

Dated November 16, 2022

Rating:
S&P: "AAA" (stable outlook)
(see "OTHER INFORMATION –
Rating" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" herein.

THE BONDS HAVE NOT BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

\$10,765,000
CITY OF GRAND PRAIRIE, TEXAS
(Dallas, Tarrant and Ellis Counties)
WATER AND WASTEWATER SYSTEM REVENUE BONDS, NEW SERIES 2022

Dated Date: November 1, 2022

Due: January 15, as shown on page 2

Interest to accrue from the Delivery Date

PAYMENT TERMS . . . Interest on the \$10,765,000 City of Grand Prairie, Texas, Water and Wastewater System Revenue Bonds, New Series 2022 (the "Bonds") will accrue from the "Delivery Date" (as defined below), estimated to be December 14, 2022, will be payable January 15 and July 15 of each year, until maturity or prior redemption, commencing July 15, 2023, 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 stated 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 Zions Bancorporation, National Association, Houston, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are authorized and issued pursuant to the Constitution and general laws of the State of Texas (the "State"), particularly Texas Government Code, Chapters 1371 and 1502, as amended, and an ordinance (the "Bond Ordinance") adopted by the City Council of the City of Grand Prairie, Texas (the "City"), on October 11, 2022. In the Bond Ordinance the City delegated to an authorized officer of the City (the "Pricing Officer") the authority to effect the sale of the Bonds and to establish certain terms related to the issuance of the Bonds. The terms of sale are included in a "Pricing Certificate" which Pricing Certificate was executed on November 16, 2022. The Bond Ordinance and the Pricing Certificate are sometimes collectively referred to herein as the "Ordinance". The Bonds, together with the Outstanding Bonds Similarly Secured (defined herein), are special obligations of the City, payable, both as to principal and interest, solely from and secured by a lien on and pledge of the Net Revenues of the City's Water and Wastewater System (the "System"). **The City has not covenanted nor obligated itself to pay the Bonds from monies raised or to be raised from taxation** (see "THE BONDS - Authority for Issuance" and "THE BONDS - Security and Source of Payment").

PURPOSE . . . Proceeds from the sale of the Bonds will be used for (i) improving, extending, equipping and repairing the System, and (ii) paying the costs associated with the issuance of the Bonds (see "PLAN OF FINANCING").

CUSIP PREFIX: 386168
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 2

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

DELIVERY . . . It is expected that the Bonds will be available for delivery through the facilities of DTC on December 14, 2022 (the "Delivery Date").

Municipal Advisory Services
Provided By

HilltopSecurities 
A Hilltop Holdings Company.

MATURITY SCHEDULE

CUSIP Prefix: 386168⁽¹⁾

\$10,765,000
WATER AND WASTEWATER SYSTEM
REVENUE BONDS, NEW SERIES 2022

Principal Amount	15-Jan Maturity	Interest Rate	Yield	CUSIP Suffix ⁽¹⁾	Principal Amount	15-Jan Maturity	Interest Rate	Yield	CUSIP Suffix ⁽¹⁾
\$ 360,000	2025	4.000%	2.980%	XZ6	\$ 585,000	2035	5.000%	3.450% ⁽²⁾	YK8
375,000	2026	5.000%	3.030%	YA0	615,000	2036	4.000%	3.900% ⁽²⁾	YL6
395,000	2027	5.000%	3.040%	YB8	640,000	2037	4.000%	4.000%	YM4
415,000	2028	5.000%	3.050%	YC6	665,000	2038	4.000%	4.030%	YN2
435,000	2029	5.000%	3.080%	YD4	690,000	2039	4.000%	4.060%	YP7
455,000	2030	5.000%	3.110%	YE2	720,000	2040	4.000%	4.120%	YQ5
480,000	2031	5.000%	3.150% ⁽²⁾	YF9	750,000	2041	4.000%	4.180%	YR3
505,000	2032	5.000%	3.190% ⁽²⁾	YG7	780,000	2042	4.000%	4.200%	YS1
530,000	2033	5.000%	3.230% ⁽²⁾	YH5	810,000	2043	4.125%	4.230%	YT9
560,000	2034	5.000%	3.350% ⁽²⁾	YJ1					

(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 FactSet Research Systems Inc. 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. CUSIP numbers are provided for convenience of reference only. Neither the City, the Financial Advisor, nor the Initial Purchaser is responsible for the selection or correctness of the CUSIP numbers set forth herein.
- (2) Yield shown is yield to first call date January 15, 2030.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after January 15, 2031, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on January 15, 2030, 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").

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This Official Statement, which includes the cover page, maturity schedule 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 Financial Advisor or the Initial Purchaser. 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 BONDS. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE MATURITY SCHEDULE AND ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE SEC 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 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 Purchasers 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

References to website 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 hyperlinks 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, the Appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

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2. Pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance after the date hereof by the City with the provisions of the Ordinance relating to sections 141 through 150 of the Code, interest on the Bonds for federal income tax purposes (a) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (b) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

WE EXPRESS NO OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

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 and are not binding on the Internal Revenue Service; 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.

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.

THE CITY	The City of Grand Prairie, Texas (the "City") is a political subdivision and home rule municipal corporation of the State of Texas, located in Dallas, Tarrant and Ellis Counties, Texas. The City covers approximately 81 square miles (see "INTRODUCTION - Description of the City").
THE BONDS	The \$10,765,000 City of Grand Prairie, Texas, Water and Wastewater System Revenue Bonds, New Series 2022 (the "Bonds") are issued as serial bonds maturing on January 15 in each of the years 2025 through 2043 (see "THE BONDS - Description of the Bonds").
PAYMENT OF INTEREST	Interest on the Bonds accrues from the "Delivery Date" estimated to be December 14, 2022, and is payable July 15, 2023, and each January 15 and July 15 thereafter until maturity or prior redemption (see "THE BONDS - Description of the Bonds" and "THE BONDS - Optional Redemption of the Bonds").
AUTHORITY FOR ISSUANCE	The Bonds are authorized and issued pursuant to the Constitution and general laws of the State, particularly Texas Government Code, Chapters 1371 and 1502, as amended, and an ordinance (the "Bond Ordinance") adopted by the City Council of the City on October 11, 2022. In the Bond Ordinance the City delegated to an authorized officer of the City (the "Pricing Officer") the authority to effect the sale of the Bonds and to establish certain terms related to the issuance of the Bonds. The terms of sale are included in a "Pricing Certificate" which Pricing Certificate was executed on November 16, 2022. The Bond Ordinance and the Pricing Certificate are sometimes collectively referred to herein as the "Ordinance" (see "THE BONDS - Authority for Issuance").
SECURITY FOR THE BONDS	The Bonds constitute special obligations of the City, and, together with the Outstanding Bonds Similarly Secured, are payable, both as to principal and interest, solely from and secured by a lien on and pledge of the Net Revenues (as defined in the Ordinance) of the City's Water and Wastewater System (the "System"). The City has not covenanted nor obligated itself to pay the Bonds from monies raised or to be raised from taxation (see "THE BONDS - Security and Source of Payment").
REDEMPTION OF THE BONDS	The City reserves the right, at its option, to redeem Bonds having stated maturities on and after January 15, 2031, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on January 15, 2030 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").
TAX EXEMPTION	In the opinion of Bond Counsel, the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption "TAX MATTERS" herein.
USE OF PROCEEDS	Proceeds from the sale of the Bonds will be used for (i) improving, extending, equipping and repairing the System and (ii) paying the costs associated with the issuance of the Bonds (see "PLAN OF FINANCING").
RATING	The Bonds have been rated "AAA" with a stable outlook by S&P Global Ratings, a division of S&P Global Inc. ("S&P") (see "OTHER INFORMATION - Rating").
BOOK-ENTRY-ONLY SYSTEM	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of 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 stated 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").
PAYMENT RECORD	The City has never defaulted on the payments of its revenue bonds.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 30-Sep	Estimated City Population ⁽¹⁾	Water Usage ⁽¹⁾ (gallons)			Net Revenues Available For Debt Service	Average Annual Debt Service Requirements	Coverage of Debt
		Average Day Usage	Peak Day Usage	Total Usage			
2017	184,620	25,613,487	36,316,452	9,348,922,755	\$17,493,311	\$3,544,373	4.94
2018	187,050	26,064,236	39,935,407	9,513,445,970	21,269,129	3,589,166	5.93
2019	189,430	25,695,470	40,241,470	9,378,845,231	17,859,985	3,049,314	5.86
2020	196,100 ⁽²⁾	25,309,444	39,398,631	9,237,947,193	22,188,710	2,840,480	7.81
2021	197,347 ⁽²⁾	26,820,923	51,820,977	9,655,532,244	15,967,044	2,636,692	6.06

(1) Source: City Staff.
 (2) Source: 2020 Census.

For additional information regarding the City, please contact:

Cathy Patrick, CPA Chief Financial Officer cpatrick@CPTX.org City of Grand Prairie 300 W. Main Street Grand Prairie, Texas 75050 (972) 237-8090	Brady Olsen Assistant Finance Director bolsen@CPTX.org City of Grand Prairie 300 W. Main Street Grand Prairie, Texas 75050 (972) 237-8099	Jim S. Sabonis Managing Director jim.sabonis@hilltopsecurities.com Hilltop Securities Inc. 717 N. Harwood Street, Suite 3400 Dallas, Texas 75201 (214) 953-4195	Andre Ayala Managing Director andre.ayala@hilltopsecurities.com Hilltop Securities Inc. 717 N. Harwood Street, Suite 3400 Dallas, Texas 75201 (214) 953-4184
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December 14, 2022

IN REGARD to the authorization and issuance of the "City of Grand Prairie, Texas, Water and Wastewater System Revenue Bonds, New Series 2022," dated November 1, 2022, in the principal amount of \$10,765,000 (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 and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds.

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 January 15 in each of the years specified in the 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. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Ordinance.

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, 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 the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the United States of America and 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 City and, together with the outstanding and unpaid "Previously Issued Bonds" (identified and defined in the Ordinance), are payable solely from and equally and ratably secured by a lien on and pledge of the Net Revenues (as defined in the Ordinance) of the City's combined Water and Wastewater System, 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.

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas. 133174350.3/1001189147

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CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Ron Jensen Mayor	18 Years	May 2025	CEO and Owner, Control Products
Jorja Jackson Clemson Place 1 - District 1	6 Years	May 2023	Owner, Jorja Clemson Properties
Jacquin Headen Place 2 - District 2	Newly Elected	May 2025	Founder/CEO, Interiors by Jacquin, LLC.
Mike Del Bosque Place 3 - District 3 Mayor Pro-Tem	2 Years	May 2023	Founder/CEO, Intire Health
John Lopez Place 4 - District 4	2 Years	May 2025	Administrative Manager at the Federal Reserve Bank of Dallas
Cole Humphreys Place 5 - District 5	5 Years	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	7 Years	May 2023	Agency Representative, First American Title
Junior Ezeonu Place 8 - At Large	1 Year	May 2024	Political Strategist

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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
Cheryl De Leon	Deputy City Manager	2 Years	20 Years
William A. Hills	Deputy City Manager	32 Years	45 Years
Megan Mahan	Assistant City Manager/City Attorney	9 Years	11 Years
Mona Lisa Galicia	City Secretary	17 Years	17 Years
Cathy Patrick, CPA ⁽¹⁾	Chief Financial Officer	26 Years	31 Years
Brady Olsen	Assistant Finance Director	3 Years	7 Years
Gabe Johnson	Public Works Director	7 Years	11 Years

(1) Cathy Patrick, CPA was named Chief Financial Officer in March 2022.

CONSULTANTS AND ADVISORS

Auditors	Weaver, L.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

OFFICIAL STATEMENT

RELATING TO

\$10,765,000
CITY OF GRAND PRAIRIE, TEXAS
WATER AND WASTEWATER SYSTEM REVENUE BONDS, NEW SERIES 2022

INTRODUCTION

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of \$10,765,000 City of Grand Prairie, Texas, Water and Wastewater System Revenue Bonds, New Series 2022 (the "Bonds"). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the ordinance adopted by the City Council on October 11, 2022 (the "Bond Ordinance"), which delegated the final pricing of the Bonds to a "Pricing Officer" pursuant to a "Pricing Certificate," that was executed on November 16, 2022 and contains the final sales terms of the Bonds, which Bond Ordinance and the Pricing Certificate are jointly herein referred to as the "Ordinance."

There follows in this Official Statement descriptions of the Bonds and certain information regarding the City of Grand Prairie, Texas (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. ("HilltopSecurities"), Dallas, Texas.

DESCRIPTION OF THE CITY . . . The City is a political subdivision and home rule 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 Council members who are elected for staggered three-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), streets, water and sanitary sewer utilities, environmental health services, parks and recreation, public transportation, public facilities, planning and zoning, and general administrative services. The 2010 population was 175,396 while the 2020 Census population was 191,720. The estimated population for 2022 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 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 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) began lifting business and social limitations associated with COVID-19. Under executive orders in effect as of the date of this Official Statement, there are no State-imposed COVID-19 related operating limits for any business or other establishment in the State and no State-imposed requirement to wear a face covering. The Governor retains the right to impose future 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.

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. 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 full 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.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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 2020 certified roll (used for 2021 fiscal year) the City's abatement agreements with four companies resulted in \$38,060,542 in appraised values, totaling \$255,005 in taxes abated on the 2020 certified tax roll (used for the 2021 fiscal year).

P. Subsequent Events

On February 9, 2022, the City issued \$26,000,000 in Certificates of Obligation, Series 2022. The proceeds of the issuance are intended for use on street projects and some repairs and updates on existing police, fire, and municipal facilities.

On February 16, 2022, the City issued \$17,136,000 in General Obligation Refunding Bonds, Series 2022A. The proceeds refunded \$7,700,000 of Combination Tax and Revenue Certificates of Obligation Series 2013A, \$1,410,000 of General Obligation Bonds, Series 2013A, \$5,065,000 of Combination Tax and Revenue Certificates of Obligation Series 2013, and \$2,360,000 of General Obligation Refunding and Improvement Bond Series 2013. The refunding resulted in present value savings of \$1,514,347.

On February 16, 2022, the City issued \$8,215,000 in General Obligation Refunding Bonds, Series 2022B. The proceeds refunded \$7,790,000 of Combination Tax and Revenue Certificates of Obligation, Series 2014 resulting in present value savings of \$396,110.

Finally, on February 16, 2022, the City issued \$19,023,000 in General Obligation Refunding Bonds, Series 2022C. The proceeds refunded \$15,195,000 of Combination Tax and Revenue Certificates of Obligation, Series 2015, and \$2,110,000 of General Obligation Refunding Bond Series 2015. The refunding resulted in present value savings of \$1,808,452.

On February 24, 2022 the City issued \$61,550,000 in Sales Tax Revenue Refunding Bonds, Series 2022. The proceeds refunded \$55,345,000 of Sales Tax Revenue Bond Series 2015 resulting in present value savings of \$5,848,825.

The City has evaluated all other events or transactions that occurred after September 30, 2021 up through March 29, 2022, the date the financial statements were available to be issued.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Bonds will be used for (i) improving, extending, equipping and repairing the System, and (ii) paying the costs associated with the issuance of the Bonds.

USE OF BOND PROCEEDS . . . Proceeds from the sale of the Bonds are expected to be expended as follows:

SOURCES OF FUNDS:	
Par Amount of Bonds	\$ 10,765,000.00
Cash Premium Bid	<u>366,318.97</u>
TOTAL SOURCES:	<u>\$11,131,318.97</u>
 USES OF FUNDS:	
Deposit to Project Fund	\$ 11,000,000.00
Costs of Issuance	<u>131,318.97</u>
TOTAL USES:	<u>\$11,131,318.97</u>

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated November 1, 2022, and mature on January 15 in each of the years and in the amounts shown on page 2 hereof. Interest on the unpaid principal amounts of the Bonds accrues from the Delivery Date, estimated to be December 14, 2022, will be computed on the basis of a 360-day year consisting of twelve 30-day months, and will be payable on July 15, 2023 and each January 15 and July 15 thereafter 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 authorized and issued pursuant to the Constitution and general laws of the State, particularly Texas Government Code, Chapters 1371 and 1502, as amended, and the Ordinance.

SECURITY AND SOURCE OF PAYMENT . . . The Bonds are special obligations of the City, and, together with the Outstanding Bonds Similarly Secured (defined below), are payable, both as to principal and interest, from a lien on and pledge of the Net Revenues of the System after the payment of maintenance and operating expenses. Maintenance and operating expenses include contractual payments which under State laws and their provisions are established as operating expenses. The City has reserved the right to issue additional obligations (the "Additional Bonds") payable on a parity with the Bonds from a lien on and pledge of the Net Revenues (see "SELECTED PROVISIONS OF THE BOND ORDINANCE"). The Bonds, the Previously Issued Bonds and any Additional Bonds are collectively referred to as the "Bonds Similarly Secured".

The Bonds are not a charge upon any other income or revenues of the City and **shall never constitute an indebtedness or pledge of the general credit or taxing powers of the City.** The Ordinance does not create a lien or mortgage on the System, except the Net Revenues, and any judgment against the City may not be enforced by levy and execution against any property owned by the City.

RESERVE FUND . . . As additional security for the payment of the Bonds Similarly Secured, in the Ordinance, the City covenants to maintain a reserve fund (the "Reserve Fund") to pay the principal and interest on the Bonds Similarly Secured when and to the extent other funds are insufficient for such purpose. By reason of the issuance of the Bonds, the total amount required to be accumulated and maintained in the Reserve Fund is \$2,736,567.46 (the "Required Reserve") which amount equals or exceeds the average annual debt service requirements on all Bonds Similarly Secured then Outstanding (calculated on a fiscal year basis as of the date the Bonds are to be delivered). The current balance in the Reserve Fund is \$2,728,822.68. Therefore, to fund the Required Reserve, beginning on or before the first day of each month following the month of delivery of the Bonds, the City will make monthly deposits to the Reserve Fund of not less than 1/60th of the additional amount to be maintained in the Reserve Fund by reason of the issuance of the Bonds. (see "SELECTED PROVISIONS OF THE BOND ORDINANCE"- herein for additional details regarding the Reserve Fund).

PLEGGED REVENUES . . . Subject only to the prior lien on and pledge of the Net Revenues of the System to the payment and security of the Prior Lien Bonds (including the establishment and maintenance of the special funds created for the payment and security of thereof) under the terms and provisions of the ordinances and proceedings pertaining to their authorization and issuance, the Net Revenues of the System, with the exception of those in excess of the amounts required for the payment and security of the Bonds Similarly Secured, are irrevocably pledged to the payment and security of the Bonds Similarly Secured, including the establishment and maintenance of the Interest and Sinking Fund and the Reserve Fund created and established for the payment and security thereof. The Bonds Similarly Secured, and the interest thereon, constitute a lien on the Net Revenues of the System in accordance

with the terms and provisions of the Ordinance (see "SELECTED PROVISIONS OF THE BOND ORDINANCE" herein for a further description of the security for the Bonds).

RATES . . . The City has covenanted in the Ordinance that it will at all times charge and collect rates for services rendered by the System to produce gross revenues in each Fiscal Year sufficient to: (i) pay for all maintenance, operation, debt service, depreciation, replacement and betterment charges of the System; (ii) pay the interest on and principal of the Bonds Similarly Secured and the amounts required to be deposited into the special Funds created and established for the payment and security of the Bonds Similarly Secured; (iii) produce Net Revenues each year in an amount reasonably estimated to be not less than 1.25 times the average annual principal and interest requirements of the Outstanding Bonds Similarly Secured; and (iv) pay all outstanding, legally incurred indebtedness against the System, as and when the same become due.

For more detailed information on the System rates and charges, see "SELECTED PROVISIONS OF THE BOND ORDINANCE – Rates and Charges".

OPTIONAL REDEMPTION OF THE BONDS . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after January 15, 2031, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on January 15, 2030, 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.

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 BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND 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.

DEFEASANCE . . . The Ordinance provides for the defeasance of the Bonds when the payment of the principal of and premium, if any, on the Bonds, 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 an authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Obligations (defined below), which Government Obligations shall 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. In the event of a defeasance of the Bonds, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another qualified third party concerning the sufficiency of the deposit of cash and/or Government Obligations to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased 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.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2021

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, 2021, 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	\$ 878,750
Capital assets	15,549,467
Deferred outflows of resources	60,484
Total assets and deferred outflows of resources	16,488,701
Current liabilities	451,142
Long-term liabilities	795,531
Deferred inflows of resources	71,075
Total liabilities and deferred inflows of resources	1,317,748
Net position: Net investment in capital assets	14,994,467
Net position: Unrestricted	4,194
Total net position	\$ 14,998,661
Condensed statement of revenues, expenses and changes in net position:	
Sales to customers	\$ 1,309,133
Intergovernmental revenue	65,197
Miscellaneous	734,368
Total operating revenues	2,108,698
Depreciation	932,730
Other operating expenses	2,017,359
Total operating expenses	2,950,089
Interest expense	(30,810)
Total nonoperating revenues (expenses)	(30,810)
Loss before transfers	(872,201)
Transfers out	(48,000)
Change in net position	(920,201)
Net position at the beginning of the year	15,900,907
Net position at the end of the year	\$ 14,980,706
Condensed statement of cash flows:	
Net cash provided (used) by:	
Operating activities	33,890
Noncapital financing activities	(48,000)
Capital and related financing activities	(157,517)
Investing activities	-
Beginning cash and cash equivalent balances	347,271
Ending cash and cash equivalent balances	\$ 175,644

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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, 2021, the City paid \$56,082 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.

Stadium Lease – On December 1, 2020, the City entered into a fifteen-year lease agreement with MLC Dallas Stadium Co., LLC (the Tenant) for their use of the City-owned baseball stadium. The Tenant has unlimited use of the Stadium to hold sporting and entertainment events. Nextel pays the City, in advance, a monthly lease payment of \$20,000 which includes \$10,000 in construction rent applicable to only the first eighty months of the agreement. In addition to rent, the tenant pays 5% of their gross revenues from the immediately preceding six-month period on January and July 15th of each year. The Tenant is responsible for all utility services, maintenance of the building, landscaping, irrigation, art, and playgrounds, and for maintaining a maintenance and repair reserve fund. The City is obligated to deposit \$200,000 to this reserve fund to benefit the Stadium every five years.

Construction Commitments

The City has several approved outstanding major capital projects as of September 30, 2021. The City's total committed but unexpended expenditures for such authorized capital projects at year-end approximates \$121,406,523. Funding for these contracts will be received through various capital projects funds and enterprise funds.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid and will cease to be outstanding obligations secured by the Ordinance or treated as debt of the City or applying any limitation on the City's ability to issue debt or for any other purpose. Furthermore, all rights of the City to initiate proceedings to call the Bonds that have been defeased to maturity for redemption or take any other action amending the terms of the Bonds that have been defeased to maturity are extinguished; provided, however, that the right to call the Bonds that have been defeased to maturity for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

AMENDMENTS . . . The City may, without the consent of or notice to any registered owners, from time to time and at any time, amend the 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 therein. In addition, the City may, with the written consent of holders of a majority in aggregate principal amount of the Bonds then Outstanding, amend, add to, or rescind any of the provisions of the Ordinance; provided that, without the consent of the registered owners of all of the Outstanding Bonds, 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, 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 the Bonds required to be held by the owners of the Bonds for consent to any such amendment, addition, or rescission.

BOOK-ENTRY-ONLY SYSTEM . . . This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, interest and redemption payments 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 and the Financial Advisor believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The City, the Financial Advisor and the Initial Purchaser cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other 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 redemption or other 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). One fully-registered certificate will be issued for each stated maturity of the Bonds in the aggregate principal amount of each such maturity 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 rating of AA+ from S&P Global Ratings. 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 DTC Participants, which will receive a credit for such purchases on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Direct or Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are 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 interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. **Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system described herein 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 DTC 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 the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, 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 notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any 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 the City as soon as possible after the Record Date (hereinafter defined). The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those 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 the 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, the Paying Agent/Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent/Registrar, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities 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 securities depository is not obtained, Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

Effect of Termination of Book-Entry-Only System. In the event that the Book-Entry-Only System is discontinued, printed Bond certificates will be issued to the holders 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" 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, the Financial Advisor or the Initial Purchaser (defined herein).

PAYING AGENT/REGISTRAR. . . The initial Paying Agent/Registrar for the Bonds is Zions Bancorporation, National Association, Houston, 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, trust company, financial institution 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 the 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 or upon early redemption, 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

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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 37.8 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 (\$291,422) 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, 2021, 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 16.69% during fiscal year 2021. 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.

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.

THE SYSTEM

WATER SYSTEM . . . The City's water supply is obtained from City-owned wells, from Dallas Water Utilities ("DWU") and from the Cities of Fort Worth, Mansfield and Midlothian. The City has also entered into a contract with the City of Arlington for additional water supply, as needed. During the year ended September 30, 2022 approximately 0% of the supply came from the City's wells, 90.8% from DWU, 5.6% from Fort Worth, and 3.5% from the City of Midlothian.

The City has a renewable 30-year contract with the City of Dallas, which expires in 2042, for the purchase of water. The City may take up to any amount, but is currently committed to a minimum amount of 37.8 million gallons a day, and pays a fixed demand charge plus a variable charge. The gallons per day (GPD) demand charge is based on current maximum demand or the highest demand established during the five preceding years. Thus, if the City were to stop purchasing water from Dallas, its obligation to pay the demand charge (\$312,607 per million GPD in 2022) would extend for five years. The maximum amount of water the City may take may be increased in future years as needed.

A contract with the city of Fort Worth, effective until the year 2031, provides the City with 2.5 million gallons per day for the balance of the term of the contract.

A contract with the City of Midlothian, executed in 2014 for a thirty-year term, permits the City to purchase up to an average 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 twenty-year term, allows the City to purchase up to 2.5 MGD maximum flow unless otherwise agreed to in writing. As of September 30, 2022, no water has been purchased through this contract.

The amounts paid to outside agencies during the last five fiscal years are as follows:

Fiscal Year Ended	Dallas Water Utilities		City of Ft. Worth	City of Cedar Hill/Midlothian	City of Mansfield	Total Cost of Water Purchased
	Volume Charges	Demand Charges	Volume Charges	Volume Charges	Volume Charges	
2018	\$ 3,624,469	\$ 9,479,477	\$ 1,984,800	\$ 2,051,049	\$ -	\$ 17,139,795
2019	2,096,198	7,556,649	1,764,335	2,046,677	-	13,463,859
2020	3,518,313	10,108,439	1,722,731	1,845,048	57,287	17,194,531
2021	2,747,196	10,337,927	1,772,039	1,892,366	88,490	16,749,528
2022	3,518,556	10,999,481	1,858,406	1,858,406	532,902	18,234,849

The City operates wells in 4 locations, with a total pumping capacity of 3,686,400 GPD. In addition, the City operates 14 pumps in nine locations with a production capacity of 64,728,000 GPD. Storage capacity consists of 34.0 million gallons of elevated storage and 15.9 million gallons of ground and underground storage.

The water distribution system consists of approximately 844 miles of water lines and 7,200 fire hydrants. DWU provides two water distribution locations, the North Connection, with a maximum allotment of 20.0 million GPD, and the South Connection, with a maximum allotment of 35 million GPD. Based on current pipeline capacity, the total is 55 million GPD.

City of Grand Prairie, Texas Notes to the Basic Financial Statements September 30, 2021

TMRS Supplemental Death

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 336,699	\$ (612,182)
Difference in assumptions	1,189,992	(144,508)
Difference in projected and actual earnings on OPEB plan investments	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	30,535	-
	<u>\$ 1,557,226</u>	<u>\$ (756,690)</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$30,535 will be recognized as a reduction of the total OPEB liability in the City's financial statements September 30, 2022. 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
2022	\$ (453,955)
2023	(453,955)
2024	408,682
2021	408,682
2026	-
Total	<u>\$ (90,546)</u>

TMRS Supplemental Death

Measurement Year Ended December 31,	Net deferred outflows (inflows) of resources
2021	\$ 167,926
2022	167,926
2023	160,848
2024	117,758
2025	79,582
Thereafter	75,961
Total	<u>\$ 770,001</u>

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

The following presents the total OPEB liability of the City's TMRS supplemental plan calculated using the discount rate of 2.00%, 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 (1.00%) or 1 percentage point higher (3.00%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
Current		
1% Decrease	Discount Rate	1% Increase
\$ 6,435,476	\$ 5,288,290	\$ 4,398,326

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
\$ 56,434,600	\$ 65,656,336	\$ 74,380,016

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended September 30, 2021, the City recognized total OPEB expense of \$6,000,782 which included \$5,518,041 related to Retiree Health Insurance and \$482,741 related to TMRS Supplemental Death.

At September 30, 2021, 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	\$ -	\$ (2,087,798)
Difference in assumptions	2,651,496	(654,244)
Difference in projected and actual earnings on OPEB plan investments	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	-	-
	<u>\$ 2,651,496</u>	<u>\$ (2,742,042)</u>

FUTURE WATER SUPPLY

The City entered into a contract with the Trinity River Authority (the "TRA") and the cities of Cedar Hill and Duncanville to finance the construction of a water intake facility at Joe Pool Lake. The project, now completed, is not treated as a joint venture by the City since the asset is owned and managed by TRA. TRA provides financing, management, and operations and the cities reimburse it for total costs as follows:

Grand Prairie	33.22%
Duncanville	19.22%
Cedar Hill	47.56%
Total	100.00%

According to the terms of a contract between the City and TRA, the City is entitled to 10.56% of the raw water yield of Joe Pool Lake, which is now filled. The reservoir yields 15.1 million GPD. The City has retired all debt relating to Joe Pool Lake.

The City has also entered into a contract with TRA and the cities of Duncanville and Cedar Hill for the lease of a site for, and the eventual construction of, a water treatment plant at Joe Pool Lake. No construction on the plant is currently scheduled. The City's share of the plant will be 33.22%.

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TABLE 1 – WATER AND WASTEWATER RATES

The City's policy provides for a 2.00 times coverage ratio of all debt service requirements of the System, compared to a 1.25 times coverage ratio for Bonds Similarly Secured, which is required by the Bond Ordinance. In addition, the policy states that the City will strive to maintain working capital at 25% of budgeted expenditures. It is the City's goal to set water and wastewater rates to achieve compliance with these policies. (See "TABLE 6 – Coverage and Fund Balances).

Water Rates (Per 1,000 Gallons)	10/1/2022	10/1/2021
Classification		
Residential		
Per 1,000 gallons, total usage 3,000 gallons or less	\$ 0.12	\$ 0.12
Per 1,000 gallons, total usage more than 3,000 gallons, and up to and including 20,000 gallons	4.87	4.62
Per 1,000 gallons, all quantities over 20,000 gallons	8.74	8.29
Commercial	5.42	5.14
Industrial	5.42	5.14
Governmental	4.56	4.33
Fire Hydrant	10.17	9.69
Minimum Monthly Charge (Based on Meter Size):		
5/8" or 3/4"	\$ 16.96	\$ 16.96
1"	21.82	21.82
1 1/4"	26.09	26.09
1 1/2"	28.33	28.33
2"	49.23	46.66
3"	152.62	144.66
4"	189.20	179.33
6"	283.66	268.87
8"	394.79	374.20
10"	411.90	390.43
12"	433.40	410.81
Wastewater Rates (Per 1,000 Gallons)		
Classification		
Residential		
	\$ 5.02	\$ 4.71
Commercial	6.49	6.09
Industrial	6.49	6.09
Governmental	5.39	5.06
Wastewater Minimum charges based on meter size		
5/8" or 3/4"	\$ 15.42	\$ 15.42
1"	16.70	16.70
1 1/4"	19.47	19.47
1 1/2"	20.30	20.30
2"	25.78	24.20
3"	38.17	35.84
4"	50.68	47.59
6"	78.64	73.84
8"	111.25	104.46
10"	142.43	133.74
12"	159.56	149.83

City of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2021

The discount rate was based on the Fidelity index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

Change in OPEB Liability Retiree Health Insurance	Total OPEB Liability
Balance at September 30, 2020	\$ 62,543,755
Changes for the year:	
Service cost	4,393,270
Interest	1,578,728
Difference between expected and actual experience	-
Changes in assumptions	-
Benefit payments*	(2,859,417)
Net changes	3,112,581
Balance at September 30, 2021	\$ 65,656,336
Change in OPEB Liability TMRS Supplemental Death	
Total OPEB Liability	
Balance at December 31, 2019	\$ 4,419,808
Changes for the year:	
Service cost	191,195
Interest	123,620
Difference between expected and actual experience	(93,363)
Changes in assumptions	687,282
Benefit payments*	(40,252)
Net changes	868,482
Balance at December 31, 2020	\$ 5,288,290

*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 2.41%, 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 (1.41%) or 1 percentage point higher (3.41%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
1% Decrease	Current Discount Rate	1% Increase
\$ 72,474,349	\$ 65,656,336	\$ 57,702,266

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

The City of Grand Prairie TMRS supplemental death total OPEB liability of \$5,288,290 measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The retiree health insurance total OPEB liability in the September 30, 2021 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Discount Rate	2.00%
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.

TABLE 2 – AVERAGE DAILY WATER USAGE (GALLONS)

Fiscal Year Ended 9/30	Average Daily Usage	Maximum Day's Use	Total Pumped In
2018	26,064,236	39,935,407	9,513,445,970
2019	25,695,470	40,241,588	9,378,845,231
2020	25,309,444	39,398,631	9,237,947,193
2021	26,820,923	51,820,977	9,655,532,244
2022	27,431,983	44,240,436	10,012,673,826

WASTEWATER SYSTEM

The City does not operate any wastewater treatment facilities. The City operates its own collection system with 771 miles of sewer lines, which consists of gravity-flow sewer mains which collect in sub-mains, flow into lift stations, and pump into high elevation force mains and truck mains, which connects to TRA interceptors. The City operates and maintains one lift station with 3,000 gallons per minute (GPM) capacity which pumps into a 12" force main, two lift stations with 1,800 GPM of total capacity which pump into a 6" force main, one lift station with 120 GPM capacity which pumps into a 2" force main and one lift station with 90 GPM of total capacity which pumps to a TRA interceptor. All of the City's wastewater is treated by TRA.

The City entered into a contract in 2002 which is in effect for the entire useful life of the Mountain Creek Regional Wastewater System. For the fiscal year ended September 30, 2022, the City paid \$388,200 to the System.

The City has a contract with TRA, which will expire in 2023, for wastewater treatment. The City is billed for its prorated share of TRA's total wastewater treatment costs, which was \$20,534,094 in 2021/2022. 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.

TABLE 3 – AVERAGE DAILY WASTEWATER FLOW (GALLONS)

Fiscal Year Ended 9/30	Average Daily Usage
2018	17,758,618
2019	19,182,600
2020	18,386,940
2021	17,769,071
2022	(1)

(1) Final report from the Trinity River Authority not yet available.

The amounts paid to TRA during the last five fiscal years are as follows:

Fiscal Year Ended 9/30	Wastewater Treatment			Joe Pool Intake	Joe Pool Corp of Engineers	Total
	Maintenance	Debt Service	Subtotal			
2018	\$ 5,612,671	\$ 10,134,974	\$ 15,747,645	\$ 5,324	\$ -	\$ 15,752,969
2019	7,054,098	11,646,796	18,700,894	14,105	-	18,714,999
2020	6,275,525	12,078,406	18,353,931	19,791	-	18,373,722
2021	6,870,093	14,732,121	21,602,214	24,529	-	21,626,744
2022	6,025,051	14,509,043	20,534,094	22,707	-	20,556,801

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TABLE 4 – TEN LARGEST SYSTEM CUSTOMERS

Customer	Fiscal Year Ended September 30, 2022			
	Total Consumption ⁽¹⁾	Amount Billed		
		Billed	Water	Wastewater
Bell Helicopter	115,058	\$ 1,128,029	\$ 591,398	\$ 536,631
Coca-Cola North America	67,690	691,999	322,091	369,908
Fresh Express	62,631	608,660	322,386	286,274
Bigelow Colorado DBA Budget Suites	54,281	549,068	282,791	266,277
North Texas Healthcare Laundry	46,385	431,808	238,419	193,389
Lockheed-Martin	38,476	384,635	198,327	186,308
Canyon Grove LP DBA Canyon Grove Apts	36,991	336,690	190,134	146,556
Poly America Inc.	30,148	353,919	249,046	104,873
Bigelow Arizona DBA Budget Suites	29,999	379,719	256,171	123,548
Mountain Creek Homeowners	28,073	326,918	232,372	94,546
Totals	509,732	\$ 5,191,445	\$ 2,883,135	\$ 2,308,310

(1) In 1,000 gallons.

TABLE 5 – WATER AND WASTEWATER CONDENSED STATEMENT OF OPERATIONS

	Fiscal Year Ended September 30,				
	2021	2020	2019	2018	2017
Revenues ⁽¹⁾					
Sales to Customers	\$ 48,486,361	\$ 47,152,407	\$ 42,337,949	\$ 44,893,468	\$ 40,565,531
Wastewater Charges to Customers	30,735,699	29,819,236	28,616,537	28,328,868	26,663,505
Wastewater Surcharge/Monitoring	829,791	864,098	824,590	846,222	870,104
Impact Fees	2,103,858	2,411,560	2,757,880	2,743,483	2,652,051
Other	293,469	329,446	418,505	905,254	2,273,191
Total Revenues	\$ 82,449,178	\$ 80,576,747	\$ 74,955,461	\$ 77,717,295	\$ 73,024,382
Expenses ⁽²⁾					
Salaries & Personnel Benefits	\$ 12,662,732	\$ 8,980,138	\$ 8,724,269	\$ 8,072,319	\$ 8,149,266
Professional Services	6,254,924	5,361,752	6,501,575	6,236,044	9,637,701
Franchise Fees	3,408,287	3,085,068	2,840,985	2,927,443	2,691,080
Water Purchase	16,749,528	17,194,531	13,463,858	16,917,148	14,780,509
Wastewater Treatment	20,926,676	17,778,836	18,689,151	15,644,623	14,988,513
Other ⁽³⁾	6,479,987	5,987,712	6,875,638	6,650,589	5,284,002
Total Expenses	\$ 66,482,134	\$ 58,388,037	\$ 57,095,476	\$ 56,448,166	\$ 55,531,071
Available for Debt Service	\$ 15,967,044	\$ 22,188,710	\$ 17,859,985	\$ 21,269,129	\$ 17,493,311

(1) Includes operating and non-operating revenue.

(2) Excludes depreciation and debt service expense.

(3) Includes payments with respect to TRA Water Contract Bonds secured by surplus revenues and, if needed, by an ad valorem tax.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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

Employees Covered by Benefit Terms

For retiree health insurance at the September 30, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	226
Active employees	1,328
Total	1,554

For TMRS supplemental death at the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	662
Inactive employees entitled to but not yet receiving benefits	133
Active employees	1,372
Total	2,167

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 Monthly Health Care Premiums for Grandfathered Retirees under 65 (Employee Pays Portion)

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

Retiree Monthly Health Care Premiums Retirees under 65 (Employee Pays Portion)

	Monthly Health Care Premium	
Group	EPO	HDHP
Retiree Only	\$ 284	\$ 190
Retiree + Spouse	539	404
Retiree + Children	562	324
Family	757	569

Total OPEB Liability

The City of Grand Prairie retiree health insurance total OPEB liability of \$65,656,336 was measured as of September 30, 2021, and was determined by an actuarial valuation as of that date.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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.

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

TABLE 6 - COVERAGE AND FUND BALANCES⁽¹⁾

Average Annual Principal and Interest Requirements, All Water and Wastewater System Revenue Bonds, Fiscal Year Ended 9/30/2023	\$ 2,736,567
Coverage of Average Annual Requirements based on 9/30/2021 Revenue Available for Debt Service	5.83 x
Total Principal and Interest Requirements of all debt obligations paid from Water and Wastewater Treatment Fund, Water and Wastewater System Revenue Bond, Contract and Tax Obligations issued for System Improvements, Fiscal Year Ended 9/30/2023	\$ 6,786,927
Coverage of Total Requirements based on 9/30/2021 Revenue Available for Debt Service	2.35 x

(1) Includes the Bonds.

Note: There are some differences between the way revenue and expenses are reported for coverage calculation purposes and GAAP. Therefore, the revenue and expense amounts listed above are not in compliance with GAAP, but are in compliance with bond ordinance requirements for coverage calculation purposes. These differences include:

1. Depreciation is considered an operating expense for financial GAAP reporting purposes but not for coverage calculation purposes.
2. Non-operating revenues are included in other revenues.

TABLE 7 - VALUE OF THE SYSTEM

	For Fiscal Year Ended September 30,				
	2021	2020	2019	2018	2017
Water and Sewer System	\$ 360,001,615	\$ 343,839,098	\$ 333,806,096	\$ 355,110,305	\$ 334,067,330
Building and Equipment	17,393,238	17,203,148	16,177,629	28,519,085	27,331,777
Land	2,597,138	2,597,138	2,323,249	2,208,926	1,968,211
Total Value	\$ 379,991,991	\$ 363,639,384	\$ 352,306,974	\$ 385,838,316	\$ 363,367,318
Less: Accumulated Depreciation	213,251,250	200,549,272	189,374,090	219,509,383	205,947,622
	\$ 166,740,741	\$ 163,090,112	\$ 162,932,884	\$ 166,328,933	\$ 157,419,696
Plus: Construction in Progress	32,966,015	30,907,973	25,722,078	22,374,315	33,526,601
Net Property, Plant and Equipment	\$ 199,706,756	\$ 193,998,085	\$ 188,654,962	\$ 188,703,248	\$ 190,946,297

TABLE 8 - CITY'S EQUITY IN SYSTEM

	For Fiscal Year Ended September 30,				
	2021	2020	2019	2018	2017
Net Property, Plant and Equipment	\$ 199,706,756	\$ 193,998,085	\$ 188,654,962	\$ 188,703,248	\$ 190,946,297
Cash and Investments	95,511,859	88,773,923	70,467,408	89,064,365	71,855,683
Other Assets	13,362,171	8,146,347	7,345,674	6,369,580	6,157,799
Total Assets	\$ 308,580,786	\$ 290,918,355	\$ 266,468,044	\$ 284,137,193	\$ 268,959,779
Long-term debt	\$ 39,021,745	\$ 45,403,478	\$ 51,743,033	\$ 53,509,433	\$ 54,559,501
Other Liabilities	26,883,316	22,965,799	25,569,840	26,059,710	21,692,544
Total Liabilities	\$ 65,905,061	\$ 68,369,277	\$ 77,312,873	\$ 79,569,143	\$ 76,252,045
City's Equity in System	\$ 242,675,725	\$ 222,549,078	\$ 189,155,171	\$ 204,568,050	\$ 192,707,734
Percent Equity in System	78.64%	76.50%	70.99%	72.00%	71.65%

DEBT INFORMATION

TABLE 9 DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	All Outstanding Water & Wastewater Revenue Debt Service			The Bonds ⁽¹⁾			Total Water & Wastewater System Debt Service	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Total		
2023	\$ 5,445,000	\$ 1,061,202	\$ 6,506,202	\$ -	\$ 280,725	\$ 280,725	\$ 6,786,927	
2024	5,620,000	882,619	6,502,619	-	478,963	478,963	6,981,581	
2025	5,140,000	703,150	5,843,150	360,000	471,763	831,763	6,674,913	
2026	4,145,000	545,598	4,690,598	375,000	455,188	830,188	5,520,786	
2027	3,900,000	409,031	4,309,031	395,000	435,938	830,938	5,139,968	54.05%
2028	2,315,000	313,748	2,628,748	415,000	415,688	830,688	3,459,435	
2029	2,380,000	247,088	2,627,088	435,000	394,438	829,438	3,456,526	
2030	2,055,000	185,141	2,240,141	455,000	372,188	827,188	3,067,328	
2031	1,090,000	137,278	1,227,278	480,000	348,813	828,813	2,056,091	
2032	850,000	103,280	953,280	505,000	324,188	829,188	1,782,468	77.44%
2033	880,000	74,736	954,736	530,000	298,313	828,313	1,783,049	
2034	610,000	50,912	660,912	560,000	271,063	831,063	1,491,975	
2035	630,000	32,016	662,016	585,000	242,438	827,438	1,489,454	
2036	650,000	12,256	662,256	615,000	215,513	830,513	1,492,769	
2037	160,000	1,832	161,832	640,000	190,413	830,413	992,245	89.92%
2038	160,000	1,144	161,144	665,000	164,313	829,313	990,457	
2039	160,000	392	160,392	690,000	137,213	827,213	987,605	
2040	-	-	-	720,000	109,013	829,013	829,013	
2041	-	-	-	750,000	79,613	829,613	829,613	
2042	-	-	-	780,000	49,013	829,013	829,013	98.27%
2043	-	-	-	810,000	16,706	826,706	826,706	100.00%
	<u>\$ 36,190,000</u>	<u>\$ 4,761,423</u>	<u>\$ 40,951,423</u>	<u>\$ 10,765,000</u>	<u>\$ 5,751,494</u>	<u>\$ 16,516,494</u>	<u>\$ 57,467,917</u>	

TABLE 10 – AUTHORIZED REVENUE BONDS

Pursuant to State law, the City is not required to obtain voter approval of the issuance of its revenue bonds through an election. The City may issue Additional Bonds as permitted by the ordinances authorizing the Bonds and the Previously Issued Bonds.

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City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2021

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

For the year ended September 30, 2021, the city recognized pension expense of \$9,704,213.

At September 30, 2021, 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]	\$ 2,225,704	\$ (2,955,950)
Difference in assumptions	690,705	-
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	-	(15,789,914)
Employer's contributions to the pension plan subsequent to the measurement date	13,313,284	-
	<u>\$ 16,229,693</u>	<u>\$ (18,745,864)</u>

The \$13,313,284 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, 2022. 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
2021	\$ (5,639,843)
2022	431,258
2023	(9,202,496)
2024	(1,345,074)
2025	(73,300)
Total	<u>\$ (15,829,455)</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.

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, 2019	\$ 619,684,063	\$ 556,100,039	\$ 63,584,024
Changes for the year:			
Service cost	18,113,194	-	18,113,194
Interest	41,452,842	-	41,452,842
Change of benefit terms	-	-	-
Difference between expected and actual experience	(2,363,879)	-	(2,363,879)
Changes in assumptions	-	-	-
Contributions - employer	-	16,938,302	(16,938,302)
Contributions - employee	-	7,047,274	(7,047,274)
Net investment income	-	42,208,241	(42,208,241)
Benefit payments*	(29,248,955)	(29,248,955)	-
Administrative expense	-	(273,140)	273,140
Other changes	-	(10,657)	10,657
Net changes	27,953,202	36,661,065	(8,707,863)
Balance at December 31, 2020	\$ 647,637,265	\$ 592,761,104	\$ 54,876,161

* 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
\$ 147,003,326	\$ 54,876,161	\$ (20,712,746)

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.

INVESTMENTS

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

LEGAL INVESTMENTS . . . Under State law and subject to certain limitations, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations issued and secured by a federal agency or instrumentality of the United States; (4) other obligations unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies and instrumentalities; (5) "A" or better rated obligations of states, agencies, counties, cities, and other political subdivisions of any state; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) federally insured interest-bearing bank deposits, brokered pools of such deposits, and collateralized certificates of deposit and share certificates; (8) fully collateralized U.S. government securities repurchase agreements; (9) one-year or shorter securities lending agreements secured by obligations described in clauses (1) through (7) above or (11) through (14) below or an irrevocable letter of credit issued by an "A" or better rated state or national bank; (10) 270-day or shorter bankers' acceptances, if the short-term obligations of the accepting bank or its holding company are rated at least "A-1" or "P-1"; (11) commercial paper rated at least "A-1" or "P-1"; (12) SEC-registered no-load money market mutual funds that are subject to SEC Rule 2a-7; (13) SEC-registered no-load mutual funds that have an average weighted maturity of less than two years; (14) "AAA" or "AAAm"-rated investment pools that invest solely in investments described above; and (15) in the case of bond proceeds, guaranteed investment contracts that are secured by obligations described in clauses (1) through (7) above and, except for debt service funds and reserves, have a term of 5 years or less.

The City may not, however, invest in (1) interest only obligations, or non-interest bearing principal obligations, stripped from mortgage-backed securities; (2) collateralized mortgage obligations that have a remaining term that exceeds 10 years; and (3) collateralized mortgage obligations that bear interest at an index rate that adjusts opposite to the changes in a market index. In addition, the City may not invest more than 15 percent of its monthly average fund balance (excluding bond proceeds and debt service funds and reserves) in mutual funds described in clause (13) above or make an investment in any mutual fund that exceeds 10% of the fund's total assets.

Except as stated above or inconsistent with its investment policy, the City may invest in obligations of any duration without regard to their credit rating, if any. If an obligation ceases to qualify as an eligible investment after it has been purchased, the City is not required to liquidate the investment unless it no longer carries a required rating, in which case the City is required to take prudent measures to liquidate the investment that are consistent with its investment policy.

INVESTMENT POLICIES . . . Under State law, the City is required to adopt and annually review written investment policies and must invest its funds in accordance with its policies. The policies must identify eligible investments and address investment diversification, yield, maturity, and the quality and capability of investment management. For investments whose eligibility is rating dependent, the policies must adopt procedures to monitor ratings and liquidate investments if and when required. The policies must require that all investment transactions settle on a delivery versus payment basis. The City must adopt a written investment strategy for each fund group to achieve investment objectives in the following order of priority: (1) suitability, (2) preservation and safety of principal, (3) liquidity, (4) marketability, (5) diversification, and (6) yield.

State law requires the City's investments 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." The City is required to perform an annual audit of the management controls on investments and compliance with its investment policies and provide regular training for its investment officers.

THE CITY'S INVESTMENT POLICIES . . . The City Manager designates the Chief Financial Officer as the City's chief investment officer. The Assistant Finance Director, Second Assistant Finance Director, 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 Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, (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. Bonds whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.

2. Bonds 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.

TABLE 11 – CURRENT INVESTMENTS

As of September 30, 2022, the following percentages of the City's investable funds were invested in the following categories of investments:

Type of Investment	Percentage	Book Value
Local Government Pools and Money Market Funds	12.16%	\$ 54,823,245
Federal Agency and Instrumentality Notes	87.84%	395,950,623
		<u>\$ 450,773,868</u>

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City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2021

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum. The city should insert the plan provisions that they have adopted. For example, the city may include retirement eligibility, employee and employer deposit rates, vesting requirements, and other provisions such as cost-of-living adjustments or updated service credit. Plan provisions, by city, are included in the last section of TMRS' Comprehensive Annual Financial Report (Annual Report) and are also available on the website under For Cities | Resources | My City Plan. The city may also want to refer to TMRS' Plan Description footnote, in the Annual Report, to obtain additional language regarding the pension plan. 16 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	<u>100.0%</u>	

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	864
Inactive employees entitled to but not yet receiving benefits	688
Active employees	1,372
Total	2,924

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 17.00% and 17.44% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$17,966,312, and were equal to the required contributions.

Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

SELECTED PROVISIONS OF THE BOND ORDINANCE

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

Section 10. Definitions. For purposes of [the] Ordinance and in particular for clarity with respect to the issuance of the Bonds authorized [by the Ordinance] and the pledge and appropriation of revenues therefor, the following definitions are provided:

(a) The term "Additional Bonds" shall mean the additional parity revenue bonds which the City reserves the right to issue in [the] Ordinance.

(b) The term "Bonds" shall mean the water and wastewater system revenue bonds authorized by [the] Ordinance and designated as "City of Grand Prairie, Texas, Water and Wastewater System Revenue Bonds, New Series 2022."

(c) The term "Bonds Similarly Secured" means the Bonds, the Previously Issued Bonds and Additional Bonds.

(d) The term "Fiscal Year" shall mean the twelve months' period ending September 30 of each year, unless otherwise designated by the City.

(e) The term "Net Revenues" means all income, revenues and receipts of every nature derived from and received by virtue of the operation of the System (including interest income and earnings received from the investment of moneys in the special Funds created by or maintained under [the] Ordinance) after deducting and paying, and making provisions for the payment of, current expenses of maintenance and operation thereof, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such expenses for repairs and extensions as in the judgment of the City Council, reasonably and fairly exercised, are necessary to keep the System in operation and to render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair any obligations payable from the Net Revenues of the System, shall be deducted in determining "Net Revenues." Contractual payments for the purchase of water or the treatment of sewage shall be a maintenance and operating expense of the System to the extent provided in the contract incurred therefor and as may be authorized by law. Depreciation shall never be considered as an expense of operation and maintenance.

(f) The term "Ordinance" means [the] Ordinance under which the Bonds are authorized.

(g) The terms "Outstanding" and "outstanding", when used in [the] Ordinance with respect to Bonds, Previously Issued Bonds or Additional Bonds means, as of the date of determination, all bonds theretofore issued and delivered, except:

(1) those bonds theretofore canceled by the paying agent/registrars or delivered to the paying agent/registrars for cancellation;

(2) those bonds for which payment has been duly provided by the City of the irrevocable deposit with the paying agent/registrars, or an authorized escrow agent, of money, or government securities, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to maturity or redemption, as the case may be, provided that, if such bonds are to be redeemed, notice of redemption thereof shall have been duly given pursuant to the ordinance authorizing such bonds or irrevocably provided to be given to the satisfaction of the paying agent/registrars, or waived;

(3) those bonds that have been mutilated, destroyed, lost or stolen and replacement bonds have been registered and delivered in lieu thereof as provided in the ordinance authorizing such bonds.

(h) The term "Previously Issued Bonds" means the Outstanding (i) "City of Grand Prairie, Texas, Water and Wastewater System Revenue Bonds, New Series 2010," (ii) "City of Grand Prairie, Texas, Water and Wastewater System Revenue Refunding Bonds, New Series 2011," (iii) "City of Grand Prairie, Texas, Water and Wastewater System Revenue Refunding Bonds, New Series 2013," (iv) "City of Grand Prairie, Texas, Water and Wastewater System Revenue Bonds, New Series 2014," (v) "City of Grand Prairie, Texas, Water and Wastewater System Revenue Refunding Bonds, New Series 2015," (vi) "City of Grand Prairie, Texas, Water and Wastewater System Revenue Refunding and

Improvement Bonds, New Series 2016," (vii) "City of Grand Prairie, Texas, Water and Wastewater System Revenue Bonds, New Series 2017," (viii) "City of Grand Prairie, Texas, Water and Wastewater System Revenue Bonds, New Series 2017A," (ix) "City of Grand Prairie, Texas, Water and Wastewater System Revenue Bonds, New Series 2019," and (x) "City of Grand Prairie, Texas, Water and Wastewater System Revenue Refunding Bonds, New Series 2020."

(i) The term "System" means the City's existing combined waterworks and sewer systems, including all properties (real, personal or mixed and tangible or intangible) owned, operated, maintained and vested in, the City for the supply, treatment and distribution of treated water for domestic, commercial, industrial and other uses and the collection and treatment of water-carried wastes, together with all future additions, extensions, replacements and improvements thereto.

Section 11. **Pledge of Revenues.** That the City hereby covenants and agrees that, under the terms and conditions of the ordinances and proceedings pertaining to their authorization, the Net Revenues of the System, with the exception of those in excess of the amounts required for the payment and security of the Bonds Similarly Secured, are hereby irrevocably pledged to the payment and security of the Bonds Similarly Secured, including the establishment and maintenance of the special funds created and established for the payment and security thereof, all as hereinafter provided, and it is hereby ordained that the Bonds Similarly Secured, and the interest thereon, shall constitute a lien on the Net Revenues of the System and be valid and binding without any filing or recording except for the filing of [the] Ordinance in the records of the City.

Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Bonds and the pledge of the revenues granted by the City under this Section of [the] Ordinance, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are Outstanding and unpaid such that the pledge of the revenues granted by the City under this Section of [the] Ordinance is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the Holders of the Bonds the perfection of the security interest in such pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in such pledge to occur.

Section 12. **Rates and Charges.** For the benefit of the original purchasers as well as the ultimate owners of the Bonds and other Bonds Similarly Secured and in addition to all provisions and covenants in the law of the State of Texas and in [the] Ordinance, it is expressly stipulated that the City shall, at all times while any of the Bonds Similarly Secured are outstanding and unpaid, maintain rates and collect charges for the facilities and services afforded by the System, as required by Texas Government Code, Chapter 1502, as amended, which will provide revenues sufficient at all times to:

- (a) pay for all maintenance, operation, debt service, depreciation, replacement and betterment charges of the System;
- (b) pay the interest on and principal of the Bonds Similarly Secured and the amounts required to be deposited into the special Funds created and established for the payment and security of the Bonds Similarly Secured;
- (c) produce Net Revenues each year in an amount reasonably estimated to be not less than 1.25 times the average annual principal and interest requirements of the Outstanding Bonds Similarly Secured; and
- (d) pay all outstanding, legally incurred indebtedness against the System, as and when the same become due.

Section 13. **Revenue Fund.** The City again covenants that it will deposit, as collected, all revenues of every nature derived from the operation of the System into a separate account known as the "City of Grand Prairie, Texas, Water and Wastewater System Revenue Fund (herein called the "Revenue Fund") heretofore established which shall be kept separate and apart from all other funds of the City, and, further, that such Revenue Fund shall be pledged and appropriated to the following uses and in the order of precedence shown:

- First:** To the payment of all necessary and reasonable maintenance and operation expenses of the System as such expenses are defined by law;
- Second:** To the payment, equally and ratably, of the amounts required to be deposited in the Interest and Sinking Fund created and established for the payment of principal of and interest on the Bonds Similarly Secured as the same becomes due and payable;
- Third:** To the payment of the amounts required to be deposited in the Reserve Fund created and to be maintained for the benefit and security of the Bonds Similarly Secured in accordance with the provisions of [the] Ordinance or any other ordinance relating to the issuance of Bonds Similarly Secured;
- Fourth:** To the payment of any other indebtedness payable from and secured, in whole or in part, by a lien on and claim against the Net Revenues of the System; and

City Of Grand Prairie, Texas
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At September 30, 2021, 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
2021	\$ 6,283,783	\$ 20,447,112	\$ 19,918,777	6,812,118
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

J. Defined Benefit Pension Plan

Plan Description

The City participates as one of 895 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 Annual Comprehensive Financial Report that can be obtained at www.tmr.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in 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 Annual Comprehensive Financial Report.

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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.

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, 2021 actuarial report was \$4,883,052.

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, 2021 were \$1,929,066.

Fifth: Any Net Revenues remaining in the Revenue Fund after satisfying the foregoing payments, or making adequate and sufficient provisions for the payment thereof, may be appropriated and used for any other purpose now or hereafter permitted by law.

Section 14. Interest and Sinking Fund. The following provisions shall govern the establishment, maintenance and use of the "City of Grand Prairie, Texas, New Series Water and Wastewater System Interest and Sinking Fund" (the "Interest and Sinking Fund"). The City covenants that from the funds in the Revenue Fund, the City shall pay into the Interest and Sinking Fund during each year in which any of the Bonds Similarly Secured are outstanding, an amount equal to one hundred percent (100%) of the amount required to meet the principal and interest payments falling due on or before the next interest payment, maturity or redemption date of the Bonds Similarly Secured, such payments to be made in substantially equal monthly installments. If the revenues of the System in any month, after deductions for maintenance and operation expenses, are then insufficient to make the required payments into the Interest and Sinking Fund, then the amount of any deficiency in the payment shall be added to the amount otherwise required to be paid into the Interest and Sinking Fund in the next month. All moneys paid into the Interest and Sinking Fund shall be deposited in the City's depository bank, and the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer or City Secretary, any one or more of such officials of the City, shall cause the depository bank, not later than any principal or interest payment date, to transfer the amount then to become due to the paying agent. Such moneys not invested shall be continuously secured by a valid pledge to the City of direct obligations of the United States of America having an aggregate market value, exclusive of accrued interest, at all times at least equal to such Interest and Sinking Fund; provided however, that as to the amount on deposit in such fund which is allocated to the Bonds Similarly Secured and not invested, the deposit may also be secured by a valid pledge of (a) general obligations (i) issued by the State of Texas, or any city, county, school district, or road district of such state which have been approved by the Attorney General of Texas and which have investment quality, according to a nationally recognized rating agency and (ii) which have a maturity of twenty (20) years or less, or (b) general or special obligations of the City of Grand Prairie which have been approved by the Attorney General of Texas, or (c) Government National Mortgage Association fully modified pass through mortgage certificates, having a market value at all times equal to such deposit, to the extent not covered by the Federal Deposit Insurance Corporation.

Section 15. Reserve Fund. The following provisions shall govern the establishment, maintenance and use of the "City of Grand Prairie, Texas, New Series Water and Wastewater System Reserve Fund" (the "Reserve Fund"). There shall continue to be established and maintained a Reserve Fund for the purposes of (i) finally retiring the last of the Bonds Similarly Secured and (ii) paying principal of and interest on the Bonds Similarly Secured in the event moneys on hand in the Interest and Sinking Fund are insufficient for such purpose.

The amount to be accumulated in the Reserve Fund shall equal to the average annual debt service requirements (calculated on a Fiscal Year basis) on all outstanding Bonds Similarly Secured (the "Required Reserve"). The Required Reserve shall be established and maintained with Net Revenues of the System or other lawfully available funds of the City, the proceeds of sale of Bonds Similarly Secured or by depositing to the credit of the Reserve Fund, to the extent permitted by law, one or more surety bonds or insurance policies issued by a company or institution having a rating in the highest rating category by two nationally recognized rating agencies or services, or any combination thereof. The City hereby covenants and agrees that any additional amount of the Required Reserve to be deposited in the Reserve Fund in connection with the issuance of the Bonds shall be funded by monthly installments from funds in the Revenue Fund in an amount of not less than 1/60th of the additional amount required to be maintained in such Reserve Fund with the first payment to be made on or before the date specified in the Pricing Certificate and any subsequent payments to be made on or before the 1st day of each month thereafter.

As and when Additional Bonds are delivered or incurred, the Required Reserve shall be increased, if required, to an amount equal to the lesser of (i) the average annual debt service requirements calculated on a Fiscal Year basis for all Bonds Similarly Secured then Outstanding, as determined on the date each series of Additional Bonds is delivered or incurred, as the case may be, or (ii) the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to Subsection (d) of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder. Any additional amount required to be maintained in the Reserve Fund shall be so accumulated (i) by depositing to the credit of the Reserve Fund (immediately after the delivery of the then-proposed Additional Bonds) cash or an additional surety bond or insurance policy or revised surety bond or revised insurance policy with coverage in an amount sufficient to provide for the new Required Reserve to be fully or partially funded, or (ii) at the option of the City, by making monthly deposits from funds in the Revenue Fund on or before the 1st day of each month following the month of delivery of the then-proposed Additional Bonds, of not less than 1/60th of the additional amount to be maintained in such Fund by reason of the issuance of the Additional Bonds then being issued (or 1/60th of the balance of the additional amount not deposited immediately in cash or provided by a surety bond or insurance policy.)

When and so long as the cash and investments in the Reserve Fund and/or coverage afforded by a surety bond or insurance policy held for the account of the Reserve Fund total not less than the Required Reserve, no deposits need be made to the credit of the Reserve Fund; but, if and when the Reserve Fund at any time contains less than the Required Reserve (or so much thereof as shall then be required to be contained therein if Additional Bonds have been issued and the City has elected to accumulate all or a portion of the Required Reserve with Net Revenues), the City covenants and agrees to cause monthly deposits to be made to the Reserve Fund on or before the 1st day of each month (beginning the month next following the month the deficiency in the Required Reserve occurred by reason of a draw on the Reserve Fund or as a result of a reduction in the market value of investments held for the account of the Reserve Fund) from Net Revenues of the System in an amount equal to either (1) 1/60th of the Required Reserve

until the total Required Reserve then required to be maintained in such Fund has been fully restored or (2) the amounts to pay principal of and interest on Bonds Similarly Secured held by an insurer, or evidenced by an instrument of assignment entitling an insurer to payment of principal of and interest on Bonds Similarly Secured, as a result of payments or draws made on a surety bond or insurance policy held for the account of the Reserve Fund and such payments will result in the principal of and/or interest on such Bonds Similarly Secured to be paid, as well as the restoration and replenishment of the surety bond or insurance policy coverage representing all or a portion of the Required Reserve. The City further covenants and agrees that, subject only to the payments to be made to the Interest and Sinking Fund, the Net Revenues of the System shall be applied and appropriated and used to establish and maintain the Required Reserve and to cure any deficiency in such amounts as required by the terms of [the] Ordinance and any other ordinance pertaining to the issuance of Additional Bonds.

During such time as the Reserve Fund contains the total Required Reserve, the City may, at its option, withdraw all surplus in the Reserve Fund resulting from the investment of the Required Reserve and deposit such investment earnings in the Revenue Fund; provided, however, that to the extent the investment earnings are derived from proceeds of bonds used to fund all or a portion of the Required Reserve such investment earnings may only be used for the same purposes for which such bond proceeds may be used.

Section 16. Investment of Certain Funds. The Interest and Sinking Fund may be invested in investments authorized by the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, and the City's investment policy. All moneys resulting from the investment of such fund shall be transferred to the Revenue Fund as received.

The Reserve Fund may be invested or reinvested from time to time in investments authorized by the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, and the City's investment policy. All moneys resulting from the investment of the Reserve Fund shall be transferred to the Revenue Fund as the same are received.

Section 17. Further Covenants. The City further covenants and agrees by and through [the] Ordinance as follows:

(a) That the Bonds shall be special obligations of the City, and the registered owners thereof shall never have the right to demand payment out of any funds raised or to be raised by taxation.

(b) That it has the lawful power to pledge the revenues supporting the Bonds and has lawfully exercised such power under the Constitution and laws of the State of Texas, and that the Bonds issued under [the] Ordinance shall be ratably secured in such manner that no one Bond shall have preference over any other Bond or Bonds or Bonds Similarly Secured.

(c) That other than for the payment of the Bonds and the Previously Issued Bonds, the Net Revenues have not been in any manner pledged to the payment of any debt or obligation of the City or the System, other than debt or obligations which have a lien on or pledge of the Net Revenues subordinate to the lien on and pledge of such Net Revenues to the Bonds Similarly Secured.

Section 18. Issuance of Additional Bonds.

(a) That, in addition to the right to issue bonds of inferior lien as authorized by law, the City reserves the right to issue Additional Bonds, for the purpose of improving, extending, equipping and repairing the System and for the purpose of refunding in any lawful manner, any part or all of the Bonds Similarly Secured or other obligations of the City eligible to be refunded under the laws of the State of Texas as such laws now or hereafter may exist. The Additional Bonds shall be secured by and payable from a lien on and pledge of the Net Revenues in the same manner and to the same extent as any then Outstanding Bonds Similarly Secured, and the Additional Bonds then proposed to be issued shall in all respects be on a parity and of equal dignity as to lien and right. Additional Bonds may be issued in one or more installments; provided, however, that none of the Additional Bonds shall be issued unless and until the following conditions have been met, to wit:

- (i) The City is not then in default as to any covenant, condition or obligation prescribed by any ordinance authorizing the issuance of the Outstanding Bonds Similarly Secured;
- (ii) Each of the special Funds created for the payment and security of the Bonds Similarly Secured contains the amount of money then required to be on deposit therein;
- (iii) The City has secured from a certified public accountant a certificate showing that the Net Earnings for either the completed Fiscal Year next preceding the date of the Additional Bonds or a consecutive twelve-month period out of the last fifteen months next preceding the date of the Additional Bonds is equal to at least 1.25 times the average annual principal and interest requirements (calculated on a Fiscal Year basis at the time of the issuance of Additional Bonds) of all Bonds Similarly Secured which will be Outstanding after the issuance of the proposed Additional Bonds. However, (A) should the certificate of the accountant certify that the Net Earnings of the System for the period covered thereby were less than required above, and (B) a change in the rates and charges for services afforded by the System became effective at least 60 days prior to the last day of the period covered by the accountant's certificate, and (C) an independent engineer or engineering firm

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Environmental remediation liability activity for the primary government in fiscal year 2021 was as follows:

Property Description	Beginning Balance 9/30/2020	Additions	Reductions	Ending Balance 9/30/2021	Current Portion
Copeland Home Asbestos Abatement	\$ 20,900	\$ -	\$ -	\$ 20,900	\$ 20,900
Indoor Air Assessment Service Center	-	6,450	-	6,450	6,450
Total	\$ 20,900	\$ 6,450	\$ -	\$ 27,350	\$ 27,350

Environmental remediation liability activity for the discretely presented component unit, the Grand Prairie Local Government Corporation, in fiscal year 2021 was as follows:

Property Description	Beginning Balance 9/30/2020	Additions	Reductions	Ending Balance 9/30/2021	Current Portion
Bella Vista Asbestos Abatement	\$ -	\$ 239,369	\$ -	\$ 239,369	\$ 239,369
Total	\$ -	\$ 239,369	\$ -	\$ 239,369	\$ 239,369

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.

During fiscal year 2021, 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 \$3,108,638. In 2021, a liability for this amount was recorded by the City and is repaid from future sales tax revenue over a period of six years.

As of September 30, 2021, the total liability equaled \$4,087,229.

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.

City Of Grand Prairie, Texas

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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, 2021 was \$4,555,909. Additional contingent rentals are recorded as revenue when received.

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, 2021 as follows:

Nominal interest on the lease	\$ 1,756,920
Amortization of the lease	(1,244,624)
Net interest	512,296
Contingent rentals received (includes rent for simulcast facility prior to completion of project)	175,138
Total lease rental and interest	<u>\$ 687,434</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 \$9,083,018 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 51.55% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and post closure care of \$8,826,451 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 and the Grand Prairie Local Government Corporation have recorded a liabilities related to environmental remediation in the amount of \$27,350 and \$239,369, respectively, in the Statement of Net Position. 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.
- The City owns the Service Center and is responsible for the quality of air circulating throughout it and determining whether it poses any health risks to those inside.
- The Grand Prairie Local Government Corporation owns the building and is responsible for the asbestos abatement located at 1000 W Main Street.

having a national reputation with respect to such matters will certify that, had such change in rates and charges been effective for the entire period covered by the accountant's certificate, the Net Earnings covered by the accountant's certificate would have been, in his or their opinion, equal to at least 1.25 times the average annual principal and interest requirements (calculated on a Fiscal Year basis) of the Outstanding Bonds Similarly Secured after giving effect to the issuance of the Bonds, and Additional Bonds, then, in such event, the coverage specified in the first sentence of this paragraph (iii) shall not be required for the period specified, and such accountant's certificate will be sufficient if accompanied by an engineer's certificate to the above effect;

(iv) The ordinance authorizing the Additional Bonds (A) requires that deposits shall be made into the Interest and Sinking Fund in amounts adequate to pay the principal and interest requirements of the Additional Bonds as the same become due; and (B) provides that the aggregate amount to be accumulated and maintained in the Reserve Fund shall be an amount equal to the Required Reserve for all Outstanding Bonds Similarly Secured theretofore issued and to be Outstanding after the issuance of such Additional Bonds; and

(v) The Additional Bonds are scheduled to mature only on January 15 or July 15 or both.

(b) The term "Net Earnings," as used in [the] Ordinance shall mean all income, revenues, and receipts derived from the operation or by reason of the ownership of the System, including grants, gifts, contributions in aid of construction (but excluding meter deposits), interest earned on invested moneys in the special Funds created therein for the payment and security of Bonds Similarly Secured, after deduction of maintenance and operation expenses but not deducting depreciation, and other expenditures which, under standard accounting practice, should be classified as capital expenditures.

(c) Wherever, in [the] Ordinance, the City reserves the right to issue Additional Bonds, such term shall also include, mean and refer to any other forms or types of obligations, whether now existing or hereafter authorized, which may be made lawfully payable from and secured by the Net Revenues.

Section 19. Obligations of Inferior Lien and Pledge. The City retains the right to create and issue evidences of indebtedness whose lien on the Net Revenues of the System shall be subordinate to that possessed by the Bonds Similarly Secured.

Section 20. Maintenance and Operation - Insurance. The City shall maintain the System in good condition and operate the same in an efficient manner and at reasonable cost. So long as any Bonds are outstanding, the City agrees to maintain insurance for the benefit of the holder or holders thereof on the System of a kind and in an amount which usually would be carried by private companies engaged in a similar type of business. Nothing in [the] Ordinance shall be construed as requiring the City to expend any funds derived from sources other than the operation of the System, but nothing therein shall be construed as preventing the City from doing so.

Section 21. Records - Accounts - Accounting Reports. The City covenants and agrees that so long as any Bonds, or any interest thereon, remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the operation of its System separate and apart from all other records and accounts; complete and correct entries shall be made of all transactions relating to the System, in accordance with generally accepted accounting principles except as provided by Texas Government Code, Chapter 1502, as amended; and registered owners shall have the right at all reasonable times to inspect all such records, accounts and data relating thereto, and to inspect the System and all properties comprising same. The City further agrees that 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 of national reputation. Each such audit, in addition to whatever other matters may be thought proper by the accountant, shall particularly include the following:

(a) A detailed statement of the income and expenditures of the System for such Fiscal Year.

(b) A balance sheet as of the end of such Fiscal Year.

(c) The accountant's comments regarding the manner in which the City has carried out the requirements of [the] Ordinance and his recommendations for any changes or improvements in the operation, records and accounts of the System.

Expenses incurred in making the audits referred to hereinabove are to be regarded as maintenance and operation expenses and paid as such. Copies of the aforesaid annual audit shall be immediately furnished, upon request, to the original purchaser or any subsequent owner of the Bonds.

Section 22. Excess Revenues. As provided in Section 13 [of the Ordinance], all revenues in excess of those required to establish and maintain the Interest and Sinking Fund and the Reserve Fund as required, may be used for any proper City purpose now or heretofore permitted by law.

Section 23. Security of Funds. All funds for which provision is made by the Ordinance shall be secured in the manner and to the fullest extent permitted by law for the security of public funds and the funds created by the Ordinance shall be used only for the purposes therein specified.

Section 24. Remedy in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in payments to be made to the Interest and Sinking Fund or the Reserve Fund as required by [the] Ordinance, or (b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in [the] Ordinance, registered owner or owners of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the City and its officers to observe and perform any covenant, condition or obligation prescribed in [the] Ordinance. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

The specific remedy provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

Section 25. Bonds are Special Obligations. The Bonds are and shall be special obligations of the City payable from the pledged Net Revenues, and the holder or holders thereof shall never have the right to demand payment of the Bonds out of funds raised or to be raised by taxation.

Section 26. Bonds are Negotiable Instruments. Each of the Bonds authorized shall be deemed and construed to be a "Security" and as such a negotiable instrument within the meaning of Chapter 8 of the Texas Uniform Commercial Code, as amended.

Section 27. Competition - Sale of System. So far as it legally may, the City covenants and agrees, for the protection and security of the Bonds, and the registered owner or owners thereof from time to time, that it will not grant a franchise for the operation of any competing system in the City until all Bonds shall have been retired. Neither the System, nor a substantial part thereof, shall be sold while the Bonds are outstanding, but nothing in [the] Ordinance shall prevent the sale or disposal of properties constituting a part of the System which are no longer useful in connection with the operation thereof.

Section 28. Satisfaction of Obligation of the City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in [the] Ordinance, then the pledge of revenues under [the] Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof 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 or the principal amount(s) thereof 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 Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities shall 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 principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof. In the event of a defeasance of the Bonds, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another qualified third party concerning the sufficiency of the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. 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 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. The provisions of this paragraph are subject to the applicable unclaimed property law of the State of Texas.

The City reserves the right, subject to satisfying the requirements of (i) and (ii) above, to substitute other Government Securities for the Government Securities 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.

City Of Grand Prairie, Texas

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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.

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
2022	\$ 1,888,689
2023	1,932,612
2024	1,932,612
2025	1,932,612
2026	1,932,612
Thereafter	1,191,777
	10,810,914
Less interest	2,109,274
Net present value	8,701,640
Less current portion	1,244,624
Non-current portion	\$ 7,457,016

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%

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.

In April 2020, the HFC received a loan from Affiliated Bank in the amount of \$119,096 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The loan bears interest at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning 6 months from the date of the note. The loan may be forgiven to the extent that proceeds are used for eligible expenditures such as payroll and other eligible expenses described in the CARES Act.

A summary of long-term debt activity during the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
PPP Note payable	\$ -	\$ 119,096	\$ -	\$ 119,096	\$ -
Note payable	2,054,379	-	(63,148)	1,991,231	65,885
Revenue bonds	6,905,000	-	(265,000)	6,640,000	295,000
Subordinate bonds	4,550,000	-	-	4,550,000	-
Developer loan	1,467,291	41,760	-	1,509,051	-
Total	\$ 14,976,670	\$ 160,856	\$ (328,148)	\$ 14,809,378	\$ 360,885

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
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	\$ 1,991,231	\$ 954,015	\$ 6,640,000	\$ 4,175,700

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

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. Provided, however, the City has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the Holders of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Unless otherwise provided in the Pricing Certificate, the term "Government Securities," as used herein, means (i) direct noncallable obligations of the United States of America, including obligations of 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 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, (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 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 (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.

Section 29. Ordinance to Constitute Contract - Amendment. The provisions of [the] Ordinance shall constitute a contract between the City, and the Holders; and, the City shall not amend or repeal any of the provisions of [the] Ordinance except as permitted in this Section and Section 44 [of the Ordinance]. The City may, without the consent of or notice to any Holder, from time to time and at any time, amend [the] Ordinance in any manner not detrimental to the interests of the registered owner or owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, with the written consent of the registered owner or owners holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, the City may amend, add to, or rescind any of the provisions of [the] Ordinance; provided that, without the consent of all registered owners of Outstanding Bonds, 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 for consent to any such amendment, addition or rescission.

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TAX MATTERS

TAX EXEMPTION . . . The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A form of Bond Counsel's opinion is reproduced in Appendix B. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinion, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the City with the provisions of the Bond Ordinance subsequent to the issuance of the Bonds. The Bond Ordinance contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of the proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the City may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, corporations subject to the alternative minimum tax on adjusted financial statement income, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASTT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future change in tax law.

QUALIFIED TAX-EXEMPT OBLIGATIONS FOR FINANCIAL INSTITUTIONS . . . Section 265 of the Code provides, in general, that interest expense to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. In addition, section 265 of the Code completely disallows any deduction for interest expense which is incurred by "financial institutions" described in such section and is allocable, as computed in such section, to tax-exempt interest on obligations acquired after August 7, 1986. Section 265(b) of the Code provides an exception to this rule for interest expense allocable to tax-exempt obligations (other than private activity bonds) which are designated by an issuer, such as the City, as "qualified tax-exempt obligations." An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed \$10,000,000.

The City will designate the Bonds as "qualified tax-exempt obligations" and will certify its expectation that the above-described \$10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions which purchase the Bonds will

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
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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, 2021, compliance with these covenants can be demonstrated as follows:

System revenue ⁽¹⁾	\$ 87,351,497
Operating expenses:	
Water purchased	16,749,528
Sewage disposal contract	20,841,214
Other operating expenses	<u>28,891,390</u>
Total expenses ⁽²⁾	<u>66,482,132</u>
Net revenue (available for debt service)	<u>\$ 20,869,365</u>
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2021	\$ 2,667,283
Coverage of average annual requirements based on September 30, 2021 revenue available for debt service	7.82

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

(2) Excludes depreciation expense.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
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At September 30, 2021, 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
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	\$ 42,035,800	\$ 5,975,287	\$ 48,011,087

At September 30, 2021, 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
2022	\$ 175,000	\$ 23,375	\$ 198,375
2023	185,000	14,375	199,375
2024	195,000	4,875	199,875
Total	\$ 555,000	\$ 42,625	\$ 597,625

not be subject to the one-hundred percent (100%) disallowance of interest expense allocable to interest on the Bonds under Section 265(b) of the Code. However, twenty percent (20%) of the interest expense incurred by a financial institution which is allocable to the interest on the Bonds will not be deductible pursuant to section 291 of the Code.

TAX ACCOUNTING TREATMENT OF DISCOUNT AND PREMIUM ON CERTAIN BONDS . . . The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, corporations subject to the alternative minimum tax on adjusted financial statement income, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

CONTINUING DISCLOSURE OF INFORMATION

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

ANNUAL REPORTS . . . The City will provide to the MSRB updated financial information and operating data annually. The information to be updated includes quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under the Tables numbered 1 through 11 and in Appendix B. The City will update and provide this information in the numbered tables within six months after the end of each fiscal year ending in or after 2022 and audited financial statements within 12 months after the end of each fiscal year ending in or after 2022. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in 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. 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 or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12, as amended (the "Rule").

The City's current fiscal year end is September 30. Accordingly, updated unaudited information included in the above-referenced tables must be provided 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 of 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 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 of 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 trustee or the change of name of a trustee, if material; (15) incurrence of a debt obligation or a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation of the City, or a guarantee of any such debt obligation or derivative instrument, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such 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 any such financial obligation of the City, any of which reflect financial difficulties. In addition, the City will provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, 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. Additionally, the City intends the words used in the preceding items (15) and (16) and the definition of "financial obligation" in these items to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

AVAILABILITY OF INFORMATION . . . The City has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge via the Electronic Municipal Market Access system at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of certain 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 holders 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 underwriter 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 holders 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 holders 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 underwriter 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.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2021

At September 30, 2021, changes in long-term debt for the City's business-type activities were as follows:

	Balance October 1, 2020	Borrowings or Increase	Payments or Decrease	Balance September 30, 2021	Due Within One Year
Water and wastewater:					
Revenue bonds					
Series 2010	\$ 2,870,000	\$ -	\$ (250,000)	\$ 2,620,000	\$ 255,000
Series 2011	1,380,000	-	(610,000)	770,000	640,000
Series 2013	7,570,000	-	(1,360,000)	6,210,000	1,400,000
Series 2014	2,560,000	-	(240,000)	2,320,000	245,000
Series 2015	3,090,000	-	(390,000)	2,700,000	405,000
Series 2016	15,180,000	-	(1,110,000)	14,070,000	1,140,000
Series 2017	3,940,000	-	(390,000)	3,550,000	390,000
Series 2017A	2,705,000	-	(55,000)	2,650,000	50,000
Series 2019	3,570,800	-	(160,000)	3,410,800	160,000
Series 2020	4,290,000	-	(555,000)	3,735,000	610,000
Total revenue bonds	47,155,800	-	(5,120,000)	42,035,800	5,295,000
Bond premiums/discounts	3,367,678	-	(271,733)	3,095,945	-
Total water and wastewater	50,523,478	-	(5,391,733)	45,131,745	5,295,000
Municipal airport:					
Certificate of obligation					
Series 2004A	725,000	-	(170,000)	555,000	175,000
Total municipal airport	725,000	-	(170,000)	555,000	175,000
Total change in long-term debt - business-type activities	\$ 51,248,478	\$ -	\$ (5,561,733)	\$ 45,686,745	\$ 5,470,000

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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, 2021, 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	\$ 2,620,000
Series 2011	2.0-4.25	2011	2031	8,940,000	770,000
Series 2013	2.0-4.0	2013	2026	14,045,000	6,210,000
Series 2014	0.0-1.990	2014	2030	4,000,000	2,320,000
Series 2015	2.25-4.0	2015	2027	4,155,000	2,700,000
Series 2016	2.0-5.0	2016	2036	17,625,000	14,070,000
Series 2017	0.0-0.8	2017	2030	5,110,000	3,550,000
Series 2017A	2.0-4.0	2017	2036	2,755,000	2,650,000
Series 2019	0.0-0.49	2019	2039	3,730,800	3,410,800
Series 2020	5	2020	2031	4,290,000	3,735,000
Total bonds payable - water wastewater					42,035,800
Unamortized bond premiums/discounts					3,095,945
Total long-term debt - water wastewater					45,131,745
Municipal airport:					
Certificates of obligation bonds					
Series 2004A	2.25-5.0	2004	2024	2,120,000	555,000
Total long-term debt - business-type activities					\$ 45,686,745

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

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

LITIGATION. . . City staff believes 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 (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "OTHER INFORMATION - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure 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. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

LEGAL OPINION. . . The City will furnish a complete transcript of proceedings relating 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 obligations of the City, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "Tax Matters" herein. 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. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, 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 describing the Bonds in the Official Statement to verify that such description conforms to the provisions of 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, Disclosure Counsel. The legal fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds.

The various 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 the expression of profession judgment, of the transaction opined 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 Investment 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, hactivist 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 which 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.

INITIAL PURCHASER. . . After requesting competitive bids for the Bonds, the City accepted the bid of Fidelity Capital Markets (the "Purchaser" or "Initial Purchaser") to purchase the Bonds at the interest rates shown on page 2 hereof at a price of 100% of par plus a cash premium of \$366,318.97. The Purchaser can give no assurance that any trading market will be developed for the Bonds after their sale by the City to the Purchaser. The City has no control over the prices at which the Bonds are subsequently sold and the initial yields at which the Bonds will be priced and reoffered will be established by and will be the sole responsibility of the Purchaser.

FORWARD LOOKING STATEMENTS. . .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.

CERTIFICATION OF THE OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the City will furnish the Purchaser a certificate, executed by an authorized representative of the City, acting in such person's representative capacity, to the effect that to the best of such person's knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in the Official Statement, and any addenda, supplement or amendment thereto, on the date of the Official Statement, on the date of sale of the 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, the 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 light of the circumstances under which they were made, not misleading in any material respect; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in the 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.

In the Bond Ordinance, the City Council authorized the Pricing Officer to approve, for or on behalf of the City, (i) the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and (ii) the Purchaser's use of this Official Statement in the reoffering of the Bonds by the Purchaser, all of which the Pricing Officer approved in the Pricing Certificate.

/s/ STEVE DYE
Pricing Officer

City of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2021

Fiscal Year	Sales Tax Revenue Bonds-Park Venue			Sales Tax Revenue Bonds-EPIC		
	Principal	Interest	Total	Principal	Interest	Total
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>\$ 16,485,000</u>	<u>\$ 2,542,382</u>	<u>\$ 19,027,382</u>	<u>\$ 68,235,000</u>	<u>\$ 35,519,010</u>	<u>\$ 103,754,010</u>

Fiscal Year	Total		
	Principal	Interest	Total
2022	\$ 36,685,000	\$ 16,794,519	\$ 53,479,519
2023	29,025,000	14,560,520	43,585,520
2024	33,805,000	13,406,819	47,211,819
2025	28,095,000	12,242,299	40,337,299
2026	32,820,000	11,175,464	43,995,464
2027	26,345,000	10,183,461	36,528,461
2028	23,820,000	9,291,884	33,111,884
2029	24,490,000	8,434,317	32,924,317
2030	23,835,000	7,581,430	31,416,430
2031	24,285,000	6,756,151	31,041,151
2032	24,185,000	5,947,566	30,132,566
2033	25,020,000	5,115,997	30,135,997
2034	25,075,000	4,238,869	29,313,869
2035	20,870,000	3,419,067	24,289,067
2036	19,720,000	2,683,574	22,403,574
2037	16,080,000	2,023,189	18,103,189
2038	15,100,000	1,436,105	16,536,105
2039	15,680,000	856,600	16,536,600
2040	11,200,000	354,614	11,554,614
2041	6,020,000	74,148	6,094,148
	<u>\$ 462,155,000</u>	<u>\$ 136,576,593</u>	<u>\$ 598,731,593</u>

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

At September 30, 2021, 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
2022	\$ 8,590,000	\$ 3,693,658	\$ 12,283,658	\$ 16,195,000	\$ 8,487,692	\$ 24,682,692
2023	7,410,000	3,195,163	10,605,163	16,410,000	7,828,659	24,238,659
2024	10,200,000	2,842,488	13,042,488	18,205,000	7,200,217	25,405,217
2025	9,400,000	2,443,182	11,843,182	13,090,000	6,619,402	19,709,402
2026	9,175,000	2,091,392	11,266,392	13,180,000	6,136,729	19,316,729
2027	8,720,000	1,789,618	10,509,618	13,560,000	5,660,296	19,220,296
2028	6,380,000	1,540,522	7,920,522	14,060,000	5,159,005	19,219,005
2029	6,385,000	1,345,099	7,730,099	14,580,000	4,638,715	19,218,715
2030	5,045,000	1,182,643	6,227,643	15,115,000	4,099,406	19,214,406
2031	4,790,000	1,058,325	5,848,325	15,650,000	3,566,674	19,216,674
2032	3,990,000	955,197	4,945,197	16,170,000	3,046,046	19,216,046
2033	4,075,000	868,432	4,943,432	16,720,000	2,495,019	19,215,019
2034	3,925,000	779,824	4,704,824	16,725,000	1,907,942	18,632,942
2035	3,855,000	692,578	4,547,578	12,385,000	1,384,576	13,769,576
2036	3,940,000	603,744	4,543,744	10,920,000	964,577	11,884,577
2037	4,040,000	505,391	4,545,391	7,460,000	637,450	8,097,450
2038	4,145,000	398,085	4,543,085	6,140,000	394,050	6,534,050
2039	4,255,000	287,961	4,542,961	6,360,000	173,250	6,533,250
2040	4,370,000	174,887	4,544,887	1,505,000	45,750	1,550,750
2041	4,485,000	58,798	4,543,798	1,535,000	15,350	1,550,350
	<u>\$ 117,175,000</u>	<u>\$ 26,506,987</u>	<u>\$ 143,681,987</u>	<u>\$ 245,965,000</u>	<u>\$ 70,460,805</u>	<u>\$ 316,425,805</u>

Fiscal Year	Tax and Tax Increment Bonds (TIFs)			Sales Tax Revenue Bonds-Crime Control		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 2,160,000	\$ 282,912	\$ 2,442,912	\$ 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	5,230,000	58,203	5,288,203	-	-	-
	<u>\$ 9,050,000</u>	<u>\$ 749,732</u>	<u>\$ 9,799,732</u>	<u>\$ 5,245,000</u>	<u>\$ 797,677</u>	<u>\$ 6,042,677</u>

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

In February 2021, the City issued \$23,215,000 in Combination Tax and Revenue Certificates of Obligation, Series 2021. The Certificates were issued for the purpose of paying contractual obligations to be (i) acquiring, constructing, improving and equipping fire-fighting facilities and library facilities, (ii) constructing, improving and equipping existing municipal facilities, (iii) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage, traffic signalization and street noise abatement incidental thereto and the acquisition of land and rights-of-way therefor and (iv) professional services rendered in connection therewith.

In June 2021, the City issued \$66,945,000 in General Obligation Bonds, Series 2021. The bonds were issued for the purpose of paying contractual obligations to be incurred for constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage, traffic signalization and street noise abatement incidental thereto, and for the acquisition of land and rights-of-way therefor within the reinvestment zone of the City known as the Tax Increment Financing Reinvestment Zone Number One (TIF #1).

Also in June 2021, the City issued \$16,935,000 in Combination Tax and Revenue Certificates of Obligation, Series 2021A. The Certificates were issued for the same purpose as the Series 2021 General Obligation Bonds, described above.

Outstanding Bond Debt Defeasement

At September 30, 2021, 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	\$ 55,000
Total debt defeasement	\$ 55,000

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City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2021

At September 30, 2021, changes in long-term debt for the City's governmental activities were as follows:

	Balance October 1, 2020	Borrowings or Increase	Payments or Decrease	Balance September 30, 2021	Due Within One Year
General obligation bonds:					
Series 2012	\$ 4,120,000	\$ -	\$ (645,000)	\$ 3,475,000	\$ 640,000
Series 2013	3,310,000	-	(310,000)	3,000,000	315,000
Series 2013A	1,710,000	-	(95,000)	1,615,000	100,000
Series 2015	7,065,000	-	(1,050,000)	6,015,000	1,095,000
Series 2016	23,375,000	-	(2,935,000)	20,440,000	2,415,000
Series 2019	19,475,000	-	(3,790,000)	15,685,000	4,005,000
Series 2021	-	66,945,000	-	66,945,000	-
Total general obligation bonds	59,055,000	66,945,000	(8,825,000)	117,175,000	8,590,000
Combination tax and revenue certificates of obligation:					
Series 2013	6,320,000	-	(405,000)	5,915,000	420,000
Series 2013A	9,280,000	-	(500,000)	8,780,000	525,000
Series 2014	16,940,000	-	(2,125,000)	14,815,000	2,230,000
Series 2015	22,445,000	-	(1,345,000)	21,100,000	1,405,000
Series 2016	28,180,000	-	(1,915,000)	26,265,000	1,325,000
Series 2017	29,915,000	-	(3,500,000)	26,415,000	3,625,000
Series 2018	38,810,000	-	(1,885,000)	36,925,000	2,090,000
Series 2019A	33,110,000	-	(1,815,000)	31,295,000	1,905,000
Series 2019B	34,305,000	-	-	34,305,000	2,220,000
Series 2021	-	23,215,000	-	23,215,000	450,000
Series 2021A	-	16,935,000	-	16,935,000	-
Total combination tax and revenue certificates of obligation	219,305,000	40,150,000	(13,490,000)	245,965,000	16,195,000
Tax increment and public improvement district debt:					
Series 2001 TIRZ 1	3,160,000	-	(1,525,000)	1,635,000	1,635,000
Series 2015 PID 5	380,000	-	(70,000)	310,000	75,000
Series 2016 - TIRZ 1	1,080,000	-	(1,080,000)	-	-
Series 2019 - TIRZ 1	7,105,000	-	-	7,105,000	450,000
Total tax increment and public improvement district debt	11,725,000	-	(2,675,000)	9,050,000	2,160,000
Sales tax revenue debt:					
Crime Control					
Series 2008	10,795,000	-	(5,550,000)	5,245,000	5,245,000
Total Crime Control	10,795,000	-	(5,550,000)	5,245,000	5,245,000
Park Venue					
Series 2009 subordinate	6,740,000	-	(495,000)	6,245,000	1,130,000
Series 2013	5,860,000	-	(1,290,000)	4,570,000	730,000
Series 2016 Park Venue	5,935,000	-	(265,000)	5,670,000	260,000
Total Park Venue	18,535,000	-	(2,050,000)	16,485,000	2,120,000
EPIC					
Series 2015 EPIC	70,520,000	-	(2,285,000)	68,235,000	2,375,000
Total EPIC	70,520,000	-	(2,285,000)	68,235,000	2,375,000
Total change in long term debt	389,935,000	107,095,000	(34,875,000)	462,155,000	36,685,000
Unamortized bond premiums/discounts	26,089,620	3,272,425	(2,158,415)	27,203,630	-
Total change in long-term debt - governmental activities	\$ 416,024,620	\$ 110,367,425	\$ (37,033,415)	\$ 489,358,630	\$ 36,685,000

THE CITY

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, 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 - IH-20, IH-30, IH-35 and IH-45 - five state highway systems - SH-360, SH-180, SH-303, SH-161, and Loop 12. FM-1382 - 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, Louisiana.
- 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 the state of 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 north-south tollway runs 10.5 miles through Grand Prairie from the northern City limits to IH-20.

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 ("DFW Airport") lies about five miles north of the City's northern border. In 2021, Airports Council International ("ACI") ranked DFW Airport second among United States airports and third globally for total number of aircraft operations. In 2021, the ACI report ranked DFW Airport second globally and domestically for passengers. In 2021, DFW served 55.4 million passengers and provided service to 196 domestic and 65 international destinations (www.dfwairport.com).

POPULATION

The estimated population for 2022 is 200,640. From the 2010 Census to the 2020 Census, the City's population increased 12 percent.

DEMOGRAPHICS

2020 Census estimates of the City Non-Hispanic population breakdown were 60.8 percent white, 23.1 percent black, 6.9 percent Asian and Pacific Islander, 0.2 percent American Indian, 0.9 percent other; Hispanic of any race comprises 48.7% of the population.

Age distribution estimates of residents, according to the 2020 Census, are 67.2 percent ages 21 and older, 10.1 percent older than 65, and 28.5 percent younger than 18.

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

	August	Average Annual				
	2022	2021	2020	2019	2018	2017
Civilian Labor Force	105,845	102,076	98,905	98,881	98,265	97,727
Employed	101,548	96,337	91,024	95,309	94,525	93,925
Unemployed	4,297	5,739	7,881	3,572	3,740	3,802
% of Unemployed	4.06%	5.62%	7.97%	3.61%	3.81%	3.89%

Source: Texas Employment Commission.

TOP TEN 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 Sciences	4,000
Poly-America Inc.	Unsupported Plastics Film and Sheet (except Packaging) Manufacturing	2,000
City of Grand Prairie	Public Administration	1,600
Bell Helicopter-Textron	Helicopter aircraft manufacturing	1,200
Flex-N-Gate	Auto Accessory Manufacturing	1,200
Lear Seating	Manufacturing	1,100
Lone Star Park at Grand Prairie	Racetracks	950
Forterra Pipe & Products, Inc.	Concrete Pipe Manufacturing	950
K & N Filters	Air Filter Manufacturer	800

Source: City's financial statement.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

At September 30, 2021, 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 2012	1.0-2.0	2012	2026	27,400,000	3,475,000
Series 2013	1.5-3.25	2013	2033	10,975,000	3,000,000
Series 2013A	3.0-4.125	2014	2034	2,220,000	1,615,000
Series 2015	1.75-5.0	2016	2027	10,270,000	6,015,000
Series 2016	3.0-5.0	2016	2030	33,810,000	20,440,000
Series 2019	5.00	2020	2031	19,475,000	15,685,000
Series 2021	0.969-4.0	2021	2041	66,945,000	66,945,000
Total general obligation bonds					117,175,000
Combination tax and revenue certificates of obligation					
Series 2013	2.0-3.25	2013	2033	8,830,000	5,915,000
Series 2013A	2.0-4.125	2014	2034	11,945,000	8,780,000
Series 2014	3.0-5.0	2015	2034	26,125,000	14,815,000
Series 2015	2.0-5.0	2016	2035	27,380,000	21,100,000
Series 2016	2.0-4.0	2016	2036	33,705,000	26,265,000
Series 2017	2.25-5.0	2017	2037	36,515,000	26,415,000
Series 2018	2.0-4.0	2018	2039	40,605,000	36,925,000
Series 2019A	2.0-5.0	2019	2039	34,910,000	31,295,000
Series 2019B	1.5-3.0	2019	2034	34,305,000	34,305,000
Series 2021	2.0-4.5	2021	2041	23,215,000	23,215,000
Series 2021A	0.969-4.0	2021	2036	16,935,000	16,935,000
Total combination tax and revenue certificates of obligation					245,965,000
Tax increment and public improvement district debt					
Series 2001 TRZ 1	3-month SOFR +.31%	2000	2022	17,900,000	1,635,000
Series 2015 PID 5	2.0-5.0	2016	2035	640,000	310,000
Series 2016 TRZ 1	3.0-5.0	2016	2030	3,135,000	-
Series 2019 TRZ 1	1.5-2.5	2019	2026	7,105,000	7,105,000
Total tax increment and public improvement district debt					9,050,000
Sales tax revenue debt					
Series 2008 Crime Control	6mo SOFR*62.075+1.07	2008	2022	54,800,000	5,245,000
Total Crime Control					5,245,000
Series 2009 Park Venue subordinate	3.77	2009	2027	13,390,000	6,245,000
Series 2013 Park Venue	2.0-4.0	2013	2027	11,060,000	4,570,000
Series 2016 Park Venue	2.0-4.0	2016	2036	6,730,000	5,670,000
Total Park Venue					16,485,000
Sales tax revenue debt					
Series 2015 EPIC	3.721-5.032	2015	2040	74,825,000	68,235,000
Total EPIC					68,235,000
Total general obligation debt					462,155,000
Unamortized bond premiums/discounts					27,203,630
Total long-term debt - governmental activities					\$ 489,358,630

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2021

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

	Balance October 1, 2020	Borrowings or Increase	Payments or Decrease	Balance September 30, 2021	Due Within One Year
Primary government:					
Governmental activities:					
General obligation bonds	\$ 59,055,000	\$ 66,945,000	\$ (8,825,000)	\$ 117,175,000	\$ 8,590,000
Combination tax and revenue certificates of obligation	219,305,000	40,150,000	(13,490,000)	245,965,000	16,195,000
Tax increment and public improvement district bonds	11,725,000	-	(2,675,000)	9,050,000	2,160,000
Sales tax revenue bonds - Epic	70,520,000	-	(2,285,000)	68,235,000	2,375,000
Sales tax revenue bonds - Crime Control	10,795,000	-	(5,550,000)	5,245,000	5,245,000
Sales tax revenue bonds - Park Venue	18,535,000	-	(2,050,000)	16,485,000	2,120,000
Issuance premiums/discounts, net	26,089,620	3,272,425	(2,158,415)	27,203,630	-
Total long-term debt	416,024,620	110,367,425	(37,033,415)	489,358,630	36,685,000
Compensated absences	21,064,457	11,073,987	(11,051,407)	21,087,037	9,679,444
Other post-employment benefits liability	60,687,581	6,172,017	(2,600,805)	64,258,793	-
Net pension liability	59,113,940	51,564,901	(61,452,177)	49,226,664	-
Environmental remediation liability	20,900	6,450	-	27,350	27,350
Other liabilities	1,139,367	3,108,638	(160,776)	4,087,229	678,882
Total governmental activities	558,050,865	182,293,418	(112,298,580)	628,045,703	47,070,676
Business-type activities:					
Certificates of obligation	725,000	-	(170,000)	555,000	175,000
Water and wastewater revenue bonds	47,155,800	-	(5,120,000)	42,035,800	5,295,000
Issuance premiums/discounts, net	3,367,678	-	(271,733)	3,095,945	-
Total long-term debt	51,248,478	-	(5,561,733)	45,686,745	5,470,000
Compensated absences	469,411	915,072	(760,739)	623,744	494,545
Other post-employment benefits liability	6,275,983	708,715	(298,865)	6,685,833	-
Net pension liability	4,470,085	5,921,053	(4,741,641)	5,649,497	-
Closure and post closure liability	8,648,946	533,456	(99,384)	9,083,018	-
Total business-type activities	71,112,903	8,078,296	(11,462,362)	67,728,837	5,964,545
Total primary government	\$ 629,163,768	\$ 190,371,714	\$ (123,760,942)	\$ 695,774,540	\$ 53,035,221
Component unit activities:					
Housing Finance Corporation:					
Paycheck Protection Program Note Payable	\$ -	\$ 119,096	\$ -	\$ 119,096	\$ -
Line of credit	3,521,670	-	(63,148)	3,458,522	65,885
Revenue bonds	6,905,000	-	(265,000)	6,640,000	295,000
Subordinate revenue bonds	4,550,000	41,760	-	4,591,760	-
Total Housing Finance Corporation	14,976,670	160,856	(328,148)	14,809,378	360,885
Local Government Corporation					
Environmental remediation liability	-	239,369	-	239,369	239,369
Total Local Government Corporation	-	239,369	-	239,369	239,369
Total component units	\$ 14,976,670	\$ 400,225	\$ (328,148)	\$ 15,048,747	\$ 600,254

RECREATION

Recreational facilities include the 7,500-acre Joe Pool Lake, championship level Tangle Ridge Golf Course, Lone Star Park at Grand Prairie, Epic Waters indoor water park, and 54 public parks on 5,068.2 acres. Parks, Arts and Recreation facilities include an extreme skate park, four multipurpose recreation centers, an active adult center, indoor pool, three outdoor pools, five football, soccer, softball and baseball complexes, two golf courses, 14 tennis courts, an all-inclusive playground, three linear parks, and four developed lake parks at Joe Pool Lake.

EpicCentral is a 172-acre park located off Highway 161. It features Epic Waters Indoor Water Park, The Epic mega-recreation center, The Epic Black Box Theater, PlayGrand Adventures all-access playground, the Summit Active Adult Center, Prairie Paws Animal Shelter, Central Bark Dog Park and Main Event Entertainment. Coming by the end of 2022 are six new restaurants, an amazing water and light show, and Bolder Adventure Indoor adventure park. In 2023, two conference hotels and parking garage will be completed, as will on-land interactive experiences, unique programming, and ever-changing rotation of entertainment.

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 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.

Lone Star Park at Grand Prairie, is one of three Class 1 horse-racing tracks in Texas and includes a world class racebook and simulcast facility.

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, 2021

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, 2021.

	Governmental Activities	Business-Type Activities	Total
Prepaid pipeline lease	\$ 804,981	\$ 113,614	\$ 918,595
Prepaid arrangements - Cemetery Fund	2,029,867	-	2,029,867
Unspent grant funds - Texas Water Development Board	-	905,606	905,606
Prepaid rental deposits - Parks	286,218	-	286,218
Park Venue Fund deposits on events to be held	7,519	-	7,519
Event Revenue	39,762	-	39,762
Unspent grant funding	18,354,828	-	18,354,828
Total unearned revenue	\$ 21,523,175	\$ 1,019,220	\$ 22,542,395

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.

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.

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City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

Significant transfers from Business-Type Activities to Governmental Activities:

- \$6,325,724 from the Storm Water Utility fund to the Drainage fund for capital project funding.
- \$48,000 from the Airport fund to the Capital Lending Reserve fund for repayment of interfund loan.
- \$150,000 from the Water and Wastewater Fund to the Other CIP fund for IT acquisitions.
- \$1,263,985 from the Water and Wastewater Fund to the Street Maintenance Fund for payments in lieu of property taxes
- \$497,500 from the Water and Wastewater Fund to the Grants Fund for project funding
- \$200,000 from the Solid Waste Fund to the Municipal Facilities Fund for capital project funding
- \$450,000 from the Solid Waste Fund to the Other CIP fund for capital project funding.
- \$60,963 from the Solid Waste Fund to the Fleet Services Internal Service Fund for capital assets.
- \$97,121 from the Solid Waste Fund to the Street Maintenance Fund for payments in lieu of property taxes

Other significant transfers made between governmental funds included the following:

- \$6,560,077 from the General to the Park Venue for fiscal operations
- \$5,470,542 from the Streets CIP Fund to the Grants Fund for capital project funding.
- \$37,693,951 from EPIC 2 CIP Fund to the TIF #1 EPIC CIP Fund to create the new fund for EPIC capital projects.
- \$6,700,000 from the General to the Capital Lending Reserve for future capital needs and improvement.
- \$2,940,000 from the General to the IT & Equipment Acquisition funds (annual appropriation)
- \$10,393,527 from the General to the Grants to fund matching requirements related to operating grants
- \$1,500,000 from the Park Venue to the Park Capital Fund for improvements to infrastructure and equipment at city wide parks

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	\$ 1,905,045	\$ 928,844	\$ 2,833,889
Ambulance	138,616	-	138,616
Total	\$ 2,043,661	\$ 928,844	\$ 2,972,505

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

APPENDIX B

EXCERPTS FROM THE
CITY OF GRAND PRAIRIE, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2021

The information contained in this Appendix consists of excerpts from the City of Grand Prairie, Texas Annual Comprehensive Financial Report for the Year Ended September 30, 2021 (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. The information contained in this Appendix is provided as of the respective dates and for the periods specified herein and is subject to change without notice, and the filing of this Appendix does not, under any circumstances, imply that there has been no change in the affairs of the City since the specified date as of which such information is provided. In particular, the dates as of and periods for which some of such information is provided occurred before the impact of the worldwide COVID-19 pandemic and the economic impact of measures instituted to slow it could be fully realized. Accordingly, the historical information set forth in this Appendix is not necessarily indicative of future results or performance due to these and other factors, including those discussed in the Official Statement.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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.

At September 30, 2021, 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	\$ -	\$ -	\$ -	\$ 10,393,527	\$ -	\$ -
Streets CIP Fund	-	-	-	5,470,542	-	-
Grants Fund	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Epic 2 CIP Fund	-	-	-	-	-	-
Nonmajor Governmental Funds	-	-	-	11,730	950,000	-
Internal Service Funds	-	-	-	-	-	-
Water & Wastewater Fund	-	-	-	497,500	-	-
Solid Waste Fund	-	-	-	-	-	-
Nonmajor Enterprise Funds	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ 16,373,299	\$ 950,000	\$ -

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Transfers out	Transfers In					Total
	Nonmajor Governmental Funds	Water Wastewater Fund	Solid Waste Fund	Other Nonmajor Enterprise Funds	Internal Service Fund	
General Fund	\$ 16,557,229	\$ 6,200,000	\$ -	\$ -	\$ -	\$ 33,150,756
Streets CIP Fund	-	-	-	-	-	5,470,542
Grants Fund	309,427	-	-	-	-	309,427
Debt Service Fund	-	-	-	187,955	-	187,955
Epic 2 CIP Fund	37,693,951	-	-	-	-	37,693,951
Nonmajor Governmental Funds	9,942,535	16,000	-	350,000	-	11,270,265
Internal Service Funds	261,040	-	-	-	-	261,040
Water & Wastewater Fund	1,413,985	-	-	-	-	1,911,485
Solid Waste Fund	297,121	-	-	-	60,963	358,084
Nonmajor Enterprise Funds	6,373,724	-	-	-	-	6,373,724
Total	\$ 72,849,012	\$ 6,216,000	\$ -	\$ 537,955	\$ 60,963	\$ 96,987,229

Significant transfers from Governmental Activities to Business-Type Activities:

- \$6,200,000 from the General Fund to the Water and Wastewater Fund for pooled cash coverage
- \$16,000 from the Public Improvement District (PID) fund to the Water and Wastewater Fund for PID funding.
- \$350,000 from the Parks Venue fund to the Golf fund for golf course operations.



Independent Auditor's Report

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.

For the year ended September 30, 2021, cost reimbursements were as follows:

Fund	Amount
Water and wastewater funds	\$ 4,577,846
Solid waste funds	560,806
Storm water funds	106,582
Airport fund	79,538
Other nonmajor governmental funds	248,760
Total to general fund	\$ 5,573,532

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, 2021, franchise fees paid to the General Fund were as follows:

Fund	Amount
Water and wastewater funds	\$ 3,408,287
Solid waste funds	428,818
Storm water funds	344,068
Total	\$ 4,181,173

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.

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, 2021, 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.

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, 2021, 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, 2021

At September 30, 2021, a summary of changes in capital assets of the Housing Finance Corporation was as follows:

Housing Finance Corporation	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	21,086,364	443,569	497,167	22,027,100
Less accumulated depreciation	(10,286,691)	(1,021,146)	(497,167)	(11,805,004)
Total depreciable capital assets, net	10,799,673	(577,577)	-	10,222,096
Housing Finance Corporation assets, net	\$ 12,412,524	\$ (577,577)	\$ -	\$ 11,834,947

At September 30, 2021, a summary of changes in capital assets of the Local Government Corporation was as follows:

Local Government Corporation	Balance October 1, 2020	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance September 30, 2021
Non-depreciable capital assets:				
Land	\$ -	\$ 4,885,331	\$ -	\$ 4,885,331
Construction in progress	-	50,000	-	50,000
Total non-depreciable capital assets	-	4,935,331	-	4,935,331
Local Government Corporation assets, total	\$ -	\$ 4,935,331	\$ -	\$ 4,935,331

E. Interfund Transactions

Interfund Receivables and Payables

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts, and are reported as "due to/from other funds. A summary of interfund receivables and payables balances at September 30, 2021, is as follows:

Receivable Fund	Payable Fund		
	General Fund	Nonmajor Governmental Funds	Total
Grants Fund	\$ 28,000,000	\$ -	\$ 28,000,000
Nonmajor Governmental Funds	112,000,000	1,371,317	113,371,317
Water & Wastewater Fund	7,000,000	-	7,000,000
	\$ 147,000,000	\$ 1,371,317	148,371,317

The primary purpose of the interfund receivables and payables listed above is to cover cash shortages in the reported funds.

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2021

Business-Type Activities	Balance October 1, 2020	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2021
Non-depreciable capital assets:				
Land	\$ 5,105,222	\$ 18,131	\$ -	\$ 5,123,353
Construction in progress	34,107,743	11,793,989	(11,387,471)	34,514,261
Total non-depreciable capital assets	39,212,965	11,812,120	(11,387,471)	39,637,614
Depreciable capital assets:				
Buildings	19,908,987	-	1,632,969	21,541,956
Equipment	28,107,787	3,147,298	(1,652,190)	29,602,895
Infrastructure	401,681,312	10,603,683	8,709,730	420,994,725
Total depreciable capital assets	449,698,086	13,750,981	8,690,509	472,139,576
Less accumulated depreciation for:				
Buildings	(9,791,166)	(666,443)	-	(10,457,609)
Equipment	(14,053,960)	(2,860,900)	1,557,505	(15,357,355)
Infrastructure	(220,058,838)	(14,903,759)	1,308,208	(233,654,389)
Total accumulated depreciation	(243,903,964)	(18,431,102)	2,865,713	(259,469,353)
Total depreciable capital assets, net	205,794,122	(4,680,121)	11,556,222	212,670,223
Total capital assets, net	\$ 245,007,087	\$ 7,131,999	\$ 168,751	\$ 252,307,837

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

Governmental activities:		Business-type activities:	
Support services	\$ 4,774,651	Water and wastewater	\$ 14,647,399
Public safety services	8,507,229	Solid waste	1,803,759
Recreation and leisure services	9,746,647	Other business-type activities	1,979,944
Development services	23,229,927		
Internal services funds (see note below)	306,092	Total business-type activities	\$ 18,431,102
Total governmental activities	\$ 46,564,546		

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, 2021, a summary of changes in capital assets of the Sports Corporation was as follows:

Sports Corporation	Balance October 1, 2020	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance September 30, 2021
Equipment	\$ 310,078	\$ -	\$ -	\$ 310,078
Less accumulated depreciation	(310,078)	-	-	(310,078)
Total	\$ -	\$ -	\$ -	\$ -

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 29, 2022, 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 29, 2022



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City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2021

Assets were restricted for the following purposes:

Purpose	Governmental Activities	Business-Type Activities	Total
Customer deposits	\$ 45,600	\$ 5,942,774	\$ 5,988,374
Debt service	3,792,767	5,607,337	9,400,104
Capital projects	73,903,750	55,606,358	129,510,108
Support services	2,602,224	-	2,602,224
Public safety	7,229,431	-	7,229,431
Recreation and leisure	26,949,596	-	26,949,596
Development services	11,850,024	-	11,850,024
Other specific purposes	29,013,805	-	29,013,805
Total restricted assets	\$ 155,387,197	\$ 67,156,469	\$ 222,543,666

D. Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

Governmental Activities	Balance October 1, 2020	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2021
Non-depreciable capital assets:				
Land	\$ 47,157,907	\$ 8,008,645	\$ -	\$ 55,166,552
Construction in progress	180,158,846	45,250,111	(133,532,878)	91,876,079
Total non-depreciable capital assets	227,316,753	53,258,756	(133,532,878)	147,042,631
Depreciable capital assets:				
Buildings	257,020,516	2,803,371	104,634,670	364,458,557
Equipment	130,391,982	4,320,133	(5,402,242)	129,309,873
Infrastructure	644,841,043	5,908,518	13,893,206	664,642,767
Total depreciable capital assets	1,032,253,541	13,032,022	113,125,634	1,158,411,197
Less accumulated depreciation for:				
Buildings	(94,109,832)	(10,713,119)	1,236,598	(103,586,353)
Equipment	(84,377,548)	(10,960,643)	6,400,892	(88,937,299)
Infrastructure	(377,187,046)	(24,890,784)	16,450,338	(385,627,492)
Total accumulated depreciation	(555,674,426)	(46,564,546)	24,087,828	(578,151,144)
Total depreciable capital assets, net	476,579,115	(33,532,524)	137,213,462	580,260,053
Total capital assets, net	\$ 703,895,868	\$ 19,726,232	\$ 3,680,584	\$ 727,302,684

City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2021

B. Receivables

At September 30, 2021, receivables, including applicable allowances for uncollectible accounts, consisted of the following:

Governmental Activities	General	Grants	Debt Service	Nonmajor Governmental	Internal Service	Total Governmental
Receivables:						
Property taxes	\$ 2,878,511	\$ -	\$ 1,249,381	\$ -	\$ -	\$ 4,127,892
Sales taxes	7,780,887	-	-	7,769,116	-	15,550,003
Franchise fees	2,371,762	-	-	60,026	-	2,431,788
Other	3,809,030	32,189	4,658	1,813,036	84,060	5,742,973
Total receivables, gross	16,840,190	32,189	1,254,039	9,642,178	84,060	27,852,656
Less:						
Allowance for uncollectibles	(1,406,887)	-	(324,400)	-	-	(1,731,287)
Total receivables, net	\$ 15,433,303	\$ 32,189	\$ 929,639	\$ 9,642,178	\$ 84,060	\$ 26,121,369

Business-Type Activities:	Water Wastewater	Solid Waste	Other Nonmajor	Total Business-Type
Receivables:				
Trade accounts	\$ 11,131,810	\$ 1,810,470	\$ 1,019,679	\$ 13,961,959
Other	-	10,000	-	10,000
Total receivables, gross	11,131,810	1,820,470	1,019,679	13,971,959
Less:				
Allowance for uncollectibles	(5,284,392)	(1,249,617)	(274,390)	(6,808,399)
Total receivables, net	\$ 5,847,418	\$ 570,853	\$ 745,289	\$ 7,163,560

C. Restricted Assets

At September 30, 2021, restricted assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 12,105,518	\$ 2,958,022	\$ 15,063,540
Investments	143,281,679	64,198,447	207,480,126
	\$ 155,387,197	\$ 67,156,469	\$ 222,543,666

Management's Discussion and Analysis



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City Of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2021

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, 2021	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	\$ 108,853	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
TexPool	9,019,554	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
FHLB	2,011,638	-	2,011,638	-	477	AAA
Total	\$ 11,140,045	\$ -	\$ 2,011,638	\$ -		

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, 2021 was \$9,019,554 in the Public Funds Investment Pool (TexPool) and \$2,011,638 in U.S. agency instrumentalities.

City and Grand Prairie Sports Facilities Development Investment Portfolio

The asset mix of the City's and Sports Corporation'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:

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

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 Sports Corporation does not limit callable securities. The City and Sports Corporation did not invest in any securities different from the categories mentioned above during the 2020-2021 fiscal year.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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, 2021.

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

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2021
(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, 2021. 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, 2021 by \$724,434,431 (net position).
- The City's total net position increased \$39,994,412, for the fiscal year ended September 30, 2021, primarily due to an increase in charges for services, sales tax collections, franchise fee collections, and grant contributions.
- At September 30, 2021, the City's governmental funds reported combined ending fund balances of \$299,266,048. The \$46,567,628 unassigned fund balance in the General Fund represents 28.0% of total General Fund expenditures and transfers.
- The City's total long-term liabilities of \$695,774,540 increased by \$66,610,772 (10.6%) during the current fiscal year. In fiscal year 2021, net bonded debt increased by \$66,930,000, 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, 2021
(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. The CCPD is reported as the Crime Sales Tax Fund.

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, 2021

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, 2021	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	\$ 6,518,021	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
TexPool	80,230,288	-	-	-	1	AAAm
Investments measured at net asset value (NAV):						
Investment Pools:						
TexStar	37,691,695	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
US Treasuries	91,487,917	-	91,487,917	-	604	AAA
Municipal bonds	36,701,519	-	36,701,519	-	334	AAA
FAMCA	76,116,433	-	76,116,433	-	485	Not Rated
FFCB	52,067,938	-	52,067,938	-	391	AAA
FHLB	3,856,093	-	3,856,093	-	477	AAA
FHLMC	29,885,821	-	29,885,821	-	105	AAA
FNMA	58,486,298	-	58,486,298	-	405	AAA
Total	\$ 473,042,023	\$ -	\$ 348,602,019	\$ -		

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. The maturity of the City's position in this investment pool is based on the average maturity of the pool's investment. 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.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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, 2021 was \$9,620,797.

Grand Prairie Sports Facilities Development

At September 30, 2021, the carrying amount of the Sports Corporation's deposits included in cash and cash equivalents was \$109,090 while the bank balance of the Sports Corporation's deposits was \$110,460. 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 \$2,105,861 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 \$653,769. Restricted cash of \$98,282 (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 \$142,857 and bonds held by a trustee of \$1,210,092 as a debt service reserve.

Grand Prairie Local Government Corporation

At September 30, 2021, the carrying amount and bank balance of the Local Government Corporation's deposits included in cash and cash equivalents was \$75,752. The bank balance was entirely covered by Federal Deposit Insurance Corporation (FDIC) insurance through its financial institution.

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

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2021
(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, 2021
(Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets of the City at September 30, 2021 were \$1,488,179,969, deferred outflows of resources were \$23,536,997, total liabilities were \$765,037,939, and deferred inflows of resources were \$22,244,596 resulting in a net position of \$724,434,431.

The largest portion of the City's net position, \$563,649,296 (77.9%), 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	
	9/30/2020	9/30/2021	9/30/2020	9/30/2021	9/30/2020	9/30/2021
Cash and investments	\$ 259,942,938	\$ 353,890,603	\$ 114,953,733	\$ 119,151,420	\$ 374,896,671	\$ 473,042,023
Other assets	26,581,255	17,721,010	12,403,270	17,806,415	38,984,525	35,527,425
Capital assets, net	703,895,868	727,302,684	245,007,090	252,307,837	948,902,958	979,610,521
Total assets	990,420,061	1,098,914,297	372,364,093	389,265,672	1,362,784,154	1,488,179,969
Deferred outflows of resources	21,526,904	20,659,107	2,309,822	2,877,890	23,836,726	23,536,997
Current liabilities	36,937,593	55,012,967	13,475,698	14,250,432	50,413,291	69,263,399
Long-term bonded debt	416,024,621	489,358,630	51,248,478	45,686,745	467,273,099	535,045,375
Other noncurrent liabilities	142,026,244	138,687,073	19,864,425	22,042,092	161,890,669	160,729,165
Total liabilities	594,988,458	683,058,670	84,588,601	81,979,269	679,577,059	765,037,939
Deferred inflows of resources	20,878,302	20,013,816	1,725,500	2,230,780	22,603,802	22,244,596
Net Position						
Net Investment in capital assets	336,590,522	356,640,773	193,394,660	207,008,523	529,985,182	563,649,296
Restricted	58,788,228	76,342,878	61,272,475	88,209,339	120,060,703	164,552,217
Unrestricted	701,455	(16,482,733)	33,692,679	12,715,651	34,394,134	(3,767,082)
Total net position	\$ 396,080,205	\$ 416,500,918	\$ 288,359,814	\$ 307,933,513	\$ 684,440,019	\$ 724,434,431

A portion of the City's net position totaling \$164,552,217, or 22.8%, represents resources that are subject to external restrictions on how they may be used.

The City's net position increased by \$39,994,412 from the prior fiscal year due to an increase in charges for services, sales tax collections, franchise fee collections, and grant contributions. Overall water and wastewater rates increased approximately 4%.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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, 2021, the City reported cash and cash equivalents in the Statement of Net Position as follows:

	Unrestricted	Restricted	Total
Cash	\$ 3,559,999	\$ 2,958,022	\$ 6,518,021
Pooled investments	105,816,465	12,105,518	117,921,983
Total cash and cash equivalents	\$ 109,376,464	\$ 15,063,540	\$ 124,440,004

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	\$ 6,490,665	\$ 10,021,979
Petty Cash	27,356	-
Total cash	\$ 6,518,021	\$ 10,021,979

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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. Complete details of the plan are listed in Note J.

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.

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

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2021
(Unaudited)

The fiscal year 2021 compared to fiscal 2020 changes in the City's net position were as follows:

**Table 2
Changes in Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2020	9/30/2021	9/30/2020	9/30/2021	9/30/2020	9/30/2021
Revenues:						
Program revenues:						
Charges for services	\$ 43,289,739	\$ 50,828,628	\$ 106,798,492	\$ 110,402,425	\$ 150,088,231	\$ 161,231,053
Operating grants and contributions	63,784,399	45,398,240	96,306	-	63,880,705	45,398,240
Capital grants and contributions	417,050	6,974,967	10,069,185	15,545,712	10,486,235	22,520,679
General revenues:						
Property tax	116,020,990	113,824,809	-	-	116,020,990	113,824,809
Sales tax	70,808,392	80,187,852	-	-	70,808,392	80,187,852
Other tax	1,794,491	2,366,924	-	-	1,794,491	2,366,924
Franchise fees	13,903,806	14,022,362	-	-	13,903,806	14,022,362
Investment income	7,952,664	333,285	25,770	1,116	7,978,434	334,401
Total revenues	317,971,531	313,937,067	116,989,753	125,949,253	434,961,284	439,886,320
Expenses:						
Support services	31,310,741	31,880,593	-	-	31,310,741	31,880,593
Public safety services	113,728,877	105,285,879	-	-	113,728,877	105,285,879
Recreation and leisure services	32,949,455	35,162,022	-	-	32,949,455	35,162,022
Development services	110,126,929	109,073,042	-	-	110,126,929	109,073,042
Interest on long-term debt	12,689,169	14,004,156	-	-	12,689,169	14,004,156
Water and wastewater	-	-	73,211,370	81,889,959	73,211,370	81,889,959
Solid waste	-	-	13,044,195	13,906,365	13,044,195	13,906,365
Municipal airport	-	-	2,529,664	2,974,666	2,529,664	2,974,666
Municipal golf course	-	-	3,452,349	3,141,846	3,452,349	3,141,846
Storm water	-	-	2,497,132	2,573,380	2,497,132	2,573,380
Total expenses	300,805,171	295,405,692	94,734,710	104,486,216	395,539,881	399,891,908
Increases (decreases) in net position before transfers	17,166,360	18,531,375	22,255,043	21,463,037	39,421,403	39,994,412
Transfers	4,830,999	1,889,338	(4,830,999)	(1,889,338)	-	-
Change in net position	21,997,359	20,420,713	17,424,044	19,573,699	39,421,403	39,994,412
Net position - beginning of year	374,082,846	396,080,205	270,935,770	288,359,814	645,018,616	684,440,019
Net position - end of year	\$ 396,080,205	\$ 416,500,918	\$ 288,359,814	\$ 307,933,513	\$ 684,440,019	\$ 724,434,431

Governmental activities – Governmental activities increased the City's net position by \$20,420,713 in comparison with beginning net position, primarily due to an increase in sales tax collections, and additional federal funding received. Net position of governmental operations accounts for 57.5% of total net position.

Business-type activities – Business-type activities increased the City's net position by \$19,573,699 in comparison with beginning net position. Overall operating revenues and expenses increased proportionately. Net position for business-type activities represents 42.5% of total primary government net position.

City of Grand Prairie, Texas

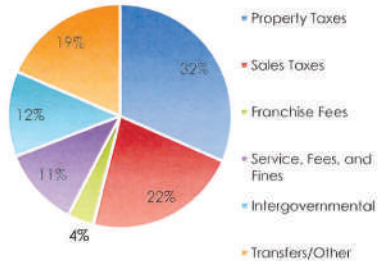
Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2021
 (Unaudited)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

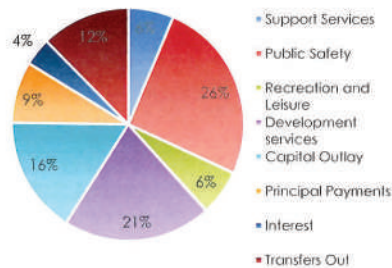
Governmental funds – The focus of City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure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

At fiscal year-end 2021, the City's governmental funds (excluding internal service funds) reported combined ending fund balances of \$299,266,048, an increase of \$65,150,938 in comparison with the prior year. The unassigned fund balance portion is 15.6% 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 (\$491,473); amounts restricted by bond covenants or granting agencies (\$189,073,380) either for debt service payments, grant-related use, special taxing districts, or for capital projects. In addition, committed funds (\$60,721,090) require formal action by City Council. Finally, funds may be assigned (\$2,412,477) 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, \$380,450,358 and \$445,103,070, respectively, for fiscal year 2021.

**Figure 1
Revenue Sources
Governmental Funds**



**Figure 2
Expenditures
Governmental Funds**



The General Fund is the chief operating fund of the City. At fiscal year-end, unassigned fund balance of the General Fund was \$46,567,628, while total fund balance was \$50,006,374. 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 34.9% of total general fund operating expenditures, while total fund balance represents 37.5% of that same amount. General Fund's fund balance decreased in the amount of \$10,642,056 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.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
 September 30, 2021

- **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

Notes to the Basic Financial Statements
September 30, 2021

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

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2021
(Unaudited)

The Streets CIP Fund decreased by \$2,359,295 due to an increase in street construction projects.

The Grants Fund increased by \$6,726,875 due primarily to transfers into the Grants Fund to pay the City's portion of federal and state funded projects.

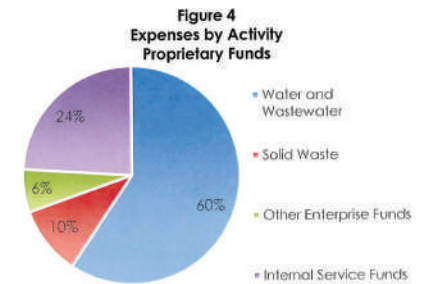
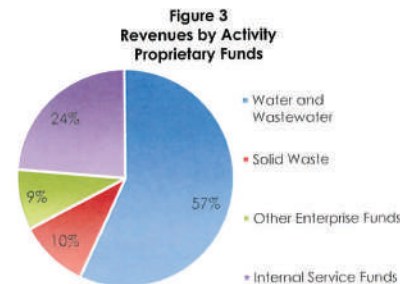
The Debt Service Fund increased by \$1,298,339 due to property tax assessments netted against debt payments.

The Epic 2 CIP Fund decreased by \$37,693,951 due to a transfer to the Tax Increment Financing CIP Fund.

The Nonmajor Capital Projects Funds had a collective increase in fund balance of \$105,130,445 primarily due to bond proceeds for the EPIC project.

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 \$304,885,990 and \$19,953,406 respectively, at September 30, 2021. The enterprise funds' net investment in capital assets represented 67.9% of total enterprise fund's net position. The internal service funds' net investment in capital assets represented 8.5% of total internal service funds' net position. The enterprise funds' unrestricted net position was 3.2% of their total net position, and internal service funds' unrestricted net position was 91.5% of their total funds' net position. The City's enterprise funds and the internal service funds reported income before contributions and transfers of \$5,798,504 and \$1,306,189, 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 \$144,550,515 and expenses of \$136,623,505 (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, 2021
 (Unaudited)

General Fund Budgetary Highlights

Actual General Fund revenues were \$7,851,589, or 5.4%, higher than final budgeted revenues for fiscal year 2021. Property taxes, sales taxes, and franchise fees were 83.6% of General Fund budgeted revenues. Actual General Fund expenditures were \$3,543,778, or 2.6%, lower than final budgeted expenditures for fiscal year 2021. Budgeted excess of revenues over expenditures before other financing sources and uses was \$9,286,713 compared to actual of \$20,682,080, resulting in a net positive budget variance of \$11,395,367. 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 \$12,020,066.

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 \$979,610,521. 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 \$30,707,566.

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

- Continued ambulance and engine replacement
- Construction of Phase II, III and IV of the Municipal Complex
- Continued street rehabilitation
- Continued street assessment implementation
- Continued sidewalk construction
- Continued improvements to the water distribution and sewer system
- EPIC Central construction project

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	
	9/30/2020	9/30/2021	9/30/2020	9/30/2021	9/30/2020	9/30/2021
Land	\$ 47,157,907	\$ 55,166,552	\$ 5,105,222	\$ 5,123,353	\$ 52,263,129	\$ 60,289,905
Construction in progress	180,158,846	91,876,079	34,107,743	34,514,261	214,266,589	126,390,340
Depreciable capital assets	1,032,253,541	1,158,411,197	449,698,086	472,139,576	1,481,951,627	1,630,550,773
Accumulated depreciation	(555,674,426)	(578,151,144)	(243,903,961)	(259,469,353)	(799,578,387)	(837,620,497)
Total capital assets, net	\$ 703,895,868	\$ 727,302,684	\$ 245,007,090	\$ 252,307,837	\$ 948,902,958	\$ 979,610,521

Additional information regarding capital assets can be found in Note 2.D.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
 September 30, 2021

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.

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 2021, 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

Notes to the Basic Financial Statements
September 30, 2021

At September 30, 2021, 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.

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.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2021
(Unaudited)

Long-term debt – At September 30, 2021, the City had the following long-term liabilities:

**Table 4
Long-Term Debt**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2020	9/30/2021	9/30/2020	9/30/2021	9/30/2020	9/30/2021
Bonded debt	\$ 416,024,620	\$ 489,358,630	\$ 51,248,478	\$ 45,686,745	\$ 467,273,098	\$ 535,045,375
Compensated absences	21,064,457	21,087,037	469,411	623,744	21,533,868	21,710,781
Other post employment benefits	60,687,581	64,258,793	6,275,983	6,685,833	66,963,564	70,944,626
Net pension liability	59,113,940	49,226,664	4,470,085	5,649,497	63,584,025	54,876,161
Pollution liability	20,900	27,350	-	-	20,900	27,350
Closure and post closure liability	-	-	8,648,946	9,083,018	8,648,946	9,083,018
Other liabilities	1,139,367	4,087,229	-	-	1,139,367	4,087,229
Total long-term debt	\$ 558,050,865	\$ 628,045,703	\$ 71,112,903	\$ 67,728,837	\$ 629,163,768	\$ 695,774,540
Long-term debt to net position percentage	141%	151%	25%	22%	92%	96%

Of the total bonded debt, \$489,358,630 or 91.5% is backed by the full faith and credit of the City with a property tax pledge.

In February 2021, the City issued \$23,215,000 in Combination Tax and Revenue Certificates of Obligation, Series 2021. The Certificates were issued for the purpose of paying contractual obligations to be (i) acquiring, constructing, improving and equipping fire-fighting facilities and library facilities, (ii) constructing, improving and equipping existing municipal facilities, (iii) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage, traffic signalization and street noise abatement incidental thereto and the acquisition of land and rights-of-way therefor and (iv) professional services rendered in connection therewith.

In June 2021, the City issued \$66,945,000 in General Obligation Bonds, Series 2021, and \$16,935,000 in Combination Tax and Revenue Certificates of Obligation, Series 2021A. The bonds were issued for the purpose of paying contractual obligations to be incurred for constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, entryways, pedestrian pathways, signage, traffic signalization and street noise abatement incidental thereto, and for the acquisition of land and rights-of-way therefor within the reinvestment zone of the City known as the Tax Increment Financing Reinvestment Zone Number One (TIF #1).

During this fiscal year, the City retired principal on outstanding bonded debt totaling \$40,260,000. The City's total interest expense for all bonded debt was \$17,197,315.

Additional information is detailed in the Note 2.H to the Basic Financial Statements.

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	AA-
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, 2021
(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 2022 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 2021 was 200,640 which is a 2.8% 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 2022:

- 8.89% increase in assessed property values;
- A 0.70% increase in sales tax collections over the prior year projected due to the continued effects of the pandemic.

General Fund property tax revenues increased \$5,388,394 or 7.05%. The approved property tax rate decreased by a half cent from .669998 to .664998. Other budgeted revenue sources include an increase in the TIF Reimbursement, an increase in sales tax of \$4,511,646, an increase in licenses and permits of \$466,360, and a decrease in Municipal Court fees of (\$438,004).

Budgeted sales tax across all funds is \$76,102,037, which is an increase over the year-end projections of \$75,541,058. This is mainly due to the ongoing pandemic and its unknown effect on the economy.

The City's total approved budget for FY 2021-22 is \$457,669,466, an increase of 5.1% as compared to the prior year-end projections. The General Fund approved budget is \$162,884,614. This represents a 3.6% increase over the prior year approved budget. The majority of this increase is related to an increase in personnel services, an increase in the transfer to the park venue fund and an increase in the reimbursements from other funds. The budget included a 3% Civil Service Step increase and a 3% non-civil services merit increase and un-freezing 10 positions previously frozen in the General Fund. Additionally, funding was set aside to expand the PlayGrand all abilities park.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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.

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, 2021, 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.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

The GASB issued Statement No. 92, Omnibus 2020. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. This statement will become effective for the City in fiscal year 2022.

The GASB issued Statement No. 93, Replacement of Interbank Offered Rates. This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. This statement will become effective for the City in fiscal year 2021/2022.

The GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This Statement modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This statement will become effective for the City in fiscal year 2022/immediately.

The GASB issued Statement No. 98, The Annual Comprehensive Financial Report. This Statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of this standard changed the report name to the Annual Comprehensive Financial Report. The City implemented this standard in fiscal year 2021.

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, 2020 to September 30, 2021. 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.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2021
(Unaudited)

The City's approved appropriations for capital projects in fiscal year 2022 totals \$60,360,502. Planned capital projects include:

- \$21,862,000 in water and wastewater projects
- \$19,090,830 in streets and signals projects
- \$3,396,000 in parks projects
- \$8,441,000 in storm drainage projects

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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City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

Grand Prairie Local Government Corporation

The Grand Prairie Local Government Corporation (LGC) was organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City by promoting economic development. The LGC's operations are to acquire, develop, or redevelop real property within the City. 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 LGC'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 LGC. For these reasons, the LGC is presented as part of the City's reporting entity as a discretely presented component unit.

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.

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 Pronouncements

The GASB pronouncements effective for fiscal year 2021 and 2022 are listed as follows:

The GASB issued Statement No. 84, Fiduciary Activities. The objective of this Statement is to provide guidance to enhance the consistency and comparability of fiduciary activity reporting by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This standard became effective for the City in fiscal year 2021 but it had no impact on the City.

The GASB issued Statement No. 87, Leases. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract, and will be effective for the fiscal year ending September 30, 2022. The City is determining the impact of this statement.

The GASB issues Statement No. 90, Majority Equity Interests – an Amendment to GASB Statements No. 14 and No. 61. The primary objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statements information for certain component units. The Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. This standard became effective for the City in fiscal year 2021 but it has no impact on the City.

City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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, 2020, 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.

Basic Financial Statements



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City Of Grand Prairie, Texas

Notes to the Basic Financial Statements
September 30, 2021

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 2020, 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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City of Grand Prairie, Texas
Statement of Net Position
September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 75,073,540	\$ 34,302,924	\$ 109,376,464	\$ 9,857,928
Investments	123,429,866	17,692,027	141,121,893	2,011,638
Receivables, net	26,121,369	7,163,560	33,284,929	1,253,332
Intergovernmental receivables	524,716	-	524,716	-
Inventories and supplies	595,545	595,332	1,190,877	-
Prepays	526,903	-	526,903	41,079
Restricted assets:				
Cash and cash equivalents	12,105,518	2,958,022	15,063,540	1,452,092
Investments	143,281,679	64,198,447	207,480,126	-
Internal balances	(10,047,523)	10,047,523	-	-
Lease payments receivable	-	-	-	7,457,016
Estimated unguaranteed residual value	-	-	-	24,369,870
Capital assets:				
Nondepreciable	147,042,631	39,637,614	186,680,245	6,548,182
Depreciable, net	580,260,053	212,670,223	792,930,276	10,222,096
Total assets	1,098,914,297	389,265,672	1,488,179,969	63,215,233
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refundings	2,196,319	902,263	3,098,582	-
Related to OPEB	3,903,941	304,781	4,208,722	-
Related to TMRS pension	14,558,847	1,670,846	16,229,693	-
Total deferred outflows of resources	20,659,107	2,877,890	23,536,997	-
LIABILITIES				
Accounts payable	14,667,071	5,387,752	20,054,823	233,927
Retainage payable	1,555,104	514,832	2,069,936	-
Accrued liabilities	14,618,175	1,114,879	15,733,054	257,300
Unearned revenue	21,523,175	1,019,220	22,542,395	21,823
Current liabilities payable from restricted assets:				
Accrued interest	2,603,842	270,975	2,874,817	-
Customer deposits	45,600	5,942,774	5,988,374	94,867
Noncurrent liabilities:				
Due within one year:				
Compensated absences	9,679,444	494,545	10,173,989	-
Environmental remediation obligation	27,350	-	27,350	239,369
Other liabilities	678,882	-	678,882	-
Current portion of long-term debt	36,685,000	5,470,000	42,155,000	360,885
Due in more than one year:				
Compensated absences	11,407,593	129,199	11,536,792	-
Other postemployment benefits	64,258,793	6,665,833	70,924,626	-
Closure and postclosure liability	-	9,083,018	9,083,018	-
Net pension liability	49,226,644	5,649,497	54,876,141	-
Other liabilities	3,408,347	-	3,408,347	-
Long-term debt	452,673,630	40,216,745	492,890,375	14,448,493
Total liabilities	683,058,670	81,979,269	765,037,939	15,656,664
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	3,197,838	300,894	3,498,732	-
Related to TMRS pension	16,815,978	1,929,886	18,745,864	-
Total deferred inflows of resources	20,013,816	2,230,780	22,244,596	-
NET POSITION				
Net investment in capital assets	356,640,773	207,008,523	563,649,296	3,290,949
Restricted for:				
Debt service	2,112,567	5,607,307	7,719,904	-
Capital projects	2,460,072	82,602,002	85,062,074	-
Support Services	2,440,325	-	2,440,325	-
Public safety	8,739,775	-	8,739,775	-
Recreation and leisure	25,387,474	-	25,387,474	-
Development services	19,419,282	-	19,419,282	-
Other specific purposes	15,783,383	-	15,783,383	(163,617)
Facility lease	-	-	-	32,774,636
Replacement reserve	-	-	-	146,272
Unrestricted	(14,482,733)	12,715,651	(3,767,082)	11,510,329
Total net position	\$ 416,500,918	\$ 307,933,513	\$ 724,434,431	\$ 47,559,569

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, 2021

Functions/Activity	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 31,880,593	\$ 6,341,600	\$ 168,781	\$ -
Public safety services	105,285,879	11,816,379	4,302,600	-
Recreation and leisure services	35,162,022	13,532,065	465,655	-
Development services and other	109,073,042	19,138,584	40,461,204	6,974,967
Interest on long-term debt	14,004,156	-	-	-
Total governmental activities	295,405,692	50,828,628	45,398,240	6,974,967
Business-type activities:				
Water and wastewater	81,889,959	82,449,178	-	12,433,621
Solid waste	13,906,365	14,941,131	-	-
Municipal airport	2,974,666	2,108,698	-	-
Municipal golf course	3,141,846	2,975,689	-	-
Storm water	2,573,380	7,927,729	-	3,112,091
Total business-type activities	104,486,216	110,402,425	-	15,545,712
Total primary government	\$ 399,891,908	\$ 161,231,053	\$ 45,398,240	\$ 22,520,679
Component units:				
Grand Prairie Sports Facilities Development	\$ 5,820,316	\$ 959,095	\$ -	\$ 786,584
Grand Prairie Housing Finance Corporation	6,364,641	5,941,718	-	-
Grand Prairie Local Government Corporation	239,369	10	5,011,073	-
Total component units	\$ 12,424,326	\$ 6,900,823	\$ 5,011,073	\$ 786,584

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

Notes to the Basic Financial Statements



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Net (Expense) Revenue and Changes in Net Position Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (25,370,212)	\$ -	\$ (25,370,212)	\$ -
(89,166,900)	-	(89,166,900)	-
(21,164,302)	-	(21,164,302)	-
(42,498,287)	-	(42,498,287)	-
(14,004,156)	-	(14,004,156)	-
(192,203,857)	-	(192,203,857)	-
-	12,992,840	12,992,840	-
-	1,034,766	1,034,766	-
-	(865,968)	(865,968)	-
-	(166,157)	(166,157)	-
-	8,466,440	8,466,440	-
-	21,461,921	21,461,921	-
(192,203,857)	21,461,921	(170,741,936)	-
			(4,074,637)
			(422,923)
			4,771,714
			274,154
113,824,809	-	113,824,809	-
80,187,852	-	80,187,852	-
2,366,924	-	2,366,924	-
14,022,362	-	14,022,362	-
333,285	1,116	334,401	2,606
1,889,338	(1,889,338)	-	-
212,624,570	(1,888,222)	210,736,348	2,606
20,420,713	19,573,699	39,994,412	276,760
396,080,205	288,359,814	684,440,019	47,281,809
\$ 416,500,918	\$ 307,933,513	\$ 724,434,431	\$ 47,558,569

City of Grand Prairie, Texas
Balance Sheet
Governmental Funds
September 30, 2021

	General	Section 8	Streets CIP
ASSETS			
Cash and cash equivalents	\$ 2,410,868	\$ 2,069,115	\$ 2,603,020
Investments	192,067,383	533,109	12,360,381
Property tax receivable, net	2,047,547	-	-
Sales tax receivable	7,780,887	-	-
Franchise fees receivable	2,371,762	-	-
Other receivables, net	3,233,107	-	-
Intergovernmental receivables	72,397	-	-
Due from other funds	-	-	-
Inventory	432,009	-	-
Prepays	-	-	-
Total assets	210,415,960	2,602,224	14,963,401
LIABILITIES			
Accounts payable	4,265,643	55,859	1,402,174
Retainage payable	-	-	142,951
Accrued liabilities	6,583,457	106,040	-
Due to other funds	147,000,000	-	-
Customer deposits	-	-	-
Unearned revenue	516,825	-	-
Total liabilities	158,365,925	161,899	1,545,125
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	2,043,661	-	-
Total deferred inflows of resources	2,043,661	-	-
FUND BALANCES			
Nonspendable	432,009	-	-
Restricted	594,260	2,440,325	5,843,860
Committed	-	-	7,574,416
Assigned	2,412,477	-	-
Unassigned	46,567,628	-	-
Total fund balances	50,006,374	2,440,325	13,418,276
Total liabilities, deferred inflows of resources and fund balances	\$ 210,415,960	\$ 2,602,224	\$ 14,963,401

Net (Expense) Revenue and Changes in Net Position Component Units			
Grand Prairie Sports Facilities Development	Grand Prairie Housing Finance Corporation	Grand Prairie Local Government Corporation	Total
\$ -	\$ -	\$ 4,771,714	4,771,714
-	-	4,771,714	4,771,714
(4,086,730)	-	-	(4,086,730)
-	(422,923)	-	(422,923)
(4,086,730)	(422,923)	-	(4,509,653)
\$ (4,086,730)	\$ (422,923)	\$ 4,771,714	\$ 262,061
12,093	2,606	-	14,699
12,093	2,606	-	14,699
(4,074,637)	(420,317)	4,771,714	276,760
48,295,006	(1,013,197)	-	47,281,809
\$ 44,220,369	\$ (1,433,514)	\$ 4,771,714	\$ 47,558,569

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

City of Grand Prairie, Texas
Statement of Activities
Discretely Presented Component Units
For the Year Ended September 30, 2021

Functions/Activity	Expenses	Program Revenues			Grants	Debt Service	Epic 2 CIP	Nonmajor Governmental Funds	Total Governmental Funds
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions					
Component Units					\$ 4,775,709	\$ 1,592,767	\$ -	\$ 67,856,075	\$ 81,307,554
Governmental activities:					-	2,200,000	-	38,550,672	245,711,545
Grand Prairie Local Government Corporation	\$ 239,369	\$ 10	\$ 5,011,073	\$ -	-	924,981	-	-	2,972,528
Total governmental activities	239,369	10	5,011,073	-	-	-	-	7,769,116	15,550,003
Business-type activities:					32,189	4,658	-	1,813,036	5,082,990
Grand Prairie Sports Facilities Development	5,832,409	959,095	-	786,584	452,319	-	-	-	524,716
Grand Prairie Housing Finance Corporation	6,364,641	5,941,718	-	-	28,000,000	-	-	113,371,317	141,371,317
Total business-type activities	12,197,050	6,900,813	-	786,584	-	-	-	33,338	465,347
Total Component Units	\$ 12,436,419	\$ 6,900,823	\$ 5,011,073	\$ 786,584	33,260,217	4,722,406	-	229,479,706	495,443,914
General revenues:					744,760	5,997	-	7,567,736	14,042,169
Investment income					32,617	-	-	1,379,536	1,555,104
Total general revenues					136,110	-	-	842,389	7,667,996
Change in net position					-	-	-	1,371,317	148,371,317
Net position - beginning of year					-	-	-	45,600	45,600
Net position - end of year					18,354,828	-	-	2,651,522	21,523,175
					19,268,315	5,997	-	13,858,100	193,205,361
					-	928,844	-	-	2,972,505
					-	928,844	-	-	2,972,505
					-	-	-	59,464	491,473
					13,991,902	3,787,565	-	162,415,468	189,073,380
					-	-	-	53,146,674	60,721,090
					-	-	-	-	2,412,477
					-	-	-	-	46,567,628
					13,991,902	3,787,565	-	215,621,606	299,266,048
					\$ 33,260,217	\$ 4,722,406	\$ -	\$ 229,479,706	\$ 495,443,914

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, 2021

Total fund balance - total governmental funds		\$ 299,266,048	
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 \$1,693,167).			725,609,517
Certain revenues are not available to pay for current-period expenditures; therefore, these revenues are deferred in the funds.			2,972,505
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	\$	(2,603,842)	
Unamortized loss of bond refundings		2,196,319	
Deferred pension and OPEB contributions, and investment and actuarial experience (excluding internal service fund totals of \$33,109).		(1,501,084)	(1,908,607)
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 \$3,047,523).			16,905,883
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	\$	(462,155,000)	
Unamortized bond premium/discount, net		(27,203,630)	
Compensated absences (excluding internal service fund totals of \$63,774)		(21,023,263)	
Other post employment benefits (excluding internal service fund totals of \$838,442)		(63,420,351)	
Net pension liability (excluding internal service fund totals of \$799,060)		(48,427,605)	
Environmental remediation obligation		(27,350)	
Other liabilities		(4,087,229)	(626,344,428)
Net position of governmental activities		\$ 416,500,918	



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City of Grand Prairie, Texas
Statement of Net Position
Discretely Presented Component Units
September 30, 2021

	Business-Type Activities		Governmental	Total
	Grand Prairie Sports Facilities Development	Grand Prairie Housing Finance Corporation	Grand Prairie Local Government Corporation	
ASSETS				
Cash and cash equivalents	\$ 9,128,407	\$ 653,769	\$ 75,752	\$ 9,857,928
Investments	2,011,638	-	-	2,011,638
Receivables, net	1,255,332	-	-	1,255,332
Prepays	-	41,079	-	41,079
Cash and cash equivalents	-	1,452,092	-	1,452,092
Lease payments receivable	7,457,016	-	-	7,457,016
Estimated unguaranteed residual value	24,369,870	-	-	24,369,870
Capital assets:				
Nondepreciable	-	1,612,851	4,935,331	6,548,182
Depreciable, net	-	10,222,096	-	10,222,096
Total assets	44,222,263	13,981,887	5,011,083	63,215,233
LIABILITIES				
Accounts payable	1,894	232,033	-	233,927
Accrued liabilities	-	257,300	-	257,300
Current liabilities payable from restricted assets:				
Customer deposits	-	94,867	-	94,867
Unearned revenue	-	21,823	-	21,823
Noncurrent liabilities:				
Due within one year:				
Environmental remediation obligation	-	-	239,369	239,369
Current portion of long-term debt	-	360,885	-	360,885
Due in more than one year:				
Long-term debt	-	14,448,493	-	14,448,493
Total liabilities	1,894	15,415,401	239,369	15,656,664
NET POSITION				
Net investment in capital assets	-	[1,644,382]	4,935,331	3,290,949
Restricted for:				
Facility lease	32,774,636	-	-	32,774,636
Replacement reserve	-	146,272	-	146,272
Other specific purposes	-	-	[163,617]	[163,617]
Unrestricted	11,445,733	64,596	-	11,510,329
Total net position	\$ 44,220,369	\$ [1,433,514]	\$ 4,771,714	\$ 47,558,569



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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
For the Year Ended September 30, 2021

	General	Section 8	Streets CIP
REVENUES			
Property taxes	\$ 74,535,565	\$ -	\$ -
Sales taxes	39,760,993	-	-
Other taxes	335,472	-	-
Franchise fees	14,022,362	-	-
Charges for goods and services	6,069,457	8,604,227	-
Licenses and permits	4,022,506	320,154	-
Fines and forfeitures	5,735,005	-	-
Intergovernmental	2,629,636	35,644,255	-
General and administrative	5,573,532	-	-
Rents and royalties	131,667	-	-
Investment income	324,216	-	-
Contributions	134,464	-	107,250
Other	660,026	45,615	-
Total revenues	153,934,901	44,614,251	107,250
EXPENDITURES			
Current operations:			
Support services	25,447,161	-	-
Public safety services	91,727,323	-	-
Recreation and leisure services	2,860,342	-	-
Development services and other	12,595,116	45,365,461	5,073,197
Capital outlay	622,879	-	7,812,323
Debt service:			
Principal retirement	-	-	-
Interest and other charges	-	-	135,103
Total expenditures	133,252,821	45,365,461	13,020,623
Excess (deficiency) of revenues over (under) expenditures	20,682,080	(751,210)	(12,913,373)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(33,150,756)	-	(5,470,542)
Bonds issued	-	-	14,465,266
Premium on bonds issued	-	-	1,559,354
Proceeds from sale of assets	1,826,620	8,250	-
Total other financing sources (uses)	(31,324,136)	8,250	10,554,078
Net change in fund balances	(10,642,056)	(742,960)	(2,359,295)
Fund balances - beginning of year	60,648,430	3,183,285	15,777,571
Fund balances - end of year	\$ 50,006,374	\$ 2,440,325	\$ 13,418,276

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

City of Grand Prairie, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Water Wastewater	Solid Waste	Other Nonmajor		
Cash flows from operating activities:					
Cash receipts from customers	\$ 82,825,017	\$ 14,795,734	\$ 12,147,123	\$ 109,767,874	\$ -
Cash receipts from city and employee contributions	-	-	-	-	27,738,241
Cash receipts from interfund services provided	-	-	-	-	6,315,426
Cash receipts from other governments	-	-	65,197	65,197	-
Other operating cash receipts	293,469	158,353	734,368	1,186,190	11,354
Cash payments to suppliers for goods and services	(47,353,059)	(7,333,323)	(3,596,250)	(58,282,632)	(4,721,330)
Cash payments to employees for services	(9,689,850)	(3,342,717)	(2,854,604)	(15,887,171)	(1,786,571)
Cash payments for interfund services used	(7,000,000)	-	(344,088)	(7,344,088)	(24,925,047)
Other operating cash payments	(5,316,427)	(1,272,492)	(144,788)	(6,733,707)	-
Net cash provided by (used in) operating activities	13,765,150	3,005,555	6,006,978	22,777,683	2,632,073
Cash flows from noncapital financing activities:					
Transfers from other funds	6,216,000	-	537,955	6,753,955	60,963
Transfers to other funds	(1,911,485)	(358,084)	(6,373,724)	(8,643,293)	(261,040)
Contributions from other governments	74,860	-	-	74,860	-
Net cash provided by (used in) noncapital financing activities	4,379,375	(358,084)	(5,835,769)	(1,814,478)	(200,077)
Cash flows from capital and related financing activities:					
Capital impact fees from developers	4,901,203	-	-	4,901,203	-
Proceeds from disposition of capital assets	266,290	194,063	26,358	486,711	(21,556)
Acquisition and construction of capital assets	(12,974,838)	(2,418,448)	-	(15,393,286)	(75,435)
Principal paid on debt	(5,120,000)	-	(170,000)	(5,290,000)	-
Interest paid on debt	(1,386,654)	-	(31,830)	(1,418,484)	-
Other fiscal fees paid	(50,778)	-	-	(50,778)	-
Net cash provided by (used in) capital and related financing activities	(14,366,777)	(2,224,385)	(175,472)	(16,766,634)	(96,991)
Cash flows from investing activities:					
Interest received on investments	1,116	-	-	1,116	-
Net cash provided by (used in) investing activities	1,116	-	-	1,116	-
Net (decrease) increase in cash and equivalents	3,778,864	423,086	(4,263)	4,197,687	2,335,005
Cash and cash equivalents - beginning of year	23,710,710	7,130,223	2,222,326	33,063,259	3,536,499
Cash and cash equivalents - end of year	\$ 27,489,574	\$ 7,553,309	\$ 2,218,063	\$ 37,260,946	\$ 5,871,504
Reconciliation of operating income (loss) from operations to net cash from operating activities:					
Operating income (loss)	\$ 1,319,645	\$ 936,945	\$ 4,342,655	\$ 6,599,245	\$ 1,327,745
Adjustments to operating income (loss) to net cash from operating activities:					
Depreciation	14,647,399	1,803,759	1,979,944	18,431,102	306,092
Provisions for uncollectible accounts	-	(22,572)	-	(22,572)	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	7,907	35,528	(68,300)	(24,865)	-
(Increase) decrease in other receivables	(7,000,000)	-	-	(7,000,000)	(81,678)
(Increase) decrease in inventories and supplies	12,253	-	(13,156)	(903)	(42,322)
(Increase) decrease in prepaids	1,764,016	-	-	1,764,016	(83,089)
Increase (decrease) in accounts payable	(2,010)	(213,712)	(125,044)	(438,766)	23,864
Increase (decrease) in retainage payable	411,004	-	-	411,004	-
Increase (decrease) in accrued liabilities	79,648	498,476	2,822	680,946	534,419
Increase (decrease) in customer deposits	661,401	-	-	661,401	-
Increase (decrease) in unearned revenue	110,575	24,283	(10,941)	123,917	-
Increase (decrease) in compensated absences	194,237	66,777	55,119	316,133	45,137
Increase (decrease) in OPEB liability	1,543,655	(63,949)	(174,951)	1,304,755	595,495
Net cash provided by (used in) operating activities	\$ 13,765,150	\$ 3,005,555	\$ 6,006,978	\$ 22,777,683	\$ 2,632,073
Noncash investing, capital and financing activities:					
Capital contributions from developers/granting agencies	\$ 7,532,418	\$ -	\$ 3,112,091	\$ 10,644,509	\$ -
Net cash provided by (used in) operating activities	\$ 7,532,418	\$ -	\$ 3,112,091	\$ 10,644,509	\$ -
Reconciliation of ending cash and cash equivalents to Statement of Net Position:					
Unrestricted cash and cash equivalents - end of year	\$ 24,531,552	\$ 7,553,309	\$ 2,218,063	\$ 34,302,924	\$ 5,871,504
Restricted cash and cash equivalents - end of year	2,958,022	-	-	2,958,022	-
Total cash and cash equivalents - end of year	\$ 27,489,574	\$ 7,553,309	\$ 2,218,063	\$ 37,260,946	\$ 5,871,504

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, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds	Grants	Debt Service	Epic 2 CIP	Nonmajor Governmental Funds	Total Governmental Funds
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds	Total						
OPERATING REVENUES										
Water sales	\$ 48,486,361	\$ -	\$ -	\$ 48,486,361	\$ -	\$ -	\$ -	\$ -	\$ 5,007,152	\$ 113,538,003
Wastewater services	30,735,699	-	-	30,735,699	-	33,995,286	-	-	40,266,083	80,027,076
Water and wastewater fees	2,103,858	-	-	2,103,858	-	-	-	-	2,031,452	2,366,924
Wastewater surcharges	829,791	-	-	829,791	-	-	-	-	-	14,022,362
Solid waste fees	-	14,782,778	-	14,782,778	-	-	-	-	-	27,048,695
Charges for services	-	-	12,212,551	12,212,551	6,314,435	202	-	-	12,374,809	4,583,446
Intergovernmental revenue	-	-	65,197	65,197	-	-	-	-	240,786	6,247,413
Insurance premiums	-	-	-	-	27,822,301	-	-	-	512,408	44,944,122
Miscellaneous	293,469	158,353	734,368	1,186,190	11,354	6,287,676	-	-	382,555	5,573,532
Total operating revenue	82,449,178	14,941,131	13,012,116	110,402,425	34,148,090	-	-	-	3,225,466	3,357,133
OPERATING EXPENSES										
Salaries and benefits	11,619,365	3,369,828	2,755,247	17,744,440	2,948,012	-	-	-	9,036	333,285
Supplies and miscellaneous purchases	1,043,367	526,952	1,126,472	2,696,791	2,433,593	103,764	-	-	4,500,264	4,845,742
Purchased services	6,254,924	6,487,672	1,953,140	14,695,736	1,290,892	-	-	-	281,478	987,119
Insurance costs	-	-	-	-	24,925,047	-	-	-	-	-
Water purchases	16,749,528	-	-	16,749,528	-	6,391,675	33,995,286	-	68,831,489	307,874,852
Wastewater treatment	20,926,676	-	-	20,926,676	-	-	-	-	-	-
General and administrative costs	4,577,847	543,463	144,788	5,266,098	-	-	-	-	-	-
Franchise fees	3,408,287	428,818	344,068	4,181,173	-	-	-	-	-	-
Miscellaneous	1,902,140	843,674	365,602	3,111,416	696,709	-	-	-	287,453	25,734,614
Depreciation	14,647,399	1,803,759	1,979,944	18,431,102	306,092	3,802,429	-	-	8,382,924	103,912,676
Total operating expenses	81,129,533	14,004,166	8,669,461	103,803,160	32,820,345	171,821	-	-	23,092,103	26,124,266
Operating income	1,319,645	936,965	4,342,655	6,599,265	1,327,745	3,198,225	-	-	18,188,480	84,420,479
NONOPERATING REVENUES (EXPENSES)										
Investment income	1,116	-	-	1,116	-	-	-	-	-	-
Gain (loss) on property disposition	189,964	79,439	(13,778)	255,625	(21,556)	-	22,555,000	-	12,320,000	34,875,000
Interest expense	(1,026,692)	-	(30,810)	(1,057,502)	-	-	10,903,992	-	4,733,835	15,772,930
Total nonoperating revenues (expenses)	(835,612)	79,439	(44,588)	(800,761)	(21,556)	15,728,672	33,458,992	-	116,193,605	357,020,174
Income before contributions and transfers	484,033	1,016,404	4,298,067	5,798,504	1,306,189	(9,336,997)	536,294	-	(47,362,116)	(49,145,322)
CONTRIBUTIONS AND TRANSFERS										
Capital contributions-impact fees	4,901,203	-	-	4,901,203	-	-	-	-	-	-
Capital contributions	7,332,418	-	3,112,091	10,644,509	-	16,373,299	950,000	-	72,849,012	90,172,311
Transfers in	6,216,000	-	537,955	6,753,955	60,963	(309,427)	(187,955)	(37,693,951)	(1,270,265)	(88,082,896)
Transfers out	(1,911,485)	(358,084)	(6,373,724)	(8,643,293)	(261,040)	-	-	-	92,629,734	107,095,000
Total contributions and transfers	16,738,136	(358,084)	(2,723,678)	13,656,374	(200,077)	-	-	-	1,713,071	3,272,425
Change in net position	17,222,169	658,320	1,574,389	19,454,878	1,106,112	16,063,872	762,045	(37,693,951)	155,926,102	114,296,260
Net position - beginning of year	226,169,581	22,349,422	36,912,109	285,431,112	18,847,294	6,726,875	1,298,339	(37,693,951)	108,563,986	65,150,938
Net position - end of year	\$ 243,391,750	\$ 23,007,742	\$ 38,486,498	\$ 304,885,990	\$ 19,953,406	\$ 7,265,027	\$ 2,489,226	\$ -	\$ 215,621,606	\$ 299,266,048
Reconciliation to government-wide Statement of Activities:										
Total change in net position				\$ 19,454,878						
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				118,821						
Change in net position of business-type activities				\$ 19,573,699						

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, 2021

Net change in fund balances - total governmental funds		\$	65,150,938	
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.			66,180,209	
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 \$306,092).			(46,258,454)	
Governmental funds do not report capital contributions.			5,844,556	
The net effect of various transactions involving capital assets (i.e., disposals, sales, and reassignments) are not reported in the governmental funds.			(2,138,794)	
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.				
Bonds issued	\$	(107,095,000)		
Bond principal retirement		34,875,000		
Bond premium issued		(3,272,425)		
Amortization of bond premiums/discounts		2,158,415		
Amortization of loss on refundings		(304,722)		(73,638,732)
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	\$	(71,957)		
Compensated absences		(6,234)		
Pollution remediation obligation		(6,450)		
Postemployment benefit obligation		(3,513,242)		
Pension liability		10,453,105		
Deferred pension and OPEB contributions, and investment and actuarial experience		318,250		
Other liabilities		(2,947,862)		4,225,610
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.				68,089
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 \$118,821).				967,291
Change in net position of governmental activities		\$	20,420,713	

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, 2021

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 24,531,552	\$ 7,553,309	\$ 2,218,063	\$ 34,302,924	\$ 5,871,504
Investments	3,900,000	11,924,536	1,867,491	17,692,027	21,000,000
Accounts receivable, net	5,847,418	570,853	745,289	7,163,560	85,060
Due from other funds	7,000,000	-	-	7,000,000	-
Inventories and supplies	514,733	-	80,579	595,332	133,198
Prepays	-	-	-	-	525,761
Restricted assets:					
Cash and cash equivalents	2,958,022	-	-	2,958,022	-
Investments	64,120,119	-	78,328	64,198,447	-
Total current assets	108,871,864	20,048,698	4,989,750	133,910,312	27,611,523
Noncurrent assets:					
Capital assets:					
Land	2,597,138	1,744,508	759,707	5,123,353	737,544
Buildings	2,673,677	1,996,417	16,871,842	21,541,956	1,885,864
Equipment	14,719,581	12,575,778	2,307,556	29,602,895	2,396,776
Infrastructure	365,001,615	12,092,640	48,906,430	420,994,725	-
Construction in progress	32,966,015	1,251,059	297,187	34,514,261	-
Less: accumulated depreciation	(213,251,250)	(14,114,774)	(32,103,329)	(259,469,353)	(3,327,041)
Total noncurrent assets	199,706,756	15,567,648	37,033,433	252,307,837	1,693,147
Total assets	308,578,620	35,616,346	42,023,183	386,218,149	29,304,670
DEFERRED OUTFLOWS OF RESOURCES					
Debt refundings	902,263	-	-	902,263	-
Related to OPEB	143,661	82,842	78,278	304,781	18,550
Related to TMSRS pension	1,027,422	349,614	293,810	1,670,846	236,323
Total deferred outflows of resources	2,073,346	432,456	372,088	2,877,890	254,873
LIABILITIES					
Current liabilities:					
Accounts payable	4,664,637	534,777	188,338	5,387,752	649,887
Retention payable	514,832	-	-	514,832	-
Accrued interest	267,506	-	3,469	270,975	-
Accrued liabilities	723,528	261,845	129,506	1,114,879	6,950,179
Compensated absences	31,599	88,497	90,089	494,545	50,981
Unearned revenue	905,606	-	113,614	1,019,220	-
Current portion of long-term debt	5,295,000	-	175,000	5,470,000	-
Current liabilities payable from restricted assets:					
Customer deposits	5,864,446	-	78,328	5,942,774	-
Total current liabilities	18,551,514	885,119	778,344	20,214,977	7,651,047
Noncurrent liabilities:					
Compensated absences	79,274	22,204	27,721	129,199	12,793
Other postemployment benefits	3,963,589	1,398,333	1,323,911	6,685,833	838,442
Closure and postclosure liability	-	9,083,018	-	9,083,018	-
Net pension liability	3,473,939	1,182,122	973,436	5,649,497	799,040
Long-term debt	39,836,745	-	380,000	40,216,745	-
Total noncurrent liabilities	47,353,547	11,685,677	2,725,068	61,764,292	1,650,295
Total liabilities	65,905,061	12,570,796	3,503,412	81,979,269	9,301,342
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	168,447	66,447	66,000	300,894	31,853
Related to TMSRS pension	1,188,708	403,817	339,361	1,931,886	272,942
Total deferred inflows of resources	1,357,155	470,264	405,361	2,233,780	304,815
NET POSITION					
Net investment in capital assets	154,962,442	15,567,648	36,478,433	207,008,523	1,693,147
Restricted for:					
Debt service	5,607,337	-	-	5,607,337	-
Capital projects	79,946,580	2,655,422	-	82,602,002	-
Unrestricted	2,875,391	4,784,672	2,008,065	9,668,128	18,260,239
Total net position	\$ 243,391,750	\$ 23,007,742	\$ 38,486,498	\$ 304,885,990	\$ 19,953,406
Reconciliation to government-wide Statement of Net Position:					
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				3,047,523	
Net position of business-type activities				\$ 307,933,513	

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