

# DUNCANVILLE

The Perfect Blend of Family, Community and Business

## City of Duncanville, Texas Comprehensive Annual Financial Report For Year Ended September 30, 2010





COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF DUNCANVILLE, TEXAS

FOR  
FISCAL YEAR ENDED  
SEPTEMBER 30, 2010

PREPARED BY:  
CITY OF DUNCANVILLE  
FINANCE DEPARTMENT



**CITY OF DUNCANVILLE, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

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**Duncanville**  
*City of Champions*

**DUNCANVILLE**

The Perfect Blend of Family, Community and Business.



# City of Duncanville

**Kent Cagle**  
**City Manager**

March 30, 2011

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, 2010.

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 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, 2010. 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. 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), I-20, and Highway 67. The 2010 census population for the City was 38,524 (<http://census.nctcog.org>).

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 remaining four Council members expiring in odd-numbered years. The City Manager, appointed by City Council, is the chief administrative officer for the City and is responsible for the daily management of the City. The basic financial statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board (GASB). Based on these criteria, no other governmental organizations are included in this report.



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 2010 official U.S. Census real counts have the Dallas/Fort Worth Metroplex (DFW) at a population of 6,371,773. The Dallas-Fort Worth-Arlington MSA is, by population, the largest metropolitan area in Texas, the largest in the South, and the fourth-largest in the United States. The area continues, as it has for several decades, to add approximately a million in population each decade. (Wikipedia)
- As of 2010, DFW is home to 24 Fortune 500 headquarters and nearly 50 headquarters among the Fortune 1000. (Dallas Regional Chamber, U.S. Census Bureau)
- The DFW Region is the 5<sup>th</sup> largest global exporter in the country with computer and electronics goods accounting for 16.4% of exports. (Brockings Export Nation, 2010; USA Trade Online)
- The North American Free Trade Agreement, or NAFTA, is a key driver for DFW, accounting for \$6.7 billion, or 30% of the area's merchandise exports. (Brockings Export Nation, 2010; USA Trade Online)
- Forbes Magazine ranked Dallas the #1 city to earn a living with a total civilian labor force of 3,238,180. DFW is ranked #3 in the list of largest "over-the-year percentage increases in employment" for U.S. metropolitan areas. Total non-farm employment in DFW's MSA stood at 2,879,900 in October, 2010, up 24,800 or 0.9% from a year previous compared to a 0.5% national job increase over the same period. The largest increases were in Professional and Business services up 13,300 or 3.2% and Education and Health services up 13,000 or 3.7%, compared to National growth rates of 2.3% and 1.9% respectively. Other increases include Government with 5,900 jobs or 3.7% compared to 1.4% nationally; Manufacturing up 5,100 or 2.0% which is more than triple the national rate of 0.6%; and Mining, Lodging and Construction up 1,700 or 1.1%. (Forbes, Bureau of Labor Statistics)
- 97% of businesses in the DFW Region have less than 100 employees and 158 companies made the Inc. 5000 list, America's fastest growing private companies, in 2010. (U.S. Census Bureau, Dallas Regional Chamber)
- DFW is home to an impressive group of foreign based subsidiaries with over 200 companies from 34 countries locating their U.S. headquarters or substantial operations within the Region. (Dallas Regional Chamber)
- In 2010 Site Selection ranked DFW 3<sup>rd</sup> for business expansions in major metropolitan areas. (Site Selection, Dallas Regional Chamber)
- On average, the DFW commercial office space vacancy rates in 2010 hovered around 22% and the average asking lease rate was \$18.11 per square foot. (Dallas Business Journal Book of Lists, NCTCOG, CBRE Office Real Estate Report 2010)
- The DFW industrial space average price per square foot is \$45.40 which is well below the national average of \$56.40. (Dallas Business Journal Book of Lists, NCTCOG, CBRE Office Real Estate Report 2010)
- 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 one-half of the workforce over 25 years old in DFW holds a high school diploma and more than 30% have completed at least four years of college. Business Week ranked Dallas #3 and Fort Worth #10 as "Best Cities for Grads." (U.S. Census Bureau, Dallas Regional Chamber, Business Week)

- The Consumer Price Index for the DFW MSA as of November 2010 is 201.16 with an inflation rate of -0.4% compared to the U.S. City average of 218.80 and inflation rate of 1.1%. (Bureau of Labor Statistics)
- Dallas is listed by Forbes as #6 of the “Best Cities to Buy a Home” due to its abundance of affordable housing compared to other major metropolitan areas. (Forbes)
- The DFW Region has 18 retail centers (malls) each with more than one million square feet and reported \$25.6 billion in retail sales as of the second quarter of 2010. (Dallas Business Journal, NCTCOG, CBRE Retail Market Report 2010, Texas Comptroller)
- Over 100 hospitals and major medical centers with nearly 20,000 beds serve the DFW region. (NCTCOG, Texas Workforce Commission)
- Beyond the central cultural districts, DFW offers more than 175 museums and galleries, more than 50 professional and community theaters, and dozens of local symphony and chamber orchestras, ballet groups and opera associations. (Dallas Regional Chamber)
- Within 100 miles of DFW there are more than 400 public parks covering nearly 23,000 acres, and more than 60 lakes and reservoirs, covering 550,500 acres. (NCTCOG, Texas Parks and Wildlife Dept., DFW CVB)
- DFW is ranked tenth of the Top Sustainable U.S. Metros. Dallas has the largest alternatively fueled bus fleet in Texas and by 2030 DFW is expected to add over 70,000 green jobs. (Dallas Regional 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 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 town-homes 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. The first units at Main Station Railroad Flats have been completed and are in the process of being sold and Phase One of the Main Street Project should begin construction in 2011.

Projects have been completed in older shopping centers including 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 full facelift is planned for the Cedar Park Shopping Center with plans for national tenants to be added.

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 subsidiaries of companies like **Masco Cabinetry**, the largest U.S. manufacturer of kitchen and bath cabinetry. They remain one of the City’s largest tax payers and have a total of 706 employees.

- **The Bob Knight Fieldhouse** (a 95,000 sq. foot basketball/volleyball/multi-sport facility) opened in 2010 and will draw people near and far into the community. The facility which was built and owned by the Duncanville Community and Economic Development Corporation (DCEDC) was sold to the City of Duncanville in late 2010.
- **Pappadeaux Seafood**, which opened in 2003, continues in their success in providing fine dining for area residents. The final DCEDC incentive payment which encouraged them to build sooner than planned was made in 2010.
- 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 rooms 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** (3<sup>rd</sup> 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 145 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, Townview Realtors, and CFW Dress and More. 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 final DCEDC and City incentives transactions took place in 2010.
- **Aldi**, a leader in the international grocery retailing industry, serving Europe, the USA and Australia, opened in Duncanville in 2010.
- **Main Station**, a mixed-use development located at the intersection of S. Main Street and E. Center Street underwent a renovation including outdoor dining areas, landscaping, water fountain enhancements, and signage.
- The total dollars reinvested (private and Type B) into the community through Duncanville Community and Economic Development Corporation (DCEDC) projects was \$1,028,585 for calendar year 2010 and the total dollars approved to be spent by DCEDC for new development projects was \$451,807 and will result in 29 new jobs for Duncanville.
- Through an investment of \$259,263 of DCEDC funds for Community Development projects, the City's Parks Department was able to continue the landscape color change throughout the City, mowing of Duncanville's I-20 corridor, landscape maintenance of the DCEDC/City owned property at 1700 S. Main Street, and to complete the walking trail and parking lot at Waterview Park; the DCEDC partnered with the Duncanville ISD and Chamber to provide an LED sign for the Chamber; and the Duncanville Community Library was 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 complete.

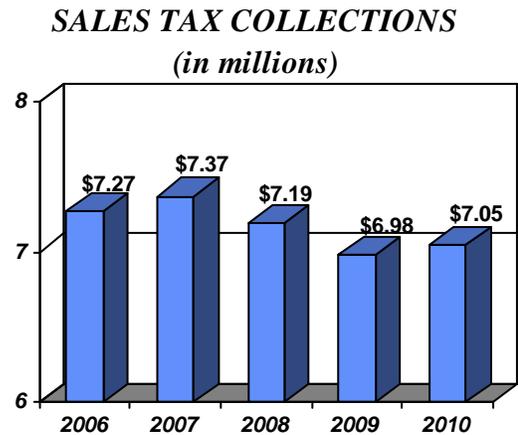
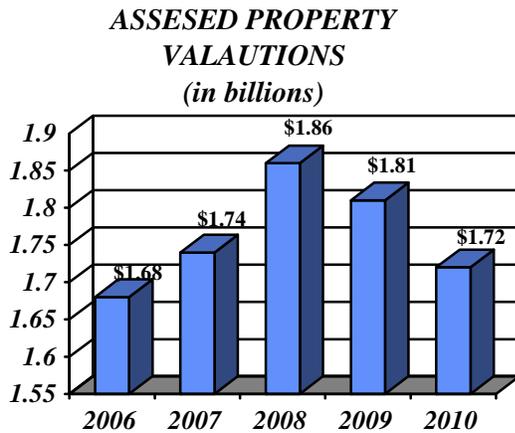
- Duncanville continues to house one of the state's top rated school districts helping support residential property values. The City also benefits from an affluent workforce with Duncanville's median household income of \$65,676. (ESRI 2010)

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 (tenth 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



## Future Economic Outlook

Duncanville has experienced difficult economic times with the housing market decline and a recessionary economy. Sales tax collections were up ever so slightly this year compared to the previous year. Until the economy improves, we expect flat or lower sales tax revenues to continue. Property values decreased due to the debacle of the housing market and significant reappraisal by the Dallas Central Appraisal District, but not nearly as significantly as other parts of the country. Beer and wine sales continue to help soften the economic downturn. The acquisition of the Bob Knight Fieldhouse presents many immediate challenges and thankfully the DCEDC provides a safety net agreeing to fund any shortage in debt service on the building. In the year 2024, when the debt on the fieldhouse is retired, it will provide another resource for general fund revenues that will be most welcome. Overall, 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 total liability of \$394,411 at 09/30/2009 and increased to \$611,243 at 09/30/2010. 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 (currently \$250,000). 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 an Annual Summary Investment report are given to the City Council for review. These reports summarize all investments of the City and compare returns to benchmarks such as the 90 day Treasury-Bill rates. The reports also describe the portfolio in terms of investment securities, maturities, and risk characteristics. All investments and reports comply with the Public Funds Investment Act.

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.

Risk management programs have 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, 2009. 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.

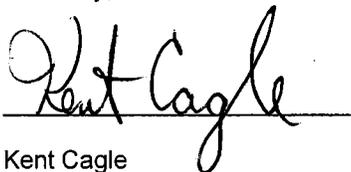
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

## 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 support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,

A handwritten signature in cursive script that reads "Kent Cagle". The signature is written over a horizontal line.

Kent Cagle  
City Manager

A handwritten signature in cursive script that reads "Richard Summerlin". The signature is written over a horizontal line.

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, 2009

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.



President

Executive Director



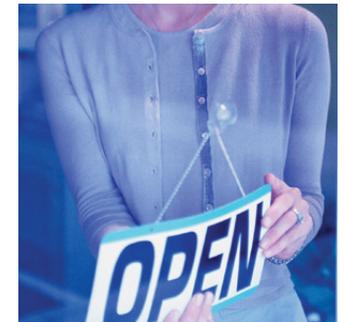
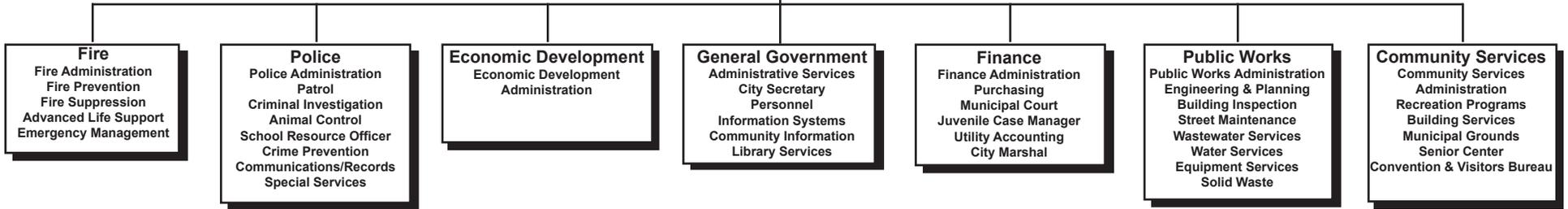
**Duncanville**  
*City of Champions*

**Citizens of Duncanville**

**Mayor & City Council  
(Elected)**

**Office of the City  
Manager**

**City of  
Duncanville  
Organizational Chart  
September 30, 2010**



**The Perfect Blend of Family, Community & Business**

## **CITY OF DUNCANVILLE**

### **CITY COUNCIL**

David Green, Mayor

Ken Weaver, Mayor Pro Tem

Dorothy Burton, Council Member

Anthony Skinner, Council Member

Scott Cannon, Council Member

Grady Smithey, Council Member

Johnette Jameson, 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*

**DUNCANVILLE**

The Perfect Blend of Family, Community and Business.



## 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, 2010, 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, 2010, 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 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 March 30, 2011, 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

Page 2

The accompanying management's discussion and analysis (on pages 3 through 10) and the Texas Municipal Retirement System Analysis of Funding Progress, and other post employment benefits (on page 54) 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 and 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  
March 30, 2011

## City of Duncanville, Texas

### Management's Discussion and Analysis for the Fiscal Year Ended September 30, 2010

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, 2010. 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 \$88.9 million (net assets). This number must be viewed in the context of the vast majority of the City's net assets of \$77.5 million are invested in capital assets, net of related debt, and that most capital assets in government do not directly generate revenue nor can be sold to generate liquid capital. Those net assets restricted for specific purposes total \$41 thousand. The remaining \$11.4 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's Governmental Activities total assets exceeded total liabilities by \$58.1 million (net assets). Governmental Activities net assets increased \$2.8 million this fiscal year compared to the prior year. The City's total net assets increased by \$2.4 million this fiscal year.
- As of the close of the current fiscal year, City of Duncanville governmental funds reported combined ending fund balances of \$5.3 million, an increase of \$576 thousand from the prior year. Of this amount, \$5.1 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 \$3.7 million. On a current financial resources basis, total fund balance for the General Fund increased by \$574,799 which was higher than the budgeted increase of \$25 thousand.
- The City's net bonded debt decreased by \$2.7 million during this current fiscal year due to repayment of bonded debt during the year ended September 30, 2010. No additional bonds were issued during the fiscal year.
- The City, like most governments, has been impacted by the current economic down turn. The City has seen certain revenues stagnate or decline and has aggressively reduced expenditures accordingly. The Economic Factors and Next Year's Budget section on the last page of this discussion provides additional information on this subject.

#### 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, Street Construction, and Traffic and Safety Improvement funds, all of which are to be considered major funds. Data from eight 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, 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-type 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 non-major 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 \$88.9 million as of September 30, 2010.

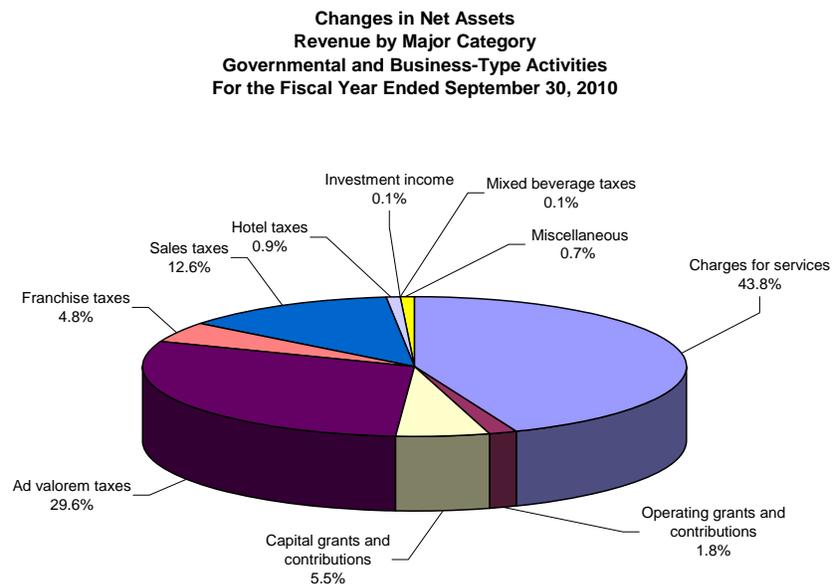
### City of Duncanville's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009
Current and other assets	\$ 13,090,425	\$ 13,409,251	\$ 5,794,840	\$ 6,258,290	\$ 18,885,265	\$ 19,667,541
Capital assets, net	56,931,167	57,245,968	29,158,743	29,384,159	86,089,910	86,630,127
Total assets	70,021,592	70,655,219	34,953,583	35,642,449	104,975,175	106,297,668
Current liabilities	1,853,866	2,841,565	1,126,044	1,219,543	2,979,910	4,061,108
Noncurrent liabilities	10,069,308	12,465,330	3,020,410	3,246,757	13,089,718	15,712,087
Total liabilities	11,923,174	15,306,895	4,146,454	4,466,300	16,069,628	19,773,195
Invested in capital assets, net of related debt	50,403,980	50,060,721	27,076,019	26,805,736	77,479,999	76,866,457
Restricted net assets	41,456	70,458	-	-	41,456	70,458
Unrestricted net assets	7,652,982	5,217,145	3,731,110	4,370,413	11,384,092	9,587,558
Total net assets	\$ 58,098,418	\$ 55,348,324	\$ 30,807,129	\$ 31,176,149	\$ 88,905,547	\$ 86,524,473

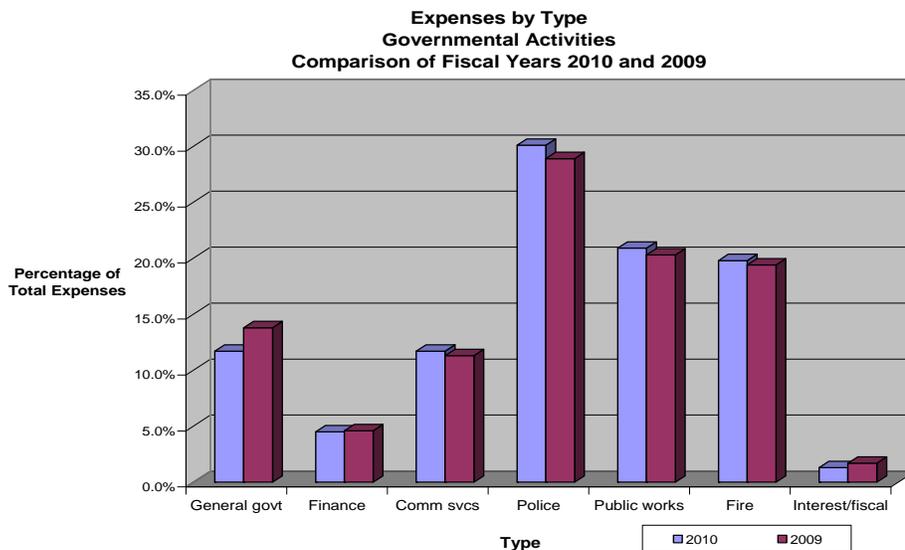
The majority of the City's net assets \$77.5 million (87.1%) are capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress). The City uses these capital assets to provide services to citizens and consequently, these assets are not available for spending. 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.

The City's net assets of \$41 thousand are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$11.4 million (12.9%) may be used to meet the government's ongoing obligations to citizens and creditors.

**Analysis of the City's Operations-** Overall, the City's total net assets increased \$2.4 million (3%) from the prior year.



**Governmental Activities-** General revenue (excluding transfers) had a net decrease of \$833 thousand. Ad valorem tax experienced an \$806 thousand decrease due to the decline in property values due to reappraisals. In addition, there was a decrease in investment income of \$250 thousand (87.5%) due to the effects of the economy and minimized interest rates. In contrast, the City was able to recognize small increases (less than 3%) in both the sales tax and franchise tax categories.



**Business-type Activities-** Net assets from business-type activities decreased by \$369 thousand. Program revenues remained consistent, showing a less than 1% increase. Business-type expenses increased by 1.3 million (11.7%) attributed to increased water costs.

The following table provides a summary of the City's operations at fiscal year end 2010:

<b>City of Duncanville's Changes in Net Assets</b>						
<b>For the Fiscal Years Ending September 30, 2008 and 2009</b>						
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 4,926,369	\$ 5,562,014	\$ 13,565,845	\$ 13,403,806	\$ 18,492,214	\$ 18,965,820
Operating grants and contributions	754,463	338,658	-	-	754,463	338,658
Capital grants and contributions	2,201,004	2,364,100	107,974	22,227	2,308,978	2,386,327
<b>General revenues:</b>						
Ad valorem taxes	12,482,287	13,288,719	-	-	12,482,287	13,288,719
Franchise taxes	2,036,308	1,988,717	-	-	2,036,308	1,988,717
Sales taxes	5,321,558	5,235,231	-	-	5,321,558	5,235,231
Hotel taxes	393,731	462,474	-	-	393,731	462,474
Mixed beverage taxes	60,101	71,978	-	-	60,101	71,978
Investment income	35,810	117,619	18,601	37,007	54,411	154,626
Miscellaneous	<u>287,252</u>	<u>286,126</u>	<u>-</u>	<u>-</u>	<u>287,252</u>	<u>286,126</u>
<b>Total revenues</b>	<u>28,498,883</u>	<u>29,715,636</u>	<u>13,692,420</u>	<u>13,463,040</u>	<u>42,191,303</u>	<u>43,178,676</u>
<b>Expenses:</b>						
General government	3,169,503	3,870,234	-	-	3,169,503	3,870,234
Finance	1,231,406	1,292,138	-	-	1,231,406	1,292,138
Community services	3,165,163	3,158,557	-	-	3,165,163	3,158,557
Police	8,168,671	8,109,764	-	-	8,168,671	8,109,764
Public works	5,664,455	5,701,322	-	-	5,664,455	5,701,322
Fire	5,385,776	5,449,439	-	-	5,385,776	5,449,439
Interest and fiscal charges	354,584	478,651	-	-	354,584	478,651
Water and sewer	-	-	10,540,201	9,285,510	10,540,201	9,285,510
Solid waste	<u>-</u>	<u>-</u>	<u>2,130,470</u>	<u>2,057,402</u>	<u>2,130,470</u>	<u>2,057,402</u>
<b>Total expenses</b>	<u>27,139,558</u>	<u>28,060,105</u>	<u>12,670,671</u>	<u>11,342,912</u>	<u>39,810,229</u>	<u>39,403,017</u>
Increase in net assets before transfers	1,359,325	1,655,531	1,021,749	2,120,128	2,381,074	3,775,659
Transfers	<u>1,390,769</u>	<u>1,369,124</u>	<u>(1,390,769)</u>	<u>(1,369,124)</u>	<u>-</u>	<u>-</u>
Increase/ (decrease) in net assets	2,750,094	3,024,655	(369,020)	751,004	2,381,074	3,775,659
Net assets—beginning	<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>
Net assets—ending	<u>\$ 58,098,418</u>	<u>\$ 55,348,324</u>	<u>\$ 30,807,129</u>	<u>\$ 31,176,149</u>	<u>\$ 88,905,547</u>	<u>\$ 86,524,473</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 \$5.3 million. Approximately 95% 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 \$34,394 and loans receivable of \$214,104. Fund balance for all governmental funds increased by \$576,283 over the previous fiscal year.

In the General Fund, the original budget projected a \$1 thousand increase in fund balance this fiscal year. This was changed to an increase of \$25 thousand with the final amended budget. It is one of the City's financial policies to maintain fund balance in General Fund to equal 60 days of expenditures. Despite declining local and national economic conditions, there was no increase in the property tax rate, attributed to planned expenditure reductions of City services. Due to increase in the collections of fines and forfeitures with a now fully staffed police department and the City's emphasis on expenditure control, the fund balance of the General Fund increased by \$574,799, bringing total fund balance to \$3.9 million at fiscal year end.

The Debt Service fund had an increase in fund balance of \$43 thousand for the fiscal year ended September 30, 2010, largely due to an additional transfer in of \$80,000 from General Fund to cover a negative reserved fund balance. The Street Construction capital project fund had an increase in fund balance of \$384 thousand. Capital grants for Center Street and traffic signals offset related street expenditures. The Traffic Improvement and Safety fund balance decreased by \$358 thousand due to the 51% decline in red light ticket revenue, while the related traffic safety fixed expenditures remained the same.

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 City has an "inverted block" rate structure, which was meant to be revenue neutral based on same consumption. The Utility proprietary fund net assets decreased \$443,413. The Solid Waste fund net assets increased \$138 thousand during this fiscal year despite unforeseen snow storm clean-up costs for \$152 thousand. Capital contributions of \$108 thousand were recorded due to donated water 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 2010, the City had \$86.1 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 \$541 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)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Land	\$ 19,781	\$ 19,781	\$ 89	\$ 89	\$ 19,870	\$ 19,870
Construction in progress	1,524	1,764	155	144	1,679	1,908
Buildings	4,718	4,868	2,768	2,872	7,486	7,740
Infrastructure Improvements	26,197	27,035	22,522	22,478	48,719	49,513
Equipment	2,188	816	22	23	2,210	839
Water rights	2,523	2,983	145	224	2,668	3,207
	-	-	3,458	3,554	3,458	3,554
<b>Totals</b>	<b>\$ 56,931</b>	<b>\$ 57,247</b>	<b>\$ 29,159</b>	<b>\$ 29,384</b>	<b>\$ 86,090</b>	<b>\$ 86,631</b>

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

- Water and wastewater main projects were completed for \$762 thousand including a contribution of a water main at valued at \$108 thousand.
- Completion of solar panels for City buildings for \$1.4 million was included in the governmental capital assets. This project was primarily funded by a federal renewable energy grant.
- Vehicle replacements of \$174 thousand included seven new vehicles. The City deferred the replacement of well-maintained vehicles in light of the budget constraints.

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 \$9.4 million in bonded debt outstanding. The entire amount is comprised of bonded debt backed by the full faith and credit of the City. During the year ended September 30, 2010, no new bonds were issued.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
GO & CO	\$ 6,527	\$ 9,013	\$ -	\$ -	\$ 6,527	\$ 9,013
Tax and Water/Wastewater Surplus Revenue bonds	-	-	2,885	3,135	2,885	3,135
<b>Totals</b>	<b>\$ 6,527</b>	<b>\$ 9,013</b>	<b>\$ 2,885</b>	<b>\$ 3,135</b>	<b>\$ 9,412</b>	<b>\$ 12,148</b>

The City's general obligation bonds have been assigned the rating of "AA-" 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 this agency.

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**

In the 2010-11 Budget, General Fund revenues are conservatively projected to increase by less than 1%. Property values decreased on the total tax roll for 2010-11 from 2009-10. 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. For 2010-11 Budget, the City tax rate increased to \$.737692 per \$100 of assessed valuation. This is a 4% increase over the \$.696 tax rate of fiscal year 2009-10.

The 2010-11 Budget maintains current service levels. Despite the flat economic forecast and rising costs, we were able to produce a budget based on the \$.737692 tax rate, further expenditure cuts, and elimination of pay increases for civilian employees for the second year in a row.

Sales tax revenue as of September 30, 2010 was slightly higher than the previous year, but is most volatile and subject to the regional and national economy. With this in mind, we expect lower or flat sales tax revenues in the new fiscal year. Property values have decreased nearly 5% due to reappraisal. The increased tax rate is expected to relieve some of this loss. Interest earnings dramatically declined in fiscal year 2010 and are expected to remain flat. Conservative estimated increases in franchise fees and the collection of fines may help to offset other reduced revenues due to the economic downturn.

Our red light camera enforcement program continues to remain in effect and is maintained in the Transportation Improvement and Safety fund to manage the revenues and expenses for this important program. The traffic enforcement revenues declined by more than half in 2009-10 and future revenues are expected to continue to fall.

City management is and will continue to look for ways to offset those reduced revenues from the economic collapse.

## **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  
P.O. Box 380280  
Duncanville, TX 75138-0280  
Phone : 972-780-5005  
Email: [rsummerlin@ci.duncanville.tx.us](mailto:rsummerlin@ci.duncanville.tx.us)

City of Duncanville  
Attn: Tia Pettis, Assistant Finance Director  
P.O. Box 380280  
Duncanville, TX 75138-0280  
Phone: 972-780-5007  
Email: [tpettis@ci.duncanville.tx.us](mailto:tpettis@ci.duncanville.tx.us)

CITY OF DUNCANVILLE, TEXAS

GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,661,574	\$ 913,591	\$ 2,575,165	\$ 757,214
Investments	3,900,000	950,000	4,850,000	150,000
Receivables (net of allowance for uncollectibles)	4,874,413	2,587,286	7,461,699	986,500
Accrued interest	373,259	11,885	385,144	2,044
Prepaid items	293,061	3,017	296,078	-
Restricted cash and investments	-	1,388,908	1,388,908	-
Internal balances	131,728	(131,728)	-	-
Loan receivables	214,104	-	214,104	-
Bond issue costs	47,770	71,881	119,651	86,562
Investment in joint ventures	1,594,516	-	1,594,516	106,526
Capital assets:				
Nondepreciable	21,305,053	244,116	21,549,169	2,744,879
Depreciable- net of accumulated depreciation	35,626,114	28,914,627	64,540,741	16,430,945
<b>Total Assets</b>	<b>70,021,592</b>	<b>34,953,583</b>	<b>104,975,175</b>	<b>21,264,670</b>
<b>LIABILITIES</b>				
Accounts payable	691,076	500,206	1,191,282	80,348
Contracts payable	3,923	-	3,923	-
Accrued liabilities	910,576	19,361	929,937	379
Accrued interest payable	53,958	14,824	68,782	96,008
Unearned revenue	169,781	-	169,781	-
Customer performance and escrow deposits	24,552	586,632	611,184	-
Maintenance bond and meter deposits	-	5,021	5,021	25,150
Noncurrent liabilities				
Due within one year:				
Bonds and certificates of obligation payable	1,170,145	260,000	1,430,145	1,005,000
Compensated absences	208,439	6,201	214,640	-
Loan payable	-	-	-	105,998
Due in more than one year:				
Bonds and certificates of obligation payable	5,357,042	2,625,000	7,982,042	11,275,000
Compensated absences	2,769,262	82,386	2,851,648	-
Other postemployment benefits	564,420	46,823	611,243	-
<b>Total Liabilities</b>	<b>11,923,174</b>	<b>4,146,454</b>	<b>16,069,628</b>	<b>12,587,883</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	50,403,980	27,076,019	77,479,999	-
Restricted for:				
Debt service	41,456	-	41,456	-
Economic development	-	-	-	8,676,787
Unrestricted	7,652,982	3,731,110	11,384,092	-
<b>Total Net Assets</b>	<b>\$ 58,098,418</b>	<b>\$ 30,807,129</b>	<b>\$ 88,905,547</b>	<b>\$ 8,676,787</b>

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, 2010

PROGRAM ACTIVITIES	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 3,169,503	\$ 382,095	\$ 88,728	\$ 1,379,876
Finance	1,231,406	-	-	-
Community Services	3,165,163	304,054	100,911	-
Police	8,168,671	1,631,861	279,084	-
Public works	5,664,455	1,759,053	101,712	821,128
Fire	5,385,776	849,306	184,028	-
Interest and fiscal charges	354,584	-	-	-
<b>Total governmental activities</b>	<b>27,139,558</b>	<b>4,926,369</b>	<b>754,463</b>	<b>2,201,004</b>
<b>Business-type activities:</b>				
Water	5,220,632	6,339,411	-	107,974
Sewer	5,319,569	4,775,447	-	-
Solid waste	2,130,470	2,450,987	-	-
<b>Total business-type activities</b>	<b>12,670,671</b>	<b>13,565,845</b>	<b>-</b>	<b>107,974</b>
<b>Total government</b>	<b>\$ 39,810,229</b>	<b>\$ 18,492,214</b>	<b>\$ 754,463</b>	<b>\$ 2,308,978</b>
<b>Component unit:</b>				
DCEDC	2,378,426	1,020,406	-	-

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**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Unit</b>
\$ (1,318,804)	\$ -	\$ (1,318,804)	
(1,231,406)	-	(1,231,406)	
(2,760,198)	-	(2,760,198)	
(6,257,726)	-	(6,257,726)	
(2,982,562)	-	(2,982,562)	
(4,352,442)	-	(4,352,442)	
(354,584)	-	(354,584)	
<u>(19,257,722)</u>	<u>-</u>	<u>(19,257,722)</u>	
-	1,226,753	1,226,753	
-	(544,122)	(544,122)	
-	320,517	320,517	
-	1,003,148	1,003,148	
<u>(19,257,722)</u>	<u>1,003,148</u>	<u>(18,254,574)</u>	
			<u>\$ (1,358,020)</u>
12,482,287	-	12,482,287	-
5,321,558	-	5,321,558	1,773,853
2,036,308	-	2,036,308	-
60,101	-	60,101	-
393,731	-	393,731	-
35,810	18,601	54,411	-
287,252	-	287,252	3,402
<u>1,390,769</u>	<u>(1,390,769)</u>	<u>-</u>	<u>-</u>
<u>22,007,816</u>	<u>(1,372,168)</u>	<u>20,635,648</u>	<u>1,777,255</u>
2,750,094	(369,020)	2,381,074	419,235
55,348,324	31,176,149	86,524,473	8,257,552
<u>\$ 58,098,418</u>	<u>\$ 30,807,129</u>	<u>\$ 88,905,547</u>	<u>\$ 8,676,787</u>

CITY OF DUNCANVILLE, TEXAS

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010**

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 265	\$ 294	\$ 89,691
Investments	1,100,000	1,850,000	100,000
Receivables -			
Property taxes (net of allowance)	336,821	46,803	-
Trade accounts (net of allowance)	2,245,892	-	-
Other taxes	1,643,305	-	-
Assessments	-	-	53,409
Intergovernmental	-	-	-
Accrued interest and other	11,506	9,359	271,151
Prepaid items	32,321	-	-
Due from other funds	1,252,000	-	-
Loans receivable	214,104	-	-
<b>Total Assets</b>	<u><u>\$ 6,836,214</u></u>	<u><u>\$ 1,906,456</u></u>	<u><u>\$ 514,251</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 279,284	\$ -	\$ 9,401
Customer performance and escrow deposits	24,552	-	-
Contracts payable	-	-	3,923
Accrued liabilities	224,265	-	-
Due to other funds	-	1,865,000	-
Deferred revenue	2,392,479	37,273	53,409
<b>Total liabilities</b>	<u><u>2,920,580</u></u>	<u><u>1,902,273</u></u>	<u><u>66,733</u></u>
<b>FUND BALANCES:</b>			
Reserved for prepaid items	32,321	-	-
Reserved for loans receivable	214,104	-	-
Reserved for debt service	-	4,183	-
Unreserved, reported in:			
General fund	3,669,209	-	-
Special revenue funds	-	-	-
Capital project fund	-	-	447,518
<b>Total fund balances</b>	<u><u>3,915,634</u></u>	<u><u>4,183</u></u>	<u><u>447,518</u></u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 6,836,214</u></u>	<u><u>\$ 1,906,456</u></u>	<u><u>\$ 514,251</u></u>

*The accompanying notes are an integral part of this statement.*

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<b>Traffic I&amp;S</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 156,963	\$ 561,543	\$ 808,756
150,000	150,000	3,350,000
-	-	383,624
70,912	358,872	2,675,676
-	106,161	1,749,466
-	-	53,409
-	12,238	12,238
634	-	292,650
-	2,073	34,394
-	122,000	1,374,000
-	-	214,104
<u>\$ 378,509</u>	<u>\$ 1,312,887</u>	<u>\$ 10,948,317</u>
\$ 259,717	\$ 129,872	\$ 678,274
-	-	24,552
-	-	3,923
327	2,162	226,754
-	209,000	2,074,000
-	110,301	2,593,462
<u>260,044</u>	<u>451,335</u>	<u>5,600,965</u>
-	2,073	34,394
-	-	214,104
-	-	4,183
-	-	3,669,209
118,465	577,359	695,824
-	282,120	729,638
<u>118,465</u>	<u>861,552</u>	<u>5,347,352</u>
<u>\$ 378,509</u>	<u>\$ 1,312,887</u>	<u>\$ 10,948,317</u>

**CITY OF DUNCANVILLE, TEXAS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010**

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**TOTAL FUND BALANCE- GOVERNMENTAL FUNDS** \$ 5,347,352

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, (excluding internal service funds assets of \$1,285,413). 55,645,754

Revenue earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements. 2,423,681

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. (53,958)

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 activities in the government-wide statement of net assets including an internal balance of \$131,728. 3,162,611

Investments in joint ventures represent a financial asset not reported in governmental funds. 1,594,516

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	\$ (565,000)	
Certificates of obligation	(5,962,187)	

Less issuance costs (to be amortized as interest expense)	47,770	
Compensated absences	(2,977,701)	
Other post employment benefits	(564,420)	
	(10,021,538)	

(10,021,538)

**NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ 58,098,418**

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*The accompanying notes are an integral part of this statement.*



**Duncanville**  
*City of Champions*

**DUNCANVILLE**

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2010

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction</u>
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$ 9,886,035	\$ 2,577,426	\$ -
Sales	5,321,558	-	-
Franchise	2,036,308	-	-
Mixed beverage	60,101	-	-
Hotel	-	-	-
Licenses, permits and fees	1,403,719	-	1,110
Fines and forfeitures	829,187	-	-
Recreational fees	223,533	-	-
Intergovernmental	219,661	-	-
Investment income	23,365	4,843	1,004
Rental and other	789,390	-	848,355
Gifts and contributions	-	-	-
<b>Total Revenues</b>	<u>20,792,857</u>	<u>2,582,269</u>	<u>850,469</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,872,934	-	-
Finance	1,138,030	-	-
Community services	2,512,839	-	-
Police	7,358,308	-	-
Public works	3,266,945	-	60,771
Fire	5,208,199	-	-
Non-departmental	182,894	-	-
Special purposes - promotional	-	-	-
Debt Service:			
Principal retirement	-	2,325,872	-
Interest and fiscal charges	-	518,554	-
Capital outlay:			
General government	17,855	-	-
Community services	-	-	-
Police	-	-	-
Public works	17,705	-	611,725
Fire	9,644	-	-
Special purposes - promotional	-	-	-
<b>Total expenditures</b>	<u>21,585,353</u>	<u>2,844,426</u>	<u>672,496</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(792,496)</u>	<u>(262,157)</u>	<u>177,973</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,447,295	305,000	206,287
Transfers out	(80,000)	-	-
<b>Total other financing sources (uses)</b>	<u>1,367,295</u>	<u>305,000</u>	<u>206,287</u>
Net change in fund balances	574,799	42,843	384,260
Fund balances, beginning of year	3,340,835	(38,660)	63,258
Fund balances, end of year	<u>\$ 3,915,634</u>	<u>\$ 4,183</u>	<u>\$ 447,518</u>

The accompanying notes are an integral part of this statement.

<u>Traffic I &amp; S</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 12,463,461
-	-	5,321,558
-	-	2,036,308
-	-	60,101
-	393,731	393,731
1,068,500	408,634	2,881,963
-	224,962	1,054,149
-	80,421	303,954
-	1,962,694	2,182,355
2,069	1,472	32,753
-	5	1,637,750
-	25,900	25,900
<u>1,070,569</u>	<u>3,097,819</u>	<u>28,393,983</u>
238,540	256,860	2,368,334
45,744	-	1,183,774
-	168,615	2,681,454
486,882	165,248	8,010,438
372,456	181,465	3,881,637
-	1,122	5,209,321
-	-	182,894
-	298,842	298,842
-	-	2,325,872
-	-	518,554
-	-	17,855
-	6,764	6,764
-	85,409	85,409
-	260,532	889,962
-	131,011	140,655
-	1,406,704	1,406,704
<u>1,143,622</u>	<u>2,962,572</u>	<u>29,208,469</u>
<u>(73,053)</u>	<u>135,247</u>	<u>(814,486)</u>
-	68,842	2,027,424
<u>(285,317)</u>	<u>(271,338)</u>	<u>(636,655)</u>
<u>(285,317)</u>	<u>(202,496)</u>	<u>1,390,769</u>
<u>(358,370)</u>	<u>(67,249)</u>	<u>576,283</u>
<u>476,835</u>	<u>928,801</u>	<u>4,771,069</u>
<u>\$ 118,465</u>	<u>\$ 861,552</u>	<u>\$ 5,347,352</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  
YEAR ENDED SEPTEMBER 30, 2010

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<b>NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 576,283</b>
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 depreciated expense.	2,547,349
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.	(104,608)
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.	(2,299,234)
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.	2,325,872
Bond issuance costs are expenditures in the fund financial statements when debt is issued, but 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.	106,843
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.	13,569
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	115,889
Current year changes in the accreted interest do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.	159,957
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.	(196,650)
Governmental funds reports the proceeds from a sale of assets as an increase in financial resources, but in the government-wide statements, the gain or loss is calculated and reported.	(159,522)
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 \$63,300 allocated to business type activities).	<u>(326,100)</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,750,094</u></b>

*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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 10,026,162	\$ 10,000,866	\$ 9,886,035	\$ (114,831)
Sales	5,134,424	5,229,090	5,321,558	92,468
Franchise	2,139,305	1,977,870	2,036,308	58,438
Other	70,000	57,134	60,101	2,967
Licenses, permits and fees	1,506,237	1,324,921	1,403,719	78,798
Fines and forfeitures	874,574	690,236	829,187	138,951
Recreation fees	195,060	195,060	223,533	28,473
Intergovernmental	191,291	163,000	219,661	56,661
Investment income	144,079	18,929	23,365	4,436
Rental and other	471,930	708,721	789,390	80,669
<b>Total revenues</b>	<u>20,753,062</u>	<u>20,365,827</u>	<u>20,792,857</u>	<u>427,030</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,011,064	1,946,713	1,872,934	73,779
Finance	1,176,453	1,155,917	1,138,030	17,887
Community services	2,664,986	2,596,191	2,512,839	83,352
Police	7,534,500	7,346,208	7,358,308	(12,100)
Public works	3,384,620	3,300,961	3,266,945	34,016
Fire	5,156,287	5,200,112	5,208,199	(8,087)
Non-departmental	173,425	176,434	182,894	(6,460)
Capital outlay:				
General government	38,395	20,396	17,855	2,541
Public works	5,000	17,706	17,705	1
Fire	29,274	10,500	9,644	856
Non-departmental	-	17,396	-	17,396
<b>Total expenditures</b>	<u>22,174,004</u>	<u>21,788,534</u>	<u>21,585,353</u>	<u>203,181</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,420,942)</u>	<u>(1,422,707)</u>	<u>(792,496)</u>	<u>630,211</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,422,279	1,447,295	1,447,295	-
Transfers out	-	-	(80,000)	(80,000)
<b>Total other financing sources (uses)</b>	<u>1,422,279</u>	<u>1,447,295</u>	<u>1,367,295</u>	<u>(80,000)</u>
<b>Net change in fund balance</b>	<u>\$ 1,337</u>	<u>\$ 24,588</u>	574,799	<u>\$ 550,211</u>
<b>FUND BALANCE, beginning of year</b>			<u>3,340,835</u>	
<b>FUND BALANCE, end of year</b>			<u>\$ 3,915,634</u>	

*The notes to the financial statements are an integral part of this statement.*

CITY OF DUNCANVILLE, TEXAS

TRAFFIC IMPROVEMENT AND SAFETY FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Traffic enforcement fees	\$ 1,710,000	\$ 1,183,000	\$ 1,068,500	\$ (114,500)
Interest on investments	3,000	1,600	2,069	469
<b>Total revenues</b>	<u>1,713,000</u>	<u>1,184,600</u>	<u>1,070,569</u>	<u>(114,031)</u>
<b>EXPENDITURES</b>				
General government	635,505	465,913	238,540	227,373
Police	521,542	486,882	486,882	-
Public works	444,131	380,000	372,456	7,544
Finance	43,778	42,504	45,744	(3,240)
<b>Total expenditures</b>	<u>1,644,956</u>	<u>1,375,299</u>	<u>1,143,622</u>	<u>231,677</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>68,044</u>	<u>(190,699)</u>	<u>(73,053)</u>	<u>117,646</u>
<b>OTHER FINANCING USES</b>				
Transfers out	-	(285,287)	(285,317)	(30)
<b>NET CHANGE IN FUND BALANCE</b>	68,044	(475,986)	(358,370)	117,616
<b>FUND BALANCES, beginning of year</b>	<u>144,398</u>	<u>476,835</u>	<u>476,835</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 212,442</u>	<u>\$ 849</u>	<u>\$ 118,465</u>	<u>\$ 117,616</u>

*The accompanying notes are an integral part of this statement.*

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 SEPTEMBER 30, 2010

	<u>Utility</u>	<u>Solid Waste</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 912,169	\$ 1,422	\$ 913,591	\$ 852,818
Investments	900,000	50,000	950,000	550,000
Receivables-				
Customers (net of allowance)	969,245	156,089	1,125,334	-
Unbilled	1,238,290	223,662	1,461,952	-
Due from other funds	50,000	-	50,000	701,000
Accrued interest and other	11,793	92	11,885	80,609
Prepaid items	3,017	-	3,017	258,667
<b>Total current assets</b>	<u>4,084,514</u>	<u>431,265</u>	<u>4,515,779</u>	<u>2,443,094</u>
Non-current assets:				
Restricted assets-				
Customer deposits	586,632	-	586,632	-
Cash and investments for construction	802,276	-	802,276	-
Capital assets-				
Land and construction-in-progress	244,116	-	244,116	-
Water rights, net	3,457,702	-	3,457,702	-
Buildings and improvements, net	2,790,436	-	2,790,436	-
Distribution lines and equipment, net	22,666,489	-	22,666,489	1,285,413
Bond issue costs	71,881	-	71,881	-
<b>Total non-current assets</b>	<u>30,619,532</u>	<u>-</u>	<u>30,619,532</u>	<u>1,285,413</u>
<b>TOTAL ASSETS</b>	<u>34,704,046</u>	<u>431,265</u>	<u>35,135,311</u>	<u>3,728,507</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	365,089	135,117	500,206	12,802
Accrued liabilities	18,322	1,039	19,361	683,822
Due to other funds	-	50,000	50,000	1,000
Accrued interest payable	14,824	-	14,824	-
Accrued compensated absences - current	6,201	-	6,201	-
Bonds payable - current	260,000	-	260,000	-
<b>Total current liabilities</b>	<u>664,436</u>	<u>186,156</u>	<u>850,592</u>	<u>697,624</u>
Long-term Liabilities:				
Accrued compensated absences	78,293	4,093	82,386	-
Bonds payable	2,625,000	-	2,625,000	-
Other postemployment benefits liability	39,497	7,326	46,823	-
Payable from restricted assets				
Customer deposits	586,632	-	586,632	-
Maintenance bond and meter deposit payables	5,021	-	5,021	-
<b>Total long-term liabilities</b>	<u>3,334,443</u>	<u>11,419</u>	<u>3,345,862</u>	<u>-</u>
<b>Total liabilities</b>	<u>3,998,879</u>	<u>197,575</u>	<u>4,196,454</u>	<u>697,624</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	27,076,019	-	27,076,019	1,285,413
Unrestricted	3,629,148	233,690	3,862,838	1,745,470
<b>TOTAL NET ASSETS</b>	<u>\$ 30,705,167</u>	<u>\$ 233,690</u>	<u>30,938,857</u>	<u>\$ 3,030,883</u>
Reconciliation to government-wide statement of net assets:				
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			(131,728)	
Net assets of business-type activities			<u>\$ 30,807,129</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, 2010

	Utility	Solid Waste	Total	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES</b>				
Water	\$ 6,030,170	\$ -	\$ 6,030,170	\$ -
Sewer	4,775,447	-	4,775,447	-
Solid Waste	-	2,450,987	2,450,987	-
Penalties	127,734	-	127,734	-
Premiums, charges for services and other	181,507	-	181,507	3,138,218
<b>Total operating revenues</b>	<b>11,114,858</b>	<b>2,450,987</b>	<b>13,565,845</b>	<b>3,138,218</b>
<b>OPERATING EXPENSES</b>				
Water services	3,973,073	-	3,973,073	-
Sewer	4,224,424	-	4,224,424	-
Solid Waste	-	2,128,318	2,128,318	-
Claims and provision	-	-	-	2,393,272
Administrative and fiscal	1,151,122	-	1,151,122	561,779
Depreciation and amortization	998,262	-	998,262	595,805
<b>Total operating expenses</b>	<b>10,346,881</b>	<b>2,128,318</b>	<b>12,475,199</b>	<b>3,550,856</b>
<b>OPERATING INCOME (LOSS)</b>	<b>767,977</b>	<b>322,669</b>	<b>1,090,646</b>	<b>(412,638)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	18,168	433	18,601	3,057
Interest and fiscal charges	(132,172)	-	(132,172)	-
Gain on sale of capital assets	-	-	-	20,181
<b>Total non-operating revenues (expenses)</b>	<b>(114,004)</b>	<b>433</b>	<b>(113,571)</b>	<b>23,238</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>653,973</b>	<b>323,102</b>	<b>977,075</b>	<b>(389,400)</b>
Capital contributions	107,974	-	107,974	-
Transfers out	(1,205,360)	(185,409)	(1,390,769)	-
<b>CHANGES IN NET ASSETS</b>	<b>(443,413)</b>	<b>137,693</b>	<b>(305,720)</b>	<b>(389,400)</b>
<b>TOTAL NET ASSETS - BEGINNING</b>	<b>31,148,580</b>	<b>95,997</b>		<b>3,420,283</b>
<b>TOTAL NET ASSETS - ENDING</b>	<b>\$ 30,705,167</b>	<b>\$ 233,690</b>		<b>\$ 3,030,883</b>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			(63,300)	
Change in net assets of business-type activities			\$ (369,020)	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED SEPTEMBER 30, 2010

	Utility Fund	Solid Waste Fund	Total	Governmental Activities - Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 11,870,579	\$ 3,338,786	\$ 15,209,365	\$ -
Payments from suppliers	(8,306,211)	(3,018,266)	(11,324,477)	(2,895,833)
Payments to employees	(1,834,316)	(88,214)	(1,922,530)	-
Internal activity - receipts from other funds	-	-	-	3,092,114
Other receipts	181,507	-	181,507	(654,896)
<b>Net cash provided by (used in) investing activities</b>	<u>1,911,559</u>	<u>232,306</u>	<u>2,143,865</u>	<u>(458,615)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	(1,205,360)	(185,409)	(1,390,769)	-
<b>Net cash used in noncapital financing activities</b>	<u>(1,205,360)</u>	<u>(185,409)</u>	<u>(1,390,769)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(664,871)	-	(664,871)	(199,660)
Sale of capital assets	-	-	-	20,037
Principal paid on bond maturities	(250,000)	-	(250,000)	-
Interest paid on bond maturities	(125,264)	-	(125,264)	-
<b>Net cash used in capital and related financing activities</b>	<u>(1,040,135)</u>	<u>-</u>	<u>(1,040,135)</u>	<u>(179,623)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Maturity (purchase) of investments	100,000	(50,000)	50,000	(50,000)
Interest on investments	8,470	433	8,903	(44,845)
<b>Net cash provided by (used in) investing activities</b>	<u>108,470</u>	<u>(49,567)</u>	<u>58,903</u>	<u>(94,845)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(225,466)</u>	<u>(2,670)</u>	<u>(228,136)</u>	<u>(733,083)</u>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>2,526,543</u>	<u>4,092</u>	<u>2,530,635</u>	<u>1,585,901</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>2,301,077</u>	<u>1,422</u>	<u>2,302,499</u>	<u>852,818</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 767,977	\$ 322,669	\$ 1,090,646	\$ (412,638)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	902,215	-	902,215	595,805
Amortization of water rights	96,047	-	96,047	-
Change in assets and liabilities:				
Accounts receivable	937,207	887,799	1,825,006	(952,436)
Accrued compensated absences	4,577	(1,106)	3,471	-
Other postemployment benefits liability	16,540	3,642	20,182	-
Prepaid items	158,229	-	158,229	-
Accounts payable and accrued liabilities	(971,254)	(980,698)	(1,951,952)	310,654
Customer deposits	21	-	21	-
<b>Total adjustments</b>	<u>1,143,582</u>	<u>(90,363)</u>	<u>1,053,219</u>	<u>(45,977)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 1,911,559</u>	<u>\$ 232,306</u>	<u>\$ 2,143,865</u>	<u>\$ (458,615)</u>
<b>NONCASH CAPITAL ACTIVITIES:</b>				
Contribution of capital assets from developers	107,974	\$ -	\$ 107,974	\$ -
<b>Total noncash capital activities</b>	<u>107,974</u>	<u>\$ -</u>	<u>\$ 107,974</u>	<u>\$ -</u>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET ASSETS</b>				
Unrestricted cash and cash equivalents			913,591	852,818
Restricted cash and cash equivalents			1,388,908	-
			<u>\$ 2,302,499</u>	<u>\$ 852,818</u>

The accompanying notes are an integral part of this statement.



**Duncanville**  
*City of Champions*

**DUNCANVILLE**

The Perfect Blend of Family, Community and Business.

**CITY OF DUNCANVILLE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & NEW GASB PRONOUNCEMENTS**

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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"), an entity 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 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. 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.

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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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.

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 and Traffic Improvement and Safety funds. 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. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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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.

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:

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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- 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.

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 (other than certificates of deposit) 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, 2010, 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.

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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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, 2010, 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 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 or uses.

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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**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. 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. This City has no intangible assets as of September 30, 2010, 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 City has no derivative instruments as of September 30, 2010, and thus, is not affected by this statement.

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.

The GASB has issued Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies." This Statement establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing bankruptcy under Chapter 9 of the United States Bankruptcy Code. This statement will be effective for the City for fiscal year ending September 30, 2010.

## 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 fair 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, 2010, 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 \$46,606. The reconciled balance of DCEDC's cash was \$221,864. The combined bank balances of the City and DCEDC were \$1,145,589. Of the bank balance, \$250,000 was covered by Federal Depository Insurance and the remainder by collateral in the amount of \$895,589. 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 participates in the Texas Local Government Investment Pool (TexPool) and the Local Government Investment Cooperative (LOGIC). TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexPool is governed by an Advisory Board composed equally of participants in the Pool and other persons who do not have a business relationship with the Pool who are qualified to advise the Pool. LOGIC is a public funds investment pool managed by First Southwest Management Company. LOGIC investments are not categorized in accordance with GASB Statement No. 3 disclosure requirements since the City is not issued securities, but rather it owns an individual beneficial interest in the assets of the related investment pools. LOGIC uses amortized cost rather than fair value to report net assets to compute

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

share prices. For both TexPool and LOGIC, the fair value of the City's position in the pool is the same as the value of the pool shares. These investments and deposits are fully insured by the federal depository insurance or collateralized by securities held in the name of Texas Treasury Safekeeping Trust Company. Authorized investments include obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, certificates of deposit and repurchase agreements.

The City's investments at September 30, 2010 are as follows:

Description	Fair Value	Less Than 1 Year
Cash equivalents		
Local Government Investment Cooperative ("Logic") (AAA/MR1+, 2a-7 like pool)	\$ 3,243,789	\$ 3,243,789
Texpool (AAAm, 2a-7 like pool)	766,890	766,890
Total cash equivalents	4,010,679	4,010,679
Investments		
Certificates of deposit	4,850,000	4,850,000
Total cash equivalents and investments	\$ 8,860,679	\$ 8,860,679

As of September 30, 2010, the DCEDC's investments are as follows:

Description		
Cash equivalents		
Local Government Investment Cooperative ("Logic") (AAA/MR1+, 2a-7 like pool)	\$ 299,088	\$ 299,088
Texpool (AAAm, 2a-7 like pool)	236,262	236,262
Total cash equivalents	535,350	535,350
Investments		
Certificates of deposit	150,000	150,000
Total cash equivalents and investments	\$ 685,350	\$ 685,350

All the City's investments at September 30, 2010, 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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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, 2009, upon which the 2010 fiscal year levy was based, was \$1,806,132,953.

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, 2010 were 98.17% 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, 2010

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4. RECEIVABLES

Receivables at September 30, 2010, 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	\$ 4,231,302	\$ -	\$ -	\$ 70,912	\$ 377,878	\$ 2,623,095	\$ 436,444	\$ 7,739,631
Ad valorem taxes	702,868	199,479	-	-	-	-	-	902,347
Other taxes	1,643,305	-	-	-	106,161	-	-	1,749,466
Assessments	-	-	53,409	-	-	-	-	53,409
Intergovernmental	-	-	-	-	12,238	-	-	12,238
Gross receivables	6,577,475	199,479	53,409	70,912	496,277	2,623,095	436,444	10,457,091
Less allowance for uncollectibles	(2,351,457)	(152,676)	-	-	(19,006)	(415,560)	(56,693)	(2,995,392)
Net total receivables	<u>\$ 4,226,018</u>	<u>\$ 46,803</u>	<u>\$ 53,409</u>	<u>\$ 70,912</u>	<u>\$ 477,271</u>	<u>\$ 2,207,535</u>	<u>\$ 379,751</u>	<u>\$ 7,461,699</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

5. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2010:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 19,780,967	\$ -	\$ -	\$ 19,780,967
Construction in progress	1,763,551	2,271,995	2,511,460	1,524,086
Total capital assets, not being depreciated	<u>21,544,518</u>	<u>2,271,995</u>	<u>2,511,460</u>	<u>21,305,053</u>
Capital assets being depreciated:				
Buildings	7,484,452	-	-	7,484,452
Infrastructure	55,395,373	951,151	-	56,346,524
Improvements	2,063,274	1,406,708	-	3,469,982
Equipment	11,429,187	475,017	164,217	11,739,987
Total capital assets being depreciated	<u>76,372,286</u>	<u>2,832,876</u>	<u>164,217</u>	<u>79,040,945</u>
Less accumulated depreciation for:				
Buildings	2,616,698	149,689	-	2,766,387
Infrastructure	28,360,676	1,788,914	-	30,149,590
Improvements	1,247,243	34,307	-	1,281,550
Equipment	8,446,219	922,129	151,044	9,217,304
Total accumulated depreciation	<u>40,670,836</u>	<u>2,895,039</u>	<u>151,044</u>	<u>43,414,831</u>
Total capital assets-being depreciated-net	<u>35,701,450</u>	<u>(62,163)</u>	<u>13,173</u>	<u>35,626,114</u>
Governmental activities capital assets, net	<u>\$ 57,245,968</u>	<u>\$ 2,209,832</u>	<u>\$ 2,524,633</u>	<u>\$ 56,931,167</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 89,194	\$ -	\$ -	\$ 89,194
Construction in progress	144,333	881,092	870,503	154,922
Total capital assets, not being depreciated	<u>233,527</u>	<u>881,092</u>	<u>870,503</u>	<u>244,116</u>
Capital assets being depreciated:				
Buildings	5,115,988	-	-	5,115,988
Infrastructure	38,060,242	762,256	-	38,822,498
Water rights	4,802,361	-	-	4,802,361
Improvements	29,130	-	-	29,130
Equipment	1,112,467	-	-	1,112,467
Total capital assets being depreciated	<u>49,120,188</u>	<u>762,256</u>	<u>-</u>	<u>49,882,444</u>
Less accumulated depreciation for:				
Buildings	2,244,364	103,653	-	2,348,017
Infrastructure	15,581,965	718,648	-	16,300,613
Water rights	1,248,612	96,047	-	1,344,659
Improvements	6,083	581	-	6,664
Equipment	888,531	79,333	-	967,864
Total accumulated depreciation	<u>19,969,555</u>	<u>998,262</u>	<u>-</u>	<u>20,967,817</u>
Total capital assets being depreciated, net	<u>29,150,633</u>	<u>(236,006)</u>	<u>-</u>	<u>28,914,627</u>
Business-type activities capital assets, net	<u>\$ 29,384,160</u>	<u>\$ 645,086</u>	<u>\$ 870,503</u>	<u>\$ 29,158,743</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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

General government	\$	145,930
Finance		1,992
Community services		427,500
Police		31,739
Public works		1,635,309
Fire		<u>56,764</u>
Total governmental activities		2,299,234
Internal service activity:		
Fleet rotation		<u>595,805</u>
Total government & internal service activities	\$	<u><u>2,895,039</u></u>
Business-like activities:		
Water and sewer	\$	902,215
Water rights amortization		<u>96,047</u>
Total business-like activities	\$	<u><u>998,262</u></u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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**Discretely presented component unit**

Activity for the DCEDC for the year ended September 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets-not being depreciated				
Land	\$ 2,744,879	\$ -	\$ -	\$ 2,744,879
Construction in progress	1,562,286	315,646	1,877,932	-
Total capital assets - not being depreciated	<u>4,307,165</u>	<u>315,646</u>	<u>1,877,932</u>	<u>2,744,879</u>
Capital assets-being depreciated				
Buildings	14,028,365	-	-	14,028,365
Improvements	3,515,288	1,851,278	-	5,366,566
Equipment	394,244	51,535	428	445,351
Total capital assets-being depreciated	<u>17,937,897</u>	<u>1,902,813</u>	<u>428</u>	<u>19,840,282</u>
Less accumulated depreciation for:				
Buildings	2,604,829	280,568	-	2,885,397
Improvements	196,569	110,745	-	307,314
Equipment	177,766	38,860	-	216,626
Total accumulated depreciation	<u>2,979,164</u>	<u>430,173</u>	<u>-</u>	<u>3,409,337</u>
Total capital assets-being depreciated, net	<u>14,958,733</u>	<u>1,472,640</u>	<u>428</u>	<u>16,430,945</u>
Capital assets - net	<u>\$ 19,265,898</u>	<u>\$ 1,788,286</u>	<u>\$ 1,878,360</u>	<u>\$ 19,175,824</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

The City has active construction projects as of September 30, 2010. Total accumulated commitments for ongoing capital projects are composed of the following:

Governmental activities	
Street Construction Fund	\$ 230,824
Total governmental activities	<u>\$ 230,824</u>
Business-type activities:	
Utility Fund	\$ 1,510,294
Total business-type activities	<u>\$ 1,510,294</u>

6. INTERFUND BALANCES AND TRANSFERS

Interfund balances as of September 30, 2010 are as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Hotel motel (non- major special revenue fund)	\$ 56,000
General	Capital improvements (non-major capital fund)	19,000
General	Debt service	1,165,000
General	Drainage (non-major governmental fund)	12,000
Capital replacement	Self insurance	1,000
Capital replacement	Debt service	700,000
Asset Forfeiture (non-major governmental fund)	Hotel motel (non- major special revenue fund)	122,000
Utility (enterprise fund)	Solid waste (enterprise fund)	50,000
		<u>\$ 2,125,000</u>

All receivables listed are to correct negative cash balances at fiscal year end.

Transfers were as follows for the fiscal year ended September 30, 2010:

<b>Fund</b>	<b>Transfer In</b>	<b>Transfer Out</b>
General	\$ 1,447,295	\$ 80,000
Debt service	305,000	-
Street construction	206,287	-
Traffic I & S	-	285,317
Non-major governmental funds	68,842	271,338
Utility	-	1,205,360
Solid waste	-	185,409
Total	<u>\$ 2,027,424</u>	<u>\$ 2,027,424</u>

The transfers were for matching funds for grants, payments in lieu of taxes, and/or administrative and overhead charges. A transfer of \$80,000 from General fund to Debt Service fund was necessary to eliminate a negative reserved fund balance in the Debt service fund.

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**
**7. BUDGETARY COMPLIANCE**

Budgets are legally adopted at the fund level of control for the General, Debt Service, Traffic Safety and 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 include 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, 2010, expenditures exceeded appropriations (the legal level of budgetary control) in the General Fund's Police Department by \$12,100 and the Fire Department by \$7,231. A transfer out of \$80,000 from the General Fund exceeded budget due to the necessity to cover the Debt Service Fund negative reserved fund balance. These over expenditures were funded by greater than expected revenues 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
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
2013	1,043,474	486,402	280,000	94,902	660,000	670,935
2014	1,560,134	523,454	290,000	83,461	700,000	632,730
2015	758,589	566,411	305,000	71,189	740,000	591,950
2016-2020	-	-	1,480,000	-	4,425,000	2,235,225
2021-2025	-	-	-	-	3,750,000	851,633
<b>Total</b>	<b>5,617,964</b>	<b>2,458,526</b>	<b>2,885,000</b>	<b>470,478</b>	<b>12,280,000</b>	<b>6,478,393</b>
Accreted Interest	909,223					
<b>Total</b>	<b>6,527,187</b>					

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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Long-term bonded debt at September 30, 2010, includes the following individual issues:

	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
<b><u>Governmental Activities</u></b>				
General Obligation Bonds:				
Series 1998 refunding and improvements	4.25-5.00	2/15/2013	\$ 565,000	\$ 180,000
Total general obligation bonds			<u>565,000</u>	<u>180,000</u>
Certificate of Obligation Bonds:				
Series 2001 refunding	4.40-4.70	8/15/2011	72,020	47,460
Series 2002 Tax and Waterworks and Sewer System Surplus Revenue	4.55-5.00	2/15/2015	<u>5,890,167</u>	<u>942,685</u>
Total certificate of obligation bonds			<u>5,962,187</u>	<u>990,145</u>
Total governmental activities long-term bonded debt			<u>\$ 6,527,187</u>	<u>\$ 1,170,145</u>
<b><u>Business-Like Activities</u></b>				
Water and Sewer Revenue Bonds:				
Series 2002 Tax and Waterworks and Sewer System Surplus Revenue refunding bonds	3.25-4.55	2/15/2020	<u>\$ 2,885,000</u>	<u>\$ 260,000</u>
Total business-like activities long-term debt			<u>\$ 2,885,000</u>	<u>\$ 260,000</u>
Total long-term bonded debt (primary government)			<u>\$ 9,412,187</u>	<u>\$ 1,430,145</u>
<b><u>DCEDC</u></b>				
Sales tax revenue bonds:				
Series 1998	4.10-5.00	2/15/2020	\$ 1,250,000	\$ 635,000
Series 2000 Taxable	7.50-8.20	8/15/2025	6,605,000	100,000
C.O. Series 2006 Tax & WW/SS Rev	4-4.125	2/15/2021	<u>4,425,000</u>	<u>270,000</u>
Total DCEDC			<u>\$ 12,280,000</u>	<u>\$ 1,005,000</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Long-term liability activity for the year ended September 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Interest Accreted</u>	<u>Accreted Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:							
Bonds payable:							
General obligation bonds	\$ 1,950,000	\$ -	\$ 1,385,000	\$ -	\$ -	\$ 565,000	\$ 180,000
Certificates of obligation	7,063,016	-	940,872	294,171	454,128	5,962,187	990,145
Total bonds payable	9,013,016	-	2,325,872	294,171	454,128	6,527,187	1,170,145
Accrued compensated absences	3,084,544	831,072	937,915	-	-	2,977,701	208,439
Other postemployment benefits	367,770	446,126	249,476	-	-	564,420	-
Total governmental activities	12,465,330	1,277,198	3,513,263	294,171	454,128	10,069,308	1,378,584
Business-type activities:							
Bonds payable:							
Series 2002 Tax and Waterworks and Sewer system Surplus Revenue refunding bonds	3,135,000	-	250,000	-	-	2,885,000	260,000
Total bonds payable	3,135,000	-	250,000	-	-	2,885,000	260,000
Accrued compensated absences	85,116	74,580	71,109	-	-	88,587	6,201
Other postemployment benefits	26,641	30,956	10,774	-	-	46,823	-
Total business-like activities	3,246,757	105,536	331,883	-	-	3,020,410	266,201
Total long-term liabilities (primary government)	<u>\$ 15,712,087</u>	<u>\$ 1,382,734</u>	<u>\$ 3,845,146</u>	<u>\$ 294,171</u>	<u>\$ 454,128</u>	<u>\$ 13,089,718</u>	<u>\$ 1,644,785</u>
DCEDC:							
Loan payable	\$ 208,908	\$ -	\$ 102,910	\$ -	\$ -	\$ 105,998	\$ 105,998
Bonds payable:							
Revenue bonds-sales tax	8,560,000	-	705,000	-	-	7,855,000	735,000
Certificates of obligation	4,425,000	-	-	-	-	4,425,000	270,000
Total DCEDC	12,985,000	-	705,000	-	-	12,280,000	1,005,000
Total DCEDC long-term liabilities	<u>\$ 13,193,908</u>	<u>\$ -</u>	<u>\$ 807,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,385,998</u>	<u>\$ 1,110,998</u>

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 837 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](http://www.TMRS.com).

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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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>2010</u>
Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (age/yrs service)	60/5, 0/20
Updated Service Credit	0%
Annuity Increase (to retirees)	0% of CPT

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, 2009, valuation is effective for rates beginning January 2011).

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

**Actuarial Methods and Assumptions**—The required contribution rates for fiscal year 2010 were determined as a part of the December 31, 2007 and 2008 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2009, also follows:

Fiscal Year	2008	2009	2010
Valuation Date	12/31/2007	12/31/2008	12/31/2009
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll
Amortization period	30-years; closed period	29-years; closed period	28-years; closed period
Asset valuation method	Amortized Cost	Amortized Cost	10-year smoothed market
Actuarial Assumptions			
Investment return*	7%	8%	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	2.10%	2.10%	0.00%

**Annual Pension Cost**—For fiscal year 2010, the City's annual pension cost of \$1,583,909 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2009, actuarial valuation using the projected unit credit actuarial cost method 0% updated service credits, and 0% CPI increase to annuitants.

The following is a schedule of actuarial information and assumptions and funding progress as of December 31, 2009.

	12/31/2007	12/31/2008	12/31/2009
Actuarial valuation date	12/31/2007	12/31/2008	12/31/2009
Actuarial value of assets	\$43,302,007	\$39,951,321	\$40,772,620
Actuarial accrued liability (AAL)	\$66,123,195	\$47,795,005	\$48,707,813
Unfunded actuarial accrued liability (UAAL)	\$22,821,188	\$7,843,684	\$7,935,193
Funded ratio	65.50%	83.60%	83.70%
Annual covered payroll (actuarial)	\$12,967,448	\$13,481,452	\$13,323,633
UAAL as a % of covered payroll	176.00%	58.18%	59.60%

The City's net pension obligation (NPO) for TMRS at December 2007, 2008 and 2009 are as follows:

	2007	2008	2009
Actuarial valuation date	2007	2008	2009
NPO, beginning of the year	\$ -	\$ -	\$ -
Annual pension cost:			
Annual required contribution	1,957,421	2,014,528	1,684,656
Cocontributions made	(1,957,421)	(2,014,528)	(1,684,656)
NPO, end of the year	\$ -	\$ -	\$ -

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

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

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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**10. REGIONAL SYSTEMS FOR WATER SUPPLY AND WASTEWATER TREATMENT**

***City of Dallas Water Purchase Agreement*** - In 2010, the City entered into a thirty-year agreement to purchase treated water from the City of Dallas. The rate during fiscal 2010 was \$0.3826 per 1,000 gallons plus an annual demand charge of \$179,991 for each million gallons per day as established by the rate of flow controller setting (currently 13.5 million gallons at \$2,249,879 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 the 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 \$14,370 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 \$16,910 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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

is charged by TRA for treatment of the wastewater). The City's current payments under the contract are approximately \$276,000 per year.

**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 \$290,794 and \$393,028 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 2009 and 2010 were:

	<b>Beginning of Fiscal Year Liability</b>	<b>Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year-End</b>
Medical Self-Insurance Fund				
2009	163,728	1,693,758	(1,699,337)	158,149
2010	158,149	1,904,095	(1,771,450)	290,794
Comprehensive Self-Insurance Fund				
2009	193,769	188,349	(176,477)	205,641
2010	205,641	364,747	(177,360)	393,028

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, 2010**


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**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. The retiree pays premiums for the retiree and dependents monthly. During fiscal year ended 2010, \$502,198 in claims were paid on retirees covered under the plan. The plan does not issue a separate financial report.

**Benefits Provided-** The benefits are provided to the retired employee and dependants under the same plan as active employees in accordance with State law. As of September 30, 2010, thirty retirees were covered under the healthcare plan.

**Funding Policy-** The City's contribution is based on a pay-as-you-go funding policy where the City's contributions are equal to claims in excess of retiree contributions. For fiscal year 2010, retiree contributions were \$497 to \$931 per month depending on the amount of dependents selected. In fiscal year 2010, total member contributions were \$241,949. The City contributions for fiscal year 2010, which are also equal to claims paid in excess of premiums collected, were \$260,249 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:

Fiscal Year	2009	2010
Annual required contribution	\$ 477,081	\$ 477,081
Contributions made	(82,670)	(260,249)
Increase in net OPEB obligation	394,411	216,832
Net OPEB obligation- beginning of the year	-	394,411
Net OPEB obligation- end of the year	<u>\$ 394,411</u>	<u>\$ 611,243</u>
Percentage of OPEB costs contributed	17.3%	54.6%

**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 for the current fiscal year) was \$13,323,633 and the ratio of the unfunded actuarial accrued liability to the covered payroll is 48.8%.

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 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.

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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**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 and 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, 2010.

**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.

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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**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, 2010, is \$585,890. The financial statements of the Center can be obtained by contacting: City of DeSoto Finance Department, 211 E. Pleasant Run Rd., DeSoto, TX 75115.

**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, 2010, is \$1,008,626. 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 fiscal year 2009. 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. At the completion of the lease agreement in 2009, D.I.S.D. opted to continue to lease the City building on a month-to-month basis. Total rent due and received from D.I.S.D. in fiscal year 2010 was \$84,000.

**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. In September 2009, the Dallas Stars Ltd. terminated the lease agreement resulting in the forfeit of their security deposit of \$634,247. An additional termination fee payment of \$683,406 was paid in fiscal year 2010 and \$683,406 is to be paid in fiscal year 2011. See note 19 for additional information.

**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, 2010 was \$105,998. 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.

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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**19. BOB KNIGHT FIELDHOUSE**

The City and DCEDC entered into a thirty year operating lease agreement as lessor with Fieldhouse Partners, Ltd. on October 6, 2009. The previous Star Center ice skating facility at 1700 Main was renovated into the Bob Knight Fieldhouse, a community-style recreational center including 2 large open spaces for athletic competitions, restaurant/concessions, fitness rooms and a retail store. The City paid a \$400,000 tenant improvement allowance towards the renovations. The City received rent payments from Fieldhouse Partners, Ltd. totaling \$150,000 as of September 30, 2010. Subsequent to fiscal year end 2010, the lease agreement with Fieldhouse Partners, Ltd. was terminated due to tenant default. The City took over the operations of the Bob Knight Fieldhouse in late 2010.

**20. 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.

**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. The City paid the final amount per this agreement in March 2010.

**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).

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

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**21. SUBSEQUENT EVENT**

The City has evaluated all events or transactions that occurred after September 30, 2010 through March 30, 2011, the date the financial statements were issued. The City of Duncanville, Texas Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Taxable Series were issued for \$6,865,000, dated October 1, 2010. The City used the proceeds from the sale of the certificates to purchase the Bob Knight Fieldhouse facility from the Duncanville Community and Economic Development Corporation. In December 2010, the Duncanville Community and Economic Development Corporation Revenue and Junior Lien Sales Tax Bonds, Taxable Series 2000 were retired as a result of the sale of the facility.

End of Notes to Basic Financial Statements

**City of Duncanville, Texas**

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

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<b>As of 12/31</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)*</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAAL as a Percent of Covered Payroll</b>
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%
2009	40,772,620	48,707,813	7,935,193	83.7%	13,323,633	59.6%

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 2004 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.

**City of Duncanville**

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

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<b>As of 12/31</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)*</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAAL as a Percent of Covered Payroll</b>
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%	13,323,633	48.8%

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

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE-REVENUES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>PROPERTY TAXES:</b>				
Current Taxes	\$ 9,690,866	\$ 9,690,866	\$ 9,640,956	\$ (49,910)
Prior rolls	205,296	180,000	134,848	(45,152)
Penalties	130,000	130,000	110,231	(19,769)
<b>Total</b>	<b>10,026,162</b>	<b>10,000,866</b>	<b>9,886,035</b>	<b>(114,831)</b>
<b>SALES TAXES:</b>				
General	3,422,949	3,486,060	3,547,705	61,645
Property tax relief	1,711,475	1,743,030	1,773,853	30,823
<b>Total</b>	<b>5,134,424</b>	<b>5,229,090</b>	<b>5,321,558</b>	<b>92,468</b>
<b>FRANCHISE TAXES:</b>				
TXU Electric	1,163,796	1,130,220	1,136,176	5,956
Atmos Energy	418,233	320,000	360,458	40,458
Telephone	345,000	287,650	282,135	(5,515)
Charter Cable Television	110,000	110,000	112,089	2,089
Utility Court Settlement	34,920	-	-	-
Telephone Video Services	67,356	130,000	145,450	15,450
<b>Total</b>	<b>2,139,305</b>	<b>1,977,870</b>	<b>2,036,308</b>	<b>58,438</b>
<b>MIXED BEVERAGE TAXES</b>				
	70,000	57,134	60,101	2,967
<b>Total taxes</b>	<b>17,369,891</b>	<b>17,264,960</b>	<b>17,304,002</b>	<b>39,042</b>
<b>LICENSES, PERMITS AND FEES:</b>				
Building permits	160,000	127,879	133,503	5,624
Zoning and special use permits	9,000	7,300	8,072	772
Electrical permits	9,500	9,500	11,739	2,239
Plumbing permits	25,000	30,000	36,334	6,334
Alarm permits	70,500	57,552	61,513	3,961
Solicitor licenses	300	600	483	(117)
9-1-1 service fee	288,491	292,590	287,287	(5,303)
Emergency medical service	823,677	700,000	752,243	52,243
Sign permits	19,000	14,000	14,005	5
Health food inspection fees	65,000	63,000	73,831	10,831
Pool inspection fees	2,500	2,500	3,400	900
Wrecker & storage fees	33,269	20,000	21,309	1,309
<b>Total</b>	<b>1,506,237</b>	<b>1,324,921</b>	<b>1,403,719</b>	<b>78,798</b>
<b>MUNICIPAL COURT AND LIBRARY:</b>				
Municipal court	809,186	646,709	783,345	136,636
False alarm fees	43,029	21,168	25,536	4,368
Library	22,359	22,359	20,306	(2,053)
<b>Total</b>	<b>874,574</b>	<b>690,236</b>	<b>829,187</b>	<b>138,951</b>
<b>INTERGOVERNMENTAL</b>				
	191,291	163,000	219,661	56,661
<b>INTEREST</b>				
	144,079	18,929	23,365	4,436
<b>RECREATIONAL FEES</b>				
	195,060	195,060	223,533	28,473
<b>OTHER SALES AND SERVICES:</b>				
Sale of capital assets/auction proceeds	32,000	27,000	28,441	1,441
Miscellaneous	265,763	386,749	462,250	75,501
Rentals	174,167	294,972	298,699	3,727
<b>Total</b>	<b>471,930</b>	<b>708,721</b>	<b>789,390</b>	<b>80,669</b>
<b>Total revenues</b>	<b>\$ 20,753,062</b>	<b>\$ 20,365,827</b>	<b>\$ 20,792,857</b>	<b>\$ 427,030</b>

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

(Continued on following page)

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
<b>DEPARTMENTS:</b>			
General government-			
Mayor and council	\$ -	\$ 2,893	\$ 156,508
City manager	378,448	46	7,496
City secretary	81,895	6,773	7,431
Personnel services	196,006	1,087	23,856
Information systems	167,436	22,206	136,643
Community information	72,368	227	1,845
Library services	568,957	6,724	34,089
<b>Total</b>	<u>1,465,110</u>	<u>39,956</u>	<u>367,868</u>
Finance-			
Administration	436,952	7,899	102,436
Municipal court	238,358	4,997	118,593
Purchasing	94,309	107	398
City Marshall	130,425	2,307	1,249
<b>Total</b>	<u>900,044</u>	<u>15,310</u>	<u>222,676</u>
Community services-			
Administration	176,444	367	28,379
Recreational programming	282,943	7,708	13,816
Athletic programming	119,425	20,799	82,746
Park grounds maintenance	392,522	31,295	407,504
Building services	226,322	24,473	323,279
Senior center	105,369	5,749	26,097
Horticulture	153,012	8,238	2,323
<b>Total</b>	<u>1,456,037</u>	<u>98,629</u>	<u>884,144</u>
Police			
Administration	343,625	12,086	80,111
Patrol	3,297,442	28,624	160,760
Criminal investigation	862,128	5,069	46,892
Animal control	85,693	1,130	216,635
School guards	74,667	-	1,196
Crime prevention	106,198	6,418	3,957
Communication/Records	276,617	5,119	900,571
School Resource officers	394,907	1,008	4,270
Special services	181,135	23,284	44,591
Detention	177,006	14,781	-
<b>Total</b>	<u>5,799,418</u>	<u>97,519</u>	<u>1,458,983</u>

<b>Maintenance</b>	<b>Capital</b>	<b>Total Expenditures</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Variance with Final Budget Positive (Negative)</b>
\$ -	\$ -	\$ 159,401	\$ 210,602	\$ 180,761	\$ 21,360
-	-	385,990	387,077	384,663	(1,327)
-	-	96,099	100,627	96,598	499
-	-	220,949	228,982	219,764	(1,185)
-	-	326,285	363,870	357,666	31,381
-	-	74,440	76,988	75,432	992
-	17,855	627,625	681,313	652,225	24,600
-	17,855	1,890,789	2,049,459	1,967,109	76,320
-	-	547,287	541,228	536,227	(11,060)
-	-	361,948	400,046	384,363	22,415
-	-	94,814	96,361	95,246	432
-	-	133,981	138,818	140,081	6,100
-	-	1,138,030	1,176,453	1,155,917	17,887
-	-	205,190	209,673	205,959	769
-	-	304,467	329,834	311,471	7,004
130	-	223,100	221,431	233,185	10,085
41,964	-	873,285	965,819	917,713	44,428
29,855	-	603,929	623,250	617,426	13,497
-	-	137,215	144,541	142,922	5,707
2,080	-	165,653	170,438	167,515	1,862
74,029	-	2,512,839	2,664,986	2,596,191	83,352
-	-	435,822	448,791	440,779	4,957
1,941	-	3,488,767	3,585,422	3,515,065	26,298
-	-	914,089	905,846	884,696	(29,393)
-	-	303,458	305,925	315,206	11,748
-	-	75,863	72,333	71,536	(4,327)
-	-	116,573	113,194	115,167	(1,406)
-	-	1,182,307	1,243,884	1,182,714	407
-	-	400,185	330,591	369,029	(31,156)
447	-	249,457	292,990	282,245	32,788
-	-	191,787	235,524	169,771	(22,016)
2,388	-	7,358,308	7,534,500	7,346,208	(12,100)

CITY OF DUNCANVILLE, TEXAS

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE-EXPENDITURES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
<b>DEPARTMENTS (Continued):</b>			
Public works-			
Engineering/Planning	251,919	1,122	33,510
Building inspection	415,705	4,562	73,701
Streets	769,844	113,261	480,127
Signs and signals	179,612	102,831	45,968
Equipment services	251,418	250,213	54,506
<b>Total</b>	<u>1,868,498</u>	<u>471,989</u>	<u>687,812</u>
Fire-			
Administration	338,936	4,558	105,872
Prevention	114,698	5,315	12,512
Suppression	3,096,771	82,387	147,572
Advanced life support	922,324	77,782	205,740
Emergency Management Administrator	65,797	3,683	2,284
<b>Total</b>	<u>4,538,526</u>	<u>173,725</u>	<u>473,980</u>
<b>NON-DEPARTMENTAL</b>	<u>20,794</u>	<u>50,953</u>	<u>111,147</u>
<b>Total expenditures</b>	<u>\$ 16,048,427</u>	<u>\$ 948,081</u>	<u>\$ 4,206,610</u>

<b>Maintenance</b>	<b>Capital</b>	<b>Total Expenditures</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Variance with Final Budget Positive (Negative)</b>
-	-	286,551	287,244	292,822	6,271
-	-	493,968	525,651	487,800	(6,168)
174	-	1,363,406	1,355,379	1,384,649	21,243
1,073	-	329,484	393,559	335,705	6,221
237,399	17,705	811,241	827,787	817,691	6,450
<u>238,646</u>	<u>17,705</u>	<u>3,284,650</u>	<u>3,389,620</u>	<u>3,318,667</u>	<u>34,017</u>
1,650	-	451,016	465,809	456,190	5,174
150	-	132,675	131,496	133,568	893
17,128	-	3,343,858	3,303,098	3,316,753	(27,105)
3,040	9,644	1,218,530	1,210,634	1,230,849	12,319
-	-	71,764	74,524	73,252	1,488
<u>21,968</u>	<u>9,644</u>	<u>5,217,843</u>	<u>5,185,561</u>	<u>5,210,612</u>	<u>(7,231)</u>
-	-	182,894	173,425	193,830	10,936
<u>\$ 337,031</u>	<u>\$ 45,204</u>	<u>\$ 21,585,353</u>	<u>\$ 22,174,004</u>	<u>\$ 21,788,534</u>	<u>\$ 203,181</u>



**Duncanville**  
*City of Champions*

**DUNCANVILLE**

The Perfect Blend of Family, Community and Business.

## CITY OF DUNCANVILLE

### 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 to the City by state and federal governments 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 PROJECTS FUND:

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  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 518,943	\$ 42,400	\$ 561,343
Investments	150,000	-	150,000
Receivables:			
Taxes	106,161	-	106,161
Trade accounts	100,152	258,720	358,872
Intergovernmental	12,238	-	12,238
Due from other funds	122,000	-	122,000
Prepaid items	2,073	-	2,073
<b>Total assets</b>	<u>\$ 1,011,567</u>	<u>\$ 301,120</u>	<u>\$ 1,312,687</u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 129,872	\$ -	\$ 129,872
Accrued payroll	2,162	-	2,162
Due to other funds	190,000	19,000	209,000
Deferred revenue	110,101	-	110,101
<b>Total liabilities</b>	<u>432,135</u>	<u>19,000</u>	<u>451,135</u>
<b>EQUITY:</b>			
Fund balances-			
Reserved for prepaid items	2,073	-	2,073
Unreserved, reported in:			
Special revenue funds	577,359	-	577,359
Capital project funds	-	282,120	282,120
<b>Total fund balances</b>	<u>579,432</u>	<u>282,120</u>	<u>861,552</u>
<b>Total liabilities &amp; fund balances</b>	<u>\$ 1,011,567</u>	<u>\$ 301,120</u>	<u>\$ 1,312,687</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, 2010

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
<b>REVENUES</b>			
Hotel taxes	\$ 393,731	\$ -	\$ 393,731
Licenses, permits and fees	408,634	-	408,634
Fines and forfeitures	224,962	-	224,962
Recreational fees	80,421	-	80,421
Intergovernmental	582,818	1,379,876	1,962,694
Investment income	1,425	47	1,472
Rental and other	5	-	5
Gifts and contributions	25,900	-	25,900
<b>Total revenues</b>	<u>1,717,896</u>	<u>1,379,923</u>	<u>3,097,819</u>
<b>EXPENDITURES</b>			
Current:			
General government	256,860	-	256,860
Community services	168,615	-	168,615
Police	165,248	-	165,248
Public works	181,465	-	181,465
Fire	1,122	-	1,122
Special purposes - promotional	298,842	-	298,842
Capital outlay:			
Community services	6,764	-	6,764
Police	85,409	-	85,409
Public works	260,532	-	260,532
Fire	131,011	-	131,011
Special purposes - promotional	-	1,406,704	1,406,704
<b>Total expenditures</b>	<u>1,555,868</u>	<u>1,406,704</u>	<u>2,962,572</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>162,028</u>	<u>(26,781)</u>	<u>135,247</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	68,842	68,842
Transfers out	(271,338)	-	(271,338)
<b>Total other financing sources (uses)</b>	<u>(271,338)</u>	<u>68,842</u>	<u>(202,496)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(109,310)</u>	<u>42,061</u>	<u>(67,249)</u>
<b>FUND BALANCES, beginning of year</b>	<u>688,742</u>	<u>240,059</u>	<u>928,801</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 579,432</u>	<u>\$ 282,120</u>	<u>\$ 861,552</u>

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 SEPTEMBER 30, 2010

	<u>Hotel Motel Tax</u>	<u>Drainage Fees</u>	<u>Community Services</u>	<u>Grants</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 531	\$ 63,576	\$ 80,774	\$ 211,857
Investments	100,000	-	-	-
Receivables:				
Taxes	106,161	-	-	-
Trade accounts (net of allowance)	-	100,152	-	-
Intergovernmental	-	-	-	12,238
Due from other funds	-	-	-	-
Prepaid items	1,000	-	-	-
<b>Total assets</b>	<u>\$ 207,692</u>	<u>\$ 163,728</u>	<u>\$ 80,774</u>	<u>\$ 224,095</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 20,411	\$ 4,590	\$ 10,275	\$ 92,828
Accrued payroll	649	647	-	866
Due to other funds	178,000	12,000	-	-
Deferred revenue	-	-	38	-
<b>Total liabilities</b>	<u>199,060</u>	<u>17,237</u>	<u>10,313</u>	<u>93,694</u>
<b>FUND BALANCES:</b>				
Reserved for prepaid items	1,000	-	-	-
Unreserved	7,632	146,491	70,461	130,401
<b>Total fund balances</b>	<u>8,632</u>	<u>146,491</u>	<u>70,461</u>	<u>130,401</u>
<b>Total liabilities &amp; fund balances</b>	<u>\$ 207,692</u>	<u>\$ 163,728</u>	<u>\$ 80,774</u>	<u>\$ 224,095</u>

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<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Total</u>
\$ 10,727	20,840	\$ 36,928	\$ 93,710	\$ 518,943
-	50,000	-	-	150,000
-	-	-	-	106,161
-	-	-	-	100,152
-	-	-	-	12,238
-	-	-	122,000	122,000
908	165	-	-	2,073
<u>\$ 11,635</u>	<u>\$ 71,005</u>	<u>\$ 36,928</u>	<u>\$ 215,710</u>	<u>\$ 1,011,567</u>

\$ 465	\$ 602	\$ -	\$ 701	\$ 129,872
-	-	-	-	2,162
-	-	-	-	190,000
-	-	-	110,063	110,101
<u>465</u>	<u>602</u>	<u>-</u>	<u>110,764</u>	<u>432,135</u>

908	165	-	-	2,073
<u>10,262</u>	<u>70,238</u>	<u>36,928</u>	<u>104,946</u>	<u>577,359</u>
<u>11,170</u>	<u>70,403</u>	<u>36,928</u>	<u>104,946</u>	<u>579,432</u>
<u>\$ 11,635</u>	<u>\$ 71,005</u>	<u>\$ 36,928</u>	<u>\$ 215,710</u>	<u>\$ 1,011,567</u>

CITY OF DUNCANVILLE, TEXAS

**NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Hotel Motel Tax</u>	<u>Drainage Fees</u>	<u>Community Services</u>	<u>Grants</u>
<b>REVENUES</b>				
Hotel taxes	\$ 393,731	\$ -	\$ -	\$ -
Licenses, permits and fees	-	408,634	-	-
Fines and forfeitures	-	-	-	-
Recreational fees	-	-	80,421	-
Intergovernmental	-	-	89,557	493,261
Investment income	682	32	80	50
Rental and other	-	-	-	-
Gifts and contributions	-	-	25,900	-
<b>Total revenues</b>	<u>394,413</u>	<u>408,666</u>	<u>195,958</u>	<u>493,311</u>
<b>EXPENDITURES</b>				
Current:				
General government	98,070	-	-	117,453
Community services	-	-	157,261	11,354
Police	-	-	-	30,794
Public works	-	86,165	-	95,300
Fire	-	-	-	1,122
Special purposes - promotional	298,842	-	-	-
Capital outlay:				
Community services	-	-	6,764	-
Police	-	-	-	72,948
Public works	-	260,532	-	-
Fire	-	-	-	131,011
<b>Total expenditures</b>	<u>396,912</u>	<u>346,697</u>	<u>164,025</u>	<u>459,982</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,499)</u>	<u>61,969</u>	<u>31,933</u>	<u>33,329</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(21,322)</u>	<u>(225,000)</u>	<u>(25,016)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(23,821)</u>	<u>(163,031)</u>	<u>6,917</u>	<u>33,329</u>
<b>FUND BALANCES, beginning of year</b>	<u>32,453</u>	<u>309,522</u>	<u>63,544</u>	<u>97,072</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 8,632</u>	<u>\$ 146,491</u>	<u>\$ 70,461</u>	<u>\$ 130,401</u>

<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 393,731
-	-	-	-	408,634
19,703	14,762	23,587	166,910	224,962
-	-	-	-	80,421
-	-	-	-	582,818
4	405	69	103	1,425
-	5	-	-	5
-	-	-	-	25,900
<u>19,707</u>	<u>15,172</u>	<u>23,656</u>	<u>167,013</u>	<u>1,717,896</u>
16,933	7,310	17,094	-	256,860
-	-	-	-	168,615
-	-	-	134,454	165,248
-	-	-	-	181,465
-	-	-	-	1,122
-	-	-	-	298,842
-	-	-	-	6,764
-	-	-	12,461	85,409
-	-	-	-	260,532
-	-	-	-	131,011
<u>16,933</u>	<u>7,310</u>	<u>17,094</u>	<u>146,915</u>	<u>1,555,868</u>
<u>2,774</u>	<u>7,862</u>	<u>6,562</u>	<u>20,098</u>	<u>162,028</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(271,338)</u>
<u>2,774</u>	<u>7,862</u>	<u>6,562</u>	<u>20,098</u>	<u>(109,310)</u>
<u>8,396</u>	<u>62,541</u>	<u>30,366</u>	<u>84,848</u>	<u>688,742</u>
<u>\$ 11,170</u>	<u>\$ 70,403</u>	<u>\$ 36,928</u>	<u>\$ 104,946</u>	<u>\$ 579,432</u>

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, 2010**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Hotel, motel taxes	\$ 500,124	\$ 430,294	\$ 393,731	\$ (36,563)
Interest on investments	1,100	500	682	182
Other	-	-	-	-
<b>Total revenues</b>	<u>501,224</u>	<u>430,794</u>	<u>394,413</u>	<u>(36,381)</u>
<b>EXPENDITURES</b>				
General government	154,919	145,391	98,070	47,321
Special purposes-promotional	350,981	283,106	298,842	(15,736)
<b>Total expenditures</b>	<u>505,900</u>	<u>428,497</u>	<u>396,912</u>	<u>31,585</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(4,676)	2,297	(2,499)	(4,796)
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(21,322)</u>	<u>(21,322)</u>	<u>(21,322)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(25,998)	(19,025)	(23,821)	(4,796)
<b>FUND BALANCES, beginning of year</b>	<u>31,168</u>	<u>32,453</u>	<u>32,453</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 5,170</u>	<u>\$ 13,428</u>	<u>\$ 8,632</u>	<u>\$ (4,796)</u>

CITY OF DUNCANVILLE, TEXAS

**DRAINAGE FEES FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Drainage fees	\$ 411,479	\$ 418,733	\$ 408,634	\$ (10,099)
Interest on investments	2,000	28	32	4
City services reimbursement	25,000	10,103	-	(10,103)
<b>Total revenues</b>	<u>438,479</u>	<u>428,864</u>	<u>408,666</u>	<u>(20,198)</u>
<b>EXPENDITURES</b>				
Public works	111,682	118,509	86,165	32,344
Capital outlay	300,000	295,205	260,532	34,673
<b>Total expenditures</b>	<u>411,682</u>	<u>413,714</u>	<u>346,697</u>	<u>67,017</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	26,797	15,150	61,969	46,819
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(201,838)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(175,041)	(209,850)	(163,031)	46,819
<b>FUND BALANCES, beginning of year</b>	<u>250,199</u>	<u>309,522</u>	<u>309,522</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 75,158</u>	<u>\$ 99,672</u>	<u>\$ 146,491</u>	<u>\$ 46,819</u>

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEET  
 SEPTEMBER 30, 2010

	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Senior Center Building Improvements</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and investments	\$ 35,802	\$ 873	\$ 5,725	\$ 42,400
Receivables	-	258,720	-	258,720
<b>Total assets</b>	<u>35,802</u>	<u>259,593</u>	<u>5,725</u>	<u>301,120</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Due to other funds	-	19,000	-	19,000
<b>Total liabilities</b>	<u>-</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
<b>FUND BALANCES:</b>				
Unreserved	35,802	240,593	5,725	282,120
<b>Total fund balances</b>	<u>35,802</u>	<u>240,593</u>	<u>5,725</u>	<u>282,120</u>
<b>Total liabilities &amp; fund balances</b>	<u>\$ 35,802</u>	<u>\$ 259,593</u>	<u>\$ 5,725</u>	<u>\$ 301,120</u>

CITY OF DUNCANVILLE, TEXAS

**NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<b>Park Construction</b>	<b>Capital Improvements</b>	<b>Senior Center Building Improvements</b>	<b>Total</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,379,876	\$ -	\$ 1,379,876
Investment income	-	47	-	47
<b>Total revenues</b>	<u>-</u>	<u>1,379,923</u>	<u>-</u>	<u>1,379,923</u>
<b>EXPENDITURES</b>				
Capital outlay- special purposes	-	1,406,704	-	1,406,704
<b>Total expenditures</b>	<u>-</u>	<u>1,406,704</u>	<u>-</u>	<u>1,406,704</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>(26,781)</u>	<u>-</u>	<u>(26,781)</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	68,842	-	68,842
<b>NET CHANGE IN FUND BALANCES</b>	-	42,061	-	42,061
<b>FUND BALANCES, beginning of year</b>	<u>35,802</u>	<u>198,532</u>	<u>5,725</u>	<u>240,059</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 35,802</u>	<u>\$ 240,593</u>	<u>\$ 5,725</u>	<u>\$ 282,120</u>

CITY OF DUNCANVILLE, TEXAS

**DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,568,024	\$ 2,524,784	\$ 2,514,472	\$ (10,312)
Delinquent taxes	50,000	37,000	34,727	(2,273)
Penalties and interest	35,000	30,000	28,227	(1,773)
Interest on investments	5,000	3,000	4,843	1,843
<b>Total revenues</b>	<u>2,658,024</u>	<u>2,594,784</u>	<u>2,582,269</u>	<u>(12,515)</u>
<b>EXPENDITURES</b>				
Principal retirement	2,325,872	2,325,872	2,325,872	-
Interest on debt	514,822	514,822	514,821	1
Paying agent fees	9,167	9,167	3,733	5,434
<b>Total expenditures</b>	<u>2,849,861</u>	<u>2,849,861</u>	<u>2,844,426</u>	<u>5,435</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(191,837)	(255,077)	(262,157)	(7,080)
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	<u>201,837</u>	<u>225,000</u>	<u>305,000</u>	<u>80,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	10,000	(30,077)	42,843	72,920
<b>FUND BALANCES, beginning of year</b>	<u>10,906</u>	<u>(38,660)</u>	<u>(38,660)</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 20,906</u>	<u>\$ (68,737)</u>	<u>\$ 4,183</u>	<u>\$ 72,920</u>

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS  
 SCHEDULE OF DETAILED REVENUES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b><u>UTILITY FUND</u></b>				
<b>WATER:</b>				
Sale of water	\$ 6,316,745	\$ 5,699,021	\$ 6,021,984	\$ 322,963
Water taps	10,000	8,000	8,186	186
<b>Total</b>	<u>6,326,745</u>	<u>5,707,021</u>	<u>6,030,170</u>	<u>323,149</u>
<b>SEWER:</b>				
Sewer charges	4,806,200	4,705,060	4,773,673	68,613
Sewer taps	4,000	1,200	1,774	574
<b>Total</b>	<u>4,810,200</u>	<u>4,706,260</u>	<u>4,775,447</u>	<u>69,187</u>
<b>PENALTIES</b>	<u>144,000</u>	<u>99,900</u>	<u>127,734</u>	<u>27,834</u>
<b>OTHER:</b>				
Service charges	184,000	177,694	124,800	(52,894)
City services reimbursement	-	-	29,856	29,856
Miscellaneous	18,000	-	26,851	26,851
<b>Total</b>	<u>202,000</u>	<u>177,694</u>	<u>181,507</u>	<u>3,813</u>
<b>INTEREST INCOME</b>	<u>57,400</u>	<u>12,460</u>	<u>18,168</u>	<u>5,708</u>
<b>Total revenues - Utility Fund</b>	<u>\$ 11,540,345</u>	<u>\$ 10,703,335</u>	<u>\$ 11,133,026</u>	<u>\$ 429,691</u>
<b><u>SOLID WASTE FUND</u></b>				
<b>SOLID WASTE CHARGES:</b>	\$ 2,514,752	\$ 2,488,799	\$ 2,450,987	\$ (37,812)
<b>INTEREST INCOME:</b>	<u>150</u>	<u>120</u>	<u>433</u>	<u>313</u>
<b>Total revenues - Solid Waste Fund</b>	<u>2,514,902</u>	<u>2,488,919</u>	<u>2,451,420</u>	<u>(37,499)</u>
<b>Total revenues - Enterprise Funds</b>	<u>\$ 14,055,247</u>	<u>\$ 13,192,254</u>	<u>\$ 13,584,446</u>	<u>\$ 392,192</u>

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS  
 SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>	<u>Maintenance</u>
<b><u>UTILITY FUND</u></b>				
<b>WATER SERVICES</b>	\$ 474,766	\$ 137,206	\$ 3,261,583	\$ 99,518
<b>WASTEWATER TREATMENT</b>	494,423	70,037	3,630,447	29,517
<b>ADMINISTRATION AND FISCAL</b>				
Utility administration	307,860	14,091	33,266	-
Utility accounting	538,032	107,342	144,680	5,851
	<u>1,815,081</u>	<u>328,676</u>	<u>7,069,976</u>	<u>134,886</u>
<b>INTEREST AND FISCAL CHARGES</b>	-	-	132,172	-
<b>PRINCIPAL RETIREMENT</b>	-	-	250,000	-
<b>TRANSFERS OUT</b>	-	-	1,205,360	-
<b>Total Utility Fund expenditures</b>	<u>\$ 1,815,081</u>	<u>\$ 328,676</u>	<u>\$ 8,657,508</u>	<u>\$ 134,886</u>
<b><u>SOLID WASTE FUND</u></b>				
<b>SOLID WASTE</b>	\$ 80,603	\$ 2,050	\$ 2,045,506	\$ 159
<b>TRANSFERS OUT</b>	-	-	185,409	-
<b>Total Solid Waste Fund expenditures</b>	<u>80,603</u>	<u>2,050</u>	<u>2,230,915</u>	<u>159</u>
<b>Total Enterprise Fund expenditures</b>	<u>\$ 1,895,684</u>	<u>\$ 330,726</u>	<u>\$ 10,888,423</u>	<u>\$ 135,045</u>

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

**Total modified accrual expenditures**

Reconciling Items:  
 Capital outlay  
 Principal retirement  
 Depreciation & amortization  
 Interest expense  
 Transfers

**Total full accrual operating expenditures**

<u>Capital</u>	<u>Total</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 480,047	\$ 4,453,120	\$ 4,890,125	\$ 4,532,880	\$ 79,760
401,046	4,625,470	4,394,971	4,338,308	(287,162)
-	355,217	371,879	375,013	19,796
-	795,905	793,848	806,302	10,397
<u>881,093</u>	<u>10,229,712</u>	<u>10,450,823</u>	<u>10,052,503</u>	<u>(177,209)</u>
-	132,172	125,218	125,218	(6,954)
-	250,000	250,000	250,000	-
-	1,205,360	1,205,360	1,205,360	-
<u>\$ 881,093</u>	<u>\$ 11,817,244</u>	<u>\$ 12,031,401</u>	<u>\$ 11,633,081</u>	<u>\$ (184,163)</u>
\$ -	\$ 2,128,318	\$ 2,237,171	\$ 2,219,681	\$ 91,363
-	185,409	185,409	175,874	(9,535)
-	2,313,727	2,422,580	2,395,555	81,828
<u>\$ 881,093</u>	<u>\$ 14,130,971</u>	<u>\$ 14,453,981</u>	<u>\$ 14,028,636</u>	<u>\$ (102,335)</u>

\$ 14,130,971  
 (881,093)  
 (250,000)  
 998,262  
 (132,172)  
(1,390,769)  
\$ 12,475,199



**Duncanville**  
*City of Champions*

**DUNCANVILLE**

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE

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, 2010**

	<u>Fleet Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self- Insurance</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 694,364	\$ 158,142	\$ 312	\$ 852,818
Investments	100,000	200,000	250,000	550,000
Accrued interest and other	12,243	67,866	500	80,609
Due from other funds	701,000	-	-	701,000
Prepaid items	251,436	7,231	-	258,667
<b>Total current assets</b>	<u>1,759,043</u>	<u>433,239</u>	<u>250,812</u>	<u>2,443,094</u>
Capital assets - equipment net of depreciation	299,993	-	-	299,993
Capital assets - vehicles net of depreciation	985,420	-	-	985,420
<b>Total non-current assets</b>	<u>1,285,413</u>	<u>-</u>	<u>-</u>	<u>1,285,413</u>
<b>Total assets</b>	<u>\$ 3,044,456</u>	<u>\$ 433,239</u>	<u>\$ 250,812</u>	<u>\$ 3,728,507</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 6,054	\$ 6,748	\$ 12,802
Due to other funds	-	-	1,000	1,000
Accrued liabilities	-	290,794	393,028	683,822
<b>Total liabilities</b>	<u>-</u>	<u>296,848</u>	<u>400,776</u>	<u>697,624</u>
<b>NET ASSETS</b>				
Invested in capital assets	1,285,413	-	-	1,285,413
Unrestricted	1,759,043	136,391	(149,964)	1,745,470
<b>Total net assets</b>	<u>\$ 3,044,456</u>	<u>\$ 136,391</u>	<u>\$ (149,964)</u>	<u>\$ 3,030,883</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, 2010**

	<u>Fleet Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self-Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Premiums and charges for services	\$ 515,572	\$ 2,167,482	\$ 409,060	\$ 3,092,114
Other	-	46,104	-	46,104
<b>Total operating revenues</b>	<u>515,572</u>	<u>2,213,586</u>	<u>409,060</u>	<u>3,138,218</u>
<b>OPERATING EXPENSES</b>				
Claims and provision	-	2,028,525	364,747	2,393,272
Administrative and fiscal	-	340,413	221,366	561,779
Depreciation	595,805	-	-	595,805
<b>Total operating expenses</b>	<u>595,805</u>	<u>2,368,938</u>	<u>586,113</u>	<u>3,550,856</u>
<b>OPERATING LOSS</b>	<u>(80,233)</u>	<u>(155,352)</u>	<u>(177,053)</u>	<u>(412,638)</u>
<b>NON-OPERATING REVENUES</b>				
Gain/loss on sale of capital assets	20,181	-	-	20,181
Interest income	157	1,689	1,211	3,057
<b>Total non-operating revenues</b>	<u>20,338</u>	<u>1,689</u>	<u>1,211</u>	<u>23,238</u>
<b>CHANGE IN NET ASSETS</b>	(59,895)	(153,663)	(175,842)	(389,400)
<b>TOTAL NET ASSETS- BEGINNING</b>	<u>3,104,351</u>	<u>290,054</u>	<u>25,878</u>	<u>3,420,283</u>
<b>TOTAL NET ASSETS- ENDING</b>	<u>\$ 3,044,456</u>	<u>\$ 136,391</u>	<u>\$ (149,964)</u>	<u>\$ 3,030,883</u>

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Fleet Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self-Insurance</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Internal activity-receipts from other funds	515,572	2,167,482	409,060	3,092,114
Payments to suppliers	(251,436)	(2,236,028)	(408,369)	(2,895,833)
Other	(701,000)	46,104	-	(654,896)
<b>Net cash provided by (used in) operating activities</b>	<u>(436,864)</u>	<u>(22,442)</u>	<u>691</u>	<u>(458,615)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(199,660)	-	-	(199,660)
Sale of capital assets	20,037	-	-	20,037
<b>Net cash used in capital related financing and related financing activities</b>	<u>(179,623)</u>	<u>-</u>	<u>-</u>	<u>(179,623)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Maturity (purchase) of investments	400,000	(200,000)	(250,000)	(50,000)
Interest received on investments	(965)	(44,591)	711	(44,845)
<b>Net cash provided by (used in) investing activities</b>	<u>399,035</u>	<u>(244,591)</u>	<u>(249,289)</u>	<u>(94,845)</u>
<b>Net decrease in cash and cash equivalents</b>	(217,452)	(267,033)	(248,598)	(733,083)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	911,816	425,175	248,910	1,585,901
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>694,364</u>	<u>158,142</u>	<u>312</u>	<u>852,818</u>
<b>Reconciliation of operating loss to net cash provided by (used in) by operating activities:</b>				
Operating loss	(80,233)	(155,352)	(177,053)	(412,638)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities				
Depreciation	595,805	-	-	595,805
Change in assets and liabilities-				
Accounts and other receivables	(952,436)	-	-	(952,436)
Accounts and other payables	-	132,910	177,744	310,654
<b>Total adjustments</b>	<u>(356,631)</u>	<u>132,910</u>	<u>177,744</u>	<u>(45,977)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(436,864)</u>	<u>(22,442)</u>	<u>691</u>	<u>(458,615)</u>

## CITY OF DUNCANVILLE

### 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, 2010

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 755,327	\$ 1,887	\$ -	\$ 757,214
Investments	150,000	-	-	150,000
Trade accounts	986,500	-	-	986,500
Accrued interest and other receivables	2,043	1	-	2,044
Due from other funds	183,000	-	(183,000)	-
<b>Total assets</b>	<u>\$ 2,076,870</u>	<u>\$ 1,888</u>	<u>\$ (183,000)</u>	<u>\$ 1,895,758</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 80,348	\$ -	\$ -	\$ 80,348
Accrued liabilities	379	-	-	379
Customer performance and escrow deposits	25,150	-	-	25,150
Due to other funds	-	183,000	(183,000)	-
<b>Total liabilities</b>	<u>105,877</u>	<u>183,000</u>	<u>(183,000)</u>	<u>105,877</u>
<b>EQUITY:</b>				
Reserved for economic development	<u>1,970,993</u>	<u>(181,112)</u>	<u>-</u>	<u>1,789,881</u>
<b>Total fund balances</b>	<u>1,970,993</u>	<u>(181,112)</u>	<u>-</u>	<u>1,789,881</u>
<b>Total liabilities &amp; fund balances</b>	<u>\$ 2,076,870</u>	<u>\$ 1,888</u>	<u>\$ -</u>	<u>\$ 2,078,758</u>

CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET ASSETS -  
DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION  
SEPTEMBER 30, 2010

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<b>TOTAL FUND BALANCE- GOVERNMENTAL FUNDS</b>		\$	1,789,881
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.			19,175,824
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.			(96,008)
Investments in joint ventures represent a financial asset not reported in governmental funds.			106,526
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	\$	(12,280,000)	
Loans payable		(105,998)	
Less issuance costs (to be amortized as interest expense)		<u>86,562</u>	(12,299,436)
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>		\$	<u><u>8,676,787</u></u>

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, 2010**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>REVENUES</b>			
Sales tax	\$ 1,773,853	\$ -	\$ 1,773,853
Investment income	3,229	173	3,402
Rental and other	965,406	55,000	1,020,406
<b>Total revenues</b>	<u>2,742,488</u>	<u>55,173</u>	<u>2,797,661</u>
<b>EXPENDITURES</b>			
General government	933,946	-	933,946
Special purposes - promotional	181,395	15,693	197,088
Debt service-			
Principal bond retirement	807,910	-	807,910
Interest and fiscal charges	824,433	-	824,433
Capital outlay	51,535	289,953	341,488
<b>Total expenditures</b>	<u>2,799,219</u>	<u>305,646</u>	<u>3,104,865</u>
<b>EXCESS DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(56,731)	(250,473)	(307,204)
<b>NET CHANGE IN FUND BALANCES</b>	(56,731)	(250,473)	(307,204)
<b>FUND BALANCES, beginning of year</b>	<u>2,027,724</u>	<u>69,361</u>	<u>2,097,085</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 1,970,993</u>	<u>\$ (181,112)</u>	<u>\$ 1,789,881</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, 2010**

---

<b>NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS</b>	\$ (307,204)
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 depreciated expense.	341,488
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.	11,843
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.	(430,173)
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.	807,910
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.	<u>(4,629)</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 419,235</u></u>



**Duncanville**  
*City of Champions*

**DUNCANVILLE**

The Perfect Blend of Family, Community and Business.

STATISTICAL SECTION (UNAUDITED)

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 Duncanville.

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<b>Financial Trends</b> - 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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**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 presenting government-wide information include information beginning in that year.



**Duncanville**  
*City of Champions*

**DUNCANVILLE**

The Perfect Blend of Family, Community and Business.

**City of Duncanville**

**Schedule 1**

**Net Assets by Component  
Last Eight 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>	<u>2010</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	\$ 50,403,980
Restricted	692,896	451,812	350,885	313,581	127,374	112,865	70,458	41,456
Restricted for Capital projects	-	-	-	1,821,809	530,817	-	-	-
Unrestricted	<u>5,296,858</u>	<u>10,568,601</u>	<u>9,503,794</u>	<u>6,736,230</u>	<u>5,958,769</u>	<u>5,617,301</u>	<u>5,217,145</u>	<u>7,652,982</u>
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>\$ 53,296,419</u>	<u>\$ 52,323,669</u>	<u>\$ 55,348,324</u>	<u>\$ 58,098,418</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	\$ 27,076,019
Unrestricted	<u>2,070,357</u>	<u>1,918,169</u>	<u>3,127,522</u>	<u>4,125,250</u>	<u>3,669,424</u>	<u>3,531,505</u>	<u>4,370,413</u>	<u>3,731,110</u>
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>	<u>\$ 30,807,129</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	\$ 77,479,999
Restricted	692,896	451,812	350,885	2,135,390	658,191	112,865	70,458	41,456
Unrestricted	<u>7,367,215</u>	<u>12,486,770</u>	<u>12,631,316</u>	<u>10,861,480</u>	<u>9,628,193</u>	<u>9,148,806</u>	<u>9,587,558</u>	<u>11,384,092</u>
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>	<u>\$ 88,905,547</u>

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 2

**Changes in Net Assets  
Last Eight 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>	<u>2010</u>
<b>Expenses</b>								
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	\$ 3,169,503
Finance	942,631	1,017,176	1,013,884	1,204,589	1,183,866	1,312,673	1,292,138	1,231,406
Community services	3,236,439	3,122,149	3,688,927	4,703,438	2,818,521	3,214,940	3,158,557	3,165,163
Police	6,113,841	6,958,226	6,646,338	7,119,106	7,562,765	8,527,423	8,109,764	8,168,671
Public works	3,595,016	3,749,228	4,748,203	4,881,669	5,331,327	6,376,715	5,701,322	5,664,455
Fire	4,664,195	4,501,238	4,801,545	4,872,692	4,400,876	5,660,644	5,449,439	5,385,776
Interest and fiscal charges	873,138	883,919	817,745	759,939	697,552	584,910	478,651	354,584
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>25,531,496</u>	<u>29,734,436</u>	<u>28,060,105</u>	<u>27,139,558</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	5,220,632
Wastewater	4,321,343	4,255,396	4,541,989	4,295,218	4,765,731	5,885,520	4,135,413	5,319,569
Solid waste	1,725,261	1,793,330	1,802,136	1,811,672	1,997,924	2,016,504	2,057,402	2,130,470
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>	<u>12,670,671</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>\$ 37,374,468</u>	<u>\$ 42,783,126</u>	<u>\$ 39,403,017</u>	<u>\$ 39,810,229</u>
<b>Program Revenues</b>								
Governmental activities								
Charges for services								
General government	\$ 67,732	\$ -	\$ 103,689	\$ 227,600	\$ -	\$ 314,160	\$ 1,173,234	\$ 382,095
Finance	-	-	-	-	-	-	59,108	-
Community services	298,989	302,938	287,540	674,835	278,932	417,736	256,405	304,054
Police	1,296,280	1,771,488	1,350,176	1,607,537	1,665,961	1,416,876	1,964,148	1,631,861
Public works	968,481	998,585	769,849	942,787	1,467,533	2,232,685	1,100,109	1,759,053
Fire	528,204	635,442	548,788	756,893	766,903	624,997	1,009,010	849,306
Operating grants and contributions	234,511	233,729	245,357	905,197	84,111	167,553	338,658	754,463
Capital grants and contributions	335,000	1,066,945	1,559,812	96,354	145,017	74,551	2,364,100	2,201,004
Total governmental activities program revenues	<u>3,729,197</u>	<u>5,009,127</u>	<u>4,865,211</u>	<u>5,211,203</u>	<u>4,408,457</u>	<u>5,248,558</u>	<u>8,264,772</u>	<u>7,881,836</u>
Business-type activities								
Charges for services								
Water	5,490,481	5,434,700	6,229,115	7,606,143	5,899,616	6,976,515	6,375,580	6,339,411
Wastewater	4,469,011	4,487,516	4,400,626	4,829,746	4,865,682	5,073,654	4,819,134	4,775,447
Solid waste	1,815,516	1,661,116	1,946,737	1,913,769	1,936,332	2,203,622	2,209,092	2,450,987
Capital grants and contributions	106,462	514,984	999,429	118,264	213,951	1,205,387	22,227	107,974
Total business-type activities program revenues	<u>11,881,470</u>	<u>12,098,316</u>	<u>13,575,907</u>	<u>14,467,922</u>	<u>12,915,581</u>	<u>15,459,178</u>	<u>13,426,033</u>	<u>13,673,819</u>
Total primary government 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>	<u>\$ 21,555,655</u>

City of Duncanville

Schedule 2

**Changes in Net Assets  
Last Eight 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>	<u>2010</u>
<b>Net (Expense)/Revenue</b>								
Governmental activities	\$ (17,501,433)	\$ (17,038,585)	\$ (18,694,732)	\$ (21,218,084)	\$ (21,123,040)	\$ (24,485,878)	\$ (19,795,333)	\$ (19,257,722)
Business-type activities	627,820	1,393,365	2,381,571	2,835,752	1,072,609	2,410,488	2,083,121	1,003,148
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>	<u>\$ (18,254,574)</u>
<b>General Revenues and Other Changes in Net Assets</b>								
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	12,482,287
Sales	4,749,336	4,866,493	4,868,004	5,451,335	5,530,559	5,398,034	5,235,231	5,321,558
Franchise	2,056,464	1,852,614	1,938,736	2,129,943	2,000,905	2,024,099	1,988,717	2,036,308
Hotel occupancy	162,145	252,608	252,500	531,711	594,238	593,725	462,474	393,731
Earnings on investments	213,641	190,079	372,513	603,243	565,594	343,967	117,619	35,810
Rentals and miscellaneous	708,872	938,256	755,889	-	410,928	675,041	358,104	347,353
Transfers	935,228	1,105,768	892,061	1,082,850	1,155,604	1,325,677	1,369,124	1,390,769
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>	<u>22,007,816</u>
Business-type activities								
Earnings on investments	66,781	76,900	53,575	259,132	264,628	136,592	37,007	18,601
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)	(1,390,769)
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>	<u>(1,372,168)</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>	<u>\$ 20,635,648</u>
<b>Change in Net Assets</b>								
Governmental activities	\$ 2,379,275	\$ 3,643,770	\$ 2,131,378	\$ 790,902	\$ 1,536,030	\$ (1,041,924)	\$ 3,024,655	\$ 2,750,094
Business-type activities	(224,817)	364,497	1,543,085	2,012,034	181,633	1,221,403	751,004	(369,020)
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>	<u>\$ 2,381,074</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 basis of accounting)  
(Unaudited)

<b>Fiscal Year</b>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved *	\$ 33,879	\$ 49,213	\$ 38,001	\$ 24,719	\$ 520,895	\$ 714,077	\$ 630,018	\$ 542,049	\$ 407,899	246,425
Unreserved	<u>3,730,873</u>	<u>4,342,900</u>	<u>4,650,654</u>	<u>5,908,556</u>	<u>4,518,077</u>	<u>3,977,424</u>	<u>3,740,803</u>	<u>2,507,519</u>	<u>2,932,936</u>	<u>3,669,209</u>
Total general Fund	<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>	<u>3,915,634</u>
All Other Governmental Funds										
Reserved *										
Debt service	\$ 1,395,465	\$ 1,030,644	\$ 755,775	\$ 517,460	\$ 296,625	\$ 202,702	\$ 32,639	\$ 5,906	\$ (38,660)	4,183
Other Governmental Funds	-	-	-	-	-	1,715	907	1,722	5,479	2,073
Unreserved, reported in:										
Special revenue funds	374,572	348,005	635,665	758,605	594,502	680,360	801,682	975,378	1,160,098	695,824
Capital projects funds	<u>3,993,114</u>	<u>2,797,032</u>	<u>5,481,502</u>	<u>3,074,606</u>	<u>2,361,603</u>	<u>1,821,809</u>	<u>1,153,876</u>	<u>703,041</u>	<u>303,317</u>	<u>729,638</u>
Total all other governmental funds	<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>	<u>\$ 1,431,718</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 basis of accounting)  
(Unaudited)

<u>Fiscal Year</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Revenues</b>										
Taxes -										
Ad valorem	\$ 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	\$ 12,463,461
Sales	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	5,321,558
Franchise	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	2,036,308
Mixed beverage	30,965	35,351	33,341	27,710	67,848	54,927	58,387	42,992	71,978	60,101
Hotel	135,393	148,549	162,145	252,608	252,500	476,784	594,238	593,725	462,474	393,731
Licenses, permits and fees	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	2,881,963
Fines and forfeitures	897,295	633,678	740,930	1,145,059	744,985	939,237	967,892	857,396	750,490	1,054,149
Recreation fees	217,535	202,331	-	282,010	265,436	286,767	254,874	237,931	256,295	303,954
Intergovernmental	1,496,503	1,695,035	994,658	532,071	534,844	1,328,817	406,006	378,387	1,208,854	2,182,355
Investment income	567,427	236,196	209,238	166,474	323,667	505,115	490,846	301,442	100,669	32,753
Rental and other	553,982	673,194	879,812	444,182	402,080	554,258	816,442	609,405	1,111,587	1,663,650
<b>Total revenues</b>	<b>\$ 21,889,767</b>	<b>\$ 21,902,388</b>	<b>\$ 22,361,128</b>	<b>\$ 22,807,158</b>	<b>\$ 22,811,598</b>	<b>\$ 25,796,500</b>	<b>\$ 26,151,034</b>	<b>\$ 26,747,082</b>	<b>\$ 28,643,983</b>	<b>\$ 28,393,983</b>
<b>Expenditures</b>										
General government/finance	\$ 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	3,735,002
Police	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	8,010,438
Fire	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	5,209,321
Public works	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	3,881,637
Parks and recreation	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	2,681,454
Library (Included in General government in 2008)	556,562	571,641	581,378	524,111	643,502	632,693	676,184	-	-	-
Special purposes - promotional	78,487	29,826	34,671	44,853	53,398	330,032	370,135	481,470	385,245	298,842
Capital outlay	1,451,353	1,948,368	2,536,449	1,453,204	950,666	919,446	894,865	835,666	2,229,494	2,547,349
Debt service										
Principal retirement	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	2,325,872
Interest and fiscal charges	1,587,130	1,482,613	822,227	585,460	524,833	452,239	352,537	247,334	534,829	518,554
<b>Total expenditures</b>	<b>\$ 23,207,801</b>	<b>\$ 23,993,116</b>	<b>\$ 24,989,238</b>	<b>\$ 23,684,835</b>	<b>\$ 25,695,903</b>	<b>\$ 27,709,713</b>	<b>\$ 28,344,800</b>	<b>\$ 29,766,244</b>	<b>\$ 29,578,663</b>	<b>\$ 29,208,469</b>
Excess of revenues over (under) expenditures	(1,318,034)	(2,090,728)	(2,628,110)	(877,677)	(2,884,305)	(1,913,213)	(2,193,766)	(3,019,162)	(934,680)	(814,486)
<b>Other Financing Sources (Uses)</b>										
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	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	2,027,424
Transfers out	(272,974)	(127,470)	(336,537)	(422,863)	(516,467)	(250,662)	(224,824)	(283,394)	(582,189)	(636,655)
<b>Total other financing sources (uses)</b>	<b>1,085,515</b>	<b>1,130,619</b>	<b>5,124,425</b>	<b>855,768</b>	<b>892,061</b>	<b>1,082,850</b>	<b>1,155,604</b>	<b>1,325,677</b>	<b>1,369,124</b>	<b>1,390,769</b>
<b>Net change in fund balances</b>	<b>\$ (232,519)</b>	<b>\$ (960,109)</b>	<b>\$ 2,496,315</b>	<b>\$ (21,909)</b>	<b>\$ (1,992,244)</b>	<b>\$ (830,363)</b>	<b>\$ (1,038,162)</b>	<b>\$ (1,693,485)</b>	<b>\$ 434,444</b>	<b>\$ 576,283</b>
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	\$ 2,547,349
Debt service as a percentage of noncapital expenditures	15.7%	13.2%	13.2%	12.5%	11.2%	10.3%	10.2%	9.8%	10.4%	10.67%

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

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

<u>Assessed and Actual Value of Property (1)</u>							
<b>Fiscal Year Ended Sept. 30,</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Business Personal Property</b>	<b>Total Assessed Value</b>	<b>Less: Tax- Exempt Property (2)</b>	<b>Total Taxable Assessed Value</b>	<b>Total City Tax Rate (3)</b>
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
2010	1,278,446,690	527,686,510	186,259,420	1,992,392,620	186,259,667	1,806,132,953	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.

City of Duncanville

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)
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
2010	0.550200	0.145800	0.696000	1.418000	0.228100	0.005212	0.274000	0.094900

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

City of Duncanville

Schedule 7

**Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)**

Taxpayer / Company Name	2010			2001		
	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. Ouality Cabinets Division	\$ 25,405,206	1	1.41%	\$ 29,253,180	1	2.25%
C H Guenther & Son Pioneer Frozen Foods	15,412,090	2	0.85%	12,171,330	3	0.94%
Duncanville Village Multi	14,081,100	3	0.78%	-	-	-
Costco Wholesale Corporation Costco	10,362,940	4	0.57%	-	-	-
SCI Duncanville Hotel LTD Hilton Garden Inn	9,639,180	5	0.53%	-	-	-
Texas Utilities TXU Business Services	9,117,700	6	0.50%	10,380,643	6	0.80%
Southwestern Bell/Cingular SBC Communications Inc.	7,317,950	7	0.41%	13,410,700	2	1.03%
Frankel Family Trust Meadowridge Apartments	7,162,000	8	0.40%	10,977,210	4	.85%
Apple Reit Limited PS Main Park Apartments	6,856,600	9	0.38%	8,000,000	8	0.62%
TT Duncanville LTD Village Shopping Center	6,852,850	10	0.38%	-	-	0.00%
Wal-Mart Corporation Wal-Mart Store				10,973,480	5	0.84%
Ladd 1998 REAL Properties				7,314,460	9	.56%
Regency Centers LP				5,500,000	10	.42%
ACCO USA Inc.				8,102,160	7	0.62%
<b>Total</b>	<b>\$ 112,207,616</b>		<b>6.21%</b>	<b>\$ 116,083,163</b>		<b>8.59%</b>

Note:

(a) Total Taxable Value as of Oct. 1,806,132,953 1,351,347,664

Source: Dallas Central Appraisal District

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

Fiscal Year Ended Sept. 30,	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Adjusted Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years (1)	Amount	Percentage of Levy
2001	9,716,843	9,464,232	97.4%	236,615	9,700,847	99.8%
2002	10,356,540	10,109,103	97.6%	231,547	10,340,650	99.8%
2003	10,912,896	10,698,211	98.0%	220,127	10,918,338	100.0%
2004	11,434,896	11,109,031	97.2%	82,460	11,191,491	97.9%
2005	11,618,422	11,399,901	98.1%	189,959	11,589,860	99.8%
2006	12,050,465	11,779,327	97.7%	228,560	12,007,887	99.6%
2007	12,304,132	11,974,681	97.3%	281,668	12,256,349	99.6%
2008	12,874,498	12,573,089	97.7%	335,879	12,908,968	100.3%
2009	13,160,823	12,888,062	97.9%	114,522	13,002,583	98.8%
2010	12,459,098	12,161,481	97.6%	-	12,161,481	97.6%

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,	Governmental Activities		Business-type Activities	Total Primary Government	Percentage of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	Certificate of Obligation Bonds	Water and Sewer Revenue Bonds			
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
2010	565,000	5,962,187	2,885,000	9,412,187	0.88%	244

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,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Certificate of Obligation Bonds	Total		
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
2010	565,000	5,962,187	6,527,187	0.36%	169

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, 2010**  
(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	\$ 106,804,100	53.96%	\$ 57,631,492
Dallas County	121,176,552	1.12%	1,357,177
Dallas County Community College District	416,040,000	1.07%	4,451,628
Dallas County Hospital District	705,000,000	1.07%	7,543,500
Subtotal, overlapping debt			<u>\$ 70,983,797</u>
City direct debt			<u>6,527,187</u>
Total direct and overlapping debt			<u>\$ 77,510,984</u>

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

**Legal Debt Margin Information**  
**As of September 30, 2010**  
(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 bythe 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, 2010 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)

<b>Fiscal Year Ended Sept. 30,</b>	Operating Revenue and Other (a)	Less: Operating Expense (b)	Net Available Revenue	<u>Debt Service (c)</u>		Coverage
				Principal	Interest	
<b><u>Water and Sewer Bonds</u></b>						
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
2010	11,133,026	9,480,791	1,652,235	250,000	132,172	4.3

## 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)**

<b>Fiscal Year Ended Sept. 30,</b>	<b>Population (a)</b>	<b>Personal Income</b>	<b>Per Capita Income (a)</b>	<b>Median Household Income (a)</b>	<b>Number of Households (a)</b>	<b>School Enrollment (b)</b>	<b>Unemployment Rate</b>	
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%	(c)
2010	38,562	1,071,483,732	27,786	65,676	13,667	12,850	9.45%	(c)

Sources: (a) 2000 Census, all other years ESRI estimates  
 (b) Duncanville Independent School District  
 (c) Texas Workforce Commission 2005-2010  
 (d) Bureau of Labor Statistics Archives 1998-2004  
 (e) Information is not available

**City of Duncanville**

**Schedule 15**

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

Employer	2010			2001		
	Employees (2)	Rank	Percent of Total Employment (a)	Employees	Rank	Percent of Total Employment (a)
Duncanville Independent School District	1,775	1	10.01%	1,225	2	6.79%
Texwood/Quality Cabinets and Doors	706	2	3.98%	1,320	1	7.32%
City of Duncanville	290	3	1.64%	249	3	1.38%
Pioneer Frozen Foods	175	4	0.99%	150	4	0.83%
Costco	145	5	0.82%	-	-	-
Pappadeaux	130	6	0.73%	-	-	-
DeFord's	130	7	0.73%	-	-	-
Brittle-Brittle	75	8	0.42%	60	6	0.33%
Personalized Communications	70	9	0.39%	-	-	-
Hilton Garden Inn	49	10	0.28%	-	-	-
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%
<b>Total</b>	<b>3,545</b>			<b>3,235</b>		<b>17.94%</b>

Note:

(a) Total City Employment (1)                      17,724                      18,035

Sources:

(1) ESRI

(2) Duncanville Community Economic Development Corporation

**Full-time Equivalent City Government Employees  
Last Ten Fiscal Years (Unaudited)**

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>By Functions</b>										
General Government	34.0	33.0	31.0	31.0	31.0	33.0	34.0	35.0	33.0	32.50
Fire Services	52.0	52.0	52.0	52.0	52.0	52.0	53.0	53.0	53.0	52.25
Police Services (Civil)	63.0	63.0	62.0	74.0	61.0	61.0	60.0	63.0	59.0	59.00
Police Services (Non-Civil)	14.0	14.0	14.0	12.0	12.0	12.0	15.0	12.0	11.0	11.00
Public Works	33.5	34.5	33.5	33.5	34.5	33.5	33.0	31.5	30.5	30.00
Library Services	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	12.00
Parks and Recreation	15.0	15.0	15.0	13.0	13.0	13.0	16.0	16.0	16.0	28.70
Community Services	9.0	10.0	8.0	6.0	6.0	6.0	6.0	6.0	9.0	6.60
Water and Wastewater	24.5	22.5	21.5	21.5	21.5	21.5	21.5	23.5	21.5	25.00
Total Employees by Function	254.0	253.0	246.0	252.0	240.0	241.0	247.5	249.0	242.0	257.05
<b>By Departments</b>										
General Government	8.0	7.0	7.0	7.0	7.0	7.0	8.0	18.0	17.0	20.00
Finance	23.0	23.0	22.0	22.0	22.0	24.0	24.0	24.0	24.0	23.50
Community Services	33.0	34.0	32.0	28.0	28.0	28.0	31.0	22.0	25.0	32.60
Police (Civil)	63.0	63.0	62.0	74.0	61.0	61.0	60.0	63.0	59.0	59.00
Police (Non-Civil)	14.0	14.0	14.0	12.0	12.0	12.0	15.0	12.0	11.0	12.00
Public Works	31.0	32.0	31.0	30.5	31.5	30.5	30.5	31.5	30.5	31.70
Utilities	27.0	25.0	24.0	24.5	24.5	24.5	24.0	23.5	21.5	25.00
Fire	52.0	52.0	52.0	52.0	52.0	52.0	53.0	53.0	53.0	52.25
Economic Development	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.00
Total Employees by Department	254.0	253.0	246.0	252.0	240.0	241.0	247.5	249.0	242.0	257.05
<b>By Fund</b>										
General	213.0	214.4	209.4	202.9	202.5	203.5	208.0	213.0	219.5	216.35
Utility	33.0	33.0	32.0	32.0	32.0	32.0	34.0	31.5	21.5	33.00
Hotel/Motel	0.5	0.5	0.5	1.0	1.0	1.0	1.0	1.0	-	1.00
Economic Development	2.5	2.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.00
Grant	1.0	0.6	0.6	1.0	1.0	1.0	1.0	-	-	1.70
Drainage	-	-	-	0.1	0.5	0.5	0.5	0.5	-	0.50
Solid Waste	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-	2.00
Traffic Administration	-	-	-	-	-	-	-	-	-	1.00
Juvenile Case Manager	-	-	-	-	-	-	-	-	-	0.50
Total Employees by Fund	254.0	253.0	246.0	240.0	240.0	241.0	247.5	249.0	242.0	257.05

Source: City of Duncanville, Texas Annual Budgets

**City of Duncanville**

**Schedule 17**

**Operating Indicators By Function/Program  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Years</b>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Function/Program</b>										
General Government										
Building Permits Issued	257	265	285	502	421	433	421	359	236	374
Police										
Criminal Arrests	2,438	2,564	2,871	2,584	2,058	2,394	2,320	1,808	3,300	2,100
Index Crimes per 1,000 Population	48.76	53.54	52.16	47.78	43.73	40.00	42.58	47.05	50.00	47.80
Fire										
Total Calls for Service (Fire & EMS)	4,966	5,198	5,298	5,566	6,517	6,976	7,004	6,884	7,038	7,248
Total Structural Inspections	2,699	2,534	1,291	1,349	1,473	701	1,349	1,404	832	1,035
Public Services										
Utility Cuts Repaired	120	106	127	142	142	89	104	112	115	186
Sidewalk Repaired (Square Feet)	9,465	5,605	7,731	7,358	7,358	7,729	13,618	12,815	11,576	2,231
Parks and Recreation										
Program Participation Hours	20,000	20,000	18,000	13,648	13,648	18,623	17,829	18,231	21,120	25,119
Number of Annual Passes Sold	1,442	1,261	2,758	1,437	1,314	1,949	1,981	2,774	2000	2,664
Library										
Volumes in Collection	68,506	72,748	78,812	76,138	89,814	97,648	102,807	106,076	105,571	105,710
Total Volumes Borrowed	156,348	181,255	195,658	168,892	165,262	174,676	173,101	176,325	169,602	160,642
Water/Wastewater										
Water Main Breaks	24	46	39	41	41	35	29	33	30	36
Number of Gallons of Water Pumped (000s)	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	1,726,380
Average Daily Consumption (MGD)	6.2	5.9	5.5	5.1	5.3	6.0	4.6	5.2	6.0	4.7
Miles of Sewer Mains Cleaned	5.39	10.63	14.49	12.46	8.73	4.80	5.70	3.75	8.00	2.12

Source: City of Duncanville, Texas Annual Budgets

**City of Duncanville**

**Schedule 18**

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

<b>Fiscal Year</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Function/Program</b>										
Public Safety										
Emergency Vehicles (Police & Fire)	31	30	31	29	29	36	34	34	34	33
Public Works										
Streets - Paved (Miles)	155.98	155.98	155.98	155.98	155.98	155.98	156.05	156.05	156.05	156.05
Alleys - Paved (Miles)	40.07	40.07	40.07	40.28	40.28	40.28	36.11	36.11	36.11	36.11
Traffic Signals	38	36	36	36	36	36	34	34	34	34
Street Signs	1,921	1,921	1,921	1,926	1,926	1,928	1,966	1,966	1,966	1,966
Regulatory & Non-regulatory Signs	4,129	4,227	4,227	4,337	4,337	4,416	9,850	9,920	9,920	9,940
Non-Emergency Vehicles	69	70	70	38	68	72	79	79	81	84
Parks and Recreation										
Park Acres	216.0	216.0	222.0	228.0	228.0	228.0	237.4	237.0	237.0	242.0
Playgrounds	10	10	10	10	10	10	12	12	12	12
Total Athletic Facilities Maintained	54	54	54	54	54	54	56	54	54	54
Water/Wastewater										
Miles of Water Mains	182.73	182.83	184.37	186.92	186.92	187.35	188.01	189.50	189.50	189.50
Fire Hydrants	1,166	1,183	1,204	1,283	1,296	1,306	1,341	1,355	1,360	1,364
Sanitary Sewer Lines (Miles)	150.30	150.76	152.33	152.35	152.35	153.45	154.06	153.60	153.60	153.64
Sanitary Sewer Laterals (Miles)	76.45	76.60	76.86	76.86	76.86	77.25	77.46	77.30	77.30	77.30

Source: City of Duncanville, Texas Annual Budgets

