



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Year Ended:
September 30, 2017

Duncanville, Texas

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

**FOR
FISCAL YEAR ENDED
SEPTEMBER 30, 2017**

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

CITY OF DUNCANVILLE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION:	
Letter of Transmittal.....	i
GFOA Certificate of Achievement.....	ix
Organizational Chart.....	x
Principal Officials.....	xi
City of Duncanville Area Map.....	xii
 FINANCIAL SECTION:	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	13
Statement of Activities.....	14
 Fund Financial Statements:	
Governmental Funds:	
Balance Sheet- Governmental Funds.....	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	22
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual-General Fund.....	23
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual- Traffic Improvement and Safety Fund	24
 Proprietary Funds:	
Statement of Net Position-Proprietary Funds.....	25
Statement of Revenues, Expenses, and Changes in Fund Net Position- Proprietary Funds.....	26
Statement of Cash Flows-Proprietary Funds.....	27
 Notes to the Basic Financial Statements.....	 28

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
Required Supplementary Information:	
Texas Municipal Retirement System (TMRS) –	
Schedule of Changes in Net Pension Liability and Related Ratios.....	58
Schedule of Contributions.....	59
Other Post Employment Benefits Plan – Analysis of Funding Progress.....	60
 Combining and Individual Fund Statements and Schedules:	
General Fund:	
Budgetary Comparison Schedule of Revenues.....	61
Budgetary Comparison Schedule of Expenditures.....	62
Non-Major Governmental Funds:	
Description of Individual Non-Major Governmental Funds.....	67
Combining Balance Sheet.....	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	69
Non-Major Special Revenue Funds Combining Balance Sheet.....	70
Non-Major Special Revenue Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	72
Hotel-Motel Tax Fund Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual.....	74
Drainage Fees Fund Schedule of Revenues Expenditures and Changes in Fund Balance Budget and Actual	75
Non-Major Capital Projects Funds Combining Balance Sheet.....	76
Non-Major Capital Projects Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	77
Debt Service Fund Schedule of Revenues and Expenditures Budget and Actual.....	78
Enterprise Funds:	
Schedule of Detailed Revenues- Budget and Actual.....	79
Schedule of Expenditures-Budget and Actual.....	80
Internal Service Funds:	
Description of Individual Internal Service Funds.....	83
Combining Statement of Net Position.....	84
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	85
Combining Statement of Cash Flows.....	86
Component Unit Fund Financial Statements:	
Description of Component Unit.....	87
Balance Sheet- Fund Level.....	88
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	89
Statement of Revenues, Expenditures, and Changes in Fund Balances Fund Level.....	90
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	91

TABLE OF CONTENTS
(Continued)

	<u>Schedule</u>	<u>Page</u>
STATISTICAL SECTION (Unaudited):		
Net Position by Component - Last Ten Fiscal Years.....	1	94
Changes in Net Position - Last Ten Fiscal Years.....	2	95
Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	3	97
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	4	98
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.....	5	99
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years.....	6	100
Principal Property Taxpayers – Current Year and Nine Years Ago.....	7	101
Property Tax Levies and Collections – Last Ten Fiscal Years.....	8	102
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	9	103
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	10	104
Direct and Overlapping Governmental Activities Debt As of September 30, 2017.....	11	105
Legal Debt Margin Information As of September 30, 2017.....	12	106
Pledged-Revenue Coverage - Last Ten Fiscal Years.....	13	107
Demographic and Economic Statistics – Last Ten Fiscal Years.....	14	108
Principal Employers – Current Year and Nine Years Ago.....	15	109
Full-time Equivalent City Government Employees – Last Ten Fiscal Years.....	16	110
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	17	111
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	18	112



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.



City of Duncanville

Kevin Hugman
City Manager

March 28, 2018

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, 2017.

This report provides the City Council, City staff, our citizens, 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, 2017. 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

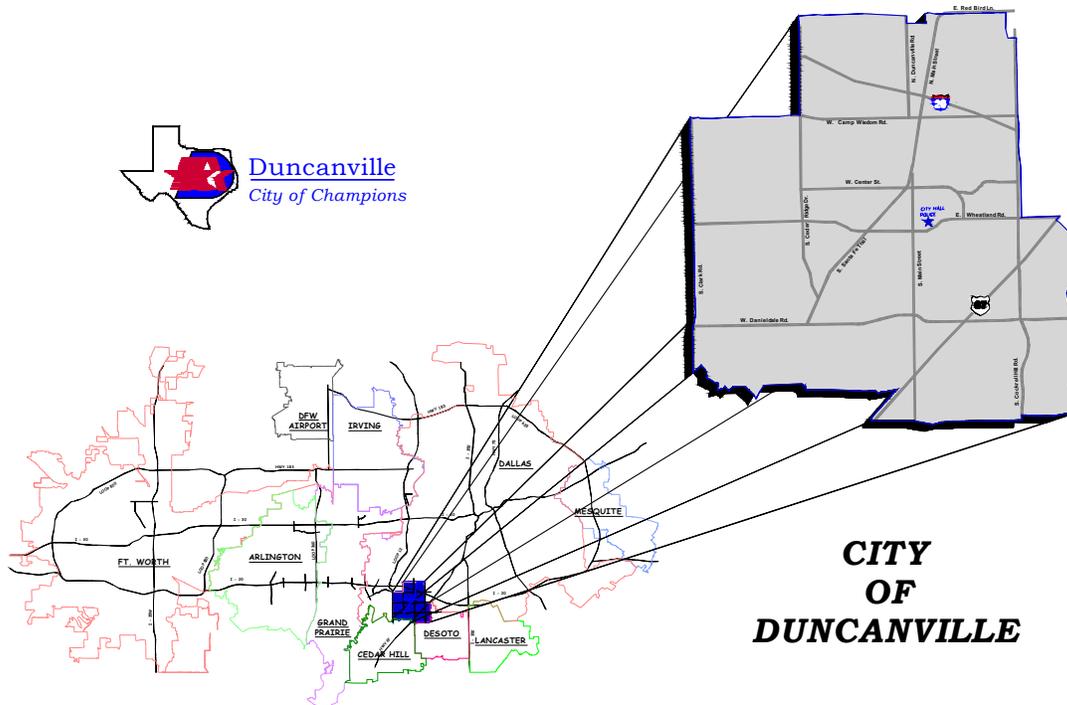
Location

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 2017 population for the City was 39,524 (Source: Suburbanstats.org).

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 discreet component unit (Duncanville Community Economic Development Corporation - DCEDC) 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.

Services Provided

The City provides necessary services while managing costs to deliver services through a rigorous budget and accounting process. Major services provided under general government and enterprise functions are: public safety (police and fire protection), emergency ambulance services, highways and streets, water and sanitary sewer utilities, health and social services, culture-recreation, library services, public improvements, planning and zoning, and general administrative services.



ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when services or goods are received, and liabilities are incurred. Accounting records for the City's utility funds, the Duncanville Fieldhouse, and other proprietary activities are maintained on the accrual basis. Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures (items over \$5,000 and having a useful life of three or more years) are monitored and controlled item by item. Revenue budgets are reviewed monthly.

Management of the City is responsible for establishing and maintaining internal controls that safeguard the assets of the City from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The City also uses a third party to host an anonymous fraud hotline as an additional deterrent against loss and misuse of city assets.

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

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

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

As demonstrated by the statements and schedules included in the financial section of this report, the City sustains sound fiscal 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 2016 official estimate has the Dallas/Fort Worth Metroplex (DFW) at a population of 7,233,323. 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. (Wikipedia)
- As of 2016, Dallas–Fort Worth has been a magnet for corporate headquarters and major company operations, attracting 20 Fortune 500 and 39 Fortune 1000 companies. (Dallas Regional Chamber)
- Dallas-Fort Worth benefited from existing trade agreements, exporting \$8.8 billion to the North American Free Trade Agreement region and \$391 million to the Central American Free Trade Agreement region. (Dallas Regional Chamber)
- Texas added jobs at a 2.4 percent rate in 2017, ranking 4th in the nation; and projected job growth in 2018 is 2.8 percent. (Dallas Federal Reserve Bank)
- 97% of businesses in the DFW Region have less than 100 employees; and 14 companies made the Inc. 500 list, and a total of 160 companies were listed in the Inc. 5000 list. (Dallas Regional Chamber)
- DFW is home to an impressive group of foreign based subsidiaries with over 200 companies from 40 countries locating their U.S. headquarters or substantial operations within the region. (Dallas Regional Chamber)
- DFW has the 7th largest concentration of high-tech jobs in the United States. (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 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)
- 82 Acute Care Hospitals and numerous other major medical centers with nearly 20,000 beds serve the DFW Region. (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 rehabilitation projects 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 addition to the Main Street re-development plans, the City has developed a comprehensive plan, Destination Duncanville, which creates a vision for the city over the next 20 to 30 years to provide a framework for strategic and policy related decisions that are necessary to achieve that vision. To assist in managing changes that occur over the years, the comprehensive plan will provide direction on how to prioritize the City's response to the demands brought about by change and how to allocate the City's resources to deal with growth and redevelopment related issues.

In recent years, projects have been completed in older shopping centers including a complete renovation of Tom Thumb and Kroger Supermarkets, as well as the addition of Terry's Supermarket, ALDI grocery store, WinCo Foods, and Super Mercado Monterrey.

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. 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, and trade and corporate headquarters providing a stable and diverse local economy.
- Duncanville boasts a strong industrial community that includes subsidiaries of companies like **Masco Cabinetry**, the largest U.S. manufacturer of kitchen and bath cabinetry.
- **DeFord's**, another strong industrial company, manufactures specialty doors and wholesale lumber and fixtures supplies.
- **84 Lumber Company** is the largest privately-owned building supply company in the United States. They expanded the Duncanville facility by 5 acres in 2015.
- **The Duncanville Fieldhouse** (a 95,000 sq. foot basketball/volleyball/multi-sport facility), converted from the original Dallas Stars Dr. Pepper ice hockey arena to a multi-sport facility in late 2009, draws people into the community from near and far for multi-state tournaments. The original 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 their success in providing fine dining for area residents.
- In August 2007, **Best Western Inn and Suites** opened a flagship hotel on the southeast section of Highway 67 and Cockrell Hill. They continue to receive high performance ratings from the Best Western Corporate Offices.
- **The Hilton Garden Inn** opened September 1, 2005 offering a five-story, 142-room, 93,000 square foot hotel and conference center at the corner of Main Street and I-20. This facility provides businesses and guests with access to 14,000 square feet of conference rooms and meeting space.
- Two major highways (I-20 and US 67) 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.

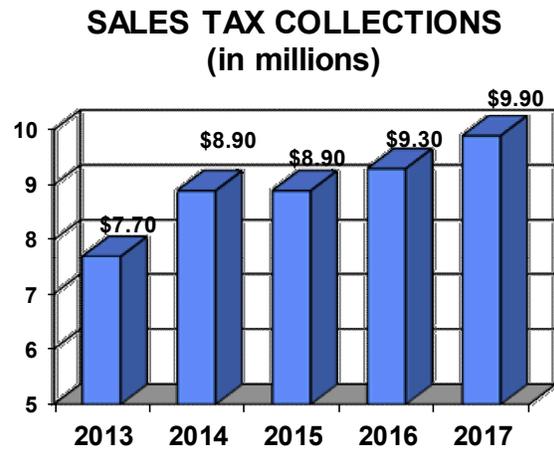
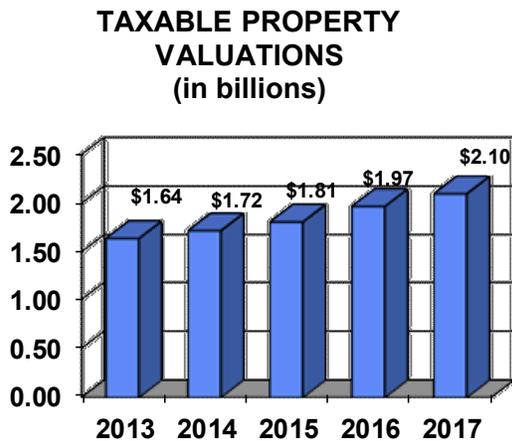
- **Pioneer Foods** is a subsidiary of C. H. Guenther & Son Inc. They manufacture frozen dough products.
- **Costco Wholesale Corporation** is the largest membership warehouse club chain in the world based on sales volume.
- **Shops at Waterview Park**, a \$30,000,000 mixed-use development, continues to prosper alongside Bella Ruscello, which offers 216 units of upscale apartment living adjacent to the Shops at Waterview Park.
- **Aldi**, a leader in the international grocery retailing industry, serving Europe, the USA and Australia, opened in Duncanville in 2010.
- In 2012, **W&B Service Company** completed construction of their 38,000 square foot facility on 16 acres and employs over 100 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 in November 2014 to establish a school to serve the virtual reality needs of the metroplex and Texas.
- **WinCo** food store opened in June 2015 in the renovated old Walmart building that had been vacant for over a decade.
- **Advanced Auto, Good Life Assisted Living and Memory Care, and new medical and professional buildings** were economic development additions to Duncanville in 2016.
- **Super Mercado Monterrey grocery, Popeyes Chicken, Ten Hagen Excavating, GK Steel Fabrication, La Michoacana Meat Market, Stanley Restoration, Henderson Chicken, Walnut Grove Dental, PhoTnoodle Seafood Restaurant, and MaxxSave** were among new economic development additions to Duncanville in 2017.
- Coming soon are **La Quinta Inn, Hampton Inn and Suites**, a second **McDonalds**, and **Workout Anytime**.

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
- Maintaining a water and sewer line rehabilitation/replacement program
- Improving access to Duncanville and access to surrounding cities via expansion of Highway 67
- Comprehensive Plan (Destination Duncanville) Study and Parks Master Plan update
- Completion of Pavement Management Study to more cost effectively program future street maintenance needs
- Established a Vacant Building Ordinance to mitigate commercial and industrial structure vacancies. The ordinance provisions include registration of the vacant property, enhanced conditions and expectations for maintenance, and new requirements to secure the structure.

Economic Signs



Future Economic Outlook

Duncanville experienced unfavorable economic times in 2008 thru 2013 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. Sales taxes increased 6.8% in FY17 and taxable property values increased 5.4% as the housing recovery continues. The acquisition of the Duncanville Fieldhouse continues to present challenges and opportunities. The DCEDC provides a safety net agreeing to fund any shortage in debt service on the building. The debt was refinanced in 2016 to take advantage of lower interest rates which will save \$826,645 over the remaining life of the bonds. The debt will be retired in the year 2024. Overall, Duncanville remains an attractive, well maintained city with a solid infrastructure that is well deserving of its moniker “City of Champions”.

Relevant Financial Policies

It is the City's policy that all interest-bearing demand deposits and time deposits are secured by pledged collateral with a market value equal to no less than 102% of the deposits less the amount insured by the FDIC (currently \$250,000). Evidence of the pledged collateral is maintained by the Finance Department and a third party financial institution. Collateral is reviewed periodically to assure the market value of the securities pledged equals or exceeds the related bank balances.

The Audit Committee of the Duncanville City Council is chartered to assist the City Council in fulfilling its financial and compliance oversight responsibilities. 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. 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 the Finance Director or 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. The City also accepts letters of credit drawn on the Federal Home Loan Bank as collateral to protect investments.

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 elected to target a 70-day fund balance for FY16 and increased that target for the FY17 Budget to a 75-day fund balance to insure against unforeseen changes that might negatively impact revenues or expenditures. 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. A similar Information Technology replacement fund is now in place to pre-fund computer and server replacements.

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, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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, 2017 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



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City of Champions

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The Perfect Blend of Family, Community and Business.



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, 2016

Christopher P. Morill

Executive Director/CEO



Duncanville
City of Champions

City of Duncanville

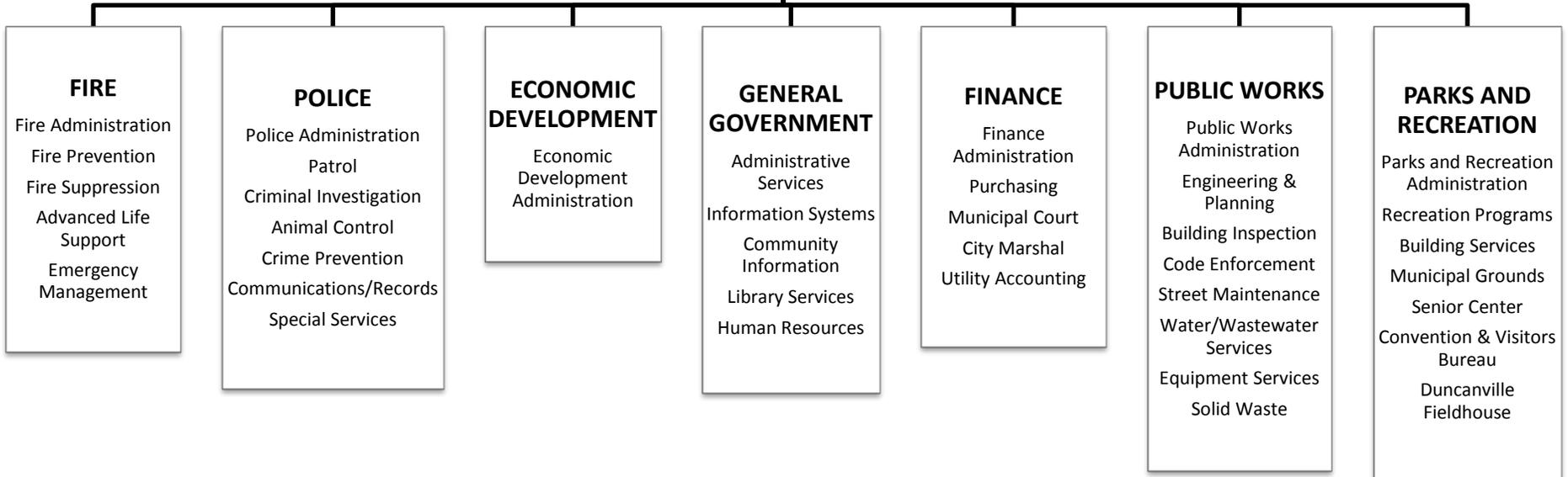
Organizational Chart

September 30, 2017

Citizens of
Duncanville

Mayor & City
Council (Elected)

Office of the City
Manager



CITY OF DUNCANVILLE

CITY COUNCIL

David Green, Mayor

Dennis L. Schwartz, Mayor Pro Tem

Ronald L. Dotson, Council Member

Steven Rutherford, Council Member

Johnette Jameson, Council Member

Leslie Thomas, Council Member

Patrick LeBlanc, Council Member



ADMINISTRATIVE OFFICIALS

Kevin Hugman, City Manager

Paul Frederiksen, Assistant City Manager

Richard Summerlin, Finance Director

Tia Pettis, Assistant Finance Director

Mary Jones, City Secretary



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, 2017, 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 auditors' 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Traffic Improvement and Safety Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, 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 combining and individual fund financial statements and schedules 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 28, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 28, 2018



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City of Champions

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The Perfect Blend of Family, Community and Business.

City of Duncanville, Texas

Management's Discussion and Analysis for the Fiscal Year Ended September 30, 2017

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, 2017. 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 \$119.3 million (net position). This number must be viewed in the context of the vast majority of the City's net position of \$95.2 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 \$3.6 million is restricted for various purposes such as capital projects, public safety or community programs. The remaining \$20.5 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's governmental activities total assets and deferred outflows exceeded total liabilities and deferred inflows by \$73.1 million (net position). Governmental activities net position decreased by \$4.5 million. The City's total net position increased by \$3.0 million this fiscal year.
- As of the close of the current fiscal year, City of Duncanville governmental funds reported combined ending fund balances of \$13.6 million, an increase of \$2.3 from the prior year. Of this amount, \$8.4 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 \$8.4 million. On a current financial resources basis, total fund balance for the General Fund increased by \$1.5 million.
- The City's net bonded debt decreased by \$740 thousand during this current fiscal year.
- The City has seen property tax revenue increases for the past four 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 fourteen governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Debt Service, Street Construction, and Traffic and Safety Improvement funds, all of which are to be considered major funds. Data from eight 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 and information technology 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 79-86 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 28-57 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 \$119.3 million as of September 30, 2017.

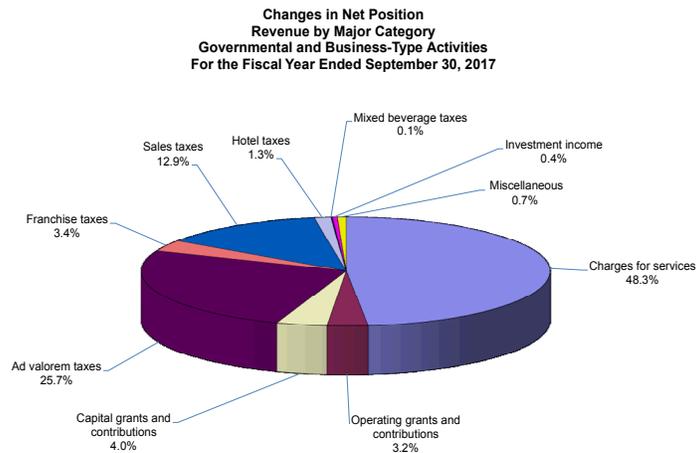
	Governmental Activities		Business-Type Activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Current and other assets	\$ 21,058,881	\$ 20,043,903	\$ 12,370,968	\$ 10,097,420	\$ 33,429,849	\$ 30,141,323
Capital assets, net	<u>59,603,623</u>	<u>59,937,098</u>	<u>40,433,305</u>	<u>36,635,932</u>	<u>100,036,928</u>	<u>96,573,030</u>
Total assets	80,662,504	79,981,001	52,804,273	46,733,352	133,466,777	126,714,353
Total deferred outflows of resources	<u>6,485,425</u>	<u>7,887,976</u>	<u>891,232</u>	<u>1,011,891</u>	<u>7,376,657</u>	<u>8,899,867</u>
Current liabilities	3,841,104	3,223,371	2,376,529	2,841,847	6,217,633	6,065,218
Noncurrent liabilities	<u>10,182,387</u>	<u>7,063,032</u>	<u>5,107,880</u>	<u>6,154,315</u>	<u>15,290,267</u>	<u>13,217,347</u>
Total liabilities	14,023,491	10,286,403	7,484,409	8,996,162	21,507,900	19,282,565
Total deferred inflows of resources	<u>31,579</u>	<u>49,719</u>	<u>4,117</u>	<u>6,008</u>	<u>35,696</u>	<u>55,727</u>
Net investment in capital assets	59,603,623	59,937,098	35,548,641	30,923,909	95,152,264	90,861,007
Restricted net position	3,619,861	2,766,937	-	-	3,619,861	2,766,937
Unrestricted net position	<u>9,869,375</u>	<u>14,828,820</u>	<u>10,658,338</u>	<u>7,819,164</u>	<u>20,527,713</u>	<u>22,647,984</u>
Total net position	<u>\$ 73,092,859</u>	<u>\$ 77,532,855</u>	<u>\$ 46,206,979</u>	<u>\$ 38,743,073</u>	<u>\$ 119,299,838</u>	<u>\$ 116,275,928</u>

The majority of the City's net position \$95.2 million (79.8%) are capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress). The City uses these capital assets to provide services to citizens and consequently, these assets are not available for spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

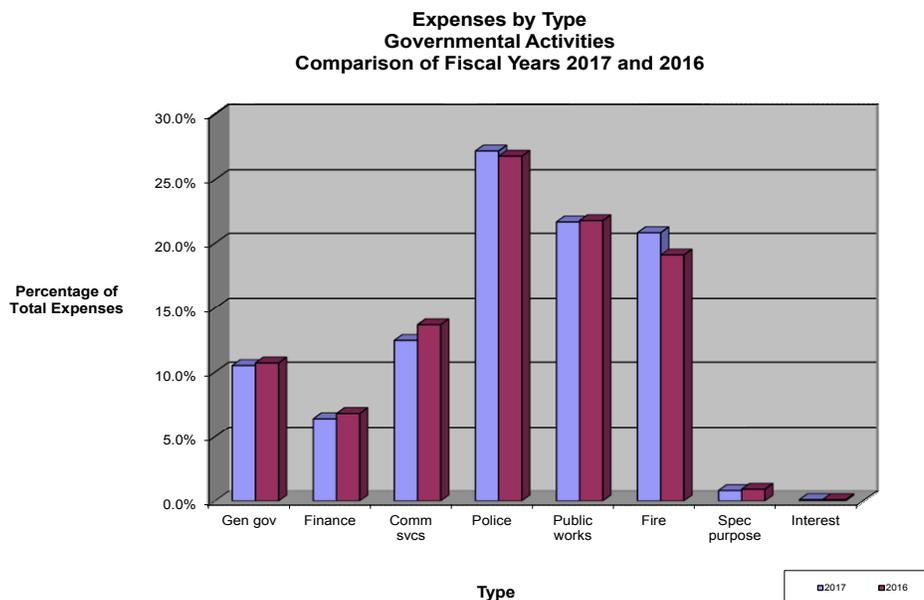
The City's balance of restricted net position of 3.6 million (3.0%) is reserved for various purposes such as capital projects, public safety and court programs.

The City's balance of unrestricted net position of \$20.5 million (17.2%) 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 \$3.0 million (2.6%) from the prior year.



Governmental Activities- General revenue (excluding transfers) had a net increase of \$1.7 million. Ad valorem tax experienced an increase of \$1.1 million due to an increase in assessed valuations. Sales tax revenues increased by \$478 thousand due to a boost to the local construction economy. The charges for services category showed very little change with an overall decrease of \$155 thousand. Overall expenditures experienced a \$5.4 million increase over the prior year primarily due to the recognition of pension costs throughout all activities.



Business-type Activities- Net position from business-type activities increased by \$7.5 million. Program revenues increased by \$4.8 million due to water and sewer rate increases adopted in fiscal year 2017 and a capital contribution for a water tank. Overall business-type expenses reflected an increase of \$1.1 million as water and sewer costs have increased.

The following table provides a summary of the City's operations at fiscal year end 2017:

City of Duncanville's Changes in Net Position For the Fiscal Years Ending September 30, 2016 and 2015						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 5,835,703	\$ 5,991,101	\$ 22,232,950	\$ 19,716,488	\$ 28,068,653	\$ 25,707,589
Operating grants and contributions	1,317,404	392,198	535,050	631,171	1,852,454	1,023,369
Capital grants and contributions	-	-	2,339,688	-	2,339,688	-
General revenues:						
Ad valorem taxes	14,950,153	13,852,373	-	-	14,950,153	13,852,373
Franchise taxes	1,992,154	2,035,117	-	-	1,992,154	2,035,117
Sales taxes	7,496,586	7,018,201	-	-	7,496,586	7,018,201
Hotel taxes	742,865	779,253	-	-	742,865	779,253
Mixed beverage taxes	78,991	76,364	-	-	78,991	76,364
Investment income	155,386	71,906	64,458	24,156	219,844	96,062
Miscellaneous	380,867	230,398	-	-	380,867	230,398
Total revenues	<u>32,950,109</u>	<u>30,446,911</u>	<u>25,172,146</u>	<u>20,371,815</u>	<u>58,122,255</u>	<u>50,818,726</u>
Expenses:						
General government	4,102,626	3,606,949	-	-	4,102,626	3,606,949
Finance	2,514,951	2,313,589	-	-	2,514,951	2,313,589
Community services	4,903,571	4,638,475	-	-	4,903,571	4,638,475
Police	10,664,821	9,072,992	-	-	10,664,821	9,072,992
Public works	8,496,495	7,380,159	-	-	8,496,495	7,380,159
Fire	8,126,333	6,437,830	-	-	8,126,333	6,437,830
Special purposes	300,000	300,000	-	-	300,000	300,000
Interest and fiscal charges	35,472	42,189	-	-	35,472	42,189
Water and sewer	-	-	11,741,825	10,755,649	11,741,825	10,755,649
Solid waste	-	-	2,633,707	2,488,966	2,633,707	2,488,966
Sports facility	-	-	1,578,544	1,662,127	1,578,544	1,662,127
Total expenses	<u>39,144,269</u>	<u>33,792,183</u>	<u>15,954,076</u>	<u>14,906,742</u>	<u>55,098,345</u>	<u>48,698,925</u>
Increase in net position before transfers	(6,194,160)	(3,345,272)	9,218,070	5,465,073	3,023,910	2,119,801
Transfers	<u>1,754,164</u>	<u>2,370,066</u>	<u>(1,754,164)</u>	<u>(2,370,066)</u>	-	-
Increase/ (decrease) in net position	(4,439,996)	(975,206)	7,463,906	3,095,007	3,023,910	2,119,801
Net position—beginning	<u>77,532,855</u>	<u>78,508,061</u>	<u>38,743,073</u>	<u>35,648,066</u>	<u>116,275,928</u>	<u>114,156,127</u>
Net position—ending	<u>\$ 73,092,859</u>	<u>\$ 77,532,855</u>	<u>\$ 46,206,979</u>	<u>\$ 38,743,073</u>	<u>\$ 119,299,838</u>	<u>\$ 116,275,928</u>

Financial Analysis of the City's Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13.6 million. Approximately 62.1% of this total amount constitutes unassigned fund balance which is available for any public purpose. Approximately 11.0% of fund balance has been assigned by City management for community services and innovative one-time projects. The restricted fund balance of \$3.6 million is 26.6% 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 \$28 thousand (.2%). Fund balance for all governmental funds increased by \$2.3 million over the previous fiscal year.

In the General Fund, the original budget projected a \$188 thousand increase in fund balance this fiscal year. The final amended budget changed to an expected fund balance increase of \$277 thousand. It is one of the City's financial policies to maintain fund balance in General Fund to equal 60 days of expenditures, but the City opted to target a 75 day fund balance in fiscal year 2017 for unforeseen expenditure or revenue changes. The property tax rate remained at \$.758447 while assessed property valuations increased providing an ad valorem tax revenue increase of 9.2%. Sales tax increased by 6.8% due to a general increase in economic activity across several sectors including construction supplies and equipment. The franchise tax revenue had a decrease (2.1%) and tends to be volatile since it is based on weather and utility rates. The General fund balance increased by \$1.5 million.

Other governmental funds exhibited minor changes to fund balance. The Debt Service fund showed little change in fund balance with an decrease of \$55 thousand. The Street Construction capital project fund had very little activity with a decrease in fund balance of \$245 thousand. The Traffic Improvement and Safety fund balance increased by \$56 thousand. The enactment of the Scofflaw program has aided in the collection of red light tickets fines, allowing for more traffic and safety projects to be completed.

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 \$7.0 million due to water and sewer rates increases enacted in October 2016, and a capital contribution for Summit water tank. The Solid Waste fund net position decreased \$197 thousand during this fiscal year. The addition of the Fieldhouse Sports Facility in 2010 has presented some challenges under operation of the City, but ended fiscal year 2017 with an increase in net position of \$682 thousand.

Pensions and Retiree Healthcare

Effective for fiscal year 2016, 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 Liability as of September 30, 2017 of \$5.6 million. The City's plan fiduciary net position is 94.7% 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 \$3.0 million as of December 31, 2016, which is an increase of \$142 thousand over 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 2017, the City had \$100.0 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 increase of \$3.5 million which is 3.6% more than the capital assets for the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	20,214	\$ 20,021	\$ 568	\$ 568	\$ 20,782	\$ 20,589
Construction in progress	323	128	1,211	1,025	1,534	1,153
Buildings	6,974	7,205	9,363	7,436	16,337	14,641
Infrastructure	19,015	20,452	23,505	22,751	42,520	43,203
Improvements	6,104	6,283	1,242	21	7,346	6,304
Equipment	6,973	5,847	1,759	1,954	8,732	7,801
Water rights	-	-	2,785	2,881	2,785	2,881
Totals	<u>\$ 59,603</u>	<u>\$ 59,936</u>	<u>\$ 40,433</u>	<u>\$ 36,636</u>	<u>\$ 100,036</u>	<u>\$ 96,572</u>

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

- Water and wastewater capital costs for the current fiscal year were \$2.7 million which includes water tank improvements and the completion of several water and sewer line improvements. In addition, the City received 3/5 transfer of ownership of the Summit water tank at a value of \$2.4 million.
- Land was purchased at \$193 thousand for future improvements at the intersection of Wintergreen Road and Main Street.
- Vehicle and equipment replacements were made totaling \$1.9 million out of the Fleet Replacement fund. The new additions include a new fire engine and 18 other vehicles or 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 \$4.6 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 (in Thousands)

	Business-Type Activities		Totals	
	2017	2016	2017	2016
General Obligation bonds	<u>4,600</u>	<u>5,340</u>	<u>4,600</u>	<u>5,340</u>
Totals	<u>\$ 4,600</u>	<u>\$ 5,340</u>	<u>\$ 4,600</u>	<u>\$ 5,340</u>

The City's general obligation bonds have been assigned the rating of "AA" by the Standard & Poor's Ratings. Additional information on the City's long-term bonded debt can be found in Note 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City and were considered in developing the 2017-2018 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 5.4% on the total tax roll for 2017-18 from 2016-17.
- The second factor in determining ad valorem tax revenue is the tax rate set by City Council. For 2017-18 fiscal year budget, the City tax rate remains at \$.758447 per \$100 of assessed valuation.
- Sales tax revenue as of September 30, 2017 realized an increase and this trend is expected to continue into the 2017-18 fiscal year at a conservative 2.0% increase over the final budget.
- A water/wastewater rate study was performed in 2013-14 fiscal year resulting in a five-year plan for rate increases. In October 2017, rates were increased for the fourth fiscal year in a row. The rate increases will support future Utility capital projects to improve the aging infrastructure.
- Although the City has funding for 2017-18 fiscal year budget for street maintenance expenses, additional funding resources for future maintenance is needed.
- The City has earmarked \$1.4 million in the budget for one-time expenditures. This includes City facility and park improvements and purchase for a new ERP system.

The City's budget continues to benefit from the strong economy. During the current fiscal year, the unassigned fund balance in the general fund was \$8.4 million, available for spending in the 2017-2018 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:

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CITY OF DUNCANVILLE, TEXAS

GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
ASSETS				
Cash and investments	\$ 16,051,823	\$ 7,568,050	\$ 23,619,873	\$ 1,176,070
Receivables (net of allowance for uncollectibles)	4,129,104	3,657,489	7,786,593	433,099
Accrued interest and other	444,916	40,076	484,992	2,847
Prepaid items	53,532	-	53,532	-
Restricted cash and investments	-	805,118	805,118	-
Internal balances	(300,235)	300,235	-	-
Investment in joint ventures	679,741	-	679,741	18,633
Capital assets:				
Nondepreciable	20,536,934	1,778,785	22,315,719	219,637
Depreciable- net of accumulated depreciation	39,066,689	38,654,520	77,721,209	-
Total Assets	<u>80,662,504</u>	<u>52,804,273</u>	<u>133,466,777</u>	<u>1,850,286</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	-	45,637	45,637	22,135
Pension contributions after measurement date	773,019	100,789	873,808	-
Difference in projected and actual earnings on pension assets	4,163,600	542,867	4,706,467	-
Changes in actuarial assumptions used to determine pension liability	1,243,539	162,137	1,405,676	-
Difference in expected and actual pension experience	305,267	39,802	345,069	-
Total deferred outflows of resources	<u>6,485,425</u>	<u>891,232</u>	<u>7,376,657</u>	<u>22,135</u>
LIABILITIES				
Accounts payable	1,942,881	598,758	2,541,639	8,571
Accrued liabilities	1,379,993	131,223	1,511,216	10,193
Accrued interest payable	-	17,249	17,249	2,520
Unearned revenue	60,352	53,211	113,563	-
Customer performance and escrow deposits	34,002	805,118	839,120	150
Noncurrent liabilities				
Due within one year:				
Bonds and certificates of obligation payable	-	765,000	765,000	475,000
Compensated absences	212,176	5,970	218,146	-
Loan payable	211,700	-	211,700	-
Due in more than one year:				
Loan payable	738,886	-	738,886	-
Bonds and certificates of obligation payable	-	4,165,301	4,165,301	1,445,000
Net pension liability	4,989,590	650,563	5,640,153	-
Compensated absences	2,818,910	79,318	2,898,228	-
Other postemployment benefits	1,635,001	212,698	1,847,699	-
Total Liabilities	<u>14,023,491</u>	<u>7,484,409</u>	<u>21,507,900</u>	<u>1,941,434</u>
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension experience	31,579	4,117	35,696	-
Total deferred inflows of resources	<u>31,579</u>	<u>4,117</u>	<u>35,696</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	59,603,623	35,548,641	95,152,264	-
Restricted for:				
Capital projects	856,206	-	856,206	-
Public safety	1,469,559	-	1,469,559	-
Other purposes	1,293,355	-	1,293,355	-
Debt service	741	-	741	-
Unrestricted	9,869,375	10,658,338	20,527,713	(69,013)
Total Net Position	<u>\$ 73,092,859</u>	<u>\$ 46,206,979</u>	<u>\$ 119,299,838</u>	<u>\$ (69,013)</u>

CITY OF DUNCANVILLE, TEXAS

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

PROGRAM ACTIVITIES	Program Revenues			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,102,626	\$ 359,955	\$ 260,438	\$ -
Finance	2,514,951	-	-	-
Community Services	4,903,571	361,389	107,110	-
Police	10,664,821	3,249,015	57,843	-
Public works	8,496,495	1,196,582	165,328	-
Fire	8,126,333	668,762	726,685	-
Economic development	300,000	-	-	-
Interest and fiscal charges	35,472	-	-	-
Total governmental activities	39,144,269	5,835,703	1,317,404	-
Business-type activities:				
Water	4,757,302	8,850,933	-	2,339,688
Sewer	6,984,523	9,513,439	-	-
Solid waste	2,633,707	2,768,875	-	-
Sports facility	1,578,544	1,099,703	535,050	-
Total business-type activities	15,954,076	22,232,950	535,050	2,339,688
Total primary government	\$ 55,098,345	\$ 28,068,653	\$ 1,852,454	\$ 2,339,688
Component unit:				
DCEDC	\$ 1,329,747	\$ -	\$ -	\$ -

General revenues:

Taxes:

 Ad valorem

 Sales

 Franchise

 Mixed beverage

 Hotel occupancy

Earnings on investments

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total	Component Unit
\$ (3,482,233)	\$ -	\$ (3,482,233)	
(2,514,951)	-	(2,514,951)	
(4,435,072)	-	(4,435,072)	
(7,357,963)	-	(7,357,963)	
(7,134,585)	-	(7,134,585)	
(6,730,886)	-	(6,730,886)	
(300,000)	-	(300,000)	
(35,472)	-	(35,472)	
<u>(31,991,162)</u>	<u>-</u>	<u>(31,991,162)</u>	
-	6,433,319	6,433,319	
-	2,528,916	2,528,916	
-	135,168	135,168	
-	56,209	56,209	
<u>-</u>	<u>9,153,612</u>	<u>9,153,612</u>	
<u>(31,991,162)</u>	<u>9,153,612</u>	<u>(22,837,550)</u>	
			<u>(1,329,747)</u>
14,950,153	-	14,950,153	-
7,496,586	-	7,496,586	2,498,862
1,992,154	-	1,992,154	-
78,991	-	78,991	-
742,865	-	742,865	-
155,386	64,458	219,844	5,202
380,867	-	380,867	-
<u>1,754,164</u>	<u>(1,754,164)</u>	<u>-</u>	<u>-</u>
<u>27,551,166</u>	<u>(1,689,706)</u>	<u>25,861,460</u>	<u>2,504,064</u>
(4,439,996)	7,463,906	3,023,910	1,174,317
<u>77,532,855</u>	<u>38,743,073</u>	<u>116,275,928</u>	<u>(1,243,330)</u>
<u>\$ 73,092,859</u>	<u>\$ 46,206,979</u>	<u>\$ 119,299,838</u>	<u>\$ (69,013)</u>

CITY OF DUNCANVILLE, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction Fund</u>
ASSETS			
Cash and investments	\$ 9,326,200	\$ 3,690	\$ 20,629
Receivables -			
Property taxes (net of allowance)	352,982	30,642	-
Trade accounts (net of allowance)	651,935	-	-
Other taxes	2,366,642	-	-
Assessments	-	-	51,950
Intergovernmental	-	-	-
Accrued interest and other	25,970	3,238	-
Prepaid items	18,189	-	-
Due from other funds	10,000	-	-
Total assets	<u>\$ 12,751,918</u>	<u>\$ 37,570</u>	<u>\$ 72,579</u>
LIABILITIES			
Accounts payable	\$ 1,049,465	\$ -	\$ 4,660
Customer performance and escrow deposits	34,002	-	-
Accrued liabilities	812,877	-	-
Due to other funds	-	10,000	-
Unearned revenue	26,781	-	-
Total liabilities	<u>1,923,125</u>	<u>10,000</u>	<u>4,660</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	857,779	26,829	51,949
Total deferred inflows of resources	<u>857,779</u>	<u>26,829</u>	<u>51,949</u>
FUND BALANCES:			
Nonspendable:			
Prepaid items	18,189	-	-
Restricted for:			
Debt service	-	741	-
Street construction	-	-	15,970
Traffic improvement and safety	-	-	-
Community redevelopment	-	-	-
Promotion of tourism, convention and hotel industry	-	-	-
Maintenance and construction of drainage projects	-	-	-
Public safety, cultural and recreational services	-	-	-
Court technology and security	-	-	-
Juvenile case management	-	-	-
Public safety and criminal investigations	-	-	-
Park construction	-	-	-
Capital improvements	-	-	-
Assigned:			
Community services	122,094	-	-
Innovative technology	1,383,450	-	-
Unassigned	8,447,281	-	-
Total fund balances	<u>9,971,014</u>	<u>741</u>	<u>15,970</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,751,918</u>	<u>\$ 37,570</u>	<u>\$ 72,579</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>
\$ 1,646,488	\$ 2,208,364	\$ 13,205,371
-	-	383,624
104,394	183,551	939,880
-	138,475	2,505,117
-	-	51,950
-	248,533	248,533
-	5,551	34,759
10,000	-	28,189
-	145,000	155,000
<u>\$ 1,760,882</u>	<u>\$ 2,929,474</u>	<u>\$ 17,552,423</u>
\$ 767,697	\$ 102,238	\$ 1,924,060
-	-	34,002
4,652	24,134	841,663
-	145,000	155,000
-	33,485	60,266
<u>772,349</u>	<u>304,857</u>	<u>3,014,991</u>
-	-	936,557
-	-	936,557
10,000	-	28,189
-	-	741
-	-	15,970
978,533	-	978,533
-	150,000	150,000
-	1,143,355	1,143,355
-	701,048	701,048
-	94,517	94,517
-	10,519	10,519
-	33,612	33,612
-	352,378	352,378
-	21,043	21,043
-	118,145	118,145
-	-	122,094
-	-	1,383,450
-	-	8,447,281
<u>988,533</u>	<u>2,624,617</u>	<u>13,600,875</u>
<u>\$ 1,760,882</u>	<u>\$ 2,929,474</u>	<u>\$ 17,552,423</u>

CITY OF DUNCANVILLE, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS \$ 13,600,875

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

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 \$300,325. 5,655,616

Investments in joint ventures represent a financial asset not reported in governmental funds. 679,741

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 \$3,231,050). 56,372,573

Deferred outflows of resources are not reported in the governmental funds:

Pension contributions after measurement date	773,019	
Difference in projected and actual earnings on pension assets	4,163,600	
Changes in actuarial assumptions used to determine pension liability	1,243,539	
Difference in expected and actual pension experience	<u>305,267</u>	
		6,485,425

Revenue earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements. 936,471

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	(950,586)	
Net pension liability	(4,989,590)	
Compensated absences	(3,031,086)	
Other post employment benefits	<u>(1,635,001)</u>	
		(10,606,263)

Deferred inflows of resources are not reported in the governmental funds:

Difference in expected and actual pension experience	<u>(31,579)</u>
--	-----------------

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 73,092,859



Duncanville
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DUNCANVILLE

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction</u>
REVENUES			
Taxes:			
Ad valorem	\$ 13,638,894	\$ 1,316,514	\$ -
Sales	7,496,586	-	-
Franchise	1,992,154	-	-
Mixed beverage	78,991	-	-
Hotel	-	-	-
Licenses, permits and fees	1,326,225	-	3,923
Fines and forfeitures	510,128	-	-
Recreational fees	361,369	-	-
Intergovernmental	495,901	-	-
Investment income	122,113	3,595	2,850
Rental and other	629,670	-	-
Gifts and contributions	29,094	-	-
Total revenues	<u>26,681,125</u>	<u>1,320,109</u>	<u>6,773</u>
EXPENDITURES			
Current:			
General government	2,622,767	-	-
Finance	1,299,272	-	-
Community services	3,742,460	-	-
Police	8,027,902	-	-
Public works	5,149,192	-	49,550
Fire	6,086,413	-	-
Non-departmental	240,877	-	-
Special purposes - promotional	300,000	-	-
Debt Service:			
Principal retirement	204,742	-	-
Interest and fiscal charges	35,486	-	-
Capital outlay:			
General government	243,220	-	-
Community services	121,958	-	-
Police	28,588	-	-
Public works	157,152	-	229,340
Fire	15,328	-	-
Total expenditures	<u>28,275,357</u>	<u>-</u>	<u>278,890</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,594,232)</u>	<u>1,320,109</u>	<u>(272,117)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,802,946	-	27,000
Transfers out	(690,201)	(1,375,000)	-
Total other financing sources (uses)	<u>3,112,745</u>	<u>(1,375,000)</u>	<u>27,000</u>
Net change in fund balances	1,518,513	(54,891)	(245,117)
Fund balances, beginning of year	8,452,501	55,632	261,087
Fund balances, end of year	<u>\$ 9,971,014</u>	<u>\$ 741</u>	<u>\$ 15,970</u>

The accompanying notes are an integral part of this statement.

Traffic I & S	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 14,955,408
-	-	7,496,586
-	-	1,992,154
-	-	78,991
-	742,865	742,865
2,244,957	666,857	4,241,962
-	389,473	899,601
-	-	361,369
-	592,402	1,088,303
4,458	7,097	140,113
-	237,493	867,163
-	-	29,094
2,249,415	2,636,187	32,893,609
789,096	304,940	3,716,803
69,799	-	1,369,071
-	128,637	3,871,097
604,277	161,705	8,793,884
410,017	577,028	6,185,787
-	312,358	6,398,771
-	-	240,877
-	-	300,000
-	-	204,742
-	-	35,486
-	36,605	279,825
-	-	121,958
-	10,250	38,838
66,762	298,998	752,252
-	-	15,328
1,939,951	1,830,521	32,324,719
309,464	805,666	568,890
-	248,447	4,078,393
(105,078)	(153,950)	(2,324,229)
(105,078)	94,497	1,754,164
204,386	900,163	2,323,054
784,147	1,724,454	11,277,821
\$ 988,533	\$ 2,624,617	\$ 13,600,875

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, 2017**

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS	\$ 2,323,054
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 \$1,910,215).	1,208,201
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.	48,506
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.	(2,731,241)
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.	204,742
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.	(155,705)
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(51,921)
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.	43,142
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 \$36,097 allocated to business type activities).	(308,939)
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>(5,019,835)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (4,439,996)</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, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Ad valorem	\$ 13,655,673	\$ 13,655,673	\$ 13,638,894	\$ (16,779)
Sales	7,005,729	7,547,181	7,496,586	(50,595)
Franchise	2,076,000	1,992,000	1,992,154	154
Other	75,000	75,000	78,991	3,991
Licenses, permits and fees	1,175,800	1,237,900	1,326,225	88,325
Fines and forfeitures	727,000	526,900	510,128	(16,772)
Recreation fees	228,000	235,000	361,369	126,369
Intergovernmental	217,000	231,000	495,901	264,901
Investment income	20,000	85,000	122,113	37,113
Rental and other	584,850	544,252	629,670	85,418
Gifts and contributions	-	-	29,094	29,094
Total revenues	25,765,052	26,129,906	26,681,125	551,219
EXPENDITURES				
Current:				
General government	2,728,859	2,680,493	2,622,767	57,726
Finance	1,342,485	1,323,432	1,299,272	24,160
Community services	3,815,717	3,747,942	3,742,460	5,482
Police	8,143,524	8,080,443	8,027,902	52,541
Public works	5,075,411	5,547,356	5,149,192	398,164
Fire	6,259,954	6,205,871	6,086,413	119,458
Non-departmental	265,156	245,906	240,877	5,029
Special purposes	300,000	300,000	300,000	-
Debt Service:				
Loan payment	204,755	204,755	204,742	13
Interest and fiscal charges	35,473	35,473	35,486	(13)
Capital outlay:				
General government	255,000	255,000	243,220	11,780
Community services	196,000	196,000	121,958	74,042
Police	53,400	52,800	28,588	24,212
Public works	94,200	93,600	157,152	(63,552)
Fire	15,345	15,345	15,328	17
Total expenditures	28,785,279	28,984,416	28,275,357	709,059
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,020,227)	(2,854,510)	(1,594,232)	1,260,278
OTHER FINANCING SOURCES (USES)				
Transfers in	3,802,946	3,852,946	3,802,946	(50,000)
Transfers out	(595,000)	(721,754)	(690,201)	31,553
Total other financing sources (uses)	3,207,946	3,131,192	3,112,745	(18,447)
Net change in fund balance	\$ 187,719	\$ 276,682	1,518,513	\$ 1,241,831
FUND BALANCE, beginning of year			8,452,501	
FUND BALANCE, end of year			\$ 9,971,014	

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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Traffic enforcement fees	\$ 1,500,000	\$ 2,085,000	\$ 2,244,957	\$ 159,957
Interest on investments	2,400	3,500	4,458	958
Total revenues	1,502,400	2,088,500	2,249,415	160,915
EXPENDITURES				
General government	435,723	748,018	789,096	(41,078)
Police	486,864	531,864	604,277	(72,413)
Public works	429,600	410,353	410,017	336
Finance	60,113	59,722	69,799	(10,077)
Capital Outlay- Public works	-	176,600	66,762	109,838
Total expenditures	1,412,300	1,926,557	1,939,951	(13,394)
EXCESS OF REVENUES OVER EXPENDITURES	90,100	161,943	309,464	147,521
OTHER FINANCING USES				
Transfers out	(105,078)	(105,078)	(105,078)	-
NET CHANGE IN FUND BALANCE	(14,978)	56,865	204,386	147,521
FUND BALANCE, beginning of year			784,147	
FUND BALANCE, end of year			\$ 988,533	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2017

	Business-type Activities				Governmental
	Utility	Solid Waste	Fieldhouse Sports Facility	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 7,468,823	\$ 93,101	\$ 6,126	\$ 7,568,050	\$ 2,846,452
Receivables-					
Customers (net of allowance)	1,419,110	362,431	-	1,781,541	-
Unbilled	1,681,157	194,791	-	1,875,948	-
Due from other funds	1,010,000	-	-	1,010,000	-
Accrued interest and other	34,366	-	5,710	40,076	410,157
Prepaid items	-	-	-	-	25,343
Total current assets	11,613,456	650,323	11,836	12,275,615	3,281,952
Non-current assets:					
Restricted cash-					
Customer deposits	805,118	-	-	805,118	-
Capital assets-					
Land and construction-in-progress	1,300,349	-	478,436	1,778,785	-
Water rights, net	2,785,373	-	-	2,785,373	-
Buildings and improvements, net	4,983,436	-	5,621,532	10,604,968	-
Distribution lines and equipment, net	25,225,917	-	38,262	25,264,179	3,231,050
Total non-current assets	35,100,193	-	6,138,230	41,238,423	3,231,050
TOTAL ASSETS	46,713,649	650,323	6,150,066	53,514,038	6,513,002
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on bond refunding	27,123	-	18,514	45,637	-
Pension contributions after measurement date	84,311	6,743	9,735	100,789	-
Difference in projected and actual earnings on pension assets	454,111	36,319	52,437	542,867	-
Changes in actuarial assumptions used to determine pension liability	135,629	10,847	15,661	162,137	-
Difference in expected and actual pension experience	33,294	2,663	3,845	39,802	-
Total deferred outflows of resources	734,468	56,572	100,192	891,232	-
LIABILITIES					
Current liabilities:					
Accounts payable	399,088	159,420	40,250	598,758	18,821
Accrued liabilities	88,412	24,611	18,200	131,223	538,330
Due to other funds	-	-	1,010,000	1,010,000	-
Accrued interest payable	1,368	-	15,881	17,249	-
Unearned revenue	-	-	53,211	53,211	-
Bonds payable - current	345,000	-	420,000	765,000	-
Accrued compensated absences - current	5,042	610	318	5,970	-
Total current liabilities	838,910	184,641	1,557,860	2,581,411	557,151
Long-term Liabilities:					
Bonds payable	455,000	-	3,710,301	4,165,301	-
Net pension liability	544,199	43,525	62,839	650,563	-
Accrued compensated absences	66,989	8,103	4,226	79,318	-
Other postemployment benefits liability	174,026	28,643	10,029	212,698	-
Payable from restricted assets	-	-	-	-	-
Customer deposits	805,118	-	-	805,118	-
Total long-term liabilities	2,045,332	80,271	3,787,395	5,912,998	-
Total liabilities	2,884,242	264,912	5,345,255	8,494,409	557,151
DEFERRED INFLOWS OF RESOURCES					
Difference in expected and actual pension experience	3,444	275	398	4,117	-
Total deferred outflows of resources	3,444	275	398	4,117	-
NET POSITION					
Net investment in capital assets	33,522,198	-	2,026,443	35,548,641	3,231,050
Unrestricted	11,038,233	441,708	(1,121,838)	10,358,103	2,724,801
TOTAL NET POSITION	\$ 44,560,431	\$ 441,708	\$ 904,605	45,906,744	\$ 5,955,851

Reconciliation to government-wide statement of net position:
 Adjustment to reflect the consolidation of internal service funds
 activities related to enterprise funds

300,235
\$ 46,206,979

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities				Governmental
	Utility	Solid Waste	Fieldhouse Sports Facility	Total	Activities- Internal Service Funds
OPERATING REVENUES					
Water	\$ 7,448,323	\$ -	\$ -	\$ 7,448,323	\$ -
Sewer	9,513,439	-	-	9,513,439	-
Solid waste	-	2,768,875	-	2,768,875	-
Sports facility	-	-	1,027,576	1,027,576	-
Penalties	161,781	-	-	161,781	-
Premiums, charges for services and other	1,240,829	-	72,127	1,312,956	4,731,741
Total operating revenues	18,364,372	2,768,875	1,099,703	22,232,950	4,731,741
OPERATING EXPENSES					
Water services	4,324,666	-	-	4,324,666	-
Sewer	4,242,785	-	-	4,242,785	-
Solid waste	-	2,620,613	-	2,620,613	-
Sports facility	-	-	1,165,319	1,165,319	-
Claims and provision	-	-	-	-	3,511,524
Equipment	-	-	-	-	26,444
Administrative and fiscal	1,889,177	-	-	1,889,177	900,714
Depreciation and amortization	1,247,631	-	281,600	1,529,231	701,088
Total operating expenses	11,704,259	2,620,613	1,446,919	15,771,791	5,139,770
OPERATING INCOME (LOSS)	6,660,113	148,262	(347,216)	6,461,159	(408,029)
NON-OPERATING REVENUES (EXPENSES)					
Intergovernmental	-	-	535,050	535,050	-
Investment income	61,798	2,660	-	64,458	15,273
Interest and fiscal charges	(12,688)	-	(133,500)	(146,188)	-
Gain on sale of capital assets	-	-	-	-	47,720
Total non-operating revenues (expenses)	49,110	2,660	401,550	453,320	62,993
INCOME (LOSS) BEFORE TRANSFERS	6,709,223	150,922	54,334	6,914,479	(345,036)
Capital contributions	2,339,688	-	-	2,339,688	-
Transfers in	108,932	-	614,754	723,686	-
Transfers out	(2,131,157)	(346,693)	-	(2,477,850)	-
CHANGES IN NET POSITION	7,026,686	(195,771)	669,088	7,500,003	(345,036)
TOTAL NET POSITION - BEGINNING	37,533,745	637,479	235,517		6,300,887
TOTAL NET POSITION - ENDING	\$ 44,560,431	\$ 441,708	\$ 904,605		\$ 5,955,851
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				(36,097)	
Change in net position of business-type activities				\$ 7,463,906	

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities			Governmental
	Utility Fund	Solid Waste Fund	Fieldhouse Sports Facility	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 16,917,473	\$ 2,730,258	\$ 1,114,306	\$ 20,762,037
Receipts from insured	-	-	-	725,504
Payments to suppliers	(8,507,152)	(2,461,691)	(662,239)	(11,631,082)
Payments to employees	(1,453,417)	(135,793)	(480,651)	(2,069,861)
Internal activity - receipts from other funds	-	-	-	3,935,644
Other receipts	1,248,111	-	-	70,593
Net cash provided by (used in) operating activities	<u>8,205,015</u>	<u>132,774</u>	<u>(28,584)</u>	<u>(92,513)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out to other funds	(2,131,157)	(346,693)	-	(2,477,850)
Receipts from interfund borrowings	-	-	60,000	60,000
Payments for interfund borrowings	(60,000)	-	-	(60,000)
Other contributions	108,932	-	535,050	643,982
Net cash provided (used in) by noncapital financing activities	<u>(2,082,225)</u>	<u>(346,693)</u>	<u>1,209,804</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(3,195,205)	-	(614,753)	(3,809,958)
Gain on sale of capital assets	-	-	-	40,342
Principal paid on bond maturities	(340,000)	-	(441,722)	(781,722)
Interest paid on bond maturities	(13,269)	-	(135,500)	(148,769)
Net cash used in capital and related financing activities	<u>(3,548,474)</u>	<u>-</u>	<u>(1,191,975)</u>	<u>(1,870,404)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	39,370	2,660	-	42,030
Net cash provided by investing activities	<u>39,370</u>	<u>2,660</u>	<u>-</u>	<u>42,030</u>
Net increase (decrease) in cash and cash equivalents	<u>2,613,686</u>	<u>(211,259)</u>	<u>(10,755)</u>	<u>2,391,672</u>
CASH AND INVESTMENTS, beginning of year	<u>5,660,255</u>	<u>304,360</u>	<u>16,881</u>	<u>5,981,496</u>
CASH AND INVESTMENTS, end of year	<u>\$ 8,273,941</u>	<u>\$ 93,101</u>	<u>\$ 6,126</u>	<u>\$ 8,373,168</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 6,660,113	\$ 148,262	\$ (347,216)	\$ 6,461,159
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,151,584	-	281,600	1,433,184
Amortization of water rights	96,047	-	-	96,047
Change in assets and liabilities:				
Accounts receivable	(233,614)	(38,617)	14,603	(257,628)
Accrued compensated absences	990	279	(223)	1,046
Other postemployment benefits liability	13,359	3,272	1,636	18,267
Pension liability	401,375	31,079	54,491	486,945
Deferred outflows and inflows	133,646	15,742	(30,620)	118,768
Prepaid items	362,082	-	-	362,082
Accounts payable and accrued liabilities	(415,393)	(27,243)	(2,855)	(445,491)
Customer deposits	34,826	-	-	34,826
Total adjustments	<u>1,544,902</u>	<u>(15,488)</u>	<u>318,632</u>	<u>1,848,046</u>
Net cash provided by (used in) operating activities	<u>\$ 8,205,015</u>	<u>\$ 132,774</u>	<u>\$ (28,584)</u>	<u>\$ 8,309,205</u>
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION				
Unrestricted cash and investments				7,568,050
Restricted cash				805,118
Total cash and investments				<u>\$ 8,373,168</u>
Schedule of non-cash capital and related financing activities:				
Contributions of capital assets	\$ 2,339,688	\$ -	\$ -	\$ 2,339,688

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, 2017

Index

Note		Page
1	Summary of Significant Accounting Policies.....	29
2	Deposits and Investments.....	36
3	Ad Valorem Taxes.....	38
4	Receivables.....	38
5	Capital Assets.....	39
6	Interfund Balances and Transfers.....	42
7	Budgetary Compliance.....	43
8	Long-Term Debt.....	46
9	Defined Benefit Pension Plan.....	46
10	Regional Systems for Water Supply and Wastewater Treatment.....	51
11	Self-insurance.....	52
12	Postemployment Benefits.....	53
13	Contingent Liabilities.....	55
14	Regional Dispatch Center.....	55
15	Regional Animal Control Center.....	55
16	Main Station Property.....	56
17	EON Reality Duncanville Entrepreneur School.....	56
18	Tax Abatements.....	56
19	Commitments	56

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2017

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

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

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

The City of Duncanville maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service, Street Construction, 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 met. With the economic resources measurement focus, all assets and liabilities (whether current or non-current) are reported on the statement of net position.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2017, 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 acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the donation date. Repairs and maintenance are recorded as expenses. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized for business-type activity assets during the construction period as such amounts are not material.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

Buildings	25 to 50 years
Infrastructure/improvements	7 to 50 years
Equipment	2 to 20 years
Water rights	50 years

Estimated Claims Payable—Property, general liability, and workers’ compensation insurance coverage is accounted for in the Comprehensive Self Insurance Fund, an internal service fund. At year-end, the estimated settlement value of claims reported and of claims incurred but not reported in excess of liability insurance limits is classified as estimated claims payable. Group health insurance is accounted for in the Medical Self-Insurance Fund, another internal service fund. At year-end, an estimate of unpaid claims that were incurred prior to September 30, 2017 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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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.

Pensions—For purposes of measuring the net pension liability (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.
- Changes in actuarial assumptions used to determine pension liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.
- 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.

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 two types of items that qualify for reporting in this category.

- The first type arises only under the modified accrual basis of accounting. Accordingly, the item (unavailable revenue), is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues if they are not collected within 60 days of the fiscal year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- 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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

definitions. The fund balance classifications under GASB No. 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

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

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

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

Assigned fund balance consists of amounts that are subject to a purpose constraint that represents an intended use established by the City Council, the City Manager or Finance Director by fund balance policy.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**
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. 87, Leases – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective for the City in fiscal year 2021.

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, 2017, in full compliance with state statute and City policy. At year-end, the reconciled balance of the City's cash was \$3,294,782. The combined bank balances of the City were \$1,838,280. Of the bank balance, \$250,000 was covered by Federal Depository Insurance and the remainder by covered by collateral held by the Federal Reserve Bank in the City's name under a joint safekeeping 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. Investments in external investment pools are measured at the net asset value (NAV) per share (or its equivalent) determined by the pool. 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 carried at fair value as of September 30, 2017 are as follows:

Description	Fair Value	Less Than 1 Year	Weighted Average Maturity
Investments			
Local Government Investment Cooperative ("Logic") (AAA/MR1+)	\$ 6,902,317	\$ 6,902,317	40 days
Texpool (AAAm)	4,800	4,800	36 days
Money Market Funds	11,090,397	11,090,397	1 day
Certificates of deposit	4,000,000	4,000,000	644 days
Total investments	<u>\$ 21,997,514</u>	<u>\$ 21,997,514</u>	

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

As of September 30, 2017, the DCEDC's investments are as follows:

Description	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>Weighted Average Maturity</u>
Investments			
Local Government Investment Cooperative ("Logic") (AAA/MR1+)	\$ 308,785	\$ 308,785	40 days
Total investments	<u>\$ 308,785</u>	<u>\$ 308,785</u>	

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, 2017

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, 2016, upon which the 2017 fiscal year levy was based, was \$1,969,927,593.

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, 2017 were 98.14% 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, 2017, 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	\$ 2,559,128	\$ -	\$ -	\$ 104,394	\$ 210,524	\$ 3,666,696	\$ 638,140	\$ 7,178,882
Ad valorem taxes	541,763	250,171	-	-	-	-	-	791,934
Other taxes	2,366,642	-	-	-	138,475	-	-	2,505,117
Assessments	-	-	51,950	-	-	-	-	51,950
Intergovernmental	-	-	-	-	248,533	-	-	248,533
Gross receivables	5,467,533	250,171	51,950	104,394	597,532	3,666,696	638,140	10,776,416
Less allowance for uncollectibles	(2,095,974)	(219,529)	-	-	(26,973)	(566,429)	(80,918)	(2,989,823)
Net total receivables	\$ 3,371,559	\$ 30,642	\$ 51,950	\$ 104,394	\$ 570,559	\$ 3,100,267	\$ 557,222	\$ 7,786,593

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

5. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2017:

Governmental activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 20,021,216	\$ 192,700	\$ -	\$ -	\$ 20,213,916
Construction in progress	127,845	237,299	-	(42,126)	323,018
Total capital assets, not being depreciated	<u>20,149,061</u>	<u>429,999</u>	<u>-</u>	<u>(42,126)</u>	<u>20,536,934</u>
Capital assets being depreciated:					
Buildings	12,583,089	17,630	-	-	12,600,719
Infrastructure	61,617,875	306,033	-	-	61,923,908
Improvements	8,978,635	13,094	-	-	8,991,729
Equipment	19,784,495	2,393,787	(392,831)	-	21,785,451
Total capital assets being depreciated	<u>102,964,094</u>	<u>2,730,544</u>	<u>(392,831)</u>	<u>-</u>	<u>105,301,807</u>
Less accumulated depreciation for:					
Buildings	(5,377,887)	(248,492)	-	-	(5,626,379)
Infrastructure	(41,165,509)	(1,743,145)	-	-	(42,908,654)
Improvements	(2,695,654)	(191,875)	-	-	(2,887,529)
Equipment	(13,937,007)	(1,248,815)	373,266	-	(14,812,556)
Total accumulated depreciation	<u>(63,176,057)</u>	<u>(3,432,327)</u>	<u>373,266</u>	<u>-</u>	<u>(66,235,118)</u>
Total capital assets being depreciated, net	<u>39,788,037</u>	<u>(701,783)</u>	<u>(19,565)</u>	<u>-</u>	<u>39,066,689</u>
Governmental activities capital assets, net	<u>\$ 59,937,098</u>	<u>\$ (271,784)</u>	<u>\$ (19,565)</u>	<u>\$ (42,126)</u>	<u>\$ 59,603,623</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Business-type activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 567,630	\$ -	\$ -	\$ -	\$ 567,630
Construction in progress	1,024,924	847,243	-	(661,012)	1,211,155
Total capital assets, not being depreciated	<u>1,592,554</u>	<u>847,243</u>	<u>-</u>	<u>(661,012)</u>	<u>1,778,785</u>
Capital assets being depreciated:					
Buildings	11,703,957	2,339,685	-	-	14,043,642
Infrastructure	43,664,031	1,567,541	-	-	45,231,572
Water rights	4,802,361	-	-	-	4,802,361
Improvements	29,130	1,233,143	-	-	1,262,273
Equipment	3,267,616	-	(12,656)	-	3,254,960
Total capital assets being depreciated	<u>63,467,095</u>	<u>5,140,369</u>	<u>(12,656)</u>	<u>-</u>	<u>68,594,808</u>
Less accumulated depreciation for:					
Buildings	(4,268,239)	(412,119)	-	-	(4,680,358)
Infrastructure	(20,912,692)	(813,599)	-	-	(21,726,291)
Water rights	(1,920,940)	(96,047)	-	-	(2,016,987)
Improvements	(8,057)	(12,534)	-	-	(20,591)
Equipment	(1,313,789)	(194,928)	12,656	-	(1,496,061)
Total accumulated depreciation	<u>(28,423,717)</u>	<u>(1,529,227)</u>	<u>12,656</u>	<u>-</u>	<u>(29,940,288)</u>
Total capital assets being depreciated, net	<u>35,043,378</u>	<u>3,611,142</u>	<u>-</u>	<u>-</u>	<u>38,654,520</u>
Business-type activities capital assets, net	<u>\$ 36,635,932</u>	<u>\$ 4,458,385</u>	<u>\$ -</u>	<u>\$ (661,012)</u>	<u>\$ 40,433,305</u>

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

General Government	\$	350,378
Finance		2,718
Community services		589,033
Police		69,810
Public works		1,608,834
Fire		<u>110,466</u>
Total governmental activities		2,731,239
Internal service activity:		
Fleet rotation		<u>701,088</u>
Total government & internal service activities	\$	<u>3,432,327</u>
Business-like activities:		
Water and sewer	\$	1,148,520
Water rights amortization		96,047
Fieldhouse		<u>284,660</u>
Total business-like activities	\$	<u>1,529,227</u>

Discretely presented component unit:

	Beginning Balance	Ending Balance
	<u> </u>	<u> </u>
Capital assets-not being depreciated		
Land	\$ 219,637	\$ 219,637
	<u>219,637</u>	<u>219,637</u>
Total capital assets - not being depreciated	<u>219,637</u>	<u>219,637</u>
Capital assets - net	<u>\$ 219,637</u>	<u>\$ 219,637</u>

There were no increases or decreases for the component unit.

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

The City has active construction projects as of September 30, 2017. Total accumulated commitments for ongoing capital projects are composed of the following:

Governmental activities	
General Fund	\$ 29,074
Total governmental activities	<u>\$ 29,074</u>
Business-type activities:	
Utility Fund	\$ 803,540
Total business-type activities	<u>\$ 803,540</u>

6. INTERFUND BALANCES AND TRANSFERS

Interfund balances as of September 30, 2017 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Non-major governmental (grants)	Non-major governmental (asset forfeiture)	145,000
Utility (enterprise fund)	Sports Facility (enterprise fund)	1,010,000
Debt Service (governmental fund)	General (governmental)	10,000
	Total	<u>\$ 1,165,000</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, 2017:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General	Non-major governmental	\$ 48,447	Matching funds for grant
General	Sports Facility	614,754	Fund capital project
General	Street Construction	27,000	Fund capital project
Debt Service	General	1,375,000	Excess fund balance
Traffic I & S	General	105,078	Administrative and overhead charges
Non-major governmental	General	45,018	Administrative and overhead charges
Utility	General	2,131,157	Administrative and overhead, PILOT
Solid waste	General	146,693	Administrative and overhead charges
	Non-major governmental	200,000	To fund alley repairs
Non-major governmental	Utility	108,932	Fund capital project
	Total	<u>\$ 4,802,079</u>	

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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, 2017, expenditures exceeded appropriations (the legal level of budgetary control) in the Traffic Improvement & Safety fund by \$13,394. The over expenditures were funded by greater than expected revenues in the same 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		DCEDC	
	Principal	Interest	Principal	Interest
2018	765,000	127,234	475,000	17,666
2019	780,000	105,414	480,000	12,653
2020	560,000	84,602	480,000	7,613
2021	470,000	67,800	485,000	2,546
2021-2025	2,025,000	123,825	-	-
Total	4,600,000	508,875	1,920,000	40,477

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Long-term bonded debt at September 30, 2017, includes the following individual issues:

	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
<u>Business-type Activities</u>				
G.O. Refunding Series 2013	1.000-4.625	2/15/2020	\$ 800,000	\$ 345,000
G.O. Refunding Series 2016	3.000-4.000	2/15/2025	<u>\$ 3,800,000</u>	<u>\$ 420,000</u>
Total business-type activities long-term debt			<u>\$ 4,600,000</u>	<u>\$ 765,000</u>
Total long-term bonded debt (primary government)			<u>\$ 4,600,000</u>	<u>\$ 765,000</u>
<u>DCEDC (Component Unit)</u>				
G.O. Refunding Series 2016A	1.050	2/15/2021	<u>1,920,000</u>	<u>475,000</u>
Total DCEDC			<u>\$ 1,920,000</u>	<u>\$ 475,000</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, 2017

Long-term liability activity for the year ended September 30, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Loan payable	\$ 1,155,342	\$ -	\$ 204,756	\$ 950,586	\$ 211,700
Net pension liability	1,354,166	3,635,424	-	4,989,590	-
Accrued compensated absences	2,875,381	1,383,230	1,227,525	3,031,086	212,176
Other postemployment benefits	1,678,143	512,077	555,219	1,635,001	-
Total governmental activities	<u>7,063,032</u>	<u>5,530,731</u>	<u>1,987,500</u>	<u>10,606,263</u>	<u>423,876</u>
Business-type activities:					
Bonds payable:					
General Obligation Refunding Series 2013	\$ 1,140,000	\$ -	\$ 340,000	\$ 800,000	\$ 345,000
General Obligation Refunding Series 2016	4,200,000	-	400,000	3,800,000	420,000
Deferred premium on bonds	372,023	-	41,722	330,301	41,722
Total bonds payable	<u>5,712,023</u>	<u>-</u>	<u>781,722</u>	<u>4,930,301</u>	<u>806,722</u>
Net pension liability	163,618	486,945	-	650,563	-
Accrued compensated absences	84,242	90,031	88,985	85,288	5,970
Other postemployment benefits	194,432	39,620	21,354	212,698	-
Total business-type activities	<u>6,154,315</u>	<u>616,596</u>	<u>892,061</u>	<u>5,878,850</u>	<u>812,692</u>
Total long-term liabilities (primary government)	<u>\$ 13,217,347</u>	<u>\$ 6,147,327</u>	<u>\$ 2,879,561</u>	<u>\$ 16,485,113</u>	<u>\$ 1,236,568</u>
DCEDC (Component unit):					
Bonds payable:					
Certificates of obligation	\$ 2,320,000	\$ -	\$ 2,320,000	\$ -	\$ -
General Obligation Refunding Series 2016A	-	2,395,000	475,000	1,920,000	475,000
Total DCEDC	<u>2,320,000</u>	<u>2,395,000</u>	<u>2,795,000</u>	<u>1,920,000</u>	<u>475,000</u>
Total DCEDC long-term liabilities	<u>\$ 2,320,000</u>	<u>\$ 2,395,000</u>	<u>\$ 2,795,000</u>	<u>\$ 1,920,000</u>	<u>\$ 475,000</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 2016 to fund an economic incentive grant paid to EON Reality Duncanville Entrepreneur School. The loan terms are 3.34% rate with 84 monthly payments ending December 15, 2021. The remaining balance on the loan as of September 30, 2017 is \$950,586.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Due to favorable interest rates, the City issued General Obligation Refunding Bonds, Series 2016A in the amount of \$2,395,000. The proceeds were used to refund \$2,320,000 of outstanding Series 2006 Tax and Waterworks and Sewer System Revenue Certificates of Obligation. The proceeds were deposited with an escrow agent to purchase direct obligations of the United States of America. The reacquisition price exceeded the net carrying amount of the old debt by \$27,428. This amount is being amortized over the remaining life of the refunded debt. As a result, the refunded obligations are defeased and the liability for those bonds has been removed from the City's financial statements.

9. DEFINED BENEFIT PENSION PLAN

Plan Descriptions. The City participates as one of 872 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.tmr.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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Employees covered by benefit terms

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit:	202
Inactive employees entitled to but not yet receiving benefits	166
Active employees	<u>257</u>
	<u><u>625</u></u>

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 3.41% and 5.42% in calendar years 2016 and 2017, respectively. The city's contributions to TMRS for the year ended September 30, 2017, were \$1,021,533, and were equal to the required contributions.

Net Pension Liability. The City's Net Pension Liability was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, 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 Blue Collar Adjustment, 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 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. 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 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated

based on a Mortality Experience Investigation Study covering 2009 through 2011, and 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. 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.

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 expense 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2017 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%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	4.15%
Real Return	10.0%	4.15%
Real Estate	10.0%	4.75%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	7.75%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will remain at the current 7%, as 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, 2017**

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	\$ 1,968,819	\$ -	\$ 1,968,819
Interest	6,840,894	-	6,840,894
Change of benefit terms including substantively automatic status	3,051,493	-	3,051,493
Difference between expected and actual experience	454,847	-	454,847
Changes of Assumptions	-		
Contributions - employer	-	531,144	(531,144)
Contributions - employee	-	1,090,327	(1,090,327)
Net investment income	-	6,651,413	(6,651,413)
Benefit payments, including refunds of employee contributions	(5,336,944)	(5,336,944)	-
Administrative expense	-	(75,153)	75,153
Other changes	-	(4,049)	4,049
Net changes	6,979,109	2,856,738	4,122,371
Beginning Balance at 12/31/2015	\$ 99,979,151	\$ 98,461,369	\$ 1,517,782
Ending Balance at 12/31/2016	<u>\$ 106,958,260</u>	<u>\$ 101,318,107</u>	<u>\$ 5,640,153</u>

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) of 1-percentage-higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	\$ 19,017,251	\$ 5,640,153	\$ (5,466,407)

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2017, the City recognized pension expense of \$6,633,880.

At September 30, 2017, 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	\$ 345,069	\$ 35,697
Difference between projected and actual investment earnings	4,706,467	-
Difference in assumption changes	1,405,676	-
Contributions subsequent to the measurement date	<u>873,808</u>	<u>-</u>
Total	<u>\$ 7,331,020</u>	<u>\$ 35,697</u>

Deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date of \$873,808 will be recognized as an addition to the net pension liability for the measurement year ending December 31, 2017 (i.e. recognized in the City's financial statements in the year ended September 30, 2018). 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>	
2018	\$ 2,429,942
2019	2,451,164
2020	1,541,464
2021	<u>(1,055)</u>
Total	\$ 6,421,515

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 2017 was \$0.4416 per 1,000 gallons plus an annual demand charge of \$262,058 for each million gallons per day as established by the rate of flow controller setting (currently 9.5 million gallons at \$2,489,551 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 \$4,900 per year.

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 \$320,000 per year.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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 \$2,597,529 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. This is the City's first fiscal year to exceed the aggregate attachment point.

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/\$62,061,556 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 \$386,763 and \$151,567 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 2016 and 2017 were:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
Medical Self-Insurance Fund				
2016 \$	265,837	\$ 2,621,515	\$ (2,589,341)	\$ 298,011
2017	298,011	3,505,647	(3,416,895)	386,763
Comprehensive Self-Insurance Fund				
2016 \$	178,634	\$ 354,552	\$ (302,379)	\$ 230,807
2017	230,807	5,877	(85,117)	151,567

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.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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 2017, \$503,606 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, 2017, twenty-four 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 2017, retiree contributions were \$450 to \$1,430 per month depending on the amount of dependents selected. In fiscal year 2017, total member contributions were \$238,755. The City contributions for fiscal year 2017, which are also equal to claims paid in excess of premiums collected, were \$264,851.

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	<u>2015</u>	<u>2016</u>	<u>2017</u>
Annual required contribution	\$ 275,377	\$ 275,377	\$ 238,040
Interest on net OPEB	67,591	74,552	74,903
Adjustment to annual required contribution	<u>(62,623)</u>	<u>(69,072)</u>	<u>(72,968)</u>
Annual OPEB cost (expense)	280,345	280,857	239,975
Contributions made	<u>(125,665)</u>	<u>(64,990)</u>	<u>(264,851)</u>
Increase in net OPEB obligation	154,680	215,867	(24,876)
Net OPEB obligation- beginning of the year	<u>1,502,028</u>	<u>1,656,708</u>	<u>1,872,575</u>
Net OPEB obligation- end of the year	<u>\$ 1,656,708</u>	<u>\$ 1,872,575</u>	<u>\$ 1,847,699</u>
Percentage of OPEB costs contributed	44.8%	23.1%	110.4%

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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, 2016 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>
12/31/2016	-	\$2,956,022	\$2,956,022	0.0%	15,576,098	19.0%

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 \$2,956,022 at December 31, 2016. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 19.0%.

Actuarial Methods and Assumptions- The Individual Entry Age Normal Cost Method is used to calculate the GASB 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 actuarial cost method then provides for a systematic funding for 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 the City's 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 methods and assumptions were as follows:

Inflation rate	2.50% per annum
Investment rate of return	4.00% per annum, net of expenses
Actuarial cost method	Individual Entry Age Normal Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year, open amortization
Payroll Growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 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, 2017

13. CONTINGENT LIABILITIES

Pending Litigation—In the opinion of the City’s management, no pending litigation exists at September 30, 2017.

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, 2017, is \$193,979. 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. The bonds were refunded in August 2016. The City’s remaining debt obligation to pay at fiscal year-end is \$407,500. The value of the City’s share in the equity of the facility net of the debt is \$485,762 as of September 30, 2017. 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.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

16. MAIN STATION PROPERTY

On April 25, 2003, MARA, as the General Partner, and the Andersons and the Duncanville Community Economic Development Corporation (DCEDC), as the Limited Partners, entered into the Main Station Agreement under and in accordance with the Texas Revised Limited Partnership Act, Article 6132a-1, of the Texas Revised Civil Statutes. Main Station houses retail and restaurant spaces in Duncanville. The DCEDC has a 32% share in the equity of Main Station, which qualifies as a joint venture and is accounted for in the government-wide statement of net position. The value of the DCEDC's share in Main Station as of September 30, 2017 is \$18,633. 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 received from EON in fiscal year 2017 was \$150,500.

18. TAX ABATEMENTS

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. This program rebates property, sales and hotel occupancy taxes as authorized under Chapter 380 of the Texas Local Government Code.

The City has entered into various agreements that rebate a percentage of property and sales tax. The agreement for rebate of property tax calls for rebate of 50% of taxes on incremental values for up to 5 years. The agreement for sales tax provides rebate of 13% of taxes for up to 5 years.

For fiscal year 2017, the City rebated property taxes of \$38,274 or 0.3 % of the \$14,953,790 total levy and rebated sales taxes of \$6,711 or 0.09% of the \$7,496,586 total sales tax revenues.

19. COMMITMENTS

**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 \$44,985 on this incentive in fiscal year 2017.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

City of Duncanville (City) Incentive Agreement with Deford Lumber Company, Ltd.:

The City agreed to pay an economic development retention grant to Deford Lumber Company up to \$1.5 million to be paid in 60 monthly payments, which is \$25,000 per month, beginning February 2015. As a condition of the agreement, Deford Lumber Company must generate local sales tax at a minimum of \$645,000 annually for the preceding calendar year. The City paid \$300,000 on this incentive in fiscal year 2017.

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

The 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 2017, the City paid Redflex \$604,277 for equipment and maintenance expenses from the Traffic & Safety Improvement fund.

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 THREE FISCAL YEARS (2008-2013 YEARS ARE NOT AVAILABLE)
 (UNAUDITED)

Measurement Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
A. Total pension liability			
Service Cost	\$ 1,535,331	\$ 1,737,352	\$ 1,968,819
Interest (on the Total Pension Liability)	6,300,383	6,476,370	6,840,894
Changes of benefit items	-	-	3,051,493
Difference between expected and actual experience	(121,074)	11,193	454,847
Change of assumptions	-	2,777,068	-
Benefit payments, including refunds of employee contributions	(5,255,637)	(5,347,455)	(5,336,944)
Net change in total pension liability	2,459,003	5,654,528	6,979,109
Total pension liability - beginning	<u>91,865,620</u>	<u>94,324,623</u>	<u>99,979,151</u>
Total pension liability - ending (a)	<u>\$ 94,324,623</u>	<u>\$ 99,979,151</u>	<u>\$ 106,958,260</u>
B. Plan fiduciary net position			
Contributions - Employer	\$ 788,439	\$ 584,156	\$ 531,144
Contributions - Employee	992,641	1,047,974	1,090,327
Net Investment Income	5,716,291	150,672	6,651,413
Benefit payments, including refunds of employee contributions	(5,255,637)	(5,347,455)	(5,336,944)
Administrative Expenses	(59,693)	(91,784)	(75,151)
Other	(4,908)	(4,535)	(4,049)
Net change in plan fiduciary net position	2,177,133	(3,660,972)	2,856,740
Plan fiduciary net position - beginning	<u>99,945,206</u>	<u>102,122,339</u>	<u>98,461,367</u>
Plan fiduciary net position - ending (b)	<u>\$ 102,122,339</u>	<u>\$ 98,461,367</u>	<u>\$ 101,318,107</u>
C. Net pension liability (asset) - ending (a) - (b)	<u>\$ (7,797,716)</u>	<u>\$ 1,517,784</u>	<u>\$ 5,640,153</u>
D. Plan fiduciary net position as a percentage of total pension liability (asset)	108.27%	98.48%	94.73%
E. Covered employee payroll	\$ 14,180,579	\$ 14,861,868	\$ 15,576,098
F. Net pension liability (asset) as a percentage of covered employee payroll	(54.99%)	10.21%	36.21%

As of December 31

Note: This schedule is intended to present information for ten years. However, previous years' information is not available.

CITY OF DUNCANVILLE, TEXAS

**REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
SCHEDULE OF CONTRIBUTIONS
LAST FOUR FISCAL YEARS (PREVIOUS YEARS ARE NOT AVAILABLE)
(UNAUDITED)**

<u>Fiscal Year</u>	<u>(1) Actuarially determined contribution</u>	<u>(2) Contribution in relation to the actuarially determined contribution</u>	<u>(3) Contribution excess (deficiency) (2) - (1)</u>	<u>(4) Covered employee payroll</u>	<u>(5) Actuarially determined contribution as a percentage of covered employee payroll (1) / (4)</u>	<u>(6) Contributions as a percentage of covered employee payroll (2) / (4)</u>
2014	\$766,572	\$ 745,409	\$ (21,163)	\$ 13,726,284	5.58%	5.43%
2015	632,759	615,462	(17,297)	14,685,372	4.31%	4.19%
2016	539,816	518,334	(21,482)	15,295,736	3.53%	3.39%
2017	784,260	971,262	187,002	16,076,166	4.88%	6.04%

Notes to Schedule of Contributions:

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 12 months and 1 day 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	2.50%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
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 with scale BB.

Other Information:

Notes
 1) Granted 100% ad hoc USC with transfer.
 2) Granted 50% ad hoc COLA.
 3) This schedule is intended to present information for ten years. However, previous years' information is not available.

CITY OF DUNCANVILLE

REQUIRED SUPPLEMENTARY INFORMATION
 CITY OF DUNCANVILLE OTHER POST EMPLOYMENT BENEFITS PLAN
 ANALYSIS OF FUNDING PROGRESS
 LAST EIGHT 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%
2015	-	2,813,543	2,813,543	0.0%	14,861,868	18.9%
2016	-	2,956,022	2,956,022	0.0%	15,576,098	19.0%

Trend data presented is based on December 31, 2016, the date of the actuarial valuation.

Note: This schedule is intended to present information for ten years. However, previous years' information is not available.

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-REVENUES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
PROPERTY TAXES:				
Current Taxes	\$ 13,415,673	\$ 13,415,673	\$ 13,358,654	\$ (57,019)
Prior rolls	130,000	130,000	167,168	37,168
Penalties	110,000	110,000	113,072	3,072
Total	13,655,673	13,655,673	13,638,894	(16,779)
SALES TAXES:				
General	4,670,486	5,031,455	4,997,724	(33,731)
Property tax relief	2,335,243	2,515,728	2,498,862	(16,866)
Total	7,005,729	7,547,183	7,496,586	(50,597)
FRANCHISE TAXES:				
TXU Electric	1,140,000	1,150,000	1,151,704	1,704
Atmos Energy	330,000	307,000	316,391	9,391
Telephone	180,000	180,000	191,588	11,588
Charter Cable Television	106,000	115,000	145,001	30,001
Telephone Video Services	320,000	240,000	187,470	(52,530)
Total	2,076,000	1,992,000	1,992,154	154
MIXED BEVERAGE TAXES				
Total taxes	75,000	75,000	78,991	3,991
LICENSES, PERMITS AND FEES:				
Building permits	151,500	300,000	366,872	66,872
Zoning and special use permits	8,500	10,500	12,305	1,805
Electrical permits	13,000	18,000	17,835	(165)
Plumbing permits	30,000	30,000	32,687	2,687
Alarm permits	74,000	74,000	74,890	890
Solicitor licenses	800	2,600	3,750	1,150
Emergency medical service	800,000	710,000	715,444	5,444
Sign permits	18,000	10,000	10,923	923
Health food inspection fees	70,000	70,000	79,182	9,182
Pool inspection fees	3,000	5,800	5,998	198
Wrecker & storage fees	7,000	7,000	6,339	(661)
Total	1,175,800	1,237,900	1,326,225	88,325
MUNICIPAL COURT AND LIBRARY:				
Municipal court	685,000	492,900	468,368	(24,532)
False alarm fees	18,000	15,000	18,465	3,465
Library	24,000	19,000	23,295	4,295
Total	727,000	526,900	510,128	(16,772)
INTERGOVERNMENTAL				
	217,000	231,000	495,901	264,901
INTEREST				
	20,000	85,000	122,113	37,113
RECREATIONAL FEES				
	228,000	235,000	361,369	126,369
OTHER SALES AND SERVICES:				
Sale of capital assets/auction proceeds	14,000	5,500	5,832	332
Gifts and Contributions	-	-	29,094	29,094
Miscellaneous	195,850	218,750	301,238	82,488
Rentals	375,000	320,000	322,600	2,600
Total	584,850	544,250	658,764	114,514
Total revenues	\$ 25,765,052	\$ 26,129,906	\$ 26,681,125	\$ 551,219

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

(Continued on following page)

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
DEPARTMENTS:			
General government-			
Mayor and council	\$ -	\$ 4,907	\$ 84,004
City manager	335,355	456	45,579
City secretary	157,648	9,449	34,476
Personnel services	199,301	67,662	96,883
Information systems	255,934	161,399	292,833
Community information	69,930	795	55,095
Library services	634,935	34,462	81,664
Total	<u>1,653,103</u>	<u>279,130</u>	<u>690,534</u>
Finance-			
Administration	493,211	10,847	128,421
Municipal court	255,383	9,874	145,734
Purchasing	100,554	251	6,455
City Marshall	133,043	868	14,631
Total	<u>982,191</u>	<u>21,840</u>	<u>295,241</u>
Community services-			
Administration	186,899	354	45,534
Recreational programming	270,949	23,560	148,885
Athletic programming	188,850	64,032	268,619
Park grounds maintenance	461,922	84,732	644,435
Building services	327,628	31,462	455,899
Senior center	97,151	11,094	100,289
Horticulture	139,828	9,526	2,459
Community services other	10,751	23,692	50,908
Total	<u>1,683,978</u>	<u>248,452</u>	<u>1,717,028</u>
Police			
Administration	362,150	13,839	115,537
Patrol	3,664,513	64,057	250,182
Criminal investigation	1,215,410	33,714	70,322
Animal control	106,425	1,629	273,063
School guards	71,225	133	5,980
Crime prevention	119,645	5,941	6,626
Communication/Records	311,704	7,258	735,774
Special services	198,194	59,463	56,177
Detention	254,629	13,828	7,461
Total	<u>6,303,895</u>	<u>199,862</u>	<u>1,521,122</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>
\$ -	\$ -	\$ 88,911	\$ 115,838	\$ 106,296	\$ 17,385
-	-	381,390	409,562	405,288	23,898
-	-	201,573	231,160	210,131	8,558
-	-	363,846	345,134	356,364	(7,482)
-	148,456	858,622	840,826	849,307	(9,315)
-	-	125,820	147,513	134,161	8,341
-	94,764	845,825	893,826	873,946	28,121
-	243,220	2,865,987	2,983,859	2,935,493	69,506
-	-	632,479	636,151	636,119	3,640
-	-	410,991	429,180	430,869	19,878
-	-	107,260	117,641	108,812	1,552
-	-	148,542	159,513	147,632	(910)
-	-	1,299,272	1,342,485	1,323,432	24,160
-	-	232,787	239,724	240,258	7,471
-	-	443,394	456,880	464,861	21,467
4,050	35,957	561,508	463,342	474,764	(86,744)
44,507	35,010	1,270,606	1,426,825	1,400,181	129,575
41,091	50,991	907,071	998,638	950,803	43,732
-	-	208,534	265,426	244,130	35,596
3,354	-	155,167	160,882	168,945	13,778
-	-	85,351	-	-	(85,351)
93,002	121,958	3,864,418	4,011,717	3,943,942	79,524
-	28,588	520,114	547,823	549,230	29,116
2,717	-	3,981,469	4,218,104	4,039,082	57,613
-	-	1,319,446	1,238,191	1,295,506	(23,940)
-	-	381,117	377,302	380,837	(280)
-	-	77,338	80,280	80,280	2,942
-	-	132,212	133,712	134,299	2,087
-	-	1,054,736	1,006,252	1,048,031	(6,705)
306	-	314,140	315,732	322,620	8,480
-	-	275,918	279,528	283,358	7,440
3,023	28,588	8,056,490	8,196,924	8,133,243	76,753

CITY OF DUNCANVILLE, TEXAS

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
DEPARTMENTS (Continued):			
Public works-			
Engineering/Planning	364,247	3,915	228,546
Building inspection	494,646	15,249	189,607
Streets	671,678	132,557	1,397,223
Signs and signals	273,406	151,309	242,332
Equipment services	289,485	208,141	74,750
Total	<u>2,093,462</u>	<u>511,171</u>	<u>2,132,458</u>
Fire-			
Administration	416,465	9,692	167,813
Prevention	204,151	5,925	23,027
Suppression	3,326,441	96,717	273,899
Advanced life support	1,043,315	90,030	281,726
Emergency Management Administrator	107,422	8,229	11,278
Total	<u>5,097,794</u>	<u>210,593</u>	<u>757,743</u>
NON-DEPARTMENTAL	10,907	7,794	222,176
ECONOMIC DEVELOPMENT	-	300,000	-
LOAN PAYMENT	-	-	204,742
INTEREST AND FISCAL CHARGES	-	-	35,486
Total expenditures	<u>\$ 17,825,330</u>	<u>\$ 1,778,842</u>	<u>\$ 7,576,530</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>
-	-	596,708	452,936	443,299	(153,409)
-	22,887	722,389	793,353	792,247	69,858
-	70,218	2,271,676	2,152,072	2,644,579	372,903
5,035	48,600	720,682	737,314	743,646	22,964
407,066	15,447	994,889	1,033,936	1,017,185	22,296
<u>412,101</u>	<u>157,152</u>	<u>5,306,344</u>	<u>5,169,611</u>	<u>5,640,956</u>	<u>334,612</u>
212	6,978	601,160	553,038	630,278	29,118
54	-	233,157	234,018	231,331	(1,826)
16,571	8,350	3,721,978	3,807,764	3,736,941	14,963
1,685	-	1,416,756	1,551,318	1,491,916	75,160
1,761	-	128,690	129,161	130,750	2,060
<u>20,283</u>	<u>15,328</u>	<u>6,101,741</u>	<u>6,275,299</u>	<u>6,221,216</u>	<u>119,475</u>
-	-	240,877	265,156	245,906	5,029
-	-	300,000	300,000	300,000	-
-	-	204,742	204,755	204,755	13
-	-	35,486	35,473	35,473	(13)
<u>\$ 528,409</u>	<u>\$ 566,246</u>	<u>\$ 28,275,357</u>	<u>\$ 28,785,279</u>	<u>\$ 28,984,416</u>	<u>\$ 709,059</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.

Tax Incremental Financing Fund- to account for monies received from property tax increment funds to facilitate development or redevelopment of economically distressed areas of the City.

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, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
ASSETS			
Cash and investments	\$ 2,064,528	\$ 143,836	\$ 2,208,364
Receivables:			
Taxes	138,475	-	138,475
Trade accounts	183,551	-	183,551
Intergovernmental	248,533	-	248,533
Accrued interest and other	5,551	-	5,551
Due from other funds	145,000	-	145,000
Total assets	<u><u>\$ 2,785,638</u></u>	<u><u>\$ 143,836</u></u>	<u><u>\$ 2,929,474</u></u>
LIABILITIES AND EQUITY			
LIABILITIES:			
Accounts payable	\$ 97,772	\$ 4,648	\$ 102,420
Accrued payroll	23,952	-	23,952
Due to other funds	145,000	-	145,000
Unearned revenue	33,485	-	33,485
Total liabilities	<u>300,209</u>	<u>4,648</u>	<u>304,857</u>
EQUITY:			
Fund balances-			
Restricted	<u>2,485,429</u>	<u>139,188</u>	<u>2,624,617</u>
Total fund balances	<u>2,485,429</u>	<u>139,188</u>	<u>2,624,617</u>
Total liabilities & fund balances	<u><u>\$ 2,785,638</u></u>	<u><u>\$ 143,836</u></u>	<u><u>\$ 2,929,474</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, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
REVENUES			
Hotel taxes	\$ 742,865	\$ -	\$ 742,865
Licenses, permits and fees	666,857	-	666,857
Fines and forfeitures	389,473	-	389,473
Intergovernmental	592,402	-	592,402
Investment income	7,097	-	7,097
Rental and other	87,493	-	87,493
Gifts and contributions	150,000	-	150,000
Total revenues	<u>2,636,187</u>	<u>-</u>	<u>2,636,187</u>
EXPENDITURES			
Current:			
General government	304,940	-	304,940
Community services	128,637	-	128,637
Police	161,705	-	161,705
Public works	577,028	-	577,028
Fire	312,358	-	312,358
Capital outlay:			
General government	36,605	-	36,605
Police	10,250	-	10,250
Public works	46,047	252,951	298,998
Total expenditures	<u>1,577,570</u>	<u>252,951</u>	<u>1,830,521</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,058,617</u>	<u>(252,951)</u>	<u>805,666</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	48,447	200,000	248,447
Transfers out	(153,950)	-	(153,950)
Total other financing sources (uses)	<u>(105,503)</u>	<u>200,000</u>	<u>94,497</u>
NET CHANGE IN FUND BALANCES	953,114	(52,951)	900,163
FUND BALANCES, beginning of year	<u>1,532,315</u>	<u>192,139</u>	<u>1,724,454</u>
FUND BALANCES, end of year	<u>\$ 2,485,429</u>	<u>\$ 139,188</u>	<u>\$ 2,624,617</u>

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2017

	<u>Hotel Motel Tax</u>	<u>Drainage Fees</u>	<u>Grants</u>
ASSETS			
Cash and investments	\$ 1,063,558	\$ 565,735	\$ 3,128
Receivables:			
Taxes	138,475	-	-
Trade accounts (net of allowance)	-	183,551	-
Intergovernmental	-	-	248,533
Accrued interest and other	-	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 1,202,033</u>	<u>\$ 749,286</u>	<u>\$ 251,661</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 58,678	\$ 36,019	\$ 1,651
Accrued payroll	-	12,219	10,493
Due to other funds	-	-	145,000
Unearned revenue	-	-	-
Total liabilities	<u>58,678</u>	<u>48,238</u>	<u>157,144</u>
FUND BALANCES:			
Restricted for:			
Promotion of tourism and hotel industry	1,143,355	-	-
Maintenance and construction of drainage projects	-	701,048	-
Public safety, cultural and recreational services	-	-	94,517
Court technology and security	-	-	-
Juvenile case management	-	-	-
Public safety and criminal investigations	-	-	-
Community redevelopment	-	-	-
Total fund balances	<u>1,143,355</u>	<u>701,048</u>	<u>94,517</u>
Total liabilities & fund balances	<u>\$ 1,202,033</u>	<u>\$ 749,286</u>	<u>\$ 251,661</u>

<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Tax Incremental Financing Fund</u>	<u>Total</u>
\$ 1,109	\$ 9,938	\$ 34,545	\$ 236,515	\$ 150,000	\$ 2,064,528
-	-	-	-	-	138,475
-	-	-	-	-	183,551
-	-	-	-	-	248,533
-	-	-	5,551	-	5,551
-	-	-	145,000	-	145,000
<u>\$ 1,109</u>	<u>\$ 9,938</u>	<u>\$ 34,545</u>	<u>\$ 387,066</u>	<u>\$ 150,000</u>	<u>\$ 2,785,638</u>
\$ 221	\$ -	\$ -	\$ 1,203	\$ -	\$ 97,772
-	307	933	-	-	23,952
-	-	-	-	-	145,000
-	-	-	33,485	-	33,485
<u>221</u>	<u>307</u>	<u>933</u>	<u>34,688</u>	<u>-</u>	<u>300,209</u>
-	-	-	-	-	1,143,355
-	-	-	-	-	701,048
-	-	-	-	-	94,517
888	9,631	-	-	-	10,519
-	-	33,612	-	-	33,612
-	-	-	352,378	-	352,378
-	-	-	-	150,000	150,000
<u>888</u>	<u>9,631</u>	<u>33,612</u>	<u>352,378</u>	<u>150,000</u>	<u>2,485,429</u>
<u>\$ 1,109</u>	<u>\$ 9,938</u>	<u>\$ 34,545</u>	<u>\$ 387,066</u>	<u>\$ 150,000</u>	<u>\$ 2,785,638</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, 2017**

	Hotel Motel Tax	Drainage Fees	Grants
REVENUES			
Hotel taxes	\$ 742,865	\$ -	\$ -
Licenses, permits and fees	-	666,857	-
Fines and forfeitures	-	-	-
Intergovernmental	-	-	592,402
Investment income	2,551	-	-
Rental and other	-	49,505	37,988
Gifts and contributions	-	-	-
Total revenues	<u>745,416</u>	<u>716,362</u>	<u>630,390</u>
EXPENDITURES			
Current:			
General government	250,354	-	19,320
Police	-	-	62,966
Public works	-	520,607	56,421
Fire	-	-	312,358
Capital outlay:			
General government	-	-	-
Police	-	-	-
Public works	-	46,047	-
Total expenditures	<u>250,354</u>	<u>566,654</u>	<u>579,702</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>495,062</u>	<u>149,708</u>	<u>50,688</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	48,447
Transfers out	<u>(45,018)</u>	<u>-</u>	<u>(108,932)</u>
Total other financing sources (uses)	<u>(45,018)</u>	<u>-</u>	<u>(60,485)</u>
NET CHANGE IN FUND BALANCES	450,044	149,708	(9,797)
FUND BALANCES, beginning of year	<u>693,311</u>	<u>551,340</u>	<u>104,314</u>
FUND BALANCES, end of year	<u>\$ 1,143,355</u>	<u>\$ 701,048</u>	<u>\$ 94,517</u>

Court Technology	Court Security	Juvenile Case Manager	Asset Forfeiture	Tax Incremental Financing	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 742,865
-	-	-	-	-	666,857
13,358	10,018	19,275	346,822	-	389,473
-	-	-	-	-	592,402
-	3,107	1,439	-	-	7,097
-	-	-	-	-	87,493
-	-	-	-	150,000	150,000
<u>13,358</u>	<u>13,125</u>	<u>20,714</u>	<u>346,822</u>	<u>150,000</u>	<u>2,636,187</u>
4,845	8,502	21,919	-	-	304,940
-	-	-	98,739	-	161,705
-	-	-	-	-	577,028
-	-	-	-	-	312,358
-	36,605	-	-	-	36,605
-	-	-	10,250	-	10,250
-	-	-	-	-	46,047
<u>4,845</u>	<u>45,107</u>	<u>21,919</u>	<u>108,989</u>	<u>-</u>	<u>1,577,570</u>
<u>8,513</u>	<u>(31,982)</u>	<u>(1,205)</u>	<u>237,833</u>	<u>150,000</u>	<u>1,058,617</u>
-	-	-	-	-	48,447
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(153,950)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105,503)</u>
8,513	(31,982)	(1,205)	237,833	150,000	953,114
<u>(7,625)</u>	<u>41,613</u>	<u>34,817</u>	<u>114,545</u>	<u>-</u>	<u>1,532,315</u>
<u>\$ 888</u>	<u>\$ 9,631</u>	<u>\$ 33,612</u>	<u>\$ 352,378</u>	<u>\$ 150,000</u>	<u>\$ 2,485,429</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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Hotel, motel taxes	\$ 724,500	\$ 777,000	\$ 742,865	\$ (34,135)
Interest on investments	1,700	2,000	2,551	551
Total revenues	<u>726,200</u>	<u>779,000</u>	<u>745,416</u>	<u>(33,584)</u>
EXPENDITURES				
General government	484,689	456,159	250,354	205,805
Special purposes-promotional	1,000	-	-	-
Total expenditures	<u>485,689</u>	<u>456,159</u>	<u>250,354</u>	<u>205,805</u>
EXCESS OF REVENUES OVER EXPENDITURES	240,511	322,841	495,062	172,221
OTHER FINANCING USES:				
Transfers out	<u>(45,018)</u>	<u>(45,018)</u>	<u>(45,018)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	195,493	277,823	450,044	172,221
FUND BALANCE, beginning of year			<u>693,311</u>	
FUND BALANCE, end of year			<u><u>\$ 1,143,355</u></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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Drainage fees	\$ 649,861	\$ 658,633	\$ 666,857	\$ 8,224
City services reimbursement	10,000	10,000	49,505	39,505
Total revenues	<u>659,861</u>	<u>668,633</u>	<u>716,362</u>	<u>47,729</u>
EXPENDITURES				
Public works	338,682	327,885	520,607	(192,722)
Capital outlay	555,000	365,000	46,047	318,953
Total expenditures	<u>893,682</u>	<u>692,885</u>	<u>566,654</u>	<u>126,231</u>
NET CHANGE IN FUND BALANCES	(233,821)	(24,252)	149,708	173,960
FUND BALANCE, beginning of year			<u>551,340</u>	
FUND BALANCE, end of year			<u><u>\$ 701,048</u></u>	

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2017

	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 21,043	\$ 122,793	\$ 143,836
Total assets	<u>\$ 21,043</u>	<u>\$ 122,793</u>	<u>\$ 143,836</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ -	\$ 4,648	\$ 4,648
Total liabilities	<u>-</u>	<u>4,648</u>	<u>4,648</u>
FUND BALANCES:			
Restricted for:			
Park construction	21,043	-	21,043
Capital improvements	<u>-</u>	<u>118,145</u>	<u>118,145</u>
Total fund balances	<u>21,043</u>	<u>118,145</u>	<u>139,188</u>
Total liabilities & fund balances	<u>\$ 21,043</u>	<u>\$ 122,793</u>	<u>\$ 143,836</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, 2017**

	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
EXPENDITURES			
Capital outlay			
Public works	\$ -	\$ 252,951	\$ 252,951
Total expenditures	<u>-</u>	<u>252,951</u>	<u>252,951</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	-	(52,951)	(52,951)
FUND BALANCES, beginning of year	<u>21,043</u>	<u>171,096</u>	<u>192,139</u>
FUND BALANCES, end of year	<u>\$ 21,043</u>	<u>\$ 118,145</u>	<u>\$ 139,188</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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Ad valorem taxes	\$ 1,325,000	\$ 1,325,000	\$ 1,297,666	\$ (27,334)
Delinquent taxes	16,000	16,500	5,875	(10,625)
Penalties and interest	14,500	14,500	12,973	(1,527)
Interest on investments	2,000	3,500	3,595	95
Total revenues	<u>1,357,500</u>	<u>1,359,500</u>	<u>1,320,109</u>	<u>(39,391)</u>
OTHER FINANCING USES:				
Transfers out	<u>(1,375,000)</u>	<u>(1,375,000)</u>	<u>(1,375,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,375,000)</u>	<u>(1,375,000)</u>	<u>(1,375,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(17,500)	(15,500)	(54,891)	(39,391)
FUND BALANCES, beginning of year			<u>55,632</u>	
FUND BALANCES, end of year			<u>\$ 741</u>	

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED REVENUES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
UTILITY FUND				
WATER:				
Sale of water	\$ 8,075,723	\$ 8,076,691	\$ 7,419,106	\$ (657,585)
Water taps	10,000	27,316	29,217	1,901
Total	8,085,723	8,104,007	7,448,323	(655,684)
SEWER:				
Sewer charges	8,483,247	8,738,177	9,501,699	763,522
Sewer taps	3,600	10,990	11,740	750
Total	8,486,847	8,749,167	9,513,439	764,272
PENALTIES	146,450	146,450	161,781	15,331
OTHER:				
Service charges	133,633	152,829	127,220	(25,609)
City services reimbursement	-	-	22,144	22,144
Miscellaneous	15,649	1,086,111	1,091,465	5,354
Total	149,282	1,238,940	1,240,829	1,889
INTEREST INCOME	7,280	30,280	61,798	31,518
TRANSFERS IN	-	-	108,932	108,932
Total revenues - Utility Fund	\$ 16,875,582	\$ 18,268,844	\$ 18,535,102	\$ 266,258
SOLID WASTE FUND				
SOLID WASTE CHARGES	\$ 2,873,789	\$ 2,732,201	\$ 2,768,875	\$ 36,674
INTEREST INCOME	250	1,800	2,660	860
Total revenues - Solid Waste Fund	\$ 2,874,039	\$ 2,734,001	\$ 2,771,535	\$ 37,534
FIELDHOUSE SPORTS FACILITY				
SPORTS FACILITY	1,111,066	1,016,448	1,099,703	\$ 83,255
INTERGOVERNMENTAL	535,050	535,050	535,050	-
TRANSFERS IN	-	614,754	614,754	-
Total revenues - Sports Facility Fund	\$ 1,646,116	\$ 2,166,252	\$ 2,249,507	\$ 83,255
Total revenues - Enterprise Funds	\$ 21,395,737	\$ 23,169,097	\$ 23,556,144	\$ 387,047

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED EXPENDITURES– BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>	<u>Maintenance</u>
<u>UTILITY FUND</u>				
WATER SERVICES	\$ 508,884	\$ 198,099	\$ 3,508,660	\$ 109,023
WASTEWATER TREATMENT	631,762	76,028	3,487,711	47,284
ADMINISTRATION AND FISCAL				
Utility administration	300,676	2,410	65,059	-
Utility accounting	574,572	113,690	282,481	1,909
	<u>2,015,894</u>	<u>390,227</u>	<u>7,343,911</u>	<u>158,216</u>
INTEREST AND FISCAL CHARGES	-	-	23,537	-
PRINCIPAL RETIREMENT	-	-	340,000	-
TRANSFERS OUT	-	-	2,131,157	-
Total Utility Fund expenditures	<u>\$ 2,015,894</u>	<u>\$ 390,227</u>	<u>\$ 9,838,605</u>	<u>\$ 158,216</u>
<u>SOLID WASTE FUND</u>				
SOLID WASTE	\$ 187,796	\$ 13,155	\$ 2,360,601	\$ 8,968
TRANSFERS OUT	-	-	346,693	-
Total Solid Waste Fund expenditures	<u>187,796</u>	<u>13,155</u>	<u>2,707,294</u>	<u>8,968</u>
<u>FIELDHOUSE SPORTS FACILITY</u>				
SPORTS FACILITY	\$ 507,631	\$ 10,275	\$ 611,582	\$ 52,047
INTEREST AND FISCAL CHARGES	-	-	133,500	-
PRINCIPAL RETIREMENT	-	-	400,000	-
Total Sports Facility Fund expenditures	<u>507,631</u>	<u>10,275</u>	<u>1,145,082</u>	<u>52,047</u>
Total Enterprise Fund expenditures	<u>\$ 2,711,321</u>	<u>\$ 413,657</u>	<u>\$ 13,690,981</u>	<u>\$ 219,231</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>
1,205,173	\$ 5,529,839	\$ 6,693,163	\$ 6,823,293	\$ 1,293,454
1,166,990	5,409,775	6,282,098	6,294,183	884,408
-	368,145	377,253	379,817	11,672
-	972,652	1,076,997	1,061,150	88,498
<u>2,372,163</u>	<u>12,280,411</u>	<u>14,429,511</u>	<u>14,558,443</u>	<u>2,278,032</u>
-	23,537	13,869	13,869	(9,668)
-	340,000	340,000	340,000	-
-	2,131,157	2,131,157	2,131,157	-
<u>\$ 2,372,163</u>	<u>\$ 14,775,105</u>	<u>\$ 16,914,537</u>	<u>\$ 17,043,469</u>	<u>\$ 2,268,364</u>
\$ -	\$ 2,570,520	\$ 2,557,715	\$ 2,588,426	\$ 17,906
-	346,693	346,693	346,693	-
-	2,917,213	2,904,408	2,935,119	17,906
\$ 614,754	\$ 1,796,289	\$ 1,277,577	\$ 1,723,159	\$ (73,130)
-	133,500	135,550	184,031	50,531
-	400,000	400,000	351,519	(48,481)
<u>614,754</u>	<u>2,329,789</u>	<u>1,813,127</u>	<u>2,258,709</u>	<u>(71,080)</u>
<u>\$ 2,986,917</u>	<u>\$ 20,022,107</u>	<u>\$ 21,632,072</u>	<u>\$ 22,237,297</u>	<u>\$ 2,215,190</u>
	<u>\$ 20,022,107</u>			
	(2,986,917)			
	(740,000)			
	1,529,231			
	582,257			
	(157,037)			
	<u>(2,477,850)</u>			
	<u>\$ 15,771,791</u>			



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE
INTERNAL SERVICE FUNDS

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

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

Information Technology Replacement Fund – To account for the financing and expenses related to the purchase of computers, servers and other information technology 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, 2017**

	<u>Fleet Replacement</u>	<u>Info Tech Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self- Insurance</u>	<u>Total</u>
ASSETS					
Cash and investments	\$ 1,757,992	\$ 151,662	\$ 105,246	\$ 831,552	\$ 2,846,452
Accrued interest and other	47,778	-	359,532	2,847	410,157
Prepaid items	-	-	25,343	-	25,343
Total current assets	<u>1,805,770</u>	<u>151,662</u>	<u>490,121</u>	<u>834,399</u>	<u>3,281,952</u>
Capital assets - equipment net of depreciation	432,031	-	-	-	432,031
Capital assets - vehicles net of depreciation	2,799,019	-	-	-	2,799,019
Total non-current assets	<u>3,231,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,231,050</u>
Total assets	<u>5,036,820</u>	<u>151,662</u>	<u>490,121</u>	<u>834,399</u>	<u>6,513,002</u>
LIABILITIES					
Accounts payable	530	-	6,617	11,674	18,821
Accrued liabilities	-	-	386,763	151,567	538,330
Total liabilities	<u>530</u>	<u>-</u>	<u>393,380</u>	<u>163,241</u>	<u>557,151</u>
NET POSITION					
Net investment in capital assets	3,231,050	-	-	-	3,231,050
Unrestricted	1,805,240	151,662	96,741	671,158	2,724,801
Total net position	<u>\$ 5,036,290</u>	<u>\$ 151,662</u>	<u>\$ 96,741</u>	<u>\$ 671,158</u>	<u>\$ 5,955,851</u>

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Fleet Replacement</u>	<u>Info Tech Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self-Insurance</u>	<u>Total</u>
OPERATING REVENUES					
Premiums and charges for services	\$ 1,061,810	\$ 178,106	\$ 2,940,636	\$ 480,596	\$ 4,661,148
Other	-	-	70,593	-	70,593
Total operating revenues	<u>1,061,810</u>	<u>178,106</u>	<u>3,011,229</u>	<u>480,596</u>	<u>4,731,741</u>
OPERATING EXPENSES					
Claims and provision	-	-	3,505,647	5,877	3,511,524
Equipment	-	26,444	-	-	26,444
Administrative and fiscal	-	-	634,234	266,480	900,714
Depreciation	701,088	-	-	-	701,088
Total operating expenses	<u>701,088</u>	<u>26,444</u>	<u>4,139,881</u>	<u>272,357</u>	<u>5,139,770</u>
OPERATING INCOME	<u>360,722</u>	<u>151,662</u>	<u>(1,128,652)</u>	<u>208,239</u>	<u>(408,029)</u>
NON-OPERATING REVENUES					
Gain on sale of capital assets	47,720	-	-	-	47,720
Interest income	6,302	-	4,967	4,004	15,273
Total non-operating revenues	<u>54,022</u>	<u>-</u>	<u>4,967</u>	<u>4,004</u>	<u>62,993</u>
CHANGE IN NET POSITION	414,744	151,662	(1,123,685)	212,243	(345,036)
TOTAL NET POSITION- BEGINNING	<u>4,621,546</u>	<u>-</u>	<u>1,220,426</u>	<u>458,915</u>	<u>6,300,887</u>
TOTAL NET POSITION- ENDING	<u>\$ 5,036,290</u>	<u>\$ 151,662</u>	<u>\$ 96,741</u>	<u>\$ 671,158</u>	<u>\$ 5,955,851</u>

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Fleet Replacement</u>	<u>Info Tech 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	\$ 1,061,810	\$ 178,106	\$ 2,215,132	\$ 480,596	\$ 3,935,644
Receipts from insured	-	-	725,504	-	725,504
Payments to suppliers	-	(26,444)	(4,403,129)	(394,681)	(4,824,254)
Other receipts	-	-	70,593	-	70,593
Net cash provided by (used in) operating activities	<u>1,061,810</u>	<u>151,662</u>	<u>(1,391,900)</u>	<u>85,915</u>	<u>(92,513)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(1,910,746)	-	-	-	(1,910,746)
Receipts from sale of capital assets	40,342	-	-	-	40,342
Net cash used in capital financing and related financing activities	<u>(1,870,404)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,870,404)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received on investments	7,584	-	4,045	2,569	14,198
Net cash provided by investing activities	<u>7,584</u>	<u>-</u>	<u>4,045</u>	<u>2,569</u>	<u>14,198</u>
Net increase (decrease) in cash and cash equivalents	(801,010)	151,662	(1,387,855)	88,484	(1,948,719)
CASH AND INVESTMENTS, beginning of year	<u>2,559,002</u>	<u>-</u>	<u>1,493,101</u>	<u>743,068</u>	<u>4,795,171</u>
CASH AND INVESTMENTS, end of year	<u>1,757,992</u>	<u>151,662</u>	<u>105,246</u>	<u>831,552</u>	<u>2,846,452</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	360,722	151,662	(1,128,652)	208,239	(408,029)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	701,088	-	-	-	701,088
Change in assets and liabilities-					
Prepaid items	-	-	(358,618)	-	(358,618)
Accounts and other payables	-	-	95,370	(122,324)	(26,954)
Total adjustments	<u>701,088</u>	<u>-</u>	<u>(263,248)</u>	<u>(122,324)</u>	<u>315,516</u>
Net cash provided by (used in) operating activities	<u>1,061,810</u>	<u>151,662</u>	<u>(1,391,900)</u>	<u>85,915</u>	<u>(92,513)</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, 2017

ASSETS

Cash and investments	\$	1,176,070
Receivables		433,099
Accrued interest		<u>2,847</u>
Total assets	\$	<u><u>1,612,016</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable		8,571
Accrued liabilities		10,193
Customer performance and escrow deposits		<u>150</u>
Total liabilities		<u>18,914</u>

EQUITY:

Restricted for economic development		<u>1,593,102</u>
Total fund balances		<u>1,593,102</u>
Total liabilities & fund balances	\$	<u><u>1,612,016</u></u>

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, 2017

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS \$ 1,593,102

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. 219,637

Deferred charges on refunding are not reported in the governmental funds 22,135

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. (2,520)

Investments in joint ventures represent a financial asset not reported in governmental funds. 18,633

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. (1,920,000)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (69,013)

CITY OF DUNCANVILLE, TEXAS

DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

REVENUES

Sales tax	\$	2,498,862
Investment income		5,202
Total revenues		<u>2,504,064</u>

EXPENDITURES

General government		282,893
Special purposes - promotional		981,836
Debt service-		
Principal bond retirement		475,000
Interest and fiscal charges		57,838
Total expenditures		<u>1,797,567</u>

OTHER FINANCING SOURCES (USES):

Refunding bonds issued		2,395,000
Payment to refunded bond escrow agent		(2,347,428)
Total other financing sources (uses)		<u>47,572</u>

NET CHANGE IN FUND BALANCES		754,069
FUND BALANCES, beginning of year		<u>839,033</u>
FUND BALANCES, end of year	\$	<u><u>1,593,102</u></u>

CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES- DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION FOR THE YEAR ENDED SEPTEMBER 30, 2017

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS **\$ 754,069**

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. (904)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Refunding bonds issued	(2,395,000)	
Payment to refunding bond escrow agent	2,347,428	
Bond principal retirement	475,000	
Accrued interest on bonds payable	(983)	
Amortization of deferred charges on refundings	(5,293)	
	421,152	421,152

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 1,174,317**



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.

STATISTICAL SECTION (UNAUDITED)

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

	<u>Page</u>
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Schedule 1 - Net Position by Component	94
Schedule 2 - Changes in Net Position.....	95
Schedule 3 - Fund Balances, Governmental Funds.....	97
Schedule 4 - Changes in Fund Balances, Governmental Funds.....	98
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Schedule 5 - Assessed Value and Estimated Actual Value of Taxable Property.....	99
Schedule 6 - Property Tax Rates - Direct and Overlapping Governments.....	100
Schedule 7 - Principal Property Taxpayers.....	101
Schedule 8 - Property Tax Levies and Collections.....	102
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Schedule 9 - Ratios of Outstanding Debt by Type.....	103
Schedule 10 - Ratios of General Bonded Debt Outstanding	104
Schedule 11 - Direct and Overlapping Governmental Activities Debt.....	105
Schedule 12 - Legal Debt Margin Information.....	106
Schedule 13 - Pledged - Revenue Coverage.....	107
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.	
Schedule 14 - Demographics and Economic Statistics.....	108
Schedule 15 - Principal Employers.....	109
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Schedule 16 - Full-time Equivalent City Government Employees.....	110
Schedule 17 - Operating Indicators by Function/Program.....	111
Schedule 18 - Capital Asset Statistics by Function/Program.....	112

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)

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 46,593,503	\$ 50,060,721	\$ 50,403,980	\$ 52,495,944	\$ 59,809,237	\$ 59,230,613	\$ 59,060,297	\$ 60,853,814	\$ 59,937,098	\$ 59,603,623
Restricted	112,865	70,458	41,456	-	1,515,702	1,595,501	1,921,073	2,022,810	2,766,937	3,619,861
Unrestricted	5,617,301	5,217,145	7,652,982	4,806,821	4,964,969	6,254,783	8,351,034	15,631,437	14,828,820	9,869,375
Total governmental activities net position	\$ 52,323,669	\$ 55,348,324	\$ 58,098,418	\$ 57,302,765	\$ 66,289,908	\$ 67,080,897	\$ 69,332,404	\$ 78,508,061	\$ 77,532,855	\$ 73,092,859
Business-type activities										
Net investment in capital assets	\$ 26,893,640	\$ 26,805,736	\$ 27,076,019	\$ 26,950,315	\$ 27,278,483	\$ 27,099,050	\$ 27,375,652	\$ 28,576,505	\$ 30,923,909	\$ 35,548,641
Unrestricted	3,531,505	4,370,413	3,731,110	4,943,839	4,898,380	5,290,431	5,524,627	7,071,561	7,819,164	10,658,338
Total business-type activities net position	\$ 30,425,145	\$ 31,176,149	\$ 30,807,129	\$ 31,894,154	\$ 32,176,863	\$ 32,389,481	\$ 32,900,279	\$ 35,648,066	\$ 38,743,073	\$ 46,206,979
Primary government										
Net investment in capital assets	\$ 73,487,143	\$ 76,866,457	\$ 77,479,999	\$ 79,446,259	\$ 87,087,720	\$ 86,329,663	\$ 86,435,949	\$ 89,430,319	\$ 90,861,007	\$ 95,152,264
Restricted	112,865	70,458	41,456	-	1,515,702	1,595,501	1,921,073	2,022,810	2,766,937	3,619,861
Unrestricted	9,148,806	9,587,558	11,384,092	9,750,660	9,863,349	11,545,214	13,875,661	22,702,998	22,647,984	20,527,713
Total primary government net position	\$ 82,748,814	\$ 86,524,473	\$ 88,905,547	\$ 89,196,919	\$ 98,466,771	\$ 99,470,378	\$ 102,232,683	\$ 114,156,127	\$ 116,275,928	\$ 119,299,838

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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses										
Governmental activities										
General government	\$ 4,057,131	\$ 3,870,234	\$ 3,169,503	\$ 2,798,564	\$ 2,795,748	\$ 2,823,031	\$ 3,131,175	\$ 3,623,458	\$ 3,606,949	\$ 4,102,626
Finance	1,312,673	1,292,138	1,231,406	1,241,303	1,126,940	1,124,285	1,973,904	1,785,134	2,313,589	2,514,951
Community services	3,214,940	3,158,557	3,165,163	3,263,161	3,069,011	3,085,333	3,444,064	3,993,745	4,638,475	4,903,571
Police	8,527,423	8,109,764	8,168,671	8,552,574	8,198,206	7,860,277	8,206,843	8,510,868	9,072,992	10,664,821
Public works	6,376,715	5,701,322	5,664,455	5,893,424	5,685,500	5,771,096	5,913,817	6,229,076	7,380,159	8,496,495
Fire	5,660,644	5,449,439	5,385,776	5,436,865	5,192,134	5,142,744	5,420,014	5,414,580	6,437,830	8,126,333
Economic development	-	-	-	-	994,421	1,200,096	1,087,047	1,683,374	300,000	300,000
Interest and fiscal charges	584,910	478,651	354,584	273,901	236,244	171,408	108,426	10,183	42,189	35,472
Total governmental activities expenses	<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>	<u>33,792,183</u>	<u>39,144,269</u>
Business-type activities										
Water	5,146,666	5,150,097	5,220,632	5,416,191	5,322,287	5,326,081	5,062,745	4,944,384	4,354,012	4,757,302
Wastewater	5,885,520	4,135,413	5,319,569	4,862,977	4,832,019	5,079,846	5,403,659	5,505,377	6,401,637	6,984,523
Solid waste	2,016,504	2,057,402	2,130,470	2,024,938	2,143,944	2,150,278	2,241,624	2,481,911	2,488,966	2,633,707
Sports facility	-	-	-	1,003,941	1,352,511	1,472,276	1,533,713	1,883,422	1,662,127	1,578,544
Total business-type activities expenses	<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>	<u>14,906,742</u>	<u>15,954,076</u>
Total primary government expenses	<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>	<u>\$ 48,698,925</u>	<u>\$ 55,098,345</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 314,160	\$ 1,173,234	\$ 382,095	\$ 459,084	\$ 378,816	\$ 375,464	\$ 347,798	\$ 330,306	\$ 430,729	\$ 359,955
Finance	-	59,108	-	-	-	-	-	-	-	-
Community services	417,736	256,405	304,054	293,952	297,470	304,827	352,124	311,493	356,552	361,389
Police	1,416,876	1,964,148	1,631,861	1,799,592	1,808,357	1,560,386	2,990,850	3,059,268	3,241,775	3,249,015
Public works	2,232,685	1,100,109	1,759,053	1,783,792	1,803,462	1,654,026	1,056,842	1,053,115	967,758	1,196,582
Fire	624,997	1,009,010	849,306	(834,974)	793,561	448,258	663,756	1,036,582	994,287	668,762
Operating grants and contributions	167,553	338,658	754,463	399,930	418,470	305,858	332,777	838,435	392,198	1,317,404
Capital grants and contributions	74,551	2,364,100	2,201,004	404,913	709,483	276,132	-	32,770	-	-
Total governmental activities program revenues	<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>	<u>6,383,299</u>	<u>7,153,107</u>
Business-type activities										
Charges for services										
Water	6,976,515	6,375,580	6,339,411	7,559,917	6,815,956	6,626,079	7,196,268	7,355,794	7,481,511	8,850,933
Wastewater	5,073,654	4,819,134	4,775,447	4,756,780	4,828,861	4,850,198	5,845,767	6,953,623	8,453,828	9,513,439
Solid waste	2,203,622	2,209,092	2,450,987	2,418,321	2,505,455	2,505,516	2,549,226	2,695,374	2,778,684	2,768,875
Sports facility	-	-	-	376,544	546,285	695,758	837,532	1,025,216	1,002,465	1,099,703
Grants and contributions	1,205,387	22,227	107,974	967,165	-	-	-	630,284	631,171	2,874,738
Total business-type activities program revenues	<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>	<u>20,347,659</u>	<u>25,107,688</u>
Total primary government program revenues	<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>	<u>\$ 26,730,958</u>	<u>\$ 32,260,795</u>

City of Duncanville

Schedule 2

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

<u>Fiscal Year</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>	<u>2016</u>	<u>2017</u>
Net (Expense)/Revenue										
Governmental activities	\$ (24,485,878)	\$ (19,795,333)	\$ (19,257,722)	\$ (23,153,503)	\$ (21,088,585)	\$ (22,253,319)	\$ (23,541,143)	\$ (24,588,449)	\$ (27,408,884)	\$ (31,991,162)
Business-type activities	2,410,488	2,083,121	1,003,148	2,770,680	1,045,796	649,070	2,187,052	3,845,197	5,440,917	9,153,612
Total primary government net expense	<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>	<u>\$ (21,967,967)</u>	<u>\$ (22,837,550)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Ad valorem	\$ 13,083,411	13,288,719	12,482,287	12,699,136	12,470,739	12,091,581	12,496,952	13,133,399	13,852,373	14,950,153
Sales	5,398,034	5,235,231	5,321,558	5,048,659	7,303,949	7,781,695	8,921,000	6,708,126	7,018,201	7,496,586
Franchise	2,024,099	1,988,717	2,036,308	2,153,122	2,007,859	2,029,578	2,201,667	2,154,478	2,035,117	1,992,154
Mixed beverage	42,992	71,978	60,101	59,671	49,266	55,699	69,427	76,814	76,364	78,991
Hotel occupancy	593,725	462,474	393,731	445,385	458,744	470,710	542,191	626,022	779,253	742,865
Earnings on investments	343,967	117,619	35,810	39,971	45,695	41,495	34,171	36,008	71,906	155,386
Rentals and miscellaneous	632,049	286,126	287,252	221,430	228,377	127,578	89,362	505,479	230,398	380,867
Transfers	1,325,677	1,369,124	1,390,769	1,690,476	771,284	445,972	1,519,188	2,035,859	2,370,066	1,754,164
Total governmental activities	<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>	<u>26,433,678</u>	<u>27,551,166</u>
Business-type activities										
Earnings on investments	136,592	37,007	18,601	6,821	8,197	9,520	8,714	11,281	24,156	64,458
Transfers	(1,325,677)	(1,369,124)	(1,390,769)	(1,690,476)	(771,284)	(445,972)	(1,519,188)	(2,035,859)	(2,370,066)	(1,754,164)
Total business-type activities	<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>	<u>(2,345,910)</u>	<u>(1,689,706)</u>
Total primary government	<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>	<u>\$ 24,087,768</u>	<u>\$ 25,861,460</u>
Change in Net Position										
Governmental activities	\$ (1,041,924)	\$ 3,024,655	\$ 2,750,094	\$ (795,653)	\$ 9,854,877	\$ 790,989	\$ 2,332,815	\$ 687,736	\$ (975,206)	\$ (4,439,996)
Business-type activities	1,221,403	751,004	(369,020)	1,087,025	282,709	212,618	676,578	1,820,619	3,095,007	7,463,906
Total primary government	<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>	<u>\$ 2,119,801</u>	<u>\$ 3,023,910</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011*</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Reserved	\$ 542,049	\$ 407,899	246,425	-	-	-	-	-	-	-
Unreserved	2,507,519	2,932,936	3,669,209	-	-	-	-	-	-	-
Nonspendable	-	-	-	24,151	91,476	57,301	46,500	17,881	17,693	18,189
Assigned	-	-	-	70,459	112,770	211,403	2,601,859	890,836	762,361	1,505,544
Unassigned	-	-	-	4,567,918	5,619,154	6,647,447	5,611,888	6,423,539	7,672,447	8,447,281
Total general Fund	<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>	<u>8,452,501</u>	<u>9,971,014</u>
All Other Governmental Funds										
Reserved										
Debt service	\$ 5,906	\$ (38,660)	4,183	-	-	-	-	-	-	-
Other Governmental Funds	1,722	5,479	2,073	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	975,378	1,160,098	695,824	-	-	-	-	-	-	-
Capital projects funds	703,041	303,317	729,638	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	10,000	10,375	10,000
Restricted for:										
Debt Service	-	-	-	76,363	26,773	15,711	18,437	11,777	55,632	741
Street Construction	-	-	-	202,162	23,886	400,535	395,536	323,940	261,087	15,970
Traffic Improvement and Safety	-	-	-	73,693	172,463	133,317	371,641	718,311	774,147	978,533
Community redevelopment	-	-	-	-	455,358	59,491	221,617	150,000	150,000	150,000
Promotion of Tourism and Convention and Hotel Industry	-	-	-	53,174	97,448	143,671	206,187	260,930	692,936	1,143,355
Maintenance and Construction of Drainage Projects	-	-	-	45,783	51,808	167,217	211,118	206,204	551,340	701,048
Public Safety, Cultural and Recreational Services	-	-	-	135,734	127,860	90,892	84,053	108,579	104,314	94,517
Court Technology and Security	-	-	-	63,985	66,673	50,031	42,323	42,414	41,613	10,519
Juvenile Case Management	-	-	-	50,286	81,362	106,530	26,169	30,460	34,817	33,612
Public Safety and Criminal Investigations	-	-	-	249,647	292,930	372,925	225,953	119,849	114,545	352,378
Park Construction	-	-	-	41,527	25,228	25,228	21,043	21,042	21,042	21,043
Capital Improvements	-	-	-	212,261	120,686	45,664	115,433	191,081	171,096	118,145
Unassigned	-	-	-	-	-	-	-	(5,753)	(7,625)	-
Total all other governmental funds	<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>\$ 2,188,834</u>	<u>\$ 2,975,319</u>	<u>\$ 3,629,861</u>

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

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 4

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

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes -										
Ad valorem	\$ 13,086,084	\$ 13,288,134	\$ 12,463,461	\$ 12,665,474	\$ 12,490,182	\$ 12,106,610	\$ 12,106,610	\$ 13,072,527	\$ 13,855,551	\$ 14,955,408
Sales	5,398,034	5,235,231	5,321,588	5,048,659	7,303,949	7,781,695	7,781,695	6,708,126	7,018,201	7,496,586
Franchise	2,024,099	1,988,717	2,036,308	2,153,122	2,007,859	2,029,578	2,029,578	2,154,478	2,035,117	1,992,154
Mixed beverage	42,992	71,978	60,101	59,671	49,266	55,699	55,699	76,814	76,364	78,991
Hotel	593,725	462,474	393,731	445,385	458,744	470,710	470,710	626,022	779,253	742,865
Licenses, permits and fees	3,217,587	4,169,554	2,881,963	2,777,712	2,716,873	2,857,356	2,857,356	4,091,744	4,328,804	4,241,962
Fines and forfeitures	857,396	750,490	1,054,149	1,160,339	1,182,418	992,086	992,086	902,852	786,919	899,601
Recreation fees	237,931	256,295	303,954	293,872	297,410	304,747	304,747	311,423	356,522	361,369
Intergovernmental	378,387	1,208,854	2,182,355	931,100	1,303,413	768,770	768,770	788,229	343,306	1,088,303
Investment income	301,442	100,669	32,753	34,059	37,838	34,494	34,494	31,211	62,851	140,113
Rental and other	609,405	1,111,587	1,663,650	814,772	643,278	529,044	529,044	670,591	847,873	896,257
Total revenues	\$ 26,747,082	\$ 28,643,983	\$ 28,394,013	\$ 26,384,165	\$ 28,491,230	\$ 27,930,789	\$ 27,930,789	\$ 29,434,017	\$ 30,490,761	\$ 32,893,609
Expenditures										
General government/ finance/ non-departmental	\$ 4,676,515	4,515,509	3,735,002	3,582,050	4,008,312	4,047,063	4,047,063	4,800,190	5,115,379	5,326,751
Police	8,606,164	7,950,702	8,010,438	8,336,089	8,146,411	8,073,234	8,073,234	8,835,565	8,284,538	8,793,884
Fire	5,462,552	5,282,271	5,209,321	5,178,309	5,266,727	5,188,988	5,188,988	5,796,381	5,815,818	6,398,771
Public works	4,070,557	3,683,537	3,881,637	4,133,585	4,081,264	4,040,216	4,040,216	4,722,458	5,533,241	6,185,787
Parks and recreation	2,790,986	2,685,803	2,681,454	2,767,743	2,713,411	2,740,534	2,740,534	3,562,965	3,879,442	3,871,097
Special purposes - promotional	481,470	385,245	298,842	290,107	440,157	567,107	567,107	2,037,870	412,331	300,000
Capital outlay	835,666	2,229,494	2,547,349	1,575,723	1,527,369	513,789	513,789	2,317,717	1,673,066	1,208,201
Debt service										
Principal retirement	2,595,000	2,311,273	2,325,872	1,122,685	1,985,622	1,408,474	1,408,474	888,574	198,034	204,742
Interest and fiscal charges	247,334	534,829	518,554	482,073	642,497	635,868	635,868	598,580	42,194	35,486
Total expenditures	\$ 29,766,244	\$ 29,578,663	\$ 29,208,469	\$ 27,468,364	\$ 28,811,770	\$ 27,215,273	\$ 27,215,273	\$ 33,560,300	\$ 30,954,043	\$ 32,324,719
Excess of revenues over (under) expenditures	(3,019,162)	(934,680)	(814,456)	(1,084,199)	(320,540)	715,516	715,516	(4,126,283)	(463,282)	568,890
Other Financing Sources (Uses)										
Transfers in	1,609,071	1,951,313	2,027,424	2,206,549	1,844,815	1,881,116	1,881,116	2,871,257	3,880,497	4,078,393
Issuance of debt	-	-	-	-	-	-	-	1,483,374	-	-
Transfers out	(283,394)	(582,189)	(636,655)	(516,073)	(1,073,531)	(1,435,144)	(1,435,144)	(835,398)	(1,510,431)	(2,324,229)
Total other financing sources (uses)	1,325,677	1,369,124	1,390,769	1,690,476	771,284	445,972	445,972	3,519,233	2,370,066	1,754,164
Net change in fund balances	\$ (1,693,485)	\$ 434,444	\$ 576,313	\$ 606,277	\$ 450,744	\$ 1,161,488	\$ 1,161,488	\$ (607,050)	\$ 1,906,784	\$ 2,323,054
Total capital outlay capitalized per the government wide statement of net position	\$ 666,370	\$ 2,381,600	\$ 2,547,349	\$ 1,575,723	\$ 1,527,369	\$ 513,789	\$ 513,789	\$ 2,317,717	\$ 1,673,066	\$ 1,208,201
Debt service as a percentage of noncapital expenditures	9.8%	10.4%	10.7%	6.2%	9.6%	7.7%	7.7%	4.8%	0.8%	0.8%

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					
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	
2016	1,274,901,700	576,576,230	198,059,230	2,049,537,160	236,996,376	1,812,540,784	0.758	
2017	1,406,460,670	631,961,430	204,417,790	2,242,839,890	272,912,297	1,969,927,593	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.

**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)
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
2016	0.695175	0.063272	0.758447	1.529500	0.243100	0.010000	0.286000	0.123650
2017	0.684584	0.073863	0.758447	1.521480	0.243100	0.009271	0.279400	0.122933

Notes:

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

Source: Dallas Central Appraisal District

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

Taxpayer / Company Name	2017			2008		
	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	\$ 40,258,997	1	2.04%	\$ 45,838,150	1	2.46%
Exponential PPTY Group LLC	23,087,240	2	1.17%			
C H Guenther & Son Pioneer Frozen Foods	22,686,640	3	1.15%	14,804,640	3	0.79%
G & E Apartment Reit - Bella Ruscello	19,081,500	4	0.97%			
Costco Wholesale Corp	18,273,900	5	0.93%	21,957,430	2	1.18%
WR Senior Living	12,500,000	6	0.63%			
AGM Main Park LP	11,127,660	7	0.56%			
W&B Service Company LLP	11,057,970	8	0.56%			
Apple Nine Spe Duncanville Inc	10,250,000	9	0.52%	8,314,390	9	0.45%
Oncor Electric Delivery	9,354,370	10	0.47%	10,530,520	7	0.57%
Southwestern Bell				13,333,440	4	0.72%
Franktel Family Trust				13,200,000	5	0.71%
Hilton Garden Inn				11,052,970	6	0.59%
Fairmeadows Shopping Center				720,000	10	0.04%
TT Duncanville LTD				<u>9,288,740</u>	8	<u>0.50%</u>
Total	<u><u>\$ 177,678,277</u></u>		<u><u>9.00%</u></u>	<u><u>\$ 149,040,280</u></u>		<u><u>8.01%</u></u>

Note:

(a) Total Taxable Value as of Oct. 1 \$ 1,969,927,593

\$ 1,862,270,886

Source: Dallas Central Appraisal District

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

Fiscal Year Ended Sept. 30,	<u>Collected within the Fiscal Year of the Levy</u>			<u>Total Collections to Date</u>		
	Adjusted Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years (1)	Amount	Percentage of Levy
2008	12,874,498	12,573,089	97.7%	304,480	12,877,569	100.0%
2009	13,160,823	12,888,062	97.9%	218,730	13,106,793	99.6%
2010	12,459,098	12,161,481	97.6%	202,012	12,363,494	99.2%
2011	12,706,127	12,381,341	97.4%	166,452	12,547,793	98.8%
2012	12,458,343	12,097,385	97.1%	143,383	12,240,768	98.3%
2013	12,008,805	11,865,772	98.8%	134,718	11,865,772	98.8%
2014	12,455,448	12,190,388	97.9%	158,722	12,190,388	97.9%
2015	13,095,679	12,804,150	97.8%	110,610	12,190,388	93.1%
2016	13,762,665	13,606,997	98.9%	73,666	13,606,997	98.9%
2017	14,953,790	14,675,275	98.1%	-	14,675,275	98.1%

Note:

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

Source: Dallas County Tax Assessor / Collector

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

Fiscal Year Ended Sept. 30,	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	Certificate of Obligation Bonds	Water and Sewer Revenue Bonds	General Obligation Bonds			
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	5,317,861	1,795,000	11,513,463	1.22%	291
2015	-	-	4,930,000	1,470,000	6,400,000	0.66%	163
2016	-	-	-	5,712,023	5,712,023	0.55%	136
2017	-	-	-	4,930,301	4,930,301	0.51%	121

Note 1: 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.

Note 2: Fiscal years 2014-2015 were corrected to break out revenue bonds vs. general obligation bonds for business type activities.

**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 (a)	Per Capita (b)
	General Obligation Bonds	Certificate of Obligation Bonds	Total		
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	1,795,000	4,400,602	6,195,602	0.38%	156
2015	1,470,000	-	1,470,000	0.09%	37
2016	5,712,023	-	5,712,023	0.32%	146
2017	4,930,301	-	4,930,301	0.25%	126

Note 1: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) See Schedule 5 for property value data.

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

Note 2: Fiscal years 2014-2016 were updated to include business type activities

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

Direct and Overlapping Governmental Activities Debt
As of September 30, 2017
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Duncanville Independent School District	\$ 214,226,096	43.97%	\$ 94,195,214
Dallas County	199,545,000	1.00%	\$ 1,995,450
Dallas County Community College District	263,140,000	1.00%	\$ 2,631,400
Dallas County School	40,330,000	1.00%	\$ 403,300
Dallas County Hospital District	703,770,000	1.00%	\$ 7,037,700
Cedar Hill Independent School District	120,392,969	0.22%	\$ 264,865
Subtotal, overlapping debt			<u>\$ 106,527,929</u>
City direct debt			<u>950,586</u>
Total direct and overlapping debt			<u><u>\$ 107,478,515</u></u>

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries.

Source: Municipal Advisory of Texas (Texas MAC)

Legal Debt Margin Information
As of September 30, 2017
(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, 2017 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>						
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
2016	15,958,306	9,654,940	6,303,366	-	-	-
2017	18,426,170	10,456,628	7,969,542	-	-	-

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)
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	3.90% (a)
2016	39,224	973,618,128	24,822	56,002	13,434	12,945	3.90% (a)
2017	40,594	1,051,262,818	25,897	56,993	13,791	12,889	4.00% (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	2017			2008		
	Employees (2)	Rank	Percent of Total Employment (a)	Employees (2)	Rank	Percent of Total Employment (a)
Duncanville Independent School District	1781	1	8.71%	1,838	1	9.72%
Masco(Formerly Texwood/Quality Cabinets and Doors)	431	2	2.11%	680	2	3.60%
City of Duncanville	243	3	1.19%	285	3	1.51%
DeFords	220	4	1.08%	130	7	0.69%
Costco	190	5	0.93%	132	6	0.70%
Pappadeaux	180	6	0.88%	170	5	0.90%
Pioneer Frozen Foods	175	7	0.86%	179	4	0.95%
Winco Foods	117	8	0.57%			
La Mexicana Tortilla Factory	90	9	0.44%			
Hilton Garden Inn	85	10	0.42%	65	10	0.34%
Personalized Communications	85	10	0.42%	70	9	0.37%
Brittle-Brittle				75	8	0.40%
Duncanville Ford				65	10	0.34%
Total	3,597		17.60%	3,689		19.51%

Note:

(a) Total City Employment (1) 20,438 18,904

Sources:

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

City of Duncanville

Schedule 16

**Full-time Equivalent City Government Employees
Current Year and Nine Years Ago
(Unaudited)**

<u>Fiscal Year</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>	<u>2016</u>	<u>2017</u>
By Functions										
General Government	35.00	33.00	32.50	30.20	32.50	31.50	34.10	35.69	36.13	37.00
Fire Services	53.00	53.00	52.25	52.00	52.00	51.30	52.30	54.33	54.33	54.30
Police Services (Civil)	63.00	59.00	59.00	59.00	59.00	58.00	57.99	59.98	60.00	60.00
Police Services (Non-Civil)	12.00	11.00	11.00	18.80	18.80	19.00	18.90	18.90	19.07	18.70
Public Works	31.50	30.50	30.00	32.00	33.00	35.50	36.50	39.50	34.50	35.50
Library Services	9.00	9.00	12.00	12.00	11.50	12.00	12.00	12.00	12.00	11.70
Parks and Recreation	16.00	16.00	28.70	34.80	41.20	41.60	43.66	55.65	60.25	58.60
Community Services	6.00	9.00	6.60	-	-	-	-	-	-	-
Water and Wastewater	23.50	21.50	25.00	17.50	16.50	19.50	21.50	20.50	23.50	23.50
Total Employees by Function	249.00	242.00	257.05	256.30	264.50	268.40	276.95	296.55	299.78	299.30
By Departments										
General Government	18.00	17.00	20.00	17.00	18.80	18.50	20.00	20.50	21.00	21.70
Finance	24.00	24.00	23.50	24.00	24.00	24.00	25.10	25.19	25.13	25.00
Community Services	22.00	25.00	32.60	34.80	41.20	41.60	43.20	55.65	60.25	58.60
Police (Civil)	63.00	59.00	59.00	59.00	59.00	58.00	58.00	59.98	60.00	60.00
Police (Non-Civil)	12.00	11.00	12.00	18.77	18.80	19.00	18.90	18.90	19.07	18.70
Public Works	31.50	30.50	31.70	25.50	27.00	27.00	27.50	34.50	34.50	31.50
Utilities	23.50	21.50	25.00	24.00	22.50	28.00	30.50	25.50	23.50	27.50
Fire (Civil Service)	53.00	53.00	52.25	52.00	52.00	51.30	49.00	51.00	51.00	51.00
Fire (Non Civil)	-	-	-	-	-	-	3.30	3.33	3.33	3.25
Economic Development	2.00	1.00	1.00	1.20	1.20	1.00	1.50	2.00	2.00	2.00
Total Employees by Department	249.00	242.00	257.05	256.27	264.50	268.40	277.00	296.55	299.78	299.25
By Fund										
General	213.00	219.50	216.35	210.40	214.60	214.90	230.39	232.35	232.93	231.30
Utility	31.50	21.50	33.00	30.50	29.50	32.50	24.50	33.50	33.50	33.50
Hotel/Motel	1.00	-	1.00	-	-	-	-	-	-	-
Economic Development	1.00	1.00	1.00	1.20	1.20	1.00	1.50	3.42	3.38	3.80
Grant	-	-	1.70	2.10	2.10	2.10	2.10	2.10	2.10	4.10
Drainage	0.50	-	0.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00
Solid Waste	2.00	-	2.00	2.00	2.00	2.00	2.00	4.00	4.00	4.00
Traffic Administration	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Juvenile Case Manager	-	-	0.50	-	0.10	-	-	0.50	0.50	0.50
Fieldhouse	-	-	-	5.60	10.50	11.40	11.50	15.68	18.37	17.10
Total Employees by Fund	249.00	242.00	257.05	256.30	264.50	268.40	276.99	296.55	299.78	299.30

Source: City of Duncanville, Texas Annual Budgets

City of Duncanville

Schedule 17

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

Fiscal Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
General Government										
Building Permits Issued	359	236	374	350	367	225	938	725	388	445
Police										
Criminal Arrests	1,808	3,300	2,100	2,235	1,900	1,828	1,880	1,845	1,964	1,465
Index Crimes per 1,000 Population	47	50	48	46	47	48	49	47	50	33
Fire										
Total Calls for Service (Fire & EMS)	6,884	7,038	7,248	6,700	6,475	5,660	4,783	5,400	5,904	6,671
Total Structural Inspections	1,404	832	1,035	742	737	1,465	1,264	1,370	1,200	1,153
Public Services										
Utility Cuts Repaired	112	115	186	125	175	230	202	235	320	320
Sidewalk Repaired (Square Feet)	12,815	11,576	2,231	9,000	7,800	750	6121	7,500	7,500	3,740
Parks and Recreation										
Program Participation Hours	18,231	21,120	25,119	14,843	15,000	15,000	15,000	15,000	15,000	2,979
Number of Annual Passes Sold	2,774	2,000	2,664	1,900	2,900	863	900	1,000	1,000	2,477
Library										
Volumes in Collection	106,076	105,571	105,710	111,018	107,924	108,401	107,117	108,000	118,553	97,126
Total Volumes Borrowed	176,325	169,602	160,642	171,000	145,746	140,692	130,296	142,000	110,000	101,969
Water/Wastewater										
Water Main Breaks	33	30	36	30	25	30	20	15	31	32
Number of Gallons of Water Pumped (000s)	1,907,801	2,000,000	1,726,380	1,900,000	1,825,000	1,943,000	1,998,292	1,746,000	1,745,900	1,500,643
Average Daily Consumption (MGD)	5	6	5	6	5	6	5.4	6	6	4,252
Miles of Sewer Mains Cleaned	4	8	2	15	12	28	2.11	65	110	138

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
Public Safety										
Emergency Vehicles (Police & Fire)	34	34	33	31	31	31	31	31	31	33
Public Works										
Streets - Paved (Miles)	156.05	156.05	156.05	156.05	156.05	156.05	156.05	156.05	156.05	156.05
Alleys - Paved (Miles)	36.11	36.11	36.11	36.11	36.11	36.11	36.81	36.81	36.81	36.81
Traffic Signals	34	34	34	34	34	34	34	36	36	36
Street Signs	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966
Regulatory & Non-regulatory Signs	9,920	9,920	9,940	9,929	10,085	10,014	10,034	10,044	10,059	10,096
Non-Emergency Vehicles	79	81	84	82	82	82	82	87	89	112
Parks and Recreation										
Park Acres	237.0	237.0	242.0	239.0	239.0	239.0	239.0	244.0	244.0	244.0
Playgrounds	12	12	12	12	13	13	13	13	13	13
Total Athletic Facilities Maintained	54	54	54	54	54	54	54	55	55	55
Water/Wastewater										
Miles of Water Mains	189.50	189.50	189.50	189.80	189.48	190.05	190.05	190.00	197.52	197.52
Fire Hydrants	1,355	1,360	1,364	1,366	1,372	1,373	1,373	1,428	1,428	1,365
Sanitary Sewer Lines (Miles)	153.60	153.60	153.64	153.65	153.65	153.67	153.67	153.67	154.95	154.95
Sanitary Sewer Laterals (Miles)	77.30	77.30	77.30	77.30	77.30	77.35	77.35	77.35	77.35	77.35

Source: City of Duncanville, Texas Annual Budgets

