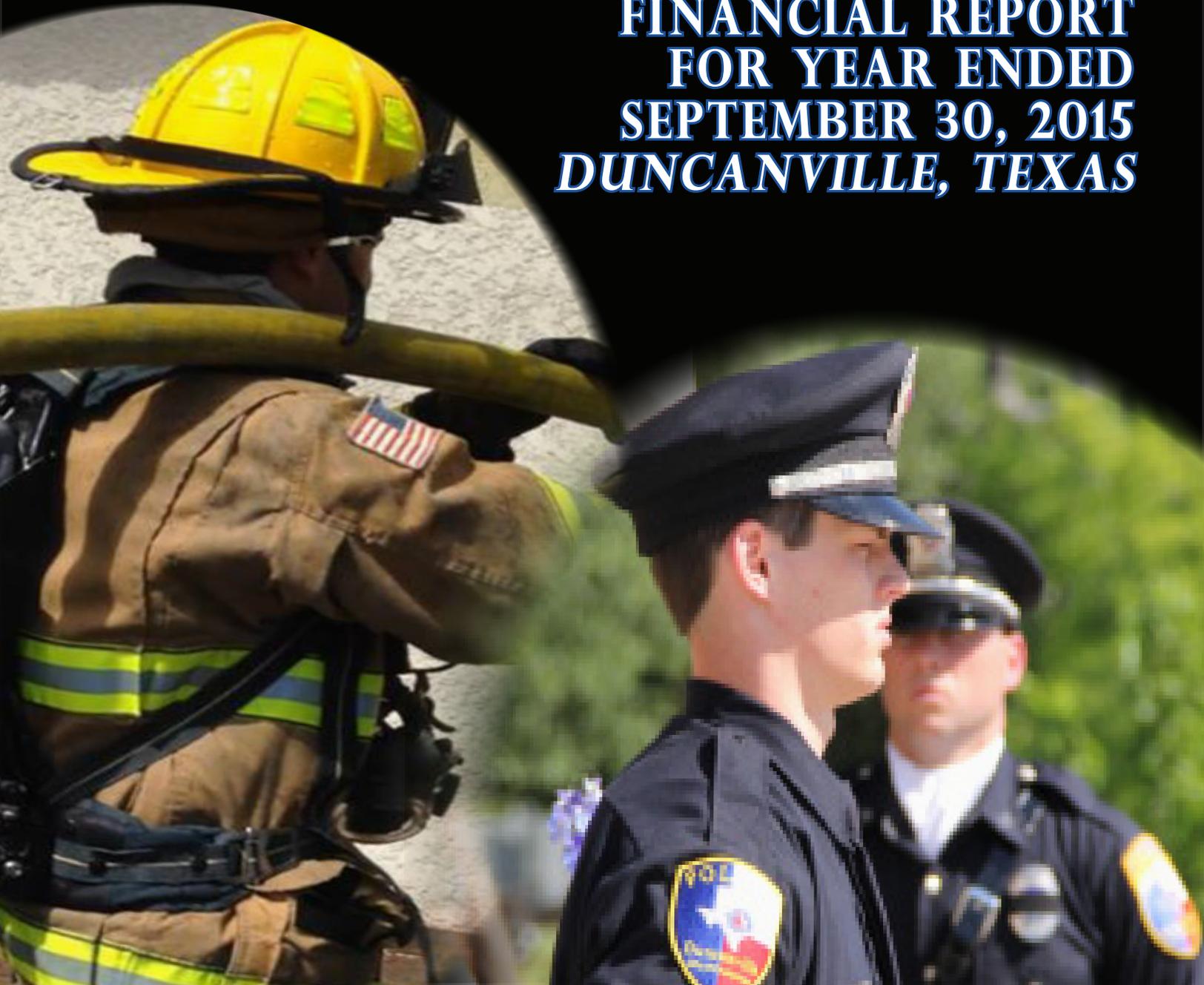




DUNCANVILLE

The Perfect Blend of Family, Community & Business

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED SEPTEMBER 30, 2015 *DUNCANVILLE, TEXAS*



COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF DUNCANVILLE, TEXAS

FOR
FISCAL YEAR ENDED
SEPTEMBER 30, 2015

PREPARED BY:
CITY OF DUNCANVILLE
FINANCE DEPARTMENT

CITY OF DUNCANVILLE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.



City of Duncanville

Kevin Hugman
City Manager

March 15, 2016

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, 2015.

This report provides 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, 2015. 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 2015 population for the City was 39,707 (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 discretely presented 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.

As demonstrated by the statements and schedules included in the financial section of this report, the City sustains 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 6,954,330. 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 2015 Dallas–Fort Worth has been a magnet for corporate headquarters and major company operations, attracting 18 Fortune 500 company headquarters and 5 Global 500 headquarters. (Dallas Regional Chamber)
- The DFW Region is the 5th largest global exporter in the country with computer and electronics goods accounting for 26.5% of exports. (Dallas Regional Chamber)
- Dallas-Fort Worth benefited from existing trade agreements, exporting \$9.9 billion to the NAFTA region and \$387 million to the CAFTA-DR region. (Dallas Regional Chamber)
- The Dallas–Fort Worth economy continued to expand at a rapid clip in 2015. In 2015, the metroplex created jobs at a 3 percent annual rate, outpacing both the state at 1.3 percent and the nation at 1.8 percent. The DFW housing market remains healthy, and home prices continue to trend upward. Home prices rose 2.1 percent in Dallas and 1.4 percent in Fort Worth according to the Federal Housing Finance Agency purchase-only house price index. Dallas Fed business-cycle indexes point to continued growth for the metroplex. Unemployment in the metroplex remains near historical lows. In November, the unemployment rate held steady at 3.9 percent in Dallas but edged up to 4.2 percent in Fort Worth and 4.6 percent in Texas. All three figures remain lower than the U.S. rate of 5.0 percent.(Dallas Fed)
- 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)

- From November 2014 to November 2015, the CPI index for all items less food and energy advanced 1.9 percent. The biggest factor in the annual increase was a 4.1-percent rise in shelter costs, as the indexes rose for both renters' costs (5.5 percent) and owners' equivalent rent (3.7 percent). Another large contributor was a 4.4-percent annual rise in medical care prices. Countering a portion of these advances, annual declines were registered for household furnishings and operations (-2.0 percent) and apparel (-1.7 percent). (Bureau of Labor Statistics)
- The DFW region has extensive retail development, with 16 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.

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

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

- The DFW area including Duncanville remains the distribution and financial center of the southwest with high tech industries, service industries, trade and corporate headquarters providing a stable and diverse local economy.
- Duncanville boasts a strong industrial community that includes subsidiaries of companies like **Masco Cabinetry**, the largest U.S. manufacturer of kitchen and bath cabinetry. They employ over 700 people.
- **DeFord's** is another strong industrial company manufacturing specialty doors and wholesale lumber and fixtures supplies. They employ 160 people.
- **84 Lumber Company** is the largest privately owned building supply company in the United States. They expanded the Duncanville facility by 5 acres this year.
- **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. They employ over 200 people at the Duncanville location.
- 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 183 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 180 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, Frost Bank, 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.

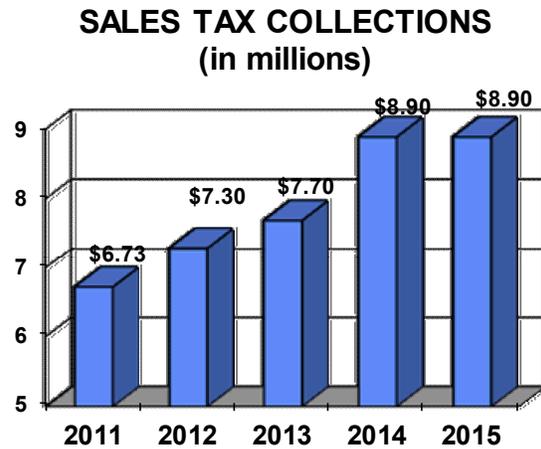
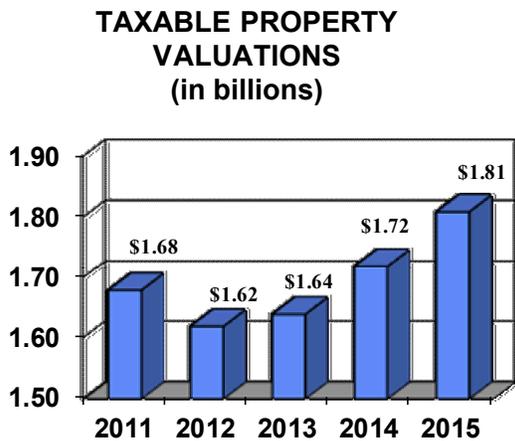
- **Aldi**, a leader in the international grocery retailing industry, serving Europe, the USA and Australia, opened in Duncanville in 2010.
- Through an investment of \$137,235 of DCEDC funds for beautification, the City's Parks Department was able to continue the landscape color change throughout the 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 115 people to sell and service refrigerated tractor trailers.
- **EON Reality Inc.**, the world leader in virtual reality based education and entertainment partnered with the City and DCEDC to establish a school to serve the virtual reality needs of the metroplex and Texas in November 2014.
- **WinCo** food store opened in June 2015 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 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 (15th year).
- Maintaining a water and sewer line rehabilitation/replacement 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% compared to the previous year. While sales tax remained flat in FY15, property values increased 5.1% 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 an 11% increase in alcoholic beverage taxes. The acquisition of the Duncanville Fieldhouse continues to present many challenges and opportunities. Thankfully, the DCEDC provides a safety net agreeing to fund any shortage in debt service on the building. We anticipate refinancing the debt in 2016 to take advantage of lower interest rates potentially saving \$800,000 over the remaining life of the bonds. 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 68 was completed during this fiscal year. This Statement establishes new accounting and financial reporting standards for pension funds. The City continues to enjoy being fully funded and in fact have the fortune of an asset related to pension fund liability.

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.

Pledged collateral is reviewed by our investment advisors, Valley View investments. 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.

Long-Term Financial Planning

The City Financial Policy states that the target fund balance of 60 days of operations should be maintained in the general fund. The City has elected to target a 70 day fund balance to insure against unforeseen changes that might negatively impact revenues or expenditures. The FY16 and all other years in the City's five year forecast maintain a 70 day fund balance. The City also maintains 5 year capital improvement budgets for streets, parks, water and wastewater, and city buildings. A fleet replacement fund is also utilized that every cost center with capital equipment pre-funds so that no borrowing is required to replace fleet equipment.

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, 2014. 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.

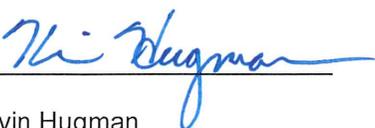
A Certificate of Achievement is valid for a period of one year only. We believe our current report for the year ended September 30, 2015 continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for review.

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. Tia Pettis, Assistant Finance Director and 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,



Kevin Hugman
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, 2014

Executive Director/CEO



Duncanville
City of Champions

City of Duncanville

Organizational Chart

September 30, 2015

Citizens of
Duncanville

Mayor & City
Council (Elected)

Office of the City
Manager

FIRE

Fire Administration
Fire Prevention
Fire Suppression
Advanced Life Support
Emergency Management

POLICE

Police Administration
Patrol
Criminal Investigation
Animal Control
Crime Prevention
Communications/Records
Special Services

ECONOMIC DEVELOPMENT

Economic
Development
Administration

GENERAL GOVERNMENT

Administrative
Services
Information Systems
Community
Information
Library Services
Human Resources

FINANCE

Finance
Administration
Purchasing
Municipal Court
City Marshal
Utility Accounting

PUBLIC WORKS

Public Works
Administration
Engineering &
Planning
Building Inspection
Code Enforcement
Street Maintenance
Water/Wastewater
Services
Equipment Services
Solid Waste

PARKS AND RECREATION

Parks and Recreation
Administration
Recreation Programs
Building Services
Municipal Grounds
Senior Center
Convention & Visitors
Bureau
Duncanville
Fieldhouse

CITY OF DUNCANVILLE

CITY COUNCIL

David Green, Mayor

Patrick Harvey, Mayor Pro Tem

Ronald L. Dotson, Council Member

Dennis L. Schwartz, Council Member

Johnette Jameson, Council Member

Leslie Thomas, Council Member

Steven Rutherford, Council Member



ADMINISTRATIVE OFFICIALS

Kevin Hugman, City Manager

Charles Smith, Assistant City Manager

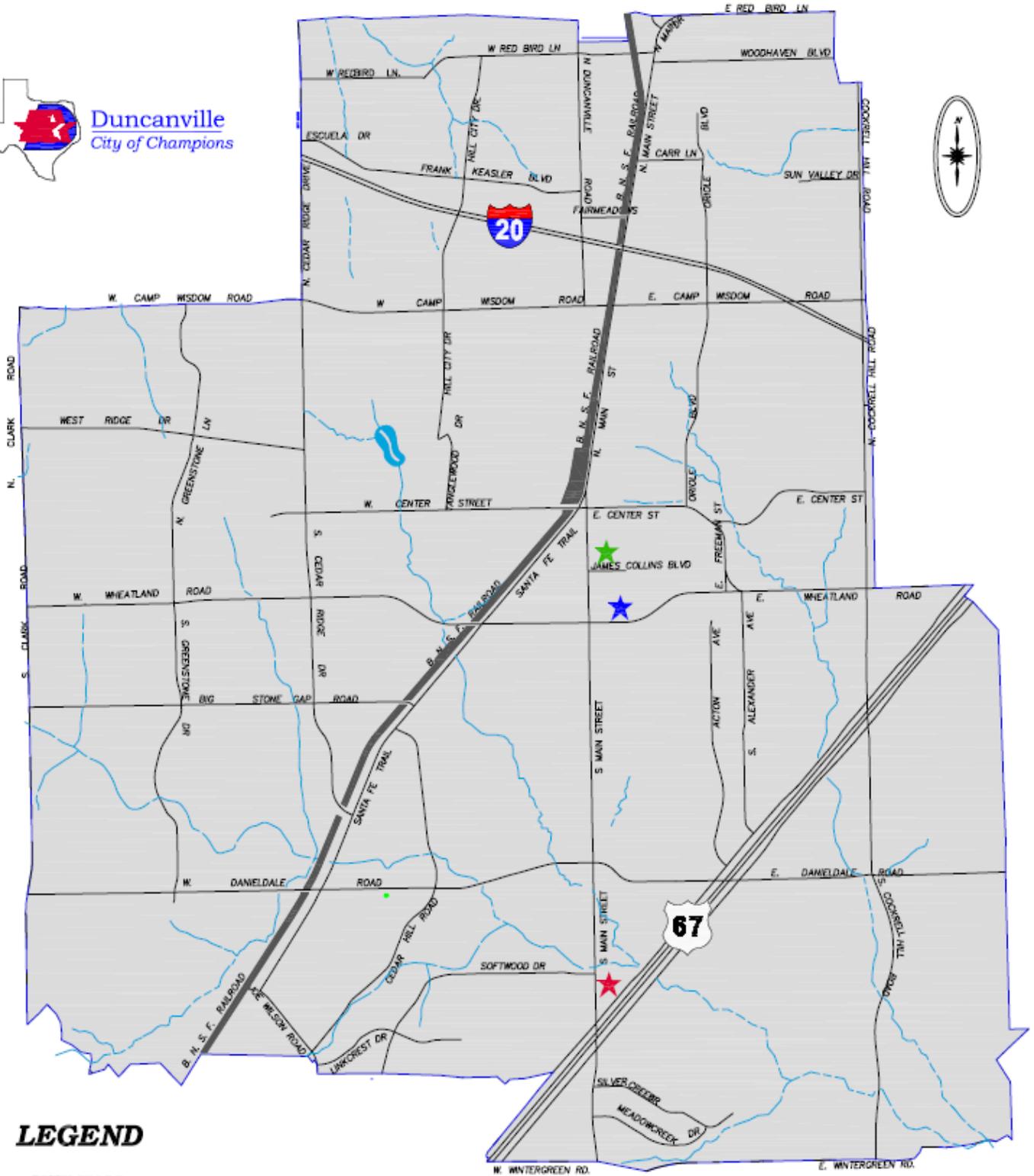
Richard Summerlin, Finance Director

Tia Pettis, Assistant Finance Director

Mary Jones, City Secretary



Duncanville
City of Champions



LEGEND

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

CITY OF DUNCANVILLE



P A T T I L L O , B R O W N & H I L L , 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Duncanville, Texas (the "City"), as of and for the year ended September 30, 2015, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Duncanville, Texas, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Traffic Improvement and Safety Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 the City adopted new accounting guidance, Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Governmental Accounting Standards (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. 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 (pages 5 – 12), pension information (pages 59 – 60) and the Other Postemployment Benefits Plan - Analysis of Funding Progress (page 61) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements 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 March 15, 2016, 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
March 15, 2016



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, 2015

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, 2015. 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 and deferred inflows of resources at the close of the most recent fiscal year by \$114.2 million (net position). This number must be viewed in the context of the vast majority of the City's net position of \$89.4 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 \$2.0 million is restricted for various purposes such as capital projects, public safety or community programs. The remaining \$22.7 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 and deferred outflows exceeded total liabilities and deferred inflows by \$78.5 million (net position). Governmental activities net position increased by \$9.2 million. The City's total net position increased by \$11.9 million this fiscal year.
- As of the close of the current fiscal year, City of Duncanville governmental funds reported combined ending fund balances of \$9.4 million, a decrease of \$607 thousand from the prior year. Of this amount, \$6.4 million is unassigned and available for spending subject to the City's self-imposed limitations by management for intended use.
- At year-end, the unassigned fund balance for the General Fund was \$6.4 million. On a current financial resources basis, total fund balance for the General Fund decreased by \$928 thousand.
- The City's net bonded debt decreased by \$5.1 million during this current fiscal year. The City made the final payment on Series 2002 Tax and Waterworks and Sewer System Surplus Revenue this fiscal year 2015.
- The City has seen property tax revenues increases for the past two fiscal years. 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 discretely presented component unit). 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 16-24 of this report.

The City maintains thirteen 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, and Traffic and Safety Improvement 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 70-79 of this report.

The City adopts an annual appropriated budget for its General, Debt Service, Hotel Tax, Drainage Fees, and Traffic Improvement and Safety Special Revenue funds. A budgetary comparison statement has been provided for the General 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 25-27 of this report. Individual fund data for proprietary funds in the form of budget data and combining statements can be found on pages 81-88 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 28-58 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$114.2 million as of September 30, 2015.

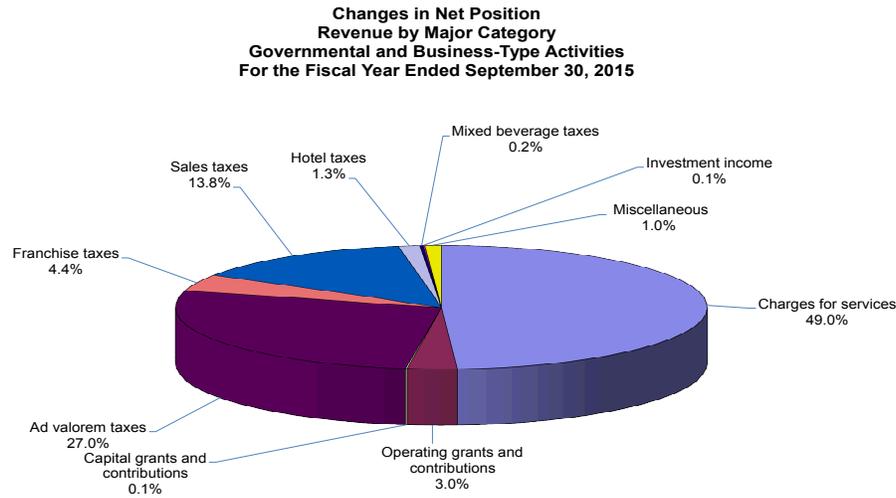
	Governmental Activities		Business-Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Current and other assets	\$ 24,918,909	\$ 17,676,523	\$ 9,353,826	\$ 7,367,389	\$ 34,272,735	\$ 25,043,912
Capital assets, net	60,853,814	62,943,886	34,976,504	34,488,513	95,830,318	97,432,399
Total assets	85,772,723	80,620,409	44,330,330	41,855,902	130,103,053	122,476,311
Total deferred outflows of resources	1,331,532	-	207,699	59,670	1,539,231	59,670
Current liabilities	2,902,836	2,777,586	2,245,163	1,696,397	5,147,999	4,473,983
Noncurrent liabilities	5,610,616	8,510,419	6,634,928	7,318,896	12,245,544	15,829,315
Total liabilities	8,513,452	11,288,005	8,880,091	9,015,293	17,393,543	20,303,298
Total deferred inflows of resources	82,742	-	9,872	-	92,614	-
Net investment in capital assets	60,853,814	59,060,297	28,576,505	27,375,652	89,430,319	86,435,949
Restricted net position	2,022,810	1,921,073	-	-	2,022,810	1,921,073
Unrestricted net position	15,631,437	8,351,034	7,071,561	5,524,627	22,702,998	13,875,661
Total net position	\$ 78,508,061	\$ 69,332,404	\$ 35,648,066	\$ 32,900,279	\$ 114,156,127	\$ 102,232,683

The majority of the City's net position \$89.4 million (78.3%) 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.

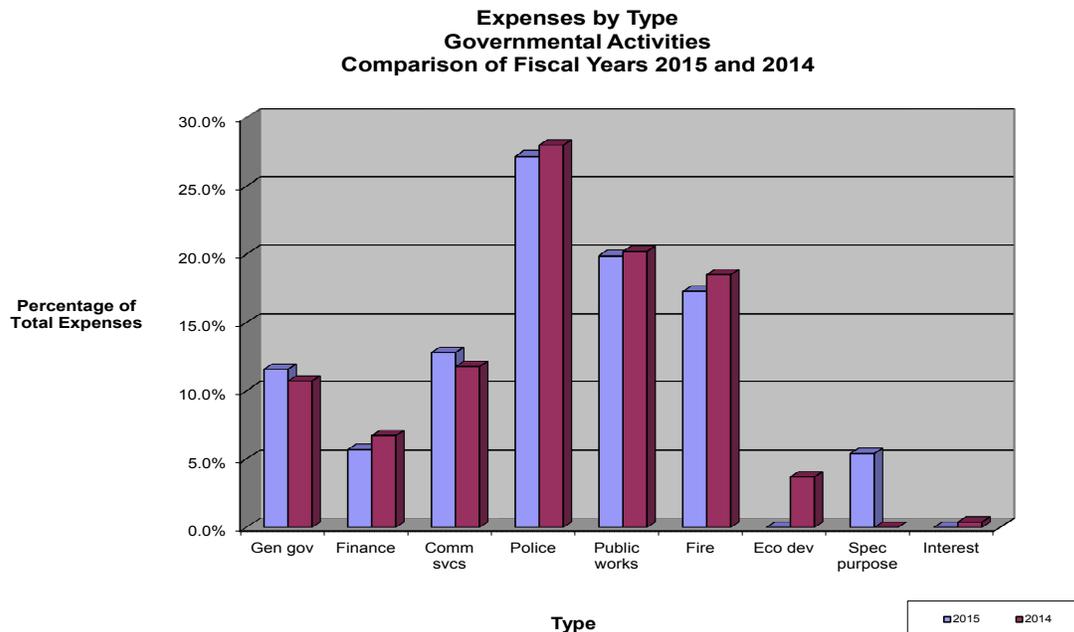
The City's balance of restricted net position of 2.0 million (1.8%) is reserved for various purposes such as capital projects, public safety and court programs.

The City's balance of unrestricted net position of \$22.7 million (19.9%) may be used to meet the government's ongoing obligations to citizens and creditors.

Analysis of the City's Operations- Overall, the City's total net position increased \$11.9 million (11.7%) from the prior year.



Governmental Activities- General revenue (excluding transfers) had a net decrease of \$1.1 million. Ad valorem tax experienced an increase of \$636 thousand due to an increase assessed valuations. Sales tax decreased by \$2.2 million due to the Economic Development fund reclassification from a blended component unit to a discretely presented component unit. When excluding the component unit sales tax figure from the prior year, sales tax revenues increased by \$17 thousand. The charges for services category had an overall increase of \$379 thousand. Overall expenditures experienced a \$2.0 million increase over the prior year.



Business-type Activities- Net position from business-type activities increased by \$2.7 million. Program revenues increased by \$2.2 million primarily due to water and sewer rate increases enacted in fiscal year 2015. Overall business-type expenses reflected an increase of \$573 thousand (4.0%).

The following table provides a summary of the City's operations at fiscal year end 2015:

City of Duncanville's Changes in Net Position						
For the Fiscal Years Ending September 30, 2015 and 2014						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 5,790,764	\$ 5,411,370	\$ 18,030,007	\$ 16,428,793	\$ 23,820,771	\$ 21,840,163
Operating grants and contributions	838,435	332,777	630,284	-	1,468,719	332,777
Capital grants and contributions	32,770	-	-	-	32,770	-
General revenues:						
Ad valorem taxes	13,133,399	12,496,952	-	-	13,133,399	12,496,952
Franchise taxes	2,154,478	2,201,667	-	-	2,154,478	2,201,667
Sales taxes	6,708,126	8,921,000	-	-	6,708,126	8,921,000
Hotel taxes	626,022	542,191	-	-	626,022	542,191
Mixed beverage taxes	76,814	69,427	-	-	76,814	69,427
Investment income	36,008	34,171	11,281	8,714	47,289	42,885
Miscellaneous	505,479	89,362	-	-	505,479	89,362
Total revenues	<u>29,902,295</u>	<u>30,098,917</u>	<u>18,671,572</u>	<u>16,437,507</u>	<u>48,573,867</u>	<u>46,536,424</u>
Expenses:						
General government	3,623,458	3,131,175	-	-	3,623,458	3,131,175
Finance	1,785,134	1,973,904	-	-	1,785,134	1,973,904
Community services	3,993,745	3,444,064	-	-	3,993,745	3,444,064
Police	8,510,868	8,206,843	-	-	8,510,868	8,206,843
Public works	6,229,076	5,913,817	-	-	6,229,076	5,913,817
Fire	5,414,580	5,420,014	-	-	5,414,580	5,420,014
Economic development	-	1,087,047	-	-	-	1,087,047
Special purposes	1,683,374	-	-	-	1,683,374	-
Interest and fiscal charges	10,183	108,426	-	-	10,183	108,426
Water and sewer	-	-	10,449,761	10,466,404	10,449,761	10,466,404
Solid waste	-	-	2,481,911	2,241,624	2,481,911	2,241,624
Sports facility	-	-	1,883,422	1,533,713	1,883,422	1,533,713
Total expenses	<u>31,250,418</u>	<u>29,285,290</u>	<u>14,815,094</u>	<u>14,241,741</u>	<u>46,065,512</u>	<u>43,527,031</u>
Increase in net position before transfers	(1,348,123)	813,627	3,856,478	2,195,766	2,508,355	3,009,393
Transfers	2,035,859	1,519,188	(2,035,859)	(1,519,188)	-	-
Increase/ (decrease) in net position	687,736	2,332,815	1,820,619	676,578	2,508,355	3,009,393
Net position—beginning	70,049,860	67,080,897	32,900,279	32,389,481	102,950,139	99,470,378
Prior period adjustment	7,770,465	(81,308)	927,168	(165,780)	8,697,633	(247,088)
Net position—ending	<u>\$ 78,508,061</u>	<u>\$ 69,332,404</u>	<u>\$ 35,648,066</u>	<u>\$ 32,900,279</u>	<u>\$ 114,156,127</u>	<u>\$ 102,232,683</u>

Note: The ending net position for governmental activities from FY2014 does not agree to the beginning net position for governmental activities for FY2015 by \$717,456 because the City's component unit was presented as a blended component unit in FY2014 and is required to be presented as a discretely presented component unit in FY 2015.

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 \$9.4 million. Approximately 68.5% of this total amount constitutes unassigned fund balance which is available for any public purpose. Approximately 9.5% of fund balance has been assigned by City management for community services and innovative projects. The restricted fund balance of \$2.0 million is 21.7% 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 items of \$27,881. Fund balance for all governmental funds decreased by \$607 thousand over the previous fiscal year.

In the General Fund, the original budget projected a \$2.4 million decrease in fund balance this fiscal year. The final amended budget changed to an expected fund balance decrease of \$2.8 million. It is one of the City's financial policies to maintain fund balance in General Fund to equal 60 days of expenditures. The property tax rate remained at \$.758447 while assessed property valuations increased providing an ad valorem tax revenue increase of 5.1%. When excluding the effect of reclassifying the component unit, sales tax revenues remained flat with the prior year. The franchise tax revenue had a slight decrease (2.1%). All other tax based revenues also exhibited increases over the prior year figures. The City's expenditures increased primarily in the public safety and public works areas. The General fund balance decreased by \$928 thousand.

The Debt Service fund showed little change in fund balance with a decrease of \$7 thousand. The Street Construction capital project fund had very little activity with a decrease in fund balance of \$72 thousand. The Traffic Improvement and Safety fund balance increased by \$357 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 \$1.7 million due to water and sewer rates increases. The Solid Waste fund net position decreased \$133 thousand during this fiscal year. The addition of the Fieldhouse Sports Facility has presented some challenges under operation for the City for the last few years. This fiscal year end there was a decrease in net position of \$231 thousand before transfers for the Sports Facility.

Pensions and Retiree Healthcare

Effective for fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" created specific reporting requirements for pensions that are different than that used for funding purposes. Both valuations are important as the reporting valuation provides a rigorous standard measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important as the actuarial methods used including strategies for repaying any unfunded actuarial accrued liabilities combined with the City's history of making those contributions provides insights regarding the City's commitment to and the effectiveness of its funding strategy. Information contained in the financial statements themselves including the first schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation. On a reporting basis, the City's financial statements reflect a Net Pension Asset as of September 30, 2015 of \$7.8 million. The City's plan fiduciary net position is 108.3% of the total pension liability.

Retiree health care's actuarially accrued liability has been calculated in accordance with GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", to be \$2.8 million as of December 31, 2014, a decrease of \$452 thousand from the previous valuation.

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 2015, the City had \$95.8 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 \$1.6 million which is 1.6% less than the capital assets for the prior fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	20,021	\$ 22,195	\$ 568	\$ 568	\$ 20,589	\$ 22,763
Construction in progress	178	109	1,964	195	2,142	304
Buildings	7,455	7,706	7,801	8,166	15,256	15,872
Infrastructure	21,502	22,993	20,715	21,478	42,217	44,471
Improvements	6,481	6,684	22	22	6,503	6,706
Equipment	5,216	3,257	929	985	6,145	4,242
Water rights	-	-	2,977	3,074	2,977	3,074
Totals	\$ 60,853	\$ 62,944	\$ 34,976	\$ 34,488	\$ 95,829	\$ 97,432

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

- Water and wastewater capital costs for the current fiscal year were \$1.7 million which includes the Clark Road elevated water tank improvements.
- Other capital costs including new city-wide phone system and network infrastructure, lightning prediction system to several parks, amphitheater shade cover at Armstrong Park, and a new restroom at Redbird Park.
- Traffic control, enforcement and signal preemption equipment for \$397 thousand was purchased through a grant from the Federal Emergency Management Agency (FEMA). The FEMA grant paid 90% of the equipment at \$358 thousand.
- Vehicle and equipment replacements were made totaling \$1.0 million out of the Fleet Replacement fund. The new additions include 12 vehicles, 2 police motorcycles, a dump truck, a cement truck with mixer and several pieces of heavy equipment.
- 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 \$6.4 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	
	2015	2014	2015	2014	2015	2014
General Obligation and Certificate of Obligation bonds	\$ -	\$ 4,401	\$ -	\$ -	\$ -	\$ 4,401
Tax and Water/Wastewater Surplus Revenue bonds	-	-	6,400	7,113	6,400	7,113
Totals	\$ -	\$ 4,401	\$ 6,400	\$ 7,113	\$ 6,400	\$ 11,514

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 2015-2016 fiscal year budget:

- Ad valorem tax revenue is determined, in part, by total assessed property value established by the Dallas Central Appraisal District. Property values increased 5.8% on the total tax roll for 2015-16 from 2014-15.
- The second factor in determining ad valorem tax revenue is the tax rate set by City Council. For 2015-16 fiscal year budget, the City tax rate remains at \$.758447 per \$100 of assessed valuation.
- Sales tax revenue as of September 30, 2015 remained flat in the General Fund. This trend is expected to continue into the 2015-16 fiscal year.
- A water/wastewater rate study was performed in 2013-14 resulting in a five-year plan for rate increases. In October 2015, rates were increased for the second fiscal year in a row. The rate increases will support future Utility capital projects to improve the aging infrastructure.
- The City has earmarked \$1.1 million in the budget for one-time expenditures. This includes the replacement of city hall and library carpet, replacement of the playground equipment at several City parks, and bicycle and trail improvements.

During the current fiscal year, the unassigned fund balance in the general fund was \$6.4 million, available for spending in the 2015-2016 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, 2015

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Cash and investments	\$ 13,682,777	\$ 4,198,992	\$ 17,881,769	\$ 126,434
Receivables (net of allowance for uncollectibles)	3,562,390	3,232,966	6,795,356	403,994
Accrued interest and other	201,875	14,021	215,896	2,680
Prepaid items	47,956	-	47,956	-
Restricted cash and investments	-	773,524	773,524	-
Internal balances	(303,087)	303,087	-	-
Investment in joint ventures	760,519	-	760,519	18,843
Net pension asset	6,966,479	831,236	7,797,715	-
Capital assets:				
Nondepreciable	20,199,227	2,531,667	22,730,894	219,635
Depreciable- net of accumulated depreciation	40,654,587	32,444,837	73,099,424	-
Total Assets	85,772,723	44,330,330	130,103,053	771,586
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	-	48,821	48,821	-
Pension contributions after measurement date	416,782	49,730	466,512	-
Difference in projected and actual earnings on pension assets	914,750	109,148	1,023,898	-
Total deferred outflows of resources	1,331,532	207,699	1,539,231	-
LIABILITIES				
Accounts payable	2,007,092	1,351,505	3,358,597	160,228
Contracts payable	3,923	-	3,923	-
Accrued liabilities	819,126	39,454	858,580	4,701
Accrued interest payable	-	29,535	29,535	13,788
Unearned revenue	43,382	51,145	94,527	-
Customer performance and escrow deposits	29,313	773,524	802,837	150
Noncurrent liabilities				
Due within one year:				
Bonds and certificates of obligation payable	-	745,000	745,000	410,000
Compensated absences	193,686	4,797	198,483	-
Loan payable	198,039	-	198,039	-
Due in more than one year:				
Loan payable	1,155,342	-	1,155,342	-
Bonds and certificates of obligation payable	-	5,655,000	5,655,000	2,320,000
Compensated absences	2,573,251	63,726	2,636,977	-
Other postemployment benefits	1,490,298	166,405	1,656,703	-
Total Liabilities	8,513,452	8,880,091	17,393,543	2,908,867
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension experience	82,742	9,872	92,614	-
Total deferred inflows of resources	82,742	9,872	92,614	-
NET POSITION				
Net investment in capital assets	60,853,814	28,576,505	89,430,319	-
Restricted for:				
Capital projects	742,267	-	742,267	-
Public safety	911,034	-	911,034	-
Other purposes	369,509	-	369,509	-
Unrestricted	15,631,437	7,071,561	22,702,998	(2,137,281)
Total Net Position	\$ 78,508,061	\$ 35,648,066	\$ 114,156,127	\$ (2,137,281)

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, 2015

PROGRAM ACTIVITIES	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,623,458	\$ 330,306	\$ 88,915	\$ 32,770
Finance	1,785,134	-	-	-
Community Services	3,993,745	311,493	69,277	-
Police	8,510,868	3,059,268	154,574	-
Public works	6,229,076	1,053,115	118,402	-
Fire	5,414,580	1,036,582	407,267	-
Special purposes	1,683,374	-	-	-
Interest and fiscal charges	10,183	-	-	-
Total governmental activities	31,250,418	5,790,764	838,435	32,770
Business-type activities:				
Water	4,944,384	7,355,794	-	-
Sewer	5,505,377	6,953,623	-	-
Solid waste	2,481,911	2,695,374	-	-
Sports facility	1,883,422	1,025,216	630,284	-
Total business-type activities	14,815,094	18,030,007	630,284	-
Total government	\$ 46,065,512	\$ 23,820,771	\$ 1,468,719	\$ 32,770
Component unit:				
DCEDC	\$ 1,703,959	\$ -	\$ -	\$ -

General revenues:

Taxes:

Ad valorem

Sales

Franchise

Mixed beverage

Hotel occupancy

Earnings on investments

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - beginning, restated (See Notes 19 and 20)

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	Component Unit
\$ (3,171,467)	\$ -	\$ (3,171,467)	
(1,785,134)	-	(1,785,134)	
(3,612,975)	-	(3,612,975)	
(5,297,026)	-	(5,297,026)	
(5,057,559)	-	(5,057,559)	
(3,970,731)	-	(3,970,731)	
(1,683,374)	-	(1,683,374)	
(10,183)	-	(10,183)	
<u>(24,588,449)</u>	<u>-</u>	<u>(24,588,449)</u>	
-	2,411,410	2,411,410	
-	1,448,246	1,448,246	
-	213,463	213,463	
-	<u>(227,922)</u>	<u>(227,922)</u>	
-	<u>3,845,197</u>	<u>3,845,197</u>	
<u>(24,588,449)</u>	<u>3,845,197</u>	<u>(20,743,252)</u>	
			<u>(1,703,959)</u>
13,133,399	-	13,133,399	-
6,708,126	-	6,708,126	2,236,042
2,154,478	-	2,154,478	-
76,814	-	76,814	-
626,022	-	626,022	-
36,008	11,281	47,289	2,299
505,479	-	505,479	-
<u>2,035,859</u>	<u>(2,035,859)</u>	<u>-</u>	<u>-</u>
<u>25,276,185</u>	<u>(2,024,578)</u>	<u>23,251,607</u>	<u>2,238,341</u>
687,736	1,820,619	2,508,355	534,382
70,049,860	32,900,279	102,950,139	(717,460)
<u>77,820,325</u>	<u>33,827,447</u>	<u>111,647,772</u>	<u>(2,671,663)</u>
<u>\$ 78,508,061</u>	<u>\$ 35,648,066</u>	<u>\$ 114,156,127</u>	<u>\$ (2,137,281)</u>

CITY OF DUNCANVILLE, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015**

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction Fund</u>
ASSETS			
Cash and investments	\$ 6,696,938	\$ 5,370	\$ 327,382
Receivables -			
Property taxes (net of allowance)	352,982	30,641	-
Trade accounts (net of allowance)	644,463	-	-
Other taxes	2,055,829	-	-
Assessments	-	-	51,950
Intergovernmental	-	-	-
Accrued interest and other	18,008	2,883	480
Prepaid items	17,881	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 9,786,101</u>	<u>\$ 38,894</u>	<u>\$ 379,812</u>
LIABILITIES			
Accounts payable	\$ 1,189,371	\$ -	\$ -
Customer performance and escrow deposits	29,313	-	-
Contracts payable	-	-	3,923
Accrued liabilities	367,806	-	-
Due to other funds	-	-	-
Unearned revenue	13,926	-	-
Total liabilities	<u>1,600,416</u>	<u>-</u>	<u>3,923</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	853,429	27,117	51,949
Total deferred inflows of resources	<u>853,429</u>	<u>27,117</u>	<u>51,949</u>
FUND BALANCES:			
Nonspendable:			
Prepaid items	17,881	-	-
Restricted for:			
Debt service	-	11,777	-
Street construction	-	-	323,940
Traffic improvement and safety	-	-	-
Promotion of tourism, convention and hotel industry	-	-	-
Maintenance and construction of drainage projects	-	-	-
Public safety, cultural and recreational services	-	-	-
Court security	-	-	-
Juvenile case management	-	-	-
Public safety and criminal investigations	-	-	-
Park construction	-	-	-
Capital improvements	-	-	-
Assigned:			
Community services	230,230	-	-
Innovative technology	660,606	-	-
Unassigned	<u>6,423,539</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>7,332,256</u>	<u>11,777</u>	<u>323,940</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,786,101</u>	<u>\$ 38,894</u>	<u>\$ 379,812</u>

The accompanying notes are an integral part of this statement.

<u>Traffic I&S</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,087,538	\$ 944,479	\$ 9,061,707
-	-	383,623
103,442	176,018	923,923
-	124,999	2,180,828
-	-	51,950
-	22,066	22,066
480	480	22,331
10,000	-	27,881
-	6,000	6,000
<u>\$ 1,201,460</u>	<u>\$ 1,274,042</u>	<u>\$ 12,680,309</u>
\$ 472,133	\$ 258,110	\$ 1,919,614
-	-	29,313
-	-	3,923
1,016	5,670	374,492
-	6,000	6,000
-	29,456	43,382
<u>473,149</u>	<u>299,236</u>	<u>2,376,724</u>
-	-	932,495
-	-	932,495
10,000	-	27,881
-	-	11,777
-	-	323,940
718,311	-	718,311
-	260,930	260,930
-	206,204	206,204
-	108,579	108,579
-	42,414	42,414
-	30,460	30,460
-	119,849	119,849
-	21,042	21,042
-	191,081	191,081
-	-	230,230
-	-	660,606
-	(5,753)	6,417,786
<u>728,311</u>	<u>974,806</u>	<u>9,371,090</u>
<u>\$ 1,201,460</u>	<u>\$ 1,274,042</u>	<u>\$ 12,680,309</u>

CITY OF DUNCANVILLE, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015**

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS \$ 9,371,090

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

Net pension asset and related deferred inflows and outflows of resources in governmental activities are not current financial resources and therefore not reported in the governmental funds balance sheet:

Net pension asset	6,966,479	
Deferred inflows	(82,742)	
Deferred outflows	<u>1,331,532</u>	
		8,215,269

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 \$1,915,336). 58,938,478

Revenue earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements. 932,495

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 \$303,087. 5,900,826

Investments in joint ventures represent a financial asset not reported in governmental funds. 760,519

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

Loan payable	(1,353,381)	
Compensated absences	(2,766,937)	
Other post employment benefits	<u>(1,490,298)</u>	
		<u>(5,610,616)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 78,508,061

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, 2015

	General	Debt Service	Street Construction
REVENUES			
Taxes:			
Ad valorem	\$ 11,906,718	\$ 1,165,809	\$ -
Sales	6,708,126	-	-
Franchise	2,154,478	-	-
Mixed beverage	76,814	-	-
Hotel	-	-	-
Licenses, permits and fees	1,561,621	-	1,459
Fines and forfeitures	815,320	-	-
Recreational fees	311,423	-	-
Intergovernmental	175,914	-	-
Investment income	24,773	2,531	1,303
Rental and other	539,705	-	-
Gifts and contributions	6,752	-	-
Total revenues	24,281,644	1,168,340	2,762
EXPENDITURES			
Current:			
General government	2,248,593	-	-
Finance	1,276,354	-	-
Community services	3,557,241	-	-
Police	8,047,850	-	-
Public works	4,004,463	-	74,358
Fire	5,788,628	-	-
Non-departmental	547,006	-	-
Special purposes - promotional	1,683,374	-	-
Debt Service:			
Principal retirement	129,985	758,589	-
Interest and fiscal charges	32,169	566,411	-
Capital outlay:			
General government	596,259	-	-
Community services	707,398	-	-
Police	23,997	-	-
Public works	62,920	-	-
Fire	49,528	-	-
Total expenditures	28,755,765	1,325,000	74,358
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,474,121)	(156,660)	(71,596)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,401,239	200,000	-
Issuance of debt	1,483,374	-	-
Transfers out	(338,483)	(50,000)	-
Total other financing sources (uses)	3,546,130	150,000	-
Net change in fund balances	(927,991)	(6,660)	(71,596)
Fund balances, beginning of year	8,260,247	18,437	395,536
Fund balances, end of year	\$ 7,332,256	\$ 11,777	\$ 323,940

The accompanying notes are an integral part of this statement.

Traffic I & S	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 13,072,527
-	-	6,708,126
-	-	2,154,478
-	-	76,814
-	626,022	626,022
1,880,221	648,443	4,091,744
-	87,532	902,852
-	-	311,423
-	612,315	788,229
1,202	1,402	31,211
11,297	112,837	663,839
-	-	6,752
<u>1,892,720</u>	<u>2,088,551</u>	<u>29,434,017</u>
488,854	184,093	2,921,540
55,290	-	1,331,644
-	5,724	3,562,965
565,462	222,253	8,835,565
201,909	441,728	4,722,458
-	7,753	5,796,381
-	-	547,006
-	354,496	2,037,870
-	-	888,574
-	-	598,580
-	66,979	663,238
-	91,577	798,975
-	50,842	74,839
-	270,822	333,742
-	397,395	446,923
<u>1,311,515</u>	<u>2,093,662</u>	<u>33,560,300</u>
<u>581,205</u>	<u>(5,111)</u>	<u>(4,126,283)</u>
-	270,018	2,871,257
-	-	1,483,374
<u>(224,535)</u>	<u>(222,380)</u>	<u>(835,398)</u>
<u>(224,535)</u>	<u>47,638</u>	<u>3,519,233</u>
356,670	42,527	(607,050)
371,641	932,279	9,978,140
<u>\$ 728,311</u>	<u>\$ 974,806</u>	<u>\$ 9,371,090</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, 2015**

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS	\$ (607,050)
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 \$1,023,948).	2,317,717
Governmental funds do not recognize capital assets donated. However, in the statement of activities the fair value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	32,770
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.	202,530
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.	(2,662,783)
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.	888,574
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.	(8,855)
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.	71,383
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,313,128)
Current year changes in accreted interest do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.	517,013
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.	(138,563)
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 \$171,167 allocated to business type activities).	943,324
Net pension costs are recognized in the governmental funds when paid are due for items not normally paid with available financial resources. However, the Statement of Activities is presented on a accrual basis and expenses reported when incurred.	<u>444,804</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 687,736</u>

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Ad valorem	\$ 12,048,623	\$ 12,123,623	\$ 11,906,718	\$ (216,905)
Sales	7,140,519	6,546,506	6,708,126	161,620
Franchise	2,041,500	2,112,000	2,154,478	42,478
Other	70,194	74,000	76,814	2,814
Licenses, permits and fees	1,485,400	1,499,100	1,561,621	62,521
Fines and forfeitures	762,000	712,000	815,320	103,320
Recreation fees	214,400	215,130	311,423	96,293
Intergovernmental	84,000	84,000	175,914	91,914
Investment income	19,000	19,000	24,773	5,773
Rental and other	416,727	613,202	539,705	(73,497)
Gifts and contributions	-	-	6,752	6,752
Total revenues	24,282,363	23,998,561	24,281,644	283,083
EXPENDITURES				
Current:				
General government	2,406,383	2,376,419	2,248,593	127,826
Finance	1,370,086	1,269,957	1,276,354	(6,397)
Community services	3,693,892	3,778,677	3,557,241	221,436
Police	8,235,356	8,116,644	8,047,850	68,794
Public works	4,901,729	4,642,997	4,004,463	638,534
Fire	5,993,094	5,923,509	5,788,628	134,881
Non-departmental	358,632	588,589	547,006	41,583
Special purposes	-	1,683,374	1,683,374	-
Debt Service:				
Loan payment	-	190,049	129,985	60,064
Interest and fiscal charges	-	32,162	32,169	(7)
Capital outlay:				
General government	600,995	600,995	596,259	4,736
Community services	965,350	965,350	707,398	257,952
Police	16,874	18,214	23,997	(5,783)
Public works	84,200	86,710	62,920	23,790
Fire	53,435	52,959	49,528	3,431
Total expenditures	28,680,026	30,326,605	28,755,765	1,570,840
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,397,663)	(6,328,044)	(4,474,121)	1,853,923
OTHER FINANCING SOURCES (USES)				
Transfers in	2,351,239	2,401,239	2,401,239	-
Issuance of debt	-	1,483,374	1,483,374	-
Transfers out	(308,200)	(363,200)	(338,483)	24,717
Total other financing sources (uses)	2,043,039	3,521,413	3,546,130	24,717
Net change in fund balance	\$ (2,354,624)	\$ (2,806,631)	(927,991)	\$ 1,878,640
FUND BALANCE, beginning of year			8,260,247	
FUND BALANCE, end of year			\$ 7,332,256	

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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Traffic enforcement fees	\$ 2,400,000	\$ 1,820,000	\$ 1,880,221	\$ 60,221
Rental and other	-	11,296	11,297	1
Interest on investments	1,125	950	1,202	252
Total revenues	2,401,125	1,832,246	1,892,720	60,474
EXPENDITURES				
General government	873,455	546,648	488,854	57,794
Police	486,876	550,000	565,462	(15,462)
Public works	517,719	145,362	201,909	(56,547)
Finance	53,040	53,250	55,290	(2,040)
Capital Outlay- Public works	350,000	220,739	-	220,739
Total expenditures	2,281,090	1,515,999	1,311,515	204,484
EXCESS OF REVENUES OVER EXPENDITURES	120,035	316,247	581,205	264,958
OTHER FINANCING USES				
Transfers out	(184,800)	(184,800)	(224,535)	(39,735)
NET CHANGE IN FUND BALANCE	(64,765)	131,447	356,670	225,223
FUND BALANCE, beginning of year			371,641	
FUND BALANCE, end of year			\$ 728,311	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2015

	Business-type Activities				Governmental Activities-
	Utility	Solid Waste	Fieldhouse Sports Facility	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 3,779,849	\$ 416,321	\$ 2,822	\$ 4,198,992	\$ 4,621,070
Receivables-					
Customers (net of allowance)	1,306,985	252,279	-	1,559,264	-
Unbilled	1,487,431	186,271	-	1,673,702	-
Due from other funds	725,000	-	-	725,000	-
Accrued interest and other	11,831	-	2,190	14,021	179,541
Prepaid items	-	-	-	-	20,075
Total current assets	7,311,096	854,871	5,012	8,170,979	4,820,686
Non-current assets:					
Restricted cash-					
Customer deposits	773,524	-	-	773,524	-
Net pension asset	746,241	57,703	27,292	831,236	-
Capital assets-					
Land and construction-in-progress	2,053,231	-	478,436	2,531,667	-
Water rights, net	2,977,467	-	-	2,977,467	-
Buildings and improvements, net	2,275,678	-	5,547,020	7,822,698	-
Distribution lines and equipment, net	21,615,022	-	29,650	21,644,672	1,915,336
Total non-current assets	30,441,163	57,703	6,082,398	36,581,264	1,915,336
TOTAL ASSETS	37,752,259	912,574	6,087,410	44,752,243	6,736,022
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on bond refunding	48,821	-	-	48,821	-
Pension contributions after measurement date	44,645	3,452	1,633	49,730	-
Difference in projected and actual earnings on pension assets	97,987	7,577	3,584	109,148	-
Total deferred outflows of resources	191,453	11,029	5,217	207,699	-
LIABILITIES					
Current liabilities:					
Accounts payable	1,062,816	207,075	81,614	1,351,505	87,641
Accrued liabilities	27,100	4,037	8,317	39,454	444,471
Due to other funds	-	-	725,000	725,000	-
Accrued interest payable	2,514	-	27,021	29,535	-
Unearned revenue	-	-	51,145	51,145	-
Accrued compensated absences - current	4,305	492	-	4,797	-
Bonds payable - current	330,000	-	415,000	745,000	-
Total current liabilities	1,426,735	211,604	1,308,097	2,946,436	532,112
Long-term Liabilities:					
Accrued compensated absences	55,459	6,542	1,725	63,726	-
Bonds payable	1,140,000	-	4,515,000	5,655,000	-
Other postemployment benefits liability	138,329	21,579	6,497	166,405	-
Payable from restricted assets					
Customer deposits	773,524	-	-	773,524	-
Total long-term liabilities	2,107,312	28,121	4,523,222	6,658,655	-
Total liabilities	3,534,047	239,725	5,831,319	9,605,091	532,112
DEFERRED INFLOWS OF RESOURCES					
Difference in expected and actual pension experience	8,863	685	324	9,872	-
Total deferred outflows of resources	8,863	685	324	9,872	-
NET POSITION					
Net investment in capital assets	27,451,398	-	1,125,106	28,576,504	1,915,336
Unrestricted	6,949,404	683,193	(864,122)	6,768,475	4,288,574
TOTAL NET POSITION	\$ 34,400,802	\$ 683,193	\$ 260,984	35,344,979	\$ 6,203,910

Reconciliation to government-wide statement of net position:

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

303,087

Net position of business-type activities

\$ 35,648,066

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, 2015

	Business-type Activities				Governmental
	Utility	Solid Waste	Fieldhouse Sports Facility	Total	Activities- Internal Service Funds
OPERATING REVENUES					
Water	\$ 7,014,747	\$ -	\$ -	\$ 7,014,747	\$ -
Sewer	6,953,623	-	-	6,953,623	-
Solid waste	-	2,695,374	-	2,695,374	-
Sports facility	-	-	956,210	956,210	-
Penalties	166,425	-	-	166,425	-
Premiums, charges for services and other	174,622	-	699,290	873,912	4,542,024
Total operating revenues	14,309,417	2,695,374	1,655,500	18,660,291	4,542,024
OPERATING EXPENSES					
Water services	3,954,616	-	-	3,954,616	-
Sewer	4,273,158	-	-	4,273,158	-
Solid waste	-	2,499,244	-	2,499,244	-
Sports facility	-	-	1,377,810	1,377,810	-
Claims and provision	-	-	-	-	1,951,675
Administrative and fiscal	1,301,109	-	-	1,301,109	904,377
Depreciation and amortization	1,038,854	-	266,970	1,305,824	627,886
Total operating expenses	10,567,737	2,499,244	1,644,780	14,711,761	3,483,938
OPERATING INCOME (LOSS)	3,741,680	196,130	10,720	3,948,530	1,058,086
NON-OPERATING REVENUES (EXPENSES)					
Investment income	11,053	230	-	11,283	4,797
Interest and fiscal charges	(32,626)	-	(241,875)	(274,501)	-
Sale of materials	-	-	-	-	51,608
Total non-operating revenues (expenses)	(21,573)	230	(241,875)	(263,218)	56,405
INCOME (LOSS) BEFORE TRANSFERS	3,720,107	196,360	(231,155)	3,685,312	1,114,491
Transfers in	-	-	308,200	308,200	-
Transfers out	(2,014,340)	(329,719)	-	(2,344,059)	-
CHANGES IN NET POSITION	1,705,767	(133,359)	77,045	1,649,453	1,114,491
TOTAL NET POSITION - BEGINNING, RESTATED (See Note 19)	32,695,035	816,552	183,939		5,089,419
TOTAL NET POSITION - ENDING	\$ 34,400,802	\$ 683,193	\$ 260,984		\$ 6,203,910
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				171,167	
Change in net position of business-type activities				\$ 1,820,620	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities				Governmental
	Utility Fund	Solid Waste Fund	Fieldhouse Sports Facility	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 13,762,581	\$ 2,626,515	\$ 955,705	\$ 17,344,801	\$ -
Receipts from insured	-	-	-	-	678,033
Payments to suppliers	(7,184,875)	(2,433,150)	(1,088,448)	(10,706,473)	(2,979,778)
Payments to employees	(1,855,098)	(160,596)	(230,225)	(2,245,919)	-
Internal activity - receipts from other funds	-	-	-	-	3,819,404
Other receipts	173,149	-	699,290	872,439	44,587
Net cash provided by operating activities	4,895,757	32,769	336,322	5,264,848	1,562,246
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out to other funds	(2,014,340)	(329,719)	-	(2,344,059)	-
Transfers in from other funds	-	-	308,200	308,200	-
Net cash provided (used in) by noncapital financing activities	(2,014,340)	(329,719)	308,200	(2,035,859)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(1,615,367)	-	(14,764)	(1,630,131)	(1,001,464)
Insurance recovery	-	-	-	-	51,608
Principal paid on bond maturities	(325,000)	-	(405,000)	(730,000)	-
Interest paid on bond maturities	(22,332)	-	(225,875)	(248,207)	-
Net cash used in capital and related financing activities	(1,962,699)	-	(645,639)	(2,608,338)	(949,856)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	12,415	230	-	12,645	4,179
Net cash provided by investing activities	12,415	230	-	12,645	4,179
Net increase (decrease) in cash and cash equivalents	931,133	(296,720)	(1,117)	633,296	616,569
CASH AND INVESTMENTS, beginning of year	3,622,240	713,041	3,939	4,339,220	4,004,501
CASH AND INVESTMENTS, end of year	\$ 4,553,373	\$ 416,321	\$ 2,822	\$ 4,972,516	\$ 4,621,070
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income	\$ 3,741,680	\$ 196,130	\$ 10,720	\$ 3,948,530	\$ 1,058,086
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	942,807	-	266,970	1,209,777	627,886
Amortization of water rights	96,047	-	-	96,047	-
Change in assets and liabilities:					
Accounts receivable	(447,400)	(68,859)	(505)	(516,764)	-
Accrued compensated absences	9,356	2,070	1,355	12,781	-
Other postemployment benefits liability	11,300	3,850	963	16,113	-
Pension	(47,647)	(3,684)	(1,743)	(53,074)	-
Prepaid items	164,663	-	-	164,663	(164,367)
Accounts payable and accrued liabilities	351,238	(96,738)	58,562	313,062	40,641
Customer deposits	73,713	-	-	73,713	-
Total adjustments	1,154,077	(163,361)	325,602	1,316,318	504,160
Net cash provided by operating activities	\$ 4,895,757	\$ 32,769	\$ 336,322	\$ 5,264,848	\$ 1,562,246
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION					
Unrestricted cash and investments				4,198,992	4,621,070
Restricted cash				773,524	-
				\$ 4,972,516	\$ 4,621,070

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, 2015

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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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 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 meets all three requirements sufficient to be considered a component unit (direct benefit, access to resources, and significance to the primary government). The DCEDC operates under a seven member Board of Directors, all appointed by the City Council. The Board is substantially separate from the City Council, classifying the DCEDC as a discretely presented component unit. Discretely presented component units are reported in a separate column in the government-wide statements to emphasize it is legally separate from the City. 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, 2015

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

Proprietary funds are maintained for enterprise and internal service operations of the City. Enterprise funds are used to report functions presented as business-type activities in the government-wide financial statements. The Utility, 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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 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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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, 2015, are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are accounted for on the consumption basis in governmental funds.

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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, 2015 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. Compensated absences are only reported in the governmental funds statements if they have matured (i.e., unused reimbursable leave still outstanding following an employee’s resignation or retirement). In the government-wide financial statements and proprietary fund statements, the liability for employees with over 20 years of service is recorded as a current liability as these employees are eligible for retirement regardless of their age. The General fund has been the primary funding source for payment of compensated absences to retiring or terminated employees.

Long-Term Debt—In the government-wide financial statements and the fund level proprietary financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Pensions—For purposes of measuring the net pension asset, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability (Asset) is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

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 has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.

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. The difference in expected and actual pension experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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 exceed 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 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.

New Accounting Standards/Pronouncements-

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" – This statement changes the focus of accounting of postemployment benefits other than pensions from whether they are responsibility funding the benefits over time to a point-in time liability that is reflected on the employer's financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the City in fiscal year 2018.

Statement No. 77, "Tax Abatement Disclosures" – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will become effective for the City in fiscal year 2017.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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, 2015, in full compliance with state statute and City policy. At year-end, the reconciled balance of the City's cash was \$4,217,789. The combined bank balances of the City were \$4,406,146. Of the bank balance, \$250,000 was covered by Federal Depository Insurance and the remainder by surety bond in the amount of \$4,406,146. 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, 2015 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)	\$ 5,345,287	\$ 5,345,287	37 days
Texpool (AAAm, 2a-7 like pool)	4,754	4,754	48 days
Money Market Funds	4,009,855	4,009,855	1 day
Certificates of deposit	4,700,000	4,700,000	553 days
Total investments	<u>\$ 14,059,896</u>	<u>\$ 14,059,896</u>	

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

As of September 30, 2015, the DCEDC's investments 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)	\$ 204,057	\$ 204,057	37 days
Certificates of deposit	300,000	300,000	553 days
Total investments	<u>\$ 504,057</u>	<u>\$ 504,057</u>	

All the City's investments at September 30, 2015, have maturities of less than one year and therefore there is no difference between the carrying amount and fair value.

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

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

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

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%

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**
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, 2014, upon which the 2015 fiscal year levy was based, was \$1,724,322,489.

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, 2015 were 97.8% of the tax levy.

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

4. RECEIVABLES

Receivables at September 30, 2015, for the government's individual major, non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Street Construction	Traffic I&S	Nonmajor Governmental	Utility Fund	Solid Waste Fund	Total
Receivables								
Accounts	\$ 2,357,543	\$ -	\$ -	\$ 103,442	\$ 202,917	\$ 3,359,301	\$ 519,248	\$ 6,542,451
Ad valorem taxes	672,397	134,694	-	-	-	-	-	807,091
Other taxes	2,055,829	-	-	-	124,999	-	-	2,180,828
Assessments	-	-	51,950	-	-	-	-	51,950
Intergovernmental	-	-	-	-	22,066	-	-	22,066
Gross receivables	5,085,769	134,694	51,950	103,442	349,982	3,359,301	519,248	9,604,386
Less allowance for uncollectibles	(2,032,495)	(104,053)	-	-	(26,899)	(564,885)	(80,698)	(2,809,030)
Net total receivables	\$ 3,053,274	\$ 30,641	\$ 51,950	\$ 103,442	\$ 323,083	\$ 2,794,416	\$ 438,550	\$ 6,795,356

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

5. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2015:

Governmental activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 20,021,216	\$ -	\$ -	\$ -	\$ 20,021,216
Construction in progress	108,864	178,011	-	(108,864)	178,011
Total capital assets, not being depreciated	<u>20,130,080</u>	<u>178,011</u>	<u>-</u>	<u>(108,864)</u>	<u>20,199,227</u>
Capital assets being depreciated:					
Buildings	12,583,089	-	-	-	12,583,089
Infrastructure	60,602,793	187,456	-	108,864	60,899,113
Improvements	8,978,635	-	-	-	8,978,635
Equipment	15,526,705	3,008,967	250,650	-	18,786,322
Total capital assets being depreciated	<u>97,691,222</u>	<u>3,196,423</u>	<u>250,650</u>	<u>108,864</u>	<u>101,247,159</u>
Less accumulated depreciation for:					
Buildings	(4,877,444)	(250,876)	-	-	(5,128,320)
Infrastructure	(37,609,718)	(1,787,241)	-	-	(39,396,959)
Improvements	(2,294,244)	(202,911)	-	-	(2,497,155)
Equipment	(12,269,847)	(1,049,641)	(250,650)	-	(13,570,138)
Total accumulated depreciation	<u>(57,051,253)</u>	<u>(3,290,669)</u>	<u>(250,650)</u>	<u>-</u>	<u>(60,592,572)</u>
Total capital assets being depreciated, net	<u>40,639,969</u>	<u>(94,246)</u>	<u>-</u>	<u>108,864</u>	<u>40,654,587</u>
Governmental activities capital assets, net	<u>\$ 60,770,049</u>	<u>\$ 83,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,853,814</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Business-type activities:

	Beginning Balance	Increases	Ending Balance
Capital assets not being depreciated:			
Land	\$ 567,630	\$ -	\$ 567,630
Construction in progress	195,286	1,768,751	1,964,037
Total capital assets, not being depreciated	<u>762,916</u>	<u>1,768,751</u>	<u>2,531,667</u>
Capital assets being depreciated:			
Buildings	11,703,957	-	11,703,957
Infrastructure	40,851,500	-	40,851,500
Water rights	4,802,361	-	4,802,361
Improvements	29,130	-	29,130
Equipment	2,069,350	25,063	2,094,413
Total capital assets being depreciated	<u>59,456,298</u>	<u>25,063</u>	<u>59,481,361</u>
Less accumulated depreciation for:			
Buildings	(3,537,587)	(365,326)	(3,902,913)
Infrastructure	(19,373,324)	(762,886)	(20,136,210)
Water rights	(1,728,846)	(96,047)	(1,824,893)
Improvements	(6,895)	(581)	(7,476)
Equipment	(1,084,049)	(80,983)	(1,165,032)
Total accumulated depreciation	<u>(25,730,701)</u>	<u>(1,305,823)</u>	<u>(27,036,524)</u>
Total capital assets being depreciated, net	<u>33,725,597</u>	<u>(1,280,760)</u>	<u>32,444,837</u>
Business-type activities capital assets, net	<u>\$ 34,488,513</u>	<u>\$ 487,991</u>	<u>\$ 34,976,504</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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

General Government	\$	303,865
Finance		1,498
Community services		542,912
Police		64,236
Public works		1,652,795
Fire		97,477
		<u>2,662,783</u>
Total governmental activities		2,662,783
Internal service activity:		
Fleet rotation		627,886
		<u>627,886</u>
Total government & internal service activities	\$	<u>3,290,669</u>
Business-like activities:		
Water and sewer	\$	942,806
Water rights amortization		96,047
Fieldhouse		266,970
		<u>266,970</u>
Total business-like activities	\$	<u>1,305,823</u>

Discretely presented component unit:

	Beginning Balance	Restatement	Beginning Balance, As Restated	Ending Balance
Capital assets-not being depreciated				
Land	\$ 2,173,838	\$ (1,954,203)	\$ 219,635	\$ 219,635
	<u>2,173,838</u>	<u>(1,954,203)</u>	<u>219,635</u>	<u>219,635</u>
Total capital assets - not being depreciated	<u>2,173,838</u>	<u>(1,954,203)</u>	<u>219,635</u>	<u>219,635</u>
Capital assets - net	<u>\$ 2,173,838</u>	<u>\$ (1,954,203)</u>	<u>\$ 219,635</u>	<u>\$ 219,635</u>

There were no increases or decreases for the component unit. See Note 20 for details on the restatement of \$1.9 million.

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

The City has active construction projects as of September 30, 2015. Total accumulated commitments for ongoing capital projects are composed of the following:

Governmental activities	
Capital Improvements Fund	\$ 106,899
Total governmental activities	<u>\$ 106,899</u>
Business-type activities:	
Utility Fund	\$ 2,152,501
Total business-type activities	<u>\$ 2,152,501</u>

6. INTERFUND BALANCES AND TRANSFERS

Interfund balances as of September 30, 2015 are as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Non-major governmental (court technology)	Non-major governmental (court security)	6,000
Utility (enterprise fund)	Sports Facility (enterprise fund)	725,000
	Total	<u>\$ 731,000</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, 2015:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General	Non-major governmental	\$ 9,740	Matching funds for grant
	Fieldhouse sports facility	308,200	To fund flooring and signage
Debt Service	General	50,000	Excess fund balance
Traffic I & S	General	184,800	Administrative and overhead charges
	Non-major governmental	39,735	Matching funds for grant
Non-major governmental	Debt service	200,000	To fund debt
	General	22,380	Administrative and overhead charges
Utility	General	2,014,340	Administrative and overhead charges, PILOT
Solid waste	General	129,719	Administrative and overhead charges
	Non-major governmental	200,000	To fund alley repairs
	Total	<u>\$ 3,158,914</u>	

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

7. BUDGETARY COMPLIANCE

Budgets are legally adopted at the fund level of control for the General, Debt Service, Traffic Safety and Improvement, 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, 2015, expenditures exceeded appropriations (the legal level of budgetary control) in the General fund's finance department, by \$6,397. The 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	Business-type Activities	
	Principal	Interest
2016	745,000	234,022
2017	765,000	216,990
2018	785,000	197,430
2019	800,000	176,211
2020-2025	3,305,000	578,209
Total	6,400,000	1,402,862

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Long-term bonded debt at September 30, 2015, includes the following individual issues:

	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
Business-type Activities				
Water and Sewer Revenue Bonds:				
G.O. Refunding Series 2013	1-4.625	2/15/2020	\$ 1,470,000	\$ 330,000
Series 2010 Tax and Waterworks and Sewer System Revenue Certificates of Obligation	1.0 -4.625	8/15/2025	<u>\$ 4,930,000</u>	<u>\$ 405,000</u>
Total business-type activities long-term debt			<u>\$ 6,400,000</u>	<u>\$ 735,000</u>
Total long-term bonded debt (primary government)			<u>\$ 6,400,000</u>	<u>\$ 735,000</u>
DCEDC (Component Unit)				
Sales tax revenue bonds:				
C.O. Series 2006 Tax & WW/SS Rev	4-4.125	2/15/2021	<u>2,730,000</u>	<u>410,000</u>
Total DCEDC			<u>\$ 2,730,000</u>	<u>\$ 410,000</u>

There was no long-term bonded debt for the governmental activities at September 30.

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Long-term liability activity for the year ended September 30, 2015, 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	\$ 1,275,602	\$ -	\$ 758,589	\$ 49,398	\$ 566,411	\$ -	\$ -
Total bonds payable	1,275,602	-	758,589	49,398	566,411	-	-
Loan payable	-	1,483,374	129,993	-	-	1,353,381	198,039
Accrued compensated absences	2,758,082	1,123,998	1,115,143	-	-	2,766,937	193,686
Other postemployment benefits	1,351,735	536,763	398,200	-	-	1,490,298	-
Total governmental activities	<u>5,385,419</u>	<u>3,144,135</u>	<u>2,401,925</u>	<u>49,398</u>	<u>566,411</u>	<u>5,610,616</u>	<u>391,725</u>
Business-type activities:							
Bonds payable:							
Series 2010 Tax and Waterworks and Sewer System Revenue Certificates of Obligation	5,335,000	-	405,000	-	-	4,930,000	415,000
General Obligation Refunding Series 2013	1,795,000	-	325,000	-	-	1,470,000	330,000
Deferred discount on bonds	(17,139)	-	(17,139)	-	-	-	-
Total bonds payable	7,112,861	-	712,861	-	-	6,400,000	745,000
Accrued compensated absences	55,742	78,340	65,559	-	-	68,523	4,797
Other postemployment benefits	150,293	49,295	33,183	-	-	166,405	-
Total business-type activities	<u>7,318,896</u>	<u>127,635</u>	<u>811,603</u>	<u>-</u>	<u>-</u>	<u>6,634,928</u>	<u>749,797</u>
Total long-term liabilities (primary government)	<u>\$ 15,829,315</u>	<u>\$ 3,271,770</u>	<u>\$ 3,213,528</u>	<u>\$ 49,398</u>	<u>\$ 566,411</u>	<u>\$ 12,245,544</u>	<u>\$ 1,141,521</u>
DCEDC (Component unit):							
Bonds payable:							
Certificates of obligation	3,125,000	-	395,000	-	-	2,730,000	410,000
Total DCEDC long-term liabilities	<u>\$ 3,125,000</u>	<u>\$ -</u>	<u>\$ 395,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,730,000</u>	<u>\$ 410,000</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.

The General fund secured a loan for \$1,483,374 in January 2015. The loan terms are 3.34% rate with 84 monthly payments ending December 15, 2021. The loan proceeds were used to fund an economic incentive grant of \$1,483,374 paid to EON Reality Duncanville Entrepreneur School.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

9. DEFINED BENEFIT PENSION PLAN

Plan Descriptions. The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.org.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided. TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in over of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

A summary of the plan provisions for the City are as follows:

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

Employees covered by benefit terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	187
Inactive employees entitled to but not yet receiving benefits	132
Active employees	<u>243</u>
	<u>562</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Contributions. The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are with 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contributions rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 3.86% and 3.41% in calendar years 2014 and 2015, respectively. The city's contributions to TMRS for the year ended September 30, 2015, were \$632,746, and were equal to the required contributions.

Net Pension Asset. The city's Net Pension Liability (Asset) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering the 2009 through 2011, and the dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**
Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Changes for the year:			
Service cost	\$ 1,535,331	\$ -	\$ 1,535,331
Interest	6,300,383	-	6,300,383
Difference between expected and actual experience	(121,074)	-	(121,074)
Contributions - employer	-	788,439	(788,439)
Contributions - employee	-	992,641	(992,641)
Net investment income	-	5,716,291	(5,716,291)
Benefit payments, including refunds of employee contributions	(5,255,637)	(5,255,637)	-
Administrative expense	-	(59,693)	59,693
Other changes	-	(4,908)	4,908
Net changes	2,459,003	2,177,133	281,870
Beginning Balance at 12/31/2013	<u>\$ 91,865,620</u>	<u>\$ 99,945,206</u>	<u>\$ (8,079,586)</u>
Ending Balance at 12/31/2014	<u>\$ 94,324,623</u>	<u>\$ 102,122,339</u>	<u>\$ (7,797,716)</u>

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) of 1-percentage-higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability	\$ 3,926,978	\$ (7,797,716)	\$ (17,546,245)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. The report may be obtained on the Internet at www.tmr.org.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2015, the City recognized pension expense of \$134,866.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 92,615
Difference between projected and actual investment earnings	1,023,898	-
Contributions subsequent to the measurement date	<u>466,512</u>	<u>-</u>
Total	<u>\$ 1,490,410</u>	<u>\$ 92,615</u>

\$466,512 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as an addition to the net pension asset for the measurement year ending December 31, 2015 (i.e. recognized in the City's financial statements in the year ended September 30, 2016). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year ended Dec 31</u>	
2015	\$ 227,516
2016	227,516
2017	227,516
2018	248,735
2019	-
Thereafter	-

Subsequent event

Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be a large as originally projected. While the actual impact on the City's valuation for December 31, 2015 is not known the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution (ADC) due to this change. Accordingly, the city has included in its approved fiscal year 2016 budget to continue to fund pension contributions above the required ADC which will help smooth impacts of any increases in the required ADC for fiscal year 2017.

10. REGIONAL SYSTEMS FOR WATER SUPPLY AND WASTEWATER TREATMENT

City of Dallas Water Purchase Agreement - In 2014, the City entered into a thirty-year agreement to purchase treated water from the City of Dallas. The rate during fiscal 2015 was \$0.3382 per 1,000 gallons plus an annual demand charge of \$223,308 for each million gallons per day as established by the rate of flow controller setting (currently 9.5 million gallons at \$2,121,426 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's payments to the Regional System have been deemed to be an operation and maintenance expense of the City's waterworks and sewer system and are payable monthly. The City's payments are based upon its percentage of the total of all contracting parties in the Regional System applied to total operation and maintenance expenses of the Regional System, including debt service. The Regional System is obligated to treat all of the City's sewage flow.

Lakeview Regional Water Supply Contract - The City and the Cities of Grand Prairie and Cedar Hill entered into a contract with TRA, dated February 27, 1985, in effect for the useful life of the project, whereby TRA would sell its revenue bonds and construct and operate a water treatment plant, transmission and storage facilities necessary to supply treated water from Joe Pool Lake to the cities. Water intake facilities were financed and constructed in 1986 but the treatment plant and transportation facilities have not been constructed. There are no current plans to construct the treatment plant and transportation facilities for the City necessary to use the raw water from Joe Pool Lake. Under the contract, the City is required to pay its proportionate share (based on a percentage of water usage) of maintenance and operation costs. The City's current payments under the contract, which include debt service on bonds issued by TRA to construct the intake facilities and other costs associated with the facility, are approximately \$4,400 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 \$42,000 per year.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Dallas Wastewater Treatment Contract – In 2014, the City entered into a thirty-year contract with 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 \$280,000 per year.

11. SELF-INSURANCE

The City has established a medical self-insurance plan for City employees and their covered dependents. The City self-insures its employees and their dependents for illness, injury, and hospitalization up to \$150,000 per plan year. A third-party insurance company coinsures with the City for individual claims in excess of \$150,000 up to an unlimited lifetime maximum. Aggregate claims in excess of \$2,440,924 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, however changes were made beginning October 1, 2014 to reduce the out of pocket cost for the employee.

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/\$1,000,000 for workers' compensation; \$25,000/\$49,856,869 for real and personal property; and \$25,000/\$2,000,000 for liability claims. All claims and maximums are calculated for a plan year ending each September 30. Settled claims have not exceeded the aggregate policy limits in any of the past three fiscal years.

The claims liabilities of \$265,837 and \$178,634 reported in the medical self-insurance fund and comprehensive self-insurance fund, respectively, are based on the requirements of GASB 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which requires that a liability be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the funds' claims liability amount in fiscal years 2014 and 2015 were:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
Medical Self-Insurance Fund				
2014	286,531	1,631,237	(1,663,709)	254,059
2015	254,059	1,763,490	(1,751,712)	265,837
Comprehensive Self-Insurance Fund				
2014	112,473	242,013	(187,477)	167,009
2015	167,009	188,185	(176,560)	178,634

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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 2015, \$368,760 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, 2015, twenty-six 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 2015, retiree contributions were \$627 to \$1,300 per month depending on the amount of dependents selected. In fiscal year 2015, total member contributions were \$243,095. The City contributions for fiscal year 2015, which are also equal to claims paid in excess of premiums collected, were \$125,665.

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.

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	2013	2014	2015
Annual required contribution	\$ 295,084	\$ 295,084	\$ 275,377
Interest on net OPEB	49,862	56,420	67,591
Adjustment to annual required contribution	(46,197)	(52,271)	(62,623)
Annual OPEB cost (expense)	298,749	299,233	280,345
Contributions made	(153,012)	(50,978)	(125,665)
Increase in net OPEB obligation	145,737	248,254	154,680
Net OPEB obligation- beginning of the year	1,108,037	1,253,774	1,502,028
Net OPEB obligation- end of the year	\$ 1,253,774	\$ 1,502,028	\$ 1,656,708

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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, 2014 is as follows:

<u>Actuarial Valuation Date as of</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
12/31/2014	-	\$2,813,543	\$2,813,543	0.0%	14,180,579	19.8%

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 \$2,813,543 at December 31, 2014. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 19.8%.

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

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

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 7.25% declining to an ultimate rate of 4.50% after 14 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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

13. CONTINGENT LIABILITIES

Pending Litigation—In the opinion of the City's management, no pending litigation exists at September 30, 2015.

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, 2015, is estimated at \$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.

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 \$511,667. The value of the City's share in the equity of the facility net of the debt is \$422,657 as of September 30, 2015. 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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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, 2015 is \$18,843. The financial statements can be obtained by contacting: MARA Inc., 111 E. Davis Street, Suite 101, Duncanville, Texas 75116.

17. EON REALITY DUNCANVILLE ENTREPRENEUR SCHOOL

The City entered into a ten year lease agreement with EON Reality, Inc. on October 23, 2014 for a City building to be used for the EON Reality Duncanville Entrepreneur School. Total rent due and received from EON in fiscal year 2015 was \$87,500.

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).

**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 \$60,093 on this incentive in fiscal year 2015.

**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 City paid the second payment in fiscal year 2015.

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 \$257,376 on the agreement in fiscal year 2015.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**
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 2015, the City paid Redflex \$565,462 from the Traffic & Safety Improvement fund.

19. NEW FINANCIAL REPORTING REQUIREMENT

GASB has issued Statement No. 68 "Accounting and Financial Reporting for Pensions" which became effective for fiscal year 2015. This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability or asset that is reflected in the employer's financial statements for any actuarially unfunded or funded portion of pension benefits earned to date.

The implementation of Statement No. 68 resulted in the restatement of beginning net position for the recording of the beginning net pension asset and the beginning deferred outflow for contributions made after the measurement date. Prospectively applying this change results in the adjustment below:

	Government-wide Statement of Activities		Fund Level		
			Statement of Revenues, Expenses and Changes in Net Position- Proprietary Funds		
	Governmental Activities	Business-type Activities	Utility	Solid Waste	Fieldhouse Sports Facility
Net position at September 30, 2014, as previously reported	\$ 70,049,860	\$32,900,279	\$ 31,862,672	\$ 752,189	\$ 153,497
Recording of net pension assets as of September 30, 2014	7,218,302	861,284	773,216	59,789	28,279
Deferral for pension contributions made after the measurement date	552,163	65,884	59,147	4,574	2,163
Net position at September 30, 2014, as restated	<u>\$ 77,820,325</u>	<u>\$ 33,827,447</u>	<u>\$ 32,695,035</u>	<u>\$ 816,552</u>	<u>\$ 183,939</u>

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

20. PRIOR PERIOD ADJUSTMENT

In fiscal year 2015, it was necessary to record a prior period adjustment entry on the government-wide statements of activities for \$1,954,203 on the Component Unit (DCEDC). The reduction in net position of \$1,954,203 is for capital assets (land) that were donated to local businesses as part economic incentives and should have been removed from the component unit in prior fiscal year 2003. Prospectively applying this change to the government-wide statement of activities results in the adjustment below:

Net position at beginning of year	\$ (717,460)
Prior period adjustment	<u>(1,954,203)</u>
Net position at beginning of year, as restated	<u><u>\$ (2,671,663)</u></u>

21. CHANGE IN COMPONENT UNIT PRESENTATION

Prior to fiscal year 2015, the Duncanville Community Economic Development Corporation (DCEDC) shared the same governing body as the City and as a result, the DCEDC was presented as a blended component unit. As a blended component unit, the financial data of the component unit was consolidated with the governmental activities in the government-wide statements. In fiscal year 2015 the DCEDC board became separate from the City Council, therefore reclassifying the DCEDC as a discretely presented component unit. As a discretely presented component unit, the financial data is reported in a separate column in the government-wide statements to emphasize it is legally separate from the City.

The impact of this change is the ending net position for governmental activities from fiscal year 2014 does not agree to the beginning net position for governmental activities for fiscal year 2015 by \$717,456 because the City's component unit was presented as a blended component unit in fiscal year 2014 and is required to be presented as a discretely presented component unit in fiscal year 2015.

End of Notes to Basic Financial Statements

CITY OF DUNCANVILLE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST FISCAL YEAR (PREVIOUS YEARS ARE NOT AVAILABLE)
(UNAUDITED)

Plan Year	<u>2014</u>
A. Total pension liability	
Service Cost	\$ 1,535,331
Interest (on the Total Pension Liability)	6,300,383
Changes of benefit items	-
Difference between expected and actual experience	(121,074)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(5,255,637)
Net change in total pension liability	2,459,003
Total pension liability - beginning	<u>91,865,620</u>
Total pension liability - ending (a)	<u>\$ 94,324,623</u>
B. Plan fiduciary net position	
Contributions - Employer	\$ 788,439
Contributions - Employee	992,641
Net Investment Income	5,716,291
Benefit payments, including refunds of employee contributions	(5,255,637)
Administrative Expenses	(59,693)
Other	<u>(4,908)</u>
Net change in plan fiduciary net position	2,177,133
Plan fiduciary net position - beginning	<u>99,945,206</u>
Plan fiduciary net position - ending (b)	<u>\$ 102,122,339</u>
C. Net pension liability (asset) - ending (a) - (b)	<u>\$ (7,797,716)</u>
D. Plan fiduciary net position as a percentage of total pension asset	108.27%
E. Covered employee payroll	\$ 14,180,579
F. Net pension asset as a percentage of covered employee payroll	(54.99%)

Data presented is based on December 31, 2014

CITY OF DUNCANVILLE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
 TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
 SCHEDULE OF CONTRIBUTIONS

LAST FISCAL YEAR (PREVIOUS YEARS ARE NOT AVAILABLE)
 (UNAUDITED)

Plan Year	<u>2014</u>
Actuarial determined contribution	\$ 788,439
Contributions in relation to the actuarially determined contribution	<u>(790,222)</u>
Contribution deficiency (excess)	(1,783)
Covered employee payroll	14,180,579
Contributions as a percentage of covered employee payroll	-5.57%

Notes to Schedule of Contributions:

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis of with BB.

Other Information:

Notes There were no benefit changes during the year.

CITY OF DUNCANVILLE

**Required Supplementary Information
 City of Duncanville Other Post Employment Benefits Plan
 Analysis of Funding Progress
 Last Six 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%
2014	-	2,813,543	2,813,543	0.0%	14,180,579	19.8%

Trend data presented is based on December 31, 2014, 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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
PROPERTY TAXES:				
Current Taxes	\$ 11,818,623	\$ 11,818,623	\$ 11,670,223	\$ (148,400)
Prior rolls	130,000	190,000	123,787	(66,213)
Penalties	100,000	115,000	112,708	(2,292)
Total	12,048,623	12,123,623	11,906,718	(216,905)
SALES TAXES:				
General	4,760,346	4,364,337	4,472,084	107,747
Property tax relief	2,380,173	2,182,169	2,236,042	53,873
Total	7,140,519	6,546,506	6,708,126	161,620
FRANCHISE TAXES:				
TXU Electric	1,160,000	1,140,000	1,195,279	55,279
Atmos Energy	300,000	360,000	339,517	(20,483)
Telephone	210,000	210,000	201,362	(8,638)
Charter Cable Television	121,500	112,000	106,342	(5,658)
Telephone Video Services	250,000	290,000	311,978	21,978
Total	2,041,500	2,112,000	2,154,478	42,478
MIXED BEVERAGE TAXES				
Total taxes	70,194	74,000	76,814	2,814
LICENSES, PERMITS AND FEES:				
Building permits	151,500	231,500	259,356	27,856
Zoning and special use permits	8,500	8,500	9,629	1,129
Electrical permits	12,000	15,300	18,088	2,788
Plumbing permits	33,000	30,000	28,783	(1,217)
Alarm permits	72,000	74,000	74,508	508
Solicitor licenses	400	800	900	100
9-1-1 service fee	273,000	285,000	284,005	(995)
Emergency medical service	832,000	750,000	925,762	175,762
Sign permits	17,000	18,000	14,179	(3,821)
Health food inspection fees	67,000	67,000	71,620	4,620
Pool inspection fees	3,000	3,000	3,000	-
Wrecker & storage fees	16,000	16,000	6,659	(9,341)
Total	1,485,400	1,499,100	1,696,489	197,389
MUNICIPAL COURT AND LIBRARY:				
Municipal court	726,000	672,000	636,986	(35,014)
False alarm fees	15,000	18,000	18,721	721
Library	21,000	22,000	24,745	2,745
Total	762,000	712,000	680,452	(31,548)
INTERGOVERNMENTAL				
	84,000	84,000	175,914	91,914
INTEREST				
	19,000	19,000	24,773	5,773
RECREATIONAL FEES				
	214,400	215,130	311,423	96,293
OTHER SALES AND SERVICES:				
Sale of capital assets/auction proceeds	10,500	13,500	32,454	18,954
Gifts and Contributions	-	-	6,752	6,752
Miscellaneous	192,227	287,202	221,100	(66,102)
Rentals	214,000	312,500	286,151	(26,349)
Total	416,727	613,202	546,457	(66,745)
Total revenues	\$ 24,282,363	\$ 23,998,561	\$ 24,281,644	\$ 283,083

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

(Continued on following page)

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
DEPARTMENTS:			
General government-			
Mayor and council	\$ -	\$ 4,905	\$ 71,734
City manager	293,069	3,672	104,497
City secretary	88,247	7,198	31,524
Personnel services	179,757	22,606	109,081
Information systems	147,214	287,832	168,019
Community information	78,800	263	5,545
Library services	561,978	10,608	72,044
Total	<u>1,349,065</u>	<u>337,084</u>	<u>562,444</u>
Finance-			
Administration	491,420	10,754	109,573
Municipal court	241,545	11,328	139,396
Purchasing	93,794	6,754	23,093
City Marshall	134,834	7,515	6,348
Total	<u>961,593</u>	<u>36,351</u>	<u>278,410</u>
Community services-			
Administration	177,954	788	50,354
Recreational programming	300,509	16,870	24,008
Athletic programming	160,046	62,917	142,219
Park grounds maintenance	391,552	93,150	573,402
Building services	265,947	58,259	483,743
Senior center	140,540	6,293	39,288
Horticulture	153,114	8,794	2,603
Community services other	38,251	20,873	110,402
Total	<u>1,627,913</u>	<u>267,944</u>	<u>1,426,019</u>
Police			
Administration	343,834	38,324	147,783
Patrol	3,683,256	37,470	189,961
Criminal investigation	1,106,220	23,905	54,088
Animal control	94,033	1,336	294,015
School guards	75,103	244	13,000
Crime prevention	119,965	6,214	1,939
Communication/Records	317,961	6,236	901,918
Special services	280,078	55,688	51,499
Detention	183,392	13,273	650
Total	<u>6,203,842</u>	<u>182,690</u>	<u>1,654,853</u>

<u>Maintenance</u>	<u>Capital</u>	<u>Total Expenditures</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ -	\$ -	\$ 76,639	\$ 78,868	\$ 106,552	\$ 29,913
-	-	401,238	444,156	397,151	(4,087)
-	-	126,969	150,787	128,149	1,180
-	-	311,444	320,550	341,415	29,971
-	522,148	1,125,213	1,182,106	1,187,677	62,464
-	-	84,608	89,934	85,832	1,224
-	74,111	718,741	740,977	730,638	11,897
-	596,259	2,844,852	3,007,378	2,977,414	132,562
-	-	611,747	613,904	616,466	4,719
-	-	392,269	424,269	381,633	(10,636)
-	-	123,641	126,976	121,233	(2,408)
-	-	148,697	204,937	150,625	1,928
-	-	1,276,354	1,370,086	1,269,957	(6,397)
-	-	229,096	225,331	230,046	950
-	-	341,387	316,551	335,291	(6,096)
2,338	111,264	478,784	562,693	570,603	91,819
83,813	336,988	1,478,905	1,609,682	1,600,560	121,655
147,354	251,076	1,206,379	1,351,590	1,427,679	221,300
-	-	186,121	184,923	179,573	(6,548)
1,825	-	166,336	179,746	171,549	5,213
-	8,070	177,596	228,726	228,726	51,130
235,330	707,398	4,264,604	4,659,242	4,744,027	479,423
-	-	529,941	565,663	540,400	10,459
6,191	23,997	3,940,875	3,974,988	3,958,438	17,563
-	-	1,184,213	1,158,099	1,172,788	(11,425)
-	-	389,384	351,335	348,335	(41,049)
-	-	88,347	80,720	87,220	(1,127)
-	-	128,118	119,795	130,371	2,253
309	-	1,226,424	1,201,947	1,227,105	681
-	-	387,265	478,236	405,910	18,645
-	-	197,315	321,447	264,291	66,976
6,500	23,997	8,071,882	8,252,230	8,134,858	62,976

CITY OF DUNCANVILLE, TEXAS

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
DEPARTMENTS (Continued):			
Public works-			
Engineering/Planning	199,780	9,935	99,052
Building inspection	457,371	15,670	140,766
Streets	562,527	119,862	985,332
Signs and signals	199,464	122,577	162,979
Equipment services	262,008	235,600	58,443
Total	<u>1,681,150</u>	<u>503,644</u>	<u>1,446,572</u>
Fire-			
Administration	338,970	6,363	167,375
Prevention	192,881	4,793	21,678
Suppression	3,185,317	106,505	302,843
Advanced life support	1,016,697	87,123	279,935
Emergency Management Administrator	50,900	2,056	3,056
Total	<u>4,784,765</u>	<u>206,840</u>	<u>774,887</u>
NON-DEPARTMENTAL	(286)	59,855	487,437
SPECIAL PURPOSES	-	1,683,374	-
LOAN PAYMENT	-	-	129,985
INTEREST AND FISCAL CHARGES	-	-	32,169
Total expenditures	<u>\$ 16,608,042</u>	<u>\$ 3,277,782</u>	<u>\$ 6,792,776</u>

<u>Maintenance</u>	<u>Capital</u>	<u>Total Expenditures</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
-	-	308,767	587,420	595,419	286,652
-	-	613,807	666,841	609,568	(4,239)
159	-	1,667,880	2,035,753	1,960,183	292,303
3,538	49,200	537,758	662,392	612,244	74,486
369,400	13,720	939,171	1,033,523	952,293	13,122
<u>373,097</u>	<u>62,920</u>	<u>4,067,383</u>	<u>4,985,929</u>	<u>4,729,707</u>	<u>662,324</u>
3,454	11,735	527,897	517,536	536,457	8,560
-	-	219,352	220,597	221,933	2,581
15,744	-	3,610,409	3,749,047	3,706,232	95,823
2,938	37,793	1,424,486	1,483,006	1,451,319	26,833
-	-	56,012	76,343	60,527	4,515
<u>22,136</u>	<u>49,528</u>	<u>5,838,156</u>	<u>6,046,529</u>	<u>5,976,468</u>	<u>138,312</u>
-	-	547,006	358,632	588,589	41,583
-	-	1,683,374	-	1,683,374	-
-	-	129,985	-	190,049	60,064
-	-	32,169	-	32,162	(7)
<u>\$ 637,063</u>	<u>\$ 1,440,102</u>	<u>\$ 28,755,765</u>	<u>\$ 28,680,026</u>	<u>\$ 30,326,605</u>	<u>\$ 1,570,840</u>



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

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

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

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

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

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

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

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

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

CAPITAL PROJECTS FUNDS:

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

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

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

CITY OF DUNCANVILLE, TEXAS

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
ASSETS			
Cash and investments	\$ 662,012	\$ 282,467	\$ 944,479
Receivables:			
Taxes	124,999	-	124,999
Trade accounts	153,614	22,404	176,018
Intergovernmental	22,066	-	22,066
Accrued interest and other	480	-	480
Due from other funds	6,000	-	6,000
Total assets	<u><u>\$ 969,171</u></u>	<u><u>\$ 304,871</u></u>	<u><u>\$ 1,274,042</u></u>
LIABILITIES AND EQUITY			
LIABILITIES:			
Accounts payable	\$ 165,199	\$ 92,748	\$ 257,947
Accrued payroll	5,833	-	5,833
Due to other funds	6,000	-	6,000
Unearned revenue	29,456	-	29,456
Total liabilities	<u><u>206,488</u></u>	<u><u>92,748</u></u>	<u><u>299,236</u></u>
EQUITY:			
Fund balances-			
Restricted	768,436	212,123	980,559
Unassigned	(5,753)	-	(5,753)
Total fund balances	<u><u>762,683</u></u>	<u><u>212,123</u></u>	<u><u>974,806</u></u>
Total liabilities & fund balances	<u><u>\$ 969,171</u></u>	<u><u>\$ 304,871</u></u>	<u><u>\$ 1,274,042</u></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, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
REVENUES			
Hotel taxes	\$ 626,022	\$ -	\$ 626,022
Licenses, permits and fees	648,443	-	648,443
Fines and forfeitures	87,532	-	87,532
Intergovernmental	612,315	-	612,315
Investment income	1,402	-	1,402
Rental and other	21,261	91,576	112,837
Total revenues	<u>1,996,975</u>	<u>91,576</u>	<u>2,088,551</u>
EXPENDITURES			
Current:			
General government	184,093	-	184,093
Police	222,253	-	222,253
Public works	441,728	-	441,728
Fire	7,753	-	7,753
Special purposes - promotional	360,220	-	360,220
Capital outlay:			
General government	66,979	-	66,979
Community services	-	91,577	91,577
Police	50,842	-	50,842
Public works	146,470	124,352	270,822
Fire	397,395	-	397,395
Total expenditures	<u>1,877,733</u>	<u>215,929</u>	<u>2,093,662</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>119,242</u>	<u>(124,353)</u>	<u>(5,111)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	70,018	200,000	270,018
Transfers out	(222,380)	-	(222,380)
Total other financing sources (uses)	<u>(152,362)</u>	<u>200,000</u>	<u>47,638</u>
NET CHANGE IN FUND BALANCES	(33,120)	75,647	42,527
FUND BALANCES, beginning of year	<u>795,803</u>	<u>136,476</u>	<u>932,279</u>
FUND BALANCES, end of year	<u>\$ 762,683</u>	<u>\$ 212,123</u>	<u>\$ 974,806</u>

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2015

	<u>Hotel Motel Tax</u>	<u>Drainage Fees</u>	<u>Grants</u>
ASSETS			
Cash and investments	\$ 224,247	\$ 127,081	\$ 90,123
Receivables:			
Taxes	124,999	-	-
Trade accounts (net of allowance)	-	153,614	-
Intergovernmental	-	-	22,066
Accrued interest and other	480	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 349,726</u>	<u>\$ 280,695</u>	<u>\$ 112,189</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 88,796	\$ 70,919	\$ 1,942
Accrued payroll	-	3,572	1,668
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>88,796</u>	<u>74,491</u>	<u>3,610</u>
FUND BALANCES:			
Restricted for:			
Promotion of tourism and hotel industry	260,930	-	-
Maintenance and construction of drainage projects	-	206,204	-
Public safety, cultural and recreational services	-	-	108,579
Court security	-	-	-
Juvenile case management	-	-	-
Public safety and criminal investigations	-	-	-
Unassigned	-	-	-
Total fund balances	<u>260,930</u>	<u>206,204</u>	<u>108,579</u>
Total liabilities & fund balances	<u>\$ 349,726</u>	<u>\$ 280,695</u>	<u>\$ 112,189</u>

<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Total</u>
\$ 731	\$ 36,544	\$ 31,221	\$ 152,065	\$ 662,012
-	-	-	-	124,999
-	-	-	-	153,614
-	-	-	-	22,066
-	-	-	-	480
-	6,000	-	-	6,000
<u>\$ 731</u>	<u>\$ 42,544</u>	<u>\$ 31,221</u>	<u>\$ 152,065</u>	<u>\$ 969,171</u>

\$ 484	\$ 43	\$ 255	\$ 2,760	\$ 165,199
-	87	506	-	5,833
6,000	-	-	-	6,000
-	-	-	29,456	29,456
<u>6,484</u>	<u>130</u>	<u>761</u>	<u>32,216</u>	<u>206,488</u>

-	-	-	-	260,930
-	-	-	-	206,204
-	-	-	-	108,579
-	42,414	-	-	42,414
-	-	30,460	-	30,460
-	-	-	119,849	119,849
(5,753)	-	-	-	(5,753)
<u>(5,753)</u>	<u>42,414</u>	<u>30,460</u>	<u>119,849</u>	<u>762,683</u>
<u>\$ 731</u>	<u>\$ 42,544</u>	<u>\$ 31,221</u>	<u>\$ 152,065</u>	<u>\$ 969,171</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, 2015**

	<u>Hotel Motel Tax</u>	<u>Drainage Fees</u>	<u>Grants</u>
REVENUES			
Hotel taxes	\$ 626,022	\$ -	\$ -
Licenses, permits and fees	-	648,443	-
Fines and forfeitures	-	-	-
Intergovernmental	-	-	612,315
Investment income	977	-	-
Rental and other	-	-	21,261
Total revenues	<u>626,999</u>	<u>648,443</u>	<u>633,576</u>
EXPENDITURES			
Current:			
General government	122,677	-	2,948
Police	-	-	97,233
Public works	-	306,887	134,841
Fire	-	-	7,753
Special purposes - promotional	360,220	-	-
Capital outlay:			
General government	66,979	-	-
Police	-	-	38,898
Public works	-	146,470	-
Fire	-	-	397,395
Total expenditures	<u>549,876</u>	<u>453,357</u>	<u>679,068</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>77,123</u>	<u>195,086</u>	<u>(45,492)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	70,018
Transfers out	(22,380)	(200,000)	-
Total other financing sources (uses)	<u>(22,380)</u>	<u>(200,000)</u>	<u>70,018</u>
NET CHANGE IN FUND BALANCES	54,743	(4,914)	24,526
FUND BALANCES, beginning of year	<u>206,187</u>	<u>211,118</u>	<u>84,053</u>
FUND BALANCES, end of year	<u>\$ 260,930</u>	<u>\$ 206,204</u>	<u>\$ 108,579</u>

<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 626,022
-	-	-	-	648,443
18,110	13,198	25,364	30,860	87,532
-	-	-	-	612,315
-	290	135	-	1,402
-	-	-	-	21,261
<u>18,110</u>	<u>13,488</u>	<u>25,499</u>	<u>30,860</u>	<u>1,996,975</u>
24,856	12,404	21,208	-	184,093
-	-	-	125,020	222,253
-	-	-	-	441,728
-	-	-	-	7,753
-	-	-	-	360,220
-	-	-	-	66,979
-	-	-	11,944	50,842
-	-	-	-	146,470
-	-	-	-	397,395
<u>24,856</u>	<u>12,404</u>	<u>21,208</u>	<u>136,964</u>	<u>1,877,733</u>
<u>(6,746)</u>	<u>1,084</u>	<u>4,291</u>	<u>(106,104)</u>	<u>119,242</u>
-	-	-	-	70,018
-	-	-	-	(222,380)
-	-	-	-	(152,362)
(6,746)	1,084	4,291	(106,104)	(33,120)
<u>993</u>	<u>41,330</u>	<u>26,169</u>	<u>225,953</u>	<u>795,803</u>
<u>\$ (5,753)</u>	<u>\$ 42,414</u>	<u>\$ 30,460</u>	<u>\$ 119,849</u>	<u>\$ 762,683</u>

CITY OF DUNCANVILLE, TEXAS

**HOTEL-MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Hotel, motel taxes	\$ 482,600	\$ 525,250	\$ 626,022	\$ 100,772
Interest on investments	800	800	977	177
Other	50,000	-	-	-
Total revenues	<u>533,400</u>	<u>526,050</u>	<u>626,999</u>	<u>100,949</u>
EXPENDITURES				
General government	191,563	134,262	122,677	11,585
Special purposes-promotional	268,621	340,694	360,220	(19,526)
Capital outlay	75,000	75,000	66,979	8,021
Total expenditures	<u>535,184</u>	<u>549,956</u>	<u>549,876</u>	<u>80</u>
EXCESS OF REVENUES OVER EXPENDITURES	(1,784)	(23,906)	77,123	101,029
OTHER FINANCING USES:				
Transfers out	<u>(26,769)</u>	<u>(26,370)</u>	<u>(22,380)</u>	<u>3,990</u>
NET CHANGE IN FUND BALANCES	(28,553)	(50,276)	54,743	105,019
FUND BALANCE, beginning of year			<u>206,187</u>	
FUND BALANCE, end of year			<u>\$ 260,930</u>	

CITY OF DUNCANVILLE, TEXAS

**DRAINAGE FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<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	\$ 648,443	\$ 10,430
Interest on investments	35	35	-	(35)
City services reimbursement	10,000	10,000	-	(10,000)
Total revenues	<u>648,048</u>	<u>648,048</u>	<u>648,443</u>	<u>395</u>
EXPENDITURES				
Public works	352,389	337,174	306,887	30,287
Capital outlay	218,000	218,000	146,470	71,530
Total expenditures	<u>570,389</u>	<u>555,174</u>	<u>453,357</u>	<u>101,817</u>
EXCESS OF REVENUES OVER EXPENDITURES	77,659	92,874	195,086	102,212
OTHER FINANCING USES:				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(122,341)	(107,126)	(4,914)	102,212
FUND BALANCE, beginning of year			<u>211,118</u>	
FUND BALANCE, end of year			<u>\$ 206,204</u>	

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2015

	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 90,214	\$ 192,253	\$ 282,467
Receivables	22,404	-	22,404
Total assets	<u>\$ 112,618</u>	<u>\$ 192,253</u>	<u>\$ 304,871</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	91,576	1,172	92,748
Total liabilities	<u>91,576</u>	<u>1,172</u>	<u>92,748</u>
FUND BALANCES:			
Nonspendable:			
Restricted for:			
Park construction	21,042	-	21,042
Capital improvements	-	191,081	191,081
Total fund balances	<u>21,042</u>	<u>191,081</u>	<u>212,123</u>
Total liabilities & fund balances	<u>\$ 112,618</u>	<u>\$ 192,253</u>	<u>\$ 304,871</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, 2015**

	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
REVENUES			
Rental and other	\$ 91,576	\$ -	\$ 91,576
Total revenues	<u>91,576</u>	<u>-</u>	<u>91,576</u>
EXPENDITURES			
Capital outlay			
Community services	91,577	-	91,577
Public works	-	124,352	124,352
Total expenditures	<u>91,577</u>	<u>124,352</u>	<u>215,929</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(1)</u>	<u>(124,352)</u>	<u>(124,353)</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	(1)	75,648	75,647
FUND BALANCES, beginning of year	<u>21,043</u>	<u>115,433</u>	<u>136,476</u>
FUND BALANCES, end of year	<u>\$ 21,042</u>	<u>\$ 191,081</u>	<u>\$ 212,123</u>

CITY OF DUNCANVILLE, TEXAS

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Ad valorem taxes	\$ 1,075,689	\$ 1,133,000	\$ 1,135,167	\$ 2,167
Delinquent taxes	18,000	20,000	16,142	(3,858)
Penalties and interest	11,000	12,000	14,500	2,500
Interest on investments	5,000	2,000	2,531	531
Total revenues	<u>1,109,689</u>	<u>1,167,000</u>	<u>1,168,340</u>	<u>1,340</u>
EXPENDITURES				
Principal retirement	758,589	758,589	758,589	-
Interest on debt	566,411	566,411	566,411	-
Paying agent fees	400	400	-	400
Total expenditures	<u>1,325,400</u>	<u>1,325,400</u>	<u>1,325,000</u>	<u>400</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(215,711)	(158,400)	(156,660)	1,740
OTHER FINANCING SOURCES:				
Transfers in	200,000	200,000	200,000	-
Transfers out	-	(50,000)	(50,000)	-
Total other financing sources (uses)	200,000	150,000	150,000	-
NET CHANGE IN FUND BALANCES	(15,711)	(8,400)	(6,660)	1,740
FUND BALANCES, beginning of year			<u>18,437</u>	
FUND BALANCES, end of year			<u>\$ 11,777</u>	

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED REVENUES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<u>UTILITY FUND</u>				
WATER:				
Sale of water	\$ 7,432,077	\$ 6,511,395	\$ 6,997,068	\$ 485,673
Water taps	5,500	12,000	17,679	5,679
Total	7,437,577	6,523,395	7,014,747	491,352
SEWER:				
Sewer charges	7,275,963	6,863,469	6,949,683	86,214
Sewer taps	6,716	3,640	3,940	300
Total	7,282,679	6,867,109	6,953,623	86,514
PENALTIES	97,834	145,000	166,425	21,425
OTHER:				
Service charges	132,310	132,310	126,055	(6,255)
City services reimbursement	-	21,738	27,779	6,041
Miscellaneous	21,847	15,887	20,788	4,901
Total	154,157	169,935	174,622	4,687
INTEREST INCOME	6,760	7,260	11,053	3,793
Total revenues - Utility Fund	\$ 14,979,007	\$ 13,712,699	\$ 14,320,470	\$ 607,771
<u>SOLID WASTE FUND</u>				
SOLID WASTE CHARGES:	\$ 2,649,618	\$ 2,670,818	\$ 2,695,374	\$ 24,556
INTEREST INCOME:	250	250	230	(20)
Total revenues - Solid Waste Fund	\$ 2,649,868	\$ 2,671,068	\$ 2,695,604	\$ 24,536
<u>FIELDHOUSE SPORTS FACILITY</u>				
SPORTS FACILITY:	\$ 1,467,782	1,674,584	1,655,500	\$ (19,084)
INTEREST INCOME:	180	-	-	-
TRANSFERS IN	308,200	308,200	308,200	-
Total revenues - Sports Facility Fund	\$ 1,776,162	\$ 1,982,784	\$ 1,963,700	\$ (19,084)
Total revenues - Enterprise Funds	\$ 19,405,037	\$ 18,366,551	\$ 18,979,774	\$ 613,223

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Salaries and Benefits	Supplies	Other Services	Maintenance
<u>UTILITY FUND</u>				
WATER SERVICES	\$ 459,446	\$ 237,930	\$ 3,245,308	\$ 59,579
WASTEWATER TREATMENT	620,923	70,070	3,548,055	22,811
ADMINISTRATION AND FISCAL				
Utility administration	250,971	13,844	79,483	-
Utility accounting	538,313	130,192	284,163	4,143
	<u>1,869,653</u>	<u>452,036</u>	<u>7,157,009</u>	<u>86,533</u>
INTEREST AND FISCAL CHARGES	-	-	21,777	-
PRINCIPAL RETIREMENT	-	-	325,000	-
TRANSFERS OUT	-	-	2,014,340	-
Total Utility Fund expenditures	<u>\$ 1,869,653</u>	<u>\$ 452,036</u>	<u>\$ 9,518,126</u>	<u>\$ 86,533</u>
<u>SOLID WASTE FUND</u>				
SOLID WASTE	\$ 164,989	\$ 15,106	\$ 2,318,028	\$ 955
TRANSFERS OUT	-	-	329,719	-
Total Solid Waste Fund expenditures	<u>164,989</u>	<u>15,106</u>	<u>2,647,747</u>	<u>955</u>
<u>FIELDHOUSE SPORTS FACILITY</u>				
SPORTS FACILITY	\$ 346,757	\$ 34,024	\$ 965,585	\$ 32,224
INTEREST AND FISCAL CHARGES	-	-	241,875	-
PRINCIPAL RETIREMENT	-	-	405,000	-
Total Sports Facility Fund expenditures	<u>346,757</u>	<u>34,024</u>	<u>1,612,460</u>	<u>32,224</u>
Total Enterprise Fund expenditures	<u>\$ 2,381,399</u>	<u>\$ 501,166</u>	<u>\$ 13,778,333</u>	<u>\$ 119,712</u>

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

Total modified accrual expenditures

Reconciling Items:

- Capital outlay
- Principal retirement
- Depreciation and amortization
- Expenses not requiring current financial resources
- 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>
1,399,441	\$ 5,401,704	\$ 5,984,813	\$ 5,806,450	\$ 404,746
379,612	4,641,471	7,095,750	7,772,596	3,131,125
-	344,298	360,639	345,783	1,485
-	956,811	1,015,338	989,544	32,733
<u>1,779,053</u>	<u>11,344,284</u>	<u>14,456,540</u>	<u>14,914,373</u>	<u>3,570,089</u>
-	21,777	22,931	22,931	1,154
-	325,000	325,000	325,000	-
-	2,014,340	2,014,340	2,014,340	-
<u>\$ 1,779,053</u>	<u>\$ 13,705,401</u>	<u>\$ 16,818,811</u>	<u>\$ 17,276,644</u>	<u>\$ 3,571,243</u>
\$ -	\$ 2,499,078	\$ 2,423,453	\$ 2,348,745	\$ (150,333)
-	329,719	329,719	329,719	-
-	2,828,797	2,753,172	2,678,464	(150,333)
\$ 14,763	\$ 1,393,353	\$ 1,510,765	\$ 1,467,196	\$ 73,843
-	241,875	225,599	225,599	(16,276)
-	405,000	405,000	405,000	-
<u>14,763</u>	<u>2,040,228</u>	<u>2,141,364</u>	<u>2,097,795</u>	<u>57,567</u>
<u>\$ 1,793,816</u>	<u>\$ 18,574,426</u>	<u>\$ 21,713,347</u>	<u>\$ 22,052,903</u>	<u>\$ 3,478,477</u>

\$ 18,574,426

(1,793,816)
(730,000)
1,305,824
(36,962)
(263,652)
(2,344,059)

\$ 14,711,761



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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, 2015**

	Fleet Replacement	Medical Self-Insurance	Comprehensive Self- Insurance	Total
ASSETS				
Cash and investments	\$ 2,231,587	\$ 1,630,351	\$ 759,132	\$ 4,621,070
Accrued interest and other	480	176,861	2,200	179,541
Prepaid items	-	20,075	-	20,075
Total current assets	2,232,067	1,827,287	761,332	4,820,686
Capital assets - equipment net of depreciation	182,837	-	-	182,837
Capital assets - vehicles net of depreciation	1,732,499	-	-	1,732,499
Total non-current assets	1,915,336	-	-	1,915,336
Total assets	4,147,403	1,827,287	761,332	6,736,022
LIABILITIES				
Accounts payable	22,485	31,738	33,418	87,641
Accrued liabilities	-	265,837	178,634	444,471
Total liabilities	22,485	297,575	212,052	532,112
NET POSITION				
Net investment in capital assets	1,915,336	-	-	1,915,336
Unrestricted	2,209,582	1,529,712	549,280	4,288,574
Total net position	\$ 4,124,918	\$ 1,529,712	\$ 549,280	\$ 6,203,910

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Fleet Replacement	Medical Self-Insurance	Comprehensive Self-Insurance	Total
OPERATING REVENUES				
Premiums and charges for services	\$ 1,088,991	\$ 2,879,163	\$ 529,283	\$ 4,497,437
Other	-	44,587	-	44,587
Total operating revenues	1,088,991	2,923,750	529,283	4,542,024
OPERATING EXPENSES				
Claims and provision	-	1,763,490	188,185	1,951,675
Administrative and fiscal	-	683,290	221,087	904,377
Depreciation	627,886	-	-	627,886
Total operating expenses	627,886	2,446,780	409,272	3,483,938
OPERATING INCOME	461,105	476,970	120,011	1,058,086
NON-OPERATING REVENUES				
Insurance recovery	51,608	-	-	51,608
Interest income	1,296	1,701	1,800	4,797
Total non-operating revenues	52,904	1,701	1,800	56,405
CHANGE IN NET POSITION	514,009	478,671	121,811	1,114,491
TOTAL NET POSITION- BEGINNING	3,610,909	1,051,041	427,469	5,089,419
TOTAL NET POSITION- ENDING	\$ 4,124,918	\$ 1,529,712	\$ 549,280	\$ 6,203,910

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Fleet Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self- Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Internal activity-receipts from other funds	\$ 1,088,991	\$ 2,201,130	\$ 529,283	\$ 3,819,404
Receipts from insured	-	678,033	-	678,033
Payments to suppliers	-	(2,575,834)	(403,944)	(2,979,778)
Other receipts	-	44,587	-	44,587
Net cash provided by operating activities	<u>1,088,991</u>	<u>347,916</u>	<u>125,339</u>	<u>1,562,246</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(1,001,464)	-	-	(1,001,464)
Insurance recovery	51,608	-	-	51,608
Net cash used in capital financing and related financing activities	<u>(949,856)</u>	<u>-</u>	<u>-</u>	<u>(949,856)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	1,728	779	1,672	4,179
Net cash provided by investing activities	<u>1,728</u>	<u>779</u>	<u>1,672</u>	<u>4,179</u>
Net increase in cash and cash equivalents	140,863	348,695	127,011	616,569
CASH AND INVESTMENTS, beginning of year	<u>2,090,724</u>	<u>1,281,656</u>	<u>632,121</u>	<u>4,004,501</u>
CASH AND INVESTMENTS, end of year	<u>2,231,587</u>	<u>1,630,351</u>	<u>759,132</u>	<u>4,621,070</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	461,105	476,970	120,011	1,058,086
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	627,886	-	-	627,886
Change in assets and liabilities-				
Prepaid items	-	(164,367)	-	(164,367)
Accounts and other payables	-	35,313	5,328	40,641
Total adjustments	<u>627,886</u>	<u>(129,054)</u>	<u>5,328</u>	<u>504,160</u>
Net cash provided by operating activities	<u>1,088,991</u>	<u>347,916</u>	<u>125,339</u>	<u>1,562,246</u>

CITY OF DUNCANVILLE

COMPONENT UNIT FUND FINANCIAL STATEMENTS

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

CITY OF DUNCANVILLE, TEXAS

DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET – FUND LEVEL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

ASSETS

Cash and investments	\$	126,434
Receivables		403,994
Accrued interest		2,680
Total assets	\$	533,108

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable		160,228
Accrued liabilities		4,701
Customer performance and escrow deposits		150
Total liabilities		165,079

EQUITY:

Restricted for economic development		368,029
Total fund balances		368,029
Total liabilities & fund balances	\$	533,108

CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION-
DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS \$ 368,029

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. 219,635

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. (13,788)

Investments in joint ventures represent a financial asset not reported in governmental funds. 18,843

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. (2,730,000)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (2,137,281)

CITY OF DUNCANVILLE, TEXAS

DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

REVENUES

Sales tax	\$	2,236,042
Investment income		<u>2,299</u>
Total revenues		<u>2,238,341</u>

EXPENDITURES

General government		126,412
Special purposes - promotional		1,451,506
Debt service-		
Principal bond retirement		395,000
Interest and fiscal charges		<u>119,011</u>
Total expenditures		<u>2,091,929</u>

NET CHANGE IN FUND BALANCES 146,412

FUND BALANCES, beginning of year 221,617

FUND BALANCES, end of year \$ 368,029

CITY OF DUNCANVILLE, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES-
DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS	\$ 146,412
Amounts reported for governmental activities in the statement of activities are different because:	
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.	(9,005)
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.	395,000
Current year changes in accrued interest payable do not require the use of current financial resources, therefore, they are not reported as expenditures in governmental funds.	1,975
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 534,382</u>



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STATISTICAL SECTION (UNAUDITED)

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

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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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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Duncanville

Schedule 1

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

<u>Fiscal Year</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>	<u>2015</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 60,853,814
Restricted	2,135,390	658,191	112,865	70,458	41,456	-	1,515,702	1,595,501	1,921,073	2,022,810
Unrestricted	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	15,631,437
Total governmental activities net position	<u>\$ 51,760,388</u>	<u>\$ 53,296,419</u>	<u>\$ 52,323,669</u>	<u>\$ 55,348,324</u>	<u>\$ 58,098,418</u>	<u>\$ 57,302,765</u>	<u>\$ 66,289,908</u>	<u>\$ 67,080,897</u>	<u>\$ 69,332,404</u>	<u>\$ 78,508,061</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 28,576,505
Unrestricted	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	7,071,561
Total business-type activities net position	<u>\$ 29,022,109</u>	<u>\$ 29,203,742</u>	<u>\$ 30,425,145</u>	<u>\$ 31,176,149</u>	<u>\$ 30,807,129</u>	<u>\$ 31,894,154</u>	<u>\$ 32,176,863</u>	<u>\$ 32,389,481</u>	<u>\$ 32,900,279</u>	<u>\$ 35,648,066</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 89,430,319
Restricted	2,135,390	658,191	112,865	70,458	41,456	-	1,515,702	1,595,501	1,921,073	2,022,810
Unrestricted	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	22,702,998
Total primary government net position	<u>\$ 80,782,497</u>	<u>\$ 82,500,160</u>	<u>\$ 82,748,814</u>	<u>\$ 86,524,473</u>	<u>\$ 88,905,547</u>	<u>\$ 89,196,919</u>	<u>\$ 98,466,771</u>	<u>\$ 99,470,378</u>	<u>\$ 102,232,683</u>	<u>\$ 114,156,127</u>

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>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>	<u>2015</u>
Expenses										
Governmental activities										
General government	\$ 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	\$ 3,623,458
Finance	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	1,785,134
Community services	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	3,993,745
Police	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	8,510,868
Public works	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	6,229,076
Fire	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	5,414,580
Economic development	-	-	-	-	-	-	994,421	1,200,096	1,087,047	-
Special purposes	-	-	-	-	-	-	-	-	-	1,683,374
Interest and fiscal charges	759,939	697,552	584,910	478,651	354,584	273,901	236,244	171,408	108,426	10,183
Total governmental activities expenses	<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>	<u>31,250,418</u>
Business-type activities										
Water	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	4,944,384
Wastewater	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	5,505,377
Solid waste	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	2,481,911
Sports facility	-	-	-	-	-	1,003,941	1,352,511	1,472,276	1,533,713	1,883,422
Total business-type activities expenses	<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>	<u>14,815,094</u>
Total primary government expenses	<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>	<u>\$ 46,065,512</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 227,600	\$ -	\$ 314,160	\$ 1,173,234	\$ 382,095	\$ 459,084	\$ 378,816	\$ 375,464	\$ 347,798	\$ 330,306
Finance	-	-	-	59,108	-	-	-	-	-	-
Community services	674,835	278,932	417,736	256,405	304,054	293,952	297,470	304,827	352,124	311,493
Police	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	3,059,268
Public works	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	1,053,115
Fire	756,893	766,903	624,997	1,009,010	849,306	(834,974)	793,561	448,258	663,756	1,036,582
Operating grants and contributions	905,197	84,111	167,553	338,658	754,463	399,930	418,470	305,858	332,777	838,435
Capital grants and contributions	96,354	145,017	74,551	2,364,100	2,201,004	404,913	709,483	276,132	-	32,770
Total governmental activities program revenues	<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>	<u>6,661,969</u>
Business-type activities										
Charges for services										
Water	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	7,355,794
Wastewater	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	6,953,623
Solid waste	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	2,695,374
Sports facility	-	-	-	-	-	376,544	546,285	695,758	837,532	1,025,216
Grants and contributions	118,264	213,951	1,205,387	22,227	107,974	967,165	-	-	-	630,284
Total business-type activities program revenues	<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>	<u>18,660,291</u>
Total primary government program revenues	<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>	<u>\$ 25,322,260</u>

City of Duncanville

Schedule 2

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

<u>Fiscal Year</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>	<u>2015</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (24,588,449)
Business-type activities	<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>	<u>3,845,197</u>
Total primary government net expense	<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>	<u>\$ (20,743,252)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Ad valorem	\$ 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	13,133,399
Sales	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	6,708,126
Franchise	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	2,154,478
Mixed beverage	-	-	42,992	71,978	60,101	59,671	49,266	55,699	69,427	76,814
Hotel occupancy	531,711	594,238	593,725	462,474	393,731	445,385	458,744	470,710	542,191	626,022
Earnings on investments	603,243	565,594	343,967	117,619	35,810	39,971	45,695	41,495	34,171	36,008
Rentals and miscellaneous	-	410,928	632,049	286,126	287,252	221,430	228,377	127,578	89,362	505,479
Transfers	<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>	<u>2,035,859</u>
Total governmental activities	<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>	<u>25,276,185</u>
Business-type activities										
Earnings on investments	259,132	264,628	136,592	37,007	18,601	6,821	8,197	9,520	8,714	11,281
Transfers	<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>	<u>(2,035,859)</u>
Total business-type activities	<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>	<u>(2,024,578)</u>
Total primary government	<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>	<u>\$ 23,251,607</u>
Change in Net Position										
Governmental activities	\$ 790,902	\$ 1,536,030	\$ (1,041,924)	\$ 3,024,655	\$ 2,750,094	\$ (795,653)	\$ 9,854,877	\$ 790,989	\$ 2,332,815	\$ 687,736
Business-type activities	<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>	<u>1,820,619</u>
Total primary government	<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>	<u>\$ 2,508,355</u>

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 3

**Fund Balances, Governmental Funds
Last Ten Fiscal Years**
(modified accrual basis of accounting)
(Unaudited)

<u>Fiscal Year</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>	<u>2015</u>
General Fund										
Reserved	\$ 714,077	\$ 630,018	\$ 542,049	\$ 407,899	246,425	-	-	-	-	-
Unreserved	3,977,424	3,740,803	2,507,519	2,932,936	3,669,209	-	-	-	-	-
Nonspendable	-	-	-	-	-	24,151	91,476	57,301	46,500	17,881
Assigned	-	-	-	-	-	70,459	112,770	211,403	2,601,859	890,836
Unassigned	-	-	-	-	-	4,567,918	5,619,154	6,647,447	5,611,888	6,423,539
Total general Fund	<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>	<u>7,332,256</u>
All Other Governmental Funds										
Reserved										
Debt service	\$ 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	680,360	801,682	975,378	1,160,098	695,824	-	-	-	-	-
Capital projects funds	1,821,809	1,153,876	703,041	303,317	729,638	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	10,000
Restricted for:										
Debt Service	-	-	-	-	-	76,363	26,773	15,711	18,437	11,777
Street Construction	-	-	-	-	-	202,162	23,886	400,535	395,536	323,940
Traffic Improvement and Safety	-	-	-	-	-	73,693	172,463	133,317	371,641	718,311
Economic development	-	-	-	-	-	-	455,358	59,491	221,617	-
Promotion of Tourism and Convention and Hotel Industry	-	-	-	-	-	53,174	97,448	143,671	206,187	260,930
Maintenance and Construction of Drainage Projects	-	-	-	-	-	45,783	51,808	167,217	211,118	206,204
Public Safety, Cultural and Recreational Services	-	-	-	-	-	135,734	127,860	90,892	84,053	108,579
Court Technology	-	-	-	-	-	8,868	13,597	10,135	993	-
Cout Security	-	-	-	-	-	55,117	53,076	39,896	41,330	42,414
Juvenile Case Management	-	-	-	-	-	50,286	81,362	106,530	26,169	30,460
Public Safety and Criminal Investigations	-	-	-	-	-	249,647	292,930	372,925	225,953	119,849
Park Construction	-	-	-	-	-	41,527	25,228	25,228	21,043	21,042
Capital Improvements	-	-	-	-	-	212,261	120,686	45,664	115,433	191,081
	-	-	-	-	-	-	-	-	-	(5,753)
Total all other governmental funds	<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>	<u>\$ 2,038,834</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)**

<u>Fiscal Year</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>	<u>2015</u>
Revenues										
Taxes -										
Ad valorem	\$ 12,211,482	\$ 12,407,871	\$ 13,086,084	\$ 13,288,134	\$ 12,463,461	\$ 12,665,474	\$ 12,490,182	\$ 12,106,610	\$ 12,106,610	\$ 13,072,527
Sales	5,451,335	5,530,559	5,398,034	5,235,231	5,321,588	5,048,659	7,303,949	7,781,695	7,781,695	6,708,126
Franchise	2,129,943	2,000,905	2,024,099	1,988,717	2,036,308	2,153,122	2,007,859	2,029,578	2,029,578	2,154,478
Mixed beverage	54,927	58,387	42,992	71,978	60,101	59,671	49,266	55,699	55,699	76,814
Hotel	476,784	594,238	593,725	462,474	393,731	445,385	458,744	470,710	470,710	626,022
Licenses, permits and fees	1,857,835	2,623,014	3,217,587	4,169,554	2,881,963	2,777,712	2,716,873	2,857,356	2,857,356	4,091,744
Fines and forfeitures	939,237	967,892	857,396	750,490	1,054,149	1,160,339	1,182,418	992,086	992,086	902,852
Recreation fees	286,767	254,874	237,931	256,295	303,954	293,872	297,410	304,747	304,747	311,423
Intergovernmental	1,328,817	406,006	378,387	1,208,854	2,182,355	931,100	1,303,413	768,770	768,770	788,229
Investment income	505,115	490,846	301,442	100,669	32,753	34,059	37,838	34,494	34,494	31,211
Rental and other	554,258	816,442	609,405	1,111,587	1,663,650	814,772	643,278	529,044	529,044	670,591
Total revenues	\$ 25,796,500	\$ 26,151,034	\$ 26,747,082	\$ 28,643,983	\$ 28,394,013	\$ 26,384,165	\$ 28,491,230	\$ 27,930,789	\$ 27,930,789	\$ 29,434,017
Expenditures										
General government/ finance/ non-departmental	\$ 3,631,198	\$ 3,568,078	\$ 4,676,515	4,515,509	3,735,002	3,582,050	4,008,312	4,047,063	4,047,063	4,800,190
Police	7,088,021	8,091,558	8,606,164	7,950,702	8,010,438	8,336,089	8,146,411	8,073,234	8,073,234	8,835,565
Fire	4,794,582	5,176,242	5,462,552	5,282,271	5,209,321	5,178,309	5,266,727	5,188,988	5,188,988	5,796,381
Public works	3,988,391	4,123,636	4,070,557	3,683,537	3,881,637	4,133,585	4,081,264	4,040,216	4,040,216	4,722,458
Parks and recreation	3,553,111	2,636,565	2,790,986	2,685,803	2,681,454	2,767,743	2,713,411	2,740,534	2,740,534	3,562,965
Library (Included in General government in 2008)	632,693	676,184	-	-	-	-	-	-	-	-
Special purposes - promotional	330,032	370,135	481,470	385,245	298,842	290,107	440,157	567,107	567,107	2,037,870
Capital outlay	919,446	894,865	835,666	2,229,494	2,547,349	1,575,723	1,527,369	513,789	513,789	2,317,717
Debt service										
Principal retirement	2,320,000	2,455,000	2,595,000	2,311,273	2,325,872	1,122,685	1,985,622	1,408,474	1,408,474	888,574
Interest and fiscal charges	452,239	352,537	247,334	534,829	518,554	482,073	642,497	635,868	635,868	598,580
Total expenditures	\$ 27,709,713	\$ 28,344,800	\$ 29,766,244	\$ 29,578,663	\$ 29,208,469	\$ 27,468,364	\$ 28,811,770	\$ 27,215,273	\$ 27,215,273	\$ 33,560,300
Excess of revenues over (under) expenditures	(1,913,213)	(2,193,766)	(3,019,162)	(934,680)	(814,456)	(1,084,199)	(320,540)	715,516	715,516	(4,126,283)
Other Financing Sources (Uses)										
Transfers in	1,333,512	1,380,428	1,609,071	1,951,313	2,027,424	2,206,549	1,844,815	1,881,116	1,881,116	2,871,257
Issuance of debt	-	-	-	-	-	-	-	-	-	1,483,374
Transfers out	(250,662)	(224,824)	(283,394)	(582,189)	(636,655)	(516,073)	(1,073,531)	(1,435,144)	(1,435,144)	(835,398)
Total other financing sources (uses)	1,082,850	1,155,604	1,325,677	1,369,124	1,390,769	1,690,476	771,284	445,972	445,972	3,519,233
Net change in fund balances	\$ (830,363)	\$ (1,038,162)	\$ (1,693,485)	\$ 434,444	\$ 576,313	\$ 606,277	\$ 450,744	\$ 1,161,488	\$ 1,161,488	\$ (607,050)
Total capital outlay capitalized per the government wide statement of net position	\$ 2,408,353	\$ 2,515,180	\$ 666,370	\$ 2,381,600	\$ 2,547,349	\$ 1,575,723	\$ 1,527,369	\$ 513,789	\$ 513,789	\$ 2,317,717
Debt service as a percentage of noncapital expenditures	10.3%	10.2%	9.8%	10.4%	10.7%	6.2%	9.6%	7.7%	7.7%	4.8%

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					
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
2015	1,208,839,210	552,356,490	190,548,470		1,951,744,170	227,421,681	1,724,332,489	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)
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	0.124700
2015	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

City of Duncanville

Schedule 7

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

Taxpayer / Company Name	2015			2006		
	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	\$ 47,486,300	1	2.75%	\$ 39,745,580	1	2.36%
C H Guenther & Son Pioneer Frozen Foods	18,535,270	2	1.07%	21,416,920	2	1.27%
Costco Whole Sale Corp	18,441,280	3	1.07%			
G & E Apartment Reit - Bella Ruscello	16,185,190	4	0.94%			
Oncor Electric Delivery-Texas Utilities Electric Company	9,643,900	5	0.56%			
Apple Nine Spe Duncanville Inc	8,956,130	6	0.52%			
Cole La Duncanville TX LLC	8,452,020	7	0.49%			
Apple Reit Limited PS Main Park Apartments	8,422,560	8	0.49%	8,111,600	7	0.48%
Summit Center Ridge Apts.	8,376,830	9	0.49%	4,988,710	10	0.30%
Wimberly Park LP	8,147,580	10	0.47%	12,936,840	4	0.77%
Southwestern Bell				14,041,510	3	0.83%
Texas Utilities TXU Business Services				10,527,250	5	0.63%
WR Senior living				8,435,000	6	0.50%
Deford Lumber LTD				7,695,220	8	0.46%
TT Duncanville LTD				6,374,880	9	0.38%
Total	\$ 152,647,060		8.85%	\$ 134,273,510		7.98%

Note:

(a) Total Taxable Value as of Oct. \$ 1,724,332,489

\$ 1,682,391,506

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
2006	12,050,465	11,779,327	97.7%	242,602	12,021,929	99.8%
2007	12,304,132	11,974,681	97.3%	310,443	12,285,124	99.8%
2008	12,874,498	12,573,089	97.7%	301,409	12,874,498	100.0%
2009	13,160,823	12,888,062	97.9%	210,061	13,098,124	99.5%
2010	12,459,098	12,161,481	97.6%	193,390	12,354,872	99.2%
2011	12,706,127	12,381,341	97.4%	157,003	12,538,344	98.7%
2012	12,458,343	12,097,385	97.1%	128,626	12,226,011	98.1%
2013	12,008,805	11,865,772	98.8%	113,034	11,865,772	98.8%
2014	12,455,448	12,190,388	97.9%	116,053	12,190,388	97.9%
2015	13,095,679	12,804,150	97.8%	-	12,804,150	97.8%

Note:

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

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

Fiscal Year Ended Sept. 30,	Governmental Activities		Business-type Activities		Percentage of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	Certificate of Obligation Bonds	Water and Sewer Revenue Bonds	Total Primary Government		
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
2014	-	-	6,400,000	6,400,000	0.66%	163

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
2015	-	-	-	0.00%	-

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, 2015
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Duncanville Independent School District	\$ 225,991,096	45.47%	\$ 102,758,151
Dallas County	21,320,000	0.98%	\$ 208,936
Dallas County Community College District	321,510,000	0.94%	\$ 3,022,194
Dallas County School	60,215,000	0.98%	\$ 590,107
Dallas County Hospital District	728,005,000	0.98%	\$ 7,134,449
Cedar Hill Independent School District	125,306,121	0.25%	\$ 313,265
Dallas Independent School District	2,552,990,000	0.01%	\$ 255,299
Subtotal, overlapping debt			\$ 114,282,401
City direct debt			-
Total direct and overlapping debt			\$ 114,282,401

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, 2015
(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, 2015 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>						
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
2015	14,287,844	9,528,883	4,758,961	330,000	22,331	13.5

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)
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%
2015	39,221	972,543,662	24,822	56,002	13,434	13,074	3.9% (a)

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	2015			2006		
	Employees (2)	Rank	Percent of Total Employment (a)	Employees (2)	Rank	Percent of Total Employment (a)
Duncanville Independent School District	1,783	1	9.13%	1,600	2	10.66%
Masco(Formerly Texwood/Quality Cabinets and Doors)	700	2	3.58%	2,400	1	16.00%
City of Duncanville	335	3	1.72%	242	4	1.61%
Pioneer Frozen Foods	183	4	0.94%	161	5	1.07%
Costco	180	5	0.92%	250	3	1.67%
DeFords	160	6	0.82%	147	7	0.98%
Pappadeaux	211	7	1.08%	152	6	1.01%
W&B Service Company	115	8	0.59%	-	-	0.00%
Freedom Dodge, Chrysler, Jeep	72	9	0.37%	-	-	0.00%
Personalized Communications	90	10	0.46%	-	-	0.00%
Brittle-Brittle	-	-	-	65	10	0.43%
The Romney Group	-	-	-	80	8	0.53%
Duncanville Ford	-	-	-	70	9	0.47%
Total	<u>3,829</u>		<u>19.61%</u>	<u>5,167</u>		<u>34.44%</u>

Note:

(a) Total City Employment (1)

19,529

15,003

Sources:

(1) ESRI BIS

(2) Duncanville Community Economic Development Corporation

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

<u>Fiscal Year</u>	<u>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>	<u>2015</u>
By Functions										
General Government	33.0	34.0	35.0	33.0	32.5	30.2	32.5	31.5	34.1	35.69
Fire Services	52.0	53.0	53.0	53.0	52.3	52.0	52.0	51.3	52.3	54.33
Police Services (Civil)	61.0	60.0	63.0	59.0	59.0	59.0	59.0	58.0	57.99	59.98
Police Services (Non-Civil)	12.0	15.0	12.0	11.0	11.0	18.8	18.8	19.0	18.9	18.9
Public Works	33.5	33.0	31.5	30.5	30.0	32.0	33.0	35.5	36.5	39.5
Library Services	9.0	9.0	9.0	9.0	12.0	12.0	11.5	12.0	12	12
Parks and Recreation	13.0	16.0	16.0	16.0	28.7	34.8	41.2	41.6	43.66	55.65
Community Services	6.0	6.0	6.0	9.0	6.6	-	-	-	-	-
Water and Wastewater	21.5	21.5	23.5	21.5	25.0	17.5	16.5	19.5	21.5	20.5
Total Employees by Function	241.0	247.5	249.0	242.0	257.1	256.3	264.5	268.4	276.95	296.55
By Departments										
General Government	7.0	8.0	18.0	17.0	20.0	17.0	18.8	18.5	20	20.5
Finance	24.0	24.0	24.0	24.0	23.5	24.0	24.0	24.0	25.1	25.19
Community Services	28.0	31.0	22.0	25.0	32.6	34.8	41.2	41.6	43.2	55.65
Police (Civil)	61.0	60.0	63.0	59.0	59.0	59.0	59.0	58.0	58	59.98
Police (Non-Civil)	12.0	15.0	12.0	11.0	12.0	18.8	18.8	19.0	18.9	18.9
Public Works	30.5	30.5	31.5	30.5	31.7	25.5	27.0	27.0	27.5	34.5
Utilities	24.5	24.0	23.5	21.5	25.0	24.0	22.5	28.0	30.5	25.5
Fire (Civil Service)	52.0	53.0	53.0	53.0	52.3	52.0	52.0	51.3	49	51
Fire (Non Civil)									3.3	3.33
Economic Development	2.0	2.0	2.0	1.0	1.0	1.2	1.2	1.0	1.5	2
Total Employees by Department	241.0	247.5	249.0	242.0	257.1	256.3	264.5	268.4	277	296.55
By Fund										
General	203.5	208.0	213.0	219.5	216.4	210.4	214.6	214.9	230.39	232.35
Utility	32.0	34.0	31.5	21.5	33.0	30.5	29.5	32.5	24.5	33.5
Hotel/Motel	1.0	1.0	1.0	-	1.0	-	-	0.0	0	0
Economic Development	1.0	1.0	1.0	1.0	1.0	1.2	1.2	1.0	1.5	3.42
Grant	1.0	1.0	-	-	1.7	2.1	2.1	2.1	2.1	2.1
Drainage	0.5	0.5	0.5	-	0.5	3.5	3.5	3.5	4	4
Solid Waste	2.0	2.0	2.0	-	2.0	2.0	2.0	2.0	2	4
Traffic Administration	-	-	-	-	1.0	1.0	1.0	1.0	1	1
Juvenile Case Manager	-	-	-	-	0.5	-	0.1	0.0	0	0.5
Fieldhouse	-	-	-	-	-	5.6	10.5	11.4	11.5	15.68
Total Employees by Fund	241.0	247.5	249.0	242.0	257.1	256.3	264.5	268.4	276.99	296.55

Source: City of Duncanville, Texas Annual Budgets

City of Duncanville

Schedule 17

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

Fiscal Years	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program										
General Government										
Building Permits Issued	433	421	359	236	374	350	367	225	938	725
Police										
Criminal Arrests	2,394	2,320	1,808	3,300	2,100	2,235	1,900	1,828	1,880	1,845
Index Crimes per 1,000 Population	40	43	47	50	48	46	47	48	49	47
Fire										
Total Calls for Service (Fire & EMS)	6,976	7,004	6,884	7,038	7,248	6,700	6,475	5,660	4,783	5,400
Total Structural Inspections	701	1,349	1,404	832	1,035	742	737	1,465	1,264	1,370
Public Services										
Utility Cuts Repaired	89	104	112	115	186	125	175	230	202	235
Sidewalk Repaired (Square Feet)	7,729	13,618	12,815	11,576	2,231	9,000	7,800	750	6121	7,500
Parks and Recreation										
Program Participation Hours	18,623	17,829	18,231	21,120	25,119	14,843	15,000	15,000	15,000	15,000
Number of Annual Passes Sold	1,949	1,981	2,774	2,000	2,664	1,900	2,900	863	900	1,000
Library										
Volumes in Collection	97,648	102,807	106,076	105,571	105,710	111,018	107,924	108,401	107,117	108,000
Total Volumes Borrowed	174,676	173,101	176,325	169,602	160,642	171,000	145,746	140,692	130,296	142,000
Water/Wastewater										
Water Main Breaks	35	29	33	30	36	30	25	30	20	15
Number of Gallons of Water Pumped (000s)	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	1,746,000
Average Daily Consumption (MGD)	6	5	5	6	5	6	5	6	5.4	6
Miles of Sewer Mains Cleaned	5	6	4	8	2	15	12	28	2.11	65

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program										
Public Safety										
Emergency Vehicles (Police & Fire)	36	34	34	34	33	31	31	31	31	31
Public Works										
Streets - Paved (Miles)	155.98	156.05	156.05	156.05	156.05	156.05	156.05	156.05	156.05	156.05
Alleys - Paved (Miles)	40.28	36.11	36.11	36.11	36.11	36.11	36.11	36.11	36.81	36.81
Traffic Signals	36	34	34	34	34	34	34	34	34	36
Street Signs	1,928	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966
Regulatory & Non-regulatory Signs	4,416	9,850	9,920	9,920	9,940	9,929	10,085	10,014	10,034	10,044
Non-Emergency Vehicles	72	79	79	81	84	82	82	82	82	87
Parks and Recreation										
Park Acres	228.0	237.4	237.0	237.0	242.0	239.0	239.0	239.0	239.0	244.0
Playgrounds	10	12	12	12	12	12	13	13	13	13
Total Athletic Facilities Maintained	54	56	54	54	54	54	54	54	54	55
Water/Wastewater										
Miles of Water Mains	187.35	188.01	189.50	189.50	189.50	189.80	189.48	190.05	190.05	190.00
Fire Hydrants	1,306	1,341	1,355	1,360	1,364	1,366	1,372	1,373	1,373	1,428
Sanitary Sewer Lines (Miles)	153.45	154.06	153.60	153.60	153.64	153.65	153.65	153.67	153.67	153.67
Sanitary Sewer Laterals (Miles)	77.25	77.46	77.30	77.30	77.30	77.30	77.30	77.35	77.35	77.35

Source: City of Duncanville, Texas Annual Budgets

