



**Comprehensive Annual Financial Report
For Year Ended September 30, 2016
Duncanville, Texas**

THIS PAGE INTENTIONALLY LEFT BLANK

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF DUNCANVILLE, TEXAS

FOR
FISCAL YEAR ENDED
SEPTEMBER 30, 2016

PREPARED BY:
CITY OF DUNCANVILLE
FINANCE DEPARTMENT

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF DUNCANVILLE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

TABLE OF CONTENTS

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

TABLE OF CONTENTS
(Continued)

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

TABLE OF CONTENTS
(Continued)

	<u>Schedule</u>	<u>Page</u>
STATISTICAL SECTION (Unaudited):		
Net Position by Component - Last Ten Fiscal Years.....	1	94
Changes in Net Position - Last Ten Fiscal Years.....	2	95
Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	3	97
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	4	98
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.....	5	99
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years.....	6	100
Principal Property Taxpayers – Current Year and Nine Years Ago.....	7	101
Property Tax Levies and Collections – Last Ten Fiscal Years.....	8	102
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	9	103
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	10	104
Direct and Overlapping Governmental Activities Debt As of September 30, 2016.....	11	105
Legal Debt Margin Information As of September 30, 2016.....	12	106
Pledged-Revenue Coverage - Last Ten Fiscal Years.....	13	107
Demographic and Economic Statistics – Last Ten Fiscal Years.....	14	108
Principal Employers – Current Year and Nine Years Ago.....	15	109
Full-time Equivalent City Government Employees – Last Ten Fiscal Years.....	16	110
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	17	111
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	18	112



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.



City of Duncanville

Kevin Hugman
City Manager

March 24, 2017

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, 2016.

This report provides the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City of Duncanville. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity in our various funds. We also believe all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs are included.

Pattillo, Brown & Hill, L.L.P., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Duncanville's financial statements for the year ended September 30, 2016. 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 2016 population for the City was 39,826 (Source: US Census Bureau State & County Quick Facts).

The City is a political subdivision and municipal corporation of the State of Texas, duly organized and existing under the laws of the State of Texas, including the City's Home Rule Charter. The City was incorporated in 1949, and first adopted the Home Rule Charter May 5, 1962. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Council members, who enact local laws, determine policies and adopt the annual budget. The term of office is two years with the terms of the Mayor and two of the Council members' terms expiring in even-numbered years and the terms of the remaining four Council members expiring in odd-numbered years. The City Manager, appointed by City Council, is the chief administrative officer for the City and is responsible for the daily management of the City. The basic financial statements of the City include all government activities, organizations, functions and a discretely component unit for which the City is financially accountable as defined by the Governmental Accounting Standards Board (GASB). Based on these criteria, no other governmental organizations are included in this report.

As demonstrated by the statements and schedules included in the financial section of this report, the City sustains sound financial management.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Regional Economy

- The 2015 official estimate has the Dallas/Fort Worth Metroplex (DFW) at a population of 7,102,796. The Dallas-Fort Worth-Arlington MSA is, by population, the largest metropolitan area in Texas, the largest in the South, and the fourth-largest in the United States. (Wikipedia)
- As of 2016 Dallas–Fort Worth has been a magnet for corporate headquarters and major company operations, attracting 21 Fortune 500 and 41 Fortune 1000 companies. (Dallas Regional Chamber)
- Dallas-Fort Worth benefited from existing trade agreements, exporting \$9.8 billion to the North American Free Trade Agreement region and \$391 million to the Central American Free Trade Agreement region. (Dallas Regional Chamber)
- Texas payroll employment grew at a 1.7 percent annual rate in fourth quarter 2016, close to its historical average of 2.1 percent, which represents the second consecutive quarter in which Texas’ employment growth surpassed the nation’s.(Dallas Federal Reserve Bank)
- 97% of businesses in the DFW Region have less than 100 employees and 16 companies made the Inc. 500 list, and a total of 168 companies were listed in the Inc. 5000 list. (Dallas Regional Chamber)
- DFW is home to an impressive group of foreign based subsidiaries with over 200 companies from 34 countries locating their U.S. headquarters or substantial operations within the region. (Dallas Regional Chamber)
- DFW has the 7th largest concentration of high-tech jobs in the United States. (Dallas Regional Chamber)
- The Dallas–Fort Worth region offers a variety of public and private schools, with robust programming in life sciences, engineering, and the arts. The University of North Texas at Denton, the University of Texas at Dallas, and the University of Texas at Arlington are among Texas’ seven “emerging research” universities and are currently expanding program capabilities and funding in an effort to become world class “tier one” research institutions, which are nationally recognized for the highest levels of innovation and academic excellence. UT Southwestern Medical Center is among the nation’s best in biology and biochemistry research, boasting countless clinical breakthroughs and innovations. (Dallas Regional Chamber)
- 82 Acute Care Hospitals and numerous other major medical centers with nearly 20,000 beds serve the DFW Region. (Dallas Regional Chamber)

Duncanville’s Position in the Region

Duncanville is known as a first-tier suburb, meaning it is one of the first suburban cities to have developed on the outer rim of Dallas. The bulk of the development activity took place during the 1960’s and 1970’s, leaving only a few small vacant tracts available and the City essentially a bedroom community (63% residential).

In keeping with our targeted growth, the re-development of Main Street is now in process, along with other rehabilitation projects in older shopping centers. A full study for the revitalization of Main Street has been completed utilizing the concept of New Urbanism, which involves higher density uses to help create a compatible live/work environment. In addition to the Main Street re-development plans, the City has started work on a comprehensive plan, Destination Duncanville, which will create a vision for the city over the next 20 to 30 years to provide a framework for strategic and policy related decisions that are necessary to achieve that vision. To assist in managing changes that occur over the years, the comprehensive plan will provide direction on how to prioritize the City’s response to the demands brought about by change and how to allocate the City’s resources to deal with growth and redevelopment related issues.

Destination Duncanville will provide the following benefits: 1) Provide for a thorough analysis of land use, neighborhoods and housing, transportation and infrastructure, community design and economic development to comprehensively address issues and develop strategies on how to effectively progress in these areas; 2) Identify the strengths, weaknesses, opportunities, and constraints that are both current and anticipated to exist in the future; 3) Provide the community the opportunity to participate in the development of a collective vision for the city ; and 4) Create strategies for implementation that assigns accountability to stakeholders in the community.

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

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

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

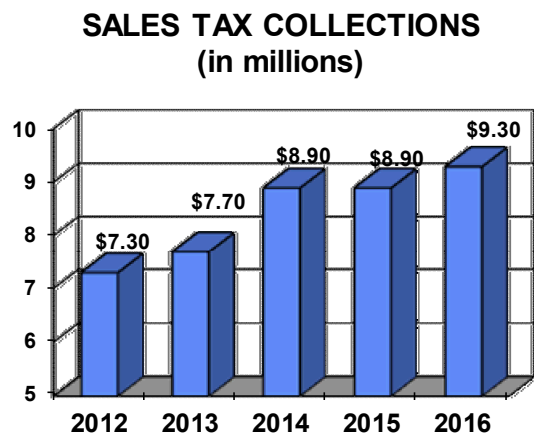
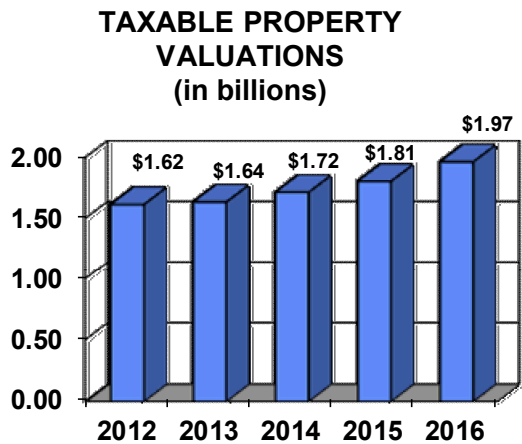
- The DFW area including Duncanville remains the distribution and financial center of the southwest with high tech industries, service industries, trade and corporate headquarters providing a stable and diverse local economy.
- Duncanville boasts a strong industrial community that includes subsidiaries of companies like **Masco Cabinetry**, the largest U.S. manufacturer of kitchen and bath cabinetry.
- **DeFord's**, another strong industrial company, manufactures specialty doors and wholesale lumber and fixtures supplies.
- **84 Lumber Company** is the largest privately owned building supply company in the United States. They expanded the Duncanville facility by 5 acres in 2015.
- **The Duncanville Fieldhouse** (a 95,000 sq. foot basketball/volleyball/multi-sport facility) converted from the original Dallas Stars Dr. Pepper ice hockey arena to a multi-sport facility in late 2009, draws people into the community from near and far for multi-state tournaments. The original facility which was built and owned by the Duncanville Community and Economic Development Corporation (DCEDC) was sold to the City of Duncanville in late 2010.
- **Pappadeaux Seafood**, which opened in 2003, continues in their success in providing fine dining for area residents. The final DCEDC incentive payment which encouraged them to build sooner than planned was made in 2010.
- In August 2007, **Best Western Inn and Suites** opened a flagship hotel on the southeast section of Highway 67 and Cockrell Hill. They continue to receive high performance ratings from the Best Western Corporate Offices.
- **The Hilton Garden Inn** opened September 1, 2005 offering a five-story, 142-room, 93,000 square foot hotel and conference center at the corner of Main Street and I-20. This facility provides businesses and guests with access to 14,000 square feet of conference rooms and meeting space.
- Two major highways (I-20 and US67) 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., and manufactures frozen dough products.
- **Costco Wholesale Corporation** is the largest membership warehouse club chain in the world based on sales volume.

- **Shops at Waterview Park**, a \$30,000,000 mixed-use development, continues to prosper alongside Bella Ruscello, which offers 216 units of upscale apartment living adjacent to the Shops at Waterview Park.
- **Aldi**, a leader in the international grocery retailing industry, serving Europe, the USA and Australia, opened in Duncanville in 2010.
- In 2012, **W&B Service Company** completed construction of their 38,000 square foot facility on 16 acres and employs over 100 people to sell and service refrigerated tractor trailers.
- **EON Reality Inc.**, the world leader in virtual reality based education and entertainment partnered with the City and DCEDC to establish a school to serve the virtual reality needs of the metroplex and Texas in November 2014.
- **WinCo** food store opened in June 2015 in the renovated old Walmart building that had been vacant for over a decade.
- **Advanced Auto, Good Life Assisted Living and Memory Care, and new medical and professional buildings** were economic development additions to Duncanville in 2016.

Duncanville’s citizens and business community are committed to managed growth and maintaining the level of economic prosperity and quality of life Duncanville currently enjoys. In addition, the following major initiatives are in place, contributing to the overall health of the City:

- Continuing the design of the East and West bound service roads along I-20
- Continuing fair but firm Code Enforcement, resolving violations
- Pushing a more aggressive program of delinquent tax foreclosures when necessary
- Promoting another year of aggressive apartment code inspection (15th year)
- Maintaining a water and sewer line rehabilitation/replacement program
- Improving access to Duncanville and access to surrounding cities via future expansion of Highway 67 (Southern Gateway Project)
- Comprehensive Plan (Destination Duncanville) Study and Parks Master Plan update
- Completion of Pavement Management Study to more cost effectively program future street maintenance needs

Economic Signs



Future Economic Outlook

Duncanville experienced difficult economic times in 2008 thru 2013 with the housing market decline and a recessionary economy. Fiscal year 2013-14 indicated a significant reversal as sales tax collections were up 14.3% compared to the previous year. Sales taxes increased 4.6% in FY16 and property values increased 8.6% as the housing recovery continues. The acquisition of the Bob Knight Fieldhouse continues to present many challenges and opportunities. The DCEDC provides a safety net agreeing to fund any shortage in debt service on the building. We refinanced the debt in 2016 to take advantage of lower interest rates which will save \$826,645 over the remaining life of the bonds. In the year 2024, when the debt on the Duncanville Fieldhouse is retired, it will potentially provide another resource for general fund revenues that will be most welcome. Overall, Duncanville remains an attractive, well maintained city with a solid infrastructure that is well deserving of its moniker "City of Champions".

Relevant Financial Policies

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 our investment advisors, Valley View investments. The safekeeping institution, or Custodian, is the Federal Reserve Bank or an institution not affiliated with the firm pledging the collateral. The safekeeping agreement is a three-party contract between the City, the depository bank and the Federal Reserve Bank as custodian.

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

Long-Term Financial Planning

The City Financial Policy states that the target fund balance of 60 days of operations should be maintained in the general fund. The City elected to target a 70 day fund balance for FY16 and increased that target for the FY17 Budget to a 75 day fund balance to insure against unforeseen changes that might negatively impact revenues or expenditures. The City also maintains 5 year capital improvement budgets for streets, parks, water and wastewater, and city buildings. A fleet replacement fund is also utilized that every cost center with capital equipment pre-funds so that no borrowing is required to replace fleet equipment.

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, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

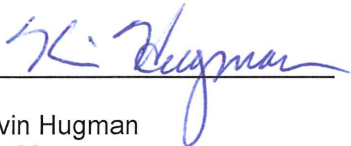
A Certificate of Achievement is valid for a period of one year only. We believe our current report for the year ended September 30, 2016 continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for review.

Acknowledgments

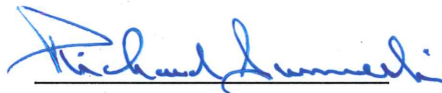
The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Tia Pettis, Assistant Finance Director and each member of the staff has our sincere appreciation for the contributions made in the preparation of this report.

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

DUNCANVILLE

The Perfect Blend of Family, Community and Business.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Duncanville
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015



Executive Director/CEO



Duncanville
City of Champions

City of Duncanville

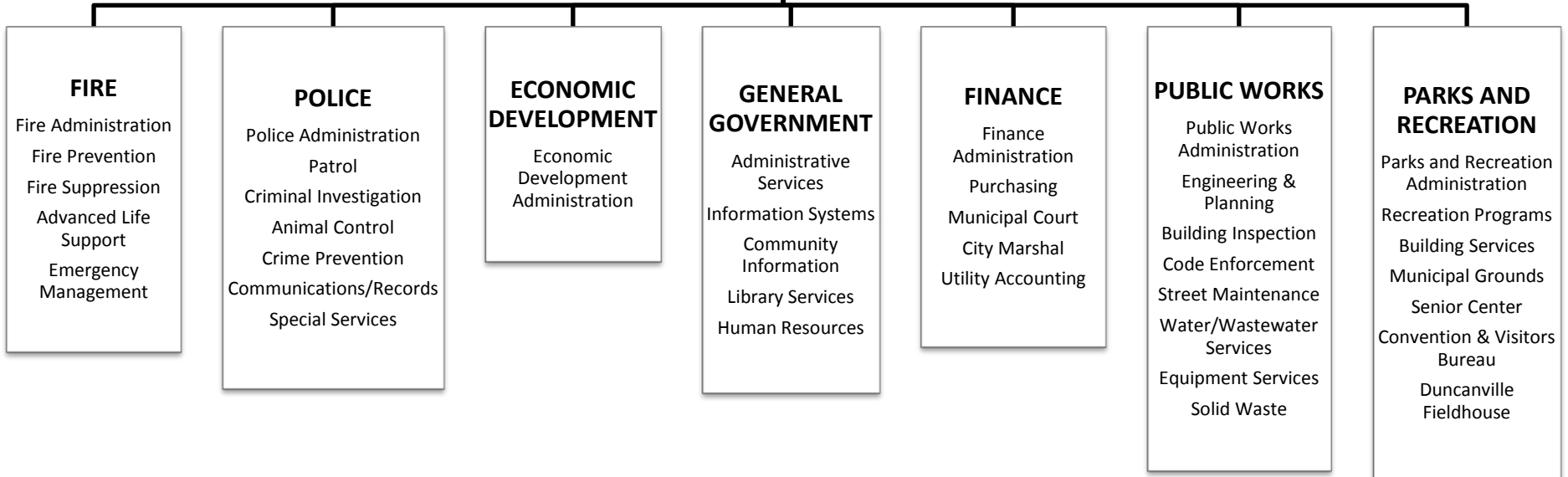
Organizational Chart

September 30, 2016

Citizens of
Duncanville

Mayor & City
Council (Elected)

Office of the City
Manager



CITY OF DUNCANVILLE

CITY COUNCIL

David Green, Mayor

Steven Rutherford, Mayor Pro Tem

Ronald L. Dotson, Council Member

Dennis L. Schwartz, Council Member

Johnette Jameson, Council Member

Leslie Thomas, Council Member

Patrick Harvey, Council Member



ADMINISTRATIVE OFFICIALS

Kevin Hugman, City Manager

Charles Smith, Assistant City Manager

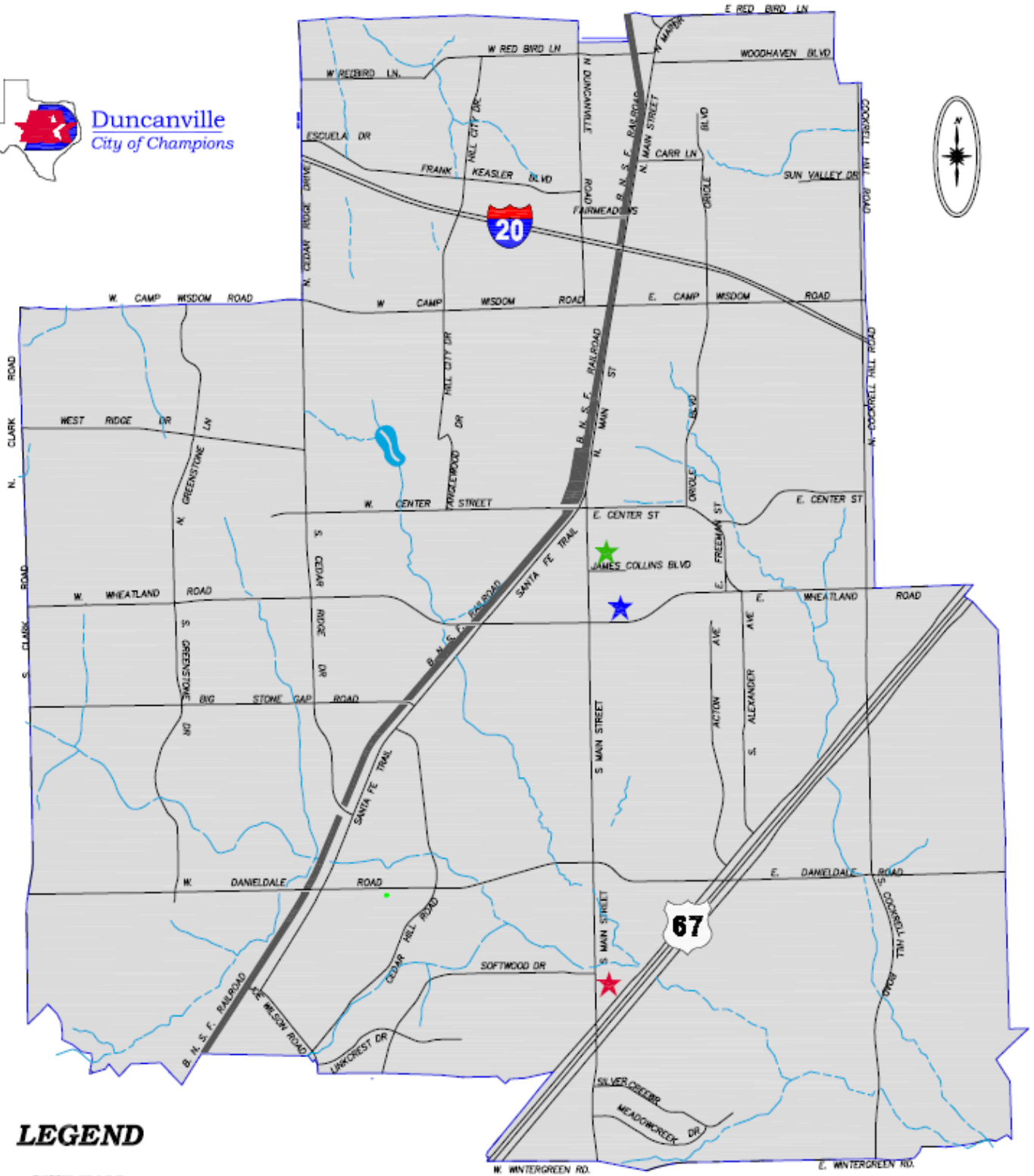
Richard Summerlin, Finance Director

Tia Pettis, Assistant Finance Director

Mary Jones, City Secretary



Duncanville
City of Champions



LEGEND

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

CITY OF DUNCANVILLE



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

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of Duncanville, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Duncanville, Texas (the "City"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Duncanville, Texas, as of September 30, 2016, 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 – 12), pension information (pages 58 – 59) and the Other Postemployment Benefits Plan - Analysis of Funding Progress (page 60) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Waco, Texas
March 24, 2017



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.

City of Duncanville, Texas

Management's Discussion and Analysis for the Fiscal Year Ended September 30, 2016

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, 2016. 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 \$116.3 million (net position). This number must be viewed in the context of the vast majority of the City's net position of \$90.9 million are invested in capital assets and that most capital assets in government do not directly generate revenue nor can be sold to generate liquid capital. Net position of \$2.8 million is restricted for various purposes such as capital projects, public safety or community programs. The remaining \$22.6 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 \$77.5 million (net position). Governmental activities net position decreased by \$975 thousand. The City's total net position increased by \$2.1 million this fiscal year.
- As of the close of the current fiscal year, City of Duncanville governmental funds reported combined ending fund balances of \$11.3 million, an increase of \$1.9 from the prior year. Of this amount, \$7.7 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 \$7.7 million. On a current financial resources basis, total fund balance for the General Fund increased by \$1.1 million.
- The City's net bonded debt decreased by \$1.1 million during this current fiscal year. In the business-like activities, the Series 2010 Tax and Waterworks and Sewer System Revenue Certificate of Obligation bonds were refunded to the General Obligation Refunding Series 2016 for \$4.2 million.
- The City has seen property tax revenue increases for the past three fiscal years. Accordingly, overall expenses also increased indicating a positive current and future outlook for the economy. The Economic Factors and Next Year's Budget section on the last page of this discussion provides additional information on this subject.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Duncanville's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. The main goal is to ascertain whether the City of Duncanville is in a better financial position at the end of the current fiscal year compared to the previous year. The government-wide financial statements report information about the City as a whole and about its activities in a way that helps to

determine this relative position. Other non-financial factors should also be taken into consideration to assess the overall health or financial condition of the City. Examples include but are not limited to changes in the City's property tax base and the condition of the City's streets.

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

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from the functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include most of the City's basic services such as police, fire, public works, code compliance, library, parks and recreation, economic development and community services as well as general government activities. The business-type activities of the City include water, sewer, and solid waste services.

The government-wide financial statements include not only the City itself (the primary government), but also the Duncanville Community and Economic Development Corporation (DCEDC) (a discretely presented component unit). The government-wide financials can be found on pages 13-15 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The basic governmental fund financial statements can be found on pages 16-24 of this report.

The City maintains thirteen governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Debt Service, Street Construction, and Traffic and Safety Improvement funds, all of which are to be considered major funds. Data from seven non-major special revenue funds and two non-major capital project funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided in the form of combining statements on pages 70-79 of this report.

The City adopts an annual appropriated budget for its General, Debt Service, Hotel Tax, Drainage Fees, and Traffic Improvement and Safety Special Revenue funds. A budgetary comparison statement has been provided for the General and Traffic Improvement and Safety funds as part of the basic financial statements.

Proprietary funds. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Utility (water and sewer), Solid Waste, and Sports Facility operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its group health insurance, general liability insurance programs and fleet replacement activities. All of these programs are predominantly governmental activities; however as they benefit both governmental and business-type activities, current year results have been allocated by function in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility, Solid Waste and Sports Facility funds since all are considered to be major funds of the City. Conversely, all of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 25-27 of this report. Individual fund data for proprietary funds in the form of budget data and combining statements can be found on pages 79-86 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the basic financial statements on pages 28-57 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information is presented immediately following the notes to the basic financial statements.

The combining and individual fund statements and schedules are presented immediately following the required supplementary information on pensions. Included are budgetary schedules of revenues and expenditures for the General fund, non-major governmental fund individual and combining statements, and a schedule of operating revenues and expenses for the Utility, Solid Waste and Sports Facility funds.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City of Duncanville's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$116.3 million as of September 30, 2016.

City of Duncanville's Net Position

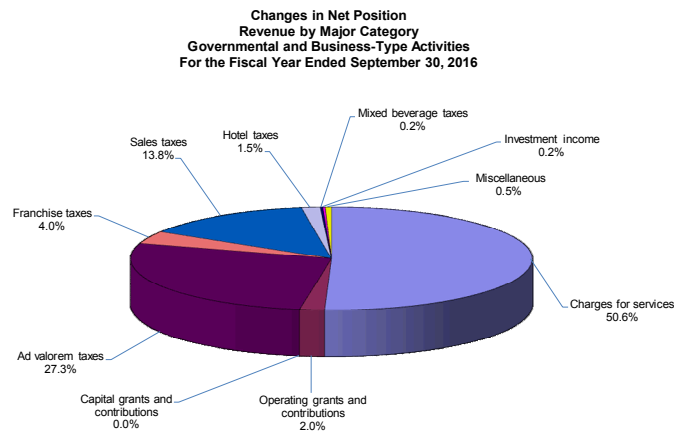
	Governmental Activities		Business-Type Activities		Total	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Current and other assets	\$ 20,043,903	\$ 24,918,909	\$ 10,097,420	\$ 9,353,826	\$ 30,141,323	\$ 34,272,735
Capital assets, net	59,937,098	60,853,814	36,635,932	34,976,504	96,573,030	95,830,318
Total assets	79,981,001	85,772,723	46,733,352	44,330,330	126,714,353	130,103,053
Total deferred outflows of resources	7,887,976	1,331,532	1,011,891	207,699	8,899,867	1,539,231
Current liabilities	3,223,371	2,902,836	2,841,847	2,245,163	6,065,218	5,147,999
Noncurrent liabilities	7,063,032	5,610,616	6,154,315	6,634,928	13,217,347	12,245,544
Total liabilities	10,286,403	8,513,452	8,996,162	8,880,091	19,282,565	17,393,543
Total deferred inflows of resources	49,719	82,742	6,008	9,872	55,727	92,614
Net investment in capital assets	59,937,098	60,853,814	30,923,909	28,576,505	90,861,007	89,430,319
Restricted net position	2,766,937	2,022,810	-	-	2,766,937	2,022,810
Unrestricted net position	14,828,820	15,631,437	7,819,164	7,071,561	22,647,984	22,702,998
Total net position	\$ 77,532,855	\$ 78,508,061	\$ 38,743,073	\$ 35,648,066	\$ 116,275,928	\$ 114,156,127

The majority of the City's net position \$90.9 million (78.0%) are capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress). The City uses these capital assets to provide services to citizens and consequently, these assets are not available for spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

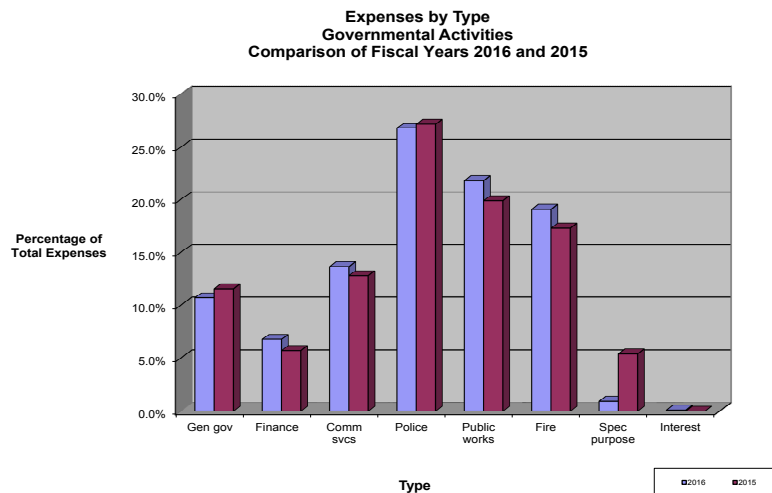
The City's balance of restricted net position of 2.8 million (2.0%) is reserved for various purposes such as capital projects, public safety and court programs.

The City's balance of unrestricted net position of \$22.6 million (20.0%) may be used to meet the government's ongoing obligations to citizens and creditors.

Analysis of the City's Operations- Overall, the City's total net position increased \$2.1 million (1.9%) from the prior year.



Governmental Activities- General revenue (excluding transfers) had a net increase of \$823 thousand. Ad valorem tax experienced an increase of \$719 thousand due to an increase in assessed valuations. Sales tax revenues increased by \$310 thousand due to a boost to the local construction economy. The charges for services category showed very little change with an overall increase of \$200 thousand. Overall expenditures experienced a \$2.5 million increase over the prior year primarily due to the recognition of pension costs throughout all activities.



Business-type Activities- Net position from business-type activities increased by \$3.1 million. Program revenues increased by \$1.7 million due to water and sewer rate increases adopted in fiscal year 2016. Overall business-type expenses reflected a modest increase of \$92 thousand.

The following table provides a summary of the City's operations at fiscal year end 2016:

City of Duncanville's Changes in Net Position						
For the Fiscal Years Ending September 30, 2016 and 2015						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 5,991,101	\$ 5,790,764	\$ 19,716,488	\$ 18,030,007	\$ 25,707,589	\$ 23,820,771
Operating grants and contributions	392,198	838,435	631,171	630,284	1,023,369	1,468,719
Capital grants and contributions	-	32,770	-	-	-	32,770
General revenues:						
Ad valorem taxes	13,852,373	13,133,399	-	-	13,852,373	13,133,399
Franchise taxes	2,035,117	2,154,478	-	-	2,035,117	2,154,478
Sales taxes	7,018,201	6,708,126	-	-	7,018,201	6,708,126
Hotel taxes	779,253	626,022	-	-	779,253	626,022
Mixed beverage taxes	76,364	76,814	-	-	76,364	76,814
Investment income	71,906	36,008	24,156	11,281	96,062	47,289
Miscellaneous	230,398	505,479	-	-	230,398	505,479
Total revenues	<u>30,446,911</u>	<u>29,902,295</u>	<u>20,371,815</u>	<u>18,671,572</u>	<u>50,818,726</u>	<u>48,573,867</u>
Expenses:						
General government	3,606,949	3,623,458	-	-	3,606,949	3,623,458
Finance	2,313,589	1,785,134	-	-	2,313,589	1,785,134
Community services	4,638,475	3,993,745	-	-	4,638,475	3,993,745
Police	9,072,992	8,510,868	-	-	9,072,992	8,510,868
Public works	7,380,159	6,229,076	-	-	7,380,159	6,229,076
Fire	6,437,830	5,414,580	-	-	6,437,830	5,414,580
Special purposes	300,000	1,683,374	-	-	300,000	1,683,374
Interest and fiscal charges	42,189	10,183	-	-	42,189	10,183
Water and sewer	-	-	10,755,649	10,449,761	10,755,649	10,449,761
Solid waste	-	-	2,488,966	2,481,911	2,488,966	2,481,911
Sports facility	-	-	1,662,127	1,883,422	1,662,127	1,883,422
Total expenses	<u>33,792,183</u>	<u>31,250,418</u>	<u>14,906,742</u>	<u>14,815,094</u>	<u>48,698,925</u>	<u>46,065,512</u>
Increase in net position before transfers	(3,345,272)	(1,348,123)	5,465,073	3,856,478	2,119,801	2,508,355
Transfers	2,370,066	2,035,859	(2,370,066)	(2,035,859)	-	-
Increase/ (decrease) in net position	(975,206)	687,736	3,095,007	1,820,619	2,119,801	2,508,355
Net position—beginning	78,508,061	70,049,860	35,648,066	32,900,279	114,156,127	102,950,139
Prior period adjustment	-	7,770,465	-	927,168	-	8,697,633
Net position—ending	<u>\$ 77,532,855</u>	<u>\$ 78,508,061</u>	<u>\$ 38,743,073</u>	<u>\$ 35,648,066</u>	<u>\$ 116,275,928</u>	<u>\$ 114,156,127</u>

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 \$11.3 million. Approximately 68.0% of this total amount constitutes unassigned fund balance which is available for any public purpose. Approximately 6.8% of fund balance has been assigned by City management for community services and innovative projects. The restricted fund balance of \$2.8 million is 25.0% of the total fund balance and is constrained by creditors, grantors, contributors or laws or regulations. The remainder of the fund balance is considered non-spendable to indicate that it is not available for new spending because it has already been reserved for prepaid items of \$28 thousand. Fund balance for all governmental funds increased by \$1.9 million over the previous fiscal year.

In the General Fund, the original budget projected a \$604 thousand decrease in fund balance this fiscal year. The final amended budget changed to an expected fund balance decrease of \$206 thousand. It is one of the City's financial policies to maintain fund balance in General Fund to equal 60 days of expenditures. The property tax rate remained at \$.758447 while assessed property valuations increased providing an ad valorem tax revenue increase of 4.9%. Sales tax increased by 4.6% due to a general increase in economic activity across several sectors including construction supplies and equipment. The franchise tax revenue had a decrease (5.5%) and tends to be volatile since it is based on weather and utility rates. All other tax based revenues also exhibited increases over the prior year figures. The City's expenditures decreased by \$1.2 million due to a decrease in economic development incentives. The General fund balance increased by \$1.1 million.

Other governmental funds exhibited minor changes to fund balance. The Debt Service fund showed little change in fund balance with an increase of \$44 thousand. The Street Construction capital project fund had very little activity with a decrease in fund balance of \$63 thousand. The Traffic Improvement and Safety fund balance increased by \$56 thousand. The enactment of the Scofflaw program has aided in the collection of red light tickets fines, allowing for more traffic and safety projects to be completed.

Proprietary funds. The City's proprietary fund statements provide detail on the City's individual enterprise funds activities and additionally report the financial results of the internal service funds which have been consolidated in the government-wide statements.

The City has an "inverted block" rate structure, which was meant to be revenue neutral based on same consumption. The Utility proprietary fund net position increased \$3.1 million due to water and sewer rates increases enacted in October 2015. The Solid Waste fund net position decreased \$46 thousand during this fiscal year. The addition of the Fieldhouse Sports Facility has presented some challenges under operation of the City, but ended the fiscal year end with a modest decrease in net position of \$25 thousand.

Pensions and Retiree Healthcare

Effective for fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" created specific reporting requirements for pensions that are different than that used for funding purposes. Both valuations are important as the reporting valuation provides a rigorous standard measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important as the actuarial methods used including strategies for repaying any unfunded actuarial accrued liabilities combined with the City's history of making those contributions provides insights regarding the City's commitment to and the effectiveness of its funding strategy. Information contained in the financial statements themselves including the first schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation. On a reporting basis, the City's financial statements reflect a Net Pension Liability as of September 30, 2016 of \$1.5 million. The City's plan fiduciary net position is 98.5% of the total pension liability.

Retiree health care's actuarially accrued liability has been calculated in accordance with GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", to be \$2.8 million as of December 31, 2015, with no change from the previous valuation.

Capital Assets

Governmental Accounting Standards Board (GASB) Statement No. 34 requires governments to report all capital assets in the Government-Wide Statement of Net Position. All infrastructure assets have been inventoried and reported in previous fiscal years.

At the end of fiscal year 2016, 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 increase of \$743 thousand which is .8% more than the capital assets for the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	20,021	\$ 20,021	\$ 568	\$ 568	\$ 20,589	\$ 20,589
Construction in progress	128	178	1,025	1,964	1,153	2,142
Buildings	7,205	7,455	7,436	7,801	14,641	15,256
Infrastructure	20,452	21,502	22,751	20,715	43,203	42,217
Improvements	6,283	6,481	21	22	6,304	6,503
Equipment	5,847	5,216	1,954	929	7,801	6,145
Water rights	-	-	2,881	2,977	2,881	2,977
Totals	<u>\$ 59,936</u>	<u>\$ 60,853</u>	<u>\$ 36,636</u>	<u>\$ 34,976</u>	<u>\$ 96,572</u>	<u>\$ 95,829</u>

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

- Water and wastewater capital costs for the current fiscal year were \$3.0 million which includes the Clark Road elevated water tank improvements and the completion of several water and sewer line improvements.
- Playground equipment was replaced at Willow Run, Lakeside and Harrington parks for \$352 thousand.
- Vehicle and equipment replacements were made totaling \$747 thousand out of the Fleet Replacement fund. The new additions include 21 vehicles and other heavy equipment.
- More detailed information about the City's capital assets can be found in Note 5 to the financial statements.

Debt Administration

At year-end, the City had \$5.3 million in bonded debt outstanding. The entire amount is comprised of bonded debt backed by the full faith and credit of the City.

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

	Business-Type Activities		Totals	
	2016	2015	2016	2015
General Obligation bonds	5,340	-	5,340	-
Tax and Water/Wastewater Surplus Revenue bonds	-	6,400	-	6,400
Totals	\$ 5,340	\$ 6,400	\$ 5,340	\$ 6,400

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 2016-2017 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 8.7% on the total tax roll for 2016-17 from 2015-16.
- The second factor in determining ad valorem tax revenue is the tax rate set by City Council. For 2016-17 fiscal year budget, the City tax rate remains at \$.758447 per \$100 of assessed valuation.
- Sales tax revenue as of September 30, 2016 realized a small increase and this trend is expected to continue into the 2016-17 fiscal year at 2.5%.
- A water/wastewater rate study was performed in 2013-14 resulting in a five-year plan for rate increases. In October 2016, rates were increased for the third fiscal year in a row. The rate increases will support future Utility capital projects to improve the aging infrastructure.
- The City has earmarked \$2.2 million in the budget for one-time expenditures. This includes the pre-funding of pavement system and replacement of the Fieldhouse Sports Facility floors.

During the current fiscal year, the unassigned fund balance in the general fund was \$7.7 million, available for spending in the 2016-2017 fiscal year budget.

Contacting the City's Financial Management

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

City of Duncanville
Attn: Richard Summerlin, Finance Director
P.O. Box 380280
Duncanville, TX 75138-0280
Phone: 972-780-5005
Email: rsummerlin@ci.duncanville.tx.us

City of Duncanville
Attn: Tia Pettis, Assistant Finance Director
P.O. Box 380280
Duncanville, TX 75138-0280
Phone: 972-780-5007
Email: tpettis@ci.duncanville.tx.us

CITY OF DUNCANVILLE, TEXAS

GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	<u>Primary Government</u>			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 16,043,780	\$ 5,229,192	\$ 21,272,972	\$ 449,783
Receivables (net of allowance for uncollectibles)	3,594,919	3,377,976	6,972,895	411,878
Accrued interest and other	59,840	39,534	99,374	2,694
Prepaid items	50,461	362,082	412,543	640
Restricted cash and investments	-	752,304	752,304	-
Internal balances	(336,332)	336,332	-	-
Investment in joint ventures	631,235	-	631,235	19,537
Capital assets:				
Nondepreciable	20,149,061	1,592,554	21,741,615	219,637
Depreciable- net of accumulated depreciation	39,788,037	35,043,378	74,831,415	-
Total Assets	<u>79,981,001</u>	<u>46,733,352</u>	<u>126,714,353</u>	<u>1,104,169</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	-	58,826	58,826	-
Pension contributions after measurement date	342,098	41,334	383,432	-
Difference in projected and actual earnings on pension assets	5,679,956	686,281	6,366,237	-
Changes in actuarial assumptions used to determine pension liability	1,865,922	225,450	2,091,372	-
Total deferred outflows of resources	<u>7,887,976</u>	<u>1,011,891</u>	<u>8,899,867</u>	<u>-</u>
LIABILITIES				
Accounts payable	2,168,905	1,957,749	4,126,654	20,132
Contracts payable	3,923	-	3,923	-
Accrued liabilities	977,359	59,797	1,037,156	5,680
Accrued interest payable	-	19,830	19,830	1,537
Unearned revenue	42,218	52,168	94,386	-
Customer performance and escrow deposits	30,966	752,303	783,269	150
Noncurrent liabilities				
Due within one year:				
Bonds and certificates of obligation payable	-	781,722	781,722	430,000
Compensated absences	201,277	5,897	207,174	-
Loan payable	204,756	-	204,756	-
Due in more than one year:				
Loan payable	950,586	-	950,586	-
Bonds and certificates of obligation payable	-	4,930,301	4,930,301	1,890,000
Net pension liability	1,354,166	163,618	1,517,784	-
Compensated absences	2,674,104	78,345	2,752,449	-
Other postemployment benefits	1,678,143	194,432	1,872,575	-
Total Liabilities	<u>10,286,403</u>	<u>8,996,162</u>	<u>19,282,565</u>	<u>2,347,499</u>
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension experience	49,719	6,008	55,727	-
Total deferred inflows of resources	<u>49,719</u>	<u>6,008</u>	<u>55,727</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	59,937,098	30,923,909	90,861,007	-
Restricted for:				
Capital projects	1,004,565	-	1,004,565	-
Public safety	1,069,436	-	1,069,436	-
Other purposes	692,936	-	692,936	-
Unrestricted	14,828,820	7,819,164	22,647,984	(1,243,330)
Total Net Position	<u>\$ 77,532,855</u>	<u>\$ 38,743,073</u>	<u>\$ 116,275,928</u>	<u>\$ (1,243,330)</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, 2016

PROGRAM ACTIVITIES	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Governmental activities:			
General government	\$ 3,606,949	\$ 430,729	\$ 93,245
Finance	2,313,589	-	-
Community Services	4,638,475	356,552	90,822
Police	9,072,992	3,241,775	95,426
Public works	7,380,159	967,758	50,000
Fire	6,437,830	994,287	62,705
Economic development	300,000	-	-
Interest and fiscal charges	42,189	-	-
Total governmental activities	33,792,183	5,991,101	392,198
Business-type activities:			
Water	4,354,012	7,481,511	-
Sewer	6,401,637	8,453,828	-
Solid waste	2,488,966	2,778,684	-
Sports facility	1,662,127	1,002,465	631,171
Total business-type activities	14,906,742	19,716,488	631,171
Total primary government	\$ 48,698,925	\$ 25,707,589	\$ 1,023,369
Component unit:			
DCEDC	\$ 1,452,505	\$ 3,500	\$ -

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
\$ (3,082,975)	\$ -	\$ (3,082,975)	
(2,313,589)	-	(2,313,589)	
(4,191,101)	-	(4,191,101)	
(5,735,791)	-	(5,735,791)	
(6,362,401)	-	(6,362,401)	
(5,380,838)	-	(5,380,838)	
(300,000)	-	(300,000)	
(42,189)	-	(42,189)	
<u>(27,408,884)</u>	<u>-</u>	<u>(27,408,884)</u>	
-	3,127,499	3,127,499	
-	2,052,191	2,052,191	
-	289,718	289,718	
-	(28,491)	(28,491)	
-	<u>5,440,917</u>	<u>5,440,917</u>	
<u>(27,408,884)</u>	<u>5,440,917</u>	<u>(21,967,967)</u>	
			<u>(1,449,005)</u>
13,852,373	-	13,852,373	-
7,018,201	-	7,018,201	2,339,438
2,035,117	-	2,035,117	-
76,364	-	76,364	-
779,253	-	779,253	-
71,906	24,156	96,062	3,518
230,398	-	230,398	-
<u>2,370,066</u>	<u>(2,370,066)</u>	<u>-</u>	<u>-</u>
<u>26,433,678</u>	<u>(2,345,910)</u>	<u>24,087,768</u>	<u>2,342,956</u>
(975,206)	3,095,007	2,119,801	893,951
<u>78,508,061</u>	<u>35,648,066</u>	<u>114,156,127</u>	<u>(2,137,281)</u>
<u>\$ 77,532,855</u>	<u>\$ 38,743,073</u>	<u>\$ 116,275,928</u>	<u>\$ (1,243,330)</u>

CITY OF DUNCANVILLE, TEXAS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction Fund</u>
ASSETS			
Cash and investments	\$ 8,034,856	\$ 37,434	\$ 274,177
Receivables -			
Property taxes (net of allowance)	352,982	30,641	-
Trade accounts (net of allowance)	718,587	-	-
Other taxes	1,942,920	-	-
Assessments	-	-	51,950
Intergovernmental	-	-	-
Accrued interest and other	21,627	2,897	1,282
Prepaid items	17,693	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 11,088,665</u>	<u>\$ 70,972</u>	<u>\$ 327,409</u>
LIABILITIES			
Accounts payable	\$ 1,230,207	\$ -	\$ 10,450
Customer performance and escrow deposits	30,966	-	-
Contracts payable	-	-	3,923
Accrued liabilities	438,196	-	-
Due to other funds	-	-	-
Unearned revenue	15,676	-	-
Total liabilities	<u>1,715,045</u>	<u>-</u>	<u>14,373</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	921,119	15,340	51,949
Total deferred inflows of resources	<u>921,119</u>	<u>15,340</u>	<u>51,949</u>
FUND BALANCES:			
Nonspendable:			
Prepaid items	17,693	-	-
Restricted for:			
Debt service	-	55,632	-
Street construction	-	-	261,087
Traffic improvement and safety	-	-	-
Promotion of tourism, convention and hotel industry	-	-	-
Maintenance and construction of drainage projects	-	-	-
Public safety, cultural and recreational services	-	-	-
Court security	-	-	-
Juvenile case management	-	-	-
Public safety and criminal investigations	-	-	-
Park construction	-	-	-
Capital improvements	-	-	-
Assigned:			
Community services	141,609	-	-
Innovative technology	620,752	-	-
Unassigned	<u>7,672,447</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>8,452,501</u>	<u>55,632</u>	<u>261,087</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,088,665</u>	<u>\$ 70,972</u>	<u>\$ 327,409</u>

The accompanying notes are an integral part of this statement.

<u>Traffic I&S</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,413,538	\$ 1,488,604	\$ 11,248,609
-	-	383,623
149,121	176,009	1,043,717
-	148,134	2,091,054
-	-	51,950
-	24,575	24,575
1,282	7,339	34,427
10,000	375	28,068
-	8,000	8,000
<u>\$ 1,573,941</u>	<u>\$ 1,853,036</u>	<u>\$ 14,914,023</u>
\$ 788,380	\$ 85,310	\$ 2,114,347
-	-	30,966
-	-	3,923
1,414	8,731	448,341
-	8,000	8,000
-	26,542	42,218
<u>789,794</u>	<u>128,583</u>	<u>2,647,795</u>
-	-	988,408
-	-	988,408
10,000	375	28,068
-	-	55,632
-	-	261,087
774,147	-	774,147
-	692,936	692,936
-	551,340	551,340
-	104,314	104,314
-	41,613	41,613
-	34,817	34,817
-	114,545	114,545
-	21,042	21,042
-	171,096	171,096
-	-	141,609
-	-	620,752
-	(7,625)	7,664,822
<u>784,147</u>	<u>1,724,453</u>	<u>11,277,820</u>
<u>\$ 1,573,941</u>	<u>\$ 1,853,036</u>	<u>\$ 14,914,023</u>

CITY OF DUNCANVILLE, TEXAS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS \$ 11,277,820

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

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

Net pension liability	(1,354,166)	
Difference in expected and actual pension experience	(49,719)	
Pension contributions after measurement date	342,098	
Difference in projected and actual earnings on pension assets	5,679,956	
Changes in actuarial assumptions used to determine pension liability	1,865,922	6,484,091

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 \$2,041,486). 57,895,612

Revenue earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements. 988,408

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 \$336,332. 5,964,555

Investments in joint ventures represent a financial asset not reported in governmental funds. 631,235

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

Loan payable	(1,155,342)	
Compensated absences	(2,875,381)	
Other post employment benefits	(1,678,143)	(5,708,866)

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 77,532,855**

The accompanying notes are an integral part of this statement.



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Street Construction</u>
REVENUES			
Taxes:			
Ad valorem	\$ 12,490,130	\$ 1,365,421	\$ -
Sales	7,018,201	-	-
Franchise	2,035,117	-	-
Mixed beverage	76,364	-	-
Hotel	-	-	-
Licenses, permits and fees	1,344,840	-	-
Fines and forfeitures	694,725	-	-
Recreational fees	356,522	-	-
Intergovernmental	196,321	-	-
Investment income	50,375	3,434	2,554
Rental and other	789,461	-	-
Gifts and contributions	7,814	-	-
Total revenues	<u>25,059,870</u>	<u>1,368,855</u>	<u>2,554</u>
EXPENDITURES			
Current:			
General government	2,332,291	-	-
Finance	1,260,759	-	-
Community services	3,879,442	-	-
Police	7,576,008	-	-
Public works	4,674,764	-	62,703
Fire	5,810,086	-	-
Non-departmental	355,756	-	-
Special purposes - promotional	300,000	-	-
Debt Service:			
Principal retirement	198,034	-	-
Interest and fiscal charges	42,194	-	-
Capital outlay:			
General government	194,871	-	-
Community services	643,137	-	-
Police	-	-	-
Public works	206,267	-	2,700
Fire	42,401	-	-
Total expenditures	<u>27,516,010</u>	<u>-</u>	<u>65,403</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,456,140)</u>	<u>1,368,855</u>	<u>(62,849)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,628,466	-	-
Transfers out	(52,031)	(1,325,000)	-
Total other financing sources (uses)	<u>3,576,435</u>	<u>(1,325,000)</u>	<u>-</u>
Net change in fund balances	1,120,295	43,855	(62,849)
Fund balances, beginning of year	7,332,206	11,777	323,936
Fund balances, end of year	<u>\$ 8,452,501</u>	<u>\$ 55,632</u>	<u>\$ 261,087</u>

The accompanying notes are an integral part of this statement.

Traffic I & S	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 13,855,551
-	-	7,018,201
-	-	2,035,117
-	-	76,364
-	779,253	779,253
2,316,533	667,431	4,328,804
-	92,194	786,919
-	-	356,522
-	146,985	343,306
2,651	3,837	62,851
-	50,598	840,059
-	-	7,814
<u>2,319,184</u>	<u>1,740,298</u>	<u>30,490,761</u>
838,743	260,330	3,431,364
67,500	-	1,328,259
-	-	3,879,442
595,660	112,870	8,284,538
421,184	374,590	5,533,241
-	5,732	5,815,818
-	-	355,756
-	112,331	412,331
-	-	198,034
-	-	42,194
-	18,105	212,976
-	-	643,137
-	30,699	30,699
251,711	283,175	743,853
-	-	42,401
<u>2,174,798</u>	<u>1,197,832</u>	<u>30,954,043</u>
<u>144,386</u>	<u>542,466</u>	<u>(463,282)</u>
-	252,031	3,880,497
(88,550)	(44,850)	(1,510,431)
<u>(88,550)</u>	<u>207,181</u>	<u>2,370,066</u>
55,836	749,647	1,906,784
728,311	974,806	9,371,036
<u>\$ 784,147</u>	<u>\$ 1,724,453</u>	<u>\$ 11,277,820</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, 2016**

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS	\$ 1,906,784
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 \$746,628).	1,673,066
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.	(129,284)
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.	(2,715,931)
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.	198,034
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.	(108,444)
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	55,860
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.	(187,845)
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 \$33,245 allocated to business type activities).	63,732
Net pension costs are recognized in the governmental funds when paid are due for items not normally paid with available financial resources. However, the Statement of Activities is presented on a accrual basis and expenses reported when incurred.	<u>(1,731,178)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (975,206)</u>

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Ad valorem	\$ 12,629,690	\$ 12,564,690	\$ 12,490,130	\$ (74,560)
Sales	6,546,506	6,834,857	7,018,201	183,344
Franchise	2,112,000	2,081,000	2,035,117	(45,883)
Other	70,194	74,000	76,364	2,364
Licenses, permits and fees	1,472,400	1,329,700	1,344,840	15,140
Fines and forfeitures	710,000	725,000	694,725	(30,275)
Recreation fees	215,000	228,000	356,522	128,522
Intergovernmental	79,000	87,000	196,321	109,321
Investment income	19,000	29,000	50,375	21,375
Rental and other	579,081	669,968	789,461	119,493
Gifts and contributions	-	-	7,814	7,814
Total revenues	24,432,871	24,623,215	25,059,870	436,655
EXPENDITURES				
Current:				
General government	2,368,902	2,446,436	2,332,291	114,145
Finance	1,292,591	1,260,296	1,260,759	(463)
Community services	3,781,768	3,845,554	3,879,442	(33,888)
Police	8,021,612	7,675,847	7,576,008	99,839
Public works	4,993,098	5,087,988	4,674,764	413,224
Fire	6,033,335	6,010,391	5,810,086	200,305
Non-departmental	372,270	377,541	355,756	21,785
Special purposes	300,000	300,000	300,000	-
Debt Service:				
Loan payment	198,039	198,039	198,034	5
Interest and fiscal charges	42,189	42,189	42,194	(5)
Capital outlay:				
General government	177,200	177,190	194,871	(17,681)
Community services	585,428	585,428	643,137	(57,709)
Police	1,400	1,400	-	1,400
Public works	425,000	435,199	206,267	228,932
Fire	53,200	53,200	42,401	10,799
Total expenditures	28,646,032	28,496,698	27,516,010	980,688
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,213,161)	(3,873,483)	(2,456,140)	1,417,343
OTHER FINANCING SOURCES (USES)				
Transfers in	3,624,476	3,628,466	3,628,466	-
Transfers out	(15,000)	(15,000)	(52,031)	(37,031)
Total other financing sources (uses)	3,609,476	3,613,466	3,576,435	(37,031)
Net change in fund balance	\$ (603,685)	\$ (260,017)	1,120,295	\$ 1,380,312
FUND BALANCE, beginning of year			7,332,206	
FUND BALANCE, end of year			\$ 8,452,501	

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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Traffic enforcement fees	\$ 1,150,000	\$ 1,900,000	\$ 2,316,533	\$ 416,533
Interest on investments	1,125	2,400	2,651	251
Total revenues	1,151,125	1,902,400	2,319,184	416,784
EXPENDITURES				
General government	230,623	644,880	838,743	(193,863)
Police	550,000	486,864	595,660	(108,796)
Public works	404,600	441,348	421,184	20,164
Finance	57,075	64,184	67,500	(3,316)
Capital Outlay- Public works	250,000	613,000	251,711	361,289
Total expenditures	1,492,298	2,250,276	2,174,798	75,478
EXCESS OF REVENUES OVER EXPENDITURES	(341,173)	(347,876)	144,386	492,262
OTHER FINANCING USES				
Transfers out	(80,500)	(88,550)	(88,550)	-
NET CHANGE IN FUND BALANCE	(421,673)	(436,426)	55,836	492,262
FUND BALANCE, beginning of year			728,311	
FUND BALANCE, end of year			\$ 784,147	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2016

	Business-type Activities				Governmental
	Utility	Solid Waste	Fieldhouse Sports Facility	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 4,907,951	\$ 304,360	\$ 16,881	\$ 5,229,192	\$ 4,795,171
Receivables-					
Customers (net of allowance)	1,354,029	321,685	-	1,675,714	-
Unbilled	1,505,342	196,920	-	1,702,262	-
Due from other funds	950,000	-	-	950,000	-
Accrued interest and other	19,221	-	20,313	39,534	25,413
Prepaid items	362,082	-	-	362,082	22,393
Total current assets	9,098,625	822,965	37,194	9,958,784	4,842,977
Non-current assets:					
Restricted cash-					
Customer deposits	752,304	-	-	752,304	-
Capital assets-					
Land and construction-in-progress	1,114,118	-	478,436	1,592,554	-
Water rights, net	2,881,420	-	-	2,881,420	-
Buildings and improvements, net	2,173,915	-	5,282,876	7,456,791	-
Distribution lines and equipment, net	24,661,402	-	43,765	24,705,167	2,041,486
Total non-current assets	31,583,159	-	5,805,077	37,388,236	2,041,486
TOTAL ASSETS	40,681,784	822,965	5,842,271	47,347,020	6,884,463
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on bond refunding	37,972	-	20,854	58,826	-
Pension contributions after measurement date	36,081	3,144	2,109	41,334	-
Difference in projected and actual earnings on pension assets	599,063	52,203	35,015	686,281	-
Changes in actuarial assumptions used to determine pension liability	196,798	17,149	11,503	225,450	-
Total deferred outflows of resources	869,914	72,496	69,481	1,011,891	-
LIABILITIES					
Current liabilities:					
Accounts payable	1,703,027	205,327	49,395	1,957,749	54,758
Accrued liabilities	40,897	5,947	12,953	59,797	528,818
Due to other funds	-	-	950,000	950,000	-
Accrued interest payable	1,949	-	17,881	19,830	-
Unearned revenue	-	-	52,168	52,168	-
Bonds payable - current	340,000	-	441,722	781,722	-
Accrued compensated absences - current	4,973	590	334	5,897	-
Total current liabilities	2,090,846	211,864	1,524,453	3,827,163	583,576
Long-term Liabilities:					
Bonds payable	800,000	-	4,130,301	4,930,301	-
Net pension liability	142,824	12,446	8,348	163,618	-
Accrued compensated absences	66,068	7,844	4,433	78,345	-
Other postemployment benefits liability	160,668	25,371	8,393	194,432	-
Payable from restricted assets					
Customer deposits	752,303	-	-	752,303	-
Total long-term liabilities	1,921,863	45,661	4,151,475	6,118,999	-
Total liabilities	4,012,709	257,525	5,675,928	9,946,162	583,576
DEFERRED INFLOWS OF RESOURCES					
Difference in expected and actual pension experience	5,244	457	307	6,008	-
Total deferred outflows of resources	5,244	457	307	6,008	-
NET POSITION					
Net investment in capital assets	29,690,855	-	1,233,054	30,923,909	2,041,486
Unrestricted	7,842,890	637,479	(997,537)	7,482,832	4,259,401
TOTAL NET POSITION	\$ 37,533,745	\$ 637,479	\$ 235,517	38,406,741	\$ 6,300,887

Reconciliation to government-wide statement of net position:
 Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds 336,332
 Net position of business-type activities \$ 38,743,073

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, 2016

	Business-type Activities				Governmental
	Utility	Solid Waste	Fieldhouse Sports Facility	Total	Activities- Internal Service Funds
OPERATING REVENUES					
Water	\$ 7,153,661	\$ -	\$ -	\$ 7,153,661	\$ -
Sewer	8,453,828	-	-	8,453,828	-
Solid waste	-	2,778,684	-	2,778,684	-
Sports facility	-	-	933,431	933,431	-
Penalties	155,696	-	-	155,696	-
Premiums, charges for services and other	172,154	-	69,034	241,188	4,507,873
Total operating revenues	15,935,339	2,778,684	1,002,465	19,716,488	4,507,873
OPERATING EXPENSES					
Water services	4,226,306	-	-	4,226,306	-
Sewer	3,891,707	-	-	3,891,707	-
Solid waste	-	2,489,601	-	2,489,601	-
Sports facility	-	-	1,232,080	1,232,080	-
Claims and provision	-	-	-	-	2,976,067
Administrative and fiscal	1,536,927	-	-	1,536,927	849,833
Depreciation and amortization	1,119,056	-	268,137	1,387,193	620,478
Total operating expenses	10,773,996	2,489,601	1,500,217	14,763,814	4,446,378
OPERATING INCOME (LOSS)	5,161,343	289,083	(497,752)	4,952,674	61,495
NON-OPERATING REVENUES (EXPENSES)					
Intergovernmental	-	-	631,171	631,171	-
Investment income	22,967	1,189	-	24,156	9,055
Interest and fiscal charges	(17,287)	-	(158,886)	(176,173)	-
Gain on sale of capital assets	-	-	-	-	26,427
Total non-operating revenues (expenses)	5,680	1,189	472,285	479,154	35,482
INCOME (LOSS) BEFORE TRANSFERS	5,167,023	290,272	(25,467)	5,431,828	96,977
Transfers out	(2,034,080)	(335,986)	-	(2,370,066)	-
CHANGES IN NET POSITION	3,132,943	(45,714)	(25,467)	3,061,762	96,977
TOTAL NET POSITION - BEGINNING	34,400,802	683,193	260,984		6,203,910
TOTAL NET POSITION - ENDING	\$ 37,533,745	\$ 637,479	\$ 235,517		\$ 6,300,887
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				33,245	
Change in net position of business-type activities				\$ 3,095,007	

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED SEPTEMBER 30, 2016

	Business-type Activities			Governmental Activities-	
	Utility Fund	Solid Waste Fund	Fieldhouse Sports Facility	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 15,696,790	\$ 2,698,629	\$ 984,342	\$ 19,379,761	\$ -
Receipts from insured	-	-	-	-	669,682
Payments to suppliers	(8,040,338)	(2,304,938)	(827,413)	(11,172,689)	(3,579,429)
Payments to employees	(1,628,690)	(170,855)	(454,930)	(2,254,475)	-
Internal activity - receipts from other funds	-	-	-	-	3,815,989
Other receipts	168,002	-	-	168,002	22,202
Net cash provided by (used in) operating activities	<u>6,195,764</u>	<u>222,836</u>	<u>(298,001)</u>	<u>6,120,599</u>	<u>928,444</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out to other funds	(2,034,080)	(335,986)	-	(2,370,066)	-
Receipts from interfund borrowings	-	-	225,000	225,000	-
Payments for interfund borrowings	(225,000)	-	-	(225,000)	-
Other contributions	-	-	631,171	-	-
Net cash provided (used in) by noncapital financing activities	<u>(2,259,080)</u>	<u>(335,986)</u>	<u>856,171</u>	<u>(1,738,895)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,501,677)	-	(18,108)	(2,519,785)	(769,113)
Gain on sale of capital assets	-	-	-	-	6,651
Principal paid on bond maturities	(330,000)	-	(357,977)	(687,977)	-
Interest paid on bond maturities	(17,852)	-	(168,026)	(185,878)	-
Net cash used in capital and related financing activities	<u>(2,849,529)</u>	<u>-</u>	<u>(544,111)</u>	<u>(3,393,640)</u>	<u>(762,462)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	19,727	1,189	-	20,916	8,119
Net cash provided by investing activities	<u>19,727</u>	<u>1,189</u>	<u>-</u>	<u>20,916</u>	<u>8,119</u>
Net increase (decrease) in cash and cash equivalents	1,106,882	(111,961)	14,059	1,008,980	174,101
CASH AND INVESTMENTS, beginning of year	<u>4,553,373</u>	<u>416,321</u>	<u>2,822</u>	<u>4,972,516</u>	<u>4,621,070</u>
CASH AND INVESTMENTS, end of year	<u>\$ 5,660,255</u>	<u>\$ 304,360</u>	<u>\$ 16,881</u>	<u>\$ 5,981,496</u>	<u>\$ 4,795,171</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 5,161,343	\$ 289,083	\$ (497,752)	\$ 4,952,674	\$ 61,495
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,023,009	-	268,137	1,291,146	620,478
Amortization of water rights	96,047	-	-	96,047	-
Change in assets and liabilities:					
Accounts receivable	(69,107)	(80,055)	(18,123)	(167,285)	-
Accrued compensated absences	11,277	1,400	3,042	15,719	-
Other postemployment benefits liability	22,340	3,792	1,896	28,028	-
Pension liability	889,065	70,149	35,640	994,854	-
Deferred outflows and inflows	(682,080)	(61,695)	(64,281)	(808,056)	-
Prepaid items	(362,082)	-	-	(362,082)	172,521
Accounts payable and accrued liabilities	107,392	162	(26,560)	80,994	73,950
Customer deposits	(1,440)	-	-	(1,440)	-
Total adjustments	<u>1,034,421</u>	<u>(66,247)</u>	<u>199,751</u>	<u>1,167,925</u>	<u>866,949</u>
Net cash provided by (used in) operating activities	<u>\$ 6,195,764</u>	<u>\$ 222,836</u>	<u>\$ (298,001)</u>	<u>\$ 6,120,599</u>	<u>\$ 928,444</u>
RECONCILIATION OF TOTAL CASH TO THE STATEMENT OF NET POSITION					
Unrestricted cash and investments				5,229,192	4,795,171
Restricted cash				752,304	-
Total cash and investments				<u>\$ 5,981,496</u>	<u>\$ 4,795,171</u>

The accompanying notes are an integral part of this statement.

CITY OF DUNCANVILLE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Index

Note		Page
1	Summary of Significant Accounting Policies.....	29
2	Deposits and Investments.....	36
3	Ad Valorem Taxes.....	38
4	Receivables.....	38
5	Capital Assets.....	39
6	Interfund Balances and Transfers.....	42
7	Budgetary Compliance.....	43
8	Long-Term Debt.....	46
9	Defined Benefit Pension Plan.....	46
10	Regional Systems for Water Supply and Wastewater Treatment.....	51
11	Self-insurance.....	52
12	Postemployment Benefits.....	53
13	Contingent Liabilities.....	55
14	Regional Dispatch Center.....	55
15	Regional Animal Control Center.....	55
16	Main Station Property.....	56
17	EON Reality Duncanville Entrepreneur School.....	56
18	Commitments	56
19	Deficit Fund Equity.....	57

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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, 2016**

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

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

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

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

Proprietary funds are maintained for enterprise and internal service operations of the City. Enterprise funds are used to report functions presented as business-type activities in the government-wide financial statements. The Utility, Solid Waste and Fieldhouse Sports Facility funds are considered to be major enterprise funds. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for health claims, general liability operations and fleet and capital replacement. The internal service funds predominately benefit governmental rather than business-type functions, so they have been included within governmental activities in the government-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the Combining and Individual Fund Statements and Schedules section of this report. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Measurement Focus and Basis of Accounting—Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been 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, 2016**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the fiscal year-end, except investment income which is recorded as earned. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, accrued interest on long-term debt, and expenditures related to compensated absences are recorded only when payment is due.

Revenues susceptible to accrual in governmental funds include ad valorem taxes, franchise taxes, sales taxes, interest earned, certain charges for services and intergovernmental revenues, if such revenues are both measurable and available as previously defined. Licenses, permits and municipal court fines are recognized when payment is received. The deferred inflows account is utilized in governmental funds to record earned amounts which are unavailable to liquidate liabilities of the current period (i.e., not collectible within 60 days).

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water, sewer and other proprietary operations are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City of Duncanville reports the following major governmental funds:

- The General fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- The Debt Service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Resources for this fund are generated by a tax levy based upon property values. Payments for principal and interest are made from this fund for general obligation bonds, certificates of obligation bonds, and contractual obligation debt when due throughout the year.
- The Street Construction fund is a capital project fund that is used to account for the construction of major thoroughfares and petition paving projects.
- The Traffic Improvement and Safety fund is a special revenue fund that is used to account for the cost of red light camera operations. The revenue source is derived from red light ticket fines.

The City of Duncanville reports the following major proprietary funds:

- The Utility enterprise fund is used to account for the rendering of water and sewer services to the residents and businesses of the City.
- The Solid Waste enterprise fund is used to account for the rendering of sanitation services to the residents and businesses of the City.
- The Fieldhouse Sports Facility enterprise fund is used to account for the rendering of sporting league, tournament, and event services for the residents and non-residents.

All proprietary fund activities necessary to provide such services are accounted for in each individual fund, including administration, operation, maintenance, debt service, and billing and collection.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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, 2016, 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, 2016**

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, 2016 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, 2016

In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt is recorded as other financing sources. Bond premiums and discounts are recorded as other financing sources and other financing uses.

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

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Changes in actuarial assumptions used to determine pension liability – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category.

- The first type arises only under the modified accrual basis of accounting. Accordingly, the item (unavailable revenue), is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues if they are not collected within 60 days of the fiscal year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- The difference in expected and actual pension experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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

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

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

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

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

When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

The City will maintain a minimum fund balance equal to sixty days of the total operating expenditures of the General Fund.

Additionally, the implementation of GASB No. 54 required the City to evaluate the classification of Special Revenue Funds. In accordance with GASB No. 54, Special Revenue Funds are used only to account for specific revenue sources that are externally restricted or committed by the government's highest level of decision making authority for specific purposes other than debt service or capital projects.

Net Position— Net position represents the difference between assets, deferred outflows (inflows) and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on the use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

New Accounting Standards/Pronouncements-

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" – This statement changes the focus of accounting of postemployment benefits other than pensions from whether they are responsibility funding the benefits over time to a point-in time liability

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

that is reflected on the employer's financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the City in fiscal year 2018.

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

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, 2016, in full compliance with state statute and City policy. At year-end, the reconciled balance of the City's cash was \$4,588,981. The combined bank balances of the City were \$5,598,553. 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 2a-7 like external investment pools are measured at the net asset value (NAV) per share (or its equivalent) determined by the pool. These investments and deposits are fully insured by the Federal Depository Insurance Corporation or collateralized by securities held in the name of Texas Treasury Safekeeping Trust Company. Authorized investments include obligations of the United States of America or its agencies, direct obligations of the State of Texas or its agencies, certificates of deposit and repurchase agreements.

The City's investments at September 30, 2016 are as follows:

Description	Fair Value	Less Than 1 Year	Weighted Average Maturity
Investments			
Local Government Investment Cooperative ("Logic") (AAA/MR1+, 2a-7 like pool)	\$ 7,785,189	\$ 7,785,189	45 days
Texpool (AAAm, 2a-7 like pool)	4,767	4,767	45 days
Money Market Funds	4,029,389	4,029,389	1 day
Certificates of deposit	4,700,000	4,700,000	260 days
Total investments	<u>\$ 16,519,345</u>	<u>\$ 16,519,345</u>	

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

As of September 30, 2016, the DCEDC's investments are as follows:

Description	Fair Value	Less Than 1 Year	Weighted
			Average Maturity
Investments			
Local Government Investment Cooperative ("Logic") (AAA/MR1+, 2a-7 like pool)	\$ 305,349	\$ 305,349	45 days
Certificates of deposit	300,000	300,000	260 days
Total investments	<u>\$ 605,349</u>	<u>\$ 605,349</u>	

All the City's investments at September 30, 2016, have maturities of less than one year and therefore there is no difference between the carrying amount and fair value.

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

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

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

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

Percentage of Portfolio (Maximum):

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

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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, 2015, upon which the 2016 fiscal year levy was based, was \$1,812,540,784.

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, 2016 were 98.9% of the tax levy.

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

4. RECEIVABLES

Receivables at September 30, 2016, for the government's individual major, non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Street Construction	Traffic I&S	Nonmajor Governmental	Utility Fund	Solid Waste Fund	Total
Receivables								
Accounts	\$ 2,523,551	\$ -	\$ -	\$ 149,121	\$ 202,982	\$ 3,425,800	\$ 599,523	\$ 6,900,977
Ad valorem taxes	713,811	137,060	-	-	-	-	-	850,871
Other taxes	1,942,920	-	-	-	148,134	-	-	2,091,054
Assessments	-	-	51,950	-	-	-	-	51,950
Intergovernmental	-	-	-	-	24,575	-	-	24,575
Gross receivables	5,180,282	137,060	51,950	149,121	375,691	3,425,800	599,523	9,919,427
Less allowance for uncollectibles	(2,165,793)	(106,419)	-	-	(26,973)	(566,429)	(80,918)	(2,946,532)
Net total receivables	\$ 3,014,489	\$ 30,641	\$ 51,950	\$ 149,121	\$ 348,718	\$ 2,859,371	\$ 518,605	\$ 6,972,895

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

5. CAPITAL ASSETS

The following is a summary of the changes in capital assets for the fiscal year ended September 30, 2016:

Governmental activities:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 20,021,216	\$ -	\$ -	\$ -	\$ 20,021,216
Construction in progress	178,011	668,596	-	(718,762)	127,845
Total capital assets, not being depreciated	<u>20,199,227</u>	<u>668,596</u>	<u>-</u>	<u>(718,762)</u>	<u>20,149,061</u>
Capital assets being depreciated:					
Buildings	12,583,089	-	-	-	12,583,089
Infrastructure	60,899,113	718,762	-	-	61,617,875
Improvements	8,978,635	-	-	-	8,978,635
Equipment	18,786,322	1,751,098	(752,925)	-	19,784,495
Total capital assets being depreciated	<u>101,247,159</u>	<u>2,469,860</u>	<u>(752,925)</u>	<u>-</u>	<u>102,964,094</u>
Less accumulated depreciation for:					
Buildings	(5,128,320)	(249,567)	-	-	(5,377,887)
Infrastructure	(39,396,959)	(1,768,550)	-	-	(41,165,509)
Improvements	(2,497,155)	(198,499)	-	-	(2,695,654)
Equipment	(13,570,138)	(1,119,794)	752,925	-	(13,937,007)
Total accumulated depreciation	<u>(60,592,572)</u>	<u>(3,336,410)</u>	<u>752,925</u>	<u>-</u>	<u>(63,176,057)</u>
Total capital assets being depreciated, net	<u>40,654,587</u>	<u>(866,550)</u>	<u>-</u>	<u>-</u>	<u>39,788,037</u>
Governmental activities capital assets, net	<u>\$ 60,853,814</u>	<u>\$ (197,954)</u>	<u>\$ -</u>	<u>\$ (718,762)</u>	<u>\$ 59,937,098</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Business-type activities:

	Beginning Balance	Increases	Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 567,630	\$ -	\$ -	\$ 567,630
Construction in progress	1,964,037	3,028,512	(3,967,625)	1,024,924
Total capital assets, not being depreciated	<u>2,531,667</u>	<u>3,028,512</u>	<u>(3,967,625)</u>	<u>1,592,554</u>
Capital assets being depreciated:				
Buildings	11,703,957	-	-	11,703,957
Infrastructure	40,851,500	2,812,531	-	43,664,031
Water rights	4,802,361	-	-	4,802,361
Improvements	29,130	-	-	29,130
Equipment	2,094,413	1,173,203	-	3,267,616
Total capital assets being depreciated	<u>59,481,361</u>	<u>3,985,734</u>	<u>-</u>	<u>63,467,095</u>
Less accumulated depreciation for:				
Buildings	(3,902,913)	(365,326)	-	(4,268,239)
Infrastructure	(20,136,210)	(776,482)	-	(20,912,692)
Water rights	(1,824,893)	(96,047)	-	(1,920,940)
Improvements	(7,476)	(581)	-	(8,057)
Equipment	(1,165,032)	(148,757)	-	(1,313,789)
Total accumulated depreciation	<u>(27,036,524)</u>	<u>(1,387,193)</u>	<u>-</u>	<u>(28,423,717)</u>
Total capital assets being depreciated, net	<u>32,444,837</u>	<u>2,598,541</u>	<u>-</u>	<u>35,043,378</u>
Business-type activities capital assets, net	<u>\$ 34,976,504</u>	<u>\$ 5,627,053</u>	<u>\$ (3,967,625)</u>	<u>\$ 36,635,932</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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

General Government	\$	340,879
Finance		1,498
Community services		567,126
Police		70,118
Public works		1,627,063
Fire		109,248
		<u>2,715,932</u>
Total governmental activities		2,715,932
Internal service activity:		
Fleet rotation		620,478
		<u>620,478</u>
Total government & internal service activities	\$	<u>3,336,410</u>
Business-like activities:		
Water and sewer	\$	1,023,010
Water rights amortization		96,047
Fieldhouse		268,136
		<u>268,136</u>
Total business-like activities	\$	<u>1,387,193</u>

Discretely presented component unit:

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

There were no increases or decreases for the component unit.

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

The City has active construction projects as of September 30, 2016. Total accumulated commitments for ongoing capital projects are composed of the following:

Governmental activities	
General Fund	\$ 255,204
Total governmental activities	<u>\$ 255,204</u>
Business-type activities:	
Utility Fund	\$ 579,451
Total business-type activities	<u>\$ 579,451</u>

6. INTERFUND BALANCES AND TRANSFERS

Interfund balances as of September 30, 2016 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Non-major governmental (court technology)	Non-major governmental (court security)	8,000
Utility (enterprise fund)	Sports Facility (enterprise fund)	950,000
	Total	<u>\$ 958,000</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, 2016:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General	Non-major governmental	\$ 52,031	Matching funds for grant
Debt Service	General	1,325,000	Excess fund balance
Traffic I & S	General	88,550	Administrative and overhead charges
Non-major governmental	General	44,850	Administrative and overhead charges
Utility	General	2,034,080	Administrative and overhead charges, PILOT
Solid waste	General	135,986	Administrative and overhead charges
	Non-major governmental	200,000	To fund alley repairs
	Total	<u>\$ 3,880,497</u>	

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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, 2016, expenditures exceeded appropriations (the legal level of budgetary control) in the General fund's finance department by \$463 and community services department by \$91,597. The over expenditures were funded by greater than expected revenues in the General fund.

8. LONG-TERM DEBT

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

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

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

Year Ending September 30	Business-type Activities		DCEDC	
	Principal	Interest	Principal	Interest
2017	740,000	148,319	430,000	85,305
2018	765,000	127,234	445,000	67,805
2019	780,000	105,414	465,000	49,605
2020	560,000	84,602	480,000	30,465
2021-2025	2,495,000	191,625	500,000	10,313
Total	<u>5,340,000</u>	<u>657,194</u>	<u>2,320,000</u>	<u>243,493</u>

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Long-term bonded debt at September 30, 2016, includes the following individual issues:

	<u>Interest Rate (%)</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
<u>Business-type Activities</u>				
G.O. Refunding Series 2013	1.000-4.625	2/15/2020	\$ 1,140,000	\$ 340,000
G.O. Refunding Series 2016	3.000-4.000	2/15/2025	<u>\$ 4,200,000</u>	<u>\$ 400,000</u>
Total business-type activities long-term debt			<u>\$ 5,340,000</u>	<u>\$ 740,000</u>
Total long-term bonded debt (primary government)			<u>\$ 5,340,000</u>	<u>\$ 740,000</u>
<u>DCEDC (Component Unit)</u>				
Sales tax revenue bonds:				
C.O. Series 2006 Tax & WW/SS Rev	4.000-4.125	2/15/2021	<u>2,320,000</u>	<u>430,000</u>
Total DCEDC			<u>\$ 2,320,000</u>	<u>\$ 430,000</u>

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

CITY OF DUNCANVILLE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Long-term liability activity for the year ended September 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Loan payable	1,353,381	-	198,039	1,155,342	204,756
Net pension liability	-	1,354,166	-	1,354,166	-
Accrued compensated absences	2,766,937	1,147,471	1,039,027	2,875,381	201,277
Other postemployment benefits	1,490,298	561,218	373,373	1,678,143	-
Total governmental activities	<u>5,610,616</u>	<u>3,062,855</u>	<u>1,610,439</u>	<u>7,063,032</u>	<u>406,033</u>
Business-type activities:					
Bonds payable:					
Series 2010 Tax and Waterworks and Sewer System Revenue Certificates of Obligation	4,930,000	-	4,930,000	-	-
General Obligation Refunding Series 2013	1,470,000	-	330,000	1,140,000	340,000
General Obligation Refunding Series 2016	-	4,200,000	-	4,200,000	400,000
Deferred premium on bonds	-	396,361	24,338	372,023	41,722
Total bonds payable	<u>6,400,000</u>	<u>4,596,361</u>	<u>5,284,338</u>	<u>5,712,023</u>	<u>781,722</u>
Net pension liability	-	163,618	-	163,618	-
Accrued compensated absences	68,523	81,069	65,350	84,242	5,897
Other postemployment benefits	166,405	42,962	14,935	194,432	-
Total business-type activities	<u>6,634,928</u>	<u>4,884,010</u>	<u>5,364,623</u>	<u>6,154,315</u>	<u>787,619</u>
Total long-term liabilities (primary government)	<u>\$ 12,245,544</u>	<u>\$ 7,946,865</u>	<u>\$ 6,975,062</u>	<u>\$ 13,217,347</u>	<u>\$ 1,193,652</u>
DCEDC (Component unit):					
Bonds payable:					
Certificates of obligation	2,730,000	-	410,000	2,320,000	430,000
Total DCEDC long-term liabilities	<u>\$ 2,730,000</u>	<u>\$ -</u>	<u>\$ 410,000</u>	<u>\$ 2,320,000</u>	<u>\$ 430,000</u>

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

The General fund secured a loan for \$1,483,374 in January 2015 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, 2016 is \$1,155,342.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Due to favorable interest rates, the City issued General Obligation Refunding Bonds, Series 2016 in the amount of \$4,596,361 including premium. The proceeds were used to refund \$4,930,000 of outstanding Series 2010 Tax and Waterworks and Sewer System Revenue Certificates of Obligation. The proceeds were deposited with an escrow agent to purchase direct obligations of the United States of America. The reacquisition price exceeded the net carrying amount of the old debt by \$22,218. This amount is being amortized over the remaining life of the refunded debt. As a result, the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the City's financial statements.

9. DEFINED BENEFIT PENSION PLAN

Plan Descriptions. The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.org.

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

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

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

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Employees covered by benefit terms

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit	197
Inactive employees entitled to but not yet receiving benefits	151
Active employees	<u>251</u>
	<u>599</u>

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 3.41% and 3.86% in calendar years 2015 and 2016, respectively. The city's contributions to TMRS for the year ended September 30, 2016, were \$539,816, and were equal to the required contributions.

Net Pension Liability. The City's Net Pension Liability was measured as of December 31, 2015, 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, 2015 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 male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Actuarial assumptions used in the December 31, 2015 valuation were based on the results of actuarial experience studies. The experience study in TMRS 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 the 2009 through 2011, and the dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2015 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	<u>100.0%</u>	

Discount Rate

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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**
Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Changes for the year:			
Service cost	\$ 1,737,352	\$ -	\$ 1,737,352
Interest	6,476,370	-	6,476,370
Difference between expected and actual experience	11,193	-	11,193
Changes of Assumptions	2,777,068		
Contributions - employer	-	584,156	(584,156)
Contributions - employee	-	1,047,974	(1,047,974)
Net investment income	-	150,672	(150,672)
Benefit payments, including refunds of employee contributions	(5,347,455)	(5,347,455)	-
Administrative expense	-	(91,784)	91,784
Other changes	-	(4,533)	4,533
Net changes	5,654,528	(3,660,970)	9,315,498
Beginning Balance at 12/31/2014	<u>\$ 94,324,623</u>	<u>\$ 102,122,339</u>	<u>\$ (7,797,716)</u>
Ending Balance at 12/31/2015	<u>\$ 99,979,151</u>	<u>\$ 98,461,369</u>	<u>\$ 1,517,782</u>

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

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	\$ 14,077,798	\$ 1,517,782	\$ (8,906,953)

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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, 2016, the City recognized pension expense of \$2,418,485.

At September 30, 2016, 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	\$ -	\$ 55,727
Difference between projected and actual investment earnings	6,366,237	-
Difference in assumption changes	2,091,372	
Contributions subsequent to the measurement date	<u>383,432</u>	<u>-</u>
Total	<u>\$ 8,841,041</u>	<u>\$ 55,727</u>

Deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date of \$383,432 will be recognized as an addition to the net pension liability for the measurement year ending December 31, 2016 (i.e. recognized in the City's financial statements in the year ended September 30, 2017). 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>	
2016	\$ 2,315,554
2017	2,315,554
2018	2,336,773
2019	<u>1,434,001</u>
Total	\$ 8,401,882

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 2016 was \$0.4305 per 1,000 gallons plus an annual demand charge of \$243,453 for each million gallons per day as established by the rate of flow controller setting (currently 9.5 million gallons at \$2,312,803 annually).

Trinity River Authority Sewage Disposal Agreement - The City, along with the cities of Cedar Hill, DeSoto, Ferris and Lancaster, is a member of the Trinity River Authority (TRA) of Texas Ten Mile Creek Regional Wastewater System ("the System"). Under the contract dated December 1, 1983, the System provides for and operates a regional wastewater treatment plant and conveyance facility for the benefit of the parties. The City is required to deliver all of its wastewater from within the Ten-Mile Creek basin to the System's conveyance system for treatment. The City is then charged monthly based upon the percentage of its flow to the total flow received by the System and the System's cost of operation and maintenance, including debt service on bonds issued to construct the System. The contract will remain in force and effect until all bonds have been paid in full and thereafter for a period of fifty years from the date of the contract.

Additionally, the City is a member of the Trinity River Authority of the Texas Regional Wastewater System (the "Regional System") through a contract with TRA dated June 27, 1984. The contract will remain in force and effect until all bonds have been paid in full and thereafter for a period of fifty years from the date of the contract. The City's wastewater is treated by the Regional System at its Ten Mile Creek Regional Plant and its Central Regional Plant. The City's payments to the Regional System have been deemed to be an operation and maintenance expense of the City's waterworks and sewer system and are payable monthly. The City's payments are based upon its percentage of the total of all contracting parties in the Regional System applied to total operation and maintenance expenses of the Regional System, including debt service. The Regional System is obligated to treat all of the City's sewage flow.

Lakeview Regional Water Supply Contract - The City and the Cities of Grand Prairie and Cedar Hill entered into a contract with TRA, dated February 27, 1985, in effect for the useful life of the project, whereby TRA would sell its revenue bonds and construct and operate a water treatment plant, transmission and storage facilities necessary to supply treated water from Joe Pool Lake to the cities. Water intake facilities were financed and constructed in 1986 but the treatment plant and transportation facilities have not been constructed. There are no current plans to construct the treatment plant and transportation facilities for the City necessary to use the raw water from Joe Pool Lake. Under the contract, the City is required to pay its proportionate share (based on a percentage of water usage) of maintenance and operation costs. The City's current payments under the contract, which include debt service on bonds issued by TRA to construct the intake facilities and other costs associated with the facility, are approximately \$4,200 per year.

Summit Regional Water Storage Project - The City and the City of Cedar Hill entered into a contract with TRA, dated February 26, 1986 and in effect for the useful life of the project, whereby TRA would sell its revenue bonds and construct and operate an 8 million gallon water storage reservoir, delivery facilities and pump stations. Under the contract, the City was required to pay its proportionate share (58.77%) of the debt service on bonds issued by TRA for the project and maintenance and operation costs, and was obligated to pay its proportionate share. On February 26, 2016, this contract with TRA was terminated, and ownership and all operational responsibilities for the project were transferred to the City and Cedar Hill.

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 \$360,000 per year.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**
11. SELF-INSURANCE

The City has established a medical self-insurance plan for City employees and their covered dependents. The City self-insures its employees and their dependents for illness, injury, and hospitalization up to \$150,000 per plan year. A third-party insurance company coinsures with the City for individual claims in excess of \$150,000 up to an unlimited lifetime maximum. Aggregate claims in excess of \$2,440,924 are also coinsured up to a maximum of \$1,000,000 per claim. All claims and maximums are calculated for a plan year ending each September 30. Settled claims have not exceeded the aggregate coverage in any of the past three fiscal years. Insurance coverage has not been reduced for this year from the prior year, however changes were made beginning October 1, 2014 to reduce the out of pocket cost for the employee.

The City established a comprehensive self-insurance plan for workers' compensation, property and casualty, and general liability coverage. The self-insurance plan encompasses workers' compensation benefits, fire, law enforcement, auto fleet, computer hardware and software, other property, public officials' liability and general liability coverage. A third-party insurance company coinsures with the City for individual claim retention levels and corresponding policy limits as follows: \$75,000/\$1,000,000 for workers' compensation; \$25,000/\$49,856,869 for real and personal property; and \$25,000/\$2,000,000 for liability claims. All claims and maximums are calculated for a plan year ending each September 30. Settled claims have not exceeded the aggregate policy limits in any of the past three fiscal years.

The claims liabilities of \$298,011 and \$230,807 reported in the medical self-insurance fund and comprehensive self-insurance fund, respectively, are based on the requirements of GASB 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which requires that a liability be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the funds' claims liability amount in fiscal years 2015 and 2016 were:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
Medical Self-Insurance Fund				
2015	254,059	1,763,490	(1,751,712)	265,837
2016	265,837	2,621,515	(2,589,341)	298,011
Comprehensive Self-Insurance Fund				
2015	167,009	188,185	(176,560)	178,634
2016	178,634	354,552	(302,379)	230,807

Accrued liabilities include provisions for claims reported and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid for each claimant. The provision for claims incurred but not yet reported is estimated based on City experience since the inception of the program. All claims are expected to be paid within one year. Premium payments are reported as inter-fund services provided and used; accordingly, they are treated as operating revenues of the Self-Insurance Internal Service Funds and operating expenditures/expenses of the participating funds.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

12. POSTEMPLOYMENT BENEFITS

Plan Description- In addition to the pension benefits described in Note 9, the City makes postretirement health care benefits available to all employees who retire from the City and who qualify to receive pension disbursements from Texas Municipal Retirement System (TMRS) through a single-employer defined benefit healthcare plan. The retiree pays premiums for the retiree and dependents monthly. During fiscal year ended 2016, \$319,241 in claims were paid on retirees covered under the plan. The plan does not issue a separate financial report.

Benefits Provided- The benefits are provided to the retired employee and dependents under the same plan as active employees in accordance with State law. As of September 30, 2016, twenty-six retirees were covered under the healthcare plan.

Funding Policy- The City's contribution is based on a pay-as-you-go funding policy where the City's contributions are equal to claims in excess of retiree contributions. For fiscal year 2016, retiree contributions were \$450 to \$1,392 per month depending on the amount of dependents selected. In fiscal year 2016, total member contributions were \$254,251. The City contributions for fiscal year 2016, which are also equal to claims paid in excess of premiums collected, were \$50,979.

Annual OPEB Cost and Net OPEB Obligation- The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities (or funding excess) over an open period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Fiscal Year	2014	2015	2016
Annual required contribution	\$ 295,084	\$ 275,377	\$ 275,377
Interest on net OPEB	56,420	67,591	74,552
Adjustment to annual required contribution	<u>(52,271)</u>	<u>(62,623)</u>	<u>(69,072)</u>
Annual OPEB cost (expense)	299,233	280,345	280,857
Contributions made	<u>(50,979)</u>	<u>(125,665)</u>	<u>(64,990)</u>
Increase in net OPEB obligation	248,254	154,680	215,867
Net OPEB obligation- beginning of the year	<u>1,253,774</u>	<u>1,502,028</u>	<u>1,656,708</u>
Net OPEB obligation- end of the year	<u>\$ 1,502,028</u>	<u>\$ 1,656,708</u>	<u>\$ 1,872,575</u>
Percentage of OPEB costs contributed	17.0%	44.8%	23.1%

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Funded Status and Funding Progress- The funded status of the City's retiree health care plan under GASB Statement No. 45 as of December 31, 2015 is as follows:

<u>Actuarial Valuation Date as of</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
12/31/2015	-	\$2,813,543	\$2,813,543	0.0%	14,861,868	18.9%

Under the reporting parameters, the City's retiree health care plan is 0.0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$2,813,543 at December 31, 2015. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 18.9%.

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

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

Significant actuarial methods and assumptions were as follows:

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year, open amortization
Payroll Growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 7.25% declining to an ultimate rate of 4.50% after 14 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

13. CONTINGENT LIABILITIES

Pending Litigation—In the opinion of the City's management, no pending litigation exists at September 30, 2016.

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

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

14. REGIONAL DISPATCH CENTER

The City entered into an annually renewable Interlocal Cooperation Agreement with the Cities of DeSoto and Cedar Hill ("participating cities") on August 10, 1999 to establish a Regional Public Safety Dispatch and Alarm Monitoring Facility ("the Center"). The Center provides police, fire and emergency medical service communications to participating cities. The Center's Management Committee is comprised of each of the participating cities' City Manager or their designee. The City has a one-third (1/3) share in the equity of the Center, which qualifies as a joint venture and is accounted for in the government-wide statement of net position. The value of the City's share in the equity of the facility as of September 30, 2016, is \$147,324. 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 \$439,167. The value of the City's share in the equity of the facility net of the debt is \$483,911 as of September 30, 2016. The financial statements of the facility can be obtained by contacting: City of Cedar Hill Finance Department, P.O. Box 96, Cedar Hill, TX 75106-0096.

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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, 2016 is \$19,537. The financial statements can be obtained by contacting: MARA Inc., 111 E. Davis Street, Suite 101, Duncanville, Texas 75116.

17. EON REALITY DUNCANVILLE ENTREPRENEUR SCHOOL

The City entered into a ten year lease agreement with EON Reality, Inc. on October 23, 2014 for a City building to be used for the EON Reality Duncanville Entrepreneur School. Total rent received from EON in fiscal year 2016 was \$150,500.

18. COMMITMENTS

**Duncanville Community and Economic Development Corporation (DCEDC)
Incentive Agreement with Costco Wholesale Corporation:**

DCEDC agreed to provide Costco Wholesale Corporation with an economic development sales tax rebate grant from lawful available funds in an amount equal to the sales tax receipts (1/2 of one percent (1%) sales and use tax imposed by the City) generated by the Costco Facility for ten (10) years, commencing upon the date the Costco Facility was opened for business (August 2006).

**Duncanville Community and Economic Development Corporation (DCEDC)
Incentive Agreement with Second Century Investments ("SCI"):**

DCEDC agreed to provide an economic development grant to SCI, from lawfully available funds, annually for ten (10) years beginning with the tax year in which completion of the hotel occurs (2005) and ending on the tenth anniversary of completion. DCEDC shall reimburse SCI for eighty percent (80%) of the City and County (but not school district) ad valorem taxes assessed to and paid by SCI with respect to the Hotel and Hotel Site. The City paid the final payment of \$71,760 on this incentive in fiscal year 2016.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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 2016.

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

The City agreed to pay Redflex Traffic Systems, Inc. for red light equipment, processes and back office services. The current rate is \$5,072 monthly per services per approach and the City utilizes equipment for eight approaches. Each year the rate is subject to increase by the Consumer Price Index (CPI). The terms of the agreement are in effect for ten years ending in June 2022. In fiscal year 2015, the City paid Redflex \$593,507 for equipment and related expenses from the Traffic & Safety Improvement fund.

19. DEFICIT FUND EQUITY

The Court Technology Fund, a non-major governmental fund, had a deficit of \$7,625 as of September 30, 2016. This deficit resulted because court technology fee revenues were less than anticipated in fiscal year 2016. Expenditures in fiscal year 2017 will be decreased to eliminate the deficit.

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

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

Data presented is based on plan year (calendar year)

CITY OF DUNCANVILLE, TEXAS

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

Fiscal Year	2014	2015
Actuarial determined contribution	\$ 632,746	\$ 539,816
Contributions in relation to the actuarially determined contribution	<u>(632,746)</u>	<u>(539,816)</u>
Contribution deficiency (excess)	-	-
Covered employee payroll	14,685,033	15,295,736
Contributions as a percentage of covered employee payroll	4.31%	3.53%

Notes to Schedule of Contributions:

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	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 There were no benefit changes during the year.

CITY OF DUNCANVILLE

REQUIRED SUPPLEMENTARY INFORMATION
 CITY OF DUNCANVILLE OTHER POST EMPLOYMENT BENEFITS PLAN
 ANALYSIS OF FUNDING PROGRESS
 LAST SEVEN FISCAL YEARS
 (UNAUDITED)

As of 12/31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
2009	-	6,508,510	6,508,510	0.0%	13,323,633	48.8%
2010	-	4,582,492	4,582,492	0.0%	13,648,170	33.6%
2011	-	4,582,492	4,582,492	0.0%	13,830,220	33.1%
2012	-	3,265,737	3,265,737	0.0%	13,746,226	23.8%
2013	-	3,265,737	3,265,737	0.0%	13,616,947	24.0%
2014	-	2,813,543	2,813,543	0.0%	14,180,579	19.8%
2015	-	2,813,543	2,813,543	0.0%	14,861,868	18.9%

Trend data presented is based on December 31, 2015, the date of the actuarial valuation.

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-REVENUES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
PROPERTY TAXES:				
Current Taxes	\$ 12,324,690	\$ 12,324,690	\$ 12,281,458	\$ (43,232)
Prior rolls	190,000	130,000	110,266	(19,734)
Penalties	115,000	110,000	98,406	(11,594)
Total	12,629,690	12,564,690	12,490,130	(74,560)
SALES TAXES:				
General	4,364,337	4,556,572	4,678,763	122,191
Property tax relief	2,182,169	2,278,285	2,339,438	61,153
Total	6,546,506	6,834,857	7,018,201	183,344
FRANCHISE TAXES:				
TXU Electric	1,140,000	1,140,000	1,156,997	16,997
Atmos Energy	330,000	330,000	284,148	(45,852)
Telephone	202,000	190,000	193,694	3,694
Charter Cable Television	130,000	106,000	115,519	9,519
Telephone Video Services	310,000	315,000	284,759	(30,241)
Total	2,112,000	2,081,000	2,035,117	(45,883)
MIXED BEVERAGE TAXES				
Total taxes	70,194	74,000	76,364	2,364
	21,358,390	21,554,547	21,619,812	65,265
LICENSES, PERMITS AND FEES:				
Building permits	151,500	151,500	157,925	6,425
Zoning and special use permits	8,500	11,000	15,923	4,923
Electrical permits	13,000	18,000	19,111	1,111
Plumbing permits	30,000	29,000	29,723	723
Alarm permits	74,000	74,000	72,442	(1,558)
Solicitor licenses	400	1,200	3,228	2,028
9-1-1 service fee	290,000	22,000	22,870	870
Emergency medical service	800,000	925,000	935,196	10,196
Sign permits	18,000	18,000	11,514	(6,486)
Health food inspection fees	68,000	70,000	63,431	(6,569)
Pool inspection fees	3,000	3,000	2,700	(300)
Wrecker & storage fees	16,000	7,000	10,777	3,777
Total	1,472,400	1,329,700	1,344,840	15,140
MUNICIPAL COURT AND LIBRARY:				
Municipal court	672,000	683,000	657,000	(26,000)
False alarm fees	16,000	18,000	13,038	(4,962)
Library	22,000	24,000	24,687	687
Total	710,000	725,000	694,725	(30,275)
INTERGOVERNMENTAL				
	79,000	87,000	196,321	109,321
INTEREST				
	19,000	29,000	50,375	21,375
RECREATIONAL FEES				
	215,000	228,000	356,522	128,522
OTHER SALES AND SERVICES:				
Sale of capital assets/auction proceeds	13,500	13,500	4,495	(9,005)
Gifts and Contributions	-	-	7,814	7,814
Miscellaneous	190,581	281,468	384,139	102,671
Rentals	375,000	375,000	400,827	25,827
Total	579,081	669,968	797,275	127,307
Total revenues	\$ 24,432,871	\$ 24,623,215	\$ 25,059,870	\$ 436,655

CITY OF DUNCANVILLE, TEXAS

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE-EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

(Continued on following page)

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
DEPARTMENTS:			
General government-			
Mayor and council	\$ -	\$ 8,694	\$ 107,090
City manager	383,891	683	22,939
City secretary	143,520	18,013	37,409
Personnel services	177,840	10,265	72,791
Information systems	225,791	119,289	220,895
Community information	75,125	212	37,454
Library services	597,846	10,256	62,288
Total	<u>1,604,013</u>	<u>167,412</u>	<u>560,866</u>
Finance-			
Administration	480,187	12,728	110,834
Municipal court	220,286	4,741	138,166
Purchasing	117,942	182	22,805
City Marshall	132,345	12,131	8,412
Total	<u>950,760</u>	<u>29,782</u>	<u>280,217</u>
Community services-			
Administration	177,239	1,013	46,431
Recreational programming	296,641	60,113	20,865
Athletic programming	169,832	53,810	127,623
Park grounds maintenance	456,102	88,516	613,659
Building services	317,865	40,455	478,622
Senior center	146,217	7,053	39,370
Horticulture	143,503	14,403	1,421
Community services other	26,699	101,561	193,802
Total	<u>1,734,098</u>	<u>366,924</u>	<u>1,521,793</u>
Police			
Administration	345,225	12,484	123,170
Patrol	3,581,275	43,077	195,629
Criminal investigation	1,128,186	26,045	65,448
Animal control	97,522	1,559	267,697
School guards	79,128	-	6,500
Crime prevention	119,201	3,447	3,959
Communication/Records	272,756	7,253	629,650
Special services	185,044	61,284	54,988
Detention	246,768	12,428	1,009
Total	<u>6,055,105</u>	<u>167,577</u>	<u>1,348,050</u>

<u>Maintenance</u>	<u>Capital</u>	<u>Total Expenditures</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ -	\$ -	\$ 115,784	\$ 110,688	\$ 113,243	\$ (2,541)
-	-	407,513	402,263	403,365	(4,148)
-	-	198,942	201,039	201,917	2,975
-	-	260,896	245,219	265,840	4,944
-	72,526	638,501	636,820	705,319	66,818
-	-	112,791	138,441	134,780	21,989
-	122,345	792,735	811,632	799,162	6,427
-	194,871	2,527,162	2,546,102	2,623,626	96,464
-	-	603,749	623,799	608,630	4,881
-	-	363,193	392,389	371,537	8,344
-	-	140,929	118,233	123,347	(17,582)
-	-	152,888	158,170	156,782	3,894
-	-	1,260,759	1,292,591	1,260,296	(463)
-	-	224,683	224,353	224,308	(375)
-	-	377,619	352,971	373,666	(3,953)
1,606	41,822	394,693	392,972	393,632	(1,061)
49,342	386,535	1,594,154	1,693,479	1,729,528	135,374
203,329	214,780	1,255,051	1,288,123	1,282,074	27,023
-	-	192,640	188,545	198,670	6,030
2,350	-	161,677	176,753	179,104	17,427
-	-	322,062	50,000	50,000	(272,062)
256,627	643,137	4,522,579	4,367,196	4,430,982	(91,597)
-	-	480,879	511,007	487,288	6,409
4,858	-	3,824,839	3,945,996	3,944,514	119,675
-	-	1,219,679	1,160,407	1,191,042	(28,637)
-	-	366,778	367,660	367,771	993
-	-	85,628	87,300	80,480	(5,148)
-	-	126,607	121,412	129,952	3,345
-	-	909,659	1,220,676	926,658	16,999
418	-	301,734	294,783	299,675	(2,059)
-	-	260,205	313,771	249,867	(10,338)
5,276	-	7,576,008	8,023,012	7,677,247	101,239

CITY OF DUNCANVILLE, TEXAS

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>
DEPARTMENTS (Continued):			
Public works-			
Engineering/Planning	337,734	4,912	112,425
Building inspection	422,442	5,773	276,970
Streets	620,670	100,521	1,180,976
Signs and signals	258,435	156,556	231,656
Equipment services	266,437	181,923	94,161
Total	<u>1,905,718</u>	<u>449,685</u>	<u>1,896,188</u>
Fire-			
Administration	340,636	8,810	166,320
Prevention	194,616	8,496	23,010
Suppression	3,261,182	80,115	305,568
Advanced life support	972,008	86,028	260,136
Emergency Management Administrator	79,252	3,716	2,372
Total	<u>4,847,694</u>	<u>187,165</u>	<u>757,406</u>
NON-DEPARTMENTAL	-	40,986	314,770
ECONOMIC DEVELOPMENT	-	300,000	-
LOAN PAYMENT	-	-	198,034
INTEREST AND FISCAL CHARGES	-	-	42,194
Total expenditures	<u>\$ 17,097,388</u>	<u>\$ 1,709,531</u>	<u>\$ 6,919,518</u>

<u>Maintenance</u>	<u>Capital</u>	<u>Total Expenditures</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
-	80,000	535,071	758,664	770,807	235,736
-	-	705,185	618,268	691,970	(13,215)
202	74,276	1,976,645	2,341,900	2,340,335	363,690
4,457	51,991	703,095	692,175	725,134	22,039
418,514	-	961,035	1,007,091	994,941	33,906
<u>423,173</u>	<u>206,267</u>	<u>4,881,031</u>	<u>5,418,098</u>	<u>5,523,187</u>	<u>642,156</u>
3,590	-	519,356	525,541	524,021	4,665
72	-	226,194	224,799	226,486	292
12,562	42,401	3,701,828	3,726,830	3,797,103	95,275
1,597	-	1,319,769	1,505,774	1,428,190	108,421
-	-	85,340	103,591	87,791	2,451
<u>17,821</u>	<u>42,401</u>	<u>5,852,487</u>	<u>6,086,535</u>	<u>6,063,591</u>	<u>211,104</u>
-	-	355,756	372,270	377,541	21,785
-	-	300,000	300,000	300,000	-
-	-	198,034	198,039	198,039	5
-	-	42,194	42,189	42,189	(5)
<u>\$ 702,897</u>	<u>\$ 1,086,676</u>	<u>\$ 27,516,010</u>	<u>\$ 28,646,032</u>	<u>\$ 28,496,698</u>	<u>\$ 980,688</u>



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

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

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

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

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

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

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

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

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

CAPITAL PROJECTS FUNDS:

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

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

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

CITY OF DUNCANVILLE, TEXAS

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
ASSETS			
Cash and investments	\$ 1,294,667	\$ 193,937	\$ 1,488,604
Receivables:			
Taxes	148,134	-	148,134
Trade accounts	176,009	-	176,009
Intergovernmental	24,575	-	24,575
Accrued interest and other	7,339	-	7,339
Due from other funds	8,000	-	8,000
Prepaid items	375	-	375
Total assets	<u><u>\$ 1,659,099</u></u>	<u><u>\$ 193,937</u></u>	<u><u>\$ 1,853,036</u></u>
LIABILITIES AND EQUITY			
LIABILITIES:			
Accounts payable	\$ 83,311	\$ 1,799	\$ 85,110
Accrued payroll	8,931	-	8,931
Due to other funds	8,000	-	8,000
Unearned revenue	26,542	-	26,542
Total liabilities	<u><u>126,784</u></u>	<u><u>1,799</u></u>	<u><u>128,583</u></u>
EQUITY:			
Fund balances-			
Restricted	1,539,940	192,138	1,732,078
Unassigned	(7,625)	-	(7,625)
Total fund balances	<u><u>1,532,315</u></u>	<u><u>192,138</u></u>	<u><u>1,724,453</u></u>
Total liabilities & fund balances	<u><u>\$ 1,659,099</u></u>	<u><u>\$ 193,937</u></u>	<u><u>\$ 1,853,036</u></u>

CITY OF DUNCANVILLE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
REVENUES			
Hotel taxes	\$ 779,253	\$ -	\$ 779,253
Licenses, permits and fees	667,431	-	667,431
Fines and forfeitures	92,194	-	92,194
Intergovernmental	146,985	-	146,985
Investment income	3,837	-	3,837
Rental and other	50,598	-	50,598
Total revenues	<u>1,740,298</u>	<u>-</u>	<u>1,740,298</u>
EXPENDITURES			
Current:			
General government	260,330	-	260,330
Police	112,870	-	112,870
Public works	374,590	-	374,590
Fire	5,732	-	5,732
Special purposes - promotional	112,331	-	112,331
Capital outlay:			
General government	18,105	-	18,105
Police	30,699	-	30,699
Public works	63,190	219,985	283,175
Total expenditures	<u>977,847</u>	<u>219,985</u>	<u>1,197,832</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>762,451</u>	<u>(219,985)</u>	<u>542,466</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	52,031	200,000	252,031
Transfers out	(44,850)	-	(44,850)
Total other financing sources (uses)	<u>7,181</u>	<u>200,000</u>	<u>207,181</u>
NET CHANGE IN FUND BALANCES	769,632	(19,985)	749,647
FUND BALANCES, beginning of year	<u>762,683</u>	<u>212,123</u>	<u>974,806</u>
FUND BALANCES, end of year	<u>\$ 1,532,315</u>	<u>\$ 192,138</u>	<u>\$ 1,724,453</u>

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2016

	<u>Hotel Motel Tax</u>	<u>Drainage Fees</u>	<u>Grants</u>
ASSETS			
Cash and investments	\$ 582,059	\$ 420,439	\$ 84,033
Receivables:			
Taxes	148,134	-	-
Trade accounts (net of allowance)	-	176,009	-
Intergovernmental	-	-	24,575
Accrued interest and other	1,282	-	-
Due from other funds	-	-	-
Prepaid items	375	-	-
Total assets	<u>\$ 731,850</u>	<u>\$ 596,448</u>	<u>\$ 108,608</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 38,539	\$ 39,427	\$ 1,950
Accrued payroll	-	5,681	2,344
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>38,539</u>	<u>45,108</u>	<u>4,294</u>
FUND BALANCES:			
Nonspendable:			
Prepays	375	-	-
Restricted for:			
Promotion of tourism and hotel industry	692,936	-	-
Maintenance and construction of drainage projects	-	551,340	-
Public safety, cultural and recreational services	-	-	104,314
Court security	-	-	-
Juvenile case management	-	-	-
Public safety and criminal investigations	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>693,311</u>	<u>551,340</u>	<u>104,314</u>
Total liabilities & fund balances	<u>\$ 731,850</u>	<u>\$ 596,448</u>	<u>\$ 108,608</u>

<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Total</u>
\$ 514	\$ 34,233	\$ 35,650	\$ 137,739	\$ 1,294,667
-	-	-	-	148,134
-	-	-	-	176,009
-	-	-	-	24,575
-	-	-	6,057	7,339
-	8,000	-	-	8,000
-	-	-	-	375
<u>\$ 514</u>	<u>\$ 42,233</u>	<u>\$ 35,650</u>	<u>\$ 143,796</u>	<u>\$ 1,659,099</u>
\$ 139	\$ 358	\$ 189	\$ 2,709	\$ 83,311
-	262	644	-	8,931
8,000	-	-	-	8,000
-	-	-	26,542	26,542
<u>8,139</u>	<u>620</u>	<u>833</u>	<u>29,251</u>	<u>126,784</u>
-	-	-	-	375
-	-	-	-	692,936
-	-	-	-	551,340
-	-	-	-	104,314
-	41,613	-	-	41,613
-	-	34,817	-	34,817
-	-	-	114,545	114,545
(7,625)	-	-	-	(7,625)
<u>(7,625)</u>	<u>41,613</u>	<u>34,817</u>	<u>114,545</u>	<u>1,532,315</u>
<u>\$ 514</u>	<u>\$ 42,233</u>	<u>\$ 35,650</u>	<u>\$ 143,796</u>	<u>\$ 1,659,099</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, 2016**

	<u>Hotel Motel Tax</u>	<u>Drainage Fees</u>	<u>Grants</u>
REVENUES			
Hotel taxes	\$ 779,253	\$ -	\$ -
Licenses, permits and fees	-	667,431	-
Fines and forfeitures	-	-	-
Intergovernmental	-	-	146,985
Investment income	1,808	-	-
Rental and other	-	27,500	23,098
Total revenues	<u>781,061</u>	<u>694,931</u>	<u>170,083</u>
EXPENDITURES			
Current:			
General government	191,499	-	11,404
Police	-	-	72,454
Public works	-	286,605	87,985
Fire	-	-	5,732
Special purposes - promotional	112,331	-	-
Capital outlay:			
General government	-	-	18,105
Police	-	-	30,699
Public works	-	63,190	-
Total expenditures	<u>303,830</u>	<u>349,795</u>	<u>226,379</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>477,231</u>	<u>345,136</u>	<u>(56,296)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	52,031
Transfers out	(44,850)	-	-
Total other financing sources (uses)	<u>(44,850)</u>	<u>-</u>	<u>52,031</u>
NET CHANGE IN FUND BALANCES	432,381	345,136	(4,265)
FUND BALANCES, beginning of year	<u>260,930</u>	<u>206,204</u>	<u>108,579</u>
FUND BALANCES, end of year	<u>\$ 693,311</u>	<u>\$ 551,340</u>	<u>\$ 104,314</u>

<u>Court Technology</u>	<u>Court Security</u>	<u>Juvenile Case Manager</u>	<u>Asset Forfeiture</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 779,253
-	-	-	-	667,431
17,878	13,408	25,796	35,112	92,194
-	-	-	-	146,985
-	1,376	653	-	3,837
-	-	-	-	50,598
<u>17,878</u>	<u>14,784</u>	<u>26,449</u>	<u>35,112</u>	<u>1,740,298</u>
19,750	15,585	22,092	-	260,330
-	-	-	40,416	112,870
-	-	-	-	374,590
-	-	-	-	5,732
-	-	-	-	112,331
-	-	-	-	18,105
-	-	-	-	30,699
-	-	-	-	63,190
<u>19,750</u>	<u>15,585</u>	<u>22,092</u>	<u>40,416</u>	<u>977,847</u>
<u>(1,872)</u>	<u>(801)</u>	<u>4,357</u>	<u>(5,304)</u>	<u>762,451</u>
-	-	-	-	52,031
-	-	-	-	(44,850)
-	-	-	-	7,181
(1,872)	(801)	4,357	(5,304)	769,632
(5,753)	42,414	30,460	119,849	762,683
<u>\$ (7,625)</u>	<u>\$ 41,613</u>	<u>\$ 34,817</u>	<u>\$ 114,545</u>	<u>\$ 1,532,315</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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Hotel, motel taxes	\$ 544,000	\$ 716,500	\$ 779,253	\$ 62,753
Interest on investments	800	1,700	1,808	108
Total revenues	<u>544,800</u>	<u>718,200</u>	<u>781,061</u>	<u>62,861</u>
EXPENDITURES				
General government	408,116	146,681	191,499	(44,818)
Special purposes-promotional	140,782	135,632	112,331	23,301
Total expenditures	<u>548,898</u>	<u>282,313</u>	<u>303,830</u>	<u>(21,517)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(4,098)	435,887	477,231	41,344
OTHER FINANCING USES:				
Transfers out	<u>(44,850)</u>	<u>(44,850)</u>	<u>(44,850)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(48,948)	391,037	432,381	41,344
FUND BALANCE, beginning of year			<u>260,930</u>	
FUND BALANCE, end of year			<u><u>\$ 693,311</u></u>	

CITY OF DUNCANVILLE, TEXAS

**DRAINAGE FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Drainage fees	\$ 638,013	\$ 649,861	\$ 667,431	\$ 17,570
Interest on investments	35	-	-	-
City services reimbursement	10,000	54,800	27,500	(27,300)
Total revenues	<u>648,048</u>	<u>704,661</u>	<u>694,931</u>	<u>(9,730)</u>
EXPENDITURES				
Public works	337,443	317,720	286,605	31,115
Capital outlay	310,000	255,000	63,190	191,810
Total expenditures	<u>647,443</u>	<u>572,720</u>	<u>349,795</u>	<u>222,925</u>
NET CHANGE IN FUND BALANCES	605	131,941	345,136	213,195
FUND BALANCE, beginning of year			<u>206,204</u>	
FUND BALANCE, end of year			<u>\$ 551,340</u>	

CITY OF DUNCANVILLE, TEXAS

NON-MAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 SEPTEMBER 30, 2016

	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 21,042	\$ 172,895	\$ 193,937
Total assets	<u>\$ 21,042</u>	<u>\$ 172,895</u>	<u>\$ 193,937</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	-	1,799	1,799
Total liabilities	<u>-</u>	<u>1,799</u>	<u>1,799</u>
FUND BALANCES:			
Nonspendable:			
Restricted for:			
Park construction	21,042	-	21,042
Capital improvements	-	171,096	171,096
Total fund balances	<u>21,042</u>	<u>171,096</u>	<u>192,138</u>
Total liabilities & fund balances	<u>\$ 21,042</u>	<u>\$ 172,895</u>	<u>\$ 193,937</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, 2016**

	<u>Park Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
EXPENDITURES			
Capital outlay			
Public works	-	219,985	219,985
Total expenditures	<u>-</u>	<u>219,985</u>	<u>219,985</u>
OTHER FINANCING SOURCES			
Transfers in	-	200,000	200,000
Total other financing sources	<u>-</u>	<u>200,000</u>	<u>200,000</u>
NET CHANGE IN FUND BALANCES	-	(19,985)	(19,985)
FUND BALANCES, beginning of year	<u>21,042</u>	<u>191,081</u>	<u>212,123</u>
FUND BALANCES, end of year	<u>\$ 21,042</u>	<u>\$ 171,096</u>	<u>\$ 192,138</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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Ad valorem taxes	\$ 1,300,000	\$ 1,325,000	\$ 1,324,862	\$ (138)
Delinquent taxes	18,000	16,500	26,606	10,106
Penalties and interest	11,000	14,500	13,953	(547)
Interest on investments	2,000	2,000	3,434	1,434
Total revenues	<u>1,331,000</u>	<u>1,358,000</u>	<u>1,368,855</u>	<u>10,855</u>
OTHER FINANCING USES:				
Transfers out	(1,325,000)	(1,325,000)	(1,325,000)	-
Total other financing sources (uses)	<u>(1,325,000)</u>	<u>(1,325,000)</u>	<u>(1,325,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	6,000	33,000	43,855	10,855
FUND BALANCES, beginning of year			<u>11,777</u>	
FUND BALANCES, end of year			<u>\$ 55,632</u>	

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED REVENUES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<u>UTILITY FUND</u>				
WATER:				
Sale of water	\$ 7,566,568	\$ 7,590,565	\$ 7,141,657	\$ (448,908)
Water taps	10,000	10,000	12,004	2,004
Total	7,576,568	7,600,565	7,153,661	(446,904)
SEWER:				
Sewer charges	8,234,424	7,733,133	8,450,678	717,545
Sewer taps	3,640	3,640	3,150	(490)
Total	8,238,064	7,736,773	8,453,828	717,055
PENALTIES	145,000	145,000	155,696	10,696
OTHER:				
Service charges	132,310	132,310	122,005	(10,305)
City services reimbursement	-	26,000	31,099	5,099
Miscellaneous	15,567	16,067	19,050	2,983
Total	147,877	174,377	172,154	(2,223)
INTEREST INCOME	7,280	9,280	22,967	13,687
Total revenues - Utility Fund	\$ 16,114,789	\$ 15,665,995	\$ 15,958,306	\$ 292,311
<u>SOLID WASTE FUND</u>				
SOLID WASTE CHARGES	\$ 2,670,000	\$ 2,704,000	\$ 2,778,684	\$ 74,684
INTEREST INCOME	250	250	1,189	939
Total revenues - Solid Waste Fund	\$ 2,670,250	\$ 2,704,250	\$ 2,779,873	\$ 75,623
<u>FIELDHOUSE SPORTS FACILITY</u>				
SPORTS FACILITY	1,113,003	1,098,520	1,002,465	\$ (96,055)
INTERGOVERNMENTAL	631,171	631,171	631,171	-
Total revenues - Sports Facility Fund	\$ 1,744,174	\$ 1,729,691	\$ 1,633,636	\$ (96,055)
Total revenues - Enterprise Funds	\$ 20,529,213	\$ 20,099,936	\$ 20,371,815	\$ 271,879

CITY OF DUNCANVILLE, TEXAS

ENTERPRISE FUNDS
 SCHEDULE OF DETAILED EXPENDITURES– BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Salaries and Benefits</u>	<u>Supplies</u>	<u>Other Services</u>	<u>Maintenance</u>
<u>UTILITY FUND</u>				
WATER SERVICES	\$ 499,224	\$ 194,686	\$ 3,417,456	\$ 114,940
WASTEWATER TREATMENT	560,897	93,807	3,192,586	44,417
ADMINISTRATION AND FISCAL				
Utility administration	269,400	12,335	42,806	-
Utility accounting	553,568	148,607	274,291	6,596
	<u>1,883,089</u>	<u>449,435</u>	<u>6,927,139</u>	<u>165,953</u>
INTEREST AND FISCAL CHARGES	-	-	17,287	-
PRINCIPAL RETIREMENT	-	-	330,000	-
TRANSFERS OUT	-	-	2,034,080	-
Total Utility Fund expenditures	<u>\$ 1,883,089</u>	<u>\$ 449,435</u>	<u>\$ 9,308,506</u>	<u>\$ 165,953</u>
<u>SOLID WASTE FUND</u>				
SOLID WASTE	\$ 186,411	\$ 14,228	\$ 2,273,448	\$ 3,268
TRANSFERS OUT	-	-	335,986	-
Total Solid Waste Fund expenditures	<u>186,411</u>	<u>14,228</u>	<u>2,609,434</u>	<u>3,268</u>
<u>FIELDHOUSE SPORTS FACILITY</u>				
SPORTS FACILITY	\$ 435,863	\$ 22,809	\$ 687,234	\$ 26,322
INTEREST AND FISCAL CHARGES	-	-	158,886	-
PRINCIPAL RETIREMENT	-	-	357,977	-
Total Sports Facility Fund expenditures	<u>435,863</u>	<u>22,809</u>	<u>1,204,097</u>	<u>26,322</u>
Total Enterprise Fund expenditures	<u>\$ 2,505,363</u>	<u>\$ 486,472</u>	<u>\$ 13,122,037</u>	<u>\$ 195,543</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>
992,273	\$ 5,218,579	\$ 5,856,959	\$ 5,403,868	\$ 185,289
2,036,241	5,927,948	6,760,504	8,327,745	2,399,797
-	324,541	351,670	351,081	26,540
-	983,062	1,055,206	1,070,002	86,940
<u>3,028,514</u>	<u>12,454,130</u>	<u>14,024,339</u>	<u>15,152,696</u>	<u>2,698,566</u>
-	17,287	18,451	18,451	1,164
-	330,000	330,000	330,000	-
-	2,034,080	2,034,080	2,034,080	-
<u>\$ 3,028,514</u>	<u>\$ 14,835,497</u>	<u>\$ 16,406,870</u>	<u>\$ 17,535,227</u>	<u>\$ 2,699,730</u>
\$ -	\$ 2,477,355	\$ 2,420,512	\$ 2,490,351	\$ 12,996
-	335,986	335,986	335,986	-
-	2,813,341	2,756,498	2,826,337	12,996
\$ 18,108	\$ 1,190,336	\$ 1,408,375	\$ 1,391,501	\$ 201,165
-	158,886	216,486	216,486	57,600
-	357,977	415,000	415,000	57,023
<u>18,108</u>	<u>1,707,199</u>	<u>2,039,861</u>	<u>2,022,987</u>	<u>315,788</u>
<u>\$ 3,046,622</u>	<u>\$ 19,356,037</u>	<u>\$ 21,203,229</u>	<u>\$ 22,384,551</u>	<u>\$ 3,028,514</u>
	<u>\$ 19,356,037</u>			
	(3,046,622)			
	(687,977)			
	1,387,193			
	301,422			
	(176,173)			
	<u>(2,370,066)</u>			
	<u>\$ 14,763,814</u>			



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.

CITY OF DUNCANVILLE

INTERNAL SERVICE FUNDS

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

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

Medical Self-Insurance Fund – This fund is used to account for the costs associated with the medical, dental and life insurance program established for City employees and their covered dependents.

Comprehensive Self-Insurance Fund – This fund is used to account for the costs associated with the general liability, property and casualty, and workers' compensation self-insurance program established by the City.

CITY OF DUNCANVILLE, TEXAS

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET POSITION
 SEPTEMBER 30, 2016

	<u>Fleet Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self- Insurance</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 2,559,002	\$ 1,493,101	\$ 743,068	\$ 4,795,171
Investments				
Accrued interest and other	21,058	2,943	1,412	25,413
Prepaid items	-	22,393	-	22,393
Total current assets	<u>2,580,060</u>	<u>1,518,437</u>	<u>744,480</u>	<u>4,842,977</u>
Capital assets - equipment net of depreciation	241,363	-	-	241,363
Capital assets - vehicles net of depreciation	1,800,123	-	-	1,800,123
Total non-current assets	<u>2,041,486</u>	<u>-</u>	<u>-</u>	<u>2,041,486</u>
Total assets	<u>4,621,546</u>	<u>1,518,437</u>	<u>744,480</u>	<u>6,884,463</u>
LIABILITIES				
Accounts payable	-	-	54,758	54,758
Accrued liabilities	-	298,011	230,807	528,818
Total liabilities	<u>-</u>	<u>298,011</u>	<u>285,565</u>	<u>583,576</u>
NET POSITION				
Net investment in capital assets	2,041,486	-	-	2,041,486
Unrestricted	2,580,060	1,220,426	458,915	4,259,401
Total net position	<u>\$ 4,621,546</u>	<u>\$ 1,220,426</u>	<u>\$ 458,915</u>	<u>\$ 6,300,887</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, 2016**

	<u>Fleet Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self-Insurance</u>	<u>Total</u>
OPERATING REVENUES				
Premiums and charges for services	\$ 1,087,212	\$ 2,876,317	\$ 522,142	\$ 4,485,671
Other	-	22,202	-	22,202
Total operating revenues	<u>1,087,212</u>	<u>2,898,519</u>	<u>522,142</u>	<u>4,507,873</u>
OPERATING EXPENSES				
Claims and provision	-	2,621,515	354,552	2,976,067
Administrative and fiscal	-	589,292	260,541	849,833
Depreciation	620,478	-	-	620,478
Total operating expenses	<u>620,478</u>	<u>3,210,807</u>	<u>615,093</u>	<u>4,446,378</u>
OPERATING INCOME	<u>466,734</u>	<u>(312,288)</u>	<u>(92,951)</u>	<u>61,495</u>
NON-OPERATING REVENUES				
Gain on sale of capital assets	26,427	-	-	26,427
Interest income	3,467	3,002	2,586	9,055
Total non-operating revenues	<u>29,894</u>	<u>3,002</u>	<u>2,586</u>	<u>35,482</u>
CHANGE IN NET POSITION	496,628	(309,286)	(90,365)	96,977
TOTAL NET POSITION- BEGINNING	<u>4,124,918</u>	<u>1,529,712</u>	<u>549,280</u>	<u>6,203,910</u>
TOTAL NET POSITION- ENDING	<u>\$ 4,621,546</u>	<u>\$ 1,220,426</u>	<u>\$ 458,915</u>	<u>\$ 6,300,887</u>

CITY OF DUNCANVILLE, TEXAS

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Fleet Replacement</u>	<u>Medical Self-Insurance</u>	<u>Comprehensive Self- Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Internal activity-receipts from other funds	\$ 1,087,212	\$ 2,206,635	\$ 522,142	\$ 3,815,989
Receipts from insured	-	669,682	-	669,682
Payments to suppliers	-	(3,037,849)	(541,580)	(3,579,429)
Other receipts	-	22,202	-	22,202
Net cash provided by (used in) operating activities	<u>1,087,212</u>	<u>(139,330)</u>	<u>(19,438)</u>	<u>928,444</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(769,113)	-	-	(769,113)
Gain on sale of capital assets	6,651	-	-	6,651
Net cash used in capital financing and related financing activities	<u>(762,462)</u>	<u>-</u>	<u>-</u>	<u>(762,462)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	2,665	2,080	3,374	8,119
Net cash provided by investing activities	<u>2,665</u>	<u>2,080</u>	<u>3,374</u>	<u>8,119</u>
Net increase (decrease) in cash and cash equivalents	327,415	(137,250)	(16,064)	174,101
CASH AND INVESTMENTS, beginning of year	<u>2,231,587</u>	<u>1,630,351</u>	<u>759,132</u>	<u>4,621,070</u>
CASH AND INVESTMENTS, end of year	<u>2,559,002</u>	<u>1,493,101</u>	<u>743,068</u>	<u>4,795,171</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	466,734	(312,288)	(92,951)	61,495
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	620,478	-	-	620,478
Change in assets and liabilities-				
Prepaid items	-	172,521	-	172,521
Accounts and other payables	-	437	73,513	73,950
Total adjustments	<u>620,478</u>	<u>172,958</u>	<u>73,513</u>	<u>866,949</u>
Net cash provided by (used in) operating activities	<u>1,087,212</u>	<u>(139,330)</u>	<u>(19,438)</u>	<u>928,444</u>

CITY OF DUNCANVILLE

COMPONENT UNIT FUND FINANCIAL STATEMENTS

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

CITY OF DUNCANVILLE, TEXAS

DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
BALANCE SHEET – FUND LEVEL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

ASSETS

Cash and investments	\$	449,783
Receivables		411,878
Accrued interest		2,694
Prepaid items		640
Total assets	\$	864,995

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable		20,132
Accrued liabilities		5,680
Customer performance and escrow deposits		150
Total liabilities		25,962

EQUITY:

Nonspendable- prepaid items		640
Restricted for economic development		838,393
Total fund balances		839,033
Total liabilities & fund balances	\$	864,995

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, 2016

TOTAL FUND BALANCE- GOVERNMENTAL FUNDS \$ 839,033

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

Capital assets used in governmental activities are not current financial resources and therefore not reported in the governmental funds balance sheet. 219,637

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. (1,537)

Investments in joint ventures represent a financial asset not reported in governmental funds. 19,537

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet. (2,320,000)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (1,243,330)

CITY OF DUNCANVILLE, TEXAS

DUNCANVILLE COMMUNITY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

REVENUES

Sales tax	\$	2,339,438
Investment income		3,518
Rental and other		3,500
Total revenues		<u>2,346,456</u>

EXPENDITURES

General government		255,594
Special purposes - promotional		1,107,350
Debt service-		
Principal bond retirement		410,000
Interest and fiscal charges		102,508
Total expenditures		<u>1,875,452</u>

NET CHANGE IN FUND BALANCES 471,004

FUND BALANCES, beginning of year 368,029

FUND BALANCES, end of year \$ 839,033

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, 2016**

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS \$ 471,004

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

The net change in equity of the joint venture is not reported at the fund level; however it is reported at the government-wide level. 694

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. 410,000

Current year changes in accrued interest payable do not require the use of current financial resources, therefore, they are not reported as expenditures in governmental funds. 12,253

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 893,951



Duncanville
City of Champions

DUNCANVILLE

The Perfect Blend of Family, Community and Business.

STATISTICAL SECTION (UNAUDITED)

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

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

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

City of Duncanville

Schedule 1

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

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 46,679,459	\$ 46,593,503	\$ 50,060,721	\$ 50,403,980	\$ 52,495,944	\$ 59,809,237	\$ 59,230,613	\$ 59,060,297	\$ 60,853,814	\$ 59,937,098
Restricted	658,191	112,865	70,458	41,456	-	1,515,702	1,595,501	1,921,073	2,022,810	2,766,937
Unrestricted	<u>5,958,769</u>	<u>5,617,301</u>	<u>5,217,145</u>	<u>7,652,982</u>	<u>4,806,821</u>	<u>4,964,969</u>	<u>6,254,783</u>	<u>8,351,034</u>	<u>15,631,437</u>	<u>14,828,820</u>
Total governmental activities net position	<u>\$ 53,296,419</u>	<u>\$ 52,323,669</u>	<u>\$ 55,348,324</u>	<u>\$ 58,098,418</u>	<u>\$ 57,302,765</u>	<u>\$ 66,289,908</u>	<u>\$ 67,080,897</u>	<u>\$ 69,332,404</u>	<u>\$ 78,508,061</u>	<u>\$ 77,532,855</u>
Business-type activities										
Net investment in capital assets	\$ 25,534,318	\$ 26,893,640	\$ 26,805,736	\$ 27,076,019	\$ 26,950,315	\$ 27,278,483	\$ 27,099,050	\$ 27,375,652	\$ 28,576,505	\$ 30,923,909
Unrestricted	<u>3,669,424</u>	<u>3,531,505</u>	<u>4,370,413</u>	<u>3,731,110</u>	<u>4,943,839</u>	<u>4,898,380</u>	<u>5,290,431</u>	<u>5,524,627</u>	<u>7,071,561</u>	<u>7,819,164</u>
Total business-type activities net position	<u>\$ 29,203,742</u>	<u>\$ 30,425,145</u>	<u>\$ 31,176,149</u>	<u>\$ 30,807,129</u>	<u>\$ 31,894,154</u>	<u>\$ 32,176,863</u>	<u>\$ 32,389,481</u>	<u>\$ 32,900,279</u>	<u>\$ 35,648,066</u>	<u>\$ 38,743,073</u>
Primary government										
Net investment in capital assets	\$ 72,213,776	\$ 73,487,143	\$ 76,866,457	\$ 77,479,999	\$ 79,446,259	\$ 87,087,720	\$ 86,329,663	\$ 86,435,949	\$ 89,430,319	\$ 90,861,007
Restricted	658,191	112,865	70,458	41,456	-	1,515,702	1,595,501	1,921,073	2,022,810	2,766,937
Unrestricted	<u>9,628,193</u>	<u>9,148,806</u>	<u>9,587,558</u>	<u>11,384,092</u>	<u>9,750,660</u>	<u>9,863,349</u>	<u>11,545,214</u>	<u>13,875,661</u>	<u>22,702,998</u>	<u>22,647,984</u>
Total primary government net position	<u>\$ 82,500,160</u>	<u>\$ 82,748,814</u>	<u>\$ 86,524,473</u>	<u>\$ 88,905,547</u>	<u>\$ 89,196,919</u>	<u>\$ 98,466,771</u>	<u>\$ 99,470,378</u>	<u>\$ 102,232,683</u>	<u>\$ 114,156,127</u>	<u>\$ 116,275,928</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses										
Governmental activities										
General government	\$ 3,536,589	\$ 4,057,131	\$ 3,870,234	\$ 3,169,503	\$ 2,798,564	\$ 2,795,748	\$ 2,823,031	\$ 3,131,175	\$ 3,623,458	\$ 3,606,949
Finance	1,183,866	1,312,673	1,292,138	1,231,406	1,241,303	1,126,940	1,124,285	1,973,904	1,785,134	2,313,589
Community services	2,818,521	3,214,940	3,158,557	3,165,163	3,263,161	3,069,011	3,085,333	3,444,064	3,993,745	4,638,475
Police	7,562,765	8,527,423	8,109,764	8,168,671	8,552,574	8,198,206	7,860,277	8,206,843	8,510,868	9,072,992
Public works	5,331,327	6,376,715	5,701,322	5,664,455	5,893,424	5,685,500	5,771,096	5,913,817	6,229,076	7,380,159
Fire	4,400,876	5,660,644	5,449,439	5,385,776	5,436,865	5,192,134	5,142,744	5,420,014	5,414,580	6,437,830
Economic development	-	-	-	-	-	994,421	1,200,096	1,087,047	1,683,374	300,000
Interest and fiscal charges	697,552	584,910	478,651	354,584	273,901	236,244	171,408	108,426	10,183	42,189
Total governmental activities expenses	<u>25,531,496</u>	<u>29,734,436</u>	<u>28,060,105</u>	<u>27,139,558</u>	<u>27,459,792</u>	<u>27,298,204</u>	<u>27,178,270</u>	<u>29,285,290</u>	<u>31,250,418</u>	<u>33,792,183</u>
Business-type activities										
Water	5,079,317	5,146,666	5,150,097	5,220,632	5,416,191	5,322,287	5,326,081	5,062,745	4,944,384	4,354,012
Wastewater	4,765,731	5,885,520	4,135,413	5,319,569	4,862,977	4,832,019	5,079,846	5,403,659	5,505,377	6,401,637
Solid waste	1,997,924	2,016,504	2,057,402	2,130,470	2,024,938	2,143,944	2,150,278	2,241,624	2,481,911	2,488,966
Sports facility	-	-	-	-	1,003,941	1,352,511	1,472,276	1,533,713	1,883,422	1,662,127
Total business-type activities expenses	<u>11,842,972</u>	<u>13,048,690</u>	<u>11,342,912</u>	<u>12,670,671</u>	<u>13,308,047</u>	<u>13,650,761</u>	<u>14,028,481</u>	<u>14,241,741</u>	<u>14,815,094</u>	<u>14,906,742</u>
Total primary government expenses	<u>\$ 37,374,468</u>	<u>\$ 42,783,126</u>	<u>\$ 39,403,017</u>	<u>\$ 39,810,229</u>	<u>\$ 40,767,839</u>	<u>\$ 40,948,965</u>	<u>\$ 41,206,751</u>	<u>\$ 43,527,031</u>	<u>\$ 46,065,512</u>	<u>\$ 48,698,925</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ -	\$ 314,160	\$ 1,173,234	\$ 382,095	\$ 459,084	\$ 378,816	\$ 375,464	\$ 347,798	\$ 330,306	\$ 430,729
Finance	-	-	59,108	-	-	-	-	-	-	-
Community services	278,932	417,736	256,405	304,054	293,952	297,470	304,827	352,124	311,493	356,552
Police	1,665,961	1,416,876	1,964,148	1,631,861	1,799,592	1,808,357	1,560,386	2,990,850	3,059,268	3,241,775
Public works	1,467,533	2,232,685	1,100,109	1,759,053	1,783,792	1,803,462	1,654,026	1,056,842	1,053,115	967,758
Fire	766,903	624,997	1,009,010	849,306	(834,974)	793,561	448,258	663,756	1,036,582	994,287
Operating grants and contributions	84,111	167,553	338,658	754,463	399,930	418,470	305,858	332,777	838,435	392,198
Capital grants and contributions	145,017	74,551	2,364,100	2,201,004	404,913	709,483	276,132	-	32,770	-
Total governmental activities program revenues	<u>4,408,457</u>	<u>5,248,558</u>	<u>8,264,772</u>	<u>7,881,836</u>	<u>4,306,289</u>	<u>6,209,619</u>	<u>4,924,951</u>	<u>5,744,147</u>	<u>6,661,969</u>	<u>6,383,299</u>
Business-type activities										
Charges for services										
Water	5,899,616	6,976,515	6,375,580	6,339,411	7,559,917	6,815,956	6,626,079	7,196,268	7,355,794	7,481,511
Wastewater	4,865,682	5,073,654	4,819,134	4,775,447	4,756,780	4,828,861	4,850,198	5,845,767	6,953,623	8,453,828
Solid waste	1,936,332	2,203,622	2,209,092	2,450,987	2,418,321	2,505,455	2,505,516	2,549,226	2,695,374	2,778,684
Sports facility	-	-	-	-	376,544	546,285	695,758	837,532	1,025,216	1,002,465
Grants and contributions	213,951	1,205,387	22,227	107,974	967,165	-	-	-	630,284	631,171
Total business-type activities program revenues	<u>12,915,581</u>	<u>15,459,178</u>	<u>13,426,033</u>	<u>13,673,819</u>	<u>16,078,727</u>	<u>14,696,557</u>	<u>14,677,551</u>	<u>16,428,793</u>	<u>18,660,291</u>	<u>20,347,659</u>
Total primary government program revenues	<u>\$ 17,324,038</u>	<u>\$ 20,707,736</u>	<u>\$ 21,690,805</u>	<u>\$ 21,555,655</u>	<u>\$ 20,385,016</u>	<u>\$ 20,906,176</u>	<u>\$ 19,602,502</u>	<u>\$ 22,172,940</u>	<u>\$ 25,322,260</u>	<u>\$ 26,730,958</u>

City of Duncanville

Schedule 2

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

<u>Fiscal Year</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (Expense)/Revenue										
Governmental activities	\$ (21,123,040)	\$ (24,485,878)	\$ (19,795,333)	\$ (19,257,722)	\$ (23,153,503)	\$ (21,088,585)	\$ (22,253,319)	\$ (23,541,143)	\$ (24,588,449)	\$ (27,408,884)
Business-type activities	<u>1,072,609</u>	<u>2,410,488</u>	<u>2,083,121</u>	<u>1,003,148</u>	<u>2,770,680</u>	<u>1,045,796</u>	<u>649,070</u>	<u>2,187,052</u>	<u>3,845,197</u>	<u>5,440,917</u>
Total primary government net expense	<u>\$ (20,050,431)</u>	<u>\$ (22,075,390)</u>	<u>\$ (17,712,212)</u>	<u>\$ (18,254,574)</u>	<u>\$ (20,382,823)</u>	<u>\$ (20,042,789)</u>	<u>\$ (21,604,249)</u>	<u>\$ (21,354,091)</u>	<u>\$ (20,743,252)</u>	<u>\$ (21,967,967)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Ad valorem	\$ 12,401,242	\$ 13,083,411	13,288,719	12,482,287	12,699,136	12,470,739	12,091,581	12,496,952	13,133,399	13,852,373
Sales	5,530,559	5,398,034	5,235,231	5,321,558	5,048,659	7,303,949	7,781,695	8,921,000	6,708,126	7,018,201
Franchise	2,000,905	2,024,099	1,988,717	2,036,308	2,153,122	2,007,859	2,029,578	2,201,667	2,154,478	2,035,117
Mixed beverage	-	42,992	71,978	60,101	59,671	49,266	55,699	69,427	76,814	76,364
Hotel occupancy	594,238	593,725	462,474	393,731	445,385	458,744	470,710	542,191	626,022	779,253
Earnings on investments	565,594	343,967	117,619	35,810	39,971	45,695	41,495	34,171	36,008	71,906
Rentals and miscellaneous	410,928	632,049	286,126	287,252	221,430	228,377	127,578	89,362	505,479	230,398
Transfers	<u>1,155,604</u>	<u>1,325,677</u>	<u>1,369,124</u>	<u>1,390,769</u>	<u>1,690,476</u>	<u>771,284</u>	<u>445,972</u>	<u>1,519,188</u>	<u>2,035,859</u>	<u>2,370,066</u>
Total governmental activities	<u>22,659,070</u>	<u>23,443,954</u>	<u>22,819,988</u>	<u>22,007,816</u>	<u>22,357,850</u>	<u>23,335,913</u>	<u>23,044,308</u>	<u>25,873,958</u>	<u>25,276,185</u>	<u>26,433,678</u>
Business-type activities										
Earnings on investments	264,628	136,592	37,007	18,601	6,821	8,197	9,520	8,714	11,281	24,156
Transfers	<u>(1,155,604)</u>	<u>(1,325,677)</u>	<u>(1,369,124)</u>	<u>(1,390,769)</u>	<u>(1,690,476)</u>	<u>(771,284)</u>	<u>(445,972)</u>	<u>(1,519,188)</u>	<u>(2,035,859)</u>	<u>(2,370,066)</u>
Total business-type activities	<u>(890,976)</u>	<u>(1,189,085)</u>	<u>(1,332,117)</u>	<u>(1,372,168)</u>	<u>(1,683,655)</u>	<u>(763,087)</u>	<u>(436,452)</u>	<u>(1,510,474)</u>	<u>(2,024,578)</u>	<u>(2,345,910)</u>
Total primary government	<u>\$ 21,768,094</u>	<u>\$ 22,254,869</u>	<u>\$ 21,487,871</u>	<u>\$ 20,635,648</u>	<u>\$ 20,674,195</u>	<u>\$ 22,572,826</u>	<u>\$ 22,607,856</u>	<u>\$ 24,363,484</u>	<u>\$ 23,251,607</u>	<u>\$ 24,087,768</u>
Change in Net Position										
Governmental activities	\$ 1,536,030	\$ (1,041,924)	\$ 3,024,655	\$ 2,750,094	\$ (795,653)	\$ 9,854,877	\$ 790,989	\$ 2,332,815	\$ 687,736	\$ (975,206)
Business-type activities	<u>181,633</u>	<u>1,221,403</u>	<u>751,004</u>	<u>(369,020)</u>	<u>1,087,025</u>	<u>282,709</u>	<u>212,618</u>	<u>676,578</u>	<u>1,820,619</u>	<u>3,095,007</u>
Total primary government	<u>\$ 1,717,663</u>	<u>\$ 179,479</u>	<u>\$ 3,775,659</u>	<u>\$ 2,381,074</u>	<u>\$ 291,372</u>	<u>\$ 10,137,586</u>	<u>\$ 1,003,607</u>	<u>\$ 3,009,393</u>	<u>\$ 2,508,355</u>	<u>\$ 2,119,801</u>

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 3

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

<u>Fiscal Year</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011*</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Reserved	\$ 630,018	\$ 542,049	\$ 407,899	246,425	-	-	-	-	-	-
Unreserved	3,740,803	2,507,519	2,932,936	3,669,209	-	-	-	-	-	-
Nonspendable	-	-	-	-	24,151	91,476	57,301	46,500	17,881	17,693
Assigned	-	-	-	-	70,459	112,770	211,403	2,601,859	890,836	762,361
Unassigned	-	-	-	-	4,567,918	5,619,154	6,647,447	5,611,888	6,423,539	7,672,447
Total general Fund	<u>4,370,821</u>	<u>3,049,568</u>	<u>3,340,835</u>	<u>3,915,634</u>	<u>4,662,528</u>	<u>5,823,400</u>	<u>6,916,151</u>	<u>8,260,247</u>	<u>7,332,256</u>	<u>8,452,501</u>
All Other Governmental Funds										
Reserved										
Debt service	\$ 32,639	\$ 5,906	\$ (38,660)	4,183	-	-	-	-	-	-
Other Governmental Funds	907	1,722	5,479	2,073	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	801,682	975,378	1,160,098	695,824	-	-	-	-	-	-
Capital projects funds	1,153,876	703,041	303,317	729,638	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	10,000	10,375
Restricted for:										
Debt Service	-	-	-	-	76,363	26,773	15,711	18,437	11,777	55,632
Street Construction	-	-	-	-	202,162	23,886	400,535	395,536	323,940	261,087
Traffic Improvement and Safety	-	-	-	-	73,693	172,463	133,317	371,641	718,311	774,147
Economic development	-	-	-	-	-	455,358	59,491	221,617	-	-
Promotion of Tourism and Convention and Hotel Industry	-	-	-	-	53,174	97,448	143,671	206,187	260,930	692,936
Maintenance and Construction of Drainage Projects	-	-	-	-	45,783	51,808	167,217	211,118	206,204	551,340
Public Safety, Cultural and Recreational Services	-	-	-	-	135,734	127,860	90,892	84,053	108,579	104,314
Court Technology	-	-	-	-	8,868	13,597	10,135	993	-	-
Court Security	-	-	-	-	55,117	53,076	39,896	41,330	42,414	41,613
Juvenile Case Management	-	-	-	-	50,286	81,362	106,530	26,169	30,460	34,817
Public Safety and Criminal Investigations	-	-	-	-	249,647	292,930	372,925	225,953	119,849	114,545
Park Construction	-	-	-	-	41,527	25,228	25,228	21,043	21,042	21,042
Capital Improvements	-	-	-	-	212,261	120,686	45,664	115,433	191,081	171,096
Unassigned	-	-	-	-	-	-	-	-	(5,753)	(7,625)
Total all other governmental funds	<u>\$ 1,989,104</u>	<u>\$ 1,686,047</u>	<u>\$ 1,430,234</u>	<u>\$ 1,431,718</u>	<u>\$ 1,204,615</u>	<u>\$ 1,542,475</u>	<u>\$ 1,611,212</u>	<u>\$ 1,939,510</u>	<u>\$ 2,038,834</u>	<u>\$ 2,825,319</u>

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

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

City of Duncanville

Schedule 4

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

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes -										
Ad valorem	\$ 12,407,871	\$ 13,086,084	\$ 13,288,134	\$ 12,463,461	\$ 12,665,474	\$ 12,490,182	\$ 12,106,610	\$ 12,106,610	\$ 13,072,527	\$ 13,855,551
Sales	5,530,559	5,398,034	5,235,231	5,321,588	5,048,659	7,303,949	7,781,695	7,781,695	6,708,126	7,018,201
Franchise	2,000,905	2,024,099	1,988,717	2,036,308	2,153,122	2,007,859	2,029,578	2,029,578	2,154,478	2,035,117
Mixed beverage	58,387	42,992	71,978	60,101	59,671	49,266	55,699	55,699	76,814	76,364
Hotel	594,238	593,725	462,474	393,731	445,385	458,744	470,710	470,710	626,022	779,253
Licenses, permits and fees	2,623,014	3,217,587	4,169,554	2,881,963	2,777,712	2,716,873	2,857,356	2,857,356	4,091,744	4,328,804
Fines and forfeitures	967,892	857,396	750,490	1,054,149	1,160,339	1,182,418	992,086	992,086	902,852	786,919
Recreation fees	254,874	237,931	256,295	303,954	293,872	297,410	304,747	304,747	311,423	356,522
Intergovernmental	406,006	378,387	1,208,854	2,182,355	931,100	1,303,413	768,770	768,770	788,229	343,306
Investment income	490,846	301,442	100,669	32,753	34,059	37,838	34,494	34,494	31,211	62,851
Rental and other	816,442	609,405	1,111,587	1,663,650	814,772	643,278	529,044	529,044	670,591	847,873
Total revenues	\$ 26,151,034	\$ 26,747,082	\$ 28,643,983	\$ 28,394,013	\$ 26,384,165	\$ 28,491,230	\$ 27,930,789	\$ 27,930,789	\$ 29,434,017	\$ 30,490,761
Expenditures										
General government/ finance/ non-departmental	\$ 3,568,078	\$ 4,676,515	4,515,509	3,735,002	3,582,050	4,008,312	4,047,063	4,047,063	4,800,190	5,115,379
Police	8,091,558	8,606,164	7,950,702	8,010,438	8,336,089	8,146,411	8,073,234	8,073,234	8,835,565	8,284,538
Fire	5,176,242	5,462,552	5,282,271	5,209,321	5,178,309	5,266,727	5,188,988	5,188,988	5,796,381	5,815,818
Public works	4,123,636	4,070,557	3,683,537	3,881,637	4,133,585	4,081,264	4,040,216	4,040,216	4,722,458	5,533,241
Parks and recreation	2,636,565	2,790,986	2,685,803	2,681,454	2,767,743	2,713,411	2,740,534	2,740,534	3,562,965	3,879,442
Library (Included in General government in 2008)	676,184	-	-	-	-	-	-	-	-	-
Special purposes - promotional	370,135	481,470	385,245	298,842	290,107	440,157	567,107	567,107	2,037,870	412,331
Capital outlay	894,865	835,666	2,229,494	2,547,349	1,575,723	1,527,369	513,789	513,789	2,317,717	1,673,066
Debt service										
Principal retirement	2,455,000	2,595,000	2,311,273	2,325,872	1,122,685	1,985,622	1,408,474	1,408,474	888,574	198,034
Interest and fiscal charges	352,537	247,334	534,829	518,554	482,073	642,497	635,868	635,868	598,580	42,194
Total expenditures	\$ 28,344,800	\$ 29,766,244	\$ 29,578,663	\$ 29,208,469	\$ 27,468,364	\$ 28,811,770	\$ 27,215,273	\$ 27,215,273	\$ 33,560,300	\$ 30,954,043
Excess of revenues over (under) expenditures	(2,193,766)	(3,019,162)	(934,680)	(814,456)	(1,084,199)	(320,540)	715,516	715,516	(4,126,283)	(463,282)
Other Financing Sources (Uses)										
Transfers in	1,380,428	1,609,071	1,951,313	2,027,424	2,206,549	1,844,815	1,881,116	1,881,116	2,871,257	3,880,497
Issuance of debt	-	-	-	-	-	-	-	-	1,483,374	-
Transfers out	(224,824)	(283,394)	(582,189)	(636,655)	(516,073)	(1,073,531)	(1,435,144)	(1,435,144)	(835,398)	(1,510,431)
Total other financing sources (uses)	1,155,604	1,325,677	1,369,124	1,390,769	1,690,476	771,284	445,972	445,972	3,519,233	2,370,066
Net change in fund balances	\$ (1,038,162)	\$ (1,693,485)	\$ 434,444	\$ 576,313	\$ 606,277	\$ 450,744	\$ 1,161,488	\$ 1,161,488	\$ (607,050)	\$ 1,906,784
Total capital outlay capitalized per the government wide statement of net position	\$ 2,515,180	\$ 666,370	\$ 2,381,600	\$ 2,547,349	\$ 1,575,723	\$ 1,527,369	\$ 513,789	\$ 513,789	\$ 2,317,717	\$ 1,673,066
Debt service as a percentage of noncapital expenditures	10.2%	9.8%	10.4%	10.7%	6.2%	9.6%	7.7%	7.7%	4.8%	0.8%

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

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

Fiscal Year Ended Sept. 30,	Assessed and Actual Value of Property (1)				Total Assessed Value	Less: Tax-Exempt Property (2)	Total Taxable Assessed Value	Total City Tax Rate (3)
	Residential Property	Commercial Property	Business Personal Property					
2007	1,321,639,790	443,079,030	133,742,100		1,898,460,920	155,134,821	1,743,326,099	0.696
2008	1,367,987,090	491,437,220	169,949,690		2,029,374,000	167,103,114	1,862,270,886	0.696
2009	1,358,453,630	538,936,760	182,527,540		2,079,917,930	177,589,032	1,902,328,898	0.696
2010	1,278,446,690	527,686,510	186,259,420		1,992,392,620	186,259,667	1,806,132,953	0.696
2011	1,242,060,340	507,608,570	167,026,190		1,916,695,100	196,187,462	1,720,507,638	0.738
2012	1,212,518,690	499,612,540	164,697,890		1,876,829,120	189,403,075	1,687,526,045	0.738
2013	1,180,335,930	503,244,490	148,117,410		1,831,697,830	204,976,176	1,626,721,654	0.738
2014	1,161,200,140	518,946,930	174,909,740		1,855,056,810	214,082,393	1,640,974,417	0.758
2015	1,208,839,210	552,356,490	190,548,470		1,951,744,170	227,421,681	1,724,332,489	0.758
2016	1,274,901,700	576,576,230	198,059,230		2,049,537,160	236,996,376	1,812,540,784	0.758

Source: Dallas Central Appraisal District

Notes:

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

City of Duncanville

Schedule 6

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

Fiscal Year Ended Sept. 30,	City of Duncanville			Overlapping Rates (1)				
	General(2)	Debt Service(2)	Total (2)	Duncanville I.S.D.(2)	Dallas County(2)	Dallas County School Equalization(2)	Dallas County Hospital(2)	Dallas County Community College(2)
2007	0.561098	0.134902	0.696000	1.736000	0.213900	0.005034	0.254000	0.081000
2008	0.558129	0.137871	0.696000	1.418000	0.228100	0.004714	0.254000	0.080400
2009	0.559167	0.136833	0.696000	1.418000	0.228100	0.004928	0.254000	0.089400
2010	0.550200	0.145800	0.696000	1.418000	0.228100	0.005212	0.274000	0.094900
2011	0.653578	0.084114	0.737692	1.418000	0.243100	0.010000	0.271000	0.099230
2012	0.658737	0.078955	0.737692	1.418000	0.243100	0.010000	0.271000	0.099670
2013	0.658269	0.079423	0.737692	1.430000	0.243100	0.010000	0.271000	0.119375
2014	0.691189	0.067258	0.758447	1.410000	0.243100	0.010000	0.286000	0.124700
2015	0.691189	0.067258	0.758447	1.410000	0.243100	0.010000	0.286000	0.124775
2016	0.695175	0.063272	0.758447	1.529500	0.243100	0.010000	0.286000	0.123650

Notes:

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

Source: Dallas Central Appraisal District

City of Duncanville

Schedule 7

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

Taxpayer / Company Name	2016			2007		
	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	\$ 46,336,580	1	2.56%	\$ 15,945,720	1	0.91%
Exponential PPTY Group LLC	20,450,000	2	1.13%			
C H Guenther & Son Pioneer Frozen Foods	19,929,040	3	1.10%	15,457,440	2	0.89%
Costco Whole Sale Corp	19,260,340	4	1.06%			
G & E Apartment Reit - Bella Ruscello	16,400,750	5	0.90%			
WR Senior Living	12,100,000	6	0.67%	9,400,220	7	0.54%
Apple Nine Spe Duncanville Inc	9,500,000	7	0.52%			
Oncor Electric Delivery-Texas Utilities Electric Company	9,405,380	8	0.52%	10,867,450	5	0.62%
Apple Reit Limited PS Main Park Apartments	8,928,000	9	0.49%	8,314,390	8	0.48%
Cole La Duncanville TX LLC	8,452,020	10	0.47%			
Southwestern Bell				13,358,660	3	0.77%
Franktel Family Trust				13,200,000	4	0.76%
Hilton Garden Inn				10,369,700	6	0.59%
Deford Lumber LTD				6,850,000	9	0.39%
TT Duncanville LTD				6,282,520	10	0.36%
Total	<u>\$ 170,762,110</u>		<u>9.42%</u>	<u>\$ 110,046,100</u>		<u>6.31%</u>

Note:

(a) Total Taxable Value as of Oct. 1 \$ 1,812,540,784

\$ 1,743,326,099

Source: Dallas Central Appraisal District

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

Fiscal Year Ended Sept. 30,	<u>Collected within the Fiscal Year of the Levy</u>			<u>Total Collections to Date</u>		
	Adjusted Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years (1)	Amount	Percentage of Levy
2007	12,304,132	11,974,681	97.3%	312,410	12,287,091	99.9%
2008	12,874,498	12,573,089	97.7%	301,409	12,874,498	100.0%
2009	13,160,823	12,888,062	97.9%	215,572	13,103,635	99.6%
2010	12,459,098	12,161,481	97.6%	199,030	12,360,512	99.2%
2011	12,706,127	12,381,341	97.4%	161,386	12,542,727	98.7%
2012	12,458,343	12,097,385	97.1%	135,468	12,232,853	98.2%
2013	12,008,805	11,865,772	98.8%	124,010	11,865,772	98.8%
2014	12,455,448	12,190,388	97.9%	138,254	12,190,388	97.9%
2015	13,095,679	12,804,150	97.8%	66,816	12,190,388	93.1%
2016	13,762,665	13,606,997	98.9%	-	13,606,997	98.9%

Note:

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

Source: Dallas County Tax Assessor / Collector

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

Fiscal Year Ended Sept. 30,	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	Certificate of Obligation Bonds	Water and Sewer Revenue Bonds	General Obligation Bonds			
2007	7,290,710	6,354,813	3,610,000	-	17,255,523	1.57%	451
2008	3,270,000	8,116,345	3,375,000	-	14,761,345	1.36%	384
2009	1,950,000	7,063,016	3,135,000	-	12,148,016	1.14%	315
2010	565,000	5,962,187	2,885,000	-	9,412,187	0.88%	244
2011	385,000	4,806,226	9,130,000	-	14,321,226	(c)	372
2012	195,000	7,545,376	8,475,000	-	16,215,376	1.70%	412
2013	-	6,002,966	7,845,000	-	13,847,966	1.43%	358
2014	-	4,400,602	7,112,861	-	11,513,463	1.22%	291
2015	-	-	6,400,000	-	6,400,000	0.66%	163
2016	-	-	-	5,340,000	5,340,000	0.55%	136

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

(a) See Schedule 14 for personal income data.

(b) See Schedule 14 for population data.

(c) Information not available

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

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

Fiscal Year Ended Sept. 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Certificate of Obligation Bonds	Total		
2007	7,290,710	6,354,813	13,645,523	0.78%	357
2008	3,270,000	8,116,345	11,386,345	0.61%	296
2009	1,950,000	7,063,016	9,013,016	0.47%	234
2010	565,000	5,962,187	6,527,187	0.36%	169
2011	385,000	4,806,226	5,191,226	0.29%	135
2012	195,000	7,545,376	7,740,376	0.45%	197
2013	-	6,002,966	6,002,966	0.37%	155
2014	-	4,400,602	4,400,602	0.27%	111
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-

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

(1) See Schedule 5 for property value data.

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

Source: City of Duncanville, Texas Comprehensive Annual Financial Reports

Direct and Overlapping Governmental Activities Debt
As of September 30, 2016
(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	\$ 213,701,096	45.47%	\$ 97,169,888
Dallas County	227,980,000	0.98%	\$ 2,234,204
Dallas County Community College District	294,050,000	0.94%	\$ 2,764,070
Dallas County School	50,405,000	0.98%	\$ 493,969
Dallas County Hospital District	718,480,000	0.98%	\$ 7,041,104
Cedar Hill Independent School District	122,812,031	0.25%	\$ 307,030
Dallas Independent School District	3,013,520,000	0.01%	\$ 301,352
Subtotal, overlapping debt			<u>\$ 110,311,617</u>
City direct debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 110,311,617</u></u>

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

Source: First Southwest Company

Legal Debt Margin Information
As of September 30, 2016
(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, 2016 is \$.758447 per \$100 of assessed valuation with assessed valuation being 100% of market value.

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

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

Fiscal Year Ended Sept. 30,	Operating Revenue and Other (a)	Less: Operating Expense (b)	Net Available Revenue	Debt Service (c)		Coverage
				Principal	Interest	
<u>Water and Sewer Bonds</u>						
2007	11,029,719	9,029,955	1,999,764	130,000	146,543	7.2
2008	12,186,622	10,127,539	2,059,083	235,000	140,611	5.5
2009	11,231,676	8,309,391	2,922,285	240,000	133,216	7.8
2010	11,133,026	9,480,791	1,652,235	250,000	132,172	4.3
2011	12,316,697	9,193,510	3,123,187	270,000	124,923	7.9
2012	11,652,529	9,127,277	2,525,252	280,000	110,344	6.5
2013	11,485,273	9,408,360	2,076,913	320,000	57,941	5.5
2014	13,050,607	9,609,547	3,441,060	325,000	37,044	9.5
2015	14,287,844	9,528,883	4,758,961	330,000	22,331	13.5
2016	15,958,306	9,654,940	6,303,366	-	-	-

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)
2007	38,251	1,102,546,824	28,824	63,961	13,088	12,149	4.58%
2008	38,430	1,088,222,310	28,317	65,382	13,457	12,664	4.30%
2009	38,542	1,066,765,476	27,678	64,760	13,537	12,939	7.90%
2010	38,562	1,071,483,732	27,786	65,676	13,667	12,850	9.45%
2011	38,524	(d)	(d)	(d)	(d)	12,600	9.60%
2012	39,360	953,220,390	24,053	52,637	13,242	12,880	6.80%
2013	38,628	968,288,076	25,067	52,795	13,249	12,600	7.20%
2014	39,605	941,846,505	23,781	56,818	13,132	12,600	4.60%
2015	39,221	972,543,662	24,822	56,002	13,434	13,074	3.9% (a)
2016	39,224	973,618,128	24,822	56,002	13,434	12,945	3.90%

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	2016			2007		
	Employees (2)	Rank	Percent of Total Employment (a)	Employees (2)	Rank	Percent of Total Employment (a)
Duncanville Independent School District	1,720	1	8.81%	1,600	1	8.46%
Masco(Formerly Texwood/Quality Cabinets and Doors)	590	2	3.02%	798	2	4.22%
City of Duncanville	262	3	1.34%	249	3	1.32%
Pioneer Frozen Foods	185	4	0.95%	179	4	0.95%
Costco	180	5	0.92%	150	6	0.79%
DeFords	200	6	1.02%	147	7	0.78%
Pappadeaux	145	7	0.74%	170	5	0.90%
Winco Foods	130	8	0.67%			
Freedom Dodge, Chrysler, Jeep	119	9	0.61%			
La Mexicana Tortilla Factory	100	10	0.51%			
Personalized Communications				70	9	0.37%
Brittle-Brittle				75	8	0.40%
Hilton Garden Inn				65	10	0.34%
Duncanville Ford				65	10	0.34%
Total	3,631		18.59%	3,568		18.87%

Note:

(a) Total City Employment (1) 19,529 18,909

Sources:

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

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

<u>Fiscal Year</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
By Functions										
General Government	34.0	35.0	33.0	32.5	30.2	32.5	31.5	34.1	35.69	36.13
Fire Services	53.0	53.0	53.0	52.3	52.0	52.0	51.3	52.3	54.33	54.33
Police Services (Civil)	60.0	63.0	59.0	59.0	59.0	59.0	58.0	57.99	59.98	60.00
Police Services (Non-Civil)	15.0	12.0	11.0	11.0	18.8	18.8	19.0	18.9	18.9	19.07
Public Works	33.0	31.5	30.5	30.0	32.0	33.0	35.5	36.5	39.5	34.50
Library Services	9.0	9.0	9.0	12.0	12.0	11.5	12.0	12	12	12.00
Parks and Recreation	16.0	16.0	16.0	28.7	34.8	41.2	41.6	43.66	55.65	60.25
Community Services	6.0	6.0	9.0	6.6	-	-	-	-	-	-
Water and Wastewater	21.5	23.5	21.5	25.0	17.5	16.5	19.5	21.5	20.5	23.50
Total Employees by Function	247.5	249.0	242.0	257.1	256.3	264.5	268.4	276.95	296.55	299.78
By Departments										
General Government	8.0	18.0	17.0	20.0	17.0	18.8	18.5	20	20.5	21
Finance	24.0	24.0	24.0	23.5	24.0	24.0	24.0	25.1	25.19	25.13
Community Services	31.0	22.0	25.0	32.6	34.8	41.2	41.6	43.2	55.65	60.25
Police (Civil)	60.0	63.0	59.0	59.0	59.0	59.0	58.0	58	59.98	60
Police (Non-Civil)	15.0	12.0	11.0	12.0	18.8	18.8	19.0	18.9	18.9	19.07
Public Works	30.5	31.5	30.5	31.7	25.5	27.0	27.0	27.5	34.5	34.5
Utilities	24.0	23.5	21.5	25.0	24.0	22.5	28.0	30.5	25.5	23.5
Fire (Civil Service)	53.0	53.0	53.0	52.3	52.0	52.0	51.3	49	51	51
Fire (Non Civil)	-	-	-	-	-	-	-	3.3	3.33	3.33
Economic Development	2.0	2.0	1.0	1.0	1.2	1.2	1.0	1.5	2	2
Total Employees by Department	247.5	249.0	242.0	257.1	256.3	264.5	268.4	277	296.55	299.78
By Fund										
General	208.0	213.0	219.5	216.4	210.4	214.6	214.9	230.39	232.35	232.93
Utility	34.0	31.5	21.5	33.0	30.5	29.5	32.5	24.5	33.5	33.5
Hotel/Motel	1.0	1.0	-	1.0	-	-	0.0	0	0	0
Economic Development	1.0	1.0	1.0	1.0	1.2	1.2	1.0	1.5	3.42	3.38
Grant	1.0	-	-	1.7	2.1	2.1	2.1	2.1	2.1	2.1
Drainage	0.5	0.5	-	0.5	3.5	3.5	3.5	4	4	4
Solid Waste	2.0	2.0	-	2.0	2.0	2.0	2.0	2	4	4
Traffic Administration	-	-	-	1.0	1.0	1.0	1.0	1	1	1
Juvenile Case Manager	-	-	-	0.5	-	0.1	0.0	0	0.5	0.5
Fieldhouse	-	-	-	-	5.6	10.5	11.4	11.5	15.68	18.37
Total Employees by Fund	247.5	249.0	242.0	257.1	256.3	264.5	268.4	276.99	296.55	299.78

Source: City of Duncanville, Texas Annual Budgets

City of Duncanville

Schedule 17

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

Fiscal Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/Program										
General Government										
Building Permits Issued	421	359	236	374	350	367	225	938	725	388
Police										
Criminal Arrests	2,320	1,808	3,300	2,100	2,235	1,900	1,828	1,880	1,845	1,964
Index Crimes per 1,000 Population	43	47	50	48	46	47	48	49	47	50
Fire										
Total Calls for Service (Fire & EMS)	7,004	6,884	7,038	7,248	6,700	6,475	5,660	4,783	5,400	5,904
Total Structural Inspections	1,349	1,404	832	1,035	742	737	1,465	1,264	1,370	1,200
Public Services										
Utility Cuts Repaired	104	112	115	186	125	175	230	202	235	320
Sidewalk Repaired (Square Feet)	13,618	12,815	11,576	2,231	9,000	7,800	750	6121	7,500	7,500
Parks and Recreation										
Program Participation Hours	17,829	18,231	21,120	25,119	14,843	15,000	15,000	15,000	15,000	15,000
Number of Annual Passes Sold	1,981	2,774	2,000	2,664	1,900	2,900	863	900	1,000	1,000
Library										
Volumes in Collection	102,807	106,076	105,571	105,710	111,018	107,924	108,401	107,117	108,000	118,553
Total Volumes Borrowed	173,101	176,325	169,602	160,642	171,000	145,746	140,692	130,296	142,000	110,000
Water/Wastewater										
Water Main Breaks	29	33	30	36	30	25	30	20	15	31
Number of Gallons of Water Pumped (000s)	1,683,823	1,907,801	2,000,000	1,726,380	1,900,000	1,825,000	1,943,000	1,998,292	1,746,000	1,745,900
Average Daily Consumption (MGD)	5	5	6	5	6	5	6	5.4	6	6
Miles of Sewer Mains Cleaned	6	4	8	2	15	12	28	2.11	65	110

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/Program										
Public Safety										
Emergency Vehicles (Police & Fire)	34	34	34	33	31	31	31	31	31	31
Public Works										
Streets - Paved (Miles)	156.05	156.05	156.05	156.05	156.05	156.05	156.05	156.05	156.05	156.05
Alleys - Paved (Miles)	36.11	36.11	36.11	36.11	36.11	36.11	36.11	36.81	36.81	36.81
Traffic Signals	34	34	34	34	34	34	34	34	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	9,850	9,920	9,920	9,940	9,929	10,085	10,014	10,034	10,044	10,059
Non-Emergency Vehicles	79	79	81	84	82	82	82	82	87	89
Parks and Recreation										
Park Acres	237.4	237.0	237.0	242.0	239.0	239.0	239.0	239.0	244.0	244.0
Playgrounds	12	12	12	12	12	13	13	13	13	13
Total Athletic Facilities Maintained	56	54	54	54	54	54	54	54	55	55
Water/Wastewater										
Miles of Water Mains	188.01	189.50	189.50	189.50	189.80	189.48	190.05	190.05	190.00	197.52
Fire Hydrants	1,341	1,355	1,360	1,364	1,366	1,372	1,373	1,373	1,428	1,428
Sanitary Sewer Lines (Miles)	154.06	153.60	153.60	153.64	153.65	153.65	153.67	153.67	153.67	154.95
Sanitary Sewer Laterals (Miles)	77.46	77.30	77.30	77.30	77.30	77.30	77.35	77.35	77.35	77.35

Source: City of Duncanville, Texas Annual Budgets

