

TOWN OF ADDISON, TEXAS



ANALYSIS OF OUTSTANDING DEBT

AS OF:

SEPTEMBER 30, 2020

**PREPARED:
SEPTEMBER 2020**

PREPARED BY:



Analysis of Outstanding Debt

Town of Addison, Texas

As of September 30, 2020
Prepared September 2020



Town of Addison, Texas

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Analysis of Outstanding Debt
As of September 30, 2020



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Town of Addison, Texas

TAB A: Summary of Outstanding Debt

As of September 30, 2020

Summary of Outstanding Debt



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Town of Addison, Texas

All Outstanding General Obligation Debt

As of September 30, 2020

(000's)

Year Ending September 30	\$12,000,000 General Obligation Bonds Tax Exempt Series 2014		\$1,250,000 General Obligation Bonds Taxable Series 2013B		\$1,875,000 General Obligation Bonds Series 2013A (AMT)		\$4,665,000 General Obligation Bonds Tax-Exempt Series 2013		\$10,185,000 Combination Tax & Revenue Certificates of Obligation Series 2013		\$22,590,000 General Obligation Refunding & Improvement Bonds Series 2012		\$14,835,000 Combination Tax & Revenue Certificates of Obligation Series 2012	
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon
2021	530	3.000%	55	3.750%	80	4.125%	195	5.000%	430	4.000%	920	4.000%	735	2.000%
2022	555	4.000%	55	3.750%	85	4.125%	205	5.000%	450	4.000%	875	4.000%	755	3.000%
2023	575	3.000%	60	3.750%	90	4.125%	220	5.000%	470	5.000%			780	4.000%
2024	600	3.000%			90	4.250%	230	5.000%	490	5.000%			815	4.000%
2025	625	3.000%			95	4.250%	240	5.000%	515	5.000%			840	3.000%
2026	650	3.000%			100	4.250%	255	5.000%	545	5.000%			870	3.000%
2027	675	3.000%			105	4.250%	265	5.000%	575	5.000%			900	3.000%
2028	705	3.250%			110	4.250%	280	5.000%	600	5.000%			955	3.000%
2029	735	3.375%			115	4.800%	295	4.100%	630	4.100%			970	3.000%
2030	760	3.375%			120	4.800%	305	4.150%	655	4.150%			985	3.000%
2031	795	3.500%			125	4.800%	320	4.250%	685	4.250%			1000	3.000%
2032	825	3.625%			130	4.800%	330	4.300%	715	4.300%			1015	3.125%
2033	860	3.750%			140	4.800%	345	4.375%	750	4.375%			1030	3.250%
2034	895	3.750%											1045	3.250%
2035													1060	3.375%
2036													1075	3.375%
2037													1090	3.375%
2038													1105	3.375%
2039													1120	3.375%
2040													1135	3.375%
TOTALS	9,785		170		1,385		3,485		7,510		1,795		10,965	
Next Call	2/15/2024 @ Par		Non-Callable		02/15/2023 @ Par		02/15/2023 @ Par		02/15/2023 @ Par		Non-Callable		2/15/2022 @ Par	
Dated Date	2/15/2014		7/15/2013		7/15/2013		7/15/2013		7/15/2013		8/15/2012		8/15/2012	
Coupon Dates	February 15	August 15	February 15	August 15	February 15	August 15	February 15	August 15	February 15	August 15	February 15	August 15	February 15	August 15
Maturity Dates	February 15		February 15		February 15		February 15		February 15		February 15		February 15	
Insurer	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Arbitrage Yield	3.1920%		Taxable		4.3659%		3.7243%		3.7243%		2.5266%			
Paying Agent	The Bank of New York		The Bank of New York		The Bank of New York		The Bank of New York		The Bank of New York		The Bank of New York		The Bank of New York	
Purpose	New Money		New Money		New Money		New Money		New Money		Refunding & New Money		New Money	
Color Legend														
Non-Callable Callable														

Town of Addison, Texas

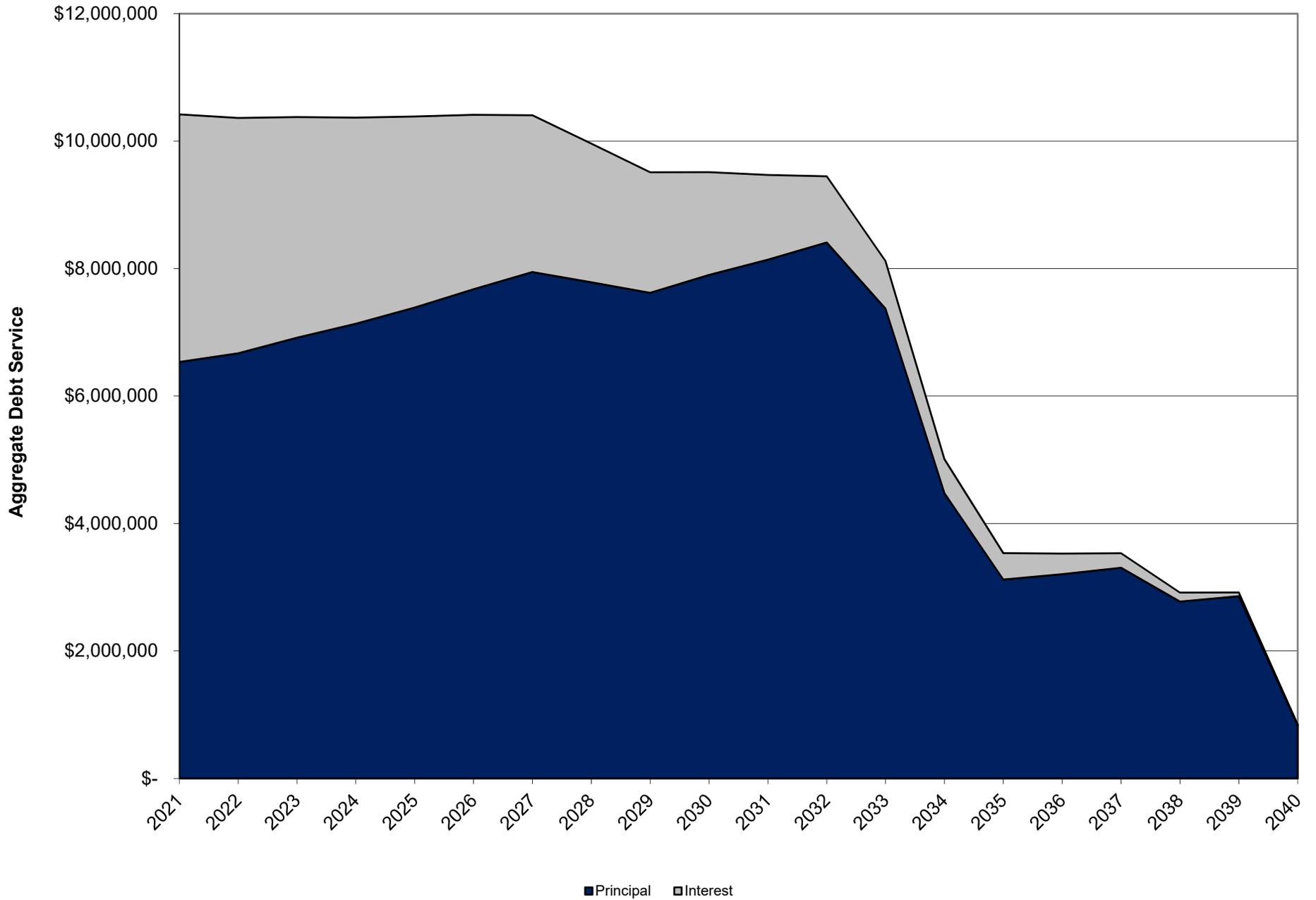
All Outstanding General Obligation Debt

As of September 30, 2020

(000's)

Year Ending September 30	\$13,635,000 General Obligation Bonds Series 2020		\$13,205,000 General Obligation Refunding Bonds Taxable Series 2020		\$16,220,000 Combination Tax & Revenue Certificates of Obligation Series 2019		\$13,115,000 Combination Tax & Revenue Certificates of Obligation Series 2018		\$23,560,000 General Obligation Refunding Bonds Series 2016		\$7,565,000 Combination Tax & Revenue Certificates of Obligation Series 2014	
	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon	Principal	Coupon
	2021	535	3.000%	280	0.200%	615	3.000%	475	3.000%	1,360	4.000%	325
2022	520	3.000%	275	0.300%	635	4.000%	490	4.000%	1,430	4.000%	340	3.000%
2023	535	3.000%	1,160	0.350%	665	4.000%	510	3.000%	1,495	4.000%	355	3.000%
2024	550	4.000%	1,225	0.400%	690	4.000%	525	3.000%	1,550	4.000%	370	3.000%
2025	575	4.000%	1,240	1.000%	720	4.000%	540	3.000%	1,615	4.000%	385	3.000%
2026	600	4.000%	1,250	1.000%	750	4.000%	560	4.000%	1,695	5.000%	400	3.000%
2027	620	4.000%	1,260	0.850%	775	3.000%	580	4.000%	1,775	5.000%	415	3.125%
2028	655	5.000%	1,275	1.000%	800	3.000%	610	5.000%	1,865	5.000%	430	3.250%
2029	685	5.000%	1,285	1.150%	825	3.000%	645	5.000%	1,485	5.000%	450	3.375%
2030	720	4.000%	1,300	1.200%	850	3.000%	670	4.000%	1,565	5.000%	470	3.500%
2031	690	4.000%	1,320	1.350%	875	3.000%	700	4.000%	1,645	5.000%	485	3.625%
2032	715	2.000%	1,335	1.450%	900	3.000%	725	4.000%	1,715	5.000%	505	4.000%
2033	725	2.000%			930	3.000%	755	4.000%	1,810	5.000%	525	4.000%
2034	740	2.000%			955	3.000%	785	3.250%			550	4.000%
2035	760	2.000%			985	3.000%	805	3.250%				
2036	770	2.000%			1,015	3.000%	835	3.375%				
2037	785	2.000%			1,045	3.000%	865	3.375%				
2038	800	2.000%			1,080	3.000%	895	3.500%				
2039	820	2.000%			1,110	3.000%	930	3.625%				
2040	835	2.000%										
TOTALS	13,635		13,205		16,220		12,900		21,005		6,005	
Next Call	08/15/2029 @ Par		08/15/2029 @ Par		02/15/2028 @ Par		2/15/2028 @ Par		2/15/2026 @ Par		2/15/2024 @ Par	
Dated Date	8/1/2020		8/1/2020		9/1/2019		12/1/2018		5/1/2016		2/15/2014	
Coupon Dates	February 15	August 15	February 15	August 15	February 15	August 15	February 15	August 15	February 15	August 15	February 15	August 15
Maturity Dates	February 15		February 15		February 15		February 15		February 15		February 15	
Insurer	N/A		N/A		N/A		N/A		N/A		N/A	
Arbitrage Yield	1.0974%		Taxable		1.9185%		3.1342%		1.8580%		3.1920%	
Paying Agent	The Bank of New York		The Bank of New York		The Bank of New York		The Bank of New York		The Bank of New York		The Bank of New York	
Purpose	New Money		Refunding		New Money		New Money		Refunding		New Money	
Color Legend												
Non-Callable Callable												

Town of Addison, Texas All Outstanding General Obligation Debt



AGGREGATE DEBT SERVICE

**Town of Addison, Texas
General Obligation Debt Outstanding
As of September 30, 2020**

Period Ending	Principal	Interest	Debt Service
09/30/2021	6,535,000	3,885,084.61	10,420,084.61
09/30/2022	6,670,000	3,694,068.14	10,364,068.14
09/30/2023	6,915,000	3,462,135.01	10,377,135.01
09/30/2024	7,135,000	3,234,561.26	10,369,561.26
09/30/2025	7,390,000	2,996,530.01	10,386,530.01
09/30/2026	7,675,000	2,737,636.26	10,412,636.26
09/30/2027	7,945,000	2,461,190.64	10,406,190.64
09/30/2028	7,785,000	2,176,263.77	9,961,263.77
09/30/2029	7,620,000	1,891,124.40	9,511,124.40
09/30/2030	7,900,000	1,613,616.28	9,513,616.28
09/30/2031	8,140,000	1,329,496.90	9,469,496.90
09/30/2032	8,410,000	1,037,586.27	9,447,586.27
09/30/2033	7,370,000	747,094.39	8,117,094.39
09/30/2034	4,475,000	531,793.76	5,006,793.76
09/30/2035	3,120,000	415,518.76	3,535,518.76
09/30/2036	3,205,000	323,556.26	3,528,556.26
09/30/2037	3,305,000	228,253.13	3,533,253.13
09/30/2038	2,775,000	139,975.00	2,914,975.00
09/30/2039	2,860,000	58,406.25	2,918,406.25
09/30/2040	835,000	8,350.00	843,350.00
	118,065,000	32,972,241.10	151,037,241.10

AGGREGATE DEBT SERVICE

**Town of Addison, Texas
General Obligation Debt Outstanding
As of September 30, 2020**

Date	Principal	Interest	Debt Service	Annual Aggregate D/S
02/15/2021	6,535,000	1,977,427.10	8,512,427.10	
08/15/2021		1,907,657.51	1,907,657.51	
09/30/2021				10,420,084.61
02/15/2022	6,670,000	1,907,657.51	8,577,657.51	
08/15/2022		1,786,410.63	1,786,410.63	
09/30/2022				10,364,068.14
02/15/2023	6,915,000	1,786,410.63	8,701,410.63	
08/15/2023		1,675,724.38	1,675,724.38	
09/30/2023				10,377,135.01
02/15/2024	7,135,000	1,675,724.38	8,810,724.38	
08/15/2024		1,558,836.88	1,558,836.88	
09/30/2024				10,369,561.26
02/15/2025	7,390,000	1,558,836.88	8,948,836.88	
08/15/2025		1,437,693.13	1,437,693.13	
09/30/2025				10,386,530.01
02/15/2026	7,675,000	1,437,693.13	9,112,693.13	
08/15/2026		1,299,943.13	1,299,943.13	
09/30/2026				10,412,636.26
02/15/2027	7,945,000	1,299,943.13	9,244,943.13	
08/15/2027		1,161,247.51	1,161,247.51	
09/30/2027				10,406,190.64
02/15/2028	7,785,000	1,161,247.51	8,946,247.51	
08/15/2028		1,015,016.26	1,015,016.26	
09/30/2028				9,961,263.77
02/15/2029	7,620,000	1,015,016.26	8,635,016.26	
08/15/2029		876,108.14	876,108.14	
09/30/2029				9,511,124.40
02/15/2030	7,900,000	876,108.14	8,776,108.14	
08/15/2030		737,508.14	737,508.14	
09/30/2030				9,513,616.28
02/15/2031	8,140,000	737,508.14	8,877,508.14	
08/15/2031		591,988.76	591,988.76	
09/30/2031				9,469,496.90
02/15/2032	8,410,000	591,988.76	9,001,988.76	
08/15/2032		445,597.51	445,597.51	
09/30/2032				9,447,586.27
02/15/2033	7,370,000	445,597.51	7,815,597.51	
08/15/2033		301,496.88	301,496.88	
09/30/2033				8,117,094.39
02/15/2034	4,475,000	301,496.88	4,776,496.88	
08/15/2034		230,296.88	230,296.88	
09/30/2034				5,006,793.76
02/15/2035	3,120,000	230,296.88	3,350,296.88	
08/15/2035		185,221.88	185,221.88	
09/30/2035				3,535,518.76
02/15/2036	3,205,000	185,221.88	3,390,221.88	
08/15/2036		138,334.38	138,334.38	
09/30/2036				3,528,556.26
02/15/2037	3,305,000	138,334.38	3,443,334.38	
08/15/2037		89,918.75	89,918.75	
09/30/2037				3,533,253.13
02/15/2038	2,775,000	89,918.75	2,864,918.75	
08/15/2038		50,056.25	50,056.25	
09/30/2038				2,914,975.00
02/15/2039	2,860,000	50,056.25	2,910,056.25	

AGGREGATE DEBT SERVICE

**Town of Addison, Texas
 General Obligation Debt Outstanding
 As of September 30, 2020**

Date	Principal	Interest	Debt Service	Annual Aggregate D/S
08/15/2039		8,350.00	8,350.00	
09/30/2039				2,918,406.25
02/15/2040	835,000	8,350.00	843,350.00	
09/30/2040				843,350.00
	118,065,000	32,972,241.10	151,037,241.10	151,037,241.10

Town of Addison, Texas

TAB B: Details of General Obligation Debt

As of September 30, 2020

General Obligation Debt



A Hilltop Holdings Company.

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BOND DEBT SERVICE

Town of Addison, Texas
\$13,635,000 General Obligation Bonds, Series 2020
As of September 30, 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	535,000	3.000%	173,901.39	708,901.39	
08/15/2021			193,925.00	193,925.00	
09/30/2021					902,826.39
02/15/2022	520,000	3.000%	193,925.00	713,925.00	
08/15/2022			186,125.00	186,125.00	
09/30/2022					900,050.00
02/15/2023	535,000	3.000%	186,125.00	721,125.00	
08/15/2023			178,100.00	178,100.00	
09/30/2023					899,225.00
02/15/2024	550,000	4.000%	178,100.00	728,100.00	
08/15/2024			167,100.00	167,100.00	
09/30/2024					895,200.00
02/15/2025	575,000	4.000%	167,100.00	742,100.00	
08/15/2025			155,600.00	155,600.00	
09/30/2025					897,700.00
02/15/2026	600,000	4.000%	155,600.00	755,600.00	
08/15/2026			143,600.00	143,600.00	
09/30/2026					899,200.00
02/15/2027	620,000	4.000%	143,600.00	763,600.00	
08/15/2027			131,200.00	131,200.00	
09/30/2027					894,800.00
02/15/2028	655,000	5.000%	131,200.00	786,200.00	
08/15/2028			114,825.00	114,825.00	
09/30/2028					901,025.00
02/15/2029	685,000	5.000%	114,825.00	799,825.00	
08/15/2029			97,700.00	97,700.00	
09/30/2029					897,525.00
02/15/2030	720,000	4.000%	97,700.00	817,700.00	
08/15/2030			83,300.00	83,300.00	
09/30/2030					901,000.00
02/15/2031	690,000	4.000%	83,300.00	773,300.00	
08/15/2031			69,500.00	69,500.00	
09/30/2031					842,800.00
02/15/2032	715,000	2.000%	69,500.00	784,500.00	
08/15/2032			62,350.00	62,350.00	
09/30/2032					846,850.00
02/15/2033	725,000	2.000%	62,350.00	787,350.00	
08/15/2033			55,100.00	55,100.00	
09/30/2033					842,450.00
02/15/2034	740,000	2.000%	55,100.00	795,100.00	
08/15/2034			47,700.00	47,700.00	
09/30/2034					842,800.00
02/15/2035	760,000	2.000%	47,700.00	807,700.00	
08/15/2035			40,100.00	40,100.00	
09/30/2035					847,800.00
02/15/2036	770,000	2.000%	40,100.00	810,100.00	
08/15/2036			32,400.00	32,400.00	
09/30/2036					842,500.00
02/15/2037	785,000	2.000%	32,400.00	817,400.00	
08/15/2037			24,550.00	24,550.00	
09/30/2037					841,950.00
02/15/2038	800,000	2.000%	24,550.00	824,550.00	
08/15/2038			16,550.00	16,550.00	
09/30/2038					841,100.00
02/15/2039	820,000	2.000%	16,550.00	836,550.00	

BOND DEBT SERVICE

Town of Addison, Texas
\$13,635,000 General Obligation Bonds, Series 2020
As of September 30, 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/15/2039			8,350.00	8,350.00	
09/30/2039					844,900.00
02/15/2040	835,000	2.000%	8,350.00	843,350.00	
09/30/2040					843,350.00
	13,635,000		3,790,051.39	17,425,051.39	17,425,051.39

BOND DEBT SERVICE

**Town of Addison, Texas
\$13,205,000 General Obligation Refunding Bonds, Taxable Series 2020
As of September 30, 2020**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	280,000	0.200%	54,361.95	334,361.95	
08/15/2021			62,850.00	62,850.00	
09/30/2021					397,211.95
02/15/2022	275,000	0.300%	62,850.00	337,850.00	
08/15/2022			62,437.50	62,437.50	
09/30/2022					400,287.50
02/15/2023	1,160,000	0.350%	62,437.50	1,222,437.50	
08/15/2023			60,407.50	60,407.50	
09/30/2023					1,282,845.00
02/15/2024	1,225,000	0.400%	60,407.50	1,285,407.50	
08/15/2024			57,957.50	57,957.50	
09/30/2024					1,343,365.00
02/15/2025	1,240,000	1.000%	57,957.50	1,297,957.50	
08/15/2025			51,757.50	51,757.50	
09/30/2025					1,349,715.00
02/15/2026	1,250,000	1.000%	51,757.50	1,301,757.50	
08/15/2026			45,507.50	45,507.50	
09/30/2026					1,347,265.00
02/15/2027	1,260,000	0.850%	45,507.50	1,305,507.50	
08/15/2027			40,152.50	40,152.50	
09/30/2027					1,345,660.00
02/15/2028	1,275,000	1.000%	40,152.50	1,315,152.50	
08/15/2028			33,777.50	33,777.50	
09/30/2028					1,348,930.00
02/15/2029	1,285,000	1.150%	33,777.50	1,318,777.50	
08/15/2029			26,388.75	26,388.75	
09/30/2029					1,345,166.25
02/15/2030	1,300,000	1.200%	26,388.75	1,326,388.75	
08/15/2030			18,588.75	18,588.75	
09/30/2030					1,344,977.50
02/15/2031	1,320,000	1.350%	18,588.75	1,338,588.75	
08/15/2031			9,678.75	9,678.75	
09/30/2031					1,348,267.50
02/15/2032	1,335,000	1.450%	9,678.75	1,344,678.75	
09/30/2032					1,344,678.75
	13,205,000		993,369.45	14,198,369.45	14,198,369.45

BOND DEBT SERVICE

**Town of Addison, Texas
\$16,900,000 Combination Tax & Revenue Certificates of Obligation, Series 2019
As of September 30, 2020**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	615,000	3.000%	260,600	875,600	
08/15/2021			251,375	251,375	
09/30/2021					1,126,975
02/15/2022	635,000	4.000%	251,375	886,375	
08/15/2022			238,675	238,675	
09/30/2022					1,125,050
02/15/2023	665,000	4.000%	238,675	903,675	
08/15/2023			225,375	225,375	
09/30/2023					1,129,050
02/15/2024	690,000	4.000%	225,375	915,375	
08/15/2024			211,575	211,575	
09/30/2024					1,126,950
02/15/2025	720,000	4.000%	211,575	931,575	
08/15/2025			197,175	197,175	
09/30/2025					1,128,750
02/15/2026	750,000	4.000%	197,175	947,175	
08/15/2026			182,175	182,175	
09/30/2026					1,129,350
02/15/2027	775,000	3.000%	182,175	957,175	
08/15/2027			170,550	170,550	
09/30/2027					1,127,725
02/15/2028	800,000	3.000%	170,550	970,550	
08/15/2028			158,550	158,550	
09/30/2028					1,129,100
02/15/2029	825,000	3.000%	158,550	983,550	
08/15/2029			146,175	146,175	
09/30/2029					1,129,725
02/15/2030	850,000	3.000%	146,175	996,175	
08/15/2030			133,425	133,425	
09/30/2030					1,129,600
02/15/2031	875,000	3.000%	133,425	1,008,425	
08/15/2031			120,300	120,300	
09/30/2031					1,128,725
02/15/2032	900,000	3.000%	120,300	1,020,300	
08/15/2032			106,800	106,800	
09/30/2032					1,127,100
02/15/2033	930,000	3.000%	106,800	1,036,800	
08/15/2033			92,850	92,850	
09/30/2033					1,129,650
02/15/2034	955,000	3.000%	92,850	1,047,850	
08/15/2034			78,525	78,525	
09/30/2034					1,126,375
02/15/2035	985,000	3.000%	78,525	1,063,525	
08/15/2035			63,750	63,750	
09/30/2035					1,127,275
02/15/2036	1,015,000	3.000%	63,750	1,078,750	
08/15/2036			48,525	48,525	
09/30/2036					1,127,275
02/15/2037	1,045,000	3.000%	48,525	1,093,525	
08/15/2037			32,850	32,850	
09/30/2037					1,126,375
02/15/2038	1,080,000	3.000%	32,850	1,112,850	

BOND DEBT SERVICE

Town of Addison, Texas
\$16,900,000 Combination Tax & Revenue Certificates of Obligation, Series 2019
As of September 30, 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/15/2038			16,650	16,650	
09/30/2038					1,129,500
02/15/2039	1,110,000	3.000%	16,650	1,126,650	
09/30/2039					1,126,650
	16,220,000		5,211,200	21,431,200	21,431,200

BOND DEBT SERVICE

Town of Addison, Texas
\$13,115,000 Combination Tax & Revenue Certificates of Obligation, Series 2018
As of September 30, 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	475,000	3.000%	238,768.75	713,768.75	
08/15/2021			231,643.75	231,643.75	
09/30/2021					945,412.50
02/15/2022	490,000	4.000%	231,643.75	721,643.75	
08/15/2022			221,843.75	221,843.75	
09/30/2022					943,487.50
02/15/2023	510,000	3.000%	221,843.75	731,843.75	
08/15/2023			214,193.75	214,193.75	
09/30/2023					946,037.50
02/15/2024	525,000	3.000%	214,193.75	739,193.75	
08/15/2024			206,318.75	206,318.75	
09/30/2024					945,512.50
02/15/2025	540,000	3.000%	206,318.75	746,318.75	
08/15/2025			198,218.75	198,218.75	
09/30/2025					944,537.50
02/15/2026	560,000	4.000%	198,218.75	758,218.75	
08/15/2026			187,018.75	187,018.75	
09/30/2026					945,237.50
02/15/2027	580,000	4.000%	187,018.75	767,018.75	
08/15/2027			175,418.75	175,418.75	
09/30/2027					942,437.50
02/15/2028	610,000	5.000%	175,418.75	785,418.75	
08/15/2028			160,168.75	160,168.75	
09/30/2028					945,587.50
02/15/2029	645,000	5.000%	160,168.75	805,168.75	
08/15/2029			144,043.75	144,043.75	
09/30/2029					949,212.50
02/15/2030	670,000	4.000%	144,043.75	814,043.75	
08/15/2030			130,643.75	130,643.75	
09/30/2030					944,687.50
02/15/2031	700,000	4.000%	130,643.75	830,643.75	
08/15/2031			116,643.75	116,643.75	
09/30/2031					947,287.50
02/15/2032	725,000	4.000%	116,643.75	841,643.75	
08/15/2032			102,143.75	102,143.75	
09/30/2032					943,787.50
02/15/2033	755,000	4.000%	102,143.75	857,143.75	
08/15/2033			87,043.75	87,043.75	
09/30/2033					944,187.50
02/15/2034	785,000	3.250%	87,043.75	872,043.75	
08/15/2034			74,287.50	74,287.50	
09/30/2034					946,331.25
02/15/2035	805,000	3.250%	74,287.50	879,287.50	
08/15/2035			61,206.25	61,206.25	
09/30/2035					940,493.75
02/15/2036	835,000	3.375%	61,206.25	896,206.25	
08/15/2036			47,115.63	47,115.63	
09/30/2036					943,321.88
02/15/2037	865,000	3.375%	47,115.63	912,115.63	
08/15/2037			32,518.75	32,518.75	
09/30/2037					944,634.38
02/15/2038	895,000	3.500%	32,518.75	927,518.75	
08/15/2038			16,856.25	16,856.25	
09/30/2038					944,375.00
02/15/2039	930,000	3.625%	16,856.25	946,856.25	
09/30/2039					946,856.25
	12,900,000		5,053,425.01	17,953,425.01	17,953,425.01

BOND DEBT SERVICE

Town of Addison, Texas
\$23,560,000 General Obligation Refunding Bonds, Series 2016
As of September 30, 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	1,360,000	4.000%	487,875	1,847,875	
08/15/2021			460,675	460,675	
09/30/2021					2,308,550
02/15/2022	1,430,000	4.000%	460,675	1,890,675	
08/15/2022			432,075	432,075	
09/30/2022					2,322,750
02/15/2023	1,495,000	4.000%	432,075	1,927,075	
08/15/2023			402,175	402,175	
09/30/2023					2,329,250
02/15/2024	1,550,000	4.000%	402,175	1,952,175	
08/15/2024			371,175	371,175	
09/30/2024					2,323,350
02/15/2025	1,615,000	4.000%	371,175	1,986,175	
08/15/2025			338,875	338,875	
09/30/2025					2,325,050
02/15/2026	1,695,000	5.000%	338,875	2,033,875	
08/15/2026			296,500	296,500	
09/30/2026					2,330,375
02/15/2027	1,775,000	5.000%	296,500	2,071,500	
08/15/2027			252,125	252,125	
09/30/2027					2,323,625
02/15/2028	1,865,000	5.000%	252,125	2,117,125	
08/15/2028			205,500	205,500	
09/30/2028					2,322,625
02/15/2029	1,485,000	5.000%	205,500	1,690,500	
08/15/2029			168,375	168,375	
09/30/2029					1,858,875
02/15/2030	1,565,000	5.000%	168,375	1,733,375	
08/15/2030			129,250	129,250	
09/30/2030					1,862,625
02/15/2031	1,645,000	5.000%	129,250	1,774,250	
08/15/2031			88,125	88,125	
09/30/2031					1,862,375
02/15/2032	1,715,000	5.000%	88,125	1,803,125	
08/15/2032			45,250	45,250	
09/30/2032					1,848,375
02/15/2033	1,810,000	5.000%	45,250	1,855,250	
09/30/2033					1,855,250
	21,005,000		6,868,075	27,873,075	27,873,075

BOND DEBT SERVICE

Town of Addison, Texas
\$7,565,000 Combination Tax & Revenue Certificates of Obligation, Series 2014
As of September 30, 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	325,000	3.000%	102,306.25	427,306.25	
08/15/2021			97,431.25	97,431.25	
09/30/2021					524,737.50
02/15/2022	340,000	3.000%	97,431.25	437,431.25	
08/15/2022			92,331.25	92,331.25	
09/30/2022					529,762.50
02/15/2023	355,000	3.000%	92,331.25	447,331.25	
08/15/2023			87,006.25	87,006.25	
09/30/2023					534,337.50
02/15/2024	370,000	3.000%	87,006.25	457,006.25	
08/15/2024			81,456.25	81,456.25	
09/30/2024					538,462.50
02/15/2025	385,000	3.000%	81,456.25	466,456.25	
08/15/2025			75,681.25	75,681.25	
09/30/2025					542,137.50
02/15/2026	400,000	3.000%	75,681.25	475,681.25	
08/15/2026			69,681.25	69,681.25	
09/30/2026					545,362.50
02/15/2027	415,000	3.125%	69,681.25	484,681.25	
08/15/2027			63,196.88	63,196.88	
09/30/2027					547,878.13
02/15/2028	430,000	3.250%	63,196.88	493,196.88	
08/15/2028			56,209.38	56,209.38	
09/30/2028					549,406.26
02/15/2029	450,000	3.375%	56,209.38	506,209.38	
08/15/2029			48,615.63	48,615.63	
09/30/2029					554,825.01
02/15/2030	470,000	3.500%	48,615.63	518,615.63	
08/15/2030			40,390.63	40,390.63	
09/30/2030					559,006.26
02/15/2031	485,000	3.625%	40,390.63	525,390.63	
08/15/2031			31,600.00	31,600.00	
09/30/2031					556,990.63
02/15/2032	505,000	4.000%	31,600.00	536,600.00	
08/15/2032			21,500.00	21,500.00	
09/30/2032					558,100.00
02/15/2033	525,000	4.000%	21,500.00	546,500.00	
08/15/2033			11,000.00	11,000.00	
09/30/2033					557,500.00
02/15/2034	550,000	4.000%	11,000.00	561,000.00	
09/30/2034					561,000.00
	6,005,000		1,654,506.29	7,659,506.29	7,659,506.29

BOND DEBT SERVICE

Town of Addison, Texas
\$12,000,000 General Obligation Bonds, Tax Exempt Series 2014
As of September 30, 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	530,000	3.000%	164,381.25	694,381.25	
08/15/2021			156,431.25	156,431.25	
09/30/2021					850,812.50
02/15/2022	555,000	4.000%	156,431.25	711,431.25	
08/15/2022			145,331.25	145,331.25	
09/30/2022					856,762.50
02/15/2023	575,000	3.000%	145,331.25	720,331.25	
08/15/2023			136,706.25	136,706.25	
09/30/2023					857,037.50
02/15/2024	600,000	3.000%	136,706.25	736,706.25	
08/15/2024			127,706.25	127,706.25	
09/30/2024					864,412.50
02/15/2025	625,000	3.000%	127,706.25	752,706.25	
08/15/2025			118,331.25	118,331.25	
09/30/2025					871,037.50
02/15/2026	650,000	3.000%	118,331.25	768,331.25	
08/15/2026			108,581.25	108,581.25	
09/30/2026					876,912.50
02/15/2027	675,000	3.000%	108,581.25	783,581.25	
08/15/2027			98,456.25	98,456.25	
09/30/2027					882,037.50
02/15/2028	705,000	3.250%	98,456.25	803,456.25	
08/15/2028			87,000.00	87,000.00	
09/30/2028					890,456.25
02/15/2029	735,000	3.375%	87,000.00	822,000.00	
08/15/2029			74,596.88	74,596.88	
09/30/2029					896,596.88
02/15/2030	760,000	3.375%	74,596.88	834,596.88	
08/15/2030			61,771.88	61,771.88	
09/30/2030					896,368.76
02/15/2031	795,000	3.500%	61,771.88	856,771.88	
08/15/2031			47,859.38	47,859.38	
09/30/2031					904,631.26
02/15/2032	825,000	3.625%	47,859.38	872,859.38	
08/15/2032			32,906.25	32,906.25	
09/30/2032					905,765.63
02/15/2033	860,000	3.750%	32,906.25	892,906.25	
08/15/2033			16,781.25	16,781.25	
09/30/2033					909,687.50
02/15/2034	895,000	3.750%	16,781.25	911,781.25	
09/30/2034					911,781.25
	9,785,000		2,589,300.03	12,374,300.03	12,374,300.03

BOND DEBT SERVICE

Town of Addison, Texas
\$1,250,000 General Obligation Bonds, Taxable Series 2013B
As of September 30, 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	55,000	3.750%	3,187.50	58,187.50	
08/15/2021			2,156.25	2,156.25	
09/30/2021					60,343.75
02/15/2022	55,000	3.750%	2,156.25	57,156.25	
08/15/2022			1,125.00	1,125.00	
09/30/2022					58,281.25
02/15/2023	60,000	3.750%	1,125.00	61,125.00	
09/30/2023					61,125.00
	170,000		9,750.00	179,750.00	179,750.00

BOND DEBT SERVICE

Town of Addison, Texas
\$1,875,000 General Obligation Bonds, Series 2013 (AMT)
As of September 30, 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	80,000	4.125%	31,004.38	111,004.38	
08/15/2021			29,354.38	29,354.38	
09/30/2021					140,358.76
02/15/2022	85,000	4.125%	29,354.38	114,354.38	
08/15/2022			27,601.25	27,601.25	
09/30/2022					141,955.63
02/15/2023	90,000	4.125%	27,601.25	117,601.25	
08/15/2023			25,745.00	25,745.00	
09/30/2023					143,346.25
02/15/2024	90,000	4.250%	25,745.00	115,745.00	
08/15/2024			23,832.50	23,832.50	
09/30/2024					139,577.50
02/15/2025	95,000	4.250%	23,832.50	118,832.50	
08/15/2025			21,813.75	21,813.75	
09/30/2025					140,646.25
02/15/2026	100,000	4.250%	21,813.75	121,813.75	
08/15/2026			19,688.75	19,688.75	
09/30/2026					141,502.50
02/15/2027	105,000	4.250%	19,688.75	124,688.75	
08/15/2027			17,457.50	17,457.50	
09/30/2027					142,146.25
02/15/2028	110,000	4.250%	17,457.50	127,457.50	
08/15/2028			15,120.00	15,120.00	
09/30/2028					142,577.50
02/15/2029	115,000	4.800%	15,120.00	130,120.00	
08/15/2029			12,360.00	12,360.00	
09/30/2029					142,480.00
02/15/2030	120,000	4.800%	12,360.00	132,360.00	
08/15/2030			9,480.00	9,480.00	
09/30/2030					141,840.00
02/15/2031	125,000	4.800%	9,480.00	134,480.00	
08/15/2031			6,480.00	6,480.00	
09/30/2031					140,960.00
02/15/2032	130,000	4.800%	6,480.00	136,480.00	
08/15/2032			3,360.00	3,360.00	
09/30/2032					139,840.00
02/15/2033	140,000	4.800%	3,360.00	143,360.00	
09/30/2033					143,360.00
	1,385,000		455,590.64	1,840,590.64	1,840,590.64

BOND DEBT SERVICE

**Town of Addison, Texas
\$4,665,000 General Obligation Bonds, Series 2013
As of September 30, 2020**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	195,000	5.000%	81,068.13	276,068.13	
08/15/2021			76,193.13	76,193.13	
09/30/2021					352,261.26
02/15/2022	205,000	5.000%	76,193.13	281,193.13	
08/15/2022			71,068.13	71,068.13	
09/30/2022					352,261.26
02/15/2023	220,000	5.000%	71,068.13	291,068.13	
08/15/2023			65,568.13	65,568.13	
09/30/2023					356,636.26
02/15/2024	230,000	5.000%	65,568.13	295,568.13	
08/15/2024			59,818.13	59,818.13	
09/30/2024					355,386.26
02/15/2025	240,000	5.000%	59,818.13	299,818.13	
08/15/2025			53,818.13	53,818.13	
09/30/2025					353,636.26
02/15/2026	255,000	5.000%	53,818.13	308,818.13	
08/15/2026			47,443.13	47,443.13	
09/30/2026					356,261.26
02/15/2027	265,000	5.000%	47,443.13	312,443.13	
08/15/2027			40,818.13	40,818.13	
09/30/2027					353,261.26
02/15/2028	280,000	5.000%	40,818.13	320,818.13	
08/15/2028			33,818.13	33,818.13	
09/30/2028					354,636.26
02/15/2029	295,000	4.100%	33,818.13	328,818.13	
08/15/2029			27,770.63	27,770.63	
09/30/2029					356,588.76
02/15/2030	305,000	4.150%	27,770.63	332,770.63	
08/15/2030			21,441.88	21,441.88	
09/30/2030					354,212.51
02/15/2031	320,000	4.250%	21,441.88	341,441.88	
08/15/2031			14,641.88	14,641.88	
09/30/2031					356,083.76
02/15/2032	330,000	4.300%	14,641.88	344,641.88	
08/15/2032			7,546.88	7,546.88	
09/30/2032					352,188.76
02/15/2033	345,000	4.375%	7,546.88	352,546.88	
09/30/2033					352,546.88
	3,485,000		1,120,960.75	4,605,960.75	4,605,960.75

BOND DEBT SERVICE

**Town of Addison, Texas
\$10,185,000 Certificates of Obligation, Series 2013
As of September 30, 2020**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	430,000	4.000%	170,316.25	600,316.25	
08/15/2021			161,716.25	161,716.25	
09/30/2021					762,032.50
02/15/2022	450,000	4.000%	161,716.25	611,716.25	
08/15/2022			152,716.25	152,716.25	
09/30/2022					764,432.50
02/15/2023	470,000	5.000%	152,716.25	622,716.25	
08/15/2023			140,966.25	140,966.25	
09/30/2023					763,682.50
02/15/2024	490,000	5.000%	140,966.25	630,966.25	
08/15/2024			128,716.25	128,716.25	
09/30/2024					759,682.50
02/15/2025	515,000	5.000%	128,716.25	643,716.25	
08/15/2025			115,841.25	115,841.25	
09/30/2025					759,557.50
02/15/2026	545,000	5.000%	115,841.25	660,841.25	
08/15/2026			102,216.25	102,216.25	
09/30/2026					763,057.50
02/15/2027	575,000	5.000%	102,216.25	677,216.25	
08/15/2027			87,841.25	87,841.25	
09/30/2027					765,057.50
02/15/2028	600,000	5.000%	87,841.25	687,841.25	
08/15/2028			72,841.25	72,841.25	
09/30/2028					760,682.50
02/15/2029	630,000	4.100%	72,841.25	702,841.25	
08/15/2029			59,926.25	59,926.25	
09/30/2029					762,767.50
02/15/2030	655,000	4.150%	59,926.25	714,926.25	
08/15/2030			46,335.00	46,335.00	
09/30/2030					761,261.25
02/15/2031	685,000	4.250%	46,335.00	731,335.00	
08/15/2031			31,778.75	31,778.75	
09/30/2031					763,113.75
02/15/2032	715,000	4.300%	31,778.75	746,778.75	
08/15/2032			16,406.25	16,406.25	
09/30/2032					763,185.00
02/15/2033	750,000	4.375%	16,406.25	766,406.25	
09/30/2033					766,406.25
	7,510,000		2,404,918.75	9,914,918.75	9,914,918.75

BOND DEBT SERVICE

Town of Addison, Texas
\$22,590,000 General Obligation Refunding & Improvement Bonds, Series 2012
As of September 30, 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	920,000	4.000%	35,900	955,900	
08/15/2021			17,500	17,500	
09/30/2021					973,400
02/15/2022	875,000	4.000%	17,500	892,500	
09/30/2022					892,500
	1,795,000		70,900	1,865,900	1,865,900

BOND DEBT SERVICE

Town of Addison, Texas
\$14,835,000 Combination Tax & Revenue Certificate of Obligation, Series 2012
As of September 30, 2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2021	735,000	2.000%	173,756.25	908,756.25	
08/15/2021			166,406.25	166,406.25	
09/30/2021					1,075,162.50
02/15/2022	755,000	3.000%	166,406.25	921,406.25	
08/15/2022			155,081.25	155,081.25	
09/30/2022					1,076,487.50
02/15/2023	780,000	4.000%	155,081.25	935,081.25	
08/15/2023			139,481.25	139,481.25	
09/30/2023					1,074,562.50
02/15/2024	815,000	4.000%	139,481.25	954,481.25	
08/15/2024			123,181.25	123,181.25	
09/30/2024					1,077,662.50
02/15/2025	840,000	3.000%	123,181.25	963,181.25	
08/15/2025			110,581.25	110,581.25	
09/30/2025					1,073,762.50
02/15/2026	870,000	3.000%	110,581.25	980,581.25	
08/15/2026			97,531.25	97,531.25	
09/30/2026					1,078,112.50
02/15/2027	900,000	3.000%	97,531.25	997,531.25	
08/15/2027			84,031.25	84,031.25	
09/30/2027					1,081,562.50
02/15/2028	455,000	3.000%	84,031.25	539,031.25	
08/15/2028			77,206.25	77,206.25	
09/30/2028					616,237.50
02/15/2029	470,000	3.000%	77,206.25	547,206.25	
08/15/2029			70,156.25	70,156.25	
09/30/2029					617,362.50
02/15/2030	485,000	3.000%	70,156.25	555,156.25	
08/15/2030			62,881.25	62,881.25	
09/30/2030					618,037.50
02/15/2031	500,000	3.000%	62,881.25	562,881.25	
08/15/2031			55,381.25	55,381.25	
09/30/2031					618,262.50
02/15/2032	515,000	3.125%	55,381.25	570,381.25	
08/15/2032			47,334.38	47,334.38	
09/30/2032					617,715.63
02/15/2033	530,000	3.250%	47,334.38	577,334.38	
08/15/2033			38,721.88	38,721.88	
09/30/2033					616,056.26
02/15/2034	550,000	3.250%	38,721.88	588,721.88	
08/15/2034			29,784.38	29,784.38	
09/30/2034					618,506.26
02/15/2035	570,000	3.375%	29,784.38	599,784.38	
08/15/2035			20,165.63	20,165.63	
09/30/2035					619,950.01
02/15/2036	585,000	3.375%	20,165.63	605,165.63	
08/15/2036			10,293.75	10,293.75	
09/30/2036					615,459.38
02/15/2037	610,000	3.375%	10,293.75	620,293.75	
09/30/2037					620,293.75
	10,965,000		2,750,193.79	13,715,193.79	13,715,193.79

Town of Addison, Texas

TAB C: Miscellaneous

As of September 30, 2020

Miscellaneous



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TAB 1

CREDIT OPINION

16 July 2020

 Rate this Research

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EMEA	44-20-7772-5454

Addison (Town of) TX

Update to credit analysis

Summary

The [Town of Addison, TX](#)'s (Aaa stable) credit profile is anchored by a regionally important economy north of the City of [Dallas](#) (A1 stable) with a moderately sized and growing tax base. The town's financial profile is solid with high reserve and liquidity levels, strengthened by access to additional liquidity outside the main operating funds. The ample reserves mitigate the town's vulnerability to weaker economic cycles because of slightly higher reliance on sales tax revenue. The exposure during softer economic times is exacerbated by the town's role as a major job center serving as home to several corporations, evidenced by a high daytime to nighttime population ratio. Positively, conservative budgeting practices and an adept management team with a willingness and the ability to reduce expenditures has allowed and continues to position the town in a solid position to manage the currently weaker economic and financial cycle. All these strengths are balanced against slightly higher debt ratios compared to peers. Positively, the pension burden is affordable and will not be a drag on credit quality over the next several years.

We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. We do not see any material immediate credit risks for the Town of Addison TX. Despite its exposure to a high concentration of commercial property and sales taxes, the town has ample reserves and liquidity and the ability to make expenditure reductions to match revenue shortfalls. However, the situation surrounding coronavirus is rapidly evolving and the longer term impact will depend on both the severity and duration of the crisis. If our view of the credit quality of the Town of Addison, TX changes, we will update our opinion at that time.

Credit strengths

- » Sound financial practices evidenced by high reserves
- » Major commercial economic center
- » Income and wealth indicators exceed national levels

Credit challenges

- » Above average reliance on commercial property and sales tax revenues compared to peers
- » Debt levels are slightly elevated compared to peers
- » Debt retirement is slower than peers

Rating outlook

The stable outlook reflects the strength of the management team with budget reductions that will allow for structurally balanced operations to persist even during the currently softer economic and financial cycle. These practices supported by a stable economy, solid liquidity position and conservative expectations for the fiscal 2021 budget per the current plan will allow the credit profile remain stable over the next 18 to 24 months.

Factors that could lead to an upgrade

- » Not applicable

Factors that could lead to a downgrade

- » Reduction in reserve levels
- » Significant economic decline
- » Sizable debt issuance absent corresponding tax base growth

Key indicators

Exhibit 1

Addison (Town of) TX	2015	2016	2017	2018	2019
Economy/Tax Base					
Total Full Value (\$000)	\$3,805,581	\$4,036,724	\$4,300,272	\$4,450,534	\$4,725,759
Population	15,087	15,363	15,455	15,626	15,626
Full Value Per Capita	\$252,242	\$262,756	\$278,245	\$284,816	\$302,429
Median Family Income (% of US Median)	119.8%	126.3%	125.4%	119.1%	119.1%
Finances					
Operating Revenue (\$000)	\$40,088	\$42,051	\$47,377	\$46,938	\$46,861
Fund Balance (\$000)	\$12,591	\$13,796	\$16,742	\$20,634	\$20,102
Cash Balance (\$000)	\$13,303	\$14,260	\$17,448	\$21,065	\$20,111
Fund Balance as a % of Revenues	31.4%	32.8%	35.3%	44.0%	42.9%
Cash Balance as a % of Revenues	33.2%	33.9%	36.8%	44.9%	42.9%
Debt/Pensions					
Net Direct Debt (\$000)	\$86,689	\$83,728	\$77,650	\$72,650	\$68,735
3-Year Average of Moody's ANPL (\$000)	\$51,731	\$62,796	\$67,894	\$59,716	\$54,669
Net Direct Debt / Full Value (%)	2.3%	2.1%	1.8%	1.6%	1.5%
Net Direct Debt / Operating Revenues (x)	2.2x	2.0x	1.6x	1.5x	1.5x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	1.4%	1.6%	1.6%	1.3%	1.2%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	1.3x	1.5x	1.4x	1.3x	1.2x

Financial data considers the general and debt service funds

Source: Town of Addison, TX Comprehensive Annual Financial Reports, US Census

Profile

The Town of Addison is 12 miles north of downtown Dallas in Dallas County (Aaa stable). The town is home to several office spaces and the economy sees a high concentration of profession jobs with daytime population well over 3 times the nighttime population. The current population estimate is 15,600.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Detailed credit considerations

Economy and tax base: moderately sized and growing tax base with major job center

The town's tax base and position as a major job center anchors its economy, although the pace of growth over the next two to three years will weaken if the coronavirus pandemic continues to reduce global demand and economic output. The coronavirus is driving an unprecedented economic slowdown. We currently forecast US GDP to decline significantly during 2020 with a gradual recovery commencing toward the end of the year. Local governments with the highest exposure to tourism, hospitality, healthcare, retail and oil and gas could suffer particularly severe impacts.

The Town of Addison has a high level of commercial property, leaving its tax base particularly vulnerable to loss in periods of economic stress. Retail, commercial and industrial property account for almost 50% of the base. This number increases to about 60% when including tangible personal, commercial property. Residential property accounts for a smaller but still substantial 34%, including single and multifamily property. Positively, the town has a demonstrated ability to manage periods of stress which we expect will continue and is a key consideration in the credit profile.

Town officials report stable economic conditions. Office occupancy rates stand at 80% and there are no reports of business closings or disruption with the major taxpayers. Although the town has limited land for new development, redevelopment of existing property continues to drive growth and town officials report no delay in development projects. Preliminary estimates for fiscal 2021 assessed value reflect an increase of 14% to \$5.4 billion but town officials expect that the certified value will be closer to \$5 billion, an increase of 3.8% over the prior year. In the past five years, the town's assessed value has grown an average annual rate of 4.8% to reach \$4.8 billion in fiscal 2020.

The town's position as a major commercial center with more than 12 million square feet of office space, 23 hotels, more than 180 restaurants and one of the largest general aviation municipal airports in the county, has driven favorable demographic trends. Population growth has been well above double digits over the previous three census cycles before a 7% decrease in the 2010 Census. Since then, population has grown almost 20% to about 15,600 residents per the 2018 American Community Survey. With the population growth and access to corporate job opportunities, the town's median family income (MFI) has strengthened over time to reach the 2018 estimate of 119.1% of the nation, also per the American Community Survey. However, the pace of growth has not kept up with home values with the 2018 median home value at 158.7% of the nation, pointing to some challenges regarding home affordability. In Dallas County, labor force participation has increased over time even though the May 2020 county unemployment rate was a high 12.8%, on par with both the state's and the nation's, reflecting the economic reality of mounting job loss stemming from the pandemic outbreak.

Financial operations and reserves: high reserve levels with access to non-general fund liquidity

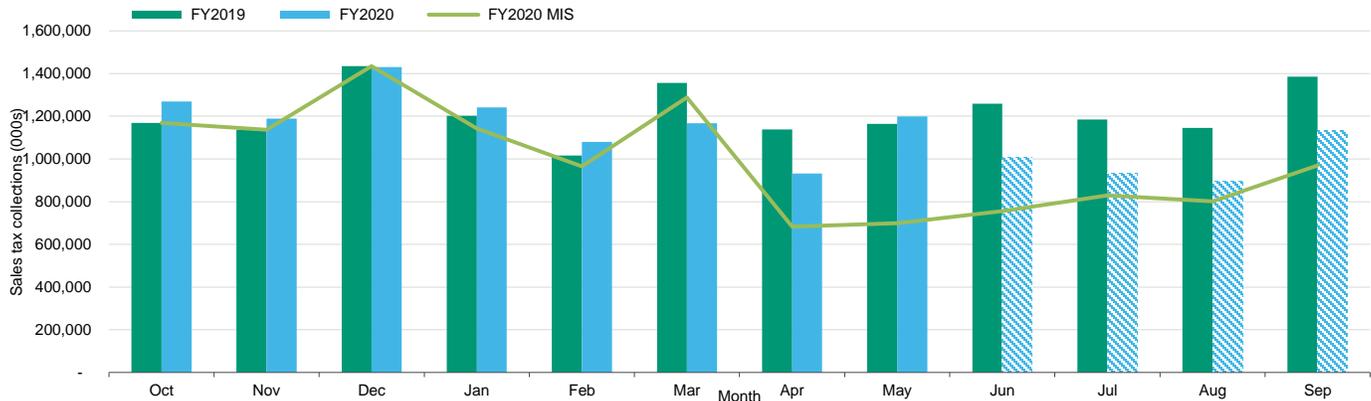
Addison's solid financial position will remain through the end of the current fiscal year guided by expense controls despite weaker revenue performance. Revenue performance, though weaker, is better than expected and when coupled with expense controls will allow the town preserve its high reserve position.

The town's fiscal 2020 (September 30 year-end) adopted budget showed a \$4 million draw to support one time capital initiatives. Since then, the town has revised its revenue estimates to reflect the effect of the coronavirus pandemic while reducing expenditures to offset the revenue shortfall. However, revenues, particularly sales taxes, have performed better than expected and now town officials expect a much smaller total revenue variance based on July numbers compared to the original April estimate.

On July 14, the town revised its estimates to show general fund revenue totaling \$39.4 million, a \$266 thousand increase compared to the budget, by the end of the year. The largest positive variance was in sales tax collections, which was the second largest source of revenue in 2019 at 40%. Town officials had originally estimated a \$1 million (7.3%) reduction in total collections in April. The April estimate followed conservative budget assumptions that included a 10% decrease in budgeted sales tax collections. However, sales tax revenue performance has been better than expected. The performance has also been more favorable than [our base case scenario](#) (see Exhibit 2) guided by our view of GDP growth and prolonged economic weakness. Under our scenario, sales tax collection was 100% of normal collections in 2019 fourth quarter (Q4), before falling by 5% in Q1 2020. Collections fall further by 40% in Q2 2020 and then 30% in Q3 2020. As of the May check, year to date sales taxes were only 1.1% below the prior year's. Thus, the July town estimate shows general fund sales tax collections coming in at \$13.6 million or 0.8% below the budget by the end of the year compared with

our \$12.9 million reflecting a 6.1% decrease. Property taxes, the largest source of general fund revenue at almost 43% in fiscal 2019, was close to budget and largely received by February.

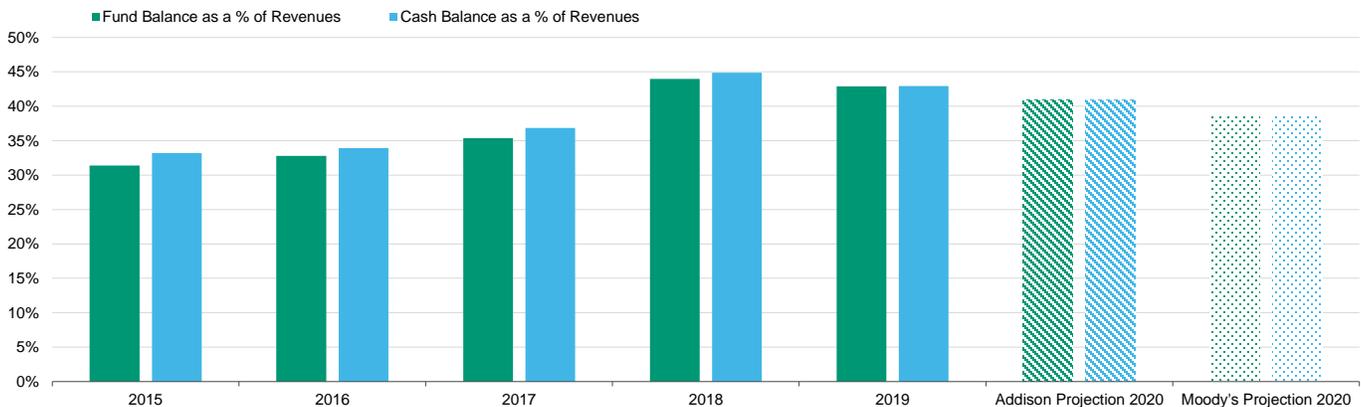
Exhibit 2
Sales tax collections have outperformed our base case scenario



June through September numbers reflects a \$250 thousand decrease in each month compared to the prior year per town officials
Source: Town of Addison, TX, Moody's Investors Service

In response to weaker revenue performance, the town reduced expenditures by \$1.5 million. The town was also able to reduce its capital related transfers by about \$500 thousand to \$3.6 million. With these adjustments, the town is currently estimating a \$1.8 million draw by the end of the year. Total general fund balance is projected to be \$18.8 million, an ample 47.6% of estimated revenue. The town's fund balance estimate is \$1.7 million higher than our estimate, which includes our base case sales tax scenario for the rest of the year. Our assumptions also include that the town's other revenues remain constrained to the town's April estimate, which coincided with shelter in place measures and included a 61.4% reduction in mixed beverage tax and relative stability in other revenues. The debt service fund is projected to end with a \$150 thousand balance. Even under our scenario and when including the debt service fund, the town's reserves will remain above 38% of our projected operating fund revenue (see Exhibit 3).

Exhibit 3



Data considers the general and debt service funds
The town's projection is as of the July 14 estimate
Moody's projection includes our base case scenario for sales taxes for the rest of the year, and holds all other revenue constant from the town's April estimate
Source: Town of Addison, TX Comprehensive Annual Financial Reports, Town of Addison, TX FY 2020 July Estimate, Moody's Investors Service

In addition to its high general fund reserves, the town also maintains additional financial flexibility in three non-general funds. The funds are estimated to have \$7.7 million at fiscal year end 2020, with a majority of the moneys housed in the Infrastructure Investment Fund (\$5.2 million) and Self Funded Streets Projects Fund (\$1.7 million), with a small amount (\$750 thousand) in the Self Funded Special Projects Fund. When adding these balances to the general fund, the town's liquidity is 67% of estimated revenue.

The town's estimated fiscal 2020 performance builds on its long history of solid operating performance and ample reserves. In fiscal 2019, the town reported a modest \$375 thousand draw, reducing the available general fund balance to \$20.1 million (a solid 49.9% of revenue). Including the debt service fund, available reserves decreased to a still strong \$20.1 million (42.9% of operating revenue).

Preliminary planning for fiscal 2021 is underway. Sales tax collections are projected to be down 9.3% from the July estimate for fiscal 2020. With growth in other revenue sources, such as property taxes and no transfer to support capital initiatives, town officials project a balanced budget for the year.

LIQUIDITY

The town's liquidity position is solid with current cash totaling \$25.6 million and \$1.4 million in the debt service fund.

At fiscal year end 2019, cash and investments totaled \$20.1 million or 49.9% of revenue. Cash was relatively unchanged even when considering the debt service fund.

Debt and pensions: affordable debt and pensions

The town's debt and pension profile will remain affordable over the next three to five years supported by a moderately sized tax base and capacity to increase property tax revenues for debt repayment. Including the July 2020 sale, the town's total outstanding debt will reach \$118.7 million yielding a direct debt burden of 2.5% of the fiscal 2020 assessed value. Net of \$22.4 million supported by the water, sewer and drainage systems, the debt burden falls to 2%. This metric increases to 3.8% when including debt by overlapping entities. The town currently has \$81.5 million in authorized but unissued debt and plans for annual debt issuance until the authorization is exhausted.

DEBT STRUCTURE

Principal payout is below similarly rated peers with 62.1% of principal retired in 10 years. The debt service schedule is largely descending until final maturity in fiscal 2040.

DEBT-RELATED DERIVATIVES

All of the town's debt is fixed rate and the town is not party to any derivative agreements.

PENSIONS AND OPEB

The town's unfunded pension and other post employment benefits (OPEB) liabilities should remain a manageable portion of town's total leverage. The town provides pension benefits for employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multi-employer public employee retirement system.

Addison's adjusted net pension liability (ANPL), based on a 3.88% discount rate, was \$54.6 million in fiscal 2019. By comparison, the town reported a GASB net pension liability of \$10.8 million, based on a 6.2% discount rate; these figures are net of self support from the utility system. The town's ANPL has fluctuated over the past three to five years in part because of the town's decision to award cost of living adjustments. Under TMRS plan rules, the town has the flexibility to award cost of living adjustments (COLAs) to employees on an ad hoc basis annually. The town is required to include the COLA election in the pension liability calculation in years in which certain criteria is met per the Government Accounting Standards Board (GASB) rules. A COLA election increases the town's pension liability and the town's history reflects fluctuation in reported pension liability, as a direct result. For example, at fiscal year end 2018, the town reported an unfunded liability of negative \$192 thousand in fiscal 2018 compared with the \$6.5 million in fiscal 2017 or the \$25.3 million at fiscal year end 2016, after adjusting for self support allocated to the utility system.

The town's pension contributions have typically accounted for less than 5% of operating revenue and have been equal to the actuarial determined contribution (ADC), including fiscal 2019 where contributions totaled 4.3% of the year's operating revenue. In fiscal 2019, the town's contribution exceeded our \$1.5 million "tread water" indicator by 33% which is the level at which we have determined there would be no increase in unfunded pension liability, based on reported assumptions. The town's tread water contribution level is also heavily influenced by a COLA election.

The town's adjusted OPEB liability (adjusted NOL), based on a 4.2% discount rate, was \$3.8 million in fiscal 2019. At about 8% of revenue, the town's adjusted NOL is only a small source of balance sheet leverage. The town contributed \$157,000 during the year.

Inclusive of debt service, OPEB contributions and our trend water indicator for pensions, the town's fixed costs amounted to 17.9% of revenues in fiscal 2019, compared to 29.2% in 2015, reflecting COLA inputs. Fixed costs remain the same even when using actual pension contribution.

ESG considerations

ENVIRONMENTAL

Addison is exposed to natural and man made hazards by virtue of its location in the Great Plains per the National Climate Assessment. The town has high risk to water stress resulting in drought like patterns and also has medium risk to heat stress and extreme rainfall. The environmental shift will evolve over the longer term and the town will benefit from long range planning. The town's high reserves will also provide buffer to offset any potential related financial event.

SOCIAL

Social considerations are incorporated into the economy and tax base section. Please refer to that section for more detailed credit information.

GOVERNANCE

The town demonstrates good governance by multiyear capital and financial planning. The town also uses quarterly reviews of major operating funds in combination with a comparison of historical data. Financial practices are governed by conservative assumptions, as well as a historical willingness and ability to raise property tax rates during difficult financial periods, consistent with traits exhibited by a sophisticated management team. Although some of the town's ability to raise taxes will be limited by the most recent legislative change, the town's demonstrated ability for solid financial performance driven by prudent processes and practices will benefit the credit profile. The town maintains a fund balance policy equal to 25% of operations in its major operating funds, but town officials strive for a minimum of 30%.

Texas Cities have an Institutional Framework score of "Aa", which is strong. The sector's major revenue sources (property taxes and sales taxes) account for about a third of revenues each and are subject to a cap; the remaining third is derived from other fees and is not subject to a cap. Property taxes, are subject to a statutory cap of \$25 per \$1,000 of assessed values, with no more than \$15 allocated for debt. Most cities are well under the cap, and on an annual basis can increase their property tax revenues by 3.5% on existing property without voter approval. Most cities are at the sales tax cap for operating purposes. Unpredictable revenue fluctuations tend to be minor, or under 5% annually. Across the sector, fixed and mandated costs are generally less than 25% of expenditures and are primarily debt service expenditures. Unpredictable expenditure fluctuations tend to be minor, under 5% annually.

Rating methodology and scorecard factors

The US Local Government General Obligation Debt methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 4

Addison (Town of) TX		
Scorecard Factors	Measure	Score
Economy/Tax Base (30%) ^[1]		
Tax Base Size: Full Value (in 000s)	\$4,819,907	Aa
Full Value Per Capita	\$308,454	Aaa
Median Family Income (% of US Median)	119.1%	Aa
Notching Factors: ^[2]		
Regional Economic Center		Up
Finances (30%)		
Fund Balance as a % of Revenues	42.9%	Aaa
5-Year Dollar Change in Fund Balance as % of Revenues	6.0%	A
Cash Balance as a % of Revenues	42.9%	Aaa
5-Year Dollar Change in Cash Balance as % of Revenues	5.1%	A
Management (20%)		
Institutional Framework	Aa	Aa
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures (x)	1.0x	A
Debt and Pensions (20%)		
Net Direct Debt / Full Value (%)	2.0%	A
Net Direct Debt / Operating Revenues (x)	2.1x	A
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	1.1%	Aa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	1.2x	A
Notching Factors: ^[2]		
Unusually Strong or Weak Security Features: Debt secured by statute		Up
	Scorecard-Indicated Outcome	Aa1
	Assigned Rating	Aaa

[1] Economy measures are based on data from the most recent year available

[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology

[3] Standardized adjustments are outlined in the GO Methodology Scorecard Inputs publication

Source: Town of Addison, TX Comprehensive Annual Financial Reports, US Census Bureau, Moody's Investors Service

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Summary:

Addison, Texas; General Obligation

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Summary:

Addison, Texas; General Obligation

Credit Profile

US\$14.195 mil GO bnds ser 2020 dtd 08/01/2020 due 02/15/2040		
<i>Long Term Rating</i>	AAA/Stable	New
US\$13.275 mil GO rfdg bnds ser 2020 dtd 08/01/2020 due 02/15/2033		
<i>Long Term Rating</i>	AAA/Stable	New
Addison comb tax and rev certs of oblig		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Addison GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Addison GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Addison GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Addison GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed

Rating Action

S&P Global Ratings assigned its 'AAA' rating to the town of Addison's \$14.2 million general obligation bonds, series 2020, and approximately \$13.3 million general obligation (GO) refunding bonds, series 2020. At the same time, we affirmed our 'AAA' rating on the town's existing GO debt.

The series 2020 and GO bonds outstanding are direct obligations of the town, payable from a combination of the levy and collection of a continuing annual ad valorem tax, within limits prescribed by law, on all taxable property in the town. State statutes limit the ad valorem tax rate for home rule cities to \$2.50 per \$100 of taxable assessed valuation (AV) for all town purposes. The Texas attorney general permits the allocation of \$1.50 of the \$2.50 maximum tax rate for ad valorem tax debt service. In fiscal 2020, Addison's total levy is well below the maximum at 58.35 cents per \$100 of AV, 14.94 cents of which is dedicated to debt service. Despite state statutory tax-rate limitations, we do not differentiate between the town's limited-tax debt and its general creditworthiness, since the ad valorem tax is not derived from a measurably narrower tax base and there are no limitations on the fungibility of resources, which supports our view of the town's overall ability and willingness to pay debt service.

Inclusive of the series 2020 issuance, the town will have approximately \$87.3 million of net direct debt outstanding, a portion of which is considered self-supported. We understand proceeds from the bonds will fund various road construction projects and improvements to the Addison Athletic Club. The refunding bonds are being issued for interest savings.

Addison's GO bonds are eligible to be rated above the sovereign because we assess the town can maintain better credit characteristics than the U.S. in a stress scenario. Under our criteria "Ratings Above the Sovereign--Corporate and Government Ratings: Methodology And Assumptions" (published Nov. 19, 2013), U.S. local governments are considered to have moderate sensitivity to country risk. The town's GO pledge is the primary source of security on the debt; this severely limits the possibility of negative sovereign intervention in the payment of the debt or the town's operations. The institutional framework in the U.S. is predictable for local governments, allowing them significant autonomy and independent treasury management, and has no history of government intervention. Addison has considerable financial flexibility, as demonstrated by its very strong general fund balance as a percentage of expenditures, as well as very strong liquidity.

Credit overview

Consistent operating surpluses, aided by strong management and prudent spending, has enabled Addison to transfer excess general fund revenues into its capital project fund in each of the last three fiscal years while maintaining its healthy reserve levels. The town's economy is primarily reliant on commercial properties, with many large corporate headquarters located in, and moving to the area. COVID-19 and resulting state-mandated business closures forced many of the town's taxpayers to close. Most will resume operations as lockdowns ease; however, some will have to close permanently due to the financial burden the recession has caused. (For more information, see "The U.S. Faces A Longer And Slower Climb From The Bottom," published June 25, 2020, on RatingsDirect.) Fortunately, the town of Addison has a diverse tax base spread across multiple sectors in a high demand MSA, all of which should help mitigate losses realized by some of the more affected industries. Combined with strong reserves, we view the credit as stable over our outlook horizon and believe management will prudently adjust operating budgets to maintain fiscal stability throughout the recession.

The rating reflects our view of the town's:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Very strong management, with strong financial policies and practices under our Financial Management Assessment methodology;
- Weak budgetary performance, with an operating deficit in the general fund and a surplus at the total governmental fund level in fiscal 2019;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 56% of operating expenditures;
- Very strong liquidity, with total government available cash at 152% of total governmental fund expenditures and 11.7x governmental debt service, and access to external liquidity we consider strong;
- Weak debt and contingent liability position, with debt service carrying charges at 13.0% of expenditures and net direct debt that is 154.6% of total governmental fund revenue; and
- Strong institutional framework score.

Environmental, social, and governance (ESG) factors

Our analysis of these risks encompasses our review of environmental, social, and governance risks that currently exist. Most notably, the ongoing pandemic and the social risk arising from it have led to social distancing measures

implemented and restricted traditional commerce, as suggested by state and local governments to limit the coronavirus' spread. As a consequence, certain key revenues, such as sales taxes, have fallen. We have also analyzed the environmental risks and have determined that they are in line with our view of the sector standard. We acknowledge the town's very strong management, with strong financial policies and practices as a positive factor as it relates to the town's overall creditworthiness.

Stable Outlook

Downside scenario

We could consider lowering the rating if the town experiences significant economic or financial stress that results in structural imbalance and declining reserves, or if the town's debt burden increases significantly, adding stress to its budgetary performance.

Credit Opinion

Very strong economy

We consider Addison's economy very strong. Located 15 miles north of downtown Dallas and positioned along several major thoroughfares, residents can easily access employment opportunities within the broad and diverse Dallas-Fort Worth-Arlington MSA. Its favorable location has stimulated residential and commercial growth and above-average wealth and income indicators. The town has a projected per capita effective buying income of 180% of the national level and per capita market value of \$314,410. Overall, the town's market value grew by 2.0% over the past year to \$4.8 billion in 2020

Unemployment has generally trended below national averages. In April 2020, unemployment rose to 12.8% within the MSA, highlighting the severity of the current recession. Preliminary data for May shows a slight decrease, to 12.3%, a possible indication that the economy is beginning to recover. However, with cases surging, particularly among southern states, the risk of additional business closures remains a possibility. (See "U.S. Biweekly Economic Roundup: Strong Job Gains May Slow As Virus Surges." Published July 02, 2020, on RatingsDirect.)

The local economy is diverse and anchored by key industries such as professional, scientific, and technical services, health care, and finance. Also, the town has a well-educated workforce, with roughly 58% of the population holding a bachelor's degree or higher, which provides employers access to a competitive, skilled labor pool. While residents of the town have convenient access to employment opportunities within the town of Dallas and throughout the Dallas-Ft. Worth metroplex, Addison itself has a multitude of employment opportunities. Given its abundance of commercial space, the town is home to several corporate headquarters, including Mary Kay Cosmetics, Bank of America, and Mattress Giant. Other key drivers of the local economy include the town's hotel and restaurant industries, in addition to the Addison Airport, one of the state's most used general aviation airports.

Real, commercial, and industrial properties account for 50% of total AV, followed by multi-family residential (17%) and single-family residential (16%). The town's economy is diverse, with the ten leading taxpayers representing 21% of total AV. Most are classified as office buildings with a few apartment properties and retail spaces. Mandated business

closures beginning in March and many that are still in effect, required a significant portion of the town's businesses to close. Hotel occupancy rates reached a low of 13%; however, officials note that as of late June, occupancy is up near 30%. The industry still has a long way to go to recover, and one of its hotels, Crowne Plaza, has closed its doors. Expectations are that it will reopen; but, timing remains uncertain.

AV growth has generally been robust, increasing each year, looking back to 2015, a total of 27%, or on average, 5% per year. In 2019, a 240,000 sq foot office building opened, which is now headquarters to Occidental Chemical and Compass Data Centers. Other businesses have opened regional offices in the facility as well. Wingstop announced that they would be relocating its corporate headquarters to Addison in 2020, and many others have announced relocation plans and expansion plans within the town that should contribute to future AV growth.

Despite significant pressure on certain sectors of the town's economy, its diversity should provide a degree of stability. An additional 406 units within the town's Vitruvian Park mixed-use development will begin in the coming months. Moreover, Dallas Area Rapid Transit (DART) is constructing a commuter rail line called the Silver Line that will connect to the town's existing DART station. This \$1.1 billion, 26-mile commuter rail line will traverse three counties and connect Addison to the Dallas-Fort Worth International Airport and numerous cities within the metroplex. Service is expected to commence in 2022.

Officials are estimating for a 3.5% increase in AV for 2021, with roughly \$116 million of new properties added to the tax roll. However, they are conservatively projecting 0% growth in 2022 and 2023 as a result of the recession.

Very strong management

We view the town's management as very strong, with strong financial policies and practices under our Financial Management Assessment methodology, indicating financial practices are strong, well embedded, and likely sustainable.

Management utilizes three to five years of historical financial trend analysis to formulate the subsequent year's budget assumptions. Additionally, quarterly budget-to-actual financial reports are provided to the town council and can amend the operating budget when needed. The council annually adopts a five-year rolling capital improvement plan that identifies potential projects and their respective funding sources. Management also prepares a five-year financial forecast that it presents to the town council annually.

The town council has a formalized and comprehensive investment management policy that is reviewed annually, and officials provide the council with quarterly investment holdings and performance reports. The town has a formalized debt management policy as well, in line with state requirements. The town's formalized fund balance policy requires general fund reserves above 25% of operating expenditures. The policy was adopted to prevent deterioration of reserves in the event of a drop in revenues or emergencies. The town has historically remained in compliance with this policy.

Weak budgetary performance

Addison's budgetary performance is weak, in our opinion. Our assessment considers our view that the pandemic and recession pose an event risk that could increase performance volatility for cities over the medium term. The town reported a deficit in the general fund of 1.1% of expenditures and a surplus across all governmental funds of 8.7% in

fiscal 2019. In our calculations, we have adjusted the town's revenues and expenditures to treat recurring transfers as either revenues or expenditures, and eliminated significant one-time expenditures funded through cash-on-hand or debt proceeds.

Addison consistently adopts balanced operating budgets based on conservative assumptions, often leading to positive budget variances. The results have enabled the town to transfer excess revenue to its capital projects fund to self-fund various capital projects and alleviate some of its debt burdens. Consistent with that trend, the 2019 budget outperformed. The deficit result was exclusively attributable to the town's decision to transfer \$4.5 million from the general fund to its capital projects fund. Although the budget was projecting a \$4.7 million deficit, the net change in fund balance was a decrease in fund balance of approximately \$374,000. Property taxes comprised the largest portion of 2019 revenues (43% of general fund revenues), followed by sales taxes (37%) and franchise taxes (6%).

Despite the severity of the recession, town officials are currently projecting a positive variance compared to the 2020 budget, which reflects a \$4 million deficit and estimate they will end the year with an approximate deficit of \$3 million, roughly 6% of projected expenditures. Again, consistent with past trends, the deficit result includes a \$4 million transfer out of the general fund to the capital projects fund. COVID-19 and resulting business closures led to lower than expected sales tax collections through June; however, expenditure savings related to vacancies and energy savings will more than offset the declines in revenues.

In planning for the 2021 year, officials are projecting a 10% decline in sales tax collections but will continue to monitor events related to COVID-19 and make adjustments as needed. Provided the town's conservative budgeting history and strong management, we anticipate if revenue shortfalls are more severe than expected, management will prudently make offsetting adjustments to expenditures, ensuring maintenance of its healthy reserve levels. Financial projections through 2024 show balanced results with no remaining transfers scheduled out of the general fund. We expect that the town's budgetary performance will improve with the easing of lockdowns, and likewise, could face pressure if spikes in cases lead to further business closures or delays in reopenings.

Very strong budgetary flexibility

Addison's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2019 of 56% of operating expenditures, or \$20.1 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor.

The town has maintained very strong budgetary flexibility in each of the past three fiscal years. The available fund balance has remained more than 45% of general fund expenditures over the last three years and has consistently exceeded the town's formal reserve policy to maintain 25% of expenditures. Despite challenges from the pandemic, slowing of economic metrics, and lower-than-typical sales tax collections, expectations are to maintain very strong reserves for fiscal 2020. The town has a history of strong operating performance, and transfers of excess revenue from the general fund to the capital projects fund should limit the use of reserves.

Very strong liquidity

In our opinion, Addison's liquidity is very strong, with total government available cash at 151.5% of total governmental fund expenditures and 11.7x governmental debt service in 2019. In our view, the town has strong access to external liquidity if necessary.

Relatively consistent issuances of general obligation debt over the past two decades demonstrate the town's strong access to external liquidity. We do not view the town's investments as aggressive, provided that they are held in U.S. agency securities, state investment pools, commercial paper, and certificates of deposit. It is our understanding that the town does not have exposure to any variable rate debt obligations nor privately placed debt obligations that would cause contingent liability issues for the town.

Weak debt and contingent liability profile

In our view, Addison's debt and contingent liability profile is weak. Total governmental fund debt service is 13.0% of total governmental fund expenditures, and net direct debt is 154.6% of total governmental fund revenue. We have adjusted our calculations for debt supported through the town's enterprise fund.

Addison's adopted five-year capital improvement plan serves as a blueprint to address subsequent growth and development prudently. The plan projects roughly \$47.1 million of additional debt issued through 2023, primarily attributable to continued road reconstruction. The town typically issues annually as part of its capital plan and generally amortizes a similar amount. We expect the town's debt burden to remain elevated, as Addison will likely issue additional debt to fund growth-related capital needs. However, we assess the town will prudently manage debt issuance relative to its rate of tax-base growth.

Pension and other postemployment benefits (OPEB)

Addison's combined required pension and actual OPEB contributions totaled 4.2% of total governmental fund expenditures in 2019, and the town made its full required pension contribution.

The town participates in:

- Texas Municipal Retirement System (TMRS): 91.0% funded with a net pension liability of \$11.8 million as of Dec. 31, 2018.

TMRS' actuarially determined contributions fell slightly short of our minimum funding progress (MFP) metric. The MFP metric assesses whether the most recent employer and employee contributions cover total service cost, plus unfunded interest cost, plus one-30th of the principal. When MFP is achieved, it indicates that an issuer has a strong funding discipline that aims to ensure timely progress on reducing its plans' liabilities. Actuarial assumptions include a discount rate of 6.75% and a 27-year closed amortization period. The plan's assumed discount rate is not considered aggressive, in our opinion. However, we consider the closed amortization period of 27 years as extended, leaving greater potential for costs to increase based on actual performance. Lastly, contributions are likely to increase, given the level percent of payroll funding method, as opposed to level-dollar contributions, which would result in consistent payments.

The town also provides certain health care benefits through a single-employer, defined-benefit OPEB plan known as the Supplemental Death Benefits Fund (SDBF) for all employees who retire from the town and receive benefits from a Town-sponsored retirement program. The town's contribution to the health plan consists of total premiums in excess of retiree contributions. In fiscal 2019, the town recognized OPEB expense of \$282,226, or 0.2% of total governmental fund expenditures. As of the most recent actuarial valuation (Dec. 31, 2018), the town's total OPEB liability was \$3.2 million.

Strong institutional framework

The institutional framework score for Texas municipalities is strong.

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TAB 2



FINANCIAL STATEMENT

FINANCIAL STATEMENT (As of July 31, 2019)

Table with 2 columns: Description and Amount. Rows include Net Taxable Assessed Valuation, New Debt, Outstanding Debt, Total General Obligation Debt, Less: Self-Supporting (a) Water & Sewer, Airport, Drainage, GO Debt payable from Ad Valorem Taxes, Less: I&S Fund, Net Debt.

(a) The Financial Advisor reports the following General Obligation Debt being paid from revenues other than ad valorem taxes; thus considered self-supporting.

Net Debt Per Net Taxable Assessed Valuation - 1.56%
Net Debt Per Sq mile - \$17,129,386.99
Net Debt Per Capita - \$4,760.58

Net Taxable Assessed Valuation Per Capita - \$305,831.69

Bureau of Census Pop: 2000 - 14,166
Bureau of Census Pop: 2010 - 13,056
2018 Estimated Population - 15,760
Area: 4.38 Sq mile

PAYMENT RECORD

Never defaulted.

TAX DATA

Table with 7 columns: Tax Year, A.V., Tax Rate, Adjusted Levy, % Collections Current, % Collections Total*, Year Ended. Rows for years 2013-2019.

* Total Collections 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.

** Collections as of July 31, 2019.

Table with 5 columns: Tax Rate Distribution, 2019, 2018, 2017, 2016. Rows for Operations, I&S, Totals.

Tax Rate Limitation: Article XI, Section 5 of Texas Constitution, applicable to cities of more than 5,000 population: \$2.50 per \$100 assessed valuation. City operates under a Home Rule Charter which adopts the constitutional provisions.

SALES TAX

Municipal Sales Tax: The City has adopted the provisions of Municipal Sales and Use Tax Act V.T.C.A., Tax Code, Chapter 321, which grants the City power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the bonds in this report. Net allocations on calendar year basis are as follows:

Table with 5 columns: Calendar Year, Rate, Total Collected, % of Ad Val Tax Levy, Equiv of Ad Val Tax Rate. Rows for years 2015-2018.

DETAILS OF OUTSTANDING DEBT

Details of Limited Tax Debt (Outstanding 7/31/2019)

Comb Tax & Rev C/O Ser 2012

Tax Treatment: Tax Exempt
Original Issue Amount \$14,835,000.00
Dated Date: 08/15/2012
Sale Date: 08/16/2012
Delivery Date: 09/18/2012
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2013

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Bracewell & Giuliani LLP
Financial Advisor: First Southwest Company, Fort Worth, TX
Lead Manager: Stifel Nicolaus & Company, Inc.
Co-Manager: BOSC, Inc.
Co-Manager: SAMCO Capital Markets, Inc.
Underwriter's Counsel: Fulbright & Jaworski L.L.P.

Security : Limited Tax and a subordinate lien on the surplus net revenues of the Waterworks & Sewer system not to exceed \$1,000

Use of Proceeds: Public Improvements.

Table with 4 columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows for various maturity dates from 2020 to 2037T, ending with a total of \$11,685,000.00.

Call Option: Bonds maturing on 02/15/2023 to 02/15/2032 and term bonds maturing on 02/15/2034 and 02/15/2037 callable in whole or in part on any date beginning 02/15/2022 @ par.

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Term Call: Term bonds maturing on 02/15/2034:
Mandatory Redemption Date Principal Amount
02/15/2033 \$530,000
02/15/2034 \$550,000

Term bonds maturing on 02/15/2037:
Mandatory Redemption Date Principal Amount
02/15/2035 \$570,000
02/15/2036 \$585,000
02/15/2037 \$610,000

GO Ref & Imp Bds Ser 2012

Tax Treatment: Tax Exempt
Original Issue Amount \$22,590,000.00
Dated Date: 08/15/2012
Sale Date: 08/16/2012
Delivery Date: 09/18/2012
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2013

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Bracewell & Giuliani LLP
Financial Advisor: First Southwest Company, Fort Worth, TX
Lead Manager: Stifel Nicolaus & Company, Inc.
Co-Manager: BOSC, Inc.
Co-Manager: SAMCO Capital Markets, Inc.
Underwriter's Counsel: Fulbright & Jaworski L.L.P.

Use of Proceeds: Cost of Issuance, Road & Utilities, Communications, Park, Refunding, Streets & Drainage.

Refunding Notes: This issue defeased mty(s) 2/15/2015-2/15/2019 of GO Bds Ser 2004 @ par.
This issue defeased mty(s) 02/15/2017, 02/15/2019, 02/15/2021 and \$100,000.00 of 2/15/2014, \$100,000.00 of 2/15/2015 of GO Ref & Imp Bds Ser 2005 @ par.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows include maturities from 02/15/2020 to 02/15/2032 with a total of \$14,160,000.00.

Call Option: Bonds maturing on 02/15/2023 to 02/15/2032 callable in whole or in part on any date beginning 02/15/2022 @ par.

Comb Tax & Rev C/O Ser 2013

Tax Treatment: Tax Exempt
Original Issue Amount \$10,185,000.00
Dated Date: 07/15/2013
Sale Date: 07/15/2013
Delivery Date: 08/20/2013
Sale Type: Negotiated

Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2014

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Bracewell & Giuliani LLP
Financial Advisor: First Southwest Company, Fort Worth, TX
Lead Manager: Stifel Nicolaus & Company, Inc.
Co-Manager: BOSC, Inc.
Underwriter's Counsel: Fulbright & Jaworski LLP

Security : Limited Tax and a subordinate lien on the surplus net revenues of the Waterworks & Sewer system not to exceed \$1,000

Airport 28.58%
Drainage 71.42%

Use of Proceeds: Public Improvements.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows include maturities from 02/15/2020 to 02/15/2033 with a total of \$7,925,000.00.

Call Option: Bonds maturing on 02/15/2024 to 02/15/2033 callable in whole or in part on any date beginning 02/15/2023 @ par.

GO Bds Ser 2013A (AMT)

Tax Treatment: Alt. Min. Tax
Original Issue Amount \$1,875,000.00
Dated Date: 07/15/2013
Sale Date: 07/15/2013
Delivery Date: 08/20/2013
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2014

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Bracewell & Giuliani LLP
Financial Advisor: First Southwest Company, Fort Worth, TX
Lead Manager: Stifel Nicolaus & Company, Inc.
Co-Manager: BOSC, Inc.
Underwriter's Counsel: Fulbright & Jaworski LLP

Use of Proceeds: Airport.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows include maturities 02/15/2023T and 02/15/2028T.

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02/15/2033T 630,000.00 4.8000% 4.900%
-----\$1,460,000.00

Call Option: Term bonds maturing on 02/15/2028 and 02/15/2033 callable in whole or in part on any date beginning 02/15/2023 @ par.

Term Call: Term bonds maturing on 02/15/2023:
Mandatory Redemption Date Principal Amount
02/15/2019 \$75,000
02/15/2020 \$75,000
02/15/2021 \$80,000
02/15/2022 \$85,000
02/15/2023 \$90,000

Term bonds maturing on 02/15/2028:
Mandatory Redemption Date Principal Amount
02/15/2024 \$90,000
02/15/2025 \$95,000
02/15/2026 \$100,000
02/15/2027 \$105,000
02/15/2028 \$110,000

Term bonds maturing on 02/15/2033:
Mandatory Redemption Date Principal Amount
02/15/2029 \$115,000
02/15/2030 \$120,000
02/15/2031 \$125,000
02/15/2032 \$130,000
02/15/2033 \$140,000

GO Bds Tax-Exempt Ser 2013

Tax Treatment: Tax Exempt
Original Issue Amount \$4,665,000.00
Dated Date: 07/15/2013
Sale Date: 07/15/2013
Delivery Date: 08/20/2013
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2014

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Bracewell & Giuliani LLP
Financial Advisor: First Southwest Company, Fort Worth, TX
Lead Manager: Stifel Nicolaus & Company, Inc.
Co-Manager: BOSC, Inc.
Underwriter's Counsel: Fulbright & Jaworski LLP

Use of Proceeds: Airport, Streets.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows include maturities from 02/15/2020 to 02/15/2033 with corresponding amounts and yields.

Call Option: Bonds maturing on 02/15/2024 to 02/15/2033 callable in whole or in part on any date beginning 02/15/2023 @ par.

GO Bds Taxable Ser 2013B

Tax Treatment: Taxable
Original Issue Amount \$1,250,000.00
Dated Date: 07/15/2013
Sale Date: 07/15/2013
Delivery Date: 08/20/2013
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2014

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Bracewell & Giuliani LLP
Financial Advisor: First Southwest Company, Fort Worth, TX
Lead Manager: Stifel Nicolaus & Company, Inc.
Co-Manager: BOSC, Inc.
Underwriter's Counsel: Fulbright & Jaworski LLP

Use of Proceeds: Airport.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows include maturities 02/15/2023T and 02/15/2033T with amounts and yields.

Call Option: Term bonds maturing on 02/15/2033 callable in whole or in part on any date beginning 02/15/2023 @ par.

Term Call: Term bonds maturing on 02/15/2023:

Table with columns: Mandatory Redemption Date, Principal Amount. Rows include dates from 02/15/2014 to 02/15/2023 with principal amounts.

Term bonds maturing on 02/15/2033:

Table with columns: Mandatory Redemption Date, Principal Amount. Rows include dates from 02/15/2024 to 02/15/2033 with principal amounts.

Comb Tax & Rev C/O Ser 2014

Tax Treatment: Tax Exempt
Original Issue Amount \$7,565,000.00
Dated Date: 02/15/2014
Sale Date: 02/25/2014
Delivery Date: 03/27/2014
Sale Type: Competitive

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TIC: 3.2872%
Record Date: MSRB
Bond Form: BE
Denomination: \$5,000
Interest pays: Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2015

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Bracewell & Giuliani LLP
Financial Advisor: First Southwest Company, Fort Worth, TX
Lead Manager: Citigroup Global Markets Inc.
Co-Manager: Comerica Securities
Co-Manager: JPMorgan Chase Bank
Co-Manager: Ramirez & Co., Inc.
Co-Manager: Stifel Nicolaus & Company, Inc.
Co-Manager: UBS Securities LLC

Security : Limited Tax and a Subordinate lien on the surplus Surplus revenues of the Water & Sewer system not to exceed \$1,000

Water & Sewer 100.00%

Use of Proceeds: Water & Sewer.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows from 02/15/2020 to 02/15/2034. Total: \$6,320,000.00

Call Option: Bonds maturing on 02/15/2025 to 02/15/2034 callable in whole or in part on any date beginning 02/15/2024 @ par.

GO Bds Tax-Exempt Ser 2014

Tax Treatment: Tax Exempt
Original Issue Amount: \$12,000,000.00
Dated Date: 02/15/2014
Sale Date: 02/25/2014
Delivery Date: 03/27/2014
Sale Type: Competitive
TIC: 3.2878%
Record Date: MSRB
Bond Form: BE
Denomination: \$5,000
Interest pays: Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2015

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Bracewell & Giuliani LLP
Financial Advisor: First Southwest Company, Fort Worth, TX
Lead Manager: Piper Jaffray & Co.

Use of Proceeds: Road & Utilities, Streets.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Row for 02/15/2020.

Table with columns: Maturity, Amount, Coupon, Price/Yield. Rows from 02/15/2020 to 02/15/2034T. Total: \$10,295,000.00

Call Option: Bonds maturing on 02/15/2025 to 02/15/2032 and term bonds maturing on 02/15/2034 callable in whole or in part on any date beginning 02/15/2024 @ par.

Term Call: Term bonds maturing on 02/15/2034:

Table with columns: Mandatory Redemption Date, Principal Amount. Rows for 02/15/2033 and 02/15/2034.

GO Ref Bds Ser 2014 (AMT)

Tax Treatment: Alt. Min. Tax
Original Issue Amount: \$2,145,000.00
Dated Date: 02/15/2014
Sale Date: 02/25/2014
Delivery Date: 03/27/2014
Sale Type: Competitive
TIC: 1.4621%
Record Date: MSRB
Bond Form: BE
Denomination: \$5,000
Interest pays: Semi-Annually: 02/15, 08/15
1st Coupon Date: 08/15/2014

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Bracewell & Giuliani LLP
Financial Advisor: First Southwest Company, Fort Worth, TX
Lead Manager: Citigroup Global Markets Inc.
Co-Manager: Comerica Securities
Co-Manager: JPMorgan Chase Bank
Co-Manager: Ramirez & Co., Inc.
Co-Manager: Stifel Nicolaus & Company, Inc.
Co-Manager: UBS Securities LLC

Airport 100.00%

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:

Table with columns: Refunded Amount, Mat Date, Sched Call, Price. Rows for various maturity dates from 02/15/2015 to 02/15/2020.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Row for 02/15/2020. Total: \$380,000.00

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Call Option: Non Callable

GO Ref Bds Ser 2016

Tax Treatment: Tax Exempt
Original Issue Amount \$23,560,000.00
Dated Date: 05/01/2016
Sale Date: 05/13/2016
Delivery Date: 06/09/2016
Sale Type: Negotiated
NIC: 2.6722%
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 02/15, 08/15
1st Coupon Date: 08/15/2016

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Bracewell LLP, Dallas, TX
Financial Advisor: FirstSouthwest, a Division of Hilltop Securities Inc., Fort Worth, TX
Lead Manager: Citigroup Global Markets Inc.
Co-Manager: Piper Jaffray & Co.
Underwriter's Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX

Water & Sewer 23.64%

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:

Comb Tax & Rev C/O Ser 2008

Table with 5 columns: Refunded Amount, Mat Date, Coupon, Price, Sched Call. Lists various bond issues and their amounts.

Table with 4 columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Lists bond maturities and yields.

Call Option: Bonds maturing on 02/15/2027 to 02/15/2033 callable in whole or in part on any date beginning 02/15/2026 @ par.

Comb Tax & Rev C/O Ser 2018

Tax Treatment: Tax Exempt
Original Issue Amount \$13,115,000.00
Dated Date: 12/01/2018
Sale Date: 12/11/2018
Delivery Date: 01/10/2019
Sale Type: Competitive
TIC: 3.3029%
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 02/15, 08/15
1st Coupon Date: 08/15/2019

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: Bracewell LLP, Dallas, TX
Financial Advisor: Hilltop Securities Inc., Fort Worth, TX
Lead Manager: BOK Financial Securities, Inc.

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Water & Sewer system not to exceed \$1,000.

Airport 51.85%
Water & Sewer 48.15%

Use of Proceeds: Public Improvements.

Table with 4 columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Lists bond maturities and yields.

Call Option: Bonds maturing on 02/15/2029 to 02/15/2039 callable in whole or in part on any date beginning 02/15/2028 @ par.

Comb Tax & Rev C/O Ser 2019

Tax Treatment: Tax Exempt
Original Issue Amount \$16,900,000.00
Dated Date: 09/01/2019
Sale Date: 09/10/2019
Delivery Date: 10/10/2019
Sale Type: Competitive
TIC: 2.3156%
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2020

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX

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Bond Counsel: Bracewell LLP, Dallas, TX
 Financial Advisor: Hilltop Securities Inc., Fort Worth, TX
 Lead Manager: BOK Financial Securities, Inc.

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Water & Sewer system not to exceed \$1,000.

Use of Proceeds: Public Improvements.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2020	680,000.00	3.0000%	1.140%
02/15/2021	615,000.00	3.0000%	1.170%
02/15/2022	635,000.00	4.0000%	1.260%
02/15/2023	665,000.00	4.0000%	1.280%
02/15/2024	690,000.00	4.0000%	1.320%
02/15/2025	720,000.00	4.0000%	1.400%
02/15/2026	750,000.00	4.0000%	1.450%
02/15/2027	775,000.00	3.0000%	1.500%
02/15/2028	800,000.00	3.0000%	1.550%
02/15/2029	825,000.00	3.0000%	1.630%
02/15/2030	850,000.00	3.0000%	1.740%
02/15/2031	875,000.00	3.0000%	1.850%
02/15/2032	900,000.00	3.0000%	1.950%
02/15/2033	930,000.00	3.0000%	2.060%
02/15/2034	955,000.00	3.0000%	2.150%
02/15/2035	985,000.00	3.0000%	2.190%
02/15/2036	1,015,000.00	3.0000%	2.230%
02/15/2037	1,045,000.00	3.0000%	2.270%
02/15/2038	1,080,000.00	3.0000%	2.310%
02/15/2039	1,110,000.00	3.0000%	2.350%
-----\$16,900,000.00			

Call Option: Bonds maturing on 02/15/2029 to 02/15/2039 callable in whole or in part on any date beginning 02/15/2028 @ par.

Grand Total =====> \$109,205,000.00

Bond Debt Service

Period Ending	Principal	Interest	Debt Service
09/30/19	5,650,000.00	3,591,956.49	9,241,956.49
09/30/20	5,740,000.00	4,067,223.68	9,807,223.68
09/30/21	5,720,000.00	3,959,077.50	9,679,077.50
09/30/22	5,875,000.00	3,747,761.88	9,622,761.88
09/30/23	6,130,000.00	3,511,346.25	9,641,346.25
09/30/24	6,375,000.00	3,259,152.50	9,634,152.50
09/30/25	6,650,000.00	3,000,021.25	9,650,021.25
09/30/26	6,950,000.00	2,722,077.50	9,672,077.50
09/30/27	7,250,000.00	2,423,886.88	9,673,886.88
09/30/28	7,100,000.00	2,118,715.00	9,218,715.00
09/30/29	6,955,000.00	1,817,089.38	8,772,089.38
09/30/30	7,255,000.00	1,519,295.00	8,774,295.00
09/30/31	7,565,000.00	1,223,335.63	8,788,335.63
09/30/32	7,835,000.00	924,698.13	8,759,698.13
09/30/33	6,740,000.00	632,019.38	7,372,019.38
09/30/34	3,735,000.00	428,993.75	4,163,993.75
09/30/35	2,360,000.00	327,718.75	2,687,718.75
09/30/36	2,435,000.00	251,056.25	2,686,056.25
09/30/37	2,520,000.00	171,303.13	2,691,303.13
09/30/38	1,975,000.00	98,875.00	2,073,875.00
09/30/39	2,040,000.00	33,506.25	2,073,506.25

	114,855,000.00	39,829,109.55	154,684,109.55
=====			

COMPUTED ON BASIS OF MANDATORY REDEMPTION

Debt Amortization Rates

Period Ending	Principal	% of Principal Retired
09/30/2019	5,650,000.00	04.92%
09/30/2020	5,740,000.00	09.92%
09/30/2021	5,720,000.00	14.90%
09/30/2022	5,875,000.00	20.01%
09/30/2023	6,130,000.00	25.35%
09/30/2024	6,375,000.00	30.90%
09/30/2025	6,650,000.00	36.69%
09/30/2026	6,950,000.00	42.74%
09/30/2027	7,250,000.00	49.05%
09/30/2028	7,100,000.00	55.23%
09/30/2029	6,955,000.00	61.29%
09/30/2030	7,255,000.00	67.61%
09/30/2031	7,565,000.00	74.19%
09/30/2032	7,835,000.00	81.02%
09/30/2033	6,740,000.00	86.88%
09/30/2034	3,735,000.00	90.14%
09/30/2035	2,360,000.00	92.19%
09/30/2036	2,435,000.00	94.31%
09/30/2037	2,520,000.00	96.50%
09/30/2038	1,975,000.00	98.22%
09/30/2039	2,040,000.00	100.00%

DEBT SERVICE FUND MANAGEMENT INDEX

G.O. Debt Service Requirements for fiscal year-ending 09/30/2019	\$9,241,956
I&S Fds all G.O. issues 09/30/2018	\$168,535
2018 I&S Fund Tax Levy @ 90%*	6,065,039
Airport	749,308
Drainage	545,761
Water & Sewer	1,195,897

* The tax levy collection percentage would have to be 98% to meet debt service requirements.

OPERATING STATEMENT

OPERATING EXPERIENCES The following condensed statements have been compiled using accounting principles customarily employed in the determination of net revenues available for debt service, and in all instances exclude depreciation, transfers, debt service payments and expenditures identified as capital.

	Fiscal Year Ended			
	09-30-2018	09-30-2017	09-30-2016	09-30-2015
AIRPORT FUND				
Revenues:				
Rent Revenue	\$4,473,583	\$4,369,905	\$4,426,111	\$4,248,056
Other	1,847,719	1,191,844	1,230,702	1,416,899
	-----	-----	-----	-----
Total Revenues	\$6,321,302	\$5,561,749	\$5,656,813	\$5,664,955
Expenses	\$4,499,561	\$4,029,630	\$4,028,723	\$3,977,450
Available For Debt Service	\$1,821,741	\$1,532,119	\$1,628,090	\$1,687,505
STORMWATER UTILITY SYSTEM				
Revenues:				
Charges for Services	\$2,137,942	\$2,034,101	\$1,885,773	\$1,729,899

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Other	165,884	64,768	60,196	39,242
Total Revenues	\$2,303,826	\$2,098,869	\$1,945,969	\$1,769,141
Expenses	\$546,279	\$1,156,831	\$1,826,825	\$584,259
Available For Debt Service	\$1,757,547	\$942,038	\$119,144	\$1,184,882

	Fiscal Year Ended			
	09-30-2018	09-30-2017	09-30-2016	09-30-2015
Revenues:				
Charges for Services	\$12,070,393	\$10,856,095	\$10,509,025	\$10,114,364
Other	274,618	214,569	172,603	126,827
Total Revenues	\$12,345,011	\$11,070,664	\$10,681,628	\$10,241,191
Expenses:				
Water Purchased	\$3,920,938	\$3,469,557	\$3,458,701	\$3,223,750
Sewer Contract	3,344,312	2,627,932	2,543,156	2,496,828
Other	3,528,884	2,029,382	3,028,935	3,046,128
Total Expenses	\$10,794,134	\$8,126,871	\$9,030,792	\$8,766,706
Available For Debt Service	\$1,550,877	\$2,943,793	\$1,650,836	\$1,474,485

SYSTEM DESCRIPTION AND PERTINENT CONTRACTS

WATER SUPPLY The Town operates and maintains its own water and sewer utility system. The Town purchases water from the City of Dallas and delivers its sewage to the City of Dallas treatment facilities or at the Trinity River Authority's northern region treatment plant.

TRINITY RIVER AUTHORITY - REGIONAL WASTEWATER SYSTEM CONTRACT (See TMR #5861 for additional information including all contracting parties)

Date of Contract: October 1995, as amended
Length of Contract: Life of the Bonds
Amount Outstanding: \$1,121,245,000 as of October 1, 2019

Payments made by the Town constitute operating and maintenance expenses of its waterworks and sewer system pursuant to Articles 1109i and 1113, VACS and Chapter 25, Texas Water Code.

Nature of Contract: TRA issued Revenues Bonds (and used federal construction grants) to construct and improve a central regional wastewater system for the contracting cities. Each contracting city has agreed to pay TRA a share of operation and maintenance expenses of the System and debt service requirements on the Bonds.

FARMERS BRANCH SEWER TUNNEL PROJECT (See TMR #1488 CITY OF FARMERS BRANCH ASSESSMENT & UTILITY SYSTEM)

Date of Interlocal Sanitary Sewer Interceptor Agreement: March 18, 1991
Length of Contract: 30 years
Amount Outstanding: \$0 Outstanding as of September 30, 2018

Nature of Contract: The Town and the City of Farmers Branch created the North Dallas Water Supply Corporation in 1991 for the purpose of issuing bonds to construct and operate a joint sanitary sewer interceptor project. The Town will pay its proportionate share to construct, own, operate, and maintain the Project. The Project was substantially complete on September 30, 1996.

RATES AND FEES

Water Rates

Old Rates (Effective as of October 1, 2017)

Residential Gallons	Rate
First 2,000	\$ 11.89(Min)
Over 2,000	2.94/M

Small Commercial Gallons	Rate
First 5,000	\$ 20.72(Min)
Over 5,000	2.94/M

New Rates (Effective as of September 11, 2018)

Residential Gallons	Rate
First 2,000	\$ 12.84(Min)
Over 2,000	3.18/M

Small Commercial Gallons	Rate
First 5,000	\$ 22.38(Min)
Over 5,000	3.18/M

Sewer/Wastewater Rates

Old Rates (Effective as of October 1, 2017)

Residential Gallons	Rate
First 2,000	\$ 14.06(Min)
Over 2,000	4.74/M*

* Maximum 8,000

Small Commercial Gallons	Rate
First 5,000	\$ 28.26(Min)
Over 5,000	4.74/M

New Rates (Effective as of September 11, 2018)

Residential Gallons	Rate
First 2,000	\$ 15.18(Min)
Over 2,000	5.12/M*

* Maximum 8,000

Small Commercial Gallons	Rate
First 5,000	\$ 30.52(Min)
Over 5,000	5.12/M

AUTHORIZED BUT UNISSUED

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED*

Election Date	Purpose	Amount Authorized	Issued To Date	Unissued
05/12/12	Airport Improvements	\$7,000,000	\$7,000,000	\$0
05/12/12	Communication System	2,000,000	2,000,000	0
05/12/12	Park	3,500,000	3,500,000	0
05/12/12	Parking Garage	3,000,000	0	3,000,000
05/12/12	Road	10,000,000	10,000,000	0
05/12/12	Street	29,500,000	6,500,000	23,000,000
11/05/19	Parks & Recreation	6,723,002	0	6,723,002
11/05/19	Public Facility	7,395,000	0	7,395,000
11/05/19	Road & Bridge	22,900,000	0	22,900,000
11/05/19	Street & Drainage	33,602,000	0	33,602,000
Total:		\$125,620,002	\$29,000,000	\$96,620,002

* Excludes authorizations from the following election proposition(s) because the remaining authorization is deemed too small or too old:

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10/17/1981- \$1,000,000 Library
10/17/1981- \$445,000 Sewer
10/17/1981- \$3,225,000 Water

PENSION FUND LIABILITY

All qualified employees of the City are members of the Texas Municipal Retirement System. The City employees also participate in the U.S. Social Security program.

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS).

Required Contribution Rates (Percentage of gross covered salary)

Table with 3 columns: Category, 2020, 2019. Rows: Employee, Maximum Rate, City.

Table with 3 columns: Category, 12/31/2018, 12/31/2017. Rows: Assets, Accrued Liabilities.

(Unfunded)/Overfunded Liab. (\$6,016,535) (\$5,036,047)

Table with 3 columns: Category, 2018, 2017. Rows: Funded Ratio, Annual Covered Payroll, (Unfunded)/Overfunded Liability as a % of Covered Payroll.

Table with 3 columns: Category, 12/31/2018, 12/31/2017. Rows: Pension Liability - Beginning, Pension Liability - Ending (a).

Table with 3 columns: Category, 2018, 2017. Rows: Contributions Employer, Contributions Employee.

Table with 3 columns: Category, 2018, 2017. Rows: Plan Fiduciary Net Position Beg, Plan Fiduciary Net Position End (b).

Table with 3 columns: Category, 2018, 2017. Rows: Net Pension Liability (a) - (b), (Pension Liab - Fiduciary Position).

Table with 3 columns: Category, 2018, 2017. Rows: Plan Fiduciary Net Position as a % of Total Pension Liability.

Table with 3 columns: Category, 2018, 2017. Rows: Covered Employee Payroll.

Table with 3 columns: Category, 2018, 2017. Rows: Net Pension Liability as a % of Covered Payroll.

Membership Data

Table with 3 columns: Category, 2018, 2017. Rows: Inactive employees or beneficiaries currently receiving benefits, Inactive employees entitled to but not yet receiving benefits, Active employees, Total.

Source: Texas Municipal Retirement System

POST EMPLOYMENT HEALTH BENEFITS: GASB STATEMENT 45 GASB released the Statement of Governmental Accounting Standards No. 45 (GASB 45), Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (OPEB), in June 2004.

RETIREE HEALTHCARE PLAN

SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Table showing schedule of changes in total OPEB liability and related ratios for the last fiscal year (December 31, 2017). Rows include Total OPEB liability, Service cost, Interest on the total OPEB liability, etc.

TMRS SUPPLEMENTAL DEATH BENEFIT FUND

SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Table showing schedule of changes in total OPEB liability and related ratios for the last fiscal year (December 31, 2017) for the supplemental death benefit fund. Rows include Total OPEB liability, Service cost, Interest on the total OPEB liability, etc.

Source: Comprehensive Annual Financial Report dated September 30, 2018.

NON FUNDED DEBT

NON-FUNDED DEBT PAYABLE (As of September 30, 2018)

The City reports additional debt in the principal amount of \$602,000 under Business Activities and \$4,610,000 under Govt Activities as follows:

Table with 4 columns: Note, Amount Outstanding, Next Year's Requirements, Reported Under. Rows include OPEB**, Compensated Absences, etc.

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OPEB** \$3,745,000 N/A Govt Activities

* Amount excludes interest
** See PENSION FUND LIABILITY section for details of this obligation.

OVERLAPPING DEBT

ESTIMATED OVERLAPPING DEBT STATEMENT

Table with columns: Taxing Body, Debt Amount, As Of, %Ovlp, Ovlp Amt. Rows include Carrollton-Farmers Branch, Dallas Co, Dallas Co CCD, Dallas Co Hosp Dist, Dallas Co Schools, Dallas ISD, and Total Overlapping Debt.

* Gross Debt

MATERIAL EVENTS AND OTHER FILINGS

This section contains excerpt(s) from or a summary of filings made by or on behalf of the issuer. The information below is an extract or summary only.

11/29/2018 - Moody's Underlying: Upgrade on 11/28/2018

"On November, 28 2018, the underlying rating for the debt of the Issuer, as assigned by Moody's Investor Services, has been upgraded to Aaa from Aa1."

ECONOMIC BACKGROUND

The Town of Addison, located in the "platinum corridor of North Dallas", is a retail, business and aviation center located 12 miles north of downtown Dallas.

COUNTY CHARACTERISTICS: Dallas County was created in 1846 from Nacogdoches and Robertson Counties and named for the U.S. Vice-President, George Mifflin Dallas.

COUNTY SEAT: Dallas

2010 census: 2,368,139 increasing 6.7% since 2000
2000 census: 2,218,899 increasing 19.8% since 1990
1990 census: 1,852,810

ECONOMIC BASE

Mineral: sand, oil, gravel and gas.

Industry: U.S. Customs, transportation, trade center, telecommunications, government, electronic equipment, data processing and conventions.

Agricultural: wheat, soybeans, horticulture, horses, hay, crops and corn.

OIL AND GAS - 2018

The gas production for this county accounts for 0.17% of the total state production. The county ranks 61 out of all the counties in Texas for gas production.

GAS WELL PRODUCTION (Texas Railroad Commission)

Table with columns: Year, Description, Volume, % Change From Previous Year. Rows for 2015, 2016, 2017, 2018 GW Gas.

PARKS (Texas Parks & Wildlife)

Table with columns: Year, Description, Volume. Rows for 2015, 2016, 2017, 2018 Cedar Hill State Park.

RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)

Table with columns: Year, Retail Sales, Effective Buying Income (EBI), County Median Household Income, State Median Household Income, % of Households with EBI below \$25K, % of Households with EBI above \$25K.

EMPLOYMENT DATA (Texas Workforce Commission)

Table with columns: Year, Employed, Earnings. Rows for 2019 and 2018 (1st Q, 2nd Q, 3rd Q, 4th Q).

MAJOR COLLEGES AND UNIVERSITIES: University of Texas at Dallas, University of North Texas at Dallas, University of Dallas, The University of Texas Southwestern Medical at Dallas, Southern Methodist University, Paul Quinn College, Dallas County Community College District, Dallas Baptist University, Amberton University

COLLEGES AND UNIVERSITIES

Table with columns: Year, Total, Fall Enrollment. Rows for 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008.

TOP EMPLOYERS

Table with columns: Major Employers, # Employees. Rows for Mary Kay Cosmetics, Inc., Bank of America Finance.

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Regus Texas	590
Real Estate	
Barnett Daffin Frappier Turner & Engel	550
Law Firm	
Expense Reduction Analysts	501
Consulting Service	
Maximum Integrated Products	500
Manufacturing	
Intercontinental Hotel Dallas	450
Hospitality	
National Bankruptcy Services	450
Bankruptcy Service	
Zurich American Insurance Co.	400
Business Insurance	
Greenhill School	370
Education	

John R. Ames
 Dallas County Tax Office
 1201 Elm Street, Suite 2600
 Dallas, TX 75270
 Phone: 214-653-7811
 Fax: 214-653-7887
 john.ames@dallascounty.org

Chief Appraiser
 Ken Nolan
 Dallas Central Appraisal District
 2949 North Stemmons Freeway
 Dallas, TX 75247
 Phone: 214-631-0520
 Fax: 214-631-2518
 customerservice@dcad.org

Source: Town of Addison CAFR dated September 30, 2018.

TOP TAXPAYERS

Principal Taxpayers	2019 A.V.	% of A.V.
1. FPG Colonnade LP	\$222,825,240	4.62%
Office Buildings		
2. Post Addison Circle	98,673,040	2.05%
Apartments		
3. 5100 Belt Line Rd. Investors LLC	93,000,000	1.93%
Shopping Center/Mall		
4. COP Spectrum Center LLC	80,798,250	1.68%
Office Buildings		
5. Fiori LLC	80,000,000	1.66%
Apartments		
6. Gaedeke Holdings IX LLC	75,725,000	1.57%
Office Buildings		
7. Mary Kay Inc.	74,500,000	1.55%
Office Buildings		
8. 14555 Office Partners LP	68,573,010	1.42%
Office Buildings		
Total:	\$794,094,540	16.48%

FINANCE CONNECTED OFFICIALS

Mayor
 Joe Chow
 5300 Belt Line Road
 Dallas, TX 75254
 Phone: 972-400-7000
 Fax: 972-450-7043
 jchow@addisontx.gov

City Manager
 Wes Pierson
 5300 Belt Line Road
 Dallas, TX 75254
 Phone: 972-450-7037
 Fax: 972-450-7043
 wpierson@addisontx.gov

City Secretary
 Irma Parker
 5300 Belt Line Road
 Dallas, TX 75254
 Phone: 972-450-7017
 Fax: 972-450-7043
 iparker@addisontx.gov

Tax Assessor/Collector

LK

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