



CITY OF DUNCANVILLE

Comprehensive Annual Financial Report
For Year Ended September 30, 2013
Duncanville, Texas

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF DUNCANVILLE, TEXAS**

**FOR
FISCAL YEAR ENDED
SEPTEMBER 30, 2013**

**PREPARED BY:
CITY OF DUNCANVILLE
FINANCE DEPARTMENT**

CITY OF DUNCANVILLE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.



City of Duncanville

Greg Contreras
Interim Assistant City Manager

March 10, 2013

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, 2013.

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 of Duncanville. 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 are included.

Weaver and Tidwell, L.L.P., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Duncanville's financial statements for the year ended September 30, 2013. 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 complements 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 2013 population for the City was 38,628 (<http://ESRI.com>).

The City is a political subdivision and municipal corporation of the State of Texas, duly organized and existing under the laws of the State of Texas, including the City's Home Rule Charter. The City was incorporated in 1949, and first adopted the 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 has continued to adequately maintain 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 2012 official estimate U.S. Census has the Dallas/Fort Worth Metroplex (DFW) at a population of 6,526,548. 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). It's projected that 10,500,000 people will live in the DFW area by 2040 (*Dallas Economic Development Guide*). Biz Journals, Inc. named it the 4th most populated and the fastest growing metro area in America.
- ACCRA Cost of Living Index consistently reports that it is less expensive to live in Dallas than in other large U.S. Metropolitan areas. In 2010, Forbes ranked Dallas the 14th most affordable city in America. (*Dallas Economic Development Guide*).
- DFW is the 6th best city for jobs in the U.S. and the 14th in the World (*Forbes Magazine* and *Dallas Economic Development Guide*). Forbes Magazine ranked Dallas the #1 city to earn a living with a total civilian labor force of 3,342,705 per Bureau of Labor Statistics, DFW is ranked #3 in the list of largest "over-the-year percentage increases in employment" for U.S. metropolitan areas. Labor Force consists of Management Professionals – 39.3%; Services – 16%; Sales and Office – 23.6%; Farming, Fishing, Forestry - 0.18; etc. Per the US Bureau of Labor Statistics, DFW is in the top 5 metro areas for job growth.
- Per the *Chief Executive Magazine*, Texas is the number one State in the nation to do business. DFW has the 5th lowest cost of doing business in the nation; and the 15th internationally. (*Dallas Economic Development Guide*)
- Forbes rated Dallas as the Best City for Manufacturing. (*Forbes Magazine*; *Dallas Economic Development Guide*) DFW has more manufacturing activity than any other metropolitan area in Texas. (Dallas Regional Chamber)
- DFW is the economic and cultural hub of the region commonly called "North Texas" or "North Central Texas" and is the largest land-locked metropolitan area in the U.S. encompassing 9,286 sq. miles. (Wikipedia)
- As of 2013, DFW is home to 18 Fortune 500 headquarters and 39 headquarters among the Fortune 1000. (*Dallas Economic Development Guide*)
- DFW ranks 7th in the U.S. in number of small businesses. 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. (Dallas Regional Chamber)
- The DFW Region is the 5th largest global exporter in the country with computer and electronics goods accounting for 16.4% of exports. (*Dallas Economic Development Guide*) DFW is the 4th Best City for Technology in the United States (*Cyber Coders*). DFW Exports total \$41.1 billion and supported 279,700 jobs – ranking it 5th in the U.S. (*Dallas Economic Development Guide*)
- The North American Free Trade Agreement (NAFTA) including the United States, Mexico and Canada, is a key drive for DFW accounting for \$3.45843 billion. (*Dallas Economic Development Guide*)

- 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 2011, the Dallas-Ft. Worth-Arlington metro area lived up to its “Big D” reputation adding \$1.46 billion in capital investment and generating 8,847 new jobs as part of the 140 Corporate facility projects added that year. (Dallas Regional Chamber)
- Current Dallas market trends data indicates a decrease of -1.6% in the median asking price per sq. ft. for Industrial properties compared to the prior 3 months, with an increase of +4.6% compared to last year's prices. County-wide, asking prices for Industrial properties are 0.9% higher at \$53 per sq. ft. compared to the current median price of \$55 per sq. ft. for Industrial properties in Dallas, TX. (LoopNet – Dallas TX Market Trends).
- 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 Dallas Regional Chamber, approximately 83% of the total workforce over 25 years old in DFW holds a high school diploma and 31.1% have completed at least four years of college. (Dallas Regional Chamber) The U.S. News and World Report named the DFW area high schools as the best in the nation.
- The Consumer Price Index for the DFW MSA as of November 2012 was 212.901 with an inflation rate of -0.5% compared to the U.S. City average of 229.594 and inflation rate of 1.7%. (Bureau of Labor Statistics)
- The DFW Region has 18 retail centers (malls) each with more than one million square feet. Direct Occupancy Rate market totals of 90.3% and an average lease rate of \$14.09 per square foot were reported. (Dallas Regional Chamber)
- 82 Acute Care Hospitals and numerous other major medical centers with nearly 20,000 beds serve the DFW Region and \$52 billion in total value added to regional economy annually by the Healthcare Industry and 601,000 healthcare jobs make up 15% of the DFW economy. (Dallas Regional Chamber)
- Beyond the central cultural districts, DFW offers more than 175 museums and galleries, more than 50 professional and community theatres, 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. (Dallas Regional Chamber)
- The Brookings Institution ranks DFW’s “Clean or Green Economy” 10th out of the nation’s 100 largest metro areas. (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 outer rim 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 (63% 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.

In recent years, projects have been completed in older shopping centers including a 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:

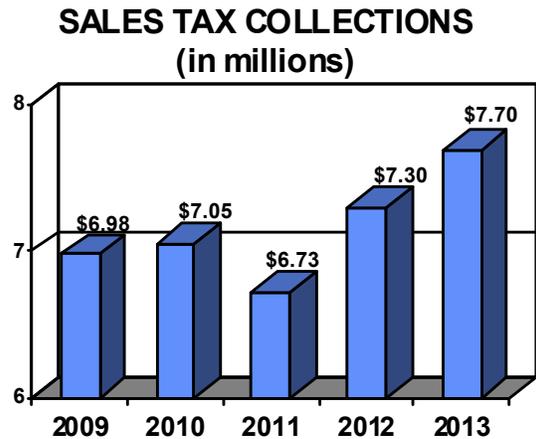
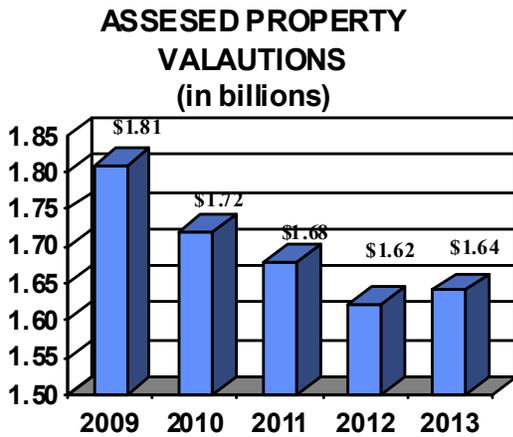
- The DFW area including Duncanville remains the distribution and financial center of the southwest with high tech industries, service industries, trade and corporate headquarters providing a stable and diverse local economy.
- Duncanville boasts a strong industrial community that includes subsidiaries 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 Duncanville Fieldhouse** (a 95,000 sq. foot basketball/volleyball/multi-sport facility) opened in 2010 and draws people into the community from near and far for multi-state tournaments. 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** (highest capacity commercial airport in the world), **Love Field Airport** to meet commercial passenger air transportation needs, and **Dallas Executive Airport** used entirely for general aviation purposes.
- **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 176 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, Subway, Duncanville Dialysis Center, Dickey's Barbeque Pit, Farmers Insurance, KK Beauty Supply, Serenity Dental Spa, Veterans Administration offices, and Townview Realtors. Bella Ruscello, offering 216 units of upscale apartment living adjacent to the Shops at Waterview Park, continues at a high occupancy rate. The final DCEDC and City incentive 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.
- Through an investment of \$129,005 of DCEDC funds for beautification, the City's Parks Department was able to continue the landscape color change throughout the City, mowing of Duncanville's I-20 corridor, and landscape maintenance of the City owned property at 1700 S. Main Street (Fieldhouse).
- In 2012, W&B Service Company completed construction of their 38,000 square foot facility on 16 acres and employs approximately 100 people to sell and service refrigerated tractor trailers.
- DCEDC funds of \$330,000 were committed to improvements and renovation of the Cedar Park Shopping Center to be paid over a ten year period in the form of sales tax rebates.

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 (13th 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. However, sales tax collections were up 6.5% this year compared to the previous year. We expect a 4 to 5% increase in sales tax revenues in FY14. Property values are increasing ever so slightly as the housing recovery struggles. The acquisition of the Bob Knight Fieldhouse presents many challenges and opportunities. 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 Duncanville 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

It is the City's policy that all interest bearing demand deposits and time deposits are secured by pledged collateral with a market value equal to no less than 102% 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 periodically 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.

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, 2012. 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.

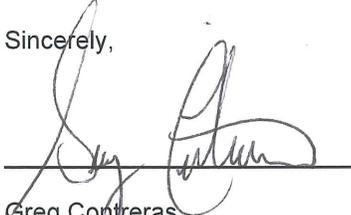
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for review.

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 black ink, appearing to read "Greg Contreras", written over a horizontal line.

Greg Contreras
Interim Assistant City Manager

A handwritten signature in blue ink, appearing to read "Richard Summerlin", written over a horizontal line.

Richard Summerlin, CPA, CGFO
Finance Director



Government Finance Officers Association

**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, 2012

Executive Director/CEO

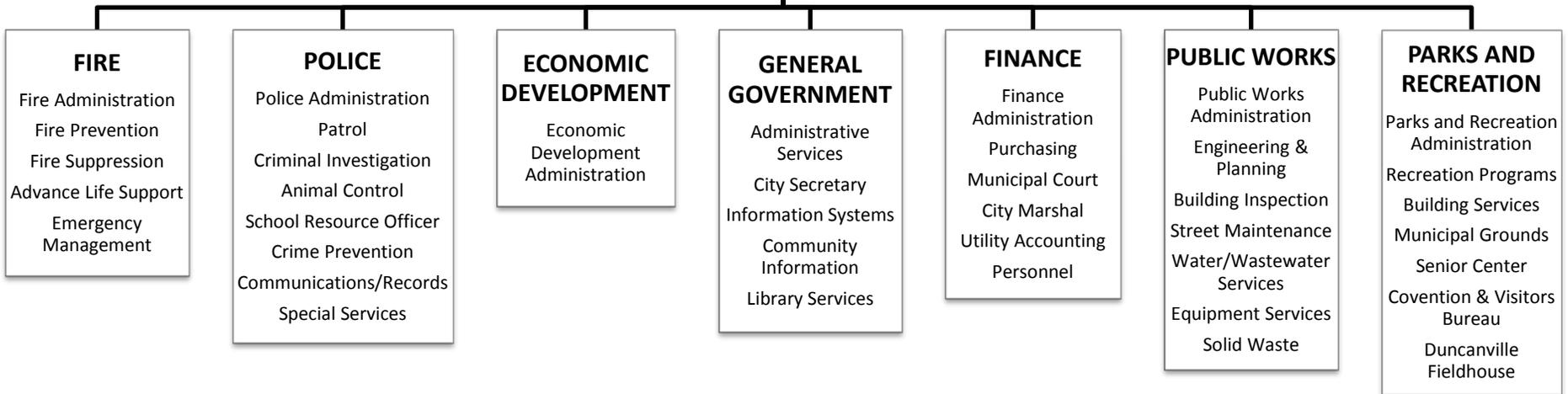
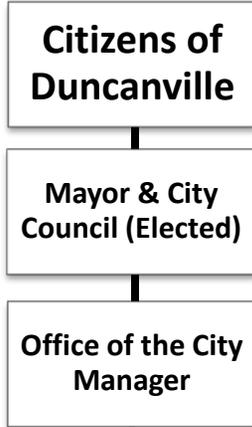


Duncanville
City of Champions

City of Duncanville

Organizational Chart

September 30, 2013



CITY OF DUNCANVILLE

CITY COUNCIL

Deborah Hodge, Mayor

Mark Cooks, Mayor Pro Tem

Cliff Boyd, Council Member

Stephen Jones, Council Member

Patrick Harvey, Council Member

Stan Smith, Council Member

Johnette Jameson, Council Member



ADMINISTRATIVE OFFICIALS

Greg Contreras, Interim City Manager

Richard Summerlin, Finance Director

Tia Pettis, Assistant Finance Director

Angie Wade, Interim City Secretary



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Duncanville, Texas (the City), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Traffic Improvement and Safety Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

City of Duncanville, Texas
March 10, 2014

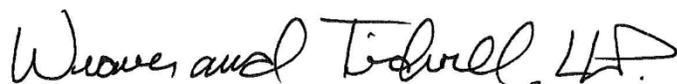
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Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Weaver and Tidwell, L.L.P." with a stylized flourish at the end.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 10, 2014



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.

City of Duncanville, Texas

Management's Discussion and Analysis for the Fiscal Year Ended September 30, 2013

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, 2013. 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 \$99.5 million (net position). This number must be viewed in the context of the vast majority of the City's net position of \$86.3 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. Net position of \$1.6 million is restricted for various purposes such as capital projects, public safety or community programs. The remaining \$11.5 million (unrestricted net position) 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 \$67.1 million (Net Position). Governmental Activities Net Position increased by \$791 thousand this fiscal year. The City's total Net Position increased by \$1.0 million this fiscal year.
- As of the close of the current fiscal year, City of Duncanville governmental funds reported combined ending fund balances of \$8.5 million, an increase of \$1.2 million from the prior year. Of this amount, \$6.6 million is unassigned and available for spending subject to the City's self-imposed limitations by management for intended use.
- At year-end, the unassigned fund balance for the General Fund was \$6.6 million. On a current financial resources basis, total fund balance for the General Fund increased by \$1.1 million which was higher than the budgeted increase of \$381 thousand.
- The City's net bonded debt decreased by \$2.4 million during this current fiscal year. In the business-like activities, the Series 2002 Tax and Waterworks and Sewer System Surplus Revenue bonds were refunded to the G.O. Refunding Series 2013 bonds for \$2.1 million.
- The City has seen ad valorem tax revenues decline the last few years and has aggressively reduced expenditures accordingly. However, there has been a significant increase in the sales tax and other tax revenues indicating a positive outlook for the future economy. 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 position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the fiscal year. All changes in net position 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, economic development 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 blended component unit) under the governmental activities. The government-wide financials can be found on pages 13-15 of this report.

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 basic governmental fund financial statements can be found on pages 16-25 of this report.

The City maintains fourteen governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Debt Service, Street Construction, Traffic and Safety Improvement and Economic Development funds, all of which are to be considered major funds. Data from seven non-major special revenue funds and two 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 on pages 64-73 of this report.

The City adopts an annual appropriated budget for its General, Debt Service, Economic Development, Hotel Tax, Drainage Fees, and Traffic Improvement and Safety Special Revenue funds. A budgetary

comparison statement has been provided for the General, Economic Development and Traffic Improvement and Safety funds 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), Solid Waste, and Sports Facility 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, Solid Waste and Sports Facility funds since all 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. The basic proprietary fund financial statements can be found on pages 26-28 of this report. Individual fund data for proprietary funds in the form of budget data and combining statements can be found on pages 75-77 of this report.

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 on pages 29-54 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information is presented immediately following the notes to the basic financial statements.

The combining and individual fund statements are presented immediately following the required supplementary information on pensions. Included are budgetary schedules of revenues and expenditures for the General fund, non-major governmental fund individual and combining statements, and a schedule of operating revenues and expenses for the Utility, Solid Waste and Sports Facility funds.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City of Duncanville's assets exceeded its liabilities by \$99.5 million as of September 30, 2013.

City of Duncanville's Net Position

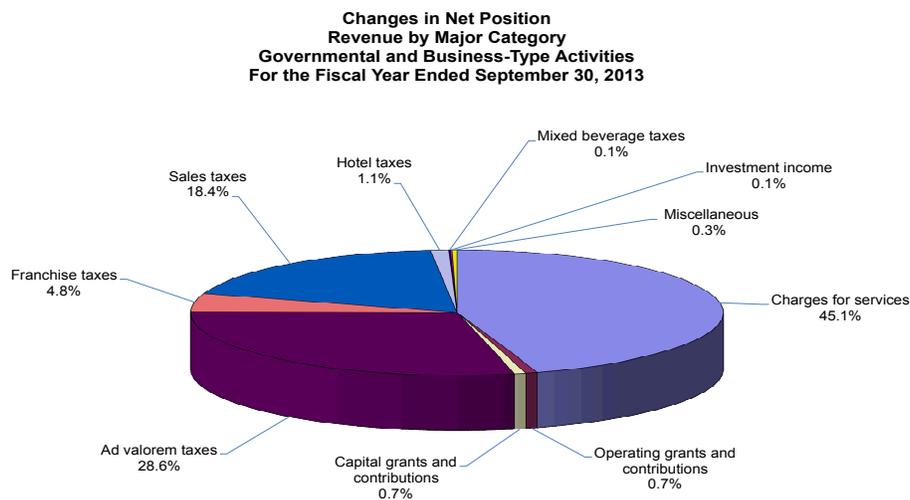
	Governmental Activities		Business-Type Activities		Total	
	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012
Current and other assets	\$ 14,750,162	\$ 13,687,834	\$ 7,365,910	\$ 7,059,263	\$ 22,116,072	\$ 20,747,097
Capital assets, net	64,295,748	66,282,846	34,873,531	35,753,483	99,169,279	102,036,329
Total assets	79,045,910	79,970,680	42,239,441	42,812,746	121,285,351	122,783,426
Current liabilities	2,036,422	1,966,576	1,875,746	1,962,828	3,912,168	3,929,404
Noncurrent liabilities	9,928,591	11,714,196	7,974,214	8,673,055	17,902,805	20,387,251
Total liabilities	11,965,013	13,680,772	9,849,960	10,635,883	21,814,973	24,316,655
Invested in capital assets, net of related debt	59,230,613	59,809,237	27,099,050	27,278,483	86,329,663	87,087,720
Restricted net position	1,595,501	1,515,702	-	-	1,595,501	1,515,702
Unrestricted net position	6,254,783	4,964,969	5,290,431	4,898,380	11,545,214	9,863,349
Total net position	\$ 67,080,897	\$ 66,289,908	\$ 32,389,481	\$ 32,176,863	\$ 99,470,378	\$ 98,466,771

The majority of the City's net position \$86.3 million (86.8%) 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.

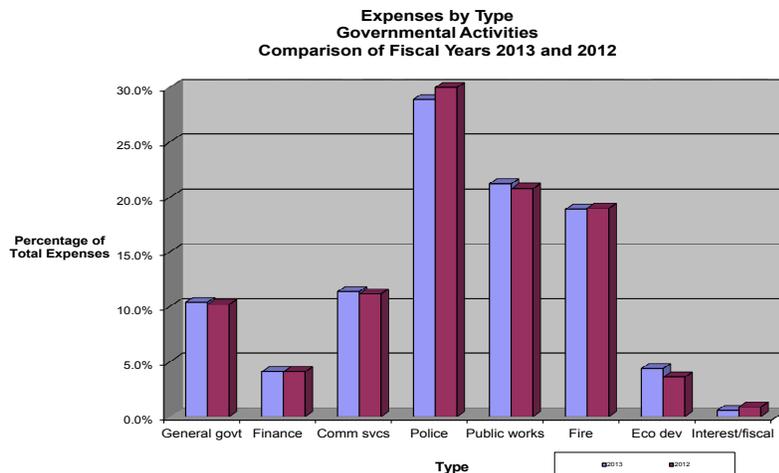
The City's balance of restricted net position of 1.6 million (1.6%) is reserved for various purposes such as capital projects, economic development, public safety and court programs.

The City's balance of unrestricted net position of \$11.6 million (11.6%) 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 position increased \$1.0 million (1.1%) from the prior year.



Governmental Activities- General revenue (excluding transfers) had a net increase of \$34 thousand. Ad valorem tax continues to experience a decrease (\$379 thousand) due to declining property values. The City was able to recognize an increase in sales tax at \$478 thousand (6.5%) signifying a slight boost to the local economy. The charges for services category had an overall decrease of \$739 thousand. Overall expenditures experienced very little change in comparison to the prior year.



Business-type Activities- Net position from business-type activities increased by \$213 thousand. Program revenues remain flat with a decrease of \$19 thousand. Overall business-type expenses reflected a modest increase \$378 thousand (2.8%).

The following table provides a summary of the City's operations at fiscal year end 2013:

City of Duncanville's Changes in Net Position						
For the Fiscal Years Ending September 30, 2013 and 2012						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 4,342,961	\$ 5,081,666	\$ 14,677,551	\$ 14,696,557	\$ 19,020,512	\$ 19,778,223
Operating grants and contributions	305,858	418,470	-	-	305,858	418,470
Capital grants and contributions	276,132	709,483	-	-	276,132	709,483
General revenues:						
Ad valorem taxes	12,091,581	12,470,739	-	-	12,091,581	12,470,739
Franchise taxes	2,029,578	2,007,859	-	-	2,029,578	2,007,859
Sales taxes	7,781,695	7,303,949	-	-	7,781,695	7,303,949
Hotel taxes	470,710	458,744	-	-	470,710	458,744
Mixed beverage taxes	55,699	49,266	-	-	55,699	49,266
Investment income	41,495	45,695	9,520	8,197	51,015	53,892
Miscellaneous	<u>127,578</u>	<u>228,377</u>	<u>-</u>	<u>-</u>	<u>127,578</u>	<u>228,377</u>
Total revenues	<u>27,523,287</u>	<u>28,774,248</u>	<u>14,687,071</u>	<u>14,704,754</u>	<u>42,210,358</u>	<u>43,479,002</u>
Expenses:						
General government	2,823,031	2,795,748	-	-	2,823,031	2,795,748
Finance	1,124,285	1,126,940	-	-	1,124,285	1,126,940
Community services	3,085,333	3,069,011	-	-	3,085,333	3,069,011
Police	7,860,277	8,198,206	-	-	7,860,277	8,198,206
Public works	5,771,096	5,685,500	-	-	5,771,096	5,685,500
Fire	5,142,744	5,192,134	-	-	5,142,744	5,192,134
Economic development	1,200,096	994,421	-	-	1,200,096	994,421
Interest and fiscal charges	171,408	236,244	-	-	171,408	236,244
Water and sewer	-	-	10,405,927	10,154,306	10,405,927	10,154,306
Solid waste	-	-	2,150,278	2,143,944	2,150,278	2,143,944
Sports facility	<u>-</u>	<u>-</u>	<u>1,472,276</u>	<u>1,352,511</u>	<u>1,472,276</u>	<u>1,352,511</u>
Total expenses	<u>27,178,270</u>	<u>27,298,204</u>	<u>14,028,481</u>	<u>13,650,761</u>	<u>41,206,751</u>	<u>40,948,965</u>
Increase in net position before transfers	345,017	1,476,044	658,590	1,053,993	1,003,607	2,530,037
Transfers	<u>445,972</u>	<u>771,284</u>	<u>(445,972)</u>	<u>(771,284)</u>	<u>-</u>	<u>-</u>
Increase/ (decrease) in net position	790,989	2,247,328	212,618	282,709	1,003,607	2,530,037
Net position—beginning	66,289,908	57,302,765	32,176,863	31,894,154	98,466,771	89,196,919
Prior period adjustment	-	(867,734)	-	-	-	(867,734)
Change in accounting principal	<u>-</u>	<u>7,607,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,607,549</u>
Net position—ending	<u>\$ 67,080,897</u>	<u>\$ 66,289,908</u>	<u>\$ 32,389,481</u>	<u>\$ 32,176,863</u>	<u>\$ 99,470,378</u>	<u>\$ 98,466,771</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, unassigned 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 \$8.6 million. Approximately 78.0% of this total amount constitutes unassigned fund balance which is available for any public purpose. Approximately 2.5% of fund balance has been assigned by City management for community services. The restricted fund balance of \$1.6 million is 18.9% of the total fund balance and is constrained by creditors, grantors, contributors or laws or regulations. The remainder of the fund balance is considered non-spendable to indicate that it is not available for new spending because it has already been reserved for prepaid expenses of \$14,058 and loans receivable of \$43,243. Fund balance for all governmental funds increased by \$1.2 million over the previous fiscal year.

In the General Fund, the original budget projected a \$292 thousand increase in fund balance this fiscal year. The final amended budget changed to an expected fund balance increase of \$381 thousand. It is one of the City's financial policies to maintain fund balance in General Fund to equal 60 days of expenditures. The property tax rate remained \$0.737692 and property values slightly decreased, mirroring the ad valorem tax revenue slight decrease of 3.0%. Sales tax revenues increased by \$358 thousand over the prior year, and this increase is consistent throughout surrounding communities. All other tax based revenues also exhibited slight increases over the prior year figures. The City's continued emphasis on expenditure control left the General Fund with an increase in fund balance of \$1.1 million.

The Debt Service fund showed little change in fund balance with a decrease of \$11 thousand. The Street Construction capital project fund had an increase in fund balance of \$377 thousand attributed to grant reimbursement for various projects including the improvements to Main Street. The Economic Development fund had a net decrease in fund balance of \$396 thousand largely due to a transfer to the Fieldhouse Sports Facility of \$629 thousand to aid in bond debt payments and a lawsuit settlement paid out for \$129 thousand. The Traffic Improvement and Safety fund balance decreased by \$39 thousand due to decreases in red light ticket fine payments.

Proprietary funds. The City's proprietary fund statements provide detail on the City's individual enterprise funds 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 position decreased \$236 thousand. The Solid Waste fund net position increased \$166 thousand during this fiscal year. The addition of the Fieldhouse Sports Facility has also presented some challenges as a new operation for the City for the last few years. This fiscal year end there was a decrease in net position of \$776 thousand before transfers for the Sports Facility. As stated before, the Economic Development fund transferred \$629 thousand to the Sports Facility Fund to cover debt payments.

Capital Assets

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

At the end of fiscal year 2013, the City had \$99.2 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 \$2.9 million which is 2.8% less than the capital assets for the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	21,975	\$ 21,975	\$ 568	\$ 568	\$ 22,543	\$ 22,543
Construction in progress	23	26	87	401	110	427
Buildings	7,957	8,209	8,532	8,900	16,489	17,109
Infrastructure	24,721	26,454	22,016	22,472	46,737	48,926
Improvements	6,887	7,053	23	23	6,910	7,076
Equipment	2,732	2,566	478	124	3,210	2,690
Water rights	-	-	3,170	3,265	3,170	3,265
Totals	\$ 64,295	\$ 66,283	\$ 34,874	\$ 35,753	\$ 99,169	\$ 102,036

Capital asset events during the current fiscal year include the following:

- Water and wastewater capital costs for the current fiscal year were \$360 thousand. Of that, \$303 thousand was dedicated to a new water line on Red Bird Lane between North Duncanville Road and North Main Street.
- A Community Development Block Grant for \$36 thousand provided for improvements to Chris Paris Park.
- Vehicle replacements of \$551 thousand included 14 new vehicles primarily for use in the police department.

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 \$13.8 million in bonded debt outstanding. The entire amount is comprised of bonded debt backed by the full faith and credit of the City. In the business-like activities, the Series 2002 Tax and Waterworks and Sewer System Surplus Revenue bonds were refunded to the G.O. Refunding Series 2013 bonds for \$2.1 million.

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

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General Obligation and Certificate of Obligation bonds	\$ 6,003	\$ 7,740	\$ -	\$ -	\$ 6,003	\$ 7,740
Tax and Water/Wastewater Surplus Revenue bonds	-	-	7,774	8,475	7,774	8,475
Totals	\$ 6,003	\$ 7,740	\$ 7,774	\$ 8,475	\$ 13,777	\$ 16,215

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. 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

The following economic factors currently affect the City and were considered in developing the 2013-2014 fiscal year budget:

- Ad valorem tax revenue is determined, in part, by total assessed property value established by the Dallas Central Appraisal District. Property values increased marginally on the total tax roll for 2013-14 from 2012-13.
- The second factor in determining ad valorem tax revenue is the tax rate set by City Council. For 2013-14 fiscal year budget, the City tax rate increased to \$.758447 per \$100 of assessed valuation, a 2.8% increase over the 2012-13 rate.
- Sales tax revenue as of September 30, 2013 increased in the General Fund by 6.5%. This increase is an indicator that the regional and national economies are in recovery from the economic downturn.
- The unemployment rate for the City has increased from 6.8% to 7.2%.
- A water/wastewater rate study was performed resulting in a 10% increase in water rates and a 20% increase in sewer rates beginning October 2014. The rate increases will support the City's pay-as-you go approach for future Utility capital projects.
- With an emphasis on safety, the City will restore frozen positions and add new positions in the areas of fire and police, as well as implement a new outdoor siren warning system.

During the current fiscal year, the unassigned fund balance in the general fund was \$6.6 million, available for spending in the 2013-2014 fiscal year budget.

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

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

CITY OF DUNCANVILLE, TEXAS

GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	3,640,070	\$ 2,531,022	\$ 6,171,092
Investments	6,600,000	1,400,000	8,000,000
Receivables (net of allowance for uncollectibles)	3,467,667	2,596,237	6,063,904
Accrued interest and other	130,422	19,351	149,773
Prepaid items	14,058	150	14,208
Restricted cash and investments	-	686,047	686,047
Internal balances	52,693	(52,693)	-
Loans receivable	43,243	-	43,243
Bond issue costs	82,063	185,796	267,859
Investment in joint ventures	719,946	-	719,946
Capital assets:			
Nondepreciable	21,998,133	654,280	22,652,413
Depreciable- net of accumulated depreciation	42,297,615	34,219,251	76,516,866
Total Assets	79,045,910	42,239,441	121,285,351
LIABILITIES			
Accounts payable	1,182,291	1,074,137	2,256,428
Contracts payable	3,923	-	3,923
Accrued liabilities	663,528	29,255	692,783
Accrued interest payable	83,633	32,764	116,397
Unearned revenue	84,114	49,159	133,273
Customer performance and escrow deposits	18,783	686,047	704,830
Maintenance bond and meter deposits	150	4,384	4,534
Noncurrent liabilities			
Due within one year:			
Bonds and certificates of obligation payable	1,181,546	704,151	1,885,697
Compensated absences	195,758	5,254	201,012
Due in more than one year:			
Bonds and certificates of obligation payable	4,821,420	7,070,330	11,891,750
Compensated absences	2,600,779	69,793	2,670,572
Other postemployment benefits	1,129,088	124,686	1,253,774
Total Liabilities	11,965,013	9,849,960	21,814,973
NET POSITION			
Net investment in capital assets	59,230,613	27,099,050	86,329,663
Restricted for:			
Street construction	400,535	-	400,535
Traffic improvement and safety	133,317	-	133,317
Economic development	59,491	-	59,491
Promotion of tourism, convention and hotel industry	143,671	-	143,671
Maintenance and construction of drainage projects	167,217	-	167,217
Public safety, cultural and recreational services	90,892	-	90,892
Court technology	10,135	-	10,135
Court security	39,896	-	39,896
Juvenile case management	106,530	-	106,530
Public safety and criminal investigations	372,925	-	372,925
Park construction	25,228	-	25,228
Capital improvements	45,664	-	45,664
Unrestricted	6,254,783	5,290,431	11,545,214
Total Net Position	67,080,897	\$ 32,389,481	\$ 99,470,378

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, 2013

PROGRAM ACTIVITIES	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 2,823,031	\$ 375,464	\$ 20,638	\$ -
Finance	1,124,285	-	-	-
Community Services	3,085,333	304,827	131,840	-
Police	7,860,277	1,560,386	41,325	-
Public works	5,771,096	1,654,026	55,767	276,132
Fire	5,142,744	448,258	56,288	-
Economic development	1,200,096	-	-	-
Interest and fiscal charges	171,408	-	-	-
Total governmental activities	27,178,270	4,342,961	305,858	276,132
Business-type activities:				
Water	5,326,081	6,626,079	-	-
Sewer	5,079,846	4,850,198	-	-
Solid waste	2,150,278	2,505,516	-	-
Sports facility	1,472,276	695,758	-	-
Total business-type activities	14,028,481	14,677,551	-	-
Total government	\$ 41,206,751	19,020,512	305,858	276,132

General revenues:

Taxes:

Ad valorem

Sales

Franchise

Mixed beverage

Hotel occupancy

Earnings on investments

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (2,426,929)	\$ -	\$ (2,426,929)
(1,124,285)	-	(1,124,285)
(2,648,666)	-	(2,648,666)
(6,258,566)	-	(6,258,566)
(3,785,171)	-	(3,785,171)
(4,638,198)	-	(4,638,198)
(1,200,096)	-	(1,200,096)
(171,408)	-	(171,408)
(22,253,319)	-	(22,253,319)
-	1,299,998	1,299,998
-	(229,648)	(229,648)
-	355,238	355,238
-	(776,518)	(776,518)
-	649,070	649,070
(22,253,319)	649,070	(21,604,249)
12,091,581	-	12,091,581
7,781,695	-	7,781,695
2,029,578	-	2,029,578
55,699	-	55,699
470,710	-	470,710
41,495	9,520	51,015
127,578	-	127,578
445,972	(445,972)	-
23,044,308	(436,452)	22,607,856
790,989	212,618	1,003,607
66,289,908	32,176,863	98,466,771
\$ 67,080,897	\$ 32,389,481	\$ 99,470,378

CITY OF DUNCANVILLE, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction Fund</u>
ASSETS			
Cash and cash equivalents	458,254	7,742	303,933
Investments	4,000,000	1,000,000	100,000
Receivables -			
Property taxes (net of allowance)	352,982	30,641	-
Trade accounts (net of allowance)	634,132	-	-
Other taxes	1,741,797	-	-
Assessments	-	-	53,409
Intergovernmental	-	-	-
Accrued interest and other	16,614	1,779	525
Prepaid items	14,058	-	-
Due from other funds	1,450,000	-	-
Loans receivable	43,243	-	-
Total assets	<u>\$ 8,711,080</u>	<u>\$ 1,040,162</u>	<u>\$ 457,867</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 693,683	\$ 323	\$ -
Customer performance and escrow deposits	18,783	-	-
Contracts payable	-	-	3,923
Accrued liabilities	260,045	-	-
Due to other funds	-	1,000,000	-
Deferred revenue	822,418	24,128	53,409
Total liabilities	<u>1,794,929</u>	<u>1,024,451</u>	<u>57,332</u>
FUND BALANCES:			
Nonspendable:			
Loans receivable	43,243	-	-
Prepaid items	14,058	-	-
Restricted for:			
Debt service	-	15,711	-
Street construction	-	-	400,535
Traffic improvement and safety	-	-	-
Economic development	-	-	-
Promotion of tourism, convention and hotel industry	-	-	-
Maintenance and construction of drainage projects	-	-	-
Public safety, cultural and recreational services	-	-	-
Court technology	-	-	-
Court security	-	-	-
Juvenile case management	-	-	-
Public safety and criminal investigations	-	-	-
Park construction	-	-	-
Capital improvements	-	-	-
Assigned:			
Community services	211,403	-	-
Unassigned:			
	<u>6,647,447</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>6,916,151</u>	<u>15,711</u>	<u>400,535</u>
Total liabilities and fund balances	<u>\$ 8,711,080</u>	<u>\$ 1,040,162</u>	<u>\$ 457,867</u>

The accompanying notes are an integral part of this statement.

<u>Traffic I&S</u>	<u>Economic Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
63,120	1,812	818,574	\$ 1,653,435
100,000	400,000	100,000	5,700,000
-	-	-	383,623
78,204	348,343	125,140	1,185,819
-	-	89,980	1,831,777
-	-	-	53,409
-	-	13,039	13,039
525	2,049	-	21,492
-	-	-	14,058
-	-	-	1,450,000
-	-	-	43,243
<u>\$ 241,849</u>	<u>\$ 752,204</u>	<u>\$ 1,146,733</u>	<u>\$ 12,349,895</u>
\$ 108,024	241,931	\$ 121,714	\$ 1,165,675
-	150	-	18,933
-	-	-	3,923
508	632	3,339	264,524
-	450,000	-	1,450,000
-	-	19,522	919,477
<u>108,532</u>	<u>692,713</u>	<u>144,575</u>	<u>3,822,532</u>
-	-	-	43,243
-	-	-	14,058
-	-	-	15,711
-	-	-	400,535
133,317	-	-	133,317
-	59,491	-	59,491
-	-	143,671	143,671
-	-	167,217	167,217
-	-	90,892	90,892
-	-	10,135	10,135
-	-	39,896	39,896
-	-	106,530	106,530
-	-	372,925	372,925
-	-	25,228	25,228
-	-	45,664	45,664
-	-	-	211,403
-	-	-	6,647,447
<u>133,317</u>	<u>59,491</u>	<u>1,002,158</u>	<u>8,527,363</u>
<u>\$ 241,849</u>	<u>\$ 752,204</u>	<u>\$ 1,146,733</u>	<u>\$ 12,349,895</u>

CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS \$ 8,527,363

Amounts reported for governmental activities in the statement of net position 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 \$1,209,554). 63,086,194

Revenue earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements. 835,365

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. (83,633)

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 \$52,693. 3,842,190

Investments in joint ventures represent a financial asset not reported in governmental funds. 719,946

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

Certificates of obligation	(6,002,966)	
Less issuance costs (to be amortized as interest expense)	82,063	
Compensated absences	(2,796,537)	
Other post employment benefits	(1,129,088)	
	(9,846,528)	(9,846,528)

NET POSITION OF GOVERNMENTAL ACTIVITIES 67,080,897

The accompanying notes are an integral part of this statement.



Duncanville
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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, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction</u>
REVENUES			
Taxes:			
Ad valorem	\$ 10,798,620	\$ 1,307,990	\$ -
Sales	5,836,271	-	-
Franchise	2,029,578	-	-
Mixed beverage	55,699	-	-
Hotel	-	-	-
Licenses, permits and fees	1,492,666	-	-
Fines and forfeitures	743,243	-	-
Recreational fees	304,747	-	-
Intergovernmental	354,722	-	276,132
Investment income	21,851	6,647	816
Rental and other	501,720	-	-
Gifts and contributions	21,863	-	-
Total revenues	<u>22,160,980</u>	<u>1,314,637</u>	<u>276,948</u>
EXPENDITURES			
Current:			
General government	1,700,400	-	-
Finance	1,063,703	-	-
Community services	2,740,534	-	-
Police	7,461,010	-	-
Public works	3,658,901	-	5,299
Fire	5,176,367	-	-
Non-departmental	528,212	-	-
Special purposes - promotional	-	-	-
Debt Service:			
Principal retirement	-	1,043,474	-
Interest and fiscal charges	-	486,725	-
Capital outlay:			
General government	105,141	-	-
Community services	51,386	-	-
Police	24,957	-	-
Public works	14,807	-	-
Non-departmental	45,585	-	-
Special purposes - promotional	-	-	-
Total expenditures	<u>22,571,003</u>	<u>1,530,199</u>	<u>5,299</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(410,023)</u>	<u>(215,562)</u>	<u>271,649</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,502,774	204,500	105,000
Transfers out	-	-	-
Total other financing sources (uses)	<u>1,502,774</u>	<u>204,500</u>	<u>105,000</u>
Net change in fund balances	1,092,751	(11,062)	376,649
Fund balances, beginning of year	5,823,400	26,773	23,886
Fund balances, end of year	<u>\$ 6,916,151</u>	<u>\$ 15,711</u>	<u>\$ 400,535</u>

The accompanying notes are an integral part of this statement.

Traffic I & S	Economic Development	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 12,106,610
-	1,945,424	-	7,781,695
-	-	-	2,029,578
-	-	-	55,699
-	-	470,710	470,710
725,542	-	639,148	2,857,356
-	-	248,843	992,086
-	-	-	304,747
-	-	137,916	768,770
1,159	2,994	1,027	34,494
-	-	5,461	507,181
-	-	-	21,863
<u>726,701</u>	<u>1,948,418</u>	<u>1,503,105</u>	<u>27,930,789</u>
73,450	476,224	157,204	2,407,278
47,870	-	-	1,111,573
-	-	-	2,740,534
486,882	-	125,342	8,073,234
965	-	375,051	4,040,216
-	-	12,621	5,188,988
-	-	-	528,212
-	295,584	271,523	567,107
-	365,000	-	1,408,474
-	149,143	-	635,868
-	-	36,333	141,474
-	-	36,902	88,288
-	-	32,100	57,057
-	-	143,864	158,671
-	-	-	45,585
-	-	22,714	22,714
<u>609,167</u>	<u>1,285,951</u>	<u>1,213,654</u>	<u>27,215,273</u>
<u>117,534</u>	<u>662,467</u>	<u>289,451</u>	<u>715,516</u>
-	-	68,842	1,881,116
(156,680)	(1,058,334)	(220,130)	(1,435,144)
<u>(156,680)</u>	<u>(1,058,334)</u>	<u>(151,288)</u>	<u>445,972</u>
(39,146)	(395,867)	138,163	1,161,488
172,463	455,358	863,995	7,365,875
<u>\$ 133,317</u>	<u>\$ 59,491</u>	<u>\$ 1,002,158</u>	<u>\$ 8,527,363</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, 2013**

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS	\$ 1,161,488
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 the cost of those assets is allocated over their estimated useful lives as depreciation expense, (excluding internal service capital additions of \$550,877).	513,789
The net change in equity of the joint venture is not reported at the fund level; however, it is reported at the government-wide level.	(44,266)
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 an expenditure in governmental funds.	(2,657,113)
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.	1,408,474
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.	(17,423)
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.	169,958
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.	(2,241)
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(399,755)
Current year changes in accreted interest do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.	328,937
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.	(121,763)
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 \$54,720 allocated to business type activities).	<u>450,904</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 790,989</u>

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes:				
Ad valorem	\$ 10,914,367	\$ 10,828,993	\$ 10,798,620	\$ (30,373)
Sales	5,792,047	5,792,047	5,836,271	44,224
Franchise	1,970,000	1,972,000	2,029,578	57,578
Other	44,100	46,000	55,699	9,699
Licenses, permits and fees	1,215,200	1,447,329	1,492,666	45,337
Fines and forfeitures	829,000	750,313	743,243	(7,070)
Recreation fees	201,000	204,545	304,747	100,202
Intergovernmental	291,300	229,181	354,722	125,541
Investment income	17,000	17,527	21,851	4,324
Rental and other	467,249	476,686	501,720	25,034
Gifts and contributions	-	-	21,863	21,863
Total revenues	<u>21,741,263</u>	<u>21,764,621</u>	<u>22,160,980</u>	<u>396,359</u>
EXPENDITURES				
Current:				
General government	1,893,198	1,800,174	1,700,400	99,774
Finance	1,166,177	1,146,142	1,063,703	82,439
Community services	2,591,321	2,562,785	2,740,534	(177,749)
Police	7,719,743	7,663,416	7,461,010	202,406
Public works	3,839,342	3,821,145	3,658,901	162,244
Fire	5,225,038	5,209,009	5,176,367	32,642
Non-departmental	362,439	516,512	528,212	(11,700)
Capital outlay:				
General government	76,795	76,795	105,141	(28,346)
Community services	-	12,100	51,386	(39,286)
Police	-	-	24,957	(24,957)
Public works	15,000	15,000	14,807	193
Fire	63,001	63,000	-	63,000
Non-departmental	-	-	45,585	(45,585)
Total expenditures	<u>22,952,054</u>	<u>22,886,078</u>	<u>22,571,003</u>	<u>315,075</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,210,791)</u>	<u>(1,121,457)</u>	<u>(410,023)</u>	<u>711,434</u>
OTHER FINANCING SOURCES				
Transfers in	1,502,772	1,502,777	1,502,774	(3)
Total other financing sources	<u>1,502,772</u>	<u>1,502,777</u>	<u>1,502,774</u>	<u>(3)</u>
Net change in fund balance	<u>\$ 291,981</u>	<u>\$ 381,320</u>	<u>1,092,751</u>	<u>\$ 711,431</u>
FUND BALANCE, beginning of year			<u>5,823,400</u>	
FUND BALANCE, end of year			<u>\$ 6,916,151</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, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Traffic enforcement fees	\$ 782,475	\$ 713,704	\$ 725,542	\$ 11,838
Interest on investments	1,125	1,125	1,159	34
Total revenues	<u>783,600</u>	<u>714,829</u>	<u>726,701</u>	<u>11,872</u>
EXPENDITURES				
General government	103,288	103,288	73,450	29,838
Police	486,882	486,882	486,882	-
Public works	-	-	965	(965)
Finance	53,574	53,575	47,870	5,705
Total expenditures	<u>643,744</u>	<u>643,745</u>	<u>609,167</u>	<u>34,578</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>139,856</u>	<u>71,084</u>	<u>117,534</u>	<u>46,450</u>
OTHER FINANCING USES				
Transfers out	<u>(156,680)</u>	<u>(156,680)</u>	<u>(156,680)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(16,824)	(85,596)	(39,146)	46,450
FUND BALANCE, beginning of year			<u>172,463</u>	
FUND BALANCE, end of year			<u>\$ 133,317</u>	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Sales tax	\$ 1,790,911	\$ 1,930,682	\$ 1,945,424	\$ 14,742
Investment income	4,000	4,000	2,994	(1,006)
Total revenues	<u>1,794,911</u>	<u>1,934,682</u>	<u>1,948,418</u>	<u>13,736</u>
EXPENDITURES				
General government	359,829	457,725	476,224	(18,499)
Special purposes - promotional	185,846	196,452	295,584	(99,132)
Debt service-				
Principal bond retirement	365,000	365,000	365,000	-
Interest and fiscal charges	150,061	150,061	149,143	918
Total expenditures	<u>1,060,736</u>	<u>1,169,238</u>	<u>1,285,951</u>	<u>(116,713)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>734,175</u>	<u>765,444</u>	<u>662,467</u>	<u>(102,977)</u>
OTHER FINANCING USES				
Transfers out	(683,334)	(1,058,334)	(1,058,334)	-
Total other financing uses	<u>(683,334)</u>	<u>(1,058,334)</u>	<u>(1,058,334)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	50,841	(292,890)	(395,867)	(102,977)
FUND BALANCES, beginning of year			<u>455,358</u>	
FUND BALANCES, end of year			<u>\$ 59,491</u>	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2013

	Utility	Solid Waste	Fieldhouse Sports Facility	Total	Governmental Activities - Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,860,170	\$ 668,368	\$ 2,484	\$ 2,531,022	1,986,635
Investments	1,400,000	-	-	1,400,000	900,000
Receivables-					
Customers (net of allowance)	1,130,802	200,846	-	1,331,648	-
Unbilled	1,092,806	171,783	-	1,264,589	-
Due from other funds	510,000	-	-	510,000	70,000
Accrued interest and other	17,355	92	1,904	19,351	108,932
Prepaid items	150	-	-	150	-
Total current assets	6,011,283	1,041,089	4,388	7,056,760	3,065,567
Non-current assets:					
Restricted cash-					
Customer deposits	686,047	-	-	686,047	-
Capital assets-					
Land and construction-in-progress	175,844	-	478,436	654,280	-
Water rights, net	3,169,561	-	-	3,169,561	-
Buildings and improvements, net	2,479,823	-	6,075,307	8,555,130	-
Distribution lines and equipment, net	22,474,632	-	19,928	22,494,560	1,209,554
Bond issue costs	50,747	-	135,049	185,796	-
Total non-current assets	29,036,654	-	6,708,720	35,745,374	1,209,554
TOTAL ASSETS	35,047,937	1,041,089	6,713,108	42,802,134	4,275,121
LIABILITIES					
Current liabilities:					
Accounts payable	791,934	237,192	45,011	1,074,137	16,620
Accrued liabilities	22,664	1,518	5,073	29,255	399,004
Due to other funds	-	-	510,000	510,000	70,000
Accrued interest payable	3,616	-	29,148	32,764	-
Deferred revenue	-	-	49,159	49,159	-
Accrued compensated absences - current	4,951	303	-	5,254	-
Bonds payable - current	309,151	-	395,000	704,151	-
Total current liabilities	1,132,316	239,013	1,033,391	2,404,720	485,624
Long-term Liabilities:					
Accrued compensated absences	65,777	4,016	-	69,793	-
Bonds payable	1,735,330	-	5,335,000	7,070,330	-
Other postemployment benefits liability	104,922	15,396	4,368	124,686	-
Payable from restricted assets					
Customer deposits	686,047	-	-	686,047	-
Maintenance bond and meter deposit payables	4,384	-	-	4,384	-
Total long-term liabilities	2,596,460	19,412	5,339,368	7,955,240	-
Total liabilities	3,728,776	258,425	6,372,759	10,359,960	485,624
NET POSITION					
Invested in capital assets	26,255,379	-	843,671	27,099,050	1,209,554
Unrestricted	5,063,782	782,664	(503,322)	5,343,124	2,579,943
TOTAL NET POSITION	\$ 31,319,161	\$ 782,664	\$ 340,349	32,442,174	\$ 3,789,497

Reconciliation to government-wide statement of net position:
 Adjustment to reflect the consolidation of internal service funds
 activities related to enterprise funds (52,693)
 Net position of business-type activities \$ 32,389,481

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Utility	Solid Waste	Fieldhouse Sports Facility	Total	Governmental Activities - Internal Service Funds
OPERATING REVENUES					
Water	\$ 6,311,961	\$ -	\$ -	\$ 6,311,961	\$ -
Sewer	4,850,198	-	-	4,850,198	-
Solid waste	-	2,505,516	-	2,505,516	-
Sports facility	-	-	629,957	629,957	-
Penalties	136,379	-	-	136,379	-
Premiums, charges for services and other	177,739	-	65,801	243,540	3,905,802
Total operating revenues	11,476,277	2,505,516	695,758	14,677,551	3,905,802
OPERATING EXPENSES					
Water services	4,231,512	-	-	4,231,512	-
Sewer	3,997,979	-	-	3,997,979	-
Solid waste	-	2,154,686	-	2,154,686	-
Sports facility	-	-	955,287	955,287	-
Claims and provision	-	-	-	-	2,487,596
Administrative and fiscal	1,178,869	-	-	1,178,869	552,082
Depreciation and amortization	990,118	-	265,447	1,255,565	394,654
Total operating expenses	10,398,478	2,154,686	1,220,734	13,773,898	3,434,332
OPERATING INCOME (LOSS)	1,077,799	350,830	(524,976)	903,653	471,470
NON-OPERATING REVENUES (EXPENSES)					
Investment income	8,996	524	-	9,520	7,001
Interest and fiscal charges	(57,941)	-	(251,362)	(309,303)	-
Gain on sale of capital assets	-	-	-	-	27,153
Total non-operating revenues (expenses)	(48,945)	524	(251,362)	(299,783)	34,154
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,028,854	351,354	(776,338)	603,870	505,624
Transfers in	-	-	1,004,034	1,004,034	-
Transfers out	(1,264,368)	(185,638)	-	(1,450,006)	-
CHANGES IN NET POSITION	(235,514)	165,716	227,696	157,898	505,624
TOTAL NET POSITION - BEGINNING	31,554,675	616,948	112,653		3,283,873
TOTAL NET POSITION - ENDING	\$ 31,319,161	\$ 782,664	\$ 340,349		\$ 3,789,497
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				54,720	
Change in net position of business-type activities				\$ 212,618	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED SEPTEMBER 30, 2013

	Utility Fund	Solid Waste Fund	Fieldhouse Sports Facility	Total	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 11,297,176	\$ 2,512,995	\$ 629,957	\$ 14,440,128	\$ -
Payments to suppliers	(7,359,917)	(1,985,602)	(1,095,957)	(10,441,476)	(3,469,640)
Payments to employees	(1,862,816)	(83,580)	(250,012)	(2,196,408)	-
Internal activity - receipts from other funds	-	-	-	-	3,444,959
Other receipts	177,739	-	65,801	243,540	460,843
Net cash provided by (used in) operating activities	2,252,182	443,813	(650,211)	2,045,784	436,162
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to (from) other funds	(1,264,368)	(185,638)	1,004,034	(445,972)	-
Due to (from) other funds	(293,000)	-	293,000	-	1,505,000
Net cash provided (used in) by noncapital financing activities	(1,557,368)	(185,638)	1,297,034	(445,972)	1,505,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(359,971)	-	(15,643)	(375,614)	(550,877)
Sale of capital assets	-	-	-	-	27,153
Principal paid on bond maturities	(280,000)	-	(390,000)	(670,000)	-
Interest paid on bond maturities	(92,228)	-	(239,873)	(332,101)	-
Net cash used in capital and related financing activities	(732,199)	-	(645,516)	(1,377,715)	(523,724)
CASH FLOWS FROM INVESTING ACTIVITIES					
Maturity (purchase) of investments	(100,000)	-	-	(100,000)	(600,000)
Interest on investments	11,107	524	-	11,631	30,966
Net cash provided by (used in) investing activities	(88,893)	524	-	(88,369)	(569,034)
Net increase (decrease) in cash and cash equivalents	(126,278)	258,699	1,307	133,728	848,404
CASH AND CASH EQUIVALENTS, beginning of year	2,672,495	409,669	1,177	3,083,341	1,138,231
CASH AND CASH EQUIVALENTS, end of year	2,546,217	668,368	2,484	3,217,069	1,986,635
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 1,077,799	\$ 350,830	\$ (524,976)	\$ 903,653	\$ 471,470
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	894,071	-	265,447	1,159,518	394,654
Amortization of water rights	96,047	-	-	96,047	-
Change in assets and liabilities:					
Accounts receivable	(45,020)	7,479	-	(37,541)	1,083
Accrued compensated absences	(4,989)	(147)	(17,160)	(22,296)	-
Other postemployment benefits liability	21,696	2,279	-	23,975	-
Prepaid items	(150)	-	-	(150)	-
Accounts payable and accrued liabilities	169,070	83,372	(373,522)	(121,080)	(431,045)
Customer deposits	43,658	-	-	43,658	-
Total adjustments	1,174,383	92,983	(125,235)	1,142,131	(35,308)
Net cash provided by (used in) operating activities	\$ 2,252,182	\$ 443,813	\$ (650,211)	\$ 2,045,784	\$ 436,162
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET ASSETS					
Unrestricted cash and cash equivalents				2,531,022	1,986,635
Restricted cash and cash equivalents				686,047	-
				\$ 3,217,069	\$ 1,986,635

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & NEW GASB PRONOUNCEMENTS

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

The financial statements of the City have been prepared to conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. 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 blended component unit, the Duncanville Community and Economic Development Corporation ("DCEDC"), an entity for which the City is financially and operationally responsible for.

The DCEDC was incorporated on April 28, 1995 as a nonprofit industrial development corporation under the Development Corporation Act of 1979 ("Act"). 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. The DCEDC operates under a seven member Board of Directors which is comprised of four City Council members. The DCEDC meets all three requirements sufficient to be considered a component unit (direct benefit, access to resources, and significance to the primary government). The DCEDC is a blended component due to the substantial representation of the City Council on the DCEDC board and the City management's operational responsibility for the board. The blended component unit (DCEDC) is reported as a governmental fund 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 position 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.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

The statement of activities presents information showing how the City's net position 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 fourteen 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, Traffic Improvement and Safety, and Economic Development 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, Solid Waste and Fieldhouse Sports Facility 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. The internal service funds predominately benefit governmental rather than business-type functions, so 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 and Individual Fund Statements and 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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 position.

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, and 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 revenue source is derived from red light ticket fines.
- The Economic Development fund accounts for 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 revenue is derived from additional sales and use tax rate of ½%.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

The City of Duncanville reports the following major proprietary funds:

- The Utility enterprise fund is used to account for the rendering of water and sewer services to the residents and businesses of the City.
- The Solid Waste enterprise fund is used to account for the rendering of sanitation services to the residents and businesses of the City.
- The Fieldhouse Sports Facility enterprise fund is used to account for the rendering of sporting league, tournament, and event services for the residents and non-residents.

All proprietary fund activities necessary to provide such services are accounted for in each individual 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. There were no encumbrances for the City at fiscal year-end.

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 a surplus fund and inter-fund payables of the deficit fund.

Investments purchased with pooled cash are treated as pooled cash and investments. 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; however, fiscal year-end investments with maturities greater than one year are reflected at fair value on the accompanying statement of net position.

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.

Restricted Assets—Certain cash and investment balances are restricted by various legal and contractual obligations. The Utility Fund is used to report those proceeds of revenue bond issuances that are restricted for use in construction. Also included in the Utility enterprise fund are customer deposits received for water and wastewater service, which are, by law, considered restricted assets.

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 position, 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, 2013, 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-

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 and as such amounts are not material.

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

Buildings	25 to 50 years
Infrastructure/improvements	7 to 50 years
Equipment	2 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, 2013 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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 position. 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.

Fund Equity—The City has adopted GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions, to enhance the usefulness of fund balance information by providing clearer fund balance classifications and clarification of existing government fund type definitions. The fund balance classifications under GASB No. 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable fund balance represents fund balance that is (a) not in a spendable form such as prepaid items or (b) legally or contractually required to be maintained intact such as an endowment.

Restricted fund balance consists of amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources.

Committed fund balances are self-imposed limitations set in place prior to the end of the fiscal period used only for the specific purposes determined and approved by formal action of the City Council majority vote, which is the highest level of decision making authority for the City. The same level of action is required to modify or rescind a fund balance commitment.

Assigned fund balance consists of amounts that are subject to a purpose constraint that represents an intended use established by (a) the City Council itself (b) a body (budget or finance committee for example) or (c) an official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. Assignments are made by the City Council, City Manager, or Finance Director.

Unassigned fund balance represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications.

When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

The City will maintain a minimum fund balance equal to sixty days of the total operating expenditures of the General Fund.

Additionally, the implementation of GASB No. 54 required the City to evaluate the classification of Special Revenue Funds. In accordance with GASB No. 54, Special Revenue Funds are used only to account for specific revenue sources that are externally restricted or committed by the government's highest level of decision making authority for specific purposes other than debt service or capital projects.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

New Accounting Standards/Pronouncements-

GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements" is effective for the City beginning in fiscal year 2013. This statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The City has no SCAs as of September 30, 2013.

GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" is effective for the City beginning in fiscal year 2013. This statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations; Accounting Principles Board Opinions; Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure. The City implemented GASB No. 62 in this annual report.

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, will be effective for periods beginning after December 15, 2013. The Statement reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows or inflows of resources, and recognizes these items as outflows or inflows of resources. This statement applies to all state and local governmental entities. The City will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

GASB Statement No. 67, Financial Reporting for Pension Plans will be effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting of state and local governmental pension plans with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement applies to all state and governmental entities and amends Statements 25 and 50. The City will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

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

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 demand deposits were fully collateralized at September 30, 2013, in full compliance with state statute and City policy. At year-end, the reconciled balance of the City's cash was \$2,319,735. The combined bank balances of the City were \$2,374,185. Of the bank balance, \$250,000 was covered by Federal Depository Insurance and the remainder by surety bond in the amount of \$2,124,185. The surety is held by Traveler's Casualty and Surety Company of America in the City's name under agreement with Wells Fargo Bank, N.A.

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 owns an individual beneficial interest in the assets of the related investment pools. LOGIC uses amortized cost rather than fair value to report net position to compute 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 Corporation 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, 2013 are as follows:

Description	Fair Value	Less Than 1 Year	Weighted Average Maturity
Cash equivalents			
Local Government Investment Cooperative ("Logic") (AAA/MR1+, 2a-7 like pool)	\$ 4,532,648	\$ 4,532,648	
Texpool (AAAm, 2a-7 like pool)	4,750	4,750	
Total cash equivalents	4,537,398	4,537,398	
Investments			
Certificates of deposit	8,000,000	8,000,000	76 days
Total cash equivalents and investments	\$ 12,537,398	\$ 12,537,398	

All the City's investments at September 30, 2013, have maturities of less than one year and therefore there is 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 investments. Such investments include: (1) obligations of the United States or its agencies; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal on which are unconditionally guaranteed by the State of Texas or the United States or their respective agencies; (4) collateralized certificates of deposit; (5) eligible local government investment pools which are continuously rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service and; (6) repurchase agreements, reverse repurchase agreements, bankers acceptances, and commercial paper to the extent that they are contained in the portfolios of approved public funds investment pools in which the City invests.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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%
Financial Institution Certificates of Deposit	75%
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 of 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, 2012, upon which the 2013 fiscal year levy was based, was \$1,626,721,654.

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 to 18% on July 1, additional interest accrues at the rate of 1% each month thereafter. As of July 1, a 20% collection cost may be added to all delinquent accounts. Total current tax collections for the year ended September 30, 2013 were 98.8% of the tax levy.

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

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

4. RECEIVABLES

Receivables at September 30, 2013, 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	Economic Development	Nonmajor Governmental	Utility Fund	Solid Waste Fund	Total
Receivables									
Accounts	\$ 2,111,756	\$ -	\$ -	\$ 78,204	\$ 348,343	\$ 148,597	\$ 2,735,209	\$ 442,597	\$ 5,864,706
Ad valorem taxes	662,915	132,521	-	-	-	-	-	-	795,436
Other taxes	1,741,797	-	-	-	-	89,980	-	-	1,831,777
Assessments	-	-	53,409	-	-	-	-	-	53,409
Intergovernmental	-	-	-	-	-	13,039	-	-	13,039
Gross receivables	4,516,468	132,521	53,409	78,204	348,343	251,616	2,735,209	442,597	8,558,367
Less allowance for uncollectibles	(1,787,557)	(101,880)	-	-	-	(23,457)	(511,601)	(69,968)	(2,494,463)
Net total receivables	\$ 2,728,911	\$ 30,641	\$ 53,409	\$ 78,204	\$ 348,343	\$ 228,159	\$ 2,223,608	\$ 372,629	\$ 6,063,904

5. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2013:

Governmental activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 21,975,419	\$ -	\$ -	\$ -	\$ 21,975,419
Construction in progress	25,999	22,714	-	(25,999)	22,714
Total capital assets, not being depreciated	22,001,418	22,714	-	(25,999)	21,998,133
Capital assets being depreciated:					
Buildings	12,583,089	-	-	-	12,583,089
Infrastructure	60,302,699	143,864	-	25,999	60,472,562
Improvements	8,941,733	36,902	-	-	8,978,635
Equipment	13,511,423	861,189	-	-	14,372,612
Total capital assets being depreciated	95,338,944	1,041,955	-	25,999	96,406,898
Less accumulated depreciation for:					
Buildings	(4,374,120)	(251,662)	-	-	(4,625,782)
Infrastructure	(33,848,457)	(1,902,931)	-	-	(35,751,388)
Improvements	(1,889,160)	(202,173)	-	-	(2,091,333)
Equipment	(10,945,779)	(695,001)	-	-	(11,640,780)
Total accumulated depreciation	(51,057,516)	(3,051,767)	-	-	(54,109,283)
Total capital assets being depreciated, net	44,281,428	(2,009,812)	-	25,999	42,297,615
Governmental activities capital assets, net	\$ 66,282,846	\$ (1,987,098)	\$ -	\$ -	\$ 64,295,748

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Business-type activities:

	Beginning Balance	Increases	Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 567,630	\$ -	\$ -	\$ 567,630
Construction in progress	400,859	17,000	(331,209)	86,650
Total capital assets, not being depreciated	<u>968,489</u>	<u>17,000</u>	<u>(331,209)</u>	<u>654,280</u>
Capital assets being depreciated:				
Buildings	11,703,957	-	-	11,703,957
Infrastructure	40,311,674	303,033	8,888	40,623,595
Water rights	4,802,361	-	-	4,802,361
Improvements	29,130	-	-	29,130
Equipment	1,157,954	55,580	322,321	1,535,855
Total capital assets being depreciated	<u>58,005,076</u>	<u>358,613</u>	<u>331,209</u>	<u>58,694,898</u>
Less accumulated depreciation for:				
Buildings	(2,803,845)	(367,798)	-	(3,171,643)
Infrastructure	(17,839,912)	(767,267)	-	(18,607,179)
Water rights	(1,536,753)	(96,047)	-	(1,632,800)
Improvements	(5,733)	(581)	-	(6,314)
Equipment	(1,033,839)	(23,872)	-	(1,057,711)
Total accumulated depreciation	<u>(23,220,082)</u>	<u>(1,255,565)</u>	<u>-</u>	<u>(24,475,647)</u>
Total capital assets being depreciated, net	<u>34,784,994</u>	<u>(896,952)</u>	<u>331,209</u>	<u>34,219,251</u>
Business-type activities capital assets, net	<u>\$ 35,753,483</u>	<u>\$ (879,952)</u>	<u>\$ -</u>	<u>\$ 34,873,531</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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

General Government	\$	118,189
Finance		315
Community services		403,224
Police		25,622
Public works		1,760,775
Fire		64,574
Economic Development		<u>284,414</u>
Total governmental activities		2,657,113
Internal service activity:		
Fleet rotation		<u>394,654</u>
Total government & internal service activities	\$	<u>3,051,767</u>
Business-like activities:		
Water and sewer	\$	894,071
Water rights amortization		96,047
Fieldhouse		<u>265,447</u>
Total business-like activities	\$	<u>1,255,565</u>

The City has active construction projects as of September 30, 2013. Total accumulated commitments for ongoing capital projects are composed of the following:

Business-type activities:		
Utility Fund	\$	<u>243,000</u>
Total business-type activities	\$	<u>243,000</u>

There are no construction commitments for governmental activities.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

6. INTERFUND BALANCES AND TRANSFERS

Interfund balances as of September 30, 2013 are as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Debt service	\$ 1,000,000
General	Economic development	450,000
Capital replacement (internal service fund)	Self insurance (internal service fund)	70,000
Utility (enterprise fund)	Sports Facility (enterprise fund)	510,000
	Total	<u>\$ 2,030,000</u>

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

Transfers were as follows for the fiscal year ended September 30, 2013:

Fund	Transfer In	Transfer Out
General	\$ 1,502,774	\$ -
Debt service	204,500	-
Street construction	105,000	-
Traffic I & S	-	156,680
Economic development	-	1,058,334
Non-major governmental funds	68,842	220,130
Utility	-	1,264,368
Solid waste	-	185,638
Sports Facility	1,004,034	-
Total	<u>\$ 2,885,150</u>	<u>\$ 2,885,150</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**
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, 2013, expenditures exceeded appropriations (the legal level of budgetary control) in the General Fund's Community Services by \$217,035 and General Fund's Non-departmental by \$57,285. These over expenditures were funded by greater than expected revenues in the General Fund. The Duncanville Community Economic Development Corporation's expenditures exceeded appropriations by \$102,977 as a result of a lawsuit settlement discussed in Note 19 Subsequent Event.

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	
	Principal	Interest	Principal	Interest
2014	1,181,546	657,160	715,000	259,926
2015	1,153,589	684,616	730,000	247,615
2016	410,000	102,105	745,000	234,022
2017	430,000	85,305	765,000	216,990
2018-2022	1,890,000	158,188	3,180,000	773,499
2023-2026	-	-	1,710,000	178,350
Total	5,065,135	1,687,374	7,845,000	1,910,402
Accreted Interest	937,831			
Total	6,002,966			

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Long-term bonded debt at September 30, 2013, includes the following individual issues:

	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>				
Certificate of Obligation Bonds:				
Series 2002 Tax and Waterworks and Sewer System Surplus Revenue	4.55-5.00	2/15/2015	2,497,966	801,546
C.O. Series 2006 Tax & WW/SS Rev	4-4.125	2/15/2021	<u>3,505,000</u>	<u>380,000</u>
Total certificate of obligation bonds			<u>6,002,966</u>	<u>1,181,546</u>
Total governmental activities long-term bonded debt			<u>\$ 6,002,966</u>	<u>\$ 1,181,546</u>
 <u>Business-Like Activities</u>				
Water and Sewer Revenue Bonds:				
G.O. Refunding Series 2013	3.25-4.55	2/15/2020	\$ 2,115,000	\$ 320,000
Series 2010 Tax and Waterworks and Sewer System Revenue Certificates of Obligation	1.0 -4.625	8/15/2025	<u>\$ 5,730,000</u>	<u>\$ 395,000</u>
Total business-like activities long-term debt			<u>\$ 7,845,000</u>	<u>\$ 715,000</u>
Total long-term bonded debt (primary government)			<u>\$ 13,847,966</u>	<u>\$ 1,896,546</u>

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Long-term liability activity for the year ended September 30, 2013, 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	\$ 195,000	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -
Certificates of obligation	7,545,376	-	1,213,474	152,591	481,527	6,002,966	1,181,546
Total bonds payable	7,740,376	-	1,408,474	152,591	481,527	6,002,966	1,181,546
Accrued compensated absences	2,966,495	978,988	1,148,946	-	-	2,796,537	195,758
Other postemployment benefits	1,007,325	562,349	440,586	-	-	1,129,088	-
Arbitrage rebate liability	-	-	-	-	-	-	-
Total governmental activities	11,714,196	1,541,337	2,998,006	152,591	481,527	9,928,591	1,377,304
Business-type activities:							
Bonds payable:							
Series 2002 Tax and Waterworks and Sewer system Surplus Revenue refunding bonds	2,355,000	-	2,355,000	-	-	-	-
Series 2010 Tax and Waterworks and Sewer System Revenue Certificates of Obligation	6,120,000	-	390,000	-	-	5,730,000	395,000
General Obligation Refunding Series 2013	-	2,115,000	-	-	-	2,115,000	320,000
Deferred loss on refunding	-	(75,039)	4,520	-	-	(70,519)	(10,849)
Total bonds payable	8,475,000	2,039,961	2,749,520	-	-	7,774,481	704,151
Accrued compensated absences	97,343	65,292	87,588	-	-	75,047	5,254
Other postemployment benefits	100,712	40,921	16,947	-	-	124,686	-
Total business-like activities	8,673,055	2,146,174	2,854,055	-	-	7,974,214	709,405
Total long-term liabilities (primary government)	\$ 20,387,251	\$ 3,687,511	\$ 5,852,061	\$ 152,591	\$ 481,527	\$ 17,902,805	\$ 2,086,709

The long-term liabilities other than debt, such as compensated absences and other postemployment benefits, are paid from the General, Enterprise, and Internal Service funds based on the assignment of the employee at termination.

Due to favorable interest rates and present value savings, the City issued General Obligation Refunding Bonds, Series 2013 in the amount of \$2,115,000. The proceeds were used to refund \$2,075,000 of outstanding Tax and Waterworks and Sewer System Surplus Revenue Refunding Bonds, Series 2002. The proceeds were deposited with an escrow agent to purchase direct obligations of the United States of America. The reacquisition price exceeded the net carrying amount of the old debt by \$75,039. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. As a result, outstanding Tax and Waterworks and Sewer System Surplus Revenue Refunding Bonds, Series 2002 are considered defeased and the liability for those bonds has been removed from the statement of net position.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**
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 849 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.

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>2012</u>	<u>2013</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (age/yr service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	0%	0%
Annuity Increase (to retirees)	0% of CPI	0% of CPI

Contributions— Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member’s projected benefit allocated annually; the prior service cost contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service cost 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, 2012, valuation is effective for rates beginning January 2014).

The City’s net pension obligation (NPO) for the current year and two preceding years are as follows:

Fiscal Year	<u>2011</u>	<u>2012</u>	<u>2013</u>
Actuarial valuation date	12/31/2010	12/31/2011	12/31/2012
NPO, beginning of the year	\$ -	\$ -	\$ -
Annual pension cost:			
Annual required contribution	1,654,157	2,449,820	1,748,519
Contributions made	(1,654,157)	(2,449,820)	(1,748,519)
NPO, end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Actuarial Methods and Assumptions—The required contribution rates for fiscal year 2013 were determined as a part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

Fiscal Year	2011	2012	2013
Valuation Date	12/31/2010	12/31/2011	12/31/2012
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll
GASB 25 Equivalent Single Amortization Period	24.9 years closed period	24.9 years closed period	24.9 years closed period
Amortization period for new gains/losses	25 years	25 years	25 years
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions			
Investment return*	7.0%	7.0%	7.0%
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	0.00%	0.00%	0.00%

Funded Status and Funding Progress— The funded status as of December 31, 2012 is presented as follows:

Actuarial valuation date	12/31/2010	12/31/2011	12/31/2012
Actuarial value of assets	\$82,267,239	\$86,515,076	\$90,511,774
Actuarial accrued liability (AAL)	\$79,705,167	\$82,820,057	\$86,015,118
Unfunded actuarial accrued liability (UAAL)	(\$2,562,072)	(\$3,695,019)	(\$4,496,656)
Funded ratio	103.2%	104.5%	105.2%
Annual covered payroll (actuarial)	\$13,648,170	\$13,830,220	\$13,746,226
UAAL as a % of covered payroll	(18.8)%	(26.7)%	(32.7)%

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

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

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 2013 was \$0.3655 per 1,000 gallons plus an annual demand charge of \$202,785 for each million gallons per day as established by the rate of flow controller setting (currently 12.0 million gallons at \$2,433,420 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 (TRA) 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 TRA 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, 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 from Joe Pool Lake to the cities. Water intake facilities were financed and constructed in 1986 but the treatment plant and transportation facilities have not been constructed. There are no current plans to construct the treatment plant and transportation facilities for the City necessary to use the raw water from Joe Pool Lake. Under the contract, the City is required to pay its proportionate share (based on a percentage of water usage) of maintenance and operation costs. The City's current payments under the contract, which include debt service on bonds issued by TRA to construct the intake facilities and other costs associated with the facility, are approximately \$4,750 per year.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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 \$10,950 per year.

Dallas Wastewater Treatment Contract - The City entered into a contract with the City of Dallas, dated July 27, 1984 with a term of 30 years, for the City of Dallas to transport and treat wastewater from an area in the northeastern part of the City. Under the contract, the City is required to pay a transportation charge (based on cost of service) and a treatment charge (at the same rate as Dallas is charged by TRA for treatment of the wastewater). The City's current payments under the contract are approximately \$229,729 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 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 \$286,531 and \$112,473 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.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Changes in the funds' claims liability amount in fiscal years 2012 and 2013 were:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
Medical Self-Insurance Fund				
2012	307,812	1,619,605	(1,687,044)	240,373
2013	240,373	2,245,579	(2,199,421)	286,531
Comprehensive Self-Insurance Fund				
2012	408,800	301,899	(149,445)	561,254
2013	561,254	242,017	(690,798)	112,473

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 for each claimant. The provision for claims incurred but not yet reported is estimated based on City experience since the inception of the program. All claims are expected to be paid within one year. 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.

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 2013, \$411,336 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, 2013, twenty-five 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 2013, retiree contributions were \$627 to \$1,300 per month depending on the amount of dependents selected. In fiscal year 2013, total member contributions were \$258,324. The City contributions for fiscal year 2013, which are also equal to claims paid in excess of premiums collected, were \$153,012.

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 unfunded actuarial liabilities (or funding excess) over an open period not to exceed thirty years.

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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	2011	2012	2013
Annual required contribution	\$ 375,782	\$ 382,913	\$ 295,084
Interest on net OPEB	27,506	35,686	49,862
Adjustment to annual required contribution	(20,375)	(26,434)	(46,197)
Annual OPEB cost (expense)	382,913	392,165	298,749
Contributions made	(201,140)	(77,144)	(153,012)
Increase in net OPEB obligation	181,773	315,021	145,737
Net OPEB obligation- beginning of the year	611,243	793,016	1,108,037
Net OPEB obligation- end of the year	\$ 793,016	\$ 1,108,037	\$ 1,253,774
Percentage of OPEB costs contributed	52.5%	19.7%	51.2%

Funded Status and Funding Progress- The funded status of the City's retiree health care plan under GASB Statement No. 45 as of December 31, 2012 is as follows:

Actuarial Valuation Date as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll
12/31/2012	-	\$3,265,737	\$3,265,737	0.0%	13,746,226

Under the reporting parameters, the City's retiree health care plan is 0.0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$3,265,737 at December 31, 2012. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 23.8%.

Actuarial Methods and Assumptions- The Projected Unit Credit actuarial cost method is used to calculate the GASB annual required contribution (ARC) for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Significant actuarial methods and assumptions were as follows:

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year, open amortization
Payroll Growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 7.50% declining to an ultimate rate of 4.50% after 12 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

13. CONTINGENT LIABILITIES

Pending Litigation—In the opinion of the City's management, pending litigation exists at September 30, 2013, requiring recognition of disclosure in the notes to the financial statements (Note 19 Subsequent Event).

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

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

14. REGIONAL DISPATCH CENTER

The City entered into an annually renewable Interlocal Cooperation Agreement with the Cities of DeSoto and Cedar Hill ("participating cities") on August 10, 1999 to establish a Regional Public Safety Dispatch and Alarm Monitoring Facility ("the 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 position. The value of the City's share in the equity of the facility as of September 30, 2013, is \$462,949. The financial statements of the Center can be obtained by contacting: City of DeSoto Finance Department, 211 E. Pleasant Run Rd., DeSoto, TX 75115.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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 ("the 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 position. 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 City's remaining debt obligation to pay at fiscal year-end is \$765,455. The value of the City's share in the equity of the facility net of the debt is \$168,954 as of September 30, 2013. 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. MAIN STATION PROPERTY

On April 25, 2003, MARA, as the General Partner, and the Andersons and the Duncanville Community Economic Development Corporation (DCEDC), as the Limited Partners, entered into the Main Station Agreement under and in accordance with the Texas Revised Limited Partnership Act, Article 6132a-1, of the Texas Revised Civil Statutes. Main Station houses retail and restaurant spaces in Duncanville. The DCEDC has a 32% share in the equity of Main Station, which qualifies as a joint venture and is accounted for in the government-wide statement of net position. The value of the DCEDC's share in Main Station as of September 30, 2013 is \$88,043. The financial statements can be obtained by contacting: MARA Inc., 111 E. Davis Street, Suite 101, Duncanville, Texas 75116.

17. 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 2013 was \$84,000.

18. COMMITMENTS

**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).

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**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 (2005) 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. The City paid \$58,601 on this incentive in fiscal year 2013.

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 the 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). The City paid \$233,402 on the agreement in fiscal year 2013.

City of Duncanville (City) photo red light enforcement program agreement with Redflex Traffic Systems, Inc.:

City agreed to pay Redflex Traffic Systems, Inc. for red light equipment, processes and back office services. The current rate is \$5,072 monthly per services per approach and the City utilizes equipment for eight approaches. Each year the rate is subject to increase by the Consumer Price Index (CPI). The terms of the agreement are in effect for ten years ending in June 2022. In fiscal year 2013, the City paid Redflex \$486,882 from the Traffic & Safety Improvement fund.

19. SUBSEQUENT EVENT

At fiscal year end 2013, there was pending litigation in the case of Duncanville Community and Economic Development Corporation (DCEDC) vs. Mara, Inc., Monte Anderson, Rosa Anderson, Options Holding Ltd. and Bishop Firehouse, Ltd. In January 2014, a settlement agreement was reached where the DCEDC paid Bishop Firehouse, Ltd \$102,850 and Options Holding, Ltd \$29,086. Both settlement amounts were accrued as liabilities at fiscal year end 2013. In February 2014, also as a result of the settlement agreement, the DCEDC purchased land from Main Station Railroad Flats, LLC for \$219,634.

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

As of 12/31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) ⁽¹⁾	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
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%
2010	82,267,239	79,705,167	(2,562,072)	103.2%	13,648,170	(18.8)%
2011	86,515,076	82,820,057	(3,695,019)	104.5%	13,830,220	(26.7)%
2012	90,511,774	86,015,118	(4,496,656)	105.2%	13,746,226	(32.7)%

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.

City of Duncanville

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

As of 12/31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
2009	-	6,508,510	6,508,510	0.0%	13,323,633	48.8%
2010	-	4,582,492	4,582,492	0.0%	13,648,170	33.6%
2011	-	4,582,492	4,582,492	0.0%	13,830,220	33.1%
2012	-	3,265,737	3,265,737	0.0%	13,746,226	23.8%

Trend data presented is based on December 31, 2012, the date of the actuarial valuation.



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-REVENUES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
PROPERTY TAXES:				
Current Taxes	\$ 10,624,367	\$ 10,624,333	\$ 10,586,804	\$ (37,529)
Prior rolls	160,000	114,309	128,214	13,905
Penalties	130,000	90,351	83,602	(6,749)
Total	<u>10,914,367</u>	<u>10,828,993</u>	<u>10,798,620</u>	<u>(30,373)</u>
SALES TAXES:				
General	3,861,365	3,861,365	3,890,847	29,482
Property tax relief	1,930,682	1,930,682	1,945,424	14,742
Total	<u>5,792,047</u>	<u>5,792,047</u>	<u>5,836,271</u>	<u>44,224</u>
FRANCHISE TAXES:				
TXU Electric	1,130,000	1,130,000	1,147,953	17,953
Atmos Energy	300,000	300,000	284,187	(15,813)
Telephone	240,000	217,000	236,438	19,438
Charter Cable Television	100,000	115,000	131,151	16,151
Telephone Video Services	200,000	210,000	229,849	19,849
Total	<u>1,970,000</u>	<u>1,972,000</u>	<u>2,029,578</u>	<u>57,578</u>
MIXED BEVERAGE TAXES				
Total taxes	<u>44,100</u>	<u>46,000</u>	<u>55,699</u>	<u>9,699</u>
	<u>18,720,514</u>	<u>18,639,040</u>	<u>18,720,168</u>	<u>81,128</u>
LICENSES, PERMITS AND FEES:				
Building permits	120,000	141,016	142,798	1,782
Zoning and special use permits	7,300	12,500	12,500	-
Electrical permits	9,500	10,797	11,738	941
Plumbing permits	30,000	31,664	33,196	1,532
Alarm permits	58,000	62,594	72,759	10,165
Solicitor licenses	400	400	295	(105)
9-1-1 service fee	293,000	286,000	281,018	(4,982)
Emergency medical service	600,000	800,000	832,988	32,988
Sign permits	15,000	17,988	19,404	1,416
Health food inspection fees	65,000	65,000	66,600	1,600
Pool inspection fees	2,000	3,100	3,100	-
Wrecker & storage fees	15,000	16,270	16,270	-
Total	<u>1,215,200</u>	<u>1,447,329</u>	<u>1,492,666</u>	<u>45,337</u>
MUNICIPAL COURT AND LIBRARY:				
Municipal court	796,000	718,619	707,318	(11,301)
False alarm fees	17,000	12,404	15,468	3,064
Library	16,000	19,290	20,457	1,167
Total	<u>829,000</u>	<u>750,313</u>	<u>743,243</u>	<u>(7,070)</u>
INTERGOVERNMENTAL				
	<u>291,300</u>	<u>229,181</u>	<u>354,722</u>	<u>125,541</u>
INTEREST				
	<u>17,000</u>	<u>17,527</u>	<u>21,851</u>	<u>4,324</u>
RECREATIONAL FEES				
	<u>201,000</u>	<u>204,545</u>	<u>304,747</u>	<u>100,202</u>
OTHER SALES AND SERVICES:				
Sale of capital assets/auction proceeds	21,000	477	478	1
Gifts and Contributions	-	-	21,863	21,863
Miscellaneous	147,550	170,339	186,318	15,979
Rentals	298,699	305,870	314,924	9,054
Total	<u>467,249</u>	<u>476,686</u>	<u>523,583</u>	<u>46,897</u>
Total revenues	<u>\$ 21,741,263</u>	<u>\$ 21,764,621</u>	<u>\$ 22,160,980</u>	<u>\$ 396,359</u>

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

(Continued on following page)

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
DEPARTMENTS:			
General government-			
Mayor and council	\$ -	\$ 3,180	\$ 39,474
City manager	239,388	113	2,440
City secretary	82,340	9,788	11,412
Personnel services	105,066	1,477	40,664
Information systems	161,899	165,516	138,862
Community information	77,939	1,078	1,632
Library services	546,004	7,800	64,328
Total	<u>1,212,636</u>	<u>188,952</u>	<u>298,812</u>
Finance-			
Administration	434,068	5,592	104,498
Municipal court	237,172	4,935	112,229
Purchasing	92,309	598	100
City Marshall	68,132	1,131	2,939
Total	<u>831,681</u>	<u>12,256</u>	<u>219,766</u>
Community services-			
Administration	118,760	414	38,684
Recreational programming	214,846	8,040	15,025
Athletic programming	117,646	36,539	122,577
Park grounds maintenance	411,339	85,631	418,422
Building services	242,744	39,712	320,316
Senior center	108,618	6,578	26,703
Horticulture	151,079	11,489	1,964
Community services other	-	15,670	150,993
Total	<u>1,365,032</u>	<u>204,073</u>	<u>1,094,684</u>
Police			
Administration	338,937	9,576	143,539
Patrol	2,993,333	14,141	116,228
Criminal investigation	1,073,227	20,096	17,769
Animal control	89,910	702	238,261
School guards	74,136	-	4,644
Crime prevention	108,241	6,747	4,078
Communication/Records	276,229	3,539	867,250
School Resource officers	325,739	619	5,566
Special services	349,056	48,662	26,933
Detention	214,303	13,561	71,331
Total	<u>5,843,111</u>	<u>117,643</u>	<u>1,495,599</u>

<u>Maintenance</u>	<u>Capital</u>	<u>Total Expenditures</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ -	\$ -	\$ 42,654	\$ 75,980	\$ 51,173	\$ 8,519
-	-	241,941	348,907	258,867	16,926
-	-	103,540	102,380	107,464	3,924
-	-	147,207	135,977	145,186	(2,021)
-	43,006	509,283	522,109	537,651	28,368
-	-	80,649	81,009	75,655	(4,994)
-	62,135	680,267	703,631	700,973	20,706
-	105,141	1,805,541	1,969,993	1,876,969	71,428
-	-	544,158	564,968	547,653	3,495
-	-	354,336	376,597	436,545	82,209
-	-	93,007	92,066	93,021	14
-	-	72,202	132,546	68,923	(3,279)
-	-	1,063,703	1,166,177	1,146,142	82,439
-	-	157,858	211,927	157,753	(105)
-	-	237,911	221,358	216,684	(21,227)
4,228	-	280,990	272,698	275,953	(5,037)
37,870	46,191	999,453	948,324	960,255	(39,198)
31,767	5,195	639,734	632,966	653,524	13,790
-	-	141,899	139,282	144,014	2,115
2,880	-	167,412	164,766	166,702	(710)
-	-	166,663	-	-	(166,663)
76,745	51,386	2,791,920	2,591,321	2,574,885	(217,035)
-	24,957	517,009	502,491	530,181	13,172
4,572	-	3,128,274	3,270,692	3,271,506	143,232
-	-	1,111,092	1,122,938	1,097,470	(13,622)
-	-	328,873	335,551	331,701	2,828
-	-	78,780	79,172	77,836	(944)
-	-	119,066	115,263	120,647	1,581
85	-	1,147,103	1,143,036	1,148,693	1,590
-	-	331,924	396,478	301,160	(30,764)
-	-	424,651	458,302	484,067	59,416
-	-	299,195	295,820	300,155	960
4,657	24,957	7,485,967	7,719,743	7,663,416	177,449

CITY OF DUNCANVILLE, TEXAS

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
DEPARTMENTS (Continued):			
Public works-			
Engineering/Planning	172,951	1,047	40,932
Building inspection	316,336	4,287	157,124
Streets	575,603	129,825	874,797
Signs and signals	177,601	131,794	136,954
Equipment services	245,972	294,780	61,519
Total	<u>1,488,463</u>	<u>561,733</u>	<u>1,271,326</u>
Fire-			
Administration	297,224	8,132	139,675
Prevention	115,338	5,791	10,523
Suppression	3,061,242	114,537	188,765
Advanced life support	873,148	77,917	197,980
Emergency Management Administrator	65,035	3,057	1,727
Total	<u>4,411,987</u>	<u>209,434</u>	<u>538,670</u>
NON-DEPARTMENTAL	<u>42,107</u>	<u>37,284</u>	<u>448,821</u>
Total expenditures	<u>\$ 15,195,017</u>	<u>\$ 1,331,375</u>	<u>\$ 5,367,678</u>

<u>Maintenance</u>	<u>Capital</u>	<u>Total Expenditures</u>	<u>Final Budget</u>	<u>Final Budget</u>	Variance with Final Budget Positive (Negative)
-	-	214,930	216,532	216,543	1,613
-	-	477,747	520,368	485,237	7,490
6	-	1,580,231	1,600,517	1,598,881	18,650
8,463	14,807	469,619	530,873	532,430	62,811
328,910	-	931,181	986,052	1,003,054	71,873
<u>337,379</u>	<u>14,807</u>	<u>3,673,708</u>	<u>3,854,342</u>	<u>3,836,145</u>	<u>162,437</u>
3,880	-	448,911	471,047	472,752	23,841
95	-	131,747	135,935	135,277	3,530
10,388	-	3,374,932	3,427,613	3,422,049	47,117
1,913	-	1,150,958	1,178,985	1,168,991	18,033
-	-	69,819	74,459	72,940	3,121
<u>16,276</u>	<u>-</u>	<u>5,176,367</u>	<u>5,288,039</u>	<u>5,272,009</u>	<u>95,642</u>
-	45,585	573,797	362,439	516,512	(57,285)
<u>\$ 435,057</u>	<u>\$ 241,876</u>	<u>\$ 22,571,003</u>	<u>\$ 22,952,054</u>	<u>\$ 22,886,078</u>	<u>\$ 315,075</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.

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.

CITY OF DUNCANVILLE, TEXAS

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
ASSETS			
Cash and cash equivalents	\$ 747,682	\$ 70,892	\$ 818,574
Investments	100,000	-	100,000
Receivables:			
Taxes	89,980	-	89,980
Trade accounts	125,140	-	125,140
Intergovernmental	13,039	-	13,039
Total assets	<u>\$ 1,075,841</u>	<u>\$ 70,892</u>	<u>\$ 1,146,733</u>
LIABILITIES AND EQUITY			
LIABILITIES:			
Accounts payable	\$ 121,714	\$ -	\$ 121,714
Accrued payroll	3,339	-	3,339
Deferred revenue	19,522	-	19,522
Total liabilities	<u>144,575</u>	<u>-</u>	<u>144,575</u>
EQUITY:			
Fund balances-			
Restricted	931,266	70,892	1,002,158
Total fund balances	<u>931,266</u>	<u>70,892</u>	<u>1,002,158</u>
Total liabilities & fund balances	<u>\$ 1,075,841</u>	<u>\$ 70,892</u>	<u>\$ 1,146,733</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, 2013

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
REVENUES			
Hotel taxes	\$ 470,710	\$ -	\$ 470,710
Licenses, permits and fees	639,148	-	639,148
Fines and forfeitures	248,843	-	248,843
Intergovernmental	101,014	36,902	137,916
Investment income	1,027	-	1,027
Rental and other	5,461	-	5,461
Total revenues	<u>1,466,203</u>	<u>36,902</u>	<u>1,503,105</u>
EXPENDITURES			
Current:			
General government	157,204	-	157,204
Police	125,342	-	125,342
Public works	375,051	-	375,051
Fire	12,621	-	12,621
Special purposes - promotional	271,523	-	271,523
Capital outlay:			
General government	36,333	-	36,333
Community services	-	36,902	36,902
Police	32,100	-	32,100
Public works	-	143,864	143,864
Special purposes - promotional	22,714	-	22,714
Total expenditures	<u>1,032,888</u>	<u>180,766</u>	<u>1,213,654</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>433,315</u>	<u>(143,864)</u>	<u>289,451</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	68,842	68,842
Transfers out	(220,130)	-	(220,130)
Total other financing sources (uses)	<u>(220,130)</u>	<u>68,842</u>	<u>(151,288)</u>
NET CHANGE IN FUND BALANCES	213,185	(75,022)	138,163
FUND BALANCES, beginning of year	<u>718,081</u>	<u>145,914</u>	<u>863,995</u>
FUND BALANCES, end of year	<u>\$ 931,266</u>	<u>\$ 70,892</u>	<u>\$ 1,002,158</u>

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2013

	<u>Hotel Motel Tax</u>	<u>Drainage Fees</u>	<u>Grants</u>
ASSETS			
Cash and cash equivalents	\$ 21,188	\$ 46,622	\$ 82,711
Investments	100,000	-	-
Receivables:			
Taxes	89,980	-	-
Trade accounts (net of allowance)	-	125,140	-
Intergovernmental	-	-	13,039
Total assets	<u>\$ 211,168</u>	<u>\$ 171,762</u>	<u>\$ 95,750</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 67,497	\$ 1,893	\$ 4,171
Accrued payroll	-	2,652	687
Deferred revenue	-	-	-
Total liabilities	<u>67,497</u>	<u>4,545</u>	<u>4,858</u>
FUND BALANCES:			
 Nonspendable:			
 Restricted for:			
Promotion of tourism and hotel industry	143,671	-	-
Maintenance and construction of drainage projects	-	167,217	-
Public safety, cultural and recreational services	-	-	90,892
Court technology	-	-	-
Cout security	-	-	-
Juvenile case management	-	-	-
Public safety and criminal investigations	-	-	-
Total fund balances	<u>143,671</u>	<u>167,217</u>	<u>90,892</u>
Total liabilities & fund balances	<u>\$ 211,168</u>	<u>\$ 171,762</u>	<u>\$ 95,750</u>

Court Technology	Court Security	Juvenile Case Manager	Asset Forfeiture	Total
\$ 13,693	\$ 39,941	\$ 106,551	\$ 436,976	\$ 747,682
-	-	-	-	100,000
-	-	-	-	89,980
-	-	-	-	125,140
-	-	-	-	13,039
<u>\$ 13,693</u>	<u>\$ 39,941</u>	<u>\$ 106,551</u>	<u>\$ 436,976</u>	<u>\$ 1,075,841</u>
\$ 3,558	\$ 45	\$ 21	\$ 44,529	\$ 121,714
-	-	-	-	3,339
-	-	-	19,522	19,522
<u>3,558</u>	<u>45</u>	<u>21</u>	<u>64,051</u>	<u>144,575</u>
-	-	-	-	143,671
-	-	-	-	167,217
-	-	-	-	90,892
10,135	-	-	-	10,135
-	39,896	-	-	39,896
-	-	106,530	-	106,530
-	-	-	372,925	372,925
<u>10,135</u>	<u>39,896</u>	<u>106,530</u>	<u>372,925</u>	<u>931,266</u>
<u>\$ 13,693</u>	<u>\$ 39,941</u>	<u>\$ 106,551</u>	<u>\$ 436,976</u>	<u>\$ 1,075,841</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, 2013**

	Hotel Motel Tax	Drainage Fees	Grants
REVENUES			
Hotel taxes	\$ 470,710	\$ -	\$ -
Licenses, permits and fees	-	639,148	-
Fines and forfeitures	-	-	-
Intergovernmental	-	-	101,014
Investment income	681	2	-
Rental and other	1	-	5,460
Total revenues	471,392	639,150	106,474
EXPENDITURES			
Current:			
General government	115,302	-	2,252
Police	-	-	49,025
Public works	-	319,241	55,810
Fire	-	-	12,621
Special purposes - promotional	271,523	-	-
Capital outlay:			
General government	-	-	23,734
Police	-	-	-
Special purposes - promotional	22,714	-	-
Total expenditures	409,539	319,241	143,442
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	61,853	319,909	(36,968)
OTHER FINANCING USES			
Transfers out	(15,630)	(204,500)	-
Total other financing uses	(15,630)	(204,500)	-
NET CHANGE IN FUND BALANCES	46,223	115,409	(36,968)
FUND BALANCES, beginning of year	97,448	51,808	127,860
FUND BALANCES, end of year	\$ 143,671	\$ 167,217	\$ 90,892

<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 470,710
-	-	-	-	639,148
20,195	15,147	25,089	188,412	248,843
-	-	-	-	101,014
-	238	106	-	1,027
-	-	-	-	5,461
<u>20,195</u>	<u>15,385</u>	<u>25,195</u>	<u>188,412</u>	<u>1,466,203</u>
23,657	15,966	27	-	157,204
-	-	-	76,317	125,342
-	-	-	-	375,051
-	-	-	-	12,621
-	-	-	-	271,523
-	12,599	-	-	36,333
-	-	-	32,100	32,100
-	-	-	-	22,714
<u>23,657</u>	<u>28,565</u>	<u>27</u>	<u>108,417</u>	<u>1,032,888</u>
<u>(3,462)</u>	<u>(13,180)</u>	<u>25,168</u>	<u>79,995</u>	<u>433,315</u>
-	-	-	-	(220,130)
-	-	-	-	(220,130)
(3,462)	(13,180)	25,168	79,995	213,185
<u>13,597</u>	<u>53,076</u>	<u>81,362</u>	<u>292,930</u>	<u>718,081</u>
<u>\$ 10,135</u>	<u>\$ 39,896</u>	<u>\$ 106,530</u>	<u>\$ 372,925</u>	<u>\$ 931,266</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, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
REVENUES				
Hotel, motel taxes	\$ 437,500	\$ 449,500	\$ 470,710	\$ 21,210
Interest on investments	900	700	681	(19)
Other	-	-	1	1
Total revenues	<u>438,400</u>	<u>450,200</u>	<u>471,392</u>	<u>21,192</u>
EXPENDITURES				
General government	138,514	128,514	115,302	13,212
Special purposes-promotional	<u>301,621</u>	<u>301,621</u>	<u>294,237</u>	<u>7,384</u>
Total expenditures	<u>440,135</u>	<u>430,135</u>	<u>409,539</u>	<u>20,596</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,735)	20,065	61,853	41,788
OTHER FINANCING USES:				
Transfers out	<u>(15,630)</u>	<u>(15,630)</u>	<u>(15,630)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(17,365)	4,435	46,223	41,788
FUND BALANCE, beginning of year			<u>97,448</u>	
FUND BALANCE, end of year			<u>\$ 143,671</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, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Drainage fees	\$ 619,936	\$ 638,013	\$ 639,148	\$ 1,135
Interest on investments	35	35	2	(33)
Total revenues	<u>619,971</u>	<u>638,048</u>	<u>639,150</u>	<u>1,102</u>
EXPENDITURES				
Public works	359,637	345,209	319,241	25,968
Total expenditures	<u>359,637</u>	<u>345,209</u>	<u>319,241</u>	<u>25,968</u>
EXCESS OF REVENUES OVER EXPENDITURES	260,334	292,839	319,909	27,070
OTHER FINANCING USES:				
Transfers out	<u>(204,500)</u>	<u>(204,500)</u>	<u>(204,500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	55,834	88,339	115,409	27,070
FUND BALANCE, beginning of year			<u>51,808</u>	
FUND BALANCE, end of year			<u>\$ 167,217</u>	

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2013

	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 25,228	\$ 45,664	\$ 70,892
Total assets	<u>25,228</u>	<u>45,664</u>	<u>70,892</u>
 LIABILITIES AND FUND BALANCES			
FUND BALANCES:			
Restricted for:			
Park construction	25,228	-	25,228
Capital improvements	<u>-</u>	<u>45,664</u>	<u>45,664</u>
Total fund balances	<u>25,228</u>	<u>45,664</u>	<u>70,892</u>
 Total liabilities & fund balances	<u>\$ 25,228</u>	<u>\$ 45,664</u>	<u>\$ 70,892</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, 2013**

	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
REVENUES			
Intergovernmental	\$ 36,902	\$ -	\$ 36,902
Total revenues	<u>36,902</u>	<u>-</u>	<u>36,902</u>
EXPENDITURES			
Capital outlay			
Community services	36,902	-	36,902
Public works	-	143,864	143,864
Total expenditures	<u>36,902</u>	<u>143,864</u>	<u>180,766</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(143,864)</u>	<u>(143,864)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	68,842	68,842
Total other financing sources	<u>-</u>	<u>68,842</u>	<u>68,842</u>
NET CHANGE IN FUND BALANCES	-	(75,022)	(75,022)
FUND BALANCES, beginning of year	<u>25,228</u>	<u>120,686</u>	<u>145,914</u>
FUND BALANCES, end of year	<u>\$ 25,228</u>	<u>\$ 45,664</u>	<u>\$ 70,892</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, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
REVENUES				
Ad valorem taxes	\$ 1,281,875	\$ 1,277,000	\$ 1,277,342	\$ 342
Delinquent taxes	27,000	18,000	19,090	1,090
Penalties and interest	15,000	12,000	11,558	(442)
Interest on investments	3,000	5,000	6,647	1,647
Total revenues	<u>1,326,875</u>	<u>1,312,000</u>	<u>1,314,637</u>	<u>2,637</u>
EXPENDITURES				
Principal retirement	1,043,474	1,043,474	1,043,474	-
Interest on debt	486,402	486,402	486,402	-
Paying agent fees	1,499	800	323	477
Total expenditures	<u>1,531,375</u>	<u>1,530,676</u>	<u>1,530,199</u>	<u>477</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(204,500)	(218,676)	(215,562)	3,114
OTHER FINANCING SOURCES:				
Transfers in	<u>204,500</u>	<u>204,500</u>	<u>204,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(14,176)	(11,062)	3,114
FUND BALANCES, beginning of year			<u>26,773</u>	
FUND BALANCES, end of year			<u>\$ 15,711</u>	

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED REVENUES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<u>UTILITY FUND</u>				
WATER:				
Sale of water	\$ 6,251,746	\$ 5,908,085	\$ 6,304,468	\$ 396,383
Water taps	5,000	6,373	7,493	1,120
Total	<u>6,256,746</u>	<u>5,914,458</u>	<u>6,311,961</u>	<u>397,503</u>
SEWER:				
Sewer charges	4,740,464	4,693,429	4,845,234	151,805
Sewer taps	1,200	4,664	4,964	300
Total	<u>4,741,664</u>	<u>4,698,093</u>	<u>4,850,198</u>	<u>152,105</u>
PENALTIES	<u>97,834</u>	<u>140,000</u>	<u>136,379</u>	<u>(3,621)</u>
OTHER:				
Service charges	132,310	132,310	121,315	(10,995)
City services reimbursement	10,000	16,684	26,773	10,089
Miscellaneous	21,847	15,631	29,651	14,020
Total	<u>164,157</u>	<u>164,625</u>	<u>177,739</u>	<u>13,114</u>
INTEREST INCOME	<u>6,500</u>	<u>6,500</u>	<u>8,996</u>	<u>2,496</u>
Total revenues - Utility Fund	<u>\$ 11,266,901</u>	<u>\$ 10,923,676</u>	<u>\$ 11,485,273</u>	<u>\$ 561,597</u>
<u>SOLID WASTE FUND</u>				
SOLID WASTE CHARGES:	\$ 2,474,427	2,481,066	\$ 2,505,516	\$ 24,450
INTEREST INCOME:	250	407	524	117
Total revenues - Solid Waste Fund	<u>2,474,677</u>	<u>2,481,473</u>	<u>2,506,040</u>	<u>24,567</u>
<u>FIELDHOUSE SPORTS FACILITY</u>				
SPORTS FACILITY:	<u>558,885</u>	<u>545,734</u>	<u>\$ 695,758</u>	<u>\$ 150,024</u>
TRANSFERS IN	<u>629,033</u>	<u>1,004,034</u>	<u>1,004,034</u>	<u>-</u>
Total revenues - Sports Facility Fund	<u>1,187,918</u>	<u>1,549,768</u>	<u>1,699,792</u>	<u>150,024</u>
Total revenues - Enterprise Funds	<u>\$ 14,929,496</u>	<u>\$ 14,954,917</u>	<u>\$ 15,691,105</u>	<u>\$ 736,188</u>

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Salaries and Benefits	Supplies	Other Services	Maintenance
UTILITY FUND				
WATER SERVICES	\$ 516,463	\$ 201,322	\$ 3,432,462	\$ 81,265
WASTEWATER TREATMENT	529,256	118,888	3,322,705	27,130
ADMINISTRATION AND FISCAL				
Utility administration	263,339	16,430	44,129	-
Utility accounting	548,544	99,968	203,058	3,401
	<u>1,857,602</u>	<u>436,608</u>	<u>7,002,354</u>	<u>111,796</u>
INTEREST AND FISCAL CHARGES	-	-	57,941	-
PRINCIPAL RETIREMENT	-	-	280,000	-
TRANSFERS OUT	-	-	1,264,368	-
Total Utility Fund expenditures	<u>\$ 1,857,602</u>	<u>\$ 436,608</u>	<u>\$ 8,604,663</u>	<u>\$ 111,796</u>
SOLID WASTE FUND				
SOLID WASTE	\$ 85,943	\$ 10,166	\$ 2,058,380	\$ 197
TRANSFERS OUT	-	-	185,638	-
Total Solid Waste Fund expenditures	<u>85,943</u>	<u>10,166</u>	<u>2,244,018</u>	<u>197</u>
FIELDHOUSE SPORTS FACILITY				
SPORTS FACILITY	\$ 233,487	\$ 22,355	\$ 684,930	\$ 14,515
INTEREST AND FISCAL CHARGES	-	-	251,362	-
PRINCIPAL RETIREMENT	-	-	390,000	-
Total Sports Facility Fund expenditures	<u>233,487</u>	<u>22,355</u>	<u>1,326,292</u>	<u>14,515</u>
Total Enterprise Fund expenditures	<u>\$ 2,177,032</u>	<u>\$ 469,129</u>	<u>\$ 12,174,973</u>	<u>\$ 126,508</u>

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

Total modified accrual expenditures

Reconciling Items:
 Capital outlay
 Principal retirement
 Depreciation and 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>
359,971	\$ 4,591,483	\$ 4,620,089	\$ 4,694,868	\$ 103,385
-	3,997,979	3,959,293	4,059,638	61,659
-	323,898	351,031	349,243	25,345
-	854,971	865,715	1,025,165	170,194
<u>359,971</u>	<u>9,768,331</u>	<u>9,796,128</u>	<u>10,128,914</u>	<u>360,583</u>
-	57,941	95,503	92,752	34,811
-	280,000	280,000	280,000	-
-	1,264,368	1,140,790	1,264,368	-
<u>\$ 359,971</u>	<u>\$ 11,370,640</u>	<u>\$ 11,312,421</u>	<u>\$ 11,766,034</u>	<u>\$ 395,394</u>
\$ -	\$ 2,154,686	\$ 2,217,616	\$ 2,191,024	\$ 36,338
-	185,638	191,570	185,638	-
-	2,340,324	2,409,186	2,376,662	36,338
15,643	\$ 970,930	1,136,116	985,082	\$ 14,152
-	251,362	239,349	239,349	(12,013)
-	390,000	390,000	390,000	-
<u>15,643</u>	<u>1,612,292</u>	<u>1,765,465</u>	<u>1,614,431</u>	<u>2,139</u>
<u>\$ 375,614</u>	<u>\$ 15,323,256</u>	<u>\$ 15,487,072</u>	<u>\$ 15,757,127</u>	<u>\$ 433,871</u>
	<u>\$ 15,323,256</u>			
	(375,614)			
	(670,000)			
	1,255,565			
	(309,303)			
	<u>(1,450,006)</u>			
	<u>\$ 13,773,898</u>			



Duncanville
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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 POSITION
SEPTEMBER 30, 2013**

	Fleet Replacement	Medical Self-Insurance	Comprehensive Self- Insurance	Total
ASSETS				
Cash and cash equivalents	\$ 1,886,391	\$ 95,846	\$ 4,398	\$ 1,986,635
Investments	100,000	300,000	500,000	900,000
Accrued interest and other	4,740	103,760	432	108,932
Due from other funds	70,000	-	-	70,000
Total current assets	2,061,131	499,606	504,830	3,065,567
Capital assets - equipment net of depreciation	114,906	-	-	114,906
Capital assets - vehicles net of depreciation	1,094,648	-	-	1,094,648
Total non-current assets	1,209,554	-	-	1,209,554
Total assets	\$ 3,270,685	\$ 499,606	\$ 504,830	\$ 4,275,121
LIABILITIES				
Accounts payable	\$ -	\$ 3,499	\$ 13,121	\$ 16,620
Due to other funds	-	-	70,000	70,000
Accrued liabilities	-	286,531	112,473	399,004
Total liabilities	-	290,030	195,594	485,624
NET POSITION				
Net investment in capital assets	1,209,554	-	-	1,209,554
Unrestricted	2,061,131	209,576	309,236	2,579,943
Total net position	\$ 3,270,685	\$ 209,576	\$ 309,236	\$ 3,789,497

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Fleet Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self-Insurance</u>	<u>Total</u>
OPERATING REVENUES				
Premiums and charges for services	\$ 408,156	\$ 2,597,615	\$ 439,188	\$ 3,444,959
Other	-	12,062	448,781	460,843
Total operating revenues	<u>408,156</u>	<u>2,609,677</u>	<u>887,969</u>	<u>3,905,802</u>
OPERATING EXPENSES				
Claims and provision	-	2,245,579	242,017	2,487,596
Administrative and fiscal	-	390,886	161,196	552,082
Depreciation	394,654	-	-	394,654
Total operating expenses	<u>394,654</u>	<u>2,636,465</u>	<u>403,213</u>	<u>3,434,332</u>
OPERATING INCOME (LOSS)	<u>13,502</u>	<u>(26,788)</u>	<u>484,756</u>	<u>471,470</u>
NON-OPERATING REVENUES				
Insurance recovery	27,153	-	-	27,153
Interest income	1,202	2,763	3,036	7,001
Total non-operating revenues	<u>28,355</u>	<u>2,763</u>	<u>3,036</u>	<u>34,154</u>
CHANGE IN NET POSITION	41,857	(24,025)	487,792	505,624
TOTAL NET POSITION- BEGINNING	<u>3,228,828</u>	<u>233,601</u>	<u>(178,556)</u>	<u>3,283,873</u>
TOTAL NET POSITION- ENDING	<u>\$ 3,270,685</u>	<u>\$ 209,576</u>	<u>\$ 309,236</u>	<u>\$ 3,789,497</u>

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Fleet Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self-Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Internal activity-receipts from other funds	408,156	2,597,615	439,188	3,444,959
Payments to suppliers	-	(2,585,898)	(883,742)	(3,469,640)
Other	-	12,062	448,781	460,843
Net cash provided by operating activities	<u>408,156</u>	<u>23,779</u>	<u>4,227</u>	<u>436,162</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to other funds	1,435,000	-	70,000	1,505,000
Net cash provided by noncapital financing activities	<u>1,435,000</u>	<u>-</u>	<u>70,000</u>	<u>1,505,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(550,877)	-	-	(550,877)
Insurance recovery	27,153	-	-	27,153
Net cash used in capital financing and related financing activities	<u>(523,724)</u>	<u>-</u>	<u>-</u>	<u>(523,724)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	(300,000)	(300,000)	(600,000)
Interest received on investments	24,723	2,163	4,080	30,966
Net cash provided by (used in) investing activities	<u>24,723</u>	<u>(297,837)</u>	<u>(295,920)</u>	<u>(569,034)</u>
Net increase (decrease) in cash and cash equivalents	1,344,155	(274,058)	(221,693)	848,404
CASH AND CASH EQUIVALENTS, beginning of year	<u>542,236</u>	<u>369,904</u>	<u>226,091</u>	<u>1,138,231</u>
CASH AND CASH EQUIVALENTS, end of year	<u>1,886,391</u>	<u>95,846</u>	<u>4,398</u>	<u>1,986,635</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	13,502	(26,788)	484,756	471,470
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	394,654	-	-	394,654
Change in assets and liabilities- Prepaid items	-	1,083	-	1,083
Accounts and other payables	-	49,484	(480,529)	(431,045)
Total adjustments	<u>394,654</u>	<u>50,567</u>	<u>(480,529)</u>	<u>(35,308)</u>
Net cash provided by operating activities	<u>408,156</u>	<u>23,779</u>	<u>4,227</u>	<u>436,162</u>

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.

	<u>Page</u>
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
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Demographic and Economic Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
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Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



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Schedule 1

**Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)**

<u>Fiscal Year</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012*</u>	<u>2013</u>
Governmental activities										
Invested in capital assets	\$ 15,722,124	\$ 24,133,362	\$ 42,888,768	\$ 46,679,459	\$ 46,593,503	\$ 50,060,721	\$ 50,403,980	\$ 52,495,944	\$ 59,809,237	\$ 59,230,613
Restricted	451,812	350,885	2,135,390	658,191	112,865	70,458	41,456	-	1,515,702	1,595,501
Unrestricted	<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>	<u>4,806,821</u>	<u>4,964,969</u>	<u>6,254,783</u>
Total governmental activities net position	<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>	<u>\$ 57,302,765</u>	<u>\$ 66,289,908</u>	<u>\$ 67,080,897</u>
Business-type activities										
Invested in capital assets	\$ 23,352,304	\$ 23,903,050	\$ 24,896,859	\$ 25,534,318	\$ 26,893,640	\$ 26,805,736	\$ 27,076,019	\$ 26,950,315	\$ 27,278,483	\$ 27,099,050
Unrestricted	<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>	<u>4,943,839</u>	<u>4,898,380</u>	<u>5,290,431</u>
Total business-type activities net position	<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>	<u>\$ 31,894,154</u>	<u>\$ 32,176,863</u>	<u>\$ 32,389,481</u>
Primary government										
Invested in capital assets	\$ 39,074,428	\$ 48,036,412	\$ 67,785,627	\$ 72,213,776	\$ 73,487,143	\$ 76,866,457	\$ 77,479,999	\$ 79,446,259	\$ 87,087,720	\$ 86,329,663
Restricted	451,812	350,885	2,135,390	658,191	112,865	70,458	41,456	-	1,515,702	1,595,501
Unrestricted	<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>	<u>9,750,660</u>	<u>9,863,349</u>	<u>11,545,214</u>
Total primary government net position	<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>	<u>\$ 89,196,919</u>	<u>\$ 98,466,771</u>	<u>\$ 99,470,378</u>

*The City implemented GASB 63 for the period ended September 30, 2012. "Net Position" prior to the implementation was reported as "Net Assets".

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 2

**Changes in Net Position
Last Ten Fiscal Years**
(accrual basis of accounting)
(Unaudited)

<u>Fiscal Year</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012*</u>	<u>2013</u>
Expenses										
Governmental activities										
General government	\$ 1,815,776	\$ 1,843,301	\$ 2,887,854	\$ 3,536,589	\$ 4,057,131	\$ 3,870,234	\$ 3,169,503	\$ 2,798,564	\$ 2,795,748	\$ 2,823,031
Finance	1,017,176	1,013,884	1,204,589	1,183,866	1,312,673	1,292,138	1,231,406	1,241,303	1,126,940	1,124,285
Community services	3,122,149	3,688,927	4,703,438	2,818,521	3,214,940	3,158,557	3,165,163	3,263,161	3,069,011	3,085,333
Police	6,958,226	6,646,338	7,119,106	7,562,765	8,527,423	8,109,764	8,168,671	8,552,574	8,198,206	7,860,277
Public works	3,749,228	4,748,203	4,881,669	5,331,327	6,376,715	5,701,322	5,664,455	5,893,424	5,685,500	5,771,096
Fire	4,501,238	4,801,545	4,872,692	4,400,876	5,660,644	5,449,439	5,385,776	5,436,865	5,192,134	5,142,744
Economic development	-	-	-	-	-	-	-	-	994,421	1,200,096
Interest and fiscal charges	883,919	817,745	759,939	697,552	584,910	478,651	354,584	273,901	236,244	171,408
Total governmental activities expenses	<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>	<u>27,459,792</u>	<u>27,298,204</u>	<u>27,178,270</u>
Business-type activities										
Water	4,656,225	4,850,211	5,525,280	5,079,317	5,146,666	5,150,097	5,220,632	5,416,191	5,322,287	5,326,081
Wastewater	4,255,396	4,541,989	4,295,218	4,765,731	5,885,520	4,135,413	5,319,569	4,862,977	4,832,019	5,079,846
Solid waste	1,793,330	1,802,136	1,811,672	1,997,924	2,016,504	2,057,402	2,130,470	2,024,938	2,143,944	2,150,278
Sports facility	-	-	-	-	-	-	-	1,003,941	1,352,511	1,472,276
Total business-type activities expenses	<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>	<u>13,308,047</u>	<u>13,650,761</u>	<u>14,028,481</u>
Total primary government expenses	<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>	<u>\$ 40,767,839</u>	<u>\$ 40,948,965</u>	<u>\$ 41,206,751</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ -	\$ 103,689	\$ 227,600	\$ -	\$ 314,160	\$ 1,173,234	\$ 382,095	\$ 459,084	\$ 378,816	\$ 375,464
Finance	-	-	-	-	-	59,108	-	-	-	-
Community services	302,938	287,540	674,835	278,932	417,736	256,405	304,054	293,952	297,470	304,827
Police	1,771,488	1,350,176	1,607,537	1,665,961	1,416,876	1,964,148	1,631,861	1,799,592	1,808,357	1,560,386
Public works	998,585	769,849	942,787	1,467,533	2,232,685	1,100,109	1,759,053	1,783,792	1,803,462	1,654,026
Fire	635,442	548,788	756,893	766,903	624,997	1,009,010	849,306	(834,974)	793,561	448,258
Operating grants and contributions	233,729	245,357	905,197	84,111	167,553	338,658	754,463	399,930	418,470	305,858
Capital grants and contributions	1,066,945	1,559,812	96,354	145,017	74,551	2,364,100	2,201,004	404,913	709,483	276,132
Total governmental activities program revenues	<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>	<u>4,306,289</u>	<u>6,209,619</u>	<u>4,924,951</u>
Business-type activities										
Charges for services										
Water	5,434,700	6,229,115	7,606,143	5,899,616	6,976,515	6,375,580	6,339,411	7,559,917	6,815,956	6,626,079
Wastewater	4,487,516	4,400,626	4,829,746	4,865,682	5,073,654	4,819,134	4,775,447	4,756,780	4,828,861	4,850,198
Solid waste	1,661,116	1,946,737	1,913,769	1,936,332	2,203,622	2,209,092	2,450,987	2,418,321	2,505,455	2,505,516
Sports facility	-	-	-	-	-	-	-	376,544	546,285	695,758
Grants and contributions	514,984	999,429	118,264	213,951	1,205,387	22,227	107,974	967,165	-	-
Total business-type activities program revenues	<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>	<u>16,078,727</u>	<u>14,696,557</u>	<u>14,677,551</u>
Total primary government program revenues	<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>	<u>\$ 20,385,016</u>	<u>\$ 20,906,176</u>	<u>\$ 19,602,502</u>

City of Duncanville

Schedule 2

**Changes in Net Position
Last Ten Fiscal Years**
(accrual basis of accounting)
(Unaudited)

<u>Fiscal Year</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012*</u>	<u>2013</u>
Net (Expense)/Revenue										
Governmental activities	\$ (17,038,585)	\$ (18,694,732)	\$ (21,218,084)	\$ (21,123,040)	\$ (24,485,878)	\$ (19,795,333)	\$ (19,257,722)	\$ (23,153,503)	\$ (21,088,585)	\$ (22,253,319)
Business-type activities	1,393,365	2,381,571	2,835,752	1,072,609	2,410,488	2,083,121	1,003,148	2,770,680	1,045,796	649,070
Total primary government net expense	<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>	<u>\$ (20,382,823)</u>	<u>\$ (20,042,789)</u>	<u>\$ (21,604,249)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Ad valorem	\$ 11,476,537	\$ 11,746,407	\$ 12,209,904	\$ 12,401,242	\$ 13,083,411	13,288,719	12,482,287	12,699,136	12,470,739	12,091,581
Sales	4,866,493	4,868,004	5,451,335	5,530,559	5,398,034	5,235,231	5,321,558	5,048,659	7,303,949	7,781,695
Franchise	1,852,614	1,938,736	2,129,943	2,000,905	2,024,099	1,988,717	2,036,308	2,153,122	2,007,859	2,029,578
Mixed beverage	-	-	-	-	42,992	71,978	60,101	59,671	49,266	55,699
Hotel occupancy	252,608	252,500	531,711	594,238	593,725	462,474	393,731	445,385	458,744	470,710
Earnings on investments	190,079	372,513	603,243	565,594	343,967	117,619	35,810	39,971	45,695	41,495
Rentals and miscellaneous	938,256	755,889	-	410,928	632,049	286,126	287,252	221,430	228,377	127,578
Transfers	1,105,768	892,061	1,082,850	1,155,604	1,325,677	1,369,124	1,390,769	1,690,476	771,284	445,972
Total governmental activities	<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>	<u>22,357,850</u>	<u>23,335,913</u>	<u>23,044,308</u>
Business-type activities										
Earnings on investments	76,900	53,575	259,132	264,628	136,592	37,007	18,601	6,821	8,197	9,520
Transfers	(1,105,768)	(892,061)	(1,082,850)	(1,155,604)	(1,325,677)	(1,369,124)	(1,390,769)	(1,690,476)	(771,284)	(445,972)
Total business-type activities	<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>	<u>(1,683,655)</u>	<u>(763,087)</u>	<u>(436,452)</u>
Total primary government	<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>	<u>\$ 20,674,195</u>	<u>\$ 22,572,826</u>	<u>\$ 22,607,856</u>
Change in Net Position										
Governmental activities	\$ 3,643,770	\$ 2,131,378	\$ 790,902	\$ 1,536,030	\$ (1,041,924)	\$ 3,024,655	\$ 2,750,094	\$ (795,653)	\$ 9,854,877	\$ 790,989
Business-type activities	364,497	1,543,085	2,012,034	181,633	1,221,403	751,004	(369,020)	1,087,025	282,709	212,618
Total primary government	<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>	<u>\$ 291,372</u>	<u>\$ 10,137,586</u>	<u>\$ 1,003,607</u>

*The City implemented GASB 63 for the period ended September 30, 2012. "Net Position" prior to the implementation was reported as "Net Assets".

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)

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
General Fund										
Reserved	\$ 24,719	\$ 520,895	\$ 714,077	\$ 630,018	\$ 542,049	\$ 407,899	246,425	-	-	-
Unreserved	5,908,556	4,518,077	3,977,424	3,740,803	2,507,519	2,932,936	3,669,209	-	-	-
Nonspendable	-	-	-	-	-	-	-	24,151	91,476	57,301
Assigned- Community services	-	-	-	-	-	-	-	70,459	112,770	211,403
Unassigned	-	-	-	-	-	-	-	4,567,918	5,619,154	6,647,447
Total general Fund	5,933,275	5,038,972	4,691,501	4,370,821	3,049,568	3,340,835	3,915,634	4,662,528	5,823,400	6,916,151
All Other Governmental Funds										
Reserved										
Debt service	\$ 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	758,605	594,502	680,360	801,682	975,378	1,160,098	695,824	-	-	-
Capital projects funds	3,074,606	2,361,603	1,821,809	1,153,876	703,041	303,317	729,638	-	-	-
Restricted for:										
Debt Service	-	-	-	-	-	-	-	76,363	26,773	15,711
Street Construction	-	-	-	-	-	-	-	202,162	23,886	400,535
Traffic Improvement and Safety	-	-	-	-	-	-	-	73,693	172,463	133,317
Economic development	-	-	-	-	-	-	-	-	455,358	59,491
Promotion of Tourism and Convention and Hotel Industry	-	-	-	-	-	-	-	53,174	97,448	143,671
Maintenance and Construction of Drainage Projects	-	-	-	-	-	-	-	45,783	51,808	167,217
Public Safety, Cultural and Recreational Services	-	-	-	-	-	-	-	135,734	127,860	90,892
Court Technology	-	-	-	-	-	-	-	8,868	13,597	10,135
Court Security	-	-	-	-	-	-	-	55,117	53,076	39,896
Juvenile Case Management	-	-	-	-	-	-	-	50,286	81,362	106,530
Public Safety and Criminal Investigations	-	-	-	-	-	-	-	249,647	292,930	372,925
Park Construction	-	-	-	-	-	-	-	41,527	25,228	25,228
Capital Improvements	-	-	-	-	-	-	-	212,261	120,686	45,664
Total all other governmental funds	\$ 4,350,671	\$ 3,252,730	\$ 2,706,586	\$ 1,989,104	\$ 1,686,047	\$ 1,430,234	\$ 1,431,718	\$ 1,204,615	\$ 1,542,475	\$ 1,611,212

*In fiscal year 2011, the City implemented GASB 54 which changed fund balance presentation

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 4

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes -										
Ad valorem	\$ 11,520,666	\$ 11,757,053	\$ 12,211,482	\$ 12,407,871	\$ 13,086,084	\$ 13,288,134	\$ 12,463,461	\$ 12,665,474	\$ 12,665,474	\$ 12,106,610
Sales	4,866,493	4,868,004	5,451,335	5,530,559	5,398,034	5,235,231	5,321,588	5,048,659	5,048,659	7,781,695
Franchise	1,852,614	1,938,736	2,129,943	2,000,905	2,024,099	1,988,717	2,036,308	2,153,122	2,153,122	2,029,578
Mixed beverage	27,710	67,848	54,927	58,387	42,992	71,978	60,101	59,671	59,671	55,699
Hotel	252,608	252,500	476,784	594,238	593,725	462,474	393,731	445,385	445,385	470,710
Licenses, permits and fees	1,717,271	1,656,445	1,857,835	2,623,014	3,217,587	4,169,554	2,881,963	2,777,712	2,777,712	2,857,356
Fines and forfeitures	1,145,059	744,985	939,237	967,892	857,396	750,490	1,054,149	1,160,339	1,160,339	992,086
Recreation fees	282,010	265,436	286,767	254,874	237,931	256,295	303,954	293,872	293,872	304,747
Intergovernmental	532,071	534,844	1,328,817	406,006	378,387	1,208,854	2,182,355	931,100	931,100	768,770
Investment income	166,474	323,667	505,115	490,846	301,442	100,669	32,753	34,059	34,059	34,494
Rental and other	444,182	402,080	554,258	816,442	609,405	1,111,587	1,663,650	814,772	814,772	529,044
Total revenues	\$ 22,807,158	\$ 22,811,598	\$ 25,796,500	\$ 26,151,034	\$ 26,747,082	\$ 28,643,983	\$ 28,394,013	\$ 26,384,165	\$ 26,384,165	\$ 27,930,789
Expenditures										
General government/ finance/ non-departmental	\$ 2,541,927	\$ 2,636,846	\$ 3,631,198	\$ 3,568,078	\$ 4,676,515	4,515,509	3,735,002	3,582,050	3,582,050	4,047,063
Police	6,454,933	6,796,628	7,088,021	8,091,558	8,606,164	7,950,702	8,010,438	8,336,089	8,336,089	8,073,234
Fire	4,260,359	4,573,261	4,794,582	5,176,242	5,462,552	5,282,271	5,209,321	5,178,309	5,178,309	5,188,988
Public works	3,475,872	4,009,839	3,988,391	4,123,636	4,070,557	3,683,537	3,881,637	4,133,585	4,133,585	4,040,216
Parks and recreation	2,159,116	3,251,930	3,553,111	2,636,565	2,790,986	2,685,803	2,681,454	2,767,743	2,767,743	2,740,534
Library (Included in General government in 2008)	524,111	643,502	632,693	676,184	-	-	-	-	-	-
Special purposes - promotional	44,853	53,398	330,032	370,135	481,470	385,245	298,842	290,107	290,107	567,107
Capital outlay	1,453,204	950,666	919,446	894,865	835,666	2,229,494	2,547,349	1,575,723	1,575,723	513,789
Debt service										
Principal retirement	2,185,000	2,255,000	2,320,000	2,455,000	2,595,000	2,311,273	2,325,872	1,122,685	1,122,685	1,408,474
Interest and fiscal charges	585,460	524,833	452,239	352,537	247,334	534,829	518,554	482,073	482,073	635,868
Total expenditures	\$ 23,684,835	\$ 25,695,903	\$ 27,709,713	\$ 28,344,800	\$ 29,766,244	\$ 29,578,663	\$ 29,208,469	\$ 27,468,364	\$ 27,468,364	\$ 27,215,273
Excess of revenues over (under) expenditures	(877,677)	(2,884,305)	(1,913,213)	(2,193,766)	(3,019,162)	(934,680)	(814,456)	(1,084,199)	(1,084,199)	715,516
Other Financing Sources (Uses)										
Bonds issued	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	1,278,631	1,408,528	1,333,512	1,380,428	1,609,071	1,951,313	2,027,424	2,206,549	2,206,549	1,881,116
Transfers out	(422,863)	(516,467)	(250,662)	(224,824)	(283,394)	(582,189)	(636,655)	(516,073)	(516,073)	(1,435,144)
Total other financing sources (uses)	855,768	892,061	1,082,850	1,155,604	1,325,677	1,369,124	1,390,769	1,690,476	1,690,476	445,972
Net change in fund balances	\$ (21,909)	\$ (1,992,244)	\$ (830,363)	\$ (1,038,162)	\$ (1,693,485)	\$ 434,444	\$ 576,313	\$ 606,277	\$ 606,277	\$ 1,161,488
Total capital outlay capitalized per the government wide statement of net assets	\$ 1,110,410	\$ 1,571,910	\$ 2,408,353	\$ 2,515,180	\$ 666,370	\$ 2,381,600	\$ 2,547,349	\$ 1,575,723	\$ 1,575,723	\$ 513,789
Debt service as a percentage of noncapital expenditures	12.5%	11.2%	10.3%	10.2%	9.8%	10.4%	10.7%	6.2%	6.2%	7.7%

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

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

Fiscal Year Ended Sept. 30,	<u>Assessed and Actual Value of Property (1)</u>				Less: Tax- Exempt Property (2)	Total Taxable Assessed Value	Total City Tax Rate (3)
	Residential Property	Commercial Property	Business Personal Property	Total Assessed Value			
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
2011	1,242,060,340	507,608,570	167,026,190	1,916,695,100	196,187,462	1,720,507,638	0.738
2012	1,212,518,690	499,612,540	164,697,890	1,876,829,120	189,403,075	1,687,526,045	0.738
2013	1,180,335,930	503,244,490	148,117,410	1,831,697,830	204,976,176	1,626,721,654	0.738

Source: Dallas Central Appraisal District

Notes:

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

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

Fiscal Year Ended Sept. 30,	City of Duncanville			Overlapping Rates (1)				
	General(2)	Debt Service(2)	Total (2)	Duncanville I.S.D.(2)	Dallas County(2)	Dallas County School Equalization(2)	Dallas County Hospital(2)	Dallas County Community College(2)
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
2011	0.653578	0.084114	0.737692	1.418000	0.243100	0.010000	0.271000	0.099230
2012	0.658737	0.078955	0.737692	1.418000	0.243100	0.010000	0.271000	0.099670
2013	0.658269	0.079423	0.737692	1.430000	0.243100	0.010000	0.271000	0.119375

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	2013			2004		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation (a)	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation (a)
Masco Builder Cabinet Group	39,231,016	1	2.41%	14,533,910	2	0.89%
Costco Wholesale Corporation Costco	18,547,480	2	1.14%	-	-	-
C H Guenther & Son Pioneer Frozen Foods	17,431,350	-	-	12,440,410	4	0.76%
G & E Apartment Reit - Bella Ruscello	14,720,000	3	0.90%	-	-	-
Oncor Electric Delivery-Texas Utilities Electric Company	9,496,720	4	0.58%	12,393,580	5	0.76%
A T & T Communications (Southwestern Bell/Cingular)	91,776,680	5	5.64%	16,006,750	1	0.98%
Apple Nine Spe Duncanville Inc	7,729,630	6	0.48%	-	-	-
Apple Reit Limited PS Main Park Apartments	7,889,440	7	0.48%	8,875,000	7	0.54%
Wimberly Park LP	7,355,440	8	0.45%	-	-	-
Wimberly Apartments LP	7,032,000	10	0.43%	-	-	-
Frankel Family Trust	-	-	-	13,380,800	3	0.82%
Wal-Mart Corporation Wal-Mart Store	-	-	-	11,213,830	6	0.69%
Ladd 1998 Real Properties	-	-	-	-	-	-
TT Duncanville LTD	-	-	-	8,582,070	8	0.53%
Center Ridge Apts LTD	-	-	-	5,400,000	9	0.33%
Heartland Duncanville LP	-	-	-	5,050,000	10	0.31%
Total	\$ 124,890,415		12.51%	\$ 107,876,350		6.61%

Note:

(a) Total Taxable Value as of Oct. 1 \$ 1,626,721,654

\$ 1,631,876,698

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
2004	11,434,896	11,109,031	97.2%	84,328	11,193,359	97.9%
2005	11,618,422	11,399,901	98.1%	198,338	11,598,239	99.8%
2006	12,050,465	11,779,327	97.7%	237,108	12,016,435	99.7%
2007	12,304,132	11,974,681	97.3%	302,745	12,277,426	99.8%
2008	12,874,498	12,573,089	97.7%	301,409	12,874,498	100.0%
2009	13,160,823	12,888,062	97.9%	197,872	13,085,935	99.4%
2010	12,459,098	12,161,481	97.6%	177,360	12,338,842	99.0%
2011	12,706,127	12,381,341	97.4%	128,588	12,509,929	98.5%
2012	12,458,343	12,097,385	97.1%	77,331	12,174,716	97.7%
2013	12,008,805	11,865,772	98.8%	-	11,865,772	98.8%

Note:

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

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

Fiscal Year Ended Sept. 30,	Governmental Activities		Business-type Activities		Percentage of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	Certificate of Obligation Bonds	Water and Sewer Revenue Bonds	Total Primary Government		
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
2011	385,000	4,806,226	9,130,000	14,321,226	(c)	372
2012	195,000	7,545,376	8,475,000	16,215,376	1.70%	412
2013	-	6,002,966	7,845,000	13,847,966	1.43%	358

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

**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		
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
2011	385,000	4,806,226	5,191,226	0.29%	135
2012	195,000	7,545,376	7,740,376	0.45%	197
2013	-	6,002,966	6,002,966	0.37%	155

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.

Direct and Overlapping Governmental Activities Debt
As of September 30, 2013
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Duncanville Independent School District	\$ 146,497,100	45.47%	\$ 66,612,231
Dallas County	136,430,000	1.03%	1,405,229
Dallas County Community College District	355,880,000	1.03%	3,665,564
Dallas County School	67,675,000	1.03%	697,053
Dallas County Hospital District	705,000,000	1.03%	7,261,500
Cedar Hill Independent School District	132,074,111	0.26%	343,393
Dallas Independent School District	2,470,770,000	0.01%	247,077
Subtotal, overlapping debt			\$ 80,232,047
City direct debt			13,847,966
Total direct and overlapping debt			\$ 94,080,013

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

Source: First Southwest Company

Legal Debt Margin Information
As of September 30, 2013
(Unaudited)

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

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

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

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

The tax rate at September 30, 2013 is \$.737692 per \$100 of assessed valuation with assessed valuation being 100% of market value.

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

**Pledged-Revenue Coverage
Last Ten Fiscal Years**
(Unaudited)

Fiscal Year Ended Sept. 30,	Operating Revenue and Other (a)	Less: Operating Expense (b)	Net Available Revenue	Debt Service (c)		Coverage
				Principal	Interest	
<u>Water and Sewer Bonds</u>						
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
2011	12,316,697	9,193,510	3,123,187	270,000	124,923	7.9
2012	11,652,529	9,127,277	2,525,252	280,000	110,344	6.5
2013	11,485,273	9,408,360	2,076,913	320,000	57,941	5.5

Notes:

- (a) Includes operating and nonoperating revenues.
- (b) Includes operating expenses exclusive of depreciation and amortization.
- (c) Includes principal and interest of revenue bonds only. Principal and interest amounts are the amounts due within one year of fiscal year end.

**Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended Sept. 30,	Population (a)	Personal Income	Per Capita Income (a)	Median Household Income (a)	Number of Households (a)	School Enrollment (b)	Unemployment Rate	
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)
2011	38,524	(e)	(e)	(e)	(e)	12,600	9.60%	(c)
2012	39,360	953,220,390	24,053	52,637	13,242	12,880	6.80%	(c)
2013	38,628	968,288,076	25,067	52,795	13,249	12,600	7.20%	(c)

- Sources:
- (a) 2010 Census, 2011 NCTCOG.org population estimate, all other years ESRI estimates
 - (b) Duncanville Independent School District
 - (c) Texas Workforce Commission 2005-2013
 - (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	2013			2004		
	Employees (2)	Rank	Percent of Total Employment (a)	Employees (2)	Rank	Percent of Total Employment (a)
Duncanville Independent School District	1,600	1	8.62%	1,500	2	8.32%
Masco(Formerly Texwood/Quality Cabinets and Doors)	706	2	3.80%	2,400	1	13.31%
City of Duncanville	292	3	1.57%	252	3	1.40%
Pioneer Frozen Foods	176	4	0.95%	175	4	0.97%
Costco	145	5	0.78%	-	-	-
DeFords	130	6	0.70%	147	5	0.82%
Pappadeaux	125	7	0.67%	100	6	0.55%
W&B Service Company	100	8	0.54%	-	-	-
Freedom Dodge, Chrysler, Jeep	75	9	0.40%	-	-	-
Personalized Communications	70	10	0.38%	-	-	-
Brittle-Brittle	-	-	-	65	7	0.36%
Ramada Inn	-	-	-	60	8	0.33%
Durable Spec. Inc.	-	-	-	58	9	0.32%
Custom Canvas	-	-	-	55	10	0.30%
Total	3,419		18.41%	4,812		26.68%

Note:

(a) Total City Employment (1) 18,555 18,035

Sources:

(1) ESRI BIS

(2) Duncanville Community Economic Development Corporation

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

<u>Fiscal Year</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
By Functions										
General Government	31.0	31.0	33.0	34.0	35.0	33.0	32.5	30.2	32.5	31.5
Fire Services	52.0	52.0	52.0	53.0	53.0	53.0	52.3	52.0	52.0	51.3
Police Services (Civil)	62.0	61.0	61.0	60.0	63.0	59.0	59.0	59.0	59.0	58.0
Police Services (Non-Civil)	12.0	12.0	12.0	15.0	12.0	11.0	11.0	18.8	18.8	19.0
Public Works	33.5	34.5	33.5	33.0	31.5	30.5	30.0	32.0	33.0	35.5
Library Services	9.0	9.0	9.0	9.0	9.0	9.0	12.0	12.0	11.5	12.0
Parks and Recreation	13.0	13.0	13.0	16.0	16.0	16.0	28.7	34.8	41.2	41.6
Community Services	6.0	6.0	6.0	6.0	6.0	9.0	6.6	-	-	-
Water and Wastewater	21.5	21.5	21.5	21.5	23.5	21.5	25.0	17.5	16.5	19.5
Total Employees by Function	240.0	240.0	241.0	247.5	249.0	242.0	257.1	256.3	264.5	268.4
By Departments										
General Government	7.0	7.0	7.0	8.0	18.0	17.0	20.0	17.0	18.8	18.5
Finance	22.0	22.0	24.0	24.0	24.0	24.0	23.5	24.0	24.0	24.0
Community Services	28.0	28.0	28.0	31.0	22.0	25.0	32.6	34.8	41.2	41.6
Police (Civil)	62.0	61.0	61.0	60.0	63.0	59.0	59.0	59.0	59.0	58.0
Police (Non-Civil)	12.0	12.0	12.0	15.0	12.0	11.0	12.0	18.8	18.8	19.0
Public Works	30.5	31.5	30.5	30.5	31.5	30.5	31.7	25.5	27.0	27.0
Utilities	24.5	24.5	24.5	24.0	23.5	21.5	25.0	24.0	22.5	28.0
Fire	52.0	52.0	52.0	53.0	53.0	53.0	52.3	52.0	52.0	51.3
Economic Development	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.2	1.2	1.0
Total Employees by Department	240.0	240.0	241.0	247.5	249.0	242.0	257.1	256.3	264.5	268.4
By Fund										
General	202.9	202.5	203.5	208.0	213.0	219.5	216.4	210.4	214.6	214.9
Utility	32.0	32.0	32.0	34.0	31.5	21.5	33.0	30.5	29.5	32.5
Hotel/Motel	1.0	1.0	1.0	1.0	1.0	-	1.0	-	-	0.0
Economic Development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.2	1.2	1.0
Grant	1.0	1.0	1.0	1.0	-	-	1.7	2.1	2.1	2.1
Drainage	0.1	0.5	0.5	0.5	0.5	-	0.5	3.5	3.5	3.5
Solid Waste	2.0	2.0	2.0	2.0	2.0	-	2.0	2.0	2.0	2.0
Traffic Administration	-	-	-	-	-	-	1.0	1.0	1.0	1.0
Juvenile Case Manager	-	-	-	-	-	-	0.5	-	0.1	0.0
Fieldhouse	-	-	-	-	-	-	-	5.6	10.5	11.4
Total Employees by Fund	240.0	240.0	241.0	247.5	249.0	242.0	257.1	256.3	264.5	268.4

Source: City of Duncanville, Texas Annual Budgets

City of Duncanville

Schedule 17

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

Fiscal Years	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
General Government										
Building Permits Issued	502	421	433	421	359	236	374	350	367	225
Police										
Criminal Arrests	2,584	2,058	2,394	2,320	1,808	3,300	2,100	2,235	1,900	1,828
Index Crimes per 1,000 Population	48	44	40	43	47	50	48	46	47	48
Fire										
Total Calls for Service (Fire & EMS)	5,566	6,517	6,976	7,004	6,884	7,038	7,248	6,700	6,475	5,660
Total Structural Inspections	1,349	1,473	701	1,349	1,404	832	1,035	742	737	1,465
Public Services										
Utility Cuts Repaired	142	142	89	104	112	115	186	125	175	230
Sidewalk Repaired (Square Feet)	7,358	7,358	7,729	13,618	12,815	11,576	2,231	9,000	7,800	750
Parks and Recreation										
Program Participation Hours	13,648	13,648	18,623	17,829	18,231	21,120	25,119	14,843	15,000	15,000
Number of Annual Passes Sold	1,437	1,314	1,949	1,981	2,774	2,000	2,664	1,900	2,900	863
Library										
Volumes in Collection	76,138	89,814	97,648	102,807	106,076	105,571	105,710	111,018	107,924	108,401
Total Volumes Borrowed	168,892	165,262	174,676	173,101	176,325	169,602	160,642	171,000	145,746	140,692
Water/Wastewater										
Water Main Breaks	41	41	35	29	33	30	36	30	25	30
Number of Gallons of Water Pumped (000s)	1,875,701	1,949,561	2,196,549	1,683,823	1,907,801	2,000,000	1,726,380	1,900,000	1,825,000	1,943,000
Average Daily Consumption (MGD)	5	5	6	5	5	6	5	6	5	6
Miles of Sewer Mains Cleaned	12	9	5	6	4	8	2	15	12	28

Source: City of Duncanville, Texas Annual Budgets

City of Duncanville

Schedule 18

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

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function/Program										
Public Safety										
Emergency Vehicles (Police & Fire)	29	29	36	34	34	34	33	31	31	31
Public Works										
Streets - Paved (Miles)	155.98	155.98	155.98	156.05	156.05	156.05	156.05	156.05	156.05	156.05
Alleys - Paved (Miles)	40.28	40.28	40.28	36.11	36.11	36.11	36.11	36.11	36.11	36.11
Traffic Signals	36	36	36	34	34	34	34	34	34	34
Street Signs	1,926	1,926	1,928	1,966	1,966	1,966	1,966	1,966	1,966	1,966
Regulatory & Non-regulatory Signs	4,337	4,337	4,416	9,850	9,920	9,920	9,940	9,929	10,085	10,014
Non-Emergency Vehicles	38	68	72	79	79	81	84	82	82	82
Parks and Recreation										
Park Acres	228.0	228.0	228.0	237.4	237.0	237.0	242.0	239.0	239.0	239.0
Playgrounds	10	10	10	12	12	12	12	12	13	13
Total Athletic Facilities Maintained	54	54	54	56	54	54	54	54	54	54
Water/Wastewater										
Miles of Water Mains	186.92	186.92	187.35	188.01	189.50	189.50	189.50	189.80	189.48	190.05
Fire Hydrants	1,283	1,296	1,306	1,341	1,355	1,360	1,364	1,366	1,372	1,373
Sanitary Sewer Lines (Miles)	152.35	152.35	153.45	154.06	153.60	153.60	153.64	153.65	153.65	153.67
Sanitary Sewer Laterals (Miles)	76.86	76.86	77.25	77.46	77.30	77.30	77.30	77.30	77.30	77.35

Source: City of Duncanville, Texas Annual Budgets

