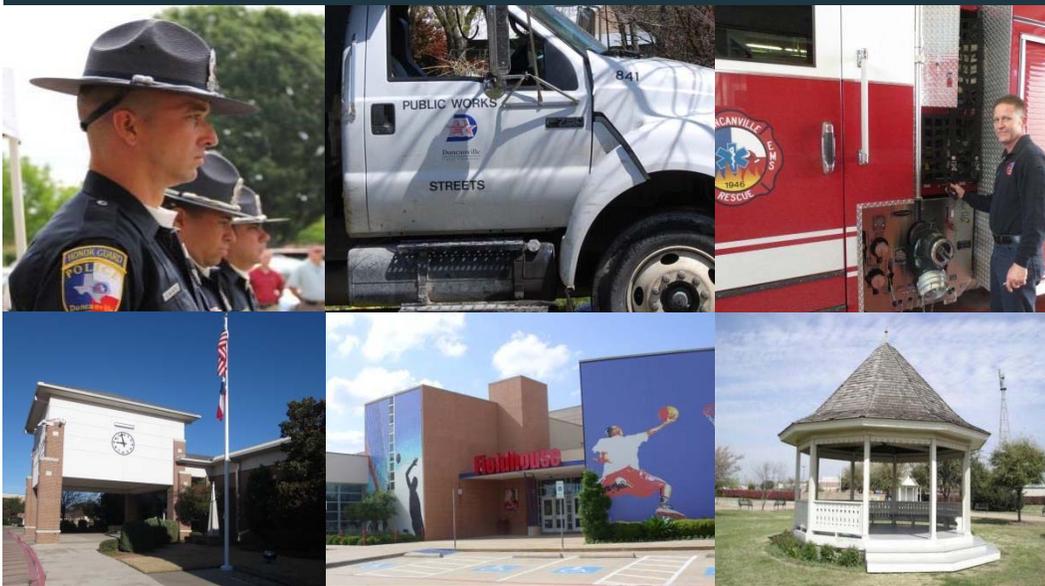




CITY OF DUNCANVILLE



Comprehensive Annual Financial Report
For Year Ended September 30, 2014
Duncanville, Texas

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

**FOR
FISCAL YEAR ENDED
SEPTEMBER 30, 2014**

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

CITY OF DUNCANVILLE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.



City of Duncanville

Lynda Humble
Interim City Manager

February 27, 2015

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, 2014.

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 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 in our 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.

Pattillo, Brown & Hill, 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, 2014. The independent auditor's report is located at the beginning of the financial section of this CAFR.

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

CITY PROFILE

Location

Located in the Best Southwest portion of Dallas County, the City of Duncanville is situated approximately 20 minutes from Fort Worth and just minutes from downtown Dallas. The City covers approximately 12 square miles and is easily accessible from major interstate and highway systems in North Texas, including I-35 (the NAFTA Corridor.), I-20, and Highway 67. The 2014 population for the City was 39,605 (Source: US Census Bureau State & County Quick Facts).

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, functions and a blended component unit 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. Monthly financial reports are produced showing budget and actual expenditures by line item, and made available to all 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 adequately maintains 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 2014 official estimate U.S. Census has the Dallas/Fort Worth Metroplex (DFW) at a population of 39,605. The Dallas-Fort Worth-Arlington MSA is, by population, the largest metropolitan area in Texas, the largest in the South, and the fourth-largest in the United States. The area continues, as it has for several decades, to add approximately a million in population each decade. (Wikipedia)
- As of 2014 Dallas–Fort Worth has been a magnet for corporate headquarters and major company operations, attracting 18 Fortune 500 company headquarters and nearly 40 headquarters among the Fortune 1000. (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 Regional Chamber)
- The North American Free Trade Agreement, or NAFTA, is a key driver for DFW, accounting for \$3.96 billion in total trade. (Dallas Regional Chamber)
- The Dallas–Fort Worth economy continued to expand at a solid pace. In 2014, DFW employment grew at 3.6 percent, matching the state’s 3.6 percent rate but outpacing the nation’s 2.1 percent increase. Job creation remained broad-based across sectors. The residential housing market remained tight at year-end, characterized by low home inventories and rising house prices. The Dallas Fed business-cycle indexes point to continued expansion for the Dallas–Fort Worth metroplex. Overall economic activity continues to expand at a rapid clip in the metroplex, according to the Dallas Fed’s metro business-cycle indexes. In 2014, the Dallas index rose at a robust pace of 6.5 percent and the Fort Worth index increased 5 percent. Strong job creation and a sharp decline in the unemployment rate last year contributed to rapid gains in the business-cycle indexes for both Dallas and Fort Worth. (Bureau of Labor Statistics)
- 97% of businesses in the DFW Region have less than 100 employees and 127 companies made the Inc. 5000 list, America’s fastest growing private companies. (Dallas Regional Chamber)
- DFW is home to an impressive group of foreign based subsidiaries with over 200 companies from 34 countries locating their U.S. headquarters or substantial operations within the Region. (Dallas Regional Chamber)
- The market for industrial space is showing signs of strengthening. Limited new construction is providing the breathing room that the market needs in order for it to catch up from vacancies during the recession. Market watchers credit the strength of the regional economy, its low taxes, and its low labor costs for sustaining DFW as a desirable market for real estate investment. (Dallas Regional Chamber)
- The Dallas–Fort Worth region offers a variety of public and private schools, with robust programming in life sciences, engineering, and the arts. The University of North Texas at Denton, the University of Texas at Dallas, and the University of Texas at Arlington are among Texas’ seven “emerging research” universities and are currently expanding program capabilities and funding in an effort to become world class “tier one” research institutions, which are nationally recognized for the highest levels of innovation and academic excellence. UT Southwestern Medical Center is among the nation’s best in biology and biochemistry research, boasting countless clinical breakthroughs and innovations. (Dallas Regional Chamber)

- The all items CPI-U rose 0.8 percent in the Dallas-Fort Worth area during the last 12 months, the slowest annual rate of increase since the year ended in January 2011, and continuing the series of over-the-year increases of less than 2.0 percent that began in September 2013. The index for all items less food and energy advanced 1.1 percent during the year ended in November 2014; annual increases for this index have been 2.0 percent or less since March 2013. (Bureau of Labor Statistics)
- The DFW region has extensive retail development, with 17 centers or malls that have more than 1 million square feet of space. Most major retail brands are represented, with developments focused on the largest population centers. (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 theaters, and dozens of local symphony and chamber orchestras, ballet groups and opera associations. (Dallas Regional Chamber)
- Within 100 miles of DFW there are more than 400 public parks covering nearly 23,000 acres, and more than 60 lakes and reservoirs, covering 550,500 acres. (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.
- **DeFord's** is another strong industrial company manufacturing specialty doors and wholesale lumber and fixtures supplies. They employ 130 people.
- **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.

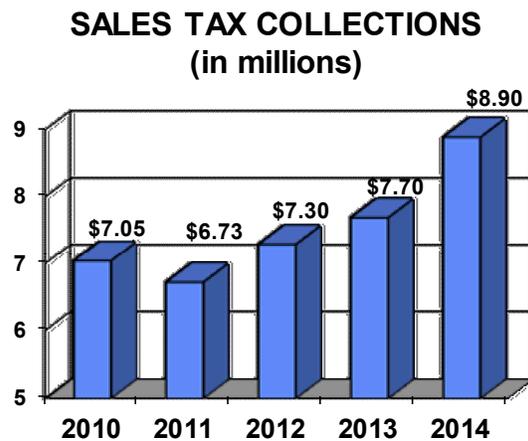
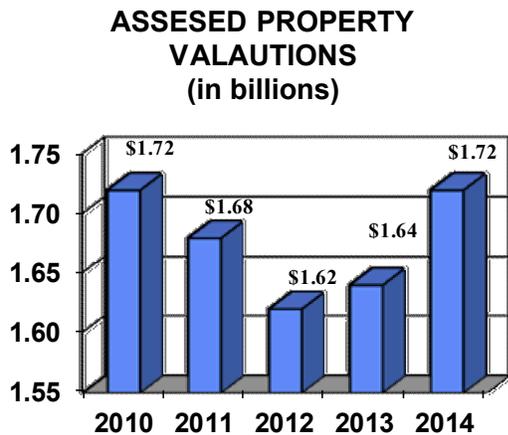
- **Pappadeaux Seafood**, which opened in 2003, continues in their success in providing fine dining for area residents. The final DCEDC incentive payment which encouraged them to build sooner than planned was made in 2010.
- In August 2007, **Best Western Inn and Suites** opened a flagship hotel on the 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.
- **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, 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 employ approximately 100 people to sell and service refrigerated tractor trailers.
- **WinCo** food store opened in June 2014 in the renovated old Walmart building that had been vacant for over a decade.

Duncanville'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 and West bound service roads along I-20.
- Continuing fair but firm Code Enforcement, resolving violations.
- Pushing a more aggressive program of delinquent tax foreclosures when necessary.
- Promoting another year of aggressive apartment code inspection (14th year).
- Maintaining a 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 in recent years with the housing market decline and a recessionary economy. Fiscal year 2013-14 indicated a significant reversal as sales tax collections were up 14.3% this year compared to the previous year. We expect a 7% increase in sales tax revenues in FY15 if the building market remains robust. Property values increased 5% as the housing recovery continues. Beer and wine sales had declined in recent years as other area cities adopted ordinances allowing the sale of alcoholic beverages, but this year Duncanville experienced a 24.6% increase. 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

Implementation of GASB 65 was completed during this fiscal year. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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. The Audit Committee is 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.

Investment reports are presented to the City Council each quarter along with a year-end annual report. These reports summarize all investments of the City and compare returns to benchmarks such as the 90 day Treasury-Bill rates. The reports also describe the portfolio in terms of investment securities, maturities, and risk characteristics. All investments and reports comply with the Public Funds Investment Act.

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

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

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

Risk Management

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

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

Employee Health Plan

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

OTHER INFORMATION

Independent Audit

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

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Duncanville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2013. 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,



Lynda Humble
Interim City Manager



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, 2013

Executive Director/CEO

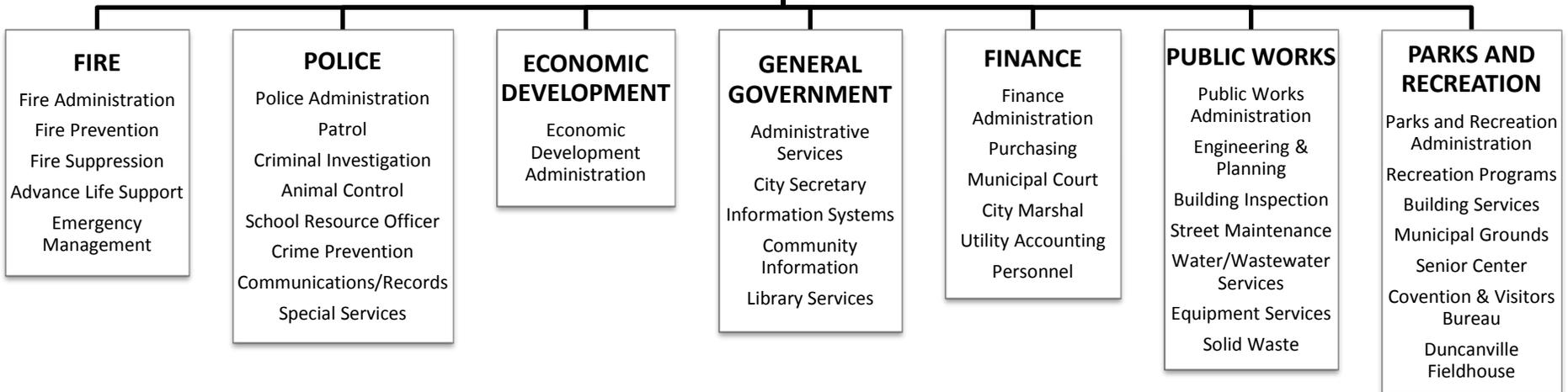
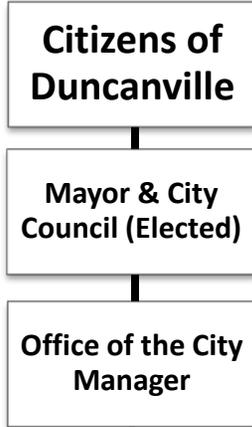


Duncanville
City of Champions

City of Duncanville

Organizational Chart

September 30, 2014



CITY OF DUNCANVILLE

CITY COUNCIL

David Green, Mayor

Stan Smith, Mayor Pro Tem

Cliff Boyd, Council Member

Johnette Jameson, Council Member

Ronald L. Dotson, Council Member

Steven Rutherford, Council Member

Patrick Harvey, Council Member



ADMINISTRATIVE OFFICIALS

Lynda Humble, Interim City Manager

Charles Smith, Assistant City Manager

Richard Summerlin, Finance Director

Tia Pettis, Assistant Finance Director

Shirley Acy-King, Interim City Secretary



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' 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 the City of Duncanville, Texas (the "City"), as of and for the year ended September 30, 2014, 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 of Duncanville, Texas, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, the Traffic Improvement and Safety Fund and the Duncanville Community Economic Development Corporation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2014 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

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 nonmajor 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 nonmajor 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. 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 nonmajor fund financial statements and schedules 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 February 27, 2015, 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 the City's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 27, 2015



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, 2014

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, 2014. 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 and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$102.2 million (net position). This number must be viewed in the context of the vast majority of the City's net position of \$86.4 million are invested in capital assets and that most capital assets in government do not directly generate revenue nor can be sold to generate liquid capital. Net position of \$1.9 million is restricted for various purposes such as capital projects, public safety or community programs. The remaining \$13.9 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 \$69.3 million (Net Position). Governmental Activities Net Position increased by \$2.3 million this fiscal year. The City's total Net Position increased by \$2.8 million this fiscal year.
- At the close of the current fiscal year, City of Duncanville governmental funds reported combined ending fund balances of \$10.2 million, an increase of \$1.7 million from the prior year. Of this amount, \$5.6 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 \$5.6 million. On a current financial resources basis, total fund balance for the General Fund increased by \$1.3 million which was higher than the budgeted increase of \$780 thousand.
- The City's net bonded debt decreased by \$2.3 million during this current fiscal year.
- The City has seen all tax revenues increase over the prior fiscal year. Accordingly, overall expenses also increased indicating a positive current and future outlook for the 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, deferred outflows (inflows) and liabilities, with the difference 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 and schedules 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 \$102.2 million as of September 30, 2014.

City of Duncanville's Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Current and other assets	\$ 17,676,523	\$ 14,750,162	\$ 7,367,389	\$ 7,365,910	\$ 25,043,912	\$ 22,116,072
Capital assets, net	62,943,886	64,295,748	34,488,513	34,873,531	97,432,399	99,169,279
Total assets	80,620,409	79,045,910	41,855,902	42,239,441	122,476,311	121,285,351
Total deferred outflows of resources	-	-	59,670	70,519	59,670	70,519
Current liabilities	2,777,586	2,036,422	1,696,397	1,875,746	4,473,983	3,912,168
Noncurrent liabilities	8,510,419	9,928,591	7,318,896	7,974,214	15,829,315	17,902,805
Total liabilities	11,288,005	11,965,013	9,015,293	9,849,960	20,303,298	21,814,973
Invested in capital assets	59,060,297	59,230,613	27,375,652	27,099,050	86,435,949	86,329,663
Restricted net position	1,921,073	1,595,501	-	-	1,921,073	1,595,501
Unrestricted net position	8,351,034	6,254,783	5,524,627	5,290,431	13,875,661	11,545,214
Total net position	\$ 69,332,404	\$ 67,080,897	\$ 32,900,279	\$ 32,389,481	\$ 102,232,683	\$ 99,470,378

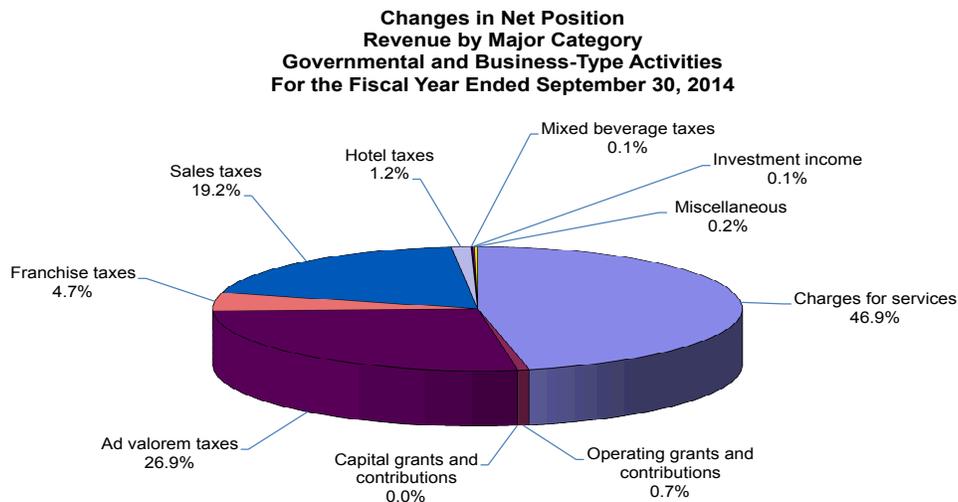
The majority of the City's net position \$86.4 million (84.5%) are capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress). The City uses these capital assets to provide services to citizens and consequently, these assets are not available for spending. 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.

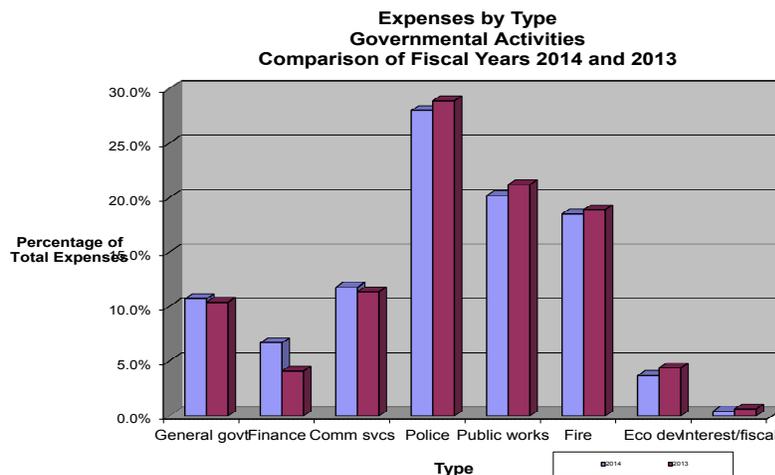
The City's balance of restricted net position of 1.9 million (1.9%) is reserved for various purposes such as capital projects, economic development, public safety and court programs.

The City's balance of unrestricted net position of \$13.9 million (13.6%) 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 \$2.8 million (2.8%) from the prior year.



Governmental Activities- General revenue (excluding transfers) had a net increase of \$1.8 million. Ad valorem tax experienced an increase of \$405 thousand due to a slight increase property values and a property tax rate increase enacted in fiscal year 2014. The City also continued to see an increase in sales tax at \$1.1 million, largely due to the boost in the local construction economy. The charges for services category had an overall increase \$1.1 million. Overall expenditures experienced a \$2.1 million increase in over the prior year.



Business-type Activities- Net position from business-type activities increased by \$511 thousand. Program revenues increased by \$1.8 million due to water and sewer rate increases enacted in fiscal year 2014. Overall business-type expenses reflected an increase of \$213 thousand (1.5%).

The following table provides a summary of the City's operations at fiscal year end 2014:

City of Duncanville's Changes in Net Position						
For the Fiscal Years Ending September 30, 2014 and 2013						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 5,411,370	\$ 4,342,961	\$ 16,428,793	\$ 14,677,551	\$ 21,840,163	\$ 19,020,512
Operating grants and contributions	332,777	305,858	-	-	332,777	305,858
Capital grants and contributions	-	276,132	-	-	-	276,132
General revenues:						
Ad valorem taxes	12,496,952	12,091,581	-	-	12,496,952	12,091,581
Franchise taxes	2,201,667	2,029,578	-	-	2,201,667	2,029,578
Sales taxes	8,921,000	7,781,695	-	-	8,921,000	7,781,695
Hotel taxes	542,191	470,710	-	-	542,191	470,710
Mixed beverage taxes	69,427	55,699	-	-	69,427	55,699
Investment income	34,171	41,495	8,714	9,520	42,885	51,015
Miscellaneous	89,362	127,578	-	-	89,362	127,578
Total revenues	<u>30,098,917</u>	<u>27,523,287</u>	<u>16,437,507</u>	<u>14,687,071</u>	<u>46,536,424</u>	<u>42,210,358</u>
Expenses:						
General government	3,131,175	2,823,031	-	-	3,131,175	2,823,031
Finance	1,973,904	1,124,285	-	-	1,973,904	1,124,285
Community services	3,444,064	3,085,333	-	-	3,444,064	3,085,333
Police	8,206,843	7,860,277	-	-	8,206,843	7,860,277
Public works	5,913,817	5,771,096	-	-	5,913,817	5,771,096
Fire	5,420,014	5,142,744	-	-	5,420,014	5,142,744
Economic development	1,087,047	1,200,096	-	-	1,087,047	1,200,096
Interest and fiscal charges	108,426	171,408	-	-	108,426	171,408
Water and sewer	-	-	10,466,404	10,405,927	10,466,404	10,405,927
Solid waste	-	-	2,241,624	2,150,278	2,241,624	2,150,278
Sports facility	-	-	1,533,713	1,472,276	1,533,713	1,472,276
Total expenses	<u>29,285,290</u>	<u>27,178,270</u>	<u>14,241,741</u>	<u>14,028,481</u>	<u>43,527,031</u>	<u>41,206,751</u>
Increase in net position before transfers	813,627	345,017	2,195,766	658,590	3,009,393	1,003,607
Transfers	1,519,188	445,972	(1,519,188)	(445,972)	-	-
Increase/ (decrease) in net position	2,332,815	790,989	676,578	212,618	3,009,393	1,003,607
Net position—beginning	67,080,897	66,289,908	32,389,481	32,176,863	99,470,378	98,466,771
Change in accounting principle	(81,308)	-	(165,780)	-	(247,088)	-
Net position—ending	<u>\$ 69,332,404</u>	<u>\$ 67,080,897</u>	<u>\$ 32,900,279</u>	<u>\$ 32,389,481</u>	<u>\$ 102,232,683</u>	<u>\$ 99,470,378</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 \$10.2 million. Approximately 55.0% of this total amount constitutes unassigned fund balance which is available for any public purpose. Approximately 25.5% of fund balance has been assigned by City management for community services and innovative technology. The restricted fund balance of \$1.9 million is 19.0% 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 \$24,879 and loans receivable of \$21,621. Fund balance for all governmental funds increased by \$1.7 million over the previous fiscal year.

In the General Fund, the original budget projected a \$448 thousand decrease in fund balance this fiscal year. The final amended budget changed to an expected fund balance increase of \$780 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 increased from \$0.737692 to \$.758447 and property values slightly increased providing an ad valorem tax revenue increase of 5.8%. Sales tax revenues increased by \$854 thousand (14.6%) over the prior year largely due to the increased sales of local construction businesses. All other tax based revenues also exhibited increases over the prior year figures. The City's expenditures increased primarily in the public safety areas. The General fund balance increased by \$1.7 million.

The Debt Service fund showed little change in fund balance with an increase of \$3 thousand. The Street Construction capital project fund had very little activity with a decrease in fund balance of \$5 thousand. The Economic Development fund had a net increase in fund balance of \$162 thousand largely due to increased sales tax revenue. The Traffic Improvement and Safety fund balance increased by \$238 thousand due to the enactment of the Scofflaw program to aid in the collection of red light tickets fines.

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 increased \$594 thousand. The Solid Waste fund net position decreased \$30 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 \$464 thousand before transfers for the Sports Facility. 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 2014, the City had \$97.4 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 \$1.7 million which is 1.8% 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	
	2014	2013	2014	2013	2014	2013
Land	22,195	\$ 21,975	\$ 568	\$ 568	\$ 22,763	\$ 22,543
Construction in progress	109	23	195	87	304	110
Buildings	7,706	7,957	8,166	8,532	15,872	16,489
Infrastructure Improvements	22,993	24,721	21,478	22,016	44,471	46,737
Equipment	6,684	6,887	22	23	6,706	6,910
Water rights	3,257	2,732	985	478	4,242	3,210
	-	-	3,074	3,170	3,074	3,170
Totals	<u>\$ 62,944</u>	<u>\$ 64,295</u>	<u>\$ 34,488</u>	<u>\$ 34,874</u>	<u>\$ 97,432</u>	<u>\$ 99,169</u>

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

- Water and wastewater capital costs for the current fiscal year were \$870 thousand. This includes the River Oaks elevated tank water quality improvements with a project total of \$360 thousand.
- The outdoor emergency siren system was replaced at \$218 thousand.
- Vehicle and equipment replacements were made totaling \$798 thousand out of the Fleet Replacement fund. A total of 15 items were purchased including a concrete truck at \$285 thousand.

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 \$11.5 million in bonded debt outstanding. The entire amount is comprised of bonded debt backed by the full faith and credit of the City.

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

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General Obligation and Certificate of Obligation bonds	\$ 4,401	\$ 6,003	\$ -	\$ -	\$ 4,401	\$ 6,003
Tax and Water/Wastewater Surplus Revenue bonds	-	-	7,113	7,774	7,113	7,774
Totals	<u>\$ 4,401</u>	<u>\$ 6,003</u>	<u>\$ 7,113</u>	<u>\$ 7,774</u>	<u>\$ 11,514</u>	<u>\$ 13,777</u>

The City's general obligation bonds have been assigned the rating of "AA" by the Standard & Poor's Ratings. 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 2014-2015 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 slightly increased on the total tax roll for 2014-15 from 2013-14.
- The second factor in determining ad valorem tax revenue is the tax rate set by City Council. For 2014-15 fiscal year budget, the City tax rate remains at \$.758447 per \$100 of assessed valuation.
- Sales tax revenue as of September 30, 2014 increased in the General Fund by 6.5%. This trend is expected to continue into the 2014-15 fiscal year. This increase is an indicator that the regional and national economies are improving.
- A water/wastewater rate study was performed resulting in a five-year plan for rate increases beginning in January 2015. The rate increases will support future Utility capital projects to improve the aging infrastructure.
- The City has earmarked \$2.4 million in the budget for one-time innovative expenditures. This includes technology improvements such as new phone system and network infrastructure, and a public works comprehensive plan.

During the current fiscal year, the unassigned fund balance in the general fund was \$5.6 million, available for spending in the 2014-2015 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, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	13,537,260	\$ 3,632,226	\$ 17,169,486
Receivables (net of allowance for uncollectibles)	3,554,406	2,718,180	6,272,586
Accrued interest and other	52,920	13,406	66,326
Prepaid items	56,399	164,663	221,062
Restricted cash and investments	-	706,994	706,994
Internal balances	(131,920)	131,920	-
Loans receivable	21,621	-	21,621
Investment in joint ventures	585,837	-	585,837
Capital assets:			
Nondepreciable	22,303,917	762,916	23,066,833
Depreciable- net of accumulated depreciation	40,639,969	33,725,597	74,365,566
Total Assets	80,620,409	41,855,902	122,476,311
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	-	59,670	59,670
Total deferred outflows of resources	-	59,670	59,670
LIABILITIES			
Accounts payable	1,864,907	878,622	2,743,529
Contracts payable	21,933	-	21,933
Accrued liabilities	728,422	29,411	757,833
Accrued interest payable	87,146	31,228	118,374
Unearned revenue	50,563	50,142	100,705
Customer performance and escrow deposits	24,615	706,994	731,609
Noncurrent liabilities			
Due within one year:			
Bonds and certificates of obligation payable	1,153,589	727,678	1,881,267
Compensated absences	193,066	3,902	196,968
Due in more than one year:			
Bonds and certificates of obligation payable	3,247,013	6,385,183	9,632,196
Compensated absences	2,565,016	51,840	2,616,856
Other postemployment benefits	1,351,735	150,293	1,502,028
Total Liabilities	11,288,005	9,015,293	20,303,298
NET POSITION			
Net investment in capital assets	59,060,297	27,375,652	86,435,949
Restricted for:			
Capital projects	743,130	-	743,130
Special revenue	1,177,943	-	1,177,943
Unrestricted	8,351,034	5,524,627	13,875,661
Total Net Position	69,332,404	\$ 32,900,279	\$ 102,232,683

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, 2014

PROGRAM ACTIVITIES	Program Revenues		
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions
Governmental activities:			
General government	\$ 3,131,175	\$ 347,798	\$ 3,044
Finance	1,973,904	-	-
Community Services	3,444,064	352,124	85,537
Police	8,206,843	2,990,850	144,305
Public works	5,913,817	1,056,842	53,748
Fire	5,420,014	663,756	46,143
Economic development	1,087,047	-	-
Interest and fiscal charges	108,426	-	-
Total governmental activities	29,285,290	5,411,370	332,777
Business-type activities:			
Water	5,062,745	7,196,268	-
Sewer	5,403,659	5,845,767	-
Solid waste	2,241,624	2,549,226	-
Sports facility	1,533,713	837,532	-
Total business-type activities	14,241,741	16,428,793	-
Total government	\$ 43,527,031	21,840,163	332,777

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

Change in accounting principle

Net position - beginning, restated

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
\$ (2,780,333)	\$ -	\$ (2,780,333)
(1,973,904)	-	(1,973,904)
(3,006,403)	-	(3,006,403)
(5,071,688)	-	(5,071,688)
(4,803,227)	-	(4,803,227)
(4,710,115)	-	(4,710,115)
(1,087,047)	-	(1,087,047)
(108,426)	-	(108,426)
<u>(23,541,143)</u>	<u>-</u>	<u>(23,541,143)</u>
-	2,133,523	2,133,523
-	442,108	442,108
-	307,602	307,602
-	(696,181)	(696,181)
-	<u>2,187,052</u>	<u>2,187,052</u>
<u>(23,541,143)</u>	<u>2,187,052</u>	<u>(21,354,091)</u>
12,496,952	-	12,496,952
8,921,000	-	8,921,000
2,201,667	-	2,201,667
69,427	-	69,427
542,191	-	542,191
34,171	8,714	42,885
89,362	-	89,362
<u>1,519,188</u>	<u>(1,519,188)</u>	<u>-</u>
<u>25,873,958</u>	<u>(1,510,474)</u>	<u>24,363,484</u>
2,332,815	676,578	3,009,393
67,080,897	32,389,481	99,470,378
<u>(81,308)</u>	<u>(165,780)</u>	<u>(247,088)</u>
<u>66,999,589</u>	<u>32,223,701</u>	<u>99,223,290</u>
<u>\$ 69,332,404</u>	<u>\$ 32,900,279</u>	<u>\$ 102,232,683</u>

CITY OF DUNCANVILLE, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction Fund</u>
ASSETS			
Cash and investments	\$ 7,524,530	\$ 4,301	\$ 398,558
Receivables -			
Property taxes (net of allowance)	352,982	30,642	-
Trade accounts (net of allowance)	521,969	-	-
Other taxes	1,833,998	-	-
Assessments	-	-	53,409
Intergovernmental	-	-	-
Accrued interest and other	22,524	4,714	912
Prepaid items	24,879	-	-
Due from other funds	105,000	-	-
Loans receivable	21,621	-	-
Total assets	<u>\$ 10,407,503</u>	<u>\$ 39,657</u>	<u>\$ 452,879</u>
LIABILITIES			
Accounts payable	\$ 1,113,087	\$ -	\$ 11
Customer performance and escrow deposits	24,465	-	-
Contracts payable	-	-	3,923
Accrued liabilities	301,584	-	-
Due to other funds	-	-	-
Unearned revenue	20,486	-	-
Total liabilities	<u>1,459,622</u>	<u>-</u>	<u>3,934</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	687,634	21,220	53,409
Total deferred inflows of resources	<u>687,634</u>	<u>21,220</u>	<u>53,409</u>
FUND BALANCES:			
Nonspendable:			
Loans receivable	21,621	-	-
Prepaid items	24,879	-	-
Restricted for:			
Debt service	-	18,437	-
Street construction	-	-	395,536
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	248,093	-	-
Innovative technology	2,353,766	-	-
Unassigned	<u>5,611,888</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>8,260,247</u>	<u>18,437</u>	<u>395,536</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,407,503</u>	<u>\$ 39,657</u>	<u>\$ 452,879</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>
\$ 779,834	\$ 3,084	\$ 822,452	\$ 9,532,759
-	-	-	383,624
102,723	-	131,080	755,772
-	390,529	123,825	2,348,352
-	-	-	53,409
-	-	13,249	13,249
912	1,100	2,002	32,164
17,644	-	-	42,523
-	-	-	105,000
-	-	-	21,621
<u>\$ 901,113</u>	<u>\$ 394,713</u>	<u>\$ 1,092,608</u>	<u>\$ 13,288,473</u>
\$ 528,894	66,947	\$ 108,049	\$ 1,816,988
-	150	-	24,615
-	-	18,010	21,933
578	999	4,193	307,354
-	105,000	-	105,000
-	-	30,077	50,563
<u>529,472</u>	<u>173,096</u>	<u>160,329</u>	<u>2,326,453</u>
-	-	-	762,263
-	-	-	762,263
-	-	-	21,621
-	-	-	24,879
-	-	-	18,437
-	-	-	395,536
371,641	-	-	371,641
-	221,617	-	221,617
-	-	206,187	206,187
-	-	211,118	211,118
-	-	84,053	84,053
-	-	993	993
-	-	41,330	41,330
-	-	26,169	26,169
-	-	225,953	225,953
-	-	21,043	21,043
-	-	115,433	115,433
-	-	-	248,093
-	-	-	2,353,766
-	-	-	5,611,888
<u>371,641</u>	<u>221,617</u>	<u>932,279</u>	<u>10,199,757</u>
<u>\$ 901,113</u>	<u>\$ 394,713</u>	<u>\$ 1,092,608</u>	<u>\$ 13,288,473</u>

CITY OF DUNCANVILLE, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014**

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS \$ 10,199,757

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 \$1,519,273). 61,424,613

Revenue earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements. 762,263

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. (87,146)

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 position excluding an internal balance of \$131,920. 4,957,499

Investments in joint ventures represent a financial asset not reported in governmental funds. 585,837

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	(4,400,602)	
Compensated absences	(2,758,082)	
Other post employment benefits	(1,351,735)	
	(8,510,419)	(8,510,419)

NET POSITION OF GOVERNMENTAL ACTIVITIES 69,332,404

The accompanying notes are an integral part of this statement.



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction</u>
REVENUES			
Taxes:			
Ad valorem	\$ 11,419,808	\$ 1,123,245	\$ -
Sales	6,690,750	-	-
Franchise	2,201,667	-	-
Mixed beverage	69,427	-	-
Hotel	-	-	-
Licenses, permits and fees	1,493,932	-	-
Fines and forfeitures	720,090	-	-
Recreational fees	351,804	-	-
Intergovernmental	303,056	-	-
Investment income	20,046	4,859	688
Rental and other	486,964	-	-
Gifts and contributions	5,044	-	-
Total revenues	<u>23,762,588</u>	<u>1,128,104</u>	<u>688</u>
EXPENDITURES			
Current:			
General government	2,059,620	-	-
Finance	1,205,901	-	-
Community services	3,131,250	-	-
Police	7,723,805	-	-
Public works	3,933,208	-	5,687
Fire	5,572,698	-	-
Non-departmental	571,077	-	-
Special purposes - promotional	-	-	-
Debt Service:			
Principal retirement	-	801,546	-
Interest and fiscal charges	-	523,832	-
Capital outlay:			
General government	150,904	-	-
Finance	35,000	-	-
Community services	4,089	-	-
Public works	24,600	-	-
Fire	226,042	-	-
Special purposes - promotional	-	-	-
Total expenditures	<u>24,638,194</u>	<u>1,325,378</u>	<u>5,687</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(875,606)</u>	<u>(197,274)</u>	<u>(4,999)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,234,672	200,000	-
Transfers out	(14,966)	-	-
Total other financing sources (uses)	<u>2,219,706</u>	<u>200,000</u>	<u>-</u>
Net change in fund balances	1,344,100	2,726	(4,999)
Fund balances, beginning of year	6,916,147	15,711	400,535
Fund balances, end of year	<u>\$ 8,260,247</u>	<u>\$ 18,437</u>	<u>\$ 395,536</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>
\$ -	\$ -	\$ -	\$ 12,543,053
-	2,230,250	-	8,921,000
-	-	-	2,201,667
-	-	-	69,427
-	-	542,191	542,191
1,637,680	-	640,930	3,772,542
-	-	86,833	806,923
-	-	-	351,804
-	-	189,718	492,774
952	2,017	1,140	29,702
-	-	3,428	490,392
-	-	-	5,044
<u>1,638,632</u>	<u>2,232,267</u>	<u>1,464,240</u>	<u>30,226,519</u>
698,888	124,517	175,779	3,058,804
46,382	-	-	1,252,283
-	-	4,185	3,135,435
486,882	-	322,143	8,532,830
29,560	-	367,450	4,335,905
-	-	6,339	5,579,037
-	-	-	571,077
-	492,634	318,699	811,333
-	380,000	-	1,181,546
-	134,517	-	658,349
-	-	2,377	153,281
-	-	-	35,000
-	-	-	4,089
30,797	-	216,713	272,110
-	-	-	226,042
-	255,942	10,248	266,190
<u>1,292,509</u>	<u>1,387,610</u>	<u>1,423,933</u>	<u>30,073,311</u>
<u>346,123</u>	<u>844,657</u>	<u>40,307</u>	<u>153,208</u>
-	-	214,966	2,649,638
<u>(107,800)</u>	<u>(682,532)</u>	<u>(325,152)</u>	<u>(1,130,450)</u>
<u>(107,800)</u>	<u>(682,532)</u>	<u>(110,186)</u>	<u>1,519,188</u>
238,323	162,125	(69,879)	1,672,396
133,318	59,492	1,002,158	8,527,361
<u>\$ 371,641</u>	<u>\$ 221,617</u>	<u>\$ 932,279</u>	<u>\$ 10,199,757</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, 2014**

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS **\$ 1,672,396**

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 \$797,941). 956,712

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. (134,109)

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but it does require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds. (2,619,047)

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. 1,181,546

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. 38,455

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. (3,513)

Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (73,105)

Current year changes in accreted interest do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds. 420,818

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. (222,647)

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 \$184,613 allocated to business type activities). 1,115,309

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 2,332,815**

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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes:				
Ad valorem	\$ 11,404,197	\$ 11,419,197	\$ 11,419,808	\$ 611
Sales	5,792,047	6,673,382	6,690,750	17,368
Franchise	1,930,000	2,107,750	2,201,667	93,917
Other	46,000	66,852	69,427	2,575
Licenses, permits and fees	1,358,600	1,510,400	1,493,932	(16,468)
Fines and forfeitures	733,000	731,000	720,090	(10,910)
Recreation fees	204,000	206,400	351,804	145,404
Intergovernmental	337,000	264,000	303,056	39,056
Investment income	14,800	18,000	20,046	2,046
Rental and other	385,059	435,446	486,964	51,518
Gifts and contributions	-	-	5,044	5,044
Total revenues	<u>22,204,703</u>	<u>23,432,427</u>	<u>23,762,588</u>	<u>330,161</u>
EXPENDITURES				
Current:				
General government	1,868,039	2,189,184	2,059,620	129,564
Finance	1,266,858	1,265,183	1,205,901	59,282
Community services	2,892,956	2,941,465	3,131,250	(189,785)
Police	8,108,126	7,841,386	7,723,805	117,581
Public works	4,199,827	4,147,504	3,933,208	214,296
Fire	5,582,969	5,626,417	5,572,698	53,719
Non-departmental	380,650	414,748	571,077	(156,329)
Capital outlay:				
General government	76,795	126,045	150,904	(24,859)
Finance	-	-	35,000	(35,000)
Community services	-	-	4,089	(4,089)
Public works	24,600	24,600	24,600	-
Fire	320,500	310,551	226,042	84,509
Total expenditures	<u>24,721,320</u>	<u>24,887,083</u>	<u>24,638,194</u>	<u>248,889</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,516,617)</u>	<u>(1,454,656)</u>	<u>(875,606)</u>	<u>579,050</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,068,769	2,234,672	2,234,672	-
Transfers out	-	-	(14,966)	(14,966)
Total other financing sources (uses)	<u>2,068,769</u>	<u>2,234,672</u>	<u>2,219,706</u>	<u>(14,966)</u>
Net change in fund balance	<u>\$ (447,848)</u>	<u>\$ 780,016</u>	<u>1,344,100</u>	<u>\$ 564,084</u>
FUND BALANCE, beginning of year			<u>6,916,147</u>	
FUND BALANCE, end of year			<u>\$ 8,260,247</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Traffic enforcement fees	\$ 673,704	\$ 1,400,000	\$ 1,637,680	\$ 237,680
Interest on investments	1,125	1,200	952	(248)
Total revenues	<u>674,829</u>	<u>1,401,200</u>	<u>1,638,632</u>	<u>237,432</u>
EXPENDITURES				
General government	48,599	553,028	698,888	(145,860)
Police	486,876	486,876	486,882	(6)
Public works	25,000	25,000	29,560	(4,560)
Finance	54,019	51,130	46,382	4,748
Capital Outlay- Public works	-	26,513	30,797	(4,284)
Total expenditures	<u>614,494</u>	<u>1,142,547</u>	<u>1,292,509</u>	<u>(149,962)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>60,335</u>	<u>258,653</u>	<u>346,123</u>	<u>87,470</u>
OTHER FINANCING USES				
Transfers out	(52,000)	(107,800)	(107,800)	-
NET CHANGE IN FUND BALANCE	8,335	150,853	238,323	87,470
FUND BALANCE, beginning of year			<u>133,318</u>	
FUND BALANCE, end of year			<u>\$ 371,641</u>	

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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
REVENUES				
Sales tax	\$ 1,930,682	\$ 2,224,461	\$ 2,230,250	\$ 5,789
Investment income	4,000	3,000	2,017	(983)
Total revenues	<u>1,934,682</u>	<u>2,227,461</u>	<u>2,232,267</u>	<u>4,806</u>
EXPENDITURES				
General government	107,090	131,840	124,517	7,323
Special purposes - promotional	332,100	607,551	492,634	114,917
Debt service-				
Principal bond retirement	380,000	380,000	380,000	-
Interest and fiscal charges	135,161	135,533	134,517	1,016
Capital outlay	<u>50,000</u>	<u>269,634</u>	<u>255,942</u>	<u>13,692</u>
Total expenditures	<u>1,004,351</u>	<u>1,524,558</u>	<u>1,387,610</u>	<u>136,948</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>930,331</u>	<u>702,903</u>	<u>844,657</u>	<u>141,754</u>
OTHER FINANCING USES				
Transfers out	(681,216)	(682,532)	(682,532)	-
Total other financing uses	<u>(681,216)</u>	<u>(682,532)</u>	<u>(682,532)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	249,115	20,371	162,125	141,754
FUND BALANCES, beginning of year			<u>59,492</u>	
FUND BALANCES, end of year			<u>\$ 221,617</u>	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2014

	Business-type Activities				Governmental
	Utility	Solid Waste	Fieldhouse Sports Facility	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 2,915,246	\$ 713,041	3,939	\$ 3,632,226	4,004,501
Receivables-					
Customers (net of allowance)	1,176,308	197,372	-	1,373,680	-
Unbilled	1,172,181	172,319	-	1,344,500	-
Due from other funds	725,000	-	-	725,000	-
Accrued interest and other	11,721	-	1,685	13,406	20,756
Prepaid items	164,663	-	-	164,663	13,876
Total current assets	6,165,119	1,082,732	5,624	7,253,475	4,039,133
Non-current assets:					
Restricted cash-					
Customer deposits	706,994	-	-	706,994	-
Capital assets-					
Land and construction-in-progress	284,480	-	478,436	762,916	-
Water rights, net	3,073,514	-	-	3,073,514	-
Buildings and improvements, net	2,377,442	-	5,811,163	8,188,605	-
Distribution lines and equipment, net	22,445,765	-	17,713	22,463,478	1,519,273
Total non-current assets	28,888,195	-	6,307,312	35,195,507	1,519,273
TOTAL ASSETS	35,053,314	1,082,732	6,312,936	42,448,982	5,558,406
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on bond refunding	59,670	-	-	59,670	-
Total deferred outflows of resources	59,670	-	-	59,670	-
LIABILITIES					
Current liabilities:					
Accounts payable	545,910	305,970	26,742	878,622	47,919
Accrued liabilities	21,901	1,880	5,630	29,411	421,068
Due to other funds	-	-	725,000	725,000	-
Accrued interest payable	3,069	-	28,160	31,229	-
Unearned revenue	-	-	50,142	50,142	-
Accrued compensated absences - current	3,555	347	-	3,902	-
Bonds payable - current	320,000	-	407,678	727,678	-
Total current liabilities	894,435	308,197	1,243,352	2,445,984	468,987
Long-term Liabilities:					
Accrued compensated absences	46,853	4,617	370	51,840	-
Bonds payable	1,475,000	-	4,910,183	6,385,183	-
Other postemployment benefits liability	127,030	17,729	5,534	150,293	-
Payable from restricted assets					
Customer deposits	706,994	-	-	706,994	-
Total long-term liabilities	2,355,877	22,346	4,916,087	7,294,310	-
Total liabilities	3,250,312	330,543	6,159,439	9,740,294	468,987
NET POSITION					
Net investment in capital assets	26,386,201	-	989,451	27,375,652	1,519,273
Unrestricted	5,476,471	752,189	(835,954)	5,392,706	3,570,146
TOTAL NET POSITION	\$ 31,862,672	\$ 752,189	\$ 153,497	32,768,358	\$ 5,089,419

Reconciliation to government-wide statement of net position:

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds

131,920

Net position of business-type activities

\$ 32,900,278

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, 2014

	Business-type Activities				Governmental
	Utility	Solid Waste	Fieldhouse Sports Facility	Total	Activities- Internal Service Funds
OPERATING REVENUES					
Water	\$ 6,837,301	\$ -	\$ -	\$ 6,837,301	\$ -
Sewer	5,845,767	-	-	5,845,767	-
Solid waste	-	2,549,226	-	2,549,226	-
Sports facility	-	-	770,842	770,842	-
Penalties	171,175	-	-	171,175	-
Premiums, charges for services and other	178,692	-	66,690	245,382	4,216,976
Total operating revenues	13,032,935	2,549,226	837,532	16,419,693	4,216,976
OPERATING EXPENSES					
Water services	4,003,995	-	-	4,003,995	-
Sewer	4,224,169	-	-	4,224,169	-
Solid waste	-	2,253,532	-	2,253,532	-
Sports facility	-	-	1,034,977	1,034,977	-
Claims and provision	-	-	-	-	1,873,250
Administrative and fiscal	1,381,383	-	-	1,381,383	567,879
Depreciation and amortization	988,695	-	266,359	1,255,054	488,222
Total operating expenses	10,598,242	2,253,532	1,301,336	14,153,110	2,929,351
OPERATING INCOME (LOSS)	2,434,693	295,694	(463,804)	2,266,583	1,287,625
NON-OPERATING REVENUES (EXPENSES)					
Investment income	8,572	142	-	8,714	4,469
Interest and fiscal charges	(37,044)	-	(236,202)	(273,246)	-
Sale of materials	9,100	-	-	9,100	7,828
Total non-operating revenues (expenses)	(19,372)	142	(236,202)	(255,432)	12,297
INCOME (LOSS) BEFORE TRANSFERS	2,415,321	295,836	(700,006)	2,011,151	1,299,922
Transfers in	-	-	628,184	628,184	-
Transfers out	(1,821,064)	(326,308)	-	(2,147,372)	-
CHANGES IN NET POSITION	594,257	(30,472)	(71,822)	491,963	1,299,922
TOTAL NET POSITION - BEGINNING	31,319,162	782,661	340,352		3,789,497
CHANGE IN ACCOUNTING PRINCIPLE	(50,747)	-	(115,033)		-
TOTAL NET POSITION - ENDING	\$ 31,862,672	\$ 752,189	\$ 153,497		\$ 5,089,419
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				184,613	
Change in net position of business-type activities				\$ 676,576	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED SEPTEMBER 30, 2014

	Business-type Activities			Total	Governmental
	Utility Fund	Solid Waste Fund	Fieldhouse Sports Facility		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 12,782,561	\$ 2,552,256	\$ 771,061	\$ 16,105,878	\$ -
Payments to suppliers	(8,156,100)	(2,091,827)	(818,776)	(11,066,703)	(2,452,283)
Payments to employees	(1,893,046)	(89,587)	(231,394)	(2,214,027)	-
Internal activity - receipts from other funds	-	-	-	-	4,198,260
Other receipts	178,692	-	66,690	245,382	66,254
Net cash provided by (used in) operating activities	<u>2,912,107</u>	<u>370,842</u>	<u>(212,419)</u>	<u>3,070,530</u>	<u>1,812,231</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out to other funds	(1,821,064)	(326,308)	-	(2,147,372)	-
Transfers in from other funds	-	-	628,184	628,184	-
Receipts from interfund borrowings	-	-	215,000	215,000	70,000
Payments for interfund borrowings	(215,000)	-	-	(215,000)	70,000
Net cash provided (used in) by noncapital financing activities	<u>(2,036,064)</u>	<u>(326,308)</u>	<u>843,184</u>	<u>(1,519,188)</u>	<u>70,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(870,035)	-	-	(870,035)	(797,941)
Sale of materials	9,100	-	-	9,100	7,828
Principal paid on bond maturities	(320,000)	-	(395,000)	(715,000)	-
Interest paid on bond maturities	(26,195)	-	(237,190)	(263,385)	-
Net cash used in capital and related financing activities	<u>(1,207,130)</u>	<u>-</u>	<u>(632,190)</u>	<u>(1,839,320)</u>	<u>(790,113)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	7,110	139	2,880	10,129	25,748
Net cash provided by investing activities	<u>7,110</u>	<u>139</u>	<u>2,880</u>	<u>10,129</u>	<u>25,748</u>
Net increase (decrease) in cash and cash equivalents	<u>(323,977)</u>	<u>44,673</u>	<u>1,455</u>	<u>(277,849)</u>	<u>1,117,866</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,946,217</u>	<u>668,368</u>	<u>2,484</u>	<u>4,617,069</u>	<u>2,886,635</u>
CASH AND CASH EQUIVALENTS, end of year	<u>3,622,240</u>	<u>713,041</u>	<u>3,939</u>	<u>4,339,220</u>	<u>4,004,501</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 2,434,693	\$ 295,694	\$ (463,804)	\$ 2,266,583	\$ 1,287,625
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	892,648	-	266,359	1,159,007	488,222
Amortization of water rights	96,047	-	-	96,047	-
Change in assets and liabilities:					
Accounts receivable	(117,785)	3,030	219	(114,536)	53,019
Accrued compensated absences	(20,320)	645	370	(19,305)	-
Other postemployment benefits liability	22,109	2,333	1,166	25,608	-
Prepaid items	(164,513)	-	-	(164,513)	-
Accounts payable and accrued liabilities	(247,335)	69,140	(16,729)	(194,924)	(16,635)
Customer deposits	16,563	-	-	16,563	-
Total adjustments	<u>477,414</u>	<u>75,148</u>	<u>251,385</u>	<u>803,947</u>	<u>524,606</u>
Net cash provided by (used in) operating activities	<u>\$ 2,912,107</u>	<u>\$ 370,842</u>	<u>\$ (212,419)</u>	<u>\$ 3,070,530</u>	<u>\$ 1,812,231</u>
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION					
Unrestricted cash and investments				3,632,226	4,004,501
Restricted cash				706,994	-
				<u>\$ 4,339,220</u>	<u>\$ 4,004,501</u>

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & NEW GASB PRONOUNCEMENTS

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

The financial statements of the City have been prepared to conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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, deferred outflows (inflows) and liabilities, with the difference 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, 2014

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, Traffic Improvement and Safety, and Economic Development 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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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 inflows 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, 2014

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."

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, 2014, are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are accounted for on the consumption basis in governmental funds.

Capital Assets—Capital assets, which include land, buildings, infrastructure, improvements, equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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, 2014 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, 2014

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 are deferred and amortized over the life of the bonds if material in amount.

In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt is recorded as other financing sources. Bond premiums and discounts are recorded as other financing sources and other financing 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 (resolution) 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 the City Council, the City Manager or Finance Director by fund balance policy.

Unassigned fund balance represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance; however, if expenditures incurred for specific purposes exceeds the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance for that fund.

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.

Net Position— Net position represents the difference between assets, deferred outflows (inflows) and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on the use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

laws or regulations of other governments. Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Deferred Outflows/Inflows of Resources- In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred losses on bond refundings reported in the government-wide Statement of Net Position and the Statement of Net Position- Proprietary Funds. A deferred loss on refunding results when the reacquisition price of the refunded debt exceeds the carrying value. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item that qualifies for reporting in this category. At the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

New Accounting Standards/Pronouncements-

GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," is effective for the City beginning fiscal year 2014. 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.

GASB Statement No. 67, "Financial Reporting for Pension Plans" is effective for the current fiscal year. 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.

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.

GASB Statement No. 69, "Government Combinations and Disposals of Government Operations" will be effective for periods beginning after December 15, 2013. This statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations. This statement also provides guidance on how to determine the gain or loss on a disposal of government operations.

GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees," is effective for the current fiscal year. This statement established accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

to indemnify a third party obligation holder under specified conditions. This statement has no impact on the City as of September 30, 2014.

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, 2014, in full compliance with state statute and City policy. At year-end, the reconciled balance of the City's cash was \$3,231,489. The combined bank balances of the City were \$3,556,123. Of the bank balance, \$250,000 was covered by Federal Depository Insurance and the remainder by surety bond in the amount of \$3,306,123. 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.

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, 2014 are as follows:

Description	Fair Value	Less Than 1 Year	Weighted Average Maturity
Investments			
Local Government Investment Cooperative ("Logic") (AAA/MR1+, 2a-7 like pool)	\$ 8,640,241	\$ 8,640,241	57 days
Texpool (AAAm, 2a-7 like pool)	4,750	4,750	51 days
Certificates of deposit	6,000,000	6,000,000	229 days
Total investments	<u>\$ 14,644,991</u>	<u>\$ 14,644,991</u>	

All the City's investments at September 30, 2014, 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.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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.

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, 2013, upon which the 2014 fiscal year levy was based, was \$1,640,974,417.

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, 2014 were 97.9% 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, 2014

4. RECEIVABLES

Receivables at September 30, 2014, 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	\$ 2,143,646	\$ -	\$ -	\$ 102,723	\$ -	\$ 156,879	\$ 2,890,269	\$ 447,089	\$ 5,740,606
Ad valorem taxes	696,951	128,165	-	-	-	-	-	-	825,116
Other taxes	1,833,998	-	-	-	390,529	123,825	-	-	2,348,352
Assessments	-	-	53,409	-	-	-	-	-	53,409
Intergovernmental	-	-	-	-	-	13,249	-	-	13,249
Gross receivables	4,674,595	128,165	53,409	102,723	390,529	293,953	2,890,269	447,089	8,980,732
Less allowance for uncollectibles	(1,965,646)	(97,523)	-	-	-	(25,799)	(541,780)	(77,398)	(2,708,146)
Net total receivables	\$ 2,708,949	\$ 30,642	\$ 53,409	\$ 102,723	\$ 390,529	\$ 268,154	\$ 2,348,489	\$ 369,691	\$ 6,272,586

5. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2014:

Governmental activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 21,975,419	\$ 219,634	\$ -	\$ -	\$ 22,195,053
Construction in progress	22,714	108,864	-	(22,714)	108,864
Total capital assets, not being depreciated	21,998,133	328,498	-	(22,714)	22,303,917
Capital assets being depreciated:					
Buildings	12,583,089	-	-	-	12,583,089
Infrastructure	60,472,562	130,231	-	-	60,602,793
Improvements	8,978,635	-	-	-	8,978,635
Equipment	14,372,612	1,296,375	(164,996)	22,714	15,526,705
Total capital assets being depreciated	96,406,898	1,426,606	(164,996)	22,714	97,691,222
Less accumulated depreciation for:					
Buildings	(4,625,782)	(251,662)	-	-	(4,877,444)
Infrastructure	(35,751,388)	(1,858,633)	303	-	(37,609,718)
Improvements	(2,091,333)	(202,911)	-	-	(2,294,244)
Equipment	(11,640,780)	(794,063)	164,996	-	(12,269,847)
Total accumulated depreciation	(54,109,283)	(3,107,269)	165,299	-	(57,051,253)
Total capital assets being depreciated, net	42,297,615	(1,680,663)	303	22,714	40,639,969
Governmental activities capital assets, net	\$ 64,295,748	\$ (1,352,165)	\$ 303	\$ -	\$ 62,943,886

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Business-type activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 567,630	\$ -	\$ -	\$ -	\$ 567,630
Construction in progress	86,650	125,636	-	(17,000)	195,286
Total capital assets, not being depreciated	<u>654,280</u>	<u>125,636</u>	<u>-</u>	<u>(17,000)</u>	<u>762,916</u>
Capital assets being depreciated:					
Buildings	11,703,957	-	-	-	11,703,957
Infrastructure	40,623,595	227,905	-	-	40,851,500
Water rights	4,802,361	-	-	-	4,802,361
Improvements	29,130	-	-	-	29,130
Equipment	1,535,855	516,495	-	17,000	2,069,350
Total capital assets being depreciated	<u>58,694,898</u>	<u>744,400</u>	<u>-</u>	<u>17,000</u>	<u>59,456,298</u>
Less accumulated depreciation for:					
Buildings	(3,171,643)	(365,944)	-	-	(3,537,587)
Infrastructure	(18,607,179)	(766,145)	-	-	(19,373,324)
Water rights	(1,632,800)	(96,046)	-	-	(1,728,846)
Improvements	(6,314)	(581)	-	-	(6,895)
Equipment	(1,057,711)	(26,338)	-	-	(1,084,049)
Total accumulated depreciation	<u>(24,475,647)</u>	<u>(1,255,054)</u>	<u>-</u>	<u>-</u>	<u>(25,730,701)</u>
Total capital assets being depreciated, net	<u>34,219,251</u>	<u>(510,654)</u>	<u>-</u>	<u>17,000</u>	<u>33,725,597</u>
Business-type activities capital assets, net	<u>\$ 34,873,531</u>	<u>\$ (385,018)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,488,513</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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

General Government	\$	121,062
Finance		1,319
Community services		402,904
Police		21,900
Public works		1,718,485
Fire		76,293
Economic Development		<u>277,084</u>
Total governmental activities		2,619,047
Internal service activity:		
Fleet rotation		<u>488,222</u>
Total government & internal service activities	\$	<u><u>3,107,269</u></u>
Business-like activities:		
Water and sewer	\$	892,648
Water rights amortization		96,047
Fieldhouse		<u>266,359</u>
Total business-like activities	\$	<u><u>1,255,054</u></u>

The City has active construction projects as of September 30, 2014. Total accumulated commitments for ongoing capital projects are composed of the following:

Business-type activities:		
Utility Fund	\$	<u>1,274,614</u>
Total business-type activities	\$	<u><u>1,274,614</u></u>

There are no construction commitments for governmental activities.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

6. INTERFUND BALANCES AND TRANSFERS

Interfund balances as of September 30, 2014 are as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Economic development	105,000
Utility (enterprise fund)	Sports Facility (enterprise fund)	725,000
	Total	<u>\$ 830,000</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, 2014:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General	Non-major governmental	\$ 14,966	Matching funds for grant
Traffic I & S	General	107,800	Administrative and overhead charges
Economic development	General	54,348	Administrative and overhead charges
	Fieldhouse sports facility	628,184	Contribution to fund debt
Non-major governmental	Debt service	200,000	To fund debt
	General	125,152	Administrative and overhead charges
Utility	General	1,821,064	Administrative and overhead charges, PILOT
Solid waste	General	126,308	Administrative and overhead charges
	Non-major governmental	200,000	To fund alley repairs
	Total	<u>\$ 3,277,822</u>	

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

7. BUDGETARY COMPLIANCE

Budgets are legally adopted at the fund level of control for the General, Debt Service, Traffic Safety and Improvement, Economic Development, Hotel Tax, and Drainage funds on a basis consistent with GAAP using the modified accrual basis of accounting. Budgetary comparison statements or schedules are presented for these funds 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, 2014, expenditures exceeded appropriations (the legal level of budgetary control) in the General fund's community services, General fund's non-departmental, Traffic Safety and Improvement fund, and Hotel Tax fund by \$193,874, \$156,329, \$149,962, and \$19,180 respectively. These over expenditures were funded by greater than expected revenues in each fund.

8. LONG-TERM DEBT

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

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

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

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	1,153,589	684,616	727,322	247,615
2016	410,000	102,105	742,525	234,022
2017	430,000	85,305	762,733	216,990
2018	445,000	67,805	782,947	197,430
2019-2023	1,445,000	90,383	2,928,221	773,499
2024-2025	-	-	1,169,113	90,713
Total	<u>3,883,589</u>	<u>1,030,214</u>	<u>7,112,861</u>	<u>1,760,269</u>
Accreted Interest	<u>517,013</u>			
Total	<u><u>4,400,602</u></u>			

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Long-term bonded debt at September 30, 2014, 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	3.9-4.4	2/15/2015	1,275,602	758,589
C.O. Series 2006 Tax & WW/SS Rev	4-4.125	2/15/2021	<u>3,125,000</u>	<u>395,000</u>
Total certificate of obligation bonds			<u>4,400,602</u>	<u>1,153,589</u>
Total governmental activities long-term bonded debt			<u>\$ 4,400,602</u>	<u>\$ 1,153,589</u>
<u>Business-type Activities</u>				
Water and Sewer Revenue Bonds:				
G.O. Refunding Series 2013	1-4.625	2/15/2020	\$ 1,795,000	\$ 325,000
Series 2010 Tax and Waterworks and Sewer System Revenue Certificates of Obligation	1.0 -4.625	8/15/2025	<u>\$ 5,317,861</u>	<u>\$ 402,322</u>
Total business-type activities long-term debt			<u>\$ 7,112,861</u>	<u>\$ 727,322</u>
Total long-term bonded debt (primary government)			<u>\$ 11,513,463</u>	<u>\$ 1,880,911</u>

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Long-term liability activity for the year ended September 30, 2014, 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:							
Certificates of obligation	\$ 6,002,966	\$ -	\$ 1,181,546	\$ 102,636	\$ 523,454	\$ 4,400,602	\$ 1,153,589
Total bonds payable	6,002,966	-	1,181,546	102,636	523,454	4,400,602	1,153,589
Accrued compensated absences	2,796,537	919,794	958,249	-	-	2,758,082	193,066
Other postemployment benefits	1,129,088	570,281	347,634	-	-	1,351,735	-
Total governmental activities	<u>9,928,591</u>	<u>1,490,075</u>	<u>2,487,429</u>	<u>102,636</u>	<u>523,454</u>	<u>8,510,419</u>	<u>1,346,655</u>
Business-type activities:							
Bonds payable:							
Series 2010 Tax and Waterworks and Sewer System Revenue Certificates of Obligation	5,730,000	-	395,000	-	-	5,335,000	405,000
General Obligation Refunding Series 2013	2,115,000	-	320,000	-	-	1,795,000	325,000
Deferred discount on bonds	-	(20,017)	(2,878)	-	-	(17,139)	(2,678)
Total bonds payable	7,845,000	(20,017)	712,122	-	-	7,112,861	727,322
Accrued compensated absences	75,047	66,130	85,435	-	-	55,742	3,902
Other postemployment benefits	124,686	41,409	15,802	-	-	150,293	-
Total business-type activities	<u>8,044,733</u>	<u>87,522</u>	<u>813,359</u>	<u>-</u>	<u>-</u>	<u>7,318,896</u>	<u>731,224</u>
Total long-term liabilities (primary government)	<u>\$ 17,902,805</u>	<u>\$ 1,577,597</u>	<u>\$ 3,300,788</u>	<u>\$ 102,636</u>	<u>\$ 523,454</u>	<u>\$ 15,829,315</u>	<u>\$ 2,077,879</u>

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.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**
9. RETIREMENT PLAN

Plan Description—The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (“TMRS”), one of 850 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>2013</u>	<u>2014</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (age/yrs service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	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 Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). 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 for an employee is the contribution rate which, if applied to a member’s compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. (i.e., December 31, 2013, valuation is effective for rates beginning January 2015).

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

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarial valuation date	12/31/2011	12/31/2012	12/31/2013
NPO, beginning of the year	\$ -	\$ -	\$ -
Annual pension cost:			
Annual required contribution	2,449,820	1,748,519	1,723,405
Contributions made	(2,449,820)	(1,748,519)	(1,723,405)
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, 2014

Actuarial Methods and Assumptions—The required contribution rates for fiscal year 2014 were determined as a part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Fiscal Year	2012	2013	2014
Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
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	25 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— In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

The funded status as of December 31, 2013 is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percent of Covered Payroll
12/31/2013	93,820,533	91,865,620	102.1%	(1,954,913)	13,616,947	(14.4)%

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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 2014 was \$0.3673 per 1,000 gallons plus an annual demand charge of \$208,941 for each million gallons per day as established by the rate of flow controller setting (currently 12.0 million gallons at \$2,507,292 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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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 \$4,600 per year.

Summit Regional Water Storage Project - The City and the City of Cedar Hill entered into a contract with TRA, dated February 26, 1986 and in effect for the useful life of the project, whereby TRA would sell its revenue bonds and construct and operate an 8 million gallon water storage reservoir, delivery facilities and pump stations. Under the contract, the City is required to pay its proportionate share (58.77%) of the debt service on bonds issued by TRA for the project and maintenance and operation costs, and is obligated to pay its proportionate share regardless of whether the City actually makes use of the system. The City's current payments under the contract, which include debt service on bonds issued by TRA to construct the facilities and maintenance and operation costs associated with the facility, are approximately \$43,000 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 \$257,008 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 September 30. 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 \$254,059 and \$167,009 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, 2014**

Changes in the funds' claims liability amount in fiscal years 2013 and 2014 were:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
Medical Self-Insurance Fund				
2013	240,373	2,245,579	(2,199,421)	286,531
2014	286,531	1,631,237	(1,663,709)	254,059
Comprehensive Self-Insurance Fund				
2013	561,254	242,017	(690,798)	112,473
2014	112,473	242,013	(187,477)	167,009

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 2014, \$311,164 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 dependents under the same plan as active employees in accordance with State law. As of September 30, 2014, twenty-three 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 2014, retiree contributions were \$627 to \$1,300 per month depending on the amount of dependents selected. In fiscal year 2014, total member contributions were \$260,186. The City contributions for fiscal year 2014, which are also equal to claims paid in excess of premiums collected, were \$50,978.

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, 2014

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	2012	2013	2014
Annual required contribution	\$ 382,913	\$ 295,084	\$ 295,084
Interest on net OPEB	35,686	49,862	56,420
Adjustment to annual required contribution	<u>(26,434)</u>	<u>(46,197)</u>	<u>(52,271)</u>
Annual OPEB cost (expense)	392,165	298,749	299,233
Contributions made	<u>(77,144)</u>	<u>(153,012)</u>	<u>(50,978)</u>
Increase in net OPEB obligation	315,021	145,737	248,254
Net OPEB obligation- beginning of the year	793,016	1,108,037	1,253,774
Net OPEB obligation- end of the year	<u>\$ 1,108,037</u>	<u>\$ 1,253,774</u>	<u>\$ 1,502,028</u>

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, 2013 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
12/31/2013	-	\$3,265,737	\$3,265,737	0.0%	13,616,947

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, 2013. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 24.0%.

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, 2014

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, no pending litigation exists at September 30, 2014.

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, 2014, is \$337,862. 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, 2014**

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 \$714,282. The value of the City's share in the equity of the facility net of the debt is \$220,127 as of September 30, 2014. 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, 2014 is \$27,848. 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 which ended June 30, 2014. Total rent due and received from D.I.S.D. in fiscal year 2014 was \$56,000.

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, 2014**

**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 \$61,932 on this incentive in fiscal year 2014.

**Duncanville Community and Economic Development Corporation (DCEDC)
Incentive Agreement with W & B Service Company L.P. (“W & B”):**

DCEDC agreed to pay an economic development grant to W & B up to \$200,000 beginning with the tax year 2013, in the form of up to five annual payments. DCEDC shall reimburse W & B as follows: (1) an amount equal to one-half of the property taxes actually paid to the City of Duncanville, and (2) an amount equal to the one-eighth of the sales tax paid to the City. The reimbursement incentive shall end after five annual payments or upon accumulative payment of \$200,000, whichever occurs first. The first annual payment was made in fiscal year 2014.

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 \$260,078 on the agreement in fiscal year 2014.

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 2014, the City paid Redflex \$486,882 from the Traffic & Safety Improvement fund.

19. Change in Accounting Principle

As the result of implementing GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities”, the City has restated the beginning net position, effectively decreasing net position as of October 1, 2013 by \$81,308 for the governmental activities and by \$165,780 for the business-type activities and proprietary funds. These decreases result from no longer deferring and amortizing bond issuance costs.

Further, the City has restated its long-term liabilities to reflect that components of those liabilities as of October 1, 2014, deferred loss on bond refunding are now reported as deferred outflows of resources in the government-wide and proprietary fund financial statements. The effect of this change increases the long-term liabilities of the business-type activities by \$70,519. The increase in long-term liabilities corresponds to the increase in deferred outflows of resources.

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 ⁽¹⁾	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
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 ⁽²⁾	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)%
2013	93,820,533	91,865,620	(1,954,913)	102.1%	13,616,947	(14.4)%

Source: Texas Municipal Retirement System Comprehensive Annual Financial Reports.

NOTES:

- ⁽¹⁾ Trend data presented is based on the fiscal year of the Texas Municipal Retirement System, which ends December 31.
- ⁽²⁾ December 31, 2010 actuarial valuation was restructured as a result of SB 350 enacted by the Texas Legislature.

City of Duncanville

**Required Supplementary Information
City of Duncanville Other Post Employment Benefits Plan
Analysis of Funding Progress
Last Five 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%
2013	-	3,265,737	3,265,737	0.0%	13,616,947	24.0%

Trend data presented is based on December 31, 2013, 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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
PROPERTY TAXES:				
Current Taxes	\$ 11,189,197	\$ 11,189,197	\$ 11,105,947	\$ (83,250)
Prior rolls	115,000	130,000	190,615	60,615
Penalties	100,000	100,000	123,246	23,246
Total	11,404,197	11,419,197	11,419,808	611
SALES TAXES:				
General	3,861,365	4,448,921	4,460,500	11,579
Property tax relief	1,930,682	2,224,461	2,230,250	5,789
Total	5,792,047	6,673,382	6,690,750	17,368
FRANCHISE TAXES:				
TXU Electric	1,130,000	1,197,650	1,190,834	(6,816)
Atmos Energy	275,000	326,600	395,588	68,988
Telephone	200,000	222,000	217,252	(4,748)
Charter Cable Television	115,000	121,500	127,829	6,329
Telephone Video Services	210,000	240,000	270,164	30,164
Total	1,930,000	2,107,750	2,201,667	93,917
MIXED BEVERAGE TAXES				
Total taxes	46,000	66,852	69,427	2,575
	19,172,244	20,267,181	20,381,652	114,471
LICENSES, PERMITS AND FEES:				
Building permits	120,000	170,000	212,340	42,340
Zoning and special use permits	8,000	8,000	6,802	(1,198)
Electrical permits	9,500	13,000	13,351	351
Plumbing permits	30,000	33,000	30,113	(2,887)
Alarm permits	56,000	72,000	76,945	4,945
Solicitor licenses	400	400	500	100
9-1-1 service fee	286,000	280,000	282,468	2,468
Emergency medical service	750,000	832,000	744,166	(87,834)
Sign permits	16,000	17,000	19,675	2,675
Health food inspection fees	65,000	66,000	77,035	11,035
Pool inspection fees	2,700	3,000	3,191	191
Wrecker & storage fees	15,000	16,000	27,346	11,346
Total	1,358,600	1,510,400	1,493,932	(16,468)
MUNICIPAL COURT AND LIBRARY:				
Municipal court	706,000	696,000	679,451	(16,549)
False alarm fees	11,000	15,000	17,913	2,913
Library	16,000	20,000	22,726	2,726
Total	733,000	731,000	720,090	(10,910)
INTERGOVERNMENTAL	337,000	264,000	303,056	39,056
INTEREST	14,800	18,000	20,046	2,046
RECREATIONAL FEES	204,000	206,400	351,804	145,404
OTHER SALES AND SERVICES:				
Sale of capital assets/auction proceeds	1,600	10,500	23,921	13,421
Gifts and Contributions	-	-	5,044	5,044
Miscellaneous	105,760	147,247	155,944	8,697
Rentals	277,699	277,699	307,099	29,400
Total	385,059	435,446	492,008	56,562
Total revenues	\$ 22,204,703	\$ 23,432,427	\$ 23,762,588	\$ 330,161

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

(Continued on following page)

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
DEPARTMENTS:			
General government-			
Mayor and council	\$ -	\$ 9,608	\$ 67,337
City manager	168,720	2,014	184,546
City secretary	26,831	30,210	78,940
Personnel services	120,324	1,454	34,879
Information systems	116,995	298,838	223,126
Community information	82,051	293	2,301
Library services	544,634	8,630	57,014
Total	1,059,555	351,047	648,143
Finance-			
Administration	470,032	11,137	107,718
Municipal court	246,287	7,192	95,331
Purchasing	95,699	535	387
City Marshall	123,889	14,701	13,555
Total	935,907	33,565	216,991
Community services-			
Administration	171,061	608	47,128
Recreational programming	254,079	8,293	16,840
Athletic programming	125,963	40,469	136,074
Park grounds maintenance	437,555	59,605	585,893
Building services	248,668	35,970	397,685
Senior center	113,226	6,368	36,543
Horticulture	156,907	16,054	1,853
Community services other	-	25,428	143,864
Total	1,507,459	192,795	1,365,880
Police			
Administration	389,601	14,381	138,260
Patrol	3,211,141	54,671	154,621
Criminal investigation	1,109,100	23,943	43,304
Animal control	99,809	669	203,574
School guards	72,968	238	6,500
Crime prevention	115,551	7,603	3,288
Communication/Records	294,734	7,648	891,615
School resource officers	188,731	334	1,940
Special services	361,971	47,248	47,560
Detention	201,472	12,490	11,938
Total	6,045,078	169,225	1,502,600

<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>
\$ -	\$ -	\$ 76,945	\$ 73,268	\$ 73,268	\$ (3,677)
-	-	355,280	198,635	361,206	5,926
-	-	135,981	108,819	197,379	61,398
-	-	156,657	136,355	166,081	9,424
875	71,181	711,015	624,703	733,388	22,373
-	-	84,645	86,275	87,578	2,933
-	79,723	690,001	716,779	696,329	6,328
<u>875</u>	<u>150,904</u>	<u>2,210,524</u>	<u>1,944,834</u>	<u>2,315,229</u>	<u>104,705</u>
19,438	-	608,325	593,573	614,876	6,551
-	-	348,810	413,494	356,729	7,919
-	-	96,621	97,012	96,471	(150)
-	35,000	187,145	162,779	197,107	9,962
<u>19,438</u>	<u>35,000</u>	<u>1,240,901</u>	<u>1,266,858</u>	<u>1,265,183</u>	<u>24,282</u>
-	-	218,797	218,811	219,888	1,091
-	-	279,212	249,035	252,127	(27,085)
-	-	302,506	290,101	307,444	4,938
28,790	-	1,111,843	1,094,338	1,140,826	28,983
35,898	-	718,221	710,616	686,508	(31,713)
-	-	156,137	152,394	155,110	(1,027)
428	-	175,242	177,661	179,562	4,320
-	4,089	173,381	-	-	(173,381)
<u>65,116</u>	<u>4,089</u>	<u>3,135,339</u>	<u>2,892,956</u>	<u>2,941,465</u>	<u>(193,874)</u>
-	-	542,242	535,139	541,341	(901)
6,902	-	3,427,335	3,535,638	3,443,202	15,867
-	-	1,176,347	1,142,652	1,169,649	(6,698)
-	-	304,052	356,716	347,102	43,050
-	-	79,706	78,665	78,665	(1,041)
-	-	126,442	117,423	124,130	(2,312)
-	-	1,193,997	1,164,184	1,194,982	985
-	-	191,005	403,900	188,731	(2,274)
-	-	456,779	460,074	458,376	1,597
-	-	225,900	313,735	295,208	69,308
<u>6,902</u>	<u>-</u>	<u>7,723,805</u>	<u>8,108,126</u>	<u>7,841,386</u>	<u>117,581</u>

CITY OF DUNCANVILLE, TEXAS

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
DEPARTMENTS (Continued):			
Public works-			
Engineering/Planning	155,138	1,211	95,983
Building inspection	366,973	5,298	126,233
Streets	605,236	132,256	1,003,186
Signs and signals	187,108	141,441	159,737
Equipment services	260,358	316,400	68,622
Total	<u>1,574,813</u>	<u>596,606</u>	<u>1,453,761</u>
Fire-			
Administration	318,616	10,571	139,343
Prevention	176,714	8,270	19,602
Suppression	3,139,689	174,984	277,011
Advanced life support	864,301	72,906	280,674
Emergency Management Administrator	65,140	3,551	3,714
Total	<u>4,564,460</u>	<u>270,282</u>	<u>720,344</u>
NON-DEPARTMENTAL	<u>9,799</u>	<u>38,606</u>	<u>522,672</u>
Total expenditures	<u>\$ 15,697,071</u>	<u>\$ 1,652,126</u>	<u>\$ 6,430,391</u>

Maintenance	Capital	Total Expenditures	Final Budget	Final Budget	Variance with Final Budget Positive (Negative)
-	-	252,332	231,084	220,960	(31,372)
-	-	498,504	601,604	589,753	91,249
123	-	1,740,801	1,808,693	1,798,455	57,654
4,756	24,600	517,642	568,963	556,264	38,622
303,149	-	948,529	1,014,083	1,006,672	58,143
308,028	24,600	3,957,808	4,224,427	4,172,104	214,296
334	217,515	686,379	670,788	699,948	13,569
72	-	204,658	253,149	205,174	516
13,406	8,527	3,613,617	3,605,953	3,668,650	55,033
3,800	-	1,221,681	1,299,215	1,287,811	66,130
-	-	72,405	74,364	75,385	2,980
17,612	226,042	5,798,740	5,903,469	5,936,968	138,228
-	-	571,077	380,650	414,748	(156,329)
\$ 417,971	\$ 440,635	\$ 24,638,194	\$ 24,721,320	\$ 24,887,083	\$ 248,889



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, 2014

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
ASSETS			
Cash and investments	\$ 683,151	\$ 139,301	\$ 822,452
Receivables:			
Taxes	123,825	-	123,825
Trade accounts	131,080	-	131,080
Intergovernmental	13,249	-	13,249
Accrued interest and other	2,002	-	2,002
Total assets	<u>\$ 953,307</u>	<u>\$ 139,301</u>	<u>\$ 1,092,608</u>
LIABILITIES AND EQUITY			
LIABILITIES:			
Accounts payable	\$ 105,224	\$ 2,825	\$ 108,049
Accrued payroll	22,203	-	22,203
Unearned revenue	30,077	-	30,077
Total liabilities	<u>157,504</u>	<u>2,825</u>	<u>160,329</u>
EQUITY:			
Fund balances-			
Restricted	<u>795,803</u>	<u>136,476</u>	<u>932,279</u>
Total fund balances	<u>795,803</u>	<u>136,476</u>	<u>932,279</u>
Total liabilities & fund balances	<u>\$ 953,307</u>	<u>\$ 139,301</u>	<u>\$ 1,092,608</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, 2014

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
REVENUES			
Hotel taxes	\$ 542,191	\$ -	\$ 542,191
Licenses, permits and fees	640,930	-	640,930
Fines and forfeitures	86,833	-	86,833
Intergovernmental	189,718	-	189,718
Investment income	1,140	-	1,140
Rental and other	3,428	-	3,428
Total revenues	<u>1,464,240</u>	<u>-</u>	<u>1,464,240</u>
EXPENDITURES			
Current:			
General government	175,779	-	175,779
Police	322,143	-	322,143
Public works	367,450	4,185	371,635
Fire	6,339	-	6,339
Special purposes - promotional	318,699	-	318,699
Capital outlay:			
General government	2,377	-	2,377
Public works	86,482	130,231	216,713
Special purposes - promotional	10,248	-	10,248
Total expenditures	<u>1,289,517</u>	<u>134,416</u>	<u>1,423,933</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>174,723</u>	<u>(134,416)</u>	<u>40,307</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	14,966	200,000	214,966
Transfers out	(325,152)	-	(325,152)
Total other financing sources (uses)	<u>(310,186)</u>	<u>200,000</u>	<u>(110,186)</u>
NET CHANGE IN FUND BALANCES	(135,463)	65,584	(69,879)
FUND BALANCES, beginning of year	<u>931,266</u>	<u>70,892</u>	<u>1,002,158</u>
FUND BALANCES, end of year	<u>\$ 795,803</u>	<u>\$ 136,476</u>	<u>\$ 932,279</u>

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2014

	Hotel Motel Tax	Drainage Fees	Grants
ASSETS			
Cash and investments	\$ 136,367	\$ 134,003	\$ 74,603
Receivables:			
Taxes	123,825	-	-
Trade accounts (net of allowance)	-	131,080	-
Intergovernmental	-	-	13,249
Accrued interest and other	912	-	-
Total assets	\$ 261,104	\$ 265,083	\$ 87,852
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 54,917	\$ 33,634	\$ 2,004
Accrued payroll	-	20,331	1,795
Unearned revenue	-	-	-
Total liabilities	54,917	53,965	3,799
FUND BALANCES:			
Restricted for:			
Promotion of tourism and hotel industry	206,187	-	-
Maintenance and construction of drainage projects	-	211,118	-
Public safety, cultural and recreational services	-	-	84,053
Court technology	-	-	-
Cout security	-	-	-
Juvenile case management	-	-	-
Public safety and criminal investigations	-	-	-
Total fund balances	206,187	211,118	84,053
Total liabilities & fund balances	\$ 261,104	\$ 265,083	\$ 87,852

<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Total</u>
\$ 1,509	\$ 42,681	\$ 26,169	\$ 267,819	\$ 683,151
-	-	-	-	123,825
-	-	-	-	131,080
-	-	-	-	13,249
-	-	-	1,090	2,002
<u>\$ 1,509</u>	<u>\$ 42,681</u>	<u>\$ 26,169</u>	<u>\$ 268,909</u>	<u>\$ 953,307</u>
\$ 516	\$ 1,274	\$ -	\$ 12,879	\$ 105,224
-	77	-	-	22,203
-	-	-	30,077	30,077
<u>516</u>	<u>1,351</u>	<u>-</u>	<u>42,956</u>	<u>157,504</u>
-	-	-	-	206,187
-	-	-	-	211,118
-	-	-	-	84,053
993	-	-	-	993
-	41,330	-	-	41,330
-	-	26,169	-	26,169
-	-	-	225,953	225,953
<u>993</u>	<u>41,330</u>	<u>26,169</u>	<u>225,953</u>	<u>795,803</u>
<u>\$ 1,509</u>	<u>\$ 42,681</u>	<u>\$ 26,169</u>	<u>\$ 268,909</u>	<u>\$ 953,307</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, 2014**

	Hotel Motel Tax	Drainage Fees	Grants
REVENUES			
Hotel taxes	\$ 542,191	\$ -	\$ -
Licenses, permits and fees	-	640,930	-
Fines and forfeitures	-	-	-
Intergovernmental	-	-	189,718
Investment income	814	-	-
Rental and other	3,428	-	-
Total revenues	546,433	640,930	189,718
EXPENDITURES			
Current:			
General government	136,347	-	-
Police	-	-	148,281
Public works	-	310,547	56,903
Fire	-	-	6,339
Special purposes - promotional	318,699	-	-
Capital outlay:			
General government	-	-	-
Public works	-	86,482	-
Special purposes - promotional	10,248	-	-
Total expenditures	465,294	397,029	211,523
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	81,139	243,901	(21,805)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	14,966
Transfers out	(18,623)	(200,000)	-
Total other financing uses	(18,623)	(200,000)	14,966
NET CHANGE IN FUND BALANCES			
	62,516	43,901	(6,839)
FUND BALANCES, beginning of year			
	143,671	167,217	90,892
FUND BALANCES, end of year			
	\$ 206,187	\$ 211,118	\$ 84,053

<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 542,191
-	-	-	-	640,930
19,399	14,469	26,075	26,890	86,833
-	-	-	-	189,718
-	233	93	-	1,140
-	-	-	-	3,428
<u>19,399</u>	<u>14,702</u>	<u>26,168</u>	<u>26,890</u>	<u>1,464,240</u>
28,541	10,891	-	-	175,779
-	-	-	173,862	322,143
-	-	-	-	367,450
-	-	-	-	6,339
-	-	-	-	318,699
-	2,377	-	-	2,377
-	-	-	-	86,482
-	-	-	-	10,248
<u>28,541</u>	<u>13,268</u>	<u>-</u>	<u>173,862</u>	<u>1,289,517</u>
<u>(9,142)</u>	<u>1,434</u>	<u>26,168</u>	<u>(146,972)</u>	<u>174,723</u>
-	-	-	-	14,966
-	-	(106,529)	-	(325,152)
-	-	(106,529)	-	(310,186)
(9,142)	1,434	(80,361)	(146,972)	(135,463)
<u>10,135</u>	<u>39,896</u>	<u>106,530</u>	<u>372,925</u>	<u>931,266</u>
<u>\$ 993</u>	<u>\$ 41,330</u>	<u>\$ 26,169</u>	<u>\$ 225,953</u>	<u>\$ 795,803</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Hotel, motel taxes	\$ 449,500	\$ 482,600	\$ 542,191	\$ 59,591
Interest on investments	700	700	814	114
Other	-	-	3,428	3,428
Total revenues	<u>450,200</u>	<u>483,300</u>	<u>546,433</u>	<u>63,133</u>
EXPENDITURES				
General government	138,620	138,640	136,347	2,293
Special purposes-promotional	299,549	307,474	328,947	(21,473)
Total expenditures	<u>438,169</u>	<u>446,114</u>	<u>465,294</u>	<u>(19,180)</u>
EXCESS OF REVENUES OVER EXPENDITURES	12,031	37,186	81,139	43,953
OTHER FINANCING USES:				
Transfers out	<u>(16,365)</u>	<u>(18,623)</u>	<u>(18,623)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(4,334)	18,563	62,516	43,953
FUND BALANCE, beginning of year			<u>143,671</u>	
FUND BALANCE, end of year			<u>\$ 206,187</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Drainage fees	\$ 638,013	\$ 638,013	\$ 640,930	\$ 2,917
Interest on investments	35	35	-	(35)
Total revenues	<u>638,048</u>	<u>638,048</u>	<u>640,930</u>	<u>2,882</u>
EXPENDITURES				
Public works	315,818	287,177	310,547	(23,370)
Capital outlay	210,000	149,006	86,482	62,524
Total expenditures	<u>525,818</u>	<u>436,183</u>	<u>397,029</u>	<u>39,154</u>
EXCESS OF REVENUES OVER EXPENDITURES	112,230	201,865	243,901	42,036
OTHER FINANCING USES:				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(87,770)	1,865	43,901	42,036
FUND BALANCE, beginning of year			<u>167,217</u>	
FUND BALANCE, end of year			<u><u>\$ 211,118</u></u>	

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2014

	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 21,043	\$ 118,258	\$ 139,301
Total assets	<u>21,043</u>	<u>118,258</u>	<u>139,301</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	-	2,825	2,825
Total liabilities	<u>-</u>	<u>2,825</u>	<u>2,825</u>
FUND BALANCES:			
Restricted for:			
Park construction	21,043	-	21,043
Capital improvements	-	115,433	115,433
Total fund balances	<u>21,043</u>	<u>115,433</u>	<u>136,476</u>
Total liabilities & fund balances	<u>\$ 21,043</u>	<u>\$ 118,258</u>	<u>\$ 139,301</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, 2014**

	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
EXPENDITURES			
Public works	4,185	-	4,185
Capital outlay			
Public works	-	130,231	130,231
Total expenditures	<u>4,185</u>	<u>130,231</u>	<u>134,416</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(4,185)</u>	<u>(130,231)</u>	<u>(134,416)</u>
OTHER FINANCING SOURCES			
Transfers in	-	200,000	200,000
Total other financing sources	<u>-</u>	<u>200,000</u>	<u>200,000</u>
NET CHANGE IN FUND BALANCES	(4,185)	69,769	65,584
FUND BALANCES, beginning of year	<u>25,228</u>	<u>45,664</u>	<u>70,892</u>
FUND BALANCES, end of year	<u>\$ 21,043</u>	<u>\$ 115,433</u>	<u>\$ 136,476</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Ad valorem taxes	\$ 1,088,800	\$ 1,088,400	\$ 1,080,715	\$ (7,685)
Delinquent taxes	20,000	20,000	24,953	4,953
Penalties and interest	12,000	12,000	17,577	5,577
Interest on investments	5,000	5,000	4,859	(141)
Total revenues	<u>1,125,800</u>	<u>1,125,400</u>	<u>1,128,104</u>	<u>2,704</u>
EXPENDITURES				
Principal retirement	801,545	801,545	801,546	(1)
Interest on debt	523,455	523,455	523,455	-
Paying agent fees	800	400	377	23
Total expenditures	<u>1,325,800</u>	<u>1,325,400</u>	<u>1,325,378</u>	<u>22</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(200,000)	(200,000)	(197,274)	2,726
OTHER FINANCING SOURCES:				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	2,726	2,726
FUND BALANCES, beginning of year			<u>15,711</u>	
FUND BALANCES, end of year			<u>\$ 18,437</u>	

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED REVENUES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<u>UTILITY FUND</u>				
WATER:				
Sale of water	\$ 6,498,894	\$ 6,468,894	\$ 6,826,936	\$ 358,042
Water taps	5,000	9,370	10,365	995
Total	6,503,894	6,478,264	6,837,301	359,037
SEWER:				
Sewer charges	5,632,114	5,632,114	5,841,362	209,248
Sewer taps	5,597	5,597	4,405	(1,192)
Total	5,637,711	5,637,711	5,845,767	208,056
PENALTIES	97,834	130,000	171,175	41,175
OTHER:				
Service charges	132,310	132,310	125,235	(7,075)
City services reimbursement	-	7,827	24,495	16,668
Miscellaneous	21,847	25,063	38,062	12,999
Total	154,157	165,200	187,792	22,592
INTEREST INCOME	6,500	6,500	8,572	2,072
Total revenues - Utility Fund	\$ 12,400,096	\$ 12,417,675	\$ 13,050,607	\$ 632,932
<u>SOLID WASTE FUND</u>				
SOLID WASTE CHARGES:	\$ 2,483,000	\$ 2,523,000	\$ 2,549,226	\$ 26,226
INTEREST INCOME:	250	250	142	(108)
Total revenues - Solid Waste Fund	\$ 2,483,250	\$ 2,523,250	\$ 2,549,368	\$ 26,118
<u>FIELDHOUSE SPORTS FACILITY</u>				
SPORTS FACILITY:	\$ 889,991	\$ 790,100	\$ 837,532	\$ 47,432
TRANSFERS IN	628,184	628,184	628,184	-
Total revenues - Sports Facility Fund	\$ 1,518,175	\$ 1,418,464	\$ 1,465,716	\$ 47,252
Total revenues - Enterprise Funds	\$ 16,401,521	\$ 16,359,389	\$ 17,065,691	\$ 706,302

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>	<u>Maintenance</u>
<u>UTILITY FUND</u>				
WATER SERVICES	\$ 487,472	\$ 208,478	\$ 3,250,391	\$ 57,654
WASTEWATER TREATMENT	607,987	116,686	3,453,414	46,082
ADMINISTRATION AND FISCAL				
Utility administration	214,738	14,070	88,011	-
Utility accounting	553,787	128,196	373,928	8,653
	<u>1,863,984</u>	<u>467,430</u>	<u>7,165,744</u>	<u>112,389</u>
INTEREST AND FISCAL CHARGES	-	-	37,044	-
PRINCIPAL RETIREMENT	-	-	320,000	-
TRANSFERS OUT	-	-	1,821,064	-
Total Utility Fund expenditures	<u>\$ 1,863,984</u>	<u>\$ 467,430</u>	<u>\$ 9,343,852</u>	<u>\$ 112,389</u>
<u>SOLID WASTE FUND</u>				
SOLID WASTE	\$ 92,927	\$ 10,182	\$ 2,150,216	\$ 207
TRANSFERS OUT	-	-	326,308	-
Total Solid Waste Fund expenditures	<u>92,927</u>	<u>10,182</u>	<u>2,476,524</u>	<u>207</u>
<u>FIELDHOUSE SPORTS FACILITY</u>				
SPORTS FACILITY	\$ 236,270	\$ 19,098	\$ 761,700	\$ 17,909
INTEREST AND FISCAL CHARGES	-	-	236,202	-
PRINCIPAL RETIREMENT	-	-	395,000	-
Total Sports Facility Fund expenditures	<u>236,270</u>	<u>19,098</u>	<u>1,392,902</u>	<u>17,909</u>
Total Enterprise Fund expenditures	<u>\$ 2,193,181</u>	<u>\$ 496,710</u>	<u>\$ 13,213,278</u>	<u>\$ 130,505</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 expenses

<u>Capital</u>	<u>Total</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
620,579	\$ 4,624,574	\$ 6,586,882	\$ 6,686,370	\$ 2,061,796
249,456	4,473,625	5,089,001	4,625,091	151,466
-	316,819	353,998	340,439	23,620
-	1,064,564	931,190	1,196,058	131,494
<u>870,035</u>	<u>10,479,582</u>	<u>12,961,071</u>	<u>12,847,958</u>	<u>2,368,376</u>
-	37,044	27,342	27,342	(9,702)
-	320,000	320,000	320,000	-
-	1,821,064	1,824,328	1,821,064	-
<u>\$ 870,035</u>	<u>\$ 12,657,690</u>	<u>\$ 15,132,741</u>	<u>\$ 15,016,364</u>	<u>\$ 2,358,674</u>
\$ -	\$ 2,253,532	\$ 2,271,759	\$ 2,273,856	\$ 20,324
-	326,308	326,308	326,308	-
-	2,579,840	2,598,067	2,600,164	20,324
\$ -	\$ 1,034,977	\$ 1,101,876	\$ 1,171,557	\$ 136,580
-	236,202	233,499	233,499	(2,703)
-	395,000	395,000	395,000	-
-	1,666,179	1,730,375	1,800,056	133,877
<u>\$ 870,035</u>	<u>\$ 16,903,709</u>	<u>\$ 19,461,183</u>	<u>\$ 19,416,584</u>	<u>\$ 2,512,875</u>
	<u>\$ 16,903,709</u>			
	(870,035)			
	(715,000)			
	1,255,054			
	(273,246)			
	<u>(2,147,372)</u>			
	<u>\$ 14,153,110</u>			



Duncanville
City of Champions

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 expenses 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 investments	\$ 2,090,724	\$ 1,281,656	\$ 632,121	\$ 4,004,501
Accrued interest and other	912	17,772	2,072	20,756
Prepaid items	-	13,876	-	13,876
Total current assets	<u>2,091,636</u>	<u>1,313,304</u>	<u>634,193</u>	<u>4,039,133</u>
Capital assets - equipment net of depreciation	76,163	-	-	76,163
Capital assets - vehicles net of depreciation	1,443,110	-	-	1,443,110
Total non-current assets	<u>1,519,273</u>	<u>-</u>	<u>-</u>	<u>1,519,273</u>
Total assets	<u>\$ 3,610,909</u>	<u>\$ 1,313,304</u>	<u>\$ 634,193</u>	<u>\$ 5,558,406</u>
LIABILITIES				
Accounts payable	\$ -	\$ 8,204	\$ 39,715	\$ 47,919
Accrued liabilities	-	254,059	167,009	421,068
Total liabilities	<u>-</u>	<u>262,263</u>	<u>206,724</u>	<u>468,987</u>
NET POSITION				
Net investment in capital assets	1,519,273	-	-	1,519,273
Unrestricted	2,091,636	1,051,041	427,469	3,570,146
Total net position	<u>\$ 3,610,909</u>	<u>\$ 1,051,041</u>	<u>\$ 427,469</u>	<u>\$ 5,089,419</u>

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Fleet Replacement	Medical Self-Insurance	Comprehensive Self-Insurance	Total
OPERATING REVENUES				
Premiums and charges for services	\$ 824,099	\$ 2,851,378	\$ 522,783	\$ 4,198,260
Other	-	18,716	-	18,716
Total operating revenues	824,099	2,870,094	522,783	4,216,976
OPERATING EXPENSES				
Claims and provision	-	1,631,237	242,013	1,873,250
Administrative and fiscal	4,398	398,674	164,807	567,879
Depreciation	488,222	-	-	488,222
Total operating expenses	492,620	2,029,911	406,820	2,929,351
OPERATING INCOME	331,479	840,183	115,963	1,287,625
NON-OPERATING REVENUES				
Insurance recovery	7,828	-	-	7,828
Interest income	917	1,282	2,270	4,469
Total non-operating revenues	8,745	1,282	2,270	12,297
CHANGE IN NET POSITION	340,224	841,465	118,233	1,299,922
TOTAL NET POSITION- BEGINNING	3,270,685	209,576	309,236	3,789,497
TOTAL NET POSITION- ENDING	\$ 3,610,909	\$ 1,051,041	\$ 427,469	\$ 5,089,419

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Fleet Replacement	Medical Self-Insurance	Comprehensive Self-Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Internal activity-receipts from other funds	824,099	2,851,378	522,783	4,198,260
Payments to suppliers	-	(2,056,593)	(395,690)	(2,452,283)
Other	(24,091)	90,345	-	66,254
Net cash provided by operating activities	800,008	885,130	127,093	1,812,231
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts from interfund borrowings	70,000	-	-	70,000
Net cash provided by noncapital financing activities	70,000	-	-	70,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(797,941)	-	-	(797,941)
Insurance recovery	7,828	-	-	7,828
Net cash used in capital financing and related financing activities	(790,113)	-	-	(790,113)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	24,438	680	630	25,748
Net cash provided by investing activities	24,438	680	630	25,748
Net increase in cash and cash equivalents	104,333	885,810	127,723	1,117,866
CASH AND CASH EQUIVALENTS, beginning of year	1,986,391	395,846	504,398	2,886,635
CASH AND CASH EQUIVALENTS, end of year	2,090,724	1,281,656	632,121	4,004,501
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	331,479	840,183	115,963	1,287,625
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	488,222	-	-	488,222
Change in assets and liabilities-				
Prepaid items	(19,693)	72,712		53,019
Accounts and other payables	-	(27,765)	11,130	(16,635)
Total adjustments	468,529	44,947	11,130	524,606
Net cash provided by operating activities	800,008	885,130	127,093	1,812,231

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>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>	<u>2014</u>
Governmental activities										
Invested in capital assets	\$ 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	\$ 59,060,297
Restricted	350,885	2,135,390	658,191	112,865	70,458	41,456	-	1,515,702	1,595,501	1,921,073
Unrestricted	9,503,794	6,736,230	5,958,769	5,617,301	5,217,145	7,652,982	4,806,821	4,964,969	6,254,783	8,351,034
Total governmental activities net position	\$ 33,988,041	\$ 51,760,388	\$ 53,296,419	\$ 52,323,669	\$ 55,348,324	\$ 58,098,418	\$ 57,302,765	\$ 66,289,908	\$ 67,080,897	\$ 69,332,404
Business-type activities										
Invested in capital assets	\$ 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	\$ 27,375,652
Unrestricted	3,127,522	4,125,250	3,669,424	3,531,505	4,370,413	3,731,110	4,943,839	4,898,380	5,290,431	5,524,627
Total business-type activities net position	\$ 27,030,572	\$ 29,022,109	\$ 29,203,742	\$ 30,425,145	\$ 31,176,149	\$ 30,807,129	\$ 31,894,154	\$ 32,176,863	\$ 32,389,481	\$ 32,900,279
Primary government										
Invested in capital assets	\$ 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	\$ 86,435,949
Restricted	350,885	2,135,390	658,191	112,865	70,458	41,456	-	1,515,702	1,595,501	1,921,073
Unrestricted	12,631,316	10,861,480	9,628,193	9,148,806	9,587,558	11,384,092	9,750,660	9,863,349	11,545,214	13,875,661
Total primary government net position	\$ 61,018,613	\$ 80,782,497	\$ 82,500,160	\$ 82,748,814	\$ 86,524,473	\$ 88,905,547	\$ 89,196,919	\$ 98,466,771	\$ 99,470,378	\$ 102,232,683

*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>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>	<u>2014</u>
Expenses										
Governmental activities										
General government	\$ 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	\$ 3,131,175
Finance	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	1,973,904
Community services	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	3,444,064
Police	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	8,206,843
Public works	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	5,913,817
Fire	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	5,420,014
Economic development	-	-	-	-	-	-	-	994,421	1,200,096	1,087,047
Interest and fiscal charges	817,745	759,939	697,552	584,910	478,651	354,584	273,901	236,244	171,408	108,426
Total governmental activities expenses	<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>	<u>29,285,290</u>
Business-type activities										
Water	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	5,062,745
Wastewater	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	5,403,659
Solid waste	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	2,241,624
Sports facility	-	-	-	-	-	-	1,003,941	1,352,511	1,472,276	1,533,713
Total business-type activities expenses	<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>	<u>14,241,741</u>
Total primary government expenses	<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>	<u>\$ 43,527,031</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	\$ 347,798
Finance	-	-	-	-	59,108	-	-	-	-	-
Community services	287,540	674,835	278,932	417,736	256,405	304,054	293,952	297,470	304,827	352,124
Police	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	2,990,850
Public works	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	1,056,842
Fire	548,788	756,893	766,903	624,997	1,009,010	849,306	(834,974)	793,561	448,258	663,756
Operating grants and contributions	245,357	905,197	84,111	167,553	338,658	754,463	399,930	418,470	305,858	332,777
Capital grants and contributions	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>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>	<u>5,744,147</u>
Business-type activities										
Charges for services										
Water	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	7,196,268
Wastewater	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	5,845,767
Solid waste	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	2,549,226
Sports facility	-	-	-	-	-	-	376,544	546,285	695,758	837,532
Grants and contributions	999,429	118,264	213,951	1,205,387	22,227	107,974	967,165	-	-	-
Total business-type activities program revenues	<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>	<u>16,428,793</u>
Total primary government program revenues	<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>	<u>\$ 22,172,940</u>

City of Duncanville

Schedule 2

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

<u>Fiscal Year</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>	<u>2014</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (23,541,143)
Business-type activities	<u>2,381,571</u>	<u>2,835,752</u>	<u>1,072,609</u>	<u>2,410,488</u>	<u>2,083,121</u>	<u>1,003,148</u>	<u>2,770,680</u>	<u>1,045,796</u>	<u>649,070</u>	<u>2,187,052</u>
Total primary government net expense	<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>	<u>\$ (21,354,091)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Ad valorem	\$ 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	12,496,952
Sales	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	8,921,000
Franchise	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	2,201,667
Mixed beverage	-	-	-	42,992	71,978	60,101	59,671	49,266	55,699	69,427
Hotel occupancy	252,500	531,711	594,238	593,725	462,474	393,731	445,385	458,744	470,710	542,191
Earnings on investments	372,513	603,243	565,594	343,967	117,619	35,810	39,971	45,695	41,495	34,171
Rentals and miscellaneous	755,889	-	410,928	632,049	286,126	287,252	221,430	228,377	127,578	89,362
Transfers	<u>892,061</u>	<u>1,082,850</u>	<u>1,155,604</u>	<u>1,325,677</u>	<u>1,369,124</u>	<u>1,390,769</u>	<u>1,690,476</u>	<u>771,284</u>	<u>445,972</u>	<u>1,519,188</u>
Total governmental activities	<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>	<u>25,873,958</u>
Business-type activities										
Earnings on investments	53,575	259,132	264,628	136,592	37,007	18,601	6,821	8,197	9,520	8,714
Transfers	<u>(892,061)</u>	<u>(1,082,850)</u>	<u>(1,155,604)</u>	<u>(1,325,677)</u>	<u>(1,369,124)</u>	<u>(1,390,769)</u>	<u>(1,690,476)</u>	<u>(771,284)</u>	<u>(445,972)</u>	<u>(1,519,188)</u>
Total business-type activities	<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>	<u>(1,510,474)</u>
Total primary government	<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>	<u>\$ 24,363,484</u>
Change in Net Position										
Governmental activities	\$ 2,131,378	\$ 790,902	\$ 1,536,030	\$ (1,041,924)	\$ 3,024,655	\$ 2,750,094	\$ (795,653)	\$ 9,854,877	\$ 790,989	\$ 2,332,815
Business-type activities	<u>1,543,085</u>	<u>2,012,034</u>	<u>181,633</u>	<u>1,221,403</u>	<u>751,004</u>	<u>(369,020)</u>	<u>1,087,025</u>	<u>282,709</u>	<u>212,618</u>	<u>676,578</u>
Total primary government	<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>	<u>\$ 3,009,393</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	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
General Fund										
Reserved	\$ 520,895	\$ 714,077	\$ 630,018	\$ 542,049	\$ 407,899	246,425	-	-	-	-
Unreserved	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	46,500
Assigned	-	-	-	-	-	-	70,459	112,770	211,403	2,601,859
Unassigned	-	-	-	-	-	-	4,567,918	5,619,154	6,647,447	5,611,888
Total general Fund	<u>5,038,972</u>	<u>4,691,501</u>	<u>4,370,821</u>	<u>3,049,568</u>	<u>3,340,835</u>	<u>3,915,634</u>	<u>4,662,528</u>	<u>5,823,400</u>	<u>6,916,151</u>	<u>8,260,247</u>
All Other Governmental Funds										
Reserved										
Debt service	\$ 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	594,502	680,360	801,682	975,378	1,160,098	695,824	-	-	-	-
Capital projects funds	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	18,437
Street Construction	-	-	-	-	-	-	202,162	23,886	400,535	395,536
Traffic Improvement and Safety	-	-	-	-	-	-	73,693	172,463	133,317	371,641
Economic development	-	-	-	-	-	-	-	455,358	59,491	221,617
Promotion of Tourism and Convention and Hotel Industry	-	-	-	-	-	-	53,174	97,448	143,671	206,187
Maintenance and Construction of Drainage Projects	-	-	-	-	-	-	45,783	51,808	167,217	211,118
Public Safety, Cultural and Recreational Services	-	-	-	-	-	-	135,734	127,860	90,892	84,053
Court Technology	-	-	-	-	-	-	8,868	13,597	10,135	993
Cout Security	-	-	-	-	-	-	55,117	53,076	39,896	41,330
Juvenile Case Management	-	-	-	-	-	-	50,286	81,362	106,530	26,169
Public Safety and Criminal Investigations	-	-	-	-	-	-	249,647	292,930	372,925	225,953
Park Construction	-	-	-	-	-	-	41,527	25,228	25,228	21,043
Capital Improvements	-	-	-	-	-	-	212,261	120,686	45,664	115,433
Total all other governmental funds	<u>\$ 3,252,730</u>	<u>\$ 2,706,586</u>	<u>\$ 1,989,104</u>	<u>\$ 1,686,047</u>	<u>\$ 1,430,234</u>	<u>\$ 1,431,718</u>	<u>\$ 1,204,615</u>	<u>\$ 1,542,475</u>	<u>\$ 1,611,212</u>	<u>\$ 1,939,510</u>

*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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes -										
Ad valorem	\$ 11,757,053	\$ 12,211,482	\$ 12,407,871	\$ 13,086,084	\$ 13,288,134	\$ 12,463,461	\$ 12,665,474	\$ 12,490,182	\$ 12,106,610	\$ 12,543,053
Sales	4,868,004	5,451,335	5,530,559	5,398,034	5,235,231	5,321,588	5,048,659	7,303,949	7,781,695	8,921,000
Franchise	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	2,201,667
Mixed beverage	67,848	54,927	58,387	42,992	71,978	60,101	59,671	49,266	55,699	69,427
Hotel	252,500	476,784	594,238	593,725	462,474	393,731	445,385	458,744	470,710	542,191
Licenses, permits and fees	1,656,445	1,857,835	2,623,014	3,217,587	4,169,554	2,881,963	2,777,712	2,716,873	2,857,356	3,772,542
Fines and forfeitures	744,985	939,237	967,892	857,396	750,490	1,054,149	1,160,339	1,182,418	992,086	806,923
Recreation fees	265,436	286,767	254,874	237,931	256,295	303,954	293,872	297,410	304,747	351,804
Intergovernmental	534,844	1,328,817	406,006	378,387	1,208,854	2,182,355	931,100	1,303,413	768,770	492,774
Investment income	323,667	505,115	490,846	301,442	100,669	32,753	34,059	37,838	34,494	29,702
Rental and other	402,080	554,258	816,442	609,405	1,111,587	1,663,650	814,772	643,278	529,044	495,436
Total revenues	\$ 22,811,598	\$ 25,796,500	\$ 26,151,034	\$ 26,747,082	\$ 28,643,983	\$ 28,394,013	\$ 26,384,165	\$ 28,491,230	\$ 27,930,789	\$ 30,226,519
Expenditures										
General government/ finance/ non-departmental	\$ 2,636,846	\$ 3,631,198	\$ 3,568,078	\$ 4,676,515	4,515,509	3,735,002	3,582,050	4,008,312	4,047,063	4,882,164
Police	6,796,628	7,088,021	8,091,558	8,606,164	7,950,702	8,010,438	8,336,089	8,146,411	8,073,234	8,532,830
Fire	4,573,261	4,794,582	5,176,242	5,462,552	5,282,271	5,209,321	5,178,309	5,266,727	5,188,988	5,579,037
Public works	4,009,839	3,988,391	4,123,636	4,070,557	3,683,537	3,881,637	4,133,585	4,081,264	4,040,216	4,335,905
Parks and recreation	3,251,930	3,553,111	2,636,565	2,790,986	2,685,803	2,681,454	2,767,743	2,713,411	2,740,534	3,135,435
Library (Included in General government in 2008)	643,502	632,693	676,184	-	-	-	-	-	-	-
Special purposes - promotional	53,398	330,032	370,135	481,470	385,245	298,842	290,107	440,157	567,107	811,333
Capital outlay	950,666	919,446	894,865	835,666	2,229,494	2,547,349	1,575,723	1,527,369	513,789	956,712
Debt service										
Principal retirement	2,255,000	2,320,000	2,455,000	2,595,000	2,311,273	2,325,872	1,122,685	1,985,622	1,408,474	1,181,546
Interest and fiscal charges	524,833	452,239	352,537	247,334	534,829	518,554	482,073	642,497	635,868	658,349
Total expenditures	\$ 25,695,903	\$ 27,709,713	\$ 28,344,800	\$ 29,766,244	\$ 29,578,663	\$ 29,208,469	\$ 27,468,364	\$ 28,811,770	\$ 27,215,273	\$ 30,073,311
Excess of revenues over (under) expenditures	(2,884,305)	(1,913,213)	(2,193,766)	(3,019,162)	(934,680)	(814,456)	(1,084,199)	(320,540)	715,516	153,208
Other Financing Sources (Uses)										
Transfers in	1,408,528	1,333,512	1,380,428	1,609,071	1,951,313	2,027,424	2,206,549	1,844,815	1,881,116	2,649,638
Transfers out	(516,467)	(250,662)	(224,824)	(283,394)	(582,189)	(636,655)	(516,073)	(1,073,531)	(1,435,144)	(1,130,450)
Total other financing sources (uses)	892,061	1,082,850	1,155,604	1,325,677	1,369,124	1,390,769	1,690,476	771,284	445,972	1,519,188
Net change in fund balances	\$ (1,992,244)	\$ (830,363)	\$ (1,038,162)	\$ (1,693,485)	\$ 434,444	\$ 576,313	\$ 606,277	\$ 450,744	\$ 1,161,488	\$ 1,672,396
Total capital outlay capitalized per the government wide statement of net assets	\$ 1,571,910	\$ 2,408,353	\$ 2,515,180	\$ 666,370	\$ 2,381,600	\$ 2,547,349	\$ 1,575,723	\$ 1,527,369	\$ 513,789	\$ 956,712
Debt service as a percentage of noncapital expenditures	11.2%	10.3%	10.2%	9.8%	10.4%	10.7%	6.2%	9.6%	7.7%	6.3%

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>				Total Assessed Value	Less: Tax-Exempt Property (2)	Total Taxable Assessed Value	Total City Tax Rate (3)
	Residential Property	Commercial Property	Business Personal Property					
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
2014	1,161,200,140	518,946,930	174,909,740		1,855,056,810	214,082,393	1,640,974,417	0.758

Source: Dallas Central Appraisal District

Notes:

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

City of Duncanville

Schedule 6

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)
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
2014	0.691189	0.067258	0.758447	1.410000	0.243100	0.010000	0.286000	0.124775

Notes:

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

Source: Dallas Central Appraisal District

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

Taxpayer / Company Name	2014			2005		
	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	48,230,379	1	2.94%	34,512,320	1	2.11%
Costco Wholesale Corporation Costco	18,147,500	2	1.11%			
C H Guenther & Son Pioneer Frozen Foods	18,005,080	3	1.10%	19,349,660	2	1.19%
G & E Apartment Reit - Bella Ruscello	14,892,080	4	0.91%			
Oncor Electric Delivery-Texas Utilities Electric Company	9,909,060	5	0.60%	12,545,240	5	0.77%
A T & T Communications (Southwestern Bell/Cingular)	8,717,870	6	0.53%	14,144,370	3	0.87%
Apple Nine Spe Duncanville Inc	7,500,000	9	0.46%			
Apple Reit Limited PS Main Park Apartments	8,217,600	8	0.50%	8,111,610	8	0.50%
Wimberly Park LP	7,355,440	10	0.45%			
SOL Waterview LLC	8,445,400	7	0.51%			
Wal-Mart Corporation Wal-Mart Store				9,898,600	6	0.61%
Frankel Family Trust				13,380,000	4	0.82%
TT Duncanville LTD				6,374,880	9	0.39%
Texas Custom Bakers Inc				4,799,950	10	0.29%
Deford Lumber LTD				<u>8,991,680</u>	7	<u>0.48%</u>
Total	<u>\$ 149,420,409</u>		<u>9.11%</u>	<u>\$ 132,108,310</u>		<u>8.03%</u>

Note:

(a) Total Taxable Value as of Oct. 1,640,974,417

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
2005	11,618,422	11,399,901	98.1%	200,948	11,600,849	99.8%
2006	12,050,465	11,779,327	97.7%	240,568	12,019,895	99.7%
2007	12,304,132	11,974,681	97.3%	306,996	12,281,677	99.8%
2008	12,874,498	12,573,089	97.7%	305,762	12,878,851	100.0%
2009	13,160,823	12,888,062	97.9%	205,334	13,093,397	99.5%
2010	12,459,098	12,161,481	97.6%	187,467	12,348,949	99.1%
2011	12,706,127	12,381,341	97.4%	148,011	12,529,352	98.6%
2012	12,458,343	12,097,385	97.1%	113,223	12,210,608	98.0%
2013	12,008,805	11,865,772	98.8%	75,623	11,865,772	98.8%
2014	12,455,448	12,190,388	97.9%	-	12,190,388	97.9%

Note:

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

Source: Dallas County Tax Assessor / Collector

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

Fiscal Year Ended Sept. 30,	Governmental Activities		Business-type Activities	Total Primary Government	Percentage of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	Certificate of Obligation Bonds	Water and Sewer Revenue Bonds			
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
2014	-	4,400,602	7,112,861	11,513,463	1.22%	291

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

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

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

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

Fiscal Year Ended Sept. 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Certificate of Obligation Bonds	Total		
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
2014	-	4,400,602	4,400,602	0.27%	111

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

(1) See Schedule 5 for property value data.

(2) See Schedule 14 for personal income and population data.

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

Direct and Overlapping Governmental Activities Debt
As of September 30, 2014
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Duncanville Independent School District	\$ 144,385,236	45.47%	\$ 65,651,967
Dallas County	111,350,000	1.03%	1,146,905
Dallas County Community College District	339,035,000	1.03%	3,492,061
Dallas County School	67,265,000	1.03%	692,830
Dallas County Hospital District	736,235,000	1.03%	7,583,221
Cedar Hill Independent School District	129,194,737	0.26%	335,906
Dallas Independent School District	2,557,940,000	0.01%	255,792
Subtotal, overlapping debt			<u>\$ 79,158,682</u>
City direct debt			<u>4,400,602</u>
Total direct and overlapping debt			<u><u>\$ 83,559,284</u></u>

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, 2014
(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, 2014 is \$.758447 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>						
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
2014	13,050,607	9,609,547	3,441,060	325,000	37,044	9.5

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.

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended Sept. 30,	Population (a)	Personal Income	Per Capita Income (a)	Median Household Income (a)	Number of Households (a)	School Enrollment (b)	Unemployment Rate (c)
2005	36,725	(d)	(d)	(d)	(d)	11,736	6.00%
2006	37,800	1,056,434,400	27,948	62,269	13,046	12,042	5.66%
2007	38,251	1,102,546,824	28,824	63,961	13,088	12,149	4.58%
2008	38,430	1,088,222,310	28,317	65,382	13,457	12,664	4.30%
2009	38,542	1,066,765,476	27,678	64,760	13,537	12,939	7.90%
2010	38,562	1,071,483,732	27,786	65,676	13,667	12,850	9.45%
2011	38,524	(d)	(d)	(d)	(d)	12,600	9.60%
2012	39,360	953,220,390	24,053	52,637	13,242	12,880	6.80%
2013	38,628	968,288,076	25,067	52,795	13,249	12,600	7.20%
2014	39,605	941,846,505	23,781	56,818	13,132	12,600	4.60%

Sources: (a) 2010 Census, 2011 NCTCOG.org population estimate, all other years ESRI estimates
(b) Duncanville Independent School District
(c) Texas Workforce Commission 2005-2014
(d) Information is not available

City of Duncanville

Schedule 15

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

Employer	2014			2005		
	Employees (2)	Rank	Percent of Total Employment (a)	Employees (2)	Rank	Percent of Total Employment (a)
Duncanville Independent School District	1,600	1	9.10%	1,500	2	8.32%
Masco(Formerly Texwood/Quality Cabinets and Doors)	706	2	4.01%	2,400	1	13.31%
City of Duncanville	292	3	1.66%	252	3	1.40%
Pioneer Frozen Foods	176	4	1.00%	175	4	0.97%
Costco	145	5	0.82%	-	-	-
DeFords	130	6	0.74%	147	5	0.82%
Pappadeaux	125	7	0.71%	100	6	0.55%
W&B Service Company	100	8	0.57%	-	-	-
Freedom Dodge, Chrysler, Jeep	75	9	0.43%	-	-	-
Personalized Communications	70	10	0.40%	-	-	-
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	<u>3,419</u>		<u>19.42%</u>	<u>4,812</u>		<u>26.68%</u>

Note:

(a) Total City Employment (1) 17,589 18,050

Sources:

- (1) ESRI BIS
- (2) Duncanville Community Economic Development Corporation

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

Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
By Functions										
General Government	31.0	33.0	34.0	35.0	33.0	32.5	30.2	32.5	31.5	34.1
Fire Services	52.0	52.0	53.0	53.0	53.0	52.3	52.0	52.0	51.3	52.3
Police Services (Civil)	61.0	61.0	60.0	63.0	59.0	59.0	59.0	59.0	58.0	57.99
Police Services (Non-Civil)	12.0	12.0	15.0	12.0	11.0	11.0	18.8	18.8	19.0	18.9
Public Works	34.5	33.5	33.0	31.5	30.5	30.0	32.0	33.0	35.5	36.5
Library Services	9.0	9.0	9.0	9.0	9.0	12.0	12.0	11.5	12.0	12
Parks and Recreation	13.0	13.0	16.0	16.0	16.0	28.7	34.8	41.2	41.6	43.66
Community Services	6.0	6.0	6.0	6.0	9.0	6.6	-	-	-	-
Water and Wastewater	21.5	21.5	21.5	23.5	21.5	25.0	17.5	16.5	19.5	21.5
Total Employees by Function	240.0	241.0	247.5	249.0	242.0	257.1	256.3	264.5	268.4	276.95
By Departments										
General Government	7.0	7.0	8.0	18.0	17.0	20.0	17.0	18.8	18.5	20
Finance	22.0	24.0	24.0	24.0	24.0	23.5	24.0	24.0	24.0	25.1
Community Services	28.0	28.0	31.0	22.0	25.0	32.6	34.8	41.2	41.6	43.2
Police (Civil)	61.0	61.0	60.0	63.0	59.0	59.0	59.0	59.0	58.0	58
Police (Non-Civil)	12.0	12.0	15.0	12.0	11.0	12.0	18.8	18.8	19.0	18.9
Public Works	31.5	30.5	30.5	31.5	30.5	31.7	25.5	27.0	27.0	27.5
Utilities	24.5	24.5	24.0	23.5	21.5	25.0	24.0	22.5	28.0	30.5
Fire	52.0	52.0	53.0	53.0	53.0	52.3	52.0	52.0	51.3	49
Economic Development	2.0	2.0	2.0	2.0	1.0	1.0	1.2	1.2	1.0	3.3
Total Employees by Department	240.0	241.0	247.5	249.0	242.0	257.1	256.3	264.5	268.4	277
By Fund										
General	202.5	203.5	208.0	213.0	219.5	216.4	210.4	214.6	214.9	230.39
Utility	32.0	32.0	34.0	31.5	21.5	33.0	30.5	29.5	32.5	24.5
Hotel/Motel	1.0	1.0	1.0	1.0	-	1.0	-	-	0.0	0
Economic Development	1.0	1.0	1.0	1.0	1.0	1.0	1.2	1.2	1.0	1.5
Grant	1.0	1.0	1.0	-	-	1.7	2.1	2.1	2.1	2.1
Drainage	0.5	0.5	0.5	0.5	-	0.5	3.5	3.5	3.5	4
Solid Waste	2.0	2.0	2.0	2.0	-	2.0	2.0	2.0	2.0	2
Traffic Administration	-	-	-	-	-	1.0	1.0	1.0	1.0	1
Juvenile Case Manager	-	-	-	-	-	0.5	-	0.1	0.0	0
Fieldhouse	-	-	-	-	-	-	5.6	10.5	11.4	11.5
Total Employees by Fund	240.0	241.0	247.5	249.0	242.0	257.1	256.3	264.5	268.4	276.99

Source: City of Duncanville, Texas Annual Budgets

City of Duncanville

Schedule 17

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

Fiscal Years	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
General Government										
Building Permits Issued	421	433	421	359	236	374	350	367	225	938
Police										
Criminal Arrests	2,058	2,394	2,320	1,808	3,300	2,100	2,235	1,900	1,828	1,880
Index Crimes per 1,000 Population	44	40	43	47	50	48	46	47	48	49
Fire										
Total Calls for Service (Fire & EMS)	6,517	6,976	7,004	6,884	7,038	7,248	6,700	6,475	5,660	4,783
Total Structural Inspections	1,473	701	1,349	1,404	832	1,035	742	737	1,465	1,264
Public Services										
Utility Cuts Repaired	142	89	104	112	115	186	125	175	230	202
Sidewalk Repaired (Square Feet)	7,358	7,729	13,618	12,815	11,576	2,231	9,000	7,800	750	6121
Parks and Recreation										
Program Participation Hours	13,648	18,623	17,829	18,231	21,120	25,119	14,843	15,000	15,000	15,000
Number of Annual Passes Sold	1,314	1,949	1,981	2,774	2,000	2,664	1,900	2,900	863	900
Library										
Volumes in Collection	89,814	97,648	102,807	106,076	105,571	105,710	111,018	107,924	108,401	107,117
Total Volumes Borrowed	165,262	174,676	173,101	176,325	169,602	160,642	171,000	145,746	140,692	130,296
Water/Wastewater										
Water Main Breaks	41	35	29	33	30	36	30	25	30	20
Number of Gallons of Water Pumped (000s)	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	1,998,292
Average Daily Consumption (MGD)	5	6	5	5	6	5	6	5	6	5.4
Miles of Sewer Mains Cleaned	9	5	6	4	8	2	15	12	28	2.11

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
Public Safety										
Emergency Vehicles (Police & Fire)	29	36	34	34	34	33	31	31	31	31
Public Works										
Streets - Paved (Miles)	155.98	155.98	156.05	156.05	156.05	156.05	156.05	156.05	156.05	156.05
Alleys - Paved (Miles)	40.28	40.28	36.11	36.11	36.11	36.11	36.11	36.11	36.11	36.81
Traffic Signals	36	36	34	34	34	34	34	34	34	34
Street Signs	1,926	1,928	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966
Regulatory & Non-regulatory Signs	4,337	4,416	9,850	9,920	9,920	9,940	9,929	10,085	10,014	10,034
Non-Emergency Vehicles	68	72	79	79	81	84	82	82	82	82
Parks and Recreation										
Park Acres	228.0	228.0	237.4	237.0	237.0	242.0	239.0	239.0	239.0	239.0
Playgrounds	10	10	12	12	12	12	12	13	13	13
Total Athletic Facilities Maintained	54	54	56	54	54	54	54	54	54	54
Water/Wastewater										
Miles of Water Mains	186.92	187.35	188.01	189.50	189.50	189.50	189.80	189.48	190.05	190.05
Fire Hydrants	1,296	1,306	1,341	1,355	1,360	1,364	1,366	1,372	1,373	1,373
Sanitary Sewer Lines (Miles)	152.35	153.45	154.06	153.60	153.60	153.64	153.65	153.65	153.67	153.67
Sanitary Sewer Laterals (Miles)	76.86	77.25	77.46	77.30	77.30	77.30	77.30	77.30	77.35	77.35

Source: City of Duncanville, Texas Annual Budgets