Potential responsive actions would include requesting management to correct the identified inconsistency
- Include the appropriate communication in our auditor’s report, disclosing the procedures performed on the Other Information, as well as the results obtained
 - No material inconsistencies were noted in our review of the Other Information

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in *Note 1* of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

Unusual Policies or Methods

No matters are reportable.



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Alternative Accounting Treatments

No matters are reportable.

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Allowance for doubtful accounts (related to ambulance, property tax, unbilled utility, etc.)
- Compensated absences
- Other post-employment benefit liability and related deferred outflows/inflows of resources
- Net pension liability and related deferred outflows/inflows of resources
- Key estimates related to leases, public-private partnerships, and subscription-based information technology arrangements – discount rate, term, and payments/receipts
- Depreciation

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Net pension liability
- Other post-employment benefits liability
- Leases
- Public-Private Partnerships
- Subscription-Based Information Technology Arrangements

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Town's application of accounting principles:

- Adoption of GASB Statements No. 94 and 96

Significant Accounting Policies – Details

GASB Statements No. 94 and 96

Effective October 1, 2022, the Town adopted GASB Statements No. 94 and 96.

The primary objective of GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in GASB 94 as a PPP in which: 1) the operator collects and is compensated by fees from third parties; 2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and 3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The adoption of GASB 94 required recognition of a PPP receivable and related deferred inflow of resources along with enhanced disclosures within the footnotes of the financial statements.



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GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB 96 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. The adoption of GASB 96 required recognition of SBITA right to use assets and related SBITA liabilities along with enhanced disclosures within the footnotes of the financial statements.

Adoption of GASB Statements No. 94 and 96 required significant time to identify a complete list of contracts for consideration of adoption and measure the receivables and related deferred inflows under GASB Statement No. 94 and SBITA right to use assets and related liabilities under GASB Statement No. 96 for recognition.

Adjustments Identified by Audit

No matters are reportable.

Other Required Communications

Significant Issues Discussed with Management

During the Audit Process

During the audit process, the following was discussed with management:

- Implementation of GASB Statements No. 94 and 96

Other Material Communication

Listed below is a material communication between management and us related to the audit:

- Management representation letter (*see Attachment A*)

Other Matters

We observed the following matters and offer these comments. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

New Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences*: This statement updates the recognition and measurement guidance for compensated absences under a unified model. It defines compensated absences and requires that liabilities be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled. A liability for compensated absences should be accounted for and reported on a basis consistent with governmental fund accounting principles for financial statements prepared using the current financial resources measurement focus. This statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. GASB 101 is effective for the Town's fiscal year ended September 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*: This statement requires governments to disclose information about certain concentrations or constraints that could affect services provided or the ability to meet obligations as they come due. The statement includes four nonauthoritative examples of concentrations and constraints, including a financial resource provider, collective bargaining, mandated spending, and an employer concentration. GASB 102 is effective for the Town's fiscal year ended September 30, 2025.



FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.



Attachment A

Management Representation Letter



FORVIS is a trademark of FORVIS, LLP, registered with the U.S. Patent and Trademark Office.



Representation of:
Town of Addison, Texas
P.O. Box 9010
Addison, Texas 75001

Provided to:
FORVIS, LLP
Certified Public Accountants
14241 Dallas Parkway, Suite 1100
Dallas, Texas 75254

The undersigned ("We") are providing this letter in connection with FORVIS' audit of our financial statements as of and for the year ended September 30, 2023.

Our representations are current and effective as of the date of FORVIS' report: February 16, 2024.

Our engagement with FORVIS is based on our contract for services dated: July 14, 2023.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to FORVIS' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of FORVIS' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

ADDISON

P.O. Box 9010
Addison, TX 75001

phone: 972.450.7000
fax: 972.450.7043

ADDISONTEXAS.NET

**IT ALL COMES
TOGETHER.**

- b. Internal control to prevent and detect fraud.
3. We have provided you with:
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of the Town Council meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the governing body, if applicable, and maintained as part of our records.
 - e. All significant contracts and grants.
4. We have responded fully and truthfully to all your inquiries.

Misappropriation, Misstatements, & Fraud

5. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
- a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance.
6. We have no knowledge of fraud or suspected fraud affecting the entity involving:
- a. Management or employees who have significant roles in internal control over financial reporting, or
 - b. Others when the fraud could have a material effect on the financial statements.
7. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, regulators, citizens, suppliers, or others.
9. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

10. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. Governmental entities are potentially facing declines in the fair values of investments and other assets, declines in the volume of business, constraints on liquidity, difficulty obtaining financing, etc.. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts receivable, etc., that could negatively impact the entity's ability to meet debt covenants or maintain sufficient liquidity.

We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity's financial statements. Further, management and governance are solely responsible for all aspects of managing the entity, including questioning the quality and valuation of investments, inventory, and other assets; reviewing allowances for uncollectible amounts; evaluating capital needs and liquidity plans; etc.

Related Parties

11. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, if any, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

12. We understand that the term related party refers to:

- Affiliates
- Joint ventures
- Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
- Those charge with governance and members of their immediate families
- Management and members of their immediate families
- Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings, & Regulations

13. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
14. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
15. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
16. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act* nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
17. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

Financial Statements & Reports

18. With regard to supplementary information:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
 - b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
 - c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
 - e. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.
19. With regard to other information that is presented in the form of our annual report:
 - a. We confirm that the annual comprehensive financial report (ACFR) comprises the annual report for the Town.

- b. We have provided you with the final draft of the ACFR.

Transactions, Records, & Adjustments

- 20. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 21. We have everything we need to keep our books and records.
- 22. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.

Governmental Accounting & Disclosure Matters

- 23. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 24. With regard to deposit and investment activities:
 - a. All deposit and investment transactions have been made in accordance with legal and contractual requirements.
 - b. Investments are properly valued.
 - c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
- 25. The financial statements include all joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 26. We have identified and evaluated all potential fiduciary activities and have determined there are no fiduciary activities required to be recorded by GASB Statement No. 84, *Fiduciary Activities*, as amended.
- 27. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 28. Capital, leased, and subscription assets, including infrastructure, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 29. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.
- 30. We have identified and evaluated all potential tax abatements, and we believe there are no material tax abatements other than those that have been disclosed in the notes to the financial statements.
- 31. The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.

32. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, pension, and other postemployment benefit information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.
33. With regard to pension and other postretirement benefits (OPEB):
 - a. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. We have provided you with the entity's most current pension and OPEB plan instrument for the audit period, including all plan amendments.
 - c. The participant data provided to you related to pension and OPEB plans are true copies of the data submitted or electronically transmitted to the plan's actuary.
 - d. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.

General Government Matters

34. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
35. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
36. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
37. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
38. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.
39. We have exercised due care in the preparation of the introductory and statistical sections included in our annual comprehensive financial report (ACFR) and are not aware of any information contained therein that is inconsistent with the information contained in our basic financial statements.

Accounting & Disclosure

40. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements, or other arrangements (either written or oral) that are in place.
41. Except as reflected in the financial statements, there are no:
 - a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - d. Events occurring subsequent to the balance sheet/statement of net position date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
 - g. Guarantees, whether written or oral, under which the entity is contingently liable.
 - h. Known or anticipated asset retirement obligations.
42. Except as disclosed in the financial statements, the entity has:
 - a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
 - b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
43. We agree with the findings of specialists in evaluating the net pension liability and total OPEB liability and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

Revenue & Accounts Receivable

44. Adequate provisions and allowances have been accrued for any material losses from:
 - a. Uncollectible receivables.
 - b. Sales/service commitments, including those unable to be fulfilled.
 - c. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

45. We have identified all accounting estimates that could be material to the financial statements, and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
46. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business, revenues, available sources of supply, or markets, investments, or deposits, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

47. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated course of action.
 - b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.
 - c. The significant assumptions appropriately reflect market participant assumptions.
 - d. The disclosures related to fair values are complete, adequate, and in conformity with accounting principles generally accepted in the United States of America.
 - e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Tax-Exempt Bonds

48. Tax-exempt bonds issued have retained their tax-exempt status
49. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

New Accounting Standards

GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB Statement 96, *Subscription-Based Information Technology Arrangements*

50. In connection with the adoption of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94) and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), we represent the following:
 - a. We have identified a complete population of potential public-private and public-public partnerships and subscription-based information technology arrangements (SBITAs) as of the implementation date.

- b. We have reviewed all significant contracts to identify partnerships and subscription and nonsubscription components as of the earliest date of adoption. Allocation of costs between subscription and nonsubscription components are based upon standalone prices or other reasonable factors.
- c. Measurements of the partnership and subscription assets and related liabilities and/or deferred inflows of resources are based upon facts and circumstances that existed at the beginning of the period of implementation.
- d. The estimates related to any options to extend or terminate the SBITA terms within the measurement of subscription liability and an intangible right to use IT subscription asset agrees to management's plans for the SBITA.
- e. The discount rates for each partnership and SBITA are based upon what would be obtained by the entity for similar payment amounts during the partnership or subscription term as an incremental rate.
- f. We have adequate controls in place to prevent and/or detect errors in partnerships or subscription assets and liabilities on a recurring basis.
- g. The footnotes to the financial statements appropriately describe the adoption of GASB 94 and 96 and include all additional disclosures under GASB 94 and 96.



David Gaines, City Manager
dgaines@addisontx.gov



Steven Glickman, Chief Financial Officer
sglickman@addisontx.gov



Amanda Turner, Assistant Director of Finance
adturner@addisontx.gov

City Council (FY24)

5. c.

Meeting Date: 02/27/2024

Department: Finance

Pillars: Gold Standard in Financial Health

Milestones: Continue development and implementation of the Long-Term Financial Plan

AGENDA CAPTION:

Present and discuss the Town of Addison FY 2024 First Quarter Financial Report.

BACKGROUND:

The Town of Addison's financial policies require the publication of a financial report 60 days subsequent to the end of the fiscal quarter. This report covers the financial performance through the first quarter for FY 2024 (October 1, 2023 - December 31, 2023). Enclosed in the report is an executive dashboard that provides a high-level look at some of the key financial indicators along with more detailed exhibits that demonstrate the current financial positions of the various funds. The report includes information for the following funds: General, Hotel, Economic Development, Airport, Utility, and Stormwater funds. Key highlights for the first quarter include:

- General Fund revenue totaled \$11.8 million, which is 24.6 percent of the fiscal year budget.
- General Fund expenditures totaled \$12.2 million, which is 25.4 percent of the fiscal year budget.
- Sales tax collections totaled \$4.2 million, which is 27.5 percent of the fiscal year budget.
- The Hotel Fund had revenue of \$1.5 million, an increase of \$52 thousand from this time a year ago. Hotel Fund expenditures totaled \$955 thousand.
- Performing Arts expenditures are at 60.1 percent due to the payment of the WaterTower Theatre grant.
- Special Events revenues totaled 16.7 percent and expenses totaled 1.4 percent of the fiscal year budget due to the timing of events.
- Airport Fund operating revenue totaled \$1.9 million or 26.0 percent and operating expenditures totaled \$1.1 million or 17.7 percent of the fiscal year budget.
- Utility Fund operating revenue totaled \$4.2 million or 25.9 percent and expenditures totaled \$3.0 million or 18.3 percent of the fiscal year budget.
- Stormwater Fund revenue and expenditures are in line with historical averages.

The Quarterly Investment Report for Quarter 1 of Fiscal Year 2024 is also being provided for information purposes. This report has been prepared in accordance with state law and the Town's Financial Policies.

RECOMMENDATION:

Information only. No action required.

Attachments

Quarterly Financial Report - Fiscal Year 2024 First Quarter

Quarterly Investment Report - Fiscal Year 2024 First Quarter

Presentation - Quarterly Financial Report Fiscal Year 2024 First Quarter



Department of Finance
Quarterly Review

For the Period Ended December 31, 2023

Town of Addison

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To: David Gaines, City Manager
From: Steven Glickman, Chief Financial Officer
Re: First Quarter Financial Review
Date: 2/27/2024

This is the first quarter report for the 2023-2024 fiscal year. Revenues and expenditures reflect activity from October 1, 2023 through December 31, 2023 or 25 percent of the fiscal year.

GENERAL FUND

- Fiscal year-to-date revenue totals \$11.8 million, which is 24.6 percent of the overall budget amount. Sales tax collections are at 27.5 percent of the fiscal year 2024 budget. Alcoholic beverage tax collections are at 23.8 percent of the fiscal year 2024 budget.
- Fiscal year-to-date expenditures and transfers total approximately \$12.2 million, which is 25.4 percent of budget. All departments are on pace with or below their respective budgets for fiscal year 2024.

HOTEL FUND

- Revenues through the first quarter total approximately \$1.5 million, 22.3 percent of the fiscal year 2024 budget. Hotel occupancy tax collections are 22.9 percent of budget for three months of collections. Collections have not been received by all hoteliers for December. Proceeds from Special Events are below budget due to timing of events; all significant events occur between May and September.
- Hotel Fund expenditures of \$955 thousand are 14.2 percent of budget, and \$14 thousand less than this time a year ago. Performing Arts expenditures are at 60.1 percent due to the payment of the Water Tower Theater primary grant. Special events expenditures are at 1.4 percent due to timing of events.

AIRPORT FUND

- Operating revenue through the first quarter total approximately \$1.9 million or 26.0 percent of the fiscal year 2024 budget.
- Operating expenses total \$1.1 million, or 17.7 percent of fiscal year 2024 budget.
- Total year-to-date operating income for the Airport Fund is \$642 thousand.

UTILITY FUND

- Operating revenue through the first quarter totals \$4.2 million, or 25.9 percent of the fiscal year 2024 budget. Water revenues for three months are at 25.5 percent of the fiscal year 2024 budget and sewer revenues for three months are at 25.3 percent of the fiscal year 2024 budget. The year-to-date revenue and percent of budget is higher than the prior year.
- Operating expenses through the first quarter total approximately \$3.0 million, or 18.3 percent of the fiscal year 2024 budget. Water wholesale purchases and wastewater treatment expenses are less than this time a year ago due to the timing of payment for these services.

STORMWATER FUND

- Operating revenue through the first quarter total \$742 thousand, or 27.2 percent of the fiscal year 2024 budget.
- Operating expenses through the first quarter total approximately \$224 thousand, or 7.0 percent of the fiscal year 2024 budget. The percentage to budget is driven by our debt service payment, which is made in the second quarter of the fiscal year.
- Through the first quarter \$16 thousand has been spent on cash funded capital projects.

Executive Dashboard - 1st Quarter, 2024 Fiscal Year

Financial Indicators

Positive variance compared to historical trends

Positive

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Warning

Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

Key Revenue Sources	FY2024 Budget	Actual through 12/31/23	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 24,841,151	\$ 5,706,911	22.97%
Non-Property Taxes - General Fund	16,500,000	4,496,856	27.25%
Hotel Tax	5,250,000	1,202,032	22.90%
Franchise Fees - General Fund	2,060,000	533,740	25.91%
Service/Permitting/License Fees - General Fund	3,551,850	679,854	19.14%
Fines and Penalties - All Funds	423,711	124,354	29.35%
Special Event Revenue - Hotel Fund	1,127,000	188,055	16.69%
Fuel Flowage Fees - Airport Fund	1,170,080	320,939	27.43%
Water and Sewer Charges - Utility Fund	16,031,029	4,073,407	25.41%

(1)

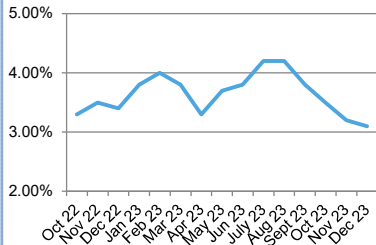
Key Expenditures	FY2024 Budget	Actual through 12/31/23	% Annual Budget
General Fund	\$ 48,155,864	\$ 12,213,646	25.36%
Hotel Fund	6,736,061	955,257	14.18%
Economic Development	1,602,941	133,213	8.31%
Airport Operations	6,130,403	1,084,510	17.69%
Utility Operations	16,192,794	2,964,751	18.31%

(1) Hotel tax revenue has not been collected from all hoteliers

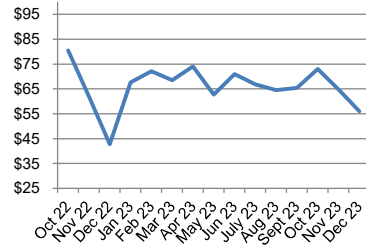
Executive Dashboard - 1st Quarter, 2024 Fiscal Year

Economic Indicators

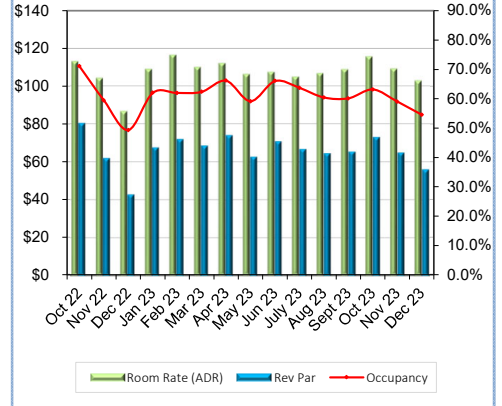
DFW Unemployment Rate Last 12 months



Hotel Revenue Per Available Room



Addison Hotel Statistics

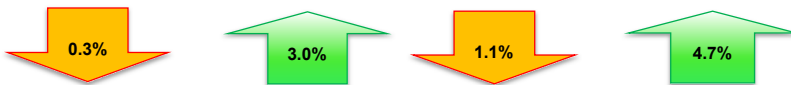


Occupancy Indicators:

Office Occupancy = 80.5%
Retail Occupancy = 96.1%

Hotel Indicators

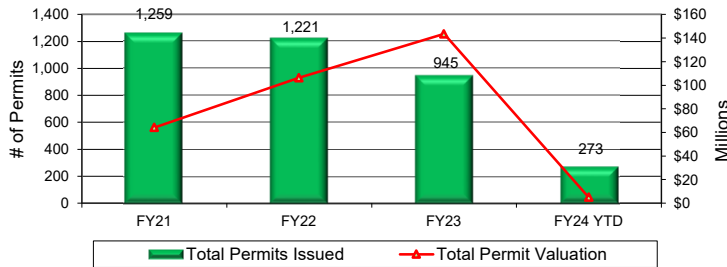
Hotel Occupancy = 58.9%
RevPar = \$64.62



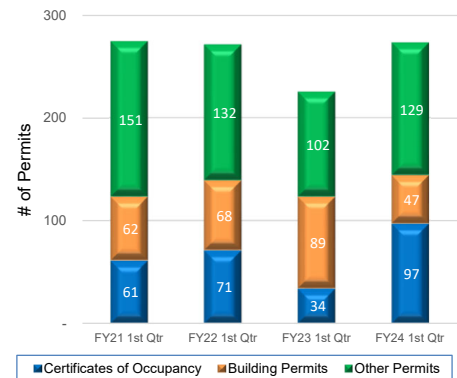
Source: CoStar (compares to prior year Q1)

Source: STR Report (compares to prior year Q1)

Total Permits Issued and Valuation



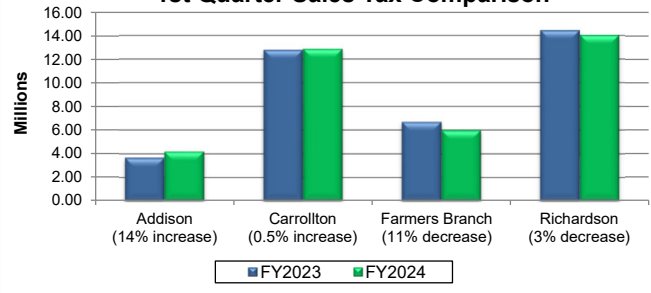
Quarterly Permit Activity, Year over Year



Economic Development Incentives:

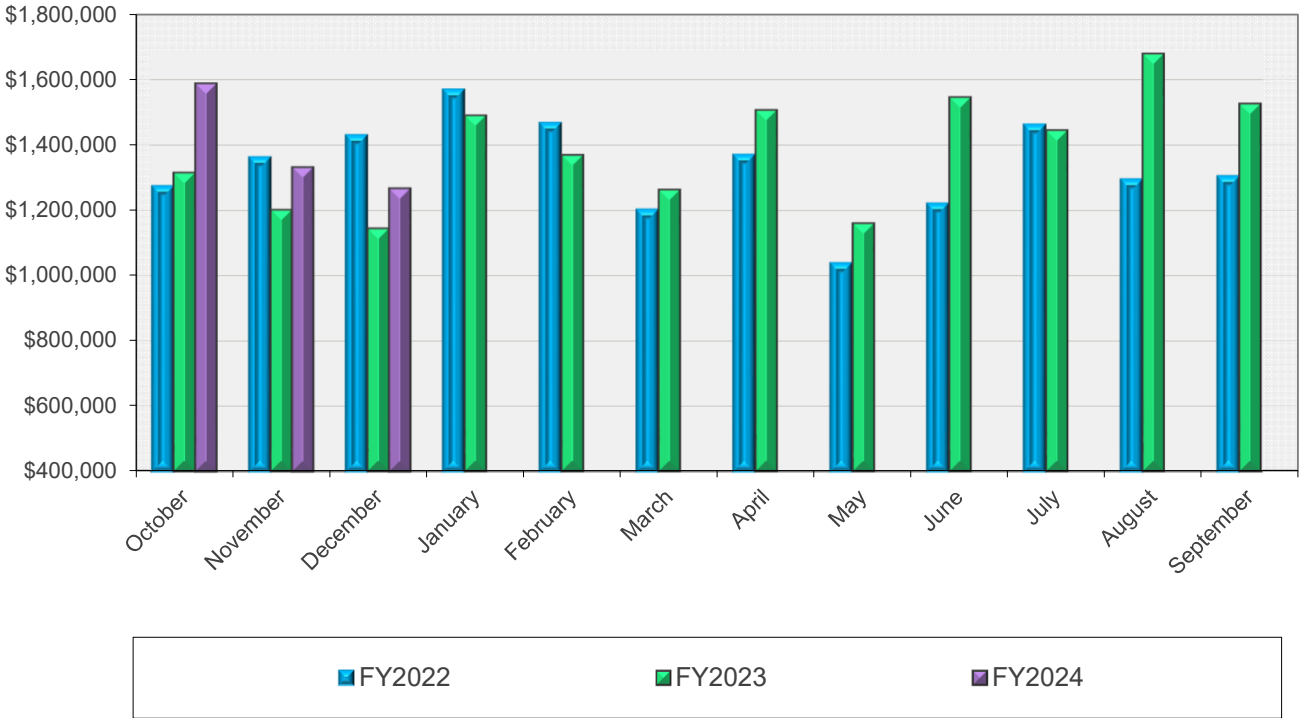
Executed Agreements	Amount Paid FY24	Total Incentives Committed
7	\$0	\$535,687

1st Quarter Sales Tax Comparison



Sales Tax Information

Monthly Sales Tax Collections



Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

TOWN OF ADDISON
GENERAL FUND
FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$ 22,917,929	\$ 24,991,151	\$ 5,742,144	\$ 5,742,144	23.0%
Delinquent taxes	(249,526)	(200,000)	(43,653)	(43,653)	21.8% ⁽¹⁾
Penalty & interest	71,219	50,000	8,419	8,419	16.8%
Non-property taxes:					
Sales tax	16,661,868	15,200,000	4,187,296	4,187,296	27.5%
Alcoholic beverage tax	1,360,467	1,300,000	309,560	309,560	23.8%
Franchise / right-of-way use fees:					
Electric franchise	1,497,546	1,525,000	471,971	471,971	30.9%
Gas franchise	349,536	250,000	-	-	0.0%
Telecommunication access fees	168,873	175,000	37,859	37,859	21.6%
Cable franchise	109,986	110,000	23,910	23,910	21.7%
Street rental fees	-	-	-	-	0.0%
Licenses and permits:					
Business licenses and permits	182,338	149,100	46,743	46,743	31.4%
Building and construction permits	1,037,203	960,400	134,483	134,483	14.0%
Intergovernmental	-	-	-	-	0.0%
Service fees:					
General government	-	-	-	-	0.0%
Public safety	1,140,326	1,195,555	204,147	204,147	17.1%
Urban development	2,160	47,200	9,465	9,465	20.1%
Streets and sanitation	466,103	483,000	101,113	101,113	20.9%
Recreation	79,893	70,300	22,329	22,329	31.8%
Interfund	444,290	646,295	161,574	161,574	25.0%
Court fines	391,711	330,000	78,003	78,003	23.6%
Interest earnings	194,259	525,000	163,286	163,286	31.1%
Rental income	8,340	8,600	1,900	1,900	22.1%
Other	437,656	347,500	181,738	181,738	52.3%
Total Revenues	47,272,177	48,164,101	11,842,288	11,842,288	24.6%

⁽¹⁾ Represents prior year tax payment refunds

Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

TOWN OF ADDISON
GENERAL FUND
FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	195,004	251,577	54,808	54,808	21.8%
City Manager	1,160,157	1,144,346	319,257	319,257	27.9%
Finance	1,896,181	2,041,177	512,475	512,475	25.1%
General Services	1,490,640	1,594,198	371,657	371,657	23.3%
Municipal Court	705,891	692,943	203,178	203,178	29.3%
Human Resources	744,219	791,253	127,467	127,467	16.1%
Information Technology	2,043,507	2,487,384	511,235	511,235	20.6%
Combined Services	1,475,632	1,157,281	506,933	506,933	43.8%
Council Projects	340,228	420,241	186,735	186,735	44.4% ⁽¹⁾
Public Safety:					
Police	11,527,487	12,437,687	3,281,004	3,281,004	26.4%
Emergency Communications	1,728,465	1,788,857	952,786	952,786	53.3%
Fire	9,976,642	10,970,964	2,651,333	2,651,333	24.2%
Development Services	1,933,207	2,765,543	557,646	557,646	20.2%
Streets	2,275,695	2,281,370	458,549	458,549	20.1%
Parks and Recreation:					
Parks	4,856,125	5,332,218	1,157,996	1,157,996	21.7%
Recreation	1,755,519	1,998,825	360,587	360,587	18.0%
Other financing uses:					
Transfers to other funds	3,000,000	-	-	-	0.0%
Total Expenditures	47,104,599	48,155,864	12,213,646	12,213,646	25.4%
Net Change in Fund Balance	167,578	8,237	(371,357)	(371,357)	
Fund Balance at Beginning of Year	20,515,381	20,682,959		20,682,959	
Fund Balance at End of Year	\$ 20,682,959	\$ 20,691,196		\$ 20,311,602	

⁽¹⁾ Includes primary NPO grant payment for non-profit grant funding

Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

TOWN OF ADDISON
HOTEL FUND
FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes	\$ 5,683,639	\$ 5,250,000	\$ 1,202,032	\$ 1,202,032	22.9% ⁽¹⁾
Proceeds from special events	1,222,856	1,127,000	188,055	188,055	16.7%
Rental income	145,534	70,000	21,975	21,975	31.4%
Interest and miscellaneous	41,714	75,100	44,082	44,082	58.7%
Total Revenues	7,093,743	6,522,100	1,456,144	1,456,144	22.3%
Expenditures:					
Tourism	-	644,711	79,656	79,656	12.4%
Addison theatre centre	331,459	322,452	66,284	66,284	20.6%
Conference centre	195,446	274,752	58,208	58,208	21.2%
General hotel operations	169,397	188,550	53,185	53,185	28.2%
Marketing	999,701	1,070,682	186,839	186,839	17.5%
Performing arts	427,500	379,089	227,839	227,839	60.1% ⁽²⁾
Special events	2,529,785	2,715,937	37,760	37,760	1.4%
Special events operations	983,548	1,139,888	245,486	245,486	21.5%
Other financing uses:				-	
Transfer to Economic Development Fund	768,000	-	-	-	0.0%
Total Expenditures	6,404,836	6,736,061	955,257	955,257	14.2%
Net Change in Fund Balance	688,907	(213,961)	500,888	500,888	
Fund Balance at Beginning of Year	4,641,300	5,330,207		5,330,207	
Fund Balance at End of Year	\$ 5,330,207	\$ 5,116,246		\$ 5,831,095	

⁽¹⁾ Hotel tax collections have not been received by all hoteliers

⁽²⁾ NPO primary grant payment and matching funds for non-profit grant funding to Water Tower Theatre

Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

TOWN OF ADDISON
ECONOMIC DEVELOPMENT FUND
FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$ 1,298,984	\$ 1,401,782	\$ 321,934	\$ 321,934	23.0%
Business license fee	33,105	50,000	11,100	11,100	22.2%
Interest income and other	34,580	50,000	21,570	21,570	43.1%
Transfers from General/Hotel Fund	768,000	-	-	-	0.0%
Total Revenues	2,134,669	1,501,782	354,604	354,604	23.6%
Expenditures:					
Personnel services	496,340	465,625	84,803	84,803	18.2%
Supplies	16,678	15,317	1,730	1,730	11.3%
Maintenance	9,736	10,040	168	168	1.7%
Contractual services	866,490	1,102,244	44,083	44,083	4.0%
Debt Service	13,372	9,715	2,429	2,429	25.0%
Capital replacement/lease	119,833	-	-	-	0.0%
Other financing uses:					
Transfers to other funds	-	-	-	-	0.0%
Total Expenditures	1,522,449	1,602,941	133,213	133,213	8.3%
Net Change in Fund Balance	612,221	(101,159)	221,391	221,391	
Fund Balance at Beginning of Year	1,980,287	2,592,508		2,592,508	
Fund Balance at End of Year	\$ 2,592,508	\$ 2,491,349		\$ 2,813,899	

Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

AIRPORT FUND
FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating Revenues:					
Operating grants	\$ 50,000	\$ 50,000	\$ -	\$ -	0.0%
Service fees	161,815	224,100	48,975	48,975	21.9% ⁽¹⁾
Fuel flowage fees	1,195,788	1,170,080	320,939	320,939	27.4%
Rental income	4,426,042	5,686,105	1,427,383	1,427,383	25.1%
Interest income and other	284,874	125,000	86,377	86,377	69.1%
Total Operating Revenues:	6,118,519	7,255,285	1,883,674	1,883,674	26.0%
Operating Expenses:					
Personnel services	2,509,541	2,735,486	617,843	617,843	22.6%
Supplies	41,994	36,587	4,471	4,471	12.2%
Maintenance	688,500	750,462	171,689	171,689	22.9%
Contractual services	1,027,345	1,376,399	245,739	245,739	17.9%
Capital Replacement/Lease	232,928	157,928	39,482	39,482	25.0%
Debt service	703,478	1,073,541	5,286	5,286	0.5%
Capital Outlay	25,410	-	-	-	0.0%
Total Operating Expenses:	5,229,196	6,130,403	1,084,510	1,084,510	17.7%
Other financing uses:					
Transfer to Debt service fund	508,966	469,344	117,336	117,336	25.0%
Capital Projects (Cash Funded)	1,278,016	1,670,700	39,760	39,760	2.4%
Total Expenses:	7,016,178	8,270,447	1,241,606	1,241,606	15.0%
Net Change in Working Capital	(897,659)	(1,015,162)	642,068	642,068	
Working Capital at Beginning of Year	7,919,154	7,021,495		7,021,495	
Working Capital at End of Year	\$ 7,021,495	\$ 6,006,333		\$ 7,663,563	

⁽¹⁾ Percentage is below the quarterly threshold but actuals are in line with historical trends

Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

UTILITY FUND
FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Water sales	\$ 9,437,297	\$ 8,930,630	\$ 2,276,334	\$ 2,276,334	25.5%
Sewer charges	6,647,135	7,100,399	1,797,073	1,797,073	25.3%
Tap fees	119,263	10,324	27,990	27,990	271.1%
Penalties	118,932	93,711	46,351	46,351	49.5%
Interest income and other	227,542	157,422	73,243	73,243	46.5%
Total Operating Revenues:	16,550,168	16,292,486	4,220,991	4,220,991	25.9%
Operating expenses:					
Personnel services	2,637,852	3,048,220	684,110	684,110	22.4%
Supplies	221,181	238,671	49,538	49,538	20.8%
Maintenance	1,009,883	1,038,422	148,130	148,130	14.3%
Contractual services				-	
Water purchases	4,424,647	4,620,482	683,721	683,721	14.8%
Wastewater treatment	3,909,952	3,950,773	1,020,367	1,020,367	25.8%
Other services	1,362,961	1,345,472	322,053	322,053	23.9%
Capital Replacement/Lease	206,584	206,584	51,646	51,646	25.0%
Debt service	1,652,363	1,744,170	397	397	0.0%
Capital outlay	77,858	-	4,788	4,788	0.0%
Total Operating Expenses:	15,503,282	16,192,794	2,964,751	2,964,751	18.3%
Capital Projects (Cash Funded)	-	79,000	-	-	0.0%
Total Expenses:	15,503,282	16,271,794	2,964,751	2,964,751	18.2%
Net Change in Working Capital	1,046,886	20,692	1,256,240	1,256,240	
Working Capital at Beginning of Year	7,445,100	8,491,986		8,491,986	
Working Capital at End of Year	\$ 8,491,986	\$ 8,512,678		\$ 9,748,226	

Positive variance compared to historical trends
 Negative variance of 3%-5% and more than \$50,000 compared to historical trends
 Negative variance of >5% and more than \$50,000 compared to historical trends

Positive
 Warning
 Negative

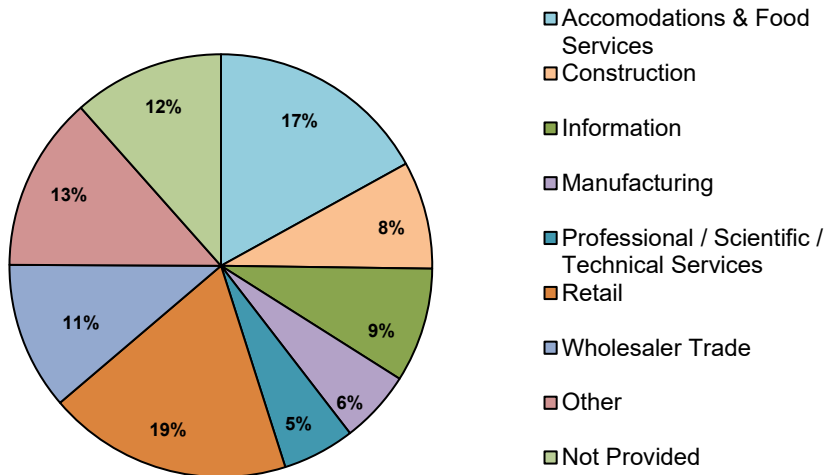
STORMWATER UTILITY FUND
 FY2022 QUARTERLY STATEMENT OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
With Comparative Information from Prior Fiscal Year

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Drainage Fees	\$ 2,548,749	\$ 2,575,000	\$ 669,084	\$ 669,084	26.0%
Interest income and other	239,567	150,000	72,674	72,674	48.4%
Total Operating Revenues:	2,788,317	2,725,000	741,758	741,758	27.2%
Operating expenses					
Personnel services	431,595	741,366	137,560	137,560	18.6%
Supplies	49,558	39,999	6,322	6,322	15.8%
Maintenance	331,020	1,220,052	9,013	9,013	0.7%
Contractual services	333,979	369,846	60,447	60,447	16.3%
Capital Replacement/Lease	10,000	25,000	6,250	6,250	25.0%
Debt service	501,051	489,590	-	-	0.0%
Capital outlay	56,127	300,000	4,788	4,788	1.6%
Total Operating Expenses:	1,713,330	3,185,853	224,380	224,380	7.0%
Other financing uses:					
Transfer to Debt service fund	400,439	406,196	101,549	101,549	25.0%
Capital Projects (Cash Funded)	1,500,074	2,800,000	16,200	16,200	0.6%
Total Expenses:	3,613,843	6,392,049	342,129	342,129	5.4%
Net Change in Working Capital	(825,526)	(3,667,049)	399,629	399,629	
Working Capital at Beginning of Year	9,455,358	8,629,832		8,629,832	
Working Capital at End of Year	\$ 8,629,832	\$ 4,962,783		\$ 9,029,461	

TOWN OF ADDISON
Schedule of Sales Tax Collections
For the quarter ending December 31, 2023

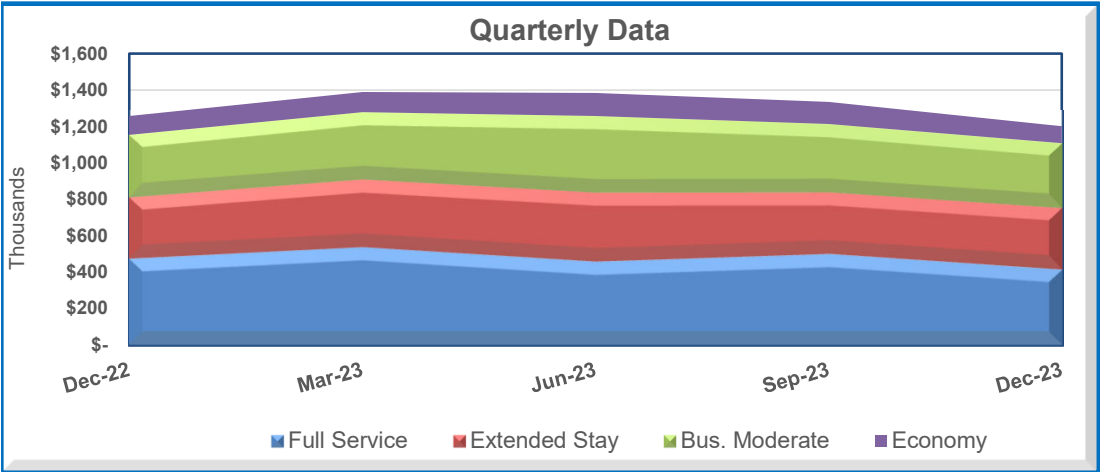
	FY2024 Monthly Collections	% Change from Prior Year	FY2023 Monthly Collections
October	\$ 1,588,209	20.6%	\$ 1,316,545
November	1,331,900	10.7%	1,202,884
December	1,267,187	10.6%	1,145,606
January		-100.0%	1,491,449
February		-100.0%	1,370,185
March		-100.0%	1,264,607
April		-100.0%	1,507,915
May		-100.0%	1,161,332
June		-100.0%	1,546,842
July		-100.0%	1,445,780
August		-100.0%	1,681,154
September		-100.0%	1,527,569
	4,187,296		\$ 16,661,868
Budget:	15,200,000	27.5%	15,196,417

Breakdown of Sales Tax by Economic Category



Executive Dashboard - 1st Quarter, 2024 Fiscal Year
HOTEL OCCUPANCY TAX COLLECTION
Hotels By Service Type for the Quarter and Year-to-Date Ended December 31, 2023
With Comparative Information from Prior Fiscal Year

	Rooms		Oct - Dec 2023		FY24 to FY23
	Number	%	Amount	%	% Diff.
Full Service					
Marriott Quorum	547	15%	241,604	20%	1%
Renaissance	528	14%	172,479	14%	-27%
	1,075	29%	414,083	34%	-12%
Extended Stay					
Budget Suites	344	9%	10,343	1%	21%
Mainstay Suites	70	2%	11,501	1%	16%
Marriott Residence Inn	150	4%	84,337	7%	14%
Hyatt House	132	4%	40,420	3%	-16%
Homewood Suites	120	3%	47,436	4%	-3%
Home2Suites	132	4%	82,448	7%	-6%
Springhill Suites	159	4%	62,599	5%	4%
	1,107	30%	339,083	28%	0%
Business Moderate					
Marriott Courtyard Quorum	176	5%	83,238	7%	3%
⁽¹⁾ LaQuinta Inn	152	4%	16,240	1%	-64%
Marriott Courtyard Midway	145	4%	72,485	6%	24%
Radisson - Addison	101	3%	29,153	2%	15%
Hilton Garden Inn	96	3%	52,345	4%	10%
Holiday Inn Express	97	3%	46,959	4%	17%
Holiday Inn Beltway	102	3%	33,238	3%	43%
Best Western Plus	84	2%	21,562	2%	-8%
	953	26%	355,218	30%	3%
Economy					
⁽¹⁾ Motel 6	127	3%	20,981	2%	-39%
The Addison Inn	158	4%	17,367	1%	834%
Red Roof Inn	105	3%	29,508	2%	-13%
Quality Suites North/Galleria	78	2%	23,751	2%	-3%
⁽¹⁾ America's Best Value Inn	60	2%	2,041	0%	-78%
	528	14%	93,648	8%	-9%
TOTAL	3,663	100%	1,202,032	100%	-4%



⁽¹⁾ Not yet received one or more payments for the quarter



TOWN OF ADDISON
 Investment Portfolio
 December 31, 2023

COMPLIANCE

This report was prepared in accordance with Chapter 2256 of the Public Funds Investment Act ("PFIA"). Section 2256.03(a) of the PFIA states that "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report, which covers the quarter ended December 31, 2023, is signed by the Town's investment officers and includes the disclosures required in the PFIA.

Performance Benchmark

US Treasury | 6 Months 5.34%

Asset Category	Face Amount/Shares	Market Value	Book Value	% of Portfolio	YTM @ Cost	Days To Maturity
CD 50%	7,840,000.00	7,759,260.13	7,840,000.00	5.96	4.35	719
CP 30%	2,000,000.00	1,950,233.00	1,949,121.30	1.48	5.75	166
LGIP State 70 %	33,877,073.66	33,877,073.66	33,877,073.66	25.73	5.54	1
Municipal Bonds 50%	40,757,738.73	39,758,027.37	41,338,444.68	31.40	2.07	672
US Agency Treasury 70%	46,640,000.00	45,231,419.34	46,637,537.39	35.43	2.96	771
Total / Average	131,114,812.39	128,576,013.50	131,642,177.03	100.00	3.47	530

Steven Glickman, Chief Finance Officer

2-2-24

Date

Amanda Turner, Assistant Director of Finance

2-2-2024

Date



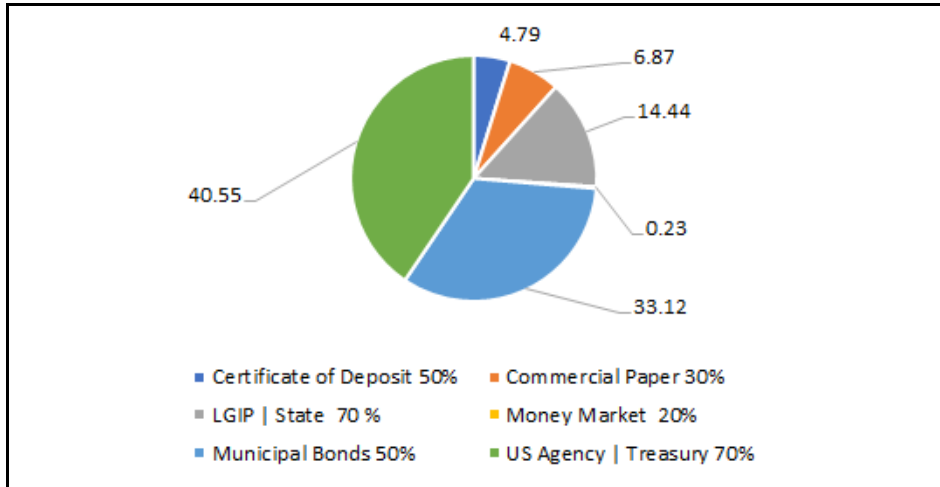
Town of Addison | TX Distribution by Asset Category - Market Value All Portfolios

Begin Date: 9/30/2023, End Date: 12/31/2023

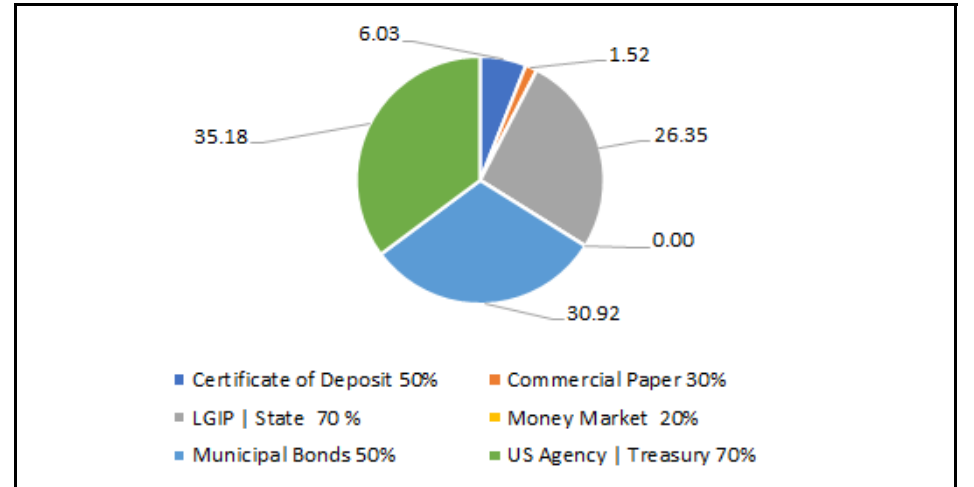
Asset Category Allocation

Asset Category	Market Value 9/30/2023	% of Portfolio 9/30/2023	Market Value 12/31/2023	% of Portfolio 12/31/2023
CD 50%	6,713,127.65	5.25	7,759,260.13	6.03
CP 30%	3,944,072.00	3.09	1,950,233.00	1.52
LGIP State 70 %	30,104,150.79	23.56	33,877,073.66	26.35
Money Market 20%	298,119.00	0.23	0.00	0.00
Municipal Bonds 50%	38,234,106.97	29.92	39,758,027.37	30.92
US Agency Treasury 70%	48,478,236.89	37.94	45,231,419.34	35.18
Total / Average	127,771,813.30	100.00	128,576,013.50	100.00

Portfolio Holdings as of 9/30/2023



Portfolio Holdings as of 12/31/2023



Asset Category | Investment Policy Compliance
Compliance | Yes

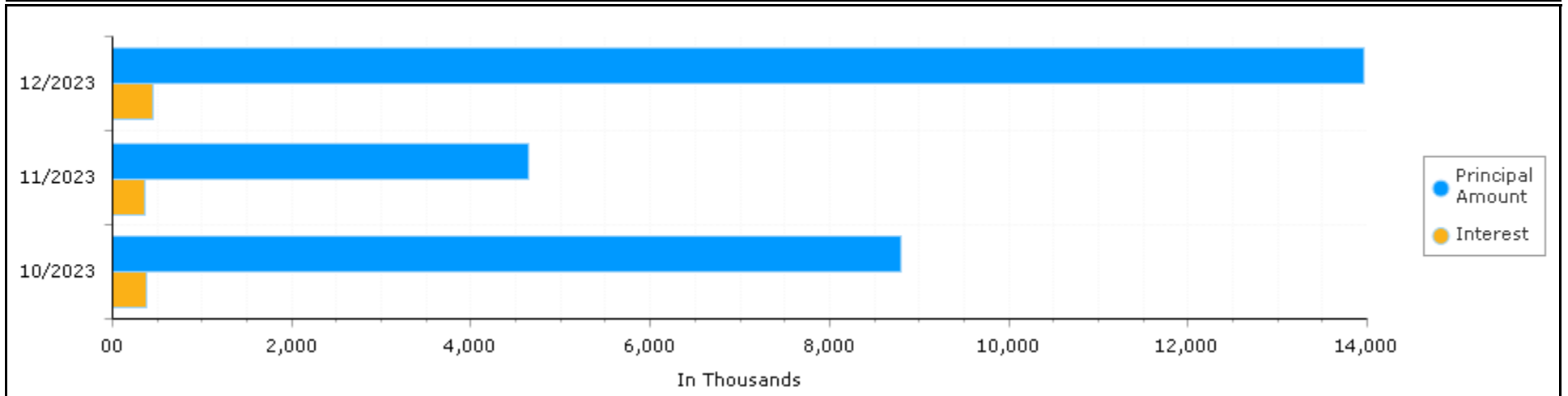


Town of Addison | TX Portfolio Summary by Month All Portfolios

Begin Date: 10/31/2023, End Date: 12/31/2023

Month	Market Value	Book Value	Unrealized Gain/Loss	YTM @ Cost	YTM @ Market	Duration	Days To Maturity
10/31/2023	126,759,670.46	131,224,304.40	-4,464,633.94	3.42	5.59	1.45	559
11/30/2023	126,727,806.54	130,492,378.27	-3,764,571.73	3.43	5.34	1.42	545
12/31/2023	128,576,013.50	131,642,177.03	-3,066,163.53	3.49	5.09	1.38	530
Total / Average	127,354,496.83	131,119,619.90	-3,765,123.07	3.44	5.34	1.42	545

Actual Cash Flow



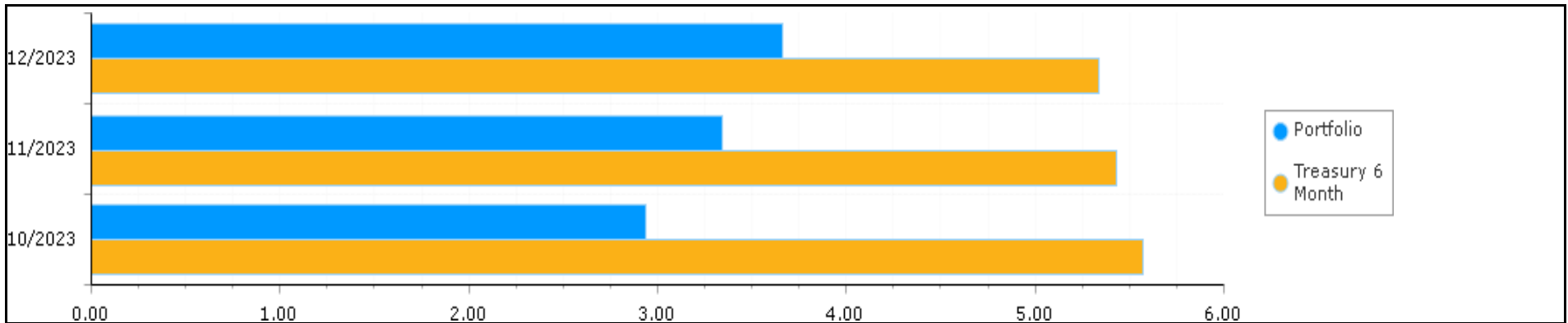


Town of Addison | TX Total Rate of Return - Book Value by Month All Portfolios

Begin Date: 09/30/2023, End Date: 12/31/2023

Month	1 Purchased Interest	2 Sell Interest	3 Interest Dividends	4 Amortization Discount	5 Amortization Premium	6 Difference in Accrued Interest	Interest Earned During the Period - BV	Annualized TRR-BV	Treasury 6 Month
10/31/2023	-4,404.58	0.00	373,500.80	24,770.43	-52,622.01	35,457.55	376,702.19	2.94	5.57
11/30/2023	0.00	0.00	365,596.86	23,363.54	-50,767.49	17,630.66	355,823.57	3.34	5.43
12/31/2023	-57,432.84	70,937.50	455,065.98	18,943.78	-49,196.56	-52,206.83	386,111.03	3.66	5.34
Total/Average	-61,837.42	70,937.50	1,194,163.64	67,077.75	-152,586.06	881.38	1,118,636.79	3.31	5.45

Annualized TRR-BV



Interest Earned During the Period - Book Value | Represents the cumulative total for all revenue 1 - 6.



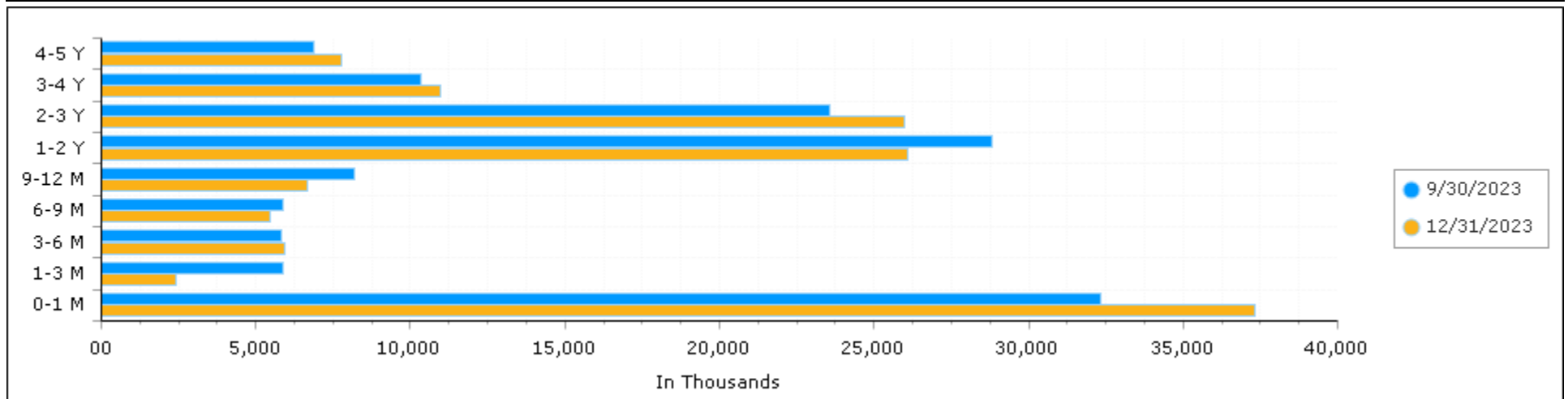
Town of Addison | TX Distribution by Maturity Range - Market Value All Portfolios

Begin Date: 9/30/2023, End Date: 12/31/2023

Maturity Range Allocation

Maturity Range	Market Value 9/30/2023	% of Portfolio 9/30/2023	Market Value 12/31/2023	% of Portfolio 12/31/2023
0-1 Month	32,350,193.70	25.32	37,344,555.99	29.04
1-3 Months	5,886,869.54	4.61	2,401,296.95	1.87
3-6 Months	5,826,578.61	4.56	5,938,705.83	4.62
6-9 Months	5,889,670.50	4.61	5,450,248.95	4.24
9-12 Months	8,213,955.46	6.43	6,641,162.67	5.17
1-2 Years	28,835,691.53	22.57	26,114,055.75	20.31
2-3 Years	23,554,262.04	18.43	25,972,836.97	20.20
3-4 Years	10,355,527.80	8.10	10,965,521.80	8.53
4-5 Years	6,859,064.12	5.37	7,747,628.59	6.03
Total / Average	127,771,813.30	100.00	128,576,013.50	100.00

Portfolio Holdings





Town of Addison | TX
Portfolio Holdings by Asset Class
All Portfolios

Date: 12/31/2023

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
Agency Bullet								
FFCB Step 7/20/2026		7/20/2021	1,500,000.00	93.64	1,404,560.01	1.14%	Moodys-Aaa	932
3130AN5K2	1,500,000.00	1.25	1,500,000.00	4.15	10,062.50	-95,439.99	S&P-AA+	2.49
FHLB 0.76 1/19/2024		1/19/2022	999,250.00	99.78	997,821.83	0.76%	Moodys-Aaa	19
3130AQFK4	1,000,000.00	0.80	999,981.48	5.11	3,420.00	-2,159.65	S&P-AA+	0.05
			2,499,250.00		2,402,381.84	1.9%		567
Sub Total Agency Bullet	2,500,000.00	1.07	2,499,981.48	4.54	13,482.50	-97,599.64		1.51
Agency Callable								
FAMC 5.6 9/20/2028-24		12/20/2023	1,000,000.00	100.04	1,000,420.85	0.76%	Moodys-Aaa	80
31424WDR0	1,000,000.00	5.60	1,000,000.00	5.59	1,711.11	420.85	S&P-AA+	4.2
FFCB 0.48 2/10/2025-21		9/22/2021	999,000.00	95.27	952,722.60	0.76%	Moodys-Aaa	407
3133EMZ70	1,000,000.00	0.51	999,671.52	4.92	1,880.00	-46,948.92	S&P-AA+	1.1
FFCB 0.61 5/23/2025-21		9/22/2021	999,900.00	94.54	945,417.10	0.76%	Moodys-Aaa	509
3133EM3E0	1,000,000.00	0.61	999,962.03	4.70	643.89	-54,544.93	S&P-AA+	1.39
FFCB 0.94 4/28/2026-22		4/28/2021	1,000,000.00	92.57	925,705.85	0.76%	Moodys-Aaa	849
3133EMXQ0	1,000,000.00	0.94	1,000,000.00	4.33	1,645.00	-74,294.15	S&P-AA+	2.3
FFCB 5.85 6/6/2028-23		6/8/2023	999,500.00	100.00	999,987.32	0.76%	Moodys-Aaa	1619
3133EPLV5	1,000,000.00	5.86	1,000,000.00	5.85	4,062.50	-12.68	S&P-AA+	3.95
FHLB 0.43 4/29/2024-21		7/29/2021	1,000,000.00	98.41	984,128.41	0.76%	Moodys-Aaa	29
3130AND72	1,000,000.00	0.43	1,000,000.00	5.38	1,815.56	-15,871.59	S&P-AA+	0.33
FHLB 0.52 10/7/2024-22		10/7/2021	1,000,000.00	96.62	966,197.75	0.76%	Moodys-Aaa	7
3130APAF2	1,000,000.00	0.52	1,000,000.00	5.07	1,213.33	-33,802.25	S&P-AA+	0.77
FHLB 0.65 12/9/2024-21		6/9/2021	1,500,000.00	96.08	1,441,209.89	1.14%	Moodys-Aaa	9
3130AMJX1	1,500,000.00	0.65	1,500,000.00	4.97	595.83	-58,790.11	S&P-AA+	0.94
FHLB 0.75 12/30/2025-22		9/30/2021	1,000,000.00	92.80	928,042.56	0.76%	Moodys-Aaa	91
3130AP2G9	1,000,000.00	0.75	1,000,000.00	4.56	1,875.00	-71,957.44	S&P-AA+	1.98



Town of Addison | TX
Portfolio Holdings by Asset Class
All Portfolios

Date: 12/31/2023

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
FHLB 1 9/30/2026-22		9/30/2021	1,000,000.00	91.43	914,325.29	0.76%	Moodys-Aaa	90
3130AP6D2	1,000,000.00	1.00	1,000,000.00	4.34	2,500.00	-85,674.71	S&P-AA+	2.71
FHLB 1.6 1/19/2027-22		1/19/2022	1,000,000.00	92.59	925,853.91	0.76%	Moodys-Aaa	19
3130AQJ87	1,000,000.00	1.60	1,000,000.00	4.22	7,200.00	-74,146.09	S&P-AA+	2.96
FHLB 3.75 7/25/2024-22		7/25/2022	1,000,000.00	99.23	992,302.96	0.76%	Moodys-Aaa	25
3130ASKS7	1,000,000.00	3.75	1,000,000.00	5.14	16,250.00	-7,697.04	S&P-AA+	0.56
FHLB 4.1 6/30/2027-23		6/30/2022	1,000,000.00	98.28	982,845.43	0.76%	Moodys-Aaa	90
3130ASG52	1,000,000.00	4.10	1,000,000.00	4.64	0.00	-17,154.57	S&P-AA+	3.29
FHLB 5.5 5/15/2025-23		5/18/2023	2,139,465.00	99.77	2,135,124.89	1.63%	Moodys-Aaa	15
3130AVZ62	2,140,000.00	5.51	2,139,631.82	5.67	15,039.44	-4,506.93	S&P-AA+	1.33
FHLB 5.75 6/27/2025-23		6/27/2023	1,000,000.00	99.83	998,286.93	0.76%	Moodys-Aaa	27
3130AWEJ5	1,000,000.00	5.75	1,000,000.00	5.87	638.89	-1,713.07	S&P-AA+	1.45
FHLB 6.1 8/28/2028-23		8/28/2023	1,500,000.00	99.77	1,496,539.82	1.14%	Moodys-Aaa	59
3130AWTX8	1,500,000.00	6.10	1,500,000.00	6.16	31,262.50	-3,460.18	S&P-AA+	4.04
FHLB Step 2/18/2027-22		2/18/2022	1,000,000.00	95.12	951,197.69	0.76%	Moodys-Aaa	49
3130AQR8	1,000,000.00	2.06	1,000,000.00	4.22	4,802.78	-48,802.31	S&P-AA+	3.01
FHLB Step 3/29/2027-22		3/29/2022	1,000,000.00	98.22	982,152.17	0.76%	Moodys-Aaa	89
3130ARCD1	1,000,000.00	3.25	1,000,000.00	4.45	6,388.89	-17,847.83	S&P-AA+	3.08
FHLB Step 4/14/2027-23		4/14/2022	1,000,000.00	98.14	981,432.85	0.76%	Moodys-Aaa	105
3130ARGS4	1,000,000.00	3.92	1,000,000.00	5.40	6,416.67	-18,567.15	S&P-AAA	3.09
FHLB Step 5/12/2026-21		5/12/2021	1,500,000.00	93.94	1,409,126.64	1.14%	Moodys-Aaa	43
3130AMDE9	1,500,000.00	1.19	1,500,000.00	4.35	2,041.67	-90,873.36	S&P-AA+	2.33
FHLB Step 6/10/2026-21		6/10/2021	1,500,000.00	94.07	1,411,057.22	1.14%	Moodys-Aaa	892
3130AMMW9	1,500,000.00	1.19	1,500,000.00	4.08	1,312.50	-88,942.78	S&P-AA+	2.42



Town of Addison | TX
Portfolio Holdings by Asset Class
All Portfolios

Date: 12/31/2023

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
FHLB Step 6/9/2026-23		6/9/2021	1,000,000.00	94.07	940,653.47	0.76%	Moodys-Aaa	891
3130AMMJ8	1,000,000.00	1.05	1,000,000.00	4.08	916.67	-59,346.53	S&P-AA+	2.4
FHLB Step 9/30/2027-22		9/30/2022	1,000,000.00	99.59	995,853.31	0.76%	Moodys-Aaa	90
3130AT6R3	1,000,000.00	6.25	1,000,000.00	7.09	12,500.00	-4,146.69	S&P-AA+	3.39
FHLMC 0.57 9/24/2025-21		9/24/2020	2,000,000.00	93.58	1,871,517.66	1.52%	Moodys-Aaa	84
3134GWUG9	2,000,000.00	0.57	2,000,000.00	4.47	3,071.67	-128,482.34	S&P-AA+	1.72
FHLMC 5.17 5/28/2024-23		11/30/2022	1,000,000.00	99.92	999,221.24	0.76%	Moodys-Aaa	149
3134GY2N1	1,000,000.00	5.17	1,000,000.00	5.34	4,739.17	-778.76	S&P-AA+	0.41
FHLMC 5.25 6/20/2024-23		12/20/2022	1,500,000.00	99.90	1,498,514.43	1.14%	Moodys-Aaa	80
3134GY5N8	1,500,000.00	5.25	1,500,000.00	5.46	2,406.25	-1,485.57	S&P-AA+	0.47
FHLMC 5.3 2/27/2026-23		2/27/2023	1,000,000.00	99.65	996,479.79	0.76%	Moodys-Aaa	58
3134GYJB9	1,000,000.00	5.30	1,000,000.00	5.47	18,255.56	-3,520.21	S&P-AA+	2.03
FHLMC 5.375 5/18/2026-23		5/18/2023	1,000,000.00	99.75	997,450.92	0.76%	Moodys-Aaa	49
3134GYRX2	1,000,000.00	5.38	1,000,000.00	5.49	6,420.14	-2,549.08	S&P-AA+	2.25
FHLMC 5.625 3/13/2026-23		3/13/2023	2,000,000.00	99.79	1,995,864.04	1.52%	Moodys-Aaa	73
3134GYK76	2,000,000.00	5.63	2,000,000.00	5.72	33,750.00	-4,135.96	S&P-AA+	2.07
FHLMC 5.625 6/17/2027-24		12/18/2023	1,000,000.00	100.06	1,000,603.94	0.76%	Moodys-Aaa	78
3134H1MD2	1,000,000.00	5.63	1,000,000.00	5.61	2,031.25	603.94	S&P-AA+	3.19
FHLMC 6.25 10/24/2028-24		10/24/2023	1,000,000.00	99.97	999,701.41	0.76%	Moodys-Aaa	24
3134H1EB5	1,000,000.00	6.25	1,000,000.00	6.26	11,631.94	-298.59	S&P-AA+	4.18
FHLMC Step 4/28/2025-22		4/28/2022	1,000,000.00	98.80	988,033.68	0.76%	Moodys-Aaa	28
3134GXQR8	1,000,000.00	3.44	1,000,000.00	5.19	6,125.00	-11,966.32	S&P-AA+	1.3
FNMA 0.56 8/21/2025-23		8/21/2020	1,500,000.00	93.95	1,409,305.01	1.14%	Moodys-Aaa	52
3136G4N74	1,500,000.00	0.56	1,500,000.00	4.43	3,033.33	-90,694.99	S&P-AA+	1.63



Town of Addison | TX Portfolio Holdings by Asset Class All Portfolios

Date: 12/31/2023

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
FNMA 0.625 8/27/2025-21		8/27/2020	1,500,000.00	94.00	1,409,944.80	1.14%	Moodys-Aaa	58
3136G4V59	1,500,000.00	0.63	1,500,000.00	4.43	3,229.17	-90,055.20	S&P-AA+	1.65
FNMA 0.71 7/22/2025-21		7/22/2020	1,499,925.00	94.50	1,417,433.04	1.14%	Moodys-Aaa	22
3136G4A45	1,500,000.00	0.71	1,499,976.66	4.40	4,703.75	-82,543.62	S&P-AA+	1.55
FNMA 5.4 11/25/2024-23		11/25/2022	1,000,000.00	99.77	997,702.94	0.76%	Moodys-Aaa	56
3135GACZ2	1,000,000.00	5.40	1,000,000.00	5.66	5,400.00	-2,297.06	S&P-AA+	0.89
			43,137,790.00		41,842,357.81	32.79%		178
Sub Total Agency Callable	43,140,000.00	3.09	43,139,242.03	5.07	227,509.46	-1,296,884.22		2.07
CD Negotiable								
Affinity Federal CU 5.8 11/15/2024		11/15/2023	245,000.00	100.54	246,333.20	0.19%	NCUA Insured	320
00832KBU2	245,000.00	5.80	245,000.00	5.16	1,167.95	1,333.20	NCUA Insured	0.85
Arsenal CU MO 5.1 1/21/2025-24		1/20/2023	245,000.00	99.96	244,906.53	0.19%	NCUA Insured	20
04288LAA6	245,000.00	5.10	245,000.00	5.14	376.56	-93.47	NCUA Insured	1.03
Austin Telco CU TX 5 1/26/2024		1/27/2023	245,000.00	99.97	244,935.24	0.19%	NCUA Insured	26
052392CR6	245,000.00	5.00	245,000.00	5.38	1,006.85	-64.76	NCUA Insured	0.07
Blupeak CU 5.75 11/20/2024		11/21/2023	245,000.00	100.51	246,252.12	0.19%	NCUA Insured	325
09644EAR3	245,000.00	5.75	245,000.00	5.16	385.96	1,252.12	NCUA Insured	0.87
BMW Bank UT 0.65 9/17/2024		9/17/2021	245,000.00	96.89	237,388.39	0.19%	FDIC Insured	261
05580AD68	245,000.00	0.65	245,000.00	5.15	458.12	-7,611.61	FDIC Insured	0.71
Centris Federal CU 5.75 9/20/2024		9/22/2023	245,000.00	100.41	245,998.64	0.19%	NCUA Insured	264
15643VAC6	245,000.00	5.75	245,000.00	5.17	347.36	998.64	NCUA Insured	0.71
City Federal CU TX 4.9 1/18/2024		1/18/2023	245,000.00	99.98	244,941.58	0.19%	NCUA Insured	18
17783PAH4	245,000.00	4.90	245,000.00	5.39	427.58	-58.42	NCUA Insured	0.05
City of Allen CU TX 3.2 7/22/2024		7/22/2022	245,000.00	98.93	242,386.85	0.19%	NCUA Insured	204
22551KAA0	245,000.00	3.20	245,000.00	5.17	3,479.67	-2,613.15	NCUA Insured	0.55



Town of Addison | TX
Portfolio Holdings by Asset Class
All Portfolios

Date: 12/31/2023

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
Connexus CR 5.4 6/15/2028-24		6/15/2023	245,000.00	100.38	245,931.52	0.19%	NCUA Insured	167
20825WBN9	245,000.00	5.40	245,000.00	5.30	579.95	931.52	NCUA Insured	3.96
Cross River Bank 5.5 11/30/2028-24		11/30/2023	245,000.00	101.01	247,477.46	0.19%	FDIC Insured	335
227563EQ2	245,000.00	5.50	245,000.00	5.27	36.92	2,477.46	FDIC Insured	4.32
Dannemora Federal CU 5.45 12/28/2028-24		12/28/2023	245,000.00	100.55	246,345.48	0.19%	NCUA Insured	180
236334AD0	245,000.00	5.45	245,000.00	5.33	109.75	1,345.48	NCUA Insured	4.38
DOC Federal CU 3.5 7/1/2024-22		6/29/2022	245,000.00	99.24	243,128.12	0.19%	NCUA Insured	29
24951TAU9	245,000.00	3.50	245,000.00	5.05	46.99	-1,871.88	NCUA Insured	0.5
Farmers Insurance Group 5 1/18/2024		1/18/2023	245,000.00	99.98	244,954.49	0.19%	FDIC Insured	18
30960QAM9	245,000.00	5.00	245,000.00	5.38	436.30	-45.51	FDIC Insured	0.05
GHS Federal CU 5.6 8/17/2028-25		8/17/2023	245,000.00	101.23	248,004.70	0.19%	NCUA Insured	414
36266LAB2	245,000.00	5.60	245,000.00	5.30	526.25	3,004.70	NCUA Insured	4.08
Goldman Sachs Bank 1.05 9/8/2026		9/8/2021	245,000.00	90.48	221,669.27	0.19%	FDIC Insured	982
38149MZJ5	245,000.00	1.05	245,000.00	4.87	803.47	-23,330.73	FDIC Insured	2.65
Liberty Federal CU IA 4.9 1/16/2024		1/13/2023	245,000.00	99.98	244,947.36	0.19%	NCUA Insured	16
53052LAG4	245,000.00	4.90	245,000.00	5.41	986.71	-52.64	NCUA Insured	0.04
Pacific Western Bank, CA 5.35 5/17/2028-24		5/17/2023	245,000.00	100.26	245,647.69	0.19%	FDIC Insured	138
69506YZB8	245,000.00	5.35	245,000.00	5.28	1,580.08	647.69	FDIC Insured	3.94
Pentagon Federal CU 1.25 1/31/2025		1/31/2022	245,000.00	95.91	234,984.12	0.19%	NCUA Insured	397
70962LBA9	245,000.00	1.25	245,000.00	5.14	0.00	-10,015.88	NCUA Insured	1.08
Rogue University CU OR 5.1 1/20/2028-23		1/20/2023	245,000.00	100.01	245,027.87	0.19%	NCUA Insured	20
77535MAM5	245,000.00	5.10	245,000.00	5.10	376.56	27.87	NCUA Insured	3.67
Sallie Mae Bank UT 1.1 8/11/2026		8/12/2021	245,000.00	90.86	222,594.99	0.19%	FDIC Insured	954
795451AK9	245,000.00	1.10	245,000.00	4.87	1,048.47	-22,405.01	FDIC Insured	2.57



Town of Addison | TX Portfolio Holdings by Asset Class All Portfolios

Date: 12/31/2023

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
Scient Federal CU 5.6 6/21/2024		9/21/2023	245,000.00	100.22	245,536.06	0.19%	NCUA Insured	173
80865MAD9	245,000.00	5.60	245,000.00	5.13	1,127.67	536.06	NCUA Insured	0.47
Space Age Federal CU CO 5.05 1/26/2024		1/27/2023	245,000.00	99.98	244,944.27	0.19%	NCUA Insured	26
84611JAB9	245,000.00	5.05	245,000.00	5.37	135.59	-55.73	NCUA Insured	0.07
State Bank of India NY 1.15 9/28/2026		9/28/2021	245,000.00	90.53	221,799.47	0.19%	FDIC Insured	1002
856285XL0	245,000.00	1.15	245,000.00	4.88	725.60	-23,200.53	FDIC Insured	2.7
Synchrony Bank 0.65 9/17/2024		9/17/2021	245,000.00	96.89	237,388.39	0.19%	FDIC Insured	261
87165FA20	245,000.00	0.65	245,000.00	5.15	458.12	-7,611.61	FDIC Insured	0.71
Technology CU CA 5 1/21/2025		1/19/2023	245,000.00	99.87	244,683.26	0.19%	NCUA Insured	387
87868YAG8	245,000.00	5.00	245,000.00	5.13	402.74	-316.74	NCUA Insured	1.03
Truliant Federal CU 5.15 3/23/2026		3/22/2023	245,000.00	100.70	246,715.81	0.19%	NCUA Insured	813
89789AAH0	245,000.00	5.15	245,000.00	4.82	311.12	1,715.81	FDIC Insured	2.11
Uncle CU CA 5 1/25/2024		1/25/2023	245,000.00	99.97	244,937.56	0.19%	NCUA Insured	25
90307LAB0	245,000.00	5.00	245,000.00	5.38	201.37	-62.44	NCUA Insured	0.07
United Heritage CU TX 5.15 3/21/2025		3/21/2023	245,000.00	100.10	245,239.26	0.19%	NCUA Insured	446
91334AAL7	245,000.00	5.15	245,000.00	5.07	0.00	239.26	NCUA Insured	1.19
Valley Strong CU CA 5.1 7/18/2025-23		1/18/2023	245,000.00	99.99	244,986.56	0.19%	NCUA Insured	18
920133AL9	245,000.00	5.10	245,000.00	5.10	445.03	-13.44	NCUA Insured	1.49
VYStar CU FL 5.2 3/10/2028-25		3/10/2023	245,000.00	100.65	246,600.53	0.19%	NCUA Insured	435
92891CDA7	245,000.00	5.20	245,000.00	5.03	1,047.12	1,600.53	NCUA Insured	3.76
Washington Federal 5.5 11/30/2028-24		11/30/2023	245,000.00	101.01	247,477.46	0.19%	FDIC Insured	335
938828CY4	245,000.00	5.50	245,000.00	5.27	36.92	2,477.46	FDIC Insured	4.32
Worker's CU MA 5.25 5/26/2028-23		5/26/2023	245,000.00	100.04	245,095.88	0.19%	NCUA Insured	26
98138MBY5	245,000.00	5.25	245,000.00	5.24	176.20	95.88	NCUA Insured	3.94
Sub Total CD Negotiable	7,840,000.00	4.35	7,840,000.00	5.17	19,248.98	-80,739.87	6.08%	282



Town of Addison | TX
Portfolio Holdings by Asset Class
All Portfolios

Date: 12/31/2023

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
Commercial Paper								
Toyota Credit PR 0 5/17/2024		8/21/2023	958,725.00	97.90	978,961.00	0.74%	Moody's-P1	138
8923A0EH2	1,000,000.00	5.74	978,903.89	5.61	0.00	57.11	S&P-A1	0.38
Toyota Credit PR 0 7/12/2024		10/16/2023	958,550.00	97.13	971,272.00	0.74%	Moody's-P1	194
8923A0GC1	1,000,000.00	5.77	970,217.41	5.49	0.00	1,054.59	S&P-A1	0.53
			1,917,275.00		1,950,233.00	1.48%		166
Sub Total Commercial Paper	2,000,000.00	5.75	1,949,121.30	5.55	0.00	1,111.70		0.45
LGIP								
LOGIC Operating LGIP		3/31/2023	28,065,294.01	100.00	28,065,294.01	21.32%	NR	1
LOGIC5010	28,065,294.01	5.55	28,065,294.01	5.55		0.00	NR	0
Texas CLASS LGIP		3/31/2023	3,678,519.27	100.00	3,678,519.27	2.79%	NR	1
TEXASCLASS0001	3,678,519.27	5.57	3,678,519.27	5.57		0.00	NR	0
TexPool General LGIP		3/31/2023	1,068,112.02	100.00	1,068,112.02	0.81%	NR	1
TEXPOOL0003	1,068,112.02	5.38	1,068,112.02	5.38		0.00	NR	0
TexSTAR Operating LGIP		3/31/2023	1,065,148.36	100.00	1,065,148.36	0.81%	NR	1
TEXSTAR1110	1,065,148.36	5.36	1,065,148.36	5.36		0.00	NR	0
			33,877,073.66		33,877,073.66	25.73%		1
Sub Total LGIP	33,877,073.66	5.54	33,877,073.66	5.54		0.00		0
Municipal Bonds								
Barbers Hill ISD TX 4 2/15/2026		4/29/2021	572,565.00	99.08	495,385.00	0.4%	Moody's-Aaa	777
067167YR1	500,000.00	0.90	532,140.66	4.46	7,555.56	-36,755.66	S&P-AAA	2.03
Bi-State Development Agency MA 1.344 10/1/2025		4/20/2021	1,548,424.00	94.40	1,439,615.25	1.17%	Moody's-Aa2	640
088632CT9	1,525,000.00	0.99	1,534,216.71	4.71	5,124.00	-94,601.46	S&P-AA	1.73
City of Cedar Park TX 2.95 8/15/2025		10/23/2020	2,619,033.60	97.33	2,297,082.40	1.86%	NR	593
150461M57	2,360,000.00	0.63	2,447,327.96	4.67	26,300.89	-150,245.56	S&P-AA	1.58



Town of Addison | TX Portfolio Holdings by Asset Class All Portfolios

Date: 12/31/2023

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
Connecticut Green Bank CT 0.85 11/15/2024		5/11/2021	275,000.00	96.29	264,786.50	0.21%	NR	320
207580AQ4	275,000.00	0.85	275,000.00	5.26	298.68	-10,213.50	S&P-AA-	0.87
Connecticut Green Bank CT 1.2 11/15/2025		5/11/2021	200,000.00	93.38	186,756.00	0.15%	NR	685
207580AR2	200,000.00	1.20	200,000.00	4.95	306.67	-13,244.00	S&P-AA-	1.85
Connecticut State GO CT 2.098 7/1/2025-24		4/22/2021	247,346.90	96.36	226,441.30	0.18%	Moodys-Aa3	182
20772KJX8	235,000.00	0.82	239,414.22	4.64	2,465.15	-12,972.92	S&P-AA-	1.47
Connecticut State GO CT 5.73 3/15/2024-24		4/21/2021	1,386,207.90	100.10	1,206,192.95	0.92%	Moodys-Aa3	74
20772GE61	1,205,000.00	0.50	1,217,674.28	5.16	20,330.36	-11,481.33	S&P-AA-	0.21
Connecticut State Housing CT 2.097 11/15/2024		5/19/2021	314,586.00	97.55	292,656.00	0.23%	Moodys-Aaa	320
20775C6C3	300,000.00	0.68	303,649.36	5.00	803.85	-10,993.36	S&P-AAA	0.87
Dallas ISD TX 4 8/15/2025		4/22/2021	3,134,945.00	98.88	2,719,282.50	2.2%	Moodys-Aaa	593
235308D75	2,750,000.00	0.70	2,894,690.44	4.72	41,555.56	-175,407.94	S&P-AAA	1.56
Dallas Water-Sewer TX 1.007 10/1/2025		4/19/2021	1,366,929.00	94.05	1,269,648.00	1.03%	NR	640
23542JQP3	1,350,000.00	0.72	1,356,657.00	4.58	3,398.62	-87,009.00	S&P-AAA	1.73
Florida SBA FL 1.705 7/1/2027-27		10/4/2023	871,190.00	90.54	905,410.00	0.67%	Moodys-Aa3	1277
341271AE4	1,000,000.00	5.57	879,488.16	4.67	8,525.00	25,921.84	S&P-AA	3.38
Foothill-De Anza CC CA 0.906 8/1/2025-25		4/21/2021	705,677.00	94.40	660,793.00	0.53%	Moodys-Aaa	548
345102PG6	700,000.00	0.71	702,100.71	4.61	2,642.50	-41,307.71	S&P-AAA	1.57
Frisco Economical Development TX 1.9 2/15/2028		4/20/2023	446,230.00	90.64	453,185.00	0.34%	Moodys-Aa2	1507
358782CW8	500,000.00	4.40	454,011.70	4.41	3,588.89	-826.70	S&P-AA	3.95
Garfield Heights SD OH 3.1 12/15/2024-23		7/22/2021	262,500.00	98.07	245,170.00	0.19%	Moodys-Aa2	167
365820HB8	250,000.00	1.58	253,515.31	5.20	344.44	-8,345.31	NR	0.95
Hawaii State 5.33 2/1/2026-25		4/23/2021	1,805,790.00	101.27	1,519,110.00	1.24%	Moodys-Aa2	397
419791YT9	1,500,000.00	0.95	1,633,607.79	4.68	33,312.50	-114,497.79	S&P-AA+	1.96



Town of Addison | TX Portfolio Holdings by Asset Class All Portfolios

Date: 12/31/2023

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
Hernando County W/S FL 0.589 6/1/2024-24		4/29/2021	250,000.00	98.27	245,665.00	0.19%	Moody's-Aa2	152
427908EF1	250,000.00	0.59	250,000.00	4.83	122.71	-4,335.00	NR	0.42
Jackson Energy TN 3.4 4/1/2026-23		9/29/2021	2,014,570.25	97.57	1,878,222.50	1.5%	NR	92
46873TAD5	1,925,000.00	2.31	1,969,730.64	4.55	16,362.50	-91,508.14	S&P-AA	2.17
Jefferson County MO 0.65 3/1/2024		5/6/2021	200,000.00	99.30	198,594.00	0.15%	NR	61
473142QW0	200,000.00	0.65	200,000.00	4.89	433.33	-1,406.00	S&P-AA+	0.17
Jefferson County MO 0.95 3/1/2025		5/6/2021	280,000.00	95.48	267,344.00	0.21%	NR	426
473142QX8	280,000.00	0.95	280,000.00	4.99	886.67	-12,656.00	S&P-A+	1.16
Jefferson County MO 1.2 3/1/2026		5/6/2021	300,000.00	92.98	278,928.00	0.23%	NR	791
473142QY6	300,000.00	1.20	300,000.00	4.64	1,200.00	-21,072.00	S&P-AA+	2.14
Kansas City MO 1.475 4/1/2026		4/21/2021	1,019,450.00	93.31	933,060.00	0.77%	Moody's-A1	822
485106UX4	1,000,000.00	1.07	1,008,846.79	4.64	3,687.50	-75,786.79	S&P-AA-	2.21
Maine Health & Higher Education 0.711 7/1/2024		5/19/2021	250,000.00	97.77	244,425.00	0.19%	Moody's-A1	153
56042RJ37	250,000.00	0.71	250,000.00	5.29	888.75	-5,575.00	S&P-AA	0.5
Maine Health & Higher Education 1.304 7/1/2026		7/8/2021	202,458.00	91.75	183,492.00	0.15%	Moody's-A1	883
56042RJ52	200,000.00	1.05	201,233.06	4.85	1,304.00	-17,741.06	S&P-AA	2.45
Maryland State 2.198 3/1/2025-25		5/19/2021	278,939.00	96.95	256,925.45	0.2%	Moody's-Aa1	398
57419TDX6	265,000.00	0.78	269,289.70	4.92	1,941.57	-12,364.25	NR	1.15
Massachusetts State 5.203 6/1/2025-25		4/22/2021	1,173,160.00	100.27	1,002,680.00	0.8%	Moody's-Aa1	487
57604TAB2	1,000,000.00	0.90	1,059,682.48	5.00	4,335.83	-57,002.48	S&P-AAA	1.38
Missouri State 0.704 1/1/2024-23		9/21/2022	958,220.00	100.00	1,000,000.00	0.76%	Moody's-Aaa	1
60636UJQ3	1,000,000.00	4.09	1,000,000.00	0.00	3,520.00	0.00	S&P-AAA	0
Mosaic District VA 1.711 3/1/2026-26		4/22/2021	257,205.00	93.29	233,235.00	0.19%	Moody's-A2	763
61945DAZ4	250,000.00	1.10	253,210.35	5.02	1,425.83	-19,975.35	S&P-AA	2.12



Town of Addison | TX
Portfolio Holdings by Asset Class
All Portfolios

Date: 12/31/2023

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
New York City 2.28 5/1/2026-26		12/13/2023	944,930.00	95.17	951,740.00	0.72%	Moodys-Aa1	851
64971WJ76	1,000,000.00	4.75	946,069.38	4.48	3,800.00	5,670.62	S&P-AAA	2.28
New York City NY 3.78 2/1/2026-24		4/16/2021	761,936.00	98.53	689,717.00	0.55%	Moodys-Aa1	32
64971WDP2	700,000.00	1.84	726,953.30	4.53	11,025.00	-37,236.30	S&P-AAA	1.99
New York City NY 5.075 11/1/2025-25		4/16/2021	614,411.20	100.20	521,060.80	0.42%	Moodys-Aa1	640
64971M5K4	520,000.00	0.98	558,128.69	4.95	4,398.33	-37,067.89	S&P-AAA	1.76
New York NY Sinking 5.047 10/1/2024-22		4/16/2021	2,157,877.62	99.90	1,940,854.27	1.51%	Moodys-Aa2	275
64966H4M9	1,942,738.73	1.73	1,989,545.05	5.17	24,512.51	-48,690.78	S&P-AA	0.74
New York State NY 2.406 1/1/2026-25		4/22/2021	423,820.00	95.95	383,816.00	0.31%	Moodys-A1	701
650009S20	400,000.00	1.10	410,158.94	4.55	4,812.00	-26,342.94	S&P-A	1.94
Niagara Falls NY 2.4 7/15/2026		12/13/2023	972,289.35	94.89	982,070.10	0.74%	S&P-AA	927
653438CL3	1,035,000.00	4.92	973,483.84	4.56	11,454.00	8,586.26	None	2.45
Oklahoma State OK 5.34 7/1/2024-24		3/6/2023	249,475.00	100.00	249,997.50	0.19%	NR	153
679087FD3	250,000.00	5.50	249,801.76	5.34	6,675.00	195.74	S&P-AA-	0.49
Omaha NE 0.983 4/15/2026		5/21/2021	752,970.00	92.36	692,707.50	0.57%	Moodys-Aa2	836
6817126Z3	750,000.00	0.90	751,386.22	4.53	1,556.42	-58,678.72	S&P-AA+	2.26
Omaha Special OB Sinking 6.4 2/1/2026-17		6/15/2021	474,712.25	101.03	429,377.50	0.34%	Moodys-Aa3	32
68189TBA3	425,000.00	3.63	447,417.52	5.86	11,333.33	-18,040.02	S&P-AA+	1.93
Oregon State Sinking 5.892 6/1/2027-24		11/17/2022	1,037,350.00	102.33	1,023,330.00	0.78%	Moodys-Aa1	153
68607LXQ5	1,000,000.00	4.96	1,028,125.27	5.14	4,910.00	-4,795.27	S&P-AA+	3.13
Pennsylvania State Sinking 4.65 2/15/2026-26		6/9/2021	1,258,124.80	99.44	1,128,655.35	0.9%	Moodys-Aa3	746
70914PME9	1,135,000.00	2.20	1,190,841.52	4.93	19,938.17	-62,186.17	S&P-A+	2.01
San Antonio TX 5.635 2/1/2026-25		12/21/2023	2,020,460.00	101.22	2,024,440.00	1.53%	Moodys-Aaa	398
79623PQQ1	2,000,000.00	5.12	2,020,195.32	5.02	37,566.67	4,244.68	S&P-AAA	1.96



Town of Addison | TX Portfolio Holdings by Asset Class All Portfolios

Date: 12/31/2023

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
San Francisco CA 1.286 8/1/2024		12/15/2021	457,652.65	97.90	445,449.55	0.35%	NR	214
79770GJA5	455,000.00	1.06	455,589.17	4.98	2,438.04	-10,139.62	S&P-AA	0.58
San Joaquin Hills CA 2.153 1/15/2027-26		1/24/2022	757,177.50	92.88	696,592.50	0.57%	Moody's-A1	1080
798111HF0	750,000.00	1.95	754,387.13	4.69	7,445.79	-57,794.63	S&P-AA	2.92
Savannah GA Hosp Auth Sinking 6 7/1/2027-24		9/21/2023	1,502,805.00	101.35	1,520,250.00	1.14%	Moody's-A2	183
804833EZ0	1,500,000.00	5.94	1,502,599.56	5.57	45,000.00	17,650.44	Fitch-A	3.12
South Dakota Educational 1.495 6/1/2026-26		9/23/2021	1,008,150.00	92.31	923,080.00	0.76%	Moody's-Aaa	852
83754LAX5	1,000,000.00	1.32	1,000,238.58	4.91	1,245.83	-77,158.58	S&P-AA	2.38
South Texas ISD Sinking 5.25 8/15/2028-24		12/11/2023	580,208.80	100.03	580,185.60	0.44%	Moody's-Aa3	8
84055RBB3	580,000.00	5.24	580,206.36	5.24	11,503.33	-20.76	None	4.08
Sun City Fire District AZ 1.099 7/1/2024		11/8/2021	601,386.00	98.04	588,222.00	0.46%	NR	183
86666PAC2	600,000.00	1.01	600,261.40	5.13	3,297.00	-12,039.40	Fitch-A+	0.5
Sun City Fire District AZ 1.707 7/1/2026-26		11/8/2021	503,700.00	93.02	465,075.00	0.38%	NR	883
86666PAE8	500,000.00	1.54	501,990.80	4.70	4,267.50	-36,915.80	S&P-A+	2.43
Texas Public Finance TX 0.503 2/1/2024		12/23/2020	1,000,000.00	99.65	996,510.00	0.76%	Moody's-Aa1	32
882669BS2	1,000,000.00	0.50	1,000,000.00	4.70	2,095.83	-3,490.00	S&P-AA+	0.08
Texas Womans University TX 4 7/1/2025		5/12/2021	359,657.55	101.63	320,125.05	0.25%	Moody's-Aaa	548
882874KQ2	315,000.00	0.53	331,177.27	2.88	6,300.00	-11,052.22	NR	1.44
Tredyffrin Easttown SD PA 1.159 2/15/2026		5/6/2021	277,475.00	93.29	256,539.25	0.21%	Moody's-Aaa	777
894673TA0	275,000.00	0.97	276,100.63	4.51	1,204.07	-19,561.38	NR	2.09
University of Oklahoma OK 3.023 7/1/2025-22		7/1/2021	307,275.00	97.29	291,858.00	0.23%	NR	1
91476PDR6	300,000.00	2.38	302,725.63	4.92	4,534.50	-10,867.63	S&P-A+	1.45
Virginia College VA 4.75 9/1/2024-24		5/6/2021	857,279.85	99.64	752,289.55	0.59%	Moody's-Aa1	214
927781VU5	755,000.00	0.62	775,574.02	5.29	11,954.17	-23,284.47	S&P-AA+	0.66



Town of Addison | TX
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All Portfolios

Date: 12/31/2023

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CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
			42,821,550.22		39,758,027.37	31.36%		481
Sub Total Municipal Bonds	40,757,738.73	2.07	41,338,444.68	4.72	435,928.85	-1,580,417.31		1.76
Treasury Note								
T-Note 2 5/31/2024		4/13/2022	991,312.56	98.67	986,679.69	0.76%	Moody's-Aaa	152
912828XT2	1,000,000.00	2.42	998,313.88	5.27	1,693.99	-11,634.19	S&P-AA+	0.42
			991,312.56		986,679.69	0.76%		152
Sub Total Treasury Note	1,000,000.00	2.42	998,313.88	5.27	1,693.99	-11,634.19		0.42
			133,084,251.44		128,576,013.50	100.00%		241
TOTAL PORTFOLIO	131,114,812.39	3.47	131,642,177.03	5.09	697,863.78	-3,066,163.53		1.38



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Begin Date: 9/30/2023, End Date: 12/31/2023

Action	Settlement Date	CUSIP	Face Amount / Shares	Description	Purchase Price	Principal	Interest / Dividends	YTM @ Cost	Total
Buy Transactions									
Buy	10/4/2023	341271AE4	1,000,000.00	Florida SBA FL 1.705 7/1/2027-27	87.12	871,190.00	4,404.58	5.57	875,594.58
Buy	10/16/2023	8923A0GC1	1,000,000.00	Toyota Credit PR 0 7/12/2024	95.86	958,550.00	0.00	5.77	958,550.00
Buy	10/24/2023	3134H1EB5	1,000,000.00	FHLMC 6.25 10/24/2028-24	100.00	1,000,000.00	0.00	6.25	1,000,000.00
Buy	11/15/2023	00832KBU2	245,000.00	Affinity Federal CU 5.8 11/15/2024	100.00	245,000.00	0.00	5.80	245,000.00
Buy	11/21/2023	09644EAR3	245,000.00	Blupeak CU 5.75 11/20/2024	100.00	245,000.00	0.00	5.75	245,000.00
Buy	11/30/2023	227563EQ2	245,000.00	Cross River Bank 5.5 11/30/2028-24	100.00	245,000.00	0.00	5.50	245,000.00
Buy	11/30/2023	938828CY4	245,000.00	Washington Federal 5.5 11/30/2028-24	100.00	245,000.00	0.00	5.50	245,000.00
Buy	12/11/2023	84055RBB3	580,000.00	South Texas ISD Sinking 5.25 8/15/2028-24	100.04	580,208.80	9,811.67	5.24	590,020.47
Buy	12/13/2023	64971WJ76	1,000,000.00	New York City 2.28 5/1/2026-26	94.49	944,930.00	2,660.00	4.75	947,590.00
Buy	12/13/2023	653438CL3	1,035,000.00	Niagara Falls NY 2.4 7/15/2026	93.94	972,289.35	10,212.00	4.92	982,501.35
Buy	12/18/2023	3134H1MD2	1,000,000.00	FHLMC 5.625 6/17/2027-24	100.00	1,000,000.00	0.00	5.63	1,000,000.00
Buy	12/20/2023	31424WDR0	1,000,000.00	FAMC 5.6 9/20/2028-24	100.00	1,000,000.00	0.00	5.60	1,000,000.00
Buy	12/21/2023	79623PQQ1	2,000,000.00	San Antonio TX 5.635 2/1/2026-25	101.02	2,020,460.00	34,749.17	5.12	2,055,209.17
Buy	12/28/2023	236334AD0	245,000.00	Dannemora Federal CU 5.45 12/28/2028-24	100.00	245,000.00	0.00	5.45	245,000.00
Subtotal			10,840,000.00			10,572,628.15	61,837.42		10,634,465.57
Deposit	10/31/2023	LOGIC5010	117,199.47	LOGIC Operating LGIP	100.00	117,199.47	0.00	0.00	117,199.47
Deposit	10/31/2023	LOGIC5010	4,679,949.52	LOGIC Operating LGIP	100.00	4,679,949.52	0.00	0.00	4,679,949.52
Deposit	10/31/2023	TEXSTAR1110	4,750.73	TexSTAR Operating LGIP	100.00	4,750.73	0.00	0.00	4,750.73
Deposit	10/31/2023	TEXASCLASS0001	17,150.75	Texas CLASS LGIP	100.00	17,150.75	0.00	0.00	17,150.75
Deposit	10/31/2023	TEXPOOL0003	4,796.19	TexPool General LGIP	100.00	4,796.19	0.00	0.00	4,796.19
Deposit	11/30/2023	LOGIC5010	110,409.68	LOGIC Operating LGIP	100.00	110,409.68	0.00	0.00	110,409.68
Deposit	11/30/2023	LOGIC5010	2,825,434.67	LOGIC Operating LGIP	100.00	2,825,434.67	0.00	0.00	2,825,434.67
Deposit	11/30/2023	TEXSTAR1110	4,625.48	TexSTAR Operating LGIP	100.00	4,625.48	0.00	0.00	4,625.48
Deposit	11/30/2023	TEXASCLASS0001	16,768.63	Texas CLASS LGIP	100.00	16,768.63	0.00	0.00	16,768.63
Deposit	11/30/2023	TEXPOOL0003	4,674.36	TexPool General LGIP	100.00	4,674.36	0.00	0.00	4,674.36
Deposit	12/31/2023	LOGIC5010	128,292.53	LOGIC Operating LGIP	100.00	128,292.53	0.00	0.00	128,292.53



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Begin Date: 9/30/2023, End Date: 12/31/2023

Action	Settlement Date	CUSIP	Face Amount / Shares	Description	Purchase Price	Principal	Interest / Dividends	YTM @ Cost	Total
Deposit	12/31/2023	LOGIC5010	8,231,841.00	LOGIC Operating LGIP	100.00	8,231,841.00	0.00	0.00	8,231,841.00
Deposit	12/31/2023	TEXSTAR1110	4,806.99	TexSTAR Operating LGIP	100.00	4,806.99	0.00	0.00	4,806.99
Deposit	12/31/2023	TEXASCLASS0001	17,374.00	Texas CLASS LGIP	100.00	17,374.00	0.00	0.00	17,374.00
Deposit	12/31/2023	TEXPOOL0003	4,848.87	TexPool General LGIP	100.00	4,848.87	0.00	0.00	4,848.87
Subtotal			16,172,922.87			16,172,922.87	0.00		16,172,922.87
Total Buy Transactions			27,012,922.87			26,745,551.02	61,837.42		26,807,388.44
Sell Transactions									
Called	10/1/2023	64966H4M9	1,851,910.98	New York NY Sinking 5.047 10/1/2024-22	0.00	1,851,910.98	0.00	0.00	1,851,910.98
Called	11/15/2023	3130ATQD2	1,000,000.00	FHLB Step 11/15/2024-23	0.00	1,000,000.00	0.00	0.00	1,000,000.00
Called	12/24/2023	3130AWKC3	1,000,000.00	FHLB 6 7/24/2028-23	0.00	1,000,000.00	25,000.00	0.00	1,025,000.00
Called	12/26/2023	3134H1CB7	1,500,000.00	FHLMC 6 3/25/2027-23	0.00	1,500,000.00	22,500.00	0.00	1,522,500.00
Called	12/28/2023	3134H1CJ0	1,500,000.00	FHLMC 6.25 9/28/2028-23	0.00	1,500,000.00	23,437.50	0.00	1,523,437.50
Subtotal			6,851,910.98			6,851,910.98	70,937.50		6,922,848.48
Matured	10/1/2023	432275AF2	250,000.00	Hillsborough County FL 3.751 10/1/2023	0.00	250,000.00	0.00	0.00	250,000.00
Matured	10/13/2023	8923A1XD8	1,000,000.00	Toyota Motor Credit 0 10/13/2023	0.00	1,000,000.00	0.00	0.00	1,000,000.00
Matured	10/25/2023	3134GXQM9	1,000,000.00	FHLMC 2.4 10/25/2023-22	0.00	1,000,000.00	0.00	0.00	1,000,000.00
Matured	11/15/2023	207580AP6	300,000.00	Connecticut Green Bank CT 0.55 11/15/2023	0.00	300,000.00	0.00	0.00	300,000.00
Matured	11/20/2023	53948BYL7	1,000,000.00	Lloyds Bank 0 11/20/2023	0.00	1,000,000.00	0.00	0.00	1,000,000.00
Matured	11/20/2023	549104TM9	248,000.00	Luana Savings Bank IA 0.2 11/20/2023	0.00	248,000.00	0.00	0.00	248,000.00
Matured	12/1/2023	64763FTY5	360,000.00	New Orleans LA 5 12/1/2023	0.00	360,000.00	0.00	0.00	360,000.00
Matured	12/1/2023	8923A1Z12	1,000,000.00	Toyota Motor Credit PR 0 12/1/2023	0.00	1,000,000.00	0.00	0.00	1,000,000.00
Matured	12/1/2023	084244HX3	1,010,000.00	Berkeley County VA 0.886 12/1/2023	0.00	1,010,000.00	0.00	0.00	1,010,000.00
Matured	12/1/2023	64966JAP1	1,000,000.00	New York NY 5.687 12/1/2023-22	0.00	1,000,000.00	0.00	0.00	1,000,000.00
Matured	12/6/2023	3130ATVJ3	1,000,000.00	FHLB 5 12/6/2023	0.00	1,000,000.00	0.00	0.00	1,000,000.00
Subtotal			8,168,000.00			8,168,000.00	0.00		8,168,000.00
Withdraw	10/31/2023	LOGIC5010	4,700,000.00	LOGIC Operating LGIP	0.00	4,700,000.00	0.00	0.00	4,700,000.00
Withdraw	11/30/2023	LOGIC5010	2,100,000.00	LOGIC Operating LGIP	0.00	2,100,000.00	0.00	0.00	2,100,000.00



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Action	Settlement Date	CUSIP	Face Amount / Shares	Description	Purchase Price	Principal	Interest / Dividends	YTM @ Cost	Total
Withdraw	12/31/2023	LOGIC5010	5,600,000.00	LOGIC Operating LGIP	0.00	5,600,000.00	0.00	0.00	5,600,000.00
Subtotal			12,400,000.00			12,400,000.00	0.00		12,400,000.00
Total Sell Transactions			27,419,910.98			27,419,910.98	70,937.50		27,490,848.48
Interest/Dividends									
Interest	10/1/2023	46873TAD5	0.00	Jackson Energy TN 3.4 4/1/2026-23		0.00	32,725.00	0.00	32,725.00
Interest	10/1/2023	23542JQP3	0.00	Dallas Water-Sewer TX 1.007 10/1/2025		0.00	6,797.25	0.00	6,797.25
Interest	10/1/2023	052392CR6	0.00	Austin Telco CU TX 5 1/26/2024		0.00	1,006.85	0.00	1,006.85
Interest	10/1/2023	92891CDA7	0.00	VYStar CU FL 5.2 3/10/2028-25		0.00	1,047.12	0.00	1,047.12
Interest	10/1/2023	80865MAD9	0.00	Scient Federal CU 5.6 6/21/2024		0.00	375.89	0.00	375.89
Interest	10/1/2023	53052LAG4	0.00	Liberty Federal CU IA 4.9 1/16/2024		0.00	986.71	0.00	986.71
Interest	10/1/2023	432275AF2	0.00	Hillsborough County FL 3.751 10/1/2023		0.00	4,688.75	0.00	4,688.75
Interest	10/1/2023	088632CT9	0.00	Bi-State Development Agency MA 1.344 10/1/2025		0.00	10,248.00	0.00	10,248.00
Interest	10/1/2023	64966H4M9	0.00	New York NY Sinking 5.047 10/1/2024-22		0.00	95,757.99	0.00	95,757.99
Interest	10/1/2023	485106UX4	0.00	Kansas City MO 1.475 4/1/2026		0.00	7,375.00	0.00	7,375.00
Interest	10/7/2023	3130APAF2	0.00	FHLB 0.52 10/7/2024-22		0.00	2,600.00	0.00	2,600.00
Interest	10/14/2023	3130ARGS4	0.00	FHLB Step 4/14/2027-23		0.00	15,000.00	0.00	15,000.00
Interest	10/15/2023	20825WBN9	0.00	Connexus CR 5.4 6/15/2028-24		0.00	1,087.40	0.00	1,087.40
Interest	10/15/2023	6817126Z3	0.00	Omaha NE 0.983 4/15/2026		0.00	3,686.25	0.00	3,686.25
Interest	10/17/2023	36266LAB2	0.00	GHS Federal CU 5.6 8/17/2028-25		0.00	1,127.67	0.00	1,127.67
Interest	10/18/2023	17783PAH4	0.00	City Federal CU TX 4.9 1/18/2024		0.00	986.71	0.00	986.71
Interest	10/18/2023	920133AL9	0.00	Valley Strong CU CA 5.1 7/18/2025-23		0.00	1,026.99	0.00	1,026.99
Interest	10/18/2023	30960QAM9	0.00	Farmers Insurance Group 5 1/18/2024		0.00	1,006.85	0.00	1,006.85
Interest	10/19/2023	87868YAG8	0.00	Technology CU CA 5 1/21/2025		0.00	1,006.85	0.00	1,006.85
Interest	10/20/2023	04288LAA6	0.00	Arsenal CU MO 5.1 1/21/2025-24		0.00	1,026.99	0.00	1,026.99
Interest	10/20/2023	77535MAM5	0.00	Rogue Univesrity CU OR 5.1 1/20/2028-23		0.00	1,026.99	0.00	1,026.99
Interest	10/22/2023	89789AAH0	0.00	Truiliant Federal CU 5.15 3/23/2026		0.00	1,037.05	0.00	1,037.05
Interest	10/22/2023	15643VAC6	0.00	Centris Federal CU 5.75 9/20/2024		0.00	1,157.88	0.00	1,157.88
Interest	10/25/2023	3134GXQM9	0.00	FHLMC 2.4 10/25/2023-22		0.00	12,000.00	0.00	12,000.00



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Begin Date: 9/30/2023, End Date: 12/31/2023

Action	Settlement Date	CUSIP	Face Amount / Shares	Description	Purchase Price	Principal	Interest / Dividends	YTM @ Cost	Total
Interest	10/25/2023	90307LAB0	0.00	Uncle CU CA 5 1/25/2024		0.00	1,006.85	0.00	1,006.85
Interest	10/26/2023	98138MBY5	0.00	Worker's CU MA 5.25 5/26/2028-23		0.00	1,057.19	0.00	1,057.19
Interest	10/27/2023	84611JAB9	0.00	Space Age Federal CU CO 5.05 1/26/2024		0.00	1,016.92	0.00	1,016.92
Interest	10/28/2023	3133EMXQ0	0.00	FFCB 0.94 4/28/2026-22		0.00	4,700.00	0.00	4,700.00
Interest	10/28/2023	3134GXQR8	0.00	FHLMC Step 4/28/2025-22		0.00	15,000.00	0.00	15,000.00
Interest	10/29/2023	24951TAU9	0.00	DOC Federal CU 3.5 7/1/2024-22		0.00	704.79	0.00	704.79
Interest	10/31/2023	LOGIC5010	0.00	LOGIC Operating LGIP		0.00	117,199.47	0.00	117,199.47
Interest	10/31/2023	TEXSTAR1110	0.00	TexSTAR Operating LGIP		0.00	4,750.73	0.00	4,750.73
Interest	10/31/2023	91334AAL7	0.00	United Heritage CU TX 5.15 3/21/2025		0.00	1,071.62	0.00	1,071.62
Interest	10/31/2023	TEXASCLASS0001	0.00	Texas CLASS LGIP		0.00	17,150.75	0.00	17,150.75
Interest	10/31/2023	70962LBA9	0.00	Pentagon Federal CU 1.25 1/31/2025		0.00	260.10	0.00	260.10
Interest	10/31/2023	TEXPOOL0003	0.00	TexPool General LGIP		0.00	4,796.19	0.00	4,796.19
Interest	11/1/2023	052392CR6	0.00	Austin Telco CU TX 5 1/26/2024		0.00	1,040.41	0.00	1,040.41
Interest	11/1/2023	64971M5K4	0.00	New York City NY 5.075 11/1/2025-25		0.00	13,195.00	0.00	13,195.00
Interest	11/1/2023	92891CDA7	0.00	VYStar CU FL 5.2 3/10/2028-25		0.00	1,082.03	0.00	1,082.03
Interest	11/1/2023	80865MAD9	0.00	Scient Federal CU 5.6 6/21/2024		0.00	1,165.26	0.00	1,165.26
Interest	11/1/2023	53052LAG4	0.00	Liberty Federal CU IA 4.9 1/16/2024		0.00	1,019.60	0.00	1,019.60
Interest	11/12/2023	3130AMDE9	0.00	FHLB Step 5/12/2026-21		0.00	7,500.00	0.00	7,500.00
Interest	11/15/2023	3130ATQD2	0.00	FHLB Step 11/15/2024-23		0.00	23,250.00	0.00	23,250.00
Interest	11/15/2023	20825WBN9	0.00	Connexus CR 5.4 6/15/2028-24		0.00	1,123.64	0.00	1,123.64
Interest	11/15/2023	207580AP6	0.00	Connecticut Green Bank CT 0.55 11/15/2023		0.00	825.00	0.00	825.00
Interest	11/15/2023	3130AVZ62	0.00	FHLB 5.5 5/15/2025-23		0.00	58,850.00	0.00	58,850.00
Interest	11/15/2023	20775C6C3	0.00	Connecticut State Housing CT 2.097 11/15/2024		0.00	3,145.50	0.00	3,145.50
Interest	11/15/2023	207580AR2	0.00	Connecticut Green Bank CT 1.2 11/15/2025		0.00	1,200.00	0.00	1,200.00
Interest	11/15/2023	207580AQ4	0.00	Connecticut Green Bank CT 0.85 11/15/2024		0.00	1,168.75	0.00	1,168.75
Interest	11/17/2023	36266LAB2	0.00	GHS Federal CU 5.6 8/17/2028-25		0.00	1,165.26	0.00	1,165.26



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Action	Settlement Date	CUSIP	Face Amount / Shares	Description	Purchase Price	Principal	Interest / Dividends	YTM @ Cost	Total
Interest	11/17/2023	69506YZB8	0.00	Pacific Western Bank, CA 5.35 5/17/2028-24		0.00	6,607.62	0.00	6,607.62
Interest	11/18/2023	17783PAH4	0.00	City Federal CU TX 4.9 1/18/2024		0.00	1,019.60	0.00	1,019.60
Interest	11/18/2023	3134GYRX2	0.00	FHLMC 5.375 5/18/2026-23		0.00	26,875.00	0.00	26,875.00
Interest	11/18/2023	920133AL9	0.00	Valley Strong CU CA 5.1 7/18/2025-23		0.00	1,061.22	0.00	1,061.22
Interest	11/18/2023	30960QAM9	0.00	Farmers Insurance Group 5 1/18/2024		0.00	1,040.41	0.00	1,040.41
Interest	11/19/2023	87868YAG8	0.00	Technology CU CA 5 1/21/2025		0.00	1,040.41	0.00	1,040.41
Interest	11/20/2023	04288LAA6	0.00	Arsenal CU MO 5.1 1/21/2025-24		0.00	1,061.22	0.00	1,061.22
Interest	11/20/2023	77535MAM5	0.00	Rogue University CU OR 5.1 1/20/2028-23		0.00	1,061.22	0.00	1,061.22
Interest	11/20/2023	549104TM9	0.00	Luana Savings Bank IA 0.2 11/20/2023		0.00	252.76	0.00	252.76
Interest	11/22/2023	89789AAH0	0.00	Truiliant Federal CU 5.15 3/23/2026		0.00	1,071.62	0.00	1,071.62
Interest	11/22/2023	15643VAC6	0.00	Centris Federal CU 5.75 9/20/2024		0.00	1,196.47	0.00	1,196.47
Interest	11/23/2023	3133EM3E0	0.00	FFCB 0.61 5/23/2025-21		0.00	3,050.00	0.00	3,050.00
Interest	11/25/2023	90307LAB0	0.00	Uncle CU CA 5 1/25/2024		0.00	1,040.41	0.00	1,040.41
Interest	11/25/2023	3135GACZ2	0.00	FNMA 5.4 11/25/2024-23		0.00	27,000.00	0.00	27,000.00
Interest	11/26/2023	98138MBY5	0.00	Worker's CU MA 5.25 5/26/2028-23		0.00	1,092.43	0.00	1,092.43
Interest	11/27/2023	84611JAB9	0.00	Space Age Federal CU CO 5.05 1/26/2024		0.00	1,050.82	0.00	1,050.82
Interest	11/28/2023	3134GY2N1	0.00	FHLMC 5.17 5/28/2024-23		0.00	25,850.00	0.00	25,850.00
Interest	11/29/2023	24951TAU9	0.00	DOC Federal CU 3.5 7/1/2024-22		0.00	728.29	0.00	728.29
Interest	11/30/2023	LOGIC5010	0.00	LOGIC Operating LGIP		0.00	110,409.68	0.00	110,409.68
Interest	11/30/2023	TEXSTAR1110	0.00	TexSTAR Operating LGIP		0.00	4,625.48	0.00	4,625.48
Interest	11/30/2023	91334AAL7	0.00	United Heritage CU TX 5.15 3/21/2025		0.00	1,037.05	0.00	1,037.05
Interest	11/30/2023	912828XT2	0.00	T-Note 2 5/31/2024		0.00	10,000.00	0.00	10,000.00
Interest	11/30/2023	TEXASCLASS0001	0.00	Texas CLASS LGIP		0.00	16,768.63	0.00	16,768.63
Interest	11/30/2023	70962LBA9	0.00	Pentagon Federal CU 1.25 1/31/2025		0.00	251.71	0.00	251.71
Interest	11/30/2023	TEXPOOL0003	0.00	TexPool General LGIP		0.00	4,674.36	0.00	4,674.36
Interest	12/1/2023	64763FTY5	0.00	New Orleans LA 5 12/1/2023		0.00	9,000.00	0.00	9,000.00
Interest	12/1/2023	83754LAX5	0.00	South Dakota Educational 1.495 6/1/2026-26		0.00	7,475.00	0.00	7,475.00



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Action	Settlement Date	CUSIP	Face Amount / Shares	Description	Purchase Price	Principal	Interest / Dividends	YTM @ Cost	Total
Interest	12/1/2023	052392CR6	0.00	Austin Telco CU TX 5 1/26/2024		0.00	1,006.85	0.00	1,006.85
Interest	12/1/2023	57604TAB2	0.00	Massachusetts State 5.203 6/1/2025-25		0.00	26,015.00	0.00	26,015.00
Interest	12/1/2023	92891CDA7	0.00	VYStar CU FL 5.2 3/10/2028-25		0.00	1,047.12	0.00	1,047.12
Interest	12/1/2023	80865MAD9	0.00	Scient Federal CU 5.6 6/21/2024		0.00	1,127.67	0.00	1,127.67
Interest	12/1/2023	53052LAG4	0.00	Liberty Federal CU IA 4.9 1/16/2024		0.00	986.71	0.00	986.71
Interest	12/1/2023	084244HX3	0.00	Berkeley County VA 0.886 12/1/2023		0.00	4,474.30	0.00	4,474.30
Interest	12/1/2023	00832KBU2	0.00	Affinity Federal CU 5.8 11/15/2024		0.00	622.90	0.00	622.90
Interest	12/1/2023	64966JAP1	0.00	New York NY 5.687 12/1/2023-22		0.00	28,435.00	0.00	28,435.00
Interest	12/1/2023	427908EF1	0.00	Hernando County W/S FL 0.589 6/1/2024-24		0.00	736.25	0.00	736.25
Interest	12/1/2023	68607LXQ5	0.00	Oregon State Sinking 5.892 6/1/2027-24		0.00	29,460.00	0.00	29,460.00
Interest	12/6/2023	3130ATVJ3	0.00	FHLB 5 12/6/2023		0.00	25,000.00	0.00	25,000.00
Interest	12/6/2023	3133EPLV5	0.00	FFCB 5.85 6/6/2028-23		0.00	29,250.00	0.00	29,250.00
Interest	12/9/2023	3130AMJX1	0.00	FHLB 0.65 12/9/2024-21		0.00	4,875.00	0.00	4,875.00
Interest	12/9/2023	3130AMMJ8	0.00	FHLB Step 6/9/2026-23		0.00	7,500.00	0.00	7,500.00
Interest	12/10/2023	3130AMMW9	0.00	FHLB Step 6/10/2026-21		0.00	11,250.00	0.00	11,250.00
Interest	12/15/2023	365820HB8	0.00	Garfield Heights SD OH 3.1 12/15/2024-23		0.00	3,875.00	0.00	3,875.00
Interest	12/15/2023	20825WBN9	0.00	Connexus CR 5.4 6/15/2028-24		0.00	1,087.40	0.00	1,087.40
Interest	12/17/2023	36266LAB2	0.00	GHS Federal CU 5.6 8/17/2028-25		0.00	1,127.67	0.00	1,127.67
Interest	12/18/2023	17783PAH4	0.00	City Federal CU TX 4.9 1/18/2024		0.00	986.71	0.00	986.71
Interest	12/18/2023	920133AL9	0.00	Valley Strong CU CA 5.1 7/18/2025-23		0.00	1,026.99	0.00	1,026.99
Interest	12/18/2023	30960QAM9	0.00	Farmers Insurance Group 5 1/18/2024		0.00	1,006.85	0.00	1,006.85
Interest	12/19/2023	87868YAG8	0.00	Technology CU CA 5 1/21/2025		0.00	1,006.85	0.00	1,006.85
Interest	12/20/2023	3134GY5N8	0.00	FHLMC 5.25 6/20/2024-23		0.00	39,375.00	0.00	39,375.00
Interest	12/20/2023	04288LAA6	0.00	Arsenal CU MO 5.1 1/21/2025-24		0.00	1,026.99	0.00	1,026.99
Interest	12/20/2023	77535MAM5	0.00	Rogue University CU OR 5.1 1/20/2028-23		0.00	1,026.99	0.00	1,026.99
Interest	12/21/2023	09644EAR3	0.00	Blupeak CU 5.75 11/20/2024		0.00	1,157.88	0.00	1,157.88
Interest	12/22/2023	89789AAH0	0.00	Truiliant Federal CU 5.15 3/23/2026		0.00	1,037.05	0.00	1,037.05
Interest	12/22/2023	15643VAC6	0.00	Centris Federal CU 5.75 9/20/2024		0.00	1,157.88	0.00	1,157.88



Town of Addison | TX Transaction Summary by Action All Portfolios

Begin Date: 9/30/2023, End Date: 12/31/2023

Action	Settlement Date	CUSIP	Face Amount / Shares	Description	Purchase Price	Principal	Interest / Dividends	YTM @ Cost	Total
Interest	12/25/2023	90307LAB0	0.00	Uncle CU CA 5 1/25/2024		0.00	1,006.85	0.00	1,006.85
Interest	12/26/2023	98138MBY5	0.00	Worker's CU MA 5.25 5/26/2028-23		0.00	1,057.19	0.00	1,057.19
Interest	12/27/2023	84611JAB9	0.00	Space Age Federal CU CO 5.05 1/26/2024		0.00	1,016.92	0.00	1,016.92
Interest	12/27/2023	3130AWEJ5	0.00	FHLB 5.75 6/27/2025-23		0.00	28,750.00	0.00	28,750.00
Interest	12/29/2023	24951TAU9	0.00	DOC Federal CU 3.5 7/1/2024-22		0.00	704.79	0.00	704.79
Interest	12/30/2023	227563EQ2	0.00	Cross River Bank 5.5 11/30/2028-24		0.00	1,107.53	0.00	1,107.53
Interest	12/30/2023	938828CY4	0.00	Washington Federal 5.5 11/30/2028-24		0.00	1,107.53	0.00	1,107.53
Interest	12/30/2023	3130ASG52	0.00	FHLB 4.1 6/30/2027-23		0.00	20,500.00	0.00	20,500.00
Interest	12/31/2023	LOGIC5010	0.00	LOGIC Operating LGIP		0.00	128,292.53	0.00	128,292.53
Interest	12/31/2023	TEXSTAR1110	0.00	TexSTAR Operating LGIP		0.00	4,806.99	0.00	4,806.99
Interest	12/31/2023	91334AAL7	0.00	United Heritage CU TX 5.15 3/21/2025		0.00	1,071.62	0.00	1,071.62
Interest	12/31/2023	TEXASCLASS0001	0.00	Texas CLASS LGIP		0.00	17,374.00	0.00	17,374.00
Interest	12/31/2023	70962LBA9	0.00	Pentagon Federal CU 1.25 1/31/2025		0.00	260.10	0.00	260.10
Interest	12/31/2023	TEXPOOL0003	0.00	TexPool General LGIP		0.00	4,848.87	0.00	4,848.87
Subtotal			0.00			0.00	1,194,163.64		1,194,163.64
Total Interest/Dividends			0.00			0.00	1,194,163.64		1,194,163.64

Quarterly Financial Report Fiscal Year 2024 First Quarter

The logo for ADDISON, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes a white diagonal line and a grey triangle.

February 27, 2024

Executive Dashboard – Key Revenue Sources

Executive Dashboard - 1st Quarter, 2024 Fiscal Year

Financial Indicators

Positive variance compared to historical trends

Positive

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Warning

Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

Key Revenue Sources	FY2024 Budget	Actual through 12/31/23	% Annual Budget
Ad Valorem Taxes - General Fund	\$ 24,841,151	\$ 5,706,911	22.97%
Non-Property Taxes - General Fund	16,500,000	4,496,856	27.25%
Hotel Tax	5,250,000	1,202,032	22.90% ⁽¹⁾
Franchise Fees - General Fund	2,060,000	533,740	25.91%
Service/Permitting/License Fees - General Fund	3,551,850	679,854	19.14%
Fines and Penalties - All Funds	423,711	124,354	29.35%
Special Event Revenue - Hotel Fund	1,127,000	188,055	16.69% ⁽²⁾
Fuel Flowage Fees - Airport Fund	1,170,080	320,939	27.43%
Water and Sewer Charges - Utility Fund	16,031,029	4,073,407	25.41%

⁽¹⁾ Hotel tax revenue has not been collected from all hoteliers

⁽²⁾ Special Events are low due to the timing of events

Executive Dashboard – Key Expenditures

Executive Dashboard - 1st Quarter, 2024 Fiscal Year

Financial Indicators

Positive variance compared to historical trends

Positive

Negative variance of 3%-5% and more than \$50,000 compared to historical trends

Warning

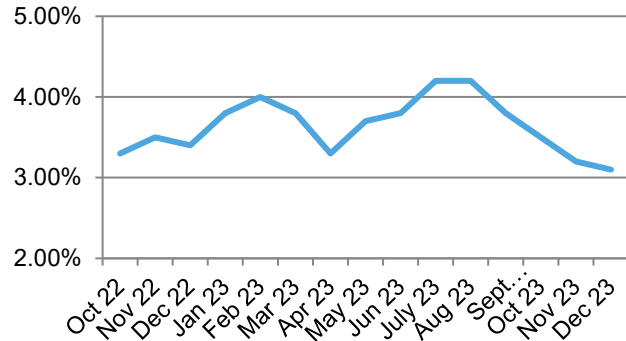
Negative variance of >5% and more than \$50,000 compared to historical trends

Negative

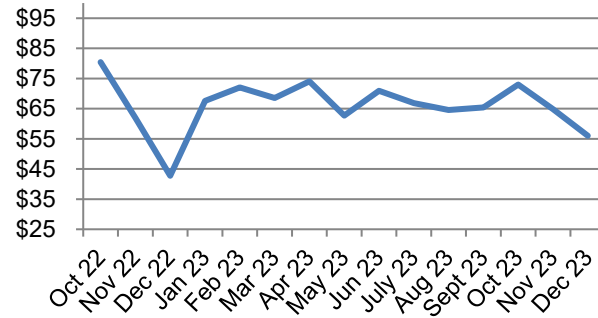
Key Expenditures	FY2024 Budget	Actual through 12/31/23	% Annual Budget
General Fund	\$ 48,155,864	\$ 12,213,646	25.36%
Hotel Fund	6,736,061	955,257	14.18%
Economic Development	1,602,941	133,213	8.31%
Airport Operations	6,130,403	1,084,510	17.69%
Utility Operations	16,192,794	2,964,751	18.31%

Economic Indicators

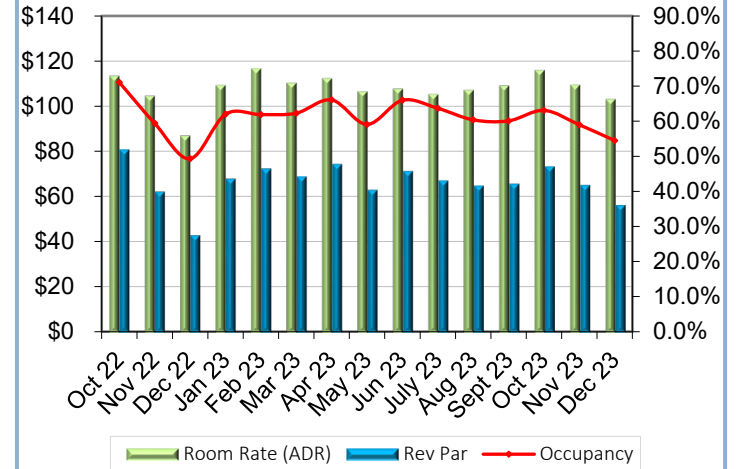
DFW Unemployment Rate Last 12 months



Hotel Revenue Per Available Room



Addison Hotel Statistics

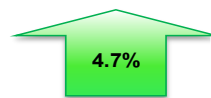


Occupancy Indicators:

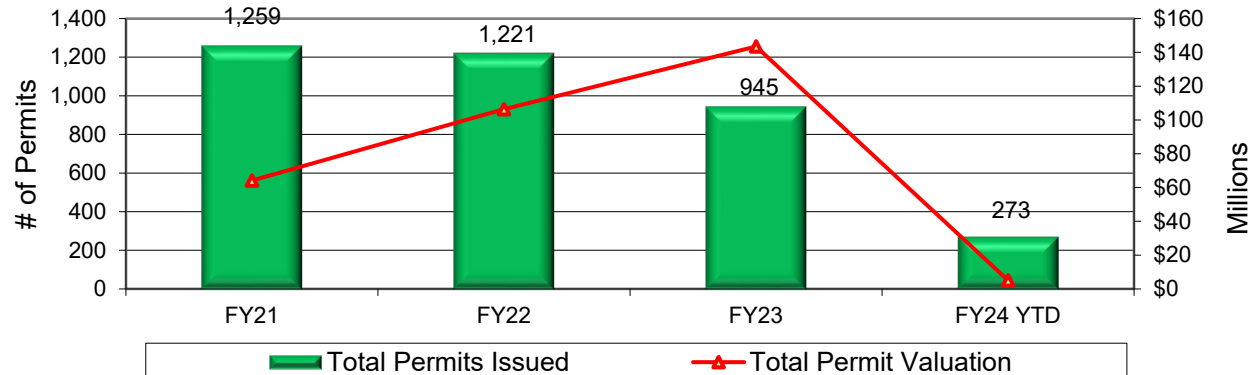
Office Occupancy = 80.5%
Retail Occupancy = 96.1%

Hotel Indicators

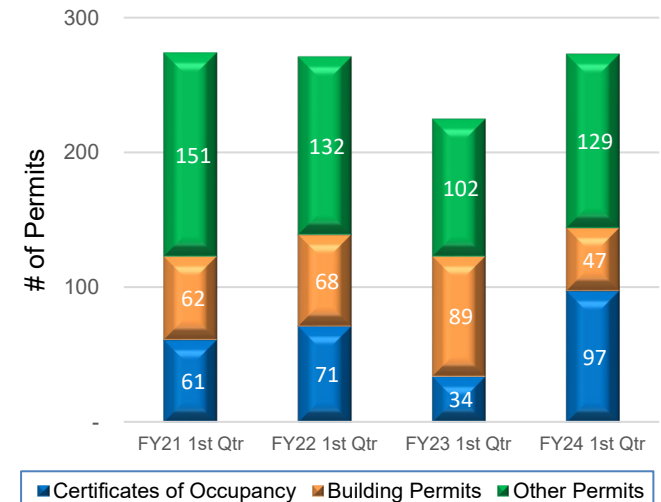
Hotel Occupancy = 58.9%
RevPar = \$64.62



Total Permits Issued and Valuation

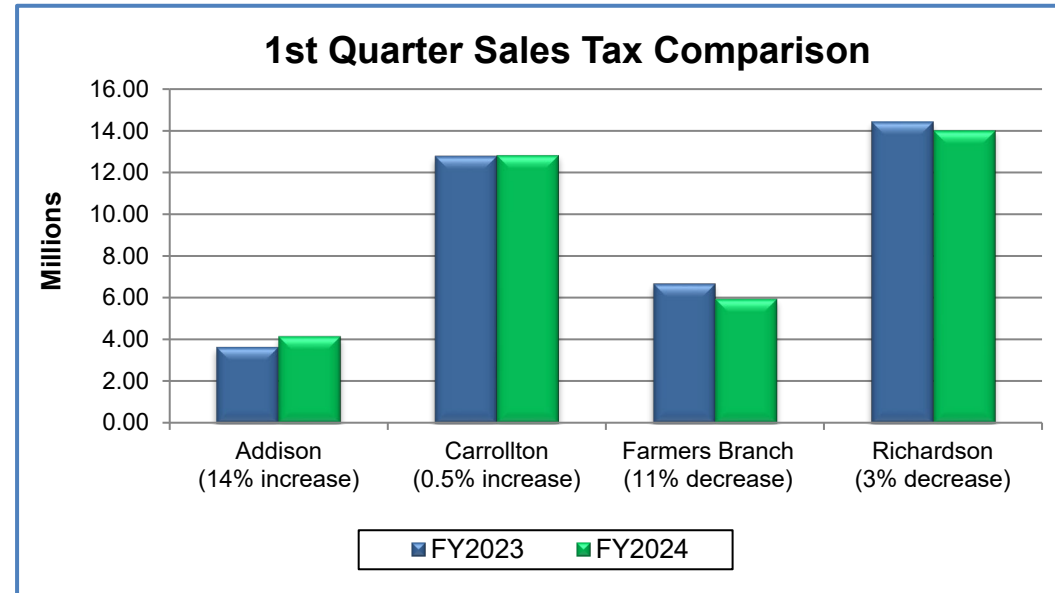


Quarterly Permit Activity, Year over Year

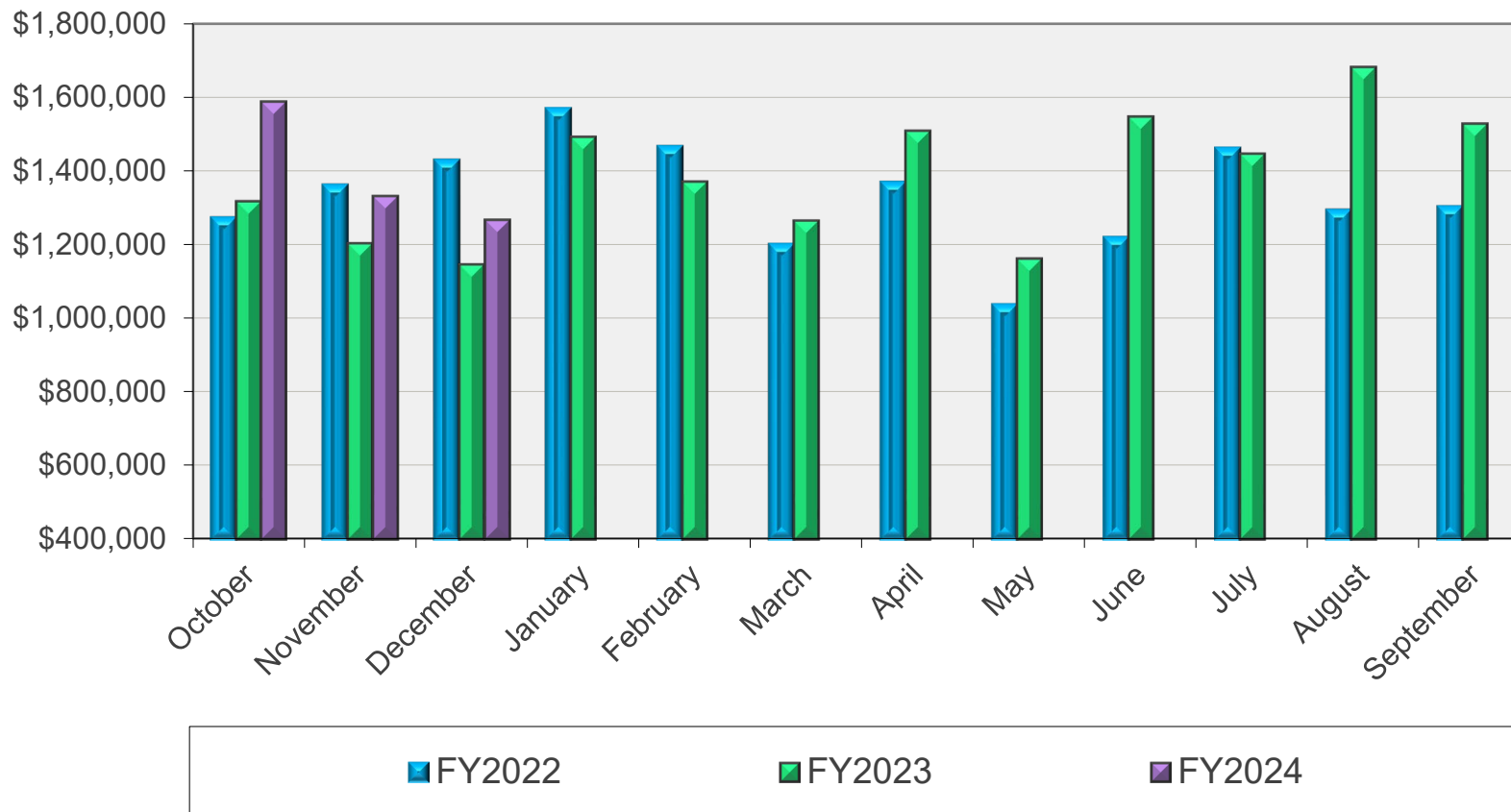


Economic Development Incentives:

Executed Agreements	Amount Paid FY24	Total Incentives Committed
7	\$0	\$535,687



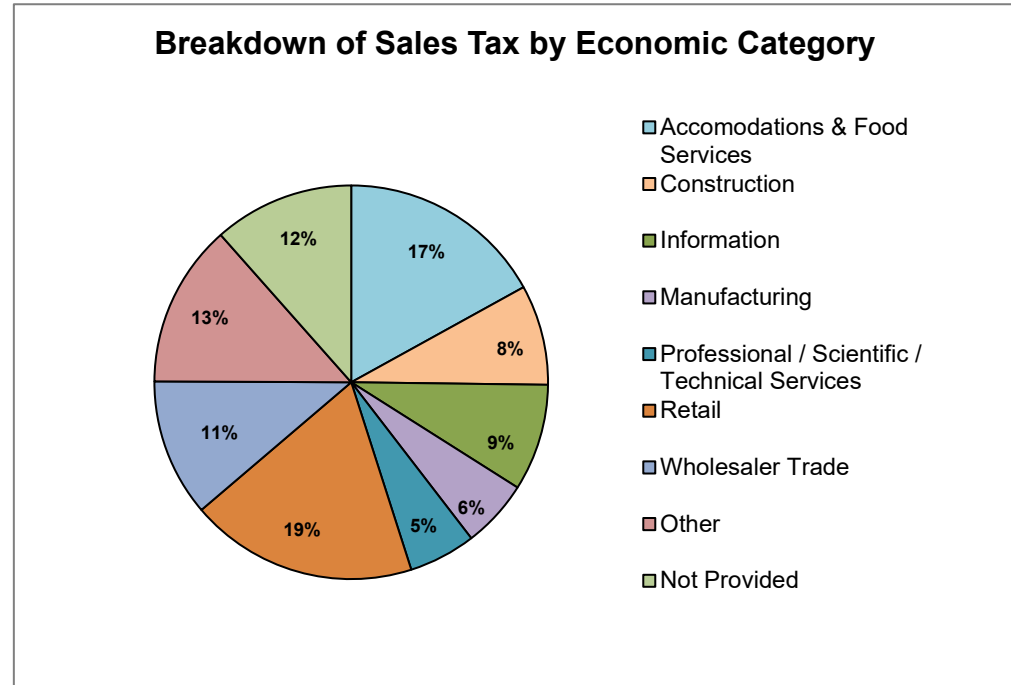
Monthly Sales Tax Collections



Sales Tax Collections

TOWN OF ADDISON
Schedule of Sales Tax Collections
For the quarter ending December 31, 2023

	FY2024 Monthly Collections	% Change from Prior Year	FY2023 Monthly Collections
October	\$ 1,588,209	20.6%	\$ 1,316,545
November	1,331,900	10.7%	1,202,884
December	1,267,187	10.6%	1,145,606
January		-100.0%	1,491,449
February		-100.0%	1,370,185
March		-100.0%	1,264,607
April		-100.0%	1,507,915
May		-100.0%	1,161,332
June		-100.0%	1,546,842
July		-100.0%	1,445,780
August		-100.0%	1,681,154
September		-100.0%	1,527,569
	4,187,296		\$ 16,661,868
Budget:	15,200,000	27.5%	15,196,417



General Fund Revenue

CATEGORY	FY 2022-23	FY 2023-24	FY 2023-24	FY 2023-24	ACTUAL
	ACTUAL	REVISED	ACTUAL	ACTUAL	YTD as %
	PRIOR YEAR	BUDGET	1ST QTR	YTD	of Budget
Revenues:					
Ad Valorem taxes:					
Current taxes	\$ 22,917,929	\$ 24,991,151	\$ 5,742,144	\$ 5,742,144	23.0%
Delinquent taxes	(249,526)	(200,000)	(43,653)	(43,653)	21.8% ⁽¹⁾
Penalty & interest	71,219	50,000	8,419	8,419	16.8%
Non-property taxes:					
Sales tax	16,661,868	15,200,000	4,187,296	4,187,296	27.5%
Alcoholic beverage tax	1,360,467	1,300,000	309,560	309,560	23.8%
Franchise / right-of-way use fees:					
Electric franchise	1,497,546	1,525,000	471,971	471,971	30.9%
Gas franchise	349,536	250,000	-	-	0.0%
Telecommunication access fees	168,873	175,000	37,859	37,859	21.6%
Cable franchise	109,986	110,000	23,910	23,910	21.7%
Street rental fees	-	-	-	-	0.0%
Licenses and permits:					
Business licenses and permits	182,338	149,100	46,743	46,743	31.4%
Building and construction permits	1,037,203	960,400	134,483	134,483	14.0%
Intergovernmental	-	-	-	-	0.0%
Service fees:					
General government	-	-	-	-	0.0%
Public safety	1,140,326	1,195,555	204,147	204,147	17.1%
Urban development	2,160	47,200	9,465	9,465	20.1%
Streets and sanitation	466,103	483,000	101,113	101,113	20.9%
Recreation	79,893	70,300	22,329	22,329	31.8%
Interfund	444,290	646,295	161,574	161,574	25.0%
Court fines	391,711	330,000	78,003	78,003	23.6%
Interest earnings	194,259	525,000	163,286	163,286	31.1%
Rental income	8,340	8,600	1,900	1,900	22.1%
Other	437,656	347,500	181,738	181,738	52.3%
Total Revenues	47,272,177	48,164,101	11,842,288	11,842,288	24.6%

⁽¹⁾ Represents prior year tax payment refunds

General Fund Expenditures

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Expenditures:					
General Government:					
City Secretary	195,004	251,577	54,808	54,808	21.8%
City Manager	1,160,157	1,144,346	319,257	319,257	27.9%
Finance	1,896,181	2,041,177	512,475	512,475	25.1%
General Services	1,490,640	1,594,198	371,657	371,657	23.3%
Municipal Court	705,891	692,943	203,178	203,178	29.3%
Human Resources	744,219	791,253	127,467	127,467	16.1%
Information Technology	2,043,507	2,487,384	511,235	511,235	20.6%
Combined Services	1,475,632	1,157,281	506,933	506,933	43.8%
Council Projects	340,228	420,241	186,735	186,735	44.4% ⁽¹⁾
Public Safety:					
Police	11,527,487	12,437,687	3,281,004	3,281,004	26.4%
Emergency Communications	1,728,465	1,788,857	952,786	952,786	53.3%
Fire	9,976,642	10,970,964	2,651,333	2,651,333	24.2%
Development Services	1,933,207	2,765,543	557,646	557,646	20.2%
Streets	2,275,695	2,281,370	458,549	458,549	20.1%
Parks and Recreation:					
Parks	4,856,125	5,332,218	1,157,996	1,157,996	21.7%
Recreation	1,755,519	1,998,825	360,587	360,587	18.0%
Other financing uses:					
Transfers to other funds	3,000,000	-	-	-	0.0%
Total Expenditures	47,104,599	48,155,864	12,213,646	12,213,646	25.4%
Net Change in Fund Balance	167,578	8,237	(371,357)	(371,357)	
Fund Balance at Beginning of Year	20,515,381	20,682,959		20,682,959	
Fund Balance at End of Year	\$ 20,682,959	\$ 20,691,196		\$ 20,311,602	

⁽¹⁾ Includes primary NPO grant payment for non-profit grant funding

Hotel Fund

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Hotel/Motel occupancy taxes	\$ 5,683,639	\$ 5,250,000	\$ 1,202,032	\$ 1,202,032	22.9% ⁽¹⁾
Proceeds from special events	1,222,856	1,127,000	188,055	188,055	16.7%
Rental income	145,534	70,000	21,975	21,975	31.4%
Interest and miscellaneous	41,714	75,100	44,082	44,082	58.7%
Total Revenues	7,093,743	6,522,100	1,456,144	1,456,144	22.3%
Expenditures:					
Tourism	-	644,711	79,656	79,656	12.4%
Addison theatre centre	331,459	322,452	66,284	66,284	20.6%
Conference centre	195,446	274,752	58,208	58,208	21.2%
General hotel operations	169,397	188,550	53,185	53,185	28.2%
Marketing	999,701	1,070,682	186,839	186,839	17.5%
Performing arts	427,500	379,089	227,839	227,839	60.1% ⁽²⁾
Special events	2,529,785	2,715,937	37,760	37,760	1.4%
Special events operations	983,548	1,139,888	245,486	245,486	21.5%
Other financing uses:					
Transfer to Economic Development Fund	768,000	-	-	-	0.0%
Total Expenditures	6,404,836	6,736,061	955,257	955,257	14.2%
Net Change in Fund Balance	688,907	(213,961)	500,888	500,888	
Fund Balance at Beginning of Year	4,641,300	5,330,207		5,330,207	
Fund Balance at End of Year	\$ 5,330,207	\$ 5,116,246		\$ 5,831,095	

⁽¹⁾ Hotel tax collections have not been received by all hoteliers

⁽²⁾ NPO primary grant payment and matching funds for non-profit grant funding to Water Tower Theatre

Economic Development Fund

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Revenues:					
Ad Valorem taxes:	\$ 1,298,984	\$ 1,401,782	\$ 321,934	\$ 321,934	23.0%
Business license fee	33,105	50,000	11,100	11,100	22.2%
Interest income and other	34,580	50,000	21,570	21,570	43.1%
Transfers from General/Hotel Fund	768,000	-	-	-	0.0%
Total Revenues	2,134,669	1,501,782	354,604	354,604	23.6%
Expenditures:					
Personnel services	496,340	465,625	84,803	84,803	18.2%
Supplies	16,678	15,317	1,730	1,730	11.3%
Maintenance	9,736	10,040	168	168	1.7%
Contractual services	866,490	1,102,244	44,083	44,083	4.0%
Debt Service	13,372	9,715	2,429	2,429	25.0%
Capital replacement/lease	119,833	-	-	-	0.0%
Total Expenditures	1,522,449	1,602,941	133,213	133,213	8.3%
Net Change in Fund Balance	612,221	(101,159)	221,391	221,391	
Fund Balance at Beginning of Year	1,980,287	2,592,508		2,592,508	
Fund Balance at End of Year	\$ 2,592,508	\$ 2,491,349		\$ 2,813,899	

Airport Fund

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating Revenues:					
Operating grants	\$ 50,000	\$ 50,000	\$ -	\$ -	0.0%
Service fees	161,815	224,100	48,975	48,975	21.9% ⁽¹⁾
Fuel flowage fees	1,195,788	1,170,080	320,939	320,939	27.4%
Rental income	4,426,042	5,686,105	1,427,383	1,427,383	25.1%
Interest income and other	284,874	125,000	86,377	86,377	69.1%
Total Operating Revenues:	6,118,519	7,255,285	1,883,674	1,883,674	26.0%
Operating Expenses:					
Personnel services	2,509,541	2,735,486	617,843	617,843	22.6%
Supplies	41,994	36,587	4,471	4,471	12.2%
Maintenance	688,500	750,462	171,689	171,689	22.9%
Contractual services	1,027,345	1,376,399	245,739	245,739	17.9%
Capital Replacement/Lease	232,928	157,928	39,482	39,482	25.0%
Debt service	703,478	1,073,541	5,286	5,286	0.5%
Capital Outlay	25,410	-	-	-	0.0%
Total Operating Expenses:	5,229,196	6,130,403	1,084,510	1,084,510	17.7%
Other financing uses:					
Transfer to Debt service fund	508,966	469,344	117,336	117,336	25.0%
Capital Projects (Cash Funded)	1,278,016	1,670,700	39,760	39,760	2.4%
Total Expenses:	7,016,178	8,270,447	1,241,606	1,241,606	15.0%
Net Change in Working Capital	(897,659)	(1,015,162)	642,068	642,068	
Working Capital at Beginning of Year	7,919,154	7,021,495		7,021,495	
Working Capital at End of Year	\$ 7,021,495	\$ 6,006,333		\$ 7,663,563	

⁽¹⁾ Percentage is below the quarterly threshold but actuals are in line with historical trends

Utility Fund

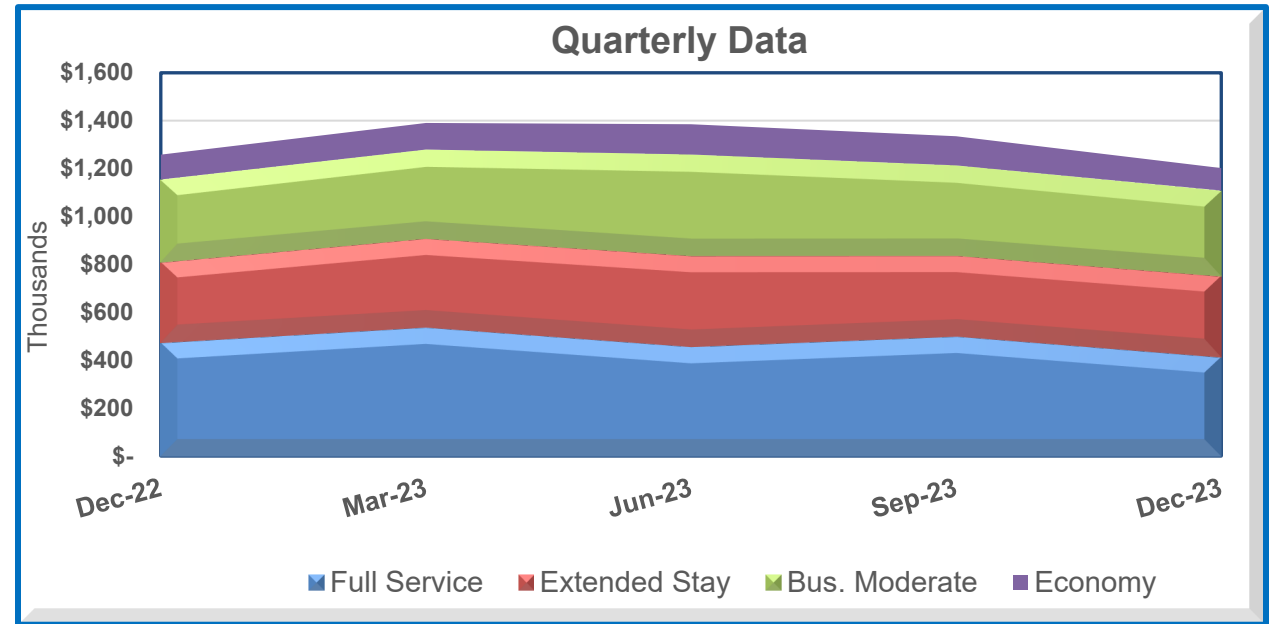
CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Water sales	\$ 9,437,297	\$ 8,930,630	\$ 2,276,334	\$ 2,276,334	25.5%
Sewer charges	6,647,135	7,100,399	1,797,073	1,797,073	25.3%
Tap fees	119,263	10,324	27,990	27,990	271.1%
Penalties	118,932	93,711	46,351	46,351	49.5%
Interest income and other	227,542	157,422	73,243	73,243	46.5%
Total Operating Revenues:	16,550,168	16,292,486	4,220,991	4,220,991	25.9%
Operating expenses:					
Personnel services	2,637,852	3,048,220	684,110	684,110	22.4%
Supplies	221,181	238,671	49,538	49,538	20.8%
Maintenance	1,009,883	1,038,422	148,130	148,130	14.3%
Contractual services				-	
Water purchases	4,424,647	4,620,482	683,721	683,721	14.8%
Wastewater treatment	3,909,952	3,950,773	1,020,367	1,020,367	25.8%
Other services	1,362,961	1,345,472	322,053	322,053	23.9%
Capital Replacement/Lease	206,584	206,584	51,646	51,646	25.0%
Debt service	1,652,363	1,744,170	397	397	0.0%
Capital outlay	77,858	-	4,788	4,788	0.0%
Total Operating Expenses:	15,503,282	16,192,794	2,964,751	2,964,751	18.3%
Capital Projects (Cash Funded)	-	79,000	-	-	0.0%
Total Expenses:	15,503,282	16,271,794	2,964,751	2,964,751	18.2%
Net Change in Working Capital	1,046,886	20,692	1,256,240	1,256,240	
Working Capital at Beginning of Year	7,445,100	8,491,986		8,491,986	
Working Capital at End of Year	\$ 8,491,986	\$ 8,512,678		\$ 9,748,226	

Stormwater Utility Fund

CATEGORY	FY 2022-23 ACTUAL PRIOR YEAR	FY 2023-24 REVISED BUDGET	FY 2023-24 ACTUAL 1ST QTR	FY 2023-24 ACTUAL YTD	ACTUAL YTD as % of Budget
Operating revenues:					
Drainage Fees	\$ 2,548,749	\$ 2,575,000	\$ 669,084	\$ 669,084	26.0%
Interest income and other	239,567	150,000	72,674	72,674	48.4%
Total Operating Revenues:	2,788,317	2,725,000	741,758	741,758	27.2%
Operating expenses					
Personnel services	431,595	741,366	137,560	137,560	18.6%
Supplies	49,558	39,999	6,322	6,322	15.8%
Maintenance	331,020	1,220,052	9,013	9,013	0.7%
Contractual services	333,979	369,846	60,447	60,447	16.3%
Capital Replacement/Lease	10,000	25,000	6,250	6,250	25.0%
Debt service	501,051	489,590	-	-	0.0%
Capital outlay	56,127	300,000	4,788	4,788	1.6%
Total Operating Expenses:	1,713,330	3,185,853	224,380	224,380	7.0%
Other financing uses:					
Transfer to Debt service fund	400,439	406,196	101,549	101,549	25.0%
Capital Projects (Cash Funded)	1,500,074	2,800,000	16,200	16,200	0.6%
Total Expenses:	3,613,843	6,392,049	342,129	342,129	5.4%
Net Change in Working Capital	(825,526)	(3,667,049)	399,629	399,629	
Working Capital at Beginning of Year	9,455,358	8,629,832		8,629,832	
Working Capital at End of Year	\$ 8,629,832	\$ 4,962,783		\$ 9,029,461	

Hotel Occupancy Tax Collections

	Rooms		Oct - Dec 2023		FY24 to FY23
	Number	%	Amount	%	% Diff.
Full Service					
Marriott Quorum	547	15%	241,604	20%	1%
Renaissance	528	14%	172,479	14%	-27%
	1,075	29%	414,083	34%	-12%
Extended Stay					
Budget Suites	344	9%	10,343	1%	21%
Mainstay Suites	70	2%	11,501	1%	16%
Marriott Residence Inn	150	4%	84,337	7%	14%
Hyatt House	132	4%	40,420	3%	-16%
Homewood Suites	120	3%	47,436	4%	-3%
Home2Suites	132	4%	82,448	7%	-6%
Springhill Suites	159	4%	62,599	5%	4%
	1,107	30%	339,083	28%	0%
Business Moderate					
Marriott Courtyard Quorum	176	5%	83,238	7%	3%
⁽¹⁾ LaQuinta Inn	152	4%	16,240	1%	-64%
Marriott Courtyard Midway	145	4%	72,485	6%	24%
Radisson - Addison	101	3%	29,153	2%	15%
Hilton Garden Inn	96	3%	52,345	4%	10%
Holiday Inn Express	97	3%	46,959	4%	17%
Holiday Inn Beltway	102	3%	33,238	3%	43%
Best Western Plus	84	2%	21,562	2%	-8%
	953	26%	355,218	30%	3%
Economy					
⁽¹⁾ Motel 6	127	3%	20,981	2%	-39%
The Addison Inn	158	4%	17,367	1%	834%
Red Roof Inn	105	3%	29,508	2%	-13%
Quality Suites North/Galleria	78	2%	23,751	2%	-3%
⁽¹⁾ America's Best Value Inn	60	2%	2,041	0%	-78%
	528	14%	93,648	8%	-9%
TOTAL	3,663	100%	1,202,032	100%	-4%



⁽¹⁾ Not yet received one or more payments for the quarter

Investment Report Summary

	Book Value	Market Value	Interest Revenue	Weighted Average Yield-to- Maturity
12/31/2023	131,642,177	128,576,014	1,194,164	3.47%
9/30/2023	132,459,863	127,771,813	1,001,454	3.33%
Change	(817,686)	804,201	192,710	0.14%
% Change	-0.62%	0.63%	19.24%	4.20%

City Council (FY24)

2. a.

Meeting Date: 02/27/2024

Department: City Manager

AGENDA CAPTION:

City Manager's Announcements.

BACKGROUND:

The City Manager will make announcements of interest to the Town.

RECOMMENDATION:

Information only.

City Council (FY24)

2. b.

Meeting Date: 02/27/2024

Department: City Manager

AGENDA CAPTION:

Employee Recognition.

BACKGROUND:

The City Manager will recognize an employee for his/her service to the Town.

RECOMMENDATION:

Information only.

City Council (FY24)

4. a.

Meeting Date: 02/27/2024

Department: City Manager

AGENDA CAPTION:

Consider action on the Minutes from the February 8, 2024 City Council Strategic Planning Retreat.

BACKGROUND:

The minutes for the February 8, 2024 City Council Strategic Planning Retreat have been prepared for consideration.

RECOMMENDATION:

Administration recommends approval.

Attachments

Minutes - February 8 Meeting

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL Strategic Planning Retreat

February 8, 2024

Abilene Christian University – Dallas Campus
16633 Dallas Parkway, Addison, TX 75001
9:00 AM Work Session - Mission Point Classroom

Present: Mayor Bruce Arfsten; Mayor Pro-Tempore Eileen Resnik; Deputy Mayor Pro-Tempore Guillermo Quintanilla; Council Member Nancy Craig; Council Member Darren Gardner; Council Member Dan Liscio; Council Member Marlin Willesen

- 1. Call Meeting to Order:** Mayor Arfsten called the meeting to order at 9:00am. City Manager Gaines explained the process to be followed as the Town begins the first phase in the development of an updated Strategic Plan. City Manager Gaines then introduced the facilitator.
-

Strategic Planning

- 2. Public Comment.** *The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to Public Hearings will be heard when the specific hearing starts. Citizen comments are limited to three (3) minutes, unless otherwise required by law. To address the Council, please fill out a City Council Appearance Card and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.*

There were no requests from citizens to speak before the Council.

3. Regular Items

Discuss the Town Strategic Plan and Goal Setting for 2024.

Nick Kittle of Sustainovation facilitated a strategic planning session with the Addison City Council and members of Town staff. The result will be the development of key focus areas and strategic

objectives that will be finalized during a future City Council meeting.

Adjourn Meeting.

There being no further business to come before the City Council, Mayor Arfsten adjourned the meeting at 3:55 PM.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, Interim City Secretary

City Council (FY24)

4. b.

Meeting Date: 02/27/2024

Department: City Manager

AGENDA CAPTION:

Consider action on the Minutes from the February 9, 2024 City Council Strategic Planning Retreat.

BACKGROUND:

The minutes for the February 9, 2024 City Council Strategic Planning Retreat have been prepared for consideration.

RECOMMENDATION:

Administration recommends approval.

Attachments

Minutes - February 9 Meeting

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL Strategic Planning Retreat

February 9, 2024

Abilene Christian University – Dallas Campus
16633 Dallas Parkway, Addison, TX 75001
9:00 AM Work Session - Mission Point Classroom

Present: Mayor Bruce Arfsten; Mayor Pro-Tempore Eileen Resnik; Deputy Mayor Pro-Tempore Guillermo Quintanilla; Council Member Nancy Craig; Council Member Darren Gardner; Council Member Dan Liscio; Council Member Marlin Willesen

- 1. Call Meeting to Order:** Mayor Arfsten called the meeting to order at 9:00am. City Manager Gaines thanked Council and staff for their work during the previous day. City Manager Gaines then called on the facilitator to start the session.
-

Strategic Planning

- 2. Public Comment.** *The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to Public Hearings will be heard when the specific hearing starts. Citizen comments are limited to three (3) minutes, unless otherwise required by law. To address the Council, please fill out a City Council Appearance Card and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.*

There were no requests from citizens to speak before the Council.

3. Regular Items

Discuss the Town Strategic Plan and Goal Setting for 2024.

Nick Kittle of Sustainovation continued to facilitate a strategic planning session with the Addison City Council and members of Town staff. The result will be the development of key focus areas and strategic objectives that will be finalized during a future City Council meeting.

Adjourn Meeting.

There being no further business to come before the City Council, Mayor Arfsten adjourned the meeting at 11:31 AM.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, Interim City Secretary

City Council (FY24)

4. c.

Meeting Date: 02/27/2024

Department: City Secretary

AGENDA CAPTION:

Consider action on the Minutes from the February 13, 2024 City Council Meeting.

BACKGROUND:

The minutes for the February 13, 2024 City Council Meeting have been prepared for consideration.

RECOMMENDATION:

Administration recommends approval.

Attachments

Minutes - February 13, 2024 Meeting

DRAFT

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

February 13, 2024

**Addison Conference Centre
15650 Addison Road, Addison, TX 75001
7:00 PM Work Session -Acacia Room
7:30 PM Regular Meeting – Buckthorn & Sycamore Rooms**

Present: Mayor Bruce Arfsten; Mayor Pro-Tempore Eileen Resnik; Deputy Mayor Pro-Tempore Guillermo Quintanilla; Council Member Nancy Craig; Council Member Darren Gardner; Council Member Marlin Willesen

Present Via Zoom: Council Member Dan Liscio

WORK SESSION

The Addison City Council will convene the Work Session in the Acacia Room at 7:00PM

1. **Call Meeting to Order and Announce that a Quorum is Present.**

Mayor Arfsten called the meeting to order in the Acacia Room at 7:00 PM.

2. **Citizen Comments on the Consent Agenda Items.** *This item allows citizens to speak on any item listed on the Consent Agenda prior to its consideration. Citizen comments are limited to three (3) minutes, unless otherwise required by law. To address the Council, please fill out a City Council Appearance Card and submit it to a staff member prior to the beginning of this item.*

No citizens requested to address the City Council on an item included on the Consent Agenda.

3. **Council Member Clarification Requests Regarding Consent Agenda Items.**

4. **Council Questions and Answers**

5. **Work Session Reports**

a. **Present and discuss the State Infrastructure Bank**

[Chief Financial Officer Steven Glickman]

Chief Financial Officer Steven Glickman presented an update on the State Infrastructure Bank (SIB). The goal of the SIB program is to provide low cost and innovative financing methods to

communities to assist them in meeting their infrastructure needs. The SIB program allows borrowers to access capital funds at or below market interest rates. Staff presented information related to the program and how it may be used by the Town of Addison.

b. **Present and discuss a calendar of City Council events for 2024**

[Interim City Secretary, Valencia Garcia]

Interim City Secretary Valencia Garcia presented an update on a calendar of City Council events for 2024. In order to help the City Council adequately prepare for the current year, staff prepared a calendar of events for the City Council's consideration covering calendar year 2024. This calendar includes City Council meetings, internal events, and external events.

COUNCIL MEETING

Mayor Arfsten convened the City Council Meeting at 7:51 PM in the Addison Conference Centre Council Chambers - Buckthorn/Sycamore Rooms.

1. **Pledge of Allegiance.** United States and Texas Flags

Mayor Arfsten led the Pledge of Allegiance to the United States and Texas Flags.

2. **Proclamations / Presentations**

a. **Addison Police Department Recognitions**

- Police Chief Paul Spencer presented the Presentation of Life Award to Police Officer Marquet Stevens.
- Police Chief Paul Spencer presented Certificates of Merit to Police Officer Lauren Ash and Police Officer Bryan Diaz.

b. **Mayor's Red Kettle Challenge Recognition**

- Salvation Army Director of Community Relations & Fundraising Emily Stewart; Commanding Officer Major Mario Maldonado; and Commanding Officer Major Lola Maldonado recognized the City Council for participating in the Mayor's Red Kettle Challenge.

c. **City Manager's Announcements.**

d. **Employee Recognition.**

- Parks: Director Janna Tidwell introduced Parks Supervisor – Raul Rivera
- Police: Police Chief Paul Spencer introduced Police Officer – Lee Polk.

3. **Public Comment.** *The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to Public*

Hearings will be heard when the specific hearing starts. Citizen comments are limited to three (3) minutes, unless otherwise required by law. To address the Council, please fill out a City Council Appearance Card and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.

Those requesting to speak before the City Council are as follows:

- Fran Powell, 14796 Lochinvar – spoke in favor of the proposed Neighborhood Vitality Grant. She noted the positive aspects of the program allowing for improved maintenance of perimeter residential screening walls.

Those submitting emails that were acknowledged by Mayor Arfsten are shown as follows:

- Joseph and Audrey Hornisher – addressed the proposed increase to the senior homestead exemption. They questioned the problem to be solved by the proposed increase to the senior homestead exemption, noting that funding for an increase will be at the expense of other initiatives.

4. **Consent Agenda.** *All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.*

- Consider action on the Minutes from the December 4, 2023 Special City Council Meeting.**
- Consider action on the Minutes from the January 23, 2024 City Council Meeting.**
- Consider action on the Minutes from the January 24, 2024 Joint City Council, Comprehensive Planning Committee, and Planning & Zoning Commission Meeting.**

MOTION: Council Member Willesen moved to approve §4 - CONSENT AGENDA as presented. Mayor Pro-Tempore Resnik seconded the motion. Motion carried unanimously.

5. **Items for Individual Consideration.**

- Ordinance No. O24-004: Present, discuss and consider action on an Ordinance to amend Chapter 74, Section 74-51 of the Code of Ordinances to increase the amount of a Homestead Exemption for individuals over sixty-five years of age.** *[Chief Financial Officer Steven Glickman]*

MOTION: Council Member Gardner moved to approve Ordinance No. O24-004 increasing the amount of a Homestead Exemption for individuals over sixty-five years of age. Council Member Willesen seconded the motion. Motion carried unanimously.

- Resolution R24-015: Present, discuss, and consider action on a Resolution adopting a grant program in conformance with Chapter 380 of the Texas Local Government Code providing financial incentives for the improvement and maintenance of**

masonry perimeter residential screening walls throughout the Town. *[Parks & Recreation Director Janna Tidwell]*

MOTION: Council Member Craig moved to approve Resolution No. R24-015 adopting a grant program for the improvement and maintenance of perimeter residential screening walls throughout the Town. Council Member Liscio seconded the motion. Motion carried 6-0 with Mayor Pro-Tempore Resnik abstaining.

- c. **Resolution No. R24-016: Present, discuss, and consider action on a Resolution approving the installation of a public art piece created by Kevin Box to be located in a public access easement within the Jefferson Aero Development.** *[Parks & Recreation Director Janna Tidwell]*

MOTION: Council Member Willesen moved to approve Resolution No. R24-016 approving the installation of a public art piece at the Jefferson Aero Development. Deputy Mayor Pro-Tempore Quintanilla seconded the motion. Motion carried unanimously.

6. **Items of Community Interest.** *The City Council will have this opportunity to address items of community interest, including: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition; a reminder about an upcoming event organized or sponsored by the Town of Addison; information regarding a social, ceremonial, or community event that was or will be attended by an Addison City Council member or an official; and, announcements involving an eminent threat to public health and safety in Addison that has arisen since posting this agenda.*

Adjourn Meeting.

There being no further business to come before the City Council, Mayor Arfsten adjourned the meeting at 9:42 PM.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, Interim City Secretary

Joseph and Audrey Hornisher
Addison, Texas

Addison Council,

We are Joseph and Audrey Hornisher. We have been single family residents of Addison since immediately after getting married in 2018. We now have two sons (age 2 and age 4), which we hope to raise in Addison. In addition to raising a family, Joseph has been a part of multiple town committees including being a current CPAC member.

We submit this letter to be included in the meeting minutes for February 13, 2024 and for all elected officials to hear. This letter addresses the proposed senior homestead exemption.

Our purpose for submitting this letter is to seek clarity as to what town issue Addison is resolving by increasing the senior homestead exemption and bring attention to a varying perspective. To us and similarly situated families, an ordinance such as this indicates that the Town of Addison wants to focus on increasing the percentage of 65+ single family homeowners above 33% at the expense, and likely reduction, of other single-family homeowners. We have seen very few seniors leaving Addison but continue to see many young families leaving or not moving to Addison in favor of a more "family friendly" adjacent competitor city. From our perspective, the single-family senior community is not a disparaged group requiring targeted additional financial support beyond what is currently provided.

It is a budgetary reality that the funding for the increased senior homestead exemption will be at the expense of other initiatives. During a recent joint CPAC meeting with Council members, we discussed the variety of groups that call Addison home and focused on the shared values such as public safety, vibrancy, and fiscal responsibility. It is odd that an ordinance that monetarily supports certain values and groups would be considered before Addison's shared values can be established. Establishment of an ordinance should be in alignment with the long-term objectives of an organization. We appreciate the Council's willingness to evaluate how to best use budget surpluses, but Addison appears to be rushing through the process, which will reduce the ability and options to focus on addressing shared values of the entire town including the senior citizen community. We do not believe that every \$1 spent is of equal value and we do not believe that additional dollars invested solely in the senior community would be as impactful to the entire town as other potential options.

In observance of the prior Council meeting, it appears the primary case for raising the senior homestead exemption appears to be tied to a comparison to our neighbors. As an engineer and attorney, we know that numbers can be conveyed in many ways to support any argument. To circumvent a skewed perspective, we believe that Addison must identify its shared values and focus on its priorities with a back check against comparator cities at the end. Focusing on our neighbors first indicates that Addison is not a leader and is instead adopting the priorities and values of its neighbors.

In conclusion, we request the following measures to be taken by the Addison Council—

1. Council members in support to share what problem we are facing and how the policy addresses shared values of the Town.
2. Requesting that Council considers updating the comparative cities list and distinguishing between residential and commercial competitors which align with the town values and visions.
3. Request that any decision on the senior homestead exemption be tolled until the establishment of Addison values.

City Council (FY24)

4. d.

Meeting Date: 02/27/2024

Department: Finance

Pillars: Excellence in Asset Management
Excellence in Transportation Systems
Gold Standard in Financial Health

Milestones: Implement the Asset Management Plan in accordance with the Asset Management Policy, utilizing information systems
Improve all modes of transportation with infrastructure in an acceptable condition and well maintained
Continue development and implementation of the Long-Term Financial Plan

AGENDA CAPTION:

Consider action to approve a resolution authorizing the City Manager to file an application for financial assistance with the State Infrastructure Bank in an amount up to \$44,600,000.

BACKGROUND:

At the February 13, 2024 Council meeting, staff discussed road construction financing opportunities through the State Infrastructure Bank (SIB). The SIB is a revolving fund managed by TXDoT to provide low-cost financing solutions for eligible borrowers. If approved, the interest rate on the loan through the SIB would be approximately 0.95% lower than a traditional bond issuance, potentially saving the Town up to an estimated \$4.4 million in financing costs. Staff recommended pursuing this program for projects that qualify and were approved in the 2019 bond program including: Keller Springs Road, Quorum Drive, and Montfort Drive. Council directed staff to bring forward the resolution authorizing the City Manager to complete the application for the loan in an amount up to \$44,600,000.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - SIB Application

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS AUTHORIZING THE CITY MANAGER TO FILE AN APPLICATION FOR FINANCIAL ASSISTANCE WITH THE STATE INFRASTRUCTURE BANK AND ACT ON BEHALF OF THE TOWN OF ADDISON IN ALL MATTERS RELATING TO THE APPLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the State Infrastructure Bank, operated by the Texas Department of Transportation, is a revolving loan fund; and

WHEREAS, the Town of Addison (“Town”) deems it proper and in the best interest of the Town to apply for a loan from the State Infrastructure Bank in an amount not to exceed \$44,600,000 to be used for the reconstruction of Keller Springs Road, Quorum Drive, and Montfort Drive; and

WHEREAS, the Town is qualified to apply for and obtain financial assistance from the State Infrastructure Bank for this purpose.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

SECTION 1. That the City Council believes it is in the best interest of the Town to apply for a loan from the State Infrastructure Bank in an amount not to exceed \$44,600,000 to finance the reconstruction of Keller Springs Road, Quorum Drive, and Montfort Drive.

SECTION 2. That the City Council hereby authorizes the City Manager to execute an application for financial assistance from the State Infrastructure Bank and to submit the application, together with all required documentation, to the Texas Department of Transportation for consideration.

SECTION 3. That the application to be submitted is attached hereto as **Exhibit A** and made a part hereof for all purposes.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the 27th day of **FEBRUARY**, 2024.


TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, Interim City Secretary

EXHIBIT A



**STATE INFRASTRUCTURE BANK (SIB)
LOAN APPLICATION**

Form 1960
(Rev. 1/23)
Page 1 of 3

SECTION I - Applicant Information

Applicant Name: _____	Application Type: _____
Primary Contact: _____	Taxpayer FEIN: _____
Contact's Title: _____	Email Address: _____
Street Address: _____	Phone Number: _____
City: _____ Zip: _____	County: _____
Council/Board Meeting Frequency: _____	Urbanized Area: _____
TxDOT District: _____	
TxDOT District Engineer: _____	Phone Number: _____

TxDOT District Contact Name: _____	Phone Number: _____

Financial Advisor Information, if applicable:

Name: _____	Phone: _____
Firm: _____	Email: _____

Bond Counsel Information, if applicable:

Name: _____	Phone: _____
Firm: _____	Email: _____

SECTION II - Financial Information

Requested amount of financial assistance (must be rounded to the nearest thousand):

Requested terms:

Years: _____

Deferment of first payment: No Yes, number of years: _____

Preferred debt service payment date(s): Yes: _____ No, start from disbursement

Disbursement Date(s): As soon as possible Preferred date(s): _____

Breakdown of use of funds (must equal application amount):

Use	Amount
Total	

Proposed pledge of source of repayment and priority claim to those sources (indicate if requesting subordinate and reason):

List any other existing debt payable from the same revenue source (Please attach documentation.)

Current credit rating(s), if applicable:

Provide the applicant's legal authority to incur the proposed debt and the borrower's proposed pledge of source of repayment:

SECTION III - Project Information

Brief Description of the Project:

Total Cost of Entire Project: (i.e. right of way, construction, utilities, etc.)

CSJ Number(s):

Is the project in the Statewide Transportation Improvement Program (STIP)?
If no, when will it be added or provide justification for not adding

Yes No

Is the project environmentally cleared?

Yes No Anticipated Clearance Date: _____

Functional Classification: _____

Is the requested financial assistance a local match? If yes, is it required or voluntary?

Yes: _____ No

Is the project joint bid?

Yes No

Describe need and anticipated public benefits of the project:

What type of construction contract will be used on the project (DB, DBB, etc.)?

Additional Information (Attach additional pages if needed):

SECTION IV - Required Documentation

Does entity have home rule charter? If Yes, please submit a copy of the charter, or provide link if a charter is posted online.

Yes No

List of all other outstanding financial agreements with TX DOT, for example toll equity, SIB loans, pass-through tolls, etc. (Please attach documentation)

Please submit the following documents with your application, if applicable.

- Copy of Advanced Funding Agreement, Utility Relocation or other agreement with TxDOT, if applicable
- Bond rating letters from Moody's, Standard & Poor's, or Fitch, if any.
- [Resolution](#) from governing board authorizing the application.
- [Financial feasibility study](#).
- 5 years of audited financial statements related to the source of repayment. (Can provide link if online)
- Copy of the most recent budget. (Can provide link if online)
- Preliminary design study which includes:
 - ◆ An initial route and potential alignments.
 - ◆ The project's logical termini and independent utility.
 - ◆ The location of all right-of-way, facilities and equipment required to make the project functional.
 - ◆ Revisions or changes to state highway system facilities necessitated by the project.
 - ◆ An Environmental Review of the project if available.
 - ◆ Legal or letter size map of the project.

All application information and materials can be submitted electronically to TexasSIB@txdot.gov or by mail to:

TxDOT Project Finance, Debt, and Strategic Contracts Division
State Infrastructure Bank (SIB)
125 East 11th St.
Austin, TX 78701-2483

Section V - Acknowledgment and Certification

I certify that:

I have the authority to request and incur the debt described in this application, and upon award, will enter into contract for repayment of any financial assistance granted by the Texas Department of Transportation's State Infrastructure Bank (SIB).

I have completed the preliminary requirements, and will comply with all applicable state and federal regulations and requirements.

To the best of my knowledge, all information contained in this application is valid and accurate and the governing body of the undersigned jurisdiction has authorized the submission of this application.

Signature of authorized official

Date

Printed Name

Title, Jurisdiction

The Texas Department of Transportation maintains the information collected through this form. With few exceptions, you are entitled on request to be informed about the information that we collect about you. Under Sections 552.021 and 552.023 of the Government Code, you also are entitled to receive and review this information. Under Section 559.004 of the Government Code, you are also entitled to have us correct information about you that is incorrect.

City Council (FY24)

4. e.

Meeting Date: 02/27/2024

Department: Finance

Pillars: Gold Standard in Financial Health

Milestones: Continue development and implementation of the Long-Term Financial Plan

AGENDA CAPTION:

Consider action on acceptance of the FY 2023 Annual Comprehensive Financial Report (ACFR).

BACKGROUND:

The Addison Town Charter requires that staff prepare an Annual Comprehensive Financial Report (ACFR) that shows the status of the Town's finances. The ACFR is required to be prepared in accordance with generally accepted accounting principles. The charter also requires that the Town's financial statements be audited annually by an independent external auditing firm. The results of the independent external audit are included in the ACFR.

The Town of Addison Finance Department has prepared the ACFR for the fiscal year ended September 30, 2023. The ACFR is a report of the Town's overall financial results. The Town's financial statements have been audited by FORVIS, LLP, an independent firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town are free of material misstatement.

FORVIS has issued an unmodified opinion, which means that financial statements are presented fairly, in all material respects, and in accordance with the applicable financial reporting framework. Simply stated, an unmodified opinion is a clean opinion.

RECOMMENDATION:

Administration recommends approval.

Attachments

FY 2023 ACFR

Town of Addison, Texas

Annual Comprehensive Financial Report

For the Year Ended September 30, 2023

City Council

Expiration of Term

Bruce Arfsten, Mayor	May 2025
Eileen Resnik, Mayor Pro Tempore	May 2024
Guillermo Quintanilla, Deputy Mayor Pro Tempore	May 2024
Nancy Craig, Council Member	May 2025
Darren Gardner, Council Member	May 2024
Dan Liscio, Council Member	May 2025
Marlin Willesen, Council Member	May 2025

City Manager

David Gaines

Prepared by the Department of Finance

Steven Glickman, CPA, CGFO, Chief Financial Officer
Amanda Turner, CPA, CGFO, Assistant Director of Finance
Kristen Solares, CGFO, Budget Manager
Tandi Dickey, Controller
Ben Nguyen, CGFO, Senior Treasury Analyst
Ismael Villalta, CPA, CGFO, Senior Accountant
Daniel Cardona, Accountant
Eric Wellman, Senior Accounting Specialist



Town of Addison, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2023

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February 16, 2024

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

I am pleased to submit the Annual Comprehensive Financial Report of the Town of Addison, Texas for the fiscal year ended September 30, 2023. 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 Annual Comprehensive Financial Report (ACFR) is organized into three major sections: *Introductory*, *Financial*, and *Statistical*. 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 FORVIS, 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, 2023 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 (i.e., clean opinion) that the Town of Addison's financial statements for the fiscal year ended September 30, 2023 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.

**CITY MANAGER'S
OFFICE**

5300 Belt Line Road
Dallas, TX 75254

P.O. Box 9010
Addison, TX 75001

phone: 972.450.7000
fax: 972.450.7043

ADDISONTXAS.NET

IT ALL COMES
TOGETHER.

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 "platinum corridor," which is the area north of I-635 continuing up to Highway 121 in Frisco, 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. The malls, the Galleria and Stonebriar, both have over 200 stores. Additionally, the area holds the Willow Bend mall, which has over 125 stores. At 4.4 square miles, Addison is one of the smallest, yet most densely developed of the various suburbs located in the DFW Region. With just over 17,000 residents, the Town has developed into a cosmopolitan center which serves well over 125,000 business persons, shoppers, and visitors daily. Niche.com recognizes Addison as the top suburb in Texas for young professionals, and Nerdwallet.com recognizes Addison as the top community to start a business in Texas.



The Town was incorporated in 1953 and is operating under a Charter adopted in 1978 and last amended in January 2021. 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, stormwater, 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.

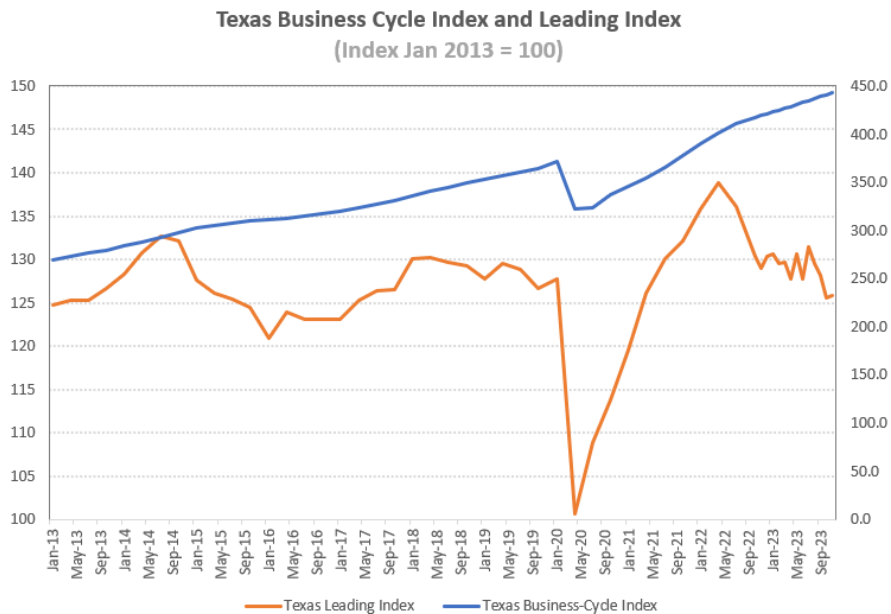
The annual budget of the Town of Addison serves as the foundation for the Town's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by the Town Charter and Council ordinances. The appropriated 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 major fund for which an appropriated annual budget has been adopted. All major funds, other than the capital project fund that follows a five year plan, as well as all proprietary and special revenue funds adopt annual budgets. For the non-major governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund financial statements and schedules section of this report.

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 Leading Index indicators decreased slightly while the Business Cycle Index indicators increased significantly during FY2023, primarily due to continued economic expansion following the COVID-19 pandemic. Both indices, after consistent increases throughout FY2022 showed varied results in FY2023. Overall, the trend bodes well for the continued economic strength of the Town.



The United States unemployment rate slightly increased, but remained fairly consistent throughout fiscal year 2023. Texas ended the year above the nation as a whole. Texas began fiscal year 2023 at 3.8% unemployment, and ended the year at 4.1%, just above the U.S. rate of 3.8%.

Addison is densely developed with 11.4 million square feet of office space distributed among 120 office buildings. Much attention is given to the occupancy rates of buildings in Addison. At the end of September 2023, Addison's occupancy rate stood at 78.9 percent compared with the 79.6 percent recorded a year earlier. Addison's occupancy rate is 3.4 percentage points higher than the 75.5 percent average for all of the Dallas/Ft. Worth Area. (Source: CoStar Group)

The Town experienced a 12.0 percent increase in taxable property values for the fiscal year 2023 compared to a 3.0 percent increase for the fiscal year 2022.

For the 2023 fiscal year, General Fund revenues of \$47.2 million represented a 10.5% increase from \$42.7 million in fiscal year 2022, primarily due to increased property taxes, sales taxes, and investment revenue. The property tax levy produced 48% of the total revenue available to the Town's General Fund for this year, while the sales tax revenue category produced 38%. The Town's sales tax receipts increased 4.2 percent from fiscal year 2022. General Fund expenditures and transfers for the 2023 fiscal year totaled \$47.1 million. The General Fund ending fund balance increased by \$168 thousand to \$20.7 million, with an ending fund balance of 46.9% of General Fund operating expenditures. Although the dollar value of fund balance increased, the fund balance percentage of operating expenditures decreased slightly due to the increase in expenditures from fiscal year 2022 to fiscal year 2023.

Long-Term Financial Planning

The City Council has adopted various financial policies for operations, capital, and debt management. Fiscal year 2023 was most significantly impacted by the Town's debt management policies ensuring the Town can cover needed capital project costs increasing due to inflation while decreasing the overall property tax rate.

Because the Town's major source of revenue is taxes, the Town occasionally offers tax abatement incentive agreements to attract new businesses and development. The Town believes these agreements attract quality businesses to our community that provide long-term benefits such as creating more jobs and increasing the tax revenue to spend on additional or enhanced services to our residents.

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 2023-24 Annual Budget. The document details the Town's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the Town's capital improvement program. The Town's Annual Budget also includes long-term financial plans for the major operating funds that forecast revenues and expenditures over a five-year horizon. The plans are driven by financial policies adopted by the City Council that are designed to protect the Town's financial integrity. The policies include establishing significant fund balances, or reserves, to protect the Town from the boom/bust economic cycle common to the state and the region. The budget document can be obtained from the Town of Addison's Finance Department by calling (972) 450-7051. The Annual Budget can also be accessed through the department's website at:

<http://addisontexas.net/index.php?section=finance-department> [Addison-budget.](#)

AWARDS AND ACKNOWLEDGMENTS

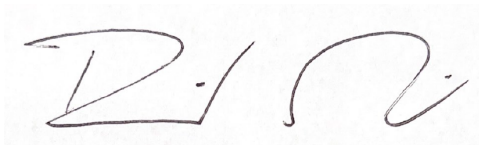
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Town of Addison, Texas for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022. The *Certificate*, 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 ACFR 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 47 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 2023 annual budget document. In order to qualify for the *Budget 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 36 consecutive years.

Also, the Town earned the *Award for Achievement in Popular Annual Financial Reporting for the Popular Annual Financial Report* (PAFR) from GFOA for the third consecutive time for the fiscal year ended September 30, 2022. The PAFR is compiled by both the marketing and finance departments. The PAFR takes information from the ACFR and adds other valuable information about the Town in a format designed to be easily understandable to readers who have no background in public finance. Together, the *Budget Award*, *PAFR 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.

I wish to thank all members of the Finance Department who assisted in preparing and assembling the information presented in this report. I also acknowledge our auditors, FORVIS, LLP, and the assistance they provided in meeting the deadlines established for publication of the document. I am grateful for the support provided by the City Council, and affirm our pledge to be a resource to help them achieve the goals they have established for the Addison community.

Respectfully submitted,



David Gaines
City Manager



Steven Glickman, CPA, CGFO
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Addison
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

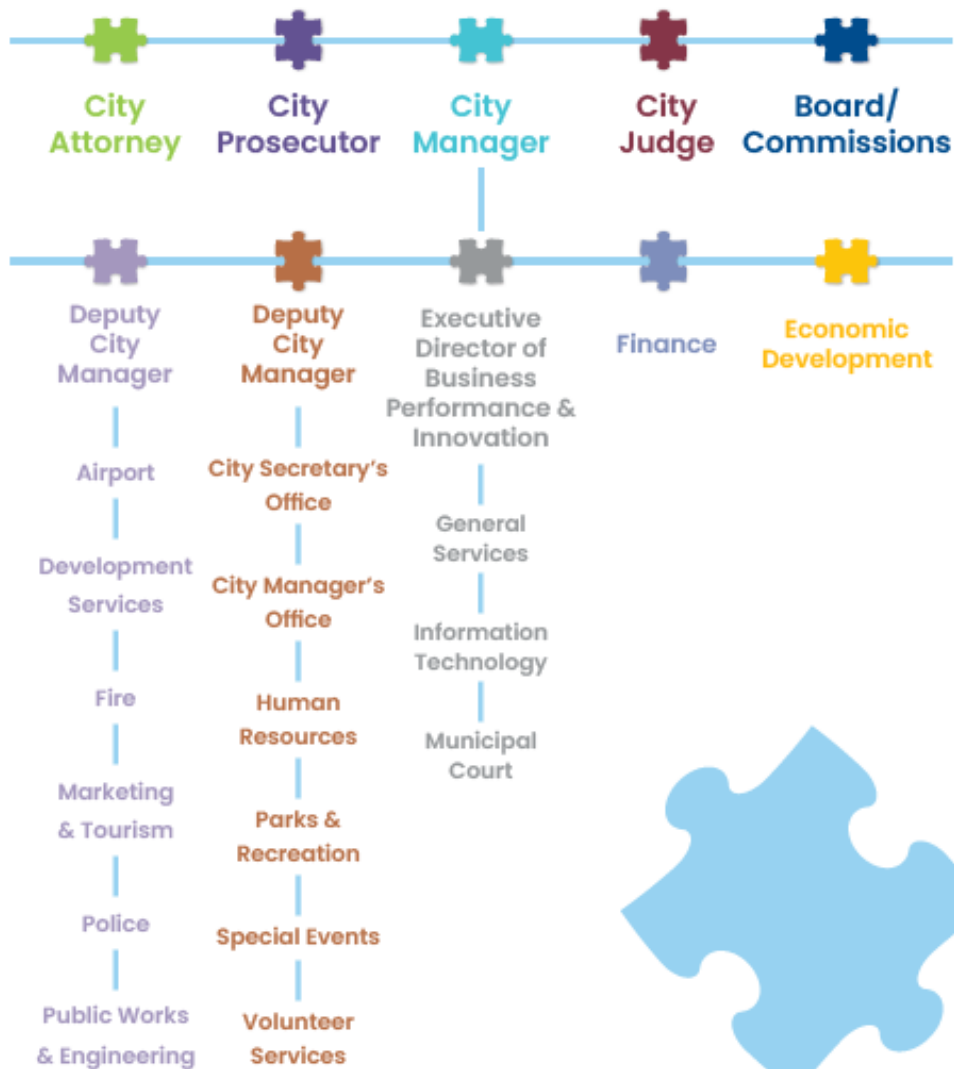
Christopher P. Morill

Executive Director/CEO

ADDISON STAFF *Organization Chart*



MAYOR / CITY COUNCIL



Town of Addison
LIST OF PRINCIPAL OFFICIALS
September 30, 2023

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

Elected Officials

Mayor	Bruce Arfsten	(972) 450-7000
Mayor Pro Tempore	Eileen Resnik	(972) 450-7000
Deputy Mayor Pro Tempore	Guillermo Quintanilla	(972) 450-7000
Council Member	Nancy Craig	(972) 450-7000
Council Member	Darren Gardner	(972) 450-7000
Council Member	Dan Liscio	(972) 450-7000
Council Member	Marlin Willesen	(972) 450-7000

Town Management

City Manager	David Gaines	(972) 450-7037
Deputy City Manager	Ashley Shroyer	(972) 450-7010
Deputy City Manager	Passion Hayes	(972) 450-2819
Exec. Dir. of Internal Services	Hamid Khaleghipour	(972) 450-2868
City Secretary	Irma Parker	(972) 450-7017
Director of Airport Administration	Joel Jenkinson	(972) 392-4855
Director of Economic Development	Wayne Emerson	(972) 450-7034
Director of Development Services	Ken Schmidt	(972) 450-7027
Chief Financial Officer	Steven Glickman	(972) 450-7050
Fire Chief	David Jones	(972) 450-7206
Director of General Services	Bill Hawley	(972) 450-7016
Asset Mgmt & Special Projects Director	Rob Bourestom	(972) 450-6203
Director of Human Resources	Ashley Wake	(972) 450-7085
Director of Parks and Recreation	Janna Tidwell	(972) 450-2869
Police Chief	Paul Spencer	(972) 450-7168
Director of Marketing & Tourism	Mary Rosenbleeth	(972) 450-7032
Director of Public Works & Engineering	Shannon Hicks	(972) 450-2849
Director of Special Events & Theatre	Abby Morales	(972) 450-6221

Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Addison, Texas (Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the hotel fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in *Notes III. D, III. F, III. I, III. J, and IV* to the financial statements, in fiscal year 2023 the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 supplementary information, including the combining and individual fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS,LLP

**Dallas, Texas
February 16, 2024**

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, 2023. 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 (000's).**

Financial Highlights

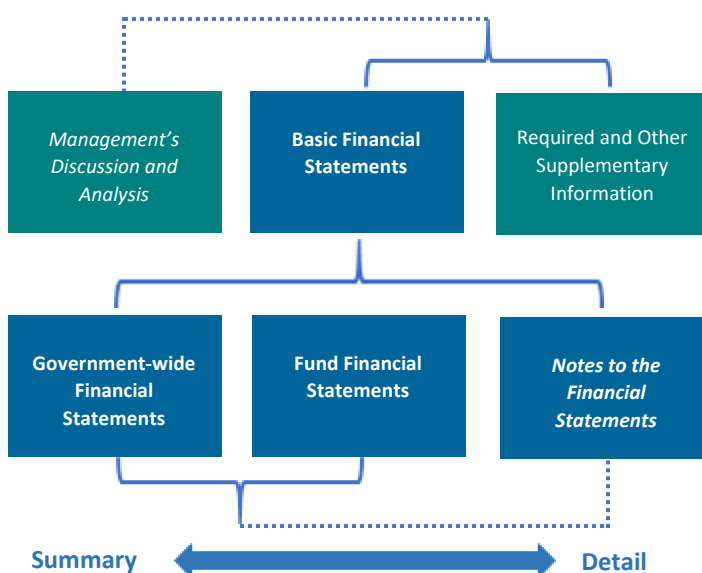
- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the 2023 fiscal year by \$274,346. This amount represents an increase over the previous year of \$9,095. The increase is due to the recognition of public-partnership revenues for the first time as part of the implementation of GASB Statement No. 94 for the fiscal year ended September 30, 2023.
- As of September 30, 2023, the Town's governmental funds reported combined ending fund balances of \$85,624, a decrease of \$(2,263). The majority of the decrease was due to spending down of bond proceeds in the Capital Project Fund on large construction projects, as part of the five-year capital projects plan.
- At the end of the 2023 fiscal year, the fund balance for the General Fund was \$20,683, or 47 percent of total fund expenditures. Fund balance increased \$167 during the year. This slight increase was mainly due to increasing the annual transfer to the Capital Project Fund to utilize as much excess funds as possible while maintaining a stable fund balance in the General Fund.
- At year-end, the Town of Addison's outstanding long-term liabilities totaled \$184,054, an increase of \$27,620 from the previous year, which is attributed mainly to the swing from a net pension asset in fiscal year 2022 to a net pension liability in fiscal year 2023, stemming from the adoption of a repeating Cost of Living Adjustment (COLA) in 2022 and unfavorable market performance.

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 such as 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 as business-like, such as the airport.

**Illustration A-1 Required Components of
Town of Addison's Annual Financial Report**



The financial statements also include *notes*, which elaborate on some of the information in the financial statements, providing 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 statistical section, which, through the use of tables, presents comparative economic and financial data to give users of this report a perspective of the Town's financial performance over a number of years.

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

Illustration A-2			
Major Features of Town of Addison's Government-wide and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire Town government	Activities of the Town that are not proprietary, such as police, fire, and parks	Activities the Town operates similar to a private-sector business: airport, water/sewer utility, and storm water
Required financial statements	* Statement of net position * Statement of activities	* Balance Sheet * Statement of revenues, expenditures, and changes in fund balances * Budget and actual	* 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 assets, liabilities, and deferred inflows and outflows, with the difference 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 the Town's change in net position 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 other 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, utility system and storm water system fall within this category.

Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources which 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.

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 9 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, Grant Fund and PEG Fees 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 almost all its governmental funds. A budgetary comparison statement is provided for each fund to demonstrate compliance with this budget except for the Capital Projects Fund.

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, major equipment, its technological information systems, and to repair and improve existing facilities. All of these services predominantly benefit governmental rather than business-type functions hence 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, all 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 36-81 in 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 (TMRS) and to provide other postemployment benefits to Town employees upon retirement.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented on pages 91-103.

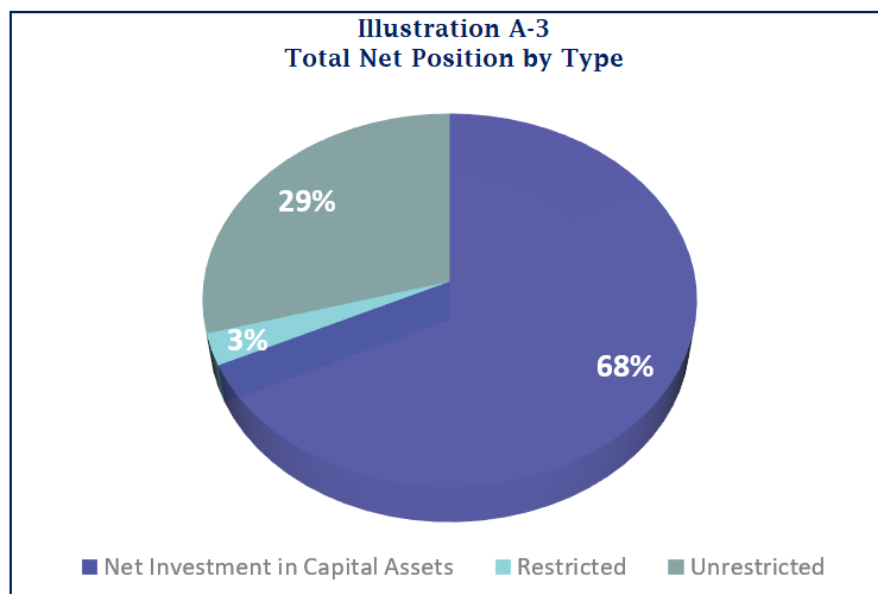
Government-wide Financial Analysis

As of the close of the 2023 fiscal year, the Town's net position (assets and deferred outflows exceeding liabilities and deferred inflows) totaled \$274,346 (see Table A-1). Of this amount \$186,307, or 68 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. 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 (\$830), promotion of tourism and hotel industry (\$5,880), and other restrictions (\$531). The remaining amount of net position is labeled as unrestricted and totals \$80,798. 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 three 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 (000's)**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and Other Assets	\$ 106,058	\$ 114,208	\$ 114,302	\$ 41,878	\$ 220,360	\$ 156,086
Capital, Lease, and Subscription Assets	196,639	186,559	94,604	93,940	291,243	280,499
Total Assets	302,697	300,767	208,906	135,818	511,868	436,585
Deferred Outflows of Resources:						
Deferred Charges on Refundings	1,020	1,127	418	462	1,438	1,589
Deferred Outflows on Pensions	11,839	3,144	2,200	202	14,039	3,346
Deferred Outflows on OPEB	998	719	220	63	1,218	782
Total Deferred Outflows of Resources	13,857	4,990	2,838	727	16,695	5,717
Liabilities:						
Long-Term Liabilities Outstanding	145,749	123,396	38,305	33,037	184,054	156,433
Other Liabilities	8,794	8,238	3,427	2,853	12,221	11,091
Total Liabilities	154,543	131,634	41,732	35,890	196,275	167,524
Deferred Inflows of Resources:						
Deferred Inflows on Pensions	-	8,824	-	513	-	9,337
Deferred Inflows on OPEB	1,284	175	283	15	1,567	190
Deferred Inflows on Public-Private Partnerships	-	-	56,109	-	56,109	-
Total Deferred Inflows of Resources	1,284	8,999	56,392	528	57,676	9,527
Net Position:						
Net Investment in Capital Assets	116,635	115,284	69,672	68,142	186,307	183,426
Restricted :						
Debt Service	830	770	-	-	830	770
Tourism/Hotel	5,880	4,972	-	-	5,880	4,972
Child Safety	166	141	-	-	166	141
Justice Administration	89	72	-	-	89	72
Court Technology	54	41	-	-	54	41
Public Safety	101	124	-	-	101	124
Court Security	51	47	-	-	51	47
Other Purposes	70	218	-	-	70	218
Pensions	-	6,022	-	350	-	6,372
Unrestricted	36,850	37,433	43,948	31,635	80,798	69,068
Total Net Position	\$ 160,726	\$ 165,124	\$ 113,620	\$ 100,127	\$ 274,346	\$ 265,251

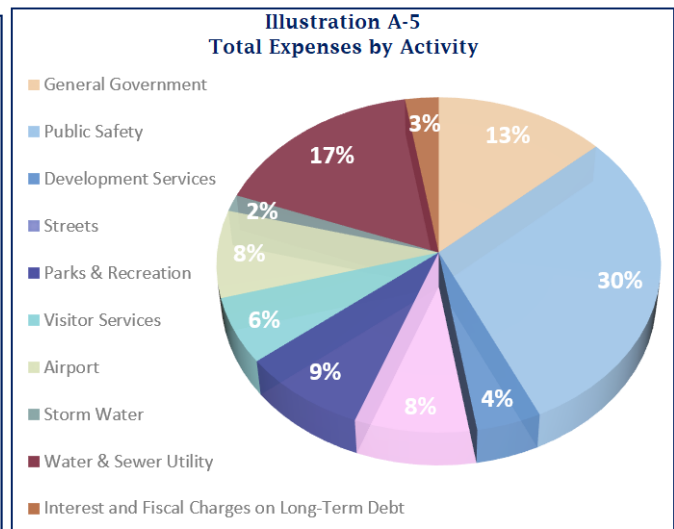
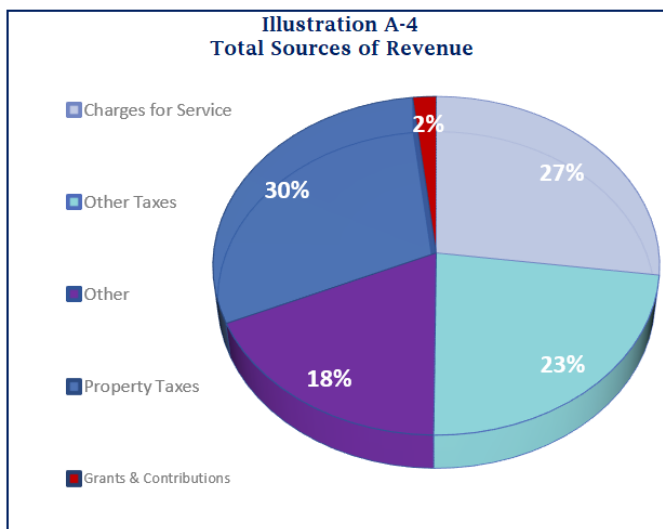


As reflected in Table A-2, the Town's net position increased \$9,095 during the 2023 fiscal year.

**Table A-2
Town of Addison's Change in Net Position (000's)**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,597	\$ 7,287	\$ 24,775	\$ 25,246	\$ 30,372	\$ 32,533
Capital Grants & Contributions	302	25	1,403	2,055	1,705	2,080
Operating Grants & Contributions	400	2,244	50	198	450	2,442
General Revenues:						
Property Taxes	33,454	30,444	-	-	33,454	30,444
Other Taxes	25,889	24,071	-	-	25,889	24,071
Other	4,680	(3,074)	15,699	(927)	20,379	(4,002)
Total Revenues	70,322	60,997	41,927	26,572	112,249	87,569
Expenses:						
General Government	13,791	9,416	-	-	13,791	9,416
Public Safety	30,645	20,332	-	-	30,645	20,332
Development Services	4,537	3,061	-	-	4,537	3,061
Streets	8,556	10,669	-	-	8,556	10,669
Parks & Recreation	8,851	7,024	-	-	8,851	7,024
Visitor Services	6,544	5,397	-	-	6,544	5,397
Interest and Fiscal Charges on Long-Term Debt	2,705	2,179	-	-	2,705	2,179
Airport	-	-	8,696	6,758	8,696	6,758
Storm water	-	-	1,661	1,061	1,661	1,061
Water & Sewer Utility	-	-	17,168	14,754	17,168	14,754
Total Expenses	75,629	58,079	27,525	22,573	103,154	80,652
Increase (decrease) in net position	(5,307)	2,918	14,402	3,999	9,095	6,917
Transfers	909	-	(909)	-	-	-
Change in Net Position	(4,398)	2,918	13,493	3,999	9,095	6,917
Net Position - Beginning of year	165,124	162,206	100,127	96,128	265,251	258,334
Net Position - End of year	\$ 160,726	\$ 165,124	\$ 113,620	\$ 100,127	\$ 274,346	\$ 265,251

Note: 2022 balances in tables A-1 and A-2 are not restated for adoption of GASB 96 or GASB 94



Governmental Activities

Governmental activities decreased the Town of Addison's net position by \$(4,398) in fiscal year 2023 as compared to a \$2,918 increase in fiscal year 2022. The major changes from 2022 to 2023 are as follows:

1. Hotel tax revenue increased by \$899 due to increased hotel occupancy related to continued economic recovery following the coronavirus pandemic.
2. Sales taxes revenue increased by \$877 as the economy continues to recover from the financial impact of the Coronavirus pandemic.
3. Property tax revenue increased by \$3,010 due to increasing market values of properties.
4. Net Investment Income/(Loss) increased by \$7,644 due to increases in market value of the Town's investment portfolio, as older securities that were affected by the actions of the Federal Open Market Committee in 2022 matured.
5. Transfers In increased by \$909, as the business-type activities began contributing to the debt service fund in fiscal year 2023 for their share of debt.
6. Streets charges for services decreased by \$2,113 because in fiscal year 2022 there were some large streets projects the Town jointly participated in and received several large reimbursement of expenses.
7. Visitor Services grants and contributions decreased by \$2,019 due to funds received from the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) that were applied to the Hotel Fund in the prior fiscal year did not repeat.
8. Overall expenses increased \$17,284 primarily due to the increase in the net pension liability. In fiscal year 2022, there was a net pension asset, which further decreased overall expenses in that year.

Business-Type Activities

The Town's business-type activities experienced a \$13,493 increase in net position, with the Airport Fund recording an increase of \$12,568, due mainly to the first-time recognition of public-private partnership revenues of \$12,578 for the implementation of GASB Statement No. 94. This standard also increased the airport's assets by \$69,431,319 and deferred inflows of resources by \$56,109,099. The Utility Fund posted a decrease in net position of \$(285), due mainly to increased pension expense from the increase in the net pension liability. The Storm Water Fund posted an increase in net position of \$782, mainly due to maintaining drainage fee rates that cover the stormwater operational costs and build healthy reserves.

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, 2023, the Town's governmental funds reported combined ending fund balances of \$85,624, a decrease of \$(2,263) compared to balances a year earlier. Of the ending balance, \$20,024 or 23.4 percent is *unassigned* and is available to the Town for future spending. Most of the remaining fund balance is *restricted* for future capital projects (\$37,280), promotion of tourism and hotel industry (\$5,330), debt service (\$747) or *committed* for Economic Development (\$2,593) and Capital Projects (\$18,497). Components of the net decrease of total fund balance are:

- In the General Fund, expenditures and transfers out totaled \$47,105 compared to revenues of \$47,154. Expenditures increased \$3,524 from the 2022 fiscal year. This increase is primarily due to the increases in public safety (\$1,754), general government (\$742), and parks and recreation services (\$504), all due to inflation and rising costs of supplies and services and increases in public safety personnel costs. Revenues increased \$4,467 from the previous year. The increase was mainly due to an increase in ad valorem taxes and in investment earnings.
- In the Hotel Fund, expenditures and transfers out to other funds totaled \$6,405 compared to revenues and transfers in of \$7,094. Fund revenues decreased \$(356) from the previous year due in large part to a decrease in intergovernmental revenue from funds received from the CSLFRF used to replace lost revenue in the prior fiscal year, offset by increased hotel occupancy taxes as occupancy rates return to pre-pandemic levels. Expenditures increased \$460 from fiscal year 2022 mainly due to inflation and increased prices on various services.
- The General Obligation Debt Service Fund recorded a net increase in fund balance of \$95, which is \$16 more than the net increase for fiscal year 2022. The increase is predominantly due to the increases in transfers in from the proprietary funds for coverage of their debt service.

- The Capital Project Fund recorded a net decrease in fund balance of \$3,715, primarily due to capital expenditures of \$18,870 offset by revenue (\$4,957) which reflects an increase in investment earnings, transfers in (\$3,000) and the proceeds from the 2023 General Obligation Bonds and 2023 Tax and Revenue Certificates of Obligations, both of which will be expended in the future. The Town is steadily spending its bond proceeds in accordance with its five year capital improvement projects plan. Included in these funds is the Infrastructure Investment Fund with an ending fund balance of \$6,051 as of September 30, 2023. Other balances included are for capital projects funded with unspent bond proceeds as of the end of the fiscal year, as well as savings from general operations transferred to the Self-Funded Project fund for future capital projects, and a small fund designated for street maintenance.

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 \$20,616; the Utility Fund reported an unrestricted net position of \$12,956, while the Stormwater Fund reported an unrestricted net position of \$8,535.

General Fund Budgetary Highlights

Major differences between the original budget and the final amended budget are described below, **not expressed in thousands of dollars (000's)**:

Sales tax revenue was amended to recognize an increase in sales tax collections by \$796,417. Additionally, the budget was amended for personnel costs associated with the City Manager's Office, Information Technology, Finance, General Services, and Police. The budget was also amended to appropriate funds for a full-time Long-Range Planning position in the Development Services Department, personnel costs for Council Special Projects, to contribute funds to the Facility Maintenance Fund, and to appropriate funding for street maintenance and prior year encumbrances for street lighting. Additional appropriations were also made for water purchases in the Parks Department due to the hot and dry summer, and funds for a prior year encumbrance to replace a bus shelter damaged by a motorist in the Parks Department. All budget amendments approved did not result in a net change to appropriations.

The adjustments resulted in increasing budgeted revenue 1.8 percent and increasing expenditures by 1.8 percent. \$3,000,000 was transferred to the Self-Funded Project Fund for future capital needs. This was authorized by Section 3 of the September budget amendment ordinance that allowed the City Manager to transfer unexpended appropriations and excess revenue at the end of the fiscal year.

The final actuals resulted in revenues were 4.9 percent higher than the revised budget, due primarily to property and sales tax outperforming budget projections. Expenditures were 1.9 percent lower than the revised budget. The decrease in expenditures resulted from savings on maintenance and contractual services in various departments.

Capital, Subscription and Lease Asset and Debt Administration

Capital, subscription and lease assets – As detailed in Table A-3 below, the Town of Addison's investment in capital, subscription and lease assets for its governmental and business-type activities as of September 30, 2023, totals \$291,243 (net of accumulated depreciation/ amortization). This amount represents a \$10,745 increase from the previous year and is attributed to the increase in current construction of assets less depreciation of existing assets. Some of the projects in progress include Vitruvian Public Infrastructure, Midway Road Rehabilitation, Airport Parkway Reconstruction, Keller Springs Road Reconstruction, and Rawhide Creek Basin Drainage Improvement. More information related to the Town's capital assets can be found in Sections; I, D, 4 and III, D of the Notes to Financial Statements.

Table A-3
Town of Addison's Capital, Subscription and Lease Assets
 (Net of Depreciation/Amortization) (000's)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 72,164	\$ 71,358	\$ 17,259	\$ 17,259	\$ 89,423	\$ 88,617
Intangible Assets	862	862	-	-	862	862
Buildings	7,240	7,518	15,542	14,622	22,782	22,140
Leased Buildings	205	352	-	-	205	352
Improvements other than Buildings	62,912	64,345	53,452	54,836	116,364	119,181
Machinery and Equipment	14,831	11,323	4,228	3,160	19,059	14,483
Leased Equipment	136	165	-	-	136	165
Subscription Assets	366	-	-	-	366	-
Construction in Progress	37,923	30,636	4,123	4,062	42,046	34,698
Total Capital, Subscription, and Lease Assets	\$ 196,639	\$ 186,559	\$ 94,604	\$ 93,939	\$ 291,243	\$ 280,498

Note: Table A-3 does not restate 2022 balances for adoption of GASB 96 or GASB 94

Long-term debt – At the end of the 2023 fiscal year, the Town of Addison had total bonded debt outstanding of \$149,608 as detailed in Table A-4. The Town of Addison maintains an underlying bond rating of “AAA” from Standard & Poor’s and “Aaa” from Moody’s. Several of the Town’s outstanding debt issuances are insured. 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 Bonded Debt (000's)**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 89,858	\$ 90,964	\$ 10,722	\$ 11,279	\$ 100,580	\$ 102,243
Certificates of Obligation	26,846	25,949	22,182	21,134	49,028	47,083
Total Debt Outstanding	\$ 116,704	\$ 116,913	\$ 32,904	\$ 32,413	\$ 149,608	\$ 149,326

Economic Factors and Next Year’s Budget and Rates

The development of the Town's budget is guided by several factors including the Town's strategic plan and prevailing economic conditions. The fiscal year 2024 budget plan adopted by the City Council adheres to the Town's financial policies and preserves the Town's strong financial position while providing excellent levels of service. 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 major operating revenues and categories of expenses. Changes in fund balances are monitored to ensure that the Town is in compliance with adopted fund balance policy.

Major programs in the General Fund continue to focus on public safety, community development and parks to ensure the high quality of life enjoyed by Addison citizens and visitors.

Revenue assumptions in the General Fund are expected to take into consideration current economic indicators. Revenues, such as property tax revenue and sales tax revenue, are forecasted using both historical results and current trends. Certified taxable property values in Addison totaled \$6,119,151,951 for fiscal year 2024 which represented an 9.7 percent increase from the previous year. The property tax rate remained the same at \$0.609822 per \$100 appraised value, as compared to the previous fiscal year. Of the 2024 budget tax rate, \$0.450330 was levied for operation/maintenance and \$0.159492 for debt service.

Sales tax collections for the Town were conservatively budgeted from the amount collected in 2023. Sales tax collections were projected to increase slightly in fiscal year 2024 compared to the 2023 budget.

Hotel occupancy tax collections were budgeted to increase by approximately 9.4 percent between fiscal year 2023 and fiscal year 2024.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Addison’s finances and to show the Town's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Town of Addison
 Finance Department
 P.O. Box 9010
 Addison, TX 75001
 Telephone: (972) 450-7050
 Email: sglickman@addisontx.gov

Town of Addison, Texas
Basic Financial Statements

TOWN OF ADDISON
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled Cash and Investments	\$ 97,244,956	\$ 34,870,148	\$ 132,115,104
Receivables, Net of Allowances for Uncollectibles	6,555,826	3,973,338	10,529,164
Prepaid Items	605,698	60,043	665,741
Inventories, at Cost	57,529	-	57,529
Internal Balances	176,667	(176,667)	-
Investment in Joint Venture	1,417,050	6,143,633	7,560,683
Public-Private Partnerships Receivable	-	69,431,319	69,431,319
Capital, Lease, and Subscription Assets, Net of Accumulated Depreciation/Amortization			
Land	72,163,696	17,258,730	89,422,426
Intangible Assets	862,221	-	862,221
Buildings	7,239,329	15,541,851	22,781,180
Leased Buildings	204,943	-	204,943
Improvements other than Buildings	62,912,383	53,451,843	116,364,226
Machinery and Equipment	14,830,576	4,228,175	19,058,751
Leased Equipment	136,093	-	136,093
Subscription Assets	366,227	-	366,227
Construction in Progress	37,923,057	4,123,408	42,046,465
Total Assets	302,696,251	208,905,821	511,602,072
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refundings	1,019,932	417,716	1,437,648
Deferred Outflows on Pensions	11,839,104	2,200,465	14,039,569
Deferred Outflows on OPEB	997,706	220,345	1,218,051
Total Deferred Outflows of Resources	13,856,742	2,838,526	16,695,268
LIABILITIES			
Accounts Payable and Accrued Liabilities	8,779,134	1,575,428	10,354,562
Customer Deposits	14,275	1,851,627	1,865,902
Long-Term Liabilities			
Due within One Year	7,416,054	2,060,473	9,476,527
Due in More Than One Year	138,333,255	36,244,557	174,577,812
Total Liabilities	154,542,718	41,732,085	196,274,803
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows on OPEB	1,283,902	283,555	1,567,457
Deferred Inflows on Public-Private Partnerships	-	56,109,099	56,109,099
Total Deferred Inflows of Resources	1,283,902	56,392,654	57,676,556
NET POSITION			
Net Investment in Capital Assets	116,634,762	69,671,931	186,306,693
Restricted for:			
Debt Service	830,459	-	830,459
Promotion of Tourism and Hotel Industry	5,879,548	-	5,879,548
Child Safety	166,297	-	166,297
Justice Administration	89,137	-	89,137
Court Technology	53,669	-	53,669
Court Security	51,544	-	51,544
Public Safety	100,768	-	100,768
Other Purposes	70,321	-	70,321
Unrestricted	36,849,868	43,947,677	80,797,545
Total Net Position	\$ 160,726,373	\$ 113,619,608	\$ 274,345,981

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, 2023

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
Primary Government:							
Governmental Activities:							
General Government	\$ 13,791,308	\$ 928,417	\$ -	\$ -	\$ (12,862,891)	\$ -	\$ (12,862,891)
Public Safety	30,645,228	1,432,620	390,693	46,000	(28,775,915)	-	(28,775,915)
Development Services	4,536,840	1,254,806	9,083	-	(3,272,951)	-	(3,272,951)
Streets	8,555,527	466,103	-	25,890	(8,063,534)	-	(8,063,534)
Parks and Recreation	8,851,065	242,373	-	230,000	(8,378,692)	-	(8,378,692)
Visitor Services	6,543,984	1,272,806	-	-	(5,271,178)	-	(5,271,178)
Interest on Long-Term Debt	2,705,036	-	-	-	(2,705,036)	-	(2,705,036)
Total Governmental Activities	75,628,988	5,597,125	399,776	301,890	(69,330,197)	-	(69,330,197)
Business-Type Activities:							
Airport	8,696,459	5,978,554	50,000	1,211,940	-	(1,455,965)	(1,455,965)
Utilities	17,167,507	16,244,659	-	191,047	-	(731,801)	(731,801)
Stormwater	1,660,577	2,551,299	-	-	-	890,722	890,722
Total Business-Type Activities	27,524,543	24,774,512	50,000	1,402,987	-	(1,297,044)	(1,297,044)
Total Primary Government	\$ 103,153,531	\$ 30,371,637	\$ 449,776	\$ 1,704,877	(69,330,197)	(1,297,044)	(70,627,241)
General Revenues							
Taxes							
Property Taxes, Levied for General Purposes					33,454,168	-	33,454,168
Sales Taxes					18,286,374	-	18,286,374
Franchise Taxes					2,157,699	-	2,157,699
Hotel/Motel Taxes					5,445,315	-	5,445,315
Net Investment Income/(Loss)					4,036,686	2,989,902	7,026,588
Gain on Disposition of Debt					219,680	-	219,680
Public-Private Partnership Revenues					-	12,578,484	12,578,484
Miscellaneous					423,086	130,900	553,986
Transfers					909,405	(909,405)	-
Total General Revenues and Transfers					64,932,413	14,789,881	79,722,294
Change in Net Position					(4,397,784)	13,492,837	9,095,053
NET POSITION, Beginning of Year					165,124,157	100,126,771	265,250,928
NET POSITION, End of Year					\$ 160,726,373	\$ 113,619,608	\$ 274,345,981

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Governmental Funds
Balance Sheet
September 30, 2023

	General Fund	Hotel	General Obligation Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:						
Pooled Cash and Investments	\$ 21,415,580	\$ 5,533,057	\$ 743,929	\$ 58,269,453	\$ 3,280,052	\$ 89,242,071
Receivables:						
Ad Valorem Taxes, Including Interest and Penalties, Net	238,698	-	96,051	3,572	13,737	352,058
Non-Property Taxes	3,339,500	570,364	-	-	-	3,909,864
Franchise Fees	314,647	-	-	-	-	314,647
Service Fees, Net	223,083	-	-	-	-	223,083
Ambulance, Net	568,971	-	-	-	-	568,971
Interest	138,909	30,481	3,399	286,544	17,622	476,955
Intergovernmental	-	-	-	204,200	-	204,200
Other	107,141	346,553	-	-	-	453,694
Due from Other Funds	-	-	-	176,667	-	176,667
Prepaid Items	601,698	-	-	-	4,000	605,698
Inventories, At Cost	57,529	-	-	-	-	57,529
Total Assets	<u>\$ 27,005,756</u>	<u>\$ 6,480,455</u>	<u>\$ 843,379</u>	<u>\$ 58,940,436</u>	<u>\$ 3,315,411</u>	<u>\$ 96,585,437</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 3,688,604	\$ 849,426	\$ -	\$ 3,159,935	\$ 214,895	\$ 7,912,860
Customer Deposits	800	13,475	-	-	-	14,275
Total Liabilities	<u>3,689,404</u>	<u>862,901</u>	<u>-</u>	<u>3,159,935</u>	<u>214,895</u>	<u>7,927,135</u>
Deferred Inflows of Resources:						
Unavailable Resources	<u>2,633,393</u>	<u>287,347</u>	<u>96,051</u>	<u>3,572</u>	<u>13,736</u>	<u>3,034,099</u>
Total Deferred Inflows of Resources	<u>2,633,393</u>	<u>287,347</u>	<u>96,051</u>	<u>3,572</u>	<u>13,736</u>	<u>3,034,099</u>
Fund Balances:						
Nonspendable						
Inventories	57,529	-	-	-	-	57,529
Prepaid Items	601,698	-	-	-	-	601,698
Restricted						
Debt Service	-	-	747,328	-	-	747,328
Promotion of Tourism and Hotel Industry	-	5,330,207	-	-	-	5,330,207
Capital Projects	-	-	-	37,280,119	-	37,280,119
Child Safety	-	-	-	-	166,297	166,297
Justice Administration	-	-	-	-	60,244	60,244
Court Technology	-	-	-	-	53,669	53,669
Court Security	-	-	-	-	51,544	51,544
Public Safety	-	-	-	-	92,198	92,198
Governmental Public Education	-	-	-	-	70,321	70,321
Committed						
Capital Projects	-	-	-	18,496,810	-	18,496,810
Economic Development	-	-	-	-	2,592,507	2,592,507
Unassigned	<u>20,023,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,023,732</u>
Total Fund Balance	<u>20,682,959</u>	<u>5,330,207</u>	<u>747,328</u>	<u>55,776,929</u>	<u>3,086,780</u>	<u>85,624,203</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 27,005,756</u>	<u>\$ 6,480,455</u>	<u>\$ 843,379</u>	<u>\$ 58,940,436</u>	<u>\$ 3,315,411</u>	<u>\$ 96,585,437</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

TOWN OF ADDISON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total Fund Balances - Total Governmental Funds	\$ 85,624,203
Amounts reported for governmental activities in the statement of net position are different because:	
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. A portion of 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.	14,554,329
Capital, lease, and subscription assets used in governmental activities, including infrastructure and developer contributions, are not financial resources and therefore are not reported in fund financial statements. Capital, lease, and subscription assets of \$189,370,428, net of accumulated depreciation/amortization of \$165,478,517, increased net position in the government-wide financial statements. This amount is exclusive of the capital and subscription assets of internal service funds with a net carrying value of \$7,528,441, of which \$260,346 was applied to business-type activities and \$7,268,095 was applied to governmental activities.	189,370,428
Investment in Joint Venture is not financial resources and is not reported in the fund financial statements. Investment in Joint Venture increased net position in the government-wide financial statements.	1,417,050
Deferred losses on refundings of debt have been reflected net of amortization in the government-wide financial statements.	1,019,932
Bonds payable, contractual obligations, and related premium and discount amounts have not been included in the fund financial statements.	(116,704,520)
Accrued liabilities for compensated absences have not been reflected in the fund financial statements.	(1,030,373)
Total OPEB liability is not reflected in the fund financial statements.	(3,111,798)
Deferred outflows on OPEB, net of amortization, are not reflected in fund financial statements.	997,706
Deferred inflows on OPEB, net of amortization, are not reflected in fund financial statements.	(1,283,902)
Deferred outflows on pension costs, net of amortization, are not reflected in fund financial statements.	11,839,104
Net pension liability is not reflected in fund financial statements.	(24,189,682)
Leases payable are not reflected in fund financial statements.	(359,344)
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.	(450,859)
Revenue from property taxes, sales taxes, hotel taxes, franchise fees, court bonds, ambulance billing, alarm 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.	3,034,099
Net Position of Governmental Activities	\$ 160,726,373

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2023

	General Fund	Hotel	General Obligation Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:						
Ad Valorem Taxes	\$ 22,739,622	\$ -	\$ 9,017,967	\$ 339,644	\$ 1,298,984	\$ 33,396,217
Non-Property Taxes	18,022,335	5,683,639	-	-	-	23,705,974
Franchise Fees	2,125,941	-	-	-	31,758	2,157,699
Licenses and Permits	1,219,541	-	-	-	-	1,219,541
Intergovernmental	-	-	-	204,200	191,976	396,176
Service Fees	2,132,772	1,222,856	-	156,672	33,105	3,545,405
Fines and Forfeitures	391,711	-	-	-	67,261	458,972
Net Investment Income/(Loss)	194,259	41,712	9,131	3,759,536	32,048	4,036,686
Rental Charges	8,340	145,534	-	-	-	153,874
Other	319,665	2	14,256	496,500	65,017	895,440
Total Revenues	47,154,186	7,093,743	9,041,354	4,956,552	1,720,149	69,965,984
EXPENDITURES:						
Current:						
General Government	10,043,539	-	-	-	179,850	10,223,389
Public Safety	23,226,106	-	-	-	268,637	23,494,743
Development Services	1,933,207	-	-	-	2,378	1,935,585
Streets	2,275,695	-	-	-	-	2,275,695
Parks and Recreation	6,587,120	-	-	-	-	6,587,120
Visitor Services	-	5,636,836	-	-	-	5,636,836
Municipal Court	-	-	-	-	10,314	10,314
Economic Development	-	-	-	-	1,402,616	1,402,616
Debt Service:						
Principal Retirement	31,475	-	6,465,000	12,351	114,682	6,623,508
Interest and Fiscal Charges	7,457	-	3,390,548	2,876	5,151	3,406,032
Capital Projects:						
Engineering and Contractual Services	-	-	-	1,795,052	-	1,795,052
Construction and Equipment	-	-	-	17,075,143	-	17,075,143
Total Expenditures	44,104,599	5,636,836	9,855,548	18,885,422	1,983,628	80,466,033
Excess/(Deficiency) of Revenues over/(under) Expenditures	3,049,587	1,456,907	(814,194)	(13,928,870)	(263,479)	(10,500,049)
OTHER FINANCING SOURCES/(USES):						
Transfers In	4,469	-	909,405	3,000,000	768,000	4,681,874
Transfers Out	(3,000,000)	(768,000)	-	-	(4,469)	(3,772,469)
Leases (as Lessee)	113,522	-	-	122,950	-	236,472
Issuance or Refunding of Debt	-	-	-	6,800,000	-	6,800,000
Premium on Issuance or Refunding	-	-	-	291,055	-	291,055
Total Other Financing Sources/(Uses)	(2,882,009)	(768,000)	909,405	10,214,005	763,531	8,236,932
Net Change in Fund Balance	167,578	688,907	95,211	(3,714,865)	500,052	(2,263,117)
Fund Balances at Beginning of Year	20,515,381	4,641,300	652,117	59,491,794	2,586,728	87,887,320
Fund Balances at End of Year	\$ 20,682,959	\$ 5,330,207	\$ 747,328	\$ 55,776,929	\$ 3,086,780	\$ 85,624,203

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, 2023**

Total Net Change in Fund Balances - Total Governmental Funds	\$ (2,263,117)
Amounts reported for governmental activities in the statement of activities are different because:	
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. A portion of 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.	368,012
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital, lease, and subscription assets in the government-wide financial statements. The effect of removing the capital outlays is to increase net position. This amount excludes \$1,934,049 of capital outlays from the internal service funds for governmental activities.	17,715,134
Capital assets donated to governmental funds are not recognized in fund financial statements. The government-wide statement of activities will reflect an increase in revenue.	255,890
Depreciation and amortization are not recognized as an expense in governmental funds since they do not require the use of current financial resources. The effect of recording the current year's depreciation and amortization is to decrease net position. This amount excludes \$1,217,953 depreciation and amortization in the internal service funds, of which \$1,204,540 was for governmental activities and \$13,413 was for business-type activities.	(8,781,547)
The Town's share of net gain from Investment in Joint Venture is not reflected in fund financials.	136,113
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 decrease in net position of the following:	
New debt from bond issuances, including premiums, discounts, and loss on refundings	(7,091,055)
Leases Issued	(236,472)
Bond repayments, including refunded amounts of principal and premiums	6,465,000
Lease principal payments	158,508
Amortization of bond premiums, discounts, and losses on refunding	727,233
	23,214
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.	108,103
The current year decrease in the total OPEB liability of \$1,732,054, amortization of deferred inflows and and outflows on OPEB of (\$830,955) are not shown in the fund financial statements. The effect of recording these amounts is to increase net position.	901,099
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.	(19,454)
Increase in net pension liability of \$24,189,682, decrease of net pension asset of \$6,022,075 and amortization of deferred inflows and outflows on pensions of \$17,519,417, decrease net position by increasing the pension expense in each function.	(12,692,340)
Leases are long-term debt and are not reflected in fund financial statements. The early termination of a lease resulted in a gain on disposal of debt of \$219,680 and a loss on disposal of the leased asset of \$248,816. The effect of these items decreases net position.	(29,136)
Revenue from property taxes, sales taxes, hotel taxes, franchise fees, court bonds, ambulance billing, alarm 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.	(119,755)
Change in Net Position of Governmental Activities	\$ (4,397,784)

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2023

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad Valorem Taxes:				
Current	\$ 22,559,394	\$ 22,559,394	\$ 22,917,929	\$ 358,535
Delinquent	(200,000)	(200,000)	(249,526)	(49,526)
Penalties and Interest	50,000	50,000	71,219	21,219
Total Ad Valorem	<u>22,409,394</u>	<u>22,409,394</u>	<u>22,739,622</u>	<u>330,228</u>
Non-Property Taxes:				
Sales Tax	14,400,000	15,196,417	16,661,868	1,465,451
Alcoholic Beverage Tax	1,225,000	1,225,000	1,360,467	135,467
Total Non-Property Taxes	<u>15,625,000</u>	<u>16,421,417</u>	<u>18,022,335</u>	<u>1,600,918</u>
Total Taxes	<u>38,034,394</u>	<u>38,830,811</u>	<u>40,761,957</u>	<u>1,931,146</u>
Franchise Fees:				
Electric Franchise	1,575,000	1,575,000	1,497,546	(77,454)
Gas Franchise	250,000	250,000	349,536	99,536
Telephone Franchise	200,000	200,000	168,873	(31,127)
Cable Franchise	130,000	130,000	109,986	(20,014)
Total Franchise Fees	<u>2,155,000</u>	<u>2,155,000</u>	<u>2,125,941</u>	<u>(29,059)</u>
Licenses and Permits:				
Business Licenses and Permits	209,700	209,700	182,338	(27,362)
Building and Construction Permits	960,400	960,400	1,037,203	76,803
Total Licenses and Permits	<u>1,170,100</u>	<u>1,170,100</u>	<u>1,219,541</u>	<u>49,441</u>
Service Fees:				
Public Safety	1,071,700	1,071,700	1,140,326	68,626
Urban Development	2,200	2,200	2,160	(40)
Streets and Sanitation	480,000	480,000	466,103	(13,897)
Recreation	70,300	70,300	79,893	9,593
Interfund	444,290	444,290	444,290	-
Total Service Fees	<u>2,068,490</u>	<u>2,068,490</u>	<u>2,132,772</u>	<u>64,282</u>
Fines and Forfeitures	245,000	245,000	391,711	146,711
Net Investment Income/(Loss)	200,000	200,000	194,259	(5,741)
Rental Charges	8,000	8,000	8,340	340
Other	<u>270,500</u>	<u>270,500</u>	<u>319,665</u>	<u>49,165</u>
Total Revenues	<u>\$ 44,151,484</u>	<u>\$ 44,947,901</u>	<u>\$ 47,154,186</u>	<u>\$ 2,206,285</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2023

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government:				
City Secretary:				
Salaries and Fringe Benefits	141,950	141,950	136,707	5,243
Supplies	10,950	10,950	3,913	7,037
Contractual Services	79,250	79,250	54,384	24,866
Total City Secretary	232,150	232,150	195,004	37,146
City Manager's Office:				
Salaries and Fringe Benefits	1,126,174	1,026,174	981,415	44,759
Supplies	22,303	22,303	30,661	(8,358)
Maintenance and Materials	42,665	42,665	28,143	14,522
Contractual Services	102,252	102,252	103,550	(1,298)
Capital Replacement	16,388	16,388	16,388	-
Total City Manager's Office	1,309,782	1,209,782	1,160,157	49,625
Financial and Strategic Services:				
Salaries and Fringe Benefits	1,261,253	1,311,253	1,311,751	(498)
Supplies	15,500	15,500	17,960	(2,460)
Maintenance and Materials	42,430	42,430	29,553	12,877
Contractual Services	514,448	514,448	500,688	13,760
Capital Replacement	28,309	28,309	28,309	-
Total Financial and Strategic Services	1,861,940	1,911,940	1,888,261	23,679
General Services:				
Salaries and Fringe Benefits	587,147	737,147	742,126	(4,979)
Supplies	34,687	34,687	35,066	(379)
Maintenance and Materials	108,415	108,415	90,910	17,505
Contractual Services	73,381	73,381	67,559	5,822
Capital Replacement	304,979	554,979	554,979	-
Total General Services	1,108,609	1,508,609	1,490,640	17,969
Municipal Court:				
Salaries and Fringe Benefits	544,946	544,946	519,066	25,880
Supplies	8,436	8,436	10,650	(2,214)
Maintenance and Materials	77,600	77,600	71,333	6,267
Contractual Services	83,324	83,324	77,669	5,655
Capital Replacement	27,173	27,173	27,173	-
Total Municipal Court	741,479	741,479	705,891	35,588
Human Resources:				
Salaries and Fringe Benefits	456,105	426,105	403,638	22,467
Supplies	77,490	77,490	74,740	2,750
Maintenance and Materials	18,831	18,831	13,645	5,186
Contractual Services	195,844	225,844	241,985	(16,141)
Capital Replacement	10,211	10,211	10,211	-
Total Human Resources	758,481	758,481	744,219	14,262

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2023

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Information Technology:				
Salaries and Fringe Benefits	1,311,358	1,211,358	1,177,481	33,877
Supplies	55,655	55,655	34,889	20,766
Maintenance and Materials	923,615	923,615	683,157	240,458
Contractual Services	110,088	110,088	116,451	(6,363)
Capital Replacement	17,892	17,892	17,892	-
Capital Outlay	-	-	13,637	(13,637)
Total Information Technology	<u>2,418,608</u>	<u>2,318,608</u>	<u>2,043,507</u>	<u>275,101</u>
Combined Services:				
Salaries and Fringe Benefits	107,500	107,500	111,559	(4,059)
Supplies	22,225	22,225	38,823	(16,598)
Contractual Services	1,355,400	1,355,400	1,325,250	30,150
Total Combined Services	<u>1,485,125</u>	<u>1,485,125</u>	<u>1,475,632</u>	<u>9,493</u>
City Council Special Projects:				
Salaries and Fringe Benefits	27,930	27,930	25,406	2,524
Supplies	18,000	18,000	20,980	(2,980)
Contractual Services	296,920	296,920	293,842	3,078
Total City Council Special Projects	<u>342,850</u>	<u>342,850</u>	<u>340,228</u>	<u>2,622</u>
Total General Government	<u>10,259,024</u>	<u>10,509,024</u>	<u>10,043,539</u>	<u>465,485</u>
Public Safety:				
Police:				
Salaries and Fringe Benefits	9,398,070	9,058,070	9,057,912	158
Supplies	274,428	274,428	431,839	(157,411)
Maintenance and Materials	306,943	306,943	343,674	(36,731)
Contractual Services	950,822	1,290,822	1,130,582	160,240
Capital Replacement	432,552	432,552	432,552	-
Capital Outlay	-	-	124,440	(124,440)
Total Police	<u>11,362,815</u>	<u>11,362,815</u>	<u>11,520,999</u>	<u>(158,184)</u>
Emergency Communications:				
Maintenance and Materials	65,167	65,167	166,030	(100,863)
Contractual Services	1,699,220	1,699,220	1,562,435	136,785
Total Emergency Communications	<u>1,764,387</u>	<u>1,764,387</u>	<u>1,728,465</u>	<u>35,922</u>
Fire:				
Salaries and Fringe Benefits	8,469,631	8,469,631	8,449,198	20,433
Supplies	305,154	305,154	342,093	(36,939)
Maintenance and Materials	312,267	312,267	384,304	(72,037)
Contractual Services	397,420	397,420	424,095	(26,675)
Capital Replacement	422,651	422,651	376,651	46,000
Capital Outlay	-	-	301	(301)
Total Fire	<u>9,907,123</u>	<u>9,907,123</u>	<u>9,976,642</u>	<u>(69,519)</u>
Total Public Safety	<u>23,034,325</u>	<u>23,034,325</u>	<u>23,226,106</u>	<u>(191,781)</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2023

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Development Services:				
Development Services:				
Salaries and Fringe Benefits	1,617,930	1,673,347	1,660,719	12,628
Supplies	60,336	60,336	48,784	11,552
Maintenance and Materials	19,350	19,350	20,870	(1,520)
Contractual Services	246,972	246,972	165,140	81,832
Capital Replacement	37,694	37,694	37,694	-
Total Development Services	<u>1,982,282</u>	<u>2,037,699</u>	<u>1,933,207</u>	<u>104,492</u>
Streets:				
Streets:				
Salaries and Fringe Benefits	483,739	483,739	489,351	(5,612)
Supplies	59,250	59,250	49,075	10,175
Maintenance and Materials	832,840	1,083,840	741,757	342,083
Contractual Services	717,970	717,970	729,311	(11,341)
Capital Replacement	142,201	142,201	142,201	-
Capital Outlay	-	-	124,000	(124,000)
Total Streets	<u>2,236,000</u>	<u>2,487,000</u>	<u>2,275,695</u>	<u>211,305</u>
Parks and Recreation:				
Parks:				
Salaries and Fringe Benefits	2,149,516	2,149,516	2,096,238	53,278
Supplies	417,388	417,388	373,324	44,064
Maintenance and Materials	650,106	690,106	684,220	5,886
Contractual Services	1,235,301	1,435,301	1,468,264	(32,963)
Capital Replacement	120,734	120,734	117,997	2,737
Capital Outlay	178,000	178,000	116,082	61,918
Total Parks	<u>4,751,045</u>	<u>4,991,045</u>	<u>4,856,125</u>	<u>134,920</u>
Recreation:				
Salaries and Fringe Benefits	1,100,427	1,050,427	999,815	50,612
Supplies	180,894	180,894	181,909	(1,015)
Maintenance and Materials	205,530	205,530	172,274	33,256
Contractual Services	380,394	430,394	302,909	127,485
Capital Replacement	36,727	36,727	36,727	-
Capital Outlay	-	-	37,361	(37,361)
Total Recreation	<u>1,903,972</u>	<u>1,903,972</u>	<u>1,730,995</u>	<u>172,977</u>
Total Parks and Recreation	<u>6,655,017</u>	<u>6,895,017</u>	<u>6,587,120</u>	<u>307,897</u>
Debt Service:				
Principal Retirement	-	-	31,475	(31,475)
Interest and Fiscal Charges	-	-	7,457	(7,457)
Total Debt Service	<u>-</u>	<u>-</u>	<u>38,932</u>	<u>(38,932)</u>
Total Expenditures	<u>44,166,648</u>	<u>44,963,065</u>	<u>44,104,599</u>	<u>858,466</u>
Excess of revenues over expenditures	<u>(15,164)</u>	<u>(15,164)</u>	<u>3,049,587</u>	<u>3,064,751</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2023

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES/(USES):				
Transfers In	-	-	4,469	4,469
Transfers Out	-	-	(3,000,000)	(3,000,000)
Proceeds on Asset Sales	20,000	20,000	-	(20,000)
Leases (as Lessee)	-	-	113,522	113,522
Total Other Financing Sources/(Uses)	20,000	20,000	(2,882,009)	(2,902,009)
Net Change in Fund Balance	4,836	4,836	167,578	162,742
Fund Balances at Beginning of Year	20,515,381	20,515,381	20,515,381	-
Fund Balances at End of Year	<u>\$ 20,520,217</u>	<u>\$ 20,520,217</u>	<u>\$ 20,682,959</u>	<u>\$ 162,742</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, 2023

	2023			Variance With Final Budget Positive (Negative)
	Budget		Actual GAAP Basis	
	Original	Final		
REVENUES:				
Hotel/Motel Occupancy Taxes	\$ 4,800,000	\$ 4,800,000	\$ 5,683,639	\$ 883,639
Proceeds from Special Events and Service Fees	1,127,000	1,127,000	1,222,856	95,856
Net Investment Income/(Loss)	20,000	20,000	41,712	21,712
Rental Charges	30,000	30,000	145,534	115,534
Other	100	100	2	(98)
Total Revenues	<u>5,977,100</u>	<u>5,977,100</u>	<u>7,093,743</u>	<u>1,116,643</u>
EXPENDITURES:				
Conference Centre	220,510	220,510	195,446	25,064
Marketing	1,193,362	1,193,362	999,701	193,661
Special Events	3,845,612	3,845,612	3,513,333	332,279
Performing Arts	692,368	692,368	758,959	(66,591)
General Hotel Operations	186,197	186,197	169,397	16,800
Total Expenditures	<u>6,138,049</u>	<u>6,138,049</u>	<u>5,636,836</u>	<u>501,213</u>
Excess/(Deficiency) of Revenues over/(under) Expenditures	<u>(160,949)</u>	<u>(160,949)</u>	<u>1,456,907</u>	<u>1,617,856</u>
OTHER FINANCING SOURCES/(USES):				
Transfer to Economic Development Fund	<u>(768,000)</u>	<u>(768,000)</u>	<u>(768,000)</u>	<u>-</u>
Net Change in Fund Balance	(928,949)	(928,949)	688,907	1,617,856
Fund Balances at Beginning of Year	<u>4,641,300</u>	<u>4,641,300</u>	<u>4,641,300</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 3,712,351</u>	<u>\$ 3,712,351</u>	<u>\$ 5,330,207</u>	<u>\$ 1,617,856</u>

See accompanying notes to basic financial statements.

Town of Addison, Texas
Basic Financial Statements

Proprietary Funds
Statement of Net Position
September 30, 2023

	Business Type Activities - Enterprise Funds				Governmental
	Airport	Utility	Stormwater	Total	Internal Service
ASSETS:					
Current Assets:					
Pooled Cash and Investments	\$ 11,837,852	\$ 12,601,035	\$ 8,587,621	\$ 33,026,508	\$ 9,846,525
Interest Receivable	230,707	68,414	47,354	346,475	52,354
Accounts Receivable, Net	163,492	3,091,357	372,014	3,626,863	-
Current Public-Private Partnerships Receivable	15,485,047	-	-	15,485,047	-
Prepaid Items	60,043	-	-	60,043	-
Total Current Assets	27,777,141	15,760,806	9,006,989	52,544,936	9,898,879
Non-Current Assets:					
Capital and Subscription Assets:					
Land	15,633,373	1,625,357	-	17,258,730	-
Construction in Progress	1,363,042	570,061	2,190,305	4,123,408	291,600
Buildings	10,868,436	8,695,310	-	19,563,746	6,597
Improvements other than Buildings	61,616,683	57,882,633	5,500,017	124,999,333	-
Machinery and Equipment	3,070,871	3,629,471	187,863	6,888,205	16,220,129
Subscription Assets	-	-	-	-	412,005
Accumulated Depreciation and Amortization	(41,066,412)	(36,678,369)	(744,980)	(78,489,761)	(9,401,890)
Total Capital and Subscription Assets, Net of Accumulated Depreciation/Amortization	51,485,993	35,724,463	7,133,205	94,343,661	7,528,441
Investment in Joint Venture	-	6,143,633	-	6,143,633	-
Public-Private Partnerships Receivable	53,946,272	-	-	53,946,272	-
Total Assets	133,209,406	57,628,902	16,140,194	206,978,502	17,427,320
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Charges on Refundings	45,637	257,223	114,856	417,716	-
Deferred Outflows on Pensions	992,680	1,042,619	165,166	2,200,465	-
Deferred Outflows on OPEB	86,847	113,400	20,098	220,345	-
Total Deferred Outflows of Resources	1,125,164	1,413,242	300,120	2,838,526	-
LIABILITIES:					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 623,089	\$ 504,455	\$ 309,064	\$ 1,436,608	\$ 413,554
Accrued Interest Payable	43,232	85,083	7,593	135,908	4,773
Current Compensated Absences Payable	8,815	16,658	-	25,473	-
Current Maturities of Long-Term Liabilities	525,000	1,080,000	430,000	2,035,000	54,366
Due to Other Funds	176,667	-	-	176,667	-
Customer Deposits	612,246	1,239,381	-	1,851,627	-
Total Current Liabilities	1,989,049	2,925,577	746,657	5,661,283	472,693
Non-Current Liabilities:					
Long-Term Liabilities, Net of Current Portion	12,427,873	19,270,525	4,546,159	36,244,557	299,224
Total Liabilities	14,416,922	22,196,102	5,292,816	41,905,840	771,917
DEFERRED INFLOWS OF RESOURCES:					
Deferred Inflows on OPEB	111,761	145,931	25,863	283,555	-
Deferred Inflows on Public-Private Partnerships	56,109,099	-	-	56,109,099	-
Total Deferred Inflows of Resources	56,220,860	145,931	25,863	56,392,654	-
NET POSITION:					
Net Investment in Capital Assets	43,080,617	23,744,455	2,586,513	69,411,585	6,814,305
Unrestricted	20,616,171	12,955,656	8,535,122	42,106,949	9,841,098
Total Net Position	\$ 63,696,788	\$ 36,700,111	\$ 11,121,635	\$ 111,518,534	\$ 16,655,403

Reconciliation to business-type activities:

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service balances are included with business-type activities.

	\$ 2,101,074
Net Position of business type activities	<u>\$ 113,619,608</u>

Town of Addison, Texas
Basic Financial Statements

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year ended September 30, 2023

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
OPERATING REVENUES:					
Water	\$ -	\$ 9,437,297	\$ -	\$ 9,437,297	\$ -
Sewer	-	6,649,435	-	6,649,435	-
Drainage	-	-	2,548,749	2,548,749	-
Penalties	-	118,932	-	118,932	-
Water and Sewer Taps and Other Fees	-	121,813	2,550	124,363	-
Fuel Flowage Fees	1,195,788	-	-	1,195,788	-
Customs Agent Fees	161,815	-	-	161,815	-
Rental Charges	4,426,042	-	-	4,426,042	-
Other Income	334,874	40,935	-	375,809	1,000
Department Contributions	-	-	-	-	2,388,964
Total Operating Revenues	6,118,519	16,368,412	2,551,299	25,038,230	2,389,964
OPERATING EXPENSES:					
Salaries and Fringe Benefits	3,775,242	3,870,794	643,762	8,289,798	-
Supplies	41,993	221,180	49,558	312,731	58,542
Maintenance and Materials	688,499	1,009,883	331,020	2,029,402	483,912
Contractual Services	1,187,100	1,368,261	342,539	2,897,900	-
Water Purchases	29,119	4,470,618	-	4,499,737	-
Wastewater Purchases	-	3,913,210	-	3,913,210	-
Total Operating Expenses (Excluding Depreciation and Amortization)	5,721,953	14,853,946	1,366,879	21,942,778	542,454
Depreciation and Amortization	2,864,503	1,718,384	213,457	4,796,344	1,217,953
Total Operating Expenses	8,586,456	16,572,330	1,580,336	26,739,122	1,760,407
OPERATING INCOME/(LOSS)	(2,467,937)	(203,918)	970,963	(1,700,892)	629,557
NON-OPERATING REVENUES/(EXPENSES):					
Net Investment Income/(Loss)	2,095,940	591,975	301,987	2,989,902	71,123
Gain/(Loss) on Disposal of Assets	-	-	-	-	105,351
Gain/(Loss) on Joint Venture	-	(82,818)	-	(82,818)	-
Public-Private Partnership Revenues	12,578,484	-	-	12,578,484	-
Interest Expense and Fiscal Charges	(341,697)	(781,713)	(90,371)	(1,213,781)	(9,659)
Total Non-Operating Revenues/(Expenses)	14,332,727	(272,556)	211,616	14,271,787	166,815
NET INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS	11,864,790	(476,474)	1,182,579	12,570,895	796,372
Capital Grants and Contributions	1,211,940	191,047	-	1,402,987	-
Transfers Out	(508,966)	-	(400,439)	(909,405)	-
CHANGE IN NET POSITION	12,567,764	(285,427)	782,140	13,064,477	796,372
Net Position at Beginning of Year	51,129,024	36,985,538	10,339,495	98,454,057	15,859,031
Net Position at End of Year	<u>\$ 63,696,788</u>	<u>\$ 36,700,111</u>	<u>\$ 11,121,635</u>	<u>\$ 111,518,534</u>	<u>\$ 16,655,403</u>
Reconciliation to business-type activities:					
Change in net position of enterprise funds				\$ 13,064,477	
Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service balances are included with business-type activities.				428,360	
Change in net position of business type activities				<u>\$ 13,492,837</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, 2023

	Business-Type Activities - Enterprise Funds				Governmental
	Airport	Utility	Stormwater	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ 5,687,445	\$ 15,727,815	\$ 2,529,457	\$ 23,944,717	\$ 2,388,964
Other Receipts	-	-	-	-	1,000
Payments to Suppliers	(2,069,631)	(10,989,536)	(637,769)	(13,696,936)	(503,482)
Payments to Employees for Services	(2,480,128)	(2,614,130)	(429,255)	(5,523,513)	-
<i>Net Cash Provided by Operating Activities</i>	<u>1,137,686</u>	<u>2,124,149</u>	<u>1,462,433</u>	<u>4,724,268</u>	<u>1,886,482</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and Construction of Capital Assets	(1,060,247)	(498,768)	(2,062,410)	(3,621,425)	(2,239,868)
Proceeds from Issuance of Long-Term Debt	2,534,168	-	-	2,534,168	-
Principal Paid on Long-Term Debt	(440,000)	(1,050,000)	(420,000)	(1,910,000)	(58,415)
Transfers to Debt Service Fund for Long-Term Debt	(508,966)	-	(400,439)	(909,405)	-
Interest and Fiscal Charges Paid on Long-Term Debt	(346,287)	(872,350)	(80,032)	(1,298,669)	(4,886)
Principal Paid on Interfund Loan for Capital Purchase	(176,666)	-	-	(176,666)	-
Proceeds from Sale of Capital Assets	-	-	-	-	105,009
<i>Net Cash Provided/(Used) by Capital and Related Financing Activities</i>	<u>2,002</u>	<u>(2,421,118)</u>	<u>(2,962,881)</u>	<u>(5,381,997)</u>	<u>(2,198,160)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on Cash and Investments	1,898,329	571,603	299,262	2,769,194	63,011
<i>Net Cash Provided/(Used) by Investing Activities</i>	<u>1,898,329</u>	<u>571,603</u>	<u>299,262</u>	<u>2,769,194</u>	<u>63,011</u>
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	3,038,017	274,634	(1,201,186)	2,111,465	(248,667)
Cash and Cash Equivalents, October 1	8,799,835	12,326,401	9,788,807	30,915,043	10,095,192
Cash and Cash Equivalents, September 30	<u>\$ 11,837,852</u>	<u>\$ 12,601,035</u>	<u>\$ 8,587,621</u>	<u>\$ 33,026,508</u>	<u>\$ 9,846,525</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	\$ (2,467,937)	\$ (203,918)	\$ 970,963	\$ (1,700,892)	\$ 629,557
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Depreciation and Amortization	2,864,503	1,718,384	213,457	4,796,344	1,217,953
Change in Assets, Liabilities, and Deferred Items:					
(Increase)/Decrease in Accounts Receivables	25,456	(690,987)	(21,842)	(687,373)	-
(Increase)/Decrease in Prepaid Items	(60,043)	-	-	(60,043)	-
Increase/(Decrease) in Accounts Payable	(33,464)	17,337	87,687	71,560	38,972
Increase/(Decrease) in Customer Deposits	287,206	50,390	-	337,596	-
(Increase)/Decrease in Deferred Outflows on Pensions	(992,680)	(840,402)	(165,166)	(1,998,248)	-
(Increase)/Decrease in Deferred Outflows on OPEB	(75,904)	(66,653)	(15,270)	(157,827)	-
Increase/(Decrease) in Deferred Inflows on Pensions	-	(512,582)	-	(512,582)	-
Increase/(Decrease) in Deferred Inflows on OPEB	109,105	134,548	24,721	268,374	-
Increase/(Decrease) in Net Pension Liability	2,027,998	2,128,394	338,477	4,494,869	-
(Increase)/Decrease in Net Pension Asset	-	349,817	-	349,817	-
Increase/(Decrease) in Total OPEB Liability	197,182	39,821	29,406	266,409	-
(Increase)/Decrease in Public-Private Partnerships Receivable	943,653	-	-	943,653	-
Increase/(Decrease) in Deferred Inflows on Public-Private Partnerships	(1,687,389)	-	-	(1,687,389)	-
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 1,137,686</u>	<u>\$ 2,124,149</u>	<u>\$ 1,462,433</u>	<u>\$ 4,724,268</u>	<u>\$ 1,886,482</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital Grants and Contributions	\$ 1,211,940	\$ 191,047	\$ -	\$ 1,402,987	\$ -
Capital Assets in Accounts Payable	412,544	99,494	152,720	664,758	360,546
Amortization of Public-Private Partnership Deferrals	12,578,484	-	-	12,578,484	-
Gain/(Loss) on Joint Venture	-	(82,818)	-	(82,818)	-
<i>Net Noncash Items from Capital and Related Financing Activities</i>	<u>\$ 14,202,968</u>	<u>\$ 207,723</u>	<u>\$ 152,720</u>	<u>\$ 14,563,411</u>	<u>\$ 360,546</u>

See accompanying notes to the basic financial statements.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 last amended in January 2021. 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, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, including lease and subscription liabilities, which are recorded when due, and compensated absences, pension, and post-employment benefit obligations, 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, General Obligation Debt Service Fund and Capital Project Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services (except ambulance services), fines and forfeitures (except court warrants), and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Ambulance services, court warrants and 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.

Capital Project Fund – The Capital Project 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, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Grant Fund - The 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. The fund also accounts for expenditures for which the Town expects to be reimbursed.

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.

PEG Fees Fund - The PEG Fees Fund was created to collect state restricted public, educational, and government access channels, or PEG, fees and account for their use.

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 accounts for maintenance and improvements to Town stormwater infrastructure. It 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. This fund has been designated as a major fund by Town management.

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 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 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, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Facility Maintenance Fund - The Facility Maintenance Fund is used to accumulate sufficient resources to repair and improve Town facilities. Resources are acquired through charges to operating departments in the funds. The charges are calculated using a straight-line amortization of each component of the facilities based on its expected life. The funds are used to finance repairs and improvements of facilities when needed.

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, 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 investments.

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 in debt securities for the Town are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town considers quoted market price at September 30, 2023 to be the fair value of investments. Investments in negotiable certificates of deposit are carried at fair value. The government investment pools, TexPool, TexSTAR, Texas CLASS, and LOGIC operate in accordance with state laws and regulations. Investments in external pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the Town's fiscal year end. In instances where pools transact at amortized cost, such as TexPool, no readily determinable fair value is deemed available.

2) Receivables

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 levy date and are considered delinquent after January 31. 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 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 maintenance agreements, the quarterly payment to Dallas Central Appraisal District for appraisal fees, the quarterly payment to North Texas Emergency Communication Center for dispatch services, the quarterly payment to US Customs and Border Protection for services at the Addison Airport, and postage.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4) Capital, Lease, and Subscription Assets

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

- Expected useful life must be three years or more for equipment and ten years or more for improvements.
- Original unit cost of the equipment should be \$5,000 or greater and includes all costs enabling the item into operation, such as freight, installation, and accessories; capital improvements should be \$25,000 or greater.
- The item should not be consumed, unduly altered, or materially reduced in value immediately by use.

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

The internal service funds may record assets that have an original cost of \$5,000 or less if 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 acquisition value as of the date donated. Depreciation and amortization 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
Leased buildings.....	10 years
Improvements other than buildings.....	20-50 years
Equipment.....	3-50 years
Leased equipment.....	3-10 years
Subscription assets.....	3-10 years

Depreciation and amortization of current year additions/ 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 liability is computed based on the reimbursable hours at the employees' rate of pay as of September 30, 2023. The Town's liability for compensated absences decreased \$91,685 for a total liability of \$1,249,568.

6) Leases

The Town of Addison is a lessee for noncancellable leases of equipment and building office space. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The town recognizes lease assets with an initial, individual value of \$30,000 or more.

At the commencement of a lease, the Town of Addison initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key estimates and judgements related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The interest rate charged by the lessor will be used as the discount rate. When the interest rate charged by the lessor is not provided, the Town will generally use its estimated incremental borrowing rate as the discount rate for the leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town of Addison monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

7) Subscription-Based Information Technology Arrangements (SBITA)

The Town of Addison has one software subscription under GASB 96. The Town recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the Internal Service Funds. The town recognizes subscription assets with an initial, individual value of \$30,000 or more.

At the commencement of a subscription, the Town of Addison initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at, and certain payments made before the subscription commencement date, plus certain initial direct costs. The subscription asset is amortized on a straight-line basis over the shorter of its useful life or the subscription term.

Key estimates and judgements related to subscriptions include how the Town determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The interest rate charged by the vendor will be used as the discount rate. When the interest rate charged by the vendor is not provided, the Town will generally use its estimated incremental borrowing rate as the discount rate for the subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town of Addison monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liability.

8) Grants and Contributions

Included in capital grants and contributions in the government-wide financial statements is \$1,211,940 in leasehold improvements from agreements that did not qualify under GASB Statement No. 94 for the Airport, and \$191,047 in developer contributions to the Utility Fund. Capital grants also includes a \$46,000 grant for Public Safety to purchase equipment, a \$25,890 developer contribution to Streets, and \$230,000 in artwork donations. Operating grants and contributions includes \$390,693 of grant funding for public safety, a \$9,083 retail food regulatory grant, and a \$50,000 grant for Airport operations.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net assets that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and other postemployment benefit (OPEB) contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in pension and OPEB assumptions - These changes are deferred and recognized over the estimated average remaining service lives of all employees that are provided with pensions and OPEB through the pension and OPEB plans (active and inactive employees) determined as of the beginning of the measurement period.
- Difference in expected versus actual experience for pensions and OPEB - This difference is deferred and amortized over the estimated average remaining service lives of all employees that are provided with pensions through the pension plan (active and inactive employees) determined as of the beginning of the measurement period or employees who are provided OPEB through the Town's OPEB plan.
- The difference between projected and actual investment earnings on pension plan - This difference is deferred and amortized over the estimated average remaining service lives of all employees that are provided with pensions through the pension plan (active and inactive employees) determined as of the beginning of the measurement period. In the full accrual government-wide statements, the unavailable resources are recognized as revenue and not deferred.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three types of items that qualify for reporting in this category. The difference due to changes in OPEB assumptions is deferred and recognized over the estimated average remaining service lives of all employees that are provided with OPEB through the OPEB plans (active and inactive employees) determined as of the beginning of the measurement period. The difference in expected and actual OPEB experience is deferred and recognized over the estimated average remaining service lives of all employees that are provided with OPEB through the OPEB plans (active and inactive employees) determined as of the beginning of the measurement period. The deferred inflows from public-private partnerships are amortized over the life of the agreements.

10) 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.

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 through an ordinance passed by the Town Council. Once adopted, the limitation imposed by the ordinance remains in place until another ordinance removes or revises the limitation.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 City 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. Only the General Fund reports a positive unassigned fund balance. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Governmental 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 Town 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, with most restrictive being restricted, then committed, then assigned, and lastly unassigned.

11) Minimum Fund Balance Policy

It is the desire of the Town to maintain adequate fund balances 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 30 percent of budgeted expenditures, and a minimum fund balance of 25 percent of budgeted expenditures for all other operating funds.

12) Net Position

Net Position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. 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 Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the remaining amount not contained in the other classifications and can be used for any purpose. Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budgetary control is maintained at the department level, which is a subset of the functional level, by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.

- 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. Accordingly, no comparison of budget to actual is presented in the financial statements for the Capital Project fund.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budget Data – The budget amounts presented in the statements reflect original and amended budget amounts. The FY2023 budget was amended two times, and the amendments were approved by City Council on April 25, 2023, and September 26, 2023. The April 25th amendment was to allocate funds to the General Fund for a Long-Range Planning position in the Development Services Department. Additionally, this amendment was to allocate funds to the Reimbursement Grant Fund offset by an equal increase in Intergovernmental - Federal Revenue, for revenue and expenditures related to a 911 grant received by North Texas Emergency Communications Center cities on their behalf. The amendment also added funding for various projects in the Self-Funded Special Projects Fund including Tree Mitigation Fees, as well as, allocated funds from the Debt Service Fund for the 2023 General Obligation Refunding Bonds offset by bond proceeds of an equal amount. The September 26th budget amendment appropriated funds from the General Fund for contributions to the Facility Maintenance Fund and temporary employment services in the General Services Department, personnel costs in the Finance Department, which were offset by decreases in personnel costs in the City Manager's Office and Information Technology Department. Additional funds were allocated for street maintenance and prior year encumbrances for street lighting, replacement of a damaged bus shelter, and for water purchases. The amendment also reflects an allocation for expenditures from the Capital Projects Fund for prior year encumbrances from the 2013 Stormwater CO's, the 2012 GO/CO Fund, and the 2021 GO Bond Fund. In addition, this amendment allocated funds from the Self-Funded Special Projects Fund for prior year encumbrances for Oncor transformer relocations at the Police Department, Wheeler Bridge painting, Vitruvian Park Fitness Court, traffic signal design, pavement condition assessment services, fire station bay door grill gates, a forklift, and an allocation in the Utility Fund for increased wholesale water purchases offset by water sales revenue of an equal amount. Finally, this amendment also gives the City Manager authority to transfer from the General Fund to the Self-Funded Special Projects Fund unexpended appropriations and excess revenue for the fiscal year ended September 30, 2023.

Excess of Expenditures over Appropriations – For the year ended September 30, 2023, the Police Department expenditures exceeded appropriations by \$158,184, mainly due to overtime costs exceeding the budget, as well as, supplies and capital outlay expenditures. Fire Department expenditures exceeded appropriations by \$69,519 due to slight negative budget variances in tools and equipment, motor vehicle maintenance, and contractual services. The excess of appropriations for expenditures in other departments in the General Fund were more than enough to cover these overages, so fund balance was not impacted.

Encumbrance accounting is employed in governmental funds, but all operating encumbrances are liquidated at year-end. Only encumbrances for capital project contracts and capital equipment purchase orders roll forward to the next fiscal year to increase following year capital budgets.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town has seven bank accounts: the Operating Account, Controlled Disbursement Account, Payroll Account, ACH/Wire Account, Benefits Account, Police Seizure Escrow Account, and the Addison Airport 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 as "Pooled Cash and Investments." The other demand accounts are reported in the same manner. The Police Seizure Escrow Account is used to hold police seized funds pending legal judgments. The Addison Airport account is a checking account used by the management companies at the Airport to cover operational expenses.

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 fair 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, 2023. Included in Pooled Cash and Investments is \$3,950 of petty cash. At year-end, the carrying amount of the Town's deposits was a debit balance of \$4,338,120. The respective bank balance totaled \$5,149,353. In addition, collateral with a fair value of \$5,772,741 were held by the pledging financial institution's account at the Bank of New York Mellon 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, 2023 were invested in LOGIC, TexPool, TexSTAR (Texas Short Term Asset Reserve program) and Texas CLASS (Texas Cooperative Liquid Assets Securities System).

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. State Street Bank serves as custodian to TexPool Hilltop Securities, Inc. (HTS) and JPMorgan Investment Management, Inc. (JPMIM) serve as co-administrators for LOGIC and TexSTAR under an agreement with its Board of Trustees and Board of Directors, respectively. HTS provides distribution, administrative, participant support and marketing services. JPMIM provides investment management, custody and fund accounting services. JPMorgan Chase Bank, N.A. serves as custodian for LOGIC and TexSTAR. Texas CLASS is administered by Public Trust Advisors, LLC and UMB Bank serves as custodian which provide investment, financial or other cash management services.

LOGIC, TexPool, TexSTAR and Texas CLASS are not registered with the Securities and Exchange Commission (SEC) as investment companies. LOGIC, TexPool, TexSTAR and Texas CLASS 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 government investment pool TexPool is carried at amortized cost. LOGIC, TexSTAR, and Texas CLASS are carried at net asset value.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Investments

As of September 30, 2023, the Town held the following investments:

	<u>Carrying Value</u>	<u>WAM (Days)</u>
Agency Securities	\$ 47,501,010	313
U.S. Treasuries	977,226	2
Municipal Bonds	38,532,226	195
Commerical Paper	3,944,072	3
Negotiable Certificates of Deposit	6,713,128	36
<i>Total Investment in Securities</i>	<u>97,667,662</u>	
LOGIC	24,373,388	83
TexPool	1,053,793	72
TexSTAR	1,050,965	86
Texas CLASS	3,627,226	57
<i>Total Investment in Pools</i>	<u>30,105,372</u>	
<i>Total Investments</i>	<u>\$ 127,773,034</u>	549

In accordance with GASB Statement No. 72, “Fair Value Measurement and Application,” the Town records investments at fair value. However, for participating interest-earning investment contracts with maturities of one year or less at time of purchase, the Town reports these investments at amortized cost. Investments in debt securities are carried at fair value. Fair value for debt securities is determined using a multi-dimensional relational model using standard inputs including TRACE reported trades. Investments in negotiable certificates of deposits are carried at fair value.

Interest Rate Risk – In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the weighted average days to maturity of its investment portfolio to 24 months (730 days). This means investing operating funds primarily in short-term securities, money market mutual funds or similar investment pools.

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

1. 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.
2. Time Certificates of Deposit with a maturity not to exceed five 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.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

3. Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent with a maturity not to exceed five (5) years from the date of purchase.
4. Prime commercial paper with an original maturity of two hundred seventy (270) days or less which, at the time of purchase, is rated at least A-1 by Standard and Poor's, P-1 by Moody's, or F1 by Fitch.
 - At the time of the purchase, the commercial paper must be rated by at least two of the above stated ratings agencies at the above stated minimum credit criteria.
 - 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.
 - 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, and 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.)
5. State and Local Investment Pools organized under the Interlocal Cooperation Act that meet the requirements of Chapter 2256 Texas Government Code and have been specifically approved by the CFO and authorized by the City Council. LOGIC, TexPool, TexSTAR and Texas CLASS are all currently rated AAA 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 investments as of September 30, 2023 based on par value, are Instrumentality Securities (70%) of which the Town's portfolio is currently at 38.5%, Municipal Bonds (50%) of which the Town's portfolio is currently at 30.4%, Commercial Paper (30%) of which the Town's portfolio is currently at 3.0%, Certificates of Deposit (50%) of which the Town's portfolio is currently at 5.2%, and Local Government Investment Pools (70%) of which the Town's portfolio is currently at 22.9%.

Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- | | |
|----------------|---|
| Level 1 | Quoted prices in active markets for identical assets or liabilities |
| Level 2 | Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities |
| Level 3 | Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities |

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair hierarchy in which the fair value measurements fall at September 30, 2023:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Investments by fair value level				
U.S. Agency Securities	\$ 47,501,010	\$ 986,923	\$ 46,514,087	\$ -
U.S. Treasuries	977,226	977,226	-	-
Municipal Bonds	38,532,226	1,205,024	37,327,202	-
Commerical Paper	3,944,072	-	3,944,072	-
Negotiable Certificates of Deposit	6,713,128	-	6,713,128	-
<i>Total Investment by fair value level</i>	<u>97,667,662</u>	<u>\$ 3,169,173</u>	<u>\$ 94,498,489</u>	<u>\$ -</u>
Investments measured at net asset value - LOGIC	24,373,388			
Investments measured at amortized cost - TexPool	1,053,793			
Investments measured at net asset value - TexSTAR	1,050,965			
Investments measured at net asset value - Texas CLASS	3,627,226			
<i>Total Investments</i>	<u>\$ 127,773,034</u>			

Certain investments that are measured at amortized cost or using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above approximate amortized cost or net asset value for all related external investment pool balances.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, and the assets are classified in Level 2, their fair values are estimated by using the matrix pricing technique. This technique includes quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At September 30, 2023, no investments are held by the Town meeting the Level 3 hierarchy classification.

Investment in State Investment Pools

During the year, the Town invested in multiple public fund investment pools, including LOGIC, TexPool, TexSTAR and Texas CLASS. TexPool is measured at amortized cost, and LOGIC, TexSTAR, and Texas CLASS are measured at net asset value. Each pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds. The Town can liquidate funds daily without penalty, and there is no unfunded commitment.

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, 2022, upon which the fiscal year 2023 levy is based, was \$5,576,316,621.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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, 2023 was \$.609822 per \$100, of which \$.445082 was allocated for general government and \$.164740 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, 2023, were 98.74% 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.

If the effective tax rate, excluding tax rates for retirement of bonds and other debt, adjusted for new improvements, exceeds the rate for the previous year by more than 3.5%, the Town is required to hold an election to determine whether to limit the tax rate to no more than 3.5%. 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.

In the governmental funds financial statements, 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 is provided based on an analysis of historical trends.

C. Receivables

As of September 30, 2023, 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	Debt Service	Capital Projects	Non-Major Funds	Total
Taxes:					
Ad Valorem	\$ 703,059	\$ 301,411	\$ 10,608	\$ 42,083	\$ 1,057,161
Service Fees	856,019	-	-	-	856,019
Ambulance	948,285	-	-	-	948,285
Gross Receivables	\$ 2,507,363	\$ 301,411	\$ 10,608	\$ 42,083	\$ 2,861,465
Less: Allowance for Uncollectibles	1,476,611	205,360	7,036	28,346	1,717,353
Net Receivables	\$ 1,030,752	\$ 96,051	\$ 3,572	\$ 13,737	\$ 1,144,112

The above allowance for uncollectible accounts represents reserves for ambulance (\$379,314), court warrants (\$557,822), alarm (\$75,114), and property taxes (\$705,103).

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

In the proprietary funds at September 30, 2023 the Airport fund has \$186,081 regulated and short-term leases receivable, net of an allowance of \$22,589. The Utility fund has \$3,146,998 in water and sewer sales receivable, net of an allowance of \$55,641. The Stormwater fund has stormwater fees receivable of \$397,280, net of an allowance of \$25,266.

D. Capital, Lease, and Subscription Assets

Capital, Lease, and Subscription Asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance (Restated)*	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, not Depreciable:					
Land	\$ 71,357,956	\$ 805,740	\$ -	\$ -	\$ 72,163,696
Intangible Assets	862,221	-	-	-	862,221
Construction in Progress	30,636,375	15,945,194	-	(8,658,512)	37,923,057
<i>Total Capital Assets, not Depreciable</i>	<u>102,856,552</u>	<u>16,750,934</u>	<u>-</u>	<u>(8,658,512)</u>	<u>110,948,974</u>
Capital, Lease, and Subscription Assets, being					
Depreciated/Amortized					
Buildings	23,700,304	236,747	-	-	23,937,051
Leased Buildings	526,903	236,472	(526,903)	-	236,472
Improvements other than Buildings	200,896,421	522,014	(357,773)	4,911,918	205,972,580
Machinery and Equipment	24,166,238	2,158,906	(267,384)	3,746,594	29,804,354
Leased Equipment	194,084	-	-	-	194,084
Subscription Assets	412,005	-	-	-	412,005
<i>Total Capital, Lease, and Subscription Assets, Depreciable</i>	<u>249,895,955</u>	<u>3,154,139</u>	<u>(1,152,060)</u>	<u>8,658,512</u>	<u>260,556,546</u>
Less Accumulated Depreciation/Amortization for:					
Buildings	(16,181,930)	(515,792)	-	-	(16,697,722)
Leased Buildings	(175,634)	(133,982)	278,087	-	(31,529)
Improvements other than Buildings	(136,551,515)	(6,866,455)	357,773	-	(143,060,197)
Machinery and Equipment	(12,842,808)	(2,395,197)	264,227	-	(14,973,778)
Leased Equipment	(29,108)	(28,883)	-	-	(57,991)
Subscription Assets	-	(45,778)	-	-	(45,778)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(165,780,995)</u>	<u>(9,986,087)</u>	<u>900,087</u>	<u>-</u>	<u>(174,866,995)</u>
<i>Total Capital, Lease, and Subscription Assets, net</i>	<u>84,114,960</u>	<u>(6,831,948)</u>	<u>(251,973)</u>	<u>8,658,512</u>	<u>85,689,551</u>
<i>Governmental Activities Capital, Lease, and Subscription Assets, net</i>	<u>\$ 186,971,512</u>	<u>\$ 9,918,986</u>	<u>\$ (251,973)</u>	<u>\$ -</u>	<u>\$ 196,638,525</u>
*Beginning balance restated for implementation of GASB 96.					
Business-type Activities:					
Capital Assets, not Depreciable:					
Land	\$ 17,258,730	\$ -	\$ -	\$ -	\$ 17,258,730
Construction in Progress	4,062,406	3,672,439	-	(3,611,437)	4,123,408
<i>Total Capital Assets, not Depreciable</i>	<u>21,321,136</u>	<u>3,672,439</u>	<u>-</u>	<u>(3,611,437)</u>	<u>21,382,138</u>
Capital Assets, Depreciable:					
Buildings	18,232,794	981,906	-	349,046	19,563,746
Improvements other than Buildings	122,502,207	412,810	-	2,084,316	124,999,333
Machinery and Equipment	5,576,817	407,073	-	1,178,075	7,161,965
<i>Total Capital Assets, Depreciable</i>	<u>146,311,818</u>	<u>1,801,789</u>	<u>-</u>	<u>3,611,437</u>	<u>151,725,044</u>
Less Accumulated Depreciation for:					
Buildings	(3,610,553)	(411,342)	-	-	(4,021,895)
Improvements other than Buildings	(67,666,358)	(3,881,132)	-	-	(71,547,490)
Machinery and Equipment	(2,416,506)	(517,284)	-	-	(2,933,790)
<i>Total Accumulated Depreciation</i>	<u>(73,693,417)</u>	<u>(4,809,758)</u>	<u>-</u>	<u>-</u>	<u>(78,503,175)</u>
<i>Total Capital Assets, Depreciable, net</i>	<u>72,618,401</u>	<u>(3,007,969)</u>	<u>-</u>	<u>3,611,437</u>	<u>73,221,869</u>
<i>Business-type Activities Capital Assets, net</i>	<u>\$ 93,939,537</u>	<u>\$ 664,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,604,007</u>

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

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

	Governmental Activities	Business-type Activities
General Government	\$ 300,528	\$ -
Public Safety	613,955	-
Development Services	105,163	-
Streets	5,999,702	-
Parks and Recreation	1,230,432	-
Visitor Services	531,767	-
IT Replacement	375,242	-
Capital Replacement	826,031	13,414
Facility Maintenance	3,267	-
Airport Fund	-	2,864,503
Utility Fund	-	1,718,384
Stormwater Fund	-	213,457
	<u>\$ 9,986,087</u>	<u>\$ 4,809,758</u>

The following tabulation presents the estimated significant commitments under unfinished capital construction and equipment contracts that are fully funded as of September 30, 2023:

Project	Estimated Commitments	Less Expenditures to Date	Total Commitment Remaining
<u>Governmental Activities</u>			
Vitruvian Public Infrastructure (various)	23,946,073	15,330,305	\$ 8,615,768
Airport Parkway Reconstruction	9,400,000	890,047	\$ 8,509,953
Keller Springs Reconstruction	12,900,000	1,867,053	11,032,947
Montfort Drive Reconstruction	7,300,000	146,910	7,153,090
Les Lacs Pond Improvements	3,282,108	609,500	2,672,608
Midway Road Reconstruction	42,356,038	30,094,230	12,261,808
Quorum Drive Reconstruction	26,834,899	411,068	26,423,831
2019 Bond Prop D Ph 1 & Ph 2	4,604,159	2,450,727	2,153,432
	<u>\$ 130,623,277</u>	<u>\$ 51,799,840</u>	<u>\$ 78,823,437</u>
<u>Business Type Activities</u>			
Bravo/Golf Taxiway Improvements	1,414,770	1,137,804	276,966
Jimmy Dolittle Dr Reconstruction	1,550,000	121,028	1,428,972
Rawhide Creek Basin Drainage Improvement	2,645,801	2,190,305	455,496
Lake Forest Drive Water & Sewer Improvements	1,508,455	391,771	1,116,684
	<u>\$ 7,119,026</u>	<u>\$ 3,840,908</u>	<u>\$ 3,278,118</u>

As mentioned in Note IIA, the Town employs encumbrance accounting. The Town had the following outstanding encumbrances related to capital projects at September 30, 2023. The Stormwater fund had \$119,633 for drainage improvements, the Utility fund had \$1,755,064 for pump station and sewer line improvements, the Internal Service funds had \$65,523 for the license plate recognition project, and the Capital Project fund had \$18,707,873 for various streets, facilities, and parks projects.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Investments in Joint Ventures

Interlocal Sanitary Sewer Interceptor Agreement

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

The Town's net investment and its share of general overhead expenses are reported in the Town's Utility Fund (an enterprise fund). The Town's equity interest in the North Dallas County Water Supply Corporation of \$6,143,633 is included in Unrestricted Net Position. This joint venture provides audited financial statements bi-annually. Complete financial statements for the North Dallas County Water Supply Corporation for the fiscal year ended September 30, 2023 can be obtained from Mark Woodward, Treasury Manager, North Dallas County Water Supply Corporation, 13000 William Dodson Parkway, Farmers Branch, Texas.

Public Safety Dispatch Center Agreement

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 2015 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 (currently 16%) in the NTECC is reported as investment in joint venture in the governmental activities on the government-wide Statement of Net Position at \$1,417,050, and is included in Unrestricted Net Position. The joint venture provides annual audited financial statements. The most recent audit report available is for the fiscal year ended September 30, 2023. Complete financial statements for the NTECC can be obtained from Mark Carriere, Accounting Administrator, North Texas Emergency Communications Center, 1649 W. Frankford Rd #150, Carrollton, Texas.

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

F. Long-Term Debt

The long-term debt of the Town consisted of the following as of September 30, 2023:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Obligation Bonds, Tax-Exempt Series 2014		
A series of 2,400 bonds at \$5,000 each dated February 15, 2014. The bonds were issued 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. The bonds mature serially through 2034 with interest rates ranging from 3% to 3.625%. The bonds are callable at par plus accrued interest on or after February 15, 2024 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	\$ 8,125,000	\$ -
Certificates of Obligation Series 2014		
A series of 1,513 bonds at \$5,000 each dated February 15, 2014. The Certificates were issued 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. The bonds mature serially through 2034 with interest rates ranging from 1% to 4%. The bonds are callable at par plus accrued interest on or after February 15, 2024 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	\$ -	\$ 4,985,000
General Obligation Refunding Bonds Series 2016		
A series of 4,712 bonds at \$5,000 each dated May 13, 2016. The bonds were issued to refund a portion of the Town's outstanding debt for debt service savings and to pay the costs associated with the issuance of the bonds. The bonds mature serially through 2033 with interest rates ranging from 3% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2026 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	\$ 12,770,000	\$ 3,950,000

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
Combination Tax and Revenue Certificates of Obligation Series 2018		
<p>A series of 2,623 bonds at \$5,000 each dated December 11, 2018. The bonds were issued for the purpose of (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, (ii) designing, acquiring, improving, constructing, and renovating facilities and infrastructure at the Addison Municipal Airport related to constructing and equipping a new customs and airport administration facility, and (iii) to pay for 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 2039 with interest rates ranging from 3% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2028 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 "Aaa"; Standard & Poor's "AAA"</p>	\$ -	\$ 11,425,000
Combination Tax and Revenue Certificates of Obligation Series 2019		
<p>A series of 3,380 bonds at \$5,000 each dated September 10, 2019. The bonds were issued for the purpose of (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, (ii) improvements to a groundwater well to supply water to the Town's Vitruvian Park, and (iii) to pay for 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 2039 with interest rates ranging from 3% to 4%. The bonds are callable at par value plus accrued interest on or after February 15, 2028 in whole or in part in principal amounts of \$5,000.</p> <p>Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	\$ 14,305,000	\$ -

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Obligation Bonds Series 2020		
A series of 2,727 bonds at \$5,000 each dated August 11, 2020. The bonds were issued for the purpose of (i) constructing and improving Keller Springs Road and Airport Parkway, including sidewalks, bridges, landscaping, streetlighting, right-of-way protection, and related storm drainage improvements and acquiring rights-of-way in connection therewith, (ii) acquiring, developing, renovating and improving parks, park facilities, including the Addison Athletic Club, and open spaces for park and recreation purposes in and for the Town, including the acquisition of land therefor, (iii) renovating, repairing, improving, and equipping existing Town service, public safety, conference and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventilation equipment and systems, facade improvements, and improvements required by the Americans with Disabilities Act and other applicable laws, (iv) improving, acquiring and equipping advanced traffic control systems and facilities, and (v) paying of the costs of issuance of the Bonds. The bonds mature serially through 2040 with interest rates ranging from 2% to 5%. The bonds are callable at par value plus accrued interest on or after August 15, 2029 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"	\$ 12,045,000	\$ -
General Obligation Refunding Bonds Taxable Series 2020		
A series of 2,641 bonds at \$5,000 each dated August 11, 2020. The bonds were issued for the purpose of (i) refund the Refunded Bonds, and (ii) pay of the costs of issuance of the Bonds. The bonds mature serially through 2032 with interest rates ranging from 0.2% to 2%. The bonds are callable at par value plus accrued interest on or after August 15, 2029 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"	\$ 11,490,000	\$ -

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Obligation Bonds		
Series 2021		
<p>A series of 2,970 bonds at \$5,000 each dated August 1, 2021. The bonds were issued for the purpose of (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, 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, (ii) acquiring, developing, renovating and improving parks, park facilities, recreation facilities, including the Addison Athletic Club, and open spaces for park and recreation purposes in and for the Town, including the acquisition of land therefor, (iii) renovating, repairing, improving, and equipping existing Town service, public safety, conference and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventilation equipment and systems, facade improvements, and improvements required by the Americans with Disabilities Act and other applicable laws, (iv) improving, acquiring and equipping advanced traffic control systems and facilities, and (v) paying of the costs of issuance of the Bonds. The bonds mature serially through 2041 with interest rates ranging from 2% to 5%. The bonds are callable at par value plus accrued interest on or after August 15, 2030 in whole or in part in principal amounts of \$5,000.</p>		
	\$ 13,785,000	\$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		
General Obligation Refunding Bonds		
Taxable Series 2021		
<p>A series of 2,192 bonds at \$5,000 each dated August 1, 2021. The bonds were issued for the purpose of (i) to refund certain outstanding ad valorem tax obligations of the Town as described in Schedule I - Schedule of Refunding Obligations for debt service savings, and (ii) for payment of the costs of issuance of the Taxable Bonds. The bonds mature serially through 2033 with interest rates ranging from 1.15% to 3%. The bonds are callable at par value plus accrued interest on or after August 15, 2030 in whole or in part in principal amounts of \$5,000.</p>		
	\$ 4,155,000	\$ 6,400,000
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
General Obligation Refunding Bonds Series 2022		
<p>A series of 1,734 bonds at \$5,000 each dated January 1, 2022. The bonds were issued for the purpose of (i) to refund certain outstanding ad valorem tax obligations of the Town as described in Schedule I – Schedule of Refunded Obligations for debt service savings, and (ii) to pay the costs of issuance of the Bonds. The bonds mature serially through 2037 with interest rates ranging from 2% to 4%. The bonds are callable at par value plus accrued interest on or after February 15, 2031 in whole or in part in principal amounts of \$5,000.</p> <p>Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	\$ 7,945,000	\$ -
General Obligation Bonds Series 2022		
<p>A series of 2,028 bonds at \$5,000 each dated August 1, 2022. The bonds were issued for the purpose of (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, (ii) acquiring, developing, renovating and improving parks, park facilities, recreation facilities, including the Addison Athletic Club, and open spaces for park and recreation purposes in and for the Town, including the acquisition of land therefor; (iii) renovating, repairing, improving, and equipping existing Town service, public safety, conference and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventilation equipment and systems, façade improvements, and improvements required by the Americans with Disabilities Act and other applicable laws and (iv) paying the costs of issuing the Bonds. The bonds mature serially through 2042 with interest rates ranging from 3% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2032 in whole or in part in principal amounts of \$5,000.</p> <p>Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	\$ 9,775,000	\$ -

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Combination Tax and Revenue Certificates of Obligation Series 2022		
<p>A series of 2,499 bonds at \$5,000 each dated August 1, 2022. The bonds were issued for the purpose of (i) designing, engineering, developing, constructing, improving and repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor; (ii) designing, developing, constructing, and improving Town water and sewer system improvements and facilities; and (vi) professional services incurred in connection with items (i) and (ii), and to pay the costs incurred in connection with the issuance of the Certificates. The bonds mature serially through 2042 with interest rates ranging from 3.5% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2032 in whole or in part in principal amounts of \$5,000. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	\$ 9,290,000	\$ 2,780,000
General Obligation Bonds Series 2023		
<p>A series of 973 bonds at \$5,000 each dated August 1, 2023. The bonds were issued for the purpose of (i) designing, developing, constructing and improving Quorum Drive from the DART Rail line to Dallas North Tollway and Montfort Drive from Beltline Road to the Addison city limits, including sidewalks, bridges, landscaping, streetlighting, right-of-way protection and related storm drainage improvements; and acquiring rights-of-way in connection therewith and (ii) paying the costs of issuing the Bonds. The bonds mature serially through 2043 with interest rates ranging from 4% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2033 in whole or in part in principal amounts of \$5,000. These bonds were issued with a \$198,619 premium. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	\$ 4,865,000	\$ -

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
<p>Combination Tax and Revenue Certificates of Obligation Series 2023</p> <p>A series of 871 bonds at \$5,000 each dated August 1, 2023. The bonds were issued for the purpose of (i) designing, engineering, developing, constructing, improving and repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor, including roadway improvements at the City's airport; (ii) professional services incurred in connection with item (ii) and to pay the costs incurred in connection with the issuance of the Certificates. The bonds mature serially through 2043 with interest rates ranging from 4% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2033 in whole or in part in principal amounts of \$5,000. These bonds were issued with a \$206,604 premium. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"</p>	<p>\$ 1,935,000</p>	<p>\$ 2,420,000</p>
TOTAL LONG-TERM DEBT OUTSTANDING	<p>\$ 110,485,000</p>	<p>\$ 31,960,000</p>

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

A summary of long-term liability activity for the year ended September 30, 2023 was as follows (in thousands of dollars):

	Beginning Balance (Restated)*	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 85,565	\$ 4,865	\$ (5,475)	\$ 84,955	\$ 5,765
Premium on General Obligation Bonds	5,406	198	(695)	4,909	-
Discount on General Obligation Bonds	(7)	-	1	(6)	-
Certificates of Obligation	24,585	1,935	(990)	25,530	1,075
Premium on Certificates of Obligation	1,364	92	(139)	1,317	-
Discount on Certificates of Obligation	-	-	-	-	-
Leases	501	236	(378)	359	73
Subscriptions	412	-	(59)	353	54
Net Pension Liability	-	28,255	(4,065)	24,190	-
Compensated Absences	1,138	159	(267)	1,030	229
Total OPEB Liability	4,844	-	(1,732)	3,112	220
Long-Term Liabilities – Governmental Activities	\$ 123,808	\$ 35,740	\$ (13,799)	\$ 145,749	\$ 7,416

*Beginning balance has been restated for implementation of GASB 96.

Business-type Activities:					
General Obligation Refunding Bonds	\$ 10,825	\$ -	\$ (475)	\$ 10,350	\$ 965
(Payable from airport, storm water, and utility revenues)					
Premium on General Obligation Refunding Bonds	462	-	(83)	379	-
Discount on General Obligation Refunding Bonds	(8)	-	1	(7)	-
Combination Tax and Revenue Certificates of Obligation	6,425	2,420	(405)	8,440	355
(Payable from airport revenues)					
Premium on Combination Tax and Revenue C.O.	183	114	(19)	278	-
Combination Tax and Revenue Certificates of Obligation	13,865	-	(695)	13,170	715
(Payable from utility system revenues)					
Premium on Combination Tax and Revenue C.O.	326	-	(32)	294	-
Combination Tax and Revenue Certificates of Obligation	335	-	(335)	-	-
(Payable from storm water system revenues)					
Net Pension Liability	-	5,250	(755)	4,495	-
Compensated Absences	203	42	(26)	219	25
Total OPEB Liability	421	411	(145)	687	-
Long-Term Liabilities – Business-type Activities	\$ 33,037	\$ 8,237	\$ (2,969)	\$ 38,305	\$ 2,060

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 \$747,328 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.

Bonded debt is direct obligations and pledge the full faith and credit of the government for both governmental and business-type activities. 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, 2023.

For the governmental activities, compensated absences are generally liquidated in the General Fund, Economic Development Fund and Hotel Fund. Also for governmental activities, the net pension liability and total OPEB liability are generally liquidated from the General Fund.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

The debt service requirements on the aforementioned bonded debt are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
General Obligation Bonds:				
2024	\$ 5,765,000	\$ 2,619,300	\$ 965,000	\$ 264,655
2025	5,940,000	2,458,398	990,000	243,705
2026	6,140,000	2,273,298	1,020,000	219,955
2027	6,335,000	2,072,068	1,050,000	193,205
2028	6,100,000	1,854,874	1,070,000	164,933
2029-2033	30,540,000	6,016,910	5,255,000	393,765
2034-2038	15,355,000	2,231,013	-	-
2039-2043	8,780,000	495,981	-	-
	<u>\$ 84,955,000</u>	<u>\$ 20,021,841</u>	<u>\$ 10,350,000</u>	<u>\$ 1,480,218</u>
Certificates of Obligation:				
2024	\$ 1,075,000	\$ 891,134	\$ 1,070,000	\$ 801,325
2025	1,110,000	851,881	1,105,000	772,463
2026	1,160,000	804,131	1,145,000	732,763
2027	1,210,000	756,381	1,190,000	687,978
2028	1,250,000	710,631	1,245,000	637,656
2029-2033	7,030,000	2,800,906	7,120,000	2,330,247
2034-2038	8,360,000	1,459,219	6,225,000	993,053
2039-2043	4,335,000	277,191	2,510,000	158,359
	<u>\$ 25,530,000</u>	<u>\$ 8,551,475</u>	<u>\$ 21,610,000</u>	<u>\$ 7,113,843</u>

At September 30, 2023, the Town had \$49,872,000 authorized but unissued general obligation bonds.

G. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at September 30, 2023 is as follows, and it has been classified as internal balances within the government-wide statement of net position:

	Interfund Receivables	Interfund Payables	
Capital Project Fund	\$ 176,667	\$ -	- Loan for Airport Rescue Fire-fighting Apparatus (ARFF);
Airport Fund	-	176,667	reimbursement expected in subsequent years
Total	<u>\$ 176,667</u>	<u>\$ 176,667</u>	

Transfers between funds during the year ended September 30, 2023 were comprised of the following:

Fund	Transfers In	Transfers Out	Purpose of Transfer
General Fund	\$ -	\$ 3,000,000	For capital projects
Capital Project Fund	3,000,000	-	For capital projects
Hotel Fund	-	768,000	For economic development
Economic Development Fund	768,000	-	For economic development
Airport Fund	-	508,966	To fund airport debt service
Debt Service Fund	508,966	-	To fund airport debt service
Stormwater Fund	-	400,439	To fund stormwater debt service
Debt Service Fund	400,439	-	To fund stormwater debt service
Grant Fund	-	4,469	To move non-grant cash to General Fund
General Fund	4,469	-	To move non-grant cash to General Fund
Total Transfers	<u>\$ 4,681,874</u>	<u>\$ 4,681,874</u>	

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Leases

(1) Lease Receivable

During the current fiscal year, the Town of Addison had no leases as a lessor that were not one of the following: short-term, immaterial, or regulated. Regulated leases and short-term leases are discussed later in this note.

(2) Lease Payable

The measurement of the lease payable is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee. During the current fiscal year, the Town of Addison had five leases where the Town was the lessee, and they are described below.

Remote Capture Equipment Lease

As part of the Town of Addison's depository contract entered into in 2019, the Town leases six remote capture check scanners for a term of three years with three, one-year renewal options that will be exercised. An initial lease liability was recorded in the amount of \$22,727 as of October 1, 2021. The Town is required to make fixed monthly principal and interest payments of \$660. There are also variable monthly costs of \$.09 per check deposited, \$.80 per credit posted, and \$.12 per deposit for reporting. For the fiscal year ending September 30, 2023 the Town paid \$1,851 for variable costs. The lease has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 3.07%. The equipment has an estimated useful life of 3 years remaining as of October 1, 2021. The value of the lease asset as of the end of the current fiscal year was \$7,576, net of accumulated amortization of \$15,152.

Chlorine Generators Equipment Lease

The Town entered into a lease agreement for two chlorine generators in 2020 for a term of five years plus 4, one-year renewal options that will be exercised. An initial lease liability was recorded in the amount of \$172,257 as of October 1, 2021. The Town is required to make fixed monthly principal and interest payments of \$2,048. The lease has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 3.07%. The equipment has an estimated useful life of 8 years remaining as of October 1, 2021. The value of the lease asset as of the end of the current fiscal year was \$128,518, net of accumulated amortization of \$42,839.

Office Space Lease #1

The Town entered into a lease agreement for building office space in 2014 for an original term of five years, which was extended in 2019 for another five years. An initial lease liability was recorded in the amount of \$526,903 as of October 1, 2021. The Town was required to make fixed monthly principal and interest payments of \$17,267. The lease has no stated interest rate, so the Town was using a long-term incremental borrowing rate of 3.716%. The building had an estimated useful life of 3 years remaining as of October 1, 2021. The owner of the property allowed the Town to terminate the lease early in 2023 so that the property could be redeveloped. The value of the lease asset as of the end of the lease was \$248,816, net of accumulated amortization of \$278,087. The early termination of the lease resulted in a loss on disposal of leased building of \$248,816 and a gain on the disposition of the lease debt of \$219,680.

Office Space Lease #2

The Town entered into a lease agreement for building office space in February 2023 for a term of five years. An initial lease liability was recorded in the amount of \$122,950 as of February 1, 2023. The Town is required to make fixed monthly principal and interest payments of \$2,182 starting in year one, and each year the payments increase by set amounts. The lease has no stated interest rate, so the Town is using a long-term incremental

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

borrowing rate of 4.254%. The building has an estimated useful life of 5 years. The value of the lease asset as of the end of the current fiscal year was \$106,557, net of accumulated amortization of \$16,393.

Office Space Lease #3

The Town entered into a lease agreement for building office space in February 2023 for a term of five years. An initial lease liability was recorded in the amount of \$113,522 as of February 1, 2023. The Town is required to make fixed monthly principal and interest payments of \$2,167 starting in year one, and each year the payments increase by set amounts. The lease has no stated interest rate, so the Town is using a long-term incremental borrowing rate of 4.254%. The building has an estimated useful life of 5 years. The value of the lease asset as of the end of the current fiscal year was \$98,386, net of accumulated amortization of \$15,136.

The future principal and interest lease payments for leases payable as of September 30, 2023 were as follows:

Fiscal Year Ending	Principal	Interest	Total
September 30,			
2024	\$ 73,360	\$ 12,367	\$ 85,727
2025	69,770	9,636	\$ 79,406
2026	74,197	6,840	\$ 81,037
2027	78,861	3,860	\$ 82,721
2028	42,961	1,187	\$ 44,148
2029-2033	<u>20,195</u>	<u>285</u>	<u>\$ 20,480</u>
Totals	<u>\$ 359,344</u>	<u>\$ 34,175</u>	<u>\$ 393,519</u>

(3) GASB No. 87 Excluded Leases - Regulated

In accordance with GASB No. 87, the Town does not recognize a lease receivable and a deferred inflow of resources for regulated leases in which the Town is the lessor. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and air carries and other aeronautical users. The Town has the following regulated leases:

T and Patio Hangar Leases

These leases are aircraft storage rental agreements for T hangars, patio hangars, and the T hangar end-cap storage units. These leases allow the tenants the use of that portion of the hangar and ramp. Hangar usage is restricted to aviation use only and regulated by the FAA. These leases typically have a standard one-year term that fall to month-to-month with a 30 day termination notice. However, the Town had twelve leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2023 was \$80,021.

Jet Hangar Leases

These leases are conventional hangar leases for commercial aviation use for larger aircrafts. The leases allow the tenants use of the hangar, ramp, and a parking area. Hangar usage is restricted to aviation use only and regulated by the FAA. The terms of these leases vary depending on the tenants' need and the airport's plan for the hangar's redevelopment. The leases typically have a CPI adjustment each year. The Town had nine leases

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2023 was \$845,162.

Fuel Tank License Agreements

These aviation bulk fuel dispensing license agreements allow the license holders to take delivery and to store fuel in their designated fuel tanks owned by the Town. The license holder is responsible for maintaining a specific portion of the facilities, such as down-stream hoses, and the airport must maintain all other improvements. The tank rental fees consist of a base fee and an additional fee. The base fee has specific rent step increases stipulated in the agreements. The additional fee is assessed annually by the Town and consists of common area maintenance such as utilities and a replacement recovery allowance for the fuel tanks and related equipment. The Town had 16 leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2023 was \$199,405.

The fuel tank license agreements also call for a fuel flowage variable fee that is \$0.14 per gallon for public fixed base operations, which are fuel tank licensees that store their aircrafts and equipment at the Airport, and \$0.22 for non-public operators' equipment and aircrafts that are not based at the airport. These rates can be changed by City Council, and licensees are given at least 30 days written notice of rate changes. The fuel flowage fees received during the fiscal year ended September 30, 2023 was \$1,195,788.

The future principal and interest lease receipts for regulated leases as of September 30, 2023 were as follows:

Fiscal Year Ending				
September 30,	Principal		Interest	Total
2024	\$ 873,107		\$ 208,299	\$ 1,081,406
2025	702,148		178,962	881,110
2026	373,949		157,837	531,786
2027	360,919		144,467	505,386
2028	348,281		131,197	479,478
2029-2033	1,799,425		455,209	2,254,634
2034-2038	1,220,019		149,277	1,369,296
2039-2043	171,317		44,970	216,287
2044-2048	156,595		12,423	169,018
Totals	<u>\$ 6,005,760</u>		<u>\$ 1,482,641</u>	<u>\$ 7,488,401</u>

(4) GASB No. 87 Excluded Leases - Short-Term

Pursuant to GASB No. 87, the Town does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that, at the commencement of the lease term, have a maximum possible term under the lease contract of 12 months or less.

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Public-Private Partnerships

During the fiscal year ended September 30, 2023, the Town of Addison, as transferor, had thirty agreements that met the criteria for a public-private partnership (PPP) under GASB No. 94. Under these agreements, the operators are required to improve or construct capital assets. These assets will revert to the Town at varying dates from 2023 to 2073. The assets are estimated to have a carrying value of \$18,965,000 at the date of their reversions, which is included in the public-private partnerships receivable.

Each agreement requires monthly fixed payments ranging from \$360 per month to \$59,325 per month. Two of the agreements had set price increases at certain dates, and the other agreements have biennial Consumer Price Index (CPI) adjustments. The amount of the CPI adjustments for the year ended September 30, 2023 was \$53,115. The Town was unable to obtain borrowing rates from any of the operators, so the Town used the Town's current incremental borrowing rate of 4.254% for each agreement.

The agreements all require that the operators construct or improve assets and contribute them to the Town at a specified date. The Town has recognized a receivable and a corresponding deferred inflow of resources for these assets as of implementation date October 1, 2022 of \$18,965,000. The deferred inflow is being amortized over the length of each assets' time before reversion. The amortization of this deferred inflow for the fiscal year ended September 30, 2023 resulted in a recognition of \$12,578,484 in Public-Private Partnership Revenue.

The following is a schedule by year of minimum payments to be received under the Town's public-private partnerships that are included in the measurement of the public-private partnerships receivable as of September 30, 2023:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 785,047	\$ 2,130,417	\$ 2,915,464
2025	835,443	2,096,323	2,931,766
2026	897,405	2,059,419	2,956,824
2027	936,278	2,020,546	2,956,824
2028	976,836	1,979,988	2,956,824
2029-2033	5,033,119	9,266,842	14,299,961
2034-2038	5,339,535	8,156,513	13,496,048
2039-2043	6,094,525	6,977,366	13,071,891
2044-2048	6,746,919	5,597,195	12,344,114
2049-2053	7,653,899	4,058,507	11,712,406
2054-2058	7,912,745	2,418,458	10,331,203
2059-2063	6,202,951	733,019	6,935,970
2064-2068	490,105	174,267	664,372
2069-2073	561,512	58,570	620,082
Totals	<u>\$ 50,466,319</u>	<u>\$ 47,727,430</u>	<u>\$ 98,193,749</u>

Public-Private partnership receivables at September 30, 2023 per the statement of net position include installment payments of \$50,466,319 and underlying assets of \$18,965,000, for a total of \$69,431,319.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Subscription-Based Information Technology Arrangements (SBITAs)

The measurement of the SBITA liability is based on the present value of SBITA payments expected to be paid during the SBITA term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any incentives payable. During the current fiscal year, the Town of Addison had one SBITA, as described below.

Public Safety Software Subscription

The Town entered into a contract for the purchase of various public safety equipment with a related software subscription for a term of ten years starting in October 2021, with an initial five year term and an automatic five year extension. An initial subscription liability was recorded in the amount of \$412,005 as of October 1, 2022. The Town is required to make fixed biannual principal and interest payments ranging from \$9,805 to \$50,099. There are also fixed biannual costs for equipment maintenance, supplies and other services ranging from \$2,769 to \$22,894. For the fiscal year ended September 30, 2023 the Town paid \$41,884 for non-subscription costs. The subscription agreement has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 2.7%. The equipment has an estimated useful life of 9 years remaining as of October 1, 2022. The value of the subscription asset as of the end of the current fiscal year was \$366,227, net of accumulated amortization of \$45,778.

The future principal and interest subscription payments for the subscriptions liability as of September 30, 2023 were as follows:

Fiscal Year Ending				
September 30,	Principal	Interest	Total	
2024	\$ 54,366	\$ 8,323	\$ 62,689	
2025	39,384	7,188	46,572	
2026	40,456	6,105	46,561	
2027	41,555	4,993	46,548	
2028	42,685	3,851	46,536	
2029-2031	<u>135,143</u>	<u>4,385</u>	<u>139,528</u>	
Totals	<u>\$ 353,589</u>	<u>\$ 34,845</u>	<u>\$ 388,434</u>	

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 2023, 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 five years.

For the period of October 2022 to September 2023, the Town offered health benefits through one of two plans operated by Blue Cross Blue Shield. Employees were able to choose either an HSA (health savings account) plan or a PPO (preferred provider organization) plan. The Town also offers a dental plan through Delta Dental and a vision plan through Blue Cross Blue Shield of Texas Vision. The HSA, 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 vision plan is solely from employee contributions.

Blue Cross and Delta Dental plans are fully insured contracts. Monthly premiums paid to Blue Cross and Delta Dental were based upon fixed employee and dependent rates that are established each year.

B. Employee's Retirement System

1) Pension Plan

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, Town specific information about its fiduciary net position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the Town's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's net pension liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

Plan Description

The Town provides pension benefits for all of its full-time employees through a nontraditional, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of over 920 administered by TMRS, an agent multiple-employer public employee retirement system. Each of the municipalities has an annual individual actuarial valuation performed. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

TMRS issues a publicly available Annual Comprehensive Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. The report is also available on the System’s web site at: http://www.tmr.com/financial_reports.php.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

Benefits depend upon the sum of the employee’s contributions to the plan 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 an amount equal to two times what would have been contributed by the employee plus interest. Monetary credits for service since the plan began are 200 percent of the employee’s accumulated contributions. Beginning in 1994, the Town adopted an annually repeating type of monetary credit referred to as an updated service credit 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. The calculation included a three-year exponential average of the actual salaries paid during the prior fiscal years.

At retirement, the benefit is calculated as if the sum of the employee’s accumulated contributions with interest and the employer-financed monetary credits plus interest were used to purchase an annuity. In 1994 the Town adopted annually repeating annuity increases for its retirees equal to 70% of the change in the consumer price index. The Town discontinued the annual increases in January 2009 and began doing ad hoc increases through 2014, still at 70%. The Town did not adopt an ad hoc COLA after 2014. In fiscal year 2023, the Town adopted annually repeating annuity increases for its retirees equal to 30% of the change in the consumer price index. During the measurement year ended December 31, 2022, these COLA’s were applied retroactively. However, after the measurement date of December 31, 2022, the Town elected to change these COLA’s to be non-retroactive. The impact of these changes is unknown at this time and will be evaluated further in the December 31, 2023 valuation.

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

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	251
Inactive employees entitled to but not yet receiving benefits	264
Active employees	<u>289</u>
Total	<u>804</u>

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for the Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Since the Town needs to know its contribution rates in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The Town elected to contribute at the full rates for calendar years 2022 of 11.78% and 2023 of 16.39%. Accordingly, contributions to TMRS for the year ended September 30, 2023 were \$4,059,743 and were equal to the required contribution.

Net Pension Liability/(Asset)

The Town's Net Pension Liability/(Asset) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability/(Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year including inflation
Investment rate of return	6.75% net of pension plan investment expense including inflation

Salary increases were based on service-related tables. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries were based on the gender -distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income. In order to satisfy the short-term and long-term funding needs of TMRS.

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Location</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Other Public and Private Markets	12.0%	8.10%
Real Estate	12.0%	5.80%
Hedge Funds	5.0%	6.90%
Private Equity	10.0%	11.80%
Total	<u>100.0%</u>	

Single Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Changes in the Net Pension Liability/(Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 10/1/2022	\$ 148,507,800	\$ 154,879,692	\$ (6,371,892)
Changes for the year:			
Service cost	4,286,332	-	4,286,332
Interest	10,750,024	-	10,750,024
Change in benefit terms including substantively automatic status	12,571,126	-	12,571,126
Difference between expected and actual experience	888,494	-	888,494
Contributions - employer	-	2,935,832	(2,935,832)
Contributions - employee	-	1,768,002	(1,768,002)
Net investment income	-	(11,283,212)	11,283,212
Benefit payments, including refunds of employee contributions	(7,924,945)	(7,924,945)	-
Administrative expense	-	(97,832)	97,832
Other	-	116,743	(116,743)
Net changes	20,571,031	(14,485,412)	35,056,443
Balance at 9/30/2023	\$ 169,078,831	\$ 140,394,280	\$ 28,684,551

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Town's net pension liability	\$ 51,659,126	\$ 28,684,551	\$ 9,794,636

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at www.tmr.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023, the Town recognized pension expense of \$19,044,074. At September 30, 2023, the Town reported deferred outflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

	<u>Deferred Outflows of Resources</u>
Differences between expected & actual economic experience	\$ 1,214,563
Contributions subsequent to the measurement date	3,189,807
Change of assumptions	8,859
Difference between projected and actual investment earnings	<u>9,626,340</u>
Total	<u>\$ 14,039,569</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date but before the end of the Town's reporting period of \$3,189,807 will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September 30</u>	<u>Net deferred outflows (inflows) of resources</u>
2024	\$ 931,752
2025	2,756,031
2026	2,814,463
2027	<u>4,347,516</u>
Total	<u>\$ 10,849,762</u>

Allocation of Pension Items

The City allocates pension items between governmental activities and business-type activities on the basis of employee payroll.

2) Deferred Compensation Plan

The Town offers all employees a deferred compensation plan through Mission Squared (Trustee) in accordance with Internal Revenue Code Section 457. The ICMA-RC 457 plan provides employees the option to supplement their TMRS retirement benefits by making pre-tax contributions to their plan. The Town matches 2.67% of employee contributions up to 4.0% of their base salaries. The 457 plan contribution maximums for 2023 are \$22,500 for individuals under 50, \$30,000 for age 50 catch-up, and \$45,000 for the regular catch-up provision. Employees may enroll in the plan and/or change their contribution amounts at any time. The total amount contributed by the Town for fiscal year 2023 was \$660,326.

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

3) Other Postemployment Benefits

A summary of OPEB related items as of and for the year ended September 30, 2023, is presented below.

Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Care Plan				
Governmental Activities	\$ 2,294,756	\$ 847,535	\$ (914,314)	\$ 190,555
Business-Type Activities	506,802	187,180	(201,930)	42,085
Supplemental Death Benefits				
Governmental Activities	817,042	150,171	(369,588)	51,646
Business-Type Activities	180,446	33,165	(81,625)	11,406
Total	\$ 3,799,046	\$ 1,218,051	\$ (1,567,457)	\$ 295,692

Retiree Health Care 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. For the year under audit, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Subsequent to the December 31, 2022 measurement date, the Town created a trust in calendar year 2023, and the plan's related fiduciary net position will be reflected in the December 31, 2023 measurement of the net OPEB liability. The trust activity will be reported in the Town's financial statements for the fiscal year ended September 30, 2024. The initial funding of this trust was in the amount of \$560,000.

Benefits Provided

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. 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.

A measurement date of December 31, 2022 was used for the September 30, 2023 liability and expense. The information that follows was determined as of a valuation date of December 31, 2022.

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	53
Active Members	<u>286</u>
Total	<u>339</u>

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Contributions

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 2023 contributed \$499 to \$1,600 per month depending on coverage levels selected. In fiscal year 2023, total retiree contributions were \$766,455. Amounts that were paid after the measurement date of December 31, 2022 but before fiscal year-end, including contributions to the newly created trust, were included as a deferred outflow subsequent to the measurement date.

Total OPEB Liability for Retiree Health Care Plan

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 Town’s total OPEB liability for healthcare benefits of \$2,801,558 was measured as of December 31, 2022.

Actuarial assumptions

The Town’s total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50% per year
Salary Increases	3.50% to 11.50%, including inflation
Discount rate	4.05% (1.84% in prior year)
Healthcare cost trend rates	7.0% for 2023, declining to 4.25% after 15 years
Participation rates	50% of employees who retire before age 65 and 90% of employees who retire at age 65 or older (same in prior year)

For plans that do not have a formal trust that meets the GASB’s requirements, the discount rate is equal to the tax-exempt municipal bond rate based on a 20-year general obligation AA bond rating as of the measurement date. The rate of 4.05 percent is based on the daily rate closest to but not later than the measurement date using the Fidelity 20-Year Municipal G.O. AA Index.

Mortality rates were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables and projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

NOTES TO FINANCIAL STATEMENTS
 September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Changes in the Total OPEB Liability for Retiree Health Care Plan

	Total OPEB Liability
Balance as of 10/1/22	\$ 3,813,177
Changes for the year:	
Service cost	253,278
Interest on OPEB Liability	70,518
Effect of difference in expected & actual experience	(557,603)
Effect of changes of assumptions	(563,188)
Benefit payments	(214,624)
Change in total OPEB Liability	<u>(1,011,619)</u>
Balance as of 9/30/23	\$ <u>2,801,558</u>

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability of the Town, calculated using a discount rate of 4.05% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

	1% Decrease 3.05%	Current Discount Rate 4.05%	1% Increase 5.05%
Total OPEB liability	\$ 3,092,158	\$ 2,801,558	\$ 2,545,559

Sensitivity of Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the plan's total OPEB liability of the Town, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,581,866	\$ 2,801,558	\$ 3,064,607

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023, the Town recognized OPEB expense of \$232,640. At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual economic experience	\$ 8,083	\$ (572,693)
Change of assumptions	305,779	(543,551)
Benefit payments made subsequent to measurement date	<u>720,853</u>	<u>-</u>
Total	<u>\$ 1,034,715</u>	<u>\$ (1,116,244)</u>

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date but before the end of the Town's reporting period of \$720,853 will be recognized as a decrease to the total OPEB liability during the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2024	\$ (91,156)
2025	(91,156)
2026	(91,156)
2027	(100,101)
2028	(96,352)
Thereafter	<u>(332,461)</u>
Total	<u>\$ (802,382)</u>

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Supplemental Death Benefits Fund Description

Texas Municipal Retirement System (“TMRS”) administers an agent multiple-employer defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (“SDBF”). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (“OPEB”) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees’ entire careers.

A measurement date of December 31, 2022 was used for the September 30, 2023 liability and expense. The information that follows was determined as of a valuation date of December 31, 2022.

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	181
Inactive employees entitled to but not yet receiving benefits	74
Active employees	<u>289</u>
Total	<u>544</u>

Contributions

Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer’s yearly contribution for retirees. The Town’s Supplemental Death Benefit Plan contributions for 2023 were \$25,303.

Total OPEB Liability for Supplemental Death Benefits

The Town’s total OPEB liability for supplemental death benefits of \$997,488 was measured as of December 31, 2022.

Actuarial assumptions

The Total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50% per year
Salary increases	3.50% to 11.50%, including inflation
Discount rate	4.05% (1.84% in prior year)

Town of Addison, Texas
Basic Financial Statements

NOTES TO FINANCIAL STATEMENTS
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IV. OTHER INFORMATION (CONTINUED)

For plans that do not have a formal trust that meets the GASB's requirements, the discount rate is equal to the tax-exempt municipal bond rate based on a 20-year general obligation AA bond rating as of the measurement date. The rate of 4.05 percent is based on the daily rate closest to but not later than the measurement date using the Fidelity 20-Year Municipal G.O. AA Index.

Mortality rates were based on the 2019 Municipal Retirees of Texas Mortality Tables and projected on a fully generational basis with scale UMP.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability for supplemental death benefits

	Total OPEB Liability
Balance as of 10/1/22	\$ 1,451,514
Changes for the year:	
Service cost	60,727
Interest on OPEB Liability	27,034
Effect of difference in expected & actual experience	(10,975)
Effect of changes in assumptions or other inputs	(505,509)
Benefit payments	(25,303)
Change in OPEB Liability	<u>(454,026)</u>
Balance as of 9/30/23	<u>\$ 997,488</u>

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability of the Town, calculated using a discount rate of 4.05% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

	1% Decrease 3.05%	Current Discount Rate 4.05%	1% Increase 5.05%
Total OPEB liability	\$ 1,190,831	\$ 997,488	\$ 846,915

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023, the Town recognized OPEB expense of \$63,052. At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,961	\$ (21,862)
Change of assumptions	181,375	(429,351)
Total	<u>\$ 183,336</u>	<u>\$ (451,213)</u>

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

Deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2024	\$ (36,963)
2025	(22,297)
2026	(55,227)
2027	(82,927)
2028	(70,463)
Total	<u>\$ (267,877)</u>

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.

The Town of Addison has a \$5,000,000 loan from the North Central Texas Council of Governments (NCTCOG) for Addison's future contribution to Dallas Area Rapid Transit (DART) for the Cotton Belt, also known as the Silver Line. NCTCOG transferred the \$5,000,000 to DART in 2019. The loan is to be repaid over 10 years at 1.8% interest, starting after the completion of the Cotton Belt. The Town of Addison is not responsible for any repayment of the loan unless and until the Cotton Belt is finished. If the Cotton Belt fails to materialize, the Town has no obligation to repay the loan. Completion is currently anticipated in 2026.

D. Tax Incentive Rebates

The Town of Addison has three active Commercial Development and Job Related Incentive Rebates that develop or redevelop a particular property attracting businesses that generate incremental tax revenues. In addition to GASB 77, the agreements are subject to Chapter 380 of the Texas Local Government Code that promotes local economic development, commercial activity and business stimulation. City Council approves the agreements via resolution. As part of the agreements, the Town agrees to rebate a portion of the ad valorem or sales tax after confirmation of payment. If the businesses do not meet the obligations as set forth in the agreements in a particular year, the businesses forego the rebates in that year.

The agreement with one entity, executed March 4, 2016, provides a rebate for 50% of business personal property (ad valorem) tax for ten years and a total amount of \$50,000 for waiver of permit fees. The entity did not meet the eligibility criteria to receive the incentive in the last year ended September 30, 2023, and the amount forgone was \$0. The entity ceased to operate in fiscal year 2023, terminating the contract in place. Over the life of the contract, the entity has forgone \$104,247.

The agreement with one entity, executed September 27, 2022, provides a rebate for 50% of business personal property (ad valorem) tax for five years and a total amount of \$6,069 for waiver of permit fees. The entity did not meet the eligibility criteria to receive the incentive in the year ended September 30, 2023, and the amount forgone was \$12,293. Over the life of the contract, the entity has forgone \$12,293.

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

IV. OTHER INFORMATION (CONTINUED)

The agreement with the another entity provides a rebate for 75% of sales tax over a threshold amount, of which the calculation is outlined in the contract. The Town paid \$321,639 during the fiscal year ended September 30, 2023, and has paid \$2,432,398 over the life of the contract. Also, the contract allows for the Town of Addison to commission an independent traffic study regarding an area specified in the contract, and if warranted, the Town will pay for capital expenses related to potential signalization or other needed improvements in the specified area.

No traffic study has been warranted or commissioned as of September 30, 2023. Also, the contract requires a tree mitigation amount of \$424,385 to be paid in five installments starting the 10th anniversary of the issuance of certain certificates of occupancy, which was in 2014.

E. New Accounting Pronouncements

The Town has adopted and implemented the following statements during the fiscal year 2023.

Statement No. 91, *Conduit Debt Obligations* – This statement provides a single method of reporting conduit debt and clarifies that these obligations are not government liabilities. The adoption had no effect on the Town's beginning net position at October 1, 2022.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – This statement addresses issues related to public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). The adoption had no material effect on the Town's beginning net position at October 1, 2022, and no restatement of net position was made.

Statement No. 96, *Subscription-Based Information Technology Arrangements* – This statement provides guidance on subscription-based information technology arrangements (SBITAs) to further report on government's obligations and assets from SBITAs. The adoption had no material effect on the Town's beginning net position at October 1, 2022, and no restatement of net position was made.

Statement No. 99, *Omnibus 2022* – This statement improves comparability and consistency of application of accounting and financial reporting and also authoritative literature. The adoption had no effect on the Town's beginning net position at October 1, 2022.

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62 – This statement improves the clarity and requirements for accounting changes and error corrections. This statement will be effective for the Town in fiscal year 2024. The Town will evaluate the potential impact on the Town's net position.

GASB Statement No. 101, *Compensated Absences* – This statement addresses the recognition and measurement of compensated absences. This statement will be effective for the Town in fiscal year 2025. The Town will evaluate the potential impact on the Town's net position.

GASB Statement No. 102, *Certain Risk Disclosures* – This statement provides users with information regarding concentrations or constraints and events that have occurred or will occur that make the entity vulnerable to substantial impact. This statement will be effective for the Town in fiscal year 2025. The Town will evaluate the potential impact on the Town's net position.

Required Supplementary Information

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
Texas Municipal Retirement System
Schedule of the Town's Changes in Net Pension Liability/(Asset) and Related Ratios (Unaudited)
Last Nine Measurement Years (Previous years are not available)

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018
Total pension liability:					
Service cost	\$ 2,819,937	\$ 3,120,695	\$ 2,740,122	\$ 2,862,674	\$ 3,028,227
Interest (on the Total Pension Liability)	8,660,470	9,031,058	7,721,380	8,023,052	8,365,372
Changes in benefit terms including substantively automatic status	-	-	(20,027,692)	-	-
Difference between expected and actual experience	(987,858)	(1,253,581)	(37,547)	827,177	154,569
Change in assumptions	-	467,077	-	-	-
Benefit payments, including refunds of employee contributions	(5,193,445)	(5,504,175)	(6,038,979)	(5,993,041)	(7,455,524)
Net change in total pension liability	5,299,104	5,861,074	(15,642,716)	5,719,862	4,092,644
Total pension liability - beginning	124,907,757	130,206,861	136,067,935	120,425,219	126,145,081
Total pension liability - ending (a)	130,206,861	136,067,935	120,425,219	126,145,081	130,237,725
Plan fiduciary net position:					
Contributions - employer	1,789,255	1,824,122	1,743,443	1,942,088	2,066,662
Contributions - employee	1,224,976	1,257,382	1,266,899	1,323,808	1,382,710
Net investment income	6,157,338	164,587	7,376,667	15,717,180	(3,781,614)
Benefit payments, including refunds of employee contributions	(5,193,445)	(5,504,175)	(6,038,979)	(5,993,041)	(7,455,524)
Administrative expense	(64,289)	(100,255)	(83,336)	(81,484)	(73,147)
Other	(5,286)	(4,952)	(4,490)	(4,130)	(3,822)
Net change in plan fiduciary net position	3,908,549	(2,363,291)	4,260,204	12,904,421	(7,864,735)
Plan fiduciary net position - beginning	107,639,477	111,548,026	109,184,735	113,444,939	126,349,361
Plan fiduciary net position - ending (b)	111,548,026	109,184,735	113,444,939	126,349,360	118,484,626
Net pension liability/(asset) - ending (a) - (b)	\$ 18,658,835	\$ 26,883,200	\$ 6,980,280	\$ (204,279)	\$ 11,753,098
Plan fiduciary net position as a percentage of total pension liability	85.67%	80.24%	94.20%	100.16%	90.98%
Covered payroll	\$ 17,479,153	\$ 17,945,341	\$ 18,098,559	\$ 18,895,541	\$ 19,727,861
Net pension liability/(asset) as a percentage of covered payroll	106.75%	149.81%	38.57%	-1.08%	59.58%

Changes in assumptions: In the 2015 valuation the investment rate of return decreased from 7.0% to 6.75%; the inflation rate was lowered from 3.0% to 2.5%; the experience study for retirement age was updated.

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

Texas Municipal Retirement System
Schedule of the Town's Changes in Net Pension Liability/(Asset) and Related Ratios, Continued (Unaudited)
Last Nine Measurement Years (Previous years are not available)

	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total pension liability:				
Service cost	\$ 3,261,975	\$ 3,442,943	\$ 3,866,304	\$ 4,286,332
Interest (on the Total Pension Liability)	8,672,125	9,077,037	9,468,644	10,750,024
Changes in benefit terms including substantively automatic status	-	-	-	12,571,126
Difference between expected and actual experience	857,318	800,065	666,896	888,494
Change in assumptions	402,607	-	-	-
Benefit payments, including refunds of employee contributions	(6,785,567)	(7,786,079)	(7,674,193)	(7,924,945)
Net change in total pension liability	6,408,458	5,533,966	6,327,651	20,571,031
Total pension liability - beginning	130,237,725	136,646,183	142,180,149	148,507,800
Total pension liability - ending (a)	136,646,183	142,180,149	148,507,800	169,078,831
Plan fiduciary net position:				
Contributions - employer	2,259,912	2,450,696	2,796,361	2,935,832
Contributions - employee	1,480,167	1,551,077	1,725,318	1,768,002
Net investment income	18,296,106	10,128,771	18,211,116	(11,283,212)
Benefit payments, including refunds of employee contributions	(6,785,567)	(7,786,079)	(7,674,193)	(7,924,945)
Administrative expense	(103,502)	(65,634)	(84,389)	(97,832)
Other	(3,109)	(2,561)	578	116,744
Net change in plan fiduciary net position	15,144,007	6,276,270	14,974,790	(14,485,412)
Plan fiduciary net position - beginning	118,484,627	133,628,634	139,904,902	154,879,692
Plan fiduciary net position - ending (b)	133,628,634	139,904,904	154,879,692	140,394,280
Net pension liability/(asset) - ending (a) - (b)	\$ 3,017,549	\$ 2,275,245	\$ (6,371,892)	\$ 28,684,551
Plan fiduciary net position as a percentage of total pension liability	97.79%	98.40%	104.29%	83.03%
Covered payroll	\$ 21,140,471	\$ 22,112,672	\$ 24,516,829	\$ 25,303,021
Net pension liability/(asset) as a percentage of covered payroll	14.27%	10.29%	-25.99%	113.36%

Changes in assumptions: In the 2015 valuation the investment rate of return decreased from 7.0% to 6.75%; the inflation rate was lowered from 3.0% to 2.5%; the experience study for retirement age was updated.

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension liability/(asset) and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods of which such information is available are presented.

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
Texas Municipal Retirement System
Schedule of Town Contributions (Unaudited)
September 30, 2023

	(1)	(2)	(3) = (2) - (1)	(4)	(5) = (1) / (4)	(6) = (2) / (4)
Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Actuarially determined contributions as a percentage of covered payroll	Contributions as a percentage of covered payroll
2015	1,874,383	1,874,383	-	18,804,927	9.97%	9.97%
2016	1,786,827	1,786,827	-	18,465,892	9.68%	9.68%
2017	1,893,931	1,893,931	-	18,796,558	10.08%	10.08%
2018	2,136,195	2,136,195	-	19,933,808	10.72%	10.72%
2019	2,172,375	2,172,375	-	21,064,448	10.31%	10.31%
2020	2,259,912	2,259,912	-	21,140,471	10.69%	10.69%
2021	2,450,696	2,450,696	-	22,268,039	11.01%	11.01%
2022	2,796,361	2,796,361	-	24,627,157	11.35%	11.35%
2023	4,059,743	4,059,743	-	25,387,992	15.99%	15.99%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumption Used to Determine Contribution Rate for 2023:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 Years (longest amortization ladder)
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes
Adopted 30% repeating COLA.
Removed statutory max.

The information in this schedule has been determined as of the Town's fiscal year-end and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods for which such information is available are presented.

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

Retiree Healthcare Plan

Schedule of Changes in the Town's Total OPEB Liability and Related Ratios (Unaudited)
 Last Six Measurement Years (Previous years are not available)

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total OPEB liability:			
Total OPEB liability - beginning	\$ 2,881,200	\$ 3,152,539	\$ 3,160,157
Service cost	135,826	176,485	151,275
Interest on the total OPEB liability	110,017	105,055	117,504
Difference between expected and actual experience of the total OPEB liability	(4,477)	(45,102)	(1,268)
Changes of assumptions	153,032	(94,984)	144,221
Benefit payments	<u>(123,059)</u>	<u>(133,836)</u>	<u>(137,138)</u>
Net change in total OPEB liability	<u>271,339</u>	<u>7,618</u>	<u>274,594</u>
Total OPEB liability - ending	<u>\$ 3,152,539</u>	<u>\$ 3,160,157</u>	<u>\$ 3,434,751</u>
Covered-employee payroll	\$ 18,897,760	\$ 20,042,555	\$ 21,353,599
Total OPEB liability as a percentage of covered-employee payroll	16.68%	15.77%	16.09%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this OPEB plan.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

REQUIRED SUPPLEMENTARY INFORMATION

Retiree Healthcare Plan

Schedule of Changes in the Town's Total OPEB Liability and Related Ratios, Continued (Unaudited)
 Last Six Measurement Years (Previous years are not available)

	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total OPEB liability:			
Total OPEB liability - beginning	\$ 3,434,751	\$ 3,655,367	\$ 3,813,177
Service cost	223,105	221,235	253,278
Interest on the total OPEB liability	94,810	73,244	70,518
Difference between expected and actual experience of the total OPEB liability	(82,782)	10,432	(557,603)
Changes of assumptions	182,815	60,506	(563,188)
Benefit payments	<u>(197,332)</u>	<u>(207,607)</u>	<u>(214,624)</u>
Net change in total OPEB liability	<u>220,616</u>	<u>157,810</u>	<u>(1,011,619)</u>
Total OPEB liability - ending	<u>\$ 3,655,367</u>	<u>\$ 3,813,177</u>	<u>\$ 2,801,558</u>
Covered-employee payroll	\$ 22,268,039	\$ 24,627,157	\$ 25,387,992
Total OPEB liability as a percentage of covered-employee payroll	16.42%	15.48%	11.03%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this OPEB plan.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
 TMRS Supplemental Death Benefits Fund (SDBF)
 Schedule of Changes in the Town's Total OPEB Liability and Related Ratios (Unaudited)
 Last Six Measurement Years (Previous years are not available)

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total OPEB liability:			
Total OPEB liability - beginning	\$ 794,578	\$ 918,237	\$ 878,424
Service cost	20,785	25,646	25,369
Interest on the total OPEB liability	30,321	30,720	32,942
Differences between expected and actual experience	-	(21,647)	(10,521)
Changes of assumptions	78,222	(68,614)	185,527
Benefit payments	(5,669)	(5,918)	(6,342)
Net change in total OPEB liability	<u>123,659</u>	<u>(39,813)</u>	<u>226,975</u>
Total OPEB liability - ending	<u>\$ 918,237</u>	<u>\$ 878,424</u>	<u>\$ 1,105,399</u>
Covered-employee payroll	\$ 18,895,541	\$ 19,727,861	\$ 21,140,471
Total OPEB liability as a percentage of covered-employee payroll	4.86%	4.45%	5.23%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this OPEB plan.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

Town of Addison, Texas
Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
 TMRS Supplemental Death Benefits Fund (SDBF)
 Schedule of Changes in the Town's Total OPEB Liability and Related Ratios, Continued (Unaudited)
 Last Six Measurement Years (Previous years are not available)

	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022
Total OPEB liability:			
Total OPEB liability - beginning	\$ 1,105,399	\$ 1,338,872	\$ 1,451,514
Service cost	37,592	58,840	60,727
Interest on the total OPEB liability	30,824	27,145	27,034
Differences between expected and actual experience	(11,779)	3,010	(10,975)
Changes of assumptions	183,470	45,712	(505,509)
Benefit payments	<u>(6,634)</u>	<u>(22,065)</u>	<u>(25,303)</u>
Net change in total OPEB liability	<u>233,473</u>	<u>112,642</u>	<u>(454,026)</u>
Total OPEB liability - ending	<u>\$ 1,338,872</u>	<u>\$ 1,451,514</u>	<u>\$ 997,488</u>
Covered-employee payroll	\$ 22,112,672	\$ 24,516,829	\$ 25,303,021
Total OPEB liability as a percentage of covered-employee payroll	6.05%	5.92%	3.94%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this OPEB plan.

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

DEBT SERVICE FUND

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

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

General Obligation Debt Service
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Current Property Taxes	\$ 8,951,749	\$ 8,951,749	\$ 9,095,088	\$ 143,339
Delinquent Property Taxes	(35,000)	(35,000)	(105,587)	(70,587)
Penalties and Interest	20,000	20,000	28,466	8,466
Net Investment Income/(Loss)	15,000	15,000	9,131	(5,869)
Other	-	-	14,256	14,256
Total Revenues	<u>8,951,749</u>	<u>8,951,749</u>	<u>9,041,354</u>	<u>89,605</u>
EXPENDITURES:				
Contractual Services	5,000	5,000	-	5,000
Principal Retirement	6,465,000	6,465,000	6,465,000	-
Interest and Fiscal Charges	3,391,154	3,391,154	3,390,548	606
Total Expenditures	<u>9,861,154</u>	<u>9,861,154</u>	<u>9,855,548</u>	<u>5,606</u>
Excess/(Deficiency) of Revenues over Expenditures	<u>(909,405)</u>	<u>(909,405)</u>	<u>(814,194)</u>	<u>95,211</u>
OTHER FINANCING SOURCES/(USES):				
Transfers In	<u>909,405</u>	<u>909,405</u>	<u>909,405</u>	<u>-</u>
Net Change in Fund Balance	-	-	95,211	95,211
Fund Balances at Beginning of Year	<u>652,117</u>	<u>652,117</u>	<u>652,117</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 652,117</u>	<u>\$ 652,117</u>	<u>\$ 747,328</u>	<u>\$ 95,211</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.

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

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

The **PEG Fees Fund** accounts for state restricted fees collected and the expenditures using these monies.

Town of Addison, Texas
Non-Major Governmental Funds

Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2023

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Municipal Court Fund	Public Safety Fund	Grant Fund	Economic Development Fund	PEG Fees Fund	
ASSETS:						
Pooled Cash and Investments	\$ 405,108	\$ 30,909	\$ 75,636	\$ 2,698,530	\$ 69,869	\$ 3,280,052
Receivables:						
Ad Valorem Taxes, Including Interest and Penalties, Net	-	-	-	13,737	-	13,737
Interest	2,125	87	540	14,418	452	17,622
Prepaid Items	-	-	-	4,000	-	4,000
Total Assets	<u>\$ 407,233</u>	<u>\$ 30,996</u>	<u>\$ 76,176</u>	<u>\$ 2,730,685</u>	<u>\$ 70,321</u>	<u>\$ 3,315,411</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Accounts Payable and Accrued Liabilities	\$ 75,479	\$ 14,974	\$ -	\$ 124,442	\$ -	\$ 214,895
Total Liabilities	<u>75,479</u>	<u>14,974</u>	<u>-</u>	<u>124,442</u>	<u>-</u>	<u>214,895</u>
Deferred Inflows of Resources:						
Unavailable Resources	-	-	-	13,736	-	13,736
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,736</u>	<u>-</u>	<u>13,736</u>
Fund Balances:						
Restricted						
Child Safety	166,297	-	-	-	-	166,297
Justice Administration	60,244	-	-	-	-	60,244
Court Technology	53,669	-	-	-	-	53,669
Court Security	51,544	-	-	-	-	51,544
Public Safety	-	16,022	76,176	-	-	92,198
Governmental Public Education	-	-	-	-	70,321	70,321
Committed:						
Economic Development	-	-	-	2,592,507	-	2,592,507
Total Fund Balance	<u>331,754</u>	<u>16,022</u>	<u>76,176</u>	<u>2,592,507</u>	<u>70,321</u>	<u>3,086,780</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 407,233</u>	<u>\$ 30,996</u>	<u>\$ 76,176</u>	<u>\$ 2,730,685</u>	<u>\$ 70,321</u>	<u>\$ 3,315,411</u>

Town of Addison, Texas
 Non-Major Governmental Funds

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2023

Special Revenue Funds

	Municipal Court Fund	Public Safety Fund	Grant Fund	Economic Development Fund	PEG Fees Fund	Total Nonmajor Governmental Funds
REVENUES:						
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ 1,298,984	\$ -	\$ 1,298,984
Franchise Fees	-	-	-	-	31,758	31,758
Intergovernmental	-	-	191,976	-	-	191,976
Service Fees	-	-	-	33,105	-	33,105
Fines and Forfeitures	67,261	-	-	-	-	67,261
Net Investment Income/(Loss)	2,878	4,538	5,059	19,163	410	32,048
Other	-	-	49,600	15,417	-	65,017
Total Revenues	<u>70,139</u>	<u>4,538</u>	<u>246,635</u>	<u>1,366,669</u>	<u>32,168</u>	<u>1,720,149</u>
EXPENDITURES:						
General Government	-	-	-	-	179,850	179,850
Public Safety	-	52,480	216,157	-	-	268,637
Development Services	-	-	2,378	-	-	2,378
Municipal Court	10,314	-	-	-	-	10,314
Economic Development	-	-	-	1,402,616	-	1,402,616
Principal Retirement	-	-	-	114,682	-	114,682
Interest and Fiscal Charges	-	-	-	5,151	-	5,151
Total Expenditures	<u>10,314</u>	<u>52,480</u>	<u>218,535</u>	<u>1,522,449</u>	<u>179,850</u>	<u>1,983,628</u>
Excess/(Deficiency) of Revenues over/(under) Expenditures	<u>59,825</u>	<u>(47,942)</u>	<u>28,100</u>	<u>(155,780)</u>	<u>(147,682)</u>	<u>(263,479)</u>
OTHER FINANCING SOURCES/(USES):						
Transfers In	-	-	-	768,000	-	768,000
Transfers Out	-	-	(4,469)	-	-	(4,469)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>(4,469)</u>	<u>768,000</u>	<u>-</u>	<u>763,531</u>
Net Change in Fund Balance	59,825	(47,942)	23,631	612,220	(147,682)	500,052
Fund Balances at Beginning of Year	<u>271,929</u>	<u>63,964</u>	<u>52,545</u>	<u>1,980,287</u>	<u>218,003</u>	<u>2,586,728</u>
Fund Balances at End of Year	<u>\$ 331,754</u>	<u>\$ 16,022</u>	<u>\$ 76,176</u>	<u>\$ 2,592,507</u>	<u>\$ 70,321</u>	<u>\$ 3,086,780</u>

Town of Addison, Texas
Non-Major Governmental Funds

Municipal Court Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and Forfeitures	\$ 29,872	\$ 29,872	\$ 67,261	\$ 37,389
Net Investment Income/(Loss)	1,800	1,800	2,878	1,078
Total Revenues	<u>31,672</u>	<u>31,672</u>	<u>70,139</u>	<u>38,467</u>
EXPENDITURES:				
Salaries and Fringe Benefits	25,671	25,671	10,314	15,357
Supplies	4,000	4,000	-	4,000
Maintenance and Materials	1,000	1,000	-	1,000
Contractual Services	27,500	27,500	-	27,500
Total Expenditures	<u>58,171</u>	<u>58,171</u>	<u>10,314</u>	<u>47,857</u>
Net Change in Fund Balance	(26,499)	(26,499)	59,825	86,324
Fund Balance at Beginning of Year	<u>271,929</u>	<u>271,929</u>	<u>271,929</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 245,430</u>	<u>\$ 245,430</u>	<u>\$ 331,754</u>	<u>\$ 86,324</u>

Town of Addison, Texas
Non-Major Governmental Funds

Public Safety Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Net Investment Income/(Loss)	\$ 500	\$ 500	\$ 4,538	\$ 4,038
Total Revenues	<u>500</u>	<u>500</u>	<u>4,538</u>	<u>4,038</u>
EXPENDITURES:				
Supplies	50,000	50,000	44,939	5,061
Capital Outlay	-	-	7,541	(7,541)
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>52,480</u>	<u>(2,480)</u>
Net Change in Fund Balance	(49,500)	(49,500)	(47,942)	1,558
Fund Balance at Beginning of Year	<u>63,964</u>	<u>63,964</u>	<u>63,964</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 14,464</u>	<u>\$ 14,464</u>	<u>\$ 16,022</u>	<u>\$ 1,558</u>

Town of Addison, Texas
Non-Major Governmental Funds

Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 8,100	\$ 198,100	\$ 191,976	\$ (6,124)
Net Investment Income/(Loss)	400	400	5,059	4,659
Other	-	-	49,600	49,600
Total Revenues	<u>8,500</u>	<u>198,500</u>	<u>246,635</u>	<u>48,135</u>
EXPENDITURES:				
Salaries and Fringe Benefits	-	-	2,378	(2,378)
Supplies	-	-	25,997	(25,997)
Contractual Services	13,700	203,700	148,082	55,618
Capital Outlay	-	-	42,078	(42,078)
Total Expenditures	<u>13,700</u>	<u>203,700</u>	<u>218,535</u>	<u>(14,835)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(5,200)</u>	<u>(5,200)</u>	<u>28,100</u>	<u>33,300</u>
Other financing sources (uses)				
Transfers Out	-	-	(4,469)	(4,469)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,469)</u>	<u>(4,469)</u>
Net Change in Fund Balance	(5,200)	(5,200)	23,631	28,831
Fund Balance at Beginning of Year	<u>52,545</u>	<u>52,545</u>	<u>52,545</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 47,345</u>	<u>\$ 47,345</u>	<u>\$ 76,176</u>	<u>\$ 28,831</u>

Town of Addison, Texas
Non-Major Governmental Funds

Economic Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Ad Valorem Taxes	\$ 1,280,691	\$ 1,280,691	\$ 1,298,984	\$ 18,293
Service Fees	60,000	60,000	33,105	(26,895)
Net Investment Income/(Loss)	20,000	20,000	19,163	(837)
Other	-	-	15,417	15,417
Total Revenues	<u>1,360,691</u>	<u>1,360,691</u>	<u>1,366,669</u>	<u>5,978</u>
EXPENDITURES:				
Salaries and Fringe Benefits	577,836	577,836	496,339	81,497
Supplies	18,371	18,371	16,678	1,693
Maintenance and Materials	30,720	30,720	9,736	20,984
Contractual Services	1,536,160	1,536,160	866,491	669,669
Capital Replacement	13,372	13,372	13,372	-
Principal Retirement	-	-	114,682	(114,682)
Interest and Fiscal Charges	-	-	5,151	(5,151)
Total Expenditures	<u>2,176,459</u>	<u>2,176,459</u>	<u>1,522,449</u>	<u>654,010</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(815,768)</u>	<u>(815,768)</u>	<u>(155,780)</u>	<u>659,988</u>
Other financing sources (uses)				
Transfers In	<u>768,000</u>	<u>768,000</u>	<u>768,000</u>	<u>-</u>
Total other financing sources (uses)	<u>768,000</u>	<u>768,000</u>	<u>768,000</u>	<u>-</u>
Net Change in Fund Balance	(47,768)	(47,768)	612,220	659,988
Fund Balance at Beginning of Year	<u>1,980,287</u>	<u>1,980,287</u>	<u>1,980,287</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,932,519</u>	<u>\$ 1,932,519</u>	<u>\$ 2,592,507</u>	<u>\$ 659,988</u>

Town of Addison, Texas
Non-Major Governmental Funds

PEG Fees Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2023

	2023			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Franchise Fees	\$ 40,000	\$ 40,000	\$ 31,758	\$ (8,242)
Net Investment Income/(Loss)	1,500	1,500	410	(1,090)
Total Revenues	<u>41,500</u>	<u>41,500</u>	<u>32,168</u>	<u>(9,332)</u>
EXPENDITURES:				
Supplies	-	-	71,703	(71,703)
Capital Outlay	210,000	210,000	108,147	101,853
Total Expenditures	<u>210,000</u>	<u>210,000</u>	<u>179,850</u>	<u>30,150</u>
Net Change in Fund Balance	(168,500)	(168,500)	(147,682)	20,818
Fund Balance at Beginning of Year	<u>218,003</u>	<u>218,003</u>	<u>218,003</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 49,503</u>	<u>\$ 49,503</u>	<u>\$ 70,321</u>	<u>\$ 20,818</u>

PROPRIETARY FUNDS

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.

The **Facility Maintenance Fund** is used to account for financial resources set aside annually to repair and improve Town facilities as their useful lives are consumed.

Town of Addison, Texas
Proprietary Funds - Internal Service Funds

Internal Service Funds
Combining Statement of Net Position
September 30, 2023

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total
ASSETS:				
Current Assets:				
Pooled Cash and Investments	\$ 4,374,720	\$ 4,034,651	\$ 1,437,154	\$ 9,846,525
Interest Receivable	23,264	21,797	7,293	52,354
Total Current Assets	<u>4,397,984</u>	<u>4,056,448</u>	<u>1,444,447</u>	<u>9,898,879</u>
Non-Current Assets:				
Capital and Subscription Assets:				
Construction in Progress	291,600	-	-	291,600
Buildings	-	-	6,597	6,597
Machinery and Equipment	9,616,598	6,573,496	30,035	16,220,129
Subscription Assets	-	412,005	-	412,005
Accumulated Depreciation and Amortization	<u>(5,256,942)</u>	<u>(4,141,549)</u>	<u>(3,399)</u>	<u>(9,401,890)</u>
Total Capital and Subscription Assets, Net of Accumulated Depreciation and Amortization	<u>4,651,256</u>	<u>2,843,952</u>	<u>33,233</u>	<u>7,528,441</u>
Total Assets	<u>9,049,240</u>	<u>6,900,400</u>	<u>1,477,680</u>	<u>17,427,320</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	-	394,010	19,544	413,554
Accrued Interest Payable	-	4,773	-	4,773
Current Maturities of Long-Term Liabilities	-	54,366	-	54,366
Total Current Liabilities	<u>-</u>	<u>453,149</u>	<u>19,544</u>	<u>472,693</u>
Non-Current Liabilities				
Long-Term Liabilities, Net of Current Portion	<u>-</u>	<u>299,224</u>	<u>-</u>	<u>299,224</u>
Total Liabilities	<u>-</u>	<u>752,373</u>	<u>19,544</u>	<u>771,917</u>
NET POSITION:				
Net Investment in Capital Assets	4,651,256	2,129,816	33,233	6,814,305
Unrestricted	4,397,984	4,018,211	1,424,903	9,841,098
Total Net Position	<u>\$ 9,049,240</u>	<u>\$ 6,148,027</u>	<u>\$ 1,458,136</u>	<u>\$ 16,655,403</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, 2023

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total Internal Service Funds
OPERATING REVENUES:				
Other Income	\$ -	\$ 1,000	\$ -	\$ 1,000
Department Contributions	1,215,000	573,964	600,000	2,388,964
Total Operating Revenues	<u>1,215,000</u>	<u>574,964</u>	<u>600,000</u>	<u>2,389,964</u>
OPERATING EXPENSES:				
Supplies	-	58,542	-	58,542
Maintenance and Materials	-	57,595	426,317	483,912
Total Operating Expenses (Excluding Depreciation and Amortization)	-	116,137	426,317	542,454
Depreciation and Amortization	839,444	375,242	3,267	1,217,953
Total Operating Expenses	<u>839,444</u>	<u>491,379</u>	<u>429,584</u>	<u>1,760,407</u>
OPERATING INCOME	<u>375,556</u>	<u>83,585</u>	<u>170,416</u>	<u>629,557</u>
NON-OPERATING REVENUES/(EXPENSES):				
Net Investment Income/(Loss)	32,519	29,522	9,082	71,123
Gain/(Loss) on Disposal of Assets	105,351	-	-	105,351
Interest Expense and Fiscal Charges	-	(9,659)	-	(9,659)
Total Non-Operating Revenues/(Expenses)	<u>137,870</u>	<u>19,863</u>	<u>9,082</u>	<u>166,815</u>
CHANGE IN NET POSITION	513,426	103,448	179,498	796,372
Net Position at Beginning of Year	<u>8,535,814</u>	<u>6,044,579</u>	<u>1,278,638</u>	<u>15,859,031</u>
Net Position at End of Year	<u>\$ 9,049,240</u>	<u>\$ 6,148,027</u>	<u>\$ 1,458,136</u>	<u>\$ 16,655,403</u>

Town of Addison, Texas
Proprietary Funds - Internal Service Funds

Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2023

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Department Contributions	\$ 1,215,000	\$ 573,964	\$ 600,000	\$ 2,388,964
Other Receipts	-	1,000	-	1,000
Payments to Suppliers	-	(82,676)	(420,806)	(503,482)
<i>Net Cash Provided by Operating Activities</i>	<u>1,215,000</u>	<u>492,288</u>	<u>179,194</u>	<u>1,886,482</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(1,872,595)	(337,238)	(30,035)	(2,239,868)
Proceeds from Sale of Capital Assets	105,009	-	-	105,009
Principal Paid on Long-Term Debt	-	(58,415)	-	(58,415)
Interest and Fiscal Charges Paid on Long-Term Debt	-	(4,886)	-	(4,886)
<i>Net Cash Used by Capital and Related Financing Activities</i>	<u>(1,767,586)</u>	<u>(400,539)</u>	<u>(30,035)</u>	<u>(2,198,160)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Cash and Investments	30,899	25,644	6,468	63,011
<i>Net Cash Provided/(Used) by Investing Activities</i>	<u>30,899</u>	<u>25,644</u>	<u>6,468</u>	<u>63,011</u>
<i>Net Increase/(Decrease) in Cash and Cash Equivalents</i>	(521,687)	117,393	155,627	(248,667)
Cash and Cash Equivalents, October 1	4,896,407	3,917,258	1,281,527	10,095,192
Cash and Cash Equivalents, September 30	<u>\$ 4,374,720</u>	<u>\$ 4,034,651</u>	<u>\$ 1,437,154</u>	<u>\$ 9,846,525</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$ 375,556	\$ 83,585	\$ 170,416	\$ 629,557
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:				
Depreciation and Amortization	839,444	375,242	3,267	1,217,953
Change in Assets and Liabilities:				
Increase/(Decrease) in Accounts Payable	-	33,461	5,511	38,972
Net Cash Provided/(Used) by Operating Activities	<u>\$ 1,215,000</u>	<u>\$ 492,288</u>	<u>\$ 179,194</u>	<u>\$ 1,886,482</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital Assets in Accounts Payable	\$ -	\$ 360,546	\$ -	\$ 360,546
<i>Net Non-Cash Items from Capital and Related Financing Activities</i>	<u>\$ -</u>	<u>\$ 360,546</u>	<u>\$ -</u>	<u>\$ 360,546</u>

STATISTICAL SECTION

(Unaudited)

The Statistical Section presents detailed information to assist in understanding the information in the financial statements, note disclosures, and required supplementary information. It includes five categories of information:

Financial Trends (tables 1-6) – contain trend information to help the reader understand how the government’s financial position has changed over time.

Revenue Capacity (tables 7-10) – contain information to help the reader assess the government’s ability to generate its own revenues.

Debt Capacity (tables 11-15) – present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

Demographic and Economic Information (tables 16-18) – offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the government’s financial activities take place.

Operating Information (tables 19-21) – contain employee and capital asset data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 120,034,622	\$ 121,444,364	\$ 122,079,968	\$ 124,922,785	\$ 125,983,819	\$ 125,521,642	\$ 121,008,111	\$ 118,883,370	\$ 115,283,708	\$ 116,634,762
Restricted for:										
Debt Service	606,471	555,279	660,955	500,094	310,619	83,524	63,194	661,804	770,005	830,459
Promotion of Tourism and Hotel Industry	1,682,165	2,529,271	3,869,581	4,334,037	4,167,549	3,449,095	3,239,356	2,710,600	4,972,399	5,879,548
Child Safety	101,664	190,635	98,540	86,906	84,284	90,718	110,712	126,062	140,935	166,297
Justice Administration	31,898	63,638	30,952	21,851	23,222	52,722	56,887	33,404	72,179	89,137
Court Technology	79,591	91,942	86,147	74,667	33,370	27,831	27,651	32,421	41,069	53,669
Building Security	65,782	176,512	63,655	53,584	-	-	-	-	-	-
Court Security	19,185	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639	51,544
Public Safety	-	-	-	33,238	84,870	101,240	123,730	112,729	124,490	100,768
Other purposes	-	25,484	33,694	191,575	242,042	303,147	359,096	402,711	218,003	70,321
Pensions	-	-	-	-	-	-	-	-	6,022,075	-
Unrestricted	25,658,883	7,051,958	7,031,223	29,561,964	31,164,711	33,180,155	31,791,785	39,204,079	37,432,655	36,849,868
Total Net Position - Governmental Activities	\$ 148,280,261	\$ 132,148,273	\$ 133,982,840	\$ 159,827,601	\$ 162,141,330	\$ 162,847,569	\$ 156,813,363	\$ 162,205,683	\$ 165,124,157	\$ 160,726,373
Business-type Activities										
Net Investment in Capital Assets	\$ 69,948,582	\$ 63,308,088	\$ 62,547,252	\$ 65,363,662	\$ 64,971,096	\$ 63,424,919	\$ 69,493,275	\$ 68,126,836	\$ 68,142,152	\$ 69,671,931
Restricted for:										
Pensions	-	-	-	-	-	-	-	-	349,817	-
Unrestricted	16,460,850	23,121,874	24,910,364	22,218,951	22,483,060	25,438,188	25,266,288	28,001,455	31,634,802	43,947,677
	<u>\$ 86,409,432</u>	<u>\$ 86,429,962</u>	<u>\$ 87,457,616</u>	<u>\$ 87,582,613</u>	<u>\$ 87,454,156</u>	<u>\$ 88,863,107</u>	<u>\$ 94,759,563</u>	<u>\$ 96,128,291</u>	<u>\$ 100,126,771</u>	<u>\$ 113,619,608</u>
Primary Government										
Net Investment in Capital Assets	\$ 189,983,204	\$ 184,752,452	\$ 184,627,220	\$ 190,286,447	\$ 190,954,915	\$ 188,946,561	\$ 190,501,386	\$ 187,010,206	\$ 183,425,860	\$ 186,306,693
Restricted for:										
Debt Service	606,471	555,279	660,955	500,094	310,619	83,524	63,194	661,804	770,005	830,459
Promotion of Tourism and Hotel Industry	1,682,165	2,529,271	3,869,581	4,334,037	4,167,549	3,449,095	3,239,356	2,710,600	4,972,399	5,879,548
Child Safety	101,664	190,635	98,540	86,906	84,284	90,718	110,712	126,062	140,935	166,297
Justice Administration	31,898	63,638	30,952	21,851	23,222	52,722	56,887	33,404	72,179	89,137
Court Technology	79,591	91,942	86,147	74,667	33,370	27,831	27,651	32,421	41,069	53,669
Building Security	65,782	176,512	63,655	53,584	-	-	-	-	-	-
Court Security	19,185	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639	51,544
Public Safety	-	-	-	33,238	84,870	101,240	123,730	112,729	124,490	100,768
Other Purposes	-	25,484	33,694	191,575	242,042	303,147	359,096	402,711	218,003	70,321
Pensions	-	-	-	-	-	-	-	-	6,371,892	-
Unrestricted	42,119,733	30,173,832	31,941,587	51,780,915	53,647,771	58,618,343	57,058,073	67,205,534	69,067,457	80,797,545
Total Net Position - Primary Government	\$ 234,689,693	\$ 218,578,235	\$ 221,440,456	\$ 247,410,214	\$ 249,595,486	\$ 251,710,676	\$ 251,572,926	\$ 258,333,974	\$ 265,250,928	\$ 274,345,981

SOURCE: Town of Addison Annual Comprehensive Financial Reports

Note: 2016 and prior Public Safety included in Other Purposes. Starting in 2017, Public Safety is separate from Other Purposes.

Town of Addison, Texas
Statistical Section

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

	2014	2015	2016	2017
Expenses				
Governmental Activities:				
General Government	\$ 7,938,875	\$ 8,730,944	\$ 10,015,214	\$ 7,184,325
Public Safety	15,765,099	16,820,899	17,528,619	7,021,636
Development Services	932,247	1,032,105	1,278,232	100,924
Streets	6,450,628	8,105,373	6,567,732	6,660,591
Parks and Recreation	5,597,254	5,517,049	5,796,136	4,259,992
Visitor Services	7,358,141	6,106,103	7,537,477	6,839,484
Interest on Long-Term Debt	3,037,574	3,018,672	2,417,435	1,713,819
Total Governmental Activities	<u>47,079,818</u>	<u>49,331,145</u>	<u>51,140,845</u>	<u>33,780,771</u>
Business-type Activities:				
Airport	6,027,300	5,893,611	6,454,693	6,509,127
Utilities	10,317,160	10,748,886	10,821,202	10,081,401
Storm Water	768,016	848,354	2,092,187	1,408,133
Total Business-type Activities	<u>17,112,476</u>	<u>17,490,851</u>	<u>19,368,082</u>	<u>17,998,661</u>
Total Expenses - Primary Government	<u>\$ 64,192,294</u>	<u>\$ 66,821,996</u>	<u>\$ 70,508,927</u>	<u>\$ 51,779,432</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	\$ 235,233	\$ 688,005	\$ 753,062	\$ 961,336
Public Safety	1,506,770	945,217	1,070,517	947,071
Development Services	904,895	1,015,053	774,364	1,242,223
Streets	390,453	400,561	375,564	391,126
Parks and Recreation	102,288	82,681	74,719	86,595
Visitor Services	2,195,803	1,890,522	3,532,634	3,249,506
Operating Grants and Contributions	19,093	25,806	27,472	51,063
Capital Grants and Contributions	-	158,253	148,518	-
Total Governmental Activities	<u>5,354,535</u>	<u>5,206,098</u>	<u>6,756,850</u>	<u>6,928,920</u>
Business-type Activities:				
Charges for Services:				
Airport	4,857,759	5,138,479	5,387,660	5,479,786
Utilities	9,953,099	9,877,262	10,576,707	10,983,136
Storm Water	1,640,615	1,726,526	1,883,841	2,034,484
Operating Grants and Contributions	-	-	129,093	50,000
Capital Grants and Contributions	7,660,647	1,025,835	2,130,601	148,158
Total Business-type Activities	<u>24,112,120</u>	<u>17,768,102</u>	<u>20,107,902</u>	<u>18,695,564</u>
Total Program Revenues - Primary Government	<u>\$ 29,466,655</u>	<u>\$ 22,974,200</u>	<u>\$ 26,864,752</u>	<u>\$ 25,624,484</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (41,725,283)	\$ (44,125,047)	\$ (44,383,995)	\$ (26,851,851)
Business-Type Activities	6,999,644	277,251	739,820	696,903
Total Net Expense - Primary Government	<u>\$ (34,725,639)</u>	<u>\$ (43,847,796)</u>	<u>\$ (43,644,175)</u>	<u>\$ (26,154,948)</u>
General Revenues				
Taxes:				
Property Taxes, Levied for General Purposes	\$ 19,484,538	\$ 20,385,225	\$ 22,593,188	\$ 23,572,225
Sales Taxes	14,222,194	14,104,584	13,847,507	15,126,354
Franchise Taxes	2,806,656	2,828,420	3,074,519	2,664,422
Hotel/Motel Taxes	5,011,671	5,510,406	6,132,432	5,996,924
Net Investment Income/(Loss)	130,419	181,811	316,288	472,896
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-
Gain on Disposition of Debt	-	-	-	-
Miscellaneous	613,432	590,619	581,628	3,736,791
Transfers	(4,626,322)	-	-	800,000
Total General Revenues and Transfers	<u>37,642,588</u>	<u>43,601,065</u>	<u>46,545,562</u>	<u>52,369,612</u>
Business-type Activities				
Net Investment Income/(Loss)	(22,013)	100,928	151,937	185,046
Gain/(Loss) on Disposal of Capital Assets	-	-	-	-
Public-Private Partnership Revenues	-	-	-	-
Miscellaneous	7,232	512,888	135,897	43,048
Transfers	4,626,322	-	-	(800,000)
Total Business-type Activities	<u>4,611,541</u>	<u>613,816</u>	<u>287,834</u>	<u>(571,906)</u>
Change in Net Position				
Governmental Activities	(4,082,695)	(523,982)	2,161,567	25,517,761
Business-type Activities	11,611,185	891,067	1,027,654	124,997
Total Change in Net Position - Primary Government	<u>\$ 7,528,490</u>	<u>\$ 367,085</u>	<u>\$ 3,189,221</u>	<u>\$ 25,642,758</u>

SOURCE: Town of Addison Annual Comprehensive Financial Reports

Table 2

	2018	2019	2020	2021	2022	2023
\$	10,218,620	\$ 10,149,540	\$ 10,206,304	\$ 9,265,244	\$ 9,416,452	\$ 13,791,308
	17,814,777	19,855,190	20,337,267	20,235,377	20,331,699	30,645,228
	1,379,071	3,137,715	3,320,919	3,437,779	3,061,515	4,536,840
	7,249,140	7,677,651	8,326,816	7,619,194	10,669,363	8,555,527
	6,068,682	6,840,345	6,784,214	6,675,787	7,023,671	8,851,065
	7,118,492	6,884,597	4,310,828	5,011,538	5,396,612	6,543,984
	2,038,203	1,938,010	2,153,845	2,007,306	2,179,219	2,705,036
	<u>51,886,985</u>	<u>56,483,048</u>	<u>55,440,193</u>	<u>54,252,225</u>	<u>58,078,531</u>	<u>75,628,988</u>
	6,996,377	6,574,351	6,893,786	6,235,571	6,758,415	8,696,459
	12,708,842	12,329,112	12,361,224	13,100,779	14,753,989	17,167,507
	820,337	1,427,551	1,361,880	1,065,470	1,060,602	1,660,577
	<u>20,525,556</u>	<u>20,331,014</u>	<u>20,616,890</u>	<u>20,401,820</u>	<u>22,573,006</u>	<u>27,524,543</u>
\$	<u>72,412,541</u>	<u>76,814,062</u>	<u>76,057,083</u>	<u>74,654,045</u>	<u>80,651,537</u>	<u>103,153,531</u>
\$	407,531	\$ 763,244	\$ 770,105	\$ 595,391	\$ 802,863	\$ 928,417
	848,523	916,430	889,868	1,027,810	1,214,031	1,432,620
	1,414,425	1,379,721	1,227,095	852,648	1,155,862	1,254,806
	414,493	403,676	505,545	796,446	2,916,935	466,103
	82,122	64,453	34,914	74,703	56,442	242,373
	2,206,293	1,834,700	286,892	1,088,609	1,140,565	1,272,806
	106,322	100,904	634,082	2,934,576	2,243,757	399,776
	121,578	130,000	100	228,952	25,000	301,890
	<u>5,601,287</u>	<u>5,593,128</u>	<u>4,348,601</u>	<u>7,599,135</u>	<u>9,555,455</u>	<u>6,298,791</u>
	6,197,849	6,725,125	5,392,936	5,588,284	7,160,453	5,978,554
	12,178,231	11,847,562	12,818,071	13,272,935	15,524,151	16,244,659
	2,140,112	2,237,953	2,322,350	2,521,318	2,561,054	2,551,299
	121,226	69,241	207,000	107,000	198,000	50,000
	395,372	457,426	1,358,225	120,726	2,054,675	1,402,987
	<u>21,032,790</u>	<u>21,337,307</u>	<u>22,098,582</u>	<u>21,610,263</u>	<u>27,498,333</u>	<u>26,227,499</u>
\$	<u>26,634,077</u>	<u>26,930,435</u>	<u>26,447,183</u>	<u>29,209,398</u>	<u>37,053,788</u>	<u>32,526,290</u>
\$	(46,285,698)	\$ (50,889,920)	\$ (51,091,592)	\$ (46,653,090)	\$ (48,523,076)	\$ (69,330,197)
	507,234	1,006,293	1,481,692	1,208,443	4,925,327	(1,297,044)
\$	<u>(45,778,464)</u>	<u>(49,883,627)</u>	<u>(49,609,900)</u>	<u>(45,444,647)</u>	<u>(43,597,749)</u>	<u>(70,627,241)</u>
\$	23,600,531	\$ 25,180,507	\$ 27,005,415	\$ 29,960,335	\$ 30,443,817	\$ 33,454,168
	17,734,689	16,258,669	15,036,200	16,113,549	17,409,213	18,286,374
	2,624,458	2,513,414	2,227,367	1,989,938	2,116,496	2,157,699
	5,507,072	5,436,211	3,232,320	2,702,204	4,545,644	5,445,315
	831,714	1,365,659	1,116,915	85,076	(3,607,419)	4,036,686
	27,311	12,935	21,503	364,018	7,187	-
	-	-	-	-	-	219,680
	292,272	328,764	207,898	774,276	526,612	423,086
	500,000	500,000	(3,790,232)	56,014	-	909,405
	<u>51,118,047</u>	<u>51,596,159</u>	<u>45,057,386</u>	<u>52,045,410</u>	<u>51,441,550</u>	<u>64,932,413</u>
	335,367	833,703	569,513	32,098	(1,094,374)	2,989,902
	(242,744)	-	24,005	103,818	42,044	-
	-	-	-	-	-	12,578,484
	22,102	68,955	31,014	80,383	125,483	130,900
	(500,000)	(500,000)	3,790,232	(56,014)	-	(909,405)
	<u>(385,275)</u>	<u>402,658</u>	<u>4,414,764</u>	<u>160,285</u>	<u>(926,847)</u>	<u>14,789,881</u>
	4,832,349	706,239	(6,034,206)	5,392,320	2,918,474	(4,397,784)
	121,959	1,408,951	5,896,456	1,368,728	3,998,480	13,492,837
\$	<u>4,954,308</u>	<u>2,115,190</u>	<u>(137,750)</u>	<u>6,761,048</u>	<u>6,916,954</u>	<u>9,095,053</u>

Town of Addison, Texas
Statistical Section

Table 3

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable:										
Inventories	\$ 66,933	\$ 63,176	\$ 41,001	\$ 39,550	\$ 54,843	\$ 34,155	\$ 20,946	\$ 47,161	\$ 41,092	\$ 57,529
Prepaid Items	272,713	267,357	84,681	449,442	442,875	470,103	60,668	497,647	636,808	601,698
Unassigned	15,166,365	11,271,328	12,765,117	15,879,046	20,465,238	20,083,986	20,052,825	19,698,867	19,837,481	20,023,732
Total General Fund	<u>15,506,011</u>	<u>11,601,861</u>	<u>12,890,799</u>	<u>16,368,038</u>	<u>20,962,956</u>	<u>20,588,244</u>	<u>20,134,439</u>	<u>20,243,675</u>	<u>20,515,381</u>	<u>20,682,959</u>
All Other Governmental Funds										
Nonspendable:										
Prepaid Items	-	-	50,836	38,669	-	-	-	-	-	-
Restricted for:										
Debt Service	1,020,159	831,366	541,074	370,527	168,535	17,993	6,335	573,411	652,117	747,328
Promotion of Tourism & Hotel Industry	1,682,165	2,529,271	3,861,008	4,331,245	4,122,537	3,449,095	3,149,259	2,710,600	4,641,300	5,330,207
Capital Projects	45,239,484	40,901,630	33,162,293	21,834,283	13,687,452	11,067,329	39,199,567	46,856,016	45,061,870	37,280,119
Child Safety	101,664	88,479	98,540	86,906	84,284	90,718	110,712	126,062	140,935	166,297
Justice Administration	31,898	28,893	30,952	21,851	23,222	23,829	27,994	33,404	43,286	60,244
Court Technology	79,591	77,831	86,147	74,667	33,370	27,831	27,651	32,421	41,069	53,669
Building Security	65,782	63,789	63,655	53,584	-	-	-	-	-	-
Court Security	19,185	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639	51,544
Public Safety	-	-	30,521	31,059	82,691	95,319	115,696	112,729	116,509	92,198
Other Purposes	-	25,484	327,000	191,575	242,042	303,147	359,096	402,711	218,003	70,321
Committed for:										
Capital Projects	-	-	-	7,688,169	8,120,427	8,951,963	10,368,778	13,511,945	14,429,924	18,496,810
Economic Development	477,233	752,819	968,178	1,257,093	1,437,025	1,797,019	1,968,832	2,012,219	1,980,287	2,592,507
Unassigned	3,115	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>48,720,276</u>	<u>45,318,752</u>	<u>39,248,329</u>	<u>36,026,528</u>	<u>28,048,429</u>	<u>25,861,738</u>	<u>55,366,761</u>	<u>66,410,021</u>	<u>67,371,939</u>	<u>64,941,244</u>
Total Governmental Funds	<u>\$ 64,226,287</u>	<u>\$ 56,920,613</u>	<u>\$ 52,139,128</u>	<u>\$ 52,394,566</u>	<u>\$ 49,011,385</u>	<u>\$ 46,449,982</u>	<u>\$ 75,501,200</u>	<u>\$ 86,653,696</u>	<u>\$ 87,887,320</u>	<u>\$ 85,624,203</u>

SOURCE: Town of Addison Annual Comprehensive Financial Reports

**Town of Addison, Texas
Statistical Section**

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

	2014	2015	2016	2017
REVENUES:				
Ad Valorem Taxes	\$ 19,274,720	\$ 20,560,124	\$ 22,559,004	\$ 23,521,642
Non-Property Taxes	19,444,668	19,728,511	20,181,697	21,217,028
Franchise Fees	2,818,869	2,828,420	3,074,519	2,664,422
Licenses and Permits	901,645	1,011,223	768,964	1,225,373
Intergovernmental	19,093	180,612	160,619	15,565
Service Fees	2,758,458	2,543,707	4,463,789	4,520,358
Fines and Forfeitures	988,574	764,144	603,282	468,734
Earnings on Investments	143,299	277,680	372,088	472,896
Rental Charges	1,119,551	1,201,389	949,956	704,701
Recycling Proceeds	13,295	10,403	2,426	3,258
Other	206,157	199,880	377,608	391,883
Total Revenues	47,688,329	49,306,093	53,513,952	55,205,860
EXPENDITURES:				
Current:				
General Government	6,646,587	7,657,465	7,598,584	8,057,632
Public Safety	15,876,424	16,699,726	16,301,539	16,945,126
Development Services	962,584	1,090,973	1,207,871	1,158,967
Streets	1,727,403	1,803,139	1,791,257	1,942,584
Parks and Recreation	4,874,394	4,755,341	4,912,455	5,020,975
Visitor Services	6,730,501	5,454,910	7,077,371	7,595,136
Municipal Court	30,878	60,426	17,610	66,616
Economic Development	1,029,585	1,281,649	1,349,920	1,747,750
Debt Service:				
Principal Retirement	5,086,153	5,473,152	5,800,151	5,618,331
Interest and Fiscal Charges	3,110,704	3,417,820	3,089,643	2,810,607
Capital Projects:				
Maintenance and Materials	12,459	-	-	-
Engineering and Contractual Services	422,982	5,076,254	62,647	416,179
Construction and Equipment	8,241,546	3,840,912	9,086,389	7,583,129
Total Expenditures	54,752,200	56,611,767	58,295,437	58,963,032
Excess/(Deficiency) of Revenues over/(under) Expenditures	(7,063,871)	(7,305,674)	(4,781,485)	(3,757,172)
OTHER FINANCING SOURCES/(USES):				
Payment to Refunded Bond Escrow Agent	-	-	-	-
Issuance of Debt	12,000,000	-	-	-
Premium on Issuance of Bonds	97,299	-	-	-
Leases (as Lessee)	-	-	-	-
Transfers In	570,000	5,226,082	2,349,124	7,624,205
Transfers Out	(570,000)	(5,226,082)	(2,349,124)	(6,824,205)
Proceeds on Asset Sales	-	-	-	3,212,610
Total Other Financing Sources/(Uses)	12,097,299	-	-	4,012,610
Net Change in Fund Balance	\$ 5,033,428	\$ (7,305,674)	\$ (4,781,485)	\$ 255,438
Debt Service as a Percentage of Non-Capital Expenditures	16.11%	18.38%	18.07%	16.41%

SOURCE: Town of Addison Annual Comprehensive Financial Reports

Table 4

2018	2019	2020	2021	2022	2023
\$ 23,783,670	\$ 25,196,771	\$ 26,876,741	\$ 29,869,955	\$ 30,578,292	\$ 33,396,217
23,148,710	21,595,724	18,432,169	18,488,945	21,701,243	23,705,974
2,624,458	2,513,414	2,227,367	1,989,938	2,116,496	2,157,699
1,404,035	1,366,941	1,183,285	824,908	1,120,552	1,219,541
16,228	193,904	471,145	3,148,053	2,250,134	396,176
3,620,748	2,997,653	2,157,047	2,795,244	3,162,551	3,545,405
358,737	415,721	263,146	197,335	359,142	458,972
831,714	1,365,659	1,116,915	85,076	(3,607,419)	4,036,686
635,165	566,257	270,001	94,303	124,445	153,874
11,407	616	162	2,471	2,546	-
324,961	254,100	306,147	1,078,332	2,477,924	895,440
<u>56,759,833</u>	<u>56,466,760</u>	<u>53,304,125</u>	<u>58,574,560</u>	<u>60,285,906</u>	<u>69,965,984</u>
8,381,216	8,923,060	8,946,301	9,203,895	9,510,413	10,223,389
17,919,259	18,708,501	19,215,910	20,669,001	21,487,192	23,494,743
1,374,246	1,350,598	1,501,596	1,560,348	1,644,970	1,935,585
1,895,171	1,777,128	1,799,513	1,951,588	2,047,734	2,275,695
5,054,566	5,520,903	5,407,703	5,695,541	6,108,572	6,587,120
6,780,909	7,313,226	3,622,979	4,634,221	5,177,008	5,636,836
75,904	53,096	19,400	2,938	4,826	10,314
1,475,201	1,553,813	1,647,246	1,839,493	1,328,152	1,402,616
4,909,148	4,280,000	4,105,000	4,985,000	5,889,926	6,623,508
2,631,422	2,475,279	2,915,428	2,725,605	2,952,920	3,406,032
-	-	-	-	-	-
758,687	1,469,752	1,780,857	993,326	3,580,551	1,795,052
9,414,596	6,115,742	6,792,067	9,780,860	20,119,010	17,075,143
<u>60,670,325</u>	<u>59,541,098</u>	<u>57,754,000</u>	<u>64,041,816</u>	<u>79,851,274</u>	<u>80,466,033</u>
<u>(3,910,492)</u>	<u>(3,074,338)</u>	<u>(4,449,875)</u>	<u>(5,467,256)</u>	<u>(19,565,368)</u>	<u>(10,500,049)</u>
-	-	(13,090,212)	(4,261,861)	(9,477,585)	-
-	-	43,740,000	19,165,000	28,425,000	6,800,000
-	-	2,829,802	1,352,595	1,844,390	291,055
-	-	-	-	-	236,472
3,618,152	5,686,504	3,992,900	3,844,950	2,225,875	4,681,874
(3,118,152)	(5,186,504)	(3,992,900)	(3,844,950)	(2,225,875)	(3,772,469)
27,311	12,935	21,503	364,018	7,187	-
<u>527,311</u>	<u>512,935</u>	<u>33,501,093</u>	<u>16,619,752</u>	<u>20,798,992</u>	<u>8,236,932</u>
<u>\$ (3,383,181)</u>	<u>\$ (2,561,403)</u>	<u>\$ 29,051,218</u>	<u>\$ 11,152,496</u>	<u>\$ 1,233,624</u>	<u>\$ (2,263,117)</u>
14.71%	12.98%	13.81%	14.37%	14.96%	15.98%

**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	Net Investment Income/(Loss)	Rental Charges	Other (1)	Total
2014	38,719,388	2,818,869	901,645	19,093	2,758,458	988,574	143,299	1,119,551	13,295	47,482,172
2015	40,288,635	2,828,420	1,011,223	180,612	2,543,707	764,144	277,680	1,201,389	10,403	49,106,213
2016	42,740,701	3,074,519	768,964	160,619	4,463,789	603,282	372,088	949,956	2,426	53,136,344
2017	44,738,670	2,664,422	1,225,373	15,565	4,520,358	468,734	472,896	704,701	3,258	54,813,977
2018	46,932,380	2,624,458	1,404,035	16,228	3,620,748	358,737	831,714	635,165	336,368	56,759,833
2019	46,792,495	2,513,414	1,366,941	193,904	2,997,653	415,721	1,365,659	566,257	254,716	56,466,760
2020	45,308,910	2,227,367	1,183,285	471,145	2,157,047	263,146	1,116,915	270,001	306,309	53,304,125
2021	48,358,900	1,989,938	824,908	3,148,053	2,795,244	197,335	85,076	94,303	1,080,803	58,574,560
2022	52,279,535	2,116,496	1,120,552	2,250,134	3,162,551	359,142	(3,607,419)	124,445	2,480,470	60,285,906
2023	57,102,191	2,157,699	1,219,541	396,176	3,545,405	458,972	4,036,686	153,874	895,440	69,965,984

Table includes General, Special Revenue, Capital Project, and Debt Service Funds

Notes: (1) Includes recycling fees and contributions.

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

Fiscal Year	General Government(2)	Public Safety	Development Services	Streets	Parks and Recreation	Visitor Services(1)	Economic Development	Debt Service	Total
2014	6,677,465	15,876,424	962,584	1,727,403	4,874,394	6,730,501	1,029,585	8,196,857	46,075,213
2015	7,717,891	16,699,726	1,090,973	1,803,139	4,755,341	5,454,910	1,281,649	8,890,972	47,694,601
2016	7,616,194	16,301,539	1,207,871	1,791,257	4,912,455	7,077,371	1,349,920	8,889,794	49,146,401
2017	8,124,248	16,945,126	1,158,967	1,942,584	5,020,975	7,595,136	1,747,750	8,428,938	50,963,724
2018	8,401,512	17,919,259	1,374,246	1,895,171	5,054,566	5,547,740	1,474,105	8,830,443	50,497,042
2019	8,976,156	18,708,501	1,350,598	1,777,128	5,520,903	7,313,226	1,553,813	6,755,279	51,955,604
2020	8,965,701	19,215,910	1,501,596	1,799,513	5,407,703	3,622,979	1,647,246	7,020,428	49,181,076
2021	9,206,833	20,669,001	1,560,348	1,951,588	5,695,541	4,634,221	1,839,493	7,710,605	53,267,630
2022	9,515,239	21,487,192	1,644,970	2,047,734	6,108,572	5,177,008	1,328,152	8,842,846	56,151,713
2023	10,233,703	23,494,743	1,935,585	2,275,695	6,587,120	5,636,836	1,402,616	10,029,540	61,595,838

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

Notes:

(1) Hotel Fund

(2) Includes Municipal Court

SUMMARY OF TAX REVENUES AND FRANCHISE FEES
 Last Ten Fiscal Years

Fiscal Year	Property Taxes ¹	1% Town Sales Tax	Mixed Beverage Taxes	Franchise Fees	Hotel Occupancy Tax	Total
2014	19,274,720	13,440,938	994,609	2,818,869	5,009,121	41,538,257
2015	20,560,124	13,038,912	1,176,643	2,828,420	5,512,956	43,117,055
2016	22,559,004	12,831,723	1,211,761	3,074,519	6,138,213	45,815,220
2017	23,521,642	14,032,616	1,229,708	2,664,422	5,954,703	47,403,091
2018	23,783,670	16,449,993	1,146,633	2,624,458	5,552,084	49,556,838
2019	25,196,771	15,017,082	1,151,057	2,513,414	5,427,585	49,305,909
2020	26,876,741	14,302,624	888,599	2,227,367	3,240,946	47,536,277
2021	29,869,955	14,881,277	1,084,108	1,989,938	2,523,560	50,348,838
2022	30,578,292	15,997,283	1,350,605	2,116,496	4,353,355	54,396,031
2023	33,396,217	16,661,868	1,360,467	2,157,699	5,683,639	59,259,890

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

Notes:

(1) Includes penalty and interest.

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

Fiscal Year	Actual Levy Year	Real Property Assessed Value ¹	Personal Property Assessed Value	Less Tax-Exempt Property Assessed Value	Total Taxable Value	Total Direct Tax Rate ²
2014	2013	3,270,235,970	621,418,790	(401,647,062)	3,490,007,698	0.5718
2015	2014	3,538,702,310	685,963,840	(419,085,309)	3,805,580,841	0.5618
2016	2015	3,742,314,940	722,808,570	(428,399,743)	4,036,723,767	0.5792
2017	2016	3,996,508,870	757,661,770	(453,899,085)	4,300,271,555	0.5605
2018	2017	4,179,274,260	730,791,690	(459,532,446)	4,450,533,504	0.5500
2019	2018	4,477,513,780	729,708,210	(481,462,821)	4,725,759,169	0.5500
2020	2019	4,557,534,840	759,254,790	(496,882,188)	4,819,907,442	0.5835
2021	2020	4,438,590,218	718,946,820	(498,128,042)	4,659,408,996	0.6087
2022	2021	4,774,627,130	747,592,040	(544,899,165)	4,977,320,005	0.6147
2023	2022	5,326,669,270	836,635,330	(586,987,979)	5,576,316,621	0.6098

SOURCE: Dallas Central Appraisal District

Notes:

- (1) Assessed value is 100% of estimated market value.
- (2) Per \$100 of valuation.

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

Fiscal Year	City Direct Rates ¹			Overlapping Rates ²					
	Operating General Rates	General Obligation Debt Service	Total Direct Ad Valorem Rate	Dallas County	Community College District	Dallas ISD	Carrollton/Farmers Branch ISD	Dallas County Hospital District	Total Ad Valorem Rate
2014	0.3588	0.2130	0.5718	0.2531	0.1247	1.2820	1.3235	0.2760	2.5076
2015	0.3437	0.2181	0.5618	0.2531	0.1248	1.2820	1.3033	0.2860	2.5077
2016	0.3767	0.2024	0.5792	0.2431	0.1237	1.2921	1.2817	0.2860	2.5240
2017	0.3812	0.1793	0.5605	0.2431	0.1229	1.2914	1.3810	0.2794	2.4973
2018	0.3970	0.1530	0.5500	0.2431	0.1242	1.2921	1.3810	0.2794	2.4888
2019	0.4074	0.1426	0.5500	0.2431	0.1240	1.4220	1.3700	0.2794	2.6185
2020	0.4341	0.1494	0.5835	0.2431	0.1240	1.3204	1.2684	0.2695	2.5405
2021	0.4411	0.1676	0.6087	0.2397	0.1240	1.3067	1.2547	0.2661	2.5453
2022	0.4411	0.1736	0.6147	0.2279	0.1235	1.2582	1.2013	0.2550	2.4794
2023	0.4451	0.1647	0.6098	0.2179	0.1159	1.1949	1.1429	0.2358	2.3744

SOURCE: Dallas County Tax Office

Notes:

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

PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

Fiscal Year	Actual Levy Year	Taxes Levied for the Fiscal Year	Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
			Current Tax Collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2014	2013	20,000,565	19,246,998	96.2%	(11,276)	19,235,722	96.2%
2015	2014	21,430,622	20,641,789	96.3%	(125,202)	20,516,587	95.7%
2016	2015	23,445,994	22,584,093	96.3%	(77,086)	22,507,007	96.0%
2017	2016	24,175,503	23,458,172	97.0%	(6,535)	23,451,637	97.0%
2018	2017	24,531,963	23,833,997	97.2%	(115,949)	23,718,048	96.7%
2019	2018	26,050,652	25,281,036	97.0%	(142,606)	25,138,430	96.5%
2020	2019	28,199,326	27,322,025	96.9%	(418,445)	26,903,580	95.4%
2021	2020	30,018,305	30,015,545	100.0%	(319,924)	29,695,621	98.9%
2022	2021	30,630,834	30,800,200	100.6%	(304,814)	30,495,386	99.6%
2023	2022	34,094,138	33,664,494	98.7%	(369,985)	33,294,509	97.7%

SOURCE: Dallas County Tax Office

Notes:

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

RATIO OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income (%)	Per Capita
	General Obligation Bonds	Certificates of Obligation	Leases (1)	Subscriptions (2)	General Obligation Bonds	Certificates of Obligation			
2014	52,868,244	38,578,326	-	-	2,145,000	25,322,281	118,913,851	15.71	7,834
2015	48,157,452	37,513,716	-	-	1,805,000	24,545,293	112,021,461	14.93	7,213
2016	65,165,138	15,642,986	-	-	8,122,465	17,312,599	106,243,188	14.10	6,810
2017	59,974,766	14,009,287	-	-	7,663,243	16,305,591	97,952,887	12.89	6,227
2018	56,085,819	12,309,771	-	-	7,186,019	15,274,984	90,856,593	10.65	5,765
2019	51,888,184	11,604,403	-	-	6,410,005	28,118,950	98,021,542	11.31	6,123
2020	63,729,611	28,222,499	-	-	5,615,515	27,095,962	124,663,587	15.55	7,895
2021	75,791,264	26,773,149	-	-	11,834,241	19,445,154	133,843,808	16.24	8,245
2022	90,963,718	25,948,703	501,060	-	11,279,388	21,134,268	149,827,137	16.41	8,455
2023	89,857,949	26,846,571	359,345	353,589	10,722,006	22,181,712	150,321,172	15.13	8,483

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

- (1) The Town implemented GASB 87 Leases in the fiscal year ended September 30, 2022. Lease balances are not available before this date.
- (2) The Town implemented GASB 96 Subscription-Based Information Technology Arrangements in the fiscal year ended September 30, 2023. Subscription balances are not available before this date.

RATIO OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds ¹	Certificates of Obligation ¹	Less: Amounts Available in Debt Service Fund ²	Total Outstanding Debt	Percentage of Actual Taxable Value (%)	Per Capita
2014	55,013,244	63,900,607	1,020,159	117,893,692	3.38	7,766.38
2015	49,962,452	62,059,009	831,367	111,190,094	2.92	7,159.70
2016	73,287,603	32,955,585	541,075	105,702,113	2.62	6,775.78
2017	67,638,009	30,314,878	370,527	97,582,360	2.27	6,203.58
2018	63,271,838	27,584,755	168,535	90,688,058	2.04	5,754.32
2019	57,654,198	39,023,647	17,993	96,659,852	2.05	6,121.59
2020	69,345,126	55,318,461	6,333	124,657,254	2.59	7,894.70
2021	87,625,505	46,218,303	573,411	133,270,397	2.86	8,166.08
2022	102,243,107	47,082,971	652,117	148,673,961	2.99	8,390.18
2023	100,579,954	49,028,283	747,328	148,860,909	2.67	8,400.25

NOTES: (1) The schedule of general bonded debt includes general obligation debt of both governmental activities and business-type activities, including premiums and discounts of the associated debt.
 (2) This is the amount restricted for debt service principal payments at the fund level.

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

DIRECT AND OVERLAPPING DEBT
Year Ended September 30, 2023

Taxing Jurisdiction	Debt	Percent Applicable ¹	Estimated Share of Overlapping Debt
Carrollton-Farmers Branch ISD	\$ 336,185,000	1.56%	\$ 5,244,486
Dallas County	236,605,000	1.49%	3,525,415
Dallas County Community College District	436,680,000	1.49%	6,506,532
Dallas County Hospital District	556,450,741	1.49%	8,291,116
Dallas ISD	3,467,730,000	2.95%	102,298,035
Total Overlapping Debt			125,865,584
Town of Addison (Direct Debt)	\$ 117,417,454 ⁽²⁾	100%	117,417,454
Total Direct and Overlapping Debt			\$ 243,283,038
Ratio of Overlapping Debt to 2022 Taxable Assessed Valuation			4.36%
Per Capita Overlapping Debt			\$ 13,729

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 is estimated using taxable assessed property values. Applicable percentages were estimated by determining the assessed valuation of taxable property within both the overlapping taxing body and the Town's boundaries and dividing that shared value by the total taxable assessed value within the overlapping taxing body.
- (2) Total debt shown for the Town of Addison excludes self-supporting debt and amount available for repayment in the Debt Service funds. It includes all bonded debt that is secured by ad valorem taxes, as well as leases and subscriptions.

SCHEDULE OF REVENUE BOND COVERAGE
UTILITY FUND
Last Ten Fiscal Years

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements ²			Revenue Bond Coverage ³
	Gross Revenue	Expense ¹	Net Revenue	Principal	Interest	Total	
2014	9,894,247	8,449,185	1,445,062	-	-	-	N/A
2015	10,241,191	9,017,932	1,223,259	-	-	-	N/A
2016	10,688,878	9,116,360	1,572,518	-	-	-	N/A
2017	11,087,788	8,988,724	2,099,064	-	-	-	N/A
2018	12,211,566	11,121,149	1,090,417	-	-	-	N/A
2019	11,939,132	10,729,825	1,209,307	-	-	-	N/A
2020	12,906,145	10,637,638	2,268,507	-	-	-	N/A
2021	13,365,766	11,487,878	1,877,888	-	-	-	N/A
2022	15,632,451	12,638,529	2,993,922	-	-	-	N/A
2023	16,368,412	14,936,764	1,431,648	-	-	-	N/A

Notes:

- (1) Includes "operating expenses excluding depreciation" and "non-operating expenses excluding interest expense".
- (2) Includes principal and interest of revenue bonds only. It does not include the general obligation bonds or combination tax and revenue certificates of obligation reported in the enterprise fund.
- (3) Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest. Revenue bonds were retired in fiscal year 2002. Current year debt associated with the Town's Utility (Water and Sewer) Fund is limited to general obligation bonds and combination tax and revenue certificates of obligation. This debt is secured by the Town's property taxes but is supported by Utility Fund net revenues.

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

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements			Bond Coverage ²
	Gross Revenue	Expenditure ¹	Net Revenue	Principal	Interest	Total	
2014	7,181,306	1,063,116	6,118,190	625,000	86,650	711,650	8.6
2015	7,512,047	959,140	6,552,907	640,000	70,800	710,800	9.2
2016	9,680,180	1,156,760	8,523,420	660,001	52,050	712,051	12.0
2017	9,307,410	1,211,193	8,096,217	680,000	31,200	711,200	11.4
2018	7,889,706	1,027,977	6,861,729	700,000	10,500	710,500	9.7
2019	7,354,784	956,507	6,398,277	-	-	-	N/A
2020	3,707,143	796,479	2,910,664	-	-	-	N/A
2021	4,579,562	242,198	4,337,364	-	-	-	N/A
2022	7,449,829	229,056	7,220,773	-	-	-	N/A
2023	7,093,743	195,446	6,898,297	-	-	-	N/A

Notes:

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

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

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

Fiscal Year	Estimated Population ¹	Assessed Valuations ²	Personal Income (Thousands)	Per Capita Personal Income ³	Labor Force ⁴	Unemployment Rate ⁵
2014	15,180	3,490,007,698	756,981	49,867	3,530,240	4.8%
2015	15,530	3,805,580,841	750,379	48,318	3,583,846	3.9%
2016	15,600	4,036,723,767	753,761	48,318	3,703,129	3.9%
2017	15,730	4,300,271,555	760,042	48,318	3,778,245	3.3%
2018	15,760	4,450,533,504	852,821	54,113	3,859,214	3.4%
2019	15,790	4,725,759,169	854,444	54,113	3,941,598	3.2%
2020	15,790	4,819,907,442	801,927	50,787	3,977,747	6.1%
2021	16,320	4,659,408,996	828,844	50,787	4,115,168	5.4%
2022	17,720	4,977,320,005	912,793	51,512	4,225,179	3.5%
2023	17,721	5,576,316,621	993,847	56,083	4,462,696	3.7%

SOURCES:

- (1) North Central Texas Council of Governments estimates
- (2) Dallas Central Appraisal District
- (3) United States Census American Community Survey; figures are based on the most current data available.
- (4) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented represents the Dallas, Fort Worth, Arlington Metro Area.
- (5) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented represents the City of Farmers Branch, a neighboring city.

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Name of Taxpayer	Nature of Property	2023			2014		
		Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation
Post Apartment Homes LP	Apartments	\$ 269,950,000	1	4.84%			
FPG Colonnade LP	Land, Office Buildings	246,034,800	2	4.41%	68,352,310	4	1.96%
SAVOYE2 LLC	Apartments	161,030,650	3	2.89%			
DCO Realty Inc	Land, Office Buildings	122,320,240	4	2.19%			
Costco Wholesale Corporation	Retail	112,301,610	5	2.01%			
Mary Kay Inc	Office Buildings	105,426,310	6	1.89%			
Fiori LLC	Land, Hotel	102,000,000	7	1.83%	66,558,320	5	1.91%
Spectrum Drive Owner LLC	Office Buildings	101,250,000	8	1.82%			
VOP Partners LLC	Office Buildings	95,725,000	9	1.72%			
GS Addison Circle LLC	Apartments	92,000,000	10	1.65%			
Post Properties Inc	Mixed Development				149,679,150	1	4.29%
COP Spectrum Center LLC	Office Buildings				74,500,000	2	2.13%
MHSS-Addison LP	Land, Office Buildings				70,638,860	3	2.02%
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%
FPG Colonnade LP	Land, Office Buildings				57,178,910	9	1.64%
SIR Properties Trust	Land, Office Buildings				55,337,280	10	1.59%
		<u>\$ 1,408,038,610</u>		<u>25.25%</u>	<u>\$ 733,619,830</u>		<u>21.03%</u>

SOURCE: Dallas County Tax Office (2023); Town of Addison ACFR (2014)

MAJOR EMPLOYERS
 Current Year and Nine Years Ago

Company	Type of Business	2023		2014	
		Estimated Number of Employees	Percent of Total Employees ¹	Estimated Number of Employees	Percent of Total Employees
Mary Kay Cosmetics	Cosmetics	3,607	23.69%	1,070	1.19%
Bank of America	Finance	1,800	11.82%	3,400	3.78%
Concentra	Medical	600	3.94%	321	0.36%
Analog Devices, Inc	Manufacturing	500	3.28%	N/A	N/A
National Teachers Associates Life Insurance Company	Insurance	500	3.28%	N/A	N/A
Winstop Restaurants, Inc.	Food Services	494	3.24%	N/A	N/A
National Bankruptcy Services	Finance	450	2.96%	425	0.47%
Exponent HR Spaces.	Professional Services	435	2.86%	N/A	N/A
National Life Group	Real Estate	354	2.32%	N/A	N/A
National Default Exchange Management	Insurance	350	2.30%	N/A	N/A
	Mortgage	N/A		566	0.63%
	Industrial Electrical				
Rexel	Supplies	N/A		550	0.61%
United Surgical Partners International	Medical	N/A		360	0.40%
Hilton Worldwide, Incorporated	Hospitality	N/A		319	0.35%
Zurich American Insurance Co.	Insurance	N/A		300	0.33%
Glazer's Family of Companies	Spirits	N/A		280	0.31%

Total employees per CoStar estimated employees in Addison¹

SOURCE: CoStar (2023); Town of Addison ACFR (2014)

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Manager's Office	7.0	8.0	7.5	6.5	6.5	7.5	7.5	6.9	6.5	6.5
Financial and Strategic Services	7.5	9.7	13.0	13.0	13.0	13.0	13.0	11.8	11.0	11.0
Municipal Court	5.7	5.7	5.8	5.8	5.8	5.0	5.0	5.0	5.0	5.0
General Services	5.0	5.0	5.0	4.8	4.8	5.5	5.5	5.5	5.5	6.0
Human Resources	4.2	3.5	4.0	4.0	4.0	4.0	4.0	3.4	3.0	3.0
Information Technology	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Total General Government	36.4	38.9	42.3	41.1	41.1	42.0	42.0	39.6	38.0	38.5
Public Safety										
Police	75.3	79.8	79.8	71.0	71.0	72.0	74.0	74.0	74.0	75.0
Emergency Communications	13.5	13.5	14.5	-	-	-	-	-	-	-
Fire	55.3	55.3	55.3	56.0	57.0	57.0	58.0	58.0	58.0	58.0
Total Public Safety	144.1	148.6	149.6	127.0	128.0	129.0	132.0	132.0	132.0	133.0
Development Services										
Economic Development	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Public Works										
Streets	5.0	5.4	5.4	6.4	6.4	7.4	7.4	7.4	6.4	6.4
Stormwater	1.4	1.7	1.7	2.0	2.0	4.0	4.0	4.0	5.0	5.0
Utilities	18.3	16.6	17.6	19.2	19.2	22.2	25.2	27.4	28.2	28.2
Total Public Works	24.7	23.7	24.7	27.6	27.6	33.6	36.6	38.8	39.6	39.6
Parks and Recreation										
Parks	21.0	21.0	22.0	22.0	22.0	21.0	25.0	25.0	25.0	25.0
Recreation	14.6	15.1	15.1	15.7	15.7	15.7	15.7	15.7	15.7	15.7
Total Parks and Recreation	35.6	36.1	37.1	37.7	37.7	36.7	40.7	40.7	40.7	40.7
Visitor Services										
Visitor Services	3.0	-	-	-	-	-	-	-	-	-
Conference Centre & Theatre	8.7	8.5	9.5	9.5	9.5	9.5	9.5	1.5	1.5	1.5
Special Events	4.0	4.3	4.3	4.2	4.2	4.5	4.5	4.5	4.5	6.0
Marketing	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Hotel Operations	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Visitor Services	16.7	14.8	15.8	16.7	16.7	17.0	17.0	9.0	9.0	10.5
Airport Fund										
Airport Fund	3.0	3.0	3.0	3.4	3.4	4.4	4.4	19.6	20.4	21.6
Capital Improvements Program										
Capital Improvements Program	-	-	-	-	-	-	-	3.0	3.0	3.0
TOTAL	270.7	276.3	283.7	268.5	269.5	278.7	289.7	299.8	300.8	306.0

SOURCE: Town of Addison Finance Department

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Crimes Against Property (1)	768	728	835	804	866	846	1,278	1,588	1,656	1,815
Crimes Against Persons (1)	358	55	97	106	61	91	414	514	521	524
Arrests	2,006	1,712	1,679	1,702	1,706	1,567	1,060	1,135	1,319	1,083
Calls for Service	16,624	17,181	20,700	17,163	17,092	17,298	16,190	19,009	20,313	15,516
Fire										
Number of Fires	63	51	39	42	60	45	35	55	102	67
Dollar Loss	\$ 1,268,010	\$ 608,900	\$ 686,920	\$ 1,394,390	\$ 3,324,215	\$ 3,422,870	\$ 277,360	\$ 10,905,801	\$ 897,952	\$ 1,858,450
Calls for Service - Fire	989	996	865	652	823	802	1,132	1,882	1,238	1,433
Calls for Service - EMS	1,598	1,730	1,765	1,683	1,608	1,726	2,181	2,312	2,636	2,716
Streets										
Tons of Recycling Collected	387	323	390	419	463	418	429	381	437	385
Parks										
Acres Maintained	163	163	163	163	163	163	163	163	163	163
Recreation										
Recreation Event Participants	21,392	21,392	22,462	26,401	24,640	26,561	9,962	5,373	36,749	38,375
Number of Users	122,656	122,656	122,111	126,287	123,961	126,228	76,016	72,074	72,481	114,680
Active Athletic Club Members	3,942	3,942	3,665	3,815	3,949	4,135	3,517	3,251	3,352	4,254
Utilities										
Water Usage - Peak (2)	10,042	11,093	8,846	7,652	8,803	8,073	8,983	9,298	10,698	10,692
Water Usage - Average (2)	4,577	4,682	4,628	4,672	4,895	4,478	4,477	5,367	5,418	5,469
Service Line Breaks	16	8	4	10	12	6	3	8	9	2
Water Main Breaks	7	4	2	7	4	4	1	3	1	3

Notes:
(1) Reporting structure changed in FY2020
(2) In thousands of gallons

SOURCE: Town of Addison Department Data

Statistical Section

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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)	41	41	43	43	43	43	43	43	43	43
Lane Miles	164	164	167	167	167	167	167	167	167	167
Traffic Signals	36	36	36	36	37	37	37	37	37	37
<u>Parks and Recreation</u>										
Acres Maintained	163	163	163	163	163	163	163	163	163	163
Parks	15	15	14	14	14	14	14	14	14	14
Playgrounds	5	5	3	3	3	3	3	3	3	3
Soccer/Football Fields	1	1	-	-	-	-	-	-	-	-
Community Centers	1	1	1	1	1	1	1	1	1	1
<u>Water</u>										
Water Mains (Miles)	80	80	80	96	96	96	96	97	97	97
Fire Hydrants	1,038	1,038	1,052	1,052	1,052	1,076	1,090	1,090	1,090	1,090
<u>Wastewater</u>										
Miles of Sanitary Sewers	66	66	66	75	75	72	72	73	73	73
<u>Stormwater</u>										
Miles of Storm Sewers	60	60	76	76	76	76	76	76	76	83

SOURCE: Town of Addison Department Data

City Council (FY24)

4. f.

Meeting Date: 02/27/2024

Department: Parks & Recreation

Pillars: Optimize the Addison Brand
Gold Standard in Public Safety

Milestones: Continue to enhance and promote Addison's Identity

AGENDA CAPTION:

Consider action on a Resolution approving an agreement with Fritz Olsen Sculptures to fabricate "Heroes Among Us" sculpture for an amount not to exceed \$150,000 and authorizing the City Manager to execute the agreement and provide an effective date.

BACKGROUND:

During the October 13, 2020 Council meeting, staff was directed to create a memorial to honor Fallen Police Officer Ronnie Cox and develop a plan for honoring public safety in Addison with a public art installation. The memorial for Officer Cox was completed and dedicated on October 2, 2021. To develop a plan for honoring public safety in Addison, staff initiated a call for art, and through this process, worked with stakeholders to select artwork to be placed within a new park created in the TOD development. A presentation was made to Council on June 13, 2023, and at that time, staff was directed to move forward with the fabrication of the artwork and funds were allocated by Council in the FY2024 budget for the work. As the park for the TOD is being developed, the completed sculpture will be placed in the Courtyard of the Addison Conference and Theatre Centre.

This item is to consider approval of a contract with Artist Fritz Olsen to fabricate the sculpture "Heroes Among Us." For Council's reference, staff has attached the presentation made in June 2023 to this agenda item.

RECOMMENDATION:

Administration recommends approval.

Attachments

Presentation -June 2023

Resolution - Public Safety Art Installation

Public Safety Art Installation

June 13, 2023

The logo for Addison, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. This circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes diagonal white lines and a grey triangle in the top right corner.

ADDISON

- **October 2020** – Staff facilitated a discussion with Council regarding ways to honor fallen Officer Ronnie Cox. Council directed staff to develop a short-term solution that could be implemented in the near future to recognize fallen Officer Cox and his sacrifice. Council also directed staff to develop a long-term solution for a larger installation to honor public safety in Addison.
- **February 2021** – Staff made a presentation to Council proposing the following:

Short-term Recognition – Install a small plaza which would include a monument and a plaque near the Police Station that would honor Officer Ronnie Cox for his service to the Town.

Long-term Recognition Solution – Solicit a National Call for Art for a Public Safety Art Installation.

Council directed staff to proceed with both plans. In regards to the long-term additional direction was provided by Council:

Budget - Approximate budget for Artwork \$100,000 - \$150,000 other expenses such as sitework and design would be identified as project develops. This could potentially have a fundraising component.

Location - Adjacent to Transit Oriented Development (TOD) is preferred.

Timeframe – Do not wait for TOD development to be complete. Art may be fabricated prior to TOD development and installed in a temporary location.

Background

- **October 2021** – The Memorial for Fallen Officer Ronnie Cox has been completed and dedicated.



- **May 2022 – Present**

Implementation of long-term recognition solution began work includes:

- Formation of a steering committee.
- Developing and releasing a call for art and 15+ proposals were received
- Steering committee identified a potential location with the TOD
- Three artist / artist teams were selected to further develop concepts and make presentations.
- The steering committee identified Fritz Olsen, a Michigan artist, to recommend his concept installation.
- Staff presented proposed artwork to the TOD Developer and received positive feedback.

Proposed Art Installation Location

ADDISON



Proposed Art Installation Location

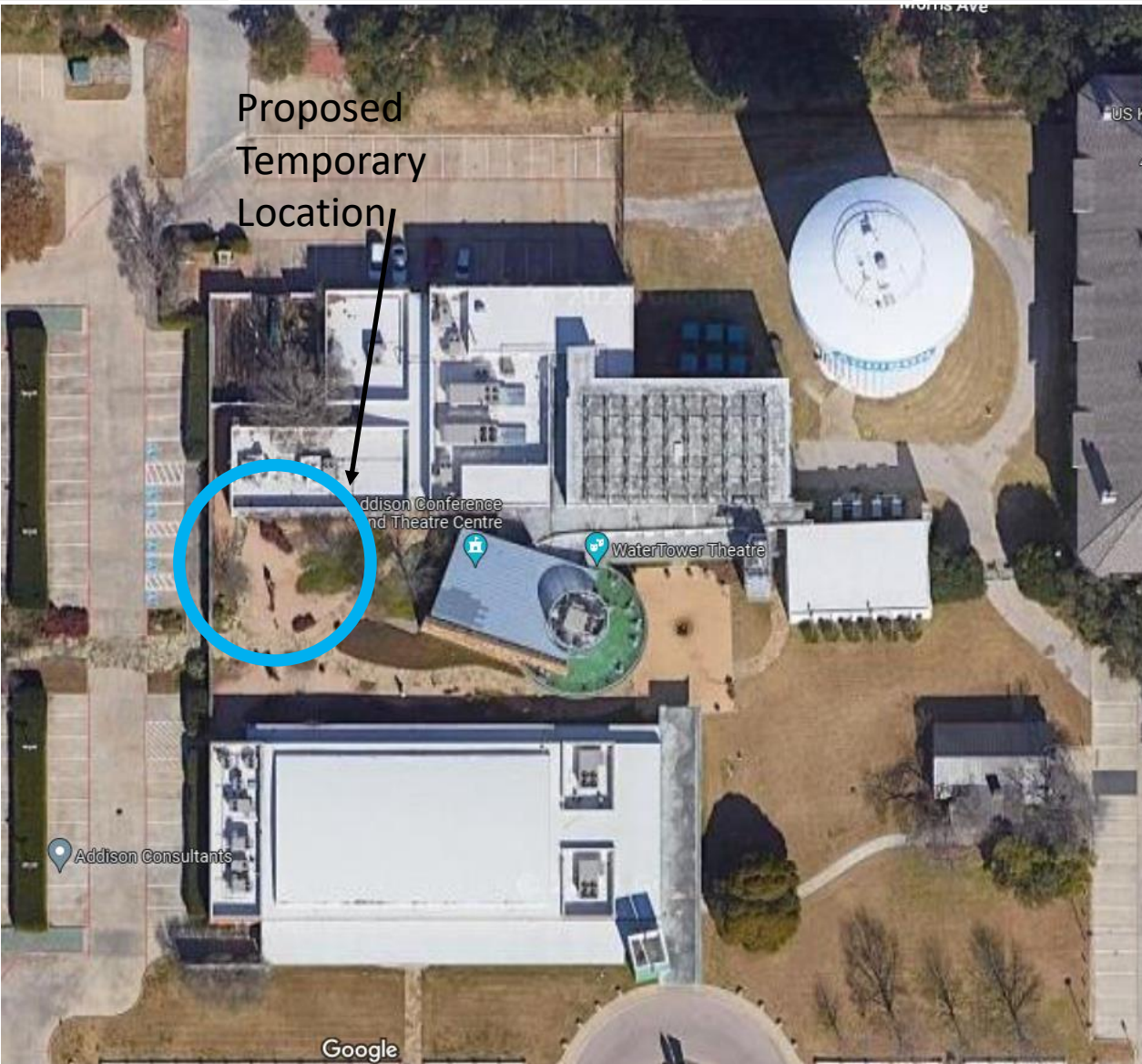
Proposed Location



Site Attributes

- New park located within TOD Development.
- Location has potential to be more than an installation. Park could be developed around a theme of Public Safety. This theme would be carried out in the name and site design of the site. Examples of potential names Heroes Park, Unity Park, Guardians Green or First Responders Commons, etc. The site could become the location of future ceremonies held by Police and Fire.
- Visible from Arapaho, Spectrum and the Cotton Belt Trail and DART Silver Line.

Proposed Temporary Art Installation Location



Temporary Site

- The sculpture would be complete prior to completion of the park.
- It would be installed at a temporary location until its permanent home is complete.
- Staff is proposing it be located in the Courtyard of the Conference and Theatre Center until it is relocated.

Examples of Artist's Work



Left to Right: Galileo, Carbonic Family and Prosperity by Fritz Olsen

Proposed Art Installation



- The design embodies the connection Addison has as a community with those that serve and protect.
- The central forms depicting Police in Blue and Fire in Red are grounding in the center of circle, the community ring. They are connected structurally and metaphorically to one another.
- The circle / community is tilted as to imply motion, change and progress. The upright forms carry strength and confidence standing shoulder to shoulder collaborating and protecting the community.
- The circle / community surrounds, embraces and supports the shining stars. Depending on the view the shapes appear to represent a torch, a blade or a star.

Proposed Art Installation



Public Safety Art Installation by Fritz Olsen

- Materials: Stainless Steel, Painted Steel, Stone, Lighting and Letters.
- Budget: \$150,000 Excluding Site Work and Circular Benches.
- Height: 12-14' Tall.
- View illustrates proposed sitework and etched Police Department badge emblem.

Proposed Art Installation



Public Safety Art Installation by Fritz Olsen

- Materials: Stainless Steel, Painted Steel, Stone, Lighting and Letters.
- Budget: \$150,000 Excluding Site Work and Circular Benches.
- Height: 12-14' Tall.
- View illustrates proposed sitework and etched Police Department badge emblem.

- Does Council support moving forward with Public Art Installation proposed by Fritz Olsen?
- Does Council support project budget of \$150,000 for fabrication, delivery and installation of the artwork?
- If so, is there feedback regarding the proposed schedule listed below?

Proposed Schedule

August 2023	City Manager's proposed budget includes funds for the artwork and site development.
October 2023	Contract for Artwork brought to Council for consideration of approval.
October 2023	Staff selects a landscape architect to develop plans for the sitework.
November 2023	Staff provides artist with a contract for fabrication, delivery and installation of the artwork.
November 2023	Fabrication of the Artwork begins.
September 2024	Fabrication of Concrete for temporary Location begins.
November 2024	Installation of the Artwork at temporary location.

Questions?

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN AGREEMENT WITH FRITZ OLSEN SCULPTURES TO FABRICATE "HEROES AMONG US SCULPTURE" IN AN AMOUNT NOT TO EXCEED \$150,000.00; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to authorize an agreement with Fritz Olsen Sculptures for Fabricate "Heroes Among us Sculpture" in conformance with the City's requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

SECTION 1. The City Council hereby approves the agreement between the Town of Addison and Fritz Olsen Sculptures in an amount not-to-exceed of \$150,000.00, a copy of which is attached to this Resolution as **Exhibit A**. The City Manager is hereby authorized to execute the agreement.

SECTION 2. This Resolution shall take effect from and after its date of adoption.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the **27th** day of **FEBRUARY**, 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, Interim City Secretary

PROFESSIONAL SERVICES AGREEMENT
FABRICATE "HEROES AMONG US SCULPTURE"

This Professional Services Agreement ("Agreement") is made by and between the **Town of Addison, Texas** ("City"), and **Fritz Olsen Sculptures** ("Professional") (each a "party" and collectively the "parties"), acting by and through their respective authorized representatives.

RECITALS

WHEREAS, City desires to engage Professional to perform certain work and services, hereinafter referred to only as "services", as further specified in the Scope of Services defined in Section 1 of this Agreement; and

WHEREAS, Professional has expressed a willingness to perform said services in conformance with this Agreement.

NOW, THEREFORE, for and in consideration of the covenants and promises made one to the other herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Scope of Services

Upon written notice to proceed by City, Professional agrees to provide to City Fabricate "Heroes Among us Sculpture" ("Project"), as set forth in the Scope of Services attached hereto as **Exhibit "A"** and incorporated herein by reference (the "Scope of Services"). Professional shall not be entitled to any claim for extra services, additional services or changes in the services without a written agreement with City prior to the performance of such services.

Section 2. Term of Agreement

The term of this Agreement shall begin on the last date of execution hereof (the "Effective Date") and shall continue until Professional completes the services required herein and the City has accepted the same, unless sooner terminated as provided in this Agreement.

Section 3. Professional's Obligations

(a) Performance of Services. Professional shall furnish and pay for all labor, tools, software, materials, equipment, supplies, transportation and management necessary to perform the services. To the extent reasonably necessary, Professional may engage the services of any agents, assistants, or other persons that Professional may deem proper to assist in the performance of the services under this Agreement; provided, that Professional shall be responsible for all costs related thereto, except as expressly authorized in writing in advance by City.

(b) Site Access. City will endeavor to provide such rights of access on any project site as may be reasonably necessary for Professional to perform any necessary studies, surveys, tests or other required investigations in relation to the services; provided, that City shall have no obligation to (i) provide off-site access, (ii) provide access to private property for which City does not have an existing right to access, nor (ii) incur any costs associated with the access to be provided under this Agreement.

(c) Standard of Care. Professional shall perform the services with the skill and care ordinarily provided by competent professionals practicing in the same or similar locality and under the same or similar

circumstances and professional licenses. Professional shall be responsible for the professional quality, technical accuracy, and the coordination of all services, including all Project Documents, designs, drawings, specifications, plans, reports, presentations and all other services furnished by Professional under this Agreement. Professional shall, without additional compensation, correct or revise any errors or deficiencies in the services. Professional shall further make, without expense to City, such revisions to the Project Documents as may be required to meet the needs of City and which are within the Professional's Scope of Services.

(d) Additional Services. Should City require additional services not included under this Agreement, Professional shall make reasonable effort to provide such additional services in accordance with the fee schedule set forth in **Exhibit A**, and within the time schedule prescribed by City; and without decreasing the effectiveness of the performance of services required under this Agreement.

(e) No Waiver of City's Rights. Neither City's review, approval, acceptance of, nor payment for any of the services required under this Agreement, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and Professional shall be and remain liable to City in accordance with applicable law for all damages to City caused by Professional's negligent performance of any of the services furnished under this Agreement.

(f) Independent Contractor. It is understood and agreed by and between the parties that Professional, while performing under this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with Professional's actions. All services to be performed by Professional pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of City. Professional shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. There is no intended third-party beneficiary to this Agreement.

(g) Inspection of Records. Professional grants City and its designees the right to audit, examine or inspect, at City's election, all of Professional's Records (defined below) relating to the performance of services under this Agreement, during the term of the Agreement and any retention period herein. City's audit, examination, or inspection of Professional's Records may be performed by a City designee, which may include its internal auditors or an outside representative engaged by City. Professional agrees to retain Professional's Records for a minimum of four (4) years following termination of the Agreement, unless there is an ongoing dispute under the contract; then, such retention period shall extend until final resolution of the dispute. "Professional's Records" shall include any and all information, materials and data of every kind and character generated in connection with the services under this Agreement. City agrees that it will exercise its right to audit, examine or inspect Professional's Records during regular business hours unless City has provided advance written notice of an alternate time. Professional agrees to allow City and its designees access to all of Professional's Records, Professional's facilities, and the current or former employees of Professional, to the extent deemed reasonably necessary by City or its designee(s), to perform such audit, inspection or examination.

(h) Certification of No Conflicts. Professional hereby warrants to the City that Professional has made full disclosure in writing of any existing or potential conflicts of interest related to Professional's services under this Agreement. In the event that any conflicts of interest arise after the Effective Date of this Agreement, Professional hereby agrees immediately to make full disclosure to the City in writing.

Section 4. Performance Schedule

(a) Time for Performance. Professional shall perform all services as provided for under this Agreement in a proper, efficient, timely, and professional manner in accordance with City's requirements.

In the event Professional's performance of this Agreement is delayed or interfered with by acts of the City or others, Professional may request an extension of time in conformance with this Section 4 for the performance of same as hereinafter provided but shall not be entitled to any increase in fee or price, or to damages or additional compensation as a consequence of such delays.

(b) Extensions; Written Request Required. No allowance of any extension of time, for any cause whatever (including an event of Force Majeure as defined herein below), shall be claimed or made to Professional, unless Professional shall have made written request upon City for such extension within forty-eight (48) hours after the cause for such extension occurred, and unless City and Professional have agreed in writing upon the allowance of additional time to be made.

Section 5. Documents

(a) Project Documents. All proposals, reports, studies, surveys, applications, drawings, plans, specifications, data, and other documents, whether in draft form or final form (including any electronic format) prepared by Professional and its employees, consultants, subcontractors, agents, or representatives (collectively referred to in this section as "Professional) for the use and/or benefit of City in connection with this Agreement ("Project Documents"). Professional shall be deemed the authors of their respective component of the Project Documents. Notwithstanding, upon payment by City as required by this Agreement, City shall own, have, keep and retain all rights, title and interest in and to all Project Documents, including all ownership, common law, statutory, and other reserved rights, including copyrights (except copyrights held by the Professional) in and to all Project Documents, whether in draft form or final form, which are produced at City's request and in furtherance of this Agreement. City shall have full authority to authorize any contractor(s), subcontractors, consultants, and material or equipment suppliers to reproduce applicable portions of the Project Documents to and for use in their execution of the services or for any other purpose. Acceptance and approval of the Project Documents by City shall not constitute nor be deemed a release of the responsibility and liability of Professional for the accuracy or competency of its designs, working drawings, specifications, or other documents; nor shall such approval be deemed to be an assumption of such responsibility by City for any defect in the designs, working drawings and specifications, or any other documents prepared by Professional.

(b) Professional's Documents. All previously owned intellectual property of Professional, including but not limited to any computer software (object code and source code), tools, systems, equipment or other information used by Professional or its suppliers in the course of delivering the Services hereunder, and any know-how, methodologies or processes used by Professional to provide the services or protect deliverables to City, including without limitation, all copyrights, trademarks, patents, trade secrets and any other proprietary rights inherent therein and appurtenant thereto ("Professional's Documents"), shall remain the sole and exclusive property of Professional. Notwithstanding, Professional agrees that City shall have the right to access to all such information and City is granted the right to make and retain copies of Professional's Documents. City acknowledges that any reuse of Professional's Documents without specific written verification or adaptation by Professional will be at City's sole risk and without liability or legal exposure to Professional.

(c) Confidential Information. Professional agrees it will notify City in writing if it considers specific information to be confidential or proprietary trade secrets and will use its best efforts to clearly mark all such information as "Confidential" and/or "Proprietary – Trade Secret" at the time it is delivered or made accessible to City. City acknowledges that all such designated information is considered by Professional to be confidential and the exclusive property of Professional. Notwithstanding the foregoing, Professional acknowledges that this Agreement, and all services performed hereunder, are subject to the legal requirements of the Texas Public Information Act and that City will have no obligation to protect or otherwise limit disclosure of any confidential or proprietary information if Professional has not notified

City of such designation in conformance with this section. Professional agrees and covenants to protect any and all proprietary rights of City (or other persons) in any materials provided to Professional by City. Additionally, any materials provided to Professional by City shall not be released to any third party without the consent of City and shall be returned intact to City upon termination or completion of this Agreement if instructed to do so by City. In the event City delivers to Professional any information that has been expressly marked "Confidential" or has notified Professional is confidential or is the proprietary information of a third-party, Professional agrees it shall not disclose to anyone directly or indirectly during the term of this Agreement or at any time thereafter, any such information, nor shall it use any such information for any purpose other than as reasonably necessary in connection with Professional's performance of the services under this Agreement. Professional shall further, at its own expense, defend all suits or proceedings instituted against City and pay any award of damages or loss resulting from an injunction, against City, insofar as the same are based on any claim that materials or services provided under this Agreement constitute an infringement of any patent, trade secret, trademark, copyright or other intellectual property rights. Notwithstanding, the foregoing confidentiality obligations shall not extend to and nothing herein shall limit either party's right to disclose any information provided hereunder which: (i) was or becomes generally available to the public, other than as a result of a disclosure by the receiving party or its personnel; (ii) was or becomes available to the receiving party or its representatives on a non-confidential basis, provided that the source of the information is not bound by a confidentiality agreement or otherwise prohibited from transmitting such information by a contractual, legal, or fiduciary duty; (iii) was independently developed by the receiving party without the use of any confidential information of the disclosing party; or (iv) is required to be disclosed by applicable law or a court order.

Section 6. Payment

(a) Compensation. Professional's compensation shall be as specified in the payment schedule set forth in **Exhibit A**; provided, that the total compensation under this Agreement shall not exceed ONE HUNDRED AND FIFTY THOUSAND DOLLARS (\$150,000.00).

(b) Payment Terms. City agrees to pay Professional for all services authorized in writing and properly performed by Professional in general conformance with the fee schedule set forth in **Exhibit A**, subject to changes in the Scope of Services or additional services agreed upon in writing. Unless otherwise agreed in writing, all payments to Professional by City shall be based on detailed monthly invoices submitted by Professional for work performed and accepted by City, less any previous payments. Payment will be due within thirty (30) days of the City's receipt and acceptance of an approved invoice. Notwithstanding the foregoing, City reserves the right to delay, without penalty, any payment to Professional when, in the opinion of City, Professional has not made satisfactory progress on the Project as described in the Scope of Services.

(c) Deductions. City may deduct from any amounts due or to become due to Professional any sum or sums owing by Professional to City. In the event of any breach by Professional of any provision or obligation of this Agreement, or in the event of the assertion by other parties of any claim or lien against City, or City's premises, arising out of Professional's performance of this Agreement, City shall have the right to retain out of any payments due or to become due to Professional an amount sufficient to completely protect City from any and all reasonably anticipated loss, damage or expense therefrom, until the breach, claim or lien has been satisfactorily remedied or adjusted by Professional.

Section 7. Default; Force Majeure

(a) Default; Notice to Cure. A party shall be deemed in default under this Agreement if the party is in breach of a material provision of this Agreement and said breach is not cured within fifteen (15) days written notice of default by the other party. In the event the breaching party has notified the other

party in writing that it is diligently working to cure the breach and has provided reasonable written evidence in support of the same, the breaching party shall not be deemed in default until the thirtieth (30th) day following the non-breaching party's notice of default.

(b) Default by Professional. In addition to default under Section 7(a) above, Professional shall be in default under this Agreement if Professional fails to comply or becomes disabled and unable to comply with the provisions of this Agreement related to Professional's performance of the services, including the quality or character of the services or time of performance for any material component of the services. If such default is not corrected within ten (10) days from the date of City's written notice to Professional regarding the same, City may, at its sole discretion without prejudice to any other right or remedy:

- (i) Terminate this Agreement and be relieved of the payment of any further consideration to Professional except for all services determined by City to be satisfactorily completed prior to termination. Payment for work satisfactorily completed shall be for actual costs, including reasonable salaries and travel expenses of Professional to and from meetings called by City at which Professional is required to attend, but shall not include any loss of profit of Professional. In the event of such termination, City may proceed to complete the services in any manner deemed proper by City, either by the use of its own forces or by re-subletting to others; or
- (ii) City may, without terminating this Agreement or taking over the services, furnish the necessary labor, materials, equipment, supplies and/or assistance necessary to remedy the situation, at the expense of Professional.

(c) Force Majeure. To the extent either party of this Agreement shall be wholly or partially prevented from the performance of any obligation or duty placed on such party by reason of or through stoppage of labor, riot, fire, flood, acts of war, insurrection, court judgment, or a government restriction, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, or other specific cause reasonably beyond the party's control and not attributable to its malfeasance, neglect or nonfeasance (each an event of "Force Majeure"), the time for performance of such obligation (other than a payment obligation) may be extended for a period equal to the time lost by reason such event, provided, that the party complies with the provisions of this section. Specifically, the party asserting Force Majeure (i) shall give prompt notice to the other party of the prevention of performance as soon as the asserting party is reasonably aware of such prevention, and (ii) has the burden of demonstrating: (1) how and why their performance was so prevented, (2) the period of time during which they were so prevented from performing (which under the facts may be equal to, or shorter or longer than, the duration of the Force Majeure event itself), and (3) that the party used commercially reasonable efforts to mitigate and/or eliminate such prevention and resumed performance under this Agreement as soon as reasonably practicable.

Section 8. Termination; Suspension

(a) Termination Upon Default. Either party may terminate this Agreement upon written notice if the other party is in default of this Agreement, subject to the defaulting party's right to cure in conformance with the terms of this Agreement.

(b) Termination by City. City shall be entitled to terminate this Agreement, with or without cause, by providing thirty (30) days prior written notice to Professional.

(c) Termination Following Request for Modification. Should City require a modification of this Agreement with Professional, and in the event City and Professional fail to agree upon a modification

to this Agreement, City shall have the option of terminating this Agreement and Professional's services hereunder at no additional cost other than the payment to Professional, in accordance with the terms of this Agreement, for the services reasonably determined by City to be properly performed by Professional prior to such termination date.

(d) Suspension. City reserves the right to suspend this Agreement for the convenience of City by issuing a written notice of suspension which shall describe City's reason(s) for the suspension and the expected duration of the suspension. Such expected duration shall, in no way, guarantee what the total number of days of suspension shall occur. Such suspension shall take effect immediately upon Professional's receipt of said notice. Should such suspension extend past the expected duration identified by City in its latest notice of suspension, Professional shall have the right to terminate this Agreement if (i) Professional provides not less than thirty (30) days prior written notice to City requesting to recommence the services, and (ii) City does not recommence the services within the time requested.

Section 9. Insurance

Professional shall during the term hereof maintain in full force and effect all policies of insurance reasonably required by City. Professional's obligation to provide acceptable certificates of insurance is a material condition precedent to this Agreement, and services under this Agreement shall not commence until certificates of insurance have been received, reviewed, and accepted by City. The minimum coverages and limits of liability for the policies of insurance required for the specific services under this Agreement are maintained by and accessible through the City's purchasing department.

Section 10. Indemnification; Notice

CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE SERVICES OF PROFESSIONAL PURSUANT TO THIS AGREEMENT. PROFESSIONAL HEREBY WAIVES ALL CLAIMS AGAINST CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "CITY INDEMNITEES") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY INDEMNITEES. PROFESSIONAL AGREES TO INDEMNIFY AND SAVE HARMLESS THE CITY INDEMNITEES FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENT PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR BY REASON OF ANY NEGLIGENT ACT OR OMISSION ON THE PART OF PROFESSIONAL, ITS OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, SERVANTS, REPRESENTATIVES, CONSULTANTS, LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO THE NEGLIGENCE OR WILFUL MISCONDUCT OF A CITY INDEMNITEE, IN WHOLE OR IN PART, IN WHICH CASE PROFESSIONAL SHALL INDEMNIFY THE CITY INDEMNITEES TO THE EXTENT OR PROPORTION OF NEGLIGENCE ATTRIBUTED TO PROFESSIONAL, ITS OFFICERS, AGENTS, OR EMPLOYEES AS DETERMINED BY A COURT OR OTHER FORUM OF COMPETENT JURISDICTION).

Notices of Claim. Professional shall promptly advise City in writing of any claim or demand against the City, related to or arising out of Professional's acts or omissions under this Agreement and shall see to the investigation of such claims or demand at Professional's sole cost and expense; provided, that City, at its

option and at its own expense, may participate in such investigation without relieving Professional of any of its obligations hereunder. Professional's obligations under this section shall not be limited to the limits of coverage of insurance maintained or required to be maintained under this Agreement.

THE PROVISIONS OF THIS SECTION SHALL SURVIVE EXPIRATION OR TERMINATION OF THIS AGREEMENT FOR A PERIOD OF FOUR (4) YEARS.

Section 11. Notice.

All notices required by this Agreement shall be in writing and addressed to the parties at the addresses set forth on the signature page(s) of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this section). All notices shall be delivered by (a) personal delivery, (b) certified or registered mail (in each case, return receipt requested, postage prepaid), (c) nationally recognized overnight courier (with all fees pre-paid), or (d) email of a pdf document containing the required notice. Such notice or document shall be deemed to be delivered or given, whether actually received or not, (i) when received if delivered or given in person, (ii) if sent by United States mail, three (3) business days after being deposited in the United States mail as set forth above, (iii) on the next business day after the day the notice or document is provided to a nationally recognized carrier to be delivered as set forth above, or (iv) if sent by email, the next business day. A confirmation of delivery report which reflects the time that the email was delivered to the recipient's last notified email address is prima facie evidence of its receipt by the recipient, unless the sender receives a delivery failure notification, indicating that the email has not been delivered to the recipient.

Section 12. Verifications by Professional

Professional's execution of this Agreement shall serve as its formal acknowledgement and written verification that:

(a) if the requirements of Subchapter J, Chapter 552, Government Code, apply to this Agreement and Professional agrees that the Agreement can be terminated if Professional knowingly or intentionally fails to comply with a requirement of that subchapter;

(b) pursuant to Texas Government Code Chapter 2270, that Professional's organization does not presently boycott Israel and will not boycott Israel during the term of this Agreement; and

(c) pursuant to Texas Government Code Chapter 2251, that Professional's organization does not current discriminate against firearm and ammunition industries and will not for the term of the contract. Discriminating means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with the firearm or ammunition industry or with a person or entity doing business in the firearm or ammunition industry, but does not include an action made for ordinary business purposes.

Section 13. Miscellaneous

(a) Professional shall not assign or sublet this Agreement, in whole or in part, without the prior written consent of City. (b) Professional shall comply with all federal, state, county, and municipal laws, ordinances, resolutions, regulations, rules, and orders applicable to the services under this Agreement. (c) The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in the state district courts of Dallas County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said courts. (d) This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and there are no oral understandings, statements or

stipulations bearing upon the meaning or effect of this Agreement which have not been incorporated herein. (e) The exhibits attached hereto, if any, are incorporated herein and made a part hereof for all purposes. (f) Unless expressly provided otherwise herein, this Agreement may only be modified, amended, supplemented or waived by a mutual written agreement of the parties. (g) In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it. (h) Any of the representations and obligations of the parties, as well as any rights and benefits of the parties pertaining to a period of time following the termination of this Agreement shall survive termination. (i) This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties. (j) Each party represents that it has full capacity and authority to grant all rights and assume all obligations granted and assumed under this Agreement. (k) Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

For City:

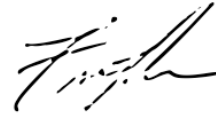
For Professional:

TOWN OF ADDISON, TEXAS

FRITZ OLSEN SCULPTURES

By: _____

David Gaines
City Manager



By: _____

Fritz Olsen
Artist

Date: _____

Date: 2-1-2024

Notice Address:

Town of Addison
Attn: City Manager
P.O. Box 9010
Town of Addison, Texas 75001
E: dgaines@addisontx.gov

Notice Address:

Fritz Olsen Sculptures
Attn: Fritz Olsen, Artist
6914 Holloway Dr
Sawyer, Michigan 49125
E: fritzolsen@aol.com

Addison Contract ID:
PSA_JT_January 29, 2024_v1.20220427

EXHIBIT A

Janna Tidwell, Director of Parks and Recreation
Town of Addison
16801 Westgrove Drive
P.O. Box 9010
Addison, Texas 75001
Email: jtidwell@addisontx.gov
(972) 450-2869 cell (214) 906-2466
ADDISONTEXAS.NET

Contract Agreement

In consideration for the amount stated below, the parties mutually agree that the Artist will create a Work of Art for the Purchaser according to the terms herein.

Purchaser: Town of Addison, Texas

Artist: Fritz Olsen

Address: Contemporary Fine Art
6914 West Holloway Drive 269.426.3003/312 307-4446
Sawyer, Michigan 49125

Work of Art: HEROES AMONG US

Medium/Materials: STAINLESS STEEL

Dimensions: Approximate 12-14 feet in height pending approval of final engineering

A deposit in the amount of \$75,000. will be paid to Fritz Olsen upon completion of this contract and a balance of 75,000. will be payable upon delivery. The commission includes all fees associated with the construction of the sculpture, engineering, and shipping to the site.

Artist will supply an engineering drawing for the base, to be executed by Addison.

Artist certifies that he is the true, rightful, and legal owner of the Work of Art and that it is not subject to any liens whatsoever. Artist understands that Addison reserves the right to exhibit, and otherwise use the object in an appropriate manner for audiences and programs.

The Artist hereby expressly reserves all rights whatsoever to copy or reproduce the Work of Art to himself, his heirs, executives, administrators, and assigns. The Artist has placed a copyright notice in his name on the Work of Art. The Artist shall not unreasonably refuse permission to reproduce the Work of Art for publicity purposes incidental to the public exhibition of the Work of Art, provided all such reproductions bear an appropriately placed copyright notice in the form identical to that appearing on the Work of Art. The copyright shall remain the property of the Artist.

Artist Rendering of Heroes Among Us



Signature of Artist

2-1-2024 _____
Date

Signature of Addison Representative

Date

City Council (FY24)

4. g.

Meeting Date: 02/27/2024

Department: Parks & Recreation

Pillars: Excellence in Transportation Systems

Milestones: Improve all modes of transportation with infrastructure in an acceptable condition and well maintained

AGENDA CAPTION:

Consider action on a Resolution approving an encroachment agreement with Explorer Pipeline Company for the construction of a portion of the Cotton Belt Trail authorizing the City Manager to execute the agreement and providing for an effective date.

BACKGROUND:

Since 2018, Dallas Area Rapid Transit (DART) has been working cooperatively with the North Central Texas Council of Governments (NCTCOG) and respective cities along the Silver Line Corridor on a regional partnership to design and construct the Cotton Belt/Silver Line Rail Trail within the DART owned right-of way. To help accomplish this effort, The Town of Addison was awarded \$12,275,000 through the 2022 Transportation Alternatives Set-Aside (TA Set-Aside) call for projects in December 2022 for the construction of the Addison Cotton Belt Trail-Midway Road Critical Bridge Section. Funding for the project was released to DART to construct the project.

Plans and specifications for this section of trail prescribe an approximate 200 linear feet of Cotton Belt Trail and associated retaining walls which encroach on Explorer's real property rights. As a part of the encroachment agreement language, Explorer consents and approves Addison's proposed encroachment consisting of a retaining wall identified in Exhibit B. The approved encroachment is permitted only as approved herein, and in its present configuration. The approved encroachment may not be modified, expanded, relocated, materially altered, improved or changed without Explorer's express written consent and agreement.

This type of agreement is standard with any encroachment proposed as a result of any proposed construction, and the agreement must be executed prior to release of the construction documents for the purpose of bidding the Cotton Belt Trail Project.

RECOMMENDATION:

Administration recommends approval.

Attachments

Agreement

Resolution Explorer Encroachment

ENCROACHMENT AGREEMENT

This Encroachment Agreement (“Agreement”) is made and entered into by and between Explorer Pipeline Company, a Delaware corporation, (hereinafter referred to as “Explorer”), and the City of Addison, Texas, a Texas home rule municipality (“Addison”).

RECITALS:

WHEREAS, Explorer is the owner of certain real property rights by virtue of a Right-of-Way Agreement between Explorer and St. Louis Southwestern Railway Company of Texas, dated June 16, 1971, which burdens the real property described therein (the “Easement,” or the “Easement Tract” when referring to the real property covered therein), the legal description of which is expressly incorporated herein by reference;

WHEREAS, Explorer is the owner of certain pipelines, pipeline facilities and appurtenances (“Facilities”) and easement rights therefor, whether or not rights were granted in one or more documents, acquired by operation of law or otherwise; and

WHEREAS, Addison intends to construct a retaining wall in the area shown on Exhibit B, attached hereto (the “Retaining Wall”) which will encroach upon the Easement Tract;

WHEREAS, Addison requests permission and consent for such encroachment within the Easement as specifically described, approved and granted herein.

NOW THEREFORE, for good and valuable consideration and the mutual covenants, terms, and conditions set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Permission, Purpose and Use. For the purposes of this Agreement, an “Encroachment” is defined as any use of the land within Explorer’s Easement by someone other than Explorer which could interfere with Explorer’s Easement rights or could create safety or other concerns related to the Facilities as more fully described in Explorer’s *General Encroachment Requirements*, as set forth in and incorporated herein as Exhibit A. Explorer does not authorize any Encroachment unless specifically approved in a written agreement identifying all approved encroachments (the “Approved Encroachment,” whether one or more).

Explorer hereby consents and approves of Addison’s proposed encroachment consisting of a Retaining Wall as further identified, described and limited by the *Approved Plan Drawings and Specifications*, set forth in Exhibit B. The Approved Encroachment is permitted only as approved herein, and in its present configuration. The Approved Encroachment may not be modified, expanded, relocated, materially altered, improved or changed without Explorer’s express written consent and agreement. The general location of the Easement Tract and the Facilities in relation to the Approved Encroachment are also set forth and described in Exhibit B.

2. Maintenance of Facilities, Approved Encroachment. Addison hereby acknowledges and understands that in the event that Addison’s construction of the Approved Encroachment requires Explorer to perform any maintenance, security or repair tasks (such as relocating sections of pipe or pipe

appurtenances, relocating corrosion control equipment, providing additional markers, etc.), Addison will reimburse Explorer in advance for such items of work. Explorer will identify such maintenance, security and/or repair tasks, if any, and provide an estimate of costs in advance of Addison's construction. Addison shall install, maintain and repair the Approved Encroachment at its sole cost and expense. Additionally, Addison acknowledges and understands that Explorer's Facilities may require routine scheduled maintenance and repair from time-to-time which may impact the Approved Encroachment. In no event shall Explorer be liable to Addison for any costs incurred, damage to, or loss of, the Approved Encroachment (except when such costs, damage, or loss arises from or is attributed to the negligence or willful misconduct of Explorer, including its affiliated companies, employees, agents and/or contractors).

3. No Other Encroachments. Except for the Approved Encroachment, as specifically defined within this Agreement, Addison shall not create, erect, place or construct any other Encroachment on, above or below the surface of the ground on the Easement Tract, or change the grade or elevation of the ground surface within the Easement Tract, or at any time plant or allow any trees, vegetation or other permanent structure, whether naturally occurring or man-made, thereon or cause or permit any of these to be done by others, without the express prior written permission of Explorer.

4. Explorer On-Site Representative. Addison shall notify Explorer via a "One-Call" a minimum of forty-eight (48) hours in advance of any construction activities relating to the Approved Encroachment or any other excavation on the Easement so that Explorer may arrange to have a representative present. The presence of Explorer's representative or any verbal instructions given by such representative shall not relieve Addison of any liability under the Easement or this Agreement, and will not change the terms of the Easement or this Agreement, which may only be changed by written agreement by authorized representatives of Addison and Explorer. If any pipeline, coating, cathodic protection and/or any other repair of the Facilities is required by Explorer or if the safety of the Facilities is jeopardized, in Explorer's sole judgment, Addison shall stop all construction activities on the Easement until said repairs are completed or until any unsafe construction practices are resolved to the satisfaction of Explorer's on-site representative. Addison shall make written notification of such construction activity to Explorer. All construction prints involving the Facilities shall include the following contact and "warning" information:

**WARNING!!! Explorer High-Pressure Petroleum Products Pipeline.
At least 48 hours before any construction within 25 feet of Explorer's
pipeline, contact Explorer Pipeline Area Manager, (888)-876-0036**

5. Protection of Explorer Facilities. Addison shall protect the Facilities if excavating and backfilling become necessary within the Easement. If excavating within two feet (2') of any pipeline owned by Explorer or when otherwise deemed necessary by Explorer's on-site representative, Addison shall perform any necessary digging or excavation operations by hand digging. If excavating within fifteen feet (15') of any Explorer pipeline or when otherwise deemed necessary by Explorer's on-site representative, Addison shall perform any necessary digging or excavation operations using a one foot (1') wide bucket. Regarding any construction equipment used within fifteen feet (15') of any Explorer pipeline, Addison shall place mats and/or air bridge over Explorer's pipeline.

6. Breach. If either Addison or Explorer breaches this Agreement and the non-breaching party commences litigation to enforce any provisions of this Agreement, the reasonable cost of attorneys' fees and expenses will be payable to the non-breaching party by the breaching party upon demand, for all claims upon which the non-breaching party prevails.

7. Insurance. Addison shall procure and cause its contractors and subcontractors to procure

and maintain in force throughout the entire term of this Agreement insurance coverage described below for work performed related to the construction of the Approved Encroachments. All costs and deductible amounts will be the responsibility and obligation of Addison and/or its contractors and subcontractors. Prior to commencing any activities related to the construction of the Approved Encroachments, Addison must deliver to Explorer certificate(s) of insurance, naming Explorer and its Affiliates as an additional insured. The limits set forth below are minimum limits and will not be construed to limit Addison's liability:

- (a) Workers' Compensation insurance complying with the laws of the State or States having jurisdiction over each employee and Employer's Liability insurance with limits of \$1,000,000 per accident for bodily injury or disease.
- (b) Commercial General Liability insurance on an occurrence form with a combined single limit of \$5,000,000 each occurrence; and for project specific, an annual aggregate of \$5,000,000. Coverage must include premises/operations, products/completed operations, and sudden and accidental pollution. Explorer and its Affiliates (hereinafter defined), and its and their respective directors, officers, partners, members, shareholders, employees, agents, and contractors shall be included as additional insureds. The term "Affiliate(s)" as used herein means, with respect to Explorer, any individual, corporation, partnership, limited partnership, limited liability company, limited liability partnership, firm, association, joint stock company, trust, unincorporated organization, governmental body, or other entity (collectively, a "Person") that directly, or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with Explorer. The term "control" (including the terms "controlled by" and "under common control with"), as used in the previous sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of Explorer or such Person, as applicable, whether through ownership of voting stock, ownership interest or securities, by contract, agreement or otherwise.
- (c) The Sudden and Accidental Pollution can be a separate, stand alone policy, but must still meet the \$5,000,000 minimum limit requirement. If the coverage is written on a claims-made policy form, the coverage must be maintained for two (2) years following completion of the work activities related to the Approved Encroachments.
- (d) In each of the above policies, Addison or its contractors and subcontractors agree to waive and will require its insurers to waive any rights of subrogation or recovery either may have against Explorer and its affiliated companies.
- (e) Regardless of the insurance requirements above, the insolvency, bankruptcy, or failure of any such insurance company providing insurance for the Addison and/or its contractors and subcontractors, or the failure of any such insurance company to pay claims that occur, such requirements, insolvency, bankruptcy or failure will not be held to waive any of the provisions hereof.
- (f) In the event of a loss or claim arising out of or in connection with the construction of the Approved Encroachments, Addison agrees, upon request of Explorer, to submit a certified copy of its insurance policies for inspection by Explorer.

- (g) Addison shall require all of its contractors and subcontractors for work related to the construction of the Approved Encroachments to provide adequate insurance coverage, all to be endorsed with the Waiver of Subrogation wording referenced in Section (d) above; any deficiency in the coverage, policy limits, or endorsements of said contractors and/or subcontractors, shall be the sole responsibility of Addison.

8. Indemnification. To the extent permitted by law, Addison will indemnify, defend, save, and hold harmless Explorer, its affiliated companies, directors, officers, partners, employees, agents and contractors from any and all environmental and non-environmental liabilities, losses, costs, damages, expenses, fees (including reasonable attorneys' fees), fines, penalties, claims, demands, causes of action, proceedings (including administrative proceedings), judgments, decrees and orders resulting from Addison's breach of this Agreement or arising out of the construction, use, maintenance, existence or removal of the Approved Encroachments and Other Encroachments (as defined below) located on Explorer's Easement. The presence of Explorer's representative or any instructions given by such representative will not relieve Addison of any liability under this Agreement, except to the extent that such liability results from Explorer's or its representative's gross negligence or willful misconduct.

9. Damage or Loss. Addison covenants that:

- (a) If at any time, in the sole opinion of Explorer, it becomes necessary for Explorer, to cross, occupy, utilize, move or remove all or portions of the Approved Encroachments placed on Explorer's Easement or constructed pursuant to this Agreement, for any purpose, including but not limited to surveying, constructing new facilities, maintaining, inspecting, operating, protecting, repairing, replacing, removing or changing the size of a pipeline(s) and appurtenances on the Easement Tract and such activities by Explorer result in damage to or destruction of the Approved Encroachments, then repair, replacement or restoration of such Approved Encroachments shall be at the sole cost and responsibility of Addison.
- (b) If at any time, any encroachments belonging to or permitted by Addison which are not authorized by this or another written agreement ("Other Encroachments") are found to be on the Easement Tract, Explorer may at any time request Addison to remove such Other Encroachments, and if Addison refuses or fails to do so within a reasonable time, Explorer may remove them from the Easement Tract to a location off of the Easement Tract at Addison's expense, unless they are allowed to remain by a written agreement between Explorer and Addison. Should such removal activities by Explorer result in damage to or destruction of the Other Encroachments, then repair, replacement or restoration of such Other Encroachments shall be at the sole cost and responsibility of Addison, and such Other Encroachments may not be repaired, replaced or rebuilt on Explorer's Easement without a written agreement between Explorer and Addison.
- (c) If during the exercise of the rights granted by Explorer's Easement or by this Agreement, the Approved Encroachments and Other Encroachments, if any, are damaged, destroyed or suffer loss of value, Addison agrees to release Explorer, its affiliates, and its and their respective directors, officers, members, partners, shareholders, employees, agents and contractors from and against any and all liabilities, and damages or losses which may arise as a result of the damage to or loss of use of the Approved Encroachments and Other Encroachments, if any, caused by Explorer, its employees, agents and/or contractors (except when such liabilities, damages, or loss of use arises from or is attributed to the negligence or willful misconduct of Explorer, including its affiliated companies, employees, agents and contractors).

10. Reservation of Rights. Explorer reserves all right, title, and interest in and to Explorer's Easement and Addison acknowledges and confirms all of Explorer's existing rights, title and interest as set forth in Explorer's Easement. Explorer and Addison agree that the existence of the Approved Encroachments or this Agreement does not constitute a waiver of Explorer's rights under Explorer's Easement.

11. Authority. Addison represents and warrants that it possesses all right, title and interest in and to the Property, and the individual signing this Agreement has the requisite right, power and authority to enter into and perform the terms of this Agreement.

12. Covenants Running with the Land. The terms and conditions of this Agreement will constitute covenants running with the land and be binding upon and inure to the benefit of the parties hereto, their successors, assigns and grantees. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. This Agreement shall become effective upon its complete execution by the parties hereto.

13. Compliance with Laws. Addison shall obtain, at its sole expense, all permits and permissions required for the Approved Encroachment ("Permits"). Addison shall construct the Approved Encroachment in a workmanlike manner and in compliance with the Permits and applicable statutes, ordinances, rules, and regulations of all governing public authorities, as those statutes, ordinances, rules, and regulations are amended from time to time.

14. Abandonment. In the event Addison or its successors and assigns abandon or terminate their use of the Approved Encroachment for a period of two (2) years, this Agreement, and all rights granted hereunder shall terminate and revert back to Explorer. Explorer shall have the right, but not the obligation, to remove any such abandoned Approved Encroachment upon notice to the owner of record at the time of such removal. For the purposes of this Section, "abandon" shall mean non-use of the Approved Encroachment.

15. Counterparts; Amendments. This Agreement may be executed in counterparts and, when executed and delivered by all parties in person, or by email pdf, shall become one (1) integrated agreement enforceable on its covenants, terms, and conditions. This Agreement supersedes all prior agreements between the parties with respect to the subject hereof and all discussions, understandings, offers, and negotiations with respect thereto, whether oral or written. This Agreement shall not be amended or modified, except in a writing signed by each party hereto or their respective heirs, successors, or assigns. All exhibits that are referenced in this Agreement or attached to it are incorporated herein and made a part hereof as if fully set forth in the body of the document.

IN WITNESS WHEREOF, the parties hereto have executed this instrument effective as of the date fully executed by both parties.

[SIGNATURE PAGES TO FOLLOW]

SIGNATURE PAGE

Explorer Pipeline Company,
a Delaware corporation

By: _____

Allan Dye
Manager, Land Services

Date:

Explorer Pipeline Company
Approved as to form:

State of Oklahoma)
)
County of Tulsa)

BEFORE ME, the undersigned authority, on this day personally appeared Allan Dye, Manager, Land Services of Explorer Pipeline Company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office, this ____ day of _____, 2024.

[SEAL]

Signature of Notarial Officer

My Commission expires: _____

My Commission Number: _____

SIGNATURE PAGE

City of Addison, Texas, a Texas home rule municipality

By: _____

Name: David Gaines

Title: City Manager- Town of Addison

Date: _____

State of _____)

_____)

County of _____)

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of the _____ for the purposes and consideration therein expressed.

GIVEN under my hand and seal of office, this ____ day of _____, 2024.

[SEAL]

Signature of Notarial Officer

My Commission expires: _____

My Commission Number: _____

EXHIBIT A

GENERAL ENCROACHMENT SPECIFICATIONS

The following construction standards shall be adopted by the Landowner, where applicable, for the Approved Encroachments:

- 1.1. No excavations shall be made that will impair, withdraw lateral support, cause subsidence, create the accumulation of water, or cause damage to Explorer's pipeline or right-of-way. The maximum unsupported exposed length of pipe shall be twenty feet (20') for a pipe twelve inch (12") diameter or less, twenty-five feet (25') for a pipe over twelve inch (12") diameter and up to sixteen inch (16") diameter, thirty feet (30') for a pipe over sixteen inch (16") diameter and up to twenty-four inch (24") diameter, and thirty-five feet (35') for a pipe over twenty-eight inch (28") diameter. Pipe supports will be as approved by Explorer. At no time shall the exposed pipeline be used as a brace to support equipment or materials. Backfill and compaction will be as approved by Explorer.
- 1.2. The Landowner shall not store any equipment or materials on the Explorer Easement Tracts without approval of Explorer.
- 1.3. No burning of trash, brush, or anything else is permitted within fifty feet (50') of the pipeline.
- 1.4. No blasting is permitted within five hundred feet (500') of Explorer's pipeline without approval of Explorer's Engineering Department.
- 1.5. Vibratory equipment larger than walk-behind units is not permitted within the Easement Tracts.
- 1.6. Federal law prohibits the removal of pipeline markers. If relocation of markers is needed, Explorer will relocate.
- 1.7. No power poles or other utility structures shall be located within the Explorer Easement Tracts unless approved in advance and in writing by Explorer's Engineering Department.
- 1.8. The minimum vertical clearance above the Explorer Easement Tracts' finished grade and proposed above ground encroachments (utility lines, other pipes) is twenty-five feet (25').
- 1.9. The minimum vertical clearance between Explorer's pipe and proposed underground encroachments through Explorer's right-of-way (utility lines, other lines) is twenty-four (24"). Unless required for proper operation (e.g. drainage), such encroachments will be of uniform depth for the full width of the Explorer Easement Tracts. Encroachments shall cross under Explorer's pipe whenever possible with a minimum clearance of four feet (4'). All clearance distances to be approved in advance and in writing by Explorer's Engineering Department.
- 1.10. As much clearance as possible should be maintained between Explorer's pipe and any underground electrical conductors. Conductors shall be encased in steel conduit and covered with a six inch (6") minimum layer of red concrete. Should it be impractical to install the conductor under Explorer's pipeline, it may be installed above Explorer's pipeline provided the twenty-four inch (24") minimum clearance is obtained to the bottom of a twelve inch (12") minimum layer of red concrete containing the centralized steel conduit. All conductors including the bare copper neutral shall be insulated for maximum circuit voltage in the vicinity of Explorer's pipeline.

1.11. Regarding the existing grade level of Explorer's right-of-way, at no time will the Landowner remove any cover therefrom, or add cover thereto, that would cause the total cover to be less than three feet (3'), or more than six feet (6') over the pipeline without prior written approval from Explorer. Any modifications to an existing drainage pattern shall be designed such that there is no erosion of Explorer's pipeline cover.

1.12. The Landowner shall provide a six inch (6") thick, forty-eight inch (48") wide protective reinforced concrete slab over Explorer's pipeline and completely across the proposed streets and their utility easements, if applicable.

1.13. Any protective slabs, pavements, driveways, sidewalks, fences, landscaping, or anything else located in the Explorer Easement Tracts that have to be removed for access to Explorer's pipeline for emergency or maintenance purposes, will be removed and replaced at Landowner's expense.

1.14. All encroachments are to be constructed in accordance with the attached drawing(s).

1.15. After the Landowner completes installation of all construction, the Landowner will provide Explorer's Engineering Department with three (3) copies of as-built plans showing all underground and above-ground encroachments.

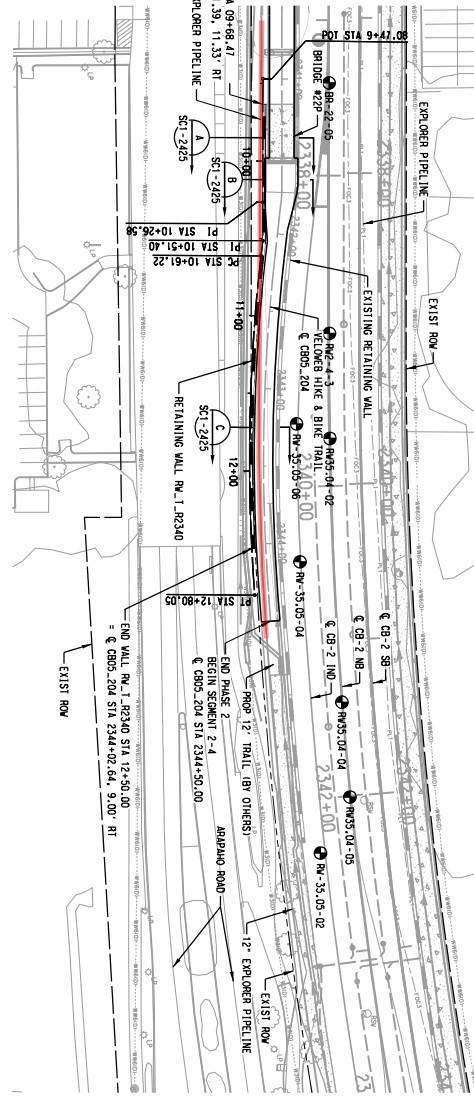
1.16. The Landowner shall not commence any construction until this document is properly executed and filed.

1.17. All other rights described in the Explorer Easement Tracts remain unchanged.

1.18. The Landowner will provide backfill and compaction to grade and reseed all areas within the Explorer Easement Tracts upon completion of the Approved Encroachments, in each case according to commercially reasonable standards, to return the area of the Explorer Easement Tracts to as good as or better than condition existing prior to such construction, within a commercially reasonable time frame, but no later than thirty (30) days following removal of construction equipment and materials, including without limitation, mats.

9672-135
 DWG No.

WARNING!!! EXPLORER'S HIGH-PRESSURE
 RETENTION PRODUCTS PIPELINE
 AT LEAST 48 HOURS BEFORE ANY CONSTRUCTION
 WITHIN 25 FEET OF EXPLORER'S PIPELINE, CONTACT
 EXPLORER PIPELINE AT (888) 816-0056



STATION	TOP OF WALL FINISHED GRADE	EXIST AT WALL
590		
600		
610		
620		
630		
640		
650		
660		
670		
680		
690		
700		
710		
720		
730		
740		
750		
760		
770		
780		
790		
800		
810		
820		
830		
840		
850		
860		
870		
880		
890		
900		
910		
920		
930		
940		
950		

TOP OF WALL PROFILE IS A B/LINE GRADE BASED ON
 TRAIL PCL. TRAIL CROSS SLOPE AND THE OFFSET
 DISTANCE FROM THE TRAIL PCL TO THE WALL PCL.

- 1. SEE TYPICAL STANDARDS DRAWING (SD-100) FOR MSE WALL REQUIREMENTS (CS9-1603, CS9-1621, CS9-1622, CS9-1623, CS9-1604)
- 2. SEE RETAINING WALL HORIZONTAL ALIGNMENT DATA SHEET
- 3. SEE RIGHT-OF-WAY PLANS FOR EASEMENT AND RIGHT-OF-WAY REQUIREMENTS.
- 4. SEE UTILITY MODIFICATION SHEETS FOR UTILITY MODIFICATIONS.
- 5. SEE SPRAY CONTROL SHEETS FOR BENCHMARK LOCATIONS.
- 6. SEE DRAINAGE PLAN AND PROFILE SHEETS FOR TRAIL DRAINAGE DESIGN.
- 7. MSE WALL LOADING = H10
- 8. FOR RETAIL DETAIL SEE TYPICAL STANDARD PR11.
- 9. FOR DUCT BANK DETAILS REFER TO STANDARD SHEETS.
- 10. FOR BORING LOG INFORMATION, BUCKETILL AND BORING REQUIREMENTS SEE GEOTECHNICAL DESIGN MEMORANDUM (GDM): BRIDGE 229 - MIDWAY ROAD.
- 11. SEE SCS-7112 FOR MSE RETAINING WALL DETAILS.
- 12. MATCH SILVERLINE WALL AESTHETIC PACKAGE OVERSIGHT REQUIREMENTS TO 17 1607 PANELS; SMOOTH FINISH COATING.



SCALE (IN FEET)
 0 20 40 60 80
 SCALE (IN METERS)
 0 5 10 15 20

DART PROJECT

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ARCHER WESTERN ENGINEERING

JACOBS

16355 PRESTON ROAD, SUITE 500
 FORT WORTH, TEXAS 76135
 Phone: 817.334.3300
 Fax: 817.334.3301
 www.jacobs.com

DATE	BY	CHK	APP
11-18-23	J. WILSON		
REVISION	BY	CHK	APP
01.01	J. WILSON		
01.02	B. LUMBERG		
01.03	J. WILSON		

CONTRACT No. C-2033270-01

DWG No. SC1-2426

CONTRACT SHEET No. 96 OF 108

COTTON BELT REGIONAL RAIL
 WELOMEH HIRE & BIKE TRAIL
 MIDWAY ROAD
 RETAINING WALL, RW, I, R2340
 SHEET 2 OF 2

NO.	DATE	DESCRIPTION
1	11-18-23	ISSUED FOR PERMIT
2		
3		
4		
5		
6		
7		
8		
9		
10		

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN ENCROACHMENT AGREEMENT WITH EXPLORER PIPELINE COMPANY FOR THE CONSTRUCTION OF A PORTION OF THE COTTON BELT TRAIL; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Dallas Area Rapid Transit (DART) has been working cooperatively with the North Central Texas Council of Governments (NCTCOG) and respective cities along the Silver Line Corridor on a regional partnership to design and construct the Cotton Belt/Silver Line Rail Trail within the DART owned right-of-way; and

WHEREAS, in December 2022 the Town of Addison was awarded \$12,275,000 through the 2022 Transportation Alternatives Set-Aside (TA Set-Aside) call for projects for the construction of the Addison Cotton Belt Trail-Midway Road Critical Bridge Section; and

WHEREAS, the plans and specifications for this section of trail prescribe an approximate 200' l.f. of Cotton Belt Trail and associated retaining walls which encroach on Explorer Pipeline Company's real property; and

WHEREAS, Explorer Pipeline Company has agreed to allow Addison to encroach on its property for the purpose of building the necessary retaining wall for the Addison Cotton Belt Trail-Midway Road Critical Bridge Section.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

SECTION 1. The City Council hereby approves the Encroachment Agreement, a copy of which is attached to this Resolution as **Exhibit A**. The City Manager is hereby authorized to execute the same.

SECTION 2. This Resolution shall take effect from and after its date of adoption.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the **27th** day of **FEBRUARY, 2024**.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, Interim City Secretary

City Council (FY24)

4. h.

Meeting Date: 02/27/2024

Department: Parks & Recreation

Pillars: Excellence in Transportation Systems

Milestones: Improve all modes of transportation with infrastructure in an acceptable condition and well maintained

AGENDA CAPTION:

Consider a Resolution authorizing the City Manager to execute easement and property acquisition documents necessary for Dallas Area Rapid Transit (DART) to construct Phase 2 of the Cotton Belt Trail in Addison with limits east of Surveyor Blvd. to the Dallas North Tollway for public use in conjunction with the construction of Phase 2 of the Cotton Belt Trail; execute such necessary instruments on behalf of the Town; and providing the effective date.

BACKGROUND:

The Addison portion of The Cotton Belt Trail is a part of the Cotton Belt Trail Corridor that will ultimately provide an active transportation connection between Plano and Fort Worth. Since 2018, Dallas Area Rapid Transit (DART) has been working cooperatively with the North Central Texas Council of Governments (NCTCOG) and respective cities along the Silver Line Corridor on a regional partnership to design and construct the Cotton Belt/Silver Line Rail Trail within the DART owned right-of-way. DART, through significant efforts by The Town of Addison, is fully funded to construct Phase 2 of The Cotton Belt Trail in Addison. The current project schedule is for solicitation of contractors to occur in May 2024 with the award of a construction contract in October 2024.

This project will incorporate City-Wide Trail System Master Plan elements which will require the acquisition of parcels of property along the Cotton Belt Trail which is designed to American Society of Transportation Officials (AASHTO) standards. In this case, specifications require a 12' wide trail with 2' of clear area on each side of the trail. The right-of-way acquisition process to ensure adherence to these specifications, will begin pending approval of this resolution.

An informal professional services contract with Teague Nall and Perkins will provide a scope of work to include easement and right-of-way acquisition that would be required to construct Phase 2 of the Cotton Belt Trail.

The land acquisition process will consist of the following:

- Introduction letter and Property Owners notification

- Right-of-way surveys
- Appraisals
- Negotiations
- Acceptance
- Execution of Documents
- Condemnation (if necessary)

This process has been followed for recent Town projects. Staff is requesting that the Council authorize the City Manager to sign the purchase documents for properties where the project will require additional right-of way.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution Cotton Belt Trail Property Acquisition
Cotton Belt Property Acquisition Maps

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND ACQUIRE AN INTEREST IN CERTAIN REAL PROPERTY LOCATED AT 4800 BROADWAY, ADDISON, TEXAS AND 15200 MARSH LANE, ADDISON, TEXAS, FOR PUBLIC USE IN CONJUNCTION WITH THE CONSTRUCTION OF PHASE 2 OF THE COTTON BELT TRAIL AND EXECUTE SUCH NECESSARY INSTRUMENTS ON BEHALF OF THE CITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Addison, Texas (the “City”) desires to allow Dallas Area Rapid Transit (“DART”) to construct Phase 2 of the Cotton Belt Trail within the City’s limits, specifically the east side of Surveyor Blvd. to the Dallas North Tollway (the “Project”); and

WHEREAS, while most of the construction activities for the Project will occur within existing City and DART rights-of-way, the City will be required to obtain the right to use a portion of abutting or adjacent property from the owners of real property located at 4800 Broadway and 15200 Marsh Lane for one or more public uses; and

WHEREAS, the acquisition of any such portions of real property may require, in some instances, the expenditure of public funds, the amount of which may be determined by a written appraisal prepared in accordance with law; and

WHEREAS, if any such acquisition is mutually agreeable to the property owner and the City, the City Council desires to authorize the City Manager to expend public funds from 2021 bonds funds that are permissible and necessary to complete any such acquisition.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

SECTION 1. The City Manager is authorized to negotiate and acquire a multi-purpose trail easement from the owners of 4800 Broadway and 15200 March Lane, respectively, and any other real property interests necessary to allow completion of the Project on terms which the City Manager determines, in his discretion, are advantageous to the Town. The City Council recognizes these acquisitions may require payment from the City and hereby authorizes the City Manager to spend any necessary amounts and related costs for the acquisition from 2021 bond funds. The City Manager is also hereby authorized to execute, on behalf of the City, any necessary instruments to document and consummate the purchases.

SECTION 2. The above and foregoing recitals are true and correct and are incorporated into and made a part of this Resolution.

SECTION 3. This Resolution shall take effect from and after its date of adoption.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the 27th day of FEBRUARY, 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, Interim City Secretary

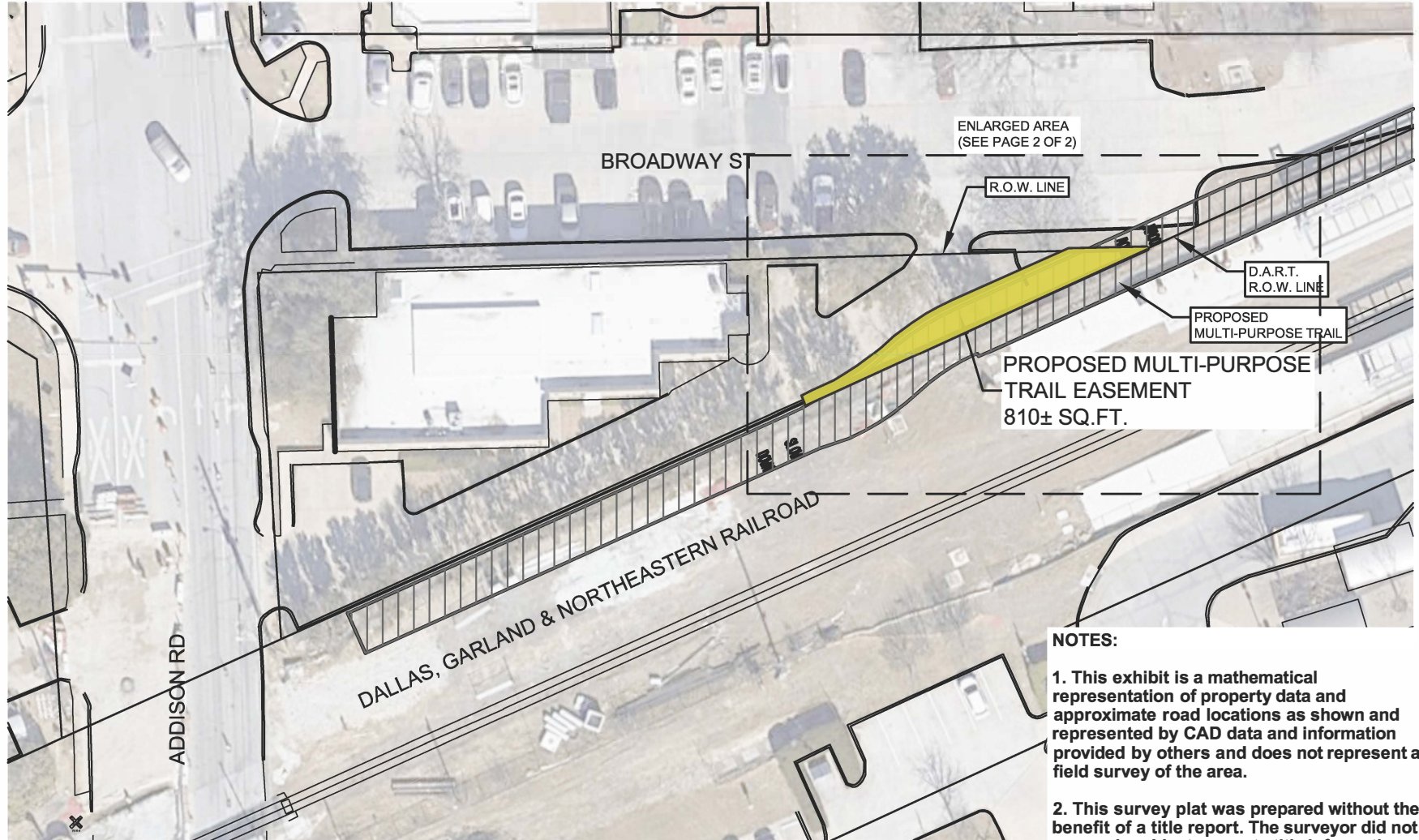
EXHIBIT "A"

4800 Broadway

GRAPHIC SCALE
(in feet)



1 inch = 50 ft.



NOTES:

1. This exhibit is a mathematical representation of property data and approximate road locations as shown and represented by CAD data and information provided by others and does not represent a field survey of the area.
2. This survey plat was prepared without the benefit of a title report. The surveyor did not research subject property title information.

DATE: 11/13/2023	SCALE: 1" = 50'
DRAWN BY: DGG	CHECKED BY: JP
SHEET NO. 1 of 1	JOB NUMBER: 1712-054-04
SHEET ID: 1712-054-04-TRAIL_EASEMENTS.dwg	
© copyright Cobb, Fendley & Associates, Inc.	

MULTI-PURPOSE TRAIL EASEMENT
810± SQ. FT.
OWNER: RAYMOND W. LINNEY FINLEY LEDBETTER, AND WILLIAM SCHOFIELD
STATION: 2370+17.80 TO 2371+20.04
G W FISHER SURVEY, ABSTRACT NO. 482
DALLAS COUNTY, TEXAS

CobbFendley
TBPELS Engineering Firm No. 274
Land Surveying Firm No. 10046700
2801 Network Blvd., Suite 800
Frisco, Texas 75034
972.335.3214 | www.cobbfendley.com

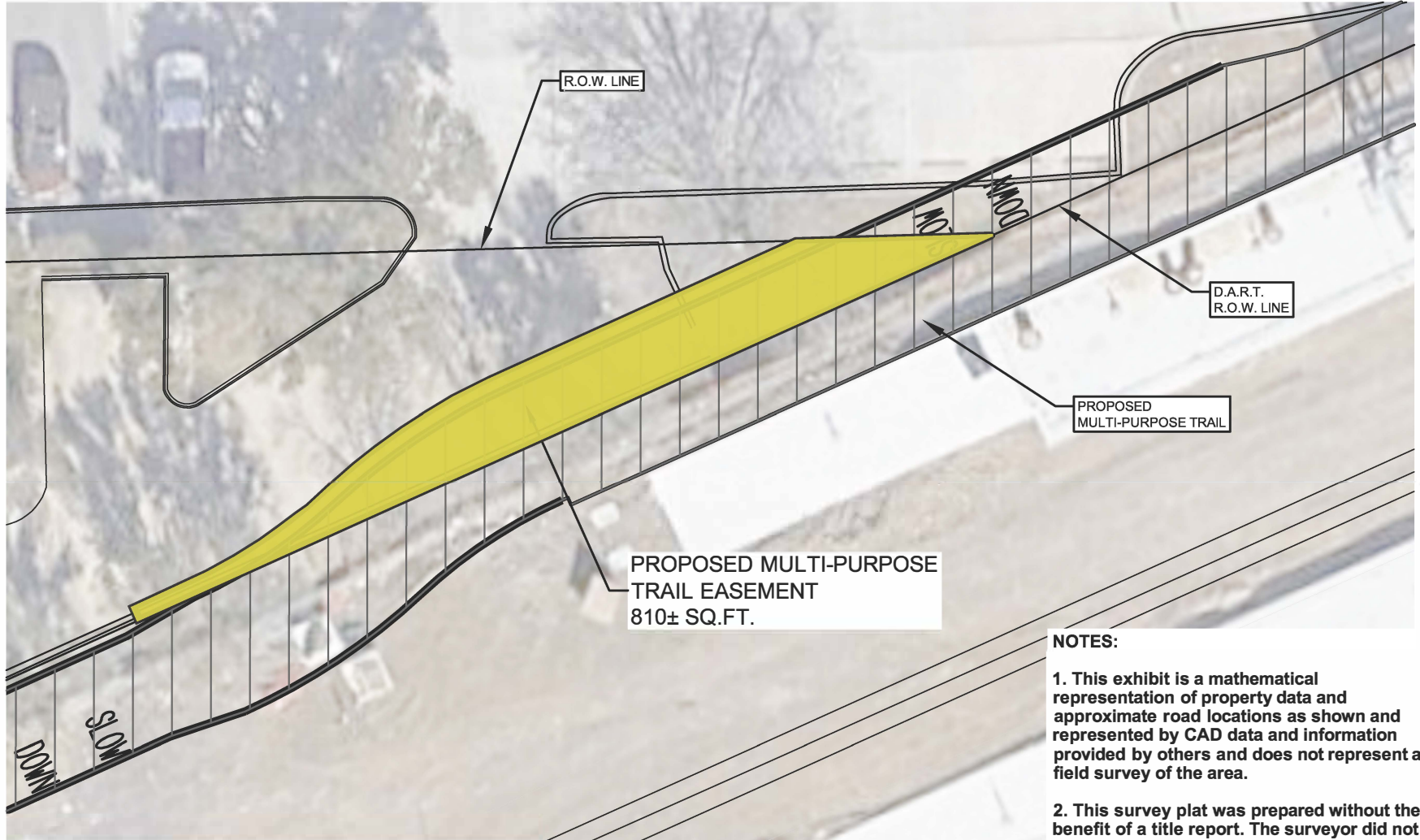
EXHIBIT "A"

4800 Broadway

GRAPHIC SCALE
(in feet)



1 inch = 20 ft.



NOTES:

1. This exhibit is a mathematical representation of property data and approximate road locations as shown and represented by CAD data and information provided by others and does not represent a field survey of the area.
2. This survey plat was prepared without the benefit of a title report. The surveyor did not research subject property title information.

DATE: 11/13/2023	SCALE: 1" = 50'
DRAWN BY: DGG	CHECKED BY: JP
SHEET NO. 2 of 2	JOB NUMBER: 1712-054-04
SHEET ID: 1712-054-04-TRAIL_EASEMENTS.dwg	

MULTI-PURPOSE TRAIL EASEMENT

810± SQ. FT.

OWNER: RAYMOND W. LINNEY FINLEY LEDBETTER, AND WILLIAM SCHOFIELD
STATION: 2370+17.80 TO 2371+20.04
G W FISHER SURVEY, ABSTRACT NO. 482
DALLAS COUNTY, TEXAS



TBPELS Engineering Firm No. 274
Land Surveying Firm No. 10046700
2801 Network Blvd., Suite 800
Frisco, Texas 75034

972.335.3214 | www.cobbhendley.com

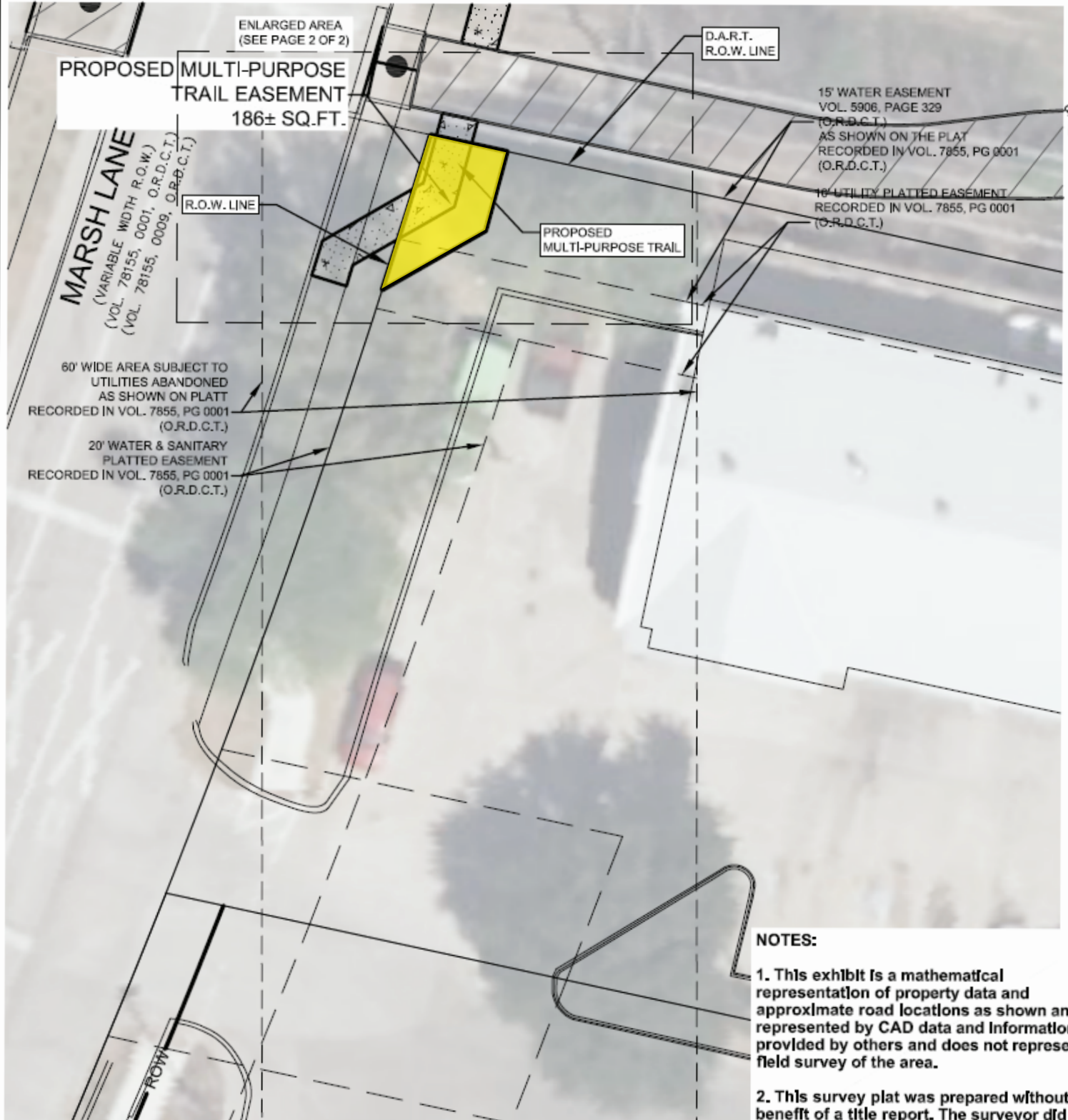
EXHIBIT "A"

15200 Marsh Lane

GRAPHIC SCALE
(in feet)



1 inch = 20 ft.



DATE: 2024-01-23	SCALE: 1" = 20'
DRAWN BY: DGG	CHECKED BY: JP
SHEET NO. 1 of 2	JOB NUMBER: 1712-054-04
SHEET ID: 1712-054-04-Marsh.dwg	

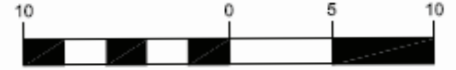
MULTI-PURPOSE TRAIL EASEMENT
PART OF THE PLAT OF
PFLUGER ADDITION
VOL. 94176, PAGE 1650
DAVID MYERS SURVEY, ABSTRACT NO. 923
TOWN OF ADDISON, DALLAS COUNTY, TEXAS

CobbFendley
TBPELS Engineering Firm No. 274
Land Surveying Firm No. 10046700
2801 Network Blvd., Suite 800
Frisco, Texas 75034
972.335.3214 | www.cobbhendley.com

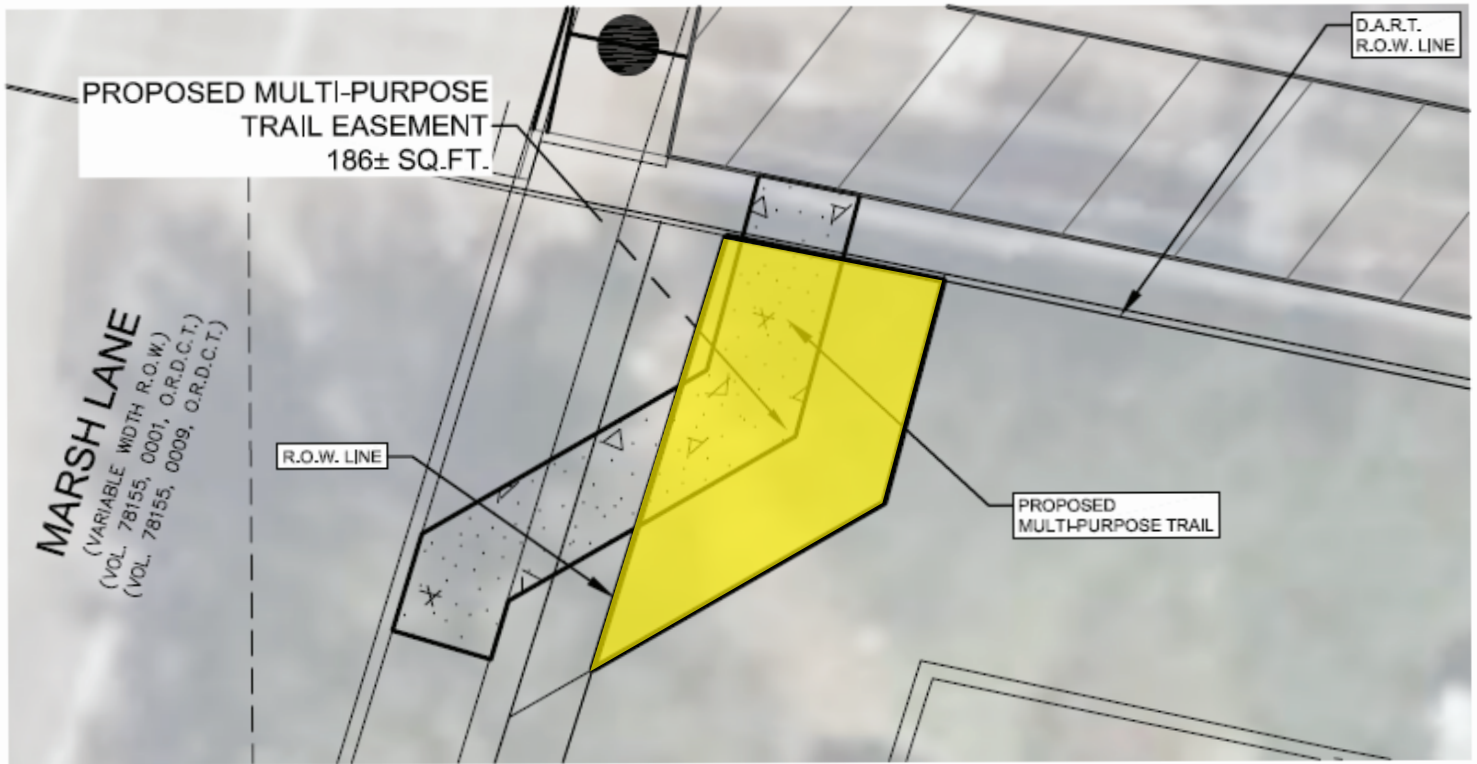
EXHIBIT "A"

15200 Marsh Lane

GRAPHIC SCALE
(in feet)



1 inch = 10 ft.



NOTES:

1. This exhibit is a mathematical representation of property data and approximate road locations as shown and represented by CAD data and information provided by others and does not represent a field survey of the area.

2. This survey plat was prepared without the benefit of a title report. The surveyor did not research subject property title information.

DATE: 2024-01-23	SCALE: 1" = 10'
DRAWN BY: DGG	CHECKED BY: JP
SHEET NO. 2 of 2	JOB NUMBER: 1712-054-04
SHEET ID: 1712-054-04-Marsh.dwg	

MULTI-PURPOSE TRAIL EASEMENT
PART OF THE PLAT OF
PFLUGER ADDITION
VOL. 94176, PAGE 1650
DAVID MYERS SURVEY, ABSTRACT NO. 923
TOWN OF ADDISON, DALLAS COUNTY, TEXAS

 **CobbFendley**

TBPELS Engineering Firm No. 274
Land Surveying Firm No. 10046700
2801 Network Blvd., Suite 800
Frisco, Texas 75034

972.335.3214 | www.cobbhendley.com

City Council (FY24)

5. a.

Meeting Date: 02/27/2024

Department: Parks & Recreation

Pillars: Innovation in Entrepreneurship & Business
Optimize the Addison Brand

Milestones: Continue to enhance and promote Addison's Identity
Leverage Addison's assets to grow and expand placemaking business programs and events that will set Addison apart to attract talent and businesses
Promote and protect the Addison Way
Prepare for the impact of new growth and development in Addison

AGENDA CAPTION:

Present, discuss and consider action on a Resolution approving an agreement with OJB Landscape Architecture for the Addison Circle Park Vision Plan in an amount not to exceed \$188,000 and providing an effective date.

BACKGROUND:

The Park, Recreation and Open Space (PROS) Master Plan adopted by Council in 2019 identified the need to plan for the redevelopment of Addison Circle Park and the Conference and Theatre Centre in conjunction with the Transit Oriented Development (TOD). The PROS plan includes recommendations for Addison Circle Park and the adjacent spaces surrounding the Conference Centre and Theatre. Those recommendations include:

- Design and promote the park as Addison's Central Hub.
- Improve the park's southern edge in relationship to the TOD and create a new gateway into the park.
- Discuss impacts to special events and preserve lands and opportunities integral to Addison's signature seasonal events.
- Prioritize creating a gathering space along Festival Way that allows for park and light rail access to regularly occurring programs and activities.
- Evaluate opportunities to connect the northwest plaza to the Conference Centre patio, improving the pavilion, plaza and grounds to support various public and private events.
- Bolster outdoor programming and create daily activation opportunities that attract visitors to the park, such as programs implemented at Klyde Warren, Discovery Green, Bryant Park, etc.

To respond to these recommendations and align with the critical timing of the TOD development, \$205,000 was allocated in the FY2023-24 budget that was

adopted by the Council to develop a vision plan for the activation of Addison Circle Park.

In November 2023, staff issued RFQ 24-05 to solicit responses from qualified project teams to submit their qualifications to facilitate the development of a Vision Plan for the daily activation of Addison Circle Park. The RFQ identified the following metrics for the project and asked for respondents to provide their project experience related to the following metrics:

- Track record for proven and successful public engagement strategies.
- Creating visions for dynamic, multi-functional urban parks that serve as an amenity for residents and attract visitors of all ages and abilities.
- Substantial experience developing programming bubble diagrams that include spatial analysis of uses and creating a park programming activity plan which includes daily, weekly, monthly seasonal and annual events.
- Substantial experience developing park operations plans that identify management, programming, maintenance and security needs.
- Track record with revenue generation for parks.

Eight teams responded to the RFQ. Four of the responding teams were selected to make additional presentations to the selection committee. OJB Landscape Architecture was identified by the selection committee as the most qualified team. An agreement in an amount not to exceed \$188,000 is being brought to Council for consideration. This agreement fits within the project budget and the remaining funds will be allocated to the Benchmark Park Tour.

Some of the qualifications of the OJB team that contributed to their selection include:

- Experience developing, operating and maintaining highly active parks.
- Experience developing successful park programming strategies.
- Quality of similar urban design projects.
- Experience with philanthropic and external funding sources for activated parks.
- Engagement strategies for gathering input and building a consensus.
- Staff has asked representatives from OJB to make a presentation to introduce their firm and project experience to the Council.

RECOMMENDATION:

Administration recommends approval

Attachments

Presentation - Addison Circle Park Vision Plan

Resolution - Addison Circle Park Vision Plan

Project Schedule - Addison Circle Park Vision Plan

Addison Circle Park Vision Plan

Addison City Council 2-27-2024

The logo for the City of Addison, featuring the word "ADDISON" in blue, uppercase letters inside a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes a white diagonal line and a grey triangle.

ADDISON

The Park, Recreation and Open Space (PROS) Master Plan adopted by Council in 2019 identified the need to plan for the redevelopment of Addison Circle Park and the Conference and Theatre Centre in conjunction with the Transit Oriented Development (TOD). The plan included the following recommendations:

- Design and promote the park as Addison's Central Hub.
- Consider new frontages, circulation patterns and connections to the DART Station and Cotton Belt Trail.
- Improve the park's southern edge in relationship to the TOD and create a new gateway into the park.
- Discuss impacts to special events and preserve lands and opportunities integral to Addison's signature seasonal events.
- Prioritize creating a gathering space along Festival Way that allows for park and light rail access to regularly occurring programs and activities.
- Evaluate opportunities to connect the northwest plaza to the conference center patio, improving the pavilion, plaza and grounds to support various public and private events.
- Bolster outdoor programming and create daily activation opportunities that attract visitors to the park such as programs implemented at Klyde Warren, Discovery Green, Bryant Park etc.

To respond to these recommendations and align with critical timing of TOD plan development \$205,000 was included in the FY2023 – 24 budget that was adopted by Council to develop a vision plan for the activation of Addison Circle Park.

In November 2024 RFQ 24-05 was issued soliciting responses from qualified project teams to submit their qualifications. The RFQ identified the following metrics for the project and asks the respondents to provide experience around the following:

- Track record for proven and successful public engagement strategies.
- Creating visions for dynamic, multi-functional urban parks that serve as an amenity to residents and attracts visitors of all ages and abilities.
- Substantial experience developing programming bubble diagrams that includes a spatial analysis of uses and creating a park programming activity plan which includes daily, weekly, monthly, seasonal and annual events.
- Substantial experience developing park operation plans that identify management, programming, maintenance and security needs.
- Track record with revenue generation for parks.

Following the RFQ a selection committee:

- Reviewed submittals from 8 consultant teams that responded to the RFQ.
- Identified 4 consultant teams to make additional presentations.
- Selected OJB Landscape Architecture as the most qualified team. Their submittal and presentation showcased:
 - Experience developing, operating and maintaining highly active parks.
 - Experience developing successful park programming strategies.
 - Quality of similar urban design projects.
 - Experience with philanthropic and external funding sources for activated parks.
 - Engagement strategies for gathering input and building consensus.

Representatives from OJB will make a presentation to introduce their firm and share some of their relevant project experience with Council.



ADDISON CIRCLE PARK VISION PLAN

FEBRUARY 27, 2024

OJB

A Dedicated Team

With You Today



Tara Green

Public Realm Principal



Katy Martin

Landscape Design Principal

With You Tomorrow



Marissa Garcia

Public Realm Design Specialist



Chandler Nohr

Landscape Design Associate



Levi Johnson

Horticulture / Continuing Care

- + Community Engagement
- + Programming + Activation
- + Governance + Staffing
- + Annual Budget + Revenue
- + Operational Planning

- + Design Lead
- + Public Process
- + Vision + Strategy
- + Transformative park design
- + Sustainable and resilient landscapes

- + Community Engagement
- + Programming + Activation
- + Funding Strategies
- + Public Space Management Operations

- + Landscape Designer
- + Environmentally Sensitive Design
- + Site Analysis
- + Technical Implementation

- + Horticultural Knowledge
- + Stewardship
- + Landscape Management + Maintenance
- + Irrigation Systems

OJB

34
YEARS IN BUSINESS
Founded in 1989

100+
PROFESSIONALS NATIONWIDE

100+
NATIONAL DESIGN AWARDS

2023 ASLA Honor Award for Gene Leahy Mall

2022 ASLA Honor Award for Mass General Brigham

2022 The Architects Newspaper, Best Of Practice Award

2022 Congress for the New Urbanism Award, Project 180 Oklahoma City

2021 The Architects Newspaper Best Built Project, Arjay Miller Arboretum, Ford Motor Company

2021 The Architects Newspaper Best Unbuilt Project, Brisbane Baylands Master Plan

2020 Cooper Hewitt National Design Award for Landscape Architecture

2018 ULI Urban Open Space Award for Levy Park

2017 ASLA Award Of Excellence for Klyde Warren Park

2016 ASLA Design Medal (Recipient: Jim Burnett)

2015 ULI Urban Open Space Award for Myriad Gardens

2015 ASLA Firm Award

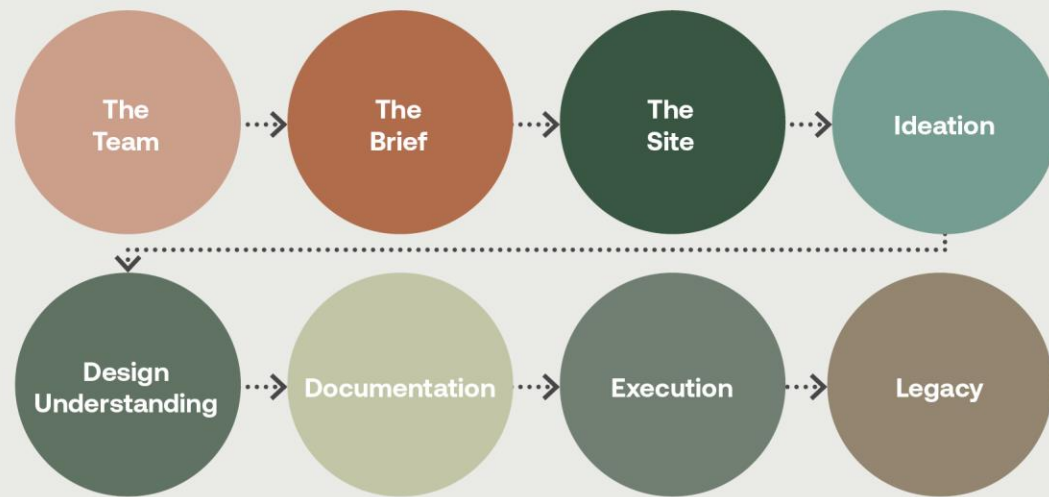
2014 ULI Urban Open Space Award for Klyde Warren Park

2012 ASLA Honor Award for Sunnylands Center & Gardens



The OJB Process & Expertise

Process



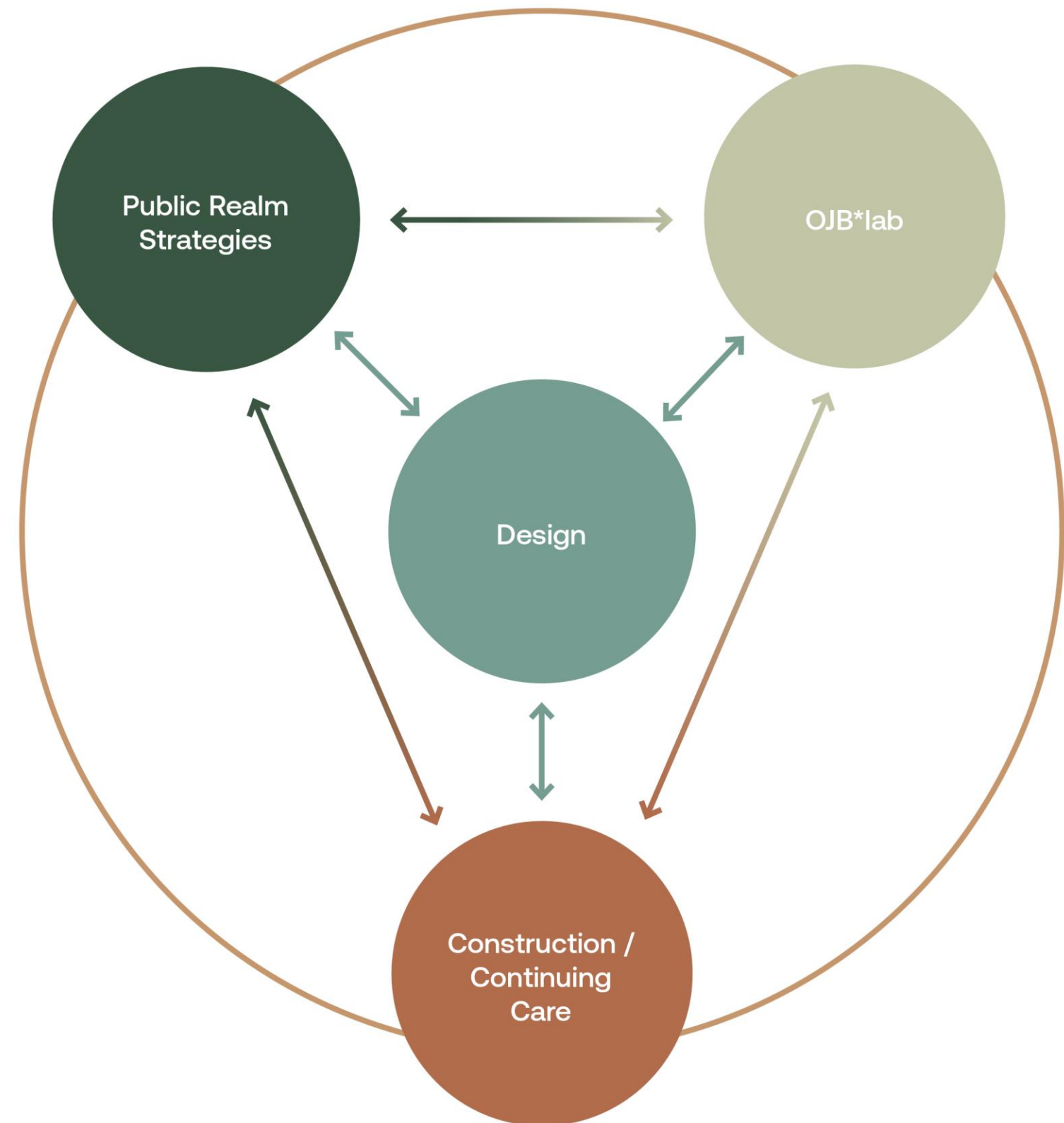
Expertise

OJB*lab Analysis Research

Public Realm Strategies Community engagement, programming, activation, grants and fundraising, management models

Construction Management Technical Leadership, 3-D modeling, cost estimation, construction execution

Continuing Care Water, Soil, Vegetation, Material, Maintenance, Arbor Care

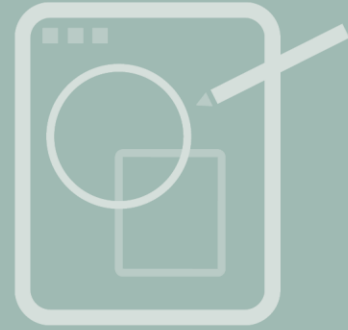


Project Management



COMMUNICATION

Keep the lines of communication open and ensure everyone is aware of project updates, timelines. And expectations



COLLABORATION

Encourage team members to work together, share their ideas, & support one another



PLANNING

Develop a clear project plan that outlines objectives, deadlines, and resource requirements to ensure everyone is aligned



RESOURCE MANAGEMENT

Provide team members with necessary resources and tools to complete their tasks efficiently and effectively



RISK MANAGEMENT

Identify potential risks and develop contingency plans to minimize their impact on the project



QUALITY CONTROL

Ensure all work produced by the team meets the desired standards of quality and accuracy



FEEDBACK + REVIEW

Provide regular feedback and constructive criticism to help team members improve their work



LEADERSHIP

Provide strong leadership and guidance to ensure the team remains motivated, focused, and committed to the project goals

Equitable Spaces



FLEXIBLE

Transient open spaces that respond to different needs + can accommodate different activities.



SAFE

Adequate lighting + emergency technologies that allow users feel safe at all times of the day.



ACCESSIBLE

Physically accessible to all people and circumstances, including promoting different ways of learning + communicating.



COMFORTABLE

Offer flexible seating opportunities with ergonomic designs that are inclusive to all body types + groups of people.



WELCOMING

Socially accessible + welcoming to all people, activities + functions.



CONNECTED

Has a strong relationship to context and community.



COLLABORATIVE

Promote outdoor learning and collaboration between students and faculty on campuses + at offices.



ACTIVATED

Be able to host the community + accommodate different user groups through programming + activation.

Project Start Up + Initial Discovery

4 weeks



- Finalize schedule
- Goal setting, project identity and purpose
- Operational goal setting
- Identify key site assets, environmental conditions, and programming and activation metrics with Client
- Public Workshop #1

Analysis + Programming

8 weeks



- Benchmarking
- Stakeholder Interviews
- Visioning Workshop
- Public Workshop #2

Conceptual Vision + Alternatives

8 weeks



- Synthesize the challenges, opportunities, relationships, and goals into a series of design alternatives
- Phasing Strategy
- Public Workshop #3

Concept Refinement + Final Vision Plan

12 weeks



- Programming activity plan
- Recommendations for infrastructure and open space modifications
- Operations plan
- Revenue generation plan
- Final Vision Plan and supporting visuals

1. Approach



Street Teams



'Design Your Own' Programming Workshop



Voting



Virtual Reality



Engage Children



Surveys

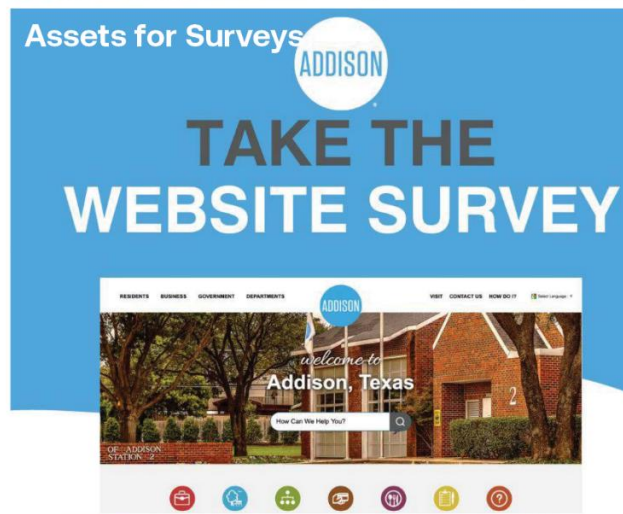


Charettes

2. Public Engagement Process

Proposed Process for Addison Circle Park

- + OJB will lead the public engagement strategy and will work with you.
- + We will do external outreach and audience building.
- + OJB will organize and facilitate stakeholder and public workshops.





3. Connections & Opportunities

Winner of
the **Envision
Platinum Award
for Sustainability**
from the Institute
for Sustainable
Infrastructure

The RiverFront

OMAHA, NE

Size: 68.8 acres (Gene Leahy Mall: 14.8 acres, Heartland of America: 31 acres, Lewis & Clark Landing: 23 acres)

Date Opened: July 2022 (Gene Leahy Mall) (Heart of America and Lewis & Clark Landing anticipated to open in 2023)

Owned By: City of Omaha

Operated By: Metropolitan Entertainment & Convention Authority (MECA)

Gene Leahy Mall Program:

- + Central Event lawn
- + Sculpture Garden
- + Performance Pavilion
- + Multi-use Social Space
- + Dog Park
- + Children's Play Area
- + Interactive Water Feature
- + Restrooms
- + Games Area

Heartland of America Program:

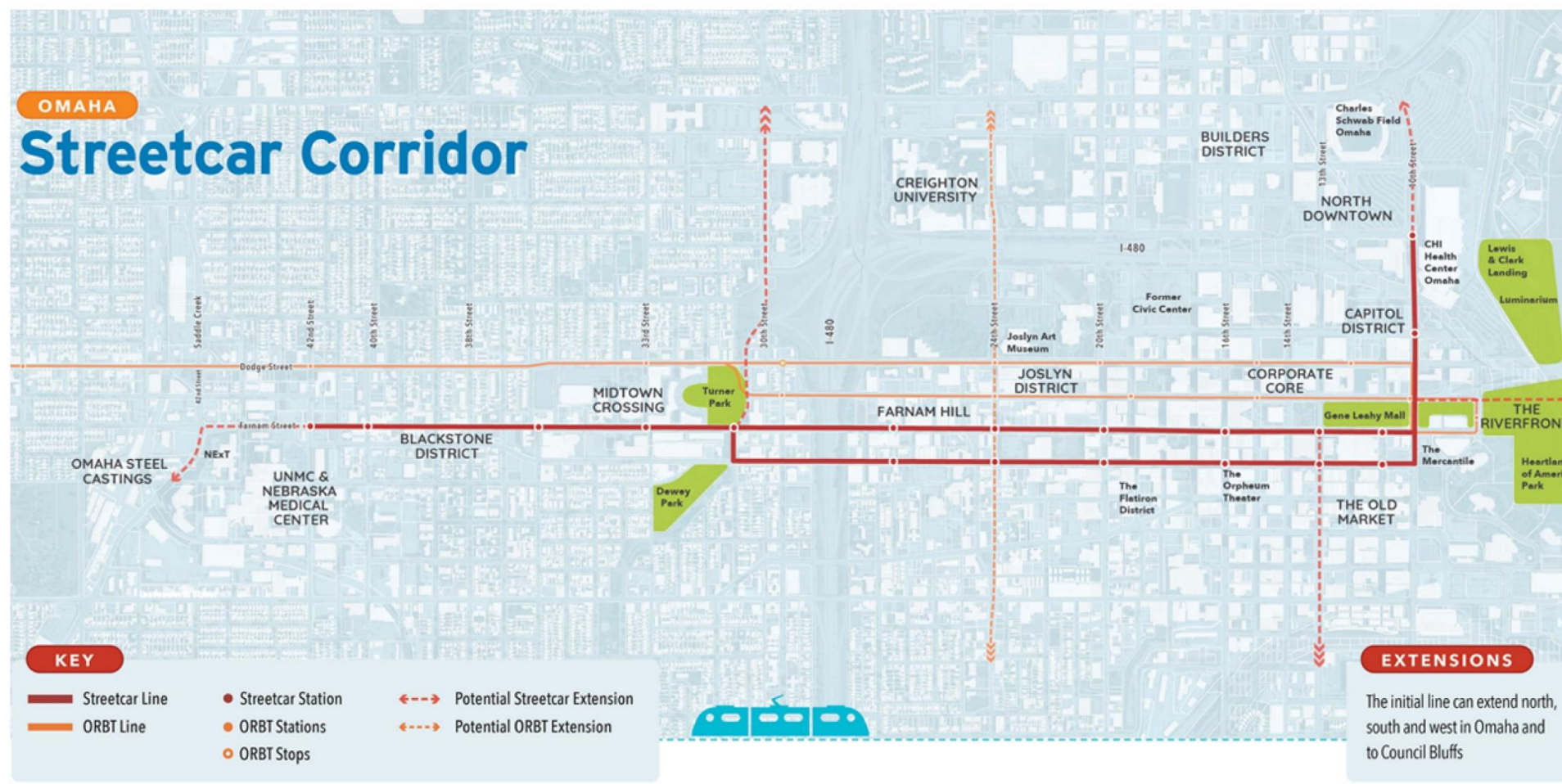
- + Central Recreational Lawn
- + Lake-edge Amphitheater
- + Four-season Skate Ribbon
- + Multi-use Space
- + Native Prairie Gardens
- + Multi-modal Access

Lewis & Clark Landing Program:

- + Imaginative Playground
- + Towering Climbing Structures
- + Adventure Path
- + Zipline
- + Log Forest
- + Swing Canopy
- + Interactive Water / Sand Play Area









4. Revenue Generation

Annual Public Realm Revenue Streams

REAL ESTATE ASSESSMENT

- + Ground Leases
- + Assessment District

SPONSORSHIPS

- + Corporate - marketing
- + Corporate - community impact
- + Multi-year deals
- + Events
- + Program categories

EVENT RENTALS

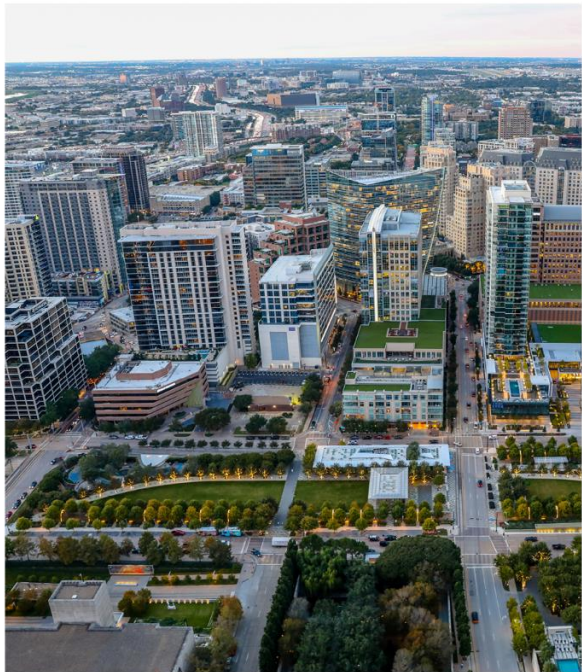
- + 3rd party events
- + Product Launches
- + Brand activation
- + Corporate events
- + Non-profits

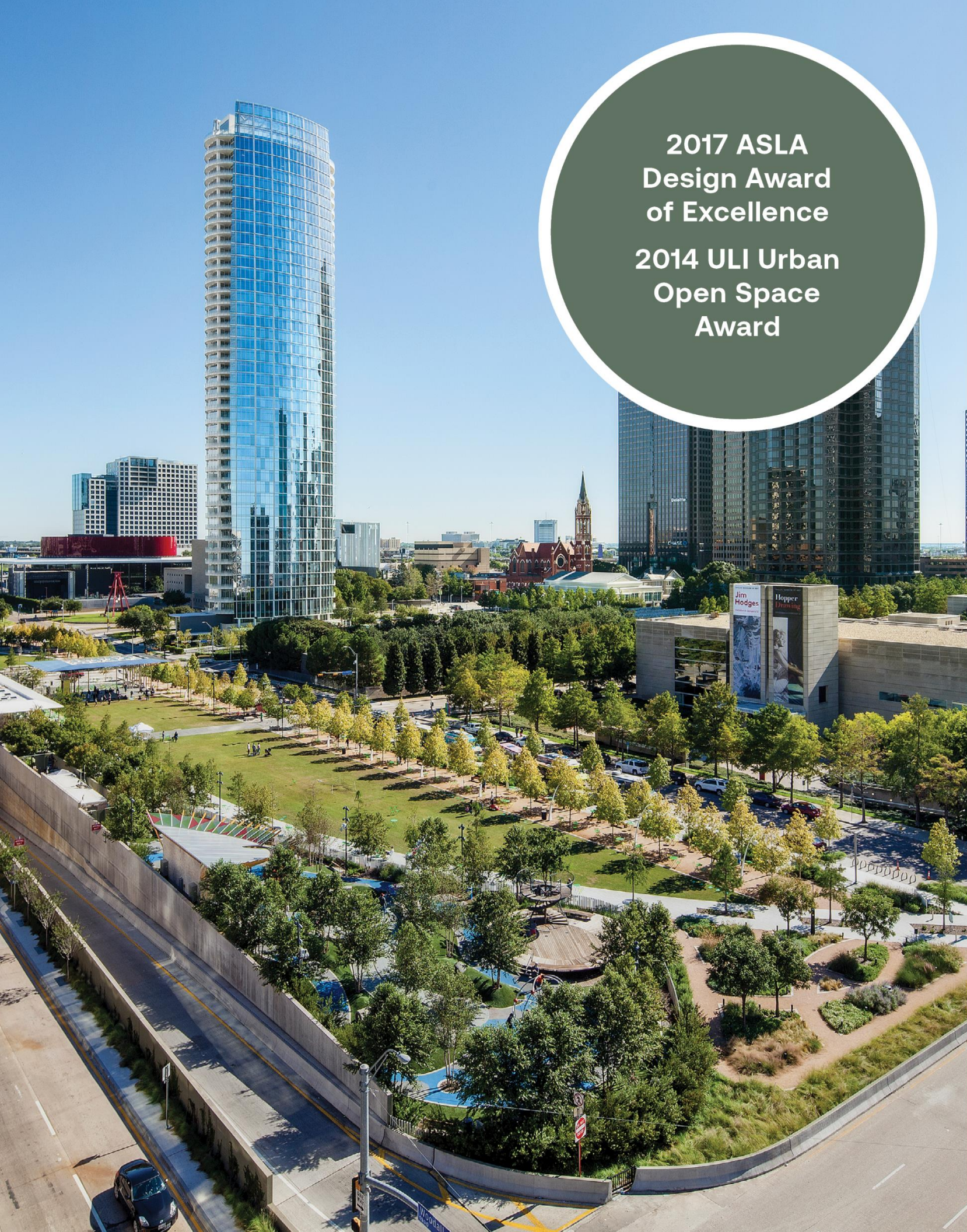
FOOD + BEVERAGE

- + Restaurants
- + Food trucks
- + Concessions
- + Catering

NON-PROFIT FUNDRAISING

- + Grants
- + Annual giving
- + Membership
- + Fundraising events





2017 ASLA
Design Award
of Excellence
2014 ULI Urban
Open Space
Award

Klyde Warren Park

DALLAS, TX

Size: 5.2 acres
Date Opened: October 2012
Owned By: City of Dallas
Operated By: Woodall Rodgers Park Foundation, a 501C3

COST INFORMATION

Total Funds Raised	\$112M
Total Construction Cost.....	\$97M
Cost/SF Entire Deck Park	\$428/sf (\$ 88M/226,512 sf)
Cost/SF Landscape Only	\$56/sf (\$12.7M/226,512 sf)
Cost of Restaurant	\$6M
Cost of Performance Pavilion.....	\$3M
Maintenance + Operations.....	~\$5M annual budget

*2012 net present value

Program:

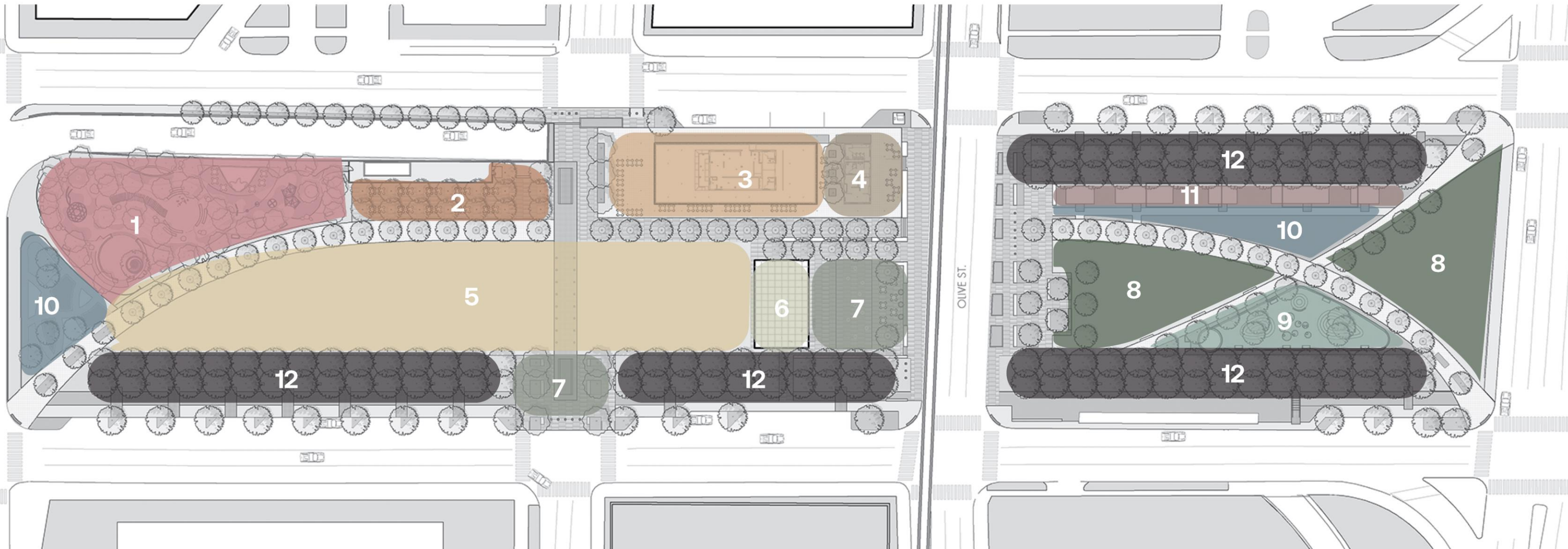
- + Children’s Garden
- + Dog Park
- + Great Lawn
- + Performance Pavilion
- + Botanical Garden
- + Reading Room
- + Restaurant To Go Kiosk
- + Tree Groves
- + Interactive Water Features
- + Lawn
- + Gaming room
- + Pedestrian Streetscape
- + Promenade

Scaled Comparison: Klyde Warren Park



Klyde Warren Park Program

- | | | | | | |
|---|---------------------------|---|-------------------------------|----|------------------------|
| 1 | 15,000 SF CHILDREN'S PARK | 5 | 40,000 SF GREAT LAWN | 9 | 3,000 SF DOG PARK |
| 2 | 4,000 SF READING ROOM | 6 | 2,400 SF PERFORMANCE PAVILION | 10 | BOTANICAL GARDENS |
| 3 | 6,000 SF RESTAURANT | 7 | WATER FEATURE PLAZAS | 11 | GAMES |
| 4 | GRAB&GO KIOSK | 8 | LAWN | 12 | PEDESTRIAN STREETSCAPE |



Klyde Warren Park Annual Revenue Streams

1. Public Improvement District - \$0.025/\$100
2. Sponsorships - Events and Spaces
3. Food & Beverage - Restaurant Lease, Food Trucks, Catering, Concessions
4. Event Rentals
5. Grants/Fundraising Events/Memberships/Annual Giving



Klyde Warren Park Revenue Sources To Cover Expenses By Year 4

YEAR 1

Revenue Sources

- + Event Rentals
- + Food Trucks
- + Ticketed Events

25%

YEAR 2

Revenue Sources

- + Sponsorships
- + Event Rentals
- + Food Trucks
- + Ticketed Events

50%

YEAR 3

Revenue Sources

- + Real Estate Assessments
- + Film/Photo Shoots
- + Sponsorships
- + Event Rentals
- + Food Trucks
- + Ticketed Events

75%

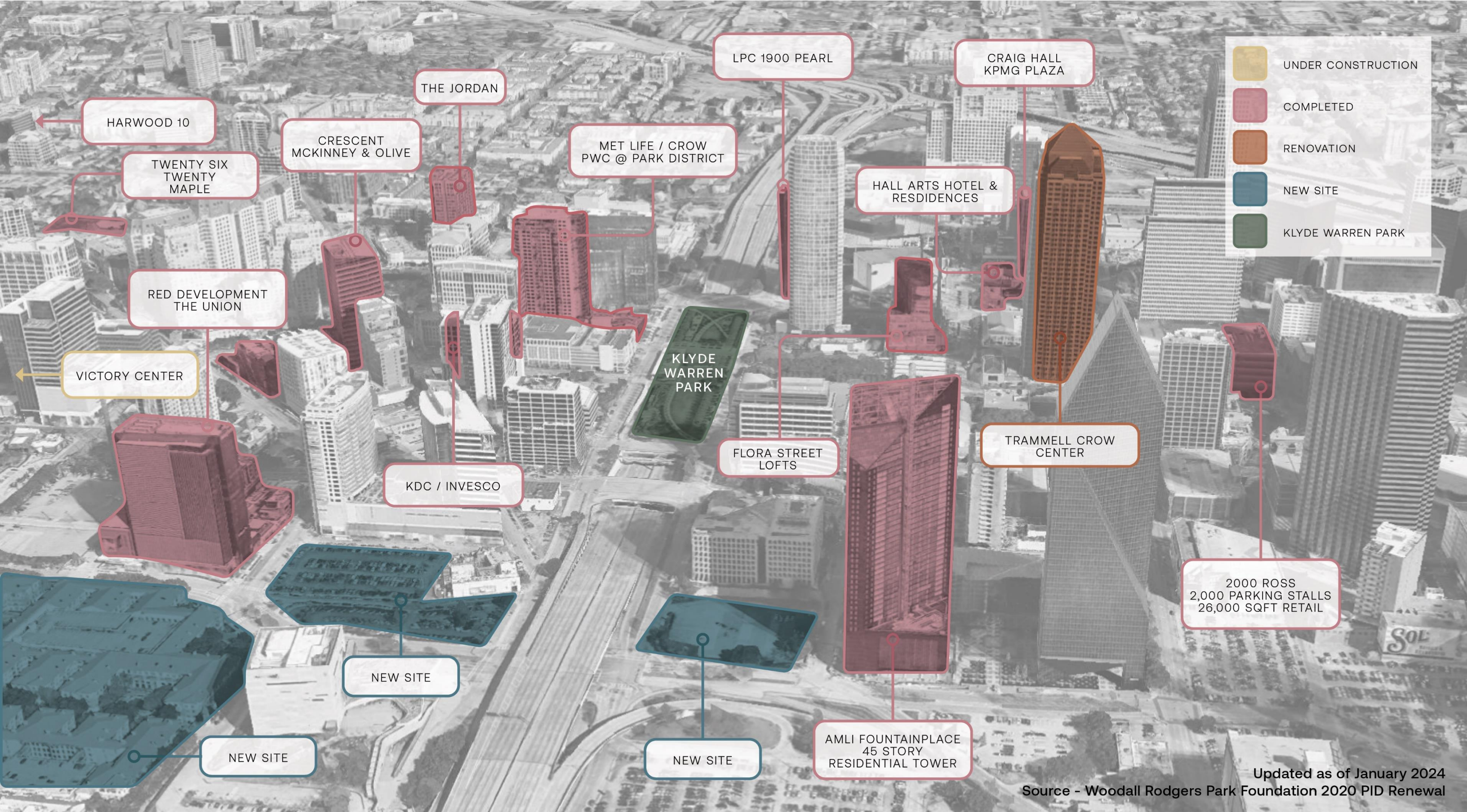
YEAR 4

Revenue Sources

- + Real Estate Assessments
- + Film/Photo Shoots
- + Sponsorships
- + Event Rentals
- + Food Trucks
- + Ticketed Events

100%

Assessed Values More than Doubled after KWP Opened: \$2.5B in 2012 to \$6.2B in 2020



■	UNDER CONSTRUCTION
■	COMPLETED
■	RENOVATION
■	NEW SITE
■	KLYDE WARREN PARK



5. Four Season Programming - Successes & Lessons Learned

WHY ACTIVATE?

- + Increase Attendance
- + Create Safer Places
- + Encourage New Development
- + Create Iconic Destinations
- + Diversify User Groups
- + Generate Revenue
- + Establish an Identity
- + Build Community

OJB Activation Pyramid



Curate Experiences for Visitors

Event Visitors

SPECIAL EVENTS

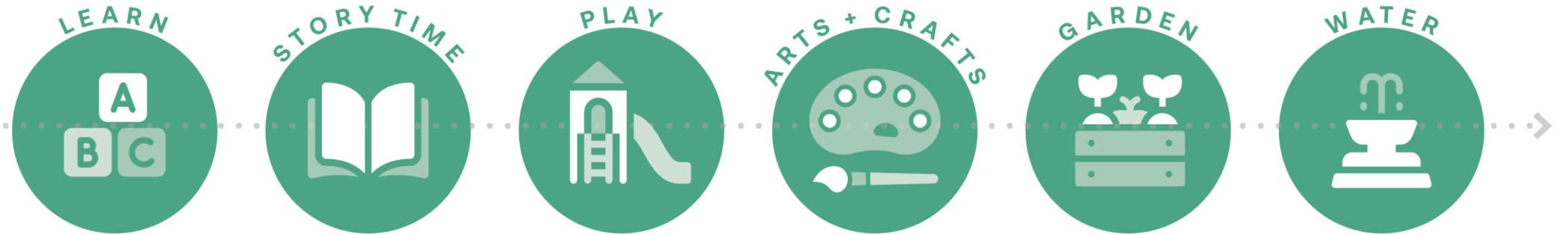
Planned events to attend, like large concerts, holiday events, festivals, sports, dinner, and movie night.



Students / Teachers

MORNING / AFTERNOON

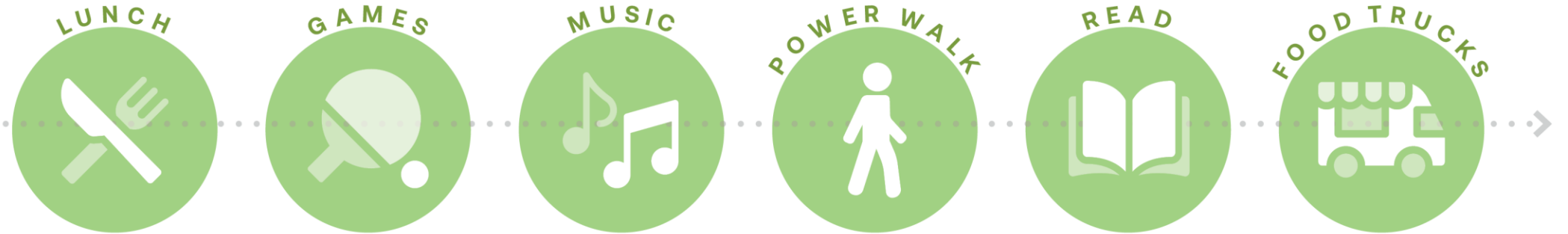
Programs that provide an educational and/or recreational opportunity to enliven parks throughout the week.



Professionals

WEEKDAY

Parks provide a wonderful venue for daytime and after work programming.



Residents / Families

MORNING / EVENTS / WEEKENDS

Programs geared towards families to draw them to the park.



Tourists

ANY DAY

Tourists visit the park to explore and have fun.



Winter Programming



Christkindl Market



Coffee Cart



Sports Simulcast



Tree Lighting Ceremony



Photos With Santa



Photo Backdrop

Spring Programming



Flower Market



Imagination Playground



Farmers Market



Cultural Performances



Easter Egg Hunt



Mobile Library

Summer Programming



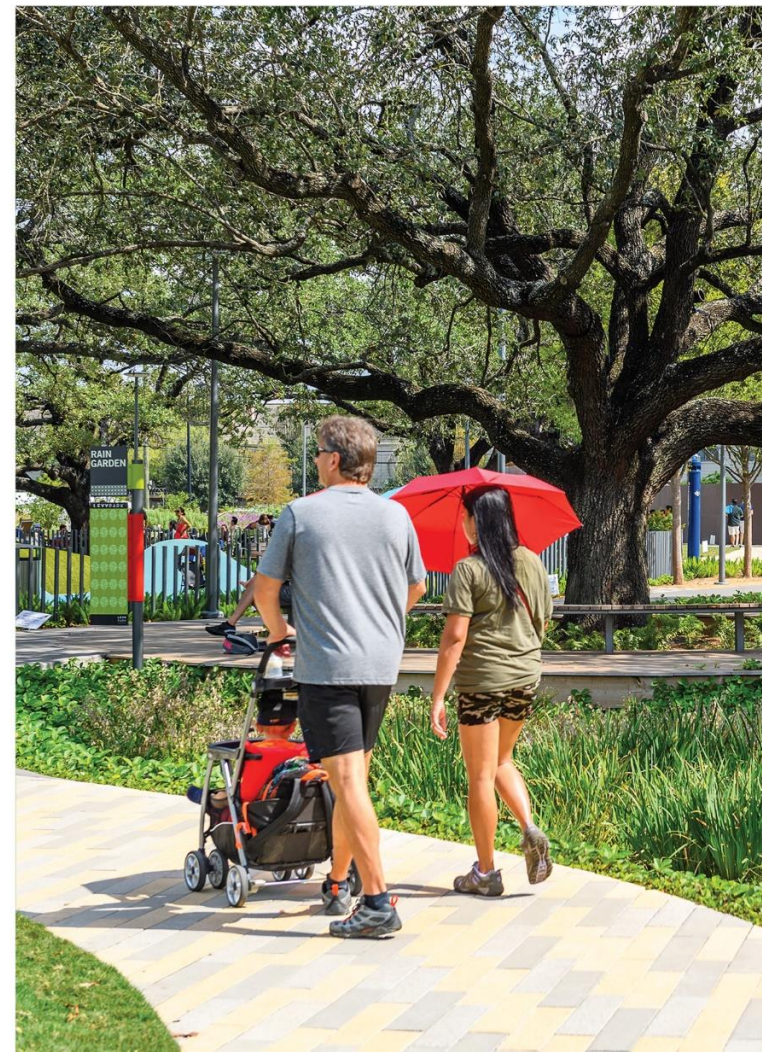
Fall Programming





Why Our Team?

- + Unique Park and Public Space Experience & Expertise
- + Fresh Vision Paired with Practical Approach
- + Activation, Operations & Governance
- + Local Team With National Experience
- + Integrated Community Engagement & Design Process





A photograph of a modern park at dusk. In the center, a large, glowing purple, curved structure resembling a stylized 'P' or a modern architectural element is illuminated. To the right, a tall, silver, abstract sculpture stands on a stone base. In the foreground, several people are sitting on yellow and green chairs around a stone wall. The background features a modern building with large windows and a clear blue sky. The text 'Thank You!' is overlaid in the center.

Thank You!

Questions

The logo for Addison, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. This circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes diagonal lines and a grey triangle.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING AN AGREEMENT WITH OJB LANDSCAPE ARCHITECTURE FOR ADDISON CIRCLE PARK VISION PLAN IN AN AMOUNT NOT TO EXCEED \$188,000.00; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to authorize an agreement with OJB Landscape Architecture for Addison Circle Park Vision Plan in conformance with the City’s requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

SECTION 1. The City Council hereby approves the agreement between the Town of Addison and OJB Landscape Architecture in an amount not-to-exceed of \$188,000.00, a copy of which is attached to this Resolution as **Exhibit A**. The City Manager is hereby authorized to execute the agreement.

SECTION 2. This Resolution shall take effect from and after its date of adoption.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the **27th** day of **FEBRUARY**, 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

Valencia Garcia, Interim City Secretary

EXHIBIT A

PROFESSIONAL SERVICES AGREEMENT ADDISON CIRCLE PARK VISION PLAN

This Professional Services Agreement (“Agreement”) is made by and between the **Town of Addison, Texas** (“City”), and **OJB Landscape Architecture** (“Professional”) (each a “party” and collectively the “parties”), acting by and through their respective authorized representatives.

RECITALS

WHEREAS, City desires to engage Professional to perform certain work and services, hereinafter referred to only as “services”, as further specified in the Scope of Services defined in Section 1 of this Agreement; and

WHEREAS, Professional has expressed a willingness to perform said services in conformance with this Agreement.

NOW, THEREFORE, for and in consideration of the covenants and promises made one to the other herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Scope of Services

Upon written notice to proceed by City, Professional agrees to provide to City Addison Circle Park Vision Plan (“Project”), as set forth in the Scope of Services attached hereto as **Exhibit “A”** and incorporated herein by reference (the “Scope of Services”). Professional shall not be entitled to any claim for extra services, additional services or changes in the services without a written agreement with City prior to the performance of such services.

Section 2. Term of Agreement

The term of this Agreement shall begin on the last date of execution hereof (the “Effective Date”) and shall continue until Professional completes the services required herein and the City has accepted the same, unless sooner terminated as provided in this Agreement.

Section 3. Professional’s Obligations

(a) Performance of Services. Professional shall furnish and pay for all labor, tools, software, materials, equipment, supplies, transportation and management necessary to perform the services. To the extent reasonably necessary, Professional may engage the services of any agents, assistants, or other persons that Professional may deem proper to assist in the performance of the services under this Agreement; provided, that Professional shall be responsible for all costs related thereto, except as expressly authorized in writing in advance by City.

(b) Site Access. City will endeavor to provide such rights of access on any project site as may be reasonably necessary for Professional to perform any necessary studies, surveys, tests or other required investigations in relation to the services; provided, that City shall have no obligation to (i) provide off-site access, (ii) provide access to private property for which City does not have an existing right to access, nor (ii) incur any costs associated with the access to be provided under this Agreement.

(c) Standard of Care. Professional shall perform the services with the skill and care ordinarily provided by competent professionals practicing in the same or similar locality and under the same or similar

circumstances and professional licenses. Professional shall be responsible for the professional quality, technical accuracy, and the coordination of all services, including all Project Documents, designs, drawings, specifications, plans, reports, presentations and all other services furnished by Professional under this Agreement. Professional shall, without additional compensation, correct or revise any errors or deficiencies in the services. Professional shall further make, without expense to City, such revisions to the Project Documents as may be required to meet the needs of City and which are within the Professional's Scope of Services.

(d) Additional Services. Should City require additional services not included under this Agreement, Professional shall make reasonable effort to provide such additional services in accordance with the fee schedule set forth in **Exhibit A**, and within the time schedule prescribed by City; and without decreasing the effectiveness of the performance of services required under this Agreement.

(e) No Waiver of City's Rights. Neither City's review, approval, acceptance of, nor payment for any of the services required under this Agreement, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and Professional shall be and remain liable to City in accordance with applicable law for all damages to City caused by Professional's negligent performance of any of the services furnished under this Agreement.

(f) Independent Contractor. It is understood and agreed by and between the parties that Professional, while performing under this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with Professional's actions. All services to be performed by Professional pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of City. Professional shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement. There is no intended third-party beneficiary to this Agreement.

(g) Inspection of Records. Professional grants City and its designees the right to audit, examine or inspect, at City's election, all of Professional's Records (defined below) relating to the performance of services under this Agreement, during the term of the Agreement and any retention period herein. City's audit, examination, or inspection of Professional's Records may be performed by a City designee, which may include its internal auditors or an outside representative engaged by City. Professional agrees to retain Professional's Records for a minimum of four (4) years following termination of the Agreement, unless there is an ongoing dispute under the contract; then, such retention period shall extend until final resolution of the dispute. "Professional's Records" shall include any and all information, materials and data of every kind and character generated in connection with the services under this Agreement. City agrees that it will exercise its right to audit, examine or inspect Professional's Records during regular business hours unless City has provided advance written notice of an alternate time. Professional agrees to allow City and its designees access to all of Professional's Records, Professional's facilities, and the current or former employees of Professional, to the extent deemed reasonably necessary by City or its designee(s), to perform such audit, inspection or examination.

(h) Certification of No Conflicts. Professional hereby warrants to the City that Professional has made full disclosure in writing of any existing or potential conflicts of interest related to Professional's services under this Agreement. In the event that any conflicts of interest arise after the Effective Date of this Agreement, Professional hereby agrees immediately to make full disclosure to the City in writing.

(i) Hazardous Materials. Professional shall report the presence and location of any hazardous materials it notices or which an professional of similar skill and experience should have noticed to the City.

Section 4. Performance Schedule

(a) Time for Performance. Professional shall perform all services as provided for under this Agreement in a proper, efficient, timely, and professional manner in accordance with City's requirements. In the event Professional's performance of this Agreement is delayed or interfered with by acts of the City or others, Professional may request an extension of time in conformance with this Section 4 for the performance of same as hereinafter provided but shall not be entitled to any increase in fee or price, or to damages or additional compensation as a consequence of such delays.

(b) Extensions; Written Request Required. No allowance of any extension of time, for any cause whatever (including an event of Force Majeure as defined herein below), shall be claimed or made to Professional, unless Professional shall have made written request upon City for such extension within forty-eight (48) hours after the cause for such extension occurred, and unless City and Professional have agreed in writing upon the allowance of additional time to be made.

Section 5. Documents

(a) Project Documents. All proposals, reports, studies, surveys, applications, drawings, plans, specifications, data, and other documents, whether in draft form or final form (including any electronic format) prepared by Professional and its employees, consultants, subcontractors, agents, or representatives (collectively referred to in this section as "Professional) for the use and/or benefit of City in connection with this Agreement ("Project Documents"). Professional shall be deemed the authors of their respective component of the Project Documents. Notwithstanding, upon payment by City as required by this Agreement, City shall own, have, keep and retain all rights, title and interest in and to all Project Documents, including all ownership, common law, statutory, and other reserved rights, including copyrights (except copyrights held by the Professional) in and to all Project Documents, whether in draft form or final form, which are produced at City's request and in furtherance of this Agreement. City shall have full authority to authorize any contractor(s), subcontractors, consultants, and material or equipment suppliers to reproduce applicable portions of the Project Documents to and for use in their execution of the services or for any other purpose. Acceptance and approval of the Project Documents by City shall not constitute nor be deemed a release of the responsibility and liability of Professional for the accuracy or competency of its designs, working drawings, specifications, or other documents; nor shall such approval be deemed to be an assumption of such responsibility by City for any defect in the designs, working drawings and specifications, or any other documents prepared by Professional.

(b) Professional's Documents. All previously owned intellectual property of Professional, including but not limited to any computer software (object code and source code), tools, systems, equipment or other information used by Professional or its suppliers in the course of delivering the Services hereunder, and any know-how, methodologies or processes used by Professional to provide the services or protect deliverables to City, including without limitation, all copyrights, trademarks, patents, trade secrets and any other proprietary rights inherent therein and appurtenant thereto ("Professional's Documents"), shall remain the sole and exclusive property of Professional. Notwithstanding, Professional agrees that City shall have the right to access to all such information and City is granted the right to make and retain copies of Professional's Documents. City acknowledges that any reuse of Professional's Documents without specific written verification or adaptation by Professional will be at City's sole risk and without liability or legal exposure to Professional.

(c) Confidential Information. Professional agrees it will notify City in writing if it considers specific information to be confidential or proprietary trade secrets and will use its best efforts to clearly mark all such information as "Confidential" and/or "Proprietary – Trade Secret" at the time it is delivered or made accessible to City. City acknowledges that all such designated information is considered by Professional to be confidential and the exclusive property of Professional. Notwithstanding the foregoing,

Professional acknowledges that this Agreement, and all services performed hereunder, are subject to the legal requirements of the Texas Public Information Act and that City will have no obligation to protect or otherwise limit disclosure of any confidential or proprietary information if Professional has not notified City of such designation in conformance with this section. Professional agrees and covenants to protect any and all proprietary rights of City (or other persons) in any materials provided to Professional by City. Additionally, any materials provided to Professional by City shall not be released to any third party without the consent of City and shall be returned intact to City upon termination or completion of this Agreement if instructed to do so by City. In the event City delivers to Professional any information that has been expressly marked "Confidential" or has notified Professional is confidential or is the proprietary information of a third-party, Professional agrees it shall not disclose to anyone directly or indirectly during the term of this Agreement or at any time thereafter, any such information, nor shall it use any such information for any purpose other than as reasonably necessary in connection with Professional's performance of the services under this Agreement. Professional shall further, at its own expense, defend all suits or proceedings instituted against City and pay any award of damages or loss resulting from an injunction, against City, insofar as the same are based on any claim that materials or services provided under this Agreement constitute an infringement of any patent, trade secret, trademark, copyright or other intellectual property rights. Notwithstanding, the foregoing confidentiality obligations shall not extend to and nothing herein shall limit either party's right to disclose any information provided hereunder which: (i) was or becomes generally available to the public, other than as a result of a disclosure by the receiving party or its personnel; (ii) was or becomes available to the receiving party or its representatives on a non-confidential basis, provided that the source of the information is not bound by a confidentiality agreement or otherwise prohibited from transmitting such information by a contractual, legal, or fiduciary duty; (iii) was independently developed by the receiving party without the use of any confidential information of the disclosing party; or (iv) is required to be disclosed by applicable law or a court order.

Section 6. Payment

(a) Compensation. Professional's compensation shall be as specified in the payment schedule set forth in **Exhibit A**; provided, that the total compensation under this Agreement shall not exceed ONE HUNDRED AND EIGHTY THOUSAND DOLLARS (\$180,000.00).

(b) Payment Terms. City agrees to pay Professional for all services authorized in writing and properly performed by Professional in general conformance with the fee schedule set forth in **Exhibit A**, subject to changes in the Scope of Services or additional services agreed upon in writing. Unless otherwise agreed in writing, all payments to Professional by City shall be based on detailed monthly invoices submitted by Professional for work performed and accepted by City, less any previous payments. Payment will be due within thirty (30) days of the City's receipt and acceptance of an approved invoice. Notwithstanding the foregoing, City reserves the right to delay, without penalty, any payment to Professional when, in the opinion of City, Professional has not made satisfactory progress on the Project as described in the Scope of Services.

(c) Deductions. City may deduct from any amounts due or to become due to Professional any sum or sums owing by Professional to City. In the event of any breach by Professional of any provision or obligation of this Agreement, or in the event of the assertion by other parties of any claim or lien against City, or City's premises, arising out of Professional's performance of this Agreement, City shall have the right to retain out of any payments due or to become due to Professional an amount sufficient to completely protect City from any and all reasonably anticipated loss, damage or expense therefrom, until the breach, claim or lien has been satisfactorily remedied or adjusted by Professional.

Section 7. Default; Force Majeure

(a) Default; Notice to Cure. A party shall be deemed in default under this Agreement if the party is in breach of a material provision of this Agreement and said breach is not cured within fifteen (15) days written notice of default by the other party. In the event the breaching party has notified the other party in writing that it is diligently working to cure the breach and has provided reasonable written evidence in support of the same, the breaching party shall not be deemed in default until the thirtieth (30th) day following the non-breaching party's notice of default.

(b) Default by Professional. In addition to default under Section 7(a) above, Professional shall be in default under this Agreement if Professional fails to comply or becomes disabled and unable to comply with the provisions of this Agreement related to Professional's performance of the services, including the quality or character of the services or time of performance for any material component of the services. If such default is not corrected within ten (10) days from the date of City's written notice to Professional regarding the same, City may, at its sole discretion without prejudice to any other right or remedy:

- (i) Terminate this Agreement and be relieved of the payment of any further consideration to Professional except for all services determined by City to be satisfactorily completed prior to termination. Payment for work satisfactorily completed shall be for actual costs, including reasonable salaries and travel expenses of Professional to and from meetings called by City at which Professional is required to attend, but shall not include any loss of profit of Professional. In the event of such termination, City may proceed to complete the services in any manner deemed proper by City, either by the use of its own forces or by re-subletting to others; or
- (ii) City may, without terminating this Agreement or taking over the services, furnish the necessary labor, materials, equipment, supplies and/or assistance necessary to remedy the situation, at the expense of Professional.

(c) Force Majeure. To the extent either party of this Agreement shall be wholly or partially prevented from the performance of any obligation or duty placed on such party by reason of or through stoppage of labor, riot, fire, flood, acts of war, insurrection, court judgment, or a government restriction, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, or other specific cause reasonably beyond the party's control and not attributable to its malfeasance, neglect or nonfeasance (each an event of "Force Majeure"), the time for performance of such obligation (other than a payment obligation) may be extended for a period equal to the time lost by reason such event, provided, that the party complies with the provisions of this section. Specifically, the party asserting Force Majeure (i) shall give prompt notice to the other party of the prevention of performance as soon as the asserting party is reasonably aware of such prevention, and (ii) has the burden of demonstrating: (1) how and why their performance was so prevented, (2) the period of time during which they were so prevented from performing (which under the facts may be equal to, or shorter or longer than, the duration of the Force Majeure event itself), and (3) that the party used commercially reasonable efforts to mitigate and/or eliminate such prevention and resumed performance under this Agreement as soon as reasonably practicable.

Section 8. Termination; Suspension

(a) Termination Upon Default. Either party may terminate this Agreement upon written notice if the other party is in default of this Agreement, subject to the defaulting party's right to cure in conformance with the terms of this Agreement.

(b) Termination by City. City shall be entitled to terminate this Agreement, with or without cause, by providing thirty (30) days prior written notice to Professional.

(c) Termination Following Request for Modification. Should City require a modification of this Agreement with Professional, and in the event City and Professional fail to agree upon a modification to this Agreement, City shall have the option of terminating this Agreement and Professional's services hereunder at no additional cost other than the payment to Professional, in accordance with the terms of this Agreement, for the services reasonably determined by City to be properly performed by Professional prior to such termination date.

(d) Suspension. City reserves the right to suspend this Agreement for the convenience of City by issuing a written notice of suspension which shall describe City's reason(s) for the suspension and the expected duration of the suspension. Such expected duration shall, in no way, guarantee what the total number of days of suspension shall occur. Such suspension shall take effect immediately upon Professional's receipt of said notice. Should such suspension extend past the expected duration identified by City in its latest notice of suspension, Professional shall have the right to terminate this Agreement if (i) Professional provides not less than thirty (30) days prior written notice to City requesting to recommence the services, and (ii) City does not recommence the services within the time requested.

Section 9. Insurance

Professional shall during the term hereof maintain in full force and effect all policies of insurance reasonably required by City. Professional's obligation to provide acceptable certificates of insurance is a material condition precedent to this Agreement, and services under this Agreement shall not commence until certificates of insurance have been received, reviewed, and accepted by City. The minimum coverages and limits of liability for the policies of insurance required for the specific services under this Agreement are maintained by and accessible through the City's purchasing department.

Section 10. Indemnification; Notice.

CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE SERVICES OF PROFESSIONAL PURSUANT TO THIS AGREEMENT. PROFESSIONAL HEREBY WAIVES ALL CLAIMS AGAINST CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "CITY INDEMNITEES") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE CITY INDEMNITEES. PROFESSIONAL AGREES TO INDEMNIFY AND SAVE HARMLESS THE CITY INDEMNITEES FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENT PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR BY REASON OF ANY NEGLIGENT ACT OR OMISSION ON THE PART OF PROFESSIONAL, ITS OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, SERVANTS, REPRESENTATIVES, CONSULTANTS, LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO THE NEGLIGENCE OR WILFUL MISCONDUCT OF A CITY INDEMNITEE, IN WHOLE OR IN PART, IN WHICH CASE PROFESSIONAL SHALL INDEMNIFY THE CITY INDEMNITEES TO THE EXTENT OR PROPORTION OF NEGLIGENCE ATTRIBUTED TO PROFESSIONAL, ITS OFFICERS, AGENTS, OR EMPLOYEES AS DETERMINED BY A COURT OR OTHER FORUM OF COMPETENT JURISDICTION).

Notices of Claim. Professional shall promptly advise City in writing of any claim or demand against the City, related to or arising out of Professional's acts or omissions under this Agreement and shall see to the investigation of such claims or demand at Professional's sole cost and expense; provided, that City, at its option and at its own expense, may participate in such investigation without relieving Professional of any of its obligations hereunder. Professional's obligations under this section shall not be limited to the limits of coverage of insurance maintained or required to be maintained under this Agreement.

THE PROVISIONS OF THIS SECTION SHALL SURVIVE EXPIRATION OR TERMINATION OF THIS AGREEMENT FOR A PERIOD OF FOUR (4) YEARS.

Section 11. Notice.

All notices required by this Agreement shall be in writing and addressed to the parties at the addresses set forth on the signature page(s) of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this section). All notices shall be delivered by (a) personal delivery, (b) certified or registered mail (in each case, return receipt requested, postage prepaid), (c) nationally recognized overnight courier (with all fees pre-paid), or (d) email of a pdf document containing the required notice. Such notice or document shall be deemed to be delivered or given, whether actually received or not, (i) when received if delivered or given in person, (ii) if sent by United States mail, three (3) business days after being deposited in the United States mail as set forth above, (iii) on the next business day after the day the notice or document is provided to a nationally recognized carrier to be delivered as set forth above, or (iv) if sent by email, the next business day. A confirmation of delivery report which reflects the time that the email was delivered to the recipient's last notified email address is prima facie evidence of its receipt by the recipient, unless the sender receives a delivery failure notification, indicating that the email has not been delivered to the recipient.

Section 12. Verifications by Professional

Professional's execution of this Agreement shall serve as its formal acknowledgement and written verification that:

(a) if the requirements of Subchapter J, Chapter 552, Government Code, apply to this Agreement and Professional agrees that the Agreement can be terminated if Professional knowingly or intentionally fails to comply with a requirement of that subchapter;

(b) pursuant to Texas Government Code Chapter 2270, that Professional's organization does not presently boycott Israel and will not boycott Israel during the term of this Agreement; and

(c) pursuant to Texas Government Code Chapter 2251, that Professional's organization does not current discriminate against firearm and ammunition industries and will not for the term of the contract. Discriminating means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with the firearm or ammunition industry or with a person or entity doing business in the firearm or ammunition industry, but does not include an action made for ordinary business purposes.

Section 13. Miscellaneous

(a) Professional shall not assign or sublet this Agreement, in whole or in part, without the prior written consent of City. (b) Professional shall comply with all federal, state, county, and municipal laws, ordinances, resolutions, regulations, rules, and orders applicable to the services under this Agreement. (c) The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this

Agreement shall be in the state district courts of Dallas County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said courts. (d) This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and there are no oral understandings, statements or stipulations bearing upon the meaning or effect of this Agreement which have not been incorporated herein. (e) The exhibits attached hereto, if any, are incorporated herein and made a part hereof for all purposes. (f) Unless expressly provided otherwise herein, this Agreement may only be modified, amended, supplemented or waived by a mutual written agreement of the parties. (g) In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it. (h) Any of the representations and obligations of the parties, as well as any rights and benefits of the parties pertaining to a period of time following the termination of this Agreement shall survive termination. (i) This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties. (j) Each party represents that it has full capacity and authority to grant all rights and assume all obligations granted and assumed under this Agreement. (k) Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.


For City:

For Professional:

TOWN OF ADDISON, TEXAS

OJB LANDSCAPE ARCHITECTURE

By: _____
David Gaines
City Manager


By: _____
Chip Trageser
Partner

Date: _____

Date: 21 February 2024

Notice Address:

Notice Address:

Town of Addison
Attn: City Manager
P.O. Box 9010
Town of Addison, Texas 75001
E: dgaines@addisontx.gov

OJB Landscape Architecture
Attn: Tara Green, CSEE, Principal of Program
Development
1845 Woodall Rodgers Fwy
Dallas, Texas 75201
E: tgreen@ojb.com

Addison Contract ID:
PSA_JT_January 31, 2024_v1.20220427

EXHIBIT C

The Office of James Burnett, Inc. Standard Terms and Conditions

The following Terms and Conditions are hereby incorporated by reference in the letter, proposal, or agreement (collectively, the "Agreement") to which they are attached. As used herein, the term "Client" refers to the individuals or entities described as such in the Agreement. As used herein the term "OBJ" refers to The Office of James Burnett, Inc. The scope of services and compensation of OBJ are set forth in Exhibit A to the Agreement.

1. **PAYMENTS** are due within 30 days of receipt of invoices. Invoices unpaid after 30 days shall bear interest at two points per annum above the prime rate as established by OBJ's bank, and OBJ shall be entitled to reimbursement of all collection costs, including legal fees. OBJ shall also be entitled to suspend services if payment is overdue. OBJ's compensation as described in Exhibit A to the Agreement shall be equitably adjusted if OBJ's services are suspended, delayed, extended, or otherwise materially changed due to causes outside of OBJ's control. If Client reasonably disputes any portion of an invoice, Client must pay undisputed portion of the invoice in accordance with the terms and conditions herein and submit a written claim to OBJ for the disputed amount. All claims disputing an invoice must be submitted to OBJ within three (3) months of invoice date. Client waives the right to dispute any charges not disputed within the timeframe set forth above. In the event that the dispute is resolved against Client in accordance with the procedures hereunder, Client shall pay such amounts plus interest at the rate of two points per annum above the prime rate as established by OBJ's bank. Client shall not withhold amounts from OBJ's compensation on account of allegedly negligent acts, errors or omissions but shall instead pursue any such claim as set forth in Section 6 (Dispute Resolution).

2. **ADDITIONAL SERVICES.** The Client shall pay OBJ at hourly rates of its own personnel set forth in Exhibit A to the Agreement, and the amount billed to OBJ by its engineers and other consultants, for services performed at the Client's request (subject to OBJ's agreement) which are outside of the scope of services described in Exhibit A to the Agreement, including without limitation services in connection with changes made at the Client's request which are inconsistent with prior approvals by the Client, or a material change in the Project including, but not limited to, size, quality, complexity, the Client's schedule or budget for Work, or procurement or delivery method.

3. **REIMBURSABLE EXPENSES.** The Client shall reimburse OBJ at OBJ's actual cost for (i) printing and duplication; (ii) delivery charges; (iii) travel in connection with the Project; (iv) the fees of consultants engaged by OBJ at the Client's request other than those included in Exhibit A to the Agreement as a basic service; (v) renderings and models requested by Client if not included as a basic service in Exhibit A to the Agreement; (vi) expenses of additional insurance coverage or limits requested by Client in excess of that normally carried by OBJ and as set forth in Section 13, and (vii.) other reimbursable expenses, if any, identified in Exhibit A to the Agreement.

4. **TERMINATION.** The Agreement may be terminated by either party in the case of material breach by the other, and Client may terminate the agreement for convenience upon 7 days' written notice. In case of

termination for cause or convenience, the Client shall pay OBJ for services performed and reimbursable expenses incurred to the date of termination plus Termination Expenses which shall be defined as OBJ's expenses directly attributable to termination.

5. **LIABILITY OF PARTIES.** Neither party shall be liable to the other for any indirect, special, or consequential damages. Under no circumstances shall any individual person who is an Officer, Director, Shareholder, Employee or Agent of OBJ, or any affiliate, successor, or assign of OBJ, have any personal liability for any term, covenant, agreement or undertaking pursuant to the Agreement (express or implied), all such personal liability being expressly waived. OBJ's liability to the Client shall in no event exceed the available proceeds under OBJ's applicable insurance policy. Any claim against OBJ for a latent design defect must be brought within five (5) years of substantial completion.

6. **DISPUTE RESOLUTION.** The Client and OBJ agree that all disputes between them arising out of or relating to the Agreement that cannot be resolved through good faith negotiations shall be submitted to non-binding mediation in Harris County, Texas under the American Arbitration Association's ("AAA") Construction Industry Mediation Rules then applying, or such other mediation procedures as the parties may agree. Disputes not resolved by mediation shall be finally decided by binding arbitration in Harris County, Texas by a single arbitrator under the Construction Industry Arbitration Rules of the AAA then applying. No arbitration arising out of or related to the Agreement shall include, by consolidation, joinder or in any other manner, an additional person or entity not a party to the Agreement, except by written consent of the Client, OBJ, and any person or entity sought to be joined.

7. **DOCUMENTS.** Drawings, specifications, and other documents produced by OBJ are instruments of service, and the originals thereof and the copyright therein shall remain the property of OBJ. OBJ shall furnish copies of such documents in PDF format to the Client, which the Client may use for completion or in connection with the Project, subject to compliance by the Client with its payment obligations as provided in the Agreement. The Client shall release, hold harmless, indemnify and defend OBJ for any claim arising from the use of such documents without OBJ's involvement. This Section shall survive termination of the Agreement.

8. **ESTIMATES.** Since OBJ has no control over construction costs or contractors' prices, any cost estimates are made or reviewed by OBJ on the basis of OBJ's experience and judgment as a design professional, but OBJ cannot and does not guarantee that contractors' proposals, bids, or costs will not vary from such estimates.

9. **CLIENT'S RESPONSIBILITIES.** The Client shall furnish in a timely manner such legal, accounting, and insurance counseling services as may be required for the project and such surveys, geotechnical investigations, and information relating to existing conditions at the project site as OBJ may reasonably request. OBJ shall be entitled to rely upon the completeness and accuracy of such services and information. If the Client becomes aware of any fault or default in the project, the Client shall promptly notify OBJ.

10. CONSTRUCTION PHASE SERVICES. If so provided in Exhibit A to the Agreement, OJB shall make periodic visits to the site during the construction phase of the project to become generally familiar with the progress and quality of the work, and to determine in general if the work is proceeding in accordance with the drawings and specifications furnished by OJB. It is understood that the contractor, not OJB, is solely responsible for the construction of the project, for safety programs and procedures at the site, and for its own acts or omissions and those of any subcontractor. OJB shall review and take appropriate action on the contractor's submittals and application for payment, and shall furnish to the contractor such additional details, interpretations, and clarifications as are customary during the phase. All changes, substitutions, and deviations from the drawings and specifications furnished by OJB shall be subject to OJB's approval. Should Owner not retain OJB to make periodic visits to site during the construction phase of the project to become generally familiar with the progress and quality of the work, OJB will not gain sufficient familiarity with the work to issue a final affidavit for the project.

11. HIDDEN CONDITIONS. A condition is hidden if concealed by existing finishes or is not capable of investigation by reasonable visual observation. If OJB has reason to believe that such a condition may exist, the Client shall authorize and pay for all costs associated with the investigation of such a condition. If (1) the Client fails to authorize such investigation after due notification, or (2) OJB has no reason to believe that such a condition exists, OJB shall not be responsible for the existing condition nor the resulting damages to persons or property.

12. HAZARDOUS MATERIALS. Unless otherwise set forth in the Agreement, professional services relating to the existence, identification, removal, containment, or abatement of asbestos, lead paint, toxic substances, or hazardous waste are not included in the scope of OJB's services. The Client shall be solely responsible for, and shall release, indemnify, and defend OJB from and against all liability arising out of, the existence, identification, removal, containment, and/or abatement of asbestos, lead paint, toxic substances and/or hazardous waste (including those substances or conditions which affect or are alleged to affect indoor air quality) in connection with the Project.

13. INSURANCE. OJB shall maintain the following insurance for the duration of the Agreement, and provide Client with certificates of insurance evidence said coverage:

General Liability insurance policy written on an occurrence basis with policy limits of not less than \$2,000,000 each occurrence and \$4,000,000 aggregate.

Automobile Liability written on an occurrence basis covering all owned, rented, and non-owned vehicles operated by OJB with policy limits of not less than \$1,000,000 combined single limit and aggregate for bodily injury and property damage combined.

Workers' Compensation that is statutorily required, and employer's liability of not less than \$500,000 for each accident.

Professional Liability insurance which shall insure against liability arising from negligent errors or omissions of OJB in the performance of its services. The policy shall be written on a claims-made basis and shall have limits of not less than \$3,000,000 per claim and \$3,000,000 in the aggregate. OJB further agrees that it will maintain its Professional Liability insurance, which shall, at a minimum, have limits of not less than

those set forth in this paragraph, on a continuous basis for five years following substantial completion. Such certificates shall provide for thirty (30) days advance written notice to Client of cancellation, or reduction of coverage or non-renewal.

14. STANDARD OF CARE. OJB shall perform its services consistent with the professional skill and care ordinarily provided by design professionals practicing in the same or similar locality under the same or similar circumstances (the "Standard of Care"). OJB shall perform its services so as to facilitate the orderly progress of the work in a manner which is consistent with the Project schedule, and in such a manner as to cause no delay or disruption in the Work. OJB shall, pursuant to this Standard of Care, perform its services in accordance with applicable laws, codes and regulations.

15. PROFESSIONAL CREDIT. Client shall provide professional credit to OJB in the Client's promotional materials or media submissions for the Project and shall not use any of OJB's documents, renderings or drawings in such materials or submissions without OJB's approval. To this end, at such time as one or more renderings produced by OJB are adopted by the Client as images of the Project for public presentations or other distribution, Client agrees to include on any reproductions furnished to public authorities, media consultants or the media, a legend including OJB's complete name and logo, such that subsequent reproductions in the media will be more likely to include attribution of the design to OJB. This Section shall survive termination of the Agreement.

16. MISCELLANEOUS PROVISIONS. The Agreement and incorporated exhibits represent the complete and integrated agreement between the parties; supersedes all prior agreements between the parties relating to the project; may be amended only in writing; is binding upon the parties, their successors, assigns, and legal representatives; and shall be interpreted and governed in accordance with the laws of the State of Texas. Neither party shall assign the Agreement without the written consent of the other. All payment, liability, dispute resolution, release and indemnification provisions and other obligations of the parties under the Agreement that could reasonably be expected to be exercised after the expiration or sooner termination of the Agreement shall survive such expiration or sooner termination. The Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which, together, shall constitute one and the same instrument.

Exhibit A - Scope of Services

ex

Addison Circle Park
Addison, TX

Scope and fee proposal for Addison Circle Park Vision Plan

The Office of James Burnett, Inc. dba OJB Landscape Architecture (“Landscape Architect” or “OJB”) is pleased to submit this landscape architecture services proposal.

Addison Circle Park Vision Plan

Addison Circle Park (ACP) is a 10-acre regional park located at 4970 Addison Circle in Addiston, Texas. The park is owned and maintained by the Town and located in the Addison Circle District, a 124-acre development bound by the North Dallas Tollway to the east, Addison Airport to the west, Keller Springs Parkway to the north and Belt Line Road to the south.

The vision plan budget is as follows:

- a. Total project budget: **\$180,000**
- b. Estimated total cost of construction is unknown.

1.2 The vision plan phasing is as follows:

- a. Project Start Up & Initial Discovery
- b. Analysis & Programming
- c. Concept Vision & Alternatives
- d. Concept Refinement & Final Vision Plan

1.3 Elements of the project include:

- a. Text/specs taken the Town of Addison Request for Qualifications for the Addison Circle Park Vision Plan issued on 1 November 2023.
- b. Site Analysis Findings Report
- c. Benchmark Studies
- d. Vision Plan Report including:
 - a. Community Engagement
 - b. Supporting Graphics
 - c. Activation Plan
 - d. Operations Plan
 - e. Revenue Generation Plan

1.4 The scope of this proposal excludes:

- a. Landscape Architecture Design Services, including but not limited to Schematic Design, Design Development, Construction Documents, Agency Approval/Bidding and Construction Administration.
- b. Irrigation Design
- c. Grading Documentation
- d. Environmental Engineering
- e. Geotechnical Engineering
- f. Traffic Engineering & Signalization
- g. Lighting photometric studies
- h. Environmental graphics or signage design
- i. Preparation of detailed Cost Estimates
- j. Site Surveying
- k. Tree Survey or Health Assessment
- l. Professional renderings or animations
- m. Specific dates and times for activities and events as part of the proposed Activation Plan.
- n. Detailed job descriptions for staff position recommendations.
- o. Any work beyond the existing Park boundaries as defined in the **attached Limit of Work Diagram**.
- p. Restaurant, food kiosk or other retail recommendations as part of the revenue projections.

B. PROJECT TEAM

- 1.1 Client: Town of Addison**
- 1.2 Prime Consultant: OJB Landscape Architecture**
- 1.3 Public Realm Strategies: OJB Landscape Architecture**

C. SCOPE OF LANDSCAPE ARCHITECTURE BASIC SERVICES

1. PHASE 1: PROJECT START UP AND INITIAL DISCOVERY

1.1 Scope

- a. Perform a site walk to observe existing conditions, identify environmental and ecological limitations, and begin analysis of existing uses and potential programmatic distribution.
- b. Introduce the team, define roles, responsibilities, and communication channels, and identify key individuals and groups that should be involved in the design process.
- c. Confirm and establish the goals, along with the project schedule and key milestones.
- d. Collect and analyze existing data, including previous plans, surveys, and studies.
- e. Create a community engagement plan focused on listening to public and stakeholder goals, visions, and ideas.

1.2 Duration

- a. 4 weeks

1.3 Deliverables

- a. Project schedule, confirm key milestones and deliverables with Client.
- b. Community engagement plan:
 - i. Schedule, goals, and projects success framework.
 - ii. Surveys to inform design ideation and community workshops.
- c. Internal communication plan and define roles, responsibilities, and communication channels.
- d. Key site assets, environmental conditions, current operational challenges, revenue generation history and programming and activation metrics with Client.
- e. Guiding principles, project goals, metrics of success, and key strategies that will guide the Vision Plan.

1.4 Meetings

- a. 3 Meetings
 - i. One (1) Kick-off workshop / site walk
 - ii. One (1) Remote client meeting
 - iii. One (1) Advisory Committee meeting

1.5 Fee

- a. \$23,480

2. PHASE 2: ANALYSIS AND PROGRAMMING

2.1 Scope

- a. Create a preliminary site analysis findings report using information gathered during Project Start-Up and Initial Discovery.
- b. Review materials from site analysis and Advisory Committee meeting #1 with the Client team.
- c. Lead Community Workshop #1 focused on introducing the project and understanding community input and vision for ACP
- d. Prepare benchmark studies identifying metrics from other projects with similar scale, identity, purpose, and resources.
- e. Formulate a visioning narrative based on the input from Advisory Committee meeting #1 and Community Workshop #1.

2.2 Duration

- a. 6 weeks with 2-week review period

2.3 Deliverables

- a. Site analysis report.
- b. Findings from Advisory Committee meeting #1.
- c. Benchmark studies of comparable sites and organizations.
- d. Operations, activation, and revenue analysis, including a summary of the existing funding, staffing, and management issues.
- e. Visioning narrative draft.

2.4 Meetings

- a. 4 Meetings
 - i. One (1) Community workshop #1
 - ii. One (1) Advisory Committee meeting #2 held the same day as Community Workshop #1
 - iii. One (1) Remote client
 - iv. One (1) in person client meeting

2.5 Fee

- a. \$31,080

3. PHASE 3: CONCEPT VISION AND ALTERNATIVES

3.1 Scope

- a. Meet with the Client and project team to inform a conceptual plan.
- b. Present findings from Phase 2, Community Workshop #1, and Advisory Committee Meeting #1 with the Client team.
- c. Lead Community Workshop #2 and Advisory Committee meeting #3 focused on refining the visual concepts to stakeholders' ideas.
- d. Identify and recommend modifications to park infrastructure to ensure operational efficiencies and to support special events and the daily activation plan.

3.2 Duration

- a. 6 weeks with 2-week review period

3.3 Deliverables

- a. Prepare and present for the Client's approval up to three (3) conceptual plans.

Type text here

Addison Circle Park
Addison, TX

- b. As part of the conceptual plans, recommend Park infrastructure modifications needed to achieve Vision Plan goals.
- c. Synthesize and analyze Community Workshop #2 and Advisory Committee Meeting #3 findings into key takeaways to inform the Vision Plan.
- d. Present a draft operations plan aligned with goals of the Client.
- e. Present a draft revenue generation strategy aligned with the project goals.
- f. Present draft activation plan aligned with the project goals.

3.4 Meetings

- a. 4 Meetings
 - i. One (1) Community Workshop #2
 - ii. One (1) Advisory Committee Meeting #3 held the same day as Community Workshop #2
 - iii. One (1) remote client meeting
 - iv. One (1) in person client meeting

3.5 Fee

- a. \$57,840

4. CONCEPT REFINEMENT AND FINAL VISION PLAN

4.1 Scope

- a. Review all deliverables from community workshops, reports, and recommendations to inform the final vision plan report.
- b. Identify remaining steps to complete the vision plan report and presentation for Client and Addison City Council.
- c. Finalize the vision plan and supporting rendered graphics that capture the goals and objectives of the Vision Plan.
- d. Work with the Client to finalize the operations plan.
- e. Work with the Client to finalize the revenue generation plan.
- f. Submit the final Vision Plan report and present findings to Addison City Council.

4.2 Deliverables

- a. Produce 1-2 rendered graphics capturing the preferred alternative concept plan.
- b. Present the final Vision Plan to the City Council which is also the final community meeting.

4.3 Duration

- a. 8 weeks with 4-week review period

4.4 Meetings

- a. 4 Meetings
 - i. One (1) remote client meeting
 - ii. One (1) in person client meeting
 - iii. One (1) Advisory Committee Meeting #3
 - iv. One (1) Addison City Council presentation

4.5 Fee

- a. \$67,600

D. COMPENSATION & PAYMENTS

Phase	Meetings	Weeks	Fee
Project Start-Up & Initial Discovery	3	4	\$ 23,480
Analysis & Programing	4	6	\$ 31,080
Concept Vision & Alternatives	4	6	\$ 57,840
Concept Refinement & Final Vision Plan	4	8	\$ 67,600
Total			\$ 180,000
Reimbursable Expenses			\$ 8,000

Reimbursable Expenses to be billed directly with no markup

A. PAYMENTS

Invoices are payable net 30 days from the date of the City's receipt and acceptance of an approved invoice.

Remit payments to:

The Office of James Burnett, Inc.
711 Louisiana, Suite 111
Houston, TX 77002

B. REIMBURSABLE EXPENSES

- a. Cost of copies of drawings, specifications, reports and cost estimates; xerography and photographic reproduction of drawings and other documents furnished or prepared in connection with the work of this contract.
- b. Cost of commercial carrier and public transportation, lodging, car rental and parking, sustenance and out-of-pocket expenses. Private automobile travel at \$0.67 per mile. Long-distance trips subject to client approval. Cost of postage and shipping expenses other than first class mail. Electronic data processing, with approval of Client.
- c. Cost of models, special renderings, promotional photography, special process printing, special equipment, special printed reports or publications, maps and documents.

Fees for additional special consultants retained with the prior approval of Client.

Addison Circle Park
Addison, TX

Limit of Work Diagram



Addison Circle Park Vision Plan | Proposed Schedule

Week	2024																																						
	MARCH					APRIL					MAY					JUNE				JULY				AUGUST				SEPTEMBER											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33						
PH 1: PROJECT START UP + INITIAL DISCOVERY - 4 WEEKS																																							
Kickoff + Client / Advisory Committee Meetings	●		●	▲																																			
Site Analysis, Data Collection, Prior Study Review																																							
Goals + Objectives; Programming Outline																																							
PH 2 ANALYSIS & PROGRAMMING - 8 WEEKS																																							
Site Analysis Findings Report																																							
Client Team Meetings						●				●																													
Community Workshop #1 + Advisory Committee Meeting #2							■▲																																
Benchmark Studies & Operational Analysis																																							
Visioning Narrative																																							
2 Week Review Period																																							
PH 3: CONCEPT VISION & ALTERNATIVES - 8 WEEKS																																							
Develop Conceptual Plans																																							
Client Team Meetings													●				●																						
Community Workshop #2 + Advisory Committee Meeting #3																	■▲																						
Develop Potential Phasing Strategies																																							
Operations Plan Draft																																							
Revenue Generation Strategy Draft																																							
2 Week Review Period																																							
PH 4: CONCEPT REFINEMENT & FINAL VISION PLAN - 12 WEEKS																																							
Client Team Meetings																																							
Advisory Committee Meeting #3																																							
Finalize Vision Plan & Support Graphics																																							
Finalize Operations Plan																																							
Finalize Revenue Generation Strategy																																							
Vision Plan Report																																							
4 Week Final Review Period																																							
Present to Addison City Council																																							■

- Client Meetings
- Community Meeting
- ▲ Advisory Committee Meetings
- Taste of Addison & Immersive Art Experience
- ◇ Kaboom Town

City Council (FY24)

5. b.

Meeting Date: 02/27/2024

Department: City Secretary

AGENDA CAPTION:

Present, discuss, and consider action on a Resolution accepting the resignation of Planning & Zoning Commission Place 6 and appointing a new commissioner for a term ending on December 12, 2025.

BACKGROUND:

Planning and Zoning Commissioner, Chris DeFrancisco tendered his resignation on February 5, 2024 vacating place 6 on the Commission. Because of this, the Council will need to appoint a new commissioner to fill the unexpired term. Chris DeFrancisco was last nominated by Council Member Liscio in December 2023. As such, Council Member Liscio has nominated Ed Copeland to fill the unexpired term for place 6.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution - P&Z Commission Appointment

Presentation - P&Z Commission Nomination / Appointment

RESOLUTION NO. R24-

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS ACCEPTING THE RESIGNATION OF PLANNING & ZONING COMMISSION MEMBER PLACE 6 AND APPOINTING A NEW COMMISSIONER FOR A TERM ENDING ON DECEMBER 12, 2025.

WHEREAS, pursuant to Chapter 2 of the Town of Addison Code of Ordinances, the Addison Planning & Zoning Commission (the “Commission”) is comprised of seven (7) members appointed by the individual members of the City Council to serve two-year terms; and

WHEREAS, the Commissioner currently serving in Place 6 on the Commission, Chris DeFrancisco, tendered his resignation effective February 5, 2024, with his current term expiring on December 12, 2025; and

WHEREAS, Council Member Liscio is the Council Member responsible for appointing persons serving in Place 6 on the Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

SECTION 1. The City Council accepts the resignation of Commissioner DeFrancisco (Place 6) from the Planning & Zoning Commission, effective February 5, 2024.

SECTION 2. Council Member Liscio has nominated Ed Copeland to fill the unexpired term for Place 6 on the Planning & Zoning Commission, and the City Council hereby approves the appointment of the foregoing person to fill the unexpired term beginning on February 28, 2024, and ending upon expiration of the current term on December 12, 2025.

SECTION 3. This Resolution shall take effect from and after its date of adoption.

DULY RESOLVED AND ADOPTED by the City Council of the Town of Addison, Texas, on this the 27TH day of February 2024.

TOWN OF ADDISON, TEXAS

Bruce Arfsten, Mayor

ATTEST:

APPROVED AS TO FORM:

Valencia Garcia, Interim City Secretary

Whitt L. Wyatt, City Attorney

Planning & Zoning Commission Place 6 Appointment

February 27, 2024

The logo for the City of Addison, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes a white diagonal line and a grey triangle.

P&Z Commission Nomination / Appointment

A blue circular logo with the word "ADDISON" in white, uppercase letters.

- P&Z Commissioner, Chris DeFrancisco tendered his resignation from the Commission on February 5, 2024, creating a vacancy for Place 6.
- Commissioner DeFrancisco was last nominated by Council Member Liscio in December 2023.
- To fill the Place 6 unexpired term, Council Member Liscio has nominated Ed Copeland.
- If appointed, the new Commissioner would serve from February 28, 2024 through December 12, 2025.

Questions?

ADDISON