

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF DUNCANVILLE, TEXAS

FOR

FISCAL YEAR ENDED

SEPTEMBER 30, 2009

PREPARED BY:

CITY OF DUNCANVILLE

FINANCE DEPARTMENT

CITY OF DUNCANVILLE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
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Duncanville
City of Champions

INTRODUCTORY SECTION



Duncanville
City of Champions



City of Duncanville

Kent Cagle
City Manager

June 8, 2010

The Honorable Mayor and Members of the City Council
City of Duncanville
Duncanville, Texas

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Duncanville, Texas for the fiscal year ended September 30, 2009.

This report is published to provide the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Weaver and Tidwell, L.L.P., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Duncanville's financial statements for the year ended September 30, 2009. The independent auditor's report is located at the beginning of the financial section of this CAFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

CITY PROFILE

Location

Located in the Best Southwest portion of Dallas County, the City of Duncanville is situated approximately 20 minutes from Fort Worth and just minutes from downtown Dallas. With I-20 on its northern border and Hwy-67 bordering its east, the City covers approximately 12 square miles and is easily accessible from major interstate and highway systems in North Texas, including I-35 (the NAFTA Corridor.) The 2000 census population for the City was 36,081, while the estimated 2009 population is 38,542 (ESRI-demographics).

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1949, and first adopted its Home Rule Charter May 5, 1962. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Council members, who enact local laws, determine policies and adopt the annual budget. The term of office is two years with the terms of the Mayor and two of the Council members' terms expiring in even-numbered years and the terms of

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City Charter provides that City Council shall adopt the annual budget prepared by City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed monthly to City departmental and divisional management and to others upon request. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation budget approved by the City Council. Budgetary control is maintained by the use of an automated general ledger system that compares actual expenditures to the legally adopted appropriation in each line-item account.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Regional Economy

- The Dallas/Fort Worth Metropolitan Statistical Area (MSA) reported more than 6.3 million residents in the *U.S. Census 2008 American Community Survey*, making it the largest metropolitan area in Texas, the fourth largest metro in the country and larger than 37 U.S. states. (U.S. Census Bureau, U.S. Census Bureau: American Community Survey 2008) Dallas/Fort Worth's population growth is already well on its way to a third consecutive decade of adding a million or more new residents to the Metro area. According to the U.S. Census Bureau's 2008 estimate, the area has grown 21 percent (1.13 million people) since the 2000 census. (U.S. Census Bureau)
- The DFW region ranks second in the U.S. metropolitan areas for revenue generated from Fortune 500 companies. DFW is home to twenty-five fortune 500 headquarters in 2009. (Dallas Regional Chamber)
- DFW claims 26 percent of the state's population, 27 percent of the labor force, 28 percent of all wage and salary jobs, and produces 33 percent of the state's total product as measured by Gross Domestic Product (GDP). (Economy.com)
- Total GDP for the DFW metro reached \$320 billion in 2009. If DFW were a nation, its Gross Domestic Product would place it among small European countries. (Perryman Group, BLS, economy.com)
- Dallas/Fort Worth offers the largest number of college and high school educated residents of any metro area in the state of Texas and among the highest in the nation. According to the Census Bureau, more than 900,000 residents in DFW hold high school diplomas and more than 1.1 million have completed at least four years of college. (U.S. Census Bureau, American Community Survey 2008)
- DFW has one of the most diverse economies in the nation, reporting between 3 and 22 percent of the workforce in each of the major industrial sectors. (U.S. Bureau of Labor Statistics)

- Trade, Transportation and Utilities, Professional and Business Services (Including Other Services), Government, Manufacturing, and Education and Health are the largest employment sectors in the Dallas/Fort Worth regional economy, accounting for approximately 73.2 percent of all jobs. (U.S. Bureau of Labor Statistics)
- DFW's direct trade with North America Free Trade Agreement (NAFTA) countries was \$1.5 billion in 2008. (U.S.A. Trade Online)
- Dallas is home to five major league sport teams including NFL Cowboys football, NBA Mavericks basketball, MLB Rangers baseball, NHL Stars hockey, NSL FC Dallas soccer. (Dallas Convention and Visitors Bureau)
- The DFW job market grew by approximately 46,000 jobs from 2007 to 2008. Among the largest metro areas in the U.S., DFW ranks second only to Houston in job growth. (U.S. Bureau of Labor Statistics, U.S. Census Bureau)
- ACCRA Cost of Living Index consistently reports that housing in the DFW area is one of the least expensive metropolitan markets in the nation. With a 3rd quarter 2008 score of 72.8 local housing is 27.2 percent below the U.S. average of 100. (ACCRA, Greater Dallas Chamber)

Duncanville's Position in the Region

Duncanville is known as a first-tier suburb, meaning it is one of the first suburban cities to have developed on the periphery of Dallas. The bulk of the development activity took place during the 1960's and 1970's, leaving only a few small vacant tracts available and the City essentially a bedroom community (67% residential).

In keeping with our planned slow, yet deliberate and targeted growth, the re-development of Main Street is now in process, along with other projects of rehabilitation in older shopping centers. A full study for the revitalization of Main Street has been completed utilizing the concept of New Urbanism, which involves higher density uses to help create a compatible live/work environment. Many changes to Main Street will come during the next few years. One of the first of such projects is Main Station Railroad Flats which will consist of thirty-one live/work townhomes on Center Street, just one block off Main Street. The City received grant funds from NCTCOG for paving and beautification, which was a tremendous aid in funding this project.

New projects commenced or completed in older shopping centers include the complete redecoration of Tom Thumb and Kroger Supermarkets, as well as the addition of a Terry's Supermarket and an ALDI grocery store. A facelift was given to the Cedar Park Shopping Center and others are in the planning stages.

Duncanville has limited land available for new residential development and any new development is expected to be of higher density than what took place previously. Limited land availability also restricts the amount of new industrial and manufacturing facilities that can be built. However, Duncanville is still home to a diversified group of manufacturing and distribution firms. Major manufacturing industries within the city produce corrugated storage and filing boxes, bakery products, fabricated sheet-metal products, cabinets, doors, and frozen foods. The Duncanville Industrial Corporation is a major industrial park in the city and two other large industrial parks, Redbird Industrial Park and Mountain Creek Business Park, are adjacent to the City.

In addition, the following reflects past, present, and anticipated progress of economic development activity in the City of Duncanville.

- The area remains the distribution and financial center of the southwest with high tech industries, service industries, trade and corporate headquarters providing a stable and diverse local economy.

- Duncanville boasts a strong industrial community that includes companies like **Quality Cabinets**, the second largest cabinet maker in the United States. They remain one of the City's largest tax payers and have a total of 706 employees.
- Duncanville is very proud to say **Bob Knight's Fieldhouse** (a 95,000 sq. foot basketball/volleyball facility) will open in 2010 and will draw people near and far into the community.
- **Pappadeaux Seafood**, which opened in 2003, continues in their success in providing fine dining for area residents.
- In August 2007, **Best Western Inn and Suites** opened a flagship hotel on the southeast section of Highway 67 and Cockrell Hill. They continue to receive high performance ratings from the Best Western Corporate Offices.
- **The Hilton Garden Inn** opened September 1, 2005 offering a five-story, 142-room, 93,000 square foot hotel and conference center at the corner of Main Street and I-20. This facility provides businesses and guests with access to 14,000 square feet of conference room and meeting space.
- Two major highways cross through Duncanville's city limits allowing the City to enjoy the convenience of nearby **D/FW International Airport** (3rd busiest in the United States) and **Love Field Airport** to meet commercial passenger air transportation needs.
- **Deford Lumber Co. Ltd.** is a manufacturing and distribution business that uses a high-speed assembly line to manufacture doors and currently employs 130 people.
- **Pioneer Foods**, located at 627 Big Stone Gap, is a subsidiary of C. H. Guenther & Son Inc., and manufactures frozen dough products. They currently have 175 employees.
- **Costco Wholesale Corporation** is the largest membership warehouse club chain in the world based on sales volume. The Duncanville location, which opened in August 2007, currently employs 132 people.
- **Shops at Waterview Park**, a \$30,000,000 mixed-use development, continues to prosper with tenants including L.A. Fitness, Genghis Grill, Red Hot & Blue BBQ, Subway, Duncanville Dialysis Center, Bayou Goulas Seafood & Market, Farmers Insurance, KK Beauty Supply, Serenity Dental Spa, and Townview Realtors. Bella Ruscello, offering 216 units of upscale apartment living adjacent to the Shops at Waterview Park, continues at a high occupancy rate and was recently purchased by Grubb and Ellis.
- The total dollars reinvested (private and Type B) into the community through Duncanville Community and Economic Development Corporations (DCEDC) projects was \$1,785,382 for calendar year 2009 and the total dollars approved to be spent by DCEDC for new development projects was \$842,048 and will result in 59 new jobs for Duncanville.
- Through an investment of \$273,965 of DCEDC funds for Community Development projects, the Duncanville Recreation Center was able to refurbish the gym floor at the Library/Community Center, the City's Parks Department was able to continue the landscape color change throughout the city, a walking trail was constructed at Waterview Park, and the Duncanville Community Library will be able to expand their book collection by \$50,000.
- The Main Street Study and Initiative project is making progress through Gateway Planning's Scott Polikov and his staff researching and developing the best redesign and transformation for the City's Main Street corridor in order to make it a seamlessly integrated socioeconomic epicenter for the City. Engineering for the project has been completed and street construction will begin soon.

- The first building permit was issued in the first quarter of 2009 for the mixed-use retail and condominium project to be built on Center Street just east of Main Street, and the first two units are near completion.
- Duncanville continues to house one of the state’s top rated school districts helping support residential property values. The City also benefits from an affluent workforce with Duncanville’s median household income of \$64,760 comparing favorably to \$56,377 for the DFW Metroplex, \$50,043 for Texas, and \$52,029 for the U.S. (U.S. Census Bureau, Greater Dallas Chamber, and ESRI-BUS)

The long-range economic outlook for Duncanville is very promising. The City continues to grow with economic development initiatives targeting quality businesses that will bring unique products and services to this ever-growing community. The City’s citizens and business community are committed to managed growth and maintaining the level of economic prosperity and quality of life Duncanville currently enjoys.

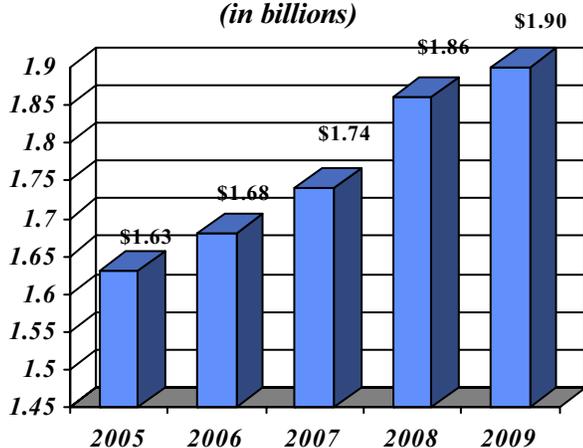
In addition, the following non-economic major initiatives are in place, contributing to the overall health of the City:

- Continuing the design of the East bound service road along I-20 from Main Street to Camp Wisdom Road.
- Continuing aggressive Code Enforcement, resolving violations.
- Pushing a more aggressive program of delinquent tax foreclosures when necessary.
- Promoting another year of aggressive apartment code inspection (ninth year).
- Maintaining an aggressive water and sewer line rehabilitation program.
- Improving access to Duncanville and access to surrounding cities via future expansion of Highway 67 (Southern Gateway Project).

Economic Signs

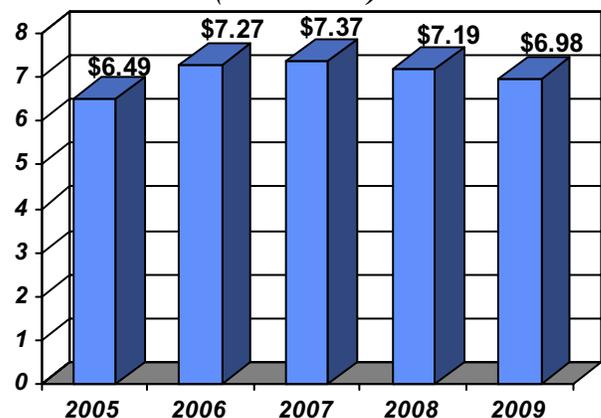
ASSESED PROPERTY VALAUTIONS

(in billions)



SALES TAX COLLECTIONS

(in millions)



Future Economic Outlook

Duncanville has weathered difficult economic times and will continue to deal with tough economic circumstances. Sales tax collections were down this year compared to the previous year and until the economy improves, we expect flat or lower sales tax revenues to continue. Property values increased this year which indicate Duncanville is still a top choice for existing home purchases. Beer and wine sales continue to sustain commercial activity helping to soften the economic downturn. Duncanville remains an attractive, well maintained city with a solid infrastructure that is well deserving of its moniker “City of Champions”.

Relevant Financial Policies

The City implemented GASB 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions” which resulted in a government wide liability of \$367,770. The City opted for the “pay-as-you-go” method and will adjust this liability recognition annually.

It is the City's policy that all demand deposits and time deposits are secured by pledged collateral with a market value equal to no less than 100% of the deposits less the amount insured by the FDIC. Evidence of the pledged collateral is maintained by the Finance Department and a third party financial institution. Collateral is reviewed monthly to assure the market value of the securities pledged equals or exceeds the related bank balances.

The Audit Committee of the Duncanville City Council is chartered to assist the City Council in fulfilling its financial and compliance oversight responsibilities. It is to be the City Council’s principal agent in ensuring the independence of the City’s annual financial audit, the integrity of City management, and the adequacy of financial disclosures to the public. The Audit Committee serves as the focal point for communication between the City Council, the independent auditor, and City management. The Audit Committee’s primary duties and responsibilities are to: 1) Advise the City Council and management on the selection of the independent auditor. 2) Serve as an independent and objective party to monitor the City’s financial and compliance reporting process and internal control system. 3) Review and appraise the audit efforts of the City’s independent auditor. 4) Provide an open avenue of communication among the independent auditor, financial and senior management, and the Duncanville City Council. Quarterly and annual investment reports are also reviewed by the Audit Committee.

These reports summarize recent market conditions, economic developments, anticipated investment conditions and investment strategies employed. They also describe the portfolio in terms of investment securities, maturities, risk characteristics, compare the investment return with budgetary expectations and suggest improvements that might be made in the investment program.

All safekeeping arrangements are in accordance with a safekeeping agreement approved by the City Manager which clearly defines the procedural steps for gaining access to pledged collateral on deposits should the City of Duncanville determine that the City's funds are in jeopardy. The safekeeping institution, or Custodian, is the Federal Reserve Bank or an institution not affiliated with the firm pledging the collateral. The safekeeping agreement is a three-party contract between the City, the depository bank and the Federal Reserve Bank as custodian.

All investments transacted by the City are purchased using the delivery versus payment method. That is, funds are not wired or paid until verification has been made that the correct security has been received by the Custodian. The security is held in the name of the City or held on behalf of the City. The Custodian's records must assure the notation of the City's ownership or explicit claim on the securities. The original copy of all safekeeping statements is delivered to the City.

All collateral is subject to inspection and audit by the Finance Director or the City's independent auditors.

Risk Management

In July, 1989, the City adopted a self-insurance program through the Arthur Gallagher Co. for workers' compensation, property and all of the City's liability coverage. In June, 1996, the City changed from Arthur Gallagher Co. to the Texas Municipal League Risk Pool for the self-insurance program. The retention levels for the City and the corresponding policy limits are as follows: \$75,000/\$10,000,000 for workers' compensation; \$25,000/\$30,871,912 for property and \$50,000/\$1,000,000 for liability claims.

The risk management program has been implemented in order to minimize or eliminate any harm to the financial position of the City, any physical injury to employees or potential destruction of property by providing proper insurance coverage, safety training and safety assessment.

Employee Health Plan

The City maintains an employee health plan for employees and dependents, which is self-insured by the City. Revenues are recognized from payroll deductions and from City contributions. The City utilizes a preferred provider organization for its primary health care option and actively solicits input from its employees regarding benefit levels and cost containment strategies.

OTHER INFORMATION

Independent Audit

The City Charter requires an independent audit of the City's financial records each year by qualified certified public accountants selected by the City Council. This requirement has been complied with and the independent auditors' report has been included in this report.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Duncanville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

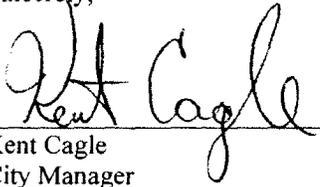
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgments

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the staff has our sincere appreciation for the contributions made in the preparation of this report.

We would also like to thank the members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,



Kent Cagle
City Manager



Richard Summerlin, CPA, CGFO
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Duncanville
Texas

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

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

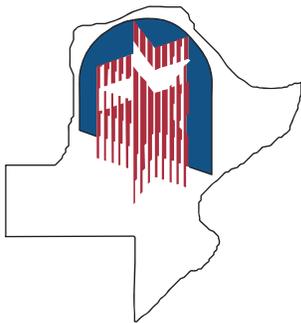


A stylized, handwritten signature in black ink, appearing to be "J.R. Emer".

President

A handwritten signature in black ink, clearly legible as "Jeffrey R. Emer".

Executive Director

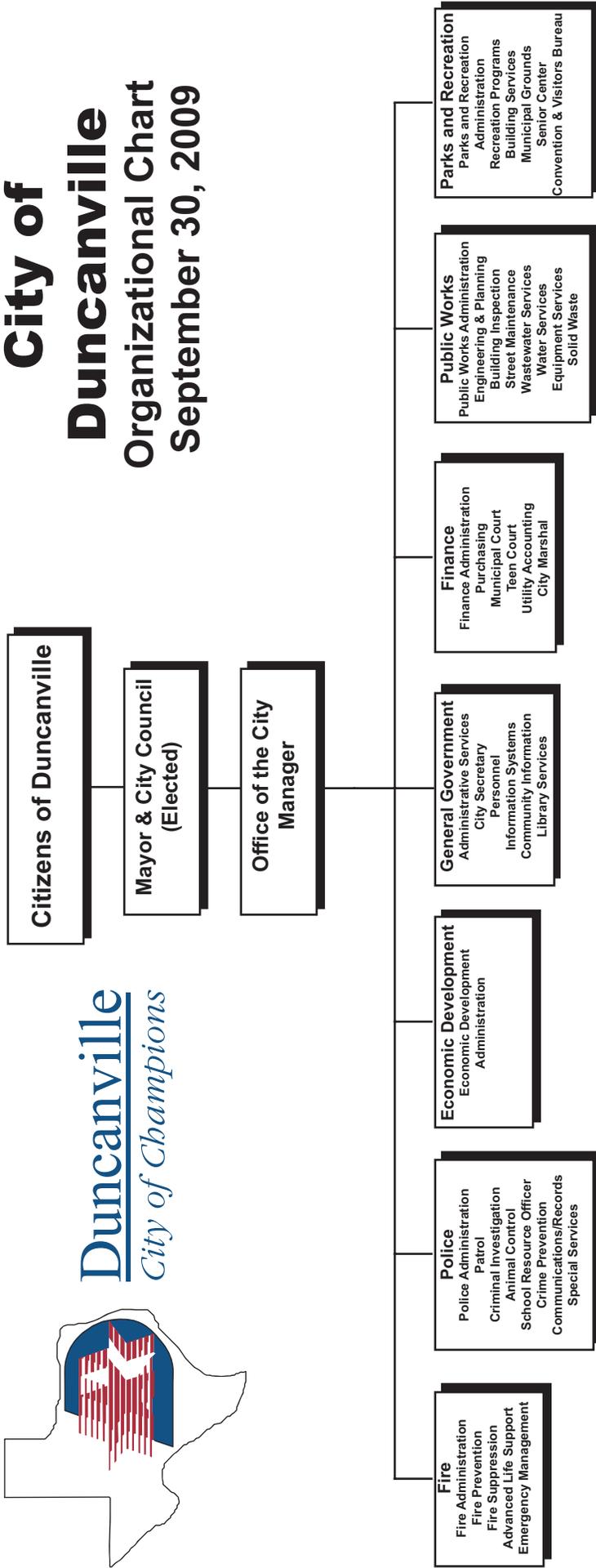


Duncanville
City of Champions

City of Duncanville

Organizational Chart

September 30, 2009



The Perfect Blend of Family, Community & Business

**CITY OF DUNCANVILLE
CITY COUNCIL**

David Green, Mayor

Grady Smithey, Mayor Pro Tem

Scott Cannon, Council Member

Anthony Skinner, Council Member

Johnette Jameson, Council Member

Dorothy Burton, Council Member

Ken Weaver, Council Member



ADMINISTRATIVE OFFICIALS

Kent Cagle, City Manager

Jeanne Fralicks Heard, Assistant City Manager

Richard Summerlin, Finance Director

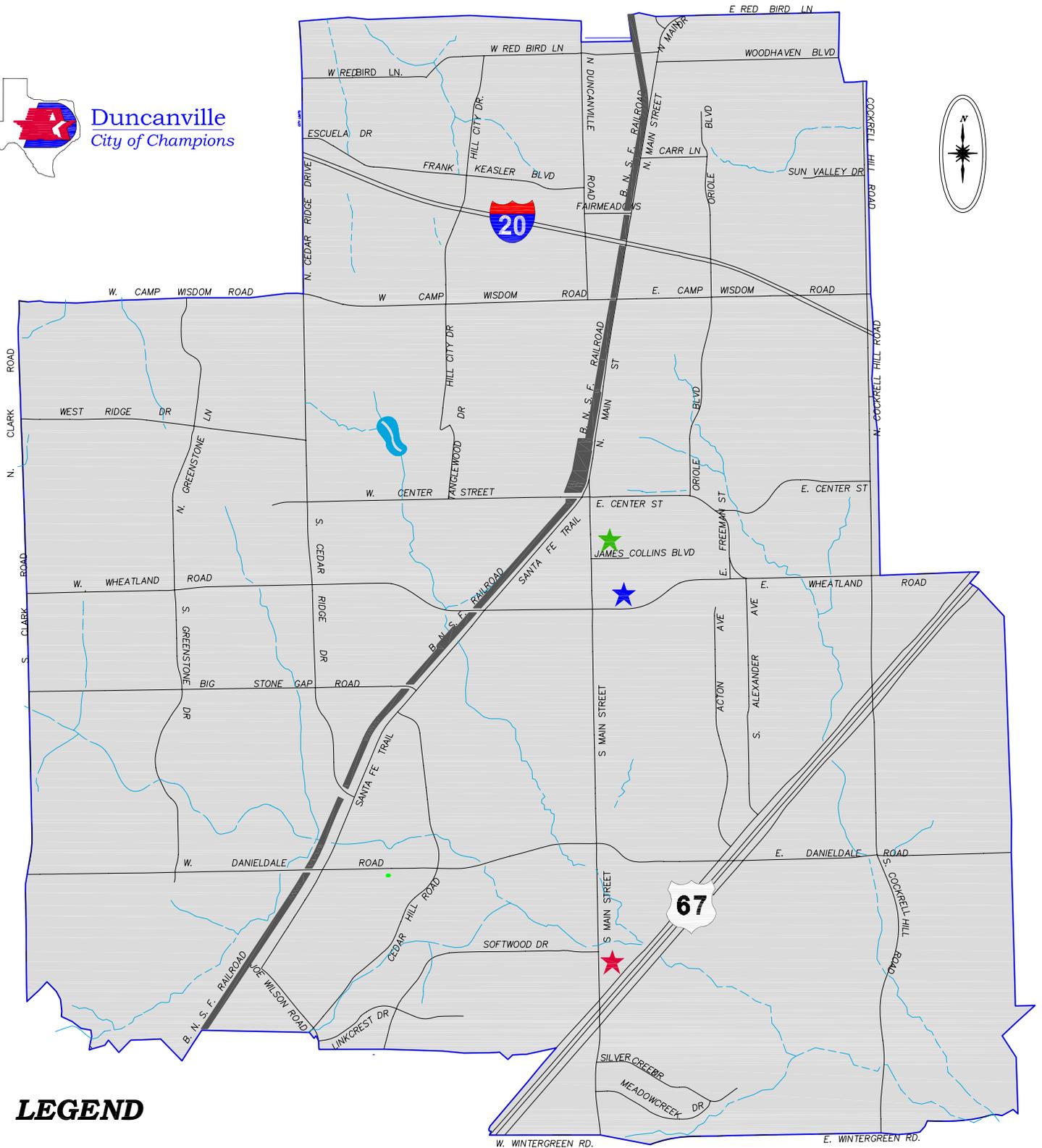
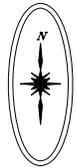
Tia Pettis, Assistant Finance Director

Gregg Weaver, Personnel Administrator

Dara Crabtree, City Secretary



Duncanville
City of Champions



LEGEND

-  **CITY HALL**
-  **LIBRARY/
COMMUNITY CENTER**
-  **STAR CENTER**
-  **INTERSTATE HIGHWAYS**
-  **UNITED STATE
HIGHWAYS**
-  **B.N.S.F. RAILROAD**

CITY OF DUNCANVILLE



Duncanville
City of Champions

FINANCIAL SECTION



Duncanville
City of Champions



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council
City of Duncanville, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Duncanville, Texas (the City), as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2009, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparisons for the General Fund and the Traffic Improvement and Safety and Special Revenue Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 8, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.

City of Duncanville
June, 8, 2010

Page 2

The accompanying management's discussion and analysis (on pages 3 through 9) and the Texas Municipal Retirement System Analysis of Funding Progress, and other post employment benefits (on page 48) are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board.

We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Duncanville's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedules and statistical tables listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining, individual non-major fund financial statements and the budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL L.L.P.

Dallas, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS



Duncanville
City of Champions

City of Duncanville, Texas

Management's Discussion and Analysis for the Fiscal Year Ended September 30, 2009

As management of the City of Duncanville, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the financial statements which follow this section.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$86.5 million (net assets). Of this amount, \$9.6 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Governmental Activities total assets exceeded total liabilities by \$55.3 million (net assets). Governmental Activities net assets increased \$3.0 million this fiscal year compared to the prior year.
- The City's total net assets increased by \$3.8 million this fiscal year attributable to cost saving management decisions.
- As of the close of the current fiscal year, the City of Duncanville's governmental funds reported combined ending fund balances of \$4.8 million, an increase of \$35 thousand from the prior year. Of this amount, \$4.4 million is unreserved and available for spending subject to the City's self-imposed limitations by management for intended use.
- At year-end, the undesignated and unreserved fund balance for the General Fund was \$2.9 million. On a current financial resources basis, total fund balance for the General Fund increased by \$291,267 which was lower than the budgeted increase of \$627,062 due to a prior period adjustment of \$398,990.
- The City's net bonded debt decreased by \$2.6 million during this current fiscal year due to repayment of bonded debt during the year ended September 30, 2009. No additional bonds were issued during the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Duncanville's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. The main goal is to ascertain whether the City of Duncanville is in a better financial position at the end of the current fiscal year compared to the previous year. The government-wide financial statements report information about the City as a whole and about its activities in a way that helps to determine this relative position. Other non-financial factors should also be taken into consideration to assess the overall health or financial condition of the City. Examples include but are not limited to changes in the City's property tax base and the condition of the City's streets.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from the functions that are intended to recover all or a

significant portion of their costs through user fees and charges (business-type activities). Governmental activities include most of the City's basic services such as police, fire, public works, code compliance, library, parks and recreation, and community services as well as general government activities. The business-type activities of the City include water, sewer, and solid waste services.

The government-wide financial statements include not only the City itself (the primary government), but also the Duncanville Community and Economic Development Corporation (DCEDC) (a component unit). The DCEDC is organized exclusively for benefiting and accomplishing public purposes of and to act on behalf of, the City, and the specific purposes for which the Corporation is organized.

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

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

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

The City maintains fifteen governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service, and Street Construction funds, all of which are to be considered major funds. Data from nine non-major governmental funds and three non-major capital project funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General, Debt Service and Hotel Tax, Drainage Fees, and Traffic Improvement and Safety Special Revenue funds. A budgetary comparison statement has been provided for the General fund as part of the basic financial statements.

Proprietary funds. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Utility (water and sewer), and solid waste operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its group health insurance, general liability insurance programs and fleet replacement activities. All of these programs are predominantly governmental activities; however as they benefit both governmental and business-like activities, current year results have been allocated by function in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility and Solid Waste funds since both are considered to be major funds of the City. Conversely, all of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data is provided in the form of combining statements elsewhere in this report for internal service funds.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension

benefits to its employees. Required supplementary information is presented immediately following the notes to the basic financial statements.

The combining statements referred to earlier, in connection with nonmajor governmental funds and internal service funds, are presented immediately following the required supplementary information on pensions. Included are schedules of revenues and expenditures for the general fund and a schedule of operating revenues and expenses for the Utility and Solid Waste funds.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. The City of Duncanville’s assets exceeded its liabilities by \$86.5 million as of September 30, 2009.

City of Duncanville's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
Current and other assets	\$ 13,409,251	\$ 11,114,050	\$ 6,258,290	\$ 7,196,642	\$ 19,667,541	\$ 18,310,692
Capital assets, net	<u>57,245,968</u>	<u>57,912,970</u>	<u>29,384,159</u>	<u>28,840,373</u>	<u>86,630,127</u>	<u>86,753,343</u>
Total assets	<u>70,655,219</u>	<u>69,027,020</u>	<u>35,642,449</u>	<u>36,037,015</u>	<u>106,297,668</u>	<u>105,064,035</u>
Current liabilities	2,841,565	2,311,680	1,219,543	2,148,055	4,061,108	4,459,735
Noncurrent liabilities	<u>12,465,330</u>	<u>14,391,671</u>	<u>3,246,757</u>	<u>3,463,815</u>	<u>15,712,087</u>	<u>17,855,486</u>
Total liabilities	<u>15,306,895</u>	<u>16,703,351</u>	<u>4,466,300</u>	<u>5,611,870</u>	<u>19,773,195</u>	<u>22,315,221</u>
Invested in capital assets, net of related debt	50,060,721	46,593,503	26,805,736	26,893,640	76,866,457	73,487,143
Restricted net assets	70,458	112,865	-	-	70,458	112,865
Unrestricted net assets	<u>5,217,145</u>	<u>5,617,301</u>	<u>4,370,413</u>	<u>3,531,505</u>	<u>9,587,558</u>	<u>9,148,806</u>
Total net assets	<u>\$ 55,348,324</u>	<u>\$ 52,323,669</u>	<u>\$ 31,176,149</u>	<u>\$ 30,425,145</u>	<u>\$ 86,524,473</u>	<u>\$ 82,748,814</u>

The majority of the City’s net assets are capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress). The City uses these capital assets to provide services to citizens and consequently, these assets are not available for spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the City’s net assets represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$9.6 million may be used to meet the government’s ongoing obligations to citizens and creditors.

Analysis of the City's Operations—The following table provides a summary of the City's operations for the year ended September 30, 2009.

City of Duncanville's Changes in Net Assets
For the Fiscal Years Ending September 30, 2008 and 2009

	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 5,562,014	\$ 5,006,454	\$ 13,403,806	\$ 14,253,791	\$ 18,965,820	\$ 19,260,245
Operating grants and contributions	338,658	167,553	-	-	338,658	167,553
Capital grants and contributions	2,364,100	74,551	22,227	1,205,387	2,386,327	1,279,938
General revenues:						
Ad valorem taxes	13,288,719	13,083,411	-	-	13,288,719	13,083,411
Franchise taxes	1,988,717	2,024,099	-	-	1,988,717	2,024,099
Sales taxes	5,235,231	5,398,034	-	-	5,235,231	5,398,034
Hotel taxes	462,474	593,725	-	-	462,474	593,725
Mixed beverage taxes	71,978	42,992	-	-	71,978	42,992
Investment income	117,619	343,967	37,007	136,592	154,626	480,559
Miscellaneous	286,126	632,049	-	-	286,126	632,049
Total revenues	<u>29,715,636</u>	<u>27,366,835</u>	<u>13,463,040</u>	<u>15,595,770</u>	<u>43,178,676</u>	<u>42,962,605</u>
Expenses:						
General government	3,870,234	4,057,131	-	-	3,870,234	4,057,131
Finance	1,292,138	1,312,673	-	-	1,292,138	1,312,673
Community services	3,158,557	3,214,940	-	-	3,158,557	3,214,940
Police	8,109,764	8,527,423	-	-	8,109,764	8,527,423
Public works	5,701,322	6,376,715	-	-	5,701,322	6,376,715
Fire	5,449,439	5,660,644	-	-	5,449,439	5,660,644
Interest and fiscal charges	478,651	584,910	-	-	478,651	584,910
Water and sewer	-	-	9,285,510	11,032,186	9,285,510	11,032,186
Solid waste	-	-	2,057,402	2,016,504	2,057,402	2,016,504
Total expenses	<u>28,060,105</u>	<u>29,734,436</u>	<u>11,342,912</u>	<u>13,048,690</u>	<u>39,403,017</u>	<u>42,783,126</u>
Increase in net assets before transfers	1,655,531	(2,367,601)	2,120,128	2,547,080	3,775,659	179,479
Transfers	1,369,124	1,325,677	(1,369,124)	(1,325,677)	-	-
Increase/ (decrease) in net assets	3,024,655	(1,041,924)	751,004	1,221,403	3,775,659	179,479
Net assets—beginning	<u>52,323,669</u>	<u>53,296,418</u>	<u>30,425,145</u>	<u>29,203,742</u>	<u>82,748,814</u>	<u>82,500,160</u>
Prior period adjustments	-	69,175	-	-	-	69,175
Net assets—ending	<u>\$ 55,348,324</u>	<u>\$ 52,323,669</u>	<u>\$ 31,176,149</u>	<u>\$ 30,425,145</u>	<u>\$ 86,524,473</u>	<u>\$ 82,748,814</u>

Financial Analysis of the City's Funds

Governmental funds including General Fund budgetary highlights. The focus of the City of Duncanville's governmental funds is to provide information on the near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4.8 million. Approximately 92% of this total amount constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available to pay for new spending because it has already been committed to pay for prepaid expenses of \$74,742 and loans receivable of \$338,636. Fund balance for all governmental funds increased by \$35,454 over the previous fiscal year.

In the General Fund, the original budget projected a \$385,131 increase in fund balance this fiscal year. This was changed to an increase of \$627,062 with the final amended budget. Differences between the original and final amended budget were primarily a result of delaying street maintenance and reducing other expenditures to meet our targeted goal (60 days of available fund balance.) The environment in which this budget came together was one of declining local and national economic conditions, but by reducing planned expenditures for providing City services, there was no increase in the property tax rate. Property tax and sales taxes actual revenue was a \$127,670 negative variance over final budget. Fine and forfeiture revenue had the greatest negative variance with final budget at \$261,132. Overall the fund balance increased in the General Fund by \$291,267, including a prior period adjustment of \$816,763 reduction in emergency medical services revenue in order to defer the portion of revenue recognized that has not yet been collected and an increase revenue due to an error in property tax.

The Debt Service fund had a decrease in fund balance of \$44,566 for the fiscal year ended September 30, 2009, which was a negative variance of \$49,566 from the final budget. The Street Construction capital project fund had a decrease in fund balance of \$498,026 which was a result of expending bond proceeds of prior years. The Traffic Improvement and Safety fund had an increase in fund balance of \$129,795 which was \$332,437 more than budgeted due to a combination of higher than expected revenue and lower than expected expenditures.

Proprietary funds. The City's proprietary fund statements provide detail on the City's individual business-like activities and additionally report the financial results of the internal service funds which have been consolidated in the government-wide statements.

The Utility proprietary fund net assets increased \$812,539 and the Solid Waste fund net assets decreased by \$57,424 during this fiscal year. The City introduced an "inverted block" rate structure in FY 2002-03, which was meant to be revenue neutral based on same consumption. Capital contributions of \$22,227 were recorded due to donated water and wastewater lines.

Capital Assets

Governmental Accounting Standards Board (GASB) Statement No. 34 requires governments to report all capital assets in the Government-Wide Statement of Net Assets. All infrastructure assets have been inventoried and reported in previous fiscal years.

At the end of fiscal year 2009, the City had \$86.6 million invested in a broad range of capital assets, including streets and public infrastructure, water and sewer lines, buildings, park and recreation facilities, and police and fire equipment. This amount represents a net decrease of \$123 thousand which is less than 1 percent below the assets for the prior fiscal year.

**City of Duncanville's Capital Assets
(Net of Depreciation, in Thousands)**

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 19,781	\$ 19,781	\$ 89	\$ 89	\$ 19,870	\$ 19,870
Construction in progress	1,764	166	144	795	1,908	961
Buildings	4,868	5,017	2,872	2,975	7,740	7,992
Infrastructure	27,035	28,719	22,478	21,104	49,513	49,823
Improvements	816	964	23	24	839	987
Equipment	2,983	3,266	224	204	3,207	3,470
Water rights	-	-	3,554	3,649	3,554	3,649
Totals	<u>\$ 57,247</u>	<u>\$ 57,913</u>	<u>\$ 29,384</u>	<u>\$ 28,840</u>	<u>\$ 86,631</u>	<u>\$ 86,752</u>

Major capital asset events during the current fiscal year include the following:

- Water and sewer system construction-in-progress decreased \$650 thousand.
- Water, wastewater and drainage projects were completed for \$2.1 million.
- Construction-in-progress in increased \$1.6 million due to ongoing street projects.
- Vehicle replacements were \$496 thousand including twelve new vehicles, two field equipment vehicles, and a mini-pumper fire truck.

More detailed information about the City's capital assets can be found in Note 5 to the financial statements.

Debt Administration

At year-end, the City had \$12.1 million in bonded debt outstanding. The entire amount is comprised of bonded debt backed by the full faith and credit of the City

**City of Duncanville's Outstanding Debt
General Obligation Bonds and Certificates of Obligation (in Thousands)**

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
GO & CO	\$ 9,013	\$ 11,386	\$ -	\$ -	\$ 9,013	\$ 11,386
Tax and Water/Wastewater Surplus Revenue bonds	-	-	3,135	3,375	3,135	3,375
Totals	<u>\$ 9,013</u>	<u>\$ 11,386</u>	<u>\$ 3,135</u>	<u>\$ 3,375</u>	<u>\$ 12,148</u>	<u>\$ 14,761</u>

The City's general obligation bonds have been assigned the rating of "A2" by Moody's Investors Service and "A+" by the Standard & Poor's Ratings Group for these most recent issues. Several of the City's bonds are insured thus holding a Triple A credit rating from both agencies.

Additional information on the City's long-term bonded debt can be found in Note 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Providing quality government services funded by a tax base that is 67% residential is a daunting challenge and there are few short-term prospects available to improve the distribution of the tax base. City management is and will continue to look for budget cuts to offset the reduced revenues from the economic collapse.

In the 2009-10 Budget, General Fund revenues are conservatively projected to increase by less than 1%. Property values decreased 5.35% on the total tax roll for 2009-10 from 2008-09. Ad valorem tax revenue is determined by two major factors. The first factor is total assessed property value established by the Dallas Central Appraisal District. The second factor is the tax rate set by City Council. The City tax rate was reset at the same rate for the fourth year in a row, \$.6960 per \$100 of assessed valuation. This is the seventeenth year in a row without a property tax rate increase.

The 2009-10 Budget maintains current service levels. Despite the flat economic forecast and rising costs, we were still able to produce a budget that has been reduced to a \$.696 tax rate.

Sales tax revenue as of September 30, 2009 was lower than the previous year, and we expect lower or flat sales tax revenues to continue. Beer and wine sales have helped offset the lower sales taxes due the economic downturn. While valuations of property have risen, we expect foreclosures and lower sales taxes will offset the increase.

Our red light camera enforcement program is in effect and is maintained in the Transportation Improvement and Safety fund to manage the revenues and expenses for this important program. Although the traffic enforcement revenues exceeded the 2008-09 budget, future revenues are expected to fall.

Expenditures budgets have been adjusted to reflect the decline in revenues.

Contacting the City's Financial Management

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Finance Department, at:

City of Duncanville
Attn: Richard Summerlin, Finance Director
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Duncanville, TX 75138-0280
Phone : 972-780-5005
Email: rsummerlin@ci.duncanville.tx.us

City of Duncanville
Attn: Tia Pettis, Assistant Finance Director
P.O. Box 380280
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Email: tpettis@ci.duncanville.tx.us



Duncanville
City of Champions

BASIC FINANCIAL STATEMENTS



Duncanville
City of Champions

CITY OF DUNCANVILLE, TEXAS

GOVERNMENT-WIDE STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Cash and investments	\$ 6,160,601	\$ 2,387,115	\$ 8,547,716	\$ 1,963,128
Receivables (net of allowance for uncollectibles)	4,529,269	2,602,634	7,131,903	295,962
Accrued interest	424,135	2,095	426,230	1,463
Prepaid items	81,973	161,246	243,219	8,333
Restricted cash and investments	-	1,143,520	1,143,520	-
Internal balances	118,189	(118,189)	-	-
Loan receivable	338,636	-	338,636	-
Bond issue costs	57,324	79,869	137,193	94,431
Investment in joint ventures	1,699,124	-	1,699,124	94,683
Capital assets:				
Land, and construction in progress	21,544,518	233,527	21,778,045	4,307,165
Other capital assets (net of depreciation)	35,701,450	29,150,632	64,852,082	14,958,733
Total Assets	70,655,219	35,642,449	106,297,668	21,723,898
LIABILITIES:				
Accounts payable	1,340,516	542,148	1,882,664	39,999
Contracts payable	29,431	-	29,431	-
Accrued liabilities	987,780	69,860	1,057,640	131,652
Accrued interest payable	67,527	15,903	83,430	100,637
Unearned revenue	293,018	-	293,018	-
Customer performance and escrow deposits	123,293	586,943	710,236	-
Maintenance bond and meter deposits	-	4,689	4,689	150
Long-term liabilities:				
Due within one year:				
Bonds and certificates of obligation payable	2,325,872	250,000	2,575,872	705,000
Compensated absences	215,918	5,957	221,875	-
Loan payable	-	-	-	102,910
Due in more than one year:				
Loan payable	-	-	-	105,998
Bonds and certificates of obligation payable	6,687,144	2,885,000	9,572,144	12,280,000
Compensated absences	2,868,626	79,159	2,947,785	-
Other postemployment benefits	367,770	26,641	394,411	-
Total Liabilities	15,306,895	4,466,300	19,773,195	13,466,346
NET ASSETS:				
Invested in capital assets, net of related debt	50,060,721	26,805,736	76,866,457	6,280,898
Restricted for:				
Debt service	70,458	-	70,458	-
Economic development	-	-	-	1,976,654
Unrestricted	5,217,145	4,370,413	9,587,558	-
Total Net Assets	\$ 55,348,324	\$ 31,176,149	\$ 86,524,473	\$ 8,257,552

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

PROGRAM ACTIVITIES	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,870,234	\$ 1,173,234	\$ 95,541	\$ -
Finance	1,292,138	59,108	-	-
Community services	3,158,557	256,405	36,710	-
Police	8,109,764	1,964,148	38,161	947,497
Public works	5,701,322	1,100,109	104,628	1,416,603
Fire	5,449,439	1,009,010	63,618	-
Interest and fiscal charges	478,651	-	-	-
Total governmental activities	28,060,105	5,562,014	338,658	2,364,100
Business-type activities:				
Water	5,150,097	6,375,580	-	22,227
Sewer	4,135,413	4,819,134	-	-
Solid waste	2,057,402	2,209,092	-	-
Total business-type activities	11,342,912	13,403,806	-	22,227
Total government	\$ 39,403,017	\$ 18,965,820	\$ 338,658	\$ 2,386,327
Component unit:				
DCEDC	\$ 2,437,450	\$ 1,814,969	\$ -	\$ -

General revenues:
Taxes:
Ad valorem
Sales
Franchise
Mixed beverage
Hotel occupancy
Earnings on investments
Miscellaneous
Transfers
Total general revenues and transfers
Change in net assets
Net assets-beginning
Net assets-ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Governmental activities	Business-Type Activities	Total	
\$ (2,601,459)	\$ -	\$ (2,601,459)	
(1,233,030)	-	(1,233,030)	
(2,865,442)	-	(2,865,442)	
(5,159,958)	-	(5,159,958)	
(3,079,982)	-	(3,079,982)	
(4,376,811)	-	(4,376,811)	
(478,651)	-	(478,651)	
<u>(19,795,333)</u>	<u>-</u>	<u>(19,795,333)</u>	
-	1,247,710	1,247,710	
-	683,721	683,721	
-	151,690	151,690	
<u>-</u>	<u>2,083,121</u>	<u>2,083,121</u>	
<u>(19,795,333)</u>	<u>2,083,121</u>	<u>(17,712,212)</u>	
			<u>\$ (622,481)</u>
13,288,719	-	13,288,719	-
5,235,231	-	5,235,231	1,745,077
1,988,717	-	1,988,717	-
71,978	-	71,978	-
462,474	-	462,474	-
117,619	37,007	154,626	10,726
286,126	-	286,126	-
1,369,124	(1,369,124)	-	-
<u>22,819,988</u>	<u>(1,332,117)</u>	<u>21,487,871</u>	<u>1,755,803</u>
3,024,655	751,004	3,775,659	1,133,322
<u>52,323,669</u>	<u>30,425,145</u>	<u>82,748,814</u>	<u>7,124,230</u>
<u>\$ 55,348,324</u>	<u>\$ 31,176,149</u>	<u>\$ 86,524,473</u>	<u>\$ 8,257,552</u>

CITY OF DUNCANVILLE, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

	General	Debt Service	Street Construction Fund	Traffic I & S	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and investments	\$ 1,963,844	\$ 3,503	\$ 3,785	\$ 1,144,176	\$ 959,392	\$ 4,074,700
Receivables -						
Property taxes (net of allowance of \$671,330)	261,209	122,415	-	-	-	383,624
Trade accounts (net of allowance of \$1,537,852)	2,150,027	-	-	88,693	119,648	2,358,368
Other taxes	1,601,383	-	-	-	111,075	1,712,458
Assessments	-	-	61,621	-	-	61,621
Intergovernmental	-	-	-	-	13,198	13,198
Accrued interest and other	4,370	4,540	389,911	-	-	398,821
Prepaid items	69,263	-	-	-	5,479	74,742
Due from other funds	313,265	-	-	-	103,110	416,375
Loans receivable	338,636	-	-	-	-	338,636
Total assets	\$ 6,701,997	\$ 130,458	\$ 455,317	\$ 1,232,869	\$ 1,311,902	\$ 9,832,543
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 417,725	\$ -	\$ 101,007	\$ 754,325	\$ 44,279	\$ 1,317,336
Customer performance and escrow deposits	123,293	-	-	-	-	123,293
Contracts payable	-	-	29,431	-	-	29,431
Accrued liabilities	613,974	-	-	1,709	8,307	623,990
Due to other funds	-	60,000	200,000	-	106,614	366,614
Deferred revenue	2,206,170	109,118	61,621	-	223,901	2,600,810
Total liabilities	3,361,162	169,118	392,059	756,034	383,101	5,061,474
Fund balances:						
Reserved for prepaid items	69,263	-	-	-	5,479	74,742
Reserved for loans receivable	338,636	-	-	-	-	338,636
Reserved for debt service	-	(38,660)	-	-	-	(38,660)
Unreserved, reported in:						
General fund	2,932,936	-	-	-	-	2,932,936
Special revenue funds	-	-	-	476,835	683,263	1,160,098
Capital project funds	-	-	63,258	-	240,059	303,317
Total fund balances	3,340,835	(38,660)	63,258	476,835	928,801	4,771,069
Total liabilities and fund balances	\$ 6,701,997	\$ 130,458	\$ 455,317	\$ 1,232,869	\$ 1,311,902	\$ 9,832,543

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

Total fund balance- total governmental funds \$ 4,771,069

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore not reported in the governmental funds balance sheet. 55,557,161

Certain receivables will be collected this year , but are available soon enough to pay for current period expenditures and, therefore, are deferred in the funds. 2,307,792

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet. (67,527)

Internal service funds are used by management to charge the cost of certain activities, such as health, liability and workers compensation insurance to individual funds. The assets and liabilities of internal service funds are included in governmental act 3,488,711

Investments in joint ventures represent a financial asset not reported in governmental funds. 1,699,124

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

General obligation bonds payable	\$ (3,764,325)	
Certificates of obligation	(5,248,691)	
Less issuance costs (to be amortized as interest expense)	57,324	
Compensated absences	(3,084,544)	
Other post employment benefits	<u>(367,770)</u>	(12,408,006)

Net assets of governmental activities \$ 55,348,324

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General	Debt Service	Street Construction	Traffic I & S	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes-						
Ad valorem	\$ 10,677,611	\$ 2,610,523	\$ -	\$ -	\$ -	\$ 13,288,134
Sales	5,235,231	-	-	-	-	5,235,231
Franchise	1,988,717	-	-	-	-	1,988,717
Mixed beverage	71,978	-	-	-	-	71,978
Hotel	-	-	-	-	462,474	462,474
Licenses, permits and fees	1,662,161	-	-	2,088,214	419,179	4,169,554
Fines and forfeitures	613,442	-	-	-	137,048	750,490
Recreation fees	194,489	-	-	-	61,806	256,295
Intergovernmental	203,609	-	869,561	-	135,684	1,208,854
Investment income	81,397	6,013	7,674	3,459	2,126	100,669
Rental and other	606,587	-	478,317	-	12,233	1,097,137
Gifts and contributions	-	-	-	-	14,450	14,450
Total revenues	<u>21,335,222</u>	<u>2,616,536</u>	<u>1,355,552</u>	<u>2,091,673</u>	<u>1,245,000</u>	<u>28,643,983</u>
EXPENDITURES:						
Current-						
General government	2,135,719	-	-	740,468	204,899	3,081,086
Finance	1,202,152	-	-	44,895	-	1,247,047
Community services	2,602,229	-	-	-	83,574	2,685,803
Police	7,384,011	-	-	486,882	79,809	7,950,702
Public works	3,231,498	-	-	313,766	138,273	3,683,537
Fire	5,274,971	-	-	-	7,300	5,282,271
Non-departmental	187,376	-	-	-	-	187,376
Special purposes - promotional	-	-	-	-	385,245	385,245
Debt service-						
Principal retirement	-	2,311,273	-	-	-	2,311,273
Interest and fiscal charges	-	534,829	-	-	-	534,829
Capital outlay	-	-	2,147,370	-	82,124	2,229,494
Total expenditures	<u>22,017,956</u>	<u>2,846,102</u>	<u>2,147,370</u>	<u>1,586,011</u>	<u>981,224</u>	<u>29,578,663</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(682,734)</u>	<u>(229,566)</u>	<u>(791,818)</u>	<u>505,662</u>	<u>263,776</u>	<u>(934,680)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	1,372,991	185,000	293,792	-	99,530	1,951,313
Transfers out	-	-	-	(375,867)	(206,322)	(582,189)
Total other financing sources (uses)	<u>1,372,991</u>	<u>185,000</u>	<u>293,792</u>	<u>(375,867)</u>	<u>(106,792)</u>	<u>1,369,124</u>
NET CHANGE IN FUND BALANCES	690,257	(44,566)	(498,026)	129,795	156,984	434,444
FUND BALANCES, beginning of year	3,049,568	5,906	561,284	347,040	771,817	4,735,615
PRIOR PERIOD ADJUSTMENTS	<u>(398,990)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(398,990)</u>
FUND BALANCES, end of year	<u>\$ 3,340,835</u>	<u>\$ (38,660)</u>	<u>\$ 63,258</u>	<u>\$ 476,835</u>	<u>\$ 928,801</u>	<u>\$ 4,771,069</u>

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

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

Net change in fund balances- total governmental funds	\$ 434,444
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	1,743,949
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	68,725
The net increase in equity of the joint venture is not reported at the fund level; however it is reported at the government-wide level.	1,156,434
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but it does require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	(2,369,945)
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.	2,311,273
Bond issuance costs are expenditures in the fund financial statements when debt is issued, but it is amortized over the term of the bond in the government-wide financial statements.	(9,554)
Current year changes in the long term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(79,218)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds.	1,924
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	585
Current year changes in the accrued interest do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	62,054
Current year changes in the long term liability for OPEB does not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(367,770)
Change in arbitrage do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	1,754
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities, (including adjustment of \$4,111 allocated to business type activities).	<u>70,000</u>
Change in net assets of governmental activities	<u>\$ 3,024,655</u>

The accompanying notes are an integral part of this statement

CITY OF DUNCANVILLE, TEXAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes-				
Ad valorem	\$ 10,793,985	\$ 10,805,281	\$ 10,677,611	\$ (127,670)
Sales	5,678,780	5,134,432	5,235,231	100,799
Franchise	2,118,153	2,136,098	1,988,717	(147,381)
Other	60,000	70,000	71,978	1,978
Licenses, Permits and fees	1,461,441	1,505,676	1,662,161	156,485
Fines and forfeitures	1,105,841	874,574	613,442	(261,132)
Recreation fees	180,000	180,000	194,489	14,489
Intergovernmental	338,304	220,718	203,609	(17,109)
Investment income	237,129	144,079	81,397	(62,682)
Rental and other	473,709	471,437	606,587	135,150
Total Revenues	<u>22,447,342</u>	<u>21,542,295</u>	<u>21,335,222</u>	<u>(207,073)</u>
EXPENDITURES:				
Current:				
General government	2,207,438	2,174,711	2,135,719	38,992
Finance	1,375,635	1,219,774	1,202,152	17,622
Community services	2,760,452	2,704,401	2,602,229	102,172
Police	7,668,361	7,472,376	7,384,011	88,365
Public works	3,958,165	3,274,050	3,231,498	42,552
Fire	5,276,730	5,240,004	5,274,971	(34,967)
Non-departmental	191,732	202,908	187,376	15,532
Total Expenditures	<u>23,438,513</u>	<u>22,288,224</u>	<u>22,017,956</u>	<u>270,268</u>
(DEFECIENCY)/EXCESS OF REVENUES OVER EXPENDITURES	<u>(991,171)</u>	<u>(745,929)</u>	<u>(682,734)</u>	<u>63,195</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,376,302</u>	<u>1,372,991</u>	<u>1,372,991</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 385,131</u>	<u>\$ 627,062</u>	690,257	<u>\$ 63,195</u>
FUND BALANCE, beginning of year			<u>3,049,568</u>	
PRIOR PERIOD ADJUSTMENTS			<u>(398,990)</u>	
FUND BALANCE, beginning of year, as restated			<u>2,650,578</u>	
FUND BALANCE, end of year			<u>\$ 3,340,835</u>	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

TRAFFIC IMPROVEMENT & SAFETY FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Traffic enforcement fees	\$ 1,481,440	\$ 1,800,000	\$ 2,088,214	\$ 288,214
Interest on investments	3,000	3,000	3,459	459
Total revenues	<u>1,484,440</u>	<u>1,803,000</u>	<u>2,091,673</u>	<u>288,673</u>
EXPENDITURES:				
General Government	540,621	715,708	740,468	(24,760)
Police	473,028	506,351	486,882	19,469
Public Works	353,824	447,287	313,766	133,521
Finance	41,523	42,504	44,895	(2,391)
Total expenditures	<u>1,408,996</u>	<u>1,711,850</u>	<u>1,586,011</u>	<u>125,839</u>
EXCESS OF REVENUES OVER EXPENDITURES	75,444	91,150	505,662	414,512
OTHER FINANCING USES				
Transfers out	<u>(132,240)</u>	<u>(293,792)</u>	<u>(375,867)</u>	<u>(82,075)</u>
NET CHANGE IN FUND BALANCE	(56,796)	(202,642)	129,795	332,437
FUND BALANCES, beginning of year	<u>113,941</u>	<u>347,040</u>	<u>347,040</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 57,145</u>	<u>\$ 144,398</u>	<u>\$ 476,835</u>	<u>\$ 332,437</u>

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2009

	Utility	Solid Waste	Total	Governmental Activities- Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 2,383,023	\$ 4,092	\$ 2,387,115	\$ 2,085,901
Receivables-				
Customers (net of allowance of \$444,787)	910,263	198,942	1,109,205	-
Unbilled	1,275,025	218,404	1,493,429	-
Due from other funds	1,009,454	850,296	1,859,750	-
Accrued interest and other	2,095	-	2,095	25,314
Prepaid items	161,246	-	161,246	7,231
Total current assets	<u>5,741,106</u>	<u>1,271,734</u>	<u>7,012,840</u>	<u>2,118,446</u>
Noncurrent assets:				
Restricted assets-				
Customer deposits	586,943	-	586,943	-
Cash and investments for construction	556,577	-	556,577	-
Capital assets-				
Land and construction-in-progress	233,527	-	233,527	-
Water rights, net	3,553,749	-	3,553,749	-
Buildings and improvements, net	2,894,671	-	2,894,671	-
Distribution lines and Equipment, net	22,702,212	-	22,702,212	1,688,807
Bond issue costs	79,869	-	79,869	-
Total noncurrent assets	<u>30,607,548</u>	<u>-</u>	<u>30,607,548</u>	<u>1,688,807</u>
Total assets	<u>36,348,654</u>	<u>1,271,734</u>	<u>37,620,388</u>	<u>3,807,253</u>
LIABILITIES				
Current liabilities				
Accounts payable	395,934	146,214	542,148	23,180
Accrued liabilities	58,674	11,186	69,860	363,790
Due to other funds	900,057	1,009,454	1,909,511	-
Accrued interest payable	15,903	-	15,903	-
Accrued compensated absences- current	5,594	363	5,957	-
Bonds payable- current	250,000	-	250,000	-
Total current liabilities	<u>1,626,162</u>	<u>1,167,217</u>	<u>2,793,379</u>	<u>386,970</u>
Long-term liabilities				
Accrued compensated absences	74,323	4,836	79,159	-
Bonds payable	2,885,000	-	2,885,000	-
Other postemployment benefits liability	22,957	3,684	26,641	-
Payable from restricted assets				
Customer deposits	586,943	-	586,943	-
Maintenance bond and meter deposit payables	4,689	-	4,689	-
Total long-term liabilities	<u>3,573,912</u>	<u>8,520</u>	<u>3,582,432</u>	<u>-</u>
Total liabilities	<u>5,200,074</u>	<u>1,175,737</u>	<u>6,375,811</u>	<u>386,970</u>
NET ASSETS				
Invested in capital assets, net of related debt	26,885,605	-	26,885,605	1,688,807
Unrestricted	4,262,975	95,997	4,358,972	1,731,476
Total net assets	<u>\$ 31,148,580</u>	<u>\$ 95,997</u>	<u>31,244,577</u>	<u>\$ 3,420,283</u>
Reconciliation to government-wide statement of net assets:				
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			(68,428)	
Net assets of business-type activities			<u>31,176,149</u>	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Utility	Solid Waste	Total	Governmental Activities- Internal Service Funds
OPERATING REVENUES				
Water	\$ 6,141,467	\$ -	\$ 6,141,467	\$ -
Sewer	4,819,134	-	4,819,134	-
Solid waste	-	2,209,092	2,209,092	-
Penalties	76,058	-	76,058	-
Premiums, charges for services and other	158,055	-	158,055	3,035,380
Total operating revenues	<u>11,194,714</u>	<u>2,209,092</u>	<u>13,403,806</u>	<u>3,035,380</u>
OPERATING EXPENSES				
Water services	3,949,899	-	3,949,899	-
Sewer	3,076,415	-	3,076,415	-
Solid waste	-	2,058,415	2,058,415	-
Claims and provision	-	-	-	1,882,107
Administrative and fiscal	1,142,836	-	1,142,836	540,709
Depreciation & amortization	970,995	-	970,995	600,523
Total operating expenses	<u>9,140,145</u>	<u>2,058,415</u>	<u>11,198,560</u>	<u>3,023,339</u>
OPERATING INCOME	<u>2,054,569</u>	<u>150,677</u>	<u>2,205,246</u>	<u>12,041</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	36,962	45	37,007	16,950
Interest and fiscal charges	(140,241)	-	(140,241)	-
Gain on sale of capital assets	-	-	-	36,898
Total non-operating revenues (expenses)	<u>(103,279)</u>	<u>45</u>	<u>(103,234)</u>	<u>53,848</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>1,951,290</u>	<u>150,722</u>	<u>2,102,012</u>	<u>65,889</u>
Capital contributions	22,227	-	22,227	-
Transfers in	-	-	-	-
Transfers out	(1,160,978)	(208,146)	(1,369,124)	-
CHANGE IN NET ASSETS	<u>812,539</u>	<u>(57,424)</u>	<u>755,115</u>	<u>65,889</u>
TOTAL NET ASSETS -BEGINNING	<u>30,336,041</u>	<u>153,421</u>		<u>3,354,394</u>
TOTAL NET ASSETS-ENDING	<u>\$ 31,148,580</u>	<u>\$ 95,997</u>		<u>\$ 3,420,283</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			<u>(4,111)</u>	
Change in net assets of business-type activities			<u>\$ 751,004</u>	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED SEPTEMBER 30, 2009

	Utility Fund	Solid Waste Fund	Total	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 10,197,625	\$ 1,985,729	\$ 12,183,354	\$ 20,282
Payments to suppliers	(6,535,759)	(1,705,843)	(8,241,602)	(2,409,274)
Payments to employees	(1,834,015)	(71,739)	(1,905,754)	-
Internal activity-receipts from other funds	-	-	-	3,029,793
Other receipts	158,055	-	158,055	5,586
Net cash provided by (used in) operating activities	<u>1,985,906</u>	<u>208,147</u>	<u>2,194,053</u>	<u>646,387</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers to other funds	(1,160,978)	(208,146)	(1,369,124)	-
Net cash used in noncapital financing activities	<u>(1,160,978)</u>	<u>(208,146)</u>	<u>(1,369,124)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(1,504,654)	-	(1,504,654)	(490,792)
Sale of capital assets	12,100	-	12,100	36,898
Principal paid on bond maturities	(240,000)	-	(240,000)	-
Interest paid on bond obligations and fiscal charges	(133,216)	-	(133,216)	-
Net cash used in capital and related financing activities	<u>(1,865,770)</u>	<u>-</u>	<u>(1,865,770)</u>	<u>(453,894)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	41,401	45	41,446	16,950
Net cash provided by investing activities	<u>41,401</u>	<u>45</u>	<u>41,446</u>	<u>16,950</u>
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	(999,441)	46	(999,395)	209,443
CASH AND INVESTMENTS, beginning of year	<u>4,525,984</u>	<u>4,046</u>	<u>4,530,031</u>	<u>1,876,458</u>
CASH AND INVESTMENTS, end of year	<u>\$ 3,526,543</u>	<u>\$ 4,092</u>	<u>\$ 3,530,635</u>	<u>\$ 2,085,901</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income	\$ 2,054,569	\$ 150,677	\$ 2,205,246	\$ 12,041
Adjustments to reconcile operating income to net cash provided by (used in) operating activities-				
Depreciation	874,948	-	874,948	600,523
Amortization of water rights	96,047	-	96,047	-
Change in assets and liabilities:				
Accounts receivable	(868,918)	(223,363)	(1,092,281)	20,282
Accrued compensated absences	(4,293)	594	(3,699)	-
Other postemployment benefits liability	22,957	3,684	26,641	-
Prepaid items	(144,459)	-	(144,459)	-
Accounts payable and accrued liabilities	(73,455)	276,555	203,100	13,540
Customer deposits	28,510	-	28,510	-
Total adjustments	<u>(68,663)</u>	<u>57,470</u>	<u>(11,193)</u>	<u>634,345</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 1,985,906	\$ 208,147	\$ 2,194,053	\$ 646,386
NONCASH CAPITAL ACTIVITIES:				
Contribution of capital assets from developers	\$ 22,227	\$ -	\$ 22,227	\$ -
Total noncash capital activities	<u>\$ 22,227</u>	<u>\$ -</u>	<u>\$ 22,227</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET ASSETS				
Cash and investments			\$ 2,387,115	\$ 2,085,901
Restricted cash and investments			1,143,520	-
			<u>3,530,635</u>	<u>2,085,901</u>

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & NEW GASB PRONOUNCEMENTS

The City of Duncanville, Texas (the “City”) was incorporated on August 2, 1947. It has been a home rule charter city since May 5, 1962, pursuant to Article XI, Section 5 of the State Constitution. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: community services, police, fire and public works.

The financial statements of the City have been prepared to conform to accounting principles generally accepted in the United States of America (“GAAP”) as applicable to state and local governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance. The more significant accounting and reporting policies and practices used by the City are described below:

Reporting Entity—The City is a municipal corporation governed by an elected mayor and six-member Council. Five Council Members are elected from single-member districts with the Mayor and one Council Member elected at large. As required by GAAP, these financial statements present information about the City (the primary government) and its component unit the Duncanville Community and Economic Development Corporation (“DCEDC”), entities for which the City is considered to be financially accountable.

The DCEDC was incorporated on April 28, 1995 as a nonprofit industrial development corporation under the Development Corporation Act of 1979 (“Act”). The DCEDC operates under a seven member Board of Directors appointed by the City Council. Each of the directors should be a resident of the City. No more than four members can be members of the City Council, officials of the City, or City employees. The Corporation is organized exclusively for benefiting and accomplishing public purposes of and to act on behalf of, the City, and the specific purposes for which the Corporation is organized. These purposes include the construction, renovation and operation of municipal buildings, the acquisition and improvement of parks as well as the promotion and expansion of manufacturing and industrial facilities, and other economic development purposes. The DCEDC also provides services directly to the citizens of Duncanville. DCEDC meets all three requirements any one of which is sufficient to be considered a component unit (ability to impose will, financial benefit, and financial burden). Furthermore, GAAP requires entities that do not either (1) provide services entirely or almost entirely for the City or (2) have the same or substantially the same board as the City, to be presented “discretely” or in a separate column as part of the City’s reporting entity, but not part of the primary government. Based on the above criteria, the component unit (DCEDC) has been discretely presented in the accompanying financial statements. Separate financial statements are not issued for the DCEDC.

Government-Wide Financial Statements—Government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all non-fiduciary activities of the reporting entity. These statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business. The effect of inter-fund activity has been removed from these statements. Governmental activities, which are partially supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of net assets presents information on all of the City’s assets and liabilities, with the difference between the two reported as “net assets.” Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City’s water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

The statement of activities presents information showing how the City's net assets changed during the fiscal year. This statement also demonstrates the degree to which the direct expenses of a given activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements—Fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All non-major funds are aggregated and presented in a single column. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Duncanville, like other local governments, uses fund accounting to aid financial management and demonstrate legal compliance.

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

The City of Duncanville maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service, Street Construction, and Traffic Improvement and Safety funds which are considered to be major funds. A budgetary comparison statement has also been provided for the general fund. Individual fund data for all non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds are maintained for enterprise and internal service operations of the City. Enterprise funds are used to report functions presented as business-type activities in the government-wide financial statements. The Utility and the Solid Waste funds are considered to be major enterprise funds. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for health claims, general liability operations and fleet and capital replacement. Because all of these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the Combining & Individual Fund Statements & Schedules section of this report.

Agency Funds are used to account for assets held by the City in a custodial capacity on behalf of other governments. Agency Funds are custodial in nature and do not include measurements of results of operations. Duncanville currently does not have any agency funds to maintain.

Measurement Focus and Basis of Accounting—Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. With the economic resources measurement focus, all assets and liabilities (whether current or non-current) are reported on the statement of net assets.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the fiscal year-end except investment income which is recorded as earned. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, accrued interest on long-term debt, as well as expenditures related to compensated absences are recorded only when payment is due.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Revenues susceptible to accrual in governmental funds include ad valorem taxes, franchise taxes, sales taxes, interest earned, certain charges for services and intergovernmental revenues, if such revenues are both measurable and available as previously defined. Licenses, permits and municipal court fines are recognized when payment is received. The deferred revenues account is utilized in governmental funds to record earned amounts which are unavailable to liquidate liabilities of the current period (i.e., not collectible within 60 days).

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

The City of Duncanville reports the following major governmental funds:

- The General fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- The Debt Service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Resources for this fund are generated by a tax levy based upon property values. Payments for principal and interest are made from this fund for general obligation bonds, certificates of obligation bonds, and contractual obligation debt when due throughout the year.
- The Street Construction fund is a capital project fund that is used to account for the construction of major thoroughfares and petition paving projects.
- The Traffic Improvement and Safety fund is a special revenue fund that is used to account for the cost of red light camera operations.

The City of Duncanville reports the following major proprietary funds:

- The Utility enterprise fund is used to account for the rendering of water and sewer services to the residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operation, maintenance, debt service, and billing and collection.
- The Solid Waste enterprise fund is used to account for the rendering of sanitation services to the residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operation, maintenance, debt service, and billing and collection.

Encumbrances—An encumbrance system is maintained in governmental funds to account for commitments resulting from approved purchase orders, contracts, or other forms of legal commitments. Under the City's budgetary process, appropriations lapse at fiscal year-end. Encumbrances do not constitute expenditures or liabilities. Accordingly, no differences exist between actual results and the applicable budgetary data presented in the accompanying financial statements.

Pooled Cash and Investments—Cash balances of all City funds are pooled into one bank account in order to maximize investment opportunities. Negative balances, if applicable, incurred in pooled cash at year-end are treated as inter-fund receivables of the General Fund and inter-fund payables of the deficit fund.

Investments purchased with pooled cash are classified as pooled cash and investments in the accompanying balance sheet and statement of net assets. Earnings from these investments are allocated monthly to each fund based on that fund's relative month-end cash and investment balance. Investments are recorded at cost, and at fiscal year-end investments with maturity greater than one year are reflected at fair value on the accompanying balance sheet and statement of net assets.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

The relationship of an individual fund to the pooled cash and investments account is essentially that of a demand deposit account. Individual funds can withdraw cash from the account as needed, and therefore all equity which the fund has in the pooled cash and investments account is highly liquid. For purposes of the accompanying statement of cash flows, the City has chosen to reconcile to “pooled cash and investments”, as all investments of the funds are regarded as cash equivalents.

Inter-fund Receivables and Payables—Short-term amounts owed between funds are classified as “Due to/from other funds” in the fund financial statements. On the government-wide statement of net assets, payables and receivables within governmental and business-type activities are eliminated and balances between these activities are reported on a single line entitled “internal balances”.

Prepaid Items—Payments made to vendors for services that will benefit periods beyond September 30, 2009, are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are accounted for on the consumption basis in governmental funds.

Capital Assets—Capital assets, which include land, buildings, infrastructure, improvements, equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are valued at their fair value on the date donated. Repairs and maintenance are recorded as expenses. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized for business-type activity assets during the construction period as such amounts are not material.

Assets capitalized have an original cost of \$5,000 or more and a useful life of at least two years. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	25 to 50 years
Infrastructure/improvements	15 to 50 years
Equipment	5 to 20 years
Water rights	50 years

Estimated Claims Payable—Property, general liability, and workers’ compensation insurance coverage is accounted for in the Comprehensive Self Insurance Fund, an internal service fund. At year-end, the estimated settlement value of claims reported and of claims incurred but not reported in excess of liability insurance limits is classified as estimated claims payable. Group health insurance is accounted for in the Medical Self-Insurance Fund, another internal service fund. At year-end, an estimate of unpaid claims that were incurred prior to September 30, 2009, is accrued based on past claims experience.

Accrued Compensated Absences—Full-time city employees earn sick leave at a rate of 8.00 hours per month. City employees earn vacation based on length of service. Full-time employees earn vacation leave as outlined below:

Hire	6.66 hours per month	Maximum 160 hours balance
4 yrs of continuous employment	10.0 hours per month	Maximum 240 hours balance
9 yrs of continuous employment	13.32 hours per month	Maximum 320 hours balance

Employees reaching the maximum vacation hour balance shall cease to accrue time until the balance has been reduced below the maximum. Full-time employees receive 32 hours of Bonus Vacation if the employee uses no sick leave during his/her anniversary year. Full-time employees receive 16 hours of Bonus Vacation if the employee uses eight (8) or less hours of sick leave during his/her anniversary year. Full-time employees using more than eight (8) hours of sick leave during his/her anniversary year are not eligible to receive bonus vacation. Any employee leaving the City in good standing is paid for accumulated vacation leave at their current pay rate. Sick leave may be accumulated from year to year, but only civil service employees are eligible to receive payment (for up to 90 day’s accumulation) upon retirement or termination. Accordingly, no

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

liability has been recorded for the accumulated sick leave of non-civil service employees. The measurement of the liability for compensated absences was determined by applying a vesting method approach to accumulated vacation and sick leave balances at fiscal year-end and includes additional salary related payments for Social Security, Medicare and retirement contributions, in accordance with GASB Statement No. 16, Accounting for Compensated Absences. No liability is recorded in the governmental fund statements as payment of this liability will not be made with expendable available financial resources. In the government-wide financial statements and proprietary fund statements, the liability for employees with over 20 years of service is recorded as a current liability as these employees are eligible for retirement regardless of their age. The General fund has been the primary funding source for payment of compensated absences to retiring or terminated employees.

Long-Term Debt—In the government-wide financial statements, and the fund level proprietary financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds if material in amount.

In the fund financial statements, governmental funds recognize bond issuance costs as expenditures during the current period. The face amount of debt issued is recorded as other financing sources. Bond premiums and discounts are reported as other financing sources and uses.

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

New Accounting Standards/Pronouncements--The GASB has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions," which provides guidance on all aspects of other post employment benefits (OPEB) reporting by employers. The requirements of this statement will be effective for the City for fiscal year ending September 30, 2009. This reporting standard is reflected in this year's financial statements and notes.

The GASB has issued Statement No. 47, "Accounting for Termination Benefits". This statement defines the accounting for voluntary and involuntary termination benefits and will be effective for the City for fiscal year ending September 30, 2009.

The GASB has issued Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations," which defines the circumstances for which a governmental entity is required to report a liability for pollution remediation. This statement will be effective for the City for fiscal year ending September 30, 2009. The City has no obligation events requiring pollution remediation at September 30, 2009, and thus, is not affected by this statement.

The GASB has issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," which clarifies the definition of intangible assets and provides guidance on appropriate reporting. This statement will be effective for the City for fiscal year ending September 30, 2010.

The GASB has issued Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments," which requires endowments to report land and other real estate investments at fair value rather than historical cost. This statement will be effective for the City for fiscal year ending September 30, 2009. The City has no such property as of September 30, 2009, and thus, is not affected by this statement.

The GASB has issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments," which addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. This statement will be effective for the City for fiscal year ending September 30, 2010.

The GASB has issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". Statement 54 is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. This statement will be effective for the City for fiscal year ending September 30, 2011.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

2. DEPOSITS AND INVESTMENTS

DEPOSITS: The City maintains a cash and investment pool that combines cash of the various funds in order to maximize investment opportunities. State statutes require that all deposits in financial institutions be insured by the FDIC or fully collateralized per the Public Funds Collateral Act. The City holds collateral limited to U. S. government obligations or obligations of the state of Texas and its agencies that have a market value of not less than 102% of the principal amount of the deposits. The City's and DCEDC's demand deposits were fully collateralized at September 30, 2009, in full compliance with state statute and City policy. At year-end, the reconciled balance of the City's cash was at a credit balance of \$391,007. The reconciled balance of DCEDC's cash was \$1,144,223. The combined bank balances of the City and DCEDC were \$1,250,275. Of the bank balance, \$250,000 was covered by Federal Depository Insurance and the remainder by collateral in the amount of \$1,000,275. The collateral is held by the Federal Reserve Bank of Dallas in the City's name under a joint safekeeping agreement with JPMorgan Chase Bank, N.A.

INVESTMENTS: The City's investments at September 30, 2009 are as follows:

Description	Fair Value	Less Than 1 Year
Local Government Investment Cooperative ("Logic") (AAA/MR1+, 2a-7 like pool)	6,815,892	6,815,892
Texpool (AAAm, 2a-7 like pool)	765,876	765,876
Certificates of Deposit	2,500,000	2,500,000
Total Investments	\$ 10,081,768	\$ 10,081,768

As of September 30, 2009, the DCEDC's investments are as follows:

Description	Fair Value	Less Than 1 Year
Local Government Investment Cooperative ("Logic") (AAA/MR1+, 2a-7 like pool)	\$ 83,104	\$ 83,104
Texpool (AAAm, 2a-7 like pool)	235,801	235,801
Certificates of Deposit	500,000	500,000
Total Investments	\$ 818,905	\$ 818,905

All the City's investments at September 30, 2009, have maturities of less than one year and therefore no difference between the carrying amount and fair value.

INTEREST RATE RISK: The strategy of the City is to maintain sufficient liquidity in its portfolio so that it does not need to sell a security prior to maturity. Should it become necessary to sell a security prior to maturity, the prior written consent of the City Manager must be obtained.

CREDIT RISK: The Public Funds Investment Act (PFIA) governs investment strategies and policies, training for investment officers, reporting requirements and types of investments allowed. The City has adopted an investment policy in compliance with PFIA.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

State statutes, city bond ordinances and city resolutions authorize the City's and DCEDC's investments. Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) other obligations, the principal on which are unconditionally guaranteed by the State of Texas or the United States or their respective agencies, (4) collateralized certificates of deposit, (5) eligible local government investment pools which are continuously rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service and (6) repurchase agreements, reverse repurchase agreements, bankers acceptances, and commercial paper to the extent that they are contained in the portfolios of approved public funds investment pools in which the City invests.

CONCENTRATION OF CREDIT RISK: The city investment policy does not allow for an investment in any one issuer in excess of the following guidelines for each type of instrument:

	Percentage of Portfolio (Maximum)
U.S. Treasury Obligations	85%
U.S. Government Agency Securities and Instrumentalities	75%
Authorized Local Government Investment Pool (per Pool)	75%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	50%
SEC-Regulated No-Load Money Market Mutual Fund (per Fund)	50%

3. AD VALOREM TAXES

Property tax is levied October 1, each year, on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Assessed value represents the appraised value less applicable exemptions authorized by the City Council. Appraised values are established by the Dallas Central Appraisal District at 100% of estimated market value. The assessed value for the tax roll of January 1, 2008, upon which the 2009 fiscal year levy was based, was \$1,902,328,898.

Taxes are due on October 1, immediately following the January 1 lien date and are delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to 18% on July 1, additional interest accrues at the rate of 1% each month. As of July 1, a 20% collection cost may be added to all delinquent accounts. Total tax collections for the year ended September 30, 2009 were 97.8% of the tax levy.

In Texas, countywide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

4. RECEIVABLES

Receivables at September 30, 2009, for the government's individual major, non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Street Construction	Traffic I & S	Nonmajor Governmental	Utility Fund	Solid Waste Fund	Total
Receivables:								
Accounts	\$ 3,686,685	\$ -	\$ -	\$ 88,693	\$ 120,842	\$ 2,628,352	\$ 419,069	\$ 6,943,641
Ad valorem taxes	794,282	260,672	-	-	-	-	-	1,054,954
Other taxes	1,601,383	-	-	-	111,075	-	-	1,712,458
Assessments	-	-	61,621	-	-	-	-	61,621
Intergovernmental	-	-	-	-	13,198	-	-	13,198
Gross receivables	6,082,350	260,672	61,621	88,693	245,115	2,628,352	419,069	9,785,872
Less allowance for uncollectibles	(2,069,731)	(138,257)	-	-	(1,194)	(443,064)	(1,723)	(2,653,969)
Net total receivables	<u>\$ 4,012,619</u>	<u>\$ 122,415</u>	<u>\$ 61,621</u>	<u>\$ 88,693</u>	<u>\$ 243,921</u>	<u>\$ 2,185,288</u>	<u>\$ 417,346</u>	<u>\$ 7,131,903</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

5. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2009:

	Beginning Balance, As Originally Reported	Adjustment	Beginning Balance, as Adjusted	Increases	Decreases	Ending Balance
Governmental activities:						
Capital assets—not being depreciated:						
Land	\$ 19,780,967	\$ -	\$ 19,780,967	\$ -	\$ -	\$ 19,780,967
Construction in progress	<u>165,832</u>	<u>-</u>	<u>165,832</u>	<u>1,597,719</u>	<u>-</u>	<u>1,763,551</u>
Total capital assets— not being depreciated	<u>19,946,799</u>	<u>-</u>	<u>19,946,799</u>	<u>1,597,719</u>	<u>-</u>	<u>21,544,518</u>
Capital assets—being depreciated:						
Buildings	7,484,452	-	7,484,452	-	-	7,484,452
Infrastructure	55,282,860	43,788	55,326,648	68,725	-	55,395,373
Improvements	2,107,062	(43,788)	2,063,274	-	-	2,063,274
Equipment	<u>11,150,036</u>	<u>-</u>	<u>11,150,036</u>	<u>641,924</u>	<u>362,773</u>	<u>11,429,187</u>
Total capital assets— being depreciated	<u>76,024,410</u>	<u>-</u>	<u>76,024,410</u>	<u>710,649</u>	<u>362,773</u>	<u>76,372,286</u>
Less accumulated depreciation for:						
Buildings	2,467,009	-	2,467,009	149,689	-	2,616,698
Infrastructure	26,564,305	-	26,564,305	1,796,371	-	28,360,676
Improvements	1,142,579	-	1,142,579	104,664	-	1,247,243
Equipment	<u>7,884,346</u>	<u>-</u>	<u>7,884,346</u>	<u>919,744</u>	<u>357,871</u>	<u>8,446,219</u>
Total accumulated depreciation	<u>38,058,239</u>	<u>-</u>	<u>38,058,239</u>	<u>2,970,468</u>	<u>357,871</u>	<u>40,670,836</u>
Total capital assets—being depreciated—net	<u>37,966,171</u>	<u>-</u>	<u>37,966,171</u>	<u>(2,259,819)</u>	<u>4,902</u>	<u>35,701,450</u>
Governmental activities capital assets—net	<u>\$ 57,912,970</u>	<u>\$ -</u>	<u>\$ 57,912,970</u>	<u>\$ (662,100)</u>	<u>\$ 4,902</u>	<u>\$ 57,245,968</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Beginning Balance, As Originally Reported	Adjustment	Beginning Balance, as Adjusted	Increases	Decreases	Ending Balance
Business-like activities:						
Capital assets—not being depreciated:						
Land	\$ 89,194	\$ -	\$ 89,194	\$ -	\$ -	\$ 89,194
Construction in progress	794,576	-	794,576	-	650,243	144,333
Total capital assets—not being depreciated	883,770	-	883,770	-	650,243	233,527
Capital assets—being depreciated:						
Buildings	5,115,988	-	5,115,988	-	-	5,115,988
Infrastructure	35,935,541	-	35,935,541	2,124,701	-	38,060,242
Water Rights	4,802,361	-	4,802,361	-	-	4,802,361
Improvements	29,130	-	29,130	-	-	29,130
Equipment	1,084,244	-	1,084,244	40,323	12,100	1,112,467
Total capital assets—being depreciated	46,967,264	-	46,967,264	2,165,024	12,100	49,120,188
Less accumulated depreciation for:						
Buildings	2,140,711	-	2,140,711	103,653	-	2,244,364
Infrastructure	14,831,917	28,838	14,860,755	721,211	-	15,581,965
Water Rights	1,152,565	-	1,152,565	96,047	-	1,248,612
Improvements	5,502	-	5,502	581	-	6,083
Equipment	879,966	(28,838)	851,128	49,503	12,100	888,531
Total accumulated depreciation	19,010,661	-	19,010,661	970,995	12,100	19,969,555
Total capital assets—being depreciated, net	27,956,603	-	27,956,603	1,194,029	-	29,150,632
Business-like activities capital assets—net	\$ 28,840,373	\$ -	\$ 28,840,373	\$ 1,194,029	\$ 650,243	\$ 29,384,159

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Depreciation expense was charged to functions/programs of the City as follows:

General Government	\$	221,203
Finance		1,992
Community services		427,610
Police		33,407
Public works		1,631,703
Fire		<u>54,030</u>
Total governmental activities	\$	2,369,945
Internal Service Activity:		
Fleet Rotation	\$	<u>600,523</u>
Total governmental & internal service activities	\$	<u><u>2,970,468</u></u>
Business-like activities:		
Water and sewer	\$	874,948
Water rights amortization		<u>96,047</u>
Total business-like activities	\$	<u><u>970,995</u></u>

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

Discretely presented component unit

Activity for the DCEDC for the year ended September 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets—not being depreciated:				
Land	\$ 2,744,879	\$ -	-	\$ 2,744,879
Construction in progress	<u>1,535,942</u>	<u>26,344</u>	<u>-</u>	<u>1,562,286</u>
Total capital assets—not being depreciated	<u>4,280,821</u>	<u>26,344</u>	<u>-</u>	<u>4,307,165</u>
Capital assets—being depreciated:				
Buildings	14,028,365	-	-	14,028,365
Improvements	3,515,288	-	-	3,515,288
Equipment	<u>369,244</u>	<u>25,000</u>	<u>-</u>	<u>394,244</u>
Total capital assets—being depreciated	<u>17,912,897</u>	<u>25,000</u>	<u>-</u>	<u>17,937,897</u>
Less accumulated depreciation for:				
Buildings	2,324,262	280,567	-	2,604,829
Improvements	120,601	75,968	-	196,569
Equipment	<u>140,884</u>	<u>36,882</u>	<u>-</u>	<u>177,766</u>
Total accumulated depreciation	<u>2,585,747</u>	<u>393,417</u>	<u>-</u>	<u>2,979,164</u>
Total capital assets—being depreciated, net	<u>15,327,150</u>	<u>(368,417)</u>	<u>-</u>	<u>14,958,733</u>
Capital assets—net	<u>\$ 19,607,971</u>	<u>\$ (342,073)</u>	<u>\$ -</u>	<u>\$ 19,265,898</u>

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

The City has active construction projects as of September 30, 2009. Total accumulated commitments for ongoing capital projects are composed of the following:

Governmental activities:	
Street Construction Fund	\$ 635,475
Drainage fees Fund	<u>1,839</u>
Total governmental activities	<u>\$ 637,314</u>
Business-type activities:	
Utility Fund	<u>\$ 13,689</u>
Total business-type activities	<u>\$ 13,689</u>

6. INTERFUND BALANCES AND TRANSFERS

Interfund balances as of September 30, 2009 are as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General	Hotel Motel (non- major special revenue fund)	\$ 50,000
General	Street construction	200,000
General	Community services (non-major governmental fund)	3,265
General	Debt service	60,000
Drainage (non-major governmental fund)	Utility (enterprise fund)	49,761
Utility (enterprise fund)	Solid waste (enterprise fund)	1,009,459
Solid waste (enterprise fund)	Utility (enterprise fund)	850,296
Community (non-major governmental fund)	Grant (non-major governmental fund)	<u>53,344</u>
	Total	<u>\$ 2,276,125</u>

All General fund receivables listed are to correct neagtive cash balances at fiscal year end.
Enterprise fund receivables correct negative cash and customer's account receivables.

Transfers were as follows for the fiscal year ended September 30, 2009:

Fund	Transfer In	Transfer Out
General	\$ 1,372,991	\$ -
Debt service	185,000	-
Street construction	293,792	-
Traffic I & S	-	375,867
Non-major governmental funds	99,530	206,322
Utility	-	1,160,978
Solid waste	-	<u>208,146</u>
Total	<u>\$ 1,951,313</u>	<u>\$ 1,951,313</u>

The transfers were for matching funds for grants, payments in lieu of taxes, and/or administrative and overhead charges.

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

7. BUDGETARY COMPLIANCE

Budgets are legally adopted at the fund level of control for the General, Debt Service, Traffic Safety & Improvement special revenue fund, Hotel Tax special revenue fund, and Drainage Fees special revenue fund on a basis consistent with GAAP using the modified accrual basis of accounting. Budgetary comparison schedules are presented for the General Fund, Debt Service Fund, Traffic Safety and Improvement special revenue fund, Hotel Tax special revenue fund and Drainage Fees special revenue fund which present actual expenditures on a basis consistent with the legally adopted budget as amended. Capital Project funds are budgeted over the life of the projects and not on an annual basis. For the year ended September 30, 2009, expenditures exceeded appropriations (the legal level of budgetary control) in the Fire Department of the General Fund by \$34,967, and in General Government of the Traffic Improvement and Safety Special Revenue Fund by \$24,760. The over-expenditures were funded by greater than expected revenues in the case of the Traffic Improvement and Safety Special Revenue Fund and by available fund balance in the General Fund.

8. LONG-TERM DEBT

Various types of long-term debt have been issued by the City for the acquisition and construction of major capital facilities and equipment as follows:

- General obligation bonds are issued pursuant to voter authorization for infrastructure and facility projects accounted for in the governmental capital project funds. General obligation bonds are also issued to refund prior debt issues. The City intends to retire this debt, plus interest, from ad valorem taxes.
- Certificate of obligation debt is similar to general obligation bonds in their usage and retirement but do not require voter authorization and are not used for refunding debt.

Annual debt service requirements to maturity for long-term bonded debt are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities		DCEDC	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	2,325,872	514,822	250,000	124,618	705,000	816,280
2011	1,170,145	433,381	260,000	115,433	1,005,000	773,335
2012	1,085,622	448,878	270,000	105,493	1,000,000	722,585
2012	1,043,474	486,402	280,000	94,903	660,000	670,935
2013-2017	1,560,135	1,089,866	1,585,000	287,530	3,940,000	2,724,655
2018-2022	-	-	490,000	16,973	4,220,000	1,405,663
2023-2025	-	-	-	-	1,455,000	181,220
Total	\$ 7,185,248	\$ 2,973,349	\$ 3,135,000	\$ 744,950	\$ 12,985,000	\$ 7,294,673
Accreted Interest	1,827,768					
Total	\$ 9,013,016					

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Long-term bonded debt at September 30, 2009, includes the following individual issues:

	Interest Rate (%)	Maturity Date	Amount Outstanding	Due Within One Year
Governmental Activities				
General Obligation Bonds:				
Series 1998 refunding and improvements	4.25-5.00	2/15/2013	\$ 1,950,000	\$ 1,385,000
Total general obligation bonds			<u>1,950,000</u>	<u>1,385,000</u>
Certificate of Obligation Bonds:				
Series 2001 refunding	4.40-4.70	8/15/2011	1,410,598	940,872
Series 2002 Tax and Waterworks and Sewer System Surplus Revenue	4.55-5.00	2/15/2015	<u>5,652,418</u>	<u>-</u>
Total certificate of obligation bonds			<u>7,063,016</u>	<u>940,872</u>
Total governmental activities long-term bonded debt			<u>\$ 9,013,016</u>	<u>\$ 2,325,872</u>
Business-Like Activities				
Water and Sewer Revenue Bonds:				
Series 2002 Tax and Waterworks and Sewer System Surplus Revenue refunding bonds	3.25-4.55	2/15/2020	\$ 3,135,000	\$ 250,000
Total business-like activities long-term debt			<u>\$ 3,135,000</u>	<u>\$ 250,000</u>
Net long-term bonded debt (primary government)			<u>\$ 12,148,016</u>	<u>\$ 2,575,872</u>
DCEDC				
Sales tax revenue bonds:				
Series 1998	4.10-5.00	2/15/2020	\$ 1,855,000	\$ 605,000
Series 2000 Taxable	7.50-8.20	8/15/2025	6,705,000	100,000
C.O. Series 2006 Tax & WW/SS Rev	4-4.125	2/15/2021	<u>4,425,000</u>	<u>-</u>
Total DCEDC			<u>\$ 12,985,000</u>	<u>\$ 705,000</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Long-term liability activity for the year ended September 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 3,270,000	\$ -	\$ 1,320,000	\$ 1,950,000	\$ 1,385,000
Certificates of obligation	8,116,345	341,671	1,395,000	7,063,016	940,872
Total bonds payable	11,386,345	341,671	2,715,000	9,013,016	2,325,872
Accrued compensated absences	3,005,326	79,218	-	3,084,544	215,918
Other postemployment benefits	-	367,770	-	367,770	-
Arbitrage rebate liability	1,754	-	1,754	-	-
Total governmental activities	<u>14,393,425</u>	<u>788,659</u>	<u>2,716,754</u>	<u>12,465,330</u>	<u>2,541,790</u>
Business-type activities:					
Bonds payable:					
Series 2002 Tax and Waterworks and Sewer system Surplus Revenue refunding bonds	3,375,000	-	240,000	3,135,000	250,000
Total bonds payable	3,375,000	-	240,000	3,135,000	250,000
Accrued compensated absences	88,815	595	4,294	85,116	5,957
Other postemployment benefits	-	26,641	-	26,641	-
Total business-like activities	<u>3,780,699</u>	<u>27,236</u>	<u>244,294</u>	<u>3,246,757</u>	<u>255,957</u>
Total long-term liabilities	<u>\$ 18,174,124</u>	<u>\$ 815,894</u>	<u>\$ 2,961,048</u>	<u>\$ 15,712,087</u>	<u>\$ 2,797,747</u>
DCEDC:					
Loan payable	\$ 308,820	\$ -	\$ 99,912	\$ 208,908	\$ 102,910
Bonds payable:					
Revenue bonds-sales tax	9,240,000	-	680,000	8,560,000	705,000
Certificates of obligation	4,425,000	-	-	4,425,000	-
Total DCEDC	<u>13,665,000</u>	<u>-</u>	<u>680,000</u>	<u>12,985,000</u>	<u>705,000</u>
Total DCEDC long-term liabilities	<u>\$ 13,973,820</u>	<u>\$ -</u>	<u>\$ 779,912</u>	<u>\$ 13,193,908</u>	<u>\$ 807,910</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

9. RETIREMENT PLAN

Plan Description—The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (“TMRS”), one of 833 administered by TMRS, an agent multiple-employer public employee retirement system. TMRS issues a publicly available financial report that includes financial statements and required supplementary information for TMRS. That report may be obtained by writing TMRS, P.O. Box 149153, Austin, Texas, 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS’ website at www.TMRS.com.

Benefits depend upon the sum of the employee’s contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee’s accumulated contributions. In addition, the City can grant as often as annually another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee’s accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee’s salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee’s accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Plan provisions for the City were as follows:

	<u>2008</u>	<u>2009</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (age/yrs service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100%
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are: age 60 or higher with 5 or more years of service and at any age with 20 or more years of service.

Contributions—Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee’s retirement date, not at the time the employee’s contributions are made. The normal cost contribution rate finances the portion of an active member’s projected benefit allocated annually. The prior service contribution rate amortizes the unfunded actuarial liability over the remainder of the plan’s applicable period. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. (i.e., December 31, 2008, valuation is effective for rates beginning January 2010).

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Actuarial Methods and Assumptions—The required contribution rates for fiscal year 2009 were determined as a part of the December 31, 2006 and 2007 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2008, also follows:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Valuation Date	12/31/2006	12/31/2007	12/31/2008
Actuarial cost method	Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll
Amortization period	25 years; open period	30-years; closed period	29-years; closed period
Asset valuation method	Amortized Cost	Amortized Cost	Amortized Cost
Actuarial Assumptions			
Investment return*	7%	7%	7.5%
Projected salary increases*	varies by age and service	varies by age and service	varies by age and service
* Includes Inflation at	3.00%	3.00%	3.00%
Cost-of-living adjustments	N/A	2.10%	2.10%

Annual Pension Cost—For fiscal year 2009, the City’s annual pension cost of \$1,682,013 was equal to the City’s required and actual contributions. The required contribution was determined as part of the December 31, 2008, actuarial valuation using the projected unit credit actuarial cost method and an adoption of the City’s ordinance electing to rescind the annually repeating 100% updated service credits, including transfers, 70% CPI increase to annuitants and to adopt on an ad-hoc (one time only) basis 100% updated service credits, 70% CPI increase to annuitants.

The following is a schedule of actuarial information and assumptions and funding progress as of December 31, 2008.

Actuarial valuation date	12/31/2008
Actuarial value of assets	\$39,951,321
Actuarial accrued liability (AAL)	\$47,795,005
Unfunded actuarial accrued liability (UAAL)	\$7,843,684
Funded ratio	83.60%
Annual covered payroll (actuarial)	\$13,481,452
UAAL as a % of covered payroll	58.18%

Required supplementary information for the analysis of funding progress for the past eight years is presented immediately following the Notes to the Financial Statements.

The City has elected not to participate in the Supplemental Death Benefits Fund for active employees or retirees.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

10. REGIONAL SYSTEMS FOR WATER SUPPLY AND WASTEWATER TREATMENT

City of Dallas Water Purchase Agreement - In 1979, the City entered into a thirty-year agreement to purchase treated water from the City of Dallas. The rate during fiscal 2009 was \$0.3716 per 1,000 gallons plus an annual demand charge of \$174,633 for each million gallons per day as established by the rate of flow controller setting (currently 12.5 million gallons at \$2,182,913 annually).

Trinity River Authority Sewage Disposal Agreement - The City, along with the cities of Cedar Hill, DeSoto, Ferris and Lancaster, is a member of the Trinity River Authority of Texas Ten Mile Creek Regional Wastewater System ("the System"). Under the contract dated December 1, 1983, the System provides for and operates a regional wastewater treatment plant and conveyance facility for the benefit of the parties. The City is required to deliver all of its wastewater from within the Ten-Mile Creek basin to the System's conveyance system for treatment. The City is then charged monthly, based upon the percentage of its flow to the total flow received by the System and the System's cost of operation and maintenance, including debt service on bonds issued to construct the System. The contract will remain in force and effect until all bonds have been paid in full and thereafter for a period of fifty years from the date of the contract.

Additionally, the City is a member of the Trinity River Authority of Texas Regional Wastewater System (the "Regional System") through a contract with the Authority dated June 27, 1984. The contract will remain in force and effect until all bonds have been paid in full and thereafter for a period of fifty years from the date of the contract. The City's wastewater is treated by the Regional System at its Ten Mile Creek Regional Plant and its Central Regional Plant. The City of Dallas Central Plant treats the northeastern portion of the City's wastewater. The City's payments to the Regional System have been deemed to be an operation and maintenance expense of the City's waterworks and sewer system and are payable monthly. The City's payments are based upon its percentage of the total of all contracting parties in the Regional System applied to total operation and maintenance expenses of the Regional System, including debt service. The Regional System is obligated to treat all of the City's sewage flow.

Lakeview Regional Water Supply Contract - The City and the Cities of Grand Prairie and Cedar Hill entered into a contract with TRA, dated February 27, 1985, and in effect for the useful life of the project, whereby TRA would sell its revenue bonds and construct and operate a water treatment plant, transmission and storage facilities necessary to supply treated water to the cities from Joe Pool Lake. Water intake facilities were financed and constructed in 1986 but the treatment plant and transportation facilities have not been constructed. There are no current plans to construct the treatment plant and transportation facilities for the City necessary to use the raw water from Joe Pool Lake. Under the contract, the City is required to pay its proportionate share (based on a percentage of water usage) of maintenance and operation costs. The City's current payments under the contract, which include debt service on bonds issued by TRA to construct the intake facilities and other costs associated with the facility, are approximately \$4,200 per year.

Summit Regional Water Storage Project - The City and the City of Cedar Hill entered into a contract with TRA, dated February 26, 1986 and in effect for the useful life of the project, whereby TRA would sell its revenue bonds and construct and operate an 8 million gallon water storage reservoir, delivery facilities and pump stations. Under the contract, the City is required to pay its proportionate share (58.77%) of the debt service on bonds issued by TRA for the project and maintenance and operation costs, and is obligated to pay its proportionate share regardless of whether the City actually makes use of the system. The City's current payments under the contract, which include debt service on bonds issued by TRA to construct the facilities and maintenance and operation costs associated with the facility, are approximately \$15,530 per year.

Dallas Wastewater Treatment Contract - The City entered into a contract with the City of Dallas, dated July 27, 1984, with a term of 30 years, for the City of Dallas to transport and treat wastewater from an area in the northeastern part of the City. Under the contract, the City is required to pay a transportation charge (based on cost of service) and a treatment charge (at the same rate as Dallas is charged by TRA for treatment of the wastewater). The City's current payments under the contract are approximately \$211,000 per year.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

11. SELF-INSURANCE

The City has established a medical self-insurance plan for City employees and their covered dependents. The City self-insures its employees and their dependents for illness, injury, and hospitalization up to \$100,000 per plan year. A third-party insurance company coinsures with the City for individual claims in excess of \$100,000 up to a lifetime maximum of \$1,000,000. Aggregate claims in excess of \$1,069,219 are also coinsured up to a maximum of \$1,000,000 per claim. All claims and maximums are calculated for a plan year ending each May 31. Settled claims have not exceeded the aggregate coverage in any of the past three fiscal years. Insurance coverage has not been reduced for this year from the prior year. The City purchases dental insurance coverage for employees and their covered dependents from a third-party insurance company.

The City established a comprehensive self-insurance plan for workers' compensation, property and casualty, and general liability coverage. The self-insurance plan encompasses workers' compensation benefits, fire, law enforcement, auto fleet, computer hardware and software, other property, public officials' liability and general liability coverage. A third-party insurance company coinsures with the City for individual claim retention levels and corresponding policy limits as follows: \$75,000/\$10,000,000 for workers' compensation; \$25,000/\$30,871,912 for real and personal property; and \$50,000/\$1,000,000 for liability claims. All claims and maximums are calculated for a plan year ending each June 30. Settled claims have not exceeded the aggregate policy limits in any of the past three fiscal years. Insurance coverage for this year is the same as that for the prior year.

The claims liabilities of \$158,149 and \$205,641 reported in the medical self-insurance fund and comprehensive self-insurance fund, respectively, are based on the requirements of GASB 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which requires that a liability be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the funds' claims liability amount in fiscal years 2008 and 2009 were:

		Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
Medical Self-Insurance Fund					
	2008	151,418	2,013,639	(2,001,329)	163,728
	2009	163,728	1,693,758	(1,699,337)	158,149
Comprehensive Self-Insurance Fund					
	2008	193,769	154,610	(154,610)	193,769
	2009	193,769	188,349	(176,477)	205,641

Accrued liabilities include provisions for claims reported and claims incurred but not reported. The provision for reported claims is determined by estimating the amount, which will ultimately be paid each claimant. The provision for claims incurred but not yet reported is estimated based on City experience since the inception of the program. Premium payments are reported as inter-fund services provided and used; accordingly, they are treated as operating revenues of the Self-Insurance Internal Service Funds and operating expenditures/expenses of the participating funds.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

12. POSTEMPLOYMENT BENEFITS

Plan Description- In addition to the pension benefits described in Note 9, the City makes postretirement health care benefits available to all employees who retire from the City and who qualify to receive pension disbursements from Texas Municipal Retirement System (TMRS) through a single-employer defined benefit healthcare plan. These benefits are provided to the retired employee and dependants under the same plan as active employees in accordance with State law. The retiree pays premiums for the retiree and dependents monthly. During fiscal year ended 2009, \$287,261 in claims were paid on retirees covered under the plan.

Funding Policy- The City's contribution is based on pay-as-you-go funding policy where the City's contributions are equal to claims in excess of retiree contributions. For fiscal year 2009, retiree contributions were \$497 to \$847 per month depending on the amount of dependents selected. In fiscal year 2009, total member contributions were \$204,592. The City contributions for fiscal year 2009, which are also equal to claims paid in excess of premiums collected, were \$82,670 for claims paid on retirees covered under the plan.

Annual OPEB Cost and Net OPEB Obligation- The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize and unfunded actuarial liabilities (or funding excess) over a period of not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 477,081
Interest on net OPEB	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>477,081</u>
Contributions made	<u>(82,670)</u>
Increase in net OPEB obligation	394,411
Net OPEB obligation- beginning of the year	-
Net OPEB obligation- end of the year	<u>\$ 394,411</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 and 2009 were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 477,081	17.3%	\$ 394,411

Funded Status and Funding Progress- As of December 31, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$6,508,510, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$13,481,452 and the ratio of the unfunded actuarial accrued liability 48.3%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

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

In the December 31, 2008 actuarial valuation, the Projected Unit Cost Credit Cost Method was used. The actuarial present value of benefits allocated to the valuation year is the Normal Cost. The actuarial present value of benefits allocated to all prior periods is the Actuarial Accrued Liability. Actuarial gains (losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability. Unfunded actuarial accrued liabilities (UAAL) (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) percent-of-payroll contributions. The UAAL was determined using the funding value of assets and actuarial accrued liability calculated as of the valuation date. The UAAL amortization payment (one component of the contribution requirement), is the level percent-of-payroll required to fully amortize the UAAL over a 30 year period. The Actuarial Value of Assets is set equal to the reported market value of assets. The assets are allocated among the divisions based on liabilities valued at 4.50%.

Actuarial assumptions include a rate of investment return of 4.50% a year, compounded annually net after investment expenses. The assumed real return is the rate of return in excess of price inflation. Considering other assumptions used in the valuation, the 4.50% nominal rate translates to a net real return of 1.50%. The annual healthcare cost trend rate of 10.0% is assumed initially and reduced by decrements to an ultimate rate of 4.50% after ten years.

13. CONTINGENT LIABILITIES

Pending Litigation—In the opinion of the City’s management, no pending litigation exists at September 30, 2009.

Arbitrage Rebate Requirement—The Tax Reform Act of 1986 imposes a rebate requirement with respect to certain bonds issued by the City. Under this requirement, an amount equal to the sum of (a) the excess of the aggregate amount earned on all investments over the amount that would have been earned if all investments were invested at a rate equal to the yield on the bonds and (b) any income earned on the excess described in (a) is required to be rebated to the United States Treasury, in order for the interest on the bonds to be excluded from federal taxation. Regulations implementing the rebate requirement were released by the Internal Revenue Service on May 12, 1989.

Grant Audit—The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be significant to the City’s financial statements.

14. REGIONAL DISPATCH CENTER

The City entered into an annually renewable Interlocal Cooperation agreement with the Cities of DeSoto and Cedar Hill (“participating cities”) on August 10, 1999 to establish a Regional Public Safety Dispatch and Alarm Monitoring Facility (“center”). The Center provides police, fire and emergency medical service communications to participating cities. The Center’s Management Committee is comprised of each of the participating cities’ City Manager or their designee. The City has a one-third (1/3) share in the equity of the Center, which qualifies as a joint venture and is accounted for in the government-wide statement of net assets. The value of the City’s share in the equity of the facility as of September 30, 2009, is \$663,271. The financial statements of the Center can be obtained by contacting: City of DeSoto Finance Department, 211 E. Pleasant Run Rd., DeSoto, TX 75115.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

15. REGIONAL ANIMAL CONTROL SHELTER

The City entered into an annually renewable Interlocal Cooperation agreement with the Cities of DeSoto and Cedar Hill on September 3, 1991 to establish a Regional Animal Control Shelter facility ("facility"). The facility's Management Committee is comprised of each of the participating cities' City Manager or their designee. The City has a one-third (1/3) share in the equity of the facility, which qualifies as a joint venture and is accounted for in the government-wide statement of net assets. The value of the City's share in the equity of the facility as of September 30, 2009, is \$1,035,853. In January 2008, the City of Cedar Hill issued \$2,040,000 of bonds to finance the construction of a new animal control shelter. Combined principal and interest of the obligation totaled \$3,064,113 and the City of Duncanville is obligated to pay one third of that total debt or \$1,021,371 over twenty years starting in FY09. The financial statements of the facility can be obtained by contacting: City of Cedar Hill Finance Department, P.O. Box 96, Cedar Hill, TX 75106-0096.

16. DUNCANVILLE INDEPENDENT SCHOOL DISTRICT TECHNOLOGY CENTER

The City entered into a seven year operating lease as lessor with the Duncanville Independent School District (D.I.S.D) on April 22, 2002 for a City building to be used by the D.I.S.D. as a Technology Center. The monthly rent amount is \$7,000, but the D.I.S.D. receives rent credit for any permanent improvements and fixtures costing over \$500. As of September 30, 2009, the D.I.S.D. has expended \$492,496 on improvements and fixtures, which is recorded in the government-wide statement of net assets. The net outstanding rent credit was fully satisfied as of as of September 30, 2009.

17. STAR CENTER

The DCEDC entered into a twenty-five year operating lease as lessor with the Dallas Stars Ltd. on January 31, 2000 for a DCEDC-constructed two story community-style recreational ice skating facility consisting of two ice surfaces, locker room facilities, concession area, meeting rooms and retail store. For fiscal year 2009, rental payments for the ice complex totaled \$840,000. In September 2009, the Dallas Stars Ltd. terminated the lease agreement resulting in the forfeit of their security deposit of \$634,247. Additional termination fees payments of \$1,366,812 are to be paid over the next two years.

18. LOAN TO DCEDC

The City and DCEDC entered into a loan agreement on January 18, 2005, whereby the City loaned the DCEDC \$500,000. This loan is at 3% annual interest rate and will be repaid on an annual basis payment of the Economic Development Sales Tax over the next five years. The first payment was made October 1, 2006, and the remaining payments are due October 1 of the succeeding years. The principal balance at September 30, 2009 was \$208,907. Proceeds from the loan were used for infrastructure improvements for a planned development at the southeast corner of S. Main Street and E. Highway 67 by Paramount Investment Corporation.

19. COMMITMENTS

**Duncanville Community and Economic Development Corporation (DCEDC)
Incentive Agreement with DeFord Lumber Co. Ltd.:**

DCEDC agreed to provide DeFord Lumber Co. Ltd. with an economic development grant from lawful available funds payable as provided an amount equal to twenty percent (20%) of the difference between the actual sales tax and the base annual sales tax (\$628,000). The DCEDC grant shall in no event exceed the total amount \$562,000. The grant will be paid for a period not to exceed eight (8) years, commencement date January 1, 2004, or until the total sum of all grants reaches \$562,000, whichever occurs earliest.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

**Duncanville Community and Economic Development Corporation (DCEDC)
Incentive Agreement with Pappas Restaurants, Inc.:**

DCEDC agreed to provide Pappas Restaurants, Inc. with an economic development grant from lawful available funds payable as provided an amount equal to forty percent (40%) of the allotment of the state sales tax received by the City (which allotment shall not exceed two percent (2%) of the sales generated at the restaurant, attributable to sales at the restaurant during first sixty (60) months of operation beginning on January 1, 2004 and ending on December 31, 2008.

**Duncanville Community and Economic Development Corporation (DCEDC)
Incentive Agreement with Costco Wholesale Corporation:**

DCEDC agreed to provide Costco Wholesale Corporation with an economic development sales tax rebate grant from lawful available funds in an amount equal to the sales tax receipts (1/2 of one percent (1%) sales and use tax imposed by the City) generated by the Costco Facility for ten (10) years, commencing upon the date the Costco Facility was opened for business (August 2006).

**Duncanville Community and Economic Development Corporation (DCEDC)
Incentive Agreement with Second Century Investments ("SCI"):**

DCEDC agreed to provide an economic development grant to SCI, from lawfully available funds, annually for ten (10) years beginning with the tax year in which completion of the hotel occurs and ending on the tenth anniversary of completion. DCEDC shall reimburse SCI for eighty percent (80%) of the City and County (but not school district) ad valorem taxes assessed to and paid by SCI with respect to the Hotel and Hotel Site.

City of Duncanville (City) function space license agreement with Second Century Investments ("SCI"):

City shall pay SCI license fees in an amount equal to one hundred percent (100%) of the Hotel Occupancy Tax paid by the Hotel to City from the Hotel / Motel fund. The term of this agreement shall be for a period of ten (10) years commencing upon the opening of the hotel for business (September 2005).

20. PRIOR PERIOD ADJUSTMENTS

In FY09, adjusting journal entries to record a reduction of revenue for \$816,763 in the General Fund licenses, permits and fees and an increase in revenue of \$417,773 in General Fund delinquent property taxes, failed to be reported in the financial statements, resulting in the following restatement:

General Fund Balance, beginning of year	\$3,049,568
Prior Period Adjustment	<u>(398,990)</u>
General Fund Balance, restated	<u>\$2,650,578</u>

21. DEFICIT IN INDIVIDUAL FUND

At September 30, 2009 the Debt Service fund balance is at a negative \$38,660. It is intentional that the fund balance is negative at FY09 year end, as it has been included in forward planning as we look to retire debt coming due in the year ending September 30, 2011.

End of Notes to Basic Financial Statements

City of Duncanville, Texas

**Required Supplementary Information
Texas Municipal Retirement System (TMRS) -
Analysis of Funding Progress
Last Eight Fiscal Years**

As of 12/31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)*	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
2001	39,784,800	45,922,967	6,138,167	86.6%	10,638,058	57.7%
2002	40,096,818	47,065,054	6,968,236	85.2%	10,989,239	63.4%
2003	44,012,917	52,574,878	8,561,961	83.7%	11,492,597	74.5%
2004	44,456,019	53,317,211	8,861,192	83.4%	11,225,031	78.9%
2005	44,625,852	54,659,964	10,034,112	81.6%	11,836,449	84.8%
2006	43,797,930	55,013,760	11,215,830	79.6%	12,316,312	91.1%
2007	43,302,007	66,123,195	22,821,188	65.5%	12,967,448	176.0%
2008	39,951,321	47,795,005	7,843,684	83.6%	13,481,452	58.2%

Source: Texas Municipal Retirement System Comprehensive Annual Financial Reports.

NOTES:

Trend data presented is based on the fiscal year of the Texas Municipal Retirement System, which ends December 31.

- * For years 2001 thru 2006, the actuarial accrued liability was calculated using the Unit Credit actuarial funding method. For years 2007 and forward, the actuarial accrued liability was calculated using the Projected Unit Credit actuarial funding method.

**Required Supplementary Information
City of Duncanville Other Post Employment Benefits Plan
Analysis of Funding Progress
Last Three Fiscal Years
(Unaudited)**

As of 12/31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)*	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	\$ -	\$ 6,508,510	\$ 6,508,510	0.0%	\$ 13,481,452	48.3%
2009	-	6,508,510	6,508,510	0.0%	\$ 13,481,452	48.3%

*As of December 31, 2008, the date of the actuarial valuation.

COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES



Duncanville
City of Champions

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-REVENUES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PROPERTY TAXES:				
Current taxes	\$ 10,469,985	\$ 10,469,985	\$ 10,347,677	\$ (122,308)
Prior rolls	194,000	205,296	195,543	(9,753)
Penalties and interest	130,000	130,000	134,391	4,391
Total	<u>10,793,985</u>	<u>10,805,281</u>	<u>10,677,611</u>	<u>(127,670)</u>
SALES TAXES:				
General	3,785,854	3,422,954	3,490,154	67,200
Property tax relief	1,892,926	1,711,478	1,745,077	33,599
Total	<u>5,678,780</u>	<u>5,134,432</u>	<u>5,235,231</u>	<u>100,799</u>
FRANCHISE TAXES:				
TXU Electric	1,180,000	1,163,796	1,130,220	(33,576)
Atmos Energy	418,233	418,233	309,368	(108,865)
Telephone	345,000	345,000	298,794	(46,206)
Charter Cable Television	110,000	110,000	113,024	3,024
Utility Court Settlement	34,920	34,920	40,741	5,821
Telephone Video Services	30,000	64,149	96,570	32,421
Total	<u>2,118,153</u>	<u>2,136,098</u>	<u>1,988,717</u>	<u>(147,381)</u>
MIXED BEVERAGE TAXES				
	<u>60,000</u>	<u>70,000</u>	<u>71,978</u>	<u>1,978</u>
Total taxes	<u>18,650,918</u>	<u>18,145,811</u>	<u>17,973,537</u>	<u>(172,274)</u>
LICENSES, PERMITS AND FEES:				
Building permits	160,000	160,000	132,486	(27,514)
Zoning and special use permits	9,000	10,739	12,290	1,551
Electrical permits	9,500	9,500	10,242	742
Plumbing permits	25,000	25,000	32,937	7,937
Alarm permits	83,489	70,500	59,118	(11,382)
Solicitor licenses	300	400	800	400
9-1-1 service fee	288,491	288,491	301,951	13,460
Emergency medical service	765,892	823,677	1,009,010	185,333
Sign permits	19,000	19,000	14,185	(4,815)
Health food inspection fees	65,000	65,000	65,689	689
Pool inspection fees	2,500	100	-	(100)
Wrecker & storage fees	33,269	33,269	23,453	(9,816)
Total	<u>1,461,441</u>	<u>1,505,676</u>	<u>1,662,161</u>	<u>156,485</u>
MUNICIPAL COURT AND LIBRARY:				
Municipal court	1,024,493	809,186	556,871	(252,315)
False alarm fees	58,989	43,029	33,504	(9,525)
Library	22,359	22,359	23,067	708
Total	<u>1,105,841</u>	<u>874,574</u>	<u>613,442</u>	<u>(261,132)</u>
INTERGOVERNMENTAL				
	<u>338,304</u>	<u>220,718</u>	<u>203,609</u>	<u>(17,109)</u>
INTEREST				
	<u>237,129</u>	<u>144,079</u>	<u>81,397</u>	<u>(62,682)</u>
RECREATION FEES				
	<u>180,000</u>	<u>180,000</u>	<u>194,489</u>	<u>14,489</u>
OTHER SALES AND SERVICES:				
Sale of capital assets/ auction proceeds	37,273	33,250	46,293	13,043
Miscellaneous	267,263	264,020	386,018	121,998
Rentals	169,173	174,167	174,276	109
Total	<u>473,709</u>	<u>471,437</u>	<u>606,587</u>	<u>135,150</u>
Total revenues	<u>\$ 22,447,342</u>	<u>\$ 21,542,295</u>	<u>\$ 21,335,222</u>	<u>\$ (207,073)</u>

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

(Continued on following page)

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>	<u>Maintenance</u>
DEPARTMENTS:				
General government-				
Mayor and council	\$ -	\$ 2,922	\$ 192,459	\$ -
City manager	380,271	108	9,010	-
City secretary	83,063	30,110	15,135	-
Personnel services	228,883	1,256	31,590	-
Information systems	169,628	103,356	150,389	-
Community information	73,829	124	627	-
Library services	585,530	8,998	38,703	-
Total	<u>1,521,204</u>	<u>146,874</u>	<u>437,913</u>	<u>-</u>
Finance-				
Administration	439,438	8,069	114,822	-
Municipal court	240,707	4,598	127,984	-
Purchasing	94,981	1,514	150	-
Teen court	25,088	1,031	1,620	-
City Marshall	139,594	987	1,569	-
Total	<u>939,808</u>	<u>16,199</u>	<u>246,145</u>	<u>-</u>
Community services -				
Administration	177,977	689	28,214	-
Recreation programming	276,391	6,538	16,753	-
Athletic programming	113,373	23,403	92,326	73
Park grounds maintenance	407,164	35,851	415,696	45,213
Building services	235,822	36,108	337,047	31,093
Senior center	108,013	5,454	20,471	-
Horticulture	139,175	14,772	24,185	10,428
Total	<u>1,457,915</u>	<u>122,815</u>	<u>934,692</u>	<u>86,807</u>
Police-				
Administration	342,595	13,328	84,111	-
Patrol	3,195,956	42,075	168,594	2,479
Criminal investigation	893,670	7,211	40,975	-
Animal control	96,722	916	206,730	-
School Guards	74,954	179	1,424	-
Crime prevention	122,699	7,033	4,178	-
Communication/ Records	320,950	5,859	965,879	240
School Resource officers	379,981	1,393	4,106	-
Special services	123,364	35,537	51,956	174
Detention	177,051	11,692	-	-
Total	<u>5,727,942</u>	<u>125,223</u>	<u>1,527,953</u>	<u>2,893</u>

<u>Capital</u>	<u>Total Expenditures</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ -	\$ 195,381	\$ 202,289	\$ 211,450	\$ 16,069
-	389,389	392,416	389,211	(178)
-	128,308	110,690	135,423	7,115
-	261,729	242,227	259,587	(2,142)
-	423,373	445,875	431,550	8,177
-	74,580	86,523	74,994	414
29,728	662,959	727,418	672,496	9,537
<u>29,728</u>	<u>2,135,719</u>	<u>2,207,438</u>	<u>2,174,711</u>	<u>38,992</u>
-	562,329	621,449	563,952	1,623
-	373,289	405,600	388,984	15,695
-	96,645	98,005	96,255	(390)
-	27,739	52,690	29,398	1,659
-	142,150	197,891	141,185	2,675
<u>-</u>	<u>1,202,152</u>	<u>1,375,635</u>	<u>1,219,774</u>	<u>17,622</u>
-	206,880	207,055	205,738	(1,142)
-	299,682	345,902	325,658	25,976
-	229,175	226,615	234,358	5,183
-	903,924	1,009,397	972,977	69,053
-	640,070	572,007	622,713	(17,357)
-	133,938	132,719	138,597	4,659
-	188,560	266,757	204,360	15,800
<u>-</u>	<u>2,602,229</u>	<u>2,760,452</u>	<u>2,704,401</u>	<u>102,172</u>
-	440,034	459,119	443,485	3,451
-	3,409,104	3,416,493	3,460,265	51,161
-	941,856	898,410	918,528	(23,328)
-	304,368	311,287	306,191	1,823
-	76,557	57,358	71,678	(4,879)
-	133,910	116,014	137,207	3,297
-	1,292,928	1,357,086	1,309,359	16,431
-	385,480	502,962	385,257	(223)
-	211,031	321,054	247,667	36,636
-	188,743	228,578	192,739	3,996
<u>-</u>	<u>7,384,011</u>	<u>7,668,361</u>	<u>7,472,376</u>	<u>88,365</u>

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

(Continued on following page)

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>	<u>Maintenance</u>
DEPARTMENTS (Continued):				
Public works-				
Engineering/ Planning	245,123	1,312	35,828	-
Building inspection	371,483	4,795	62,357	-
Streets	758,227	142,346	495,738	-
Signs and signals	171,266	136,850	42,660	1,692
Equipment services	252,148	199,470	47,640	262,563
Total	<u>1,798,247</u>	<u>484,773</u>	<u>684,223</u>	<u>264,255</u>
Fire-				
Administration	342,989	5,514	109,573	33,264
Prevention	113,671	3,872	7,539	-
Suppression	3,179,610	68,729	160,165	9,093
Advanced life support	901,230	66,387	189,139	-
Emergency Management Administrator	66,730	6,824	1,540	-
Total	<u>4,604,230</u>	<u>151,326</u>	<u>467,956</u>	<u>42,357</u>
NON-DEPARTMENTAL	<u>13,609</u>	<u>55,344</u>	<u>118,423</u>	<u>-</u>
Subtotal	<u>16,062,955</u>	<u>1,102,554</u>	<u>4,417,305</u>	<u>396,312</u>
Total expenditures	<u>\$ 16,062,955</u>	<u>\$ 1,102,554</u>	<u>\$ 4,417,305</u>	<u>\$ 396,312</u>

<u>Capital</u>	<u>Total Expenditures</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
-	282,263	338,142	282,058	(205)
-	438,635	555,344	461,530	22,895
-	1,396,311	1,705,645	1,411,850	15,539
-	352,468	449,066	358,924	6,456
-	761,821	909,968	759,688	(2,133)
-	<u>3,231,498</u>	<u>3,958,165</u>	<u>3,274,050</u>	<u>42,552</u>
-	491,340	451,220	490,489	(851)
-	125,082	132,424	125,924	842
9,102	3,426,699	3,420,688	3,415,679	(11,020)
-	1,156,756	1,194,118	1,133,323	(23,433)
-	75,094	78,280	74,589	(505)
9,102	<u>5,274,971</u>	<u>5,276,730</u>	<u>5,240,004</u>	<u>(34,967)</u>
-	<u>187,376</u>	<u>191,732</u>	<u>202,908</u>	<u>15,532</u>
38,830	<u>22,017,956</u>	<u>23,438,513</u>	<u>22,288,224</u>	<u>270,268</u>
<u>\$ 38,830</u>	<u>\$ 22,017,956</u>	<u>\$ 23,438,513</u>	<u>\$ 22,288,224</u>	<u>\$ 270,268</u>



Duncanville
City of Champions

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special Revenue Funds account for the proceeds of special revenue sources that are legally or administratively restricted to expenditures for specified purposes. Individual Special Revenue Funds maintained are as follows:

Hotel/Motel Tax Fund-to account for monies received from a tax upon the cost of occupancy in hotels and motels, the revenues of which may be expended to promote tourism and the convention and hotel industry.

Drainage fees Fund-to account for funds received from user fees for major storm water drainage improvement projects throughout the City. The Drainage fees fund was created to reduce flooding, reduce creek erosion, and comply with EPA mandates regarding storm water management.

Community Services Fund-to account for service fees received from users for providing special community education, athletic, library and park services.

Grants Fund – to account for funds granted the City by state and federal government to be used for public safety, and cultural and recreational purposes.

Court Technology Fund- to account for funds received from Municipal court fines to be used for upgrading technology.

Court Security Fund- to account for funds received from Municipal court fines to be used for providing security to Municipal Court.

Juvenile Case Manager Fund- to account for funds received from Municipal court fines to be used only to finance the salary and benefits of a juvenile case manager.

Asset Forfeiture Fund-to account for awards of money by the courts to the Police Department.

CAPITAL PROJECT FUNDS:

Capital Projects Funds account for resources used for the acquisition and/or construction of capital facilities and improvements, except those financed by the Proprietary Fund Types. Resources are derived primarily from sales of general obligation bonds and certificates of obligation. Individual funds maintained are as follows:

Park Construction Fund - to account for various improvements made in the City's parks and recreational facilities.

Capital Improvements Fund – to account for the expenditures of various one-time capital improvements.

Senior Center Building Improvements Fund – to account for various improvements to the Senior Center Building.

CITY OF DUNCANVILLE, TEXAS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 719,333	\$ 240,059	\$ 959,392
Receivables:			
Taxes	111,075	-	111,075
Trade accounts	119,648	-	119,648
Intergovernmental	13,198	-	13,198
Due from other funds	103,110	-	103,110
Prepaid items	5,479	-	5,479
Total assets	<u>\$ 1,071,843</u>	<u>\$ 240,059</u>	<u>\$ 1,311,902</u>
 <u>LIABILITIES AND EQUITY</u>			
LIABILITIES:			
Accounts payable	\$ 44,279	\$ -	\$ 44,279
Accrued payroll	8,307	-	8,307
Due to other funds	106,614	-	106,614
Deferred revenue	223,901	-	223,901
Total liabilities	<u>383,101</u>	<u>-</u>	<u>383,101</u>
 EQUITY:			
Fund balances-			
Reserved for prepaid items	5,479	-	5,479
Unreserved, reported in:			
Special revenue funds	683,263	-	683,263
Capital project funds	-	240,059	240,059
Total fund balances	<u>688,742</u>	<u>240,059</u>	<u>928,801</u>
Total liabilities & fund balances	<u>\$ 1,071,843</u>	<u>\$ 240,059</u>	<u>\$ 1,311,902</u>

CITY OF DUNCANVILLE, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Special Revenue	Capital Projects	Total Nonmajor Funds
REVENUES:			
Hotel taxes	\$ 462,474	\$ -	462,474
Licenses, permits and fees	419,179	-	419,179
Fines and forfeitures	137,048	-	137,048
Recreation fees	61,806	-	61,806
Intergovernmental	135,684	-	135,684
Investment income	1,831	295	2,126
Rental and other	12,233	-	12,233
Gifts and contributions	14,450	-	14,450
Total revenues	1,244,705	295	1,245,000
EXPENDITURES:			
Current-			
General government	204,899	-	204,899
Community services	83,574	-	83,574
Police	79,809	-	79,809
Public works	138,273	-	138,273
Fire	7,300	-	7,300
Special purposes - promotional	385,245	-	385,245
Capital outlay	80,601	1,523	82,124
Total expenditures	979,701	1,523	981,224
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	265,004	(1,228)	263,776
OTHER FINANCING SOURCES (USES):			
Transfers in	-	99,530	99,530
Transfers out	(206,322)	-	(206,322)
Total other financing sources (uses)	(206,322)	99,530	(106,792)
NET CHANGE IN FUND BALANCES	58,682	98,302	156,984
FUND BALANCES, beginning of year	630,060	141,757	771,817
FUND BALANCES, end of year	\$ 688,742	\$ 240,059	\$ 928,801

CITY OF DUNCANVILLE, TEXAS

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2009**

	<u>Hotel Motel Tax</u>	<u>Drainage Fees</u>	<u>Community Services</u>	<u>Grants</u>
<u>ASSETS:</u>				
Cash and investments	\$ 6,573	\$ 144,759	\$ 13,444	\$ 141,691
Receivables:				
Taxes	111,075	-	-	-
Trade accounts (net of allowance of \$1,194)	-	118,456	1,192	-
Intergovernmental	-	-	-	13,198
Due from other funds	-	49,761	53,349	-
Prepaid items	3,644	-	810	250
	<u>3,644</u>	<u>-</u>	<u>810</u>	<u>250</u>
Total assets	<u>\$ 121,292</u>	<u>\$ 312,976</u>	<u>\$ 68,795</u>	<u>\$ 155,139</u>
 <u>LIABILITIES AND FUND BALANCES:</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 36,479	\$ 1,043	\$ 1,948	\$ 2,504
Accrued payroll	2,360	2,411	-	2,214
Due to other funds	50,000	-	3,265	53,349
Deferred revenue	-	-	38	-
	<u>-</u>	<u>-</u>	<u>38</u>	<u>-</u>
Total liabilities	<u>88,839</u>	<u>3,454</u>	<u>5,251</u>	<u>58,067</u>
 <u>FUND BALANCES:</u>				
Reserved for prepaid items	3,644	-	810	250
Unreserved	28,809	309,522	62,734	96,822
	<u>32,453</u>	<u>309,522</u>	<u>63,544</u>	<u>97,072</u>
Total fund balances	<u>32,453</u>	<u>309,522</u>	<u>63,544</u>	<u>97,072</u>
Total liabilities and fund balances	<u>\$ 121,292</u>	<u>\$ 312,976</u>	<u>\$ 68,795</u>	<u>\$ 155,139</u>

<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Total</u>
\$ 8,561	\$ 62,541	\$ 31,897	\$ 309,867	719,333
-	-	-	-	111,075
-	-	-	-	119,648
-	-	-	-	13,198
-	-	-	-	103,110
500	-	-	275	5,479
<u>\$ 9,061</u>	<u>\$ 62,541</u>	<u>\$ 31,897</u>	<u>\$ 310,142</u>	<u>\$ 1,071,843</u>
\$ 665	\$ -	\$ 209	\$ 1,431	\$ 44,279
-	-	1,322	-	8,307
-	-	-	-	106,614
-	-	-	223,863	223,901
<u>665</u>	<u>-</u>	<u>1,531</u>	<u>225,294</u>	<u>383,101</u>
500	-	-	275	5,479
7,896	62,541	30,366	84,573	683,263
<u>8,396</u>	<u>62,541</u>	<u>30,366</u>	<u>84,848</u>	<u>688,742</u>
<u>\$ 9,061</u>	<u>\$ 62,541</u>	<u>\$ 31,897</u>	<u>\$ 310,142</u>	<u>\$ 1,071,843</u>

CITY OF DUNCANVILLE, TEXAS

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Hotel Motel Tax	Drainage Fees	Community Services	Grants
REVENUES:				
Hotel taxes	\$ 462,474	\$ -	\$ -	\$ -
Licenses, permits and fees	-	419,179	-	-
Fines and forfeitures	-	-	-	-
Recreation fees	-	-	61,806	-
Intergovernmental	-	-	-	135,684
Investment income	602	132	128	35
Rental and other	2	-	100	11,653
Gifts and contributions	-	-	14,450	-
	<u>463,078</u>	<u>419,311</u>	<u>76,484</u>	<u>147,372</u>
EXPENDITURES:				
General government	147,790	-	-	9,071
Community services	-	-	74,909	8,665
Police	-	-	-	22,368
Public works	-	79,134	-	59,139
Fire	-	-	-	7,300
Special purposes-promotional	385,245	-	-	-
Capital outlay	-	80,601	-	-
	<u>533,035</u>	<u>159,735</u>	<u>74,909</u>	<u>106,543</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(69,957)	259,576	1,575	40,829
OTHER FINANCING USES				
Transfers out	(21,322)	(185,000)	-	-
NET CHANGE IN FUND BALANCES	(91,279)	74,576	1,575	40,829
FUND BALANCES, beginning	<u>123,732</u>	<u>234,946</u>	<u>61,969</u>	<u>56,243</u>
FUND BALANCES, ending	<u>\$ 32,453</u>	<u>\$ 309,522</u>	<u>\$ 63,544</u>	<u>\$ 97,072</u>

<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 462,474
-	-	-	-	419,179
16,672	12,080	19,238	89,058	137,048
-	-	-	-	61,806
-	-	-	-	135,684
19	488	185	242	1,831
-	-	-	478	12,233
-	-	-	-	14,450
<u>16,691</u>	<u>12,568</u>	<u>19,423</u>	<u>89,778</u>	<u>1,244,705</u>
17,872	6,820	23,346	-	204,899
-	-	-	-	83,574
-	-	-	57,441	79,809
-	-	-	-	138,273
-	-	-	-	7,300
-	-	-	-	385,245
-	-	-	-	80,601
<u>17,872</u>	<u>6,820</u>	<u>23,346</u>	<u>57,441</u>	<u>979,701</u>
(1,181)	5,748	(3,923)	32,337	265,004
-	-	-	-	(206,322)
(1,181)	5,748	(3,923)	32,337	58,682
<u>9,577</u>	<u>56,793</u>	<u>34,289</u>	<u>52,511</u>	<u>630,060</u>
<u>\$ 8,396</u>	<u>\$ 62,541</u>	<u>\$ 30,366</u>	<u>\$ 84,848</u>	<u>\$ 688,742</u>



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CITY OF DUNCANVILLE, TEXAS

HOTEL-MOTEL TAX FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Hotel, motel taxes	\$ 632,095	\$ 500,124	\$ 462,474	\$ (37,650)
Interest on investments	5,000	1,100	602	(498)
Other	-	-	2	2
Total revenues	<u>637,095</u>	<u>501,224</u>	<u>463,078</u>	<u>(38,146)</u>
EXPENDITURES:				
General government	153,231	151,089	147,790	3,299
Special purposes-promotional	<u>511,015</u>	<u>421,377</u>	<u>385,245</u>	<u>36,132</u>
Total expenditures	<u>664,246</u>	<u>572,466</u>	<u>533,035</u>	<u>39,431</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,151)	(71,242)	(69,957)	1,285
OTHER FINANCING USES				
Transfers out	<u>(27,192)</u>	<u>(21,322)</u>	<u>(21,322)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(54,343)	(92,564)	(91,279)	1,285
FUND BALANCES, beginning of year	<u>129,702</u>	<u>123,732</u>	<u>123,732</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 75,359</u>	<u>\$ 31,168</u>	<u>\$ 32,453</u>	<u>\$ 1,285</u>

DRAINAGE FEES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Drainage fees	\$ 411,479	\$ 411,479	\$ 419,179	\$ 7,700
Interest on investments	2,000	400	132	(268)
City services reimbursement	25,000	39,822	-	(39,822)
Total revenues	<u>438,479</u>	<u>451,701</u>	<u>419,311</u>	<u>(32,390)</u>
EXPENDITURES:				
Public works	120,176	127,012	79,134	47,878
Capital outlay	135,000	106,436	80,601	25,835
Total expenditures	<u>255,176</u>	<u>233,448</u>	<u>159,735</u>	<u>73,713</u>
EXCESS OF REVENUES OVER EXPENDITURES	183,303	218,253	259,576	41,323
OTHER FINANCING USES				
Transfers out	(205,000)	(203,000)	(185,000)	18,000
NET CHANGE IN FUND BALANCE	(21,697)	15,253	74,576	59,323
FUND BALANCES, beginning of year	<u>189,190</u>	<u>234,946</u>	<u>234,946</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 167,493</u>	<u>\$ 250,199</u>	<u>\$ 309,522</u>	<u>\$ 59,323</u>

CITY OF DUNCANVILLE, TEXAS

**NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2009**

	Park Construction	Capital Improvements	Senior Center Building Improvements	Total
<u>ASSETS:</u>				
Cash and investments	\$ 35,802	\$ 198,532	\$ 5,725	\$ 240,059
Total assets	<u>\$ 35,802</u>	<u>\$ 198,532</u>	<u>\$ 5,725</u>	<u>\$ 240,059</u>
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>LIABILITIES:</u>				
Contracts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES:</u>				
Unreserved	35,802	198,532	5,725	240,059
Total fund balances	<u>35,802</u>	<u>198,532</u>	<u>5,725</u>	<u>240,059</u>
Total liabilities and fund balances	<u>\$ 35,802</u>	<u>\$ 198,532</u>	<u>\$ 5,725</u>	<u>\$ 240,059</u>

CITY OF DUNCANVILLE, TEXAS

NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Park Construction	Capital Improvements	Senior Center Building Improvements	Total
REVENUES:				
Investment income	\$ 32	\$ 258	\$ 5	\$ 295
Total revenues	<u>32</u>	<u>258</u>	<u>5</u>	<u>295</u>
EXPENDITURES:				
Capital outlay	-	1,219	304	1,523
Total expenditures	<u>-</u>	<u>1,219</u>	<u>304</u>	<u>1,523</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>32</u>	<u>(961)</u>	<u>(299)</u>	<u>(1,228)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	99,530	-	99,530
NET CHANGE IN FUND BALANCES	32	98,569	(299)	98,302
FUND BALANCES, beginning of year	<u>35,770</u>	<u>99,963</u>	<u>6,024</u>	<u>141,757</u>
FUND BALANCES, end of year	<u>\$ 35,802</u>	<u>\$ 198,532</u>	<u>\$ 5,725</u>	<u>\$ 240,059</u>

CITY OF DUNCANVILLE, TEXAS

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Ad Valorem taxes	\$ 2,562,087	\$ 2,562,087	\$ 2,532,166	\$ (29,921)
Delinquent taxes	50,000	50,000	44,990	(5,010)
Penalties and interest	35,000	35,000	33,367	(1,633)
Interest on investments	10,000	5,000	6,013	1,013
Total revenues	<u>2,657,087</u>	<u>2,652,087</u>	<u>2,616,536</u>	<u>(35,551)</u>
EXPENDITURES:				
Principal retirement	2,311,273	2,311,273	2,311,273	-
Interest on debt	530,314	530,314	530,314	-
Paying agent fees	10,500	10,500	4,515	5,985
Total expenditures	<u>2,852,087</u>	<u>2,852,087</u>	<u>2,846,102</u>	<u>5,985</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(195,000)	(200,000)	(229,566)	(29,566)
OTHER FINANCING SOURCES				
Transfers in	<u>205,000</u>	<u>205,000</u>	<u>185,000</u>	<u>(20,000)</u>
NET CHANGE IN FUND BALANCE	10,000	5,000	(44,566)	(49,566)
FUND BALANCES, beginning of year	<u>6,639</u>	<u>5,906</u>	<u>5,906</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 16,639</u>	<u>\$ 10,906</u>	<u>\$ (38,660)</u>	<u>\$ (49,566)</u>

CITY OF DUNCANVILLE, TEXAS

**ENTERPRISE FUNDS
SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>UTILITY FUND</u>				
WATER:				
Sale of water	\$ 6,015,277	\$ 6,116,111	\$ 6,136,967	\$ 20,856
Water taps	20,000	4,000	4,500	500
Total	<u>6,035,277</u>	<u>6,120,111</u>	<u>6,141,467</u>	<u>21,356</u>
SEWER:				
Sewer charges	4,660,173	4,807,254	4,816,319	9,065
Sewer taps	8,000	1,250	2,815	1,565
Total	<u>4,668,173</u>	<u>4,808,504</u>	<u>4,819,134</u>	<u>10,630</u>
PENALTIES	<u>72,000</u>	<u>72,000</u>	<u>76,058</u>	<u>4,058</u>
OTHER:				
Service charges	130,000	130,000	139,955	9,955
City services reimbursement	-	19,845	7,186	(12,659)
Collection of bad debts	1,500	-	-	-
Miscellaneous	20,000	11,775	10,914	(861)
Total	<u>151,500</u>	<u>161,620</u>	<u>158,055</u>	<u>(3,565)</u>
INTEREST INCOME	<u>130,000</u>	<u>78,184</u>	<u>36,962</u>	<u>(41,222)</u>
Total revenues Utility Fund	<u>\$ 11,056,950</u>	<u>\$ 11,240,419</u>	<u>\$ 11,231,676</u>	<u>\$ (8,743)</u>
 <u>SOLID WASTE FUND</u>				
SOLID WASTE CHARGES	\$ 2,177,424	\$ 2,173,730	\$ 2,209,092	\$ 35,362
INTEREST INCOME	<u>200</u>	<u>200</u>	<u>45</u>	<u>(155)</u>
Total revenues Solid Waste Fund	<u>\$ 2,177,624</u>	<u>\$ 2,173,930</u>	<u>\$ 2,209,137</u>	<u>\$ 35,207</u>
Total revenues Enterprise Funds	<u>\$ 13,234,574</u>	<u>\$ 13,414,349</u>	<u>\$ 13,440,813</u>	<u>\$ 26,464</u>



Duncanville
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CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>	<u>Maintenance</u>
<u>UTILITY FUND</u>				
WATER SERVICES	\$ 471,206	\$ 142,834	\$ 3,274,569	\$ 61,290
WASTEWATER TREATMENT	487,685	50,897	2,511,521	26,312
ADMINISTRATION AND FISCAL				
Utility administration	309,486	17,971	62,491	-
Utility accounting	527,345	104,089	118,073	3,381
INTEREST AND FISCAL CHARGES	-	-	140,241	-
PRINCIPAL RETIREMENT	-	-	240,000	-
TRANSFERS OUT	-	-	1,160,978	-
Total Utility Fund expenditures	<u>\$ 1,795,722</u>	<u>\$ 315,791</u>	<u>\$ 7,507,873</u>	<u>\$ 90,983</u>
<u>SOLID WASTE FUND</u>				
SOLID WASTE	\$ 83,329	\$ 280	\$ 1,974,791	\$ 15
TRANSFERS OUT	-	-	208,146	-
Total Solid Waste Fund expenditures	<u>\$ 83,329</u>	<u>\$ 280</u>	<u>\$ 2,182,937</u>	<u>\$ 15</u>
Total Enterprise Fund expenditures	<u>\$ 1,879,051</u>	<u>\$ 316,071</u>	<u>\$ 9,690,810</u>	<u>\$ 90,998</u>

	<u>Capital</u>	<u>Total</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
	1,088,828	\$ 5,038,727	\$ 5,304,219	\$ 5,261,951	\$ 223,224
	363,408	3,439,823	4,714,189	3,755,838	316,015
	-	389,948	362,300	387,653	(2,295)
	-	752,888	814,749	760,899	8,011
	-	140,241	133,493	133,493	(6,748)
	-	240,000	240,000	240,000	-
	-	1,160,978	1,174,067	1,160,978	-
	<u>\$ 1,452,236</u>	<u>\$ 11,162,605</u>	<u>\$ 12,743,017</u>	<u>\$ 11,700,812</u>	<u>\$ 538,207</u>
	\$ -	\$ 2,058,415	\$ 2,052,707	\$ 2,103,226	\$ 44,811
	-	208,146	163,412	208,146	-
	<u>\$ -</u>	<u>\$ 2,266,561</u>	<u>\$ 2,216,119</u>	<u>\$ 2,311,372</u>	<u>\$ 44,811</u>
	<u>\$ 1,452,236</u>	<u>\$ 13,429,166</u>	<u>\$ 14,959,136</u>	<u>\$ 14,012,184</u>	<u>\$ 583,018</u>

Reconciliation from budgetary
basis (modified accrual) to full accrual:

Total modified accrual expenditures	<u>\$ 13,429,166</u>
Reconciling Items:	
Capital outlay	(1,452,236)
Principal retirement	(240,000)
Depreciation & amortization	970,995
Interest expense	(140,241)
Transfers	<u>(1,369,124)</u>
Total full accrual operating expenditures	<u>11,198,560</u>



Duncanville
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CITY OF DUNCANVILLE, TEXAS

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for financing of services provided by one department to other departments of the City on a cost-reimbursement basis. The Internal Service Funds are members of the proprietary fund category, and as such, are accounted for on the accrual basis of accounting. There are three funds within the Internal Service Funds:

Fleet Replacement Fund – To account for the financing and expenditures related to the purchase of fleet and equipment.

Medical Self-Insurance Fund - This fund is used to account for the costs associated with the medical, dental, and life insurance program established for City employees and their covered dependents.

Comprehensive Self-Insurance Fund - This fund is used to account for the costs associated with the general liability, property and casualty, and workers' compensation self-insurance program established by the City.

CITY OF DUNCANVILLE, TEXAS

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2009

ASSETS	Fleet Replacement	Medical Self-Insurance	Comprehensive Self-Insurance	Total
Cash and investments	\$ 1,411,816	\$ 425,175	\$ 248,910	\$ 2,085,901
Accrued interest and other	3,728	21,586	-	25,314
Prepaid items	-	7,231	-	7,231
Total current assets	<u>1,415,544</u>	<u>453,992</u>	<u>248,910</u>	<u>2,118,446</u>
Capital assets-Equipment net of depreciation	268,994	-	-	268,994
Capital assets-Vehicles net of depreciation	1,419,813	-	-	1,419,813
Total non-current assets	<u>1,688,807</u>	<u>-</u>	<u>-</u>	<u>1,688,807</u>
Total assets	<u>\$ 3,104,351</u>	<u>\$ 453,992</u>	<u>\$ 248,910</u>	<u>\$ 3,807,253</u>
LIABILITIES				
Accounts payable	\$ -	\$ 5,789	\$ 17,391	\$ 23,180
Accrued liabilities	-	158,149	205,641	363,790
Total liabilities	<u>-</u>	<u>163,938</u>	<u>223,032</u>	<u>386,970</u>
NET ASSETS				
Invested in capital assets	1,688,807	-	-	1,688,807
Unrestricted	1,415,544	290,054	25,878	1,731,476
Total net assets	<u>\$ 3,104,351</u>	<u>\$ 290,054</u>	<u>\$ 25,878</u>	<u>\$ 3,420,283</u>

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Fleet Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self-Insurance</u>	<u>Total</u>
OPERATING REVENUES:				
Premiums and charges for services	\$ 475,070	\$ 2,136,782	\$ 417,942	\$ 3,029,794
Other	-	5,586	-	5,586
Total operating revenues	<u>475,070</u>	<u>2,142,368</u>	<u>417,942</u>	<u>3,035,380</u>
OPERATING EXPENSES:				
Claims and provision	-	1,693,758	188,349	1,882,107
Administrative and fiscal	-	322,961	217,748	540,709
Depreciation	<u>600,523</u>	-	-	<u>600,523</u>
Total operating expenses	<u>600,523</u>	<u>2,016,719</u>	<u>406,097</u>	<u>3,023,339</u>
OPERATING INCOME (LOSS)	<u>(125,453)</u>	<u>125,649</u>	<u>11,845</u>	<u>12,041</u>
NON-OPERATING REVENUES:				
Gain/Loss on sale of capital assets	36,898	-	-	36,898
Interest income	<u>13,166</u>	<u>3,500</u>	<u>284</u>	<u>16,950</u>
Total non-operating revenues	<u>50,064</u>	<u>3,500</u>	<u>284</u>	<u>53,848</u>
CHANGE IN NET ASSETS	(75,389)	129,149	12,129	65,889
TOTAL NET ASSETS BEGINNING	<u>3,179,740</u>	<u>160,905</u>	<u>13,749</u>	<u>3,354,394</u>
TOTAL NET ASSETS-ENDING	<u>\$ 3,104,351</u>	<u>\$ 290,054</u>	<u>\$ 25,878</u>	<u>\$ 3,420,283</u>

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Fleet Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self-Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from insured	\$ 6,656	\$ 13,626	\$ -	\$ 20,282
Internal activity-receipts from other funds	475,070	2,136,781	417,942	3,029,793
Payments to suppliers	-	(2,020,502)	(388,773)	(2,409,275)
Other receipts	-	5,586	-	5,586
Net cash provided by operating activities	<u>481,726</u>	<u>135,491</u>	<u>29,169</u>	<u>646,386</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(490,792)	-	-	(490,792)
Sale of capital assets	36,898	-	-	36,898
Net cash used in capital related financing and related financing activities	<u>(453,894)</u>	<u>-</u>	<u>-</u>	<u>(453,894)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received on investments	13,166	3,500	284	16,950
Net cash provided by investing activities	<u>13,166</u>	<u>3,500</u>	<u>284</u>	<u>16,950</u>
NET INCREASE IN CASH AND INVESTMENTS	40,998	138,991	29,453	209,442
CASH AND INVESTMENTS, beginning of year	<u>1,370,818</u>	<u>286,183</u>	<u>219,457</u>	<u>1,876,458</u>
CASH AND INVESTMENTS, end of year	<u>\$ 1,411,816</u>	<u>\$ 425,174</u>	<u>\$ 248,910</u>	<u>\$ 2,085,900</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (125,453)	\$ 125,649	\$ 11,845	\$ 12,041
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities-				
Depreciation	600,523	-	-	600,523
Change in assets and liabilities-				
Accounts and other receivables	6,656	13,626	-	20,282
Accounts and other payables	-	(3,784)	17,324	13,540
Total adjustments	<u>607,179</u>	<u>9,842</u>	<u>17,324</u>	<u>634,345</u>
Net cash provided by operating activities	<u>\$ 481,726</u>	<u>\$ 135,491</u>	<u>\$ 29,169</u>	<u>\$ 646,386</u>

CITY OF DUNCANVILLE, TEXAS

COMPONENT UNIT COMBINING FINANCIAL STATEMENTS

The only component unit of the City is the Duncanville Community and Economic Development Corporation (DCEDC). On January 21, 1995, a special election was held and voters approved two separate sales tax provisions, one of which was the adoption of an additional sales and use tax at the rate of ½% to be used for construction, renovation and operation of municipal buildings, acquisition and improvement of parks, promotion and expansion of manufacturing and industrial facilities, and other economic development purposes. As a result, the City created the DCEDC to administer these funds. The DCEDC was incorporated on April 28, 1995 as a nonprofit industrial development corporation under the Development Corporation Act of 1979 ("Act"). The DCEDC operates under a seven member Board of Directors appointed by the City Council. Each of the directors should be a resident of the City. No more than four members can be members of the City Council, officials of the City, or City employees. The Corporation is organized exclusively for benefiting and accomplishing public purposes of and to act on behalf of, the City of Duncanville.

CITY OF DUNCANVILLE, TEXAS

DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
 COMBINING BALANCE SHEET- FUND LEVEL
 SEPTEMBER 30, 2009

<u>ASSETS</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Cash and investments	\$ 1,129,520	\$ 833,608	\$ 1,963,128
Trade accounts	295,962	-	295,962
Accrued interest and other receivable	1,463	-	1,463
Prepaid items	8,333	-	8,333
Due from other funds	634,247	-	634,247
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 2,069,525</u>	<u>\$ 833,608</u>	<u>\$ 2,903,133</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
 LIABILITIES			
Accounts payable	\$ 39,999	\$ -	\$ 39,999
Accrued liabilities	1,652	130,000	131,652
Customer performance and escrow deposits	150	-	150
Due to other funds	-	634,247	634,247
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>41,801</u>	<u>764,247</u>	<u>806,048</u>
 FUND BALANCE			
Reserved for prepaid items	8,333	-	8,333
Reserved for economic development	2,019,391	69,361	2,088,752
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>2,027,724</u>	<u>69,361</u>	<u>2,097,085</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 2,069,525</u>	<u>\$ 833,608</u>	<u>\$ 2,903,133</u>

CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET ASSETS-
DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2009

Total fund balance- total governmental funds \$ 2,097,085

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore not reported in the governmental funds balance sheet. 19,265,898

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet. (100,637)

Investments in joint ventures represent a financial asset not reported in governmental funds. 94,683

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Bonds payable \$ (12,985,000)
Loans payable (208,908)

Less issuance costs (to be amortized as interest expense) 94,431 (13,099,477)

Net assets of governmental activities \$ 8,257,552

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

**DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES:			
Sales taxes	\$ 1,745,077	\$ -	\$ 1,745,077
Investment income	9,686	1,040	10,726
Rental and other	1,814,969	-	1,814,969
Total revenues	<u>3,569,732</u>	<u>1,040</u>	<u>3,570,772</u>
EXPENDITURES:			
General government	1,006,420	2,247	1,008,667
Special purposes - promotional	143,660	106	143,766
Debt service-			
Principal bond retirement	779,912	-	779,912
Interest and fiscal charges	862,741	-	862,741
Capital outlay	25,000	26,344	51,344
Total expenditures	<u>2,817,733</u>	<u>28,697</u>	<u>2,846,430</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	751,999	(27,657)	724,342
NET CHANGE IN FUND BALANCE	751,999	(27,657)	724,342
FUND BALANCE, beginning of year	<u>1,275,725</u>	<u>97,018</u>	<u>1,372,743</u>
FUND BALANCE, end of year	<u>\$ 2,027,724</u>	<u>\$ 69,361</u>	<u>\$ 2,097,085</u>

CITY OF DUNCANVILLE, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES-
DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
YEAR ENDED SEPTEMBER 30, 2009**

Net change in fund balances- total governmental funds	\$ 724,342
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	51,344
The net increase in equity of the joint venture is not reported at the fund level; however it is reported at the government-wide level.	(25,397)
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	(393,417)
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.	779,912
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	<u>(3,462)</u>
Change in net assets of governmental activities	<u><u>\$ 1,133,322</u></u>

The accompanying notes are an integral part of this statement.



Duncanville
City of Champions

STATISTICAL SECTION

(UNAUDITED)



Duncanville
City of Champions

STATISTICAL SECTION

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City of

	<u>Page</u>
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
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Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
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Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
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Demographic and Economic Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
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Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 for the year ending September 30, 2003. Schedules present in



Duncanville
City of Champions

City of Duncanville

Schedule 1

**Net Assets by Component,
Last Seven Fiscal Years**
(accrual basis of accounting)
(Unaudited)

Fiscal Year	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities							
Invested in capital assets, net of related debt	\$ 17,756,803	\$ 15,722,124	\$ 24,133,362	\$ 42,888,768	\$ 46,679,459	\$ 46,593,503	\$ 50,060,721
Restricted	692,896	451,812	350,885	313,581	127,374	112,865	70,458
Restricted for Capital projects	-	-	-	1,821,809	530,817	-	-
Unrestricted	5,296,858	10,568,601	9,503,794	6,736,230	5,958,769	5,617,301	5,217,145
Total governmental activities net assets	<u>\$ 23,746,557</u>	<u>\$ 26,742,537</u>	<u>\$ 33,988,041</u>	<u>\$ 51,760,388</u>	<u>\$ 53,296,418</u>	<u>\$ 52,323,669</u>	<u>\$ 55,348,324</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 22,428,266	\$ 23,352,304	\$ 23,903,050	\$ 24,896,859	\$ 25,534,318	\$ 26,893,640	\$ 26,805,736
Unrestricted	2,070,357	1,918,169	3,127,522	4,125,250	3,669,424	3,531,505	4,370,413
Total business-type activities net assets	<u>\$ 24,498,623</u>	<u>\$ 25,270,473</u>	<u>\$ 27,030,572</u>	<u>\$ 29,022,109</u>	<u>\$ 29,203,742</u>	<u>\$ 30,425,145</u>	<u>\$ 31,176,149</u>
Primary government							
Invested in capital assets, net of related debt	\$ 40,185,069	\$ 39,074,428	\$ 48,036,412	\$ 67,785,627	\$ 72,213,776	\$ 73,487,143	\$ 76,866,457
Restricted	692,896	451,812	350,885	2,135,390	658,191	112,865	70,458
Unrestricted	7,367,215	12,486,770	12,631,316	10,861,480	9,628,193	9,148,806	9,587,558
Total primary government net assets	<u>\$ 48,245,180</u>	<u>\$ 52,013,010</u>	<u>\$ 61,018,613</u>	<u>\$ 80,782,497</u>	<u>\$ 82,500,160</u>	<u>\$ 82,748,814</u>	<u>\$ 86,524,473</u>

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

**Changes in Net Assets
Last Seven Fiscal Years**
(accrual basis of accounting)
(Unaudited)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Fiscal Year							
Expenses							
Governmental activities							
General government	\$ 1,805,370	\$ 1,815,776	\$ 1,843,301	\$ 2,887,854	\$ 3,536,589	\$ 4,057,131	\$ 3,870,234
Finance	942,631	1,017,176	1,013,884	1,204,589	1,183,866	1,312,673	1,292,138
Community services	3,236,439	3,122,149	3,688,927	4,703,438	2,818,521	3,214,940	3,158,557
Police	6,113,841	6,958,226	6,646,338	7,119,106	7,562,765	8,527,423	8,109,764
Public works	3,595,016	3,749,228	4,748,203	4,881,669	5,331,327	6,376,715	5,701,322
Fire	4,664,195	4,501,238	4,801,545	4,872,692	4,400,876	5,660,644	5,449,439
Interest and fiscal charges	873,138	883,919	817,745	759,939	697,552	584,910	478,651
Total governmental activities expenses	<u>21,230,630</u>	<u>22,047,712</u>	<u>23,559,943</u>	<u>26,429,287</u>	<u>25,531,497</u>	<u>29,734,436</u>	<u>28,060,105</u>
Business-type activities							
Water	4,993,910	4,656,225	4,850,211	5,525,280	5,079,317	5,146,666	5,150,097
Wastewater	4,321,343	4,255,396	4,541,989	4,295,218	4,765,731	5,885,520	4,135,413
Solid waste	1,725,261	1,793,330	1,802,136	1,811,672	1,997,924	2,016,504	2,057,402
Interest and fiscal charges	213,136	-	-	-	-	-	-
Total business-type activities expenses	<u>11,253,650</u>	<u>10,704,951</u>	<u>11,194,336</u>	<u>11,632,170</u>	<u>11,842,972</u>	<u>13,048,690</u>	<u>11,342,912</u>
Total primary government expenses	<u>\$ 32,484,280</u>	<u>\$ 32,752,663</u>	<u>\$ 34,754,279</u>	<u>\$ 38,061,457</u>	<u>\$ 37,374,469</u>	<u>\$ 42,783,126</u>	<u>\$ 39,403,017</u>
Program Revenues							
Governmental activities							
Charges for services	\$ 67,732	\$ -	\$ 103,689	\$ 227,600	\$ -	\$ 314,160	\$ 1,173,234
General government	-	-	-	-	-	-	59,108
Finance	298,989	302,938	287,540	674,835	278,932	417,736	256,405
Community services	1,296,280	1,771,488	1,350,176	1,607,537	1,665,961	1,416,876	1,964,148
Police	968,481	998,585	769,849	942,787	1,467,533	2,232,685	1,100,109
Public works	528,204	635,442	548,788	756,893	766,903	624,997	1,009,010
Fire	234,511	233,729	245,357	905,197	84,111	167,553	338,658
Operating grants and contributions	335,000	1,066,945	1,559,812	96,354	145,017	74,551	2,364,100
Capital grants and contributions	3,729,197	5,009,127	4,865,211	5,211,203	4,408,457	5,248,558	8,264,772
Total governmental activities program revenues							
Business-type activities							
Charges for services	5,490,481	5,434,700	6,229,115	7,606,143	5,899,616	6,976,515	6,375,580
Water	4,469,011	4,487,516	4,400,626	4,829,746	4,865,682	5,073,654	4,819,134
Wastewater	1,815,516	1,661,116	1,946,737	1,913,769	1,936,332	2,203,622	2,209,092
Solid waste	106,462	514,984	999,429	118,262	213,951	1,205,387	22,227
Capital grants and contributions	11,881,470	12,098,316	13,575,907	14,467,922	12,915,581	15,459,178	13,426,033
Total business-type activities program revenues	<u>\$ 15,610,667</u>	<u>\$ 17,107,443</u>	<u>\$ 18,441,118</u>	<u>\$ 19,679,125</u>	<u>\$ 17,324,038</u>	<u>\$ 20,707,736</u>	<u>\$ 21,690,805</u>

**Changes in Net Assets
Last Seven Fiscal Years**
(accrual basis of accounting)
(Unaudited)

<u>Fiscal Year</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net (Expense)/Revenue							
Governmental activities	\$ (17,501,433)	\$ (17,038,585)	\$ (18,694,732)	\$ (21,218,084)	\$ (21,123,040)	\$ (24,485,878)	\$ (19,795,333)
Business-type activities	627,820	1,393,365	2,381,571	2,835,752	1,072,609	2,410,488	2,083,121
Total primary government net expense	<u>\$ (16,873,613)</u>	<u>\$ (15,645,220)</u>	<u>\$ (16,313,161)</u>	<u>\$ (18,382,332)</u>	<u>\$ (20,050,431)</u>	<u>\$ (22,075,390)</u>	<u>\$ (17,712,212)</u>

General Revenues and Other Changes in Net Assets

Governmental activities							
Taxes							
Ad valorem	\$ 11,055,022	\$ 11,476,537	\$ 11,746,407	\$ 12,209,904	\$ 12,401,242	\$ 13,083,411	\$ 13,288,719
Sales	4,749,336	4,866,493	4,868,004	5,451,335	5,530,559	5,398,034	5,235,231
Franchise	2,056,464	1,852,614	1,938,736	2,129,943	2,000,905	2,024,099	1,988,717
Hotel occupancy	162,145	252,608	252,500	531,711	594,238	593,725	462,474
Earnings on investments	213,641	190,079	372,513	603,243	565,594	343,967	117,619
Rentals and miscellaneous	708,872	938,256	755,889	-	410,928	675,041	358,104
Transfers	935,228	1,105,768	892,061	1,082,850	1,155,604	1,325,677	1,369,124
Total governmental activities	<u>19,880,708</u>	<u>20,682,355</u>	<u>20,826,110</u>	<u>22,008,986</u>	<u>22,659,070</u>	<u>23,443,954</u>	<u>22,819,988</u>

Business-type activities							
Earnings on investments	66,781	76,900	53,575	259,132	264,628	136,592	37,007
Rentals and miscellaneous	15,810	-	-	-	-	-	-
Transfers	(935,228)	(1,105,768)	(892,061)	(1,082,850)	(1,155,604)	(1,325,677)	(1,369,124)
Total business-type activities	<u>(852,637)</u>	<u>(1,028,868)</u>	<u>(838,486)</u>	<u>(823,718)</u>	<u>(890,976)</u>	<u>(1,189,085)</u>	<u>(1,332,117)</u>
Total primary government	<u>\$ 19,028,071</u>	<u>\$ 19,653,487</u>	<u>\$ 19,987,624</u>	<u>\$ 21,185,268</u>	<u>\$ 21,768,094</u>	<u>\$ 22,254,869</u>	<u>\$ 21,487,871</u>

Change in Net Assets

Governmental activities	\$ 2,379,275	\$ 3,643,770	\$ 2,131,378	\$ 790,902	\$ 1,536,030	\$ (1,041,924)	\$ 3,024,655
Business-type activities	(224,817)	364,497	1,543,085	2,012,034	181,633	1,221,403	751,004
Total primary government	<u>\$ 2,154,458</u>	<u>\$ 4,008,267</u>	<u>\$ 3,674,463</u>	<u>\$ 2,802,936</u>	<u>\$ 1,717,663</u>	<u>\$ 179,479</u>	<u>\$ 3,775,659</u>

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 3

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual)
(Unaudited)

<u>Fiscal Year</u>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved *	\$ 39,127	\$ 33,879	\$ 49,213	\$ 38,001	\$ 24,719	\$ 520,895	\$ 714,077	\$ 630,018	\$ 542,049	\$ 407,899
Unreserved	3,377,193	3,730,873	4,342,900	4,650,654	5,908,556	4,518,077	3,977,424	3,740,803	2,507,519	2,932,936
Total general Fund	<u>3,416,320</u>	<u>3,764,752</u>	<u>4,392,113</u>	<u>4,688,655</u>	<u>5,933,275</u>	<u>5,038,972</u>	<u>4,691,501</u>	<u>4,370,821</u>	<u>3,049,568</u>	<u>3,340,835</u>
All Other Governmental Funds										
Reserved *										
Debt service	\$ 1,698,607	\$ 1,395,465	\$ 1,030,644	\$ 755,775	\$ 517,460	\$ 296,625	\$ 202,702	\$ 32,639	\$ 5,906	\$ (38,660)
Other Governmental Funds	-	-	-	-	-	-	1,715	907	1,722	5,479
Unreserved, reported in:										
Special revenue funds	364,774	374,572	348,005	635,665	758,605	594,502	680,360	801,682	975,378	1,160,098
Capital projects funds	4,280,721	3,993,114	2,797,032	5,481,502	3,074,606	2,361,603	1,821,809	1,153,876	703,041	303,317
Total all other governmental funds	<u>\$ 6,344,102</u>	<u>\$ 5,763,151</u>	<u>\$ 4,175,681</u>	<u>\$ 6,872,942</u>	<u>\$ 4,350,671</u>	<u>\$ 3,252,730</u>	<u>\$ 2,706,586</u>	<u>\$ 1,989,104</u>	<u>\$ 1,686,047</u>	<u>\$ 1,430,234</u>

* Includes prepaid items and loans receivable

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 4

Changes in Fund Balances, Governmental Funds,

Last Ten Fiscal Years

(modified accrual)
(Unaudited)

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes -										
Ad valorem	\$ 9,340,345	\$ 9,922,053	\$ 10,488,959	\$ 11,055,022	\$ 11,520,666	\$ 11,757,053	\$ 12,211,482	\$ 12,407,871	\$ 13,086,084	\$ 13,288,134
Sales	5,210,094	4,944,933	5,027,906	4,749,336	4,866,493	4,868,004	5,451,335	5,530,559	5,398,034	5,235,231
Franchise	1,867,850	2,226,952	1,874,107	2,056,464	1,852,614	1,938,736	2,129,943	2,000,905	2,024,099	1,988,717
Mixed beverage	29,374	30,965	35,351	33,341	27,710	67,848	54,927	58,387	42,992	71,978
Hotel	169,482	135,393	148,549	162,145	252,608	252,500	476,784	594,238	593,725	462,474
Licenses, permits and fees	856,888	896,729	887,082	1,480,182	1,717,271	1,656,445	1,857,835	2,623,014	3,217,587	4,169,554
Fines and forfeitures	877,643	897,295	633,678	740,930	1,145,059	744,985	939,237	967,892	857,396	750,490
Recreation fees	152,779	217,535	202,331	-	282,010	263,436	286,767	254,874	237,931	256,295
Intergovernmental	867,683	1,496,503	1,695,035	994,658	532,071	534,844	1,328,817	406,006	378,387	1,208,854
Investment income	722,494	567,427	236,196	209,238	166,474	323,667	505,115	490,846	301,442	100,669
Rental and other	653,100	553,982	673,194	879,812	444,182	402,080	554,258	816,442	609,405	1,111,587
Total revenues	\$ 20,747,732	\$ 21,889,767	\$ 21,902,388	\$ 22,361,128	\$ 22,807,158	\$ 22,811,598	\$ 25,796,500	\$ 26,151,034	\$ 26,747,082	\$ 28,643,983
Expenditures										
General government/finance	\$ 2,155,449	\$ 2,603,533	\$ 2,714,652	\$ 2,664,197	\$ 2,541,927	\$ 2,636,846	\$ 3,631,198	\$ 3,568,078	\$ 4,676,515	\$ 4,515,509
Police	5,430,645	5,725,059	6,025,292	6,327,454	6,454,933	6,796,628	7,088,021	8,091,558	8,606,164	7,950,702
Fire	3,784,295	3,897,142	4,255,258	4,225,807	4,260,359	4,573,261	4,794,582	5,176,242	5,462,552	5,282,271
Public works	2,969,607	3,197,037	3,212,504	3,337,296	3,475,872	4,009,839	3,988,391	4,123,636	4,070,557	3,683,537
Parks and recreation	2,010,585	2,281,989	2,319,692	2,324,759	2,159,116	3,251,930	3,553,111	2,636,565	2,790,986	2,685,803
Library (Included in General government in 2008)	594,662	556,562	571,641	581,378	524,111	643,502	632,693	676,184	-	-
Special purposes - promotional	37,409	78,487	29,826	34,671	44,853	53,398	330,032	370,135	481,470	385,245
Capital outlay	3,427,621	1,451,353	1,948,368	2,536,449	1,453,204	950,666	919,446	894,865	835,666	2,229,494
Debt service										
Principal retirement	1,783,135	1,829,509	1,433,270	2,135,000	2,185,000	2,255,000	2,320,000	2,455,000	2,595,000	2,311,273
Interest and fiscal charges	1,767,225	1,587,130	1,482,613	822,227	585,460	524,833	452,239	352,537	247,334	534,829
Total expenditures	\$ 23,960,633	\$ 23,207,801	\$ 23,993,116	\$ 24,989,238	\$ 23,684,835	\$ 25,695,903	\$ 27,709,713	\$ 28,344,800	\$ 29,766,244	\$ 29,578,663
Excess of revenues over (under) expenditures	(3,212,901)	(1,318,034)	(2,090,728)	(2,628,110)	(877,677)	(2,884,305)	(1,913,213)	(2,193,766)	(3,019,163)	(934,680)
Other Financing Sources (Uses)										
Bonds issued	-	-	-	4,246,915	-	-	-	-	-	-
Refunding bonds issued	-	-	1,979,605	5,435,000	-	-	-	-	-	-
Payments to escrow agent	-	-	(1,897,313)	(5,392,718)	-	-	-	-	-	-
Transfers in	2,618,288	1,358,489	1,175,797	1,171,765	1,278,631	1,408,528	1,333,512	1,380,428	1,609,071	1,951,313
Transfers out	(1,544,470)	(272,974)	(127,470)	(336,537)	(422,863)	(516,467)	(250,662)	(224,824)	(283,394)	(582,189)
Total other financing sources (uses)	1,073,818	1,085,515	1,130,619	5,124,425	855,768	892,061	1,082,850	1,155,604	1,325,677	1,369,124
Net change in fund balances	\$ (2,139,083)	\$ (232,519)	\$ (960,109)	\$ 2,496,315	\$ (21,909)	\$ (1,992,244)	\$ (830,363)	\$ (1,038,162)	\$ (1,693,486)	\$ 434,444
Total capital outlay capitalized per the government wide statement of net assets	\$ -	\$ -	\$ -	\$ 3,393,573	\$ 1,110,410	\$ 1,571,910	\$ 2,408,353	\$ 2,515,180	\$ 666,370	\$ 2,381,600
Debt service as a percentage of noncapital expenditures	17.3%	15.7%	13.2%	13.2%	12.5%	11.2%	10.3%	10.2%	9.8%	10.4%

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**
(Unaudited)

Fiscal Year Ended Sept. 30,	Assessed and Actual Value of Property (1)			Total Assessed Value	Less:	Tax-	Total Taxable Assessed Value	Total City Tax Rate (3)
	Residential Property	Commercial Property	Business Personal Property		Exempt Property (2)			
2000	949,092,630	308,130,510	151,816,570	1,409,039,710	110,142,448		1,298,897,262	0.718
2001	988,918,110	312,874,940	160,478,150	1,462,271,200	110,923,536		1,351,347,664	0.718
2002	1,082,538,660	316,912,810	156,228,640	1,555,680,110	129,417,253		1,426,262,857	0.718
2003	1,129,318,320	317,426,850	161,340,850	1,608,086,020	130,645,084		1,477,440,936	0.718
2004	1,205,659,780	356,727,300	138,564,990	1,700,952,070	132,403,782		1,568,548,288	0.718
2005	1,246,517,740	362,005,770	155,985,770	1,764,509,280	132,632,582		1,631,876,698	0.718
2006	1,277,126,120	392,678,460	157,676,550	1,827,481,130	145,089,624		1,682,391,506	0.718
2007	1,321,639,790	443,079,030	133,742,100	1,898,460,920	155,134,821		1,743,326,099	0.696
2008	1,367,987,090	491,437,220	169,949,690	2,029,374,000	167,103,114		1,862,270,886	0.696
2009	1,358,453,630	538,936,760	182,527,540	2,079,917,930	177,589,032		1,902,328,898	0.696

Source: Dallas Central Appraisal District

Notes:

- (1) Assessed value is 100% of estimated actual value for all years as determined by the Dallas Central Appraisal District. Values are as of January 1 of the calendar year prior to the fiscal year-end date.
- (2) Exemptions are granted by the City within the constraints of Texas Constitutional law
- (3) Tax Rate is per \$100 assessed valuation.

**Property Tax Rates -
Direct and Overlapping Governments
(Per \$100 Assessed Valuation)
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended Sept. 30,	City of Duncanville			Overlapping Rates (1)				
	General(2)	Debt Service(2)	Total (2)	Duncanville I.S.D.(2)	Dallas County(2)	Dallas County School Equalization (2)	Dallas County Hospital(2)	Dallas County Community College(2)
2000	0.502945	0.215055	0.718000	1.640000	0.196000	0.005699	0.196000	0.050000
2001	0.530150	0.187850	0.718000	1.680000	0.196000	0.005667	0.254000	0.050000
2002	0.569000	0.149000	0.718000	1.670000	0.196000	0.005525	0.254000	0.060000
2003	0.572000	0.146000	0.718000	1.750000	0.196000	0.005500	0.254000	0.060000
2004	0.574278	0.143722	0.718000	1.855000	0.203900	0.005460	0.254000	0.077800
2005	0.576474	0.141526	0.718000	1.836000	0.203900	0.005460	0.254000	0.080300
2006	0.576277	0.141723	0.718000	1.866000	0.213900	0.005300	0.254000	0.081600
2007	0.561098	0.134902	0.696000	1.736000	0.213900	0.005034	0.254000	0.081000
2008	0.558129	0.137871	0.696000	1.418000	0.228100	0.004714	0.254000	0.080400
2009	0.559167	0.136833	0.696000	1.418000	0.228100	0.004928	0.254000	0.089400

Notes:

- (1) Overlapping rates are those of local and county governments that apply to property owners within the city.
- (2) Tax rates are per \$100 of assessed value.

Source: Dallas Central Appraisal District

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)**

Taxpayer / Company Name	2009			2000		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation (a)	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation (a)
Texwood Industries Inc. Quality Cabinets Division	\$ 34,797,667	1	1.87%	\$ 18,409,650	1	1.49%
C H Guenther & Son Pioneer Frozen Foods	16,332,770	2	0.88%	11,638,680	3	0.94%
Duncanville Village Multi	11,224,910	3	0.60%	-	-	-
Costco Wholesale Corporation Costco	11,082,000	4	0.60%	-	-	-
SCI Duncanville Hotel LTD Hilton Garden Inn	9,734,380	5	0.52%	-	-	-
Texas Utilities TXU Business Services	9,623,390	6	0.52%	9,752,860	6	0.79%
Southwestern Bell/Cingular SBC Communications Inc.	8,409,660	7	0.45%	14,757,590	2	1.20%
Frankel Family Trust Meadowridge Apartments	8,200,000	8	0.44%	10,977,210	4	0.89%
Apple Reit Limited PS Main Park Apartments	7,500,000	9	0.40%	8,000,000	7	0.65%
TT Duncanville LTD Village Shopping Center	7,300,000	10	0.39%	-	-	-
Wal-Mart Corporation Wal-Mart Store				10,474,300	5	0.85%
Pacific Retail Trust				6,832,660	8	0.55%
WLM Retail Partnership Cockrell Hill Crossing				5,816,780	9	0.47%
ACCO USA Inc.				5,401,620	10	0.44%
Total	\$ 124,204,777		6.67%	\$ 102,061,350		8.29%

Note:

(a) Total Taxable Value as of October 1 \$ 1,862,275,885 \$ 1,231,639,024

Source: Dallas Central Appraisal District

**Property Tax Levies and Collections,
Last Ten Fiscal Years**
(Unaudited)

Fiscal Year Ended Sept. 30,	<u>Collected within the Fiscal Year of the Levy</u>			<u>Total Collections to Date</u>		
	Adjusted Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years (1)	Amount	Percentage of Levy
2000	9,328,856	9,122,351	97.8%	181,426	9,303,777	99.7%
2001	9,723,826	9,464,232	97.3%	236,019	9,700,251	99.8%
2002	10,360,379	10,109,103	97.6%	230,883	10,339,986	99.8%
2003	10,930,186	10,698,211	97.9%	219,169	10,917,380	99.9%
2004	11,452,318	11,109,031	97.0%	79,473	11,188,504	97.7%
2005	11,636,573	11,399,901	98.0%	186,865	11,586,766	99.6%
2006	12,059,369	11,779,327	97.7%	223,880	12,003,207	99.5%
2007	12,304,658	11,974,681	97.3%	267,605	12,242,286	99.5%
2008	12,874,755	12,573,089	97.7%	293,272	12,866,361	99.9%
2009	13,181,090	12,888,062	97.8%	-	12,888,062	97.8%

Note:

- (1) Collections do not include penalty and interest on delinquent accounts.

Source: Dallas County Tax Assessor / Collector

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended Sept. 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	Total Primary Government	Percentage of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	Certificate of Obligation Bonds	Water and Sewer Revenue Bonds			
2000	20,802,779	1,450,000	170,000	22,422,779	2.71%	621
2001	18,973,270	1,450,000	-	20,423,270	2.04%	565
2002	15,665,000	3,429,605	-	19,094,605	(c)	530
2003	9,635,000	11,671,519	4,100,000	25,406,519	2.70%	698
2004	8,575,000	10,546,519	3,985,000	23,106,519	(c)	654
2005	7,495,000	9,371,519	3,865,000	20,731,519	(c)	565
2006	6,870,000	7,676,519	3,703,350	18,249,869	1.73%	483
2007	7,290,710	6,354,813	3,610,000	17,255,523	1.57%	451
2008	3,270,000	8,116,345	3,375,000	14,761,345	1.36%	384
2009	\$ 1,950,000	\$ 7,063,016	\$ 3,135,000	12,148,016	1.14%	315

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (a) See Schedule 14 for personal income data.
- (b) See Schedule 14 for population data.
- (c) Information not available

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended Sept. 30,	<u>General Bonded Debt Outstanding</u>			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Certificate of Obligation Bonds	Total		
2000	20,802,779	1,450,000	22,252,779	1.71%	617
2001	18,973,270	1,450,000	20,423,270	1.51%	565
2002	15,665,000	3,429,605	19,094,605	1.34%	530
2003	9,635,000	11,671,519	21,306,519	1.44%	585
2004	8,575,000	10,546,519	19,121,519	1.22%	541
2005	7,495,000	9,371,519	16,866,519	1.03%	459
2006	6,870,000	7,676,519	14,546,519	0.86%	385
2007	7,290,710	6,354,813	13,645,523	0.78%	357
2008	3,270,000	8,116,345	11,386,345	0.61%	296
2009	1,950,000	7,063,016	9,013,016	0.47%	234

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) See Schedule 5 for property value data.
- (2) See Schedule 14 for personal income and population data.

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

Direct and Overlapping Governmental Activities Debt
As of September 30, 2009
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Duncanville Independent School District	\$ 167,711,456	53.96%	\$ 90,497,102
Dallas County	138,531,552	1.12%	1,551,553
Dallas County Community College District	387,260,000	1.07%	4,143,682
Subtotal, overlapping debt			\$ 96,192,337
City direct debt			9,013,016
Total direct and overlapping debt			\$ 105,205,353

Source: First Southwest Company

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values.

Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Legal Debt Margin Information

As of September 30, 2009

(Unaudited)

As a home rule city, the City of Duncanville is not limited by law in the amount of debt it may issue. the City's charter (Article 5, Section 1) states:

"In keeping with the Constitution of the State of Texas and not contrary thereto, the City of Duncanville shall have the power to borrow money on the credit of the City for any public purpose not now or hereafter prohibited by the Constitution and laws of the State of Texas, and shall have the right to issue all tax bonds, revenue bonds, funding and refunding bonds, time warrants and other evidence of indebtedness as now authorized or as may hereafter be authorized to be issued by cities and towns by the laws of the State of Texas."

Article 11, Section 5 of the State of Texas Constitution States in part:

"but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city"

The tax rate at September 30, 2009 is \$.696 per \$100 of assessed valuation with assessed valuation being 100% of market value.

Sources: City of Duncanville, Texas City Charter
State of Texas Constitution

Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended Sept. 30,	Operating Revenue and Other (a)	Less: Operating Expense (b)	Net Available Revenue	Debt Service (c)		Coverage
				Principal	Interest	
<u>Water and Sewer Bonds</u>						
2000	10,873,841	8,616,220	2,257,621	305,000	24,560	6.9
2001	10,458,981	8,606,604	1,852,377	170,000	18,807	9.8
2002	9,893,320	9,224,891	668,429	-	-	(d)
2003	10,041,536	9,181,983	859,553	165,000	177,066	2.5
2004	10,041,536	8,832,900	1,208,636	115,000	158,182	4.4
2005	10,683,044	9,141,588	1,541,456	120,000	156,195	5.6
2006	12,694,853	9,658,496	3,036,357	125,000	150,686	11.0
2007	11,029,719	9,029,955	1,999,764	130,000	146,543	7.2
2008	12,186,622	10,127,539	2,059,083	235,000	140,611	5.5
2009	11,231,676	8,309,391	2,922,285	240,000	133,216	7.8

Notes:

- (a) Includes operating and nonoperating revenues.
- (b) Includes operating expenses exclusive of depreciation.
- (c) Includes principal and interest of revenue bonds only. Principal and interest amounts are the amounts due within one year of fiscal year end.
- (d) The City did not have any water and sewer debt for this fiscal year.

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended Sept. 30,	Population (a)	Personal Income (e)	Per Capita Income (a)	Median Household Income (a)	Number of Households (a)	School Enrollment (b)	Unemployment Rate (d)
2000	36,081	827,120,844	22,924	51,654	12,884	10,190	2.30% (d)
2001	36,171	1,000,526,031	27,661	54,142	(e)	10,319	3.20% (d)
2002	36,011	(e)	(e)	(e)	(e)	10,625	4.50% (d)
2003	36,402	941,610,534	25,867	56,645	12,894	10,762	4.50% (d)
2004	35,346	(e)	(e)	(e)	(e)	11,283	4.00% (d)
2005	36,725	(e)	(e)	(e)	(e)	11,736	6.00% (c)
2006	37,800	1,056,434,400	27,948	62,269	13,046	12,042	5.66% (c)
2007	38,251	1,102,546,824	28,824	63,961	13,088	12,149	4.58% (c)
2008	38,430	1,088,222,310	28,317	65,382	13,457	12,664	4.30% (c)
2009	38,542	1,066,765,476	27,678	64,760	13,537	12,939	7.90%

Sources: (a) 2000 Census, all other years ESRI estimates
(b) Duncanville Independent School District
(c) Texas Workforce Commission 2005-2008
(d) Bureau of Labor Statistics Archives 1998-2004
(e) Information is not available

City of Duncanville

Schedule 15

**Principal Employers
Current Year and Ten Years Ago
(Unaudited)**

Employer	2009			2000		
	Employees (2)	Rank	Percent of Total Employment (a)	Employees	Rank	Percent of Total Employment (a)
Duncanville Independent School District	1,800	1	9.88%	1,225	2	6.79%
Texwood/Quality Cabinets and Doors	706	2	3.88%	1,320	1	7.32%
City of Duncanville	290	3	1.59%	249	3	1.38%
Pioneer Frozen Foods	175	4	0.96%	150	4	0.83%
Pappadeaux	150	5	0.82%	-	-	-
Costco	132	6	0.72%	-	-	-
DeFord's	130	7	0.71%	-	-	-
Brittle-Brittle	75	8	0.41%	60	6	0.33%
Personalized Communications	70	9	0.38%	-	-	-
Hilton Garden Inn	49	10	0.27%	-	-	-
Advanced Machine Tool				80	5	0.44%
Durable Spec. Inc.				51	7	0.28%
ACCO/USA				40	8	0.22%
Baily Tool & Manufacturing				30	9	0.17%
Custom Canvas				30	10	0.17%
Total	3,577		19.64%	3,235		17.94%

Note:

(a) Total City Employment (1)

18,035

Sources: (1) ESRI

(2) Duncanville Community Economic Development Corporation

Full-time Equivalent City Government Employees

Last Ten Fiscal Years

(unaudited)

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
By Functions										
General Government	35.0	34.0	33.0	31.0	31.0	31.0	33.0	34.0	35.0	33.0
Fire Services	52.0	52.0	52.0	52.0	52.0	52.0	52.0	53.0	53.0	53.0
Police Services (Civil)	62.0	63.0	63.0	62.0	74.0	61.0	61.0	60.0	63.0	59.0
Police Services (Non-Civil)	14.0	14.0	14.0	14.0	12.0	12.0	12.0	15.0	12.0	11.0
Public Works	33.5	33.5	34.5	33.5	33.5	34.5	33.5	33.0	31.5	30.5
Library Services	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Parks and Recreation	15.0	15.0	15.0	15.0	13.0	13.0	13.0	16.0	16.0	16.0
Community Services	9.0	9.0	10.0	8.0	6.0	6.0	6.0	6.0	6.0	9.0
Water and Wastewater	23.5	24.5	22.5	21.5	21.5	21.5	21.5	21.5	23.5	21.5
Total Employees by Function	253.0	254.0	253.0	246.0	252.0	240.0	241.0	247.5	249.0	242.0
By Departments										
General Government	9.0	8.0	7.0	7.0	7.0	7.0	7.0	8.0	18.0	17.0
Finance	22.0	23.0	23.0	22.0	22.0	22.0	24.0	24.0	24.0	24.0
Community Services	33.0	33.0	34.0	32.0	28.0	28.0	28.0	31.0	22.0	25.0
Police (Civil)	62.0	63.0	63.0	62.0	74.0	61.0	61.0	60.0	63.0	59.0
Police (Non-Civil)	14.0	14.0	14.0	14.0	12.0	12.0	12.0	15.0	12.0	11.0
Public Works	30.0	31.0	32.0	31.0	30.5	31.5	30.5	30.5	31.5	30.5
Utilities	27.0	27.0	25.0	24.0	24.5	24.5	24.5	24.0	23.5	21.5
Fire	52.0	52.0	52.0	52.0	52.0	52.0	52.0	53.0	53.0	53.0
Economic Development	4.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Total Employees by Department	253.0	254.0	253.0	246.0	252.0	240.0	241.0	247.5	249.0	242.0
By Fund										
General	213.0	213.0	214.4	209.4	202.9	202.5	203.5	208.0	213.0	219.5
Utility	32.0	33.0	33.0	32.0	32.0	32.0	32.0	34.0	31.5	21.5
Hotel/Motel	1.0	0.5	0.5	0.5	1.0	1.0	1.0	1.0	1.0	-
Economic Development	3.0	2.5	2.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0
Grant	-	1.0	0.6	0.6	1.0	1.0	1.0	1.0	-	-
Drainage	-	-	-	-	0.1	0.5	0.5	0.5	0.5	-
Solid Waste	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-
Total Employees by Fund	253.0	254.0	253.0	246.0	240.0	240.0	241.0	247.5	249.0	242.0

Source: City of Duncanville, Texas Annual Budgets

Operating Indicators By Function/Program

Last Ten Fiscal Years

(unaudited)

Fiscal Years	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Function/Program										
General Government										
Building Permits Issued	376	257	265	285	502	421	433	421	359	236
Police										
Criminal Arrests	2,471	2,438	2,564	2,871	2,584	2,058	2,394	2,320	1,808	3,300
Index Crimes per 1,000 Population	41.98	48.76	53.54	52.16	47.78	43.73	40.00	42.58	47.05	50.00
Fire										
Total Calls for Service (Fire & EMS)	4,966	4,966	5,198	5,298	5,566	6,517	6,976	7,004	6,884	6,170
Total Structural Inspections	2,699	2,699	2,534	1,291	1,349	1,473	701	1,349	1,404	832
Public Services										
Utility Cuts Repaired	120	120	106	127	142	142	89	104	112	115
Sidewalk Repaired (Square Feet)	9,465	9,465	5,605	7,731	7,358	7,358	7,729	13,618	12,815	11,576
Parks and Recreation										
Program Participation Hours	20,000	20,000	20,000	18,000	13,648	13,648	18,623	17,829	18,231	21,120
Number of Annual Passes Sold	1,953	1,442	1,261	2,758	1,437	1,314	1,949	1,981	2,774	2,000
Library										
Volumes in Collection	65,776	68,506	72,748	78,812	76,138	89,814	97,288	102,807	106,076	110,202
Total Volumes Borrowed	113,907	156,348	181,255	195,658	168,892	165,262	174,676	173,101	176,325	170,678
Water/Wastewater										
Water Main Breaks	30	24	46	39	41	41	35	29	33	30
Number of Gallons of Water Pumped (000s)	2,314,931	2,240,629	2,165,850	2,023,335	1,875,701	1,949,561	2,196,549	1,683,823	1,907,801	2,000,000
Average Daily Consumption (MGD)	6.2	6.2	5.9	5.5	5.1	5.3	6.0	4.6	5.2	6.0
Miles of Sewer Mains Cleaned	9.70	5.39	10.63	14.49	12.46	8.73	4.80	5.70	3.75	8.00

Source: City of Duncanville, Texas Annual Budgets

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**
(unaudited)

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Function/Program										
Public Safety										
Emergency Vehicles (Police & Fire)	31	31	30	31	29	29	36	34	34	34
Public Works										
Streets - Paved (Miles)	155.98	155.98	155.98	155.98	155.98	155.98	155.98	156.05	156.05	156.05
Alleys - Paved (Miles)	40.07	40.07	40.07	40.07	40.28	40.28	40.28	36.11	36.11	36.11
Traffic Signals	38	38	36	36	36	36	36	34	34	34
Street Signs	1,921	1,921	1,921	1,921	1,926	1,926	1,928	1,966	1,966	1,966
Regulatory & Non-regulatory Signs	4,129	4,129	4,227	4,227	4,337	4,337	4,416	9,850	9,920	9,920
Non-Emergency Vehicles	72	69	70	70	38	68	72	79	79	81
Parks and Recreation										
Park Acres	216.0	216.0	216.0	222.0	228.0	228.0	228.0	237.4	237.0	237.0
Playgrounds	10	10	10	10	10	10	10	12	12	12
Total Athletic Facilities Maintained	54	54	54	54	54	54	54	56	54	54
Water/Wastewater										
Miles of Water Mains	182.83	182.73	182.83	184.37	186.92	186.92	187.35	188.01	189.50	189.50
Fire Hydrants	1,162	1,166	1,183	1,204	1,283	1,296	1,306	1,341	1,355	1,360
Sanitary Sewer Lines (Miles)	150.98	150.30	150.76	152.33	152.35	152.35	153.45	154.06	153.60	153.60
Sanitary Sewer Laterals (Miles)	76.41	76.45	76.60	76.86	76.86	76.86	77.25	77.46	77.30	77.30

Source: City of Duncanville, Texas Annual Budgets



Duncanville
City of Champions