



**Duncanville**  
*City of Champions*



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Year Ended:  
September 30, 2018

Duncanville, Texas



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

**FOR**  
**FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2018**

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



**CITY OF DUNCANVILLE, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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Duncanville  
*City of Champions*

**DUNCANVILLE**

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# City of Duncanville

**Kevin Hugman**  
**City Manager**

March 26, 2019

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, 2018.

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, 2018. 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 2018 estimated population for the City was 40,565 (Source: ESRI).

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.



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. 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 2017 official estimate has the Dallas/Fort Worth Metroplex (DFW) at a population of 7,399,662. 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 2017, Dallas–Fort Worth has been a magnet for corporate headquarters and major company operations, attracting 22 Fortune 500 and 42 Fortune 1000 companies. (Dallas Regional Chamber)
- Dallas-Fort Worth benefited from existing trade agreements, exporting \$8.3 billion in 2016 to the North American Free Trade Agreement region and \$500 million to the Central American Free Trade Agreement region. In 2016, the DFW Metropolitan area was the ninth largest export market in the United States. (Dallas Regional Chamber)
- Texas added jobs at a 2.4 percent rate in 2018, ranking 1st in the nation; and projected job growth in 2019 is 1.1 percent. (Dallas Federal Reserve Bank)
- 97% of businesses in the DFW Region have less than 100 employees; and 23 companies made the Inc. 500 list, and a total of 185 companies were listed in the Inc. 5000 list in 2017. (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 7<sup>th</sup> largest concentration of high-tech jobs in the United States for 2017. (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 (67% residential).

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 and commercial development. 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.

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 third 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** continues their success in providing fine dining for area residents.
- **Best Western Inn and Suites** located 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** located 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 and gravy mixes.
- **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.

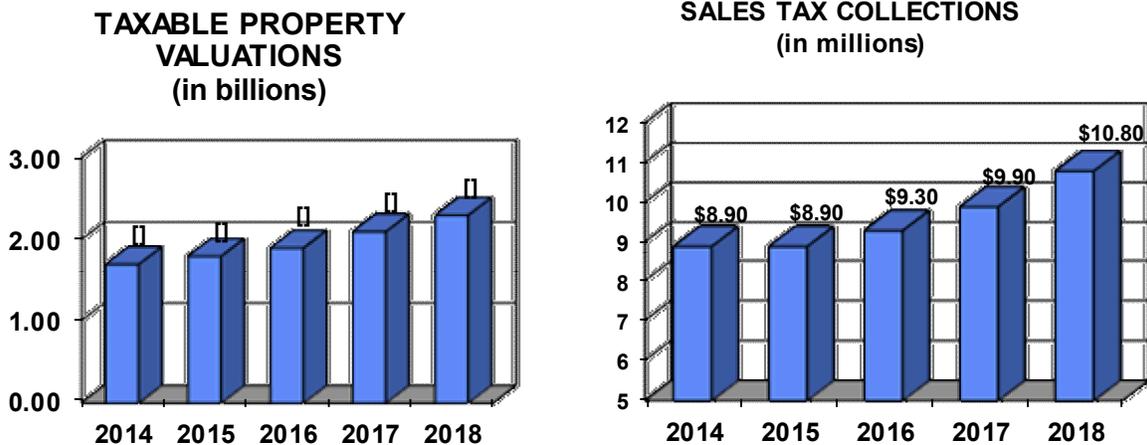
- In 2012, **W&B Service Company** completed construction of their 38,000 square foot facility on 16 acres and employs over 100 people to sell and service refrigerated tractor trailers. In 2018, W&B Service Company expanded and relocated their corporate offices to Duncanville.
- **WinCo** food store opened in June 2015 in the renovated former Walmart building that had been vacant for many years.
- **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.
- **La Quinta Inn, a second McDonalds, Workout Anytime, Total Pharmacy, 50:50 Thrift Store, Thomas Fried Chicken, Village Tech Schools, and Sky Pharmacy** were among new economic development additions in 2018.
- **Hampton Inn & Suites** broke ground in 2018 and is expected to open sometime in 2019.

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 U.S. Highway 67
- Comprehensive Plan (Destination Duncanville) Study and Parks Master Plan update; zoning ordinance update underway to reflect goals of the Comprehensive Plan
- 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 began an upward trend due to economic development and the economic recovery including the housing industry. 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. In November 2018, voters passed an election to issue \$21.6 million in general obligation bonds that will be used to enhance streets, parks, existing city buildings, and construct a new firefighting facility that will house Duncanville's Emergency Operations Center.

## 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 75-day fund balance for FY18 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, 2017. 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.

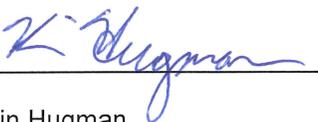
A Certificate of Achievement is valid for a period of one year only. We believe our current report for the year ended September 30, 2018 continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for review.

### 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.

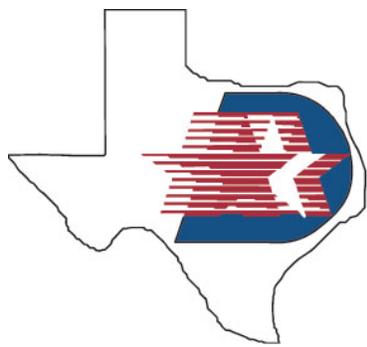
Sincerely,



Kevin Hugman  
City Manager



Richard Summerlin, CPA, CGFO  
Finance Director



Duncanville  
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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, 2017**

*Christopher P. Morill*

Executive Director/CEO



**Duncanville**  
*City of Champions*

# City of Duncanville

## Organizational Chart

September 30, 2018

Citizens of  
Duncanville

Mayor & City  
Council (Elected)

Office of the City  
Manager

### FIRE

Fire Administration  
Fire Prevention  
Fire Suppression  
Advanced Life Support  
Emergency Management

### POLICE

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

### ECONOMIC DEVELOPMENT

Economic  
Development  
Administration  
Convention & Visitor  
Bureau

### GENERAL GOVERNMENT

Administrative  
Services  
Information Systems  
Community  
Information  
Library Services  
Human Resources

### FINANCE

Finance  
Administration  
Purchasing  
Municipal Court  
City Marshal  
Utility Accounting

### PUBLIC WORKS

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

### PARKS AND RECREATION

Parks and Recreation  
Administration  
Recreation Programs  
Building Services  
Municipal Grounds  
Senior Center  
Duncanville  
Fieldhouse

## **CITY OF DUNCANVILLE**

### **CITY COUNCIL**

Barry L. Gordon, Mayor

Leslie Thomas, Mayor Pro Tem

Dennis L. Schwartz, Council Member

Don McBurnett, Council Member

Mark D. Cooks, Council Member

Johnette Jameson, 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

Kristin Downs, City Secretary





## 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

### OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston  
NEW MEXICO | Albuquerque

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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in the notes to the financial statements, in 2018 the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Waco, Texas  
March 26, 2019



Duncanville  
*City of Champions*

**DUNCANVILLE**

The Perfect Blend of Family, Community and Business.

## City of Duncanville, Texas

### Management's Discussion and Analysis for the Fiscal Year Ended September 30, 2018

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, 2018. 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 \$123.2 million (net position). This number must be viewed in the context of the vast majority of the City's net position of \$92.9 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 \$4.5 million is restricted for various purposes such as capital projects, public safety or community programs. The remaining \$25.9 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3.9 million this fiscal year. This includes the impact of implementing GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which resulted in a restatement of beginning net position of \$911 thousand.
- The City's governmental activities total assets and deferred outflows exceeded total liabilities and deferred inflows by \$71.9 million (net position). Governmental activities net position decreased by \$1.2 million.
- As of the close of the current fiscal year, City of Duncanville governmental funds reported combined ending fund balances of \$15.7 million, an increase of \$2.1 from the prior year. Of this amount, \$9.0 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 \$9.0 million. On a current financial resources basis, total fund balance for the General Fund increased by \$1.3 million.
- The City's net bonded debt decreased by \$765 thousand during this current fiscal year.
- The City has seen property tax revenue increases for the past five fiscal years. This shows 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, solid waste services and a sports facility.

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 15-17 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 18-26 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 72-80 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 27-29 of this report. Individual fund data for proprietary funds in the form of budget data and combining statements can be found on pages 81-87 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 30-60 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. 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 \$123.2 million as of September 30, 2018.

### City of Duncanville's Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
Current and other assets	\$ 25,389,609	\$ 21,058,881	\$ 17,932,809	\$ 12,370,968	\$ 43,322,418	\$ 33,429,849
Capital assets, net	57,250,105	59,603,623	39,696,566	40,433,305	96,946,671	100,036,928
Total assets	82,639,714	80,662,504	57,629,375	52,804,273	140,269,089	133,466,777
Total deferred outflows of resources	2,192,220	6,485,425	310,933	891,232	2,503,153	7,376,657
Current liabilities	3,666,621	3,841,104	1,761,777	2,376,529	5,428,398	6,217,633
Noncurrent liabilities	6,808,429	10,182,387	4,539,835	5,107,880	11,348,264	15,290,267
Total liabilities	10,475,050	14,023,491	6,301,612	7,484,409	16,776,662	21,507,900
Total deferred inflows of resources	2,450,190	31,579	322,827	4,117	2,773,017	35,696
Net investment in capital assets	57,250,105	59,603,623	35,605,438	35,548,641	92,855,543	95,152,264
Restricted net position	4,478,493	3,619,861	-	-	4,478,493	3,619,861
Unrestricted net position	10,178,096	9,869,375	15,710,431	10,658,338	25,888,527	20,527,713
Total net position	\$ 71,906,694	\$ 73,092,859	\$ 51,315,869	\$ 46,206,979	\$ 123,222,563	\$ 119,299,838

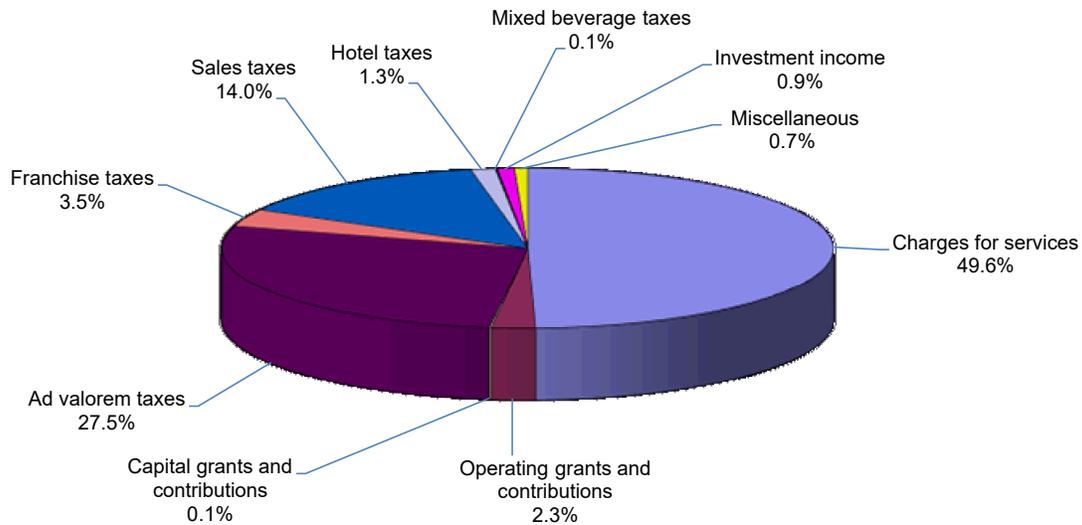
The majority of the City's net position \$92.8 million (75.4%) are capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress). The City uses these capital assets to provide services to citizens and consequently, these assets are not available for spending. 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 4.5 million (3.6%) is reserved for various purposes such as capital projects, public safety and court programs.

The City's balance of unrestricted net position of \$25.9 million (21.0%) may be used to meet the government's ongoing obligations to citizens and creditors.

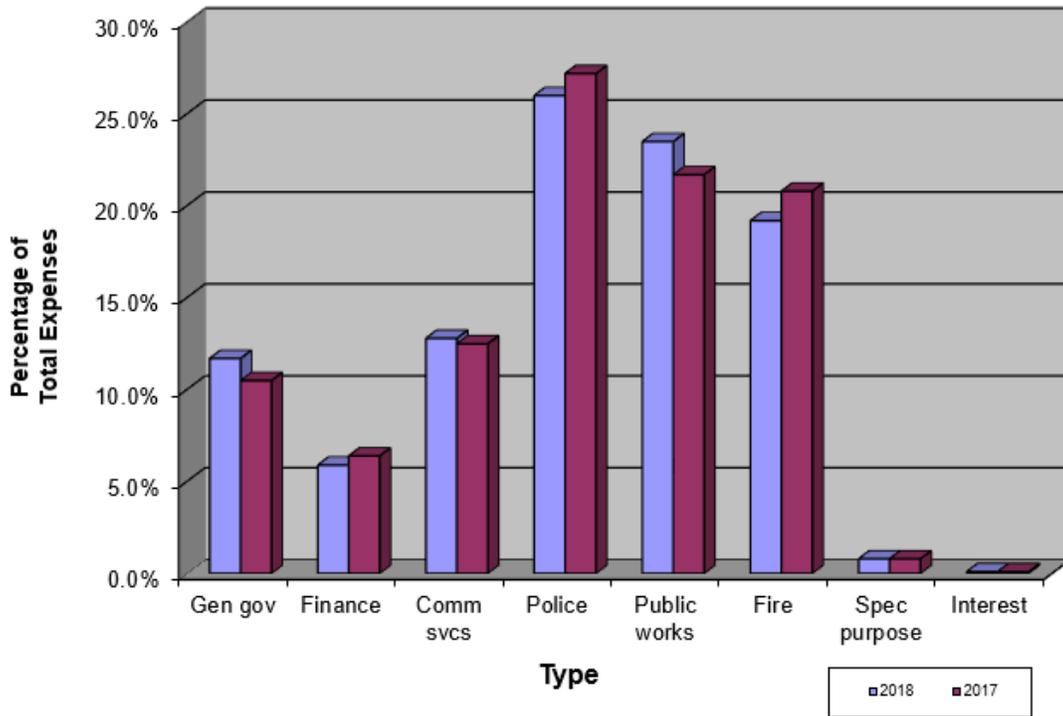
**Analysis of the City's Operations-** Overall, the City's total net position increased \$3.9 million (3.3%) from the prior year.

**Changes in Net Position  
Revenue by Major Category  
Governmental and Business-Type Activities  
For the Fiscal Year Ended September 30, 2018**



**Governmental Activities-** General revenue (excluding transfers) had a net increase of \$2.0 million. Ad valorem tax experienced an increase of \$1.0 million due to an increase in assessed valuations. Sales tax revenues increased by \$635 thousand due to a boost to the local construction economy. The charges for services category showed an overall decrease of \$486 thousand primarily in permits and fines. Overall expenditures experienced a \$2.3 million decrease over the prior year primarily due to a reduction in pension costs throughout all activities.

**Expenses by Type  
Governmental Activities  
Comparison of Fiscal Years 2018 and 2017**



**Business-type Activities-** Net position from business-type activities increased by \$5.2 million. Program revenues decreased by \$1.2 million due a capital contribution for a water tank that occurred in fiscal year 2017. Overall business-type expenses reflected an increase of \$361 thousand as water and sewer costs have increased.

The following table provides a summary of the City's operations at fiscal year end 2018:

City of Duncanville's Changes in Net Position						
For the Fiscal Years Ending September 30, 2018 and 2017						
	Governmental		Business-Type		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 5,349,701	\$ 5,835,703	\$ 23,411,723	\$ 22,232,950	\$ 28,761,424	\$ 28,068,653
Operating grants and contributions	792,205	1,317,404	538,650	535,050	1,330,855	1,852,454
Capital grants and contributions	30,000	-	-	2,339,688	30,000	2,339,688
General revenues:						
Ad valorem taxes	15,950,016	14,950,153	-	-	15,950,016	14,950,153
Franchise taxes	2,046,553	1,992,154	-	-	2,046,553	1,992,154
Sales taxes	8,131,839	7,496,586	-	-	8,131,839	7,496,586
Hotel taxes	752,063	742,865	-	-	752,063	742,865
Mixed beverage taxes	76,312	78,991	-	-	76,312	78,991
Investment income	400,917	155,386	136,107	64,458	537,024	219,844
Miscellaneous	418,247	380,867	-	-	418,247	380,867
Total revenues	<u>33,947,853</u>	<u>32,950,109</u>	<u>24,086,480</u>	<u>25,172,146</u>	<u>58,034,333</u>	<u>58,122,255</u>
Expenses:						
General government	4,317,744	4,102,626	-	-	4,317,744	4,102,626
Finance	2,189,441	2,514,951	-	-	2,189,441	2,514,951
Community services	4,703,219	4,903,571	-	-	4,703,219	4,903,571
Police	9,583,619	10,664,821	-	-	9,583,619	10,664,821
Public works	8,669,083	8,496,495	-	-	8,669,083	8,496,495
Fire	7,094,174	8,126,333	-	-	7,094,174	8,126,333
Special purposes	300,000	300,000	-	-	300,000	300,000
Interest and fiscal charges	28,529	35,472	-	-	28,529	35,472
Water and sewer	-	-	12,005,563	11,741,825	12,005,563	11,741,825
Solid waste	-	-	2,682,991	2,633,707	2,682,991	2,633,707
Sports facility	-	-	1,626,129	1,578,544	1,626,129	1,578,544
Total expenses	<u>36,885,809</u>	<u>39,144,269</u>	<u>16,314,683</u>	<u>15,954,076</u>	<u>53,200,492</u>	<u>55,098,345</u>
Increase in net position before transfers	(2,937,956)	(6,194,160)	7,771,797	9,218,070	4,833,841	3,023,910
Transfers	<u>2,597,840</u>	<u>1,754,164</u>	<u>(2,597,840)</u>	<u>(1,754,164)</u>	-	-
Increase/ (decrease) in net position	(340,116)	(4,439,996)	5,173,957	7,463,906	4,833,841	3,023,910
Net position—beginning	73,092,859	77,532,855	46,206,979	38,743,073	119,299,838	116,275,928
Adjustment for adoption of GASB 75	<u>(846,049)</u>	<u>-</u>	<u>(65,067)</u>	<u>-</u>	<u>(911,116)</u>	<u>-</u>
Net position—ending	<u>\$ 71,906,694</u>	<u>\$ 73,092,859</u>	<u>\$ 51,315,869</u>	<u>\$ 46,206,979</u>	<u>\$ 123,222,563</u>	<u>\$ 119,299,838</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 \$15.7 million. Approximately 57.5% of this total amount constitutes unassigned fund balance which is available for any public purpose. Approximately 13.7% of fund balance has been assigned by City management for community services and innovative one-time projects. The restricted fund balance of \$4.5 million is 28.5% 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 \$49 thousand (.3%). Fund balance for all governmental funds increased by \$2.1 million over the previous fiscal year.

In the General Fund, the original budget projected a \$113 thousand increase in fund balance this fiscal year. The final amended budget changed to an expected fund balance increase of \$615 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 2018 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 6.7%. Sales tax increased by 8.5% due to a general increase in economic activity across several sectors including construction supplies and equipment. The franchise tax revenue had a increase (2.7%) and tends to be volatile since it is based on weather and utility rates. The General fund balance increased by \$1.3 million.

Other governmental funds exhibited minor changes to fund balance. The Debt Service fund showed little change in fund balance with an decrease of \$10 thousand. The Street Construction capital project fund had very little activity with a increase in fund balance of \$49 thousand. The Traffic Improvement and Safety fund balance decreased by \$30 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 \$4.8 million due to water and sewer rates increases enacted in October 2017. The Solid Waste fund net position decreased \$139 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 2018 with an increase in net position of \$136 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 (assets) 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 (Assets) and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation. On a reporting basis, the City's financial statements reflect a Net Pension Asset as of September 30, 2018 of \$1.6 million. The City's plan fiduciary net position is 101.4% of the total pension asset.

Effective for fiscal year 2018, the retiree healthcare liability has been calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, to be \$3.2 million as of September 30, 2018.

## 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 2018, the City had \$97 million invested in a broad range of capital assets, including streets and public infrastructure, water and sewer lines, buildings, park and recreation facilities, and police and fire equipment. This amount represents a net decrease of \$3.1 million which is 3.0% less than the capital assets for the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	20,214	\$ 20,214	\$ 568	\$ 568	\$ 20,782	\$ 20,782
Construction in progress	333	323	1,014	1,211	1,347	1,534
Buildings	6,725	6,974	8,951	9,363	15,676	16,337
Infrastructure	17,320	19,015	23,462	23,505	40,782	42,520
Improvements	5,999	6,104	1,447	1,242	7,446	7,346
Equipment	6,659	6,973	1,566	1,759	8,225	8,732
Water rights	-	-	2,689	2,785	2,689	2,785
Totals	<u>\$ 57,250</u>	<u>\$ 59,603</u>	<u>\$ 39,697</u>	<u>\$ 40,433</u>	<u>\$ 96,947</u>	<u>\$ 100,036</u>

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

- Water and wastewater capital costs for the current fiscal year were \$1.0 million which includes water tank improvements and the completion of several water and sewer line improvements.
- Traffic signal light replacement was completed at North Duncanville Rd and Red Bird Ln for \$179 thousand.
- Vehicle and equipment replacements were made totaling \$452 thousand out of the Fleet Replacement fund. The new additions include six new vehicles, sewer cameras and inspection 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 \$3.8 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	
	2018	2017	2018	2017
General Obligation bonds	<u>3,835</u>	<u>4,600</u>	<u>3,835</u>	<u>4,600</u>
Totals	<u>\$ 3,835</u>	<u>\$ 4,600</u>	<u>\$ 3,835</u>	<u>\$ 4,600</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 2018-2019 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 10.7% on the total tax roll for 2018-19 from 2017-18.
- The second factor in determining ad valorem tax revenue is the tax rate set by City Council. For 2018-19 fiscal year budget, the City tax rate decreased by \$.01, reducing the rate to \$.748447 per \$100 of assessed valuation.
- Sales tax revenue as of September 30, 2018 realized an increase and this trend is expected to continue into the 2018-19 fiscal year at a conservative 3.0% 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 to support future Utility capital projects to improve the aging infrastructure. Fiscal year 2018-19 would have been the fifth year in this plan, but rates were not increased. This was due to a reduction in projected wastewater treatment charges and water wholesale rates.
- Funding of \$6,226,000 has been allocated in Capital Improvement Projects related to water and wastewater line replacement, water and wastewater project construction design, water storage tank rehabilitation, drainage improvements and street construction design projects.
- The City has earmarked \$2.6 million in the budget for one-time expenditures, including \$1.6 million for replacement of aged and leaking roofs at several City facilities.

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 \$9.0 million, available for spending in the 2018-2019 fiscal year budget.

## Contacting the City's Financial Management

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Finance Department, at:

City of Duncanville  
Attn: Richard Summerlin, Finance Director  
P.O. Box 380280  
Duncanville, TX 75138-0280  
Phone: 972-780-5005  
Email: [rsummerlin@duncanville.com](mailto:rsummerlin@duncanville.com)

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



Duncanville  
*City of Champions*

**DUNCANVILLE**

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE, TEXAS

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 18,875,634	\$ 12,822,077	\$ 31,697,711	\$ 1,439,474
Receivables (net of allowance for uncollectibles)	3,974,062	3,831,128	7,805,190	474,608
Accrued interest and other	257,811	16,993	274,804	-
Prepaid items	393,032	-	393,032	3,225
Restricted cash and investments	-	770,363	770,363	-
Internal balances	(303,074)	303,074	-	-
Investment in joint ventures	756,373	-	756,373	-
Net pension asset	1,435,771	189,174	1,624,945	-
Capital assets:				
Nondepreciable	20,547,302	1,581,204	22,128,506	219,637
Depreciable- net of accumulated depreciation	36,702,803	38,115,362	74,818,165	898,581
<b>Total Assets</b>	<b>82,639,714</b>	<b>57,629,375</b>	<b>140,269,089</b>	<b>3,035,525</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on bond refunding	-	32,451	32,451	16,361
Pension contributions after measurement date	845,860	111,450	957,310	-
Changes in actuarial assumptions used to determine pension asset	636,161	83,819	719,980	-
Difference in expected and actual pension experience	200,692	26,170	226,862	-
OPEB contributions after measurement date	227,380	25,457	252,837	-
Difference in expected and actual OPEB experience	171,276	19,175	190,451	-
Changes in actuarial assumptions OPEB liability	110,851	12,411	123,262	-
<b>Total deferred outflows of resources</b>	<b>2,192,220</b>	<b>310,933</b>	<b>2,503,153</b>	<b>16,361</b>
<b>LIABILITIES</b>				
Accounts payable	2,026,219	813,308	2,839,527	53,833
Accrued liabilities	1,452,959	109,272	1,562,231	8,115
Accrued interest payable	-	14,559	14,559	1,896
Unearned revenue	157,123	54,275	211,398	-
Customer performance and escrow deposits	30,320	770,363	800,683	150
Investment in joint ventures	-	-	-	29,371
Noncurrent liabilities				
Due within one year:				
Bonds and certificates of obligation payable	-	780,000	780,000	480,000
Compensated absences	220,477	6,255	226,732	-
Loan payable	218,880	-	218,880	-
Due in more than one year:				
Loan payable	520,006	-	520,006	-
Bonds and certificates of obligation payable	-	3,343,579	3,343,579	965,000
Compensated absences	2,929,196	83,109	3,012,305	-
Other postemployment benefits	2,919,870	326,892	3,246,762	-
<b>Total Liabilities</b>	<b>10,475,050</b>	<b>6,301,612</b>	<b>16,776,662</b>	<b>1,538,365</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Difference in expected and actual pension experience	60,366	7,953	68,319	-
Difference in projected and actual earnings on pension assets	2,389,824	314,874	2,704,698	-
<b>Total deferred inflows of resources</b>	<b>2,450,190</b>	<b>322,827</b>	<b>2,773,017</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	57,250,105	35,605,438	92,855,543	-
Restricted for:				
Capital projects	1,367,344	-	1,367,344	-
Public safety	1,509,177	-	1,509,177	-
Other purposes	1,601,972	-	1,601,972	-
Unrestricted	10,178,096	15,710,431	25,888,527	1,513,521
<b>Total Net Position</b>	<b>\$ 71,906,694</b>	<b>\$ 51,315,869</b>	<b>\$ 123,222,563</b>	<b>\$ 1,513,521</b>

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PROGRAM ACTIVITIES	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 4,317,744	\$ 388,993	\$ 130,133	\$ -
Finance	2,189,441	-	-	-
Community Services	4,703,219	302,750	89,716	30,000
Police	9,583,619	2,989,143	57,472	-
Public works	8,669,083	1,058,873	52,046	-
Fire	7,094,174	609,942	462,838	-
Economic development	300,000	-	-	-
Interest and fiscal charges	28,529	-	-	-
<b>Total governmental activities</b>	<b>36,885,809</b>	<b>5,349,701</b>	<b>792,205</b>	<b>30,000</b>
<b>Business-type activities:</b>				
Water	5,712,209	9,024,571	-	-
Sewer	6,293,354	9,967,610	-	-
Solid waste	2,682,991	3,174,451	-	-
Sports facility	1,626,129	1,245,091	538,650	-
<b>Total business-type activities</b>	<b>16,314,683</b>	<b>23,411,723</b>	<b>538,650</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 53,200,492</b>	<b>\$ 28,761,424</b>	<b>\$ 1,330,855</b>	<b>\$ 30,000</b>
<b>Component unit:</b>				
DCEDC	\$ 1,144,350	\$ -	\$ -	\$ -

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

Adjustment for Adoption of GASB 75

Net position - beginning, restated (See Note 20)

Net position - ending

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

**Net (Expense) Revenue and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Unit</b>
\$ (3,798,618)	\$ -	\$ (3,798,618)	
(2,189,441)	-	(2,189,441)	
(4,280,753)	-	(4,280,753)	
(6,537,004)	-	(6,537,004)	
(7,558,164)	-	(7,558,164)	
(6,021,394)	-	(6,021,394)	
(300,000)	-	(300,000)	
(28,529)	-	(28,529)	
<u>(30,713,903)</u>	<u>-</u>	<u>(30,713,903)</u>	
-	3,312,362	3,312,362	
-	3,674,256	3,674,256	
-	491,460	491,460	
-	157,612	157,612	
-	<u>7,635,690</u>	<u>7,635,690</u>	
<u>(30,713,903)</u>	<u>7,635,690</u>	<u>(23,078,213)</u>	
			<u>(1,144,350)</u>
15,950,016	-	15,950,016	-
8,131,839	-	8,131,839	2,710,613
2,046,553	-	2,046,553	-
76,312	-	76,312	-
752,063	-	752,063	-
400,917	136,107	537,024	16,271
418,247	-	418,247	-
<u>2,597,840</u>	<u>(2,597,840)</u>	<u>-</u>	<u>-</u>
<u>30,373,787</u>	<u>(2,461,733)</u>	<u>27,912,054</u>	<u>2,726,884</u>
(340,116)	5,173,957	4,833,841	1,582,534
73,092,859	46,206,979	119,299,838	(69,013)
<u>(846,049)</u>	<u>(65,067)</u>	<u>(911,116)</u>	<u>-</u>
<u>72,246,810</u>	<u>46,141,912</u>	<u>118,388,722</u>	<u>(69,013)</u>
<u>\$ 71,906,694</u>	<u>\$ 51,315,869</u>	<u>\$ 123,222,563</u>	<u>\$ 1,513,521</u>

CITY OF DUNCANVILLE, TEXAS

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction Fund</u>
<b>ASSETS</b>			
Cash and investments	\$ 10,617,683	\$ 144	\$ 65,134
Receivables -			
Property taxes (net of allowance)	352,982	30,641	-
Trade accounts (net of allowance)	611,501	-	-
Other taxes	2,444,122	-	-
Assessments	-	-	51,950
Intergovernmental	-	-	-
Accrued interest and other	72,248	2,068	-
Prepaid items	38,937	-	-
Due from other funds	15,000	-	-
<b>Total assets</b>	<u>\$ 14,152,473</u>	<u>\$ 32,853</u>	<u>\$ 117,084</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,102,355	\$ -	\$ 400
Customer performance and escrow deposits	30,320	-	-
Accrued liabilities	962,813	-	-
Due to other funds	-	15,000	-
Unearned revenue	10,450	-	-
<b>Total liabilities</b>	<u>2,105,938</u>	<u>15,000</u>	<u>400</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	820,647	27,145	51,950
<b>Total deferred inflows of resources</b>	<u>820,647</u>	<u>27,145</u>	<u>51,950</u>
<b>FUND BALANCES:</b>			
<b>Nonspendable:</b>			
Prepaid items	38,937	-	-
<b>Restricted for:</b>			
Street construction	-	-	64,734
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	-	-	-
<b>Assigned:</b>			
Community services	130,482	-	-
Innovative one-time projects	2,021,077	-	-
<b>Unassigned</b>	<u>9,035,392</u>	<u>(9,292)</u>	<u>-</u>
<b>Total fund balances</b>	<u>11,225,888</u>	<u>(9,292)</u>	<u>64,734</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 14,152,473</u>	<u>\$ 32,853</u>	<u>\$ 117,084</u>

The accompanying notes are an integral part of this statement.

<b>Traffic I&amp;S</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,656,003	\$ 3,317,018	\$ 15,655,982
-	-	383,623
123,276	177,030	911,807
-	128,664	2,572,786
-	-	51,950
-	53,896	53,896
-	12,741	87,057
10,000	-	48,937
-	-	15,000
<u>\$ 1,789,279</u>	<u>\$ 3,689,349</u>	<u>\$ 19,781,038</u>
\$ 828,118	\$ 56,389	\$ 1,987,262
-	-	30,320
2,212	21,484	986,509
-	-	15,000
-	146,666	157,116
<u>830,330</u>	<u>224,539</u>	<u>3,176,207</u>
-	-	899,742
-	-	899,742
10,000	-	48,937
-	-	64,734
948,949	-	948,949
-	196,642	196,642
-	1,405,330	1,405,330
-	980,820	980,820
-	197,416	197,416
-	25,023	25,023
-	33,025	33,025
-	304,764	304,764
-	21,043	21,043
-	300,747	300,747
-	-	130,482
-	-	2,021,077
-	-	9,026,100
<u>958,949</u>	<u>3,464,810</u>	<u>15,705,089</u>
<u>\$ 1,789,279</u>	<u>\$ 3,689,349</u>	<u>\$ 19,781,038</u>

**CITY OF DUNCANVILLE, TEXAS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

---

**TOTAL FUND BALANCE- GOVERNMENTAL FUNDS** \$ 15,705,089

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 \$303,004. 5,632,850

Net pension assets in governmental activities are not current financial resources and therefore not reported in the governmental funds balance sheet. 1,435,771

Investments in joint ventures represent a financial asset not reported in governmental funds. 756,373

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 \$2,706,830). 54,543,275

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

Pension contributions after measurement date	845,860	
Changes in actuarial assumptions used to determine pension asset	636,161	
Difference in expected and actual pension experience	200,692	
OPEB contributions after measurement date	227,380	
Difference in expected and actual OPEB experience	171,276	
Changes in actuarial assumptions OPEB liability	110,851	
		2,192,220

Revenue earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements. 899,735

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	(738,886)	
Compensated absences	(3,149,673)	
Other post employment benefits	(2,919,870)	
		(6,808,429)

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

Difference in expected and actual pension experience	(60,366)	
Difference in projected and actual earnings on pension assets	(2,389,824)	
		(2,450,190)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 71,906,694**

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



Duncanville  
*City of Champions*

**DUNCANVILLE**

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction</u>
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$ 14,573,183	\$ 1,372,071	\$ -
Sales	8,131,839	-	-
Franchise	2,046,553	-	-
Mixed beverage	76,312	-	-
Hotel	-	-	-
Licenses, permits and fees	1,117,920	-	-
Fines and forfeitures	506,268	-	-
Recreational fees	302,730	-	-
Intergovernmental	455,832	-	-
Investment income	319,420	17,897	-
Rental and other	768,159	-	-
Gifts and contributions	42,609	-	-
<b>Total revenues</b>	<u>28,340,825</u>	<u>1,389,968</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
General government	3,087,067	-	-
Finance	1,271,868	-	-
Community services	3,884,453	-	-
Police	8,482,266	-	-
Public works	6,177,110	-	-
Fire	6,670,367	-	-
Non-departmental	298,936	-	-
Special purposes - promotional	300,000	-	-
Debt Service:			
Principal retirement	211,700	-	-
Interest and fiscal charges	28,529	-	-
Capital outlay:			
General government	209,951	-	-
Community services	173,350	-	-
Police	-	-	-
Public works	8,584	-	101,235
<b>Total expenditures</b>	<u>30,804,181</u>	<u>-</u>	<u>101,235</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,463,356)</u>	<u>1,389,968</u>	<u>(101,235)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,944,332	-	150,000
Transfers out	<u>(226,105)</u>	<u>(1,400,000)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>3,718,227</u>	<u>(1,400,000)</u>	<u>150,000</u>
Net change in fund balances	1,254,871	(10,032)	48,765
Fund balances, beginning of year	9,971,017	740	15,969
Fund balances, end of year	<u>\$ 11,225,888</u>	<u>\$ (9,292)</u>	<u>\$ 64,734</u>

The accompanying notes are an integral part of this statement.

<u>Traffic I &amp; S</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 15,945,254
-	-	8,131,839
-	-	2,046,553
-	-	76,312
-	752,063	752,063
2,239,677	661,018	4,018,615
-	151,901	658,169
-	-	302,730
-	245,661	701,493
6,728	15,281	359,326
-	58,301	826,460
-	-	42,609
<u>2,246,405</u>	<u>1,884,225</u>	<u>33,861,423</u>
778,942	448,432	4,314,441
63,704	-	1,335,572
-	138,633	4,023,086
597,517	164,042	9,243,825
355,142	439,903	6,972,155
-	11,840	6,682,207
-	-	298,936
-	31,388	331,388
-	-	211,700
-	-	28,529
-	-	209,951
-	-	173,350
-	62,008	62,008
340,684	17,398	467,901
<u>2,135,989</u>	<u>1,313,644</u>	<u>34,355,049</u>
<u>110,416</u>	<u>570,581</u>	<u>(493,626)</u>
-	322,747	4,417,079
(140,000)	(53,134)	(1,819,239)
<u>(140,000)</u>	<u>269,613</u>	<u>2,597,840</u>
(29,584)	840,194	2,104,214
988,533	2,624,616	13,600,875
<u>\$ 958,949</u>	<u>\$ 3,464,810</u>	<u>\$ 15,705,089</u>

**CITY OF DUNCANVILLE, TEXAS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2018**

---

**NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS** **\$ 2,104,214**

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 \$451,776). 913,210

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. 76,632

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. (2,742,508)

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. 211,700

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. (118,587)

Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (36,731)

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. 70,685

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 \$2,770 allocated to business type activities). (22,768)

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. (795,963)

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**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ (340,116)**

*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, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 14,552,731	\$ 14,642,731	\$ 14,573,183	\$ (69,548)
Sales	7,698,126	7,839,593	8,131,839	292,246
Franchise	1,995,000	1,946,000	2,046,553	100,553
Other	75,750	77,000	76,312	(688)
Licenses, permits and fees	1,185,563	1,175,808	1,117,920	(57,888)
Fines and forfeitures	534,290	492,000	506,268	14,268
Recreation fees	230,230	253,500	302,730	49,230
Intergovernmental	96,960	344,000	455,832	111,832
Investment income	85,850	235,000	319,420	84,420
Rental and other	575,074	638,465	768,159	129,694
Gifts and contributions	-	-	42,609	42,609
<b>Total revenues</b>	<u>27,029,574</u>	<u>27,644,097</u>	<u>28,340,825</u>	<u>696,728</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,706,486	2,838,819	3,087,067	(248,248)
Finance	1,384,502	1,343,376	1,271,868	71,508
Community services	3,732,258	3,693,929	3,884,453	(190,524)
Police	8,395,342	8,364,791	8,482,266	(117,475)
Public works	7,068,564	7,008,309	6,177,110	831,199
Fire	6,604,058	6,720,198	6,670,367	49,831
Non-departmental	235,599	277,969	298,936	(20,967)
Special purposes	300,000	300,000	300,000	-
Debt Service:				
Loan payment	211,700	211,700	211,700	-
Interest and fiscal charges	28,528	28,528	28,529	(1)
Capital outlay:				
General government	100,000	100,000	209,951	(109,951)
Community services	-	-	173,350	(173,350)
Police	-	520	-	520
Public works	2,000	-	8,584	(8,584)
<b>Total expenditures</b>	<u>30,769,037</u>	<u>30,888,139</u>	<u>30,804,181</u>	<u>83,958</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(3,739,463)</u>	<u>(3,244,042)</u>	<u>(2,463,356)</u>	<u>780,686</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,016,974	4,023,974	3,944,332	(79,642)
Transfers out	(165,000)	(165,000)	(226,105)	(61,105)
<b>Total other financing sources (uses)</b>	<u>3,851,974</u>	<u>3,858,974</u>	<u>3,718,227</u>	<u>(140,747)</u>
<b>Net change in fund balance</b>	<u>\$ 112,511</u>	<u>\$ 614,932</u>	<u>1,254,871</u>	<u>\$ 639,939</u>
<b>FUND BALANCE, beginning of year</b>			<u>9,971,017</u>	
<b>FUND BALANCE, end of year</b>			<u>\$ 11,225,888</u>	

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

CITY OF DUNCANVILLE, TEXAS

**TRAFFIC IMPROVEMENT AND SAFETY FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Traffic enforcement fees	\$ 1,900,000	\$ 2,000,000	\$ 2,239,677	\$ 239,677
Interest on investments	4,000	5,000	6,728	1,728
<b>Total revenues</b>	<u>1,904,000</u>	<u>2,005,000</u>	<u>2,246,405</u>	<u>241,405</u>
<b>EXPENDITURES</b>				
General government	636,519	653,790	778,942	(125,152)
Police	531,864	603,290	597,517	5,773
Public works	347,730	522,753	355,142	167,611
Finance	60,199	68,230	63,704	4,526
Capital Outlay- Public works	705,750	631,588	340,684	290,904
<b>Total expenditures</b>	<u>2,282,062</u>	<u>2,479,651</u>	<u>2,135,989</u>	<u>343,662</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(378,062)</u>	<u>(474,651)</u>	<u>110,416</u>	<u>585,067</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(133,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(511,062)	(614,651)	(29,584)	585,067
<b>FUND BALANCE, beginning of year</b>			<u>988,533</u>	
<b>FUND BALANCE, end of year</b>			<u>\$ 958,949</u>	

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

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 SEPTEMBER 30, 2018

	Business-type Activities				Governmental
	Utility	Solid Waste	Fieldhouse Sports Facility	Total	Activities- Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 12,491,476	\$ 328,585	\$ 2,016	\$ 12,822,077	\$ 3,219,652
Receivables-					
Customers (net of allowance)	1,789,599	408,551	-	2,198,150	-
Unbilled	1,448,700	184,278	-	1,632,978	-
Due from other funds	1,025,000	-	-	1,025,000	650,000
Accrued interest and other	460	-	16,533	16,993	170,754
Prepaid items	-	-	-	-	344,095
<b>Total current assets</b>	<b>16,755,235</b>	<b>921,414</b>	<b>18,549</b>	<b>17,695,198</b>	<b>4,384,501</b>
Non-current assets:					
Restricted cash-					
Customer deposits	770,363	-	-	770,363	-
Net pension asset	149,053	13,489	26,632	189,174	-
Capital assets-					
Land and construction-in-progress	1,102,768	-	478,436	1,581,204	-
Water rights, net	2,689,326	-	-	2,689,326	-
Buildings and improvements, net	5,038,649	-	5,359,653	10,398,302	-
Distribution lines and equipment, net	24,994,974	-	32,760	25,027,734	2,706,830
<b>Total non-current assets</b>	<b>34,745,133</b>	<b>13,489</b>	<b>5,897,481</b>	<b>40,656,103</b>	<b>2,706,830</b>
<b>TOTAL ASSETS</b>	<b>51,500,368</b>	<b>934,903</b>	<b>5,916,030</b>	<b>58,351,301</b>	<b>7,091,331</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on bond refunding	16,275	-	16,176	32,451	-
Pension contributions after measurement date	87,813	7,946	15,691	111,450	-
Changes in actuarial assumptions used to determine pension asset					
	66,043	5,975	11,801	83,819	-
Difference in expected and actual pension experience	21,875	1,752	2,543	26,170	-
OPEB contributions after measurement date	18,553	3,452	3,452	25,457	-
Difference in expected and actual OPEB experience	13,975	2,600	2,600	19,175	-
Changes in actuarial assumptions OPEB liability	9,045	1,683	1,683	12,411	-
<b>Total deferred outflows of resources</b>	<b>233,579</b>	<b>23,408</b>	<b>53,946</b>	<b>310,933</b>	<b>-</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	495,076	274,417	43,815	813,308	38,957
Accrued liabilities	55,618	27,806	25,848	109,272	466,450
Due to other funds	-	-	1,025,000	1,025,000	650,000
Accrued interest payable	778	-	13,781	14,559	-
Unearned revenue	-	-	54,275	54,275	-
Bonds payable - current	345,000	-	435,000	780,000	-
Accrued compensated absences - current	5,078	568	609	6,255	-
<b>Total current liabilities</b>	<b>901,550</b>	<b>302,791</b>	<b>1,598,328</b>	<b>2,802,669</b>	<b>1,155,407</b>
Long-term Liabilities:					
Bonds payable	110,000	-	3,233,579	3,343,579	-
Accrued compensated absences	67,460	7,551	8,098	83,109	-
Other postemployment benefits liability	238,244	44,324	44,324	326,892	-
Payable from restricted assets					
Customer deposits	770,363	-	-	770,363	-
<b>Total long-term liabilities</b>	<b>1,186,067</b>	<b>51,875</b>	<b>3,286,001</b>	<b>4,523,943</b>	<b>-</b>
<b>Total liabilities</b>	<b>2,087,617</b>	<b>354,666</b>	<b>4,884,329</b>	<b>7,326,612</b>	<b>1,155,407</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Difference in expected and actual pension experience	6,267	567	1,119	7,953	-
Difference in projected and actual earnings on pension assets	248,112	22,449	44,313	314,874	-
<b>Total deferred outflows of resources</b>	<b>254,379</b>	<b>23,016</b>	<b>45,432</b>	<b>322,827</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	33,386,992	-	2,218,446	35,605,438	2,706,830
Unrestricted	16,004,959	580,629	(1,178,231)	15,407,357	3,229,094
<b>TOTAL NET POSITION</b>	<b>\$ 49,391,951</b>	<b>\$ 580,629</b>	<b>\$ 1,040,215</b>	<b>51,012,795</b>	<b>\$ 5,935,924</b>
Reconciliation to government-wide statement of net position:					
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				303,074	
Net position of business-type activities				\$ 51,315,869	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities				Governmental Activities- Internal Service Funds
	Utility	Solid Waste	Fieldhouse Sports Facility	Total	
<b>OPERATING REVENUES</b>					
Water	\$ 8,643,980	\$ -	\$ -	\$ 8,643,980	\$ -
Sewer	9,967,610	-	-	9,967,610	-
Solid waste	-	3,174,451	-	3,174,451	-
Sports facility	-	-	1,172,566	1,172,566	-
Penalties	195,544	-	-	195,544	-
Premiums, charges for services and other	185,047	-	72,525	257,572	5,095,664
<b>Total operating revenues</b>	<b>18,992,181</b>	<b>3,174,451</b>	<b>1,245,091</b>	<b>23,411,723</b>	<b>5,095,664</b>
<b>OPERATING EXPENSES</b>					
Water services	4,475,108	-	-	4,475,108	-
Sewer	4,811,431	-	-	4,811,431	-
Solid waste	-	2,677,920	-	2,677,920	-
Sports facility	-	-	1,213,168	1,213,168	-
Claims and provision	-	-	-	-	3,173,347
Equipment	-	-	-	-	242,810
Administrative and fiscal	1,428,096	-	-	1,428,096	770,818
Depreciation and amortization	1,296,476	-	290,329	1,586,805	975,996
<b>Total operating expenses</b>	<b>12,011,111</b>	<b>2,677,920</b>	<b>1,503,497</b>	<b>16,192,528</b>	<b>5,162,971</b>
<b>OPERATING INCOME (LOSS)</b>	<b>6,981,070</b>	<b>496,531</b>	<b>(258,406)</b>	<b>7,219,195</b>	<b>(67,307)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Intergovernmental	-	-	538,650	538,650	-
Investment income	131,771	4,336	-	136,107	41,591
Interest and fiscal charges	(7,994)	-	(117,000)	(124,994)	-
Gain on sale of capital assets	-	-	-	-	5,787
<b>Total non-operating revenues (expenses)</b>	<b>123,777</b>	<b>4,336</b>	<b>421,650</b>	<b>549,763</b>	<b>47,378</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>7,104,847</b>	<b>500,867</b>	<b>163,244</b>	<b>7,768,958</b>	<b>(19,929)</b>
Transfers out	(2,244,914)	(352,926)	-	(2,597,840)	-
<b>CHANGES IN NET POSITION</b>	<b>4,859,933</b>	<b>147,941</b>	<b>163,244</b>	<b>5,171,118</b>	<b>(19,929)</b>
<b>TOTAL NET POSITION - BEGINNING</b>	<b>44,560,431</b>	<b>441,708</b>	<b>904,605</b>		<b>5,955,853</b>
<b>ADJUSTMENT FOR ADOPTION OF GASB 75</b>	<b>(28,413)</b>	<b>(9,020)</b>	<b>(27,634)</b>		<b>-</b>
<b>TOTAL NET POSITION -</b>					
<b>BEGINNING, RESTATED (SEE NOTE 20)</b>	<b>44,532,018</b>	<b>432,688</b>	<b>876,971</b>		<b>5,955,853</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 49,391,951</b>	<b>\$ 580,629</b>	<b>\$ 1,040,215</b>		<b>\$ 5,935,924</b>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				2,839	
Change in net position of business-type activities				\$ 5,173,957	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities				Governmental Activities-
	Utility Fund	Solid Waste Fund	Fieldhouse Sports Facility	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 18,633,535	\$ 3,138,844	\$ 1,234,268	\$ 23,006,647	\$ -
Receipts from insured	-	-	-	-	718,470
Payments to suppliers	(8,667,955)	(2,358,798)	(609,947)	(11,636,700)	(4,370,997)
Payments to employees	(1,948,736)	(195,972)	(578,311)	(2,723,019)	-
Internal activity - receipts from other funds	-	-	-	-	4,377,188
Other receipts	202,107	-	-	202,107	6
<b>Net cash provided by operating activities</b>	<u>8,218,951</u>	<u>584,074</u>	<u>46,010</u>	<u>8,849,035</u>	<u>724,667</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers out to other funds	(2,244,914)	(352,926)	-	(2,597,840)	-
Receipts from interfund borrowings	-	-	15,000	15,000	-
Payments for interfund borrowings	(15,000)	-	-	(15,000)	-
Other contributions	-	-	538,650	538,650	-
<b>Net cash provided (used in) by noncapital financing activities</b>	<u>(2,259,914)</u>	<u>(352,926)</u>	<u>553,650</u>	<u>(2,059,190)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(766,170)	-	(22,948)	(789,118)	(452,306)
Proceeds from sale of capital assets	-	-	-	-	53,566
Principal paid on bond maturities	(345,000)	-	(461,722)	(806,722)	-
Interest paid on bond maturities	(8,584)	-	(119,100)	(127,684)	-
<b>Net cash used in capital and related financing activities</b>	<u>(1,119,754)</u>	<u>-</u>	<u>(603,770)</u>	<u>(1,723,524)</u>	<u>(398,740)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	148,615	4,336	-	152,951	47,273
<b>Net cash provided by investing activities</b>	<u>148,615</u>	<u>4,336</u>	<u>-</u>	<u>152,951</u>	<u>47,273</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	4,987,898	235,484	(4,110)	5,219,272	373,200
<b>CASH AND INVESTMENTS, beginning of year</b>	<u>8,273,941</u>	<u>93,101</u>	<u>6,126</u>	<u>8,373,168</u>	<u>2,846,452</u>
<b>CASH AND INVESTMENTS, end of year</b>	<u>\$ 13,261,839</u>	<u>\$ 328,585</u>	<u>\$ 2,016</u>	<u>\$ 13,592,440</u>	<u>\$ 3,219,652</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 6,981,070	\$ 496,531	\$ (258,406)	\$ 7,219,195	\$ (67,307)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,200,429	-	290,329	1,490,758	975,996
Amortization of water rights	96,047	-	-	96,047	-
Change in assets and liabilities:					
Accounts receivable	(120,972)	(35,607)	(10,823)	(167,402)	-
Accrued compensated absences	507	(594)	4,163	4,076	-
Other postemployment benefits liability	35,806	6,661	6,661	49,128	-
Pension liability	(693,252)	(57,014)	(89,471)	(839,737)	-
Deferred outflows and inflows	751,824	55,905	91,280	899,009	-
Prepaid items	-	-	-	-	(132,809)
Accounts payable and accrued liabilities	3,059	118,192	12,277	133,528	(51,213)
Customer deposits	(35,567)	-	-	(35,567)	-
<b>Total adjustments</b>	<u>1,237,881</u>	<u>87,543</u>	<u>304,416</u>	<u>1,629,840</u>	<u>791,974</u>
<b>Net cash provided by operating activities</b>	<u>\$ 8,218,951</u>	<u>\$ 584,074</u>	<u>\$ 46,010</u>	<u>\$ 8,849,035</u>	<u>\$ 724,667</u>
<b>RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION</b>					
Unrestricted cash and investments				12,822,077	3,219,652
Restricted cash				770,363	-
<b>Total cash and investments</b>				<u>\$ 13,592,440</u>	<u>\$ 3,219,652</u>

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

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

The financial statements of the City have been prepared to conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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, 2018

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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, 2018**

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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, 2018

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**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, 2018, 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, 2018**

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

Buildings	25 to 50 years
Infrastructure/improvements	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, 2018 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, 2018

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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.

**Post-Employment Benefits Other Than Pensions (OPEB)**—For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City's total OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company.

**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 and OPEB 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 and OPEB liabilities – 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 and OPEB 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.

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

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

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

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

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

***New Accounting Standards/Pronouncements-***

Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” – This statement changes the focus of accounting of postemployment benefits other than pensions from whether they are responsibility funding the benefits over time to a point-in time liability that is reflected on the employer’s financial statements for any actuarially unfunded portion of benefits earned to date. The City implemented this statement for the fiscal year 2018. See Note 12 and RSI Schedules related to OPEB.

The GASB has issued the following potentially significant statements which the City has not yet adopted and which require adoption subsequent to September 30, 2018.

<b>No.</b>	<b>GASB Statement</b>	<b>Adoption Required</b>
83	Certain Asset Retirement Obligations	September 30, 2019
84	Fiduciary Activities	September 30, 2020
87	Leases	September 30, 2021
88	Certain Disclosures Related to Debt, including Direct	September 30, 2019

**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, 2018, in full compliance with state statute and City policy. At year-end, the reconciled balance of the City’s cash was \$1,342,694. The combined bank balances of the City were \$1,878,443. 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.

**CITY OF DUNCANVILLE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

The City's investments as of September 30, 2018 are as follows:

	9/30/2018	Percent of Total Portfolio	Weighted Average Maturity (Days)
<b>Primary Government</b>			
Money Market Funds	14,339,870	45.53%	1
Investment pools measured at net asset value per share			
LOGIC (AAA/MR1+)	\$ 11,148,318	35.40%	34
Texpool (AAAm)	4,874	0.02%	33
Certificates of deposit measured at amortized cost	6,000,000	19.05%	211
Total primary government investments	<u>\$ 31,493,062</u>		<u>278</u>
<b>DCEDC</b>			
Investment pools measured at net asset value per share			
LOGIC (AAA/MR1+)	\$ 1,074,903	100.00%	34
Total DCEDC investments	<u>\$ 1,074,903</u>		<u>34</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%

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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, 2017, upon which the 2018 fiscal year levy was based, was \$2,076,971,964.

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, 2018 were 99.2% 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, 2018, 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	\$ 2,470,268	\$ -	\$ -	\$ 123,276	\$ 203,104	\$ 3,807,601	\$ 670,533	\$ 7,274,782
Ad valorem taxes	720,139	95,449	-	-	-	-	-	815,588
Other taxes	2,444,122	-	-	-	128,664	-	-	2,572,786
Assessments	-	-	51,950	-	-	-	-	51,950
Intergovernmental	-	-	-	-	53,896	-	-	53,896
Gross receivables	5,634,529	95,449	51,950	123,276	385,664	3,807,601	670,533	10,769,002
Less allowance for uncollectibles	(2,225,924)	(64,808)	-	-	(26,074)	(569,302)	(77,704)	(2,963,812)
Net total receivables	\$ 3,408,605	\$ 30,641	\$ 51,950	\$ 123,276	\$ 359,590	\$ 3,238,299	\$ 592,829	\$ 7,805,190

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

5. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2018:

**Governmental activities:**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 20,213,916	\$ -	\$ -	\$ -	\$ 20,213,916
Construction in progress	323,018	218,301	-	(207,933)	333,386
Total capital assets, not being depreciated	20,536,934	218,301	-	(207,933)	20,547,302
Capital assets being depreciated:					
Buildings	12,600,719	-	-	-	12,600,719
Infrastructure	61,923,908	-	-	-	61,923,908
Improvements	8,991,729	89,773	-	-	9,081,502
Equipment	21,785,451	1,264,846	(40,284)	-	23,010,013
Total capital assets being depreciated	105,301,807	1,354,619	(40,284)	-	106,616,142
Less accumulated depreciation for:					
Buildings	(5,626,379)	(248,963)	-	-	(5,875,342)
Infrastructure	(42,908,654)	(1,694,924)	-	-	(44,603,578)
Improvements	(2,887,529)	(195,109)	-	-	(3,082,638)
Equipment	(14,812,556)	(1,579,509)	40,284	-	(16,351,781)
Total accumulated depreciation	(66,235,118)	(3,718,505)	40,284	-	(69,913,339)
Total capital assets being depreciated, net	39,066,689	(2,363,886)	-	-	36,702,803
Governmental activities capital assets, net	\$ 59,603,623	\$ (2,145,585)	\$ -	\$ (207,933)	\$ 57,250,105

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**Business-type activities:**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 567,630	\$ -	\$ -	\$ -	\$ 567,630
Construction in progress	1,211,155	827,117	-	(1,024,698)	1,013,574
Total capital assets, not being depreciated	1,778,785	827,117	-	(1,024,698)	1,581,204
Capital assets being depreciated:					
Buildings	14,043,642	-	-	-	14,043,642
Infrastructure	45,231,572	804,149	-	-	46,035,721
Water rights	4,802,361	-	-	-	4,802,361
Improvements	1,262,273	243,498	-	-	1,505,771
Equipment	3,254,960	-	-	-	3,254,960
Total capital assets being depreciated	68,594,808	1,047,647	-	-	69,642,455
Less accumulated depreciation for:					
Buildings	(4,680,358)	(412,121)	-	-	(5,092,479)
Infrastructure	(21,726,291)	(847,820)	-	-	(22,574,111)
Water rights	(2,016,987)	(96,048)	-	-	(2,113,035)
Improvements	(20,591)	(38,041)	-	-	(58,632)
Equipment	(1,496,061)	(192,775)	-	-	(1,688,836)
Total accumulated depreciation	(29,940,288)	(1,586,805)	-	-	(31,527,093)
Total capital assets being depreciated, net	38,654,520	(539,158)	-	-	38,115,362
Business-type activities capital assets, net	\$ 40,433,305	\$ 287,959	\$ -	\$ (1,024,698)	\$ 39,696,566

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

General Government	\$	353,248
Finance		5,158
Community services		607,492
Police		78,137
Public works		1,588,072
Fire		110,402
Total governmental activities		<u>2,742,509</u>
Internal service activity:		
Fleet rotation		<u>975,996</u>
Total government & internal service activities	\$	<u>3,718,505</u>
Business-like activities:		
Water and sewer	\$	1,200,428
Water rights amortization		96,048
Fieldhouse		<u>290,329</u>
Total business-like activities	\$	<u>1,586,805</u>

**Discretely presented component unit:**

	Beginning Balance	Increases	Ending Balance
Capital assets-not being depreciated			
Land	<u>\$ 219,637</u>	<u>\$ -</u>	<u>\$ 219,637</u>
Total capital assets - not being depreciated	<u>219,637</u>	<u>-</u>	<u>219,637</u>
Capital assets-being depreciated			
Buildings	<u>-</u>	<u>906,133</u>	<u>906,133</u>
Total capital assets-being depreciated	<u>-</u>	<u>906,133</u>	<u>906,133</u>
Less accumulated depreciation for:			
Buildings	<u>-</u>	<u>(7,552)</u>	<u>(7,552)</u>
Total accumulated depreciation	<u>-</u>	<u>(7,552)</u>	<u>(7,552)</u>
Total capital assets-being depreciated, net	<u>-</u>	<u>898,581</u>	<u>898,581</u>
Capital assets - net	<u>\$ 219,637</u>	<u>\$ 898,581</u>	<u>\$ 1,118,218</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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The City has active construction projects as of September 30, 2018. Total accumulated commitments for ongoing capital projects are composed of the following:

Business-type activities:	
Utility Fund	\$ 119,211
Total business-type activities	<u>\$ 119,211</u>

There were no active construction projects for governmental activities at fiscal year-end.

**6. INTERFUND BALANCES AND TRANSFERS**

Interfund balances as of September 30, 2018 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service (governmental fund)	General (governmental)	15,000
Utility (enterprise fund)	Sports Facility (enterprise fund)	1,025,000
Medical Self-Insurance (internal service fund)	Fleet Replacement (internal service fund)	650,000
	<b>Total</b>	<u>\$ 1,690,000</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, 2018:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General	Non-major governmental	\$ 122,747	Matching funds for grant, TIF projects
General	Street Construction	150,000	Fund capital project
Debt Service	General	1,400,000	Excess fund balance
Traffic I & S	General	140,000	Administrative and overhead charges
Non-major governmental	General	53,134	Administrative and overhead charges
Utility	General	2,244,914	Administrative and overhead, PILOT
Solid waste	General	152,926	Administrative and overhead charges
Solid waste	Non-major governmental	200,000	To fund alley repairs
	<b>Total</b>	<u>\$ 4,463,721</u>	

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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**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, 2018, expenditures exceeded appropriations (the legal level of budgetary control) in the General fund's general government department by \$358,199; the community services department by \$363,874; the police department by \$116,955; and non-departmental by \$20,967. The over expenditures were funded by greater than expected revenues and expenditure savings from other departments within 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
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
2022	485,000	53,475	-	-
2023-2025	1,540,000	70,350	-	-
Total	<u>3,835,000</u>	<u>381,641</u>	<u>1,445,000</u>	<u>22,811</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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Long-term bonded debt at September 30, 2018, includes the following individual issues:

	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
<b><u>Business-type Activities</u></b>				
G.O. Refunding Series 2013	1.000-4.625	2/15/2020	\$ 455,000	\$ 345,000
G.O. Refunding Series 2016	3.000-4.000	2/15/2025	<u>\$ 3,380,000</u>	<u>\$ 435,000</u>
Total business-type activities long-term debt			<u>\$ 3,835,000</u>	<u>\$ 780,000</u>
Total long-term bonded debt (primary government)			<u>\$ 3,835,000</u>	<u>\$ 780,000</u>
<b><u>DCEDC (Component Unit)</u></b>				
G.O. Refunding Series 2016A	1.050	2/15/2021	<u>1,445,000</u>	<u>480,000</u>
Total DCEDC			<u>\$ 1,445,000</u>	<u>\$ 480,000</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, 2018

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Restatement	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>							
Loan payable	\$ 950,586	-	\$ 950,586	\$ -	\$ 211,700	\$ 738,886	\$ 218,880
Net pension liability	4,989,590	-	4,989,590	-	4,989,590	-	-
Accrued compensated absences	3,031,086	-	3,031,086	1,178,466	1,059,879	3,149,673	220,477
Other postemployment benefits	1,635,001	1,068,465	2,703,466	216,404	-	2,919,870	-
Total governmental activities	10,606,263	1,068,465	11,674,728	1,394,870	6,261,169	6,808,429	439,357
<b>Business-type activities:</b>							
Bonds payable:							
General Obligation Refunding Series 2013							
	\$ 800,000	-	\$ 800,000	\$ -	\$ 345,000	\$ 455,000	\$ 345,000
General Obligation Refunding Series 2016							
	3,800,000	-	3,800,000	-	420,000	3,380,000	435,000
Deferred premium on bonds							
	330,301	-	330,301	-	41,722	288,579	41,722
Total bonds payable	4,930,301	-	4,930,301	-	806,722	4,123,579	821,722
Net pension liability	650,563	-	650,563	-	650,563	-	-
Accrued compensated absences	85,288	-	85,288	92,612	88,536	89,364	6,255
Other postemployment benefits	212,698	89,967	302,665	24,227	-	326,892	-
Total business-type activities	5,878,850	89,967	5,968,817	116,839	1,545,821	4,539,835	827,977
Total long-term liabilities (primary government)	\$ 16,485,113	\$ 1,158,432	\$ 17,643,545	\$ 1,511,709	\$ 7,806,990	\$ 11,348,264	\$ 1,267,334
<b>DCEDC (Component unit):</b>							
General Obligation Refunding Series 2016A							
	\$ 1,920,000	-	\$ 1,920,000	\$ -	\$ 475,000	\$ 1,445,000	\$ 480,000
Total DCEDC long-term liabilities	\$ 1,920,000	\$ -	\$ 1,920,000	\$ -	\$ 475,000	\$ 1,445,000	\$ 480,000

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.

Beginning balance for other postemployment benefits was restated due to the adoption of GASB Statement No. 75. See Note 20 for additional information.

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, 2018 is \$738,886.

For fiscal year 2018, the City recognized a net pension asset; therefore, the liability has been removed from the long-term liability schedule.

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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**9. DEFINED BENEFIT PENSION PLAN**

**Plan Descriptions.** The City participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.org](http://www.tmrs.org).

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

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

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

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

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

***Employees covered by benefit terms***

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	214
Inactive employees entitled to but not yet receiving benefits	175
Active employees	257
	<u>646</u>

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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**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 2018, respectively. The city's contributions to TMRS for the year ended September 30, 2018, were \$1,293,102 and were equal to the required contributions.

**Net Pension Liability.** The City's Net Pension Liability was measured as of December 31, 2017, 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, 2017 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. Actuarial assumptions used in the December 31, 2015 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.

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**


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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 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
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%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100.0%	

***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.

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**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	\$ 2,056,646	\$ -	\$ 2,056,646
Interest	7,067,274	-	7,067,274
Change of benefit terms including substantively automatic status	-	-	-
Difference between expected and actual experience	(82,975)	-	(82,975)
Changes of Assumptions	-		
Contributions - employer	-	1,209,633	(1,209,633)
Contributions - employee	-	1,138,065	(1,138,065)
Net investment income	-	14,034,805	(14,034,805)
Benefit payments, including refunds of employee contributions	(6,572,445)	(6,572,445)	-
Administrative expense	-	(72,773)	72,773
Other changes	-	(3,687)	3,687
Net changes	2,468,500	9,733,598	(7,265,098)
Beginning Balance at 12/31/2016	\$106,958,260	\$ 101,318,107	\$ 5,640,153
Ending Balance at 12/31/2017	<u>\$109,426,760</u>	<u>\$ 111,051,705</u>	<u>\$ (1,624,945)</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)	\$ 11,972,186	\$ (1,624,946)	\$ (12,909,062)

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**


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***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.tmrs.org](http://www.tmrs.org).

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended September 30, 2018, the City recognized pension expense of \$2,192,227.

At September 30, 2018, 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	\$ 226,862	\$ 68,319
Difference between projected and actual investment earnings	-	2,704,698
Difference in assumption changes	719,980	-
Contributions subsequent to the measurement date	<u>957,310</u>	<u>-</u>
Total	<u>\$ 1,904,152</u>	<u>\$ 2,773,017</u>

Deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date of \$957,309 will be recognized as an addition to the net pension liability for the measurement year ending December 31, 2018 (i.e. recognized in the City's financial statements in the year ended September 30, 2019). 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	\$ 990,105
2019	80,404
2020	( 1,457,517)
2021	( 1,439,167)
2022	<u>-</u>
Total	<u>\$ (1,826,175)</u>

## 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 2018 was \$0.4565 per 1,000 gallons plus an annual demand charge of \$280,458 for each million gallons per day as established by the rate of flow controller setting (currently 9.5 million gallons at \$2,664,351 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 \$5,700 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 \$294,000 per year.

**NOTES TO BASIC FINANCIAL STATEMENTS  
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**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 \$4,111,611 are also coinsured up to a maximum of \$1,000,000 per claim. All claims and maximums are calculated for a plan year ending each September 30. Settled claims did not exceed the aggregate coverage in this fiscal year.

The City established a comprehensive self-insurance plan for workers' compensation, property and casualty, and general liability coverage. The self-insurance plan encompasses workers' compensation benefits, fire, law enforcement, auto fleet, computer hardware and software, other property, public officials' liability and general liability coverage. A third-party insurance company coinsures with the City for individual claim retention levels and corresponding policy limits as follows: \$75,000/\$1,000,000 for workers' compensation; \$25,000/\$63,892,299 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 \$362,198 and \$104,252 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 2017 and 2018 were:

	<b>Beginning of Fiscal Year Liability</b>		<b>Claims and Changes in Estimates</b>		<b>Claim Payments</b>		<b>Balance at Fiscal Year-End</b>
Medical Self-Insurance Fund							
2017	\$ 298,011	\$	3,505,647	\$	(3,416,895)	\$	386,763
2018	386,763		3,116,562		(3,141,127)		362,198
Comprehensive Self-Insurance Fund							
2017	\$ 230,807	\$	5,877	\$	(85,117)	\$	151,567
2018	151,567		56,785		(104,100)		104,252

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  
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**12. POSTEMPLOYMENT BENEFITS**

**Plan Description-** The City offers its retired employees health insurance benefits through a single-employer defined benefit OPEB plan, under City policy. This plan is administered by the City and it has the authority to establish and amend the benefit terms and financing arrangements. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**Benefits and Contributions-** 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 benefits are provided to the retired employee and dependents under the same plan as active employees in accordance with State law. The retiree pays premiums for the retiree and dependents monthly. The City's contributions to the OPEB for the year ended September 30, 2018, were \$591,247, which equal benefit payments for retirees.

As of September 30, 2018, the number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	24
Active members	256
Total	<u>280</u>

**Actuarial Methods and Assumptions**

Significant methods and assumptions were as follows:

Actuarial Valuation Date	December 31, 2016
Actuarial Cost Method	Individual Entry Age
Discount Rate	3.31% as of December 31, 2017
Inflation Rate	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used 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.
Health care trend rates	Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 years
Participation rates	It was assumed that 35% of employees who are at least 50 years old at retirement and 20% who are younger than 50 years old at retirement would choose to maintain their health care coverage through the City after retirement.
Other Information: Notes	The discount rate changed from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017.

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

A Single Discount Rate of 3.31% was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2017.

***Changes in the Total OPEB Liability***

The City's total OPEB liability of \$3,246,763 was measured as of December 31, 2017 and was determined by an actuarial valuation as of December 31, 2016.

	Total OPEB Liability
Balance at 12/31/2016	\$ 3,006,131
Changes for the year:	
Service cost	134,815
Interest on the total liability	110,240
Difference between expected and actual experience	215,993
Changes in assumptions and other inputs	139,792
Benefit payments	(360,209)
Net changes	<u>240,631</u>
Balance at 12/31/2017	<u>\$ 3,246,762</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.81% to 3.31%.

***Discount Rate Sensitivity Analysis***

The following schedule shows the impact of the total OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.31%) in measuring the total OPEB liability.

	1% Decrease in <u>Discount Rate (2.31%)</u>	<u>Discount Rate (3.31%)</u>	1% Increase in <u>Discount Rate (4.31%)</u>
City's total OPEB liability	\$ 3,546,211	\$ 3,246,762	\$ 2,973,480

***Healthcare Cost Trend Rate Sensitivity Analysis***

The following schedule shows the impact of the total OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the total OPEB liability.

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
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	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
City's total OPEB liability	\$ 2,481,939	\$ 3,246,762	\$ 3,731,625

***OPEB Expense and Deferred Outflows of Resources Related to OPEB***

For the year ended September 30, 2018, the City recognized OPEB expense of \$287,129. At September 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 190,451
Changes in actuarial assumptions	123,262
Contributions subsequent to the measurement date	<u>252,837</u>
Total	<u>\$ 566,550</u>

\$252,836 reported as Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the City paid with own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2019. Other amounts of the reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	
2019	\$ 42,073
2020	42,073
2021	42,073
2022	42,073
2023	42,073
Thereafter	103,348

**13. CONTINGENT LIABILITIES**

***Pending Litigation***—In the opinion of the City's management, no pending litigation exists at September 30, 2018.

***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

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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, 2018, is \$273,640. 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 \$377,500. The value of the City's share in the equity of the facility net of the debt is \$482,733 as of September 30, 2018. The financial statements of the facility can be obtained by contacting: City of Cedar Hill Finance Department, P.O. Box 96, Cedar Hill, TX 75106-0096.

#### 16. MAIN STATION PROPERTY

On April 25, 2003, MARA, as the General Partner, and the Andersons and the Duncanville Community Economic Development Corporation (DCEDC), as the Limited Partners, entered into the Main Station Agreement under and in accordance with the Texas Revised Limited Partnership Act, Article 6132a-1, of the Texas Revised Civil Statutes. Main Station houses retail and restaurant spaces in Duncanville. The DCEDC has a 32% share in the equity of Main Station, which qualifies as a joint venture and is accounted for in the government-wide statement of net position. The value of the DCEDC's share in Main Station as of September 30, 2018 is at a negative (\$29,371). The financial statements can be obtained by contacting: MARA Inc., 111 E. Davis Street, Suite 101, Duncanville, Texas 75116.

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**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 and fees received from EON in fiscal year 2018 was \$152,750.

**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.

For fiscal year 2018, the City did not rebate any property, sales and hotel occupancy taxes.

**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 \$0 on this incentive in fiscal year 2018.

**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 2018.

**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 2018, the City paid Redflex \$594,517 for equipment and maintenance expenses from the Traffic & Safety Improvement fund.

**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**20. CHANGE IN FINANCIAL REPORTING REQUIREMENT**

GASB has issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" which replaces the requirements of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." Implementation resulted in a restatement of beginning net position as of October 1, 2017, reclassification of amounts previously expensed as salaries and benefits to deferred outflows of resources and recognition of the total OPEB liabilities as of October 1, 2017. The City has implemented this Statement No. 75 in fiscal year 2018 and, accordingly, has restated beginning net position within the government-wide and fund financial statements as of October 1, 2017 as follows:

	Government-wide Statement of Activities		Fund Level		
			Statement of Revenues, Expenses and Changes in Net Position- Proprietary Funds		
	Governmental Activities	Business-type Activities	Utility	Solid Waste	Fieldhouse Sports Facility
Net position at October 1, 2017, as previously reported	\$ 73,092,859	\$ 46,206,979	\$44,560,431	\$ 441,708	\$ 904,605
Removal of Net OPEB Obligation (GASB 45) as of October 1, 2017	1,635,001	212,698	174,026	28,643	10,029
Recording of Net OPEB liability (GASB 75) as of October 1, 2017	(2,703,466)	(302,665)	(220,587)	(41,039)	(41,039)
Deferral for OPEB contributions made after the measurement date	222,416	24,900	18,148	3,376	3,376
Net position at October 1, 2017, as restated	<u>\$ 72,246,810</u>	<u>\$ 46,141,912</u>	<u>\$ 44,532,018</u>	<u>\$ 432,688</u>	<u>\$ 876,971</u>

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 FOUR FISCAL YEARS (PREVIOUS YEARS ARE NOT AVAILABLE)  
 (UNAUDITED)

Measurement Year	2014	2015	2016	2017
<b>A. Total pension liability</b>				
Service Cost	\$ 1,535,331	\$ 1,737,352	\$ 1,968,819	\$ 2,056,646
Interest (on the Total Pension Liability)	6,300,383	6,476,370	6,840,894	7,067,274
Changes of benefit items	-	-	3,051,493	-
Difference between expected and actual experience	(121,074)	11,193	454,847	(82,975)
Change of assumptions	-	2,777,068	-	-
Benefit payments, including refunds of employee contributions	(5,255,637)	(5,347,455)	(5,336,944)	(6,572,445)
Net change in total pension liability	2,459,003	5,654,528	6,979,109	2,468,500
Total pension liability - beginning	<u>91,865,620</u>	<u>94,324,623</u>	<u>99,979,151</u>	<u>106,958,260</u>
Total pension liability - ending (a)	<u>\$ 94,324,623</u>	<u>\$ 99,979,151</u>	<u>\$ 106,958,260</u>	<u>\$ 109,426,760</u>
<b>B. Plan fiduciary net position</b>				
Contributions - Employer	\$ 788,439	\$ 584,156	\$ 531,144	\$ 1,209,633
Contributions - Employee	992,641	1,047,974	1,090,327	1,138,065
Net Investment Income	5,716,291	150,672	6,651,413	14,034,805
Benefit payments, including refunds of employee contributions	(5,255,637)	(5,347,455)	(5,336,944)	(6,572,445)
Administrative Expenses	(59,693)	(91,784)	(75,151)	(72,773)
Other	<u>(4,908)</u>	<u>(4,535)</u>	<u>(4,049)</u>	<u>(3,687)</u>
Net change in plan fiduciary net position	2,177,133	(3,660,972)	2,856,740	9,733,598
Plan fiduciary net position - beginning	<u>99,945,206</u>	<u>102,122,339</u>	<u>98,461,367</u>	<u>101,318,107</u>
Plan fiduciary net position - ending (b)	<u>\$ 102,122,339</u>	<u>\$ 98,461,367</u>	<u>\$ 101,318,107</u>	<u>\$ 111,051,705</u>
<b>C. Net pension liability (asset) - ending (a) - (b)</b>	<u>\$ (7,797,716)</u>	<u>\$ 1,517,784</u>	<u>\$ 5,640,153</u>	<u>\$ (1,624,945)</u>
<b>D. Plan fiduciary net position as a percentage of total pension liability (asset)</b>	108.27%	98.48%	94.73%	101.48%
<b>E. Covered payroll</b>	\$ 14,180,579	\$ 14,861,868	\$ 15,576,098	\$ 16,258,070
<b>F. Net pension liability (asset) as a percentage of covered payroll</b>	(54.99%)	10.21%	36.21%	(9.99%)

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 FIVE 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 payroll</u>	<u>(5) Actuarially determined contribution as a percentage of covered payroll (1) / (4)</u>	<u>(6) Contributions as a percentage of covered 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%
2018	1,201,932	1,237,718	35,786	16,646,529	7.22%	7.44%

**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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 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) This schedule is intended to present information for ten years. However, previous years' information is not available.

CITY OF DUNCANVILLE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION  
 CITY OF DUNCANVILLE OTHER POSTEMPLOYMENT BENEFITS PLAN  
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
 LAST FISCAL YEAR (YEARS PRIOR TO 2017 ARE NOT AVAILABLE)  
 (UNAUDITED)

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Measurement Date December 31,	<u>2017</u>
<b>A. Total OPEB liability</b>	
Service Cost	\$ 134,815
Interest on the total OPEB liability	110,240
Difference between expected and actual experience	215,993
Changes of assumptions and other inputs	139,792
Benefit payments	<u>(360,209)</u>
Net change in total OPEB liability	<u>240,631</u>
Total OPEB liability - beginning	<u>3,006,131</u>
Total OPEB liability - ending	<u>\$ 3,246,762</u>
<b>B. Covered-employee payroll</b>	<b>\$ 15,767,076</b>
<b>C. Total OPEB liability as a percentage of covered-employee payroll</b>	<b>20.59%</b>

**Notes to Schedule:**

- No assets are accumulated in a trust for the retiree health care plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- Included in the changes of assumptions was a reduction to the discount rate from 3.81% to 3.31%.



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CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE-REVENUES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>PROPERTY TAXES:</b>				
Current Taxes	\$ 14,312,731	\$ 14,312,731	\$ 14,299,006	\$ (13,725)
Prior rolls	130,000	140,000	140,808	808
Penalties	110,000	190,000	133,369	(56,631)
<b>Total</b>	<b>14,552,731</b>	<b>14,642,731</b>	<b>14,573,183</b>	<b>(69,548)</b>
<b>SALES TAXES:</b>				
General	5,132,084	5,226,395	5,421,226	194,831
Property tax relief	2,566,042	2,613,198	2,710,613	97,415
<b>Total</b>	<b>7,698,126</b>	<b>7,839,593</b>	<b>8,131,839</b>	<b>292,246</b>
<b>FRANCHISE TAXES:</b>				
TXU Electric	1,150,000	1,150,000	1,214,403	64,403
Atmos Energy	300,000	350,000	371,421	21,421
Telephone	180,000	180,000	184,284	4,284
Charter Cable Television	115,000	130,000	140,270	10,270
Telephone Video Services	250,000	136,000	136,175	175
<b>Total</b>	<b>1,995,000</b>	<b>1,946,000</b>	<b>2,046,553</b>	<b>100,553</b>
<b>MIXED BEVERAGE TAXES</b>				
<b>Total taxes</b>	<b>75,750</b>	<b>77,000</b>	<b>76,312</b>	<b>(688)</b>
<b>Total taxes</b>	<b>24,321,607</b>	<b>24,505,324</b>	<b>24,827,887</b>	<b>322,563</b>
<b>LICENSES, PERMITS AND FEES:</b>				
Building permits	250,000	260,000	260,956	956
Zoning and special use permits	8,585	8,500	11,600	3,100
Electrical permits	13,130	13,000	11,547	(1,453)
Plumbing permits	30,300	30,000	34,786	4,786
Alarm permits	74,740	50,000	62,993	12,993
Solicitor licenses	808	2,200	2,963	763
Emergency medical service	717,100	715,000	651,434	(63,566)
Sign & other permits	10,100	12,108	11,478	(630)
Health food inspection fees	70,700	75,000	64,454	(10,546)
Pool inspection fees	3,030	4,000	3,035	(965)
Wrecker & storage fees	7,070	6,000	2,674	(3,326)
<b>Total</b>	<b>1,185,563</b>	<b>1,175,808</b>	<b>1,117,920</b>	<b>(57,888)</b>
<b>MUNICIPAL COURT AND LIBRARY:</b>				
Municipal court	496,920	464,000	467,791	3,791
False alarm fees	18,180	8,000	15,118	7,118
Library	19,190	20,000	23,359	3,359
<b>Total</b>	<b>534,290</b>	<b>492,000</b>	<b>506,268</b>	<b>14,268</b>
<b>INTERGOVERNMENTAL</b>				
	96,960	344,000	455,832	111,832
<b>INTEREST</b>				
	85,850	235,000	319,420	84,420
<b>RECREATIONAL FEES</b>				
	230,230	253,500	302,730	49,230
<b>OTHER SALES AND SERVICES:</b>				
Sale of capital assets/auction proceeds	5,555	8,685	5,759	(2,926)
Gifts and Contributions	-	-	42,609	42,609
Miscellaneous	194,519	299,780	414,859	115,079
Rentals	375,000	330,000	347,541	17,541
<b>Total</b>	<b>575,074</b>	<b>638,465</b>	<b>810,768</b>	<b>172,303</b>
<b>Total revenues</b>	<b>\$ 27,029,574</b>	<b>\$ 27,644,097</b>	<b>\$ 28,340,825</b>	<b>\$ 696,728</b>

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

(Continued on following page)

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
<b>DEPARTMENTS:</b>			
General government-			
Mayor and council	\$ -	\$ 4,856	\$ 91,934
City manager	426,461	603	15,974
City secretary	137,761	16,002	33,148
Personnel services	205,880	11,555	110,871
Information systems	260,855	415,951	422,675
Community information	75,262	2,267	53,715
Library services	667,140	34,694	99,463
<b>Total</b>	<u>1,773,359</u>	<u>485,928</u>	<u>827,780</u>
Finance-			
Administration	509,043	11,363	117,423
Municipal court	264,298	8,568	144,625
Purchasing	75,783	586	7,827
City Marshall	108,264	4,732	19,356
<b>Total</b>	<u>957,388</u>	<u>25,249</u>	<u>289,231</u>
Community services-			
Administration	188,408	473	47,275
Recreational programming	297,777	23,336	196,205
Athletic programming	193,628	74,487	168,547
Park grounds maintenance	481,904	106,103	568,782
Building services	354,571	59,062	569,606
Senior center	109,132	12,242	50,493
Horticulture	140,496	12,232	1,922
Community services other	1,580	14,452	26,492
<b>Total</b>	<u>1,767,496</u>	<u>302,387</u>	<u>1,629,322</u>
Police			
Administration	449,322	35,040	122,822
Patrol	3,762,011	46,699	334,791
Criminal investigation	1,164,729	29,303	92,132
Animal control	109,290	524	287,102
School guards	76,834	-	6,159
Crime prevention	128,916	5,496	10,248
Communication/Records	269,667	3,654	920,436
Special services	211,049	60,255	65,389
Detention	249,957	14,730	7,820
<b>Total</b>	<u>6,421,775</u>	<u>195,701</u>	<u>1,846,899</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>
\$ -	\$ -	\$ 96,790	\$ 119,403	\$ 112,548	\$ 15,758
-	-	443,038	424,199	439,302	(3,736)
-	-	186,911	239,864	239,078	52,167
-	-	328,306	309,820	341,243	12,937
-	126,802	1,226,283	676,322	785,689	(440,594)
-	-	131,244	143,196	138,676	7,432
-	83,149	884,446	893,682	882,283	(2,163)
-	209,951	3,297,018	2,806,486	2,938,819	(358,199)
-	-	637,829	661,371	643,241	5,412
-	-	417,491	436,936	445,448	27,957
-	-	84,196	114,792	113,788	29,592
-	-	132,352	171,403	140,899	8,547
-	-	1,271,868	1,384,502	1,343,376	71,508
-	-	236,156	248,999	240,324	4,168
-	-	517,318	540,744	538,767	21,449
2,905	69,179	508,746	394,413	418,374	(90,372)
135,791	37,792	1,330,372	1,312,674	1,291,027	(39,345)
43,118	-	1,026,357	847,475	850,590	(175,767)
-	46,385	218,252	223,715	190,653	(27,599)
3,434	-	158,084	164,238	164,194	6,110
-	19,994	62,518	-	-	(62,518)
185,248	173,350	4,057,803	3,732,258	3,693,929	(363,874)
-	-	607,184	511,532	592,037	(15,147)
17,891	-	4,161,392	4,316,134	4,137,138	(24,254)
-	-	1,286,164	1,264,559	1,284,582	(1,582)
-	-	396,916	398,260	398,230	1,314
-	-	82,993	82,514	82,514	(479)
-	-	144,660	133,890	149,489	4,829
-	-	1,193,757	1,075,703	1,085,417	(108,340)
-	-	336,693	334,413	353,010	16,317
-	-	272,507	278,337	282,894	10,387
17,891	-	8,482,266	8,395,342	8,365,311	(116,955)

CITY OF DUNCANVILLE, TEXAS

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
<b>DEPARTMENTS (Continued):</b>			
Public works-			
Engineering/Planning	464,252	6,585	79,271
Building inspection	555,194	14,026	106,902
Streets	793,729	187,859	2,382,904
Signs and signals	283,249	142,432	150,510
Equipment services	265,287	262,606	60,106
<b>Total</b>	<u>2,361,711</u>	<u>613,508</u>	<u>2,779,693</u>
Fire-			
Administration	374,864	9,740	227,380
Prevention	213,728	5,963	24,438
Suppression	3,705,874	96,001	348,576
Advanced life support	1,124,629	94,887	299,272
Emergency Management Administrator	110,690	7,872	10,868
<b>Total</b>	<u>5,529,785</u>	<u>214,463</u>	<u>910,534</u>
<b>NON-DEPARTMENTAL</b>	-	8,206	290,730
<b>ECONOMIC DEVELOPMENT</b>	-	300,000	-
<b>LOAN PAYMENT</b>	-	-	211,700
<b>INTEREST AND FISCAL CHARGES</b>	-	-	<u>28,529</u>
<b>Total expenditures</b>	<u>\$ 18,811,514</u>	<u>\$ 2,145,442</u>	<u>\$ 8,814,418</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>
-	-	550,108	590,979	552,777	2,669
-	-	676,122	748,985	861,896	185,774
-	8,584	3,373,076	4,047,390	3,922,781	549,705
4,750	-	580,941	615,834	614,458	33,517
417,448	-	1,005,447	1,067,376	1,056,397	50,950
<u>422,198</u>	<u>8,584</u>	<u>6,185,694</u>	<u>7,070,564</u>	<u>7,008,309</u>	<u>822,615</u>
3,928	-	615,912	597,398	622,298	6,386
54	-	244,183	246,636	246,063	1,880
10,110	-	4,160,561	3,990,800	4,114,509	(46,052)
1,493	-	1,520,281	1,640,537	1,606,312	86,031
-	-	129,430	128,691	131,016	1,586
<u>15,585</u>	<u>-</u>	<u>6,670,367</u>	<u>6,604,058</u>	<u>6,720,198</u>	<u>49,831</u>
-	-	298,936	235,599	277,969	(20,967)
-	-	300,000	300,000	300,000	-
-	-	211,700	211,700	211,700	-
-	-	28,529	28,528	28,528	(1)
<u>\$ 640,922</u>	<u>\$ 391,885</u>	<u>\$ 30,804,181</u>	<u>\$ 30,769,037</u>	<u>\$ 30,888,139</u>	<u>\$ 83,958</u>



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## 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, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 2,995,228	\$ 321,790	\$ 3,317,018
Receivables:			
Taxes	128,664	-	128,664
Trade accounts	177,030	-	177,030
Intergovernmental	53,896	-	53,896
Accrued interest and other	12,741	-	12,741
<b>Total assets</b>	<u><u>\$ 3,367,559</u></u>	<u><u>\$ 321,790</u></u>	<u><u>\$ 3,689,349</u></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 56,571	\$ -	\$ 56,571
Accrued payroll	21,302	-	21,302
Unearned revenue	146,666	-	146,666
<b>Total liabilities</b>	<u>224,539</u>	<u>-</u>	<u>224,539</u>
<b>EQUITY:</b>			
Fund balances-			
Restricted	<u>3,143,020</u>	<u>321,790</u>	<u>3,464,810</u>
<b>Total fund balances</b>	<u>3,143,020</u>	<u>321,790</u>	<u>3,464,810</u>
<b>Total liabilities &amp; fund balances</b>	<u><u>\$ 3,367,559</u></u>	<u><u>\$ 321,790</u></u>	<u><u>\$ 3,689,349</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, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
<b>REVENUES</b>			
Hotel taxes	\$ 752,063	\$ -	\$ 752,063
Licenses, permits and fees	661,018	-	661,018
Fines and forfeitures	151,901	-	151,901
Intergovernmental	245,661	-	245,661
Investment income	15,281	-	15,281
Rental and other	58,301	-	58,301
<b>Total revenues</b>	<u>1,884,225</u>	<u>-</u>	<u>1,884,225</u>
<b>EXPENDITURES</b>			
Current:			
General government	479,820	-	479,820
Community services	138,633	-	138,633
Police	164,042	-	164,042
Public works	439,903	-	439,903
Fire	11,840	-	11,840
Capital outlay:			
Police	62,008	-	62,008
Public works	-	17,398	17,398
<b>Total expenditures</b>	<u>1,296,246</u>	<u>17,398</u>	<u>1,313,644</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>587,979</u>	<u>(17,398)</u>	<u>570,581</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	122,747	200,000	322,747
Transfers out	(53,134)	-	(53,134)
<b>Total other financing sources (uses)</b>	<u>69,613</u>	<u>200,000</u>	<u>269,613</u>
<b>NET CHANGE IN FUND BALANCES</b>	657,592	182,602	840,194
<b>FUND BALANCES, beginning of year</b>	<u>2,485,428</u>	<u>139,188</u>	<u>2,624,616</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 3,143,020</u>	<u>\$ 321,790</u>	<u>\$ 3,464,810</u>

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 SEPTEMBER 30, 2018

	<u>Hotel Motel Tax</u>	<u>Drainage Fees</u>	<u>Grants</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,283,084	\$ 846,162	\$ 163,788
Receivables:			
Taxes	128,664	-	-
Trade accounts (net of allowance)	-	177,030	-
Intergovernmental	-	-	53,896
Accrued interest and other	-	-	-
<b>Total assets</b>	<u>\$ 1,411,748</u>	<u>\$ 1,023,192</u>	<u>\$ 217,684</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 6,418	\$ 29,875	\$ 12,586
Accrued payroll	-	12,497	7,682
Unearned revenue	-	-	-
<b>Total liabilities</b>	<u>6,418</u>	<u>42,372</u>	<u>20,268</u>
<b>FUND BALANCES:</b>			
<b>Restricted for:</b>			
Promotion of tourism and hotel industry	1,405,330	-	-
Maintenance and construction of drainage projects	-	980,820	-
Public safety, cultural and recreational services	-	-	197,416
Court technology and security	-	-	-
Juvenile case management	-	-	-
Public safety and criminal investigations	-	-	-
Community redevelopment	-	-	-
<b>Total fund balances</b>	<u>1,405,330</u>	<u>980,820</u>	<u>197,416</u>
<b>Total liabilities &amp; fund balances</b>	<u>\$ 1,411,748</u>	<u>\$ 1,023,192</u>	<u>\$ 217,684</u>

<b>Court Technology</b>	<b>Court Security</b>	<b>Juvenile Case Manager</b>	<b>Asset Forfeiture</b>	<b>Tax Incremental Financing Fund</b>	<b>Total</b>
\$ 5,329	\$ 19,971	\$ 34,054	\$ 446,198	\$ 196,642	\$ 2,995,228
-	-	-	-	-	128,664
-	-	-	-	-	177,030
-	-	-	-	-	53,896
-	-	-	12,741	-	12,741
<u>\$ 5,329</u>	<u>\$ 19,971</u>	<u>\$ 34,054</u>	<u>\$ 458,939</u>	<u>\$ 196,642</u>	<u>\$ 3,367,559</u>
\$ 183	\$ -	\$ -	\$ 7,509	\$ -	\$ 56,571
-	94	1,029	-	-	21,302
-	-	-	146,666	-	146,666
<u>183</u>	<u>94</u>	<u>1,029</u>	<u>154,175</u>	<u>-</u>	<u>224,539</u>
-	-	-	-	-	1,405,330
-	-	-	-	-	980,820
-	-	-	-	-	197,416
5,146	19,877	-	-	-	25,023
-	-	33,025	-	-	33,025
-	-	-	304,764	-	304,764
-	-	-	-	196,642	196,642
<u>5,146</u>	<u>19,877</u>	<u>33,025</u>	<u>304,764</u>	<u>196,642</u>	<u>3,143,020</u>
<u>\$ 5,329</u>	<u>\$ 19,971</u>	<u>\$ 34,054</u>	<u>\$ 458,939</u>	<u>\$ 196,642</u>	<u>\$ 3,367,559</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, 2018**

	<b>Hotel Motel Tax</b>	<b>Drainage Fees</b>	<b>Grants</b>
<b>REVENUES</b>			
Hotel taxes	\$ 752,063	\$ -	\$ -
Licenses, permits and fees	-	661,018	-
Fines and forfeitures	-	-	-
Intergovernmental	-	-	245,661
Investment income	3,622	1,450	-
Rental and other	-	3,126	55,175
<b>Total revenues</b>	<b>755,685</b>	<b>665,594</b>	<b>300,836</b>
<b>EXPENDITURES</b>			
Current:			
General government	440,577	-	1,149
Police	-	-	68,339
Public works	-	385,821	54,082
Fire	-	-	11,840
Capital outlay:			
Police	-	-	-
<b>Total expenditures</b>	<b>440,577</b>	<b>385,821</b>	<b>274,043</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>315,108</b>	<b>279,773</b>	<b>26,793</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	76,105
Transfers out	(53,134)	-	-
<b>Total other financing sources (uses)</b>	<b>(53,134)</b>	<b>-</b>	<b>76,105</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>261,974</b>	<b>279,773</b>	<b>102,898</b>
<b>FUND BALANCES, beginning of year</b>	<b>1,143,356</b>	<b>701,047</b>	<b>94,518</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 1,405,330</b>	<b>\$ 980,820</b>	<b>\$ 197,416</b>

<b>Court Technology</b>	<b>Court Security</b>	<b>Juvenile Case Manager</b>	<b>Asset Forfeiture</b>	<b>Tax Incremental Financing</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 752,063
-	-	-	-	-	661,018
12,962	9,722	19,120	110,097	-	151,901
-	-	-	-	-	245,661
-	7,139	3,070	-	-	15,281
-	-	-	-	-	58,301
<u>12,962</u>	<u>16,861</u>	<u>22,190</u>	<u>110,097</u>	<u>-</u>	<u>1,884,225</u>
8,704	6,614	22,776	-	-	479,820
-	-	-	95,703	-	164,042
-	-	-	-	-	439,903
-	-	-	-	-	11,840
-	-	-	62,008	-	62,008
<u>8,704</u>	<u>6,614</u>	<u>22,776</u>	<u>157,711</u>	<u>-</u>	<u>1,296,246</u>
<u>4,258</u>	<u>10,247</u>	<u>(586)</u>	<u>(47,614)</u>	<u>-</u>	<u>587,979</u>
-	-	-	-	46,642	122,747
-	-	-	-	-	(53,134)
-	-	-	-	46,642	69,613
4,258	10,247	(586)	(47,614)	46,642	657,592
<u>888</u>	<u>9,630</u>	<u>33,611</u>	<u>352,378</u>	<u>150,000</u>	<u>2,485,428</u>
<u>\$ 5,146</u>	<u>\$ 19,877</u>	<u>\$ 33,025</u>	<u>\$ 304,764</u>	<u>\$ 196,642</u>	<u>\$ 3,143,020</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Hotel, motel taxes	\$ 855,000	\$ 744,600	\$ 752,063	\$ 7,463
Interest on investments	2,000	3,000	3,622	622
<b>Total revenues</b>	<u>857,000</u>	<u>747,600</u>	<u>755,685</u>	<u>8,085</u>
<b>EXPENDITURES</b>				
General government	605,983	523,594	440,577	83,017
<b>Total expenditures</b>	<u>605,983</u>	<u>523,594</u>	<u>440,577</u>	<u>83,017</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	251,017	224,006	315,108	91,102
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(53,134)</u>	<u>(53,134)</u>	<u>(53,134)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	197,883	170,872	261,974	91,102
<b>FUND BALANCE, beginning of year</b>			<u>1,143,356</u>	
<b>FUND BALANCE, end of year</b>			<u><u>\$ 1,405,330</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, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Drainage fees	\$ 658,633	\$ 666,856	\$ 661,018	\$ (5,838)
City services reimbursement	10,000	10,000	3,126	(6,874)
<b>Total revenues</b>	<u>668,633</u>	<u>676,856</u>	<u>665,594</u>	<u>(11,262)</u>
<b>EXPENDITURES</b>				
Public works	468,275	469,122	385,821	83,301
Capital outlay	295,000	270,000	-	270,000
<b>Total expenditures</b>	<u>763,275</u>	<u>739,122</u>	<u>385,821</u>	<u>353,301</u>
<b>NET CHANGE IN FUND BALANCES</b>	(94,642)	(62,266)	279,773	342,039
<b>FUND BALANCE, beginning of year</b>			<u>701,047</u>	
<b>FUND BALANCE, end of year</b>			<u>\$ 980,820</u>	

CITY OF DUNCANVILLE, TEXAS

**NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2018**

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	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 21,043	\$ 300,747	\$ 321,790
<b>Total assets</b>	<u>21,043</u>	<u>300,747</u>	<u>321,790</u>
 <b>FUND BALANCES:</b>			
<b>Restricted for:</b>			
Park construction	21,043	-	21,043
Capital improvements	<u>-</u>	<u>300,747</u>	<u>300,747</u>
<b>Total fund balances</b>	<u>21,043</u>	<u>300,747</u>	<u>321,790</u>
 <b>Total liabilities &amp; fund balances</b>	<u>\$ 21,043</u>	<u>\$ 300,747</u>	<u>\$ 321,790</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, 2018**

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	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
<b>EXPENDITURES</b>			
Capital outlay			
Public works	\$ -	\$ 17,398	\$ 17,398
<b>Total expenditures</b>	<u>-</u>	<u>17,398</u>	<u>17,398</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	200,000	200,000
<b>Total other financing sources</b>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	182,602	182,602
<b>FUND BALANCES, beginning of year</b>	<u>21,043</u>	<u>118,145</u>	<u>139,188</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 21,043</u>	<u>\$ 300,747</u>	<u>\$ 321,790</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,325,000	\$ 1,324,000	\$ 1,338,690	\$ 14,690
Delinquent taxes	16,500	15,000	16,584	1,584
Penalties and interest	14,500	14,000	16,797	2,797
Interest on investments	4,000	10,000	17,897	7,897
<b>Total revenues</b>	<u>1,360,000</u>	<u>1,363,000</u>	<u>1,389,968</u>	<u>26,968</u>
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(40,000)	(37,000)	(10,032)	26,968
<b>FUND BALANCES, beginning of year</b>			<u>740</u>	
<b>FUND BALANCES, end of year</b>			<u>\$ (9,292)</u>	

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS  
 SCHEDULE OF DETAILED REVENUES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b><u>UTILITY FUND</u></b>				
<b>WATER:</b>				
Sale of water	\$ 8,552,190	\$ 7,650,110	\$ 8,632,807	\$ 982,697
Water taps	10,000	10,000	11,173	1,173
<b>Total</b>	<u>8,562,190</u>	<u>7,660,110</u>	<u>8,643,980</u>	<u>983,870</u>
<b>SEWER:</b>				
Sewer charges	9,063,704	9,130,000	9,964,310	834,310
Sewer taps	3,600	3,600	3,300	(300)
<b>Total</b>	<u>9,067,304</u>	<u>9,133,600</u>	<u>9,967,610</u>	<u>834,010</u>
<b>PENALTIES</b>	<u>147,915</u>	<u>150,000</u>	<u>195,544</u>	<u>45,544</u>
<b>OTHER:</b>				
Service charges	134,969	130,000	137,605	7,605
City services reimbursement	-	19,146	33,274	14,128
Miscellaneous	16,934	12,873	14,168	1,295
<b>Total</b>	<u>151,903</u>	<u>162,019</u>	<u>185,047</u>	<u>23,028</u>
<b>INTEREST INCOME</b>	<u>30,000</u>	<u>76,000</u>	<u>131,771</u>	<u>55,771</u>
<b>Total revenues - Utility Fund</b>	<u>\$ 17,959,312</u>	<u>\$ 17,181,729</u>	<u>\$ 19,123,952</u>	<u>\$ 1,942,223</u>
<b><u>SOLID WASTE FUND</u></b>				
<b>SOLID WASTE CHARGES</b>	\$ 3,041,619	\$ 2,969,000	\$ 3,174,451	\$ 205,451
<b>INTEREST INCOME</b>	1,800	3,000	4,336	1,336
<b>Total revenues - Solid Waste Fund</b>	<u>\$ 3,043,419</u>	<u>\$ 2,972,000</u>	<u>\$ 3,178,787</u>	<u>\$ 206,787</u>
<b><u>FIELDHOUSE SPORTS FACILITY</u></b>				
<b>SPORTS FACILITY</b>	1,364,547	1,294,387	1,245,091	\$ (49,296)
<b>INTERGOVERNMENTAL</b>	538,650	538,650	538,650	-
<b>Total revenues - Sports Facility Fund</b>	<u>\$ 1,903,197</u>	<u>\$ 1,833,037</u>	<u>\$ 1,783,741</u>	<u>\$ (49,296)</u>
<b>Total revenues - Enterprise Funds</b>	<u>\$ 22,905,928</u>	<u>\$ 21,986,766</u>	<u>\$ 24,086,480</u>	<u>\$ 2,099,714</u>

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS  
 SCHEDULE OF DETAILED EXPENDITURES– BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Salaries and Benefits	Supplies	Other Services	Maintenance
<b><u>UTILITY FUND</u></b>				
WATER SERVICES	\$ 462,491	\$ 173,229	\$ 3,757,712	\$ 81,676
WASTEWATER TREATMENT	701,717	69,582	3,999,587	40,545
<b>ADMINISTRATION AND FISCAL</b>				
Utility administration	280,276	2,635	49,018	-
Utility accounting	566,343	125,739	306,409	3,298
	<u>2,010,827</u>	<u>371,185</u>	<u>8,112,726</u>	<u>125,519</u>
INTEREST AND FISCAL CHARGES	-	-	18,843	-
PRINCIPAL RETIREMENT	-	-	345,000	-
TRANSFERS OUT	-	-	2,244,914	-
<b>Total Utility Fund expenditures</b>	<u>\$ 2,010,827</u>	<u>\$ 371,185</u>	<u>\$ 10,721,483</u>	<u>\$ 125,519</u>
<b><u>SOLID WASTE FUND</u></b>				
SOLID WASTE	\$ 204,125	\$ 24,095	\$ 2,440,790	\$ 3,358
TRANSFERS OUT	-	-	352,926	-
<b>Total Solid Waste Fund expenditures</b>	<u>204,125</u>	<u>24,095</u>	<u>2,793,716</u>	<u>3,358</u>
<b><u>FIELDHOUSE SPORTS FACILITY</u></b>				
SPORTS FACILITY	\$ 608,227	\$ 44,524	\$ 571,526	\$ 22,141
INTEREST AND FISCAL CHARGES	-	-	117,000	-
PRINCIPAL RETIREMENT	-	-	420,000	-
<b>Total Sports Facility Fund expenditures</b>	<u>608,227</u>	<u>44,524</u>	<u>1,108,526</u>	<u>22,141</u>
<b>Total Enterprise Fund expenditures</b>	<u>\$ 2,823,179</u>	<u>\$ 439,804</u>	<u>\$ 14,623,725</u>	<u>\$ 151,018</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>
766,128	\$ 5,241,236	\$ 7,419,042	\$ 6,760,907	\$ 1,519,671
60,989	4,872,420	7,210,221	7,508,011	2,635,591
-	331,929	345,614	340,611	8,682
-	1,001,789	1,117,670	1,060,654	58,865
<u>827,117</u>	<u>11,447,374</u>	<u>16,092,547</u>	<u>15,670,183</u>	<u>4,222,809</u>
-	18,843	9,184	9,184	(9,659)
-	345,000	345,000	345,000	-
-	2,244,914	2,244,914	2,244,914	-
<u>\$ 827,117</u>	<u>\$ 14,056,131</u>	<u>\$ 18,691,645</u>	<u>\$ 18,269,281</u>	<u>\$ 4,213,150</u>
\$ -	\$ 2,672,368	\$ 2,648,483	\$ 2,658,039	\$ (14,329)
-	352,926	352,926	352,926	-
-	3,025,294	3,001,409	3,010,965	(14,329)
\$ 22,948	\$ 1,269,366	\$ 1,361,246	\$ 1,191,731	\$ (77,635)
-	117,000	119,150	119,150	2,150
-	420,000	420,000	420,000	-
<u>22,948</u>	<u>1,806,366</u>	<u>1,900,396</u>	<u>1,730,881</u>	<u>(75,485)</u>
<u>\$ 850,065</u>	<u>\$ 18,887,791</u>	<u>\$ 23,593,450</u>	<u>\$ 23,011,127</u>	<u>\$ 4,123,336</u>
	<u>\$ 18,887,791</u>			
	(850,065)			
	(765,000)			
	1,586,805			
	66,680			
	(135,843)			
	<u>(2,597,840)</u>			
	<u>\$ 16,192,528</u>			

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, 2018**

	<u>Fleet Replacement</u>	<u>Info Tech Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self- Insurance</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and investments	\$ 2,029,828	\$ 225,868	\$ 6,914	\$ 957,042	\$ 3,219,652
Accrued interest and other	-	-	170,754	-	170,754
Due from other funds	650,000	-	-	-	650,000
Prepaid items	-	-	344,095	-	344,095
<b>Total current assets</b>	<u>2,679,828</u>	<u>225,868</u>	<u>521,763</u>	<u>957,042</u>	<u>4,384,501</u>
Capital assets - equipment net of depreciation	598,298	-	-	-	598,298
Capital assets - vehicles net of depreciation	2,108,532	-	-	-	2,108,532
<b>Total non-current assets</b>	<u>2,706,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,706,830</u>
<b>Total assets</b>	<u>5,386,658</u>	<u>225,868</u>	<u>521,763</u>	<u>957,042</u>	<u>7,091,331</u>
<b>LIABILITIES</b>					
Accounts payable	-	-	10,207	28,750	38,957
Due to other funds	-	-	650,000	-	650,000
Accrued liabilities	-	-	362,198	104,252	466,450
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>1,022,405</u>	<u>133,002</u>	<u>1,155,407</u>
<b>NET POSITION</b>					
Net investment in capital assets	2,706,830	-	-	-	2,706,830
Unrestricted	2,679,828	225,868	(500,642)	824,040	3,229,094
<b>Total net position</b>	<u>\$ 5,386,658</u>	<u>\$ 225,868</u>	<u>\$ (500,642)</u>	<u>\$ 824,040</u>	<u>\$ 5,935,924</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, 2018**

	<u>Fleet Replacement</u>	<u>Info Tech Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self-Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>					
Premiums and charges for services	\$ 1,298,668	\$ 317,016	\$ 2,989,573	\$ 490,401	\$ 5,095,658
Other	-	-	6	-	6
<b>Total operating revenues</b>	<u>1,298,668</u>	<u>317,016</u>	<u>2,989,579</u>	<u>490,401</u>	<u>5,095,664</u>
<b>OPERATING EXPENSES</b>					
Claims and provision	-	-	3,116,562	56,785	3,173,347
Equipment	-	242,810	-	-	242,810
Administrative and fiscal	-	-	481,028	289,790	770,818
Depreciation	975,996	-	-	-	975,996
<b>Total operating expenses</b>	<u>975,996</u>	<u>242,810</u>	<u>3,597,590</u>	<u>346,575</u>	<u>5,162,971</u>
<b>OPERATING INCOME</b>	<u>322,672</u>	<u>74,206</u>	<u>(608,011)</u>	<u>143,826</u>	<u>(67,307)</u>
<b>NON-OPERATING REVENUES</b>					
Gain on sale of capital assets	5,787	-	-	-	5,787
Interest income	21,908	-	10,627	9,056	41,591
<b>Total non-operating revenues</b>	<u>27,695</u>	<u>-</u>	<u>10,627</u>	<u>9,056</u>	<u>47,378</u>
<b>CHANGE IN NET POSITION</b>	350,367	74,206	(597,384)	152,882	(19,929)
<b>TOTAL NET POSITION- BEGINNING</b>	<u>5,036,291</u>	<u>151,662</u>	<u>96,742</u>	<u>671,158</u>	<u>5,955,853</u>
<b>TOTAL NET POSITION- ENDING</b>	<u>\$ 5,386,658</u>	<u>\$ 225,868</u>	<u>\$ (500,642)</u>	<u>\$ 824,040</u>	<u>\$ 5,935,924</u>

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Fleet Replacement	Info Tech Replacement	Medical Self-Insurance	Comprehensive Self-Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Internal activity-receipts from other funds	\$ 1,298,668	\$ 317,016	\$ 2,271,103	\$ 490,401	\$ 4,377,188
Receipts from insured	-	-	718,470	-	718,470
Payments to suppliers	-	(242,810)	(3,751,373)	(376,814)	(4,370,997)
Other receipts	-	-	6	-	6
<b>Net cash provided by (used in) operating activities</b>	<u>1,298,668</u>	<u>74,206</u>	<u>(761,794)</u>	<u>113,587</u>	<u>724,667</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Receipts from interfund borrowings	-	-	650,000	-	650,000
Payments from interfund borrowings	(650,000)	-	-	-	(650,000)
<b>Net cash provided by (used in) noncapital activities</b>	<u>(650,000)</u>	<u>-</u>	<u>650,000</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	(452,306)	-	-	-	(452,306)
Receipts from sale of capital assets	53,566	-	-	-	53,566
<b>Net cash used in capital financing and related financing activities</b>	<u>(398,740)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(398,740)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received on investments	21,908	-	13,462	11,903	47,273
<b>Net cash provided by investing activities</b>	<u>21,908</u>	<u>-</u>	<u>13,462</u>	<u>11,903</u>	<u>47,273</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	271,836	74,206	(98,332)	125,490	373,200
<b>CASH AND INVESTMENTS, beginning of year</b>	<u>1,757,992</u>	<u>151,662</u>	<u>105,246</u>	<u>831,552</u>	<u>2,846,452</u>
<b>CASH AND INVESTMENTS, end of year</b>	<u>2,029,828</u>	<u>225,868</u>	<u>6,914</u>	<u>957,042</u>	<u>3,219,652</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income (loss)	322,672	74,206	(608,011)	143,826	(67,307)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	975,996	-	-	-	975,996
Change in assets and liabilities-					
Prepaid items	-	-	(132,809)	-	(132,809)
Accounts and other payables	-	-	(20,974)	(30,239)	(51,213)
<b>Total adjustments</b>	<u>975,996</u>	<u>-</u>	<u>(153,783)</u>	<u>(30,239)</u>	<u>791,974</u>
<b>Net cash provided by (used in) operating activities</b>	<u>1,298,668</u>	<u>74,206</u>	<u>(761,794)</u>	<u>113,587</u>	<u>724,667</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, 2018

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**ASSETS**

Cash and investments	\$	1,439,474
Receivables		474,608
Prepaid items		3,225
<b>Total assets</b>	<b>\$</b>	<b>1,917,307</b>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES:**

Accounts payable		53,833
Accrued liabilities		8,115
Customer performance and escrow deposits		150
<b>Total liabilities</b>		<b>62,098</b>

**EQUITY:**

Nonspendable- prepaid items		3,225
Restricted for economic development		1,851,984
<b>Total fund balances</b>		<b>1,855,209</b>
<b>Total liabilities &amp; fund balances</b>	<b>\$</b>	<b>1,917,307</b>

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, 2018

---

**TOTAL FUND BALANCE- GOVERNMENTAL FUNDS** \$ 1,855,209

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. 1,118,218

Deferred charges on refunding are not reported in the governmental funds 16,361

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. (1,896)

Investments in joint ventures represent a financial asset not reported in governmental funds. (29,371)

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. (1,445,000)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 1,513,521

CITY OF DUNCANVILLE, TEXAS

DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

---

<b>REVENUES</b>	
Sales tax	\$ 2,710,613
Investment income	16,271
<b>Total revenues</b>	<u>2,726,884</u>
<b>EXPENDITURES</b>	
General government	240,068
Special purposes - promotional	825,924
Debt service-	
Principal bond retirement	475,000
Interest and fiscal charges	17,652
Capital outlay	906,133
<b>Total expenditures</b>	<u>2,464,777</u>
<b>NET CHANGE IN FUND BALANCES</b>	262,107
<b>FUND BALANCES, beginning of year</b>	<u>1,593,102</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 1,855,209</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, 2018

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**NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS** \$ 262,107

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. 906,133

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. (48,004)

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but it does require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds. (7,551)

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. 475,000

Bond issuance costs are expenditures in the fund financial statements when debt is issued, but is amortized over the term of the bond in the government-wide financial statements. (5,774)

Current year changes in accrued interest payable do not require the use of current financial resources, therefore, they are not reported as expenditures in governmental funds. 623

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 1,582,534

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

**City of Duncanville**

**Schedule 1**

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

<b>Fiscal Year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 57,250,105
Restricted	70,458	41,456	-	1,515,702	1,595,501	1,921,073	2,022,810	2,766,937	3,619,861	4,478,493
Unrestricted	<u>5,217,145</u>	<u>7,652,982</u>	<u>4,806,821</u>	<u>4,964,969</u>	<u>6,254,783</u>	<u>8,351,034</u>	<u>15,631,437</u>	<u>14,828,820</u>	<u>9,869,375</u>	<u>10,178,096</u>
<b>Total governmental activities net position</b>	<b><u>\$ 55,348,324</u></b>	<b><u>\$ 58,098,418</u></b>	<b><u>\$ 57,302,765</u></b>	<b><u>\$ 66,289,908</u></b>	<b><u>\$ 67,080,897</u></b>	<b><u>\$ 69,332,404</u></b>	<b><u>\$ 78,508,061</u></b>	<b><u>\$ 77,532,855</u></b>	<b><u>\$ 73,092,859</u></b>	<b><u>\$ 71,906,694</u></b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 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	\$ 35,605,438
Unrestricted	<u>4,370,413</u>	<u>3,731,110</u>	<u>4,943,839</u>	<u>4,898,380</u>	<u>5,290,431</u>	<u>5,524,627</u>	<u>7,071,561</u>	<u>7,819,164</u>	<u>10,658,338</u>	<u>15,710,431</u>
<b>Total business-type activities net position</b>	<b><u>\$ 31,176,149</u></b>	<b><u>\$ 30,807,129</u></b>	<b><u>\$ 31,894,154</u></b>	<b><u>\$ 32,176,863</u></b>	<b><u>\$ 32,389,481</u></b>	<b><u>\$ 32,900,279</u></b>	<b><u>\$ 35,648,066</u></b>	<b><u>\$ 38,743,073</u></b>	<b><u>\$ 46,206,979</u></b>	<b><u>\$ 51,315,869</u></b>
<b>Primary government</b>										
Net investment in capital assets	\$ 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	\$ 92,855,543
Restricted	70,458	41,456	-	1,515,702	1,595,501	1,921,073	2,022,810	2,766,937	3,619,861	4,478,493
Unrestricted	<u>9,587,558</u>	<u>11,384,092</u>	<u>9,750,660</u>	<u>9,863,349</u>	<u>11,545,214</u>	<u>13,875,661</u>	<u>22,702,998</u>	<u>22,647,984</u>	<u>20,527,713</u>	<u>25,888,527</u>
<b>Total primary government net position</b>	<b><u>\$ 86,524,473</u></b>	<b><u>\$ 88,905,547</u></b>	<b><u>\$ 89,196,919</u></b>	<b><u>\$ 98,466,771</u></b>	<b><u>\$ 99,470,378</u></b>	<b><u>\$ 102,232,683</u></b>	<b><u>\$ 114,156,127</u></b>	<b><u>\$ 116,275,928</u></b>	<b><u>\$ 119,299,838</u></b>	<b><u>\$ 123,222,563</u></b>

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>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>	<u>2018</u>
<b>Expenses</b>										
Governmental activities										
General government	\$ 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	\$ 4,317,744
Finance	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	2,189,441
Community services	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	4,703,219
Police	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	9,583,619
Public works	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	8,669,083
Fire	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	7,094,174
Economic development	-	-	-	994,421	1,200,096	1,087,047	1,683,374	300,000	300,000	300,000
Interest and fiscal charges	478,651	354,584	273,901	236,244	171,408	108,426	10,183	42,189	35,472	28,529
Total governmental activities expenses	<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>	<u>36,885,809</u>
Business-type activities										
Water	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	5,712,209
Wastewater	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	6,293,354
Solid waste	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	2,682,991
Sports facility	-	-	1,003,941	1,352,511	1,472,276	1,533,713	1,883,422	1,662,127	1,578,544	1,626,129
Total business-type activities expenses	<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>	<u>16,314,683</u>
Total primary government expenses	<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>	<u>\$ 53,200,492</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 1,173,234	\$ 382,095	\$ 459,084	\$ 378,816	\$ 375,464	\$ 347,798	\$ 330,306	\$ 430,729	\$ 359,955	\$ 388,993
Finance	59,108	-	-	-	-	-	-	-	-	-
Community services	256,405	304,054	293,952	297,470	304,827	352,124	311,493	356,552	361,389	302,750
Police	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	2,989,143
Public works	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	1,058,873
Fire	1,009,010	849,306	(834,974)	793,561	448,258	663,756	1,036,582	994,287	668,762	609,942
Operating grants and contributions	338,658	754,463	399,930	418,470	305,858	332,777	838,435	392,198	1,317,404	792,205
Capital grants and contributions	2,364,100	2,201,004	404,913	709,483	276,132	-	32,770	30,000	-	30,000
Total governmental activities program revenues	<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>6,413,299</u>	<u>7,153,107</u>	<u>6,171,906</u>
Business-type activities										
Charges for services										
Water	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	9,024,571
Wastewater	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	9,967,610
Solid waste	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	3,174,451
Sports facility	-	-	376,544	546,285	695,758	837,532	1,025,216	1,002,465	1,099,703	1,245,091
Grants and contributions	22,227	107,974	967,165	-	-	-	630,284	631,171	2,874,738	538,650
Total business-type activities program revenues	<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>	<u>23,950,373</u>
Total primary government program revenues	<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>\$ 26,760,958</u>	<u>\$ 32,260,795</u>	<u>\$ 30,122,279</u>

City of Duncanville

Schedule 2

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

<u>Fiscal Year</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>	<u>2018</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (19,795,333)	\$ (19,257,722)	\$ (23,153,503)	\$ (21,088,585)	\$ (22,253,319)	\$ (23,541,143)	\$ (24,588,449)	\$ (27,378,884)	\$ (31,991,162)	\$ (30,713,903)
Business-type activities	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	7,635,690
Total primary government net expense	<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>\$ (21,937,967)</u>	<u>\$ (22,837,550)</u>	<u>\$ (23,078,213)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Taxes										
Ad valorem	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	15,950,016
Sales	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	8,131,839
Franchise	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	2,046,553
Mixed beverage	71,978	60,101	59,671	49,266	55,699	69,427	76,814	76,364	78,991	76,312
Hotel occupancy	462,474	393,731	445,385	458,744	470,710	542,191	626,022	779,253	742,865	752,063
Earnings on investments	117,619	35,810	39,971	45,695	41,495	34,171	36,008	71,906	155,386	408,917
Rentals and miscellaneous	286,126	287,252	221,430	228,377	127,578	89,362	505,479	230,398	380,867	418,247
Transfers	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	2,597,840
Total governmental activities	<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>	<u>30,373,787</u>
Business-type activities										
Earnings on investments	37,007	18,601	6,821	8,197	9,520	8,714	11,281	24,156	64,458	136,107
Transfers	(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)	(2,597,840)
Total business-type activities	<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>	<u>(2,461,733)</u>
Total primary government	<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>	<u>\$ 27,912,054</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 3,024,655	\$ 2,750,094	\$ (795,653)	\$ 9,854,877	\$ 790,989	\$ 2,332,815	\$ 687,736	\$ (945,206)	\$ (4,439,996)	\$ (340,116)
Business-type activities	751,004	(369,020)	1,087,025	282,709	212,618	676,578	1,820,619	3,095,007	7,463,906	5,173,957
Total primary government	<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>\$ 2,149,801</u>	<u>\$ 3,023,910</u>	<u>\$ 4,833,841</u>

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 3

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

<b>Fiscal Year</b>	<u>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>	<u>2018</u>
General Fund										
Reserved	\$ 407,899	246,425	-	-	-	-	-	-	-	-
Unreserved	2,932,936	3,669,209	-	-	-	-	-	-	-	-
Nonspendable	-	-	24,151	91,476	57,301	46,500	17,881	17,693	18,189	38,937
Assigned	-	-	70,459	112,770	211,403	2,601,859	890,836	762,361	1,505,544	2,151,559
Unassigned	-	-	4,567,918	5,619,154	6,647,447	5,611,888	6,423,539	7,672,447	8,447,281	9,035,392
<b>Total general Fund</b>	<b>3,340,835</b>	<b>3,915,634</b>	<b>4,662,528</b>	<b>5,823,400</b>	<b>6,916,151</b>	<b>8,260,247</b>	<b>7,332,256</b>	<b>8,452,501</b>	<b>9,971,014</b>	<b>11,225,888</b>
All Other Governmental Funds										
Reserved										
Debt service	\$ (38,660)	4,183	-	-	-	-	-	-	-	-
Other Governmental Funds	5,479	2,073	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	1,160,098	695,824	-	-	-	-	-	-	-	-
Capital projects funds	303,317	729,638	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	10,000	10,375	10,000	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	64,734
Traffic Improvement and Safety	-	-	73,693	172,463	133,317	371,641	718,311	774,147	978,533	948,949
Community redevelopment	-	-	-	455,358	59,491	221,617	196,642	196,642	150,000	196,642
Promotion of Tourism and Convention and Hotel Industry	-	-	53,174	97,448	143,671	206,187	260,930	692,936	1,143,355	1,405,330
Maintenance and Construction of Drainage Projects	-	-	45,783	51,808	167,217	211,118	206,204	551,340	701,048	980,820
Public Safety, Cultural and Recreational Services	-	-	135,734	127,860	90,892	84,053	108,579	104,314	94,517	197,416
Court Technology and Security	-	-	63,985	66,673	50,031	42,323	42,414	41,613	10,519	25,023
Juvenile Case Management	-	-	50,286	81,362	106,530	26,169	30,460	34,817	33,612	33,025
Public Safety and Criminal Investigations	-	-	249,647	292,930	372,925	225,953	119,849	114,545	352,378	304,764
Park Construction	-	-	41,527	25,228	25,228	21,043	21,042	21,042	21,043	21,043
Capital Improvements	-	-	212,261	120,686	45,664	115,433	191,081	171,096	118,145	300,747
Unassigned	-	-	-	-	-	-	(5,753)	(7,625)	-	(9,292)
<b>Total all other governmental funds</b>	<b>\$ 1,430,234</b>	<b>\$ 1,431,718</b>	<b>\$ 1,204,615</b>	<b>\$ 1,542,475</b>	<b>\$ 1,611,212</b>	<b>\$ 1,939,510</b>	<b>\$ 2,235,476</b>	<b>\$ 3,021,961</b>	<b>\$ 3,629,861</b>	<b>\$ 4,479,201</b>

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

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 4

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

<u>Fiscal Year</u>	<u>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>	<u>2018</u>
Revenues										
Taxes -										
Ad valorem	\$ 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	\$ 15,945,254
Sales	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	8,131,839
Franchise	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	2,046,553
Mixed beverage	71,978	60,101	59,671	49,266	55,699	55,699	76,814	76,364	78,991	76,312
Hotel	462,474	393,731	445,385	458,744	470,710	470,710	626,022	779,253	742,865	752,063
Licenses, permits and fees	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	4,018,615
Fines and forfeitures	750,490	1,054,149	1,160,339	1,182,418	992,086	992,086	902,852	786,919	899,601	658,169
Recreation fees	256,295	303,954	293,872	297,410	304,747	304,747	311,423	356,522	361,369	302,730
Intergovernmental	1,208,854	2,182,355	931,100	1,303,413	768,770	768,770	788,229	343,306	1,088,303	701,493
Investment income	100,669	32,753	34,059	37,838	34,494	34,494	31,211	62,851	140,113	359,326
Rental and other	1,111,587	1,663,650	814,772	643,278	529,044	529,044	670,591	847,873	896,257	869,069
Total revenues	<u>\$28,643,983</u>	<u>\$ 28,394,013</u>	<u>\$ 26,384,165</u>	<u>\$ 28,491,230</u>	<u>\$ 27,930,789</u>	<u>\$ 27,930,789</u>	<u>\$ 29,434,017</u>	<u>\$ 30,490,761</u>	<u>\$ 32,893,609</u>	<u>\$ 33,861,423</u>
Expenditures										
General government/ finance/ non-departmental	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	5,948,949
Police	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	9,243,825
Fire	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	6,682,207
Public works	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	6,972,155
Parks and recreation	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	4,023,086
Special purposes - promotional	385,245	298,842	290,107	440,157	567,107	567,107	2,037,870	412,331	300,000	331,388
Capital outlay	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	913,210
Debt service										
Principal retirement	2,311,273	2,325,872	1,122,685	1,985,622	1,408,474	1,408,474	888,574	198,034	204,742	211,700
Interest and fiscal charges	534,829	518,554	482,073	642,497	635,868	635,868	598,580	42,194	35,486	28,529
Total expenditures	<u>\$29,578,663</u>	<u>\$ 29,208,469</u>	<u>\$ 27,468,364</u>	<u>\$ 28,811,770</u>	<u>\$ 27,215,273</u>	<u>\$ 27,215,273</u>	<u>\$ 33,560,300</u>	<u>\$ 30,954,043</u>	<u>\$ 32,324,719</u>	<u>\$ 34,355,049</u>
Excess of revenues over (under) expenditures	(934,680)	(814,456)	(1,084,199)	(320,540)	715,516	715,516	(4,126,283)	(463,282)	568,890	(493,626)
Other Financing Sources (Uses)										
Transfers in	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	4,417,079
Issuance of debt	-	-	-	-	-	-	1,483,374	-	-	-
Transfers out	(582,189)	(636,655)	(516,073)	(1,073,531)	(1,435,144)	(1,435,144)	(835,398)	(1,510,431)	(2,324,229)	(1,819,239)
Total other financing sources (uses)	<u>1,369,124</u>	<u>1,390,769</u>	<u>1,690,476</u>	<u>771,284</u>	<u>445,972</u>	<u>445,972</u>	<u>3,519,233</u>	<u>2,370,066</u>	<u>1,754,164</u>	<u>2,597,840</u>
Net change in fund balances	<u>\$ 434,444</u>	<u>\$ 576,313</u>	<u>\$ 606,277</u>	<u>\$ 450,744</u>	<u>\$ 1,161,488</u>	<u>\$ 1,161,488</u>	<u>\$ (607,050)</u>	<u>\$ 1,906,784</u>	<u>\$ 2,323,054</u>	<u>\$ 2,104,214</u>
Total capital outlay capitalized per the government wide statement of net position	\$ 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	\$ 913,210
Debt service as a percentage of noncapital expenditures	10.4%	10.7%	6.2%	9.6%	7.7%	7.7%	4.8%	0.8%	0.8%	0.7%

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

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

Fiscal Year Ended Sept. 30,	Assessed and Actual Value of Property (1)			Total Assessed Value	Less: Tax-Exempt Property (2)	Total Taxable Assessed Value	Total City Tax Rate (3)
	Residential Property	Commercial Property	Business Personal Property				
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	1,212,618,690	499,612,540	164,697,890	1,876,929,120	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	1,429,782,470	631,961,430	204,417,790	2,266,161,690	296,234,097	1,969,927,593	0.758
2018	1,524,996,300	678,101,340	204,853,370	2,407,951,010	330,979,046	2,076,971,964	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.

**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)
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	0.009937	0.271000	0.119375
2014	0.691189	0.067258	0.758447	1.410000	0.243100	0.010000	0.276000	0.124700
2015	0.691189	0.067258	0.758447	1.410000	0.243100	0.010000	0.286000	0.124775
2016	0.684584	0.073863	0.758447	1.529500	0.243100	0.010000	0.286000	0.123650
2017	0.691295	0.067152	0.758447	1.521480	0.243100	0.009271	0.279400	0.122933
2018	0.693519	0.064928	0.758447	1.521480	0.243100	0.010000	0.279400	0.124238

Notes:

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

Source: Dallas Central Appraisal District

City of Duncanville

Schedule 7

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

Taxpayer / Company Name	2018			2009		
	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	\$ 41,490,588	1	2.00%	\$ 34,797,667	1	1.87%
C H Guenther & Son Inc.	22,293,740	2	1.07%	16,332,770	2	0.88%
G & E Apartment Reit - Bella Ruscello	19,081,000	3	0.92%			
Costco Wholesale Corp	18,537,700	4	0.89%	11,082,000	4	0.60%
TMIF 800 Link LP	14,104,200	5	0.68%			
WR Senior Living	13,000,000	6	0.63%			
W & B Service Company LP	12,071,380	7	0.58%			
TMIF 800 Link LP	11,712,730	8	0.56%			
AGM Main Park LP	11,381,490	9	0.55%	7,500,000	9	0.40%
Oncor Electric Delivery	11,199,370	10	0.54%			
Duncanville Village Multi				11,224,910	3	0.60%
SCI Duncanville Hotel LTD Hilton Garden Inn				9,734,380	5	0.52%
Texas Utilities TXU Business Services				9,623,390	6	0.52%
Southwestern Bell/Cingular SBC Communications Inc.				8,409,660	7	0.45%
Frankel Family Trust Meadowridge Apartments				8,200,000	8	0.44%
TT Duncanville LTD Village Shopping Center				7,300,000	10	0.39%
<b>Total</b>	<b>\$ 174,872,198</b>		<b>8.42%</b>	<b>\$ 124,204,777</b>		<b>6.67%</b>

Note:

(a) Total Taxable Value as of Oct. 1 \$ 2,076,971,964 \$ 1,862,275,885

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

Fiscal Year Ended Sept. 30,	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Adjusted Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years (1)	Amount	Percentage of Levy
2009	13,160,823	12,888,062	97.9%	221,821	13,109,883	99.6%
2010	12,580,346	12,161,481	96.7%	205,747	12,367,228	98.3%
2011	12,706,127	12,381,341	97.4%	170,240	12,551,581	98.8%
2012	12,458,343	12,191,719	97.9%	147,059	12,338,778	99.0%
2013	12,008,805	11,865,772	98.8%	140,091	12,005,863	100.0%
2014	12,455,448	12,190,388	97.9%	166,745	12,357,132	99.2%
2015	13,095,679	12,804,150	97.8%	124,304	12,928,454	98.7%
2016	13,762,665	13,606,997	98.9%	99,921	13,706,918	99.6%
2017	14,953,790	14,675,275	98.1%	83,202	14,758,477	98.7%
2018	15,767,037	15,637,061	99.2%	-	15,637,061	99.2%

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			Percentage of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	Certificate of Obligation Bonds	Loan Payable	Water and Sewer Revenue Bonds	General Obligation Bonds	Total Primary Government		
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	-	-	1,353,381	4,930,000	1,470,000	7,753,381	0.66%	163
2016	-	-	1,155,342	-	5,712,023	6,867,365	0.55%	136
2017	-	-	950,586	-	4,930,301	5,880,887	0.60%	145
2018	-	-	738,886	-	4,123,579	4,862,465	0.46%	120

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: Updated fiscal years 2015-2017 to include governmental activities loan payable outstanding

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

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

Fiscal Year Ended Sept. 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (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%	121
2018	4,123,579	-	4,123,579	0.20%	102

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.

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2018**  
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Duncanville Independent School District	\$ 209,011,096	43.97%	\$ 91,902,179
Dallas County	172,265,000	1.00%	\$ 1,722,650
Dallas County Community College District	228,350,000	1.00%	\$ 2,283,500
Dallas County School	36,600,000	1.00%	\$ 366,000
Dallas County Hospital District	687,775,000	1.00%	\$ 6,877,750
Cedar Hill Independent School District	118,249,438	0.22%	\$ 260,149
Subtotal, overlapping debt			\$ 103,412,228
City direct debt			738,886
Total direct and overlapping debt			\$ 104,151,114

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, 2018**  
(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, 2018 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)

<b>Fiscal Year Ended Sept. 30,</b>	<b>Operating Revenue and Other (a)</b>	<b>Less: Operating Expense (b)</b>	<b>Net Available Revenue</b>	<b>Debt Service (c)</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
<b>Water and Sewer Bonds</b>						
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	-	-	-
2018	19,123,952	10,714,635	8,409,317	-	-	-

## 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)**

<b>Fiscal Year Ended Sept. 30,</b>	<b>Population (a)</b>	<b>Personal Income</b>	<b>Per Capita Income (a)</b>	<b>Median Household Income (a)</b>	<b>Number of Households (a)</b>	<b>School Enrollment (b)</b>	<b>Unemployment Rate (c)</b>
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)
2018	40,565	1,065,561,420	26,268	57,695	13,651	12,761	4.10% (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	2018			2009		
	Employees (2)	Rank	Percent of Total Employment (a)	Employees (2)	Rank	Percent of Total Employment (a)
Duncanville Independent School District	1897	1	9.19%	1,800	1	9.88%
Masco(Formerly Texwood/Quality Cabinets and Doors)	500	2	2.42%	706	2	3.88%
City of Duncanville	340	3	1.65%	290	3	1.59%
DeFords	225	4	1.09%	130	7	0.71%
Pioneer Frozen Foods	200	5	0.97%	175	4	0.96%
Pappadeaux	190	6	0.92%	150	5	0.82%
Kroger	125	7	0.61%			
Costco Wholesale	117	8	0.57%	132	6	0.72%
WinCo Foods	110	9	0.53%			
W&B Service Company	100	10	0.48%			
Brittle-Brittle				75	8	0.41%
Personalized Communications				70	9	0.38%
Hilton Garden Inn				49	10	0.27%
<b>Total</b>	<b>3,804</b>		<b>18.43%</b>	<b>3,577</b>		<b>19.64%</b>

Note:

(a) Total City Employment (1) 20,640 18,214

Sources:

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

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

<u>Fiscal Year</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>	<u>2018</u>
<b>By Functions</b>										
General Government	33.00	32.50	30.20	32.50	31.50	34.10	35.69	36.13	37.00	37.32
Fire Services	53.00	52.25	52.00	52.00	51.30	52.30	54.33	54.33	54.30	54.25
Police Services (Civil)	59.00	59.00	59.00	59.00	58.00	57.99	59.98	60.00	60.00	60.00
Police Services (Non-Civil)	11.00	11.00	18.80	18.80	19.00	18.90	18.90	19.07	18.70	18.91
Public Works	30.50	30.00	32.00	33.00	35.50	36.50	39.50	34.50	35.50	41.00
Library Services	9.00	12.00	12.00	11.50	12.00	12.00	12.00	12.00	11.70	11.97
Parks and Recreation	16.00	28.70	34.80	41.20	41.60	43.66	55.65	60.25	58.60	58.66
Community Services	9.00	6.60	-	-	-	-	-	-	-	-
Water and Wastewater	21.50	25.00	17.50	16.50	19.50	21.50	20.50	23.50	23.50	23.00
<b>Total Employees by Function</b>	<b>242.00</b>	<b>257.05</b>	<b>256.30</b>	<b>264.50</b>	<b>268.40</b>	<b>276.95</b>	<b>296.55</b>	<b>299.78</b>	<b>299.30</b>	<b>305.11</b>
<b>By Departments</b>										
General Government	17.00	20.00	17.00	18.80	18.50	20.00	20.50	21.00	21.70	21.15
Finance	24.00	23.50	24.00	24.00	24.00	25.10	25.19	25.13	25.00	24.50
Community Services	25.00	32.60	34.80	41.20	41.60	43.20	55.65	60.25	58.60	59.48
Police (Civil)	59.00	59.00	59.00	59.00	58.00	58.00	59.98	60.00	60.00	60.00
Police (Non-Civil)	11.00	12.00	18.77	18.80	19.00	18.90	18.90	19.07	18.70	18.91
Public Works	30.50	31.70	25.50	27.00	27.00	27.50	34.50	34.50	31.50	41.00
Utilities	21.50	25.00	24.00	22.50	28.00	30.50	25.50	23.50	27.50	23.00
Fire (Civil Service)	53.00	52.25	52.00	52.00	51.30	49.00	51.00	51.00	51.00	51.00
Fire (Non Civil)	-	-	-	-	-	3.30	3.33	3.33	3.25	3.25
Economic Development	1.00	1.00	1.20	1.20	1.00	1.50	2.00	2.00	2.00	2.82
<b>Total Employees by Department</b>	<b>242.00</b>	<b>257.05</b>	<b>256.27</b>	<b>264.50</b>	<b>268.40</b>	<b>277.00</b>	<b>296.55</b>	<b>299.78</b>	<b>299.25</b>	<b>305.11</b>
<b>By Fund</b>										
General	219.50	216.35	210.40	214.60	214.90	230.39	232.35	232.93	231.30	239.35
Utility	21.50	33.00	30.50	29.50	32.50	24.50	33.50	33.50	33.50	33.00
Hotel/Motel	-	1.00	-	-	-	-	-	-	-	0.30
Economic Development	1.00	1.00	1.20	1.20	1.00	1.50	3.42	3.38	3.80	2.82
Grant	-	1.70	2.10	2.10	2.10	2.10	2.10	2.10	4.10	3.42
Drainage	-	0.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00
Solid Waste	-	2.00	2.00	2.00	2.00	2.00	4.00	4.00	4.00	4.00
Traffic Administration	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Juvenile Case Manager	-	0.50	-	0.10	-	-	0.50	0.50	0.50	0.50
Fieldhouse	-	-	5.60	10.50	11.40	11.50	15.68	18.37	17.10	16.72
<b>Total Employees by Fund</b>	<b>242.00</b>	<b>257.05</b>	<b>256.30</b>	<b>264.50</b>	<b>268.40</b>	<b>276.99</b>	<b>296.55</b>	<b>299.78</b>	<b>299.30</b>	<b>305.11</b>

**City of Duncanville**

**Schedule 17**

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

<b>Fiscal Years</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Function/Program</b>										
General Government										
Building Permits Issued	236	374	350	367	225	938	725	388	445	711
Police										
Criminal Arrests	3,300	2,100	2,235	1,900	1,828	1,880	1,845	1,964	1,465	1,173
Index Crimes per 1,000 Population	50	48	46	47	48	49	47	50	33	38
Fire										
Total Calls for Service (Fire & EMS)	7,038	7,248	6,700	6,475	5,660	4,783	5,400	5,904	6,671	6,688
Total Structural Inspections	832	1,035	742	737	1,465	1,264	1,370	1,200	1,153	1,008
Public Services										
Utility Cuts Repaired	115	186	125	175	230	202	235	320	320	191
Sidewalk Repaired (Square Feet)	11,576	2,231	9,000	7,800	750	6121	7,500	7,500	3,740	8,320
Parks and Recreation										
Program Participation Hours	21,120	25,119	14,843	15,000	15,000	15,000	15,000	15,000	2,979	6,893
Number of Annual Passes Sold	2,000	2,664	1,900	2,900	863	900	1,000	1,000	2,477	1,926
Library										
Volumes in Collection	105,571	105,710	111,018	107,924	108,401	107,117	108,000	118,553	97,126	98,551
Total Volumes Borrowed	169,602	160,642	171,000	145,746	140,692	130,296	142,000	110,000	101,969	121,118
Water/Wastewater										
Water Main Breaks	30	36	30	25	30	20	15	31	32	17
Number of Gallons of Water Pumped (000s)	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	1,500,643
Average Daily Consumption (MGD)	6	5	6	5	6	5	6	6	4	4
Miles of Sewer Mains Cleaned	8	2	15	12	28	2.11	65	110	138	144

Source: City of Duncanville, Texas Annual Budgets

**City of Duncanville**

**Schedule 18**

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

<b>Fiscal Year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Function/Program</b>										
Public Safety										
Emergency Vehicles (Police & Fire)	34	33	31	31	31	31	31	31	33	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	36.81	36.81	36.81	36.81	36.09
Traffic Signals	34	34	34	34	34	34	36	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	9,940	9,929	10,085	10,014	10,034	10,044	10,059	10,096	10,029
Non-Emergency Vehicles	81	84	82	82	82	82	87	89	112	103
Parks and Recreation										
Park Acres	237.0	242.0	239.0	239.0	239.0	239.0	244.0	244.0	244.0	244.0
Playgrounds	12	12	12	13	13	13	13	13	13	13
Total Athletic Facilities Maintained	54	54	54	54	54	54	55	55	55	55
Water/Wastewater										
Miles of Water Mains	189.50	189.50	189.80	189.48	190.05	190.05	189.48	197.52	197.52	197.52
Fire Hydrants	1,360	1,364	1,366	1,372	1,373	1,373	1,386	1,386	1,386	1,363
Sanitary Sewer Lines (Miles)	153.60	153.64	153.65	153.65	153.67	153.67	153.67	154.95	154.95	154.95
Sanitary Sewer Laterals (Miles)	77.30	77.30	77.30	77.30	77.35	77.35	77.35	77.35	77.35	77.35

Source: City of Duncanville, Texas Annual Budgets

