



OFFICIAL STATEMENT
Dated: February 1, 2022

Ratings:
S&P: "AA-" (stable outlook)
Fitch: "AA" (positive outlook)
(see "OTHER INFORMATION
- Ratings" herein)

NEW ISSUE - Book-Entry-Only

Interest on the Bonds will be included in gross income for federal income tax purposes under existing law. See "TAX MATTERS" herein.

\$61,550,000
CITY OF GRAND PRAIRIE, TEXAS
(Dallas, Tarrant and Ellis Counties)
SALES TAX REVENUE REFUNDING BONDS, TAXABLE SERIES 2022

Dated Date: February 15, 2022

Due: July 1, 2022 and January 1, as shown on page 2

Interest to accrue from Delivery Date

PAYMENT TERMS. . . Interest on the \$61,550,000 City of Grand Prairie, Texas, Sales Tax Revenue Refunding Bonds, Taxable Series 2022 (the "Bonds") will accrue from the "Delivery Date", will be payable January 1 and July 1 of each year commencing July 1, 2022, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE. . . The Bonds are being issued by the City of Grand Prairie, Texas (the "City") pursuant to the provisions of Chapter 334, Texas Local Government Code, as amended and Chapter 1207, Texas Government Code, as amended and an ordinance adopted December 14, 2021 (the "Bond Ordinance"). In the Bond Ordinance the City Council delegated pricing of the Bonds to a "Pricing Officer" who approved a Pricing Certificate which contained the final terms of sale and completed the sale of the Bonds (the Bond Ordinance and the Pricing Certificate are jointly referred to as the "Ordinance"). (see "THE BONDS - Authority for Issuance").

The Bonds are payable solely by a pledge of and lien on the Pledged Revenues (defined herein) described further in the Ordinance and not from any other revenues, properties or income of the City.

PURPOSE. . . Proceeds from the sale of the Bonds will be used to (i) refund a portion of the City's outstanding debt described in Schedule I (the "Refunded Obligations") for debt service savings, and (ii) pay the costs associated with the issuance of the Bonds.

CUSIP PREFIX: 386166

MATURITY SCHEDULE & 9 DIGIT CUSIP

Shown on Page 2

LEGALITY. . . The Bonds are offered for delivery when, as and if issued and received by the initial purchaser (the "Initial Purchaser") and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP., Bond Counsel, Dallas, Texas (see Appendix C, "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon by West & Associates, L.L.P., as Disclosure Counsel for the City.

DELIVERY. . . It is expected that the Bonds will be available for delivery through DTC, on February 24, 2022.

BAIRD

Financial Advisory Services
Provided By



MATURITY SCHEDULE

CUSIP Prefix: 386166⁽¹⁾

Principal Amount	Maturity Date	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾
\$ 330,000	7/1/2022	3.000%	0.600%	HZ8
580,000	1/1/2023	3.000%	0.950%	JA1
600,000	1/1/2024	3.000%	1.350%	JB9
615,000	1/1/2025	3.000%	1.600%	JC7
635,000	1/1/2026	3.000%	1.800%	JD5
3,535,000	1/1/2027	3.000%	1.900%	JE3
3,645,000	1/1/2028	3.000%	2.000%	JF0
3,740,000	1/1/2029	2.100%	2.100%	JG8
3,820,000	1/1/2030	2.200%	2.200%	JH6
3,905,000	1/1/2031	2.300%	2.300%	JJ2
3,995,000	1/1/2032	2.400%	2.400%	JK9
4,100,000	1/1/2033	2.500%	2.500%	JL7
4,205,000	1/1/2034	2.600%	2.600%	JM5
4,315,000	1/1/2035	2.700%	2.700%	JN3
4,435,000	1/1/2036	2.800%	2.800%	JP8
4,565,000	1/1/2037	2.850%	2.850%	JQ6

\$14,530,000 3.000% Term Bond due January 1, 2040 at a Price of 100.000% to Yield 3.000% - CUSIP No. ⁽¹⁾JT0

(Interest to accrue from Delivery Date)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. The City, the Financial Advisor and the Initial Purchaser take no responsibility for the selection or accuracy of such numbers.

OPTIONAL REDEMPTION. . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after January 1, 2033, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on January 1, 2032, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS - Optional Redemption of the Bonds").

MANDATORY SINKING FUND REDEMPTION. . . The Bonds maturing on January 1, 2040 (the "Term Bonds") are subject to mandatory sinking fund redemption in part prior to maturity at a price of par plus accrued interest to the redemption date as described under "THE BONDS - Mandatory Sinking Fund Redemption."

Re: "City of Grand Prairie, Texas, Sales Tax Revenue Refunding Bonds, Taxable Series 2022"

City and are payable solely from and equally and ratably secured by a lien on and pledge of the Pledged Revenues (as defined in the Ordinance) including receipts from a local sales and use tax, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with the general principles of equity.

2. The Escrow Agreement has been duly authorized, executed and delivered and, assuming the due authorization, execution or acceptance, and delivery thereof by the Escrow Agent, is a binding and enforceable agreement in accordance with its terms and the outstanding obligations refunded, discharged, paid and retired with the proceeds of the Bonds have been defeased and are regarded as being outstanding only for the purpose of receiving payment from the funds held in a fund with the Escrow Agent, pursuant to the Escrow Agreement and in accordance with the provisions of Texas Government Code, Chapter 1207, as amended. In rendering this opinion, we have relied upon the special report of the Accountants as to the sufficiency of cash and investments deposited with the Escrow Agent pursuant to the Escrow Agreement for the purposes of paying the outstanding obligations refunded and to be retired with the proceeds of the Bonds and the interest thereon.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

This Official Statement, which includes the cover page, maturity schedule, Schedule I, and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City or the City's Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described.

THE AGREEMENTS OF THE CITY AND OTHERS RELATED TO THE BONDS ARE CONTAINED SOLELY IN THE CONTRACTS DESCRIBED HEREIN. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER STATEMENT MADE IN CONNECTION WITH THE OFFER OR SALE OF THE BONDS IS TO BE CONSTRUED AS CONSTITUTING AN AGREEMENT WITH THE PURCHASERS OF THE OBLIGATIONS. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE SCHEDULES AND ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty, or other representation is made concerning the accuracy or completeness of the information herein. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

None of the City, the Financial Advisor, or the Initial Purchaser (as defined herein) make any representation regarding the information contained in this Official Statement regarding DTC or its Book-Entry-Only System, as such information has been furnished by DTC. CUSIP numbers have been assigned to these issues by CUSIP Global Services, and are included solely for the convenience of the owners of the Bonds. None of the City, the Financial Advisor, or the Initial Purchaser shall be responsible for the selection or correctness of the CUSIP numbers shown on the inside cover page.

This Official Statement contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements (see "OTHER INFORMATION - Forward-Looking Statements Disclaimer").

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not a part of, this Official Statement for any purposes.

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The cover page hereof, the maturity schedule, this page, Schedule I and the Appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

Table with 2 columns: Section Name and Description. Sections include THE CITY, THE BONDS, PAYMENT OF INTEREST, AUTHORITY FOR ISSUANCE, SECURITY FOR THE BONDS, REDEMPTION OF THE BONDS, TAX STATUS, USE OF PROCEEDS, RATINGS, and BOOK-ENTRY-ONLY SYSTEM.

[closing date]



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IN REGARD to the authorization and issuance of the "City of Grand Prairie, Texas, Sales Tax Revenue Refunding Bonds, Taxable Series 2022," dated February 15, 2022, in the principal amount of \$61,550,000 (the "Bonds"), we have examined into their issuance by the City of Grand Prairie, Texas (the "City"), solely to express legal opinions as to the validity of the Bonds, the defeasance and discharge of the City's outstanding obligations being refunded by the Bonds and for no other purpose.

THE BONDS are issued in fully registered form only and in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Bonds mature on July 1, 2022 and January 1 in each of the years specified in a pricing certificate (the "Pricing Certificate") executed pursuant to an ordinance adopted by the City Council of the City authorizing the issuance of the Bonds (the "Bond Ordinance" and, jointly with the Pricing Certificate, the "Ordinance"), unless redeemed prior to maturity in accordance with the terms stated on the Bonds.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Bonds, including the Ordinance an Escrow Agreement (the "Escrow Agreement") between the City and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent"), a special report of Samuel Klein and Company, Certified Public Accountants (the "Accountants") and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to certain facts within the knowledge and control of the City and (iii) other documentation and such matters of law as we deem relevant.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the State of Texas in force and effect on the date hereof:

- 1. The Bonds have been duly authorized by the City and, when issued in compliance with the provisions of the Ordinance, are valid, legally binding and enforceable obligations of the

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CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

<u>Name</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Ron Jensen Mayor	17 Years	May 2022	President and Owner, Control Products
Jorja Jackson Clemson Place 1 - District 1	6 Years	May 2023	President, Store Service Inc.
Dennis King Place 2 - District 2	1 Year	May 2022	Pastor
Mike Del Bosque Place 3 - District 3 Mayor Pro-Tem	2 Years	May 2023	Founder/CEO, Intire Health
John Lopez Place 4 - District 4	1 Year	May 2022	Administrative Supervisor at the Federal Reserve Bank of Dallas
Cole Humphreys Place 5 - District 5	1 Year	May 2024	Owner, Austin Insurance
Kurt Johnson Place 6 - District 6	< 1 Year	May 2024	Government Public Servant, Federal Deposit Insurance Corporation
Jeff Copeland Place 7 - At Large	6 Years	May 2023	President, Federal Title, Inc.
Steve Ezeonu Place 8 - At Large	< 1 Year	May 2024	Educator

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service In Grand Prairie</u>	<u>Total Municipal Government Experience</u>
Steve Dye	City Manager	9 Years	34 Years
Cheyli De Leon	Deputy City Manager	2 Year	20 Years
Bill Hills	Deputy City Manager	32 Years	45 Years
Megan Mahan	City Attorney	9 Years	11 Years
Mona Lisa Galicia	City Secretary	17 Years	17 Years
Caryn Riggs	Chief Financial Officer	< 1 Year	17 Years
Brady Olsen	Treasury and Debt Manager	2 Year	7 years
Kathleen Mercer	Budget Director	19 Years	21 Years
Gabe Johnson	Public Works Director	7 Years	11 Years

CONSULTANTS AND ADVISORS

Auditors.....	Weaver, I.L.P. Dallas, Texas
Bond Counsel.....	Norton Rose Fulbright US LLP Dallas, Texas
Disclosure Counsel.....	West & Associates, L.L.P. Dallas, Texas
Financial Advisor.....	Hilltop Securities Inc. Dallas, Texas

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

O. Tax Abatements and Economic Incentive Agreements

The City has incentive agreements with companies which may refund or rebate certain amounts of taxes based on performance indicators. These agreements are governed by Chapter 312 of the Texas Local Government Code. Recipients may be eligible based on their impact to the City's economy, as usually measured by job creation. Agreements may also contain recapture or 'clawback' provisions in the event of non-performance of the agreement standards. The City's Management Services division reviews the performance of the companies under these agreements for their compliance with stated standards. As of the 2019 certified roll (used for 2020 fiscal year) the City's abatement agreements with three companies resulted in \$5,584,790 in appraised values, totaling \$57,518 in taxes abated on the 2019 certified tax roll (used for the 2020 fiscal year).

P. Subsequent Events

In February 2021, the City issued \$23,215,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2021. Proceeds from the sale are expected to be used to acquire, construct, improve, and equip facilities; and construct street improvements.

The City has evaluated all other events or transactions that occurred after September 30, 2020 up through March 11, 2021, the date the financial statements were available to be issued.

OFFICIAL STATEMENT

RELATING TO

\$61,550,000

**CITY OF GRAND PRAIRIE, TEXAS
SALES TAX REVENUE REFUNDING BONDS, TAXABLE SERIES 2022**

INTRODUCTION

This Official Statement, which includes the maturity schedule, Schedule I and the Appendices hereto, provides certain information regarding the issuance of \$61,550,000 City of Grand Prairie, Texas Sales Tax Revenue Refunding Bonds, Taxable Series 2022. Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the ordinance adopted December 14, 2021 (the "Bond Ordinance"). In the Bond Ordinance the City Council delegated pricing of the Bonds to a "Pricing Officer" who has approved a Pricing Certificate which contains the final terms of sale and has completed the sale of the Bonds except as otherwise indicated herein (see "SELECTED PROVISIONS OF THE ORDINANCE"). The Bond Ordinance and the Pricing Certificate are jointly referred to as the "Ordinance".

There follows in this Official Statement descriptions of the Bonds and certain information regarding the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City's Financial Advisor, Hilltop Securities Inc., Dallas, Texas.

DESCRIPTION OF THE CITY. . . The City is a political subdivision and municipal corporation of the State of Texas (the "State"), duly organized and existing under the laws of the State, including the City's home rule charter (the "Home Rule Charter"). The City first adopted its Home Rule Charter in 1948. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and eight Councilmembers who are elected for staggered two-year terms. The City Manager is the chief administrative officer for the City. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, water and sanitary sewer utilities, health and social services, culture-recreation, public transportation, public improvements, planning and zoning, and general administrative services. The 2010 Census population for the City was 175,396, while the 2020 Census population was 196,100. The estimated 2022 population is 200,640. The City covers approximately 81 square miles.

INFECTIOUS DISEASE OUTBREAK – COVID-19. . . In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to the Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings and other activities.

Over the ensuing year, COVID-19 negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within the U.S., the State and the City. Following the widespread release and distribution of various COVID-19 vaccines beginning in December 2020 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) have started to lift business and social limitations associated with COVID-19. Under executive orders in effect as of the date of this Official Statement, there are no COVID-19 related operating limits for any business or other establishment in Texas. The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

With the easing or removal of associated governmental restrictions, economic activity has increased. However, there are no assurances that economic activity will continue or increase at the same rate as before the COVID-19 pandemic or following the easing or removal of restrictions, especially if there are future outbreaks of COVID-19 or variants of COVID-19. The COVID-19 pandemic may result in lasting changes in some businesses and social practices, which could affect business activity and limit the growth of or reduce the City's ad valorem and sales tax collections. In addition, further or extended reductions in the value of stocks and other investments could impact employee retirement plans or other funds and could require actions by the State. The City cannot predict the long-term economic effect of COVID-19 or the effect of any future outbreak of COVID-19, or variants of COVID-19, or a similar virus on the City's operations or financial condition.

Some of the financial and operating data contained herein are as of dates and for periods prior to the economic impact of COVID-19 and measures instituted to slow it. Accordingly, such information is not necessarily indicative of the current financial condition or future prospects of the City. The City continues to monitor the spread of COVID-19 and is working with local, State, and national agencies to address the potential impact of the COVID-19 pandemic upon the City. While the extent of the impact of COVID-19 on the City cannot be fully quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City's operations and financial condition, and the effect could be material. See "CENTRAL PARK SALES TAX – TABLE 2 – HISTORICAL CITY RECEIPTS OF ¼% EQUIVALENT SALES TAX" and "-- CALCULATION OF DEBT SERVICE COVERAGE FOR THE BONDS."

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Bonds will be used to (i) refund a portion of the City's outstanding debt described in Schedule I (the "Refunded Obligations") for debt service savings, and (ii) pay the costs associated with the issuance of the Bonds.

REFUNDED OBLIGATIONS . . . The Refunded Obligations are being redeemed on the dates set forth in Schedule I hereto (collectively, the "Redemption Date"). The principal and interest due on the Refunded Obligations are to be paid on the Redemption Date from funds to be deposited pursuant to a certain escrow agreement (the "Escrow Agreement") with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Escrow Agent"). The Ordinance provides that from the proceeds of the sale of the Bonds received from the Initial Purchaser and other available funds of the City, if any, the City will deposit with the Escrow Agent an amount that will be sufficient to accomplish the discharge and final payment of the Refunded Obligations on the Redemption Date. Such funds will be held by the Escrow Agent in a special escrow account (the "Escrow Fund") and used to purchase direct noncallable obligations of the United States of America (the "Escrowed Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations.

Samuel Klein and Company, in conjunction with Public Finance Partners LLC, will issue its report (the "Report") verifying at the time of delivery of the Bonds to the Initial Purchasers thereof the mathematical accuracy of the schedules that demonstrate the Escrowed Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Obligations. Such maturing principal of and interest on the Escrow Securities will not be available to pay the Bonds (see "VERIFICATION OF MATHEMATICAL COMPUTATIONS").

By the deposit of the Escrow Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreement, the City will have effected the defeasance of all of the Refunded Obligations in accordance with State law and in reliance upon the Report. It is the opinion of Bond Counsel that as a result of such defeasance and in reliance upon the Report, the Refunded Obligations will be outstanding only for the purpose of receiving payments from the Escrowed Securities and any cash held for such purpose by the Escrow Agent and such Refunded Obligations will not be deemed as being outstanding obligations of the City payable from sales taxes nor for the purpose of applying any limitation on the issuance of debt.

USE OF PROCEEDS . . . The proceeds from the sale of the Bonds will be applied approximately as follows:

SOURCES OF FUNDS:	
Par Amount of Bonds	\$ 61,550,000.00
Premium	462,688.15
TOTAL SOURCES:	<u>\$ 62,012,688.15</u>
USES OF FUNDS:	
Deposit to Refunding Escrow Fund	\$ 60,895,099.45
Costs of Issuance	283,034.10
Initial Purchaser's Discount	834,554.60
TOTAL USES:	<u>\$ 62,012,688.15</u>

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City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020

N. Segment Information for Enterprise Funds

The City maintains five enterprise funds – water and wastewater, solid waste, golf, airport, and storm water utility activities. At September 30, 2020, the Municipal Airport Fund had outstanding revenue-backed certificates of obligations. Segment information for this Fund is as follows:

	Municipal Airport
Condensed statement of net position:	
Current assets	\$ 798,634
Capital assets	16,508,555
Deferred outflows of resources	34,666
Total assets and deferred outflows of resources	<u>17,341,855</u>
Current liabilities	527,369
Long-term liabilities	870,668
Deferred inflows of resources	42,911
Total liabilities and deferred inflows of resources	<u>1,440,948</u>
Net position: Net investment in capital assets	15,783,555
Net position: Unrestricted	<u>117,352</u>
Total net position	<u>\$ 15,900,907</u>
Condensed statement of revenues, expenses and changes in net position:	
Sales to customers	\$ 1,205,500
Intergovernmental revenue	96,306
Miscellaneous	701,148
Total operating revenues	<u>2,002,954</u>
Depreciation	882,286
Other operating expenses	1,613,772
Total operating expenses	<u>2,496,058</u>
Interest expense	(38,760)
Total nonoperating revenues (expenses)	<u>(38,760)</u>
Loss before transfers	(531,864)
Transfers in	621,633
Transfers out	(48,000)
Change in net position	<u>41,769</u>
Net position at the beginning of the year	<u>15,859,138</u>
Net position at the end of the year	<u>\$ 15,900,907</u>
Condensed statement of cash flows:	
Net cash provided (used) by:	
Operating activities	466,933
Noncapital financing activities	573,633
Capital and related financing activities	(1,677,202)
Investing activities	-
Beginning cash and cash equivalent balances	<u>983,907</u>
Ending cash and cash equivalent balances	<u>\$ 347,271</u>

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

Mountain Creek Regional Wastewater System Contract (System)

The City entered into a contract in 2002 which is in effect for the entire useful life of the System. Although the City does not yet deliver flows to this System, the City is obligated to pay annual minimum fees equivalent to 21.9 million gallons of flow. For the fiscal year ended September 30, 2020, the City paid \$40,368 to the System.

Master and Other Agreements

The City and Texas NextStage, LP (NextStage) entered into agreements (development agreements, lease agreements and other ancillary agreements) on January 10, 2001, to design, develop and construct a performance hall (Performance Hall). Construction of the Performance Hall began in July 2000 and was completed in February 2001. Under the agreements, the City purchased the Performance Hall from NextStage for \$15 million with the proceeds from the \$17.9 million TIF tax and tax increment certificate of obligation bond issue in fiscal year 2001. NextStage initially leased the Performance Hall from the City under a twenty one-year lease. Effective September 18, 2002, Anschutz Texas, L. P. assumed the lease obligations of NextStage and became lessee and operator of the Performance Hall. The lease between the City and Anschutz Texas, L. P. expires January 23, 2023. Monthly lease payments from the lessee of the Performance Hall are used to pay debt service on bonds issued by the City for the purchase of the Performance Hall.

The City and the Texas Airhogs Baseball Club entered into agreements (development, lease, and other ancillary agreements) on June 26, 2007 to develop, construct and operate a minor league professional baseball stadium. The funding for the stadium was accomplished through a one-eighth cent sales tax approved by the citizens of Grand Prairie. Construction began in July 2007 and was completed in May 2008.

Ground Lease - The City entered into a lease agreement with the Sports Corporation for the land on which the stadium was built. The lease runs through June 25, 2036 with an annual base rent of \$50,000.

Stadium Lease - On October 19, 2016, the City entered into a four-year lease agreement with Nextel Promotional, LLC. In addition to Airhogs home baseball games, Nextel has unlimited use of the Stadium to hold other sporting and entertainment events. Nextel pays the City, in advance, a monthly lease payment of \$7,137 and ten percent of the total net profit generated by Nextel at, in, or through the stadium. Nextel is responsible for all utility services and the City is responsible for the maintenance of the building, landscaping, irrigation, art, and playgrounds.

Construction Commitments

The City has several approved outstanding major capital projects as of September 30, 2020. The City's total committed but unexpended expenditures for such authorized capital projects at year-end approximates \$85,569,753. Funding for these contracts will be received through various capital projects funds and enterprise funds.

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated February 15, 2022 and mature on July 1, 2022 and January 1 in each of the years and in the amounts shown on page 2 hereof. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months, and will be payable on July 1 and January 1 in each year, commencing July 1, 2022 until maturity or prior redemption. The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York, ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE . . . The Bonds are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapter 334, Texas Local Government Code, as amended (the "Act"), Chapter 1207, Texas Government Code, as amended, and the Ordinance.

SECURITY AND SOURCE OF PAYMENT . . . The Bonds are special obligations of the City, payable solely from a pledge of the "Pledged Revenues" (as defined in the Ordinance) received by the City, to wit: the receipts from a ¼ of 1% sales and use tax levied for the benefit of the City (the "Central Park Sales Tax") pursuant to the Act and an election held in the City on May 10, 2014. The Bonds do not constitute a legal or equitable, pledge, charge, lien or encumbrance upon any property of the City except with respect to the "Pledged Revenues."

The Bonds may not be paid in whole or in part from any property taxes raised or to be raised by the City and do not constitute a debt of and do not give rise to a claim for payment against the City, except as to the Central Park Sales Tax revenues held by the City and required to be paid to the City. Neither the State, the City nor any political subdivision or agency of the State shall be obligated to pay the Bonds or the interest thereon, and neither the faith and credit nor the taxing power of the State, the City or any other political subdivision or agency thereof is pledged to the payment of the principal of and interest on the Bonds, except as noted above.

The Act contains no provisions which would allow the voters of the City to either reduce or repeal the Sales Tax. Should the Legislature ever enact such an amendment to the Act to allow for the reduction or repeal of the Sales Tax, the Attorney General of Texas has rendered an Opinion (Opinion No. DM-137) relating to sales tax obligations and therein stated a "reduction in the sales tax rate, or a limitation on the amount of time the tax may be collected, may not be applied to any bonds issued prior to the date of the rollback election." In so opining, the Attorney General noted any "subsequent legislation which purports to permit the reduction or other limitation of that tax is ineffective to do so, because such alteration would impair the obligation of the contract between the city and such bondholders," and in effect be a violation of Article I, Section 10 of the United States Constitution and Article I, Section 16 of the Texas Constitution.

The Central Park Sales Tax may not be collected after the last day of the first calendar quarter occurring after notification to the State Comptroller of Public Accounts (the "Comptroller") by the City that all bonds or other obligations of the City that are payable in whole or in part from the proceeds of the Central Park Sales Tax, including any refunding bonds or other obligations, have been paid in full or the full amount of money necessary to defease such bonds and other obligations has been set aside in a trust account dedicated to their payment.

PLEDGE UNDER ORDINANCE . . . The City covenants and agrees that the Pledged Revenues are irrevocably pledged to the payment and security of the Bonds, including the establishment and maintenance of the special funds created and established in the Ordinance. The Ordinance further provides that the Bonds shall constitute a lien on the Pledged Revenues in accordance with the terms of the Ordinance, which lien shall be valid and binding without any further action by the City and without any filing or recording with respect thereto except in the records of the City.

THE CENTRAL PARK VENUE PROJECT FUND . . . The Gross Central Park Sales Tax Revenues collected by the Comptroller and remitted periodically to the City for the benefit of the City shall be deposited by the City as received to the credit of a fund or account of the City to be known as the "Central Park Venue Project Fund" (hereinafter called the "Central Park Project Fund").

The Gross Central Park Sales Tax Revenues held in the Central Park Project Fund are first to be used to make payments to the Bond Fund in amounts equal to one hundred percent (100%) of the interest on and principal of the Bonds then due and payable.

GENERAL COVENANT REGARDING THE CENTRAL PARK SALES TAX . . . The Municipal Sales and Use Tax Act provides that the Central Park Sales Tax does not apply to the sale of a taxable item unless the item is also taxable under the Texas Limited Sales, Excise and Use Tax Act. The Central Park Sales Tax is therefore subject to broadening and reduction in the base against which it is levied by action of the State Legislature without the consent of the City.

In the Ordinance, the City covenants and agrees that, while any Bonds are outstanding, it will take all legal means and actions permissible to cause the Central Park Sales Tax, at its authorized current rate (¼ of 1%) or at a higher rate if legally permitted, to be levied and collected continuously throughout the boundaries of the City, as such boundaries may be changed from time to time, in the

manner and to the maximum extent legally permitted; and to cause no reduction, abatement or exemption in the Central Park Sales Tax while any Bonds shall remain outstanding. The City also covenants and agrees that, if, subsequent to the issuance of the Bonds, the City is authorized by applicable law to impose and levy the Central Park Sales Tax on any items or transactions that are not subject to the Central Park Sales Tax on the date the Ordinance was adopted, then the City will use its best efforts to cause the City to take such action as may be required by applicable law to subject such items or transactions to the Central Park Sales Tax.

OPTIONAL REDEMPTION OF THE BONDS. . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after January 1, 2033, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on January 1, 2032, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the City may select the maturities of the Bonds to be redeemed. If less than all of the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form) shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

MANDATORY SINKING FUND REDEMPTION . . . The Bonds maturing on January 1, 2040 (the "Term Bonds") are subject to mandatory sinking fund redemption on the dates and in the principal amounts shown below at the price of par plus accrued interest to the date of redemption:

<u>Term Bonds Due January 1, 2040</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>
January 1, 2038	\$4,700,000
January 1, 2039	\$4,840,000
January 1, 2040 (maturity)	\$4,990,000

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Bonds, the Paying Agent/Registrar shall select by lot the numbers of the Term Bonds within the applicable stated maturity to be redeemed on the next following January 1 from moneys set aside for that purpose in the Bond Fund (as defined in the Ordinance). Any Term Bonds not selected for prior redemption shall be paid on the date of its stated maturity.

The principal amount of the Term Bonds required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 50 days prior to a mandatory redemption date (1) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

NOTICE OF REDEMPTION. . . . Not less than 30 days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of each registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH OBLIGATION OR PORTION THEREOF SHALL CEASE TO ACCRUE.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

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City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020

M. Contracts, Commitments, and Contingent Liabilities

Federal and State Grants

The City participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Litigation

The City and Sports Corporation are contingently liable in respect of lawsuits and claims in the ordinary course of operations which, in the opinion of management, will not have material adverse effect on the combined financial statements.

Water Intake Facility Contract

The City entered into a contract with the Trinity River Authority (TRA) whereby TRA agreed to sell revenue bonds, and, to construct and operate water treatment, transmission and storage facilities necessary to supply treated water to several area cities. The City has also agreed contractually to pay TRA annually an amount sufficient to pay its pro rata share of the operation and maintenance expenses of the facilities and related debt service of its bonds. The project is not treated as a joint venture by the City since the project is managed and unilaterally controlled by TRA, the City has no equity interest in the project, and the City is not obligated for the repayment of TRA bonds.

Water Purchase Contracts

The City has a 30-year contract with the City of Dallas, which expires in 2042, for the purchase of water. Grand Prairie currently takes up to 33.8 million gallons a day (MGD), and pays a fixed demand charge plus a volume charge. The demand charge is based on current maximum demand or the highest demand established during the five preceding years, whichever is greater. Thus, even if the City were to stop purchasing water from Dallas, its obligation to pay the demand charge (\$262,058) would extend for five years. The maximum may be increased in future years as needed. Grand Prairie has two intake points for City of Dallas water with a contractual right obligating the City of Dallas to meet Grand Prairie's needs. Existing pipelines will provide up to 55 MGD.

A contract with the City of Fort Worth, effective until the year 2031, permits the City to purchase up to 2.5 MGD.

A contract with the City of Midlothian, executed in 2014 for a 30-year term, permits the City to purchase up to an average of 4.5 MGD during the term of the contract. Beginning in January 2016, the City began purchasing water from the City of Midlothian at an average rate of 0.478 MGD.

A contract with the City of Arlington, executed in 2011 for a 20-year term, allows the City to purchase up to 2.5 MGD maximum flow unless otherwise agreed to in writing. As of September 30, 2020, no water has been purchased through this contract.

Wastewater Treatment Contracts

The City has a 50 year contract with TRA, which will expire in 2023, for wastewater treatment. The City is billed for its prorated share of total wastewater costs, which was 20.5% during fiscal year 2020. The City must pay its prorated share of the debt service related to wastewater treatment facilities until the debt matures whether it contributes to flow or not.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020

L. Fund Balance

At September 30, 2020, fund balances were classified as follows:

	General	Section 8	Streets CIP	Grants	Debt Service	Epic 2 CIP	Nonmajor Governmental Funds	Total
Fund balances								
Nonspendable:								
Inventory and prepaids	\$ 35,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,876	\$ 71,220
Spendable:								
Restricted for:								
Employee Welfare	114,302	-	-	-	-	-	-	114,302
Library Memorials	42,952	-	-	-	-	-	-	42,952
At Risk Youths	38,337	-	-	-	-	-	-	38,337
Greg Hunter Scholarships	62,040	-	-	-	-	-	-	62,040
State Training (Fire)	882	-	-	-	-	-	-	882
Prairie Paws Adoptions	263,733	-	-	-	-	-	-	263,733
Section 8	-	3,183,285	-	-	-	-	-	3,183,285
Street Improvements	-	-	5,825,575	-	-	-	-	5,825,575
Grants	-	-	-	7,265,027	-	-	-	7,265,027
Debt Service	-	-	-	-	2,489,226	-	-	2,489,226
Epic 2 CIP & Epic Central	-	-	-	-	-	29,000,000	2,294,049	31,294,049
Park Venue	-	-	-	-	-	-	5,423,721	5,423,721
Streets	20,873	-	-	-	-	-	3,870,063	3,890,936
Crime	-	-	-	-	-	-	9,783,904	9,783,904
Hotel Motel	-	-	-	-	-	-	916,715	916,715
Police Seizure	-	-	-	-	-	-	381,833	381,833
Municipal Court	-	-	-	-	-	-	288,598	288,598
Red Light Safety	-	-	-	-	-	-	2,019,236	2,019,236
Lake Parks	-	-	-	-	-	-	3,021,939	3,021,939
Public Improvement Districts	-	-	-	-	-	-	4,497,148	4,497,148
Tax Increment Financing	-	-	-	-	-	-	18,790,004	18,790,004
Other special revenue	-	-	-	-	-	-	278,998	278,998
Park Venue Capital Projects	-	-	-	-	-	-	2,559,836	2,559,836
Fire Capital Projects	-	-	-	-	-	-	2,931,267	2,931,267
Municipal Facilities Capital Projects	-	-	-	-	-	-	1,629,556	1,629,556
Other Capital Projects	-	-	-	-	-	-	935,087	935,087
Total restricted	543,119	3,183,285	5,825,575	7,265,027	2,489,226	29,000,000	59,615,354	107,921,586
Committed for:								
Epic 2 CIP	-	-	-	-	-	8,693,951	-	8,693,951
Street Improvements	-	-	9,951,996	-	-	-	-	9,951,996
Park Venue	-	-	-	-	-	-	1,816,440	1,816,440
Cable Operations	-	-	-	-	-	-	660,092	660,092
Verizon Theatre	-	-	-	-	-	-	2,249,165	2,249,165
Cemetery	-	-	-	-	-	-	3,475,813	3,475,813
Fire Capital Projects	-	-	-	-	-	-	3,356,920	3,356,920
Municipal Facilities Capital Projects	-	-	-	-	-	-	7,227,846	7,227,846
Drainage Capital Projects	-	-	-	-	-	-	12,446,024	12,446,024
Police Capital Projects	-	-	-	-	-	-	708,041	708,041
Other Capital Projects	-	-	-	-	-	-	6,214,940	6,214,940
Capital Lending/Reserve	-	-	-	-	-	-	9,371,869	9,371,869
Total committed	-	-	9,951,996	-	-	8,693,951	47,406,390	66,052,337
Assigned for:								
Post-Pandemic One-Time Costs	9,100,000	-	-	-	-	-	-	9,100,000
Home Match Cash	608,954	-	-	-	-	-	-	608,954
KGPB Commissions	1,299	-	-	-	-	-	-	1,299
Youth Scholarship Fund	3,771	-	-	-	-	-	-	3,771
Police Memorials	6,984	-	-	-	-	-	-	6,984
State Training (Police)	17,136	-	-	-	-	-	-	17,136
Fire- State Supplemental Funds	2,272,678	-	-	-	-	-	-	2,272,678
Hall of Fame Trust Fund	14,158	-	-	-	-	-	-	14,158
First Offender Program	19,449	-	-	-	-	-	-	19,449
Elby Creek Accessibility Garden	26,913	-	-	-	-	-	-	26,913
US Marshals Service Agreement	235,388	-	-	-	-	-	-	235,388
GFPD Boxing Program	17,494	-	-	-	-	-	-	17,494
GFPD Explorer Program	13,925	-	-	-	-	-	-	13,925
GFPD Mounted Patrol	558	-	-	-	-	-	-	558
Total assigned	12,338,707	-	-	-	-	-	-	12,338,707
Unassigned	47,731,260	-	-	-	-	-	-	47,731,260
Total fund balances	\$60,448,430	\$3,183,285	\$15,777,571	\$7,265,027	\$2,489,226	\$37,693,951	\$107,057,820	\$234,115,110

FLOW OF FUNDS... The Ordinance establishes the following funds and accounts for the payment and security of the Bonds, and for the Pledged Revenues with all revenues flowing first to the Central Park Project Fund:

CENTRAL PARK VENUE PROJECT FUND	
PRIORITY	
First Priority	Bond Fund for the payment of Debt Service on the Bonds,
Second Priority	Any other fund required by the Ordinance authorizing issuance of the Bonds or any other supplemental ordinance of the City as permitted by the Ordinance,
Third Priority	Any Pledged Revenues remaining in the Central Park Venue Project Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other lawful purpose now or hereafter permitted by the Act, and the election which authorized the Central Park Sales Tax.

BOOK-ENTRY-ONLY SYSTEM... This section describes how ownership of the Bonds are to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or any notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or any notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to the Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are, the responsibility of the City or Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered (see "THE BONDS - Transfer, Exchange and Registration" herein).

Use of Certain Terms in Other Sections of this Official Statement. . . In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City or the Initial Purchaser.

Effect of Termination of Book-Entry-Only System. . . In the event that the Book-Entry-Only System is discontinued, printed Bonds will be issued to the Participants or the Beneficial Owners, as the case may be, and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "THE BONDS - Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR. . . The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. In the Ordinance, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of such Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Interest on the Bonds shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent United States mail, first class, postage prepaid, to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Bonds will be paid to the registered owner at the stated maturity upon presentation to the designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "THE BONDS - Book-Entry-Only System" herein. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday or a day when

City Of Grand Prairie, Texas
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TMRS Supplemental Death

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ -	\$ 222,026
Difference in assumptions	566,036	-
Difference in projected and actual earnings on OPEB plan investments	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	29,303	-
	<u>\$ 595,339</u>	<u>\$ 222,026</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$29,303 will be recognized as a reduction of the total OPEB liability in the City's financial statements September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

Retiree Health Insurance

Measurement Period Ended September 31,	Net deferred outflows (inflows) of resources
2021	\$ [453,955]
2022	[453,955]
2023	[453,955]
2024	408,682
2024	408,683
Total	<u>\$ [544,500]</u>

TMRS Supplemental Death

Measurement Year Ended December 31,	Net deferred outflows (inflows) of resources
2020	\$ 81,600
2021	81,600
2022	81,600
2023	74,522
2024	31,432
Thereafter	[6,744]
Total	<u>\$ 344,010</u>

City Of Grand Prairie, Texas

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The following presents the total OPEB liability of the City's TMRS supplemental plan calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
Current		
1% Decrease	Discount Rate	1% Increase
\$ 5,342,149	\$ 4,419,808	\$ 3,702,234

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the City's retiree health insurance, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Rate		
Current		
1% Decrease	Discount Rate	1% Increase
\$ 54,304,846	\$ 62,543,756	\$ 69,883,962

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended September 30, 2020, the City recognized total OPEB expense of \$2,841,498 which included \$2,454,262 related to Retiree Health Insurance and \$387,236 related to TMRS Supplemental Death.

At September 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following resources:

Retiree Health Insurance

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ -	\$ 2,877,504
Difference in assumptions	3,314,370	981,366
Difference in projected and actual earnings on OPEB plan investments	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	-	-
	<u>\$ 3,314,370</u>	<u>\$ 3,858,870</u>

banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION. . . In the event the Book-Entry-Only System should be discontinued, printed certificates will be delivered to the registered owners of the Bonds and thereafter the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender of such printed certificates to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the principal office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in denominations of \$5,000 or integral multiples thereof for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. See "THE BONDS - Book-Entry-Only System" for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

RECORD DATE FOR INTEREST PAYMENT. . . The record date (the "Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the fifteenth calendar day of the month next preceding each interest payment date.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (the "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

REGISTERED OWNERS' REMEDIES. . . The Holder or Holders of any Bond shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in the Ordinance. The issuance of a writ of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. The enforcement of such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interests of the bondholders upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition and, accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and financed by, the registered owners. On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) ("Wasson") that sovereign immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. The Texas Supreme Court reviewed Wasson again in June 2018 and clarified that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore in regard to municipal contract cases (as in tort claims) it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under the authority or for the benefit of the state. If sovereign immunity is determined by a court to exist, then the Texas Supreme Court has ruled in *Tooke v. City of Mexia*, 197 S.W. 3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, holders of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or Ordinance covenants. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, such as the Pledged Revenues, such provisions are subject to construction. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or holders of the Bonds of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce creditors' rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Ordinance and Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

City Of Grand Prairie, Texas
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DEFEASANCE . . . The Ordinance provides for the defeasance of the Bonds when the payment of the principal of and premium, if any, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar, or other authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Obligations to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds. The Ordinance provides that "Government Obligations" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (d) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under applicable laws of the State of Texas. The City has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Obligations for the Government Obligations originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Ordinance does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Obligations or that for any other Government Obligation will be maintained at any particular rating category.

Upon such deposit as described above, the Bonds shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment of the Bonds have been made as described above, all rights of the City to take any action amending the terms of the Bonds are extinguished.

AMENDMENTS . . . The City may amend the Ordinance without the consent of or notice to any registered owner in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may with the written consent of the Holders of a majority of aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Ordinance; except that, without the consent of the registered owners of all of the affected Bonds, no such amendment, addition or rescission may (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

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Change in OPEB Liability	Total OPEB Liability
Retiree Health Insurance	
Balance at September 30, 2019	\$ 57,183,450
Changes for the year:	
Service cost	2,196,598
Interest	2,214,000
Difference between expected and actual experience	(1,525,154)
Changes in assumptions	3,977,244
Benefit payments*	(1,502,382)
Net changes	5,360,306
Balance at September 30, 2020	\$ 62,543,756
Change in OPEB Liability	Total OPEB Liability
TMRs Supplemental Death	
Balance at December 31, 2018	\$ 4,220,784
Changes for the year:	
Service cost	147,917
Interest	158,603
Difference between expected and actual experience	(760,883)
Changes in assumptions	692,831
Benefit payments*	(39,444)
Net changes	199,024
Balance at December 31, 2019	\$ 4,419,808

*Due to the Plan being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City's retiree health insurance calculated using the discount rate of 3.83%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.83%) or 1 percentage point higher (4.83%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
Current		
1% Decrease	Discount Rate	1% Increase
\$ 68,016,956	\$ 62,543,756	\$ 55,575,295

City Of Grand Prairie, Texas

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Actuarial Assumptions

The retiree health insurance total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50%
Discount Rate	2.41%
Mortality rates - retirees	RP-2014 Combined Table projected using MP-2019

The discount rate was selected by City of Grand Prairie based on the Bond Buyer 20-Bond General Obligation Index to reflect yields on long-term municipal bonds as of the measurement date.

The TMRS supplemental death total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Discount Rate	2.75%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality rates - service retirees: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality rates - disabled retirees: 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The discount rate was based on the Fidelity index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

DEBT INFORMATION

TABLE I – DEBT SERVICE REQUIREMENTS (1)

Fiscal Year Ending 9/30	Outstanding Debt Service ⁽¹⁾			The Bonds			Total D/S	% of Principal Retired
	Principal	Interest	Total D/S	Principal	Interest	Total D/S		
2022	2,375,000	1,772,246	4,147,246	330,000	587,372	917,372	5,064,618	
2023	2,475,000	363,330	2,838,330	580,000	1,646,393	2,226,393	5,064,722	
2024	2,575,000	262,330	2,837,330	600,000	1,628,693	2,228,693	5,066,022	
2025	2,680,000	157,230	2,837,230	615,000	1,610,468	2,225,468	5,062,697	
2026	2,785,000	51,815	2,836,815	635,000	1,591,718	2,226,718	5,063,532	21.02%
2027	-	-	-	3,535,000	1,529,168	5,064,168	5,064,168	
2028	-	-	-	3,645,000	1,421,468	5,066,468	5,066,468	
2029	-	-	-	3,740,000	1,327,523	5,067,523	5,067,523	
2030	-	-	-	3,820,000	1,246,233	5,066,233	5,066,233	
2031	-	-	-	3,905,000	1,159,305	5,064,305	5,064,305	46.07%
2032	-	-	-	3,995,000	1,066,458	5,061,458	5,061,458	
2033	-	-	-	4,100,000	967,268	5,067,268	5,067,268	
2034	-	-	-	4,205,000	861,353	5,066,353	5,066,353	
2035	-	-	-	4,315,000	748,435	5,063,435	5,063,435	
2036	-	-	-	4,435,000	628,093	5,063,093	5,063,093	74.35%
2037	-	-	-	4,565,000	500,951	5,065,951	5,065,951	
2038	-	-	-	4,700,000	365,400	5,065,400	5,065,400	
2039	-	-	-	4,840,000	222,300	5,062,300	5,062,300	
2040	-	-	-	4,990,000	74,850	5,064,850	5,064,850	100.00%
	\$ 12,890,000	\$ 2,606,950	\$ 15,496,950	\$ 61,550,000	\$ 19,183,444	\$ 80,733,444	\$ 96,230,394	

(1) Excludes the Refunded Obligations.

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THE CENTRAL PARK SALES TAX

SOURCE AND AUTHORIZATION . . . The Central Park Sales Tax is a 1/4 of 1% limited sales and use tax imposed on all taxable transactions within the City as approved at an election held in the City on May 10, 2014. The Comptroller began collecting the Central Park Sales Tax on transactions within the City on October 1, 2015. The Central Park Sales Tax is authorized to be levied and collected against the receipts from the sale at retail of taxable items within the City. The Central Park Sales Tax also is an excise tax on the use, storage or other consumption of taxable tangible personal property purchased, leased or rented from a retailer within the City. The imposition, computation, administration, governance, abolition and use of the Central Park Sales Tax is governed by the Texas Limited Sales, Excise, and Use Tax Act (Texas Tax Code, Chapter 151, as amended) except to the extent that there is conflict with the Act, in which case the provisions of the Act control as to the Bonds, and by the Municipal Sales and Use Tax Act (Texas Tax Code, Chapter 321, as amended), and reference is made thereto for a more complete description of the Central Park Sales Tax.

In general, as applied to the Central Park Sales Tax, a taxable item includes any tangible personal property and certain taxable services. "Taxable services" include certain amusement services, cable television services, motor vehicle parking and storage services, the repair, remodeling, maintenance and restoration of most tangible personal property, certain telecommunication services, credit reporting services, debt collection services, insurance services, information services, real property services, data processing services, real property repair and remodeling and security services, telephone answering services, Internet access services, and distribution utility of transmission or delivery of service directly to an electricity end-use customer whose consumption of electricity is subject to taxation under Chapter 151 of the Texas Tax Code, as amended. Certain items are exempted by State law from sales and use taxes, including items purchased for resale, food products (except food products which are sold for immediate consumption, e.g. by restaurants, lunch counters, etc.), health care supplies (including medicines, corrective lens and various therapeutic appliances and devices), agricultural items (if the item is to be used exclusively on a farm or ranch or in the production of agricultural products), gas and electricity purchased for residential use (unless a city has taken steps to repeal the exemption), certain telecommunications services, newspapers and magazines. In addition, items which are taxed under other State laws are generally exempted from sales taxes. These items include certain natural resources, cement, motor vehicles and insurance premiums. Alcohol and tobacco products are taxed under both State alcohol and tobacco taxes as well as through the sales taxes except that the following are exempt from the sales taxes: mixed beverages, ice or nonalcoholic beverages that are subject to State alcohol taxes (there is no local component of the State alcohol taxes and, thus, the City would not receive any revenue with respect to such sales) and alcoholic beverages when sold to the holder of a private club registration permit under certain circumstances. In addition, purchases made by various exempt organizations are not subject to the sales and use taxes. Such organizations include the federal and state governments, political subdivisions, Indian tribes, religious institutions and certain charitable organizations and non-profit cities. Also, State law provides an exemption from sales taxes on items purchased under a contract in effect when the legislation authorizing such tax (or the increase in the rate thereof) is enacted, up to a maximum of three years.

In general, a sale of a taxable item is deemed to occur within the municipality, county or special district in which the sale is consummated. The tax levied on the use, storage or consumption of tangible personal property is considered to be consummated at the location where the item is first stored, used or consumed. Thus, the use is considered to be consummated in a municipality, and the tax is levied there if the item is shipped from outside the state to a point within the municipality.

In addition to the local sales and use taxes levied, as described above, the State levies and collects a 6.25 % sales and use tax against essentially the same taxable items and transactions as the Central Park Sales Tax is levied. Under current State law, the maximum aggregate sales and use tax which may be levied within a given area by an authorized political subdivision within such area, including the State, is 8.25%. The current aggregate sales and use tax levied in the City is 8.25% of which 6.25% is levied by the State, 1% is levied by the City, 1/4 of 1% is levied as the Central Park Sales Tax, 1/4% is levied for the general municipal parks and recreation facilities, 1/4 % is levied for maintenance and repair for municipal streets and 1/4% is levied for the GPTX Crime Control Development District. See "Other Sales Taxes" below.

The Comptroller administers and enforces all sales tax laws and collects all sales and use taxes levied by the State, and levying counties, municipalities and other special districts having sales tax powers. Certain limited items are taxed for the benefit of the State under nonsales tax statutes, such as certain natural resources and other items described above, and are not subject to the sales tax base available to municipalities and counties, including the tax base against which the Central Park Sales Tax is levied. Municipalities may by local option determine to tax certain telecommunication services on the same basis as the State taxes such services (some aspects of telecommunication services, such as interstate telephone calls and broadcasts regulated by the FCC are not subject to either State or local taxation). The City has not repealed the local telecommunication services exemption. With respect to the taxation of the residential use of gas and electricity, the State is not authorized to collect a sales tax, while municipalities, on a local option basis, may tax such use.

In recent years, several changes in the State sales tax laws have contributed to the growth of local sales tax revenues. These changes have added additional goods and services to the list of taxable items. Other items have been subjected to sales tax on an interim basis or have been taxed pursuant to legislation which includes planned phase-outs of the tax.

With certain exceptions, sales and use taxes in the State are collected at the point of sale and are remitted to the Comptroller by the "taxpayer" who is, generally speaking, the business that collects the tax resulting from a taxable transaction. Taxpayers owing \$500 or more sales and use tax dollars in a calendar month submit their tax collections to the Comptroller on a monthly basis; taxpayers owing less than \$500 sales and use tax dollars in a calendar month but \$1,500 or more in a calendar quarter submit their tax collections

City Of Grand Prairie, Texas

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Retirees that do not continue coverage through our retiree health care plans do not receive payment in lieu of retiree health care.

The City offers medical, dental, and vision coverage to eligible retirees.

Employees Covered by Benefit Terms

For retiree health insurance at the September 30, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	167
Active employees	1,328
Total	1,495

For TMRS supplemental death at the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	627
Inactive employees entitled to but not yet receiving benefits	125
Active employees	1,386
Total	2,138

Contributions

For retiree health insurance, retirees and their spouses currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums.

Monthly retiree contribution rates are as follows:

Retiree 2018 Monthly Health Care Premiums (Employee Pays Portion)

	Monthly Health Care Premium
Over 65 Retiree (Grandfathered by age)	
Employee only	\$ 241
Employee plus spouse	238

Total OPEB Liability

The City of Grand Prairie retiree health insurance total OPEB liability of \$62,543,756 was measured as of September 30, 2020, and was determined by an actuarial valuation as of that date.

The City of Grand Prairie TMRS supplemental death total OPEB liability of \$4,419,807 measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

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The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit," or OPEB.

Retiree Health Benefits

Current employees who retire from the City of Grand Prairie under a TMRS Retirement / Plan option may elect to remain on the City's medical, dental, and vision insurance plans as long as they meet the following criteria:

- Under age of 65
- Currently working for the City immediately prior to retirement, and
- Payment of required monthly premiums by due date, or within grace period

TMRS Retirement / Plan option may include:

- Service retirement, 25 years of TMRS creditable service at any age, or
- Age 60 and 5 years of TMRS creditable service
- Disability/medical retirement at any age, if approved by TMRS

Eligibility requirements do not vary by type of retirement. The retiree health care plan is a single-employer defined benefit plan. No trust is setup for the plan; therefore, there is no separate audit report available.

Retirees pay a portion of their retiree health care premium based on their years of service with the City of Grand Prairie, the plan selected, and dependent coverage when they retire. The base retiree health care premium is based on the accrual rate, claims costs, and budget for the prior fiscal year.

Medical coverage for retiree benefits extends only to age 65. Once a retiree reaches age 65, they will be dropped from medical coverage at the beginning of the month in which they turn 65. If a retiree cancels any or all insurance at any time during retirement, they forfeit all rights to coverage through the City for that benefit. If they cancel medical coverage all together, they may not elect medical again in the future for any reason.

A spouse who is on the employee's plan at the time of retirement may continue on the plan until the spouse reaches age 65. Spouse coverage continues after the employee reaches the age 65 and after the death of the employee until the spouse reaches the age of 65, as well. Spouse coverage continues even though the employee becomes Medicare eligible.

Rates for spouse coverage are dependent upon the employee's years of service with the City of Grand Prairie. Spouses receive the same benefits as the employee. Surviving spouses of deceased active members are not eligible for retiree health care benefits, unless they become eligible under TMRS and elect retirement immediately following the month of death. They become "retiree" in that case.

For all retirements after 1/1/08, dependents must have been covered for the 2 years immediately preceding the effective date of retirement to be eligible to continue coverage under retiree into retirement.

New dependents gained during retirement (due to marriage or birth) may not be added to the City's plan since they were not eligible at the time of retirement.

quarterly; and taxpayers owing less than \$1,000 in a calendar year submit their tax collections annually. Taxpayers are required to report and remit to the Comptroller by the 20th day of the month following the end of the reporting period. The reporting period for yearly filers ends each January 20 of the next calendar year; for quarterly filers, the reporting period ends at the end of each calendar quarter; and monthly filers report and remit by the 20th of each month for the previous month. The Comptroller is required by law to distribute funds to the receiving political subdivisions periodically and as promptly as feasible but not less frequently than twice during each fiscal year of the State. Historically, and at the present time, the Comptroller distributes the funds monthly with the largest payments being made quarterly in February, May, August and November. The Comptroller has initiated a direct deposit program using electronic funds transfers to expedite the distribution of monthly allocation checks. If a political subdivision desires to participate in the electronic funds transfers, it may make application to the Comptroller. The City participates in this program. Otherwise, the Comptroller mails the monthly allocation check, which is typically received by the middle of the month following the month in which the taxpayer reports and remits payment on the tax.

The Comptroller is responsible for enforcing the collection of sales and use taxes in the State. Under State law, the Comptroller utilizes sales tax permits, sales tax bonds and audits to encourage timely payment of sales and use taxes. Each entity selling, renting, leasing or otherwise providing taxable goods or services is required to have a sales tax permit. Permits are required for each individual location of a taxpayer and are valid for only one year, requiring an annual renewal. As a general rule, every person who applies for a sales tax permit for the first time, or who becomes delinquent in paying the sales or use tax, is required to post a bond in an amount sufficient to protect against the failure to pay taxes. The Comptroller's audit procedures include auditing the largest 2% of the sales and use tax taxpayers (who report about 65% of all sales and use tax in the State annually), each every three or four years. Other taxpayers are selected at random or upon some other basis for audits. The Comptroller also engages in taxpayer education programs and mails a report to each taxpayer before the last day of the month, quarter or year that it covers.

Once a taxpayer becomes delinquent in the payment of a sales or use tax, the Comptroller may collect the delinquent tax by using one or more of the following methods: (i) collection by an automated collection center or local field office, (ii) estimating the taxpayers' liability based on the highest amount due in the previous 12 months and billing them for it, (iii) filing liens and requiring a new or increased payment bond, (iv) utilizing forced collection procedures such as seizing assets of the taxpayer (e.g., a checking account) or freezing assets of the taxpayer that are in the custody of third parties, (v) removing a taxpayer's sales and use tax permit, and (vi) certifying the account to the Attorney General's Office to file suit for collection. A municipality may not sue for delinquent taxes unless it joins the Attorney General as a plaintiff or unless it first receives the permission of the Attorney General and the Comptroller.

The Comptroller retains 2% of the tax receipts for collection of the tax; additionally, under State law, a taxpayer may deduct and withhold 1/2% of the amount of taxes due on a timely return as reimbursement for the cost of collecting the sales and use taxes. In addition, a taxpayer who prepays its tax liability on the basis of a reasonable estimate of the tax liability for a month or quarter in which a prepayment is made, may deduct and withhold 1 1/4% of the amount of the prepayment in addition to the 1/2% allowed for the cost of collecting the sales and use tax.

INVESTOR CONSIDERATIONS . . . The primary source of security for the Bonds will be certain receipts of the Central Park Sales Tax received by the City. The amount of revenues from the Central Park Sales Tax is closely related to the amount of economic activity in the City. Sales and use tax receipts, unlike other taxes levied by municipalities, immediately reflect changes in the economic conditions of a municipality.

Historically, the Comptroller has remitted sales and use tax allocation checks to municipalities on a monthly basis, but State law currently requires that such allocation be made at least twice annually and such procedures could change in the future. Additionally, the taxable items and services subject to State and local sales and use taxes are subject to legislative action, and have been changed in recent years by the State Legislature. State law provides that the Central Park Sales Tax cannot be levied against any taxable item or service unless such item or service is also subject to the State sales and use tax.

In recent years the State Legislature has enacted laws permitting the State, together with its political subdivisions, to levy sales and use taxes of up to 8.25%, which is among the highest sales tax rates in the nation (although the State has no personal or corporate income tax), and the current total sales and use tax rate within the City's boundaries is 8.25% (including State and City taxes as well as the Central Park Sales Tax). The rate of the sales and use taxes authorized in the State could be further increased by the State Legislature and the City has no way of predicting any such increase or the effect that would have on the Central Park Sales Tax, the pledge of which secures the Bonds. Any changes which may be enacted by the State Legislature could effect the tax base against which the Central Park Sales Tax is levied; and the City, except in certain limited instances described below, has no control over the components of the tax base.

Tax receipts received by the City are expected to be subject to seasonal variations and to variations caused by the State laws and administrative practices governing the remittance of sales and use tax receipts which authorize different taxpayers to remit the tax receipts at different times throughout the year.

Changes in the tax base against which a sales and use tax is assessed, as well as changes in the rate of such taxes, make projections of future tax revenue collections very difficult. No independent projections have been made with respect to the revenues available to pay debt service on the Bonds.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the city recognized pension expense of \$19,217,668.

At September 30, 2020, the City reported deferred inflows/outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience [actuarial (gains) or losses]	\$ 3,241,408	\$ (1,510,796)
Difference in assumptions	925,824	
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	-	(17,012,110)
Employer's contributions to the pension plan subsequent to the measurement date	12,453,895	-
	<u>\$ 16,621,127</u>	<u>\$ (18,522,906)</u>

The \$12,453,895 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended December 31	Net deferred outflows (inflows) of resources
2020	\$ (4,169,174)
2021	(4,247,429)
2022	1,823,672
2023	(7,810,082)
2024	47,339
Total	<u>\$ (14,355,674)</u>

K. Other Postemployment Benefits (OPEB)

Plan Description

Supplemental Death Benefits

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

During the 86th Texas Legislative Session, certain laws were passed regarding the collection of sales taxes in response to the United States Supreme Court decision in *South Dakota v. Wayfair, Inc.*, 138 S. Ct. 2080 (June 21, 2018) ("*Wayfair*"). Among other matters, in *Wayfair* the Court ruled that out-of-state based sellers of goods are required to collect and pay sales taxes to states and local jurisdictions where the receivers of such goods are located. H.B.1525, effective October 1, 2019, amended Chapters 151, 321 and 323, Texas Tax Code, by amending the definitions of "seller" and "retailer" to include a "Marketplace" provider and to require such Marketplace provider to collect and remit to the Comptroller sales and use taxes on items sold in Texas on electronic mediums, including internet websites and software applications. H.B. 2153, effective October 1, 2019, amended the Texas Tax Code by establishing a single local use tax rate that "remote" (out-of-state) sellers may elect to use. Chapter 151 of the Texas Tax Code, as amended, now authorizes the Comptroller to adopt rules that establishes a single local tax rate for use by remote sellers. For the period beginning January 1, 2022, and ending December 31, 2022, such rate is set by the Comptroller at 1.75%.

Pursuant to such recent legislation, the Comptroller finalized approval of the adopted rules as amendments to Texas Administrative Code Rule 3.334 (which may be found at [https://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=T&app=9&p_dir=F&p_rloc=199495&p_tloc=14707&p_ploc=1&pg=2&p_tac=&i=34&pt=1&ch=3&rl=334](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=T&app=9&p_dir=F&p_rloc=199495&p_tloc=14707&p_ploc=1&pg=2&p_tac=&i=34&pt=1&ch=3&rl=334)). Among other matters, the amendments change the current local sales tax sourcing rule from the place of origin to the place of destination for all internet orders. Such amendments were set to become effective on October 1, 2021. Certain Texas cities were granted an injunction prohibiting the Comptroller from implementing such amendments to the sourcing of local sales tax collection. The injunction will remain in effect until a hearing on the merits of the case, which is currently set for June 2022. The City cannot determine at this time what effect, if any, the new legislation and adopted rules might have in the future with respect to its Central Park Sales Tax revenues.

OTHER CITY SALES TAXES . . . The voters approved a one-fourth cent (1/4¢) local sales and use tax rate (the "Parks & Rec Sales Tax") at an election held on November 2, 1999 under Section 334.021 of Chapter 334, Local Government Code. The additional sales tax receipts is used exclusively for costs associated with the municipal parks and recreation system as defined in Section 334.001(4)(D). The City began collecting the Parks & Rec Sales Tax in April 2000. The Parks & Rec Sales Tax authorized by the November 2, 1999 election is not pledged to nor available for payment on the Bonds.

The voters approved a one-fourth cent (1/4¢) local sales and use tax rate (the "Street Repair Sales Tax") at an election held on November 6, 2001 under Chapter 327 Subtitle C, Title 3, Tax Code. The additional sales tax receipts are used exclusively for street repair maintenance. The Street Repair Sales Tax was last reauthorized in May 2017 for eight years.

On May 12, 2007 voters approved a 1/8% sales tax in a 1/4% and two 1/8% increments for the following projects:

- A one-fourth cent (1/4 cent) local sales and use tax under Section 363.054, Local Government Code for Crime Control and Prevention District to fund a new Police Center ("Crime Control Sales Tax").
- A one-eighth cent (1/8 cent) local sales and use for a Senior Center ("Senior Center Tax").
- A one eighth cent (1/8 cent) local sales and use for a minor league baseball stadium ("Baseball Stadium Tax").

The additional sales tax receipts were to be exclusively for costs associated with each of the projects. The City began collecting the taxed on October 1, 2007. At an election held on May 10, 2014, voters abolished the City's 1/8% Senior Center Tax and 1/8% Baseball Stadium Tax as authorized under Section 334.089, Local Government Code, effective September 30, 2015, and adopted the Central Park Sales Tax for the City's EPIC project as permitted under the provisions of Chapter 334, Local Government Code, effective October 1, 2015. The City began collecting the Central Park Sales Tax on October 1, 2015.

At an election on November 3, 2020, the 1/4% sales tax for the Community Policing District was reauthorized for a period of ten years.

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City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
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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 periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balance at December 31, 2018	\$ 587,394,541	\$ 486,228,225	\$ 101,166,316
Changes for the year:			
Service cost	17,424,628	-	17,424,628
Interest	39,278,509	-	39,278,509
Change of benefit terms	-	-	-
Difference between expected and actual experience	2,850,261	-	2,850,261
Changes in assumptions	1,142,147	-	1,142,147
Contributions - employer	-	16,638,630	(16,638,630)
Contributions - employee	-	6,905,686	(6,905,686)
Net investment income	-	75,171,025	(75,171,025)
Benefit payments*	(28,406,023)	(28,406,023)	-
Administrative expense	-	(424,746)	424,746
Other changes	-	(12,759)	12,759
Net changes	32,289,522	69,871,813	(37,582,291)
Balance at December 31, 2019	\$ 619,684,063	\$ 556,100,038	\$ 63,584,025

* Includes refunds of employee contributions

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
Current		
1% Decrease	Single Rate	1% Increase
\$ 151,726,229	\$ 63,584,025	\$ (8,768,674)

Pension Plan Fiduciary Net Position

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

TABLE 2 - HISTORICAL CITY RECEIPTS OF 1/4% COMPARABLE SALES TAX

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Oct.	\$ 853,795	\$ 714,926	\$ 693,974	\$ 655,765	\$ 611,222	\$ 579,579	\$ 533,505
Nov.	1,091,427	860,560	795,427	790,479	710,466	709,993	648,399
Dec.	875,207	736,447	735,712	636,471	593,552	583,108	542,001
Jan.	959,237	772,460	691,820	658,974	623,870	596,056	520,043
Feb.	-	954,377	895,944	819,425	813,702	791,657	712,010
Mar.	-	695,079	695,427	620,347	622,170	579,513	537,007
Apr.	-	591,119	654,896	607,684	553,587	485,849	527,982
May	-	991,279	756,746	811,360	788,591	735,027	688,588
Jun.	-	820,443	607,350	691,016	626,408	607,690	556,747
Jul.	-	765,363	697,140	686,501	690,187	635,575	585,818
Aug.	-	933,869	913,541	1,007,741	808,463	718,314	720,557
Sep.	-	878,349	712,260	738,640	664,555	613,260	587,752
	\$ 3,779,667	\$ 9,714,271	\$ 8,850,239	\$ 8,724,404	\$ 8,106,775	\$ 7,635,620	\$ 7,160,408

TABLE 3 - CALCULATION OF DEBT SERVICE COVERAGE FOR THE BONDS (1)

1/4% Sales Tax Collections for last 12 months	\$ 10,409,544
Maximum Annual Debt Service (Fiscal Year 2029) ⁽²⁾	\$ 5,067,523
Coverage of Maximum Debt Service for the Bonds by Sales Tax collections for last 12 months	2.05 x
Average Annual Debt Service Outstanding ⁽²⁾	\$ 5,064,758
Coverage of Average Annual Debt Service Requirements by Sales Tax collections for last 12 months	2.06 x

(1) Reflects actual collections of Sales Tax for February 2021 through January, 2022.

(2) Excludes the Refunded Obligations and includes the Bonds.

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SELECTED PROVISIONS OF THE ORDINANCE

The following are selected provisions of the Ordinance. These excerpts should be qualified by reference to the exact terms of the Ordinance. Unless otherwise indicated, any references to sections listed below are to sections contained in the Ordinance and section headings contained in the following excerpts are to sections contained in the Ordinance.

SECTION 10: Definitions. That for all purposes of this Ordinance and in particular for clarity with respect to the issuance of the Bonds herein authorized and the pledge and appropriation of revenues therefor, the following definitions are provided:

"Act" - Texas Local Government Code, Chapter 334, as amended at any time.

"Bonds" - The "City of Grand Prairie, Texas, Sales Tax Revenue Refunding Bonds, Taxable Series 2022."

"City" - The City of Grand Prairie, Texas.

"City Council" - The City Council of the City of Grand Prairie, Texas.

"Debt Service" - As of any particular date of computation, with respect to any Bonds and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such Bonds; assuming, in the case of Bonds required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

"Depository" - A commercial bank or other qualified financial institution eligible and qualified to serve as the custodian of the City's monetary accounts and funds.

"Fiscal Year" - The twelve month financial accounting period used by the City ending September 30 in each year, or such other twelve consecutive month period established by the City.

"Government Obligations" - Unless otherwise provided in the Pricing Certificate, (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws of the State of Texas.

"Gross Sales Tax Revenues" - All of the revenues or receipts due or owing to, or collected or received by or on behalf of the City or otherwise pursuant to the provisions of the Act and the election held May 10, 2014, less any amounts due and owed to the Comptroller of Public Accounts of the State of Texas as charges for the collection of the Sales Tax or retention by said Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retention are authorized or required by law.

"Outstanding" - When used in this Ordinance with respect to Bonds or Parity Bonds, as the case may be, means, as of the date of determination, all Bonds and Parity Bonds theretofore sold, issued and delivered by the City, except:

- (1) those Bonds or Parity Bonds canceled or delivered to the transfer agent or registrar for cancellation in connection with the exchange or transfer of such obligations;
- (2) those Bonds or Parity Bonds paid or deemed to be paid in accordance with the provisions of Section 21 hereof or similar provisions of any Supplemental Ordinance; and
- (3) those Bonds or Parity Bonds that have been mutilated, destroyed, lost, or stolen and replacement obligations have been registered and delivered in lieu thereof.

"Parity Bonds" - Collectively, the Previously Issued Bonds and the Bonds.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

Actuarial Assumptions

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary Increases	3.0% to 11.50% per year including inflation
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 Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a three-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal Actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.54%
Private Equity	5.0%	7.75%
Total	100.0%	

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

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 one 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.

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	25 years at any age, 5 years at age 60 and above
Updated service credit	100% Repeating transfers
Annuity increase to retirees	70% of CPI Repeating

Additional information related to the TMRS Plan is located in the TMRS Comprehensive Annual Financial Report.

Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	824
Inactive employees entitled to but not yet receiving benefits	643
Active employees	1,386
Total	2,853

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution 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 of Grand Prairie were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Grand Prairie were 16.30% and 16.09% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$17,153,461, and were equal to the required contributions.

Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

"Pledged Revenues" - Collectively (i) Gross Sales Tax Revenues from time to time deposited or owing to the Central Park Venue Project Fund and (ii) such other money, income, revenue, receipts or other property as may be specifically dedicated, pledged or otherwise encumbered in a Supplemental Ordinance.

"Previously Issued Bonds" - All bonds or other obligations heretofore issued and now outstanding that are payable from and secured by a lien on and pledge of all or any part of the Pledged Revenues, including but not limited to, the unpaid bonds or other obligations of the following issue or series: "City of Grand Prairie, Texas, Sales Tax Revenue Bonds, Taxable Series 2015," dated November 1, 2015.

"Sales Tax" - The local sales and use tax authorized under Subchapter D of the Act, approved at an election held on May 10, 2014, and the effective date for the imposition and application of such Sales Tax within the corporate limits of the City by the Comptroller of Public Accounts of the State of Texas being October 1, 2015, together with any increases in the rate of such Sales Tax authorized and provided by law.

"Supplemental Ordinance"- Any ordinance of the City Council supplementing this Ordinance for the purpose of providing the terms and provisions of the Bonds, or supplementing or amending this Ordinance for any other authorized purpose permitted in Section 22 hereof, including ordinances pledging and encumbering income, revenues, receipts or property other than the Gross Sales Tax Revenues to the payment and security of the Parity Bonds.

SECTION 11: Pledge. The City hereby covenants and agrees that the Pledged Revenues, with the exception of those in excess of the amounts required for the payment and security of the Bonds, are hereby irrevocably pledged to the payment and security of the Bonds including the establishment and maintenance of the special funds created and established in any ordinance authorizing the Previously Issued Bonds, this Ordinance and any Supplemental Ordinance, all as hereinafter provided. The City hereby grants a lien on the Pledged Revenues in accordance with the terms of this Ordinance and any Supplemental Ordinance, which lien shall be valid and binding without any further action by the City and without any filing or recording with respect thereto except in the records of the City.

SECTION 12: Central Park Venue Project. The City has established and hereby agrees and covenants to maintain a fund or account at a Depository for the deposit of the Pledged Revenues as received by the City, which fund or account shall be known on the books and records of the City as the "City of Grand Prairie, Texas, Central Park Venue Project Fund" (the "Venue Project Fund"). All Pledged Revenues deposited to the credit of such Fund shall be accounted for separate and apart from all other revenues, receipts and income of the City and, with respect to the Gross Sales Tax Revenues, the City shall further account for such funds separate and apart from the other Pledged Revenues deposited to the credit of the Venue Project Fund. All Pledged Revenues deposited to the credit of the Venue Project Fund shall be appropriated and expended to the extent required by this Ordinance and any Supplemental Ordinance for the following uses and in the order of priority shown:

- First: To the payment of the amounts required to be deposited in the Bond Fund for the payment of Debt Service on the Parity Bonds as the same becomes due and payable;
- Second: To the payment of amounts required to be deposited in any other fund or account required by any Supplemental Ordinance; and
- Third: After satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, Pledged Revenues may be appropriated and used for any other lawful purpose now or hereafter permitted by the Act and the election authorizing the Sales Tax.

Any amount in the Venue Project Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any purpose permitted by Section 334.001(4)(D) of the Act, related to the improvements and additions to Central Park or other type of area or facility that is planned for use for providing park and recreation facilities including a recreation center, indoor and outdoor water park facilities, playground facilities, trails, amphitheaters and other park and recreation facilities related to the Central Park facilities and related infrastructure.

SECTION 13: Bond Fund. For the purpose of providing funds to pay the principal of and interest on the Bonds, the City has agreed and covenanted and does hereby agree and covenant to maintain a separate and special account or fund on the books and records of the City known as the "City of Grand Prairie, Texas Sales Tax Revenue Central Park Bond Fund" (the "Bond Fund"), and all monies deposited to the credit of the Bond Fund shall be held in a special banking fund or account maintained at a Depository of the City. The City covenants that there shall be deposited into the Bond Fund prior to each principal and interest payment date from the Pledged Revenues an amount equal to one hundred per centum (100%) of the interest on and the principal of the Bonds then falling due and payable, and such deposits to pay principal and accrued interest on the Bonds shall be made in substantially equal monthly installments on or before (i) the 15th day of the month commencing on the date set forth in the Pricing Certificate or (ii) the first business day next following the date Gross Sales Tax Revenues are first received from the State Comptroller of Public Accounts, whichever date is the later.

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The required deposits to the Bond Fund for the payment of principal of and interest on the Bonds shall continue to be made as hereinabove provided until (i) the total amount on deposit in the Bond Fund is equal to the amount required to fully pay and discharge all Bonds (principal and interest) then Outstanding or (ii) the Bonds are no longer Outstanding.

SECTION 14: Deficiencies. If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Bond Fund, such deficiency shall be cured as soon as possible from the next available Pledged Revenues, or from any other sources available for such purpose.

SECTION 15: Payment of Bonds. While any of the Bonds are Outstanding, the Chief Financial Officer of the City (or other designated financial officer of the City) shall cause to be transferred to the Paying Agent/Registrar, from funds on deposit in the Bond Fund amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures; such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

SECTION 16: Investments - Security of Funds.

Money in any fund required to be maintained pursuant to this Ordinance may, at the option of the City, be invested in obligations and in the manner prescribed by the Public Funds Investment Act (Texas Government Code, Chapter 2256, as amended), including investments held in book-entry form; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any Fund will be available at the proper time or times. Such investments shall be valued in terms of current market value within forty-five (45) days of the close of each Fiscal Year. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the appropriate account of the Bond Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Bonds.

That money deposited to the credit of the Venue Project Fund and Bond Fund, to the extent not invested and not otherwise insured by the Federal Deposit Insurance Corporation or similar agency, shall be secured in a manner permitted by the Public Funds Collateral Act (Texas Government Code, Chapter 2257, as amended).

SECTION 17: Refunding Bonds. The City reserves the right to issue refunding bonds to refund all or any part of the Parity Bonds (pursuant to any law then available) upon such terms and conditions as the City may deem to be in the best interest of the City.

SECTION 18: Confirmation and Levy of Sales Tax.

(a) The City hereby represents that it has duly complied with the provisions of the Act for the levy of the Sales Tax at the rate voted at the election held by and within the City on May 10, 2014, and such Sales Tax will be imposed within the corporate limits of the City and the receipts of such Sales Tax are to be remitted to the City by the Comptroller of Public Accounts at least semiannually.

(b) While any Bonds are Outstanding, the City covenants, agrees and warrants to take and pursue all action permissible to cause the Sales Tax to be levied and collected continuously, in the manner and to the maximum extent permitted by law, and to cause no reduction, abatement or exemption in the Sales Tax or rate of tax below the rate stated, confirmed and ordered in subsection (a) of this Section to be ordered or permitted while any Bonds shall remain Outstanding.

(c) If hereafter authorized by law to apply, impose and levy the Sales Tax on any taxable items or transactions that are not subject to the Sales Tax on the date of the adoption hereof, to the extent it legally may do so, the City agrees to use its best efforts to cause the City to take such action as may be required to subject such taxable items or transactions to the Sales Tax.

(d) The City agrees to take and pursue all action legally permissible to cause the Sales Tax to be collected and remitted and deposited as herein required and as required by the Act, at the earliest and most frequent times permitted by law.

(e) The City agrees to use its best efforts to cause Gross Sales Tax Revenues to be deposited to the credit of the Venue Project Fund in their entirety immediately upon receipt by the City. In the alternative and if legally authorized, the City shall, by appropriate notice, direction, request or other legal method, use its good-faith efforts to cause the Comptroller of Public Accounts of the State of Texas (the "Comptroller") to pay all Gross Sales Tax Revenues directly to the City for deposit to the Venue Project Fund.

SECTION 19: Records and Accounts. The City hereby covenants and agrees that while any of the Bonds are Outstanding, it will keep and maintain complete records and accounts in accordance with generally accepted accounting principles, and following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Each such audit, in addition to whatever other matters may be thought proper by the accountant, shall particularly include the following:

Liabilities of the Risk Management Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, timing of filed claims, adjudication of claim benefits, changes in legal doctrines, and damage awards.

Accordingly, claims are reevaluated annually to consider the effects of inflation, plan benefit designs, recent claim settlement trends, claim expense, and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The total accrued liabilities for the Risk Management Fund based on the recent September 30, 2020 actuarial report was \$4,321,886.

The City offers group health coverage to its employees and retirees in plans administered by United Health Care using an escrow account funded by the City with both employee and City contributions. The City allows retired employees under age 65 to continue participating in its group health insurance program after retirement with a portion of premiums paid by the City. The amount of premiums paid by retirees is based on the retirement date, length of service with the City, plan selected and dependents covered at the time of retirement. The City retains risk for up to \$400,000 per member per year, and transfers risk in excess of this amount to a reinsurer. Reported claims are charged to expense in the period the loss is incurred. The total accrued liabilities for health insurance as of September 30, 2020 were \$1,961,897.

At September 30, 2020, the change in estimates of accrual liabilities for health coverage for the risk management fund:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2020	\$ 4,145,960	\$ 19,807,058	\$ 17,669,235	\$ 6,283,783
2019	3,971,327	15,449,741	15,275,108	4,145,960
2018	3,861,819	16,301,886	16,192,378	3,971,327

J. Defined Benefit Pension Plan

Plan Description

The City participates as one of 888 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 agent 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 Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com.

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

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Environmental remediation liability activity in fiscal year 2020 was as follows:

Property Description	Beginning Balance 9/30/2019	Additions	Reductions	Ending Balance 9/30/2020	Current Portion
Copeland Home Asbestos Abatement Service Center	\$ 20,900	\$ -	\$ -	\$ 20,900	\$ 20,900
Development Center Abatement	13,742	-	(13,742)	-	-
	42,395	-	(42,395)	-	-
Total	\$ 77,037	\$ -	\$ (56,137)	\$ 20,900	\$ 20,900

Other Liabilities

Sales Tax Payback

During fiscal year 2008, the Texas Comptroller of Public Accounts notified the City of an error in sales tax payments made to the City. The error was the result of a local business reporting and paying taxes incorrectly to the State Comptroller over several years. The overpayment by the business resulted in an overpayment to the City for \$2,386,466. In 2012, a liability for this amount was recorded by the City and is repaid from future sales tax revenue over a period of thirteen years. As of September 30, 2020, the liability equaled \$1,139,367.

I. Risk Management

The City currently administers a deductible program for Workers Compensation, all Liability, Property, Airport, and Crime claims through the Texas Municipal League Intergovernmental Risk Pool (TMLIRP), a public entity risk pool. The TMLIRP sustains itself through member premiums and stop loss coverage for excess claims through commercial insurers.

The City's current per occurrence and aggregate limits through the TMLIRP are as follows:

Coverage	Per Occurrence	Aggregate
General Liability	\$ 1,000,000	\$ 2,000,000
Law Enforcement Liability	3,000,000	6,000,000
Errors and Omissions	3,000,000	6,000,000
Automobile Liability	3,000,000	N/A
Airport Liability	10,000,000	10,000,000

Current deductibles with TMLIRP are \$350,000 for Workers Compensation with no aggregate retention; \$300,000 for all liability lines (General, Law Enforcement, Public Officials, and Auto Liability); \$1,000 for Automobiles; and \$10,000 for Mobile Equipment.

The City's operating funds are charged premiums for coverage provided by the Risk Management Fund based on approved annual budgets with adjustments based on estimates of the amounts needed to pay prior and current-year claims. These inter-fund premiums are used to reduce the amount of actual expenditures.

(1) A statement in reasonable detail regarding the receipt and disbursement of the Pledged Revenues for such Fiscal Year; and

(2) A balance sheet for the City as of the end of such Fiscal Year.

Such annual audit of the records and accounts of the City shall be in the form of a report and be accompanied by an opinion of the accountant to the effect that such examination was made in accordance with generally accepted auditing standards and contain a statement to the effect that in the course of making the examination necessary for the report and opinion, the accountant obtained no knowledge of any default of the City on the Bonds or in the fulfillment of any of the terms, covenants or provisions of this Ordinance, or under any other evidence of indebtedness, or of any event which, with notice or lapse of time, or both, would constitute a failure of the City to comply with the provisions of this Ordinance or if, in the opinion of the accountants, any such failure to comply with a covenant or agreement hereof, a statement as to the nature and status thereof shall be included.

Copies of each annual audit report shall be furnished upon written request, to any Registered Owners of any of said Bonds. The audits herein required shall be made within 120 days following the close of each Fiscal Year insofar as is possible.

The Registered Owners of any Bonds or any duly authorized agent or agents of such Registered Owners shall have the right to inspect such records, accounts and data of the City during regular business hours.

SECTION 20: Representations as to Security for the Bonds.

(a) The City represents and warrants that, except for the Parity Bonds, the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Ordinance except as expressly provided herein.

(b) The Bonds and the provisions of this Ordinance are and will be the valid and legally enforceable obligations of the City in accordance with their terms and the terms of this Ordinance, subject only to any applicable bankruptcy or insolvency laws or to any laws affecting creditors rights generally.

(c) The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Registered Owners against all claims and demands of all persons whomsoever.

(d) The City will take, and use its best efforts to cause the City to take, all steps reasonably necessary and appropriate to collect all delinquencies in the collection of the Sales Tax to the fullest extent permitted by the Act.

(e) The provisions, covenants, pledge and lien on and against the Pledged Revenues, as herein set forth, are established and shall be for the equal benefit, protection and security of the owners and holders of Bonds without distinction as to priority and rights under this Ordinance.

(f) The Bonds shall constitute special obligations of the City, payable solely from, and equally and ratably secured by a parity pledge of and lien on, the Pledged Revenues, and not from any other revenues, properties or income of the City. The Bonds may not be paid in whole or in part from any property taxes raised or to be raised by the City and shall not constitute debts or obligations of the State or of the City, and the Registered Owners, shall never have the right to demand payment out of any funds raised or to be raised by any system of ad valorem taxation.

SECTION 21: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Registered Owners, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of the Pledged Revenues under this Ordinance and all other obligations of the City to the Registered Owners shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds at maturity, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations have been certified by an independent accounting or consulting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the Bonds on the Stated Maturities thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor accepted to the Paying Agent/Registrar have been made) the redemption date thereof.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section in excess of the amount required for the payment of the Bonds shall be remitted to the City or deposited as directed by the City.

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The capital lease is being amortized using the interest method over the 30-year life of the lease. The Corporation has recorded lease rental and interest for the year ended September 30, 2020 as follows:

Nominal interest on the lease	\$ 1,759,320
Amortization of the lease	<u>(1,025,364)</u>
Net interest	733,956
Contingent rentals received (includes rent for simulcast facility prior to completion of project)	<u>125,745</u>
Total lease rental and interest	<u>\$ 859,701</u>

Closure and Post Closure Liability

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfills stop accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The City follows the provisions of GASB Statement No. 18 Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Costs. Accordingly, the City has recorded a closure and post closure care liability of \$8,648,946 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 49.69% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and post closure care of \$8,943,097 as the remaining estimated capacity is filled. The City expects to close the landfill in year 2037. Actual cost may be higher or lower due to inflation, changes in technology or changes in regulations.

Environmental Remediation Obligations

The City has recorded a liability and an asset related to environmental remediation in the amount of \$20,900, in the Statement of Net Position and Statement of Activities. The estimates of the liabilities are prepared by the Environmental Professional Group and by the City's Environmental Quality Manager and based on a range of expected outlays, net of expected cost recoveries, if any, for the type and amount of pollution contamination detected. The estimates are reviewed and adjusted periodically for price changes, additional contamination and any other changes detected.

- The City owns the building and is responsible for the asbestos abatement of the Copeland home located at 125 SW Dallas Street.

Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the City, be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 22: Ordinance a Contract - Amendments. This Ordinance shall constitute a contract with the Registered Owners from time to time, be binding on the City, and shall not be amended or repealed by the City while any Bond remains Outstanding except as permitted in this Section. The City, may, without the consent of or notice to any Registered Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent from the owners holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the written consent of all Registered Owners of Outstanding Bonds effected, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held for consent to any such amendment, addition, or rescission.

INVESTMENTS

The City invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the City Council of the City ("Investment Policies"). Both State law and the City's investment policies are subject to change.

LEGAL INVESTMENTS . . . Under State law, the City is authorized to invest in obligations meeting the requirements of the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended (the "PFIA"), which may include: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks, (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) (i) that are issued by or through an institution that has its main office or a branch office in Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for City deposits; or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (9) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (10) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state, (11) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share, and (12) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent. If specifically authorized in the authorizing document, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations of the

City Of Grand Prairie, Texas

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On March 5, 2009, Magna Entertainment Corporation, the parent company of MEC, filed for bankruptcy under Chapter 11 federal bankruptcy protection. Subsequently, on September 14, 2009, Lone Star filed for bankruptcy protection.

On October 23, 2009, an auction for Lone Star was conducted with Global Gaming LSP, LLC (a wholly owned subsidiary of the Chickasaw Nation) winning the auction for \$47 million.

On May 13, 2011, Global Gaming obtained their license with the Texas Racing Commission. The sale was completed on May 16, 2011. Under the terms of the purchase agreement, Global Gaming has agreed to assume the lease agreement between Lone Star and the Sports Corporation.

The agreement states that upon completion of the project, Global Gaming will lease the facility for a period of thirty years. The lease became effective April 1997 and meets the requirements for accounting as a direct financing lease.

The future base rent payments under the lease are as follows:

Year	Amount
2021	\$ 1,756,920
2022	1,888,689
2023	1,932,612
2024	1,932,612
2025	1,932,612
Thereafter	3,124,389
	12,567,834
Less interest	2,840,830
Net present value	9,727,004
Less current portion	1,025,364
Non-current portion	\$ 8,701,640

Additional contingent rentals are due monthly based upon 1% of gross revenues from the operation of the track for each month plus an amount equal to the cumulative net retainage from the live races and the simulcast races multiplied by the following percentage:

Cumulative Net Retainages	Percentage
\$0 to less than \$20 million	1%
\$20 million to less than \$40 million	3%
\$40 million to less than \$60 million	5%
\$60 million or more	7%

The lease has been accounted for as a capital lease. However, only the base rent payments are determinable and are included in the lease payments receivable at the net present value of future rent payments. The remaining portion of the Facility is recorded as estimated unguaranteed residual value of the lease. Its fair value is estimated to be approximately equal to the differences between the original cost plus capitalized improvements of the Facility, net of what accumulated depreciation would be, and the fixed lease payments receivable. Therefore, this amount is being amortized over the life of the lease (thirty years). Amortization for the year ended September 30, 2020 was \$4,305,040. Additional contingent rentals are recorded as revenue when received.

United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AA+ or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Governmental bodies in the State are authorized to implement securities lending programs if (i) the securities loaned under the program are collateralized, a loan made under the program allows for termination at any time and a paragraph under this subcaption, (b) irrevocable letters of credit issued by a bank organized and existing under the laws of the United States or any state that is continuously rated by a nationally recognized investment rating firm not less than "A" or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the second paragraph under this caption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the Agency or a third party designated by the Agency; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

INVESTMENT POLICIES. . . . Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and fully accrued interest during the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

ADDITIONAL PROVISIONS. . . . Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the City's designated Investment Officer; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in non-money market mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

THE CITY'S INVESTMENT POLICIES

The City Manager designates the Chief Financial Officer as the City's chief investment officer. The Treasury and Debt Manager, Controller, and Treasury Analyst are designated as additional investment officers. The Chief Financial Officer is responsible for the City's comprehensive cash management program, including the administration of the Investment Policies. The Chief Financial Officer is responsible for considering the quality and capability of staff involved in investment management and procedures. The Chief Financial Officer shall be responsible for authorizing investments and the Treasury and Debt Manager shall account for investments and pledged collateral in order to maintain appropriate internal controls. The Controller shall be responsible for recording investments in the City's books of accounts. The Internal Audit staff shall audit records monthly and the external auditors will review for management controls on investments and adherence to policy as required by law. On November 16, 2021, the City Council approved and readopted the Investment Policies.

City policy requires investments in accordance with applicable State law, specifically the PFIA. The City's Investment Policy does not permit the investment of City funds in all eligible investments permitted by State law. Furthermore, this policy specifically prohibits investment in the following investment securities:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT COMMITTEE

An Investment Committee consisting of the Treasury Analyst, Treasury and Debt Manager, Controller, Chief Financial Officer, and Deputy City Manager shall meet as frequently as necessary to review the City's investment portfolio. The committee shall also meet as necessary to add or delete a financial institution or broker/dealer from the list of institutions with which the City may do business or to conduct other business. The committee shall also meet to review prospectuses, financial statements and other performance data on money market mutual funds and shall formulate recommendations on the advisability of investing in specific funds for the consideration of the City Council.

Any three of the five Investment Committee members constitute a quorum. The Treasury and Debt Manager shall serve as chairman of the committee, and maintain written record of investment committee meetings.

CURRENT INVESTMENTS . . . As of December 31, 2021 the following percentages of the City's investible funds were invested in the following categories of investments:

Type of Investment	Percentage	Total Cost
Local Government Pools and Money Market Funds	16.03%	\$ 74,146,404
Federal Agency and Instrumentality Notes	83.97%	388,538,723
		<u>\$ 462,685,128</u>

TAX MATTERS

The following is a general summary of the United States federal income tax consequences of the purchase and ownership of the Bonds. The discussion is based upon laws, Treasury Regulations, rulings and decisions now in effect, all of which are subject to change or possibly differing interpretations. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of United States federal income taxation that may be relevant to a particular investor in the Bonds in light of the investor's particular personal investment circumstances or to certain types of investors subject to special treatment under United States federal income tax laws (including insurance companies, tax exempt organizations, financial institutions, brokers-dealers, and persons who have hedged the risk of owning the Bonds). The summary is therefore limited to certain issues relating to initial investors who will hold the Bonds as "capital assets" within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"), and acquire such Bonds for investment and not as a dealer or for resale. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

City Of Grand Prairie, Texas

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Grand Prairie Housing Finance Corporation

The GPHFC has a general obligation note payable to a bank which was used to construct the Cotton Creek and Willow Tree Learning Center. The note bears a rate of 4.25% and is payable in equal monthly installments of \$12,438 through September 21, 2040.

In December, 2003, the HFC issued Independent Senior Living Center Revenue Bonds for \$13,890,000 to finance the construction and operations of its planned Senior Living Center facility. The bonds bear interest rates from 7.5% to 7.75% depending on longevity. Beginning January 1, 2011, semi-annual retirements of the Bonds began and continues through January 1, 2034. The bonds are non-recourse liabilities collateralized solely by the land and construction in progress, less the accrued interest.

A summary of long-term debt activity during the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Note payable	\$ 2,114,992	\$ -	\$ (60,613)	\$ 2,054,379	\$ 63,148
Revenue bonds	7,160,000	-	(255,000)	6,905,000	265,000
Subordinate bonds	4,550,000	-	-	4,550,000	-
Developer loan	1,425,532	41,759	-	1,467,291	-
Total	\$ 15,250,524	\$ 41,759	\$ (315,613)	\$ 14,976,670	\$ 328,148

Effective July 1, 2010 the bonds of the Senior Living Center were reissued in two series: \$8,630,000 in Priority Lien Revenue Bonds and \$4,550,000 in Subordinate Lien Revenue Bonds.

Future maturities of the debt are as follows:

Year Ending December 31,	Note Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 63,148	\$ 86,109	\$ 265,000	\$ 529,837
2021	65,885	83,372	295,000	508,981
2022	68,740	80,517	315,000	485,731
2023	71,719	77,538	340,000	460,738
2024	74,824	74,429	370,000	434,000
2025-2029	425,682	320,602	2,335,000	1,681,944
2030-2034	526,271	220,013	2,985,000	604,306
2035-2039	650,629	95,655	-	-
2040	107,481	1,889	-	-
Total	\$ 2,054,379	\$ 1,040,124	\$ 6,905,000	\$ 4,705,537

The Subordinate Lien Revenue Bonds are not scheduled above as their payments are contingent upon cash flow and payment amounts and periods are uncertain.

Leases

Grand Prairie Sports Facilities Development (Sports Corporation) – A Component Unit

On September 15, 1995, the Sports Corporation and LSJC entered into a lease agreement. On October 23, 2002, Lone Star, LSJC, and MEC Lone Star, L.P. (MEC) entered into an asset purchase agreement whereby MEC agreed to purchase substantially all of the racing assets of Lone Star and LSJC. The Master Agreement between the Sports Corporation, Lone Star, and LSJC was terminated. Lone Star and LSJC assigned to MEC all of their rights and obligations under the lease and certain ancillary agreements with the Sports Corporation.

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Water and Wastewater System Debt Service Coverage

The following covenants are included in various water and wastewater system revenue bond indenture ordinances:

- Net revenues (defined as gross revenues less expenses of operation and maintenance) are pledged for the payment of bond principal and interest.
- Additional water and wastewater system revenue bonds cannot be issued unless the "net earnings" (defined as gross revenues after deducting the expenses of operation and maintenance, excluding depreciation and certain other items specified in the ordinances) of the system for twelve consecutive months out of the fifteen months prior to the date of such bonds is equal to at least 1.25 times the average annual requirements for the payment of principal and interest on the then-outstanding bonds and any additional bonds then proposed to be issued.
- All revenues derived from the operations must be kept separate from other funds of the City.
- The amount required to meet interest and principal payments falling due on or before the next maturity dates of the bonds is to be paid into the water and wastewater system interest and redemption account during each year.

At September 30, 2020, compliance with these covenants can be demonstrated as follows:

System revenue ⁽¹⁾	\$ 82,440,094	
Operating expenses:		
Water purchased	17,194,531	
Sewage disposal contract	17,699,189	
Other operating expenses	<u>23,494,317</u>	
Total expenses ⁽²⁾	<u>58,388,037</u>	
Net revenue (available for debt service)	\$ 24,052,057	
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2020	\$ 3,089,544	
Coverage of average annual requirements based on September 30, 2020 revenue available for debt service	7.78	

(1) Includes operating revenues, plus investment income and impact fees

(2) Excludes depreciation expense.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS.

PAYMENTS OF STATED INTEREST ON THE BONDS...The stated interest paid on the Bonds will be included in the gross income, as defined in section 61 of the Code, of the beneficial owners thereof and be subject to U.S. federal income taxation when received or accrued, depending on the tax accounting method applicable to the beneficial owners thereof.

ORIGINAL ISSUE DISCOUNT...If a substantial amount of the Bonds of any stated maturity is purchased at original issuance for a purchase price (the "Issue Price") that is less than their face amount by more than one quarter of one percent times the number of complete years to maturity, the Bonds of such maturity will be treated as being issued with "original issue discount." The amount of the original issue discount will equal the excess of the principal amount payable on such Bonds at maturity over its Issue Price, and the amount of the original issue discount on the Bonds will be amortized over the life of the Bonds using the "constant yield method" provided in the Treasury Regulations. As the original issue discount accrues under the constant yield method, the beneficial owners of the Bonds, regardless of their regular method of accounting, will be required to include such accrued amount in their gross income as interest. This can result in taxable income to the beneficial owners of the Bonds that exceeds actual cash distributions to the beneficial owners in a taxable year.

The amount of the original issue discount that accrues on the Bonds each taxable year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner's gross income while the beneficial owner holds the Bonds will increase the adjusted tax basis of the Bonds in the hands of such beneficial owner.

PREMIUM . . . If a beneficial owner purchases a Bond for an amount that is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased the Bond with "amortizable bond premium" equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of the Bond and may offset interest otherwise required to be included in respect of the Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Bond held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Bond. However, if the Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

MEDICARE CONTRIBUTION TAX . . . Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Bonds should consult with their tax advisor concerning this additional tax, as it may apply to interest earned on the Bonds as well as gain on the sale of a Bond.

DISPOSITION OF BONDS AND MARKET DISCOUNT...A beneficial owner of Bonds will generally recognize gain or loss on the redemption, sale or exchange of a Bond equal to the difference between the redemption or sales price (exclusive of the amount paid for accrued interest) and the beneficial owner's adjusted tax basis in the Bonds. Generally, the beneficial owner's adjusted tax basis in the Bonds will be the beneficial owner's initial cost, increased by the original issue discount previously included in the beneficial owner's income to the date of disposition. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the beneficial owner's holding period for the Bonds.

Under current law, a purchaser of a Bond who did not purchase the Bonds in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition of the Bonds, to recognize as ordinary income a portion of the gain, if any, to the extent of the accrued "market discount." Market discount is the amount by which the price paid for the Bonds by a subsequent purchaser is less than the sum of Issue Price and the amount of original issue discount previously accrued on the Bonds. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Bonds with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The re-characterization of gain as ordinary income on a subsequent disposition of Bonds could have a material effect on the market value of the Bonds.

LEGAL DEFEASANCE... If the City elects to defease the Bonds by depositing in escrow sufficient cash and/or obligations to pay when due outstanding Bonds (a "legal defeasance"), under current tax law, a beneficial owner of Bonds may be deemed to have sold or exchanged its Bonds. In the event of such a legal defeasance, a beneficial owner of Bonds generally would recognize gain or loss in the manner described above. Ownership of the Bonds after a deemed sale or exchange as a result of a legal defeasance

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may have tax consequences different from those described above, and each beneficial owner should consult its own tax advisor regarding the consequences to such beneficial owner of a legal defeasance of the Bonds.

BACKUP WITHHOLDING....Under section 3406 of the Code, a beneficial owner of the Bonds who is a United States person, as defined in section 7701(a)(30) of the Code, may, under certain circumstances, be subject to "backup withholding" on payments of current or accrued interest on the Bonds. This withholding applies if such beneficial owner of Bonds: (i) fails to furnish to payor such beneficial owner's social security number or other taxpayer identification number ("TIN"); (ii) furnishes the payor an incorrect TIN; (iii) fails to report properly interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such beneficial owner is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain beneficial owners of the Bonds. Beneficial owners of the Bonds should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

WITHHOLDING ON PAYMENTS TO NONRESIDENT ALIEN INDIVIDUALS AND FOREIGN CORPORATIONS....Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest received by the beneficial owners of the Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a United States person and providing the name and address of such beneficial owner; (ii) such interest is treated as not effectively connected with the beneficial owner's United States trade or business; (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Bonds is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such beneficial owner is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such beneficial owner is not a bank receiving interest on the Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Bonds are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no backup withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8 BEN, Form W-8 EXP or Form W-8 IMY, as applicable, provided the payor does not have actual knowledge that such person is a United States person.

FOREIGN ACCOUNT TAX COMPLIANCE ACT.... Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain United States persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial United States owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Bonds and sales proceeds of Bonds held by or through a foreign entity. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

REPORTING OF INTEREST PAYMENTS....Subject to certain exceptions, interest payments made to beneficial owners with respect to the Bonds will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 which will reflect the name, address, and TIN of the beneficial owner. A copy of Form 1099 will be sent to each beneficial owner of a Bond for U.S. federal income tax purposes.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance, the City has made the following agreement for the benefit of the registered and beneficial owners of the Bonds. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain events, to the Municipal Securities Rulemaking Board (the "MSRB").

ANNUAL REPORTS.... The City will provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2021, financial information and operating data with respect to the City of the general type of information contained in Tables 1 through 3 and (2) within twelve months after the end of each fiscal year ending in or after 2021, audited financial statements of the City. Any financial statements so provided shall be prepared in accordance with the accounting principles described in

At September 30, 2020, the aggregate debt service payments for long-term debt through the final year of maturity for the City's water and wastewater system were as follows:

Fiscal Year	Water and Wastewater System Revenue Bonds		
	Principal	Interest	Total
2021	\$ 5,120,000	\$ 1,388,655	\$ 6,508,655
2022	5,295,000	1,214,044	6,509,044
2023	5,445,000	1,061,202	6,506,202
2024	5,620,000	882,439	6,502,439
2025	5,140,000	703,150	5,843,150
2026	4,145,000	545,598	4,690,598
2027	3,900,000	409,031	4,309,031
2028	2,315,000	313,748	2,628,748
2029	2,380,000	247,088	2,627,088
2030	2,055,000	185,141	2,240,141
2031	1,090,000	137,278	1,227,278
2032	850,000	103,280	953,280
2033	880,000	74,736	954,736
2034	610,000	50,912	660,912
2035	630,000	32,016	662,016
2036	650,000	12,256	662,256
2037	160,000	1,832	161,832
2038	160,000	1,144	161,144
2039	710,800	392	711,192
Total	\$ 47,155,800	\$ 7,363,942	\$ 54,519,742

At September 30, 2020, long-term debt is being repaid solely from airport revenues. Aggregate debt service payments for long-term debt through the final year of maturity for the City's municipal airport were as follows:

Fiscal Year	Certificates of Obligation		
	Principal	Interest	Total
2021	\$ 170,000	\$ 31,830	\$ 201,830
2022	175,000	23,375	198,375
2023	185,000	14,375	199,375
2024	195,000	4,875	199,875
Total	\$ 725,000	\$ 74,455	\$ 799,455

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At September 30, 2020, changes in long-term debt for the City's business-type activities were as follows:

	Balance October 1, 2019	Borrowings or Increase	Payments or Decrease	Balance September 30, 2020	Due Within One Year
Water and wastewater:					
Revenue bonds					
Series 2010	\$ 3,110,000	\$ -	\$ (240,000)	\$ 2,870,000	\$ 250,000
Series 2011	1,965,000	-	(585,000)	1,380,000	610,000
Series 2011A	5,905,000	-	(5,905,000)	-	-
Series 2013	8,890,000	-	(1,320,000)	7,570,000	1,360,000
Series 2014	2,800,000	-	(240,000)	2,560,000	240,000
Series 2015	3,475,000	-	(385,000)	3,090,000	390,000
Series 2016	16,265,000	-	(1,085,000)	15,180,000	1,110,000
Series 2017	4,330,000	-	(390,000)	3,940,000	390,000
Series 2017A	2,755,000	-	(50,000)	2,705,000	55,000
Series 2019	3,730,800	-	(160,000)	3,570,800	160,000
Series 2019	-	4,290,000	-	4,290,000	555,000
Total revenue bonds	53,225,800	4,290,000	(10,360,000)	47,155,800	5,120,000
Bond premiums/discounts	3,752,233	262,200	(646,755)	3,367,678	-
Total water and wastewater	56,978,033	4,552,200	(11,006,755)	50,523,478	5,120,000
Municipal airport:					
Certificate of obligation					
Series 2004A	885,000	-	(160,000)	725,000	170,000
Total municipal airport	885,000	-	(160,000)	725,000	170,000
Total change in long-term debt - business-type activities	\$57,863,033	\$4,552,200	\$(11,166,755)	\$ 51,248,478	\$5,290,000

In April 2020, the City issued \$4,290,000 in Water and Wastewater System Revenue Refunding Bonds, Series 2020. \$5,125,000 was used to advance refund the outstanding Series 2011A Water and Wastewater System Revenue Refunding and Improvement Bonds leaving no remaining outstanding principal as of September 30, 2020. As a result, the fully refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. The refunding resulted in a decrease in the City's debt service payments of \$670,409, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$309,360.

Appendix B, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site identified below or filed with the Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

The City's current fiscal year end is September 30. Accordingly, the City must provide updated information included in the above-referenced tables by March 31 in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) must be provided by September 30 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data.

NOTICE OF CERTAIN EVENTS... The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional paying agent/registrant or the change of name of a paying agent/registrant, if material; (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties. In addition, the City will provide to the MSRB, in a timely manner, notice of any failure by the City to provide the required annual financial information described above under "Annual Reports" and any notices of events in accordance with this section.

For these purposes, (A) any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (B) the City intends the words used in the immediately preceding clauses (15) and (16) and in the definition of Financial Obligation above to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

AVAILABILITY OF INFORMATION... In connection with its continuing disclosure agreement entered into with respect to the Bonds, the City will file all required information and documentation with the MSRB in electronic format in accordance with MSRB's guidelines. Access to such filings will be provided, without charge to the general public, by the MSRB at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS... The City has agreed to update information and to provide notices of certain specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although registered and beneficial owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an Initial Purchaser to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the registered and beneficial owners of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the registered and beneficial

owners of the Bonds. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an Initial Purchaser from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS. . . . During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

OTHER INFORMATION

RATINGS

The Bonds have been rated "AA" (positive outlook) by Fitch Ratings, Inc. ("Fitch") and "AA-" (stable outlook) by S&P Global Ratings, a division of S&P Global Inc. ("S&P"). An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, may have an adverse effect on the market price of the Bonds.

LITIGATION

It is the opinion of the City Attorney and City Staff that there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (V.T.C.A., Government Code, Chapter 1201, as amended) provides the Bonds are (i) negotiable instruments, (ii) investment securities to which V.T.C.A., Chapter 8, Business and Commerce Code, as amended, applies and (iii) legal and authorized investments for insurance companies, fiduciaries or trustees and sinking funds of municipalities or other political subdivisions or public agencies of the State. The Texas Finance Code also contains provisions that, subject to a prudent investor standard, provide for the Bonds to be legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. For the Bonds to be an eligible investment for municipalities, political subdivisions or public agencies of the State, the Public Funds Investment Act, V.T.C.A., Government Code, Chapter 2256, as amended, provides that a rating of not less than "A" or its equivalent as to investment quality must be assigned by a nationally recognized investment rating agency. Furthermore, the Bonds are eligible to secure the deposits of any public funds of the State, its agencies and its political subdivisions and are legal security for those deposits to the extent of their market value.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

LEGAL OPINIONS

The City will furnish to the Initial Purchasers a complete transcript of proceedings incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of Texas approving the Initial Bond and to the effect that the Bonds are valid and legally binding special obligations of the City, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds, or which would affect the provision made for their payment or security, or in any manner questioning the validity of said Bonds will also be furnished by the City. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020

Business-Type Activities

Long-term debt in the business-type activities column of the government-wide Statement of Net Position consists of general obligation refunding bonds, water and wastewater system revenue bonds, certificates of obligation bonds, and unamortized bond premiums/discounts. Bonds issued for business-type activities are secured by a pledge of the property tax levy of the City, but are self-supporting obligations which are paid from the respective net revenues of each activity. Bond proceeds are used to fund additions and improvements to the City's water and wastewater system, solid waste system, municipal golf courses, and municipal airport.

At September 30, 2020, long-term debt for the City's business-type activities consisted of the following:

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
Water and wastewater:					
Revenue bonds					
Series 2010	0.0-2.587	2010	2030	\$ 4,995,000	\$ 2,870,000
Series 2011	2.0-4.25	2011	2031	8,940,000	1,380,000
Series 2011A	2.0-5.0	2011	2031	11,020,000	-
Series 2013	2.0-4.0	2013	2026	14,045,000	7,570,000
Series 2014	0.0-1.990	2014	2030	4,000,000	2,560,000
Series 2015	2.25-4.0	2015	2027	4,155,000	3,090,000
Series 2016	2.0-5.0	2016	2036	17,625,000	15,180,000
Series 2017	0.0-0.8	2017	2030	5,110,000	3,940,000
Series 2017A	2.0-4.0	2017	2036	2,755,000	2,705,000
Series 2019	0.0-0.49	2019	2039	3,730,800	3,570,800
Series 2020	5.00	2020	2031	4,290,000	4,290,000
Total bonds payable - water wastewater					47,155,800
Unamortized bond premiums/discounts					3,367,678
Total long-term debt - water wastewater					50,523,478
Municipal airport:					
Certificates of obligation bonds					
Series 2004A	2.25-5.0	2004	2024	2,120,000	725,000
Total long-term debt - business-type activities					\$ 51,248,478

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
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Fiscal Year	Total		Total
	Principal	Interest	
2021	\$ 34,875,000	\$ 16,342,285	\$ 51,217,285
2022	36,200,000	14,130,639	50,330,639
2023	28,620,000	12,108,261	40,728,261
2024	29,100,000	11,036,385	40,136,385
2025	22,705,000	10,052,490	32,757,490
2026	27,275,000	9,138,281	36,413,281
2027	20,710,000	8,243,663	28,953,663
2028	18,080,000	7,459,276	25,539,276
2029	18,630,000	6,720,907	25,350,907
2030	17,840,000	6,001,850	23,841,850
2031	18,165,000	5,303,478	23,468,478
2032	17,950,000	4,613,752	22,563,752
2033	18,655,000	3,908,409	22,563,409
2034	18,570,000	3,165,328	21,735,328
2035	14,225,000	2,487,719	16,712,719
2036	12,925,000	1,901,553	14,826,553
2037	10,625,000	1,384,448	12,009,448
2038	9,510,000	933,270	10,443,270
2039	9,950,000	493,089	10,443,089
2040	5,325,000	133,977	5,458,977
	<u>\$ 389,935,000</u>	<u>\$ 125,559,060</u>	<u>\$ 515,494,060</u>

Statement or the Notice of Sale and Bidding Instructions or the Official Bid Form, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information appearing under the captions and subcaptions "PLAN OF FINANCING – Refunded Obligations", "THE BONDS" (except for the subcaptions "Book-Entry-Only System" and "Registered Owners' Remedies"), "SELECTED PROVISIONS OF THE BOND ORDINANCE," "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subcaption "Compliance with Prior Undertakings") and the subcaptions "Legal Investments and Eligibility to Secure Public Funds in Texas", "Registration and Qualification of Bonds for Sale" and "Legal Opinions" (except for the last sentence of the first paragraph thereof) under the caption "OTHER INFORMATION", and such firm is of the opinion that the information relating to the Bonds and the legal issues contained under such captions and subcaptions are accurate and fair descriptions of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Ordinance. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon by West & Associates, L.L.P., Dallas, Texas, as Disclosure Counsel for the City, whose fee is contingent on the sale and delivery of the Bonds.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opened upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

CYBERSECURITY

The City has taken several steps to enhance and protect information systems and information of the City. The City's dedicated Chief Information Officer is certified in cybersecurity matters and responsible for carrying out information security responsibilities. Some of the City's security operations include regular staff cyber training, periodic system tests and audits, authorizing information access commensurate with classification level and sensitivity, and routine replacement of software and related information equipment. In addition, to help protect the City against claims and expenses due to a cybersecurity incident, the City maintains cyber insurance. The City prioritizes the ability to identify, protect, detect, respond and recover from cyber events and incidents from nation state actors, organized criminals, hacktivist groups and insider threats.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

FINANCIAL ADVISOR

Hilltop Securities Inc. is employed as Financial Advisor to the City in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Hilltop Securities Inc., in its capacity as Financial Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, the Financial Advisor may from time to time sell investment securities to the City for the investment of bond proceeds or other funds of the City upon the request of the City.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Samuel Klein and Company, independent certified public accountants, in conjunction with Public Finance Partners LLC, will deliver to the City on or before the settlement date of the Bonds, its verification report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Escrowed Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Obligations.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
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Samuel Klein and Company, CPA's and Public Finance Partners LLC relied on the accuracy, completeness and reliability of all information provided by, and on all decisions and approvals of, the City. In addition, Samuel Klein and Company, CPA's and Public Finance Partners LLC have relied on any information provided by the City's retained advisors, consultants or legal counsel.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

INITIAL PURCHASER

After requesting competitive bids for the Bonds, the City accepted the bid of Robert W. Baird (the "Initial Purchaser") to purchase the Bonds at the interest rates shown on page 2 of the Official Statement at a price of 99.395830% of par. The Initial Purchaser can give no assurance that any trading market will be developed for the Bonds after their sale by the City to the Initial Purchaser. The City has no control over the price at which the Bonds are subsequently sold and the initial yield at which the Bonds will be priced and reoffered will be established by and will be the sole responsibility of the Initial Purchaser.

CERTIFICATION OF THE OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the City will furnish a certificate, executed by a proper officer, acting in his or her official capacity, to the effect that to the best of his or her knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in its Official Statement, and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of sale of said Bonds and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since the date of the last audited financial statements of the City.

The Ordinance authorizing the issuance of the Bonds has approved the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorizes its further use in the reoffering of the Bonds by the Initial Purchaser.

/s/ Caryn Riggs
 Chief Financial Officer and Pricing Officer
 City of Grand Prairie, Texas

Fiscal Year	Tax and Tax Increment Bonds (TIFs)			Sales Tax Revenue Bonds-Crime Control		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 2,675,000	\$ 553,378	\$ 3,228,378	\$ 5,550,000	\$ 1,641,740	\$ 7,191,740
2022	2,170,000	282,912	2,452,912	5,245,000	797,677	6,042,677
2023	540,000	148,333	688,333	-	-	-
2024	555,000	136,834	691,834	-	-	-
2025	565,000	123,450	688,450	-	-	-
2026	5,220,000	58,203	5,278,203	-	-	-
	<u>\$ 11,725,000</u>	<u>\$ 1,303,110</u>	<u>\$ 13,028,110</u>	<u>\$ 10,795,000</u>	<u>\$ 2,439,417</u>	<u>\$ 13,234,417</u>

Fiscal Year	Sales Tax Revenue Bonds-Park Venue			Sales Tax Revenue Bonds-EPIC		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 2,050,000	\$ 496,968	\$ 2,546,968	\$ 2,285,000	\$ 3,177,362	\$ 5,462,362
2022	2,120,000	448,418	2,568,418	2,375,000	3,084,162	5,459,162
2023	2,190,000	401,203	2,591,203	2,475,000	2,987,162	5,462,162
2024	2,270,000	341,118	2,611,118	2,575,000	2,886,162	5,461,162
2025	2,360,000	275,203	2,635,203	2,680,000	2,781,062	5,461,062
2026	2,450,000	213,493	2,663,493	2,785,000	2,675,647	5,460,647
2027	1,170,000	166,038	1,336,038	2,895,000	2,567,509	5,462,509
2028	370,000	142,438	512,438	3,010,000	2,449,919	5,459,919
2029	385,000	127,338	512,338	3,140,000	2,323,165	5,463,165
2030	400,000	111,638	511,638	3,275,000	2,187,743	5,462,743
2031	420,000	95,238	515,238	3,425,000	2,035,914	5,460,914
2032	435,000	78,138	513,138	3,590,000	1,868,185	5,458,185
2033	455,000	60,338	515,338	3,770,000	1,692,208	5,462,208
2034	470,000	43,600	513,600	3,955,000	1,507,503	5,462,503
2035	485,000	28,081	513,081	4,145,000	1,313,832	5,458,832
2036	505,000	10,100	515,100	4,355,000	1,105,153	5,460,153
2037	-	-	-	4,580,000	880,348	5,460,348
2038	-	-	-	4,815,000	643,970	5,458,970
2039	-	-	-	5,065,000	395,389	5,460,389
2040	-	-	-	5,325,000	133,977	5,458,977
	<u>\$ 18,535,000</u>	<u>\$ 3,039,350</u>	<u>\$ 21,574,350</u>	<u>\$ 70,520,000</u>	<u>\$ 38,696,372</u>	<u>\$ 109,216,372</u>

City Of Grand Prairie, Texas
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In November 2019, the City issued \$19,475,000 in General Obligation Refunding Bonds, Series 2019. \$21,545,000 was used to advance refund the outstanding Series 2011 and Series 2011A Combination Tax and Revenue Certificates of Obligation bonds; and the Series 2011 and Series 2011A General Obligation Refunding and Improvement bonds, leaving no remaining outstanding principal as of September 30, 2020. As a result, the fully refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. The refunding resulted in a decrease in the City's debt service payments of \$2,195,440, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$1,981,602.

Outstanding Bond Debt Defeasement

At September 30, 2020, certain outstanding debt of the city was considered to be defeased. The following table details such outstanding defeased debt:

Type of Obligation	Defeased Debt Outstanding
General obligation refunding bonds	\$ 200,000
Total debt defeasement	\$ 200,000

At September 30, 2020, the aggregate debt service payments for long-term debt through the final year of maturity for the City's governmental activities were as follows:

Fiscal Year	General Obligation Bonds			Certificates of Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 8,825,000	\$ 2,430,163	\$ 11,255,163	\$ 13,490,000	\$ 8,042,674	\$ 21,532,674
2022	8,590,000	2,047,500	10,637,500	15,700,000	7,469,970	23,169,970
2023	7,410,000	1,706,175	9,116,175	16,005,000	6,865,388	22,870,388
2024	7,095,000	1,400,075	8,495,075	16,605,000	6,272,196	22,877,196
2025	6,185,000	1,111,644	7,296,644	10,915,000	5,761,131	16,676,131
2026	5,880,000	840,119	6,720,119	10,940,000	5,350,819	16,290,819
2027	5,390,000	575,088	5,965,088	11,255,000	4,935,028	16,190,028
2028	3,005,000	370,363	3,375,363	11,695,000	4,496,556	16,191,556
2029	2,960,000	226,513	3,186,513	12,145,000	4,043,891	16,188,891
2030	1,560,000	122,603	1,682,603	12,605,000	3,579,866	16,184,866
2031	1,240,000	61,757	1,301,757	13,080,000	3,110,569	16,190,569
2032	375,000	26,856	401,856	13,550,000	2,640,573	16,190,573
2033	385,000	13,306	398,306	14,045,000	2,142,557	16,187,557
2034	155,000	3,197	158,197	13,990,000	1,611,028	15,601,028
2035	-	-	-	9,595,000	1,145,806	10,740,806
2036	-	-	-	8,065,000	786,300	8,851,300
2037	-	-	-	6,045,000	504,100	6,549,100
2038	-	-	-	4,695,000	289,300	4,984,300
2039	-	-	-	4,885,000	97,700	4,982,700
	\$ 59,055,000	\$ 10,935,359	\$ 69,990,359	\$ 219,305,000	\$ 69,145,452	\$ 288,450,452

SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATIONS

Sales Tax Revenue Bonds, Taxable Series 2015				
Original Dated Date	Original Maturity Date	Interest Rates	Amount Refunded	Date and Price of Redemption
11/1/2015	1/1/2027	3.891%	\$ 2,895,000	1/1/2025 @ Par
	1/1/2028	4.071%	3,010,000	1/1/2025 @ Par
	1/1/2029	4.171%	3,140,000	1/1/2025 @ Par
	1/1/2030	4.271%	3,275,000	1/1/2025 @ Par
	1/1/2031 ⁽¹⁾	4.782%	3,425,000	1/1/2025 @ Par
	1/1/2032 ⁽¹⁾	4.782%	3,590,000	1/1/2025 @ Par
	1/1/2033 ⁽¹⁾	4.782%	3,770,000	1/1/2025 @ Par
	1/1/2034 ⁽¹⁾	4.782%	3,955,000	1/1/2025 @ Par
	1/1/2035 ⁽¹⁾	4.782%	4,145,000	1/1/2025 @ Par
	1/1/2036 ⁽²⁾	5.032%	4,355,000	1/1/2025 @ Par
	1/1/2037 ⁽²⁾	5.032%	4,580,000	1/1/2025 @ Par
	1/1/2038 ⁽²⁾	5.032%	4,815,000	1/1/2025 @ Par
	1/1/2039 ⁽²⁾	5.032%	5,065,000	1/1/2025 @ Par
	1/1/2040 ⁽²⁾	5.032%	5,325,000	1/1/2025 @ Par
			\$55,345,000	

- (1) Represents a scheduled mandatory sinking fund redemption of a term bond with a final maturity of January 1, 2035.
(2) Represents a scheduled mandatory sinking fund redemption of a term bond with a final maturity of January 1, 2040.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020

At September 30, 2020, changes in long-term debt for the City's governmental activities were as follows:

	Balance October 1, 2019	Borrowings or Increase	Payments or Decrease	Balance September 30, 2020	Due Within One Year
General obligation bonds:					
Series 2011	\$ 4,340,000	\$ -	\$ (4,340,000)	\$ -	\$ -
Series 2011A	11,845,000	-	(11,845,000)	-	-
Series 2012	4,745,000	-	(625,000)	4,120,000	645,000
Series 2013	3,770,000	-	(440,000)	3,310,000	310,000
Series 2013A	1,800,000	-	(190,000)	1,710,000	95,000
Series 2015	7,855,000	-	(790,000)	7,065,000	1,050,000
Series 2016	26,465,000	-	(3,090,000)	23,375,000	2,935,000
Series 2020	-	19,475,000	-	19,475,000	3,790,000
Total general obligation bonds	60,820,000	19,475,000	(21,240,000)	59,055,000	8,825,000
Combination tax and revenue certificates of obligation:					
Series 2011	4,375,000	-	(4,375,000)	-	-
Series 2011A	5,155,000	-	(5,155,000)	-	-
Series 2013	6,715,000	-	(395,000)	6,320,000	405,000
Series 2013A	9,755,000	-	(475,000)	9,280,000	500,000
Series 2014	18,965,000	-	(2,025,000)	16,940,000	2,125,000
Series 2015	23,745,000	-	(1,300,000)	22,445,000	1,345,000
Series 2016	30,040,000	-	(1,880,000)	28,160,000	1,915,000
Series 2017	33,275,000	-	(3,340,000)	29,915,000	3,500,000
Series 2018	40,605,000	-	(1,795,000)	38,810,000	1,885,000
Series 2019A	34,910,000	-	(1,800,000)	33,110,000	1,815,000
Series 2019B	34,205,000	-	-	34,205,000	-
Total combination tax and revenue certificates of obligation	241,865,000	-	(22,560,000)	219,305,000	13,490,000
Tax increment and public improvement district debt:					
Series 2001 TIRZ 1	4,580,000	-	(1,420,000)	3,160,000	1,525,000
Series 2011 TIRZ 1	80,000	-	(80,000)	-	-
Series 2013 TIRZ 1	435,000	-	(435,000)	-	-
Series 2015 TIRZ 1	225,000	-	(225,000)	-	-
Series 2015 PID 5	450,000	-	(70,000)	380,000	70,000
Series 2016 - TIRZ 1	2,110,000	-	(1,030,000)	1,080,000	1,080,000
Series 2019 - PID	7,105,000	-	-	7,105,000	-
Total tax increment and public improvement district debt	14,985,000	-	(3,260,000)	11,725,000	2,675,000
Sales tax revenue debt:					
Crime Control					
Series 2008	15,880,000	-	(5,085,000)	10,795,000	5,550,000
Total Crime Control	15,880,000	-	(5,085,000)	10,795,000	5,550,000
Park Venue:					
Series 2009 subordinate	7,770,000	-	(1,030,000)	6,740,000	495,000
Series 2013	6,550,000	-	(690,000)	5,860,000	1,290,000
Series 2016 Park Venue	6,205,000	-	(270,000)	5,935,000	265,000
Total Park Venue	20,525,000	-	(1,990,000)	18,535,000	2,050,000
EPIC:					
Series 2015 EPIC	72,715,000	-	(2,195,000)	70,520,000	2,285,000
Total EPIC	72,715,000	-	(2,195,000)	70,520,000	2,285,000
Total change in long term debt	426,790,000	19,475,000	(56,330,000)	389,935,000	34,875,000
Unamortized bond premiums/discouts	26,528,815	2,734,530	(3,173,725)	26,089,620	-
Total change in long-term debt - governmental activities	\$ 453,318,815	\$ 22,209,530	\$ (59,503,725)	\$ 416,024,620	\$ 34,875,000

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City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020

At September 30, 2020, long-term debt for the City's governmental activities consisted of the following:

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
General obligation bonds:					
Series 2011	2.0-5.3	2011	2031	\$ 11,550,000	\$ -
Series 2011A	2.0-5.0	2011	2025	30,960,000	-
Series 2012	1.0-2.0	2012	2026	27,400,000	4,120,000
Series 2013	1.5-3.25	2013	2033	10,975,000	3,310,000
Series 2013A	3.0-4.125	2014	2034	2,220,000	1,710,000
Series 2015	1.75-5.0	2016	2027	10,270,000	7,065,000
Series 2016	3.0-5.0	2016	2030	33,810,000	23,375,000
Series 2020	5.00	2020	2031	19,475,000	19,475,000
Total general obligation bonds					59,055,000
Combination tax and revenue certificates of obligation					
Series 2011	2.0-5.3	2011	2031	6,305,000	-
Series 2011A	2.0-4.0	2011	2031	7,430,000	-
Series 2013	2.0-3.25	2013	2033	8,830,000	6,320,000
Series 2013A	2.0-4.125	2014	2034	11,945,000	9,280,000
Series 2014	3.0-5.0	2015	2034	26,125,000	16,940,000
Series 2015	2.0-5.0	2016	2035	27,380,000	22,445,000
Series 2016	2.0-4.0	2016	2036	33,705,000	28,180,000
Series 2017	2.25-5.0	2017	2037	36,515,000	29,915,000
Series 2018	2.0-4.0	2018	2039	40,605,000	38,810,000
Series 2019A	2.0-5.0	2019	2039	34,910,000	33,110,000
Series 2019B	1.5-3.0	2019	2034	34,305,000	34,305,000
Total combination tax and revenue certificates of obligation					219,305,000
Tax increment and public improvement district debt					
Series 2001 TIRZ 1	3-month LIBOR + .31%	2000	2022	17,900,000	3,160,000
Series 2011 TIRZ 1	2.0-5.3	2011	2020	655,000	-
Series 2013 TIRZ 1	2.0-3.25	2013	2020	2,820,000	-
Series 2015 TIRZ 1	1.750-5.0	2016	2027	895,000	-
Series 2015 PID 5	2.0-5.0	2016	2035	640,000	380,000
Series 2016 TIRZ 1	3.0-5.0	2016	2030	3,135,000	1,080,000
Series 2019 PID	1.5-2.5	2019	2026	7,105,000	7,105,000
Total tax increment and public improvement district debt					11,725,000
Sales tax revenue debt					
Series 2008 Crime Control	6mo LIBOR* 62.075+1.0	2008	2022	54,800,000	10,795,000
Total Crime Control					10,795,000
Series 2009 Park Venue subordinate	3.77	2009	2027	13,390,000	6,740,000
Series 2013 Park Venue	2.0-4.0	2013	2027	11,060,000	5,860,000
Series 2016 Park Venue	2.0-4.0	2016	2036	6,730,000	5,935,000
Total Park Venue					18,535,000
Sales tax revenue debt					
Series 2015 EPIC	3.721-5.032	2015	2040	74,825,000	70,520,000
Total EPIC					70,520,000
Total general obligation debt					389,935,000
Unamortized bond premiums/discounts					26,089,620
Total long-term debt - governmental activities					\$ 416,024,620

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020

Below is a summary of the changes in noncurrent liabilities of the City's primary government and component units:

	Balance October 1, 2019	Borrowings or Increase	Payments or Decrease	Balance September 30, 2020	Due Within One Year
Primary government:					
Governmental activities:					
General obligation bonds	\$ 60,820,000	\$ 19,475,000	\$ (21,240,000)	\$ 59,055,000	\$ 8,825,000
Combination tax and revenue certificates of obligation	241,865,000	-	(22,560,000)	219,305,000	13,490,000
Tax increment and public district bonds	14,985,000	-	(3,260,000)	11,725,000	2,675,000
Sales tax revenue bonds - Epic	72,715,000	-	(2,195,000)	70,520,000	2,285,000
Sales tax revenue bonds - Crime	15,880,000	-	(5,085,000)	10,795,000	5,550,000
Sales tax revenue bonds - Park Venue	20,525,000	-	(1,990,000)	18,535,000	2,050,000
Issuance premiums/discouts, net	26,528,815	2,734,530	(3,173,725)	26,089,620	-
Total long-term debt	453,318,815	22,209,530	(59,503,725)	416,024,620	34,875,000
Compensated absences	18,363,930	10,992,831	(8,292,304)	21,064,457	9,005,253
Other post-employment benefits liability	55,519,083	8,692,822	(3,524,324)	60,687,581	-
Net pension liability	91,550,173	56,611,033	(89,047,266)	59,113,940	-
Environmental remediation liability	77,037	-	(56,137)	20,900	20,900
Other liabilities	1,300,144	-	(160,777)	1,139,367	160,776
Total governmental activities	620,129,182	98,506,216	(160,584,533)	558,050,865	44,061,929
Business-type activities:					
Certificates of obligation	885,000	-	(160,000)	725,000	170,000
Water and wastewater revenue bonds	53,225,800	4,290,000	(10,360,000)	47,155,800	5,120,000
Obligations under capital leases	-	-	-	-	-
Issuance premiums/discouts, net	3,752,233	262,200	(646,755)	3,367,678	-
Total long-term debt	57,863,033	4,552,200	(11,166,755)	51,248,478	5,290,000
Compensated absences	472,012	371,254	(373,855)	469,411	464,294
Other post-employment benefits liability	5,885,150	694,371	(303,538)	6,275,983	-
Net pension liability	9,616,144	4,522,017	(9,668,076)	4,470,085	-
Closure and post closure liability	8,232,699	416,247	-	8,648,946	-
Total business-type activities	82,069,038	10,556,089	(21,512,224)	71,112,903	5,754,294
Total primary government	\$ 702,198,220	\$ 109,062,305	\$ (182,096,757)	\$ 629,163,768	\$ 49,816,223
Component unit activities:					
Housing Finance Corporation:					
Notes payable/developer loan	\$ 3,540,524	\$ 41,759	\$ (60,613)	\$ 3,521,670	\$ 63,148
Revenue bonds	7,160,000	-	(255,000)	6,905,000	265,000
Subordinate revenue bonds	4,550,000	-	-	4,550,000	-
Total component units	\$ 15,250,524	\$ 41,759	\$ (315,613)	\$ 14,976,670	\$ 328,148

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City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

G. Unearned Revenue

Unearned revenue is a liability for resources obtained prior to revenue recognition. Below is a summary of the City's unearned revenue as of September 30, 2020.

	Governmental Activities	Business-Type Activities	Total
Prepaid pipeline lease	\$ 884,131	\$ 124,555	\$ 1,008,686
Prepaid arrangements - Cemetery Fund	1,817,439	-	1,817,439
Unspent grant funds - Texas Water Development Board	-	905,606	905,606
Prepaid rental deposits - Parks	178,789	-	178,789
Park Venue Fund deposits on events to be held	271	-	271
Unspent grant funding	107,380	-	107,380
Total unearned revenue	\$ 2,988,010	\$ 1,030,161	\$ 4,018,171

H. Long-Term Obligations

Compensated Absences and Postemployment Benefits

Governmental activities record liabilities for compensated absences and retiree postemployment costs at the government-wide financial statement level. Generally, these liabilities are paid from the General Fund. Liabilities for business-type activities are recorded and liquidated in the fund that incurs the liability.

Long-Term Debt

Governmental Activities

Long-term debt in the governmental activities' column of the government-wide Statement of Net Position consists of general obligation bonds (including refunding), certificates of obligation bonds, sales tax revenue bonds, and unamortized bond premium/discounts. The certificates of obligation bonds include bonds issued in 2010 for Tax Increment Financing Zones No. 2 project.

General obligation bonds and certificates of obligation provide funds for the acquisition and construction of capital equipment and facilities. General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General obligation bonds and certificates of obligation require the City to compute, at the time other taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity.

LOCATION

The City of Grand Prairie, Texas (the "City"), is centrally located amid the estimated 6 million people in the Dallas/Fort Worth Area. The City, with an estimated population of 200,640 for 2022, stretches 28 miles long by about eight miles at its widest point. The City covers about 81 square miles.

TRANSPORTATION

The City has access to four major interstate highway systems - I-20, I-30, I-35 & I-45 - five state highway systems - SH 360, SH 180, SH 303, SH 161, Loop 12 and FM 1382 - and U.S. 287 all run through the City, or are within 15-30 minutes of the City's boundaries.

- IH 20: an eight-lane east-west expressway that passes through south of the City, linking the City to Dallas and Fort Worth. West of Fort Worth, IH 20 leads to Abilene and Odessa. Eastward destinations on IH 20 are Tyler, Longview and Shreveport, La.
- IH 30: a six-lane east-west expressway that passes through north of the City and also links the City to Dallas and Fort Worth. IH 30 links to IH 20 in west Fort Worth. Eastward destinations on IH 30 are Greenville, Texarkana and Arkansas.
- SH 360: a six-lane north-south expressway running along the western edge of the city, a key route to Dallas-Fort Worth International Airport.
- President George Bush Turnpike: a four and six-lane tollway from I-20 in the City making a northern outer loop around the Dallas Metropolitan Area to I-30 in Garland, Texas.

The City's Municipal Airport serves small piston planes to large business turboprop aircraft and helicopters. The airport has a 4,000-foot-long, 75-foot-wide lighted, concrete runway, repair service and cargo handling, a helipad, dining facilities, and support facilities for training, private aviation and business flying activities. The airport is designated in the FAA National Plan of Integrated Airport System and the Texas Aeronautical Facilities Plan. Hangar space is available for nearly 233 aircraft, with tie-down space and FBO services available.

The Dallas/Fort Worth International Airport, the 3rd busiest airport in the world in terms of operations (10th in terms of passengers), lies about five miles north of the City's northern border. In 2020 it served 47 million passengers and provided service to 178 domestic and 34 international destinations (www.dfwairport.com).

POPULATION

The estimated population for 2022 is 200,640. From the 1990 Census to the 2010 Census, the City's population increased 38 percent.

DEMOGRAPHICS

2010 Census estimates of the City Non-Hispanic population breakdown were 29.1 percent white, 19.6 percent black, 6.5 percent Asian and Pacific Islander, 0.4 percent American Indian, 1.7 percent other; Hispanic of any race comprises 42.7% of the population.

Age distribution estimates of residents, according to the 2010 Census, are 64.7 percent ages 21 and older, 6.9 percent older than 65, and 30.9 percent younger than 18.

The 2010 median household income was estimated to be \$51,368 (*American Community Survey Census*).

INDUSTRIAL BASE

Wholesale trade (distribution), manufacturing and retail trade companies are the largest industrial sectors in the City.

INDUSTRY PROFILE

Industry	Percent of Total gross sales
Wholesale Trade	32.42%
Manufacturing	24.62%
Retail Trade	21.89%
Construction	9.12%
Accommodation/Food Services	2.30%
Admin/Support/Waste Mgmt/Remediation Services	2.03%
Other Services (except Public Administration)	1.97%
Real Estate/Rental/Leasing	1.18%
Transportation/Warehousing	0.91%
Professional/Scientific/Technical Services	0.90%
Arts/Entertainment/Recreation	0.70%
Information	0.68%
Agriculture/Forestry/Fishing/Hunting	0.48%
Finance/Insurance	0.25%
Educational Services	0.18%
Health Care/Social Assistance	0.13%

Source: Texas Comptroller.

LABOR FORCE

Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
2017	98,782	95,044	3,738	3.8%
2018	100,962	97,210	3,752	3.7%
2019	101,390	97,781	3,609	3.6%
2020	100,856	92,918	7,938	7.9%
2021 ⁽¹⁾	102,479	96,180	6,300	6.1%

Source: Texas Employment Commission.

(1) Data as of October 2021.

EMPLOYERS

Company	Product-Service	Estimated Employees
Grand Prairie Independent School District	Administration of Education Programs	4,000
Lockheed Martin Missiles and Fire Control	Research and Development in the Physical, Engineering, and Life	4,000
Poly-America Inc.	Unsupported Plastics Film and Sheet (except Packaging)	2,000
City of Grand Prairie	Public Administration	1,614
Bell Helicopter-Textron	Helicopter aircraft manufacturing	1,200
Lear Seating	Manufacturing	1,105
Lone Star Park at Grand Prairie	Racetracks	950
Foterra Pipe & Products, Inc.	Concrete Pipe Manufacturing	950
Republic National Distributing	Wine and Distilled Alcoholic Beverage Wholesalers	800
Flex-N-Gate	Auto Accessory Manufacturing	800

* Source: City

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

Significant transfers from Business-Type Activities to Governmental Activities:

- \$150,000 from Water and Wastewater Fund to IT Acquisition Fund for technology services
- \$1,264,308 from Water and Wastewater Fund to Street Maintenance Fund for payments in lieu of property taxes
- \$497,500 from Water and Wastewater Fund to Grants Fund for project funding
- \$200,000 from Solid Waste Fund to Street Maintenance Fund for capital project funding
- \$98,354 from Solid Waste Fund to Street Maintenance Fund for payments in lieu of property taxes
- \$4,860,000 from Storm Water Utility Fund to Storm Drainage CIP Fund for capital project funding
- \$48,000 from Airport Fund to Capital Lending Reserve for repayment of interfund loan

Other significant transfers made between governmental funds included the following:

- \$6,598,102 from General to Park Venue, along with other sources, for fiscal operations
- \$1,940,000 from General to IT & Equipment Acquisition funds (annual appropriation)
- \$1,017,829 from General to Grants to fund matching requirements related to operating grants
- \$5,304,000 from the General Fund to the Capital Reserve and Capital and Lending Funds for future capital needs and improvements
- \$1,000,000 from the General Fund to the Other CIP Funds for future capital needs and improvements
- \$6,641,426 from the Streets CIP Fund to the Grants Fund to fund the City's portion of federal and state funded projects
- \$1,000,000 from Epic Sales Tax Fund to Epic 2 CIP for capital project funding
- \$3,500,000 from Park Venue to Park Capital Fund for improvements to infrastructure and equipment at city wide parks
- \$200,000 from Lake Parks to Lake Parks CIP for improvements to park amenities
- \$2,500,000 from Capital Reserve and Capital and Lending Funds to EPIC 2 CIP for building improvements & equipment
- \$876,716 from the Park Venue CIP Fund to the Grants Fund to fund the City's portion of federal and state funded projects

F. Deferred Outflows/Inflows of Resources

Deferred Inflows of Resources - Unavailable Revenue

The governmental funds report unavailable revenues from the following sources:

	General Fund	Debt Service Fund	Total
Property taxes	\$ 1,928,676	\$ 720,013	\$ 2,648,689
Ambulance	255,727	-	255,727
Total	\$ 2,184,403	\$ 720,013	\$ 2,904,416

In the Government-Wide Statement of Activities, these amounts were reported as revenue in the period in which they were earned.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

At September 30, 2020, transfers between the City's governmental activities and the City's business-type activities consisted of the following:

Transfers Out	Transfers In					
	General Fund	Section 8 Fund	Streets CIP Fund	Grants Fund	Debt Service Fund	Epic 2 CIP Fund
General Fund	\$ -	\$ -	\$ -	\$ 1,017,829	\$ -	\$ -
Section 8 Fund	-	-	-	-	20,833	-
Streets CIP Fund	-	-	-	6,641,426	-	-
Grants Fund	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Nonmajor Governmental Funds	-	-	886,000	886,716	-	3,500,000
Internal Service Funds	-	-	-	-	-	-
Water & Wastewater Fund	-	-	-	497,500	-	-
Solid Waste Fund	-	-	-	-	-	-
Nonmajor Enterprise Funds	-	-	-	-	-	-
Total	\$ -	\$ -	\$ 886,000	\$ 9,043,471	\$ 20,833	\$ 3,500,000

Transfers out	Transfers In					
	Nonmajor Governmental Funds	Water Wastewater Fund	Solid Waste Fund	Other Nonmajor Enterprise Funds	Internal Service Fund	Total
General Fund	\$ 14,848,838	\$ 896,000	\$ -	\$ -	\$ -	\$ 16,762,667
Section 8 Fund	-	-	-	-	-	20,833
Streets CIP Fund	63,000	-	-	-	-	6,704,426
Grants Fund	53,789	3,530	-	-	-	57,319
Debt Service Fund	-	-	-	17,955	-	17,955
Nonmajor Governmental Funds	8,733,108	116,000	-	1,253,678	-	15,375,502
Internal Service Funds	230,219	-	-	-	-	230,219
Water & Wastewater Fund	1,414,308	-	-	-	-	1,911,808
Solid Waste Fund	298,354	-	-	-	-	298,354
Nonmajor Enterprise Funds	4,908,000	-	-	-	-	4,908,000
Total	\$ 30,549,616	\$ 1,015,530	\$ -	\$ 1,271,633	\$ -	\$ 46,287,083

Significant transfers from Governmental Activities to Business-Type Activities:

- \$896,000 from General Fund to Water and Wastewater Fund for capital projects
- \$100,000 from TIF Fund to Water and Wastewater Fund for Stadium Drive construction work

RECREATION

Recreational facilities include the 7,500-acre Joe Pool Lake, championship-level Tangle Ridge Golf Club, Lone Star Park at Grand Prairie and more than 52 public parks on 4,900 acres.

Parks and Recreation facilities include an extreme skate park, two multipurpose recreation centers, an active adult center, a senior center, indoor pool, three outdoor pools, five softball and baseball complexes, two golf courses, 32 tennis courts, a soccer complex, a central park, PlayGrand Adventures and the recently acquired two lake parks on Joe Pool Lake.

Ripley's Believe It Or Not, The Palace of Wax and Trader's Village in the City are popular entertainment and shopping locations. Nearby are Six Flags over Texas in Arlington and zoos, art museums, symphonies and ballet in Dallas and Fort Worth.

One of three Class 1 horse-racing tracks in Texas, Lone Star Park at Grand Prairie opened for live races in April 1997. The track's simulcast pavilion opened in mid-1996.

Professional Sports: the Dallas Cowboys of the National Football League, the Texas Rangers of Major League Baseball, the Dallas Mavericks of the National Basketball Association, the Dallas Stars of the National Hockey League, and the FC Dallas of Major League Soccer. All have home games within 5-25 minutes of the City.

NCAA-event schools: Southern Methodist University and Texas Christian University in Dallas and Fort Worth.

Cedar Hill State Park, just south east of the City, offers 355, mostly wooded campsites in the Dallas-Fort Worth hill country. Among park facilities are two lighted fishing jetties and boat access to Joe Pool Lake.

EDUCATION

Seven public universities and eight independent universities, including health related education facilities, in the region totaled enrollment of 157,923 in 2020 (source: Texas Higher Education Coordinating Board). The universities, among them University of Texas campuses (Arlington and Dallas), offer programs from engineering to business and degrees from bachelor's to medical doctorates.

The Dallas and Tarrant counties public community colleges - the nearest of them Mountain View in Dallas, North Lake in Irving, Cedar Valley in Lancaster, the Southeast campus of Tarrant County College in Arlington, and El Centro in Dallas - counted over 186,244 students in 2020 (source: Texas Higher Education Coordinating Board). Additionally, three technically oriented post-secondary schools are within 30 minutes of the City.

In addition to their degree programs, many of these colleges and universities offer business consulting, employee training specific to a company's skill demands, community health care services, economic and land development research, computer and information services and library facilities open to the community.

Grand Prairie Independent School District (the "GPISD") and the Arlington Independent School District (the "AISD") predominate among the six school districts with boundaries in the City.

GPISD comprises 20 elementary schools, six middle schools, two ninth grade centers, four senior high schools, one alternative education school and one early childhood center. Students whose residences are on the Dallas County side of the City attend GPISD.

Students who reside in Tarrant County and Grand Prairie attend AISD, which comprises of nine high schools, 13 junior high schools, and 52 elementary schools (six in the City). AISD has no junior high schools or high schools in the City.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

For the year ended September 30, 2020, cost reimbursements were as follows:

Fund	Amount
Water and wastewater funds	\$ 4,305,622
Solid waste funds	449,742
Storm water funds	100,305
Airport fund	76,479
Other nonmajor governmental funds	262,229
Total to general fund	\$ 5,194,377

Franchise Fees

The City's enterprise funds, which use public right-of-way, pay franchise fees to the General Fund as if they were organizations separate from the City. These fees are not taxes, but are compensation to the City for the use of the City's right-of-way. These payments, 4% of gross revenues, are reported as interfund services provided and used rather than interfund transfers, and are reported as revenue (franchise fees) in the General Fund and expenses in the enterprise funds.

For the year ended September 30, 2020, franchise fees paid to the General Fund were as follows:

Fund	Amount
Water and wastewater funds	\$ 3,085,068
Solid waste funds	386,274
Storm water funds	308,279
Total	\$ 3,779,621

Interfund Transfers

Interfund transfers are made to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, and 4) make payments in lieu of property taxes.

Two of the City's enterprise funds, the Water and Wastewater Fund and the Solid Waste Fund, make payments in lieu of property taxes to the Street Maintenance Fund, which is a Nonmajor Governmental Fund to provide funding for street repairs. The payments are calculated by applying the City's property tax rate to the net book value of the enterprise funds' capital assets. Since the calculation methodology is not the same as that applied to similar activities in the private sector in several respects, these payments are recorded as transfers in/out rather than as operating revenues/expenses.

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City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

At September 30, 2020, a summary of changes in capital assets of the Housing Finance Corporation was as follows:

	Balance January 1, 2020	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance December 31, 2020
Non-depreciable capital assets:				
Land	\$ 1,612,851	\$ -	\$ -	\$ 1,612,851
Total non-depreciable capital assets	1,612,851	-	-	1,612,851
Depreciable capital assets:				
Buildings	20,885,524	574,091	(373,251)	21,086,364
Less accumulated depreciation	(9,653,405)	(1,006,537)	373,251	(10,286,691)
Total depreciable capital assets, net	11,232,119	(432,446)	-	10,799,673
Housing Finance Corporation assets, net	\$ 12,844,970	\$ (432,446)	\$ -	\$ 12,412,524

E. Interfund Transactions

Interfund Receivables and Payables

Interfund receivables and payables are reported in the City's financial statements as due to/from other funds. At September 30, 2020, interfund balances existed between the Capital Lending Reserve Fund and the Park Venue CIP Fund for \$90,953 and between the Capital Lending Reserve Fund and Epic Center/Sales Tax Fund for \$3,002,683. In May 2014, citizens approved a quarter-cent sales tax to construct The Epic Center. Through an interfund borrowing agreement approved by the City Council, funds were loaned to the Epic 2 CIP Fund to begin planning for this project. A portion of the funds loaned remain outstanding at September 30, 2020.

At September 30, 2020, interfund balances existed between the Red Light Safety Fund and the General Fund for \$356,283.

Cost Reimbursements

The cost of the City's central general and administrative services is allocated to the designated special revenue and enterprise funds. These costs are reported as interfund services provided and used rather than interfund transfers. Interfund services provided and used are arms-length transactions between departments or funds that would be treated as revenues, expenditures or expenses if they were with an external organization. The distinguishing aspect of interfund services provided and used are that each department or fund both gives and receives consideration.

Cost reimbursements for general and administrative services (indirect costs) are recorded as general and administrative revenue in the City's General Fund. Indirect costs are recorded as general and administrative expenses in the funds receiving these services.

APPENDIX B

EXCERPTS FROM THE
CITY OF GRAND PRAIRIE, TEXAS
ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2020

The information contained in this Appendix consists of excerpts from the City of Grand Prairie, Texas Annual Financial Report for the Year Ended September 30, 2020 (the "Report"), and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020

Business-Type Activities	Balance October 1, 2019	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2020
Non-depreciable capital assets:				
Land	\$ 4,831,334	\$ 273,888	\$ -	\$ 5,105,222
Construction in progress	28,648,888	14,076,324	(8,617,469)	34,107,743
Total non-depreciable capital assets	33,480,222	14,350,212	(8,617,469)	39,212,965
Depreciable capital assets:				
Buildings	19,790,824	303,167	(185,004)	19,908,987
Equipment	25,178,492	3,884,146	(954,851)	28,107,787
Infrastructure	387,369,747	177,500	14,134,065	401,681,312
Total depreciable capital assets	432,339,063	4,364,813	12,994,210	449,698,086
Less accumulated depreciation for:				
Buildings	(9,351,323)	(624,844)	185,001	(9,791,166)
Equipment	(12,379,743)	(2,656,431)	982,214	(14,053,960)
Infrastructure	(207,502,728)	(14,931,558)	2,375,448	(220,058,838)
Total accumulated depreciation	(229,233,794)	(18,212,833)	3,542,663	(243,903,964)
Total depreciable capital assets, net	203,105,269	(13,848,020)	16,536,873	205,794,122
Total capital assets, net	\$ 236,585,491	\$ 502,192	\$ 7,919,404	\$ 245,007,087

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Depreciation expense was charged to governmental and business-type activities as follows:

Governmental activities:		Business-type activities:	
Support services	\$ 4,171,389	Water and wastewater	\$ 14,426,053
Public safety services	8,336,730	Solid waste	1,675,747
Recreation and leisure services	8,496,761	Other business-type activities	2,111,033
Development services	22,620,446		
Internal services funds (see note below)	255,432		
Total governmental activities	\$ 43,880,758	Total business-type activities	\$ 18,212,833

Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets.

At September 30, 2020, a summary of changes in capital assets of the Sports Corporation was as follows:

	Balance October 1, 2019	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance September 30, 2020
Equipment	\$ 310,078	\$ -	\$ -	\$ 310,078
Less accumulated depreciation	(310,078)	-	-	(310,078)
Total	\$ -	\$ -	\$ -	\$ -

City of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020



Independent Auditor's Report

Assets were restricted for the following purposes:

Purpose	Governmental Activities	Business-Type Activities	
Customer deposits	\$ 38,000	\$ 5,203,046	\$ 5,241,046
Debt service	2,489,225	6,562,083	9,051,308
Capital projects	103,301,790	55,676,204	158,977,994
Support services	-	-	-
Public safety	13,288,354	-	13,288,354
Recreation and leisure	13,713,025	-	13,713,025
Development services	19,879,460	-	19,879,460
Other specific purposes	2,671,337	-	2,671,337
Total restricted assets	\$ 155,381,191	\$ 67,441,333	\$ 222,822,524

D. Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

Governmental Activities	Balance October 1, 2019	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2020
Non-depreciable capital assets:				
Land	\$ 46,708,853	\$ 438,654	\$ 10,400	\$ 47,157,907
Construction in progress	168,140,079	51,801,634	(39,782,867)	180,158,846
Total non-depreciable capital assets	214,848,932	52,240,288	(39,772,467)	227,316,753
Depreciable capital assets:				
Buildings	231,755,795	1,153,876	24,110,845	257,020,516
Equipment	126,745,099	4,251,315	(604,432)	130,391,982
Infrastructure	632,995,987	6,437,938	5,407,118	644,841,043
Total depreciable capital assets	991,496,881	11,843,129	28,913,531	1,032,253,541
Less accumulated depreciation for:				
Buildings	(85,788,647)	(8,470,544)	149,359	(94,109,832)
Equipment	(76,396,066)	(10,932,057)	2,950,575	(84,377,548)
Infrastructure	(358,457,028)	(24,478,157)	5,748,139	(377,187,046)
Total accumulated depreciation	(520,641,741)	(43,880,758)	8,848,073	(555,674,426)
Total depreciable capital assets, net	470,855,140	(32,037,629)	37,761,604	476,579,115
Total capital assets, net	\$ 685,704,072	\$20,202,659	\$ (2,010,863)	\$ 703,895,868

To the Honorable Mayor and
Members of City Council
City of Grand Prairie, 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 units, each major fund, and the aggregate remaining fund information of City of Grand Prairie, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to basic 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

The City's 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 did not audit the component unit financial statements for the Grand Prairie Housing Finance Corporation (a discretely presented component unit). Those financial statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Grand Prairie Housing Finance Corporation is based on the report of other auditors. 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.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970

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The Honorable Mayor and
Members of City Council
City of Grand Prairie, Texas

Opinions

In our opinion based on our audit and the report of other auditors, 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 units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budget to actual schedules for the General Fund and Section 8 Fund, Schedule of Changes in Postemployment Benefits-Retiree Health Plan, Schedule of Changes in Postemployment Benefits-Texas Municipal Retirement System, Schedule of Contributions-Texas Municipal Retirement System, and Schedule of Changes in Net Pension Liability and Related Ratios-Texas Municipal Retirement System listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual fund statements and schedules, as listed in the table of contents, is the responsibility of management and was derived from and relates 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 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.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020

B. Receivables

At September 30, 2020, receivables, including applicable allowances for uncollectible accounts, consisted of the following:

Governmental Activities	General	Section 8	Grants	Debt Service	Nonmajor Governmental	Internal Service	Total Governmental
Receivables:							
Property taxes	\$ 2,663,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,808,932
Sales taxes	6,301,947	-	-	-	6,294,842	-	12,596,789
Franchise fees	2,393,307	-	-	-	62,212	-	2,455,519
Other	3,752,804	431	190,836	5,517	869,477	991	4,825,573
Total receivables, gross	15,111,999	431	190,836	5,517	7,226,531	991	23,686,813
Less:							
Allowance for uncollectibles	(1,445,447)	-	-	-	-	-	(1,767,397)
Total receivables, net	\$ 13,666,552	\$ 431	\$ 190,836	\$ 5,517	\$ 7,226,531	\$ 991	\$ 21,919,416

Business-Type Activities:	Water Wastewater	Solid Waste	Other Nonmajor	Total Business-Type
Receivables:				
Trade accounts	10,723,180	\$ 1,794,174	\$ 934,467	\$ 13,451,821
Other	-	16,680	-	16,680
Total receivables, gross	10,723,180	1,810,854	934,467	13,468,501
Less:				
Allowance for uncollectibles	(4,867,855)	(1,227,045)	(257,478)	(6,352,378)
Total receivables, net	\$ 5,855,325	\$ 583,809	\$ 676,989	\$ 7,116,123

C. Restricted Assets

At September 30, 2020, restricted assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 12,099,512	\$ 2,956,906	\$ 15,056,418
Investments	143,281,679	64,484,427	207,766,106
	<u>\$ 155,381,191</u>	<u>\$ 67,441,333</u>	<u>\$ 222,822,524</u>

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2020

The asset mix of the City's portfolio is expressed in terms of maximum commitment so as to allow flexibility to take advantage of market conditions. The asset mix requirements are as follows:

	% Maximum
1. U.S. Treasury bills and notes	100
2. U.S. agency or instrumentality obligations (each type)	25 ^a
3. Repurchase agreements	20
4. Municipal securities (total)	40
5. Municipal securities (out-of-state)	20
6. Certificates of deposit (per institution)	20
7. Money market mutual fund	50 ^b
8. Public funds investment pool	50

a Total agency investments limited to no more than 100% of the total portfolio.

b State law allows up to 80% of monthly average fund balance, excluding bond proceeds. The City limits its exposure to 50% to reduce risk.

In addition, the City may invest in callable securities but shall limit the total amount to no more than 50% of the portfolio. The City did not invest in any securities different from the categories mentioned above during the 2019-2020 fiscal year.

Grand Prairie Sports Facilities Development

The Corp has recurring fair value measurements as presented in the table below. The Corp's investment balances and weighted average maturity of such investments are as follows:

	September 30, 2020	Fair Value Measurements Using			Weighted Average Maturity (Days)	Credit Risk
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Cash	\$ 96,165	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
TexPool	9,019,192	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
FHLB	2,023,379	-	2,023,379	-	193	AAA
Total	\$ 11,138,736	\$ -	\$ 2,023,379	\$ -		

The Sports Corporation is authorized to invest in obligations of the U. S. or its agencies and instrumentalities, certain repurchase agreements, municipal securities with a rating of at least A, collateralized or insured certificates of deposit, and SEC-registered, no-load money market mutual funds comprised of securities allowed under the Public Funds Investments Act and public funds investment pools. At year-end, all investments of the Sports Corporation were held by the Sports Corporation's agent in the Sports Corporation's name. The fair value of investments owned at September 30, 2020 was \$9,019,192 in the Public Funds Investment Pool (TexPool) and \$1,998,418 in U.S. agency instrumentalities.

The Honorable Mayor and
Members of City Council
City of Grand Prairie, Texas

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2021, 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
March 11, 2021



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City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

Investment Policy

The City is required by Government Code Chapter 2256, the Public Funds Investment Act (Act), to adopt, implement, and publicize an investment policy. That policy must be written, primarily to emphasize safety of principal and liquidity; address 1) investment diversification, yield, and maturity, and 2) the quality and capability of investment management; include a list of the types of authorized investments in which the investing entity's funds may be invested; and, the maximum allowable stated maturity of any individual investment owned by the entity.

The City Council has adopted investment policies (policies) which are in accordance with the laws of the State of Texas, where applicable. The policies identify authorized investments and investment terms, collateral requirements, safekeeping requirements for collateral and investments and certain investment practices.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establish appropriate policies. Authorized investments include obligations of the United States or its agencies and instrumentalities (except for mortgage pass-through securities), repurchase agreements, municipal securities, public funds investment pools, SEC regulated money market mutual funds and collateralized or insured certificates of deposit. The City adheres to the requirements of the Act. Additionally, investment practices of the City are in accordance with local policies.

The investment policies require that repurchase agreements be made pursuant to a master agreement, the collateral is a U. S. Treasury bill, note or bond; the security is held in safekeeping by the City's custodial agent; and the investment is transacted "delivery vs. payment" so that the City's interest in the underlying security is perfected. The City does not invest in reverse repurchase agreements. No City monies were invested in repurchase agreements at September 30, 2020.

Investment Risk

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investments portfolio to less than twelve months.

Credit risk – State law limits investments in commercial paper if the commercial paper is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state. The City's policy does not allow investments in commercial paper.

Concentration of credit risk – Investments shall be diversified to reduce the risk of loss resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

The City has recurring fair value measurements as presented in the table below. The City's investment balances and weighted average maturity of such investments are as follows:

	September 30, 2020	Fair Value Measurements Using:			Weighted Average Maturity (Days)	Credit Risk
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Cash	\$ 18,074,414	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
TexPool	125,551,866	-	-	-	1	AAAm
Investments measured at net asset value (NAV):						
Investment Pools:						
TexStar	3,046,698	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
US Treasuries	5,162,100	-	5,162,100	-	592	AAA
Municipal bonds	51,733,440	-	51,733,440	-	533	AAA
FAMCA	31,419,030	-	31,419,030	-	582	Not Rated
FFCB	61,016,987	-	61,016,987	-	395	AAA
FHLB	53,651,955	-	53,651,955	-	497	AAA
FHLMC	8,976,951	-	8,976,951	-	289	AAA
FNMA	16,263,230	-	16,263,230	-	365	AAA
Total	\$ 374,896,671	\$ -	\$ 228,223,693	\$ -		

The amounts for TexStar and TexPool (pooled investments) are reported as cash equivalents in the Statement of Net Position.

The TexPool investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of \$1.00 per share, has weighted average maturities of sixty days or less and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities) and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The TexStar investment pool is an external investment pool measured at NAV. TexStar's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pools. TexStar has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Management's Discussion and Analysis



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City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

Chapter 2257 Collateral for Public Funds of the Government Code requires that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The above book balance includes monies held in escrow, pushing the book balance above the collateral value. Per Wells Fargo Bank, N.A. and BNY Mellon's contractual obligation to the City, the collateral value held in the City's name at September 30, 2020 was \$9,207,300.

Grand Prairie Sports Facilities Development

At September 30, 2020, the carrying amount of the Sports Corporation's deposits included in cash and cash equivalents was \$91,736 while the bank balance of the Sports Corporation's deposits was \$91,736. The bank balance was entirely covered by collateral held by the Sports Corporation's agent in the Sports Corporation's name.

Grand Prairie Housing Finance Corporation

The bank balance of HFC at December 31, 2020, including restricted cash, totaled \$2,034,003 all of which was covered by FDIC insurance and collateral held by the depository institution in HFC's name. HFC's unrestricted cash and cash equivalents had a balance of \$576,342. Restricted cash of \$102,289 (tenant security deposits) represents cash held on deposit by HFC for insurance proceeds received for damages to federally funded assets. The liability is recorded until final disposition of the proceeds is requested by HUD. Other assets include reserves of \$140,275 and bonds held by a trustee of \$1,215,097 as a debt service reserve.

Investments

The City and the Sports Corporation categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted for identical assets or liabilities in active markets that a government can access at the measurement date.)
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

Minimum Fund Balance Policy

It is the desire of the City to maintain an adequate fund balance in the General Fund in order to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to maintain a minimum unassigned fund balance of 50 to 60 days of budgeted General Fund expenditures.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Restricted net position represents the difference between restricted assets and liabilities payable from these assets that is externally imposed by enabling legislation.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, plus deferred outflows from bond refundings, reduced by retainage payable and the outstanding balance of any debt used for acquisition, construction, or improvements of those assets, plus any unspent bond proceeds.

F. Budgetary Control

As set forth by the City Charter, the City Manager submits annual budgets to the City Council in August for the upcoming fiscal year. In September, the City Council adopts budgets for all governmental funds except for the Grants Fund, Police Seizure Funds, Public Improvement District Funds (PIDs), Tax Increment Financing District Funds (TIFs), and the Verizon Theatre Fund. For each governmental fund, budgeted appropriations (expenditures) may not exceed budgeted revenues plus beginning fund balances.

Capital project funds are controlled on a project basis and budgeted appropriations are carried forward each year until the project is completed.

Note 2. Detailed Notes

A. Deposits and Investments

Cash and Cash Equivalents

At September 30, 2020, the City reported cash and cash equivalents in the Statement of Net Position as follows:

	Unrestricted	Restricted	Total
Cash	\$ 15,117,508	\$ 2,956,906	\$ 18,074,414
Pooled investments	116,499,052	12,099,512	128,598,564
Total cash and cash equivalents	\$ 131,616,560	\$ 15,056,418	\$ 146,672,978

Of this amount, the City's cash carrying amount (book) and bank balances were as follows:

Financial Institution	Book Balance	Bank Balance
Wells Fargo and BNY Mellon	\$ 18,048,158	\$ 19,256,441
Petty Cash	26,256	-
Total cash	\$ 18,074,414	\$ 19,256,441

City of Grand Prairie, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2020
(Unaudited)

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the City of Grand Prairie, Texas (the City) for the fiscal year ended September 30, 2020. It is offered here by the management of the City to the readers of its financial statements. Readers are encouraged to consider the information presented here in conjunction with the information furnished in our letter of transmittal, the introductory section of the City's financial statement, and the accompanying notes.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2020 by \$684,440,019 (net position).
- The City's total net position increased \$39,421,403, for the fiscal year ended September 30, 2020, primarily due to increased property tax assessments, sales tax collections, and grant contributions.
- At September 30, 2020, the City's governmental funds reported combined ending fund balances of \$234,115,110. The \$47,731,260 unassigned fund balance in the General Fund represents 32.9% of total General Fund expenditures and transfers.
- The City's total long-term liabilities of \$629,163,768 decreased by \$73,034,453 (10.4%) during the current fiscal year. In fiscal year 2020, net bonded debt decreased by \$43,908,750, with the remaining liability comprised of pension and employee related obligations. See Table 4 in this report for further information regarding the City's long-term liabilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus is on the City as a whole and on individual major funds. It is intended to present a more comprehensive view of the City's financial activities.

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 financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide financial statements – The government-wide financial statements include the Statement of Net Position and Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to that of a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, including capital assets and long-term liabilities, and deferred inflows of resources. The differences between these items are 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. Other indicators of the city's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2020
(Unaudited)

The Statement of Net Position and Statement of Activities divide the City's activities into two types:

Governmental Activities – Most of the City's basic services are reported here, including general government, public safety, planning, public works, transportation, housing, community development, cultural events, and library. Property taxes, sales taxes, and franchise fees provide the majority of financing for these activities.

Business-Type Activities - Activities for which the City charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include a water and wastewater system, a solid waste sanitary landfill, a storm water utility system, municipal airport, and municipal golf courses.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Grand Prairie Sports Facilities Development Corporation, Inc. (the Sports Corporation) and the Grand Prairie Housing Finance Corporation (HFC) as component units. Both are legally, financially, and administratively autonomous separate corporations. HFC issues tax exempt revenue bonds to supply mortgage financing for low income home buyers and multi-family developments, and engages in other affordable housing activities. The Sports Corporation oversees Lone Star Park at Grand Prairie, a horse track facility.

The Crime Control and Prevention District (CCPD) is a legally separate entity that is financially accountable to the City. A blended presentation has been used to report the financial information of this component unit.

Fund financial statements – The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. 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 the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for 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 funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison. These reconciliations explain the differences between the government's activities as reported in the government-wide statements and the information presented in the governmental funds financial statements.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

Pensions

For purposes of measuring net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the Fiduciary Net Position of TMRS, and additions to/deductions from TMRS'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 benefit terms. Investments are reported at fair value.

Postemployment Benefits

The City provides postemployment healthcare benefits to all vested employees upon retirement from the City. Employees are vested in the City's pension plan with twenty-five years or more of service, regardless of age, or five years or more of service at age sixty and above. Coverage is also available to dependents or surviving spouses of retirees. The City subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process. The City's plan qualifies as a single-employer, defined benefit plan. Complete details of the plan are listed in Note K starting on page 78.

Long-Term Debt

General obligation bonds and other debt issued for general government capital projects and acquisitions that are repaid from tax revenues are recorded in the governmental activities column in the government-wide Statement of Net Position. Debt issued to fund capital projects in the proprietary funds is recorded in both the business-type activities column in the government-wide Statement of Net Position and in the proprietary fund Statement of Net Position. Bond premiums and discounts, as well as deferred charges on refunded debt obligations, are deferred and amortized over the life of the bonds using the effective interest method in the government-wide financial statements and in the proprietary funds. Bonds payable are reported net of applicable bond premiums and discounts.

Nature and Purpose of Classifications of Fund Equity

Restricted fund balances in the governmental funds are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments for specific purposes.

Committed fund balances can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution, which are considered equally restrictive for the purpose of committing fund balances. To remove or change the constraint, the City Council must take the same level of action.

Assigned fund balances are determined by City management based on City Council direction, in accordance with financial policies adopted by resolution. Assigned fund balances are constrained by the intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance represents the amount that does not meet the criteria for restricted, committed, or assigned.

Nonspendable fund balances represent inventories and prepaid items.

The City considers expenditures to be made from the most restrictive classification when more than one classification is available.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

- **Pension and OPEB investment experience** – the difference between projected and actual earnings of plan investments. The difference is deferred and recognized as pension plan expense over a closed five-year period as required by GASB No. 68 and 75.
- **Pension and OPEB assumption changes** – the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members as of the beginning of the measurement period.

Deferred inflows of resources represents an acquisition of net position that is applicable to a future reporting period, and as so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflow of resources are reported in the basic financial statements the same as deferred outflows of resources. The City has the following items that qualify for reporting in this category.

- **Unavailable revenue** – at the governmental fund level, property tax and ambulance receivables recorded but not expected to be collected within than sixty days after fiscal year end are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.
- **Pension and OPEB actuarial experience** – the difference between the expected and actual experience in the actuarial measurement of the total pension and OPEB liability not recognized in the current year. This amount is deferred and amortized over a period of years determined by the plan actuary. The amortization period is based on the estimated average remaining service lives of employees that are provided with a pension or OPEB through the plans (active and inactive employees) for the City determined at the beginning of the measurement date.
- **OPEB assumption changes** – the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members as of the beginning of the measurement period.
- **Pension investment experience** – the difference between projected and actual earnings of plan investments. The difference is deferred and recognized as pension plan expense over a closed five-year period as required by GASB No. 68.

Compensated Absences

Employees are granted vacation benefits in varying amounts, depending on tenure with the City. These benefits accumulate pro rata by pay period. Payment for unused vacation will be made upon separation of employment. Fire and police civil service employees who have completed their introductory period are paid up to 90 days sick leave upon separation of employment, excluding indefinite suspensions. The valuation of the civil service sick leave is at current pay rates. The valuation of accrued compensated absences includes salary-related payments such as the City's share of taxes and contributions to the retirement plan in accordance with GASB 16.

Accrued compensated absence liabilities are reported in the respective columns in the government-wide financial statements and in the proprietary fund financial statements. Compensated absences are only reported in governmental funds if they are owed to separated employees at the end of the fiscal year.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued

For the Fiscal Year Ended September 30, 2020

(Unaudited)

The City reports thirty one individual governmental funds. Information is presented separately in the governmental fund's Balance Sheet and in the governmental fund's Statement of Revenues, Expenditures and Changes in Fund Balances for the City's six major funds - General Fund, Section 8 Fund, Streets CIP Fund, Grants Fund, Debt Service Fund, and the Epic 2 CIP Fund. Data for other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds – The City maintains two different types of proprietary funds – enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities of the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater system, solid waste sanitary landfill, storm water utility, municipal airport, and municipal golf courses. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City has five enterprise funds of which two are major enterprise funds – the Water Wastewater Fund and the Solid Waste Fund. Data from other nonmajor enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

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 vehicle and equipment maintenance and the premiums, deductibles, and claims for all insurance programs (e.g. employee health, workers compensation, general liability, etc.). Because these services benefit both governmental and business-type functions, they have been allocated to both activities in the government-wide financial statements in proportion to services received. The City's two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the City's internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the 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.

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 benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2020
 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets of the City at September 30, 2020 were \$1,362,784,154, deferred outflows of resources were \$24,443,572, total liabilities were \$679,577,059, and deferred inflows of resources were \$23,210,648 resulting in a net position of \$684,440,019.

The largest portion of the City's net position, \$529,985,182 (77.4%), reflects its investment in capital assets (land, buildings and improvements, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 below is a summary of the City's net position at year end compared to the prior year.

**Table 1
 Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020
Cash and investments	\$ 288,433,355	\$ 259,942,938	\$ 113,133,233	\$ 114,953,733	\$ 401,566,588	\$ 374,896,671
Other assets	20,685,432	26,581,255	11,679,221	12,403,270	32,364,653	38,984,525
Capital assets, net	685,704,072	703,895,868	236,585,491	245,007,090	922,289,563	948,902,958
Total assets	994,822,859	990,420,061	361,397,945	372,364,093	1,356,220,804	1,362,784,154
Deferred outflows of resources	39,225,451	21,526,904	4,344,178	2,309,822	43,569,629	23,836,726
Current liabilities	34,644,637	36,937,593	12,188,798	13,475,698	46,833,435	50,413,291
Long-term bonded debt	453,318,815	416,024,621	57,863,033	51,248,478	511,181,848	467,273,099
Other noncurrent liabilities	166,810,368	142,026,244	24,206,005	19,864,425	191,016,373	161,890,669
Total liabilities	654,773,820	594,988,458	94,257,836	84,588,601	749,031,656	679,577,059
Deferred inflows of resources	5,191,644	20,878,302	548,517	1,725,500	5,740,161	22,603,802
Net Position						
Net Investment in capital assets	311,019,615	336,590,522	176,239,658	193,394,660	487,259,273	529,985,182
Restricted	58,899,457	58,788,228	59,346,971	61,272,475	118,246,428	120,060,703
Unrestricted	4,163,774	701,455	35,349,141	33,692,679	39,512,915	34,394,134
Total net position	\$ 374,082,846	\$ 396,080,205	\$ 270,935,770	\$ 288,359,814	\$ 645,018,616	\$ 684,440,019

A portion of the City's net position totaling \$120,060,703, or 17.5%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a \$34,394,134.

The City's net position increased by \$39,421,403 from the prior fiscal year due to an increase in property taxes, sales taxes, charges for services, and grant contributions. Overall water and wastewater rates increased approximately 4%.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
 September 30, 2020

Receivables and Payables

Major revenue sources susceptible to accrual are recorded as receivables when they become both measurable and available. Expenditures incurred during the current fiscal year but not yet paid are recorded as payables at fiscal year-end.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at fiscal year-end are referred to as due to/from other funds.

Inventories and Prepaid Items

Inventory consists primarily of supplies and material and is recorded at cost when purchased and expensed when consumed. For the General Fund, inventory is expensed on an actual specific-cost basis. Special Revenue and Enterprise Funds' inventory is charged out on a first-in, first-out basis, except for fuel inventory which is charged out on a moving-average basis. Prepaid balances are for payment made by the City in the current year to provide services occurring in the subsequent fiscal year. The cost of prepaid items is expensed when consumed rather than when purchased.

Accordingly, for both inventories and prepaid items, fund balance is classified as nonspendable for an amount equal to the cost to signify those funds are not available for spending.

Capital Assets and Depreciation

Capital assets (i.e. land, buildings, equipment, improvements other than buildings, infrastructure, and construction in progress) of all the funds are stated at historical cost or estimated historical cost if historical cost is not known. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value on the date donated. An item is classified as an asset if the initial, individual cost is \$5,000 or greater. Capital assets of the City are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Assets subject to depreciation are depreciated using the straight-line method.

The estimated useful lives of all depreciable assets are as follows:

Buildings	20 - 40 years
Machinery and Equipment	5 - 15 years
Improvements other than Buildings	20 - 40 years
Infrastructure	20 - 40 years

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position by the City that is applicable to a future reporting period, and as so will not be recognized as an outflow of resources (expenses/expenditures) until then. Deferred outflows of resources are reported in the government-wide Statement of Net Position for governmental and business-type activities and in the Statement of Net Position in the fund financial statements only for proprietary funds. The City has the following items that qualify for reporting in this category.

- **Deferred charges on debt refunding** – results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- **Pension and OPEB Employer contributions** – contributions made from the measurement date of the plans to the current fiscal year end (January to September). These contributions are deferred and recognized in the subsequent fiscal year.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

Proprietary Funds

As mentioned earlier, proprietary funds use the economic resources measurement focus and the accrual basis of accounting. The accounting objectives for proprietary funds are the determination of net income, financial position, and cash flows. Proprietary fund equity is segregated into (1) net investment in capital assets; (2) restricted net position, and (3) unrestricted net position. Proprietary funds distinguish operating revenues and expenses from the 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports two types of proprietary funds – enterprise funds and internal services funds.

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is 1) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or 2) where the City Council has decided that periodic determination of revenues earned, expenses incurred and/or operating income generated is appropriate for the purposes of capital maintenance, public policy, management control, and/or accountability. The City maintains five enterprise funds – water and wastewater services, solid waste services, storm water services, airport operations, and golf course operations. These enterprise funds are classified as business-type activities in both the government-wide and governmental fund financial statements.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the City, on a cost-reimbursement basis. The City has two internal service funds:

- **Fleet Services Fund** – accounts for a full range of services in managing and maintaining the City's fleet of vehicles and equipment.
- **Risk Management Fund** – accounts for premiums, deductibles and claims for the City's property, liability, workers compensation, and employee health and life insurance programs. The City reports all risk financing activities in the Risk Management Fund.

E. Assets, Liabilities, Deferred Outflows/Inflows Resources, and Net Position/Fund Balances

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings are recorded in the General Fund unless it is required by regulations or agreements to allocate to certain funds. In fiscal year 2020, the funds receiving allocation of interest earnings were the Grants Fund, Epic 2 CIP Fund, and the Police Seizure Funds. For purposes of the statements of cash flows, the City considers cash on hand, demand deposits, and investments with original maturities of three months or less to be cash equivalents.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2020
(Unaudited)

The fiscal year 2020 compared to fiscal 2019 changes in the City's net position were as follows:

**Table 2
Changes in Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020
Revenues:						
Program revenues:						
Charges for services	\$ 51,189,057	\$ 43,289,739	\$ 100,691,263	\$ 106,798,492	\$ 151,880,320	\$ 150,088,231
Operating grants and contributions	39,865,579	63,784,399	31,007	96,306	39,896,586	63,880,705
Capital grants and contributions	8,575,572	417,050	15,541,642	10,069,185	24,117,214	10,486,235
General revenues:						
Property tax	106,378,593	116,020,990	-	-	106,378,593	116,020,990
Sales tax	69,672,182	70,808,392	-	-	69,672,182	70,808,392
Other tax	2,231,019	1,794,491	-	-	2,231,019	1,794,491
Franchise fees	14,796,138	13,903,806	-	-	14,796,138	13,903,806
Investment income	9,776,886	7,952,664	65,360	25,770	9,842,246	7,978,434
Total revenues	302,485,026	317,971,531	116,329,272	116,989,753	418,814,298	434,961,284
Expenses:						
Support services	30,669,782	31,310,741	-	-	30,669,782	31,310,741
Public safety services	109,767,831	113,728,877	-	-	109,767,831	113,728,877
Recreation and leisure services	35,232,643	32,949,455	-	-	35,232,643	32,949,455
Development services	102,740,890	110,126,929	-	-	102,740,890	110,126,929
Interest on long-term debt	14,987,576	12,689,169	-	-	14,987,576	12,689,169
Water and wastewater	-	-	74,389,255	73,211,370	74,389,255	73,211,370
Solid waste	-	-	13,009,026	13,044,195	13,009,026	13,044,195
Municipal airport	-	-	2,962,253	2,529,664	2,962,253	2,529,664
Municipal golf course	-	-	3,458,592	3,452,349	3,458,592	3,452,349
Storm water	-	-	2,647,816	2,497,132	2,647,816	2,497,132
Total expenses	293,398,722	300,805,171	96,466,942	94,734,710	389,865,664	395,539,881
Increases (decreases) in net position before transfers	9,086,304	17,166,360	19,862,330	22,255,043	28,948,634	39,421,403
Transfers	7,253,810	4,830,999	(7,253,810)	(4,830,999)	-	-
Capital asset reassignments	-	-	(108,599)	-	(108,599)	-
Change in net position	16,340,114	21,997,359	12,499,921	17,424,044	28,840,035	39,421,403
Net position - beginning of year	357,742,732	374,082,846	258,435,849	270,935,770	616,178,581	645,018,616
Net position - end of year	\$ 374,082,846	\$ 396,080,205	\$ 270,935,770	\$ 288,359,814	\$ 645,018,616	\$ 684,440,019

Governmental activities – Governmental activities increased the City's net position by \$21,997,359 in comparison with beginning net position, primarily due to an overall increase in property tax assessments, when compared to fiscal year 2019 and additional federal funding received as part of the Coronavirus Relief Fund. This funding was passed-through Dallas and Tarrant County to the City to offset costs associated with effects of COVID-19 on the City. Net position of governmental operations accounts for 57.9% of total net position.

Business-type activities – Business-type activities increased the City's net position by \$17,424,044 in comparison with beginning net position. Overall operating revenues and expenses increased proportionately. Net position for business-type activities represents 42.1% of total primary government net position.

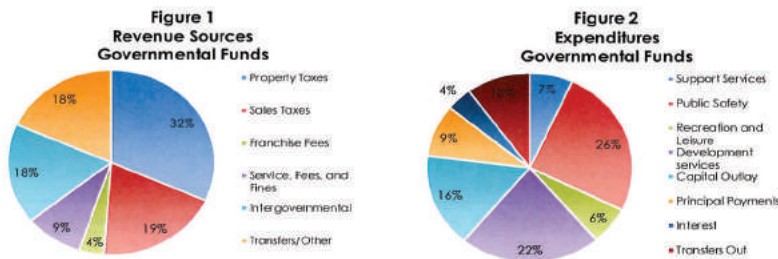
City of Grand Prairie, Texas

Management’s Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2020
 (Unaudited)

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Governmental funds – The focus of City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unrestricted 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 fiscal year-end 2020, the City’s governmental funds (excluding Internal service funds) reported combined ending fund balances of \$234,115,110, a decrease of \$25,669,761 in comparison with the prior year. The unassigned fund balance portion is 20.4% and is available for spending at the government’s discretion. The remainder is restricted for specific purposes and is not available for new spending. Specific purposes include non-spendable inventories and prepaid items (\$71,220); amounts restricted by statutes, bond covenants or granting agencies (\$107,921,586) either for debt service payments, grant-related use, special taxing districts, or for capital projects. In addition, committed funds (\$66,052,337) require formal action by City Council. Finally, funds may be assigned (\$12,238,707) by City Manager with the City Council’s delegated authority. Figures 1 and 2 that follow show the distribution of governmental funds’ sources of revenues and expenditures including transfers, \$363,095,135 and \$388,990,079, respectively, for fiscal year 2020.



The General Fund is the chief operating fund of the City. At fiscal year-end, unassigned fund balance of the General Fund was \$47,731,260, while total fund balance was \$60,648,430. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 47.2% of total general fund operating expenditures, while total fund balance represents 37.2% of that same amount. General Fund’s fund balance increased in the amount of \$15,468,159 from the prior fiscal year largely due to \$10.7M in CARES funding received from the counties of Dallas and Tarrant.

Other major funds with significant changes in fund balance include Streets CIP, Grants, Debt Service and Epic 2 CIP. The Streets CIP Fund decreased by \$25,430,385 due to an overall increase in street construction funded from bond proceeds issued for this purpose.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
 September 30, 2020

Solid Waste Fund

This fund accounts for the City’s landfill, garbage/recycling collection service, brush and litter collection, street sweeping, illegal dumping cleanup, Keep Grand Prairie Beautiful, and auto-related business programs, as well as a number of special purpose transfers related to reserves for landfill closure, post-closure costs and environmental remediation. All costs are financed through charges to sanitation customers.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide financial statements and the fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position, and the operating statement presents increases (revenues) and decreases (expenses) in the net position. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred.

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when both *measurable* and *available*. *Measurable* means knowing, or being capable of calculating or estimating the amount to be received. *Available* means collectible within the current period or soon enough thereafter to pay current liabilities (generally sixty days). Also, under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded in the period when the related fund liability is incurred, except for general obligation bond principal and interest and expenditures related to compensated absences, which are recorded when due rather than when incurred.

Major revenue sources susceptible to accrual in the governmental funds include property taxes, sales taxes, franchise fees, charges for services, and intergovernmental revenues. Revenue is accrued when it is deemed available except for intergovernmental revenues.

Grant revenues are recognized not just when available, but when the qualifying expenditures have been incurred, and all other grant requirements have been met.

The City also reports *unavailable* and *unearned* revenues in its governmental funds. *Unavailable* revenues arise when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. *Unearned* revenues arise when the City receives revenue resources before it has legal claim to it, as when grant money is received prior to the incidence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the City has a legal claim to the resource, the revenue is recognized.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenditures/expenses, and fund balances. The fund financial statements present each major fund as a separate column, while all nonmajor funds are aggregated and presented in a single column. Major funds are calculated using specific methods outlined in GASB Statement No. 34, or City management may also deem funds as major for presentation purposes.

At September 30, 2020, major governmental funds include the following:

General Fund

The General Fund is the primary operating fund of the City. This fund is used to account for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from the General Fund.

Section 8 Fund

This special revenue fund accounts for grant and contract revenue received from the federal government for providing housing assistance to low income families and for the administration of the program.

Street CIP Fund

This capital project fund accounts for the construction and renovation of thoroughfares and arterial streets and roads financed through general obligation bond proceeds and other dedicated sources.

Grants Fund

This special revenue fund accounts for the various federal, state and local grant revenue received by the City. All grants included in this fund are for specific projects with limited duration.

Debt Service Fund

The City's Debt Service Fund accounts for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted exclusively for debt service expenditures.

Epic 2 CIP Fund

This capital project fund accounts for the proceeds from sales tax revenue bonds, current lending/borrowing arrangements, and other dedicated sources to be used in the construction of The Epic.

At September 30, 2020, major enterprise funds include the following:

Water/Wastewater Fund

This fund accounts for water and wastewater system services provided for residents of the City, including administration, operations, maintenance, debt service, billing and collection. The City purchased treated water from surrounding cities, and water is pumped from City-owned wells. Although the City owns the wastewater collection system, it has no treatment facilities. Wastewater treatment is provided by the Trinity River Authority. Contracts relating to purchased water and wastewater treatment are discussed in Note 2M. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2020
(Unaudited)

The Grants Fund increased by \$5,549,445 due primarily to transfers into the Grants Fund to pay the City's portion of federal and state funded projects.

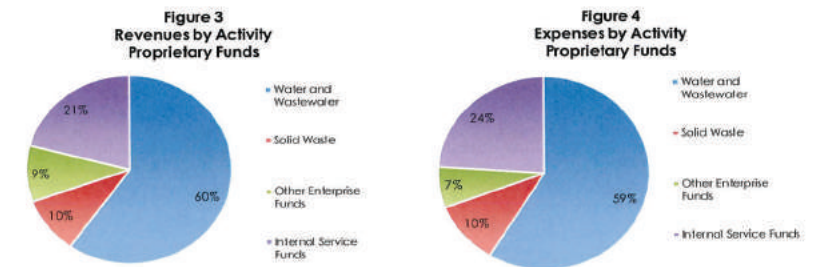
The Debt Service Fund decreased by \$1,245,534 due to payments toward principal and interest.

The Epic 2 CIP Fund decreased by \$2,348,769 due to engineering, design, and construction costs.

The Nonmajor Capital Projects Funds had a collective decrease in fund balance of \$22,105,861 due to significant projects taking place during the fiscal year.

Proprietary funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position of the City's enterprise funds and internal service funds were \$285,216,940 and \$18,847,294 respectively, at September 30, 2020. The enterprise funds' net investment in capital assets represented 67.8% of total enterprise fund's net position. The internal service funds' net investment in capital assets represented 10.2% of their total net position, and internal service funds' unrestricted net position was 89.8% of their total funds' net position. The City's enterprise funds and the internal service funds reported income before contributions and transfers of \$11,974,394 and \$946,328, respectively. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the government-wide financial statements and business-type activities. The following Figures 3 and 4 show the proprietary funds' revenues of \$137,641,158 and expenses of \$124,206,503 (excluding non-operating revenues and expenses, and contributions and transfers) by activity.



City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2020
 (Unaudited)

General Fund Budgetary Highlights

Actual General Fund revenues were \$12,397,836, or 8.4%, higher than final budgeted revenues for fiscal year 2020. Property taxes, sales taxes, hotel/motel taxes, and franchise fees were 80.9% of General Fund budgeted revenues. Actual General Fund expenditures were \$6,285,345, or 4.7%, lower than final budgeted expenditures for fiscal year 2020. Budgeted excess of revenues over expenditures before other financing sources and uses was \$12,431,754 compared to actual of \$31,114,935, resulting in a net positive budget variance of \$18,683,181. The City traditionally budgets revenue conservatively and this practice frequently results in positive budgetary variances.

Net change in fund balances of the General Fund, including other financing sources and uses such as transfers, resulted in a net positive budget variance of \$22,504,219.

Capital Asset and Debt Administration

Capital Assets - The City's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities at fiscal year-end amounted to \$948,902,958. This investment includes land, buildings, improvements other than buildings (includes infrastructure), machinery and equipment, and construction in progress. The City's capital assets increased from prior year by \$26,613,395.

Major capital projects occurring during the fiscal year included the following:

- Continued ambulance and engine replacement
- Continued construction of Fire Station #4 and Fire Station #3 upgrades
- Continued street rehabilitation
- Continued street assessment implementation
- Continued sidewalk construction
- Continued improvements to water distribution and sewer system
- Wildlife Parkway Phase II construction

The City's capital assets, net of accumulated depreciation, at fiscal year-end was as follows:

**Table 3
 Capital Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020
Land	\$ 46,708,853	\$ 47,157,907	\$ 4,831,334	\$ 5,105,222	\$ 51,540,187	\$ 52,263,129
Construction in progress	168,140,079	180,158,846	28,648,888	34,107,743	196,788,967	214,266,589
Depreciable capital assets	991,496,881	1,032,253,541	432,339,063	449,698,086	1,423,835,944	1,481,951,627
Accumulated depreciation	(520,641,741)	(555,674,426)	(229,233,794)	(243,903,961)	(749,875,535)	(799,578,387)
Total capital assets, net	\$ 685,704,072	\$ 703,895,868	\$ 236,585,491	\$ 245,007,090	\$ 922,289,563	\$ 948,902,958

Additional information regarding capital assets can be found starting on page 54 in Note 2.D.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
 September 30, 2020

Grand Prairie Industrial Development Authority

The Grand Prairie Industrial Development Authority (GPIDA) was created to issue tax-exempt industrial revenue bonds to assist in the City's economic development and to evaluate tax abatement applications. The City exercises no control over the GPIDA's management, budget or operations.

C. Implementation of New Accounting Standards Next Fiscal Year

The GASB pronouncements effective for fiscal year 2021 are listed as follows:

The GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. This statement establishes standards of accounting and financial reporting for fiduciary activities. This standard will become effective for the City in fiscal year 2021. The City has not yet determined the impact of this statement.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes objectives to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and to simplify accounting for interest cost incurred before the end of a construction period. This standard becomes effective for the City in fiscal year 2021. The City has not yet determined the impact of this statement.

D. Basis of Presentation

Government-Wide Financial Statements

The two government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all activities of the City, including component units. Governmental activities, which include those activities primarily supported by taxes or intergovernmental revenue, are reported separately from business-type activities which generally rely on fees and charges for support. Significant revenues generated from business-type activities include charges to customers for water and wastewater services, golf course fees, airport user charges, solid waste collection services, and storm water utility fees. As a general rule, the internal activity between governmental activities and business-type activities is eliminated from the government-wide financial statements except that charges for administrative overhead services provided by the governmental activities to the business-type activities are included as revenues to the governmental activities and expenses to the business-type activities.

The Statement of Activities reports the change in the City's net position from October 1, 2019 to September 30, 2020. This statement demonstrates the degree to which the direct expenses of a given function of the government are offset by program revenues. Specifically, the City has identified the following functions of government – support services, public safety services, recreation and leisure services, development services, water and wastewater services, solid waste services, storm water services, airport operations, and golf course operations. *Direct expenses* are those that are clearly identifiable with a specific function of City government. *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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as *general revenues* in the statement of activities.

Fund Financial Statements

In addition to the government-wide financial statements, the City also reports separate financial statements for major functions or activities of the government. These financial statements are organized on the basis of funds with governmental resources allocated to and accounted for based upon the purposes for which they are spent and the means by which spending activities are controlled. Separate statements are presented for governmental activities and proprietary activities.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

Discretely Presented Component Units

Grand Prairie Sports Facilities Development Corporation

The Sports Corporation was incorporated on June 10, 1992, under the provisions of the Development Corporation Act of 1979, as amended, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended (Act) by Resolution No. 2841 of the Grand Prairie City Council. The purpose of the Sports Corporation is to promote economic development within the City in order to reduce unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City by developing, implementing, providing and financing projects authorized under the Act.

The Act provides that the City may levy a one-half cent sales and use tax for the benefit of the Sports Corporation if the tax is authorized by a majority of the qualified voters in an election. On January 18, 1992, a majority of the voters approved a proposition to levy and collect an additional one-half cent sales and use tax for the purpose of constructing a horse racetrack. The one-half cent sales and use tax increase became effective April 1, 1993 to cover the costs of the project or the principal, interest and other costs relating to any bonds or obligations issued to pay the costs of the project or to refund bonds or obligations issued to pay the costs of the project. All bonds were redeemed on September 15, 2007. The sales tax was discontinued on September 30, 2007.

The City continues to receive significant financial benefits from the Sports Corporation as excess earnings of the Sports Corporation are paid to the City; and, if dissolved, all assets of the Sports Corporation become the City's property. Although the Sports Corporation is a legally separate entity, the City has the ability to impose its will upon the Sports Corporation as its Board of Directors are all appointed by the City Council, and four of the seven-member board are actual City Council members. For this reason, the Sports Corporation is presented as part of the City's reporting entity as a discretely presented component unit. Discretely presented component units are presented in a separate column alongside the City's financial information.

Grand Prairie Housing Finance Corporation

The Grand Prairie Housing Finance Corporation (HFC) was created to issue tax-exempt revenue bonds to supply mortgage financing for low income home buyers and multi-family development. While the entity is legally, financially and administratively autonomous, the governing body of the City of Grand Prairie may, at its sole discretion, and at any time, amend HFC's Articles of Incorporation, and alter or change its structure, programs or activities, or terminate or dissolve it. Additionally, members of the Board of Directors are appointed by and may be removed by the City Council. However, the City is not financially obligated for any debt of the HFC. For these reasons, the HFC is presented as part of the City's reporting entity as a discretely presented component unit.

The HFC's financial information, for its calendar year ended December 31, 2018, is included in the City's financial statements in a separate column alongside the City's. Separate audited financial statements may be obtained by writing Grand Prairie Housing Finance Corporation, Attn: Executive Director, P. O. Box 532758, Grand Prairie, Texas 75053-2758.

Related Autonomous Entities

Grand Prairie Health Facilities Development Authority

The Grand Prairie Health Facilities Development Authority (HFDA) was created to issue tax-exempt revenue bonds to finance medical facilities. While the HFDA's revenue bonds were defeased, the HFDA continues to exist only to make decisions from time to time regarding the defeased bonds. The City exercises no control over the HFDA or its budget.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2020
(Unaudited)

Long-term debt – At September 30, 2020, the City had the following long-term liabilities:

**Table 4
Long-Term Debt**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020
Bonded debt	\$ 453,318,815	\$ 416,024,620	\$ 57,863,033	\$ 51,248,478	\$ 511,181,848	\$ 467,273,098
Compensated absences	18,363,930	21,064,457	472,012	469,411	18,835,942	21,533,868
Other post employment benefits	55,519,084	60,687,581	5,885,150	6,275,983	61,404,234	66,963,564
Net pension liability	91,550,173	59,113,940	9,616,144	4,470,085	101,166,317	63,584,025
Pollution liability	77,037	20,900	-	-	77,037	20,900
Closure and post closure liability	-	-	8,232,699	8,648,946	8,232,699	8,648,946
Other liabilities	1,300,144	1,139,367	-	-	1,300,144	1,139,367
Total long-term debt	\$ 620,129,183	\$ 558,050,865	\$ 82,069,038	\$ 71,112,903	\$ 702,198,221	\$ 629,163,768
Long-term debt to net position percentage	166%	141%	30%	25%	109%	92%

Of the total bonded debt, \$416,024,620 or 89.0%, is backed by the full faith and credit of the City with a property tax pledge.

In November 2019, the City issued \$19,475,000 in General Obligation Refunding Bonds, Series 2019. \$21,545,000 was used to advance refund the outstanding Series 2011 and Series 2011A Combination Tax and Revenue Certificates of Obligation bonds; and the Series 2011 and Series 2011A General Obligation Refunding and Improvement bonds, leaving no remaining outstanding principal as of September 30, 2020.

In April 2020, the City issued \$4,290,000 in Water and Wastewater System Revenue Refunding Bonds, Series 2020. \$5,125,000 was used to advance refund the outstanding Series 2011A Water and Wastewater System Revenue Refunding and Improvement Bonds leaving no remaining outstanding principal as of September 30, 2020.

During this fiscal year, the City retired principal on outstanding bonded debt totaling \$40,180,000. The City's total interest expense for all bonded debt was \$17,227,808.

Additional information is detailed in the Note 2.H to the Basic Financial Statements starting on page 60.

The City's bond ratings by Fitch and Standard & Poor's are currently as follows:

	Fitch	Standard & Poor's
General obligation bonds	AA+	AAA
Sales tax revenue bonds (taxable)	AA+	A+
Sales tax revenue bonds (tax-exempt)	AA+	AA-
Water and wastewater revenue bonds	AAA	AAA

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2020
(Unaudited)

Economic Factors and Next Year's Budget and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2020 budget including tax rates and fees that will be charged for business-type activities. One of the biggest factors continued to be the national economy and uncertainty caused by the pandemic. Building and development growth rates continue to increase overall; and indicate healthy activities in the residential sector and commercial type permitting. Although the City is largely built out and mature, there are still several areas available, mainly in the south sector with higher end residential areas along Joe Pool Lake. In addition, there is a leveling of multi-family developments, but a major increase in retail construction, in large part due to toll road 161 and emerging destination facilities, such as Epic and Epic Waters.

The City population as of September 2020 was 195,200 which is a 1.82% increase over prior year. Residential expansions continue in the south and new manufacturing and distribution companies continue to add growth to the City's economy. Even more growth is expected as a result of continued development and mobility through the City. Roadway improvements, like widening of Camp Wisdom, Great Southwest Parkway and I-30 frontage roads from SH 161 to McArthur continue to make additional demands on the City for increased services. Our diverse economy, the overall DFW metroplex economy and major transportation access all serve to create a synergy.

The following indicators were taken into account when adopting the budget for fiscal year 2021:

- 4.6% increase in assessed property values;
- A 3.79% decrease in budgeted sales tax collections from FY2020 projected collections to anticipate possible impacts of the pandemic. There was no change in the City's sales tax rate.
- The City's very strong financial position, favorable bond ratings, and continued low interest rates.

These indicators resulted in an increase in budgeted property tax revenues of \$3,207,012 for the General Fund and \$978,931 for the General Obligation Debt Service Fund. The City maintained the same property tax rate of \$0.669998 per \$100 valuation for fiscal year 2021.

Budgeted sales tax revenues across all funds were decreased by \$4,363,487, or (6.11)% over prior fiscal year collections with no change in the sales tax rate.

The City's total approved operating appropriations for fiscal year 2021 is \$406,504,723, an increase of 1.88% as compared to prior fiscal year projected expenditures. General Fund approved appropriations for fiscal year 2021 is \$148,046,434, an increase of 1% over fiscal year 2020. Personnel services attributes to 74% of the total operating budget. This increase follows suit with additional staffing (full-time and part-time) to support general administration public safety overtime, civil service step program and other market adjustments. The increases were offset by removing budget for frozen positions, decreases in Employee and Retiree insurance contributions and lower fuel rates. Other changes in total budgeted operating appropriations include decreases in Parks Venue (\$2.1M), Capital Lending Reserves (\$3.8M) and Internal Services Funds (\$2.3M);

Fiscal year 2021 budgeted appropriations for the General Obligation Debt Service Fund decreased by \$1,389,922, or (3.9%) from fiscal year 2020.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2020

Note 1. Summary of Significant Accounting Policies

A. Introduction

The City of Grand Prairie (City) is one of the Mid-Cities in the Dallas-Fort Worth Metroplex, 12 miles west of downtown Dallas, 18 miles east of downtown Fort Worth and six miles south of DFW International Airport. The City was incorporated in 1909, and adopted the Council-Manager form of government in 1948.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants as published in Audits of State and Local Governments.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including legally separate entities as component units within the City's reporting entity are set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. Based on this criterion, the City reports the following component units as part of the financial reporting entity:

Blended Component Units

Grand Prairie Crime Control and Prevention District

The City of Grand Prairie Crime Control and Prevention District (CCPD) was created in May 2007 under the provisions of the Crime Control and Prevention Act and authority of Chapter 363, Texas Local Government Code, as amended (Act) by Resolution No. 2007-02 of the Grand Prairie City Council. The purpose of the CCPD is to provide crime control and crime prevention strategies, specific treatment and prevention programs, and court and prosecution services including the cost of personnel, administration, expansion, enhancement, and capital expenditures, and any other programs as authorized by Chapter 363.

Under the authority of the Act, the voters of Grand Prairie approved a proposition to levy and collect an additional quarter-cent sales and use tax for the purpose of funding the CCPD which became effective October 1, 2007. In 2012, citizens voted to continue/renew the quarter-cent sales and use tax for this same purpose.

The CCPD's governing body is substantively the same as the governing body of the City as the seven members of the CCPD's Board of Directors are all City council members. The City has operational responsibility for the CCPD, and the CCPD provides all of its services to the City. If the District is dissolved, its assets will become the City's property. For these reasons, the CCPD is reported as a blended component unit of the City and is reported as a special revenue fund within the City's governmental activities. This special revenue fund was established specifically to account for the accumulation and use of the quarter-cent sales tax revenue collected for the CCPD.



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Basic Financial Statements



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City of Grand Prairie, Texas
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water Wastewater	Solid Waste	Other Nonmajor	Total	
Cash flows from operating activities:					
Cash receipts from customers	\$ 81,358,733	\$ 14,089,297	\$ 11,390,211	\$ 106,838,241	\$ -
Cash receipts from city and employee contributions	-	-	-	-	24,781,182
Cash receipts from interfund services provided	-	-	-	-	5,949,825
Cash receipts from other governments	-	-	144,436	144,436	-
Other operating cash receipts	329,446	205,508	708,365	1,243,319	15,954
Cash payments to suppliers for goods and services	(46,772,925)	(6,250,895)	(3,017,137)	(56,040,947)	(4,420,798)
Cash payments to employees for services	(9,139,009)	(3,171,851)	(2,732,058)	(15,062,918)	36,878
Cash payments for interfund services used	-	-	(308,279)	(308,279)	(23,886,341)
Other operating cash payments	(4,767,158)	(1,230,805)	(143,801)	(6,141,764)	-
Net cash provided by (used in) operating activities	20,989,087	3,641,264	6,041,737	30,672,088	2,476,700
Cash flows from noncapital financing activities:					
Transfers from other funds	1,015,530	-	1,271,633	2,287,163	(83,071)
Transfers to other funds	(1,911,898)	(298,354)	(4,908,000)	(7,118,142)	(230,219)
Contributions from other governments	191,733	-	-	191,733	-
Net cash provided by (used in) noncapital financing activities	(704,545)	(298,354)	(3,636,367)	(4,639,266)	(313,290)
Cash flows from capital and related financing activities:					
Proceeds from issuance of bonds	4,290,000	-	-	4,290,000	-
Capital impact fees from developers	1,837,577	-	-	1,837,577	-
Proceeds from disposition of capital assets	119,817	79,908	806,110	1,005,827	4,374
Acquisition and construction of capital assets	(13,739,977)	(2,387,429)	(2,422,297)	(18,569,703)	(542,775)
Principal paid on debt	(10,360,000)	-	(160,000)	(10,520,000)	-
Interest paid on debt	(1,442,083)	-	(39,710)	(1,481,793)	-
Net cash provided by (used in) capital and related financing activities	(19,314,666)	(2,307,521)	(1,815,897)	(23,438,092)	(538,401)
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	4,399,732	1,699,996	-	6,099,728	-
Purchase of investment securities	-	-	-	-	(4,000,000)
Interest received on investments	25,770	-	-	25,770	-
Net cash provided by (used in) investing activities	4,425,502	1,699,996	-	6,125,498	(4,000,000)
Net (decrease) increase in cash and equivalents	5,395,378	2,735,377	589,473	8,720,228	(2,374,991)
Cash and cash equivalents - beginning of year	18,315,332	4,394,846	1,632,853	24,343,031	5,911,490
Cash and cash equivalents - end of year	\$ 23,710,710	\$ 7,130,223	\$ 2,222,326	\$ 33,063,259	\$ 3,536,499
Reconciliation of operating income (loss) from operations to net cash from operating activities:					
Operating Income (loss)	\$ 7,762,657	\$ 1,137,176	\$ 3,592,856	\$ 12,492,701	\$ 941,954
Adjustments to operating income (loss) to net cash from operating activities:					
Depreciation	14,426,053	1,675,747	2,111,033	18,212,833	255,432
Provisions for uncollectible accounts	(300,903)	(72,693)	24,440	(349,156)	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	1,140,055	123,101	99,276	1,362,432	-
(Increase) decrease in due from other governments	-	-	48,130	48,130	-
(Increase) decrease in inventories and supplies	103,763	-	30,640	134,403	12,367
(Increase) decrease in prepaids	(1,744,014)	-	33,600	(1,730,414)	(991)
Increase (decrease) in accounts payable	652,992	250,246	64,577	967,815	(301,579)
Increase (decrease) in retained payable	(17,575)	-	-	(17,575)	-
Increase (decrease) in accrued liabilities	48,722	431,423	4,124	504,269	2,138,995
Increase (decrease) in customer deposits	272,280	-	(896)	271,384	-
Increase (decrease) in unearned revenue	-	-	(11,122)	(11,122)	-
Increase (decrease) in compensated absences	13,972	(314)	(16,239)	(2,601)	(1,179)
Increase (decrease) in CPFB liability	89,412	55,636	51,944	196,994	10,278
Increase (decrease) in pension liability	(1,458,325)	40,938	9,284	(1,408,003)	(579,277)
Net cash provided by (used in) operating activities	\$ 20,989,087	\$ 3,641,264	\$ 6,041,737	\$ 30,672,088	\$ 2,476,700
Noncash investing, capital and financing activities:					
Capital contributions from developers/granting agencies	\$ 6,036,226	\$ -	\$ 2,195,382	\$ 8,231,608	\$ -
Reconciliation of ending cash and cash equivalents to Statement of Net Position:					
Unrestricted cash and cash equivalents - end of year	\$ 20,753,804	\$ 7,130,223	\$ 2,222,326	\$ 30,106,353	\$ 3,536,499
Restricted cash and cash equivalents - end of year	2,956,906	-	-	2,956,906	-
Total cash and cash equivalents - end of year	\$ 23,710,710	\$ 7,130,223	\$ 2,222,326	\$ 33,063,259	\$ 3,536,499

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Revenues, Expenses,
And Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
OPERATING REVENUES					
Water sales	\$ 47,152,407	\$ -	\$ -	\$ 47,152,407	\$ -
Wastewater services	29,819,236	-	-	29,819,236	-
Water and wastewater fees	2,411,560	-	-	2,411,560	-
Wastewater surcharges	864,098	-	-	864,098	-
Solid waste fees	-	14,038,889	-	14,038,889	-
Charges for services	-	-	11,267,391	11,267,391	5,949,825
Intergovernmental revenue	-	-	96,306	96,306	-
Insurance premiums	-	-	-	-	24,781,182
Miscellaneous	329,446	205,508	708,365	1,243,319	16,945
Total operating revenue	80,576,747	14,244,397	12,072,062	106,893,206	30,747,952
OPERATING EXPENSES					
Salaries and benefits	7,804,068	3,268,113	2,777,127	13,849,308	1,532,939
Supplies and miscellaneous purchases	1,176,070	463,237	1,090,049	2,729,356	2,293,222
Purchased services	5,361,752	6,036,468	1,808,705	13,206,925	1,363,787
Insurance costs	-	-	-	-	23,886,341
Water purchases	17,194,531	-	-	17,194,531	-
Wastewater treatment	17,778,836	-	-	17,778,836	-
General and administrative costs	4,309,622	432,849	143,801	4,886,272	-
Franchise fees	3,085,068	386,274	308,279	3,779,621	-
Miscellaneous	1,682,090	844,531	240,202	2,766,823	454,277
Depreciation	14,426,053	1,675,747	2,111,033	18,212,833	255,432
Total operating expenses	72,814,090	13,107,219	8,479,196	94,400,505	29,805,998
Operating income	7,762,657	1,137,178	3,592,866	12,492,701	941,954
NONOPERATING REVENUES (EXPENSES)					
Investment income	25,770	-	-	25,770	-
Gain (loss) on property disposition	28,963	62,517	6,110	97,590	4,374
Interest expense	(601,315)	-	(38,760)	(640,075)	-
Total nonoperating revenues (expenses)	(546,582)	62,517	(32,650)	(516,715)	4,374
Income before contributions and transfers	7,216,075	1,199,695	3,560,216	11,975,986	946,328
CONTRIBUTIONS AND TRANSFERS					
Capital contributions-impact fees	1,837,577	-	-	1,837,577	-
Capital contributions	6,036,226	-	2,195,382	8,231,608	-
Transfers in - capital assets	122,405	-	-	122,405	-
Transfers out - capital assets	-	(122,405)	-	(122,405)	(83,071)
Transfers in	1,015,530	-	1,271,633	2,287,163	-
Transfers out	(1,911,808)	(298,354)	(4,908,000)	(7,118,162)	(230,219)
Total contributions and transfers	7,099,930	(420,759)	(1,440,985)	5,238,186	(313,290)
Change in net position	14,316,005	778,936	2,119,231	17,214,172	633,036
Net position - beginning of year	211,853,576	21,570,486	34,792,878	268,216,940	18,214,256
Net position - end of year	\$ 226,169,581	\$ 22,349,422	\$ 36,912,109	\$ 285,431,112	\$ 18,847,294
Reconciliation to government-wide Statement of Activities:					
Total change in net position				\$ 17,214,172	
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				209,872	
Change in net position of business-type activities				\$ 17,424,044	

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Net Position
September 30, 2020

	Primary Government			Grand Prairie Sports Facilities Development	Grand Prairie Housing Finance Corporation
	Governmental Activities	Business-Type Activities	Total		
ASSETS					
Cash and cash equivalents:	\$ 101,510,207	\$ 30,106,353	\$ 131,616,560	\$ 9,115,357	\$ 576,342
Investments	3,051,540	17,406,047	20,457,587	2,023,379	-
Receivables, net	21,913,899	7,116,123	29,030,022	1,053,454	-
Intergovernmental receivables	6,992,879	-	6,992,879	-	-
Inventories and supplies	123,752	594,429	718,181	-	-
Prepaids	479,427	1,764,016	2,243,443	-	37,474
Restricted assets:					
Cash and cash equivalents	12,099,512	2,956,906	15,056,418	-	1,457,661
Investments	143,281,679	64,484,427	207,766,106	-	-
Internal balances	(2,928,702)	2,928,702	-	-	-
Lease payments receivable	-	-	-	8,701,641	-
Estimated unguaranteed residual value	-	-	-	27,420,561	-
Capital assets:					
Nondepreciable	227,316,253	39,212,942	266,529,195	-	1,612,851
Depreciable, net	476,579,115	205,794,128	682,373,243	-	10,799,673
Total assets	990,420,061	372,364,093	1,362,784,154	46,314,392	14,484,201
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refundings related to CPEB	2,501,641	804,849	3,306,490	-	-
Related to TMRIS pension	3,573,235	336,474	3,909,709	-	-
Related to TMRIS pension	15,452,628	1,168,499	16,621,127	-	-
Total deferred outflows of resources	21,526,904	2,309,822	23,836,726	-	-
LIABILITIES					
Accounts payable	16,641,643	5,714,498	22,356,141	19,386	160,451
Retainage payable	1,103,253	103,828	1,207,081	-	-
Accrued liabilities	13,640,802	1,033,122	14,673,924	-	267,500
Unassigned revenue	2,988,010	1,030,161	4,018,171	-	-
Current liabilities payable from restricted assets:					
Accrued interest	2,531,865	315,588	2,847,453	-	-
Customer deposits	32,000	5,278,501	5,310,501	-	92,777
Noncurrent liabilities:					
Due within one year:					
Compensated absences	9,005,253	464,294	9,469,547	-	-
Environmental remediation obligation	20,900	-	20,900	-	-
Other liabilities	160,776	-	160,776	-	-
Current portion of long-term debt	34,875,000	5,290,000	40,165,000	-	328,148
Due in more than one year:					
Compensated absences	12,059,204	5,117	12,064,321	-	-
Other postemployment benefits	60,857,581	6,275,993	66,943,564	-	-
Closure and postclosure liability	-	6,648,946	6,648,946	-	-
Net pension liability	59,113,940	4,470,085	63,584,025	-	-
Other liabilities	978,591	-	978,591	-	-
Long-term debt	381,149,620	45,958,478	427,108,098	-	14,648,522
Total liabilities	594,988,458	64,588,601	659,577,059	19,386	15,497,398
DEFERRED INFLOWS OF RESOURCES					
Related to CPEB	3,657,592	423,304	4,080,896	-	-
Related to TMRIS pension	17,220,710	1,302,196	18,522,906	-	-
Total deferred inflows of resources	20,878,302	1,725,500	22,603,802	-	-
NET POSITION					
Net investment in capital assets	336,590,522	193,394,660	529,985,182	-	(1,349,049)
Restricted for:					
Debt service	477,354	5,556,271	6,033,625	-	-
Capital projects	2,574,708	55,674,204	58,250,912	-	-
Support Services	3,183,283	-	3,183,283	-	-
Public safety	12,791,188	-	12,791,188	-	-
Recreation and leisure	11,656,424	-	11,656,424	-	-
Development services	20,157,215	-	20,157,215	-	-
Other specific purposes	7,748,054	-	7,748,054	-	-
Facility lease	-	-	-	37,069,952	-
Replacement reserve	-	-	-	-	149,787
Unrestricted	701,455	33,692,679	34,394,134	11,225,054	186,065
Total net position	\$ 396,080,205	\$ 288,339,814	\$ 684,440,019	\$ 48,295,006	\$ (1,013,197)

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Activities
For the Year Ended September 30, 2020

Functions/Activity	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 31,310,741	\$ 6,872,544	\$ 195,474	\$ -
Public safety services	113,728,877	12,049,004	23,757,161	-
Recreation and leisure services	32,949,455	9,275,408	507,507	-
Development services and other	110,126,929	15,092,783	39,324,257	417,050
Interest on long-term debt	12,689,169	-	-	-
Total governmental activities	300,805,171	43,289,739	63,784,399	417,050
Business-type activities:				
Water and wastewater	73,211,370	80,576,747	-	7,873,803
Solid waste	13,044,195	14,245,989	-	-
Municipal airport	2,529,664	1,906,648	96,306	-
Municipal golf course	3,452,349	2,386,574	-	-
Storm water	2,497,132	7,682,534	-	2,195,382
Total business-type activities	94,734,710	106,798,492	96,306	10,069,185
Total primary government	\$ 395,539,881	\$ 150,088,231	\$ 63,880,705	\$ 10,486,235
Component units:				
Grand Prairie Sports Facilities Development	\$ 4,540,434	\$ 985,025	\$ -	\$ 521,941
Grand Prairie Housing Finance Corporation	6,207,049	5,987,835	-	-
Total component units	\$ 10,747,483	\$ 6,972,860	\$ -	\$ 521,941
General revenues:				
Taxes				
Property taxes				
Sales taxes				
Hotel/motel and other taxes				
Franchise fees (and those based on gross receipts)				
Investment income				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Net position - end of year				

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Net Position
Proprietary Funds
September 30, 2020

ASSETS	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds	Total	
Current assets:					
Cash and cash equivalents	\$ 20,753,804	\$ 7,130,223	\$ 2,222,326	\$ 30,106,353	\$ 3,534,499
Investments	3,611,148	11,924,536	1,870,563	17,406,247	21,000,000
Accounts receivable, net	5,855,325	583,809	676,989	7,116,123	991
Inventories and supplies	527,006	-	67,423	594,429	87,876
Prepays	1,764,016	-	-	1,764,016	444,083
Restricted assets:					
Cash and cash equivalents	2,956,906	-	-	2,956,906	-
Investments	64,408,971	-	75,456	64,484,427	-
Total current assets	99,877,176	19,438,568	4,912,557	124,428,301	25,069,449
Noncurrent assets:					
Capital assets:					
Land	2,597,138	1,748,378	759,707	5,105,223	737,566
Buildings	2,673,677	1,996,417	15,328,893	19,998,987	1,885,866
Equipment	14,529,471	11,126,331	2,451,986	28,107,788	2,370,415
Infrastructure	343,839,998	12,892,660	45,749,555	401,481,313	-
Construction in progress	30,907,973	1,240,939	1,938,897	34,107,739	-
Less: accumulated depreciation	(209,549,272)	(113,137,162)	(30,217,526)	(243,903,960)	(3079,979)
Total noncurrent assets	193,998,085	15,067,583	35,941,422	245,007,090	1,913,868
Total assets	293,875,261	34,706,151	40,853,979	369,435,391	26,983,317
DEFERRED OUTFLOWS OF RESOURCES					
Debt fundings	804,849	-	-	804,849	-
Related to OPEB	163,148	89,473	83,853	336,474	23,031
Related to TMRB pension	530,360	330,026	308,113	1,168,499	60,948
Total deferred outflows of resources	1,498,357	419,499	391,966	2,309,822	83,999
LIABILITIES					
Current liabilities:					
Accounts payable	4,652,627	748,489	313,382	5,714,498	626,023
Retainage payable	103,828	-	-	103,828	-
Accrued interest	311,099	-	4,489	315,588	-
Accrued liabilities	444,485	257,441	131,291	1,033,122	6,415,760
Compensated absences	284,658	86,418	93,218	464,294	47,428
Unearned revenue	905,606	-	124,555	1,030,161	-
Current portion of long-term debt	5,120,000	-	170,000	5,290,000	-
Current liabilities payable from restricted assets:					
Customer deposits	5,203,045	-	75,456	5,278,501	-
Total current liabilities	17,225,343	1,092,348	912,301	19,229,992	7,089,211
Noncurrent liabilities:					
Compensated absences	-	-	5,117	5,117	-
Other post-employment benefits	3,711,568	1,312,574	1,251,841	6,275,983	780,473
Closure and post-closure liability	-	8,648,946	-	8,648,946	-
Net pension liability	2,028,888	1,262,512	1,178,685	4,470,085	233,230
Long-term debt	45,403,478	-	555,000	45,958,478	-
Total noncurrent liabilities	51,143,934	11,224,032	2,990,643	65,358,609	1,013,703
Total liabilities	68,369,277	12,316,380	3,902,944	84,588,601	8,102,914
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	243,718	92,048	87,556	423,324	49,166
Related to TMRB pension	591,042	367,788	343,366	1,302,196	67,942
Total deferred inflows of resources	834,760	459,836	430,892	1,725,500	117,108
NET POSITION					
Net investment in capital assets	143,110,655	15,067,583	35,216,422	193,394,660	1,913,868
Restricted for:					
Debt service	5,596,271	-	-	5,596,271	-
Capital projects	55,676,204	-	-	55,676,204	-
Unrestricted	21,786,451	7,281,838	1,695,687	30,763,977	16,933,426
Total net position	\$ 226,169,581	\$ 22,349,422	\$ 36,912,109	\$ 285,431,112	\$ 18,847,294
Reconciliation to government-wide Statement of Net Position:					
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				2,928,702	
Net position of business-type activities				\$ 288,359,814	

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2020

Net change in fund balances - total governmental funds \$ (25,669,761)

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 capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 61,990,328

Depreciation on capital assets is reported in the government-wide statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds (except for internal service fund depreciation of \$255,432). (43,625,326)

Governmental funds do not report capital contributions. 224,800

The net effect of various transactions involving capital assets (i.e., disposals, sales, and reassignments) are not reported in the governmental funds. (685,351)

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

Refunding bonds issued	(19,475,000)	
Payments to bond escrow agents	21,984,352	
Bond principal retirement	34,785,000	
Bond premium issued	(2,734,530)	
Amortization of bond premiums/discouts	3,173,725	
Amortization of loss on refundings	(304,722)	37,428,825

Some expense accruals reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest	331,794	
Compensated absences	(2,701,706)	
Pollution remediation obligation	56,137	
Postemployment benefit obligation	(5,148,106)	
Pension liability	31,357,768	
Deferred pension and OPEB contributions, and investment and actuarial experience	(33,030,763)	
Other liabilities	160,777	(8,974,099)

Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 884,777

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net operating loss of the internal service funds is reported with governmental activities (net of the amount allocated to business-type activities of \$209,872). 423,166

Change in net position of governmental activities \$ 21,997,359

Net (Expense) Revenue and Changes in Net Position Primary Government			Grand Prairie Sports Facilities Development	Grand Prairie Housing Finance Corporation
Governmental Activities	Business-Type Activities	Total		
\$ (24,242,723)	\$ -	\$ (24,242,723)	\$ -	\$ -
(77,922,712)	-	(77,922,712)	-	-
(23,166,540)	-	(23,166,540)	-	-
(55,292,839)	-	(55,292,839)	-	-
(12,689,169)	-	(12,689,169)	-	-
(193,313,983)	-	(193,313,983)	-	-
-	15,239,180	15,239,180	-	-
-	1,201,794	1,201,794	-	-
-	(526,710)	(526,710)	-	-
-	(1,065,775)	(1,065,775)	-	-
-	7,380,784	7,380,784	-	-
-	22,229,273	22,229,273	-	-
(193,313,983)	22,229,273	(171,084,710)	-	-
			(3,033,468)	-
			-	(219,214)
			(3,033,468)	(219,214)
116,020,990	-	116,020,990	-	-
70,808,392	-	70,808,392	-	-
1,794,491	-	1,794,491	-	-
13,903,806	-	13,903,806	-	-
7,952,664	25,770	7,978,434	132,971	4,019
4,830,999	(4,830,999)	-	-	-
215,311,342	(4,805,229)	210,506,113	132,971	4,019
21,997,359	17,424,044	39,421,403	(2,900,497)	(215,195)
374,082,846	270,935,770	645,018,616	51,195,503	(798,002)
\$ 396,080,205	\$ 288,359,814	\$ 684,440,019	\$ 48,295,006	\$ (1,013,197)

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Balance Sheet
Governmental Funds
September 30, 2020

ASSETS	Streets			Grants	Debt Service	Epic 2 CIP	Nonmajor Governmental Funds	Total Governmental Funds
	General	Section 8	CIP					
Cash and cash equivalents	\$ 5,386,209	\$ 2,819,363	\$ 3,242,696					
Investments	53,209,057	533,109	15,360,381					
Property tax receivable, net	1,830,275	-	-	\$ -	\$ 32,768,034	\$ -	\$ 12,671,070	\$ 115,295,488
Sales tax receivable	6,301,947	-	-	-	-	-	35,709,436	70,647,615
Franchise fees receivable	2,393,307	-	-	-	-	-	1,538,585	1,794,491
Other receivables, net	3,141,023	431	-	1,234	-	-	-	13,903,806
Intergovernmental receivables	1,336,126	-	-	-	-	-	12,061,412	23,507,913
Due from other funds	-	-	-	-	-	-	219,457	3,487,467
Inventory	-	-	-	-	-	-	480,715	6,239,056
Prepays	35,344	-	-	13,834,330	-	-	457,946	63,519,235
								5,194,377
							3,350,467	3,684,522
Total assets	73,633,288	3,352,903	18,603,077	783	-	109,264	9,011	7,952,664
				136,675	-	-	360,517	554,866
				-	-	-	513,348	2,140,453
LIABILITIES								
Accounts payable	3,734,460	72,928	2,544,208	13,973,022	32,768,034	109,264	67,371,964	317,921,953
Retainage payable	-	-	281,298					
Accrued liabilities	6,137,750	96,690	-					
Due to other funds	356,283	-	-				3,603,086	26,386,107
Customer deposits	-	-	-	3,886,801	-	-	7,078,143	99,283,284
Unearned revenue	571,962	-	-	172,569	-	103,474	22,027,702	25,106,602
				12,817,572	-	-	10,399,127	86,609,926
				532,787	-	5,854,559	43,124,518	61,990,328
Total liabilities	10,800,455	169,618	2,825,506					
					23,255,000	-	11,530,000	34,785,000
					10,986,624	-	4,903,501	15,890,125
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	2,184,403	-	-					
				17,409,729	34,241,624	5,958,033	102,666,077	350,051,372
Total deferred inflows of resources	2,184,403	-	-					
FUND BALANCES								
Nonspendable	35,344	-	-	(3,436,707)	(1,473,590)	(5,848,769)	(35,294,113)	(32,129,419)
Restricted	543,119	3,183,285	5,825,575					
Committed	-	-	9,951,996					
Assigned	12,338,707	-	-	9,043,471	20,833	3,500,000	30,549,616	43,999,920
Unassigned	47,731,260	-	-	(57,319)	(17,955)	-	(15,375,502)	(38,938,702)
					2,734,530	-	-	2,734,530
					19,475,000	-	-	19,475,000
Total fund balances	60,648,430	3,183,285	15,777,571		(21,984,352)	-	-	(21,984,352)
							46,671	1,173,262
Total liabilities, deferred inflows of resources and fund balances	\$ 73,633,288	\$ 3,352,903	\$ 18,603,077	8,986,152	228,056	3,500,000	15,220,785	6,459,658
				5,549,445	(1,245,534)	(2,348,769)	(20,073,328)	(25,669,761)
				1,715,582	3,734,760	40,042,720	127,130,948	259,784,871
				\$ 7,265,027	\$ 2,489,226	\$ 37,693,951	\$ 107,057,620	\$ 234,115,110

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2020

	General	Section 8	Streets CIP	Grants	Debt Service	Epic 2 CIP	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Property taxes	\$ 69,856,384	\$ -	\$ -	\$ 2,817,994	\$ 181,479	\$ 40,254,473	\$ 55,371,006	\$ 110,073,220
Sales taxes	34,938,179	-	-	-	2,200,000	-	54,030,672	125,333,219
Other taxes	255,906	-	-	-	823,041	-	-	2,653,316
Franchise fees	13,903,806	-	-	-	-	-	6,294,842	12,596,789
Charges for goods and services	4,978,448	6,466,819	-	-	-	-	62,212	2,455,519
Licenses and permits	2,981,599	286,411	-	190,836	5,517	-	869,477	4,207,284
Fines and forfeitures	5,758,341	-	-	5,656,753	-	-	-	6,992,879
Intergovernmental	11,918,632	37,308,327	-	-	-	-	3,449,919	3,449,919
General and administrative	5,194,377	-	-	-	-	-	-	35,876
Rents and royalties	334,055	-	-	-	-	-	-	35,876
Investment income	7,833,606	-	-	-	-	-	-	35,876
Contributions	57,674	-	-	-	-	-	-	35,344
Other	1,533,059	78,046	16,000	-	-	-	-	35,344
Total revenues	159,544,066	44,139,603	16,000	8,665,583	3,210,037	40,254,473	120,114,004	267,833,365
EXPENDITURES								
Current operations:								
Support services	22,793,021	-	-	1,159,614	798	2,300,958	6,202,649	16,015,615
Public safety services	88,318,340	-	-	-	-	259,564	562,391	1,103,253
Recreation and leisure services	2,802,857	-	-	133,562	-	-	857,040	7,225,042
Development services and other	13,263,283	41,638,764	8,491,180	-	-	-	3,093,636	3,449,919
Capital outlay	1,261,630	80,055	11,136,779	107,380	-	-	2,308,668	2,988,010
Debt service:								
Principal retirement	-	-	-	1,400,556	798	2,560,522	13,056,384	30,813,839
Interest and other charges	-	-	-	-	720,013	-	-	2,904,416
Total expenditures	128,429,131	41,718,819	19,627,959	-	720,013	-	-	2,904,416
Excess (deficiency) of revenues over (under) expenditures	31,114,935	2,420,784	(19,611,959)	-	-	-	35,876	71,220
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	886,000	7,265,027	2,489,226	29,000,000	59,615,354	107,921,586
Transfers out	(16,762,667)	(20,833)	(6,704,426)	-	-	8,693,951	47,406,390	66,052,337
Premium on bonds issued	-	-	-	-	-	-	-	12,338,707
Refunding bonds issued	-	-	-	-	-	-	-	47,731,260
Payments to bond escrow agents	-	-	-	-	-	-	-	-
Proceeds from sale of assets	1,115,891	10,700	-	7,265,027	2,489,226	37,693,951	107,057,620	234,115,110
Total other financing sources (uses)	(15,646,776)	(10,133)	(5,818,426)	\$ 8,665,583	\$ 3,210,037	\$ 40,254,473	\$ 120,114,004	\$ 267,833,365
Net change in fund balances	15,468,159	2,410,651	(25,430,385)					
Fund balances - beginning of year	45,180,271	772,634	41,207,956					
Fund balances - end of year	\$ 60,648,430	\$ 3,183,285	\$ 15,777,571					

The Notes to the Basic Financial Statements are an integral part of this statement.

City of Grand Prairie, Texas
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 September 30, 2020

Total fund balance - total governmental funds		\$ 234,115,110
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds (excluding internal service funds' capital assets of \$1,913,868).		701,982,000
Certain revenues are not available to pay for current-period expenditures; therefore, these revenues are deferred in the funds.		2,904,416
Certain assets and liabilities do not provide or require the use of current financial resources; therefore, these assets and liabilities are not reported in the governmental funds.		
Accrued interest on long-term debt	(2,531,885)	
Unamortized loss of bond refundings	2,501,041	
Deferred pension and OPEB contributions, and investment and actuarial experience (excluding internal service fund totals of \$33,109).	<u>(1,819,334)</u>	(1,850,178)
Internal service funds are used by management to charge cost of certain activities, such as employee health insurance, risk management insurance, and fleet services, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position (net of amount allocated to business-type activities of \$2,928,702).		15,918,592
Noncurrent liabilities are not due and payable in the current period; therefore, they are not reported in the governmental fund balance sheet. These noncurrent liabilities are as follows:		
Long-term debt	(389,935,000)	
Unamortized bond premium/discount, net	(26,089,620)	
Compensated absences (excluding internal service fund totals of \$47,428)	(21,017,029)	
Other post employment benefits (excluding internal service fund totals of \$780,473)	(59,907,109)	
Net pension liability (excluding internal service fund totals of \$233,230)	(58,880,710)	
Environmental remediation obligation	(20,900)	
Other liabilities	<u>(1,139,367)</u>	<u>(556,989,735)</u>
Net position of governmental activities		\$ 396,080,205



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City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2020
(Unaudited)

The City's approved appropriations for capital projects in fiscal year 2021 totals \$50,053,324. Planned capital projects include:

- \$12,733,680 in street and signal projects
- \$17,118,500 in water and wastewater requests
- \$5,229,500 in storm drainage projects
- \$3,452,388 in fire equipment and stations' relocations
- \$5,593,016 in Municipal Facilities

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Controller, City of Grand Prairie, Texas, 326 W. Main Street, P.O. Box 534045, Grand Prairie, Texas, 75053-4045.



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Notes to the Basic Financial Statements