



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For Year Ended:
September 30, 2019**

Duncanville, Texas

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

**FOR
FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

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

CITY OF DUNCANVILLE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

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Duncanville

City of Champions

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**Kevin Hugman
City Manager**

March 5, 2020

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, 2019.

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.

McConnel & Jones 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, 2019. 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

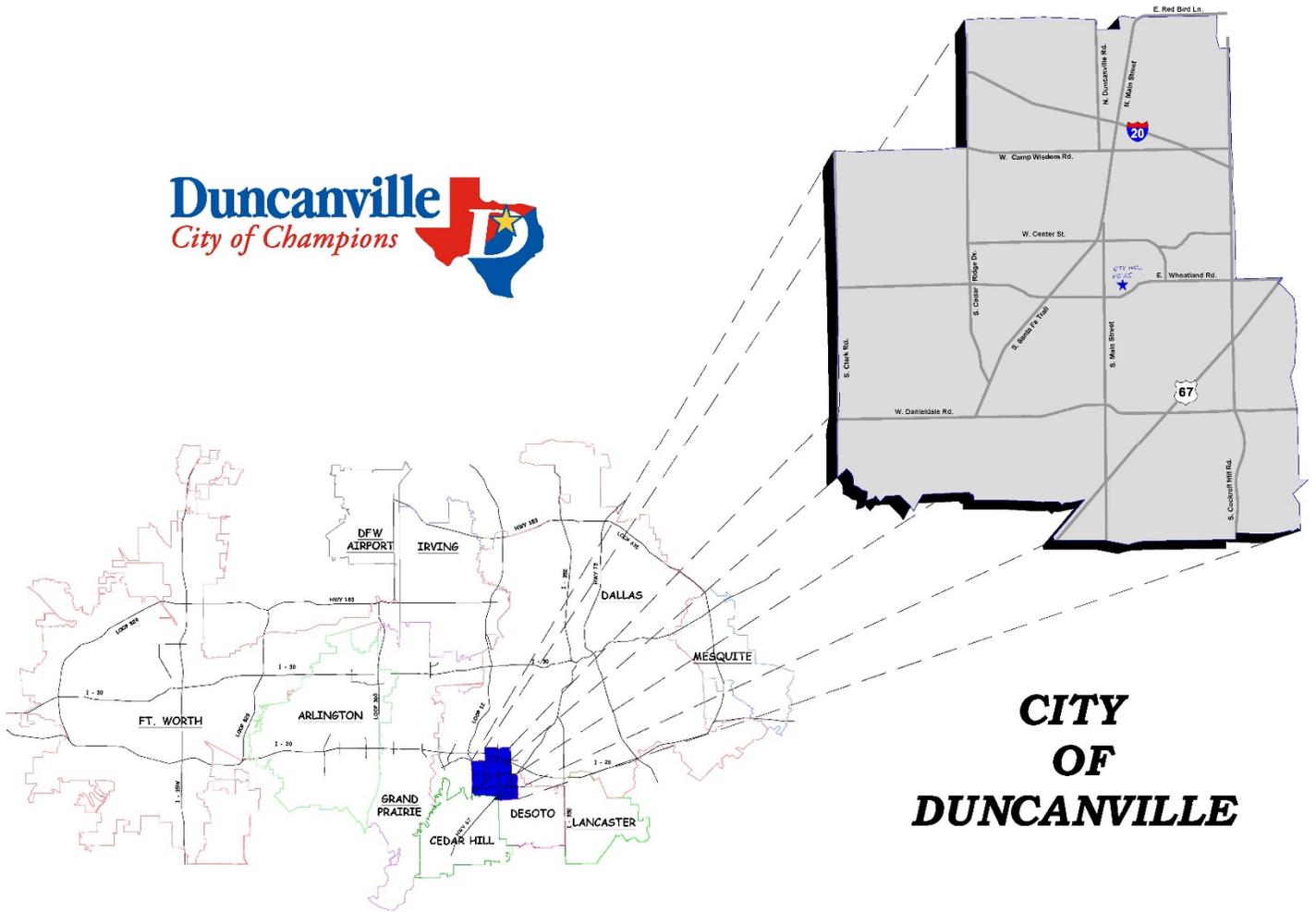
Located in the Best Southwest portion of Dallas County, the City of Duncanville is situated approximately 20 minutes from Fort Worth and just minutes from downtown Dallas. The City covers approximately 12 square miles and is easily accessible from major interstate and highway systems in North Texas, including I-35 (the NAFTA Corridor), I-20, and Highway 67. The 2019 estimated population for the City was 40,948 (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.

Services Provided

The City provides necessary services while managing costs to deliver services through a rigorous budget and accounting process. Major services provided under general government and enterprise functions are: public safety (police and fire

protection), emergency medical services, highways and streets, water and sanitary sewer utilities, health and social services, culture and recreation, library services, public improvements, planning and zoning, and general administrative services.



CITY OF DUNCANVILLE

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

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

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

The City Charter provides that City Council adopt the annual budget prepared by City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to

transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Monthly financial reports are produced showing budget and actual expenditures by line item and are available to all City departmental and divisional management. 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 maintains 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 2018 official estimate has the Dallas/Fort Worth Metroplex (DFW) at a population of 7,539,711. 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 2019, Dallas–Fort Worth has been a magnet for corporate headquarters and major company operations, attracting 23 Fortune 500 and 42 Fortune 1000 companies. (Dallas Regional Chamber)
- In 2017, the DFW Metropolitan area was the fifth largest export market in the United States. (Dallas Regional Chamber)
- Dallas had the fastest rate of job growth, up 3.2% in 2019. (US Bureau of Labor Statistics)
- 97% of businesses in the DFW Region have less than 100 employees; and 15 companies made the Inc. 500 list, and a total of 185 companies were listed in the Inc. 5000 list in 2018. (Dallas Regional Chamber)
- DFW is home to an impressive group of foreign based subsidiaries with over 200 companies from 40 countries locating their U.S. headquarters or substantial operations within the region. (Dallas Regional Chamber)
- DFW has the 7th largest concentration of high-tech jobs in the United States for 2018. (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 remain at the top end of research institutions. 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 serving as 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 and provides 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 best 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 Kroger Supermarket Cedar Square shopping center, 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 and 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. The Duncanville Fieldhouse completed the 1st phase of exterior renovations in 2019 to position the facility to be more competitive with other sports venues.
- **Pappadeaux Seafood** continues their success in providing fine dining for area residents and Pappas restaurant corporation recently opened a **Pappas BBQ** restaurant in Duncanville.
- **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.

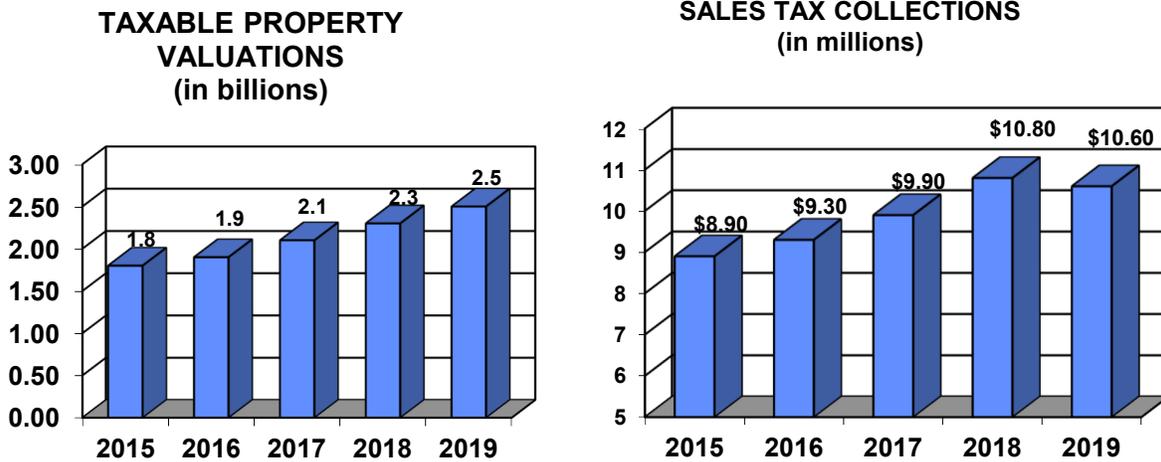
- **WinCo** food store opened in June 2015 in the renovated former Walmart building that had been vacant for many years.
- **Advanced Auto, Good Life Assisted Living and Memory Care, and new medical and professional buildings** were economic development additions to Duncanville in 2016.
- **Super Mercado Monterrey Grocery, Popeyes Chicken, Ten Hagen Excavating, GK Steel Fabrication, La Michoacana Meat Market, Stanley Restoration, Henderson Chicken, Walnut Grove Dental, PhoNoodle 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.
- **Pappas BBQ** restaurant, **Cox Farms Nursery** expansion, **Village Tech School** expansion, remodeling of the former Chase Bank Building into two retail suites, **Hampton Inn & Suites** 101 room hotel, a 13,000 square foot shopping center constructed in front of Winco, and Main Station Partnership conversion of an existing space into three spaces housing **Rice Pot** restaurant, **Mudhook** restaurant, and **Black and Bitter Coffee** shop, were all new economic development projects 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:

- Texas Department of Transportation construction of new east and west bound service roads along I-20 between Main Street and Camp Wisdom Boulevard (construction started in 2019)
- Maintaining an aggressive water and sewer line rehabilitation/replacement program
- Improving access to Duncanville and access to surrounding cities via expansion of U.S. Highway 67 through a Texas Department of Transportation construction project to add a main lane in each direction (construction nearing completion)
- 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, and increased funding for street maintenance to achieve desired level of condition
- Established a Vacant Building Ordinance to mitigate commercial and industrial structure vacancies. The ordinance provisions include registration of vacant property, enhanced conditions and expectations for maintenance, and new requirements to secure structures
- Adopted a Rental Registration Program promoting the health, safety, and general welfare of the City and its residents by adopting and enforcing regulations regarding residential rental properties which are offered for lease, barter, or rent in the City of Duncanville.
- Bonds were sold in 2019 to fund major street and park improvements, upgrade existing city facilities, and construct a new fire station and emergency operations center

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 presents a unique opportunity. The DCEDC has agreed to fund the 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. The Fieldhouse, which turned a profit for the first time in 2019, will eventually become a contributor to the general fund (for overhead reimbursement for General Government and Finance support) which will provide another source of revenue to support City operations. As the effects of SB1(property tax caps) are experienced over the next few years, this potential new revenue source will be most important.

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 FY19 to insure against unforeseen changes that might negatively impact revenues or expenditures. The City also maintains 5-year capital improvement budget for streets, parks, water and wastewater, and city buildings. A fleet replacement fund is utilized that each 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, 2018. 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, 2019 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

City of Champions

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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, 2018

Christopher P. Morill

Executive Director/CEO



City of Duncanville

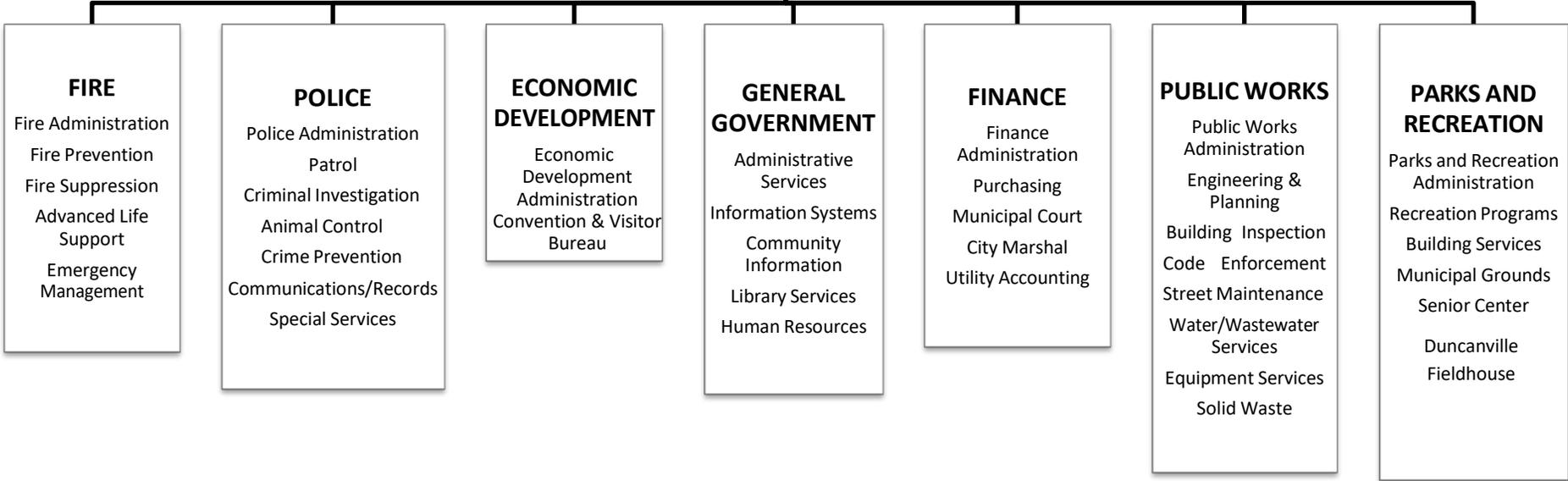
Organizational Chart

September 30, 2019

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

Don McBurnett, Mayor Pro Tem, District 2

Joe Veracruz, Councilmember District 1

Monte Anderson, Councilmember District 3

Mark D. Cooks, Councilmember, District 4

Johnette Jameson, Councilmember District 5

Patrick Harvey, Councilmember At-Large



★ ★ ★ ★

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 Auditor's Report

To the City Council
City of Duncanville, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, 2019, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Houston, TX 77081
Phone: 713.968.1600
Fax: 713.968.1601

WWW.MCCONNELLJONES.COM

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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Duncanville, Texas, as of September 30, 2019, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Traffic Improvement and Safety Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5 through 13), Schedule of Changes in Net Pension (pages 60 through 61), and Schedule of Changes in Other Postemployment Benefits (page 62), 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 of Duncanville, Texas's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 5, 2020, 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.



Houston, Texas
March 5, 2020



Duncanville

City of Champions

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City of Duncanville, Texas

Management's Discussion and Analysis for the Fiscal Year Ended September 30, 2019

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, 2019. 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 \$126.0 million (net position). This number must be viewed in the context that the vast majority of the City's net position of \$71.4 million are invested in capital assets and that most capital assets in government do not directly generate revenue nor can be sold to generate liquid capital. Net position of \$4.5 million is restricted for various purposes such as capital projects, public safety or community programs. The remaining \$26.6 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's governmental activities total assets and deferred outflows exceeded total liabilities and deferred inflows by \$70.9 million (net position). Governmental activities net position decreased by \$1.0 million.
- As of the close of the current fiscal year, City of Duncanville governmental funds reported combined ending fund balances of \$40.9 million, an increase of \$25.2 from the prior year. Of this amount, \$9.8 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 \$9.8 million. On a current financial resources basis, total fund balance for the General Fund increased by \$1.5 million.
- The City's net bonded debt increased by \$20.0 million during this current fiscal year. This includes the issuance of General Obligation, Series 2019 bonds for \$20.7 million
- The City has seen property tax revenue increases for the past six 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 fifteen 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, Bond Capital Projects, and Traffic and Safety Improvement funds, all of which are to be considered major funds. Data from eight non-major special revenue funds and three 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 30-59 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 \$126.0 million as of September 30, 2019.

City of Duncanville's Net Position

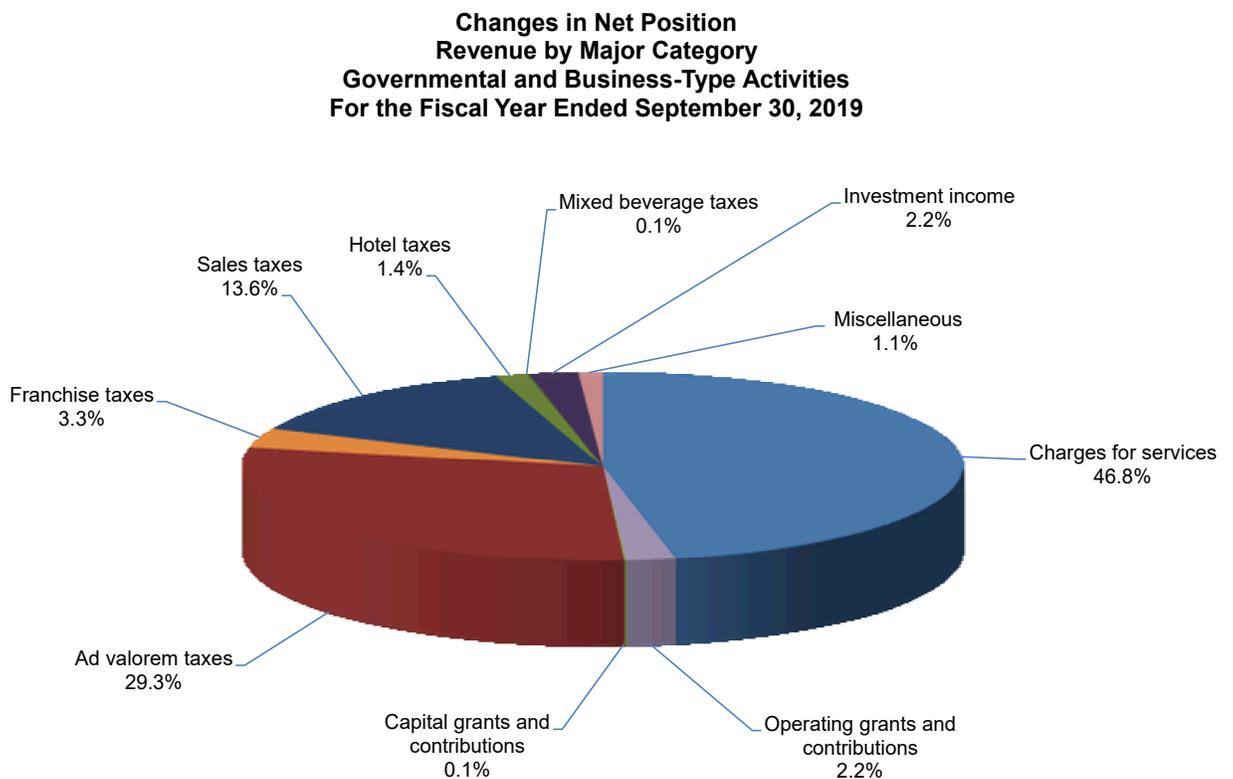
| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------------|----------------------------|---------------|-----------------------------|---------------|----------------|----------------|
| | FY 2019 | FY 2018 | FY 2019 | FY 2018 | FY 2019 | FY 2018 |
| Current and other assets | \$ 48,834,192 | \$ 25,389,609 | \$ 25,096,938 | \$ 17,932,809 | \$ 73,931,130 | \$ 43,322,418 |
| Capital assets, net | 55,944,710 | 57,250,105 | 36,590,987 | 39,696,566 | 92,535,697 | 96,946,671 |
| Total assets | 104,778,902 | 82,639,714 | 61,687,925 | 57,629,375 | 166,466,827 | 140,269,089 |
| Total deferred outflows of resources | 7,844,101 | 2,192,220 | 942,845 | 310,933 | 8,786,946 | 2,503,153 |
| Current liabilities | 4,046,035 | 3,666,621 | 2,676,878 | 1,761,777 | 6,722,913 | 5,428,398 |
| Noncurrent liabilities | 37,425,932 | 6,808,429 | 4,766,221 | 4,539,835 | 42,192,153 | 11,348,264 |
| Total liabilities | 41,471,967 | 10,475,050 | 7,443,099 | 6,301,612 | 48,915,066 | 16,776,662 |
| Total deferred inflows of resources | 271,191 | 2,450,190 | 34,199 | 322,827 | 305,390 | 2,773,017 |
| Net investment in capital assets | 34,007,758 | 57,250,105 | 37,354,472 | 35,605,438 | 71,362,230 | 92,855,543 |
| Restricted net position | 28,118,603 | 4,478,493 | - | - | 28,118,603 | 4,478,493 |
| Unrestricted net position | 8,753,484 | 10,178,096 | 17,799,000 | 15,710,431 | 26,552,484 | 25,888,527 |
| Total net position | \$ 70,879,845 | \$ 71,906,694 | \$ 55,153,472 | \$ 51,315,869 | \$ 126,033,317 | \$ 123,222,563 |

The majority of the City's net position \$71.4 million (56.6%) 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 \$28.1 million (22.3%) is reserved for various purposes such as capital projects, debt service, public safety and court programs.

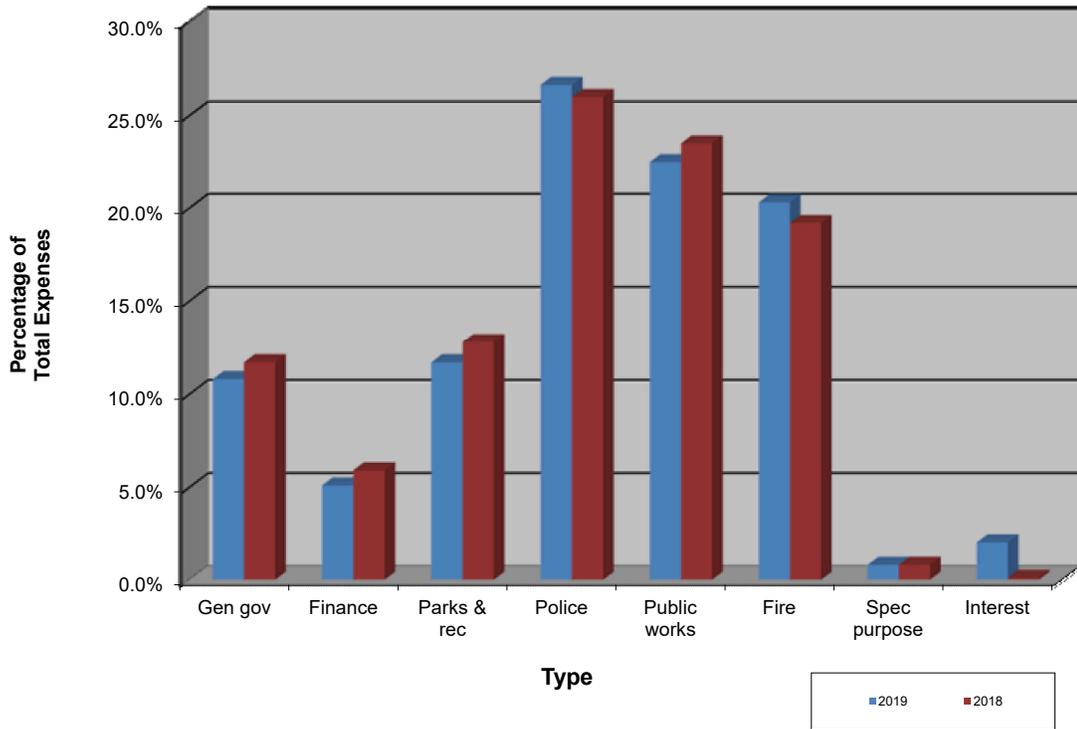
The City's balance of unrestricted net position of \$26.6 million (21.1%) may be used to meet the government's ongoing obligations to citizens and creditors.

Analysis of the City's Operations- Overall, the City's total net position increased \$2.8 million (2.3%) from the prior year.



Governmental Activities- General revenue (excluding transfers) had a net increase of \$2.1 million. Ad valorem tax experienced an increase of \$1.4 million due to an increase in assessed valuations, despite a decrease in property tax rate. Sales tax revenues decreased by \$100 thousand due to a downward trend in the local construction economy. The charges for services category showed an overall decrease of \$481 thousand primarily due to the June 2019 enactment of HB1631 requiring the elimination of red-light camera fines. Overall expenditures experienced a \$2.3 million increase over the prior year primarily due to increases in police and fire salaries.

**Expenses by Type
Governmental Activities
Comparison of Fiscal Years 2019 and 2018**



Business-type Activities- Net position from business-type activities increased by \$3.8 million. Program revenues decreased by \$627 thousand. Overall business-type expenses reflected an increase of \$828 thousand as sewer costs increased and new positions were added.

The following table provides a summary of the City's operations at fiscal year end 2019:

| City of Duncanville's Changes in Net Position | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| For the Fiscal Years Ending September 30, 2019 and 2018 | | | | | | |
| | Governmental | | Business-Type | | Total | |
| | Activities | | Activities | | | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,868,293 | \$ 5,349,701 | \$ 22,788,370 | \$ 23,411,723 | \$ 27,656,663 | \$ 28,761,424 |
| Operating grants and contributions | 737,901 | 792,205 | 536,550 | 538,650 | 1,274,451 | 1,330,855 |
| Capital grants and contributions | 69,522 | 30,000 | - | - | 69,522 | 30,000 |
| General revenues: | | | | | | |
| Ad valorem taxes | 17,341,616 | 15,950,016 | - | - | 17,341,616 | 15,950,016 |
| Franchise taxes | 1,949,561 | 2,046,553 | - | - | 1,949,561 | 2,046,553 |
| Sales taxes | 8,032,275 | 8,131,839 | - | - | 8,032,275 | 8,131,839 |
| Hotel taxes | 808,374 | 752,063 | - | - | 808,374 | 752,063 |
| Mixed beverage taxes | 73,889 | 76,312 | - | - | 73,889 | 76,312 |
| Investment income | 1,049,084 | 400,917 | 232,775 | 136,107 | 1,281,859 | 537,024 |
| Miscellaneous | 660,004 | 418,247 | 1,228 | - | 661,232 | 418,247 |
| Total revenues | 35,590,519 | 33,947,853 | 23,558,923 | 24,086,480 | 59,149,442 | 58,034,333 |
| Expenses: | | | | | | |
| General government | 4,238,401 | 4,317,744 | - | - | 4,238,401 | 4,317,744 |
| Finance | 2,018,321 | 2,189,441 | - | - | 2,018,321 | 2,189,441 |
| Parks and recreation | 4,584,586 | 4,703,219 | - | - | 4,584,586 | 4,703,219 |
| Police | 10,484,426 | 9,583,619 | - | - | 10,484,426 | 9,583,619 |
| Public works | 8,830,835 | 8,669,083 | - | - | 8,830,835 | 8,669,083 |
| Fire | 7,944,523 | 7,094,174 | - | - | 7,944,523 | 7,094,174 |
| Special purposes | 300,000 | 300,000 | - | - | 300,000 | 300,000 |
| Interest and fiscal charges | 793,999 | 28,529 | - | - | 793,999 | 28,529 |
| Water and sewer | - | - | 12,591,492 | 12,005,563 | 12,591,492 | 12,005,563 |
| Solid waste | - | - | 2,827,739 | 2,682,991 | 2,827,739 | 2,682,991 |
| Sports facility | - | - | 1,724,366 | 1,626,129 | 1,724,366 | 1,626,129 |
| Total expenses | 39,195,091 | 36,885,809 | 17,143,597 | 16,314,683 | 56,338,688 | 53,200,492 |
| Increase (decrease) in net position before transfers | (3,604,572) | (2,937,956) | 6,415,326 | 7,771,797 | 2,810,754 | 4,833,841 |
| Transfers | 2,577,723 | 2,597,840 | (2,577,723) | (2,597,840) | - | - |
| Increase/ (decrease) in net position | (1,026,849) | (340,116) | 3,837,603 | 5,173,957 | 2,810,754 | 4,833,841 |
| Net position—beginning | 71,906,694 | 73,092,859 | 51,315,869 | 46,206,979 | 123,222,563 | 119,299,838 |
| Adjustment for adoption of GASB 75 | - | (846,049) | - | (65,067) | - | (911,116) |
| Net position—ending | \$ 70,879,845 | \$ 71,906,694 | \$ 55,153,472 | \$ 51,315,869 | \$ 126,033,317 | \$ 123,222,563 |

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 \$40.9 million. Approximately 24.0% of this total amount constitutes unassigned fund balance which is available for any public purpose. Approximately 7.2% of fund balance has been assigned by City management for one-time projects. The restricted fund balance of \$28.1 million is 68.8% 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 \$39 thousand (.1%). Fund balance for all governmental funds increased by \$25.2 million over the previous fiscal year.

In the General Fund, the original budget projected a \$758 thousand decrease in fund balance this fiscal year. The final amended budget changed to an expected fund balance decrease of \$3.4 million. 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 2019 for unforeseen expenditure or revenue changes. The property tax rate decreased to \$.748447 while assessed property valuations increased providing an ad valorem tax revenue increase of 9.6%. Sales tax revenue decreased by 1.2% due to a general decrease in local economic activity across several sectors including construction supplies and equipment. The franchise tax revenue had a decrease (4.7%) and tends to be volatile since it is based on weather and utility rates. The General fund balance increased by \$1.5 million.

The Debt Service fund balance increased by \$1.4 million. The Bond Capital Projects fund is a new fund this fiscal year with a fund balance of \$21.7 million. The Traffic Improvement and Safety fund balance decreased by \$71 thousand as the program ended in June 2019.

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 \$3.7 million. There were no water and sewer rate increases enacted in fiscal year 2019. The Solid Waste fund net position increased \$47 thousand during this fiscal year and the Fieldhouse Sports Facility in 2010 ended fiscal year 2019 with an increase in net position of \$156 thousand.

Pensions and Retiree Healthcare

Effective in 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 Liability as of September 30, 2019 of \$8.3 million. The City's plan fiduciary net position is 92.6% 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 \$4.8 million as of September 30, 2019.

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 2019, the City had \$96.6 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 \$366 thousand which is .4% 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 | |
|--------------------------------|----------------------------|------------------|-----------------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ 20,214 | \$ 20,214 | \$ 568 | \$ 568 | \$ 20,782 | \$ 20,782 |
| Construction in progress | 534 | 333 | 3,478 | 1,014 | 4,012 | 1,347 |
| Buildings | 6,476 | 6,725 | 8,538 | 8,951 | 15,014 | 15,676 |
| Infrastructure Improvements | 16,277 | 17,320 | 22,614 | 23,462 | 38,891 | 40,782 |
| Equipment | 5,840 | 5,999 | 1,408 | 1,447 | 7,248 | 7,446 |
| Water rights | 6,604 | 6,659 | 1,437 | 1,566 | 8,041 | 8,225 |
| | - | - | 2,593 | 2,689 | 2,593 | 2,689 |
| Totals | <u>\$ 55,945</u> | <u>\$ 57,250</u> | <u>\$ 40,636</u> | <u>\$ 39,697</u> | <u>\$ 96,581</u> | <u>\$ 96,947</u> |

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

- Water and wastewater capital additions for the current fiscal year were \$2.6 million.
- Alley project between Flamingo Way and Granada Drive was completed with a project total of \$279 thousand.
- Vehicle and equipment replacements were made totaling \$1.2 million out of the Fleet Replacement fund. The new additions include sixteen new vehicles, one ambulance and two heavy-duty equipment items.
- 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 \$23.8 million in bonded debt outstanding. This includes the issuance of General Obligation, Series 2019 bonds for \$20.7 million. 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)

| | Governmental Activities | | Business-Type Activities | | Totals | |
|--------------------------|----------------------------|-------------|-----------------------------|-----------------|------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| General Obligation bonds | \$ 20,735 | \$ - | \$ 3,055 | \$ 3,835 | \$ 23,790 | \$ 3,835 |
| Totals | <u>\$ 20,735</u> | <u>\$ -</u> | <u>\$ 3,055</u> | <u>\$ 3,835</u> | <u>\$ 23,790</u> | <u>\$ 3,835</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 2019-2020 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 8.9% on the total tax roll for 2019-20 from 2018-19.
- The second factor in determining ad valorem tax revenue is the tax rate set by City Council. For 2019-20 fiscal year budget, the City tax rate decreased by \$.005, reducing the rate to \$.743447 per \$100 of assessed valuation.
- Sales tax revenue as of September 30, 2019 realized a decrease and this trend is expected to continue into the 2019-20 fiscal year at a conservative 1.0% decrease over the final budget.
- Legislative factors also played a large part in the 2019-20 fiscal year budget process.
 - House Bill 1631 prohibits the use of red-light camera enforcement systems eliminating the revenue source for the Traffic Improvement & Safety Fund.
 - Senate Bill 1152 authorizes a cable or phone company to stop paying the lesser of its state cable franchise or telephone access lines, whichever is less. This is estimated to reduce franchise fee revenue by \$120 thousand.
 - Senate Bill 2, also known as the Texas Property Tax Reform and Transparency Act of 2019, will have profound impact on the new property tax revenue the City can gain.
- Water and sewer rates will stay constant and garbage collections fees increase.
- Funding of \$10.5 million has been allocated in Capital Improvement Projects related to water and wastewater line replacement, water and wastewater project construction design, drainage improvements and street construction design projects.

During the current fiscal year, the unassigned fund balance in the general fund was \$9.8 million, available for spending in the 2019-2020 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

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



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CITY OF DUNCANVILLE, TEXAS

GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

| | <u>Primary Government</u> | | | <u>Component Unit</u> |
|---|------------------------------------|-------------------------------------|-----------------------|---------------------------|
| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> | |
| ASSETS | | | | |
| Cash and investments | \$ 44,345,403 | \$ 15,923,113 | \$ 60,268,516 | \$ 2,572,218 |
| Receivables (net of allowance for uncollectibles) | 3,508,806 | 4,015,460 | 7,524,266 | 477,276 |
| Accrued interest and other | 377,533 | 92,112 | 469,645 | 16,821 |
| Prepaid items | 39,127 | 83 | 39,210 | 3,225 |
| Restricted cash and investments | - | 784,943 | 784,943 | - |
| Internal balances | (235,148) | 235,148 | - | - |
| Investment in joint ventures | 798,471 | - | 798,471 | - |
| Capital assets: | | | | |
| Nondepreciable | 20,748,263 | 4,046,079 | 24,794,342 | 219,637 |
| Depreciable- net of accumulated depreciation | 35,196,447 | 36,590,987 | 71,787,434 | 880,457 |
| Total Assets | <u>104,778,902</u> | <u>61,687,925</u> | <u>166,466,827</u> | <u>4,169,634</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred loss on bond refunding | - | 19,263 | 19,263 | 10,586 |
| Difference in expected and actual pension experience | 96,246 | 12,407 | 108,653 | - |
| Pension contributions after measurement date | 853,393 | 106,419 | 959,812 | - |
| Changes in actuarial assumptions used to determine pension asset | 30,483 | 3,800 | 34,283 | - |
| Difference in projected and actual earnings on pension assets | 5,099,409 | 635,893 | 5,735,302 | - |
| OPEB contributions after measurement date | 208,054 | 23,796 | 231,850 | - |
| Difference in expected and actual OPEB experience | 1,308,587 | 117,058 | 1,425,645 | - |
| Changes in actuarial assumptions OPEB liability | 247,929 | 24,209 | 272,138 | - |
| Total deferred outflows of resources | <u>7,844,101</u> | <u>942,845</u> | <u>8,786,946</u> | <u>10,586</u> |
| LIABILITIES | | | | |
| Accounts payable | 2,240,299 | 1,639,050 | 3,879,349 | 74,415 |
| Contracts payable | - | 40,805 | 40,805 | - |
| Accrued liabilities | 1,252,670 | 144,925 | 1,397,595 | 9,146 |
| Accrued interest payable | 449,896 | 11,794 | 461,690 | 1,266 |
| Unearned revenue | 73,934 | 55,361 | 129,295 | - |
| Customer performance and escrow deposits | 29,236 | 784,943 | 814,179 | - |
| Investment in joint ventures | - | - | - | 76,506 |
| Noncurrent liabilities | | | | |
| Due within one year: | | | | |
| Bonds and certificates of obligation payable | 340,000 | 560,000 | 900,000 | 480,000 |
| Compensated absences | 231,033 | 7,050 | 238,083 | - |
| Loan payable | 226,304 | - | 226,304 | - |
| Due in more than one year: | | | | |
| Loan payable | 293,702 | - | 293,702 | - |
| Bonds and certificates of obligation payable | 21,596,952 | 2,741,856 | 24,338,808 | 485,000 |
| Compensated absences | 3,069,436 | 93,661 | 3,163,097 | - |
| Net pension liability | 7,345,752 | 916,022 | 8,261,774 | - |
| Other postemployment benefits | 4,322,753 | 447,632 | 4,770,385 | - |
| Total Liabilities | <u>41,471,967</u> | <u>7,443,099</u> | <u>48,915,066</u> | <u>1,126,333</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Difference in expected and actual pension experience | 271,191 | 34,199 | 305,390 | - |
| Total deferred inflows of resources | <u>271,191</u> | <u>34,199</u> | <u>305,390</u> | <u>-</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 34,007,758 | 37,354,472 | 71,362,230 | - |
| Restricted for: | | | | |
| Capital projects | 23,092,487 | - | 23,092,487 | - |
| Public safety | 1,424,526 | - | 1,424,526 | - |
| Other purposes | 2,230,387 | - | 2,230,387 | - |
| Debt service | 1,371,203 | - | 1,371,203 | - |
| Unrestricted | 8,753,484 | 17,799,000 | 26,552,484 | 3,053,887 |
| Total Net Position | <u>\$ 70,879,845</u> | <u>\$ 55,153,472</u> | <u>\$ 126,033,317</u> | <u>\$ 3,053,887</u> |

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, 2019

| PROGRAM ACTIVITIES | Expenses | Program Revenues | | |
|---------------------------------------|----------------------|--------------------------------------|------------------------------------|----------------------------------|
| | | Fees, Fines and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities: | | | | |
| General government | \$ 4,238,401 | \$ 371,518 | \$ 253,908 | \$ - |
| Finance | 2,018,321 | - | - | - |
| Parks and recreation | 4,584,586 | 282,689 | 9,147 | - |
| Police | 10,484,426 | 2,400,204 | 106,647 | 25,885 |
| Public works | 8,830,835 | 1,152,973 | 96,304 | - |
| Fire | 7,944,523 | 660,909 | 271,895 | 43,637 |
| Economic development | 300,000 | - | - | - |
| Interest and fiscal charges | 793,999 | - | - | - |
| Total governmental activities | 39,195,091 | 4,868,293 | 737,901 | 69,522 |
| Business-type activities: | | | | |
| Water | 3,652,341 | 8,418,787 | - | - |
| Sewer | 8,939,151 | 9,827,083 | - | - |
| Solid waste | 2,827,739 | 3,199,130 | - | - |
| Sports facility | 1,724,366 | 1,343,370 | 536,550 | - |
| Total business-type activities | 17,143,597 | 22,788,370 | 536,550 | - |
| Total primary government | \$ 56,338,688 | \$ 27,656,663 | \$ 1,274,451 | \$ 69,522 |
| Component unit: | | | | |
| DCEDC | \$ 1,184,850 | \$ - | \$ - | \$ - |

General revenues:

Taxes:

Ad valorem

Sales

Franchise

Mixed beverage

Hotel occupancy

Earnings on investments

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

| Governmental Activities | Business-type Activities | Total | Component Unit |
|------------------------------------|-------------------------------------|-----------------------|---------------------------|
| \$ (3,612,975) | \$ - | \$ (3,612,975) | |
| (2,018,321) | - | (2,018,321) | |
| (4,292,750) | - | (4,292,750) | |
| (7,951,690) | - | (7,951,690) | |
| (7,581,558) | - | (7,581,558) | |
| (6,968,082) | - | (6,968,082) | |
| (300,000) | - | (300,000) | |
| (793,999) | - | (793,999) | |
| <u>(33,519,375)</u> | <u>-</u> | <u>(33,519,375)</u> | |
| - | 4,766,446 | 4,766,446 | |
| - | 887,932 | 887,932 | |
| - | 371,391 | 371,391 | |
| - | 155,554 | 155,554 | |
| <u>-</u> | <u>6,181,323</u> | <u>6,181,323</u> | |
| <u>(33,519,375)</u> | <u>6,181,323</u> | <u>(27,338,052)</u> | |
| | | | <u>(1,184,850)</u> |
| 17,341,616 | - | 17,341,616 | - |
| 8,032,275 | - | 8,032,275 | 2,677,425 |
| 1,949,561 | - | 1,949,561 | - |
| 73,889 | - | 73,889 | - |
| 808,374 | - | 808,374 | - |
| 1,049,084 | 232,775 | 1,281,859 | 47,791 |
| 660,004 | 1,228 | 661,232 | - |
| <u>2,577,723</u> | <u>(2,577,723)</u> | <u>-</u> | <u>-</u> |
| <u>32,492,526</u> | <u>(2,343,720)</u> | <u>30,148,806</u> | <u>2,725,216</u> |
| (1,026,849) | 3,837,603 | 2,810,754 | 1,540,366 |
| 71,906,694 | 51,315,869 | 123,222,563 | 1,513,521 |
| <u>\$ 70,879,845</u> | <u>\$ 55,153,472</u> | <u>\$ 126,033,317</u> | <u>\$ 3,053,887</u> |

CITY OF DUNCANVILLE, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

| | <u>General</u> | <u>Debt Service</u> | <u>Bond Capital Projects</u> |
|---|----------------------|---------------------|----------------------------------|
| ASSETS | | | |
| Cash and investments | \$ 12,730,865 | \$ 1,378,370 | \$ 21,620,146 |
| Receivables - | | | |
| Property taxes (net of allowance) | 352,982 | 30,641 | - |
| Trade accounts (net of allowance) | 514,664 | - | - |
| Other taxes | 2,244,191 | - | - |
| Assessments | - | - | - |
| Intergovernmental | - | - | - |
| Accrued interest and other | 142,430 | 489 | 201,069 |
| Prepaid items | 14,127 | - | - |
| Total assets | <u>\$ 15,999,259</u> | <u>\$ 1,409,500</u> | <u>\$ 21,821,215</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 1,450,107 | \$ - | \$ 100,409 |
| Customer performance and escrow deposits | 29,236 | - | - |
| Accrued liabilities | 1,036,724 | - | - |
| Unearned revenue | 13,636 | - | - |
| Total liabilities | <u>2,529,703</u> | <u>-</u> | <u>100,409</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | 714,953 | 29,006 | - |
| Total deferred inflows of resources | <u>714,953</u> | <u>29,006</u> | <u>-</u> |
| FUND BALANCES: | | | |
| Nonspendable: | | | |
| Prepaid items | 14,127 | - | - |
| Restricted for: | | | |
| Debt service | - | 1,380,494 | - |
| 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 | - | - | 21,720,806 |
| Assigned: | | | |
| One-time projects | 2,924,454 | - | - |
| Unassigned | <u>9,816,022</u> | <u>-</u> | <u>-</u> |
| Total fund balances | <u>12,754,603</u> | <u>1,380,494</u> | <u>21,720,806</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 15,999,259</u> | <u>\$ 1,409,500</u> | <u>\$ 21,821,215</u> |

The accompanying notes are an integral part of this statement.

| Traffic I&S | Other Governmental Funds | Total Governmental Funds |
|------------------------|---|---|
| \$ 1,314,296 | \$ 4,148,339 | \$ 41,192,016 |
| - | - | 383,623 |
| 330 | 175,028 | 690,022 |
| - | 90,950 | 2,335,141 |
| - | 51,950 | 51,950 |
| - | 48,070 | 48,070 |
| - | - | 343,988 |
| 10,000 | 15,000 | 39,127 |
| <u>\$ 1,324,626</u> | <u>\$ 4,529,337</u> | <u>\$ 45,083,937</u> |
| | | |
| \$ 436,369 | \$ 214,440 | \$ 2,201,325 |
| - | - | 29,236 |
| 2 | 18,268 | 1,054,994 |
| - | 60,297 | 73,933 |
| <u>436,371</u> | <u>293,005</u> | <u>3,359,488</u> |
| | | |
| - | 51,950 | 795,909 |
| - | 51,950 | 795,909 |
| | | |
| 10,000 | 15,000 | 39,127 |
| - | - | 1,380,494 |
| 878,255 | - | 878,255 |
| - | 236,867 | 236,867 |
| - | 1,908,138 | 1,908,138 |
| - | 1,057,200 | 1,057,200 |
| - | 166,967 | 166,967 |
| - | 47,929 | 47,929 |
| - | 37,453 | 37,453 |
| - | 379,304 | 379,304 |
| - | 21,043 | 21,043 |
| - | 314,481 | 22,035,287 |
| - | - | 2,924,454 |
| - | - | 9,816,022 |
| <u>888,255</u> | <u>4,184,382</u> | <u>40,928,540</u> |
| | | |
| <u>\$ 1,324,626</u> | <u>\$ 4,529,337</u> | <u>\$ 45,083,937</u> |

CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS \$ 40,928,540

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 \$235,148. 5,576,982

Investments in joint ventures represent a financial asset not reported in governmental funds. 798,471

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 \$2,861,848). 53,082,862

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

| | | |
|--|-----------|-----------|
| Difference in expected and actual pension experience | 96,246 | |
| Pension contributions after measurement date | 853,393 | |
| Changes in actuarial assumptions used to determine pension asset | 30,483 | |
| Difference in projected and actual earnings on pension assets | 5,099,409 | |
| OPEB contributions after measurement date | 208,054 | |
| Difference in expected and actual OPEB experience | 1,308,587 | |
| Changes in actuarial assumptions OPEB liability | 247,929 | |
| | | 7,844,101 |

Revenue earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements. 795,908

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. (449,896)

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

| | | |
|----------------------------------|--------------|--------------|
| General obligation bonds payable | (21,936,952) | |
| Loan payable | (520,006) | |
| Net pension liability | (7,345,752) | |
| Compensated absences | (3,300,469) | |
| Other post employment benefits | (4,322,753) | |
| | | (37,425,932) |

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

| | | |
|--|--|-----------|
| Difference in expected and actual pension experience | | (271,191) |
|--|--|-----------|

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 70,879,845

The accompanying notes are an integral part of this statement.



Duncanville

City of Champions

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CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2019

| | General | Debt Service | Bond Capital Projects |
|--|----------------------|---------------------|--------------------------|
| REVENUES | | | |
| Taxes: | | | |
| Ad valorem | \$ 15,967,241 | \$ 1,354,325 | \$ - |
| Sales | 8,032,275 | - | - |
| Franchise | 1,949,561 | - | - |
| Mixed beverage | 73,889 | - | - |
| Hotel | - | - | - |
| Licenses, permits and fees | 1,346,268 | - | - |
| Fines and forfeitures | 630,232 | - | - |
| Recreational fees | 282,639 | - | - |
| Intergovernmental | 348,400 | - | - |
| Investment income | 554,235 | 35,460 | 317,276 |
| Rental and other | 896,584 | - | - |
| Gifts and contributions | - | - | - |
| Total revenues | <u>30,081,324</u> | <u>1,389,785</u> | <u>317,276</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 2,935,310 | - | - |
| Finance | 1,401,161 | - | - |
| Parks and recreation | 3,605,152 | - | - |
| Police | 8,862,655 | - | - |
| Public works | 5,985,396 | - | - |
| Fire | 6,842,708 | - | 17,520 |
| Non-departmental | 254,828 | - | - |
| Special purposes - promotional | 300,000 | - | - |
| Debt Service: | | | |
| Principal retirement | 218,869 | - | - |
| Interest and fiscal charges | 21,360 | - | - |
| Bond issue costs | - | - | 358,877 |
| Capital outlay: | | | |
| General government | 236,828 | - | - |
| Parks and recreation | 180,996 | - | - |
| Police | - | - | - |
| Public works | 146,336 | - | 169,636 |
| Fire | - | - | 23,500 |
| Total expenditures | <u>30,991,599</u> | <u>-</u> | <u>569,533</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(910,275)</u> | <u>1,389,785</u> | <u>(252,257)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from issuance of bonds | - | - | 20,735,000 |
| Premium on bonds issued | - | - | 1,238,063 |
| Transfers in | 2,549,857 | - | - |
| Transfers out | (110,867) | - | - |
| Total other financing sources (uses) | <u>2,438,990</u> | <u>-</u> | <u>21,973,063</u> |
| Net change in fund balances | 1,528,715 | 1,389,785 | 21,720,806 |
| Fund balances, beginning of year | 11,225,888 | (9,291) | - |
| Fund balances, end of year | <u>\$ 12,754,603</u> | <u>\$ 1,380,494</u> | <u>\$ 21,720,806</u> |

The accompanying notes are an integral part of this statement.

| <u>Traffic I & S</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|------------------------------|---|---|
| \$ - | \$ - | \$ 17,321,566 |
| - | - | 8,032,275 |
| - | - | 1,949,561 |
| - | - | 73,889 |
| - | 808,374 | 808,374 |
| 1,339,123 | 658,641 | 3,344,032 |
| - | 297,465 | 927,697 |
| - | - | 282,639 |
| - | 238,196 | 586,596 |
| 9,523 | 26,699 | 943,193 |
| - | 201,760 | 1,098,344 |
| - | 9,426 | 9,426 |
| <u>1,348,646</u> | <u>2,240,561</u> | <u>35,377,592</u> |
| 422,210 | 378,925 | 3,736,445 |
| 56,285 | - | 1,457,446 |
| - | 126,486 | 3,731,638 |
| 375,208 | 181,063 | 9,418,926 |
| 322,368 | 529,645 | 6,837,409 |
| - | 90,577 | 6,950,805 |
| - | - | 254,828 |
| - | 33,376 | 333,376 |
| - | - | 218,869 |
| - | - | 21,360 |
| - | - | 358,877 |
| - | - | 236,828 |
| - | - | 180,996 |
| - | 35,000 | 35,000 |
| 124,269 | 420,490 | 860,731 |
| - | 47,896 | 71,396 |
| <u>1,300,340</u> | <u>1,843,458</u> | <u>34,704,930</u> |
| <u>48,306</u> | <u>397,103</u> | <u>672,662</u> |
| - | - | 20,735,000 |
| - | - | 1,238,063 |
| - | 310,867 | 2,860,724 |
| <u>(119,000)</u> | <u>(53,134)</u> | <u>(283,001)</u> |
| <u>(119,000)</u> | <u>257,733</u> | <u>24,550,786</u> |
| (70,694) | 654,836 | 25,223,448 |
| <u>958,949</u> | <u>3,529,546</u> | <u>15,705,092</u> |
| <u>\$ 888,255</u> | <u>\$ 4,184,382</u> | <u>\$ 40,928,540</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, 2019**

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS \$ 25,223,448

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

| | | | | | | | | | | |
|---|-----------------------|--------------|--|--------------|-------------------------|--|-------------|---|--|--------|
| Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense, (excluding internal service capital additions of \$1,202,996). | 1,384,951 | | | | | | | | | |
| Governmental funds do not recognize capital assets donated. However, in the statement of activities the fair value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense. | 25,885 | | | | | | | | | |
| 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. | 42,098 | | | | | | | | | |
| 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. | (2,871,251) | | | | | | | | | |
| 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. | 218,869 | | | | | | | | | |
| 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. | (150,796) | | | | | | | | | |
| Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (103,824) | | | | | | | | | |
| 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. | (147,820) | | | | | | | | | |
| 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 \$67,926 allocated to business type activities). | (55,868) | | | | | | | | | |
| 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. | (2,205,705) | | | | | | | | | |
| <p>The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Bonds issued</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">(20,735,000)</td> </tr> <tr> <td>Premium on bonds issued</td> <td></td> <td style="text-align: right;">(1,238,063)</td> </tr> <tr> <td>Amortization of bond premiums/discounts</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">36,110</td> </tr> </table> | | Bonds issued | | (20,735,000) | Premium on bonds issued | | (1,238,063) | Amortization of bond premiums/discounts | | 36,110 |
| Bonds issued | | (20,735,000) | | | | | | | | |
| Premium on bonds issued | | (1,238,063) | | | | | | | | |
| Amortization of bond premiums/discounts | | 36,110 | | | | | | | | |
| | (21,936,953) | | | | | | | | | |
| 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. | (449,896) | | | | | | | | | |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ (1,026,862) | | | | | | | | | |

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, 2019**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|------------------------|-----------------------|----------------------|---|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 15,962,923 | \$ 15,962,923 | \$ 15,967,241 | \$ 4,318 |
| Sales | 8,074,780 | 7,956,523 | 8,032,275 | 75,752 |
| Franchise | 1,916,000 | 1,910,000 | 1,949,561 | 39,561 |
| Other | 78,000 | 76,000 | 73,889 | (2,111) |
| Licenses, permits and fees | 1,220,760 | 1,208,000 | 1,346,268 | 138,268 |
| Fines and forfeitures | 492,000 | 508,000 | 630,232 | 122,232 |
| Recreation fees | 293,500 | 316,000 | 282,639 | (33,361) |
| Intergovernmental | 144,000 | 471,000 | 348,400 | (122,600) |
| Investment income | 235,000 | 315,000 | 554,235 | 239,235 |
| Rental and other | 566,953 | 603,683 | 896,584 | 292,901 |
| Total revenues | <u>28,983,916</u> | <u>29,327,129</u> | <u>30,081,324</u> | <u>754,195</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 2,781,866 | 2,988,439 | 2,935,310 | 53,129 |
| Finance | 1,412,979 | 1,443,933 | 1,401,161 | 42,772 |
| Parks and recreation | 3,890,030 | 4,016,706 | 3,605,152 | 411,554 |
| Police | 8,692,378 | 8,741,495 | 8,862,655 | (121,160) |
| Public works | 6,377,222 | 7,279,108 | 5,985,396 | 1,293,712 |
| Fire | 6,655,078 | 6,904,436 | 6,842,708 | 61,728 |
| Non-departmental | 252,877 | 255,949 | 254,828 | 1,121 |
| Special purposes | 300,000 | 300,000 | 300,000 | - |
| Debt Service: | | | | |
| Loan payment | 218,880 | 218,880 | 218,869 | 11 |
| Interest and fiscal charges | 21,348 | 21,348 | 21,360 | (12) |
| Capital outlay: | | | | |
| General government | 105,000 | 248,158 | 236,828 | 11,330 |
| Parks and recreation | - | 1,680,614 | 180,996 | 1,499,618 |
| Public works | - | 650,000 | 146,336 | 503,664 |
| Total expenditures | <u>30,707,658</u> | <u>34,749,066</u> | <u>30,991,599</u> | <u>3,757,467</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(1,723,742)</u> | <u>(5,421,937)</u> | <u>(910,275)</u> | <u>4,511,662</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 2,549,857 | 2,549,857 | 2,549,857 | - |
| Transfers out | (1,583,945) | (518,150) | (110,867) | 407,283 |
| Total other financing sources (uses) | <u>965,912</u> | <u>2,031,707</u> | <u>2,438,990</u> | <u>407,283</u> |
| Net change in fund balance | <u>\$ (757,830)</u> | <u>\$ (3,390,230)</u> | <u>1,528,715</u> | <u>\$ 4,918,945</u> |
| FUND BALANCE, beginning of year | | | <u>11,225,888</u> | |
| FUND BALANCE, end of year | | | <u>\$ 12,754,603</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, 2019**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|----------------------------|---------------------|-------------------|---|
| REVENUES | | | | |
| Traffic enforcement fees | \$ 1,700,000 | \$ 1,326,843 | \$ 1,339,123 | \$ 12,280 |
| Interest on investments | 5,000 | 7,000 | 9,523 | 2,523 |
| Total revenues | <u>1,705,000</u> | <u>1,333,843</u> | <u>1,348,646</u> | <u>14,803</u> |
| EXPENDITURES | | | | |
| General government | 511,251 | 382,940 | 422,210 | (39,270) |
| Police | 571,864 | 429,933 | 375,208 | 54,725 |
| Public works | 354,280 | 371,636 | 322,368 | 49,268 |
| Finance | 73,735 | 75,963 | 56,285 | 19,678 |
| Capital Outlay- Public works | 184,000 | 449,801 | 124,269 | 325,532 |
| Total expenditures | <u>1,695,130</u> | <u>1,710,273</u> | <u>1,300,340</u> | <u>409,933</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>9,870</u> | <u>(376,430)</u> | <u>48,306</u> | <u>424,736</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | (119,000) | (119,000) | (119,000) | - |
| NET CHANGE IN FUND BALANCE | (109,130) | (495,430) | (70,694) | 424,736 |
| FUND BALANCE, beginning of year | | | <u>958,949</u> | |
| FUND BALANCE, end of year | | | <u>\$ 888,255</u> | |

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2019

| | Business-type Activities | | | | Governmental Activities- Internal Service Funds |
|--|--------------------------|-------------------|-------------------------------|-------------------|--|
| | Utility | Solid Waste | Fieldhouse Sports Facility | Total | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 15,437,445 | \$ 482,578 | \$ 3,090 | \$ 15,923,113 | \$ 3,153,387 |
| Receivables- | | | | | |
| Customers (net of allowance) | 1,779,342 | 411,063 | - | 2,190,405 | - |
| Unbilled | 1,635,815 | 189,240 | - | 1,825,055 | - |
| Due from other funds | 975,000 | - | - | 975,000 | 275,000 |
| Accrued interest and other | 69,647 | 12,811 | 9,654 | 92,112 | 33,545 |
| Prepaid items | 83 | - | - | 83 | - |
| Total current assets | 19,897,332 | 1,095,692 | 12,744 | 21,005,768 | 3,461,932 |
| Non-current assets: | | | | | |
| Restricted cash- | | | | | |
| Customer deposits | 784,943 | - | - | 784,943 | - |
| Capital assets- | | | | | |
| Land and construction-in-progress | 3,567,643 | - | 478,436 | 4,046,079 | - |
| Water rights, net | 2,593,279 | - | - | 2,593,279 | - |
| Buildings and improvements, net | 4,873,280 | - | 5,072,962 | 9,946,242 | - |
| Distribution lines and equipment, net | 24,024,277 | - | 27,189 | 24,051,466 | 2,861,848 |
| Total non-current assets | 35,843,422 | - | 5,578,587 | 41,422,009 | 2,861,848 |
| TOTAL ASSETS | 55,740,754 | 1,095,692 | 5,591,331 | 62,427,777 | 6,323,780 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred loss on bond refunding | 5,426 | - | 13,837 | 19,263 | - |
| Pension contributions after measurement date | 79,936 | 8,789 | 17,694 | 106,419 | - |
| Changes in actuarial assumptions used to determine pension liability | 2,855 | 313 | 632 | 3,800 | - |
| Difference in expected and actual pension experience | 11,031 | 771 | 605 | 12,407 | - |
| Difference in projected and actual earnings on pension assets | 477,623 | 52,522 | 105,748 | 635,893 | - |
| OPEB contributions after measurement date | 17,445 | 3,136 | 3,215 | 23,796 | - |
| Difference in expected and actual OPEB experience | 79,230 | 21,245 | 16,583 | 117,058 | - |
| Changes in actuarial assumptions OPEB liability | 16,910 | 3,930 | 3,369 | 24,209 | - |
| Total deferred outflows of resources | 690,456 | 90,706 | 161,683 | 942,845 | - |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 1,207,001 | 370,497 | 61,552 | 1,639,050 | 38,974 |
| Contracts payable | 40,805 | - | - | 40,805 | - |
| Accrued liabilities | 88,207 | 31,394 | 25,324 | 144,925 | 197,676 |
| Due to other funds | - | - | 975,000 | 975,000 | 275,000 |
| Accrued interest payable | 188 | - | 11,606 | 11,794 | - |
| Unearned revenue | - | - | 55,361 | 55,361 | - |
| Bonds payable - current | 110,000 | - | 450,000 | 560,000 | - |
| Accrued compensated absences - current | 5,072 | 796 | 1,182 | 7,050 | - |
| Total current liabilities | 1,451,273 | 402,687 | 1,580,025 | 3,433,985 | 511,650 |
| Long-term Liabilities: | | | | | |
| Bonds payable | - | - | 2,741,856 | 2,741,856 | - |
| Accrued compensated absences | 67,380 | 10,571 | 15,710 | 93,661 | - |
| Net pension liability | 688,067 | 75,653 | 152,302 | 916,022 | - |
| Other postemployment benefits liability | 318,737 | 67,322 | 61,573 | 447,632 | - |
| Payable from restricted assets | | | | | |
| Customer deposits | 784,943 | - | - | 784,943 | - |
| Total long-term liabilities | 1,859,127 | 153,546 | 2,971,441 | 4,984,114 | - |
| Total liabilities | 3,310,400 | 556,233 | 4,551,466 | 8,418,099 | 511,650 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Difference in expected and actual pension experience | 25,950 | 2,745 | 5,504 | 34,199 | - |
| Total deferred inflows of resources | 25,950 | 2,745 | 5,504 | 34,199 | - |
| NET POSITION | | | | | |
| Net investment in capital assets | 34,953,905 | - | 2,400,568 | 37,354,473 | 2,861,848 |
| Unrestricted | 18,140,955 | 627,420 | (1,204,524) | 17,563,851 | 2,950,282 |
| TOTAL NET POSITION | \$ 53,094,860 | \$ 627,420 | \$ 1,196,044 | 54,918,324 | \$ 5,812,130 |
| Reconciliation to government-wide statement of net position: | | | | | |
| Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds | | | | 235,148 | |
| Net position of business-type activities | | | | \$ 55,153,472 | |

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, 2019

| | Business-type Activities | | | | Governmental Activities- Internal Service Funds |
|--|--------------------------|-------------------|-------------------------------|-------------------|--|
| | Utility | Solid Waste | Fieldhouse Sports Facility | Total | |
| OPERATING REVENUES | | | | | |
| Water | \$ 8,052,228 | \$ - | \$ - | \$ 8,052,228 | \$ - |
| Sewer | 9,827,083 | - | - | 9,827,083 | - |
| Solid waste | - | 3,199,130 | - | 3,199,130 | - |
| Sports facility | - | - | 1,250,129 | 1,250,129 | - |
| Penalties | 167,451 | - | - | 167,451 | - |
| Premiums, charges for services and other | 199,108 | - | 93,241 | 292,349 | 5,441,772 |
| Total operating revenues | 18,245,870 | 3,199,130 | 1,343,370 | 22,788,370 | 5,441,772 |
| OPERATING EXPENSES | | | | | |
| Water services | 4,059,941 | - | - | 4,059,941 | - |
| Sewer | 5,407,305 | - | - | 5,407,305 | - |
| Solid waste | - | 2,824,392 | - | 2,824,392 | - |
| Sports facility | - | - | 1,332,004 | 1,332,004 | - |
| Claims and provision | - | - | - | - | 4,258,564 |
| Equipment | - | - | - | - | 243,175 |
| Administrative and fiscal | 1,751,748 | - | - | 1,751,748 | 321,690 |
| Depreciation and amortization | 1,304,920 | - | 292,262 | 1,597,182 | 993,039 |
| Total operating expenses | 12,523,914 | 2,824,392 | 1,624,266 | 16,972,572 | 5,816,468 |
| OPERATING INCOME (LOSS) | 5,721,956 | 374,738 | (280,896) | 5,815,798 | (374,696) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Intergovernmental | - | - | 536,550 | 536,550 | - |
| Investment income | 212,122 | 20,653 | - | 232,775 | 105,891 |
| Interest and fiscal charges | (3,274) | - | (99,825) | (103,099) | - |
| Gain on sale of capital assets | 1,228 | - | - | 1,228 | 145,011 |
| Total non-operating revenues (expenses) | 210,076 | 20,653 | 436,725 | 667,454 | 250,902 |
| INCOME (LOSS) BEFORE TRANSFERS | 5,932,032 | 395,391 | 155,829 | 6,483,252 | (123,794) |
| Transfers out | (2,229,123) | (348,600) | - | (2,577,723) | - |
| CHANGES IN NET POSITION | 3,702,909 | 46,791 | 155,829 | 3,905,529 | (123,794) |
| TOTAL NET POSITION - BEGINNING | 49,391,951 | 580,629 | 1,040,215 | | 5,935,924 |
| TOTAL NET POSITION - ENDING | \$ 53,094,860 | \$ 627,420 | \$ 1,196,044 | | \$ 5,812,130 |
| Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds | | | | (67,926) | |
| Change in net position of business-type activities | | | | \$ 3,837,603 | |

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED SEPTEMBER 30, 2019

| | Business-type Activities | | | Governmental |
|--|--------------------------|-------------------|----------------------------|------------------------|
| | Utility Fund | Solid Waste Fund | Fieldhouse Sports Facility | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 17,882,104 | \$ 3,191,656 | \$ 1,350,249 | \$ 22,424,009 |
| Receipts from insured | - | - | - | 4,162,839 |
| Payments to suppliers | (8,450,241) | (2,471,008) | (1,313,181) | (12,234,430) |
| Payments to employees | (1,752,191) | (225,897) | 56,179 | (1,921,909) |
| Internal activity - receipts from other funds | - | - | - | 1,276,299 |
| Other receipts | 164,127 | - | - | 2,633 |
| Net cash provided by operating activities | 7,843,799 | 494,751 | 93,247 | 862,544 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers out to other funds | (2,229,123) | (348,600) | - | (2,577,723) |
| Receipts from interfund borrowings | 1,025,000 | - | 975,000 | 2,000,000 |
| Payments for interfund borrowings | (975,000) | - | (1,025,000) | (2,000,000) |
| Other contributions | - | - | 536,550 | 536,550 |
| Net cash provided (used in) by noncapital financing activities | (2,179,123) | (348,600) | 486,550 | (2,041,173) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition and construction of capital assets | (2,538,204) | - | - | (2,538,204) |
| Proceeds from sale of capital assets | 1,750 | - | - | 1,750 |
| Principal paid on bond maturities | (345,000) | - | (476,723) | (821,723) |
| Interest paid on bond maturities | (590) | - | (102,000) | (102,590) |
| Net cash used in capital and related financing activities | (2,882,044) | - | (578,723) | (3,460,767) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest on investments | 177,917 | 7,842 | - | 185,759 |
| Net cash provided by investing activities | 177,917 | 7,842 | - | 185,759 |
| Net increase (decrease) in cash and cash equivalents | 2,960,549 | 153,993 | 1,074 | 3,115,616 |
| CASH AND INVESTMENTS, beginning of year | 13,261,839 | 328,585 | 2,016 | 13,592,440 |
| CASH AND INVESTMENTS, end of year | \$ 16,222,388 | \$ 482,578 | \$ 3,090 | \$ 16,708,056 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$ 5,721,956 | \$ 374,738 | \$ (280,896) | \$ 5,815,798 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation | 1,208,873 | - | 292,262 | 1,501,135 |
| Amortization of water rights | 96,047 | - | - | 96,047 |
| Change in assets and liabilities: | | | | |
| Accounts receivable | (211,839) | (7,474) | 6,879 | (212,434) |
| Accrued compensated absences | (86) | 3,248 | 8,185 | 11,347 |
| Other postemployment benefits liability | 80,493 | 22,998 | 17,249 | 120,740 |
| Pension liability | 837,120 | 89,142 | 178,934 | 1,105,196 |
| Deferred outflows and inflows | (685,306) | (87,569) | (147,665) | (920,540) |
| Prepaid items | (83) | - | - | (83) |
| Accounts payable and accrued liabilities | 784,424 | 99,668 | 18,299 | 902,391 |
| Customer deposits | 12,200 | - | - | 12,200 |
| Total adjustments | 2,121,843 | 120,013 | 374,143 | 2,615,999 |
| Net cash provided by operating activities | \$ 7,843,799 | \$ 494,751 | \$ 93,247 | \$ 862,544 |
| RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION | | | | |
| Unrestricted cash and investments | | | | 15,923,113 |
| Restricted cash | | | | 784,943 |
| Total cash and investments | | | | \$ 16,708,056 |
| | | | | \$ 3,153,387 |

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, 2019

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NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & NEW GASB PRONOUNCEMENTS

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

The financial statements of the City have been prepared to conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below:

Reporting Entity—The City is a municipal corporation governed by an elected mayor and six-member Council. Five Council Members are elected from single-member districts with the Mayor and one Council Member elected at large. As required by GAAP, these financial statements present information about the City (the primary government) and its component unit, the Duncanville Community and Economic Development Corporation ("DCEDC"), an entity for which the City is financially and operationally responsible for.

The DCEDC was incorporated on April 28, 1995 as a nonprofit industrial development corporation under the Development Corporation Act of 1979 ("Act"). The Corporation is organized exclusively for benefiting and accomplishing public purposes of, and to act on behalf of, the City, and the specific purposes for which the Corporation is organized. These purposes include the construction, renovation and operation of municipal buildings; the acquisition and improvement of parks, as well as the promotion and expansion of manufacturing and industrial facilities; and other economic development purposes. The DCEDC also provides services directly to the citizens of Duncanville. The DCEDC meets all three requirements sufficient to be considered a component unit (direct benefit, access to resources, and significance to the primary government). The DCEDC operates under a seven member Board of Directors, all appointed by the City Council. The Board is substantially separate from the City Council, classifying the DCEDC as a discretely presented component unit. Discretely presented component units are reported in a separate column in the government-wide statements to emphasize it is legally separate from the City. Separate financial statements are not issued for the DCEDC.

Government-Wide Financial Statements—Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the reporting entity. These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. Governmental activities, which are partially supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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 fifteen 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, Bond Capital Projects 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 medical insurance, general liability operations, fleet/heavy equipment capital replacement, and information technology equipment. 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, 2019**

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 Bond Capital Projects fund is a capital project fund to account for the projects in parks and recreation, streets and sidewalks, and municipal buildings improvements funded by bond proceeds.
- 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, 2019

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, 2019, 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, 2019**

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, 2019 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, 2019

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, 2019

- 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 about

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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-

The GASB has issued the following potentially significant statements which the City has not yet adopted and which require adoption subsequent to September 30, 2019.

| No. | GASB Statement | Adoption Required |
|------------|---|--------------------------|
| 84 | Fiduciary Activities | September 30, 2020 |
| 87 | Leases | September 30, 2021 |
| 89 | Accounting for Interest Cost Incurred Before End of Construction Period | September 30, 2021 |
| 90 | Majority Equity Interests | September 30, 2020 |

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, 2019, in full compliance with state statute and City policy. At year-end, the reconciled balance of the City's cash was \$1,550,028. The combined bank balances of the City were \$2,731,239. 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, 2019

The City's investments as of September 30, 2019 are as follows:

| | 9/30/2019 | Percent of Total Portfolio | Weighted Average Maturity (Days) |
|---|----------------------|-------------------------------|--|
| Primary Government | | | |
| Money Market Funds | \$ 22,402,660 | 37.86% | 1 |
| Investment pools measured at net asset value per share | | | |
| LOGIC (AAA/MR1+) | 10,464,728 | 17.69% | 34 |
| Texpool (AAAm) | 4,988 | 0.01% | 34 |
| Certificates of deposit measured at amortized cost | <u>26,300,000</u> | 44.45% | <u>247</u> |
| Total primary government investments | <u>\$ 59,172,376</u> | | <u>316</u> |
| DCEDC | | | |
| Investment pools measured at net asset value per share | | | |
| LOGIC (AAA/MR1+) | 1,406,015 | 66.76% | 34 |
| Certificates of deposit measured at amortized cost | <u>700,000</u> | 33.24% | |
| Total DCEDC investments | <u>\$ 2,106,015</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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

CONCENTRATION OF CREDIT RISK: The city investment policy does not allow for an investment in any one issuer in excess of the following guidelines for each type of instrument:

Percentage of Portfolio (Maximum):

| | |
|---|-----|
| U.S. Treasury Obligations | 85% |
| U.S. Government Agency Securities and Instrumentalities | 75% |
| Authorized Local Government Investment Pool (per Pool) | 75% |
| Financial Institution Certificates of Deposit | 75% |
| Fully Collateralized Repurchase Agreements | 50% |
| SEC-Regulated No-Load Money Market Mutual Fund (per Fund) | 50% |

3. AD VALOREM TAXES

Property tax is levied October 1 of each year on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Assessed value represents the appraised value less applicable exemptions authorized by the City Council. Appraised values are established by the Dallas Central Appraisal District at 100% of estimated market value. The assessed value for the tax roll of January 1, 2018, upon which the 2019 fiscal year levy was based, was \$2,298,848,647.

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, 2019 were 98.7% of the tax levy.

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

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

4. RECEIVABLES

Receivables at September 30, 2019, 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 | Traffic I&S | Nonmajor Governmental | Utility Fund | Solid Waste Fund | Total |
|-----------------------------------|--------------|--------------|-------------|-----------------------|--------------|------------------|--------------|
| Receivables | | | | | | | |
| Accounts | \$ 2,290,351 | \$ - | \$ 330 | \$ 201,146 | \$ 3,985,651 | \$ 678,112 | \$ 7,155,590 |
| Ad valorem taxes | 800,419 | 98,291 | - | - | - | - | 898,710 |
| Other taxes | 2,244,191 | - | - | 90,950 | - | - | 2,335,141 |
| Assessments | - | - | - | 51,950 | - | - | 51,950 |
| Intergovernmental | - | - | - | 48,070 | - | - | 48,070 |
| Gross receivables | 5,334,961 | 98,291 | 330 | 392,116 | 3,985,651 | 678,112 | 10,489,461 |
| Less allowance for uncollectibles | (2,223,124) | (67,650) | - | (26,118) | (570,494) | (77,809) | (2,965,195) |
| Net total receivables | \$ 3,111,837 | \$ 30,641 | \$ 330 | \$ 365,998 | \$ 3,415,157 | \$ 600,303 | \$ 7,524,266 |

5. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2019:

Governmental activities:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|-------------------|----------------|-------------|--------------|----------------|
| Capital assets not being depreciated: | | | | | |
| Land | \$ 20,213,916 | \$ - | \$ - | \$ - | \$ 20,213,916 |
| Construction in progress | 333,386 | 393,771 | - | (192,810) | 534,347 |
| Total capital assets, not being depreciated | 20,547,302 | 393,771 | - | (192,810) | 20,748,263 |
| Capital assets being depreciated: | | | | | |
| Buildings | 12,600,719 | - | - | - | 12,600,719 |
| Infrastructure | 61,923,908 | 558,798 | - | - | 62,482,706 |
| Improvements | 9,081,502 | 43,364 | - | - | 9,124,866 |
| Equipment | 23,010,013 | 1,810,710 | (1,543,657) | - | 23,277,066 |
| Total capital assets being depreciated | 106,616,142 | 2,412,872 | (1,543,657) | - | 107,485,357 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (5,875,342) | (249,613) | - | - | (6,124,955) |
| Infrastructure | (44,603,578) | (1,601,987) | - | - | (46,205,565) |
| Improvements | (3,082,638) | (201,807) | - | - | (3,284,445) |
| Equipment | (16,351,781) | (1,810,883) | 1,488,719 | - | (16,673,945) |
| Total accumulated depreciation | (69,913,339) | (3,864,290) | 1,488,719 | - | (72,288,910) |
| Total capital assets being depreciated, net | 36,702,803 | (1,451,418) | (54,938) | - | 35,196,447 |
| Governmental activities capital assets, net | \$ 57,250,105 | \$ (1,057,647) | \$ (54,938) | \$ (192,810) | \$ 55,944,710 |

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Business-type activities:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|-------------|-----------|-------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 567,630 | \$ - | \$ - | \$ 567,630 |
| Construction in progress | 1,013,574 | 2,464,875 | - | 3,478,449 |
| Total capital assets, not being depreciated | 1,581,204 | 2,464,875 | - | 4,046,079 |
| Capital assets being depreciated: | | | | |
| Buildings | 14,043,642 | - | - | 14,043,642 |
| Infrastructure | 46,035,721 | - | - | 46,035,721 |
| Water rights | 4,802,361 | - | - | 4,802,361 |
| Improvements | 1,505,771 | - | - | 1,505,771 |
| Equipment | 3,254,960 | 73,328 | (7,836) | 3,320,452 |
| Total capital assets being depreciated | 69,642,455 | 73,328 | (7,836) | 69,707,947 |
| Less accumulated depreciation for: | | | | |
| Buildings | (5,092,479) | (413,360) | - | (5,505,839) |
| Infrastructure | (22,574,111) | (847,460) | - | (23,421,571) |
| Water rights | (2,113,035) | (96,048) | - | (2,209,083) |
| Improvements | (58,632) | (38,700) | - | (97,332) |
| Equipment | (1,688,836) | (201,614) | 7,315 | (1,883,135) |
| Total accumulated depreciation | (31,527,093) | (1,597,182) | 7,315 | (33,116,960) |
| Total capital assets being depreciated, net | 38,115,362 | (1,523,854) | (521) | 36,590,987 |
| Business-type activities capital assets, net | \$ 39,696,566 | \$ 941,021 | \$ (521) | \$ 40,637,066 |

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

| | | |
|--|----|------------------|
| General Government | \$ | 358,936 |
| Finance | | 5,220 |
| Community services | | 631,452 |
| Police | | 152,484 |
| Public works | | 1,602,113 |
| Fire | | 121,046 |
| Total governmental activities | | <u>2,871,251</u> |
| Internal service activity: | | |
| Fleet rotation | | <u>993,039</u> |
| Total government & internal service activities | \$ | <u>3,864,290</u> |
| Business-like activities: | | |
| Water and sewer | \$ | 1,208,872 |
| Water rights amortization | | 96,048 |
| Fieldhouse | | <u>292,262</u> |
| Total business-like activities | \$ | <u>1,597,182</u> |

Discretely presented component unit:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|------------------|--------------------|---------------------------|
| Capital assets-not being depreciated | | | | |
| Land | \$ 219,637 | \$ - | | \$ 219,637 |
| Total capital assets - not being depreciated | <u>219,637</u> | <u>-</u> | <u>-</u> | <u>219,637</u> |
| Capital assets-being depreciated | | | | |
| Buildings | 906,133 | - | - | 906,133 |
| Equipment | - | 25,885 | (25,885) | - |
| Total capital assets-being depreciated | <u>906,133</u> | <u>25,885</u> | <u>(25,885)</u> | <u>906,133</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (7,552) | (18,124) | - | (25,676) |
| Total accumulated depreciation | <u>(7,552)</u> | <u>(18,124)</u> | <u>-</u> | <u>(25,676)</u> |
| Total capital assets-being depreciated, net | <u>898,581</u> | <u>7,761</u> | <u>(25,885)</u> | <u>880,457</u> |
| Capital assets - net | <u>\$ 1,118,218</u> | <u>\$ 7,761</u> | <u>\$ (25,885)</u> | <u>\$ 1,100,094</u> |

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

The City has active construction projects as of September 30, 2019. Total accumulated commitments for ongoing capital projects are composed of the following:

| | |
|--------------------------------|---------------------|
| Business-type activities: | |
| Utility Fund | \$ 4,856,459 |
| Total business-type activities | <u>\$ 4,856,459</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, 2019 are as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|--|---|---------------------|
| Utility (enterprise fund) | Sports Facility (enterprise fund) | 975,000 |
| Medical Self-Insurance (internal service fund) | Fleet Replacement (internal service fund) | 275,000 |
| | Total | <u>\$ 1,250,000</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, 2019:

| <u>Transfer from</u> | <u>Transfer to</u> | <u>Amount</u> | <u>Purpose</u> |
|------------------------|------------------------|---------------------|--|
| General | Non-major governmental | \$ 62,767 | Matching funds for grant, TIF projects |
| General | Street Construction | 48,100 | To fund construction project |
| Traffic I & S | General | 119,000 | Administrative and overhead charges |
| Non-major governmental | General | 53,134 | Administrative and overhead charges |
| Utility | General | 2,229,123 | Administrative and overhead charges, PILOT |
| Solid waste | General | 148,600 | Administrative and overhead charges |
| Solid waste | Non-major governmental | 200,000 | To fund alley repairs |
| | Total | <u>\$ 2,860,724</u> | |

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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, 2019, expenditures exceeded appropriations (the legal level of budgetary control) in the General fund's police department by \$121,160. 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 | Governmental Activities | | Business-type Activities | | DCEDC | |
|-----------------------------|-------------------------|---------------------|--------------------------|-------------------|-------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2020 | \$ 340,000 | \$ 1,140,642 | \$ 560,000 | \$ 84,602 | \$ 480,000 | \$ 7,613 |
| 2021 | 720,000 | 763,631 | 470,000 | 67,800 | 485,000 | 2,546 |
| 2022 | 755,000 | 726,756 | 485,000 | 53,475 | - | - |
| 2023 | 795,000 | 688,006 | 495,000 | 38,775 | - | - |
| 2024-39 | 18,125,000 | 5,599,066 | 1,045,000 | 31,575 | - | - |
| Total | <u>\$ 20,735,000</u> | <u>\$ 8,918,101</u> | <u>\$ 3,055,000</u> | <u>\$ 276,227</u> | <u>\$ 965,000</u> | <u>\$ 10,159</u> |

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Long-term bonded debt at September 30, 2019, includes the following individual issues:

| | <u>Interest Rate (%)</u> | <u>Maturity Date</u> | <u>Amount Outstanding</u> | <u>Due Within One Year</u> |
|---|------------------------------|--------------------------|-------------------------------|--------------------------------|
| <u>Governmental Activities</u> | | | | |
| General Obligation Bonds: Series 2019 | 3.120 | 2/15/2039 | \$ 20,735,000 | \$ 340,000 |
| Total governmental activities long-term bonded debt | | | <u>\$ 20,735,000</u> | <u>\$ 340,000</u> |
| <u>Business-type Activities</u> | | | | |
| G.O. Refunding Series 2013 | 1.000-4.625 | 2/15/2020 | \$ 110,000 | \$ 110,000 |
| G.O. Refunding Series 2016 | 3.000-4.000 | 2/15/2025 | \$ 2,945,000 | \$ 450,000 |
| Total business-type activities long-term debt | | | <u>\$ 3,055,000</u> | <u>\$ 560,000</u> |
| Total long-term bonded debt (primary government) | | | <u>\$ 23,790,000</u> | <u>\$ 900,000</u> |
| <u>DCEDC (Component Unit)</u> | | | | |
| G.O. Refunding Series 2016A | 1.050 | 2/15/2021 | 965,000 | 480,000 |
| Total DCEDC | | | <u>\$ 965,000</u> | <u>\$ 480,000</u> |

A bond election was held in November 2018 and the voters authorized the proceeds to fund projects for parks and recreation, streets and sidewalks, fire station and municipal buildings improvements. The City issued \$20,735,000 in Texas General Obligation Bonds, Series 2019 in March 2019 at a premium of \$1,238,063.

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Long-term liability activity for the year ended September 30, 2019, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--|------------------------------|----------------------|---------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General Obligation, Series 2019 | \$ - | \$ 20,735,000 | \$ - | \$ 20,735,000 | \$ 340,000 |
| Deferred premium on bonds | - | 1,238,063 | 36,111 | 1,201,952 | - |
| Total bonds payable | - | 21,973,063 | 36,111 | 21,936,952 | 340,000 |
| Loan payable | 738,886 | - | 218,880 | 520,006 | 226,304 |
| Net pension liability | - | 7,345,752 | - | 7,345,752 | - |
| Accrued compensated absences | 3,149,673 | 1,319,845 | 1,169,049 | 3,300,469 | 231,033 |
| Other postemployment benefits | 2,919,870 | 1,402,883 | - | 4,322,753 | - |
| Total governmental activities | <u>6,808,429</u> | <u>32,041,543</u> | <u>1,424,040</u> | <u>37,425,932</u> | <u>797,337</u> |
| Business-type activities: | | | | | |
| Bonds payable: | | | | | |
| General Obligation Refunding Series 2013 | \$ 455,000 | \$ - | \$ 345,000 | \$ 110,000 | \$ 345,000 |
| General Obligation Refunding Series 2016 | 3,380,000 | - | 435,000 | 2,945,000 | 450,000 |
| Deferred premium on bonds | 288,579 | - | 41,723 | 246,856 | - |
| Total bonds payable | 4,123,579 | - | 821,723 | 3,301,856 | 795,000 |
| Net pension liability | - | 916,022 | - | 916,022 | - |
| Accrued compensated absences | 89,364 | 89,512 | 78,165 | 100,711 | 7,050 |
| Other postemployment benefits | 326,892 | 120,740 | - | 447,632 | - |
| Total business-type activities | <u>4,539,835</u> | <u>1,126,274</u> | <u>899,888</u> | <u>4,766,221</u> | <u>802,050</u> |
| Total long-term liabilities (primary government) | <u>\$ 11,348,264</u> | <u>\$ 33,167,817</u> | <u>\$ 2,323,928</u> | <u>\$ 42,192,153</u> | <u>\$ 1,599,387</u> |
| DCEDC (Component unit): | | | | | |
| General Obligation Refunding Series 2016A | \$ 1,445,000 | \$ - | \$ 480,000 | \$ 965,000 | \$ 480,000 |
| Total DCEDC long-term liabilities | <u>\$ 1,445,000</u> | <u>\$ -</u> | <u>\$ 480,000</u> | <u>\$ 965,000</u> | <u>\$ 480,000</u> |

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

The General fund secured a loan for \$1,483,374 in January 2016 to fund an economic incentive grant paid to EON Reality Duncanville Entrepreneur School. The loan terms are 3.34% rate with 84 monthly payments ending December 15, 2021. The remaining balance on the loan as of September 30, 2019 is \$520,006.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

9. DEFINED BENEFIT PENSION PLAN

Plan Descriptions. The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.org.

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

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

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

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

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

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 225 |
| Inactive employees entitled to but not yet receiving benefits | 191 |
| Active employees | 257 |
| | <u>673</u> |

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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 7.89% and 7.65% in calendar years 2018 and 2019, respectively. The city's contributions to TMRS for the year ended September 30, 2019, were \$1,336,121 and were equal to the required contributions.

Net Pension Liability. The City's Net Pension Liability was measured as of December 31, 2018, 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, 2018 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.

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

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

(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 2019 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return (Arithmetic)</u> |
|-----------------------|--------------------------|--|
| Global Equities | 30.0% | |
| Core Fixed Income | 10.0% | |
| Non-Core Fixed Income | 20.0% | |
| Real Estate | 10.0% | |
| Real Return | 10.0% | |
| Absolute Return | 10.0% | |
| Private Equity | 10.0% | |
| Cash Equivalents | 0.0% | |
| Total | <u>100.0%</u> | <u>6.95%</u> |

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will remain at the current 7%, as specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**
Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| | (a) | (b) | (a) - (b) |
| Changes for the year: | | | |
| Service cost | \$ 2,144,947 | \$ - | \$ 2,144,947 |
| Interest | 7,232,501 | - | \$ 7,232,501 |
| Difference between expected and actual experience | (364,794) | - | \$ (364,794) |
| Changes of Assumptions | - | | |
| Contributions - employer | - | 1,333,573 | \$ (1,333,573) |
| Contributions - employee | - | 1,183,186 | \$ (1,183,186) |
| Net investment income | - | (3,323,175) | \$ 3,323,175 |
| Benefit payments, including refunds of employee contributions | (6,702,143) | (6,702,143) | \$ - |
| Administrative expense | - | (64,291) | \$ 64,291 |
| Other changes | - | (3,358) | \$ 3,358 |
| Net changes | 2,310,511 | (7,576,208) | 9,886,719 |
| Beginning Balance at 12/31/2017 | \$ 109,426,760 | \$ 111,051,705 | \$ (1,624,945) |
| Ending Balance at 12/31/2018 | \$ 111,737,271 | \$ 103,475,497 | \$ 8,261,774 |

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) | \$ 21,957,468 | \$ 8,261,774 | \$ (3,117,334) |

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Pension Plan Fiduciary Net Position

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2019, the City recognized pension expense of \$2,205,705.

At September 30, 2019, 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 | \$ 108,653 | \$ (305,390) |
| Difference between projected and actual investment earnings | 5,735,302 | - |
| Difference in assumption changes | 34,283 | - |
| Contributions subsequent to the measurement date | <u>959,812</u> | <u>-</u> |
| Total | <u>\$ 6,838,050</u> | <u>\$ (305,390)</u> |

Deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date of \$959,812 will be recognized as an addition to the net pension liability for the measurement year ending December 31, 2019 (i.e. recognized in the City's financial statements in the year ended September 30, 2020). 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> | |
|--------------------------|--------------|
| 2019 | \$ 2,145,644 |
| 2020 | 607,724 |
| 2021 | 655,651 |
| 2022 | 2,163,829 |
| 2023 | - |
| Thereafter | <u>-</u> |
| Total | \$ 5,572,848 |

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 2019 was \$0.365 per 1,000 gallons plus an annual demand charge of \$276,434 for each million gallons per day as established by the rate of flow controller setting (currently 9.5 million gallons at \$2,626,123 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 \$5,900 per year.

Dallas Wastewater Treatment Contract - In 2014, the City entered into a thirty-year contract with the City of Dallas to transport and treat wastewater from an area in the northeastern part of the City. Under the contract, the City is required to pay a transportation charge (based on cost of service) and a treatment charge (at the same rate as Dallas is charged by TRA for treatment of the wastewater). The City's current payments under the contract are approximately \$408,000 per year.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

11. SELF-INSURANCE

The City previously maintained a medical self-insurance plan for City employees and their covered dependents. Due to cost of high claims for several years, the City opted to change from self-insured to a fully insured medical plan in fiscal year 2019. All self-insured claims have been processed and paid leaving no medical claim liability for the year ending September 30, 2019.

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 claim liability of \$187,465 reported in the comprehensive self-insurance fund is 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 2018 and 2019 were:

| | Beginning of Fiscal Year Liability | Claims and Changes in Estimates | Claim Payments | Balance at Fiscal Year-End |
|-----------------------------------|---|--|---------------------------|---|
| Medical Self-Insurance Fund | | | | |
| 2018 | 386,763 | 3,116,562 | (3,141,127) | 362,198 |
| 2019 | 362,198 | - | (362,198) | - |
| Comprehensive Self-Insurance Fund | | | | |
| 2018 | 151,567 | 56,785 | (104,100) | 104,252 |
| 2019 | 104,252 | 342,512 | (259,299) | 187,465 |

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 Fund and operating expenditures/expenses of the participating funds.

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.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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, 2019, were \$327,479, which equal benefit payments for retirees.

As of September 30, 2019, the number of employees currently covered by the benefit terms is as follows:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 20 |
| Active members | 236 |
| Total | <u>256</u> |

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

| | |
|--------------------------|---|
| Actuarial Valuation Date | December 31, 2018 |
| Actuarial Cost Method | Individual Entry Age |
| Discount Rate | 3.71% as of December 31, 2018 |
| 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). For the OPEB valuation, the standard TMRS retirement rates were adjusted to reflect the impact of the City's retiree medical plan design. |
| 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 7.20% declining to an ultimate rate of 5.25% after 11 years; Ultimate trend rate includes a 1.00% adjustment for the excise tax. |
| 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 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018. |

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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A Single Discount Rate of 3.71% 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, 2018.

Changes in the Total OPEB Liability

The City's total OPEB liability of \$4,770,385 was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2018.

| | Total OPEB Liability |
|---|-------------------------|
| Balance at 12/31/2017 | \$ 3,246,762 |
| Changes for the year: | |
| Service cost | 154,311 |
| Interest on the total liability | 104,255 |
| Difference between expected and actual experience | 1,426,385 |
| Changes in assumptions and other inputs | 187,140 |
| Benefit payments | <u>(348,468)</u> |
| Net changes | <u>1,523,623</u> |
| Balance at 12/31/2018 | <u>\$ 4,770,385</u> |

Changes in assumptions and other inputs reflect a change in the discount rate from 3.31% to 3.71%.

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 (2.71%)</u> | <u>Discount Rate (3.71%)</u> | 1% Increase in <u>Discount Rate (4.71%)</u> |
|-----------------------------|--|------------------------------|--|
| City's total OPEB liability | \$ 5,223,500 | \$ 4,770,385 | \$ 4,361,760 |

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.

| | <u>1% Decrease</u> | Current Healthcare Cost <u>Trend Rate Assumption</u> | <u>1% Increase</u> |
|-----------------------------|--------------------|---|--------------------|
| City's total OPEB liability | \$ 4,246,035 | \$ 4,770,385 | \$ 5,396,068 |

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of \$488,021. At September 30, 2019, 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 | \$ 1,425,645 |
| Changes in actuarial assumptions | 272,138 |
| Contributions subsequent to the measurement date | <u>231,850</u> |
| Total | <u>\$ 1,929,633</u> |

Deferred outflows of resources of \$231,850 as 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> | |
|---|-------------------------|
| 2020 | 229,455 |
| 2021 | 229,455 |
| 2022 | 229,455 |
| 2023 | 229,455 |
| 2024 | 229,455 |
| Thereafter | <u>550,508</u> |
| Total | <u>1,697,783</u> |

13. CONTINGENT LIABILITIES

Pending Litigation—In the opinion of the City’s management, no pending litigation exists at September 30, 2019.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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, 2019, is estimated at \$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 \$345,000. The value of the City’s share in the equity of the facility net of the debt is \$524,830 as of September 30, 2019. 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, 2019 is at a negative (\$76,507). The financial statements can be obtained by contacting: MARA Inc., 111 E. Davis Street, Suite 101, Duncanville, Texas 75116.

17. EON REALITY DUNCANVILLE ENTREPRENEUR SCHOOL

The City entered into a ten year lease agreement with EON Reality, Inc. on October 23, 2014 for a City building to be used for the EON Reality Duncanville Entrepreneur School. Total rent and fees received from EON in fiscal year 2019 was \$142,880.

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 2019, the City did not rebate any property, sales and hotel occupancy taxes.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

19. COMMITMENTS

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 2019.

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 rate was \$5,072 monthly per services per approach and the City utilizes equipment for eight approaches. The terms of the agreement were to be in effect for ten years ending in June 2022; however, the agreement was terminated due to a change in legislation. House Bill 1631 required the elimination of red-light camera citations as of June 2019. In fiscal year 2019, the City paid Redflex \$375,208 for equipment and maintenance expenses from the Traffic & Safety Improvement fund.

20. SUBSEQUENT EVENTS

The City has evaluated subsequent events through Audit Report Date, the date the financial statements were available to be issued. No changes were made, or are necessary to be made, to the financial statements as a result of this evaluation.

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

| Measurement Year | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| A. Total pension liability | | | | | |
| Service Cost | \$ 1,535,331 | \$ 1,737,352 | \$ 1,968,819 | \$ 2,056,646 | \$ 2,144,947 |
| Interest (on the Total Pension Liability) | 6,300,383 | 6,476,370 | 6,840,894 | 7,067,274 | 7,232,501 |
| Changes of benefit items | - | - | 3,051,493 | - | - |
| Difference between expected and actual experience | (121,074) | 11,193 | 454,847 | (82,975) | (364,794) |
| 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) | (6,702,143) |
| Net change in total pension liability | 2,459,003 | 5,654,528 | 6,979,109 | 2,468,500 | 2,310,511 |
| Total pension liability - beginning | <u>91,865,620</u> | <u>94,324,623</u> | <u>99,979,151</u> | <u>106,958,260</u> | <u>109,426,760</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> | <u>\$ 111,737,271</u> |
| B. Plan fiduciary net position | | | | | |
| Contributions - Employer | \$ 788,439 | \$ 584,156 | \$ 531,144 | \$ 1,209,633 | \$ 1,333,573 |
| Contributions - Employee | 992,641 | 1,047,974 | 1,090,327 | 1,138,065 | 1,183,186 |
| Net Investment Income | 5,716,291 | 150,672 | 6,651,413 | 14,034,805 | (3,323,175) |
| Benefit payments, including refunds of employee contributions | (5,255,637) | (5,347,455) | (5,336,944) | (6,572,445) | (6,702,143) |
| Administrative Expenses | (59,693) | (91,784) | (75,151) | (72,773) | (64,291) |
| Other | (4,908) | (4,535) | (4,049) | (3,687) | (3,359) |
| Net change in plan fiduciary net position | 2,177,133 | (3,660,972) | 2,856,740 | 9,733,598 | (7,576,209) |
| 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> | <u>111,051,705</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> | <u>\$ 103,475,496</u> |
| C. Net pension liability (asset) - ending (a) - (b) | | | | | |
| | <u>\$ (7,797,716)</u> | <u>\$ 1,517,784</u> | <u>\$ 5,640,153</u> | <u>\$ (1,624,945)</u> | <u>\$ 8,261,775</u> |
| D. Plan fiduciary net position as a percentage of total pension liability (asset) | | | | | |
| | 108.27% | 98.48% | 94.73% | 101.48% | 92.61% |
| E. Covered payroll | | | | | |
| | \$ 14,180,579 | \$ 14,861,868 | \$ 15,576,098 | \$ 16,258,070 | \$ 16,902,658 |
| F. Net pension liability (asset) as a percentage of covered payroll | | | | | |
| | (54.99%) | 10.21% | 36.21% | (9.99%) | 48.88% |

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

| Fiscal Year | (1) Actuarially determined contribution | (2) Contribution in relation to the actuarially determined contribution | (3) Contribution excess (deficiency) (2) - (1) | (4) Covered payroll | (5) Actuarially determined contribution as a percentage of covered payroll (1) / (4) | (6) Contributions as a percentage of covered payroll (2) / (4) |
|-------------|--|--|--|---------------------------|---|---|
| 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% |
| 2019 | 1,336,121 | 1,336,121 | - | 16,902,658 | 7.90% | 7.90% |

Notes to Schedule of Contributions:

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 12 months and 1 day later.

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | 25 years |
| Asset Valuation Method | 10 Year smoothed market; 15% soft corridor |
| Inflation | 2.50% |
| Salary Increases | 3.50% to 10.5% including inflation |
| Investment Rate of Return | 6.75% |
| Retirement Age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014. |
| Mortality | RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB. |

Other Information:

Notes 1) 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 TWO FISCAL YEAR (YEARS PRIOR TO 2017 ARE NOT AVAILABLE)
(UNAUDITED)**

| Measurement Date December 31, | <u>2017</u> | <u>2018</u> |
|--|----------------------|----------------------|
| A. Total OPEB liability | | |
| Service Cost | \$ 134,815 | \$ 154,311 |
| Interest on the total OPEB liability | 110,240 | 104,255 |
| Difference between expected and actual experience | 215,993 | 1,426,385 |
| Changes of assumptions and other inputs | 139,792 | 187,140 |
| Benefit payments | <u>(360,209)</u> | <u>(348,468)</u> |
| Net change in total OPEB liability | <u>240,631</u> | <u>1,523,623</u> |
| Total OPEB liability - beginning | <u>3,006,131</u> | <u>3,246,762</u> |
| Total OPEB liability - ending | <u>\$ 3,246,762</u> | <u>\$ 4,770,385</u> |
| B. Covered-employee payroll | \$ 15,767,076 | \$ 16,409,275 |
| C. Total OPEB liability as a percentage of covered-employee payroll | 20.59% | 29.07% |

Notes to Schedule:

- The healthcare trend assumption was modified in 2019.

Changes of assumptions reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

| | |
|------|-------|
| 2019 | 3.71% |
| 2018 | 3.31% |
| 2017 | 3.81% |

- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-REVENUES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

| | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|---|------------------------|----------------------|----------------------|---|
| PROPERTY TAXES: | | | | |
| Current Taxes | 15,702,923 | \$ 15,702,923 | \$ 15,669,667 | \$ (33,256) |
| Prior rolls | 140,000 | 140,000 | 148,632 | 8,632 |
| Penalties | 120,000 | 120,000 | 148,942 | 28,942 |
| Total | 15,962,923 | 15,962,923 | 15,967,241 | 4,318 |
| SALES TAXES: | | | | |
| General | 5,383,187 | 5,304,349 | 5,354,850 | 50,501 |
| Property tax relief | 2,691,593 | 2,652,174 | 2,677,425 | 25,251 |
| Total | 8,074,780 | 7,956,523 | 8,032,275 | 75,752 |
| FRANCHISE TAXES: | | | | |
| TXU Electric | 1,150,000 | 1,150,000 | 1,164,986 | 14,986 |
| Atmos Energy | 320,000 | 330,000 | 313,542 | (16,458) |
| Telephone | 180,000 | 180,000 | 181,697 | 1,697 |
| Charter Cable Television | 130,000 | 130,000 | 155,445 | 25,445 |
| Telephone Video Services | 136,000 | 120,000 | 133,891 | 13,891 |
| Total | 1,916,000 | 1,910,000 | 1,949,561 | 39,561 |
| MIXED BEVERAGE TAXES | | | | |
| Total taxes | 78,000 | 76,000 | 73,889 | (2,111) |
| Total taxes | 26,031,703 | 25,905,446 | 26,022,966 | 117,520 |
| LICENSES, PERMITS AND FEES: | | | | |
| Building permits | 240,000 | 240,000 | 254,568 | 14,568 |
| Zoning and special use permits | 8,500 | 8,500 | 13,335 | 4,835 |
| Electrical permits | 13,000 | 12,000 | 13,303 | 1,303 |
| Plumbing permits | 30,000 | 34,000 | 42,967 | 8,967 |
| Alarm permits | 60,000 | 60,000 | 65,499 | 5,499 |
| Solicitor licenses | 2,000 | 2,000 | 1,601 | (399) |
| Emergency medical service | 715,000 | 650,000 | 784,792 | 134,792 |
| Sign & other permits | 67,260 | 131,000 | 120,580 | (10,420) |
| Health food inspection fees | 75,000 | 64,500 | 46,623 | (17,877) |
| Pool inspection fees | 4,000 | 3,000 | 3,000 | - |
| Wrecker & storage fees | 6,000 | 3,000 | - | (3,000) |
| Total | 1,220,760 | 1,208,000 | 1,346,268 | 138,268 |
| MUNICIPAL COURT AND LIBRARY: | | | | |
| Municipal court | 464,000 | 473,000 | 597,847 | 124,847 |
| False alarm fees | 8,000 | 15,000 | 17,391 | 2,391 |
| Library | 20,000 | 20,000 | 14,994 | (5,006) |
| Total | 492,000 | 508,000 | 630,232 | 122,232 |
| INTERGOVERNMENTAL | | | | |
| | 144,000 | 471,000 | 348,400 | (122,600) |
| INTEREST | | | | |
| | 235,000 | 315,000 | 554,235 | 239,235 |
| RECREATIONAL FEES | | | | |
| | 293,500 | 316,000 | 282,639 | (33,361) |
| OTHER SALES AND SERVICES: | | | | |
| Sale of capital assets/auction proceeds | 5,500 | 5,000 | 30,794 | 25,794 |
| Miscellaneous | 231,453 | 254,683 | 525,229 | 270,546 |
| Rentals | 330,000 | 344,000 | 340,561 | (3,439) |
| Total | 566,953 | 603,683 | 896,584 | 292,901 |
| Total revenues | \$ 28,983,916 | \$ 29,327,129 | \$ 30,081,324 | \$ 754,195 |

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(Continued on following page)

| | <u>Salaries and Benefits</u> | <u>Supplies</u> | <u>Other Services</u> | <u>Maintenance</u> |
|--------------------------|----------------------------------|-----------------|-----------------------|--------------------|
| DEPARTMENTS: | | | | |
| General government- | | | | |
| Mayor and council | \$ - | \$ 5,800 | \$ 104,368 | \$ - |
| City manager | 588,146 | 3,792 | 80,092 | - |
| Personnel services | 214,254 | 7,013 | 83,536 | - |
| Information systems | 297,626 | 97,325 | 304,730 | - |
| Community information | 78,117 | 4,581 | 48,422 | - |
| Library services | 744,304 | 16,797 | 117,284 | - |
| One-time projects | - | 80,463 | 58,660 | - |
| Total | <u>1,922,447</u> | <u>215,771</u> | <u>797,092</u> | <u>-</u> |
| Finance- | | | | |
| Administration | 593,842 | 8,846 | 118,748 | - |
| Municipal court | 293,414 | 9,536 | 169,665 | - |
| Purchasing | 88,187 | 719 | 4,263 | - |
| City Marshall | 92,684 | 3,791 | 17,466 | - |
| Total | <u>1,068,127</u> | <u>22,892</u> | <u>310,142</u> | <u>-</u> |
| Parks and recreation- | | | | |
| Administration | 212,793 | 677 | 46,003 | - |
| Recreational programming | 300,712 | 26,195 | 49,158 | - |
| Special events | 27,873 | 9,472 | 122,039 | - |
| Athletic programming | 211,895 | 62,943 | 126,700 | 8,720 |
| Park grounds maintenance | 526,997 | 89,251 | 570,154 | 48,771 |
| Building services | 377,405 | 30,963 | 320,063 | 42,153 |
| Senior center | 143,512 | 16,342 | 32,822 | - |
| Horticulture | 154,874 | 10,723 | 2,113 | 215 |
| One-time projects | - | 9,620 | 23,994 | - |
| Total | <u>1,956,061</u> | <u>256,186</u> | <u>1,293,046</u> | <u>99,859</u> |
| Police- | | | | |
| Administration | 403,718 | 15,056 | 120,045 | - |
| Patrol | 4,072,766 | 53,275 | 212,451 | 5,230 |
| Criminal investigation | 1,334,135 | 19,240 | 63,176 | - |
| Animal control | 123,910 | 1,200 | 293,759 | - |
| School guards | 73,594 | - | 5,975 | - |
| Crime prevention | 137,199 | 5,265 | 10,046 | - |
| Communication/Records | 296,380 | 5,526 | 860,959 | - |
| Special services | 297,403 | 60,558 | 83,205 | - |
| Detention | 285,488 | 15,130 | 7,966 | - |
| Total | <u>7,024,593</u> | <u>175,250</u> | <u>1,657,582</u> | <u>5,230</u> |

| <u>Capital</u> | <u>Total Expenditures</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|----------------|---------------------------|------------------------|---------------------|---|
| \$ - | \$ 110,168 | \$ 117,890 | \$ 117,890 | \$ 7,722 |
| - | 672,030 | 668,737 | 673,857 | 1,827 |
| - | 304,803 | 320,394 | 322,682 | 17,879 |
| - | 699,681 | 708,769 | 714,125 | 14,444 |
| - | 131,120 | 148,699 | 151,841 | 20,721 |
| 103,421 | 981,806 | 922,377 | 953,064 | (28,742) |
| 133,407 | 272,530 | - | 303,138 | 30,608 |
| <u>236,828</u> | <u>3,172,138</u> | <u>2,886,866</u> | <u>3,236,597</u> | <u>64,459</u> |
| - | 721,436 | 730,302 | 743,767 | 22,331 |
| - | 472,615 | 460,562 | 474,069 | 1,454 |
| - | 93,169 | 95,179 | 96,214 | 3,045 |
| - | 113,941 | 126,936 | 129,883 | 15,942 |
| - | <u>1,401,161</u> | <u>1,412,979</u> | <u>1,443,933</u> | <u>42,772</u> |
| - | 259,473 | 250,175 | 265,782 | 6,309 |
| - | 376,065 | 448,281 | 450,724 | 74,659 |
| - | 159,384 | 189,385 | 189,385 | 30,001 |
| - | 410,258 | 416,239 | 436,941 | 26,683 |
| - | 1,235,173 | 1,342,736 | 1,374,406 | 139,233 |
| 75,369 | 845,953 | 859,878 | 884,872 | 38,919 |
| - | 192,676 | 217,663 | 219,467 | 26,791 |
| - | 167,925 | 165,673 | 171,136 | 3,211 |
| 105,627 | 139,241 | - | 1,704,607 | 1,565,366 |
| <u>180,996</u> | <u>3,786,148</u> | <u>3,890,030</u> | <u>5,697,320</u> | <u>1,911,172</u> |
| - | 538,819 | 518,099 | 528,370 | (10,449) |
| - | 4,343,722 | 4,455,327 | 4,279,529 | (64,193) |
| - | 1,416,551 | 1,308,294 | 1,387,239 | (29,312) |
| - | 418,869 | 396,120 | 414,152 | (4,717) |
| - | 79,569 | 82,330 | 82,330 | 2,761 |
| - | 152,510 | 138,342 | 150,057 | (2,453) |
| - | 1,162,865 | 1,141,022 | 1,155,297 | (7,568) |
| - | 441,166 | 361,782 | 433,213 | (7,953) |
| - | 308,584 | 291,062 | 311,308 | 2,724 |
| - | <u>8,862,655</u> | <u>8,692,378</u> | <u>8,741,495</u> | <u>(121,160)</u> |

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

| | <u>Salaries and Benefits</u> | <u>Supplies</u> | <u>Other Services</u> | <u>Maintenance</u> |
|------------------------------------|----------------------------------|---------------------|-----------------------|--------------------|
| DEPARTMENTS (Continued): | | | | |
| Public works- | | | | |
| Engineering | 336,872 | 1,439 | 54,225 | - |
| Building inspection | 416,021 | 4,226 | 171,202 | - |
| Streets | 873,175 | 157,183 | 1,993,828 | 127 |
| Traffic operations | 308,927 | 168,164 | 141,407 | 5,038 |
| Planning | 164,133 | 1,368 | 12,373 | - |
| Code services | 191,912 | 6,512 | 32,366 | - |
| Equipment services | 339,763 | 231,096 | 239,011 | 78,684 |
| One-time projects | - | - | 56,344 | - |
| Total | <u>2,630,803</u> | <u>569,988</u> | <u>2,700,756</u> | <u>83,849</u> |
| Fire- | | | | |
| Administration | 403,859 | 9,724 | 190,376 | 7,245 |
| Prevention | 265,556 | 6,623 | 17,877 | 54 |
| Suppression | 3,933,955 | 90,765 | 228,815 | 15,057 |
| Advanced life support | 1,211,410 | 92,006 | 235,975 | 2,895 |
| Emergency Management Administrator | 116,879 | 5,793 | 7,844 | - |
| Total | <u>5,931,659</u> | <u>204,911</u> | <u>680,887</u> | <u>25,251</u> |
| NON-DEPARTMENTAL | - | 8,297 | 246,531 | - |
| ECONOMIC DEVELOPMENT | - | - | 300,000 | - |
| LOAN PAYMENT | - | - | 218,869 | - |
| INTEREST AND FISCAL CHARGES | - | - | 21,360 | - |
| Total expenditures | <u>\$ 20,533,690</u> | <u>\$ 1,453,295</u> | <u>\$ 8,226,265</u> | <u>\$ 214,189</u> |

| Capital | Total Expenditures | Original Budget | Final Budget | Variance with Final Budget Positive (Negative) |
|-------------------|---------------------------|------------------------|----------------------|---|
| - | 392,536 | 387,613 | 397,144 | 4,608 |
| - | 591,449 | 564,545 | 662,530 | 71,081 |
| - | 3,024,313 | 3,288,389 | 3,632,224 | 607,911 |
| - | 623,536 | 613,867 | 641,600 | 18,064 |
| - | 177,874 | 192,992 | 200,972 | 23,098 |
| - | 230,790 | 231,991 | 247,386 | 16,596 |
| 136,736 | 1,025,290 | 1,097,825 | 1,121,252 | 95,962 |
| 9,600 | 65,944 | - | 1,026,000 | 960,056 |
| <u>146,336</u> | <u>6,131,732</u> | <u>6,377,222</u> | <u>7,929,108</u> | <u>1,797,376</u> |
| - | 611,204 | 615,049 | 628,954 | 17,750 |
| - | 290,110 | 248,270 | 289,699 | (411) |
| - | 4,268,592 | 4,056,346 | 4,187,761 | (80,831) |
| - | 1,542,286 | 1,603,899 | 1,665,199 | 122,913 |
| - | 130,516 | 131,514 | 132,823 | 2,307 |
| - | <u>6,842,708</u> | <u>6,655,078</u> | <u>6,904,436</u> | <u>61,728</u> |
| - | 254,828 | 252,877 | 255,949 | 1,121 |
| - | 300,000 | 300,000 | 300,000 | - |
| - | 218,869 | 218,880 | 218,880 | 11 |
| - | <u>21,360</u> | <u>21,348</u> | <u>21,348</u> | <u>(12)</u> |
| <u>\$ 564,160</u> | <u>\$ 30,991,599</u> | <u>\$ 30,707,658</u> | <u>\$ 34,749,066</u> | <u>\$ 3,757,467</u> |



Duncanville

City of Champions

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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.

Street Construction Fund- to account for construction of major thoroughfares and petition paving projects.

CITY OF DUNCANVILLE, TEXAS

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total Nonmajor Funds</u> |
|--|----------------------------|-----------------------------|---------------------------------|
| ASSETS | | | |
| Cash and investments | \$ 3,759,305 | \$ 389,034 | \$ 4,148,339 |
| Receivables: | | | |
| Taxes | 90,950 | - | 90,950 |
| Trade accounts | 175,028 | 51,950 | 226,978 |
| Intergovernmental | 48,070 | - | 48,070 |
| Prepaid items | 15,000 | - | 15,000 |
| Total assets | <u>\$ 4,088,353</u> | <u>\$ 440,984</u> | <u>\$ 4,529,337</u> |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES: | | | |
| Accounts payable | \$ 161,113 | \$ 53,510 | \$ 214,623 |
| Accrued payroll | 18,085 | - | 18,085 |
| Unearned revenue | 60,297 | - | 60,297 |
| Total liabilities | <u>239,495</u> | <u>53,510</u> | <u>293,005</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | - | 51,950 | 51,950 |
| Total deferred inflows of resources | <u>-</u> | <u>51,950</u> | <u>51,950</u> |
| EQUITY: | | | |
| Fund balances- | | | |
| Restricted | 3,848,858 | 335,524 | 4,184,382 |
| Total fund balances | <u>3,848,858</u> | <u>335,524</u> | <u>4,184,382</u> |
| Total liabilities & fund balances | <u>\$ 4,088,353</u> | <u>\$ 440,984</u> | <u>\$ 4,529,337</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, 2019

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total Nonmajor Funds</u> |
|--|------------------------|-------------------------|---------------------------------|
| REVENUES | | | |
| Hotel taxes | \$ 808,374 | \$ - | \$ 808,374 |
| Licenses, permits and fees | 658,641 | - | 658,641 |
| Fines and forfeitures | 297,465 | - | 297,465 |
| Intergovernmental | 238,196 | - | 238,196 |
| Investment income | 26,699 | - | 26,699 |
| Rental and other | 201,760 | - | 201,760 |
| Gifts and contributions | 9,426 | - | 9,426 |
| Total revenues | <u>2,240,561</u> | <u>-</u> | <u>2,240,561</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 412,301 | - | 412,301 |
| Parks and recreation | 126,486 | - | 126,486 |
| Police | 181,063 | - | 181,063 |
| Public works | 502,156 | 27,489 | 529,645 |
| Fire | 90,577 | - | 90,577 |
| Capital outlay: | | | |
| Police | 35,000 | - | 35,000 |
| Public works | 148,879 | 271,611 | 420,490 |
| Fire | 47,896 | - | 47,896 |
| Total expenditures | <u>1,544,358</u> | <u>299,100</u> | <u>1,843,458</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>696,203</u> | <u>(299,100)</u> | <u>397,103</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| Transfers in | 62,767 | 248,100 | 310,867 |
| Transfers out | (53,134) | - | (53,134) |
| Total other financing sources (uses) | <u>9,633</u> | <u>248,100</u> | <u>257,733</u> |
| NET CHANGE IN FUND BALANCES | 705,836 | (51,000) | 654,836 |
| FUND BALANCES, beginning of year | <u>3,143,022</u> | <u>386,524</u> | <u>3,529,546</u> |
| FUND BALANCES, end of year | <u>\$ 3,848,858</u> | <u>\$ 335,524</u> | <u>\$ 4,184,382</u> |

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2019

| | <u>Hotel Motel Tax</u> | <u>Drainage Fees</u> | <u>Grants</u> |
|---|----------------------------|----------------------------|--------------------------|
| ASSETS | | | |
| Cash and investments | \$ 1,871,734 | \$ 985,410 | \$ 137,252 |
| Receivables: | | | |
| Taxes | 90,950 | - | - |
| Trade accounts (net of allowance) | - | 175,028 | - |
| Intergovernmental | - | - | 48,070 |
| Prepaid items | - | - | - |
| Total assets | <u><u>\$ 1,962,684</u></u> | <u><u>\$ 1,160,438</u></u> | <u><u>\$ 185,322</u></u> |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES: | | | |
| Accounts payable | \$ 53,056 | \$ 91,582 | \$ 14,531 |
| Accrued payroll | 1,490 | 11,656 | 3,824 |
| Unearned revenue | - | - | - |
| Total liabilities | <u><u>54,546</u></u> | <u><u>103,238</u></u> | <u><u>18,355</u></u> |
| FUND BALANCES: | | | |
| Nonspendable: | | | |
| Prepays | - | - | - |
| Restricted for: | | | |
| Promotion of tourism and hotel industry | 1,908,138 | - | - |
| Maintenance and construction of drainage projects | - | 1,057,200 | - |
| Public safety, cultural and recreational services | - | - | 166,967 |
| Court technology and security | - | - | - |
| Juvenile case management | - | - | - |
| Public safety and criminal investigations | - | - | - |
| Community redevelopment | - | - | - |
| Total fund balances | <u><u>1,908,138</u></u> | <u><u>1,057,200</u></u> | <u><u>166,967</u></u> |
| Total liabilities & fund balances | <u><u>\$ 1,962,684</u></u> | <u><u>\$ 1,160,438</u></u> | <u><u>\$ 185,322</u></u> |

| Court Technology | Court Security | Juvenile Case Manager | Asset Forfeiture | Tax Incremental Financing Fund | Total |
|-------------------------|-----------------------|------------------------------|-------------------------|---------------------------------------|---------------------|
| \$ 23,188 | \$ 24,936 | \$ 38,748 | \$ 441,170 | \$ 236,867 | \$ 3,759,305 |
| - | - | - | - | - | 90,950 |
| - | - | - | - | - | 175,028 |
| - | - | - | - | - | 48,070 |
| - | - | - | 15,000 | - | 15,000 |
| <u>\$ 23,188</u> | <u>\$ 24,936</u> | <u>\$ 38,748</u> | <u>\$ 456,170</u> | <u>\$ 236,867</u> | <u>\$ 4,088,353</u> |
| | | | | | |
| \$ 183 | \$ - | \$ 192 | \$ 1,569 | \$ - | \$ 161,113 |
| - | 12 | 1,103 | - | - | 18,085 |
| - | - | - | 60,297 | - | 60,297 |
| <u>183</u> | <u>12</u> | <u>1,295</u> | <u>61,866</u> | <u>-</u> | <u>239,495</u> |
| | | | | | |
| - | - | - | 15,000 | - | 15,000 |
| - | - | - | - | - | 1,908,138 |
| - | - | - | - | - | 1,057,200 |
| - | - | - | - | - | 166,967 |
| 23,005 | 24,924 | - | - | - | 47,929 |
| - | - | 37,453 | - | - | 37,453 |
| - | - | - | 379,304 | - | 379,304 |
| - | - | - | - | 236,867 | 236,867 |
| <u>23,005</u> | <u>24,924</u> | <u>37,453</u> | <u>394,304</u> | <u>236,867</u> | <u>3,848,858</u> |
| | | | | | |
| <u>\$ 23,188</u> | <u>\$ 24,936</u> | <u>\$ 38,748</u> | <u>\$ 456,170</u> | <u>\$ 236,867</u> | <u>\$ 4,088,353</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, 2019**

| | Hotel Motel Tax | Drainage Fees | Grants |
|--|----------------------------|--------------------------|-------------------|
| REVENUES | | | |
| Hotel taxes | \$ 808,374 | \$ - | \$ - |
| Licenses, permits and fees | - | 658,641 | - |
| Fines and forfeitures | - | - | - |
| Intergovernmental | - | - | 238,196 |
| Investment income | 5,126 | 2,559 | - |
| Rental and other | - | 20,646 | 181,105 |
| Gifts and contributions | - | - | 9,426 |
| Total revenues | <u>813,500</u> | <u>681,846</u> | <u>428,727</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 257,560 | - | 110,920 |
| Community services | - | - | 126,486 |
| Police | - | - | 60,269 |
| Public works | - | 456,585 | 45,571 |
| Fire | - | - | 90,577 |
| Capital outlay: | | | |
| Police | - | - | - |
| Public works | - | 148,879 | - |
| Fire | - | - | 47,896 |
| Total expenditures | <u>257,560</u> | <u>605,464</u> | <u>481,719</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>555,940</u> | <u>76,382</u> | <u>(52,992)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | 22,542 |
| Transfers out | (53,134) | - | - |
| Total other financing sources (uses) | <u>(53,134)</u> | <u>-</u> | <u>22,542</u> |
| NET CHANGE IN FUND BALANCES | 502,806 | 76,382 | (30,450) |
| FUND BALANCES, beginning of year | <u>1,405,332</u> | <u>980,818</u> | <u>197,417</u> |
| FUND BALANCES, end of year | <u>\$ 1,908,138</u> | <u>\$ 1,057,200</u> | <u>\$ 166,967</u> |

| Court Technology | Court Security | Juvenile Case Manager | Asset Forfeiture | Tax Incremental Financing | Total |
|-----------------------------|-----------------------|----------------------------------|-----------------------------|--|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 808,374 |
| - | - | - | - | - | 658,641 |
| 16,155 | 12,116 | 23,869 | 245,325 | - | 297,465 |
| - | - | - | - | - | 238,196 |
| 1,704 | 12,713 | 4,597 | - | - | 26,699 |
| - | - | - | 9 | - | 201,760 |
| - | - | - | - | - | 9,426 |
| <u>17,859</u> | <u>24,829</u> | <u>28,466</u> | <u>245,334</u> | <u>-</u> | <u>2,240,561</u> |
| - | 19,783 | 24,038 | - | - | 412,301 |
| - | - | - | - | - | 126,486 |
| - | - | - | 120,794 | - | 181,063 |
| - | - | - | - | - | 502,156 |
| - | - | - | - | - | 90,577 |
| - | - | - | 35,000 | - | 35,000 |
| - | - | - | - | - | 148,879 |
| - | - | - | - | - | 47,896 |
| <u>-</u> | <u>19,783</u> | <u>24,038</u> | <u>155,794</u> | <u>-</u> | <u>1,544,358</u> |
| <u>17,859</u> | <u>5,046</u> | <u>4,428</u> | <u>89,540</u> | <u>-</u> | <u>696,203</u> |
| - | - | - | - | 40,225 | 62,767 |
| - | - | - | - | - | (53,134) |
| - | - | - | - | 40,225 | 9,633 |
| 17,859 | 5,046 | 4,428 | 89,540 | 40,225 | 705,836 |
| 5,146 | 19,878 | 33,025 | 304,764 | 196,642 | 3,143,022 |
| <u>\$ 23,005</u> | <u>\$ 24,924</u> | <u>\$ 37,453</u> | <u>\$ 394,304</u> | <u>\$ 236,867</u> | <u>\$ 3,848,858</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, 2019**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|----------------------------|---------------------|---------------------|---|
| REVENUES | | | | |
| Hotel, motel taxes | \$ 972,100 | \$ 856,600 | \$ 808,374 | \$ (48,226) |
| Interest on investments | 3,000 | 3,500 | 5,126 | 1,626 |
| Other | - | - | - | - |
| Total revenues | <u>975,100</u> | <u>860,100</u> | <u>813,500</u> | <u>(46,600)</u> |
| EXPENDITURES | | | | |
| General government | 659,343 | 725,280 | 257,560 | 467,720 |
| Total expenditures | <u>659,343</u> | <u>725,280</u> | <u>257,560</u> | <u>467,720</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 315,757 | 134,820 | 555,940 | 421,120 |
| OTHER FINANCING USES: | | | | |
| Transfers out | <u>(53,134)</u> | <u>(53,134)</u> | <u>(53,134)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 262,623 | 81,686 | 502,806 | 421,120 |
| FUND BALANCE, beginning of year | | | <u>1,405,332</u> | |
| FUND BALANCE, end of year | | | <u>\$ 1,908,138</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, 2019**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|----------------------------|---------------------|---------------------|---|
| REVENUES | | | | |
| Drainage fees | \$ 666,856 | \$ 666,856 | \$ 658,641 | \$ (8,215) |
| Interest on investments | - | - | 2,559 | 2,559 |
| City services reimbursement | 10,000 | 10,000 | 20,646 | 10,646 |
| Total revenues | <u>676,856</u> | <u>676,856</u> | <u>681,846</u> | <u>4,990</u> |
| EXPENDITURES | | | | |
| Public works | 471,297 | 477,176 | 456,585 | 20,591 |
| Capital outlay | 590,000 | 330,202 | 148,879 | 181,323 |
| Total expenditures | <u>1,061,297</u> | <u>807,378</u> | <u>605,464</u> | <u>201,914</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>(384,441)</u> | <u>(130,522)</u> | <u>76,382</u> | <u>206,904</u> |
| OTHER FINANCING USES: | | | | |
| Transfers out | <u>(6,400)</u> | <u>(6,400)</u> | <u>-</u> | <u>6,400</u> |
| NET CHANGE IN FUND BALANCES | (390,841) | (136,922) | 76,382 | 213,304 |
| FUND BALANCE, beginning of year | | | <u>980,818</u> | |
| FUND BALANCE, end of year | | | <u>\$ 1,057,200</u> | |

CITY OF DUNCANVILLE, TEXAS

**NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2019**

| | Park Construction | Capital Improvements | Street Construction | Total |
|--|------------------------------|---------------------------------|--------------------------------|-------------------|
| ASSETS | | | | |
| Cash and investments | \$ 21,043 | \$ 271,387 | \$ 96,604 | \$ 389,034 |
| Receivables- assessments | - | - | 51,950 | 51,950 |
| Total assets | <u>21,043</u> | <u>271,387</u> | <u>148,554</u> | <u>440,984</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES: | | | | |
| Accounts payable | - | 25,480 | 28,030 | 53,510 |
| Total liabilities | <u>-</u> | <u>25,480</u> | <u>28,030</u> | <u>53,510</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue | - | | 51,950 | 51,950 |
| Total deferred inflows of resources | <u>-</u> | | <u>51,950</u> | <u>51,950</u> |
| FUND BALANCES: | | | | |
| Restricted for: | | | | |
| Park construction | 21,043 | - | - | 21,043 |
| Capital improvements | - | 245,907 | 68,574 | 314,481 |
| Total fund balances | <u>21,043</u> | <u>245,907</u> | <u>68,574</u> | <u>335,524</u> |
| Total liabilities & fund balances | <u>\$ 21,043</u> | <u>\$ 271,387</u> | <u>\$ 148,554</u> | <u>\$ 440,984</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, 2019**

| | <u>Park Construction</u> | <u>Capital Improvements</u> | <u>Street Construction</u> | <u>Total</u> |
|---|------------------------------|---------------------------------|--------------------------------|-------------------|
| EXPENDITURES | | | | |
| Public works | - | - | 27,489 | 27,489 |
| Capital outlay | | | | |
| Public works | \$ - | \$ 254,840 | \$ 16,771 | \$ 271,611 |
| Total expenditures | <u>-</u> | <u>254,840</u> | <u>44,260</u> | <u>299,100</u> |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | <u>-</u> | <u>(254,840)</u> | <u>(44,260)</u> | <u>(299,100)</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | 200,000 | 48,100 | 248,100 |
| Total other financing sources | <u>-</u> | <u>200,000</u> | <u>48,100</u> | <u>248,100</u> |
| NET CHANGE IN FUND BALANCES | - | (54,840) | 3,840 | (51,000) |
| FUND BALANCES, beginning of year | <u>21,043</u> | <u>300,747</u> | <u>64,734</u> | <u>386,524</u> |
| FUND BALANCES, end of year | <u>\$ 21,043</u> | <u>\$ 245,907</u> | <u>\$ 68,574</u> | <u>\$ 335,524</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, 2019

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|---|----------------------------|---------------------|-------------------------|---|
| REVENUES | | | | |
| Ad valorem taxes | 1,325,000 | 1,325,000 | 1,322,190 | \$ (2,810) |
| Delinquent taxes | 15,000 | 15,000 | 16,180 | 1,180 |
| Penalties and interest | 13,000 | 13,000 | 15,955 | 2,955 |
| Interest on investments | 8,000 | 18,000 | 35,460 | 17,460 |
| Total revenues | <u>1,361,000</u> | <u>1,371,000</u> | <u>1,389,785</u> | <u>18,785</u> |
| NET CHANGE IN FUND BALANCES | 1,361,000 | 1,371,000 | 1,389,785 | 18,785 |
| FUND BALANCES, beginning of year | | | <u>(9,291)</u> | |
| FUND BALANCES, end of year | | | <u>\$ 1,380,494</u> | |

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED REVENUES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|----------------------------|----------------------|----------------------|---|
| <u>UTILITY FUND</u> | | | | |
| WATER: | | | | |
| Sale of water | \$ 7,650,000 | \$ 8,030,000 | \$ 8,041,884 | \$ 11,884 |
| Water taps | 10,000 | 10,000 | 10,344 | 344 |
| Total | <u>7,660,000</u> | <u>8,040,000</u> | <u>8,052,228</u> | <u>12,228</u> |
| SEWER: | | | | |
| Sewer charges | 9,130,000 | 9,400,000 | 9,822,955 | 422,955 |
| Sewer taps | 3,600 | 3,600 | 4,128 | 528 |
| Total | <u>9,133,600</u> | <u>9,403,600</u> | <u>9,827,083</u> | <u>423,483</u> |
| PENALTIES | <u>150,000</u> | <u>130,000</u> | <u>167,451</u> | <u>37,451</u> |
| OTHER: | | | | |
| Service charges | 130,000 | 130,000 | 128,195 | (1,805) |
| City services reimbursement | - | - | 47,131 | 47,131 |
| Miscellaneous | 13,500 | 15,000 | 23,782 | 8,782 |
| Total | <u>143,500</u> | <u>145,000</u> | <u>199,108</u> | <u>54,108</u> |
| INTEREST INCOME | <u>60,280</u> | <u>124,500</u> | <u>212,122</u> | <u>87,622</u> |
| Total revenues - Utility Fund | <u>\$ 17,147,380</u> | <u>\$ 17,843,100</u> | <u>\$ 18,457,992</u> | <u>\$ 614,892</u> |
| <u>SOLID WASTE FUND</u> | | | | |
| SOLID WASTE CHARGES | \$ 2,969,000 | \$ 3,080,000 | \$ 3,199,130 | \$ 119,130 |
| INTEREST INCOME | 3,000 | 6,000 | 20,653 | 14,653 |
| Total revenues - Solid Waste Fund | <u>\$ 2,972,000</u> | <u>\$ 3,086,000</u> | <u>\$ 3,219,783</u> | <u>\$ 133,783</u> |
| <u>FIELDHOUSE SPORTS FACILITY</u> | | | | |
| SPORTS FACILITY | 1,351,084 | 1,351,084 | 1,343,370 | \$ (7,714) |
| INTERGOVERNMENTAL | 538,650 | 536,550 | 536,550 | - |
| Total revenues - Sports Facility Fund | <u>\$ 1,889,734</u> | <u>\$ 1,887,634</u> | <u>\$ 1,879,920</u> | <u>\$ (7,714)</u> |
| Total revenues - Enterprise Funds | <u>\$ 22,009,114</u> | <u>\$ 22,816,734</u> | <u>\$ 23,557,695</u> | <u>\$ 740,961</u> |

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED EXPENDITURES– BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | Salaries and Benefits | Supplies | Other Services | Maintenance |
|--|--------------------------|-------------------|----------------------|-------------------|
| UTILITY FUND | | | | |
| WATER SERVICES | \$ 447,917 | \$ 192,556 | \$ 3,388,011 | \$ 107,112 |
| WASTEWATER TREATMENT | 653,986 | 57,362 | 4,604,394 | 15,908 |
| ADMINISTRATION AND FISCAL | | | | |
| Utility administration | 302,453 | 118,929 | 70,341 | - |
| Utility accounting | 612,645 | 79,241 | 329,332 | 6,500 |
| | <u>2,017,001</u> | <u>448,088</u> | <u>8,392,078</u> | <u>129,520</u> |
| INTEREST AND FISCAL CHARGES | - | - | 14,123 | - |
| PRINCIPAL RETIREMENT | - | - | 345,000 | - |
| TRANSFERS OUT | - | - | 2,229,123 | - |
| Total Utility Fund expenditures | <u>\$ 2,017,001</u> | <u>\$ 448,088</u> | <u>\$ 10,980,324</u> | <u>\$ 129,520</u> |
| SOLID WASTE FUND | | | | |
| SOLID WASTE | \$ 257,304 | \$ 16,767 | \$ 2,524,203 | \$ 1,547 |
| TRANSFERS OUT | - | - | 348,600 | - |
| Total Solid Waste Fund expenditures | <u>257,304</u> | <u>16,767</u> | <u>2,872,803</u> | <u>1,547</u> |
| FIELDHOUSE SPORTS FACILITY | | | | |
| SPORTS FACILITY | \$ 685,796 | \$ 19,095 | \$ 602,173 | \$ 18,146 |
| INTEREST AND FISCAL CHARGES | - | - | 99,825 | - |
| PRINCIPAL RETIREMENT | - | - | 435,000 | - |
| Total Sports Facility Fund expenditures | <u>685,796</u> | <u>19,095</u> | <u>1,136,998</u> | <u>18,146</u> |
| Total Enterprise Fund expenditures | <u>\$ 2,960,101</u> | <u>\$ 483,950</u> | <u>\$ 14,990,125</u> | <u>\$ 149,213</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> |
|---------------------|----------------------|------------------------|----------------------|---|
| 596,908 | \$ 4,732,504 | \$ 8,173,748 | \$ 5,667,509 | \$ 935,005 |
| 1,941,296 | 7,272,946 | 6,778,557 | 7,081,316 | (191,630) |
| - | 491,723 | 347,527 | 502,654 | 10,931 |
| - | 1,027,718 | 1,084,942 | 1,047,665 | 19,947 |
| <u>2,538,204</u> | <u>13,524,891</u> | <u>16,384,774</u> | <u>14,299,144</u> | <u>774,253</u> |
| - | 14,123 | 4,464 | 4,464 | (9,659) |
| - | 345,000 | 345,000 | 345,000 | - |
| - | 2,229,123 | 2,270,323 | 2,270,323 | 41,200 |
| <u>\$ 2,538,204</u> | <u>\$ 16,113,137</u> | <u>\$ 19,004,561</u> | <u>\$ 16,918,931</u> | <u>\$ 805,794</u> |
| \$ - | \$ 2,799,821 | \$ 2,764,418 | \$ 2,805,616 | \$ 5,795 |
| - | 348,600 | 357,000 | 357,000 | 8,400 |
| - | 3,148,421 | 3,121,418 | 3,162,616 | 14,195 |
| \$ - | \$ 1,325,210 | \$ 1,298,396 | \$ 1,311,170 | \$ (14,040) |
| - | 99,825 | 102,050 | 102,050 | 2,225 |
| - | 435,000 | 435,000 | 435,000 | - |
| - | 1,860,035 | 1,835,446 | 1,848,220 | (11,815) |
| <u>\$ 2,538,204</u> | <u>\$ 21,121,593</u> | <u>\$ 23,961,425</u> | <u>\$ 21,929,767</u> | <u>\$ 808,174</u> |
| | <u>\$ 21,121,593</u> | | | |
| | (2,538,204) | | | |
| | (780,000) | | | |
| | 1,597,182 | | | |
| | 263,672 | | | |
| | (113,948) | | | |
| | <u>(2,577,723)</u> | | | |
| | <u>\$ 16,972,572</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 four 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 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, 2019**

| | <u>Fleet Replacement</u> | <u>Info Tech Replacement</u> | <u>Medical Insurance</u> | <u>Comprehensive Self- Insurance</u> | <u>Total</u> |
|--|------------------------------|----------------------------------|------------------------------|--|---------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 2,027,681 | \$ 194,430 | \$ 4,021 | \$ 927,255 | \$ 3,153,387 |
| Accrued interest and other | - | - | 33,545 | - | 33,545 |
| Due from other funds | 275,000 | - | - | - | 275,000 |
| Total current assets | <u>2,302,681</u> | <u>194,430</u> | <u>37,566</u> | <u>927,255</u> | <u>3,461,932</u> |
| Capital assets - equipment net of depreciation | 485,482 | - | - | - | 485,482 |
| Capital assets - vehicles net of depreciation | 2,376,366 | - | - | - | 2,376,366 |
| Total non-current assets | <u>2,861,848</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,861,848</u> |
| Total assets | <u>5,164,529</u> | <u>194,430</u> | <u>37,566</u> | <u>927,255</u> | <u>6,323,780</u> |
| LIABILITIES | | | | | |
| Accounts payable | - | 7,527 | 3,096 | 28,351 | 38,974 |
| Due to other funds | - | - | 275,000 | - | 275,000 |
| Accrued liabilities | - | - | 10,211 | 187,465 | 197,676 |
| Total liabilities | <u>-</u> | <u>7,527</u> | <u>288,307</u> | <u>215,816</u> | <u>511,650</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 2,861,848 | - | - | - | 2,861,848 |
| Unrestricted | 2,302,681 | 186,903 | (250,741) | 711,439 | 2,950,282 |
| Total net position | <u>\$ 5,164,529</u> | <u>\$ 186,903</u> | <u>\$ (250,741)</u> | <u>\$ 711,439</u> | <u>\$ 5,812,130</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, 2019**

| | <u>Fleet Replacement</u> | <u>Info Tech Replacement</u> | <u>Medical Self-Insurance</u> | <u>Comprehensive Self-Insurance</u> | <u>Total</u> |
|--------------------------------------|------------------------------|----------------------------------|-----------------------------------|---|---------------------|
| OPERATING REVENUES | | | | | |
| Premiums and charges for services | \$ 589,647 | \$ 204,210 | \$ 4,162,839 | \$ 482,442 | \$ 5,439,138 |
| Other | - | - | 2,634 | - | 2,634 |
| Total operating revenues | <u>589,647</u> | <u>204,210</u> | <u>4,165,473</u> | <u>482,442</u> | <u>5,441,772</u> |
| OPERATING EXPENSES | | | | | |
| Claims and provision | - | - | 3,916,052 | 342,512 | 4,258,564 |
| Equipment | - | 243,175 | - | - | 243,175 |
| Administrative and fiscal | - | - | 54,533 | 267,157 | 321,690 |
| Depreciation | 993,039 | - | - | - | 993,039 |
| Total operating expenses | <u>993,039</u> | <u>243,175</u> | <u>3,970,585</u> | <u>609,669</u> | <u>5,816,468</u> |
| OPERATING INCOME | <u>(403,392)</u> | <u>(38,965)</u> | <u>194,888</u> | <u>(127,227)</u> | <u>(374,696)</u> |
| NON-OPERATING REVENUES | | | | | |
| Gain on sale of capital assets | 145,011 | - | - | - | 145,011 |
| Interest income | 36,251 | - | 55,014 | 14,626 | 105,891 |
| Total non-operating revenues | <u>181,262</u> | <u>-</u> | <u>55,014</u> | <u>14,626</u> | <u>250,902</u> |
| CHANGE IN NET POSITION | <u>(222,130)</u> | <u>(38,965)</u> | <u>249,902</u> | <u>(112,601)</u> | <u>(123,794)</u> |
| TOTAL NET POSITION- BEGINNING | <u>5,386,659</u> | <u>225,868</u> | <u>(500,643)</u> | <u>824,040</u> | <u>5,935,924</u> |
| TOTAL NET POSITION- ENDING | <u>\$ 5,164,529</u> | <u>\$ 186,903</u> | <u>\$ (250,741)</u> | <u>\$ 711,439</u> | <u>\$ 5,812,130</u> |

CITY OF DUNCANVILLE, TEXAS

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | Fleet Replacement | Info Tech Replacement | Medical Self-Insurance | Comprehensive Self-Insurance | Total |
|---|----------------------|--------------------------|---------------------------|---------------------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Internal activity-receipts from other funds | \$ 589,647 | \$ 204,210 | \$ - | \$ 482,442 | \$ 1,276,299 |
| Receipts from insured | - | - | 4,162,839 | - | 4,162,839 |
| Payments to suppliers | - | (235,648) | (3,816,724) | (526,855) | (4,579,227) |
| Other receipts | - | - | 2,633 | - | 2,633 |
| Net cash provided by (used in) operating activities | 589,647 | (31,438) | 348,748 | (44,413) | 862,544 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Receipts from interfund borrowings | 650,000 | - | 275,000 | - | 925,000 |
| Payments from interfund borrowings | (275,000) | - | (650,000) | - | (925,000) |
| Net cash provided by (used in) noncapital activities | 375,000 | - | (375,000) | - | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Purchase of capital assets | (1,202,996) | - | - | - | (1,202,996) |
| Receipts from sale of capital assets | 199,951 | - | - | - | 199,951 |
| Net cash used in capital financing and related financing activities | (1,003,045) | - | - | - | (1,003,045) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received on investments | 36,251 | - | 23,359 | 14,626 | 74,236 |
| Net cash provided by investing activities | 36,251 | - | 23,359 | 14,626 | 74,236 |
| Net decrease in cash and cash equivalents | (2,147) | (31,438) | (2,893) | (29,787) | (66,265) |
| CASH AND INVESTMENTS, beginning of year | 2,029,828 | 225,868 | 6,914 | 957,042 | 3,219,652 |
| CASH AND INVESTMENTS, end of year | 2,027,681 | 194,430 | 4,021 | 927,255 | 3,153,387 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | | |
| Operating income (loss) | (403,392) | (38,965) | 194,888 | (127,227) | (374,696) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | | | | |
| Depreciation | 993,039 | - | - | - | 993,039 |
| Change in assets and liabilities- Prepaid items | - | - | 512,959 | - | 512,959 |
| Accounts and other payables | - | 7,527 | (359,099) | 82,814 | (268,758) |
| Total adjustments | 993,039 | 7,527 | 153,860 | 82,814 | 1,237,240 |
| Net cash provided by (used in) operating activities | 589,647 | (31,438) | 348,748 | (44,413) | 862,544 |

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, 2019

ASSETS

| | | |
|----------------------|-----------|------------------|
| Cash and investments | \$ | 2,572,218 |
| Receivables | | 477,276 |
| Accrued interest | | 16,821 |
| Prepaid items | | 3,225 |
| Total assets | \$ | 3,069,540 |

LIABILITIES AND FUND BALANCE

LIABILITIES:

| | | |
|--------------------------|--|---------------|
| Accounts payable | | 74,415 |
| Accrued liabilities | | 9,146 |
| Total liabilities | | 83,561 |

EQUITY:

| | | |
|--|-----------|------------------|
| Nonspendable- prepaid items | | 3,225 |
| Restricted for economic development | | 2,982,754 |
| Total fund balances | | 2,985,979 |
| Total liabilities & fund balances | \$ | 3,069,540 |

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, 2019

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS \$ 2,985,979

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. 1,100,094

Deferred charges on refunding are not reported in the governmental funds 10,586

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. (1,266)

Investments in joint ventures represent a financial asset not reported in governmental funds. (76,506)

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. (965,000)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 3,053,887

CITY OF DUNCANVILLE, TEXAS

DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | |
|---|---------------------|
| REVENUES | |
| Sales tax | \$ 2,677,425 |
| Investment income | <u>47,791</u> |
| Total revenues | <u>2,725,216</u> |
| EXPENDITURES | |
| General government | 272,459 |
| Special purposes - promotional | 803,449 |
| Debt service- | |
| Principal bond retirement | 480,000 |
| Interest and fiscal charges | 12,653 |
| Capital outlay | <u>25,885</u> |
| Total expenditures | <u>1,594,446</u> |
| NET CHANGE IN FUND BALANCES | 1,130,770 |
| FUND BALANCES, beginning of year | <u>1,855,209</u> |
| FUND BALANCES, end of year | <u>\$ 2,985,979</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, 2019**

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS \$ 1,130,770

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. 25,887

Effect of asset transfer to primary government. (25,887)

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. (47,135)

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. (18,124)

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. 480,000

Loss on early retirement of debt 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. (5,775)

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. 630

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,540,366

STATISTICAL SECTION (UNAUDITED)

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

| | <u>Page</u> |
|--|-------------|
| Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | |
| Schedule 1 - Net Position by Component | 95 |
| Schedule 2 - Changes in Net Position..... | 96 |
| Schedule 3 - Fund Balances, Governmental Funds..... | 98 |
| Schedule 4 - Changes in Fund Balances, Governmental Funds..... | 99 |
| Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | |
| Schedule 5 - Assessed Value and Estimated Actual Value of Taxable Property..... | 100 |
| Schedule 6 - Property Tax Rates - Direct and Overlapping Governments..... | 101 |
| Schedule 7 - Principal Property Taxpayers..... | 102 |
| Schedule 8 - Property Tax Levies and Collections..... | 103 |
| Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | |
| Schedule 9 - Ratios of Outstanding Debt by Type..... | 104 |
| Schedule 10 - Ratios of General Bonded Debt Outstanding | 105 |
| Schedule 11 - Direct and Overlapping Governmental Activities Debt..... | 106 |
| Schedule 12 - Legal Debt Margin Information..... | 107 |
| Schedule 13 - Pledged - Revenue Coverage..... | 108 |
| Demographic and Economic Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | |
| Schedule 14 - Demographics and Economic Statistics..... | 109 |
| Schedule 15 - Principal Employers..... | 110 |
| Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | |
| Schedule 16 - Full-time Equivalent City Government Employees..... | 111 |
| Schedule 17 - Operating Indicators by Function/Program..... | 112 |
| Schedule 18 - Capital Asset Statistics by Function/Program..... | 113 |

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



Duncanville

City of Champions

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City of Duncanville

Schedule 1

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

| Fiscal Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 34,007,758 |
| Restricted | 41,456 | - | 1,515,702 | 1,595,501 | 1,921,073 | 2,022,810 | 2,766,937 | 3,619,861 | 4,478,493 | 28,118,603 |
| Unrestricted | <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> | <u>8,753,484</u> |
| Total governmental activities net position | <u>\$ 58,098,418</u> | <u>\$ 57,302,765</u> | <u>\$ 66,289,908</u> | <u>\$ 67,080,897</u> | <u>\$ 69,332,404</u> | <u>\$ 78,508,061</u> | <u>\$ 77,532,855</u> | <u>\$ 73,092,859</u> | <u>\$ 71,906,694</u> | <u>\$ 70,879,845</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 37,354,472 |
| Unrestricted | <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> | <u>17,799,000</u> |
| Total business-type activities net position | <u>\$ 30,807,129</u> | <u>\$ 31,894,154</u> | <u>\$ 32,176,863</u> | <u>\$ 32,389,481</u> | <u>\$ 32,900,279</u> | <u>\$ 35,648,066</u> | <u>\$ 38,743,073</u> | <u>\$ 46,206,979</u> | <u>\$ 51,315,869</u> | <u>\$ 55,153,472</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 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 | \$ 71,362,230 |
| Restricted | 41,456 | - | 1,515,702 | 1,595,501 | 1,921,073 | 2,022,810 | 2,766,937 | 3,619,861 | 4,478,493 | 28,118,603 |
| Unrestricted | <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> | <u>26,552,484</u> |
| Total primary government net position | <u>\$ 88,905,547</u> | <u>\$ 89,196,919</u> | <u>\$ 98,466,771</u> | <u>\$ 99,470,378</u> | <u>\$ 102,232,683</u> | <u>\$ 114,156,127</u> | <u>\$ 116,275,928</u> | <u>\$ 119,299,838</u> | <u>\$ 123,222,563</u> | <u>\$ 126,033,317</u> |

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 2

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

| <u>Fiscal Year</u> | <u>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> | <u>2019</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General government | \$ 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 | \$ 4,238,401 |
| Finance | 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 | 2,018,321 |
| Community services | 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 | 4,584,586 |
| Police | 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 | 10,484,426 |
| Public works | 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 | 8,830,835 |
| Fire | 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 | 7,944,523 |
| Economic development | - | - | 994,421 | 1,200,096 | 1,087,047 | 1,683,374 | 300,000 | 300,000 | 300,000 | 300,000 |
| Interest and fiscal charges | 354,584 | 273,901 | 236,244 | 171,408 | 108,426 | 10,183 | 42,189 | 35,472 | 28,529 | 793,999 |
| Total governmental activities expenses | <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> | <u>39,195,091</u> |
| Business-type activities | | | | | | | | | | |
| Water | 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 | 3,652,341 |
| Wastewater | 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 | 8,939,151 |
| Solid waste | 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 | 2,827,739 |
| 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 | 1,724,366 |
| Total business-type activities expenses | <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> | <u>17,143,597</u> |
| Total primary government expenses | <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> | <u>\$ 56,338,688</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 382,095 | \$ 459,084 | \$ 378,816 | \$ 375,464 | \$ 347,798 | \$ 330,306 | \$ 430,729 | \$ 359,955 | \$ 388,993 | \$ 371,518 |
| Community services | 304,054 | 293,952 | 297,470 | 304,827 | 352,124 | 311,493 | 356,552 | 361,389 | 302,750 | 282,689 |
| Police | 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 | 2,400,204 |
| Public works | 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 | 1,152,973 |
| Fire | 849,306 | (834,974) | 793,561 | 448,258 | 663,756 | 1,036,582 | 994,287 | 668,762 | 609,942 | 660,909 |
| Operating grants and contributions | 754,463 | 399,930 | 418,470 | 305,858 | 332,777 | 838,435 | 392,198 | 1,317,404 | 792,205 | 737,901 |
| Capital grants and contributions | 2,201,004 | 404,913 | 709,483 | 276,132 | 69,522 | 32,770 | - | - | 30,000 | 69,522 |
| Total governmental activities program revenues | <u>7,881,836</u> | <u>4,306,289</u> | <u>6,209,619</u> | <u>4,924,951</u> | <u>5,813,669</u> | <u>6,661,969</u> | <u>6,383,299</u> | <u>7,153,107</u> | <u>6,171,906</u> | <u>5,675,716</u> |
| Business-type activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water | 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 | 8,418,787 |
| Wastewater | 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 | 9,827,083 |
| Solid waste | 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 | 3,199,130 |
| Sports facility | - | 376,544 | 546,285 | 695,758 | 837,532 | 1,025,216 | 1,002,465 | 1,099,703 | 1,245,091 | 1,343,370 |
| Grants and contributions | 107,974 | 967,165 | 536,550 | - | 536,550 | 630,284 | 631,171 | 2,874,738 | 538,650 | 536,550 |
| Total business-type activities program revenues | <u>13,673,819</u> | <u>16,078,727</u> | <u>15,233,107</u> | <u>14,677,551</u> | <u>16,965,343</u> | <u>18,660,291</u> | <u>20,347,659</u> | <u>25,107,688</u> | <u>23,950,373</u> | <u>23,324,920</u> |
| Total primary government program revenues | <u>\$ 21,555,655</u> | <u>\$ 20,385,016</u> | <u>\$ 21,442,726</u> | <u>\$ 19,602,502</u> | <u>\$ 22,779,012</u> | <u>\$ 25,322,260</u> | <u>\$ 26,730,958</u> | <u>\$ 32,260,795</u> | <u>\$ 30,122,279</u> | <u>\$ 29,000,636</u> |

City of Duncanville

Schedule 2

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

| <u>Fiscal Year</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> | <u>2019</u> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (19,257,722) | \$ (23,153,503) | \$ (21,088,585) | \$ (22,253,319) | \$ (23,541,143) | \$ (24,588,449) | \$ (27,408,884) | \$ (31,991,162) | \$ (30,713,903) | \$ (33,519,375) |
| Business-type activities | 1,003,148 | 2,770,680 | 1,582,346 | 649,070 | 2,187,052 | 3,845,197 | 5,440,917 | 9,153,612 | 7,635,690 | 6,181,323 |
| Total primary government net expense | <u>\$ (18,254,574)</u> | <u>\$ (20,382,823)</u> | <u>\$ (19,506,239)</u> | <u>\$ (21,604,249)</u> | <u>\$ (21,354,091)</u> | <u>\$ (20,743,252)</u> | <u>\$ (21,967,967)</u> | <u>\$ (22,837,550)</u> | <u>\$ (23,078,213)</u> | <u>\$ (27,338,052)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Ad valorem | 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 | 17,341,616 |
| Sales | 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 | 8,032,275 |
| Franchise | 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 | 1,949,561 |
| Mixed beverage | 60,101 | 59,671 | 49,266 | 55,699 | 69,427 | 76,814 | 76,364 | 78,991 | 76,312 | 73,889 |
| Hotel occupancy | 393,731 | 445,385 | 458,744 | 470,710 | 542,191 | 626,022 | 779,253 | 742,865 | 752,063 | 808,374 |
| Earnings on investments | 35,810 | 39,971 | 45,695 | 41,495 | 34,171 | 36,008 | 71,906 | 155,386 | 400,917 | 1,049,084 |
| Rentals and miscellaneous | 287,252 | 221,430 | 228,377 | 127,578 | 89,362 | 505,479 | 230,398 | 380,867 | 418,247 | 660,004 |
| Transfers | 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 | 2,577,723 |
| Total governmental activities | <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> | <u>32,492,526</u> |
| Business-type activities | | | | | | | | | | |
| Earnings on investments | 18,601 | 6,821 | 8,197 | 9,520 | 8,714 | 11,281 | 24,156 | 64,458 | 136,107 | 232,775 |
| Rentals and miscellaneous | - | - | - | - | - | - | - | - | - | 1,228 |
| Transfers | (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) | (2,577,723) |
| Total business-type activities | <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> | <u>(2,343,720)</u> |
| Total primary government | <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> | <u>\$ 30,148,806</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 2,750,094 | \$ (795,653) | \$ 9,854,877 | \$ 790,989 | \$ 2,332,815 | \$ 687,736 | \$ (975,206) | \$ (4,439,996) | \$ (340,116) | \$ (1,026,849) |
| Business-type activities | (369,020) | 1,087,025 | 819,259 | 212,618 | 676,578 | 1,820,619 | 3,095,007 | 7,463,906 | 5,173,957 | 3,837,603 |
| Total primary government | <u>\$ 2,381,074</u> | <u>\$ 291,372</u> | <u>\$ 10,674,136</u> | <u>\$ 1,003,607</u> | <u>\$ 3,009,393</u> | <u>\$ 2,508,355</u> | <u>\$ 2,119,801</u> | <u>\$ 3,023,910</u> | <u>\$ 4,833,841</u> | <u>\$ 2,810,754</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)

| Fiscal Year | 2010 | 2011* | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 246,425 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 3,669,209 | - | - | - | - | - | - | - | - | - |
| Nonspendable | - | 24,151 | 91,476 | 57,301 | 46,500 | 17,881 | 17,693 | 18,189 | 38,937 | 14,127 |
| Assigned | - | 70,459 | 112,770 | 211,403 | 2,601,859 | 890,836 | 762,361 | 1,505,544 | 2,151,559 | 2,924,454 |
| 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 | 9,816,022 |
| Total general Fund | 3,915,634 | 4,662,528 | 5,823,400 | 6,916,151 | 8,260,247 | 7,332,256 | 8,452,501 | 9,971,014 | 11,225,888 | 12,754,603 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Debt service | 4,183 | - | - | - | - | - | - | - | - | - |
| Other Governmental Funds | 2,073 | - | - | - | - | - | - | - | - | - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 695,824 | - | - | - | - | - | - | - | - | - |
| Capital projects funds | 729,638 | - | - | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | 10,000 | 10,375 | 10,000 | 10,000 | 25,000 |
| Restricted for: | | | | | | | | | | |
| Debt Service | - | 76,363 | 26,773 | 15,711 | 18,437 | 11,777 | 55,632 | 741 | 1,380,494 | 1,380,494 |
| 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 | 878,255 |
| Community redevelopment | - | - | 455,358 | 59,491 | 221,617 | 236,867 | 236,867 | 150,000 | 196,642 | 236,867 |
| 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 | 1,908,138 |
| Maintenance and Construction of Drainage Projects | - | 45,783 | 51,808 | 167,217 | 211,118 | 206,204 | 551,340 | 701,048 | 980,820 | 1,057,200 |
| Public Safety, Cultural and Recreational Services | - | 135,734 | 127,860 | 90,892 | 84,053 | 108,579 | 104,314 | 94,517 | 197,416 | 166,967 |
| Court Technology and Security | - | 63,985 | 66,673 | 50,031 | 42,323 | 42,414 | 41,613 | 10,519 | 25,023 | 47,929 |
| Juvenile Case Management | - | 50,286 | 81,362 | 106,530 | 26,169 | 30,460 | 34,817 | 33,612 | 33,025 | 37,453 |
| Public Safety and Criminal Investigations | - | 249,647 | 292,930 | 372,925 | 225,953 | 119,849 | 114,545 | 352,378 | 304,764 | 379,304 |
| Park Construction | - | 41,527 | 25,228 | 25,228 | 21,043 | 21,042 | 21,042 | 21,043 | 21,043 | 21,043 |
| Capital Improvements | - | 212,261 | 120,686 | 45,664 | 115,433 | 191,081 | 171,096 | 118,145 | 300,747 | 22,035,287 |
| Unassigned | - | - | - | - | - | (5,753) | (7,625) | - | (9,292) | - |
| Total all other governmental funds | \$ 1,431,718 | \$ 1,204,615 | \$ 1,542,475 | \$ 1,611,212 | \$ 1,939,510 | \$ 2,275,701 | \$ 3,062,186 | \$ 3,629,861 | \$ 5,859,695 | \$ 28,173,937 |

*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>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> | <u>2019</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues | | | | | | | | | | |
| Taxes - | | | | | | | | | | |
| Ad valorem | \$ 12,463,461 | \$ 12,665,474 | \$ 12,490,182 | \$ 12,106,610 | \$ 12,543,053 | \$ 13,072,527 | \$ 13,855,551 | \$ 14,955,408 | \$ 15,945,254 | \$ 17,321,566 |
| Sales | 5,321,588 | 5,048,659 | 7,303,949 | 7,781,695 | 8,921,000 | 6,708,126 | 7,018,201 | 7,496,586 | 8,131,839 | 8,032,275 |
| Franchise | 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 | 1,949,561 |
| Mixed beverage | 60,101 | 59,671 | 49,266 | 55,699 | 69,427 | 76,814 | 76,364 | 78,991 | 76,312 | 73,889 |
| Hotel | 393,731 | 445,385 | 458,744 | 470,710 | 542,191 | 626,022 | 779,253 | 742,865 | 752,063 | 808,374 |
| Licenses, permits and fees | 2,881,963 | 2,777,712 | 2,716,873 | 2,857,356 | 3,772,542 | 4,091,744 | 4,328,804 | 4,241,962 | 4,018,615 | 3,344,032 |
| Fines and forfeitures | 1,054,149 | 1,160,339 | 1,182,418 | 992,086 | 806,923 | 902,852 | 786,919 | 899,601 | 658,169 | 927,697 |
| Recreation fees | 303,954 | 293,872 | 297,410 | 304,747 | 351,804 | 311,423 | 356,522 | 361,369 | 302,730 | 282,639 |
| Intergovernmental | 2,182,355 | 931,100 | 1,303,413 | 768,770 | 492,774 | 788,229 | 343,306 | 1,088,303 | 701,493 | 586,596 |
| Investment income | 32,753 | 34,059 | 37,838 | 34,494 | 29,702 | 31,211 | 62,851 | 140,113 | 359,326 | 943,193 |
| Rental and other | 1,663,650 | 814,772 | 643,278 | 529,044 | 495,436 | 670,591 | 847,873 | 896,257 | 869,069 | 1,107,770 |
| Total revenues | \$ 28,394,013 | \$ 26,384,165 | \$ 28,491,230 | \$ 27,930,789 | \$ 30,226,519 | \$ 29,434,017 | \$ 30,490,761 | \$ 32,893,609 | \$ 33,861,423 | \$ 35,377,592 |
| Expenditures | | | | | | | | | | |
| General government/ finance/ non-departmental | 3,735,002 | 3,582,050 | 4,008,312 | 4,047,063 | 4,882,164 | 4,800,190 | 5,115,379 | 5,326,751 | 5,948,949 | 5,448,719 |
| Police | 8,010,438 | 8,336,089 | 8,146,411 | 8,073,234 | 8,532,830 | 8,835,565 | 8,284,538 | 8,793,884 | 9,243,825 | 9,418,926 |
| Fire | 5,209,321 | 5,178,309 | 5,266,727 | 5,188,988 | 5,579,037 | 5,796,381 | 5,815,818 | 6,398,771 | 6,682,207 | 6,950,805 |
| Public works | 3,881,637 | 4,133,585 | 4,081,264 | 4,040,216 | 4,335,905 | 4,722,458 | 5,533,241 | 6,185,787 | 6,972,155 | 6,837,409 |
| Parks and recreation | 2,681,454 | 2,767,743 | 2,713,411 | 2,740,534 | 3,135,435 | 3,562,965 | 3,879,442 | 3,871,097 | 4,023,086 | 3,731,638 |
| Special purposes - promotional | 298,842 | 290,107 | 440,157 | 567,107 | 811,333 | 2,037,870 | 412,331 | 300,000 | 331,388 | 333,376 |
| Capital outlay | 2,547,349 | 1,575,723 | 1,527,369 | 513,789 | 956,712 | 2,317,717 | 1,673,066 | 1,208,201 | 913,210 | 1,384,951 |
| Debt service | | | | | | | | | | |
| Principal retirement | 2,325,872 | 1,122,685 | 1,985,622 | 1,408,474 | 1,181,546 | 888,574 | 198,034 | 204,742 | 211,700 | 218,869 |
| Interest and fiscal charges | 518,554 | 482,073 | 642,497 | 635,868 | 658,349 | 598,580 | 42,194 | 35,486 | 28,529 | 380,237 |
| Total expenditures | \$ 29,208,469 | \$ 27,468,364 | \$ 28,811,770 | \$ 27,215,273 | \$ 30,073,311 | \$ 33,560,300 | \$ 30,954,043 | \$ 32,324,719 | \$ 34,355,049 | \$ 34,704,930 |
| Excess of revenues over (under) expenditures | (814,456) | (1,084,199) | (320,540) | 715,516 | 153,208 | (4,126,283) | (463,282) | 568,890 | (493,626) | 672,662 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 2,027,424 | 2,206,549 | 1,844,815 | 1,881,116 | 2,649,638 | 2,871,257 | 3,880,497 | 4,078,393 | 4,417,079 | 2,860,724 |
| Issuance of debt | - | - | - | - | - | 1,483,374 | - | - | - | 21,973,063 |
| Transfers out | (636,655) | (516,073) | (1,073,531) | (1,435,144) | (1,130,450) | (835,398) | (1,510,431) | (2,324,229) | (1,819,239) | (283,001) |
| Total other financing sources (uses) | 1,390,769 | 1,690,476 | 771,284 | 445,972 | 1,519,188 | 3,519,233 | 2,370,066 | 1,754,164 | 2,597,840 | 24,550,786 |
| Net change in fund balances | \$ 576,313 | \$ 606,277 | \$ 450,744 | \$ 1,161,488 | \$ 1,672,396 | \$ (607,050) | \$ 1,906,784 | \$ 2,323,054 | \$ 2,104,214 | \$ 25,223,448 |
| Total capital outlay capitalized per the government wide statement of net position | \$ 2,547,349 | \$ 1,575,723 | \$ 1,527,369 | \$ 513,789 | \$ 956,712 | \$ 2,317,717 | \$ 1,673,066 | \$ 1,208,201 | \$ 913,210 | \$ 1,384,951 |
| Debt service as a percentage of noncapital expenditures | 10.7% | 6.2% | 9.6% | 7.7% | 6.3% | 4.8% | 0.8% | 0.8% | 0.7% | 1.8% |

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

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

| Fiscal Year Ended Sept. 30, | <u>Assessed and Actual Value of Property (1)</u> | | | | Total Assessed Value | Less: | Tax | Total Taxable Assessed Value | Total City Tax Rate (3) |
|--------------------------------------|--|------------------------|----------------------------------|---------------|-------------------------|------------------------|---------------|---------------------------------|-------------------------------|
| | Residential Property | Commercial Property | Business Personal Property | | | Exempt Property (2) | | | |
| 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 | |
| 2019 | 1,811,814,750 | 708,815,350 | 215,328,700 | 2,735,958,800 | 437,110,153 | | 2,298,848,647 | 0.749 | |

Source: Dallas Central Appraisal District

Notes:

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

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

| Fiscal Year Ended Sept. 30, | City of Duncanville | | | Overlapping Rates (1) | | | | |
|--------------------------------------|---------------------|--------------------|-----------|--------------------------|---------------------|--|---------------------------------|---|
| | General(2) | Debt Service(2) | Total (2) | Duncanville I.S.D.(2) | Dallas County(2) | Dallas County School Equalization(2) | Dallas County Hospital(2) | Dallas County Community College(2) |
| 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 |
| 2019 | 0.690208 | 0.058239 | 0.748447 | 1.520000 | 0.243100 | 0.010000 | 0.279400 | 0.124000 |

Notes:

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

Source: Dallas Central Appraisal District

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

| Taxpayer / Company Name | 2019 | | | 2010 | | |
|---|---------------------------|------|--|---------------------------|------|--|
| | Taxable Assessed Value | Rank | Percent of Total Taxable Assessed Valuation (a) | Taxable Assessed Value | Rank | Percent of Total Taxable Assessed Valuation (a) |
| Masco Builder Cabinet Group | \$ 48,583,288 | 1 | 2.11% | \$ 25,405,206 | 1 | 1.41% |
| TMIF 800 Link LP (800 Link Dr. Apts) | 32,800,000 | 2 | 1.43% | | | |
| C H Guenther & Son Inc. (Pioneer Frozen Foods) | 21,257,250 | 3 | 0.92% | 15,412,090 | 2 | 0.85% |
| G & E Apartment Reit - Bella Ruscello | 20,401,850 | 4 | 0.89% | | | |
| Costco Wholesale Corp | 19,149,490 | 5 | 0.83% | 10,362,940 | 4 | 0.57% |
| W & B Service Company LP | 14,244,530 | 6 | 0.62% | | | |
| AT&T Mobility LLC | 14,127,470 | 7 | 0.61% | | | |
| WR Senior Living (Champions Cove) | 14,000,000 | 8 | 0.61% | | | |
| La Mexicana Tortilla Factory I | 13,257,350 | 9 | 0.58% | | | |
| AGM Main Park LP | 12,603,640 | 10 | 0.55% | 6,856,600 | 9 | 0.38% |
| Duncanville Village Multi | | | | 14,081,100 | 3 | 0.78% |
| SCI Duncanville Hotel LTD Hilton Garden Inn | | | | 9,639,180 | 5 | 0.53% |
| Texas Utilities TXU Business Services | | | | 9,117,700 | 6 | 0.50% |
| Southwestern Bell/Cingular SBC Communications Inc. | | | | 7,317,950 | 7 | 0.41% |
| Frankel Family Trust Meadowridge Apartments | | | | 7,162,000 | 8 | 0.40% |
| TT Duncanville LTD Village Shopping Center | | | | 6,852,850 | 10 | 0.38% |
| Total | \$ 210,424,868 | | 9.15% | \$ 112,207,616 | | 6.21% |

Note:

(a) Total Taxable Value as of Oct. 1 \$ 2,298,848,647 \$ 1,806,132,953

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 |
| 2010 | 12,580,346 | 12,161,481 | 96.7% | 209,307 | 12,370,789 | 98.3% |
| 2011 | 12,706,127 | 12,381,341 | 97.4% | 174,238 | 12,555,579 | 98.8% |
| 2012 | 12,458,343 | 12,191,719 | 97.9% | 151,295 | 12,343,014 | 99.1% |
| 2013 | 12,008,805 | 11,865,772 | 98.8% | 143,576 | 12,009,348 | 100.0% |
| 2014 | 12,455,448 | 12,190,388 | 97.9% | 172,008 | 12,362,396 | 99.3% |
| 2015 | 13,095,679 | 12,804,150 | 97.8% | 136,157 | 12,940,307 | 98.8% |
| 2016 | 13,762,665 | 13,606,997 | 98.9% | 115,738 | 13,722,735 | 99.7% |
| 2017 | 14,953,790 | 14,675,275 | 98.1% | 117,317 | 14,792,592 | 98.9% |
| 2018 | 15,767,037 | 15,637,061 | 99.2% | 90,223 | 15,727,283 | 99.7% |
| 2019 | 17,221,055 | 16,993,053 | 98.7% | - | 16,993,053 | 98.7% |

Note:

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

Source: Dallas County Tax Assessor / Collector

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

| Fiscal Year Ended Sept. 30, | Governmental Activities | | | Business-type Activities | | Total Primary Government | Percentage of Personal Income (a) | Per Capita (b) |
|-----------------------------------|------------------------------------|---------------------------------------|--------------|--|------------------------------------|-----------------------------|---|----------------|
| | General Obligation Bonds (d) | Certificate of Obligation Bonds | Loan Payable | Water and Sewer Revenue Bonds | General Obligation Bonds (d) | | | |
| 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 |
| 2019 | 21,936,952 | - | 520,006 | - | 3,301,856 | 25,758,814 | 2.45% | 629 |

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.
- (d) Amount includes deferred premium on bonds

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 (c) | Certificate of Obligation Bonds | Total | | |
| 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 |
| 2019 | 25,238,808 | - | 25,238,808 | 1.10% | 616 |

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.
- (c) Amount includes deferred premium on bonds

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

**Direct and Overlapping Governmental Activities Debt
As of September 30, 2019**
(Unaudited)

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-------------------------|--|--|
| Debt repaid with property taxes | | | |
| Duncanville Independent School District | \$200,331,096 | 44.63% | \$ 89,407,768 |
| Dallas County | 151,495,000 | 0.84% | 1,272,558 |
| Dallas County Community College District | 182,800,000 | 0.84% | 1,535,520 |
| Dallas County School | 36,801,240 | 0.84% | 309,130 |
| Dallas County Hospital District | 862,670,000 | 0.84% | 7,246,428 |
| Cedar Hill Independent School District | 105,551,498 | 0.22% | 232,213 |
| Subtotal, overlapping debt | | | <u>\$ 100,003,617</u> |
| City direct debt | | | <u>22,456,958</u> |
| Total direct and overlapping debt | | | <u><u>\$ 122,460,575</u></u> |

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

Source: Municipal Advisory of Texas (Texas MAC)

Legal Debt Margin Information
As of September 30, 2019
(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, 2019 is \$.748447 per \$100 of assessed valuation with assessed valuation being 100% of market value.

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

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

| Fiscal Year Ended Sept. 30, | Operating Revenue and Other (a) | Less: Operating Expense (b) | Net Available Revenue | Debt Service (c) | | Coverage |
|--|--|--|----------------------------------|-------------------------|-----------------|-----------------|
| | | | | Principal | Interest | |
| <u>Water and Sewer Bonds</u> | | | | | | |
| 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 | - | - | - |
| 2019 | 18,459,220 | 11,218,994 | 7,240,226 | - | - | - |

Notes:

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

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

| Fiscal Year Ended Sept. 30, | Population (a) | Personal Income | Per Capita Income (a) | Median Household Income (a) | Number of Households (a) | School Enrollment (b) | Unemployment Rate (c) |
|------------------------------------|-----------------------|------------------------|------------------------------|------------------------------------|---------------------------------|------------------------------|------------------------------|
| 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% |
| 2016 | 39,224 | 973,618,128 | 24,822 | 56,002 | 13,434 | 12,945 | 3.90% |
| 2017 | 40,594 | 1,051,262,818 | 25,897 | 56,993 | 13,791 | 12,889 | 4.00% |
| 2018 | 40,565 | 1,065,561,420 | 26,268 | 57,695 | 13,651 | 12,761 | 4.10% |
| 2019 | 40,948 | 1,047,286,048 | 25,576 | 58,631 | 13,753 | 12,460 | 6.40% |

- 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 | 2019 | | | 2010 | | |
|--|------------------|------|--|------------------|------|--|
| | Employees (2) | Rank | Percent of Total Employment (a) | Employees (2) | Rank | Percent of Total Employment (a) |
| Duncanville Independent School District | 1690 | 1 | 8.61% | 1,775 | 1 | 10.01% |
| Masco(Formerly Texwood/Quality Cabinets and Doors) | 490 | 2 | 2.50% | 706 | 2 | 3.98% |
| City of Duncanville | 343 | 3 | 1.75% | 290 | 3 | 1.64% |
| Costco Wholesale | 200 | 4 | 1.02% | 145 | 5 | 0.82% |
| Pappadeaux | 195 | 5 | 0.99% | 130 | 6 | 0.73% |
| Pioneer Frozen Foods | 180 | 6 | 0.92% | 175 | 4 | 0.99% |
| DeFords | 146 | 7 | 0.74% | 130 | 6 | 0.73% |
| Kroger | 135 | 8 | 0.69% | | | |
| WinCo Foods | 123 | 9 | 0.63% | | | |
| Tom Thumb Food & Pharmacy | 110 | 10 | 0.56% | | | |
| Brittle-Brittle | | | | 75 | 8 | 0.42% |
| Personalized Communications | | | | 70 | 9 | 0.39% |
| Hilton Garden Inn | | | | 49 | 10 | 0.28% |
| Total | 3,612 | | 18.40% | 3,545 | | 20.00% |

Note:

(a) Total City Employment (1) 19,635 17,724

Sources:

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

City of Duncanville

Schedule 16

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

| <u>Fiscal Year</u> | <u>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> | <u>2019</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| By Functions | | | | | | | | | | |
| General Government | 32.50 | 30.20 | 32.50 | 31.50 | 34.10 | 35.69 | 36.13 | 37.00 | 37.32 | 37.14 |
| Fire Services | 52.25 | 52.00 | 52.00 | 51.30 | 52.30 | 54.33 | 54.33 | 54.30 | 54.25 | 55.00 |
| Police Services (Civil) | 59.00 | 59.00 | 59.00 | 58.00 | 57.99 | 59.98 | 60.00 | 60.00 | 60.00 | 60.00 |
| Police Services (Non-Civil) | 11.00 | 18.80 | 18.80 | 19.00 | 18.90 | 18.90 | 19.07 | 18.70 | 18.91 | 18.74 |
| Public Works | 30.00 | 32.00 | 33.00 | 35.50 | 36.50 | 39.50 | 34.50 | 35.50 | 41.00 | 44.00 |
| Library Services | 12.00 | 12.00 | 11.50 | 12.00 | 12.00 | 12.00 | 12.00 | 11.70 | 11.97 | 11.35 |
| Parks and Recreation | 28.70 | 34.80 | 41.20 | 41.60 | 43.66 | 55.65 | 60.25 | 58.60 | 58.66 | 54.54 |
| Community Services | 6.60 | - | - | - | - | - | - | - | - | - |
| Water and Wastewater | 25.00 | 17.50 | 16.50 | 19.50 | 21.50 | 20.50 | 23.50 | 23.50 | 23.00 | 22.00 |
| Total Employees by Function | 257.05 | 256.30 | 264.50 | 268.40 | 276.95 | 296.55 | 299.78 | 299.30 | 305.11 | 302.77 |
| By Departments | | | | | | | | | | |
| General Government | 20.00 | 17.00 | 18.80 | 18.50 | 20.00 | 20.50 | 21.00 | 21.70 | 21.15 | 21.99 |
| Finance | 23.50 | 24.00 | 24.00 | 24.00 | 25.10 | 25.19 | 25.13 | 25.00 | 24.50 | 24.50 |
| Community Services | 32.60 | 34.80 | 41.20 | 41.60 | 43.20 | 55.65 | 60.25 | 58.60 | 59.48 | 54.54 |
| Police (Civil) | 59.00 | 59.00 | 59.00 | 58.00 | 58.00 | 59.98 | 60.00 | 60.00 | 60.00 | 60.00 |
| Police (Non-Civil) | 12.00 | 18.77 | 18.80 | 19.00 | 18.90 | 18.90 | 19.07 | 18.70 | 18.91 | 18.74 |
| Public Works | 31.70 | 25.50 | 27.00 | 27.00 | 27.50 | 34.50 | 34.50 | 31.50 | 41.00 | 43.00 |
| Utilities | 25.00 | 24.00 | 22.50 | 28.00 | 30.50 | 25.50 | 23.50 | 27.50 | 23.00 | 23.00 |
| Fire (Civil Service) | 52.25 | 52.00 | 52.00 | 51.30 | 49.00 | 51.00 | 51.00 | 51.00 | 51.00 | 51.00 |
| Fire (Non Civil) | - | - | - | - | 3.30 | 3.33 | 3.33 | 3.25 | 3.25 | 4.00 |
| Economic Development | 1.00 | 1.20 | 1.20 | 1.00 | 1.50 | 2.00 | 2.00 | 2.00 | 2.82 | 2.00 |
| Total Employees by Department | 257.05 | 256.27 | 264.50 | 268.40 | 277.00 | 296.55 | 299.78 | 299.25 | 305.11 | 302.77 |
| By Fund | | | | | | | | | | |
| General | 216.35 | 210.40 | 214.60 | 214.90 | 230.39 | 232.35 | 232.93 | 231.30 | 239.35 | 240.58 |
| Utility | 33.00 | 30.50 | 29.50 | 32.50 | 24.50 | 33.50 | 33.50 | 33.50 | 33.00 | 32.00 |
| Hotel/Motel | 1.00 | - | - | - | - | - | - | - | 0.30 | 0.30 |
| Economic Development | 1.00 | 1.20 | 1.20 | 1.00 | 1.50 | 3.42 | 3.38 | 3.80 | 2.82 | 2.54 |
| Grant | 1.70 | 2.10 | 2.10 | 2.10 | 2.10 | 2.10 | 2.10 | 4.10 | 3.42 | 2.04 |
| Drainage | 0.50 | 3.50 | 3.50 | 3.50 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 3.50 |
| Solid Waste | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.00 |
| Traffic Administration | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0 |
| Juvenile Case Manager | 0.50 | - | 0.10 | - | - | 0.50 | 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 | 16.31 |
| Total Employees by Fund | 257.05 | 256.30 | 264.50 | 268.40 | 276.99 | 296.55 | 299.78 | 299.30 | 305.11 | 302.77 |

City of Duncanville

Schedule 17

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

| Fiscal Years | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Function/Program | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Building Permits Issued | 374 | 350 | 367 | 225 | 938 | 725 | 388 | 445 | 1,349 | 1,667 |
| Police | | | | | | | | | | |
| Criminal Arrests | 2,100 | 2,235 | 1,900 | 1,828 | 1,880 | 1,845 | 1,964 | 1,465 | 1,173 | 1,281 |
| Index Crimes per 1,000 Population | 48 | 46 | 47 | 48 | 49 | 47 | 50 | 33 | 38 | 33 |
| Fire | | | | | | | | | | |
| Total Calls for Service (Fire & EMS) | 7,248 | 6,700 | 6,475 | 5,660 | 4,783 | 5,400 | 5,904 | 6,671 | 6,688 | 6,887 |
| Total Structural Inspections | 1,035 | 742 | 737 | 1,465 | 1,264 | 1,370 | 1,200 | 1,153 | 1,008 | 977 |
| Public Services | | | | | | | | | | |
| Utility Cuts Repaired | 186 | 125 | 175 | 230 | 202 | 235 | 320 | 320 | 191 | 164 |
| Sidewalk Repaired (Square Feet) | 2,231 | 9,000 | 7,800 | 750 | 6121 | 7,500 | 7,500 | 3,740 | 8,320 | 33,297 |
| Parks and Recreation | | | | | | | | | | |
| Program Participation Hours | 25,119 | 14,843 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 2,979 | 6,893 | 4,693 |
| Number of Annual Passes Sold | 2,664 | 1,900 | 2,900 | 863 | 900 | 1,000 | 1,000 | 2,477 | 1,926 | 686 |
| Library | | | | | | | | | | |
| Volumes in Collection | 105,710 | 111,018 | 107,924 | 108,401 | 107,117 | 108,000 | 118,553 | 97,126 | 98,551 | 100,000 |
| Total Volumes Borrowed | 160,642 | 171,000 | 145,746 | 140,692 | 130,296 | 142,000 | 110,000 | 101,969 | 121,118 | 102,578 |
| Water/Wastewater | | | | | | | | | | |
| Water Main Breaks | 36 | 30 | 25 | 30 | 20 | 15 | 31 | 32 | 17 | 27 |
| Number of Gallons of Water Pumped (000s) | 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 | 1,592,391 |
| Average Daily Consumption (MGD) | 5 | 6 | 5 | 6 | 5 | 6 | 6 | 4 | 4 | 4 |
| Miles of Sewer Mains Cleaned | 2 | 15 | 12 | 28 | 2.11 | 65 | 110 | 138 | 144 | 52 |

Source: City of Duncanville, Texas Annual Budgets

City of Duncanville

Schedule 18

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

| Fiscal Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Function/Program | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| Emergency Vehicles (Police & Fire) | 33 | 31 | 31 | 31 | 31 | 31 | 31 | 33 | 33 | 34 |
| Public Works | | | | | | | | | | |
| Streets - Paved (Miles) | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 |
| Alleys - Paved (Miles) | 36 | 36 | 36 | 36 | 37 | 37 | 37 | 37 | 36 | 36 |
| Traffic Signals | 34 | 34 | 34 | 34 | 34 | 36 | 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 | 9,940 | 9,929 | 10,085 | 10,014 | 10,034 | 10,044 | 10,059 | 10,096 | 10,029 | 10,059 |
| Non-Emergency Vehicles | 84 | 82 | 82 | 82 | 82 | 87 | 89 | 112 | 103 | 107 |
| Parks and Recreation | | | | | | | | | | |
| Park Acres | 242 | 239 | 239 | 239 | 239 | 244 | 244 | 244 | 244 | 244 |
| Playgrounds | 12 | 12 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Total Athletic Facilities Maintained | 54 | 54 | 54 | 54 | 54 | 55 | 55 | 55 | 55 | 55 |
| Water/Wastewater | | | | | | | | | | |
| Miles of Water Mains | 190 | 190 | 189 | 190 | 190 | 189 | 198 | 198 | 198 | 191 |
| Fire Hydrants | 1,364 | 1,366 | 1,372 | 1,373 | 1,373 | 1,386 | 1,386 | 1,386 | 1,363 | 1,363 |
| Sanitary Sewer Lines (Miles) | 154 | 154 | 154 | 154 | 154 | 154 | 155 | 155 | 155 | 155 |
| Sanitary Sewer Laterals (Miles) | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 77 |

Source: City of Duncanville, Texas Annual Budgets