

OFFICIAL STATEMENT

Dated February 1, 2024

Ratings:
S&P: “AAA” (stable outlook)
Fitch: “AA+” (stable outlook)
(see “OTHER INFORMATION -
Ratings” herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under “TAX MATTERS” herein.

THE CERTIFICATES WILL NOT BE DESIGNATED AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” FOR FINANCIAL INSTITUTIONS

\$52,775,000
CITY OF GRAND PRAIRIE, TEXAS
(Dallas, Tarrant and Ellis Counties)
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024

Dated Date: January 15, 2024

Due: February 15, as shown on page 2 hereof

Interest to accrue from Delivery Date (defined below)

PAYMENT TERMS. . . Interest on the \$52,775,000 City of Grand Prairie, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024 (the “Certificates”) will accrue from the delivery date, estimated to be February 28, 2024 (the “Delivery Date”), will be payable February 15 and August 15 of each year commencing August 15, 2024, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates 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 Certificates may be acquired in denominations of \$5,000 or integral multiples thereof within a stated maturity. **No physical delivery of the Certificates will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar (identified below) 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 Certificates. See “THE CERTIFICATES - Book-Entry-Only System” herein. The initial Paying Agent/Registrar is Zions Bancorporation, National Association, Houston, Texas (see “THE CERTIFICATES - Paying Agent/Registrar”).

AUTHORITY FOR ISSUANCE. . . The Certificates are issued pursuant to the Constitution and general laws of the State, including particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Chapter 1371, Texas Government Code, as amended, and constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, on all taxable property located within the City of Grand Prairie, Texas (the “City”), and (ii) a limited pledge of \$2,500 of the net revenues of the City’s water and wastewater system, as provided in an ordinance adopted by the City Council of the City on January 23, 2024 authorizing the issuance of the Certificates (the “Ordinance”) which delegated to an authorized officer of the City (the “Pricing Officer”) the authority to execute a pricing certificate (the “Pricing Certificate” and together with the Ordinance, the “Certificate Ordinance”) that completed the final sale of the Certificates (see “THE CERTIFICATES – Authority for Issuance of the Certificates”).

PURPOSE. . . Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) renovating, improving and equipping existing municipal buildings and facilities, to-wit: HVAC system repairs and replacements, roof repairs and replacements, electrical and power generator improvements and repairs, fire safety, security, lighting, landscaping, irrigation and other improvements to the City Public Safety Building, City library facilities, the City Hall municipal complex, parks and recreation department administrative offices, and animal services facilities, (ii) designing, constructing, improving and equipping fire stations, fire department facilities, emergency operations center, and police facilities, including administrative offices related thereto, (iii) acquiring and purchasing materials, equipment, and vehicles for the police, parks, arts and recreation departments and City libraries, (iv) designing, constructing, improving and equipping parks and recreation facilities that are generally accessible to the public and are part of the City park system, (v) designing, acquiring, constructing, improving and maintaining City streets, thoroughfares, intersections, bridges, sidewalks, and pathways, including related traffic signalization and signage, lighting, ADA accessibility, beautification, traffic management equipment, and utility relocations, (vi) acquiring and installing telecommunications, wireless communications, and information technology systems, hardware, software, and equipment for various City departments, and (vii) professional services rendered in connection therewith.

CUSIP PREFIX: 386138

MATURITY SCHEDULE & 9 DIGIT CUSIP

See Schedule on Page 2

LEGALITY. . . The Certificates are offered for delivery when, as and if issued and received by the underwriters identified below (the “Underwriters”) 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”) and certain other conditions. Certain legal matters will be passed upon by West & Associates, L.L.P., Dallas, Texas, as Disclosure Counsel for the City. Certain legal matters will be passed upon by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, counsel for the Underwriters.

DELIVERY. . . It is expected that the Certificates will be available for delivery through the facilities of DTC on February 28, 2024.

CABRERA CAPITAL MARKETS, LLC

BLAYLOCK VAN, LLC

SIEBERT WILLIAMS SHANK & CO., LLC

ESTRADA HINOJOSA

MATURITY SCHEDULE

CUSIP Prefix: 386138⁽¹⁾

<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Initial Yield</u>	<u>CUSIP Suffix ⁽¹⁾</u>
\$ 1,705,000	2/15/2025	5.000%	3.070%	S28
1,795,000	2/15/2026	5.000%	2.820%	S36
1,885,000	2/15/2027	5.000%	2.740%	S44
1,980,000	2/15/2028	5.000%	2.620%	S51
2,085,000	2/15/2029	5.000%	2.600%	S69
2,190,000	2/15/2030	5.000%	2.600%	S77
2,305,000	2/15/2031	5.000%	2.600%	S85
2,420,000	2/15/2032	5.000%	2.620%	S93
2,545,000	2/15/2033	5.000%	2.630%	T27
2,675,000	2/15/2034	5.000%	2.630%	T35
2,815,000	2/15/2035	5.000%	2.680% ⁽²⁾	T43
2,960,000	2/15/2036	5.000%	2.770% ⁽²⁾	T50
3,110,000	2/15/2037	5.000%	2.870% ⁽²⁾	T68
3,270,000	2/15/2038	5.000%	3.000% ⁽²⁾	T76
3,435,000	2/15/2039	5.000%	3.080% ⁽²⁾	T84
3,615,000	2/15/2040	5.000%	3.210% ⁽²⁾	T92
3,800,000	2/15/2041	5.000%	3.290% ⁽²⁾	U25
3,990,000	2/15/2042	5.000%	3.360% ⁽²⁾	U33
4,195,000	2/15/2043	5.000%	3.420% ⁽²⁾	U41

(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 (“CGS”), 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 services provided by CGS. The City, the Financial Advisor and the Underwriters take no responsibility for the accuracy of such numbers.
- (2) Yield calculated based on the assumption that the Certificates denoted and sold at a premium will be redeemed on February 15, 2034, the first optional call date for such Certificates, at a redemption price of par, plus accrued interest to the redemption date.

OPTIONAL REDEMPTION. . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2035, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE CERTIFICATES - Optional Redemption of the Certificates”).

(THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY)

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 City or the City’s Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

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

THE AGREEMENTS OF THE CITY AND OTHERS RELATED TO THE CERTIFICATES 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 CERTIFICATES IS TO BE CONSTRUED AS CONSTITUTING AN AGREEMENT WITH THE PURCHASERS OF THE CERTIFICATES. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

THE CERTIFICATES ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE CERTIFICATES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THE CERTIFICATES 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 Underwriters (as defined herein) make any representation regarding the information contained in this Official Statement regarding DTC or its Book-Entry-Only System, as such information has been furnished by DTC. CUSIP numbers have been assigned to these issues by CUSIP Global Services, and are included solely for the convenience of the owners of the Certificates. None of the City, the Financial Advisor, or the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers shown on page 2.

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

References to 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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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 Certificates (defined below) 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. The City covers approximately 81 square miles (see “INTRODUCTION - Description of the City”).

THE CERTIFICATES..... The City’s \$52,775,000 Combination Tax and Revenue Certificates of Obligation, Series 2024 (the “Certificates”) are being issued as serial certificates maturing on February 15 in each of the years 2025 through 2043 (see “THE CERTIFICATES – Description of the Certificates” and “THE CERTIFICATES – Optional Redemption of the Certificates”).

PAYMENT OF INTEREST OF THE CERTIFICATES..... Interest on the Certificates accrues from the Delivery Date, estimated to be February 28, 2024, and is payable August 15, 2024, and each February 15 and August 15 thereafter until maturity or prior redemption (see “THE CERTIFICATES - Description of the Certificates” and “THE CERTIFICATES - Optional Redemption of the Certificates”).

AUTHORITY FOR ISSUANCE FOR THE CERTIFICATES The Certificates are authorized and issued pursuant to the Constitution and general laws of the State, including particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Chapter 1371, Texas Government Code, as amended, and an ordinance adopted by the City Council of the City on January 23, 2024 authorizing the issuance of the Certificates (the “Ordinance”) which delegated to an authorized officer of the City (the “Pricing Officer”) the authority to execute a pricing certificate (the “Pricing Certificate” and together with the Ordinance, the “Certificate Ordinance”) that completed the final sale of the Certificates (see “THE CERTIFICATES – Authority for Issuance of the Certificates”).

SECURITY FOR THE CERTIFICATES The Certificates constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City and (ii) a limited pledge of \$2,500 of the net revenues of the City’s water and wastewater system, as provided in the Certificate Ordinance (see “THE CERTIFICATES – Security and Source of Payment for the Certificates”).

OPTIONAL REDEMPTION OF THE CERTIFICATES..... The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2035, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE CERTIFICATES - Optional Redemption of the Certificates”).

TAX EXEMPTION..... In the opinion of Bond Counsel, the interest on the Certificates 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 FOR THE CERTIFICATES Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) renovating, improving and equipping existing municipal buildings and facilities, to-wit: HVAC system repairs and replacements, roof repairs and replacements, electrical and power generator improvements and repairs, fire safety, security, lighting, landscaping, irrigation and other improvements to the City Public Safety Building, City library facilities, the City Hall municipal complex, parks and recreation department administrative offices, and animal services facilities, (ii) designing, constructing, improving and equipping fire stations, fire department facilities, emergency operations center, and police facilities, including administrative offices related thereto, (iii) acquiring and purchasing materials, equipment, and vehicles for the police, parks, arts and recreation departments and City libraries, (iv) designing, constructing, improving and equipping parks and recreation facilities that are generally accessible to the public and are part of the City park system, (v) designing, acquiring, constructing, improving and maintaining City streets, thoroughfares, intersections, bridges, sidewalks, and pathways, including related traffic signalization and signage, lighting, ADA accessibility, beautification, traffic management equipment, and utility relocations, (vi) acquiring and installing telecommunications, wireless communications, and information technology systems, hardware, software, and equipment for various City departments, and (vii) professional services rendered in connection therewith.

RATINGS The Certificates have been rated “AAA” with a stable outlook by S&P Global Ratings, a division of S&P Global Inc. (“S&P”) and “AA+” with a stable outlook by Fitch Ratings, Inc. (“Fitch”) (see “OTHER INFORMATION – Ratings”).

BOOK-ENTRY-ONLY

SYSTEM The definitive Certificates 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 Certificates may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Certificates will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Certificates 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 Certificates (see “THE CERTIFICATES - Book-Entry-Only System”).

PAYMENT RECORD The City has not defaulted on its general obligation bonds since 1939 when defaults were corrected without refunding and has never defaulted on its revenue bonds.

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SELECTED FINANCIAL INFORMATION

Fiscal Year Ended	Estimated Population ⁽¹⁾ 9/30	Taxable	Taxable	Net G.O.	Ratio of Net	Net
		Assessed Valuation ⁽³⁾	Assessed Valuation Per Capita	Tax Debt Outstanding at End of Year ⁽⁹⁾	G.O. Tax Debt to Taxable Assessed Valuation	G.O. Tax Debt Per Capita
2020	196,100 ⁽²⁾	\$ 16,325,123,108 ⁽⁴⁾	\$ 83,249	\$ 285,465,000	1.75%	\$ 1,456
2021	197,347	16,980,301,115 ⁽⁵⁾	86,043	370,245,000	2.18%	1,876
2022	200,640	18,125,734,480 ⁽⁶⁾	90,340	448,852,000	2.48%	2,237
2023	204,973	20,975,411,726 ⁽⁷⁾	102,333	474,404,000	2.26%	2,314
2024	207,748	23,538,067,939 ⁽⁸⁾	113,301	492,448,000 ⁽¹⁰⁾	2.09%	2,370

- (1) Source: City Staff.
(2) Source: 2020 U.S. Census.
(3) As reported by the Dallas Central Appraisal District, Tarrant Appraisal District, and Ellis Appraisal District on the City’s annual State Property Tax Boards Reports; subject to change during the ensuing year. See “TAX INFORMATION.”
(4) Includes taxable incremental value of approximately \$476,590,517 that is not available for the City's general use.
(5) Includes taxable incremental value of approximately \$669,486,622 that is not available for the City's general use.
(6) Includes taxable incremental value of approximately \$850,598,585 that is not available for the City's general use.
(7) Includes taxable incremental value of approximately \$1,149,797,017 that is not available for the City's general use.
(8) Includes taxable incremental value of approximately \$1,439,232,458 that is not available for the City’s general use.
(9) Excludes revenue supported general obligation debt. See “Table 9 – Computation of Resources for Payment of Self-Supporting General Obligation Debt”.
(10) Includes the Certificates.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	Fiscal Year Ended September 30,				
	2022	2021	2020	2019	2018
Beginning Balance	\$ 50,006,374	\$ 60,648,430	\$ 45,186,271	\$ 33,745,051	\$ 31,346,705
Total Revenue	154,260,047	153,934,901	159,544,066	150,707,356	134,912,713
Total Expenditures	217,458,810	133,252,821	128,429,131	127,629,868	123,411,609
Net Transfers	(32,635,834)	(33,150,756)	(16,762,667)	(12,704,188)	(10,106,151)
Sale of Capital Assets	1,874,382	1,826,620	1,115,891	1,067,920	1,003,393
Proceeds from Lease arrangements	5,016,328	-	-	-	-
Proceeds from Bonds Issuance	77,515,000	-	-	-	-
Net Funds Available	<u>(11,428,887)</u>	<u>(10,642,056)</u>	<u>15,462,159</u>	<u>11,441,220</u>	<u>2,398,346</u>
Ending Balance	<u>\$ 38,577,487</u>	<u>\$ 50,006,374</u>	<u>\$ 60,648,430</u>	<u>\$ 45,186,271</u>	<u>\$ 33,745,051</u>

For additional information regarding the City, please contact:

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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	19 Years ⁽¹⁾	May 2025	CEO and Owner, Control Products
Jorja Jackson Clemson Place 1 - District 1 Deputy Mayor Pro Tem	10 Years	May 2026	Owner, Jorja Clemson Properties
Jacquín Headen Place 2 - District 2	1 Year	May 2025	Founder/CEO, Interiors by Jacquín, LLC.
Mike Del Bosque Place 3 - District 3	6 Years	May 2026	Founder/CEO, Intire Health
John Lopez Place 4 - District 4 Mayor Pro Tem	4 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	2 Years	May 2024	Government Public Servant, Federal Deposit Insurance Corporation
Bessye Adams Place 7 - At Large	Newly Elected	May 2026	Controller, DeSoto ISD
Junior Ezeonu Place 8 - At Large	2 Years	May 2024	Political Strategist

(1) Mayor’s length of service includes representation as District 6 Council Member prior to becoming Mayor in 2013.

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service in Grand Prairie</u>	<u>Total Municipal Government</u>
Bill Hills	City Manager	34 Years	47 Years
Cheryl De Leon	Deputy City Manager	4 Years	22 Years
Megan Mahan	Deputy City Manager	11 Years	13 Years
Gerald Hodges	Assistant to the City Manager	3 Years	11 Years
Mona Lisa Galicia	City Secretary	19 Years	19 Years
Cathy Patrick, CPA ⁽¹⁾	Chief Financial Officer	28 Years	33 Years
Thao Vo, CPA	Director of Budget and Audit Services	12 Years	12 Years
Jacqueline Hathorn	Treasury Administrator	23 Years	23 Years
Maleshia McGinnis ⁽²⁾	Deputy City Attorney	Newly Appointed	22 Years

- (1) Ms. Patrick has announced her plans to retire from the City, effective April 19, 2024. Ms. Susan Sanders, CPA, a former Assistant Finance Director for the City, has been hired by the City to fill Ms. Patrick’s position.
- (2) The City Council appointed Ms. McGinnis as the City Attorney, effective January 9, 2024.

CONSULTANTS AND ADVISORS

Auditors	Weaver and Tidwell, 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
\$52,775,000
CITY OF GRAND PRAIRIE, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024

INTRODUCTION

This Official Statement, which includes the maturity schedule and the Appendices hereto, provides certain information regarding the issuance of \$52,775,000 City of Grand Prairie, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024 (the “Certificates”). Except as otherwise indicated herein, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the ordinance adopted by the City Council of the City of Grand Prairie, Texas (the “City”) on January 23, 2024 authorizing the issuance of the Certificates (the “Ordinance”), which delegated to an authorized officer of the City (the “Pricing Officer”), the authority to execute a pricing certificate (the “Pricing Certificate” and together with the Ordinance, the “Certificate Ordinance”) that completed the final sale of the Certificates.

There follows in this Official Statement descriptions of the Certificates and certain information regarding the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City’s Financial Advisor, Hilltop Securities Inc., (“HilltopSecurities”) Dallas, Texas by electronic mail or upon payment of reasonable copying, handling, and delivery charges.

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 2020 U.S. Census population was 196,100. The estimated population for 2024 is 207,748. The City covers approximately 81 square miles.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for (i) renovating, improving and equipping existing municipal buildings and facilities, to-wit: HVAC system repairs and replacements, roof repairs and replacements, electrical and power generator improvements and repairs, fire safety, security, lighting, landscaping, irrigation and other improvements to the City Public Safety Building, City library facilities, the City Hall municipal complex, parks and recreation department administrative offices, and animal services facilities, (ii) designing, constructing, improving and equipping fire stations, fire department facilities, emergency operations center, and police facilities, including administrative offices related thereto, (iii) acquiring and purchasing materials, equipment, and vehicles for the police, parks, arts and recreation departments and City libraries, (iv) designing, constructing, improving and equipping parks and recreation facilities that are generally accessible to the public and are part of the City park system, (v) designing, acquiring, constructing, improving and maintaining City streets, thoroughfares, intersections, bridges, sidewalks, and pathways, including related traffic signalization and signage, lighting, ADA accessibility, beautification, traffic management equipment, and utility relocations, (vi) acquiring and installing telecommunications, wireless communications, and information technology systems, hardware, software, and equipment for various City departments, and (vii) professional services rendered in connection therewith.

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

SOURCES OF FUNDS:

Par Amount of Certificates	\$ 52,775,000.00
Premium	<u>7,748,443.55</u>
TOTAL SOURCES:	<u><u>\$ 60,523,443.55</u></u>

USES OF FUNDS:

Deposit to Project Fund	\$ 60,000,000.00
Underwriters' Discount	276,748.70
Cost of Issuance ⁽¹⁾	<u>246,694.85</u>
TOTAL USES:	<u><u>\$ 60,523,443.55</u></u>

- (1) Includes legal counsel fees, financial advisor fees, rating agencies fees, printing and mailing expenses and other costs of issuance of the Certificates. Any amounts remaining after payment of costs of issuance shall be transferred to the Certificate Fund for the Certificates.

THE CERTIFICATES

DESCRIPTION OF THE CERTIFICATES. . . The Certificates are dated January 15, 2024, and are scheduled to mature on February 15 in each of the years 2025 through 2043 and in the amounts shown on page 2 hereof. Interest on the Certificates will accrue from the Delivery Date, estimated to be February 28, 2024, will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on each February 15 and August 15 until maturity or prior redemption, commencing August 15, 2024. The definitive Certificates 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 Certificates will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar (hereinafter defined) 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 Certificates. See “THE CERTIFICATES - Book-Entry-Only System” herein.

Interest on the Certificates 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 Certificates will be paid to the registered owner at their stated maturity or upon earlier redemption upon presentation and surrender at 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 Certificates, all payments will be made as described under “THE CERTIFICATES - Book-Entry-Only System” herein. If the date for any payment on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

AUTHORITY FOR ISSUANCE OF THE CERTIFICATES. . . The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Chapter 1371, Texas Government Code, as amended (“Chapter 1371”), and the Certificate Ordinance.

SECURITY AND SOURCE OF PAYMENT FOR THE CERTIFICATES. . . The Certificates are payable from a combination of (i) a continuing direct annual ad valorem tax levied by the City, within the limits prescribed by law, upon all taxable property within the City and (ii) a limited pledge of \$2,500 of the net revenues of the City’s water and wastewater system, as provided in the Certificate Ordinance.

TAX RATE LIMITATION. . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5 of the Texas Constitution is applicable to the City and limits its maximum ad valorem tax rate to \$2.50 per \$100 of Taxable Assessed Valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of \$2.50 per \$100 of taxable assessed valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all general obligation debt, based on a 90% tax collection rate as calculated at the time of issuance.

OPTIONAL REDEMPTION OF THE CERTIFICATES. . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2035, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on

February 15, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Certificates are to be redeemed, the City may select the maturities of the Certificates to be redeemed. If less than all of the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Certificates are in Book-Entry-Only form) shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed. If a Certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

NOTICE OF REDEMPTION. . . Not less than 30 days prior to a redemption date for the Certificates, 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 Certificates 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 CERTIFICATES CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY CERTIFICATE OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH CERTIFICATE OR PORTION THEREOF SHALL CEASE TO ACCRUE.

With respect to any optional redemption of the Certificates, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates 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 Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

DEFEASANCE. . . The Certificate Ordinance provides for the defeasance of the Certificates when the payment of the principal of and premium, if any, on the Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar, or other authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Securities to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Certificates. In the event of a defeasance of the Certificates, 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 Certificates. The Certificate Ordinance provides that "Government Securities" 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 Certificates 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 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.

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 Certificates. Because the Certificate 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 Securities or that for any other Government Security will be maintained at any particular rating category.

Upon such deposit as described above, the applicable Certificates shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment of the Certificates have been made as described above, all rights of the City to initiate proceedings to call the Certificates that have been defeased for redemption or take any other action amending the terms of the Certificates that have been defeased are extinguished; provided, however, that the right to call the Certificates that have been defeased 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 Certificates for redemption; (ii) gives notice of the reservation of that right to the owners of the Certificates 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 Holders of the Certificates, from time to time and at any time, amend the Certificate Ordinance in any manner not detrimental to the interests of the Holders of the Certificates, 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 Certificates then Outstanding, amend, add to, or rescind any of the

provisions of the Certificate Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, 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 Certificates, 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 Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by Holders for consent to any such amendment, addition, or rescission.

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

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, 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 Certificates), 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 Certificates. The Certificates 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 maturity of the Certificates 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 Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates 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 Certificate ("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 Certificates 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 Certificates, except in the event that use of the book-entry system described herein is discontinued.**

To facilitate subsequent transfers, all Certificates 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 Certificates 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 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates 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 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates 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 Certificates 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 Certificates, 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 Certificates are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

All payments on the Certificates 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 Certificates 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, Certificates 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, Certificate 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 Certificate certificates will be issued to the holders and the Certificates will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "THE CERTIFICATES - 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 Certificates 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 Certificates, 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 Underwriters.

PAYING AGENT/REGISTRAR. . . The initial Paying Agent/Registrar is Zions Bancorporation, National Association, Houston, Texas (the "Paying Agent/Registrar"). In the Certificate 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 Certificates are duly paid, and any successor Paying Agent/Registrar shall be a 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 Certificates. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Certificates by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

TRANSFER, EXCHANGE AND REGISTRATION. . . In the event the Book-Entry-Only System should be discontinued with respect to the Certificates, printed Certificates will be delivered to the registered owners thereof, and thereafter the Certificates may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar, and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Certificates may be assigned by the execution of an assignment form on the respective Certificates or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Certificates will be delivered by the Paying Agent/Registrar, in lieu of the Certificates being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Certificates to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Certificates surrendered for exchange or transfer. See "THE CERTIFICATES - Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Certificates. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Certificate.

RECORD DATE FOR INTEREST PAYMENT. . . The record date ("Record Date") for determining the party to whom is owed the interest payable on the Certificates on any interest payment date means the close of business on the last business day of the preceding month.

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

CERTIFICATEHOLDERS' REMEDIES. . . If the City defaults in the payment of principal, interest or redemption price, as applicable, on the Certificates when due, or if it fails to make payments into any fund or funds created in the Ordinance or defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Certificate Ordinance, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Certificates if there is no other available remedy at law to compel performance of the Certificates or the Certificate Ordinance and the City's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Certificate Ordinance does not provide for the appointment of a trustee to represent the interest of the holders of the Certificates upon any failure of the City to perform in accordance with the terms of the Certificate Ordinance, or upon any other condition and, accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) ("*Wasson*") that sovereign immunity does not imbue a city with derivative immunity when it performs proprietary, as opposed to governmental, functions in respect to contracts executed by a city. The Texas Supreme Court reviewed *Wasson* again in June 2018 and clarified that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore in regard to municipal contract cases (as in tort claims) it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under the authority or for the benefit of the state. If sovereign immunity is determined by a court to exist, then the Texas Supreme Court has ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Chapter 1371, which pertains to the issuance of public securities by certain issuers such as the City, permits the City to waive sovereign immunity in the proceedings authorizing its debt obligations. The City has relied upon Chapter 1371 in connection with the issuance of the Certificates, but the City has not waived sovereign immunity. Because it is unclear whether the Texas legislature (the "Legislature") has effectively waived the City's sovereign immunity from a suit for money damages, holders of the Certificates may not be able to bring such a suit against the City for breach of the Certificates or the covenants in the Certificate Ordinance. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or holders of the Certificates of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce creditors' rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Certificate Ordinance and the Certificates are qualified with respect to the customary rights of debtors relative to their creditors and general principles of equity that permit the exercise of judicial discretion.

TAX INFORMATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

VALUATION OF TAXABLE PROPERTY . . . The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the City is the responsibility of the Dallas Central Appraisal District, Ellis Appraisal District and Tarrant Appraisal District (collectively, the "Appraisal District") with respect to City property located within such counties, which are county-wide agencies created under the Property Tax Code for that purpose. Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its

jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

Effective January 1, 2024, an appraisal district is prohibited from increasing the appraised value of real property during the 2024 tax year on certain non-homestead properties (the "Subjected Property") whose appraised values are not more than \$5 million dollars (the "Maximum Property Value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office; or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property (collectively the "Appraisal Cap"). After the 2024 tax year, through December 31, 2026 (unless extended by the Legislature), the Maximum Property Value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in the consumer price index, as applicable, to the Maximum Property Value.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the City, in establishing their tax rolls and tax rates (see "TAX INFORMATION – City and Taxpayer Remedies").

STATE MANDATED HOMESTEAD EXEMPTIONS . . . State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

LOCAL OPTION HOMESTEAD EXEMPTIONS . . . The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than \$5,000) and (2) an additional exemption of at least \$3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentation of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

The governing body of a school district, municipality, or county that adopted an exemption described in (1), above, for the 2022 tax year may not reduce the amount of or repeal the exemption through December 31, 2027.

LOCAL OPTION FREEZE FOR THE ELDERLY AND DISABLED . . . The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

PERSONAL PROPERTY . . . Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

FREEPORT AND GOODS-IN-TRANSIT EXEMPTIONS . . . Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods, that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days ("Goods-in-Transit"), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action, after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer's motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

OTHER EXEMPT PROPERTY . . . Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned

by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

TAX INCREMENT REINVESTMENT ZONES. . . A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the "tax increment". During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

TAX ABATEMENT AGREEMENTS . . . Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

For a discussion of how the various exemptions described above are applied by the City, see "TAX INFORMATION – City Application of Property Tax Code".

TEMPORARY EXEMPTION FOR QUALIFIED PROPERTY DAMAGED BY A DISASTER . . . The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes located in an area declared by the Governor to be a disaster area following a disaster and is at least 15 percent damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. The governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the Governor declares the area to be a disaster area. The Legislature amended Section 11.35 of the Property Tax Code to clarify that "damage" for purposes of such statute is limited to "physical damage." For more information on the exemption, reference is made to Section 11.35 of the Property Tax Code, as amended.

CITY AND TAXPAYER REMEDIES . . . Under certain circumstances, taxpayers and taxing units, including the City, may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the City may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year "minimum eligibility amount", as determined by the State Comptroller of Public Accounts (the "State Comptroller"), and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at \$57,216,456 for the 2023 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the City and provides for taxpayer referenda that could result in the repeal of certain tax increases (see "TAX INFORMATION – Public Hearing and Maintenance and Operations Tax Rate Limitations"). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

LEVY AND COLLECTION OF TAXES . . . The City is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the City. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the City may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

CITY'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the City are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the City, having power to tax the property. The City's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the City is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the City may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

PUBLIC HEARING AND MAINTENANCE AND OPERATIONS TAX RATE LIMITATIONS . . . The following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"foregone revenue amount" means the greater of zero or the amount expressed in dollars calculated according to the following formula: the voter-approval tax rate less the actual tax rate, then multiplied by the taxing unit's current total value in the applicable preceding tax year.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

"preceding total value" means a taxing unit's current total value in the applicable preceding tax year.

"special taxing unit" means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

"unused increment rate" means the greater of (i) zero; or (ii) the sum of the foregone revenue amount for each of the tax years 2021 through 2023 divided by the current total value.

"voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the "unused increment rate".

The City's tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

A city must annually calculate its voter-approval tax rate and no-new-revenue tax rate in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its de minimis rate, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has posted notice prominently on the appraisal district's website (if the appraisal district maintains a website) and the assessor for the city has prominently posted on the city's website notice informing the property owner of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase. The appraisal district is also required to post notice in a newspaper of general circulation by August 7 or as soon thereafter as practicable or if there is no newspaper of general circulation, the notice must be posted in the appraisal district's office.

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial census

and does not qualify as a special taxing unit, if a city's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City's tax-supported debt obligations, including the Certificates.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

2023 LEGISLATIVE SESSIONS . . . The 88th Texas Legislative Session convened in regular session on January 10, 2023 and concluded on May 29, 2023. The Legislature meets in regular session in odd-numbered years, for 140 days. When the Legislature is not in session, the Governor of Texas (the "Governor") may call one or more special sessions, at the Governor's discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. The Governor has called four special sessions. The fourth special session concluded on December 5, 2023.

The City is in the process of evaluating the legislation that passed during the 88th Texas Legislative Session and how it may impact the City and its operations. The City can make no representation or predictions concerning the substance or the effect of any legislation passed in a prior session or that may be considered in a future session of the Legislature.

CITY APPLICATION OF PROPERTY TAX CODE . . . The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$45,000; the disabled are also granted an exemption of \$30,000. Disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces are granted a maximum exemption of up to \$12,000 dependent upon the amount of disability. Disabled veterans (and spouses) awarded 100% disability compensation and a disability rating of 100% are entitled to have 100% of the appraised value of their residence homestead exempted from property taxes.

The City has granted an additional exemption of 15% of the appraised value of residence homesteads; the minimum exemption is \$5,000.

See "Table 1 – Valuation, Exemptions and General Obligation Debt" for a listing of the amounts of the exemptions described above.

The City has adopted the tax freeze for citizens who are disabled or are 65 years of age or older, which became a local option and subject to local referendum on January 1, 2004.

Ad valorem taxes are not levied by the City against the exempt value of residence homesteads for the payment of debt.

The City does not tax nonbusiness personal property.

Dallas County collects ad valorem taxes for the City by contract.

The City does permit split payments, and discounts are not allowed.

The City does not tax Freeport Property.

The City does not collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The City has adopted tax abatement guidelines. The City has granted partial tax abatements to one company. See "TAX ABATEMENTS" below.

The City has created three TIRZs, but at this time only two are active.

TAX ABATEMENTS . . . The City policy is to grant tax abatements for the development of new facilities or the expansion of existing facilities for which the life of the facility exceeds the life of the abatement. For properties not in an enterprise zone, total investment must exceed \$5,000,000, total job creation must exceed 25 permanent positions, the abatement period may not exceed 10 years and the abatement percentage may not exceed 75%. As of the 2022 certified roll (used for 2023 fiscal year) the City's abatement agreement with one company resulted in \$14,519,518 in appraised values being exempt from taxation, totaling \$6,375,550 in taxes abated on the 2022 certified tax roll (used for the 2023 fiscal year).

TAX INCREMENT FINANCING ZONES . . . Three TIRZs have been created within the City, with two being currently active, TIRZ No. 1 and TIRZ No. 3. TIRZ No. 1 and TIRZ No. 3 were recently expanded to include more land mass within the City. Both active

TIRZs have combined property tax increments of approximately \$6,016,065 for Fiscal Year 2022 and \$8,552,548 for Fiscal Year 2023. The City is anticipating combined property tax increments for both active TIRZs of approximately \$11,293,017 for Fiscal Year 2024. Both active TIRZs are still being developed. The incremental appraised value at buildout for TIRZ No. 1 is projected to be \$2.8 billion. The incremental appraised value for TIRZ No. 3 at buildout is projected to be \$6.2 billion.

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TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

Tax Year 2023 (FY 2023/2024) Market Valuation Established by Dallas Central Appraisal District, Tarrant Appraisal District, and Ellis Appraisal District		\$ 30,418,815,044
Less Exemptions/Reductions		
Homestead	\$ 1,285,009,327	
Over 65 & Disabled	429,922,050	
Disabled Veterans	284,972,853	
Agricultural Use Reductions	61,256,471	
Non-Taxable/Totally Exempt	1,601,021,973	
Tax Abatements	6,256,194	
Freeport Property	414,173,784	
Pollution Control	8,634,338	
Solar	23,199	
Under \$500	717,787	
Inventory	1,014,669,248	
Foreign Trade Zone	107,843,366	
Capped Value Loss	<u>1,666,246,515</u>	
Total Exemptions/Reductions		<u>6,880,747,105</u>
2023/2024 Taxable Assessed Valuation		\$ 23,538,067,939
Outstanding General Obligation Debt as of 1/1/2024		\$ 474,759,000
The Certificates		<u>52,775,000</u>
Total Outstanding General Obligation Debt as of 1/1/2024		\$ 527,534,000
Less Self-Supporting General Obligation Debt as of 1/1/2024 ⁽¹⁾		
Airport	\$ 195,000	
Public Improvement Districts	<u>160,000</u>	
Total General Obligation Self-Supporting Debt as of 1/1/2024		<u>355,000</u>
Net General Obligation Debt Payable from Ad Valorem Taxes as of 1/1/2024		\$ 527,179,000
Interest and Sinking Fund balance as of 12/31/2023 ⁽²⁾		\$ 2,207,708
Ratio Net General Obligation Tax Debt to Taxable Assessed Valuation		2.24%

2024 Estimated Population - 207,748

Per Capita Taxable Assessed Valuation - \$113,301

Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$2,538

(1) The City currently pays debt service on a portion of its outstanding general obligation debt from other available resources of the City as set forth in “Table 9 – Computation of Resources for Payment of Self-Supporting General Obligation Debt”. It is the City’s current policy to provide these payments from such resources; provided this policy is subject to change in the future. In the event payment is not made from such resources, the City will be required to assess an ad valorem tax sufficient to make such payments. See “Table 9 – Computation of Resources for Payment of Self-Supporting General Obligation Debt” for additional information.

(2) Unaudited.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

	Taxable Appraised Value for Fiscal Year Ended September 30, ⁽¹⁾					
	2024		2023		2022	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 14,326,055,184	47.10%	\$ 11,728,446,107	46.56%	\$ 10,265,520,735	45.70%
Real, Residential, Multi-Family	2,989,937,647	9.83%	2,687,863,763	10.67%	2,098,039,165	9.34%
Real, Vacant Platted Lots/Tracts	444,031,636	1.46%	400,008,739	1.59%	357,109,671	1.59%
Real, Acreage (Land Only)	62,175,644	0.20%	37,662,627	0.15%	63,099,104	0.28%
Real, Farm and Ranch Improvements	17,856,299	0.06%	11,015,925	0.04%	11,302,832	0.05%
Real, Commercial and Industrial	7,091,201,324	23.31%	6,254,567,160	24.83%	5,578,782,444	24.83%
Oil, Gas Mineral Reserves	83,923,727	0.28%	35,086,513	0.14%	23,788,419	0.11%
Real and Tangible Personal, Utilities	245,020,899	0.81%	221,473,310	0.88%	222,013,882	0.99%
Tangible Personal, Business	4,495,258,327	14.78%	3,716,411,684	14.75%	3,753,377,147	16.71%
Tangible Personal, Other	553,470,343	1.82%	9,147,553	0.04%	17,472,657	0.08%
Special Inventory	109,884,014	0.36%	87,227,902	0.35%	74,109,057	0.33%
Total Appraised Value Before Exemptions	<u>\$ 30,418,815,044</u>	<u>100.00%</u>	<u>\$ 25,188,911,283</u>	<u>100.00%</u>	<u>\$ 22,464,615,113</u>	<u>100.00%</u>
Less Exemptions:						
Homestead	\$ 1,285,009,327		\$ 940,964,055		\$ 686,130,452	
Over 65 & Disabled	429,922,050		408,008,270		406,482,782	
Disabled Veterans	284,972,853		232,556,159		193,027,262	
Agricultural/Open Spaces	61,256,471		36,166,373		62,661,160	
Non-Taxable	1,601,021,973		1,393,810,482		1,496,233,722	
Tax Abatements	6,256,194.00		-		31,247,363	
Freeport Property	414,173,784		361,681,146		885,513,388	
Pollution Control	8,634,338		4,754,124		5,839,136	
Solar	23,199		524,577		-	
Under \$500	717,787		751,351		583,212	
Com HSE DEV	-		-		2,579,366	
Foreign Trade Zone	107,843,366		84,991,464		87,545,062	
Inventory	1,014,669,248		-		-	
Capped Value Loss	1,666,246,515		749,291,556.00		481,037,728	
Total Exemptions	<u>\$ 6,880,747,105</u>		<u>\$ 4,213,499,557</u>		<u>\$ 4,338,880,633</u>	
Taxable Assessed Value	<u>\$ 23,538,067,939</u>		<u>\$ 20,975,411,726</u>		<u>\$ 18,125,734,480</u>	

	Taxable Appraised Value for Fiscal Year Ended September 30, ⁽¹⁾			
	2021		2020	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 9,263,788,979	43.75%	\$ 8,702,702,995	42.82%
Real, Residential, Multi-Family	1,887,988,272	8.92%	588,113,327	2.89%
Real, Vacant Platted Lots/Tracts	319,804,651	1.51%	295,614,469	1.45%
Real, Acreage (Land Only)	68,418,971	0.32%	74,627,276	0.37%
Real, Farm and Ranch Improvements	9,921,094	0.05%	785,322	0.00%
Real, Commercial and Industrial	5,275,710,240	24.92%	5,352,103,009	26.33%
Oil, Gas Mineral Reserves	20,760,977	0.10%	37,733,271	0.19%
Real and Tangible Personal, Utilities	229,563,151	1.08%	217,058,489	1.07%
Tangible Personal, Business	4,009,055,088	18.94%	3,475,124,423	17.10%
Tangible Personal, Other	17,940,686	0.08%	2,657,940	0.01%
Special Inventory	69,545,022	0.33%	56,371,520	0.28%
Certified values in dispute	-	0.00%	411,654,898	2.03%
Non-Taxable Property	-	0.00%	1,111,126,677	5.47%
Total Appraised Value Before Exemptions	<u>\$ 21,172,497,131</u>	<u>100.00%</u>	<u>\$ 20,325,673,616</u>	<u>100.00%</u>
Less Exemptions:				
Homestead	\$ 614,343,864		\$ 459,022,839	
Over 65 & Disabled	388,674,619		373,156,804	
Disabled Veterans	172,617,663		138,427,888	
Agricultural/Open Spaces	57,391,026		34,372,699	
Non-Taxable	1,524,398,672		1,436,365,414	
Tax Abatements	31,640,778		38,649,813	
Freeport Property	1,010,555,653		965,572,510	
Pollution Control	2,098,054		2,676,177	
Solar	-		-	
Under \$500	475,000		550,935	
Com HSE DEV	272,867		12,303,303	
Foreign Trade Zone	3,647,180		-	
Capped Value Loss	386,080,640		539,452,126	
Total Exemptions	<u>\$ 4,192,196,016</u>		<u>\$ 4,000,550,508</u>	
Taxable Assessed Value	<u>\$ 16,980,301,115</u>		<u>\$ 16,325,123,108</u>	

(1) Valuations shown are certified taxable assessed values reported by the three Appraisal Districts to the State Comptroller. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal Districts updates records. Regarding variances between the three Appraisal Districts require some estimates or adjustments to these categories' details.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽³⁾	Taxable Assessed Valuation Per Capita	Net G.O. Tax Debt Outstanding at End of Year ⁽⁹⁾	Ratio of Net G.O. Tax Debt to Taxable Assessed Valuation	Net G.O. Tax Debt Per Capita
2020	196,100 ⁽²⁾	\$ 16,325,123,108 ⁽⁴⁾	\$ 83,249	\$ 285,465,000	1.75%	\$ 1,456
2021	197,347	16,980,301,115 ⁽⁵⁾	86,043	370,245,000	2.18%	1,876
2022	200,640	18,125,734,480 ⁽⁶⁾	90,340	448,852,000	2.48%	2,237
2023	204,973	20,975,411,726 ⁽⁷⁾	102,333	474,404,000	2.26%	2,314
2024	207,748	23,538,067,939 ⁽⁸⁾	113,301	492,448,000 ⁽¹⁰⁾	2.09%	2,370

(1) Source: City Staff.

(2) Source: 2020 U.S. Census.

(3) As reported by the Dallas Central Appraisal District, Tarrant Appraisal District, and Ellis Central Appraisal District on the City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(4) Includes taxable incremental value of approximately \$476,590,517 that is not available for the City's general use.

(5) Includes taxable incremental value of approximately \$669,486,622 that is not available for the City's general use.

(6) Includes taxable incremental value of approximately \$850,598,585 that is not available for the City's general use.

(7) Includes taxable incremental value of approximately \$1,149,797,017 that is not available for the City's general use.

(8) Includes taxable incremental value of approximately \$1,439,232,458 that is not available for the City's general use.

(9) Excludes revenue supported general obligation debt. See "Table 9 - Computation of Resources for Payment of Self-Supporting General Obligation Debt."

(10) Includes the Certificates.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2019	\$ 0.669998	\$ 0.463696	\$ 0.206302	\$ 98,194,923	98.71%	99.49%
2020	0.669998	0.457127	0.212871	106,940,678	98.81%	99.71%
2021	0.669998	0.460638	0.209360	113,882,697	98.96%	99.65%
2022	0.664998	0.452091	0.212907	121,629,982	98.96%	99.53%
2023	0.660000	0.451076	0.208924	136,364,135	98.90%	98.90%
2024	0.660000	0.428769	0.231231	154,113,174	In Process of Collections	

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TABLE 5 - TEN LARGEST TAXPAYERS ⁽¹⁾

Name of Taxpayer	Nature of Property	Tax Year 2023	% of Total
		Taxable Assessed Valuation	Taxable Assessed Valuation
CH AZ Wildlife 4 6 LP	Industrial	\$ 237,342,170	1.01%
Lockheed Martin Missiles & Fire Control Systems	Defense Industry	198,298,570	0.84%
WMC Dallas V LLC	Apartments	179,150,000	0.76%
Duke Realty LP	Storage Facilities	174,486,767	0.74%
Prologis LP	Storage Facilities	171,946,714	0.73%
ONCOR Electric Delivery	Utility	124,241,988	0.53%
Poly America LP	Manufacturing	123,662,528	0.53%
Bell Textron Inc.	Defense Industry	122,811,559	0.52%
BVFF Grand Prairie LLC	Apartments	97,000,000	0.41%
FRBH Silverbrook LLC	Apartments	92,900,000	0.39%
		<u>\$ 1,521,840,296</u>	<u>6.47%</u>

(1) Source: Dallas Central Appraisal District.

GENERAL OBLIGATION DEBT LIMITATION. . . No general obligation debt limitation is imposed on the City under current State law or the City’s Home Rule Charter (however, see “THE CERTIFICATES – Tax Rate Limitation”).

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TABLE 6 - ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt (“Tax Debt”) was developed from information contained in “Texas Municipal Reports” published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Body	2023/2024		G.O. Debt as of 1/1/2024	Estimated % Overlapping	Overlapping G.O. Debt
	Taxable Assessed Valuation	2023/2024 Tax Rate			
Arlington Independent School District	\$ 39,111,811,903	\$ 1.1156	\$ 1,225,554,956	18.80%	\$ 230,404,332
Cedar Hill Independent School District	5,289,475,417	1.1326	86,886,811	7.42%	6,447,001
Dallas County	375,100,055,324	0.2157	217,675,000	3.15%	6,856,763
Dallas County Flood Control District #1	992,217,410	1.0000	17,710,000	2.05%	363,055
Parkland Hospital District	376,054,417,901	0.2195	543,495,000	3.15%	17,120,093
Dallas County Community College District	386,062,501,713	0.1100	375,515,000	3.15%	11,828,723
Ellis County	29,420,473,555	0.2725	26,380,000	0.52%	137,176
Grand Prairie Independent School District	12,171,213,858	1.0951	375,870,000	89.30%	335,651,910
Irving Independent School District	20,003,908,010	1.0281	594,030,000	0.76%	4,514,628
Mansfield Independent School District	18,889,370,277	1.1492	761,994,839	13.22%	100,735,718
Midlothian Independent School District	9,783,868,340	1.1092	393,765,000	1.49%	5,867,099
Tarrant County	287,112,570,154	0.1945	376,120,000	3.99%	15,007,188
Tarrant County College District	300,037,837,424	0.1122	591,230,000	3.99%	23,590,077
Tarrant County Hospital District	287,594,945,024	0.1945	448,410,000	3.99%	17,891,559
			<u>\$ 6,034,636,606</u>		<u>\$ 776,415,320</u>
City of Grand Prairie	\$ 23,538,067,939	\$ 0.6600	\$ 527,534,000 ⁽¹⁾	100.00%	\$ 527,534,000 ⁽¹⁾
Total Direct and Overlapping Debt					\$ 1,303,949,320
Total Direct and Overlapping Debt to City's Taxable Assessed Value					5.54%

(1) Includes self-supporting debt. Includes the Certificates.

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DEBT INFORMATION

TABLE 7 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Outstanding Debt Service			The Certificates			Less: Self- Supporting Debt Service	Net General Obligation Debt Service	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Total			
2024	\$ 35,006,000	\$ 15,368,077	\$ 50,374,077	\$ -	\$ 1,224,087	\$ 1,224,087	\$ 285,475	\$ 51,312,688	
2025	29,317,000	14,164,414	43,481,414	1,705,000	2,596,125	4,301,125	82,000	47,700,539	
2026	34,225,000	13,080,675	47,305,675	1,795,000	2,508,625	4,303,625	-	51,609,300	
2027	30,051,000	12,065,384	42,116,384	1,885,000	2,416,625	4,301,625	-	46,418,009	
2028	28,044,000	11,102,752	39,146,752	1,980,000	2,320,000	4,300,000	-	43,446,752	31.09%
2029	28,994,000	10,151,344	39,145,344	2,085,000	2,218,375	4,303,375	-	43,448,719	
2030	28,624,000	9,205,267	37,829,267	2,190,000	2,111,500	4,301,500	-	42,130,767	
2031	29,361,000	8,280,084	37,641,084	2,305,000	1,999,125	4,304,125	-	41,945,209	
2032	29,593,000	7,351,975	36,944,975	2,420,000	1,881,000	4,301,000	-	41,245,975	
2033	30,734,000	6,411,441	37,145,441	2,545,000	1,756,875	4,301,875	-	41,447,316	61.20%
2034	31,109,000	5,426,333	36,535,333	2,675,000	1,626,375	4,301,375	-	40,836,708	
2035	27,281,000	4,449,570	31,730,570	2,815,000	1,489,125	4,304,125	-	36,034,695	
2036	26,565,000	3,485,605	30,050,605	2,960,000	1,344,750	4,304,750	-	34,355,355	
2037	23,905,000	2,546,707	26,451,707	3,110,000	1,193,000	4,303,000	-	30,754,707	
2038	14,930,000	1,847,044	16,777,044	3,270,000	1,033,500	4,303,500	-	21,080,544	87.48%
2039	15,440,000	1,333,631	16,773,631	3,435,000	865,875	4,300,875	-	21,074,506	
2040	10,895,000	902,850	11,797,850	3,615,000	689,625	4,304,625	-	16,102,475	
2041	11,235,000	558,083	11,793,083	3,800,000	504,250	4,304,250	-	16,097,333	
2042	5,425,000	277,201	5,702,201	3,990,000	309,500	4,299,500	-	10,001,701	
2043	4,025,000	85,780	4,110,780	4,195,000	104,875	4,299,875	-	8,410,655	100.00%
	<u>\$ 474,759,000</u>	<u>\$ 128,094,216</u>	<u>\$ 602,853,216</u>	<u>\$ 52,775,000</u>	<u>\$ 30,193,212</u>	<u>\$ 82,968,212</u>	<u>\$ 367,475</u>	<u>\$ 685,453,953</u>	

TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION ⁽¹⁾

Net Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/2024 ⁽²⁾		\$ 51,312,688
Interest and Sinking Fund Balance 9/30/2023	\$ 862,710	
Budgeted 2024 Interest and Sinking Fund Tax Levy	54,968,156	
Prior year taxes and refunds	(385,000)	
Prior Years Penalties, Interest and Collections	250,000	
Transfer in from TIF #1	<u>6,045,481</u>	
Total Available		<u>61,741,347</u>
Estimated Balance, Fiscal Year Ending 9/30/2024		\$ 10,428,659

(1) Source: City Staff
(2) Includes the Certificates.

TABLE 9 - COMPUTATION OF RESOURCES FOR PAYMENT OF SELF-SUPPORTING GENERAL OBLIGATION DEBT ⁽¹⁾

	<u>Airport Fund</u>	Forum Estates <u>PID 5</u>
Resources Available for Debt Service Fiscal Year Ended 9/30/2022	\$ 439,422	\$ 716,514
Less: Revenue Bond Requirements, Fiscal Year Ended 9/30/2024	-	-
Balance Available for payment of Self-Supporting General Obligation Debt	\$ 439,422	\$ 716,514
General Obligation Bonds and Certificates of Obligation Debt Service Requirements, Fiscal Year Ended 9/30/2024	<u>199,875</u>	<u>85,600</u>
Balance	\$ 239,547	\$ 630,914
Percentage of System General Obligation Bonds and Certificates of Obligation Self-Supporting	100.00%	29.99%

(1) It is the City's current policy to provide these payments from such resources; provided this policy is subject to change in the future. In the event payment is not made from such resources, the City will be required to assess an ad valorem tax sufficient to make such payments.

TABLE 10 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

<u>Purpose</u>	<u>Date Authorized</u>	Authorized <u>Amount</u>	Amount Previously <u>Issued</u>	Amount Being <u>Issued</u>	Unissued <u>Balance</u>
Solid Waste	12/08/90	\$ 180,000	\$ 75,000	\$ -	\$ 105,000
Streets/Signal	11/06/01	56,000,000	55,959,773	-	40,227
Storm Drainage	11/06/01	<u>8,200,000</u>	<u>6,576,573</u>	-	<u>1,623,427</u>
Total		<u>\$ 64,380,000</u>	<u>\$ 62,611,346</u>	<u>\$ -</u>	<u>\$ 1,768,654</u>

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT. . . The City anticipates issuing approximately \$40,000,000 general obligation debt within the next twelve to eighteen months.

OTHER OBLIGATIONS . . . The City has no other property tax supported debt outstanding as of the date of this Official Statement except as described herein.

RETIREMENT PLAN . . . The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS), (the "Plan"). 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. All eligible employees of the City are members of the TMRS. Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. The Plan also provides death and disability benefits. A member is vested after 5 years, but he must leave his accumulated contributions in the Plan. If a member withdraws his own money, he is not entitled to the employer-financed monetary credits, even if he was vested. The Plan provisions are adopted by the governing body of the City, within the options available in the State statutes governing TMRS and within the actual constraints also in the statutes.

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as updated service credits and annuity increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
2018	\$ 504,848,965	\$ 555,774,884	90.84%	\$ 50,925,919	\$ 92,501,160	57.00%
2019	486,228,223	587,394,540	82.78%	101,166,317	93,746,412	108.00%
2020	556,100,038	619,684,063	89.74%	63,584,025	98,611,365	64.48%
2021	592,761,104	647,637,265	91.53%	54,876,161	100,628,856	54.53%
2022	665,510,905	689,939,789	96.46%	24,428,886	100,109,281	24.40%

For further details regarding the most recent information for the City's retirement plan, please refer to Note J of the City's 2022 Annual Comprehensive Financial Report. See Appendix B – "Excerpts from the City's Annual Comprehensive Financial Report".

OTHER POST-EMPLOYMENT BENEFITS. . .In addition to providing pension benefits through the Texas Municipal Retirement System, the City has opted to provide eligible retired employees with the following post-employment benefits:

Eligible retirees may purchase health insurance from the City's healthcare provider at the City's cost to cover current employees and their dependents if such dependents were covered consecutively during the past two years prior to the retirement date. The cost of insurance varies based on date retired, plan selected, and years of Grand Prairie service. The cost of coverage is shared between the City and the retiree in varying increments based on the above factors.

The City recognizes its share of the costs of providing these benefits when paid, on a "pay-as-you-go" basis. These payments are budgeted annually. In fiscal 2017/2018, the City implemented GASB Statement No. 75 "Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions." The City has performed an actuarial valuation of its post-retirement benefit liability. It has engaged an independent actuarial firm to prepare a valuation. The City reviewed the study and plans to comply with legal requirements to perform additional studies in the future at the required intervals. The actuarial liability is estimated at \$54,616,488 at September 30, 2022.

For further details regarding the City's OPEB benefits, please refer to Note K of the City's 2022 Annual Comprehensive Financial Report. See Appendix B – "Excerpts from the City's Annual Comprehensive Financial Report".

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TABLE 11 - CHANGE IN NET ASSETS

	Fiscal Year Ending, September 30,				
	2022	2021	2020	2019	2018
Revenues					
Fees, Fines and Charges for Services	\$ 58,170,644	\$ 50,828,628	\$ 43,289,739	\$ 51,189,057	\$ 47,831,146
Operating Grants and Contributions	48,357,006	45,398,240	63,784,399	39,865,579	36,511,876
Capital Grants and Contributions	10,088,804	6,974,967	417,050	8,575,572	3,971,782
General Revenues:					
Property Taxes	\$ 120,270,539	\$ 113,824,809	\$ 116,020,990	\$ 106,378,593	\$ 94,648,690
Sales Taxes	93,977,609	80,187,852	70,808,392	69,672,182	64,250,717
Other Taxes and Assessments	3,584,865	2,366,924	1,794,491	2,231,019	2,208,298
Franchise Fees	15,030,726	14,022,362	13,903,806	14,796,138	14,485,521
Investment Income	(9,271,537)	333,285	7,952,664	9,776,886	3,506,788
Other	-	-	-	-	-
Total Revenues	<u>\$ 340,208,656</u>	<u>\$ 313,937,067</u>	<u>\$ 317,971,531</u>	<u>\$ 302,485,026</u>	<u>\$ 267,414,818</u>
Expenses					
Support Services	\$ 42,577,765	\$ 31,880,593	\$ 31,310,741	\$ 30,669,782	\$ 27,614,430
Public Safety	150,998,097	105,285,879	113,728,877	109,767,831	101,033,502
Recreation and Leisure	47,995,577	35,162,022	32,949,455	35,232,643	33,942,742
Development and Other Services	129,085,968	109,073,042	110,126,929	102,740,890	97,241,362
Interest on Long-Term Debt	14,495,589	14,004,156	12,689,169	14,987,576	12,481,762
	<u>\$ 385,152,996</u>	<u>\$ 295,405,692</u>	<u>\$ 300,805,171</u>	<u>\$ 293,398,722</u>	<u>\$ 272,313,798</u>
Increase in net position before transfers	\$ (44,944,340)	\$ 18,531,375	\$ 17,166,360	\$ 9,086,304	\$ (4,898,980)
Transfers, net	<u>(929,550)</u>	<u>1,889,338</u>	<u>4,830,999</u>	<u>7,253,810</u>	<u>6,272,419</u>
Increase (decrease) in Net Position	\$ (45,873,890)	\$ 20,420,713	\$ 21,997,359	\$ 16,340,114	\$ 1,373,439
Prior period adjustments ⁽¹⁾	-	-	-	-	(49,038,142)
Net position - beginning	<u>416,500,918</u>	<u>396,080,205</u>	<u>374,082,846</u>	<u>357,742,732</u>	<u>405,407,435</u>
Net position - ending	<u><u>\$ 370,627,028</u></u>	<u><u>\$ 416,500,918</u></u>	<u><u>\$ 396,080,205</u></u>	<u><u>\$ 374,082,846</u></u>	<u><u>\$ 357,742,732</u></u>

(1) Transfers.

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TABLE 12 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
	2022	2021	2020	2019	2018
Revenues:					
Property Taxes	\$ 76,978,418	\$ 74,535,565	\$ 69,856,384	\$ 66,107,431	\$ 61,122,847
Sales Taxes	46,306,003	39,760,993	34,938,179	34,381,013	31,532,937
Franchise Fees	15,030,726	14,022,362	13,903,806	14,796,138	14,485,521
Charges for Services	6,330,214	6,069,457	4,978,448	5,964,359	5,847,113
Fines and Forfeitures	5,365,427	5,735,005	5,758,341	7,380,465	7,337,547
Licenses and Permits	3,912,829	4,022,506	2,981,599	3,242,194	3,000,527
Interest	(9,358,717)	324,216	7,833,606	9,490,011	3,213,375
Other	9,695,147	9,464,797	19,293,703 ⁽¹⁾	9,345,745	8,372,846
Total Revenues	\$ 154,260,047	\$ 153,934,901	\$ 159,544,066	\$ 150,707,356	\$ 134,912,713
Expenditures:					
Administrative Services	\$ 37,794,625	\$ 25,447,161	\$ 22,783,021	\$ 22,976,923	\$ 22,333,632
Public Safety Services	141,209,072	91,727,323	88,318,340	87,527,565	84,283,161
Development Service and Other	20,653,720	12,595,116	13,263,283	13,461,438	12,947,245
Recreation and Leisure Services	9,698,425	2,860,342	2,802,857	2,844,027	2,760,622
Debt Service	1,377,527	-	-	-	-
Capital Outlays	6,725,441	622,879	1,261,630	819,915	1,086,949
Total Expenditures	\$ 217,458,810	\$ 133,252,821	\$ 128,429,131	\$ 127,629,868	\$ 123,411,609
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (63,198,763)	\$ 20,682,080	\$ 31,114,935	\$ 23,077,488	\$ 11,501,104
Transfer in (Out) Net	(32,635,834)	(33,150,756)	(16,762,667)	(12,704,188)	(10,106,151)
Proceeds for sale of capital assets	1,874,382	1,826,620	1,115,891	1,067,920	1,003,393
Proceeds from Lease arrangements	5,016,328	-	-	-	-
Proceeds from Bonds Issuance	77,515,000	-	-	-	-
Beginning Fund Balance	50,006,374	60,648,430	45,186,271	33,745,051	31,346,705
Prior period adjustments	-	-	(6,000.00)	-	-
Ending Fund Balance ⁽²⁾	\$ 38,577,487 ⁽³⁾	\$ 50,006,374	\$ 60,648,430	\$ 45,186,271	\$ 33,745,051

(1) Increase due to funding received from The American Rescue Plan Act of 2021.

(2) The ending General Fund balance as of September 30, 2023 was approximately \$54 million (unaudited).

(3) The General Fund balance for the Fiscal Year ended September 30, 2022 decreased from the prior Fiscal Year due in part to (i) an unrealized investment loss of approximately \$9.4 million relating to rising interest rates, which necessitated a non-cash year-end audit entry, and (ii) a one-time accounting entry relating to the issuance of the City's General Obligation Pension Bonds, Taxable Series 2022 in such Fiscal Year. As the unrealized investment loss related to the valuation of fixed income investments that the City does not intend to sell, the City does not expect to realize any actual loss with respect to these investments.

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TABLE 13 - MUNICIPAL SALES TAX HISTORY

The City imposes and levies a one percent (1%) local sales and use tax within the City pursuant to the Municipal Sales and Use Tax Act, Texas Tax Code, Chapter 321; the proceeds are credited to the General Fund and are not pledged to the payment of the Certificates. Additionally, the City imposes and levies various local sales and use taxes for specific purposes, in the aggregate amount of one percent (1%), as described below in “DEBT INFORMATION—Sales Tax Elections.” Collections and enforcements are administered through the offices of the State Comptroller, who remits the proceeds of the tax to the City monthly, after deduction of a 2% service fee.

Fiscal Year Ended 9/30	City	Parks & Rec.	Streets	Community Policing	EPIC	Total	Equivalent of Total Ad Valorem Tax Rate
2019	\$ 29,206,350	\$ 7,301,588	\$ 7,301,858	\$ 7,264,961	\$ 7,301,588	\$ 58,376,344	\$ 0.1979
2020	35,400,956	8,850,239	8,850,239	8,824,550	8,850,239	70,776,223	0.2168
2021	38,857,085	9,714,271	9,714,271	9,648,997	9,714,271	77,648,895	0.2288
2022	46,545,263	11,656,316	11,656,316	11,568,075	11,656,316	93,082,286	0.2568
2023	47,962,394	11,990,598	11,990,598	11,965,133	11,990,598	95,899,322 ⁽¹⁾	0.2287

(1) Collections through September 30, 2023 on a cash basis.

SALES TAX ELECTIONS

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

The voters approved a one-fourth cent (1/4 cent) local sales and use tax rate (the “Street Repair Sales Tax”) at an election held on November 6, 2001 under Chapter 327 Subtitle C, Title 3, Tax Code, which is used exclusively for street repair maintenance. The Street Repair Sales Tax was reauthorized in May 2009 and again in May 2017 for 8 years. The Street Repair Sales Tax is not pledged to nor available for payment of the Certificates.

On May 12, 2007 voters approved a half cent sales tax to be utilized in a 1/4 cent and two 1/8 cent increments for the following projects:

- A one-fourth cent (1/4 cent) local sales and use tax under Section 363.054, Local Government Code (“Crime Control Sales Tax”) for a crime control and prevention district (“Community Policing District”) to fund a new police center.
- A one-eighth cent (1/8 cent) local sales and use tax (“Senior Center Tax”) for a new Senior Center.
- A one-eighth cent (1/8 cent) local sales and use tax (“Baseball Stadium Tax”) for a minor league baseball stadium.

The additional sales tax receipts were to be exclusively for costs associated with each of the projects. The City began collecting the tax on October 1, 2007.

At an election held on May 10, 2014, voters abolished the Senior Center Tax and the Baseball Stadium Tax, effective September 30, 2015, and adopted a new additional 1/4% city sales and use tax for the City’s EPIC project (the “Central Park Sales Tax”) as permitted under the provisions of Chapter 334, Local Government Code, effective October 1, 2015. The Central Park Sales Tax receipts are used to pay the costs associated with the City’s EPIC project. The City began collecting the tax on October 1, 2015. The Crime Control Sales Tax and the Central Park Sales Tax are not pledged to nor available for payment of the Certificates.

At an election on November 3, 2020, the Crime Control Sales Tax for the Community Policing District was reauthorized for a period of ten years. Such sales tax is not pledged or available for payment of the Certificates.

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DEVELOPMENT FEES

The City's impact fees are used for water improvements and wastewater improvements and are not pledged to the payment of the debt service requirements of the Certificates. Impact fees for roadway improvements were eliminated in 2001. Each of the two types of fees are developed separately based upon excess capacity of existing infrastructure and projected construction of capital improvements over the next 10 years. Revenues generated by impact fees can only be used to finance the improvements identified in an adopted capital improvements plan. The City must update land use assumptions and capital improvements plans every five years.

FYE	Impact Fee Revenues	
	Water	Wastewater
2019	1,075,784	427,744
2020	1,303,498	534,079
2021	3,126,913	1,774,290
2022	2,987,043	1,125,659
2023 ⁽¹⁾	2,545,603	905,136

(1) Unaudited.

The City created a storm water utility under the Texas Municipal Drainage Utility Systems Act, Subchapter C of Chapter 552, Texas Local Government Code, as amended. Such Act provides for the creation of a storm water utility to provide storm water services including planning, operations, maintenance, and capital improvements for storm water runoff. Such Act also provides for collection of user fees based on storm water runoff volumes.

COMPENSATED ABSENCES

The City's accrued unfunded compensated absences liability is approximately \$24,346,682 as of September 30, 2022.

RISK MANAGEMENT

Property, liability, safety, workers' compensation and health and wellness insurance are accounted for in the Risk Management Fund, an internal service fund. Net expenses of these programs in property was \$3,970,819 and \$1,967,273 for employee health and wellness insurance.

The City places all of its property, liability and workers' compensation coverage with Texas Municipal League Intergovernmental Risk Pool. The limits of liability and retention vary according to type of coverage provided.

The operating funds are charged premiums for property, liability, workers' compensation and employee health coverage by the Risk Management Fund. Employees pay for dependent health coverage independently. The incurred but unreported claims for these programs as of September 30, 2022 were \$5,938,092.

The City allows retired employees to continue participating in its group health insurance program after retirement with all premiums paid by the retirees. For further details see Note I of Appendix B – "Excerpts from the City's Annual Comprehensive Financial Report".

FINANCIAL MANAGEMENT POLICIES

The City Council and staff make financial decisions throughout the year based upon financial guidelines. The Financial Management Policies (FMP) provides a framework, or master plan, within which to make operating and capital budget decisions, as well as other financial decisions. The primary objective of the FMP is to enable the City to achieve a long-term stable and positive financial condition.

The policies which are updated annually to address the following subjects: accounting, auditing and financial reporting, internal controls, operating budget, capital budget and program, revenue management, expenditure control, asset management, financial condition and reserves, debt management, and staffing and training. Significant issues addressed by the policies include the following:

BASIS OF ACCOUNTING . . . The City's policy is to adhere to the accounting principles established by the Governmental Accounting Standards Board, as amended.

GENERAL FUND BALANCE . . . The City's goal is to maintain at least 50 days of expenditures of the General Fund expenditures budget in the General Fund resources balance.

DEBT SERVICE FUND BALANCE . . . The City's policy is to maintain balances of no greater than one month of principal and interest requirements except that the City's water and wastewater system revenue bond policy and bond ordinance requirement are to maintain

revenue supported debt service reserves at the level of the average annual debt service plus an amount accrued for the next debt service payment.

USE OF BOND PROCEEDS, GRANTS, ETC . . . The City's policy is to use bond proceeds only for major assets with expected lives which equal or exceed the average life of the debt issue.

BUDGETARY PROCEDURES . . . The City policy is to pay for current expenditures with certain revenues and to utilize reserves only for emergencies. The annual operating budget shall provide for operation and maintenance of capital plant.

FUND INVESTMENTS . . . The City policy is to invest its cash with three objectives in mind listed in order of priority: safety, liquidity and yield. Unrestricted idle cash is pooled for short-term investment in government securities, money market mutual funds and local government investment pools. The mix and term of investments is determined based on the City's liquidity needs and the yield curve.

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 "AAA-m"-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 December 12, 2023, 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. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT COMMITTEE . . .An Investment Committee consisting of the Treasury Administrator, Assistant Finance Director, Audit/Budget Director, 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 Assistant Finance Director shall serve as chairman of the committee, and maintain written record of investment committee meetings.

TABLE 14 - CURRENT INVESTMENTS

As of November 30, 2023, the City's investable funds were invested in the following categories:

<u>Type of Investment</u>	<u>Percentage</u>	<u>Book Value</u>
Demand Deposit Accounts	2.56%	\$ 12,514,305
Local Government Pools and Money Market Funds	20.44%	100,069,774
Financial Institution Certificates of Deposit	5.12%	25,082,114
Federal, State & Local Government Securities	71.88%	351,876,220
	<u>100.00%</u>	<u>\$ 489,542,414</u>

TAX MATTERS

TAX EXEMPTION . . .The delivery of the Certificates is subject to the opinion of Bond Counsel to the effect that interest on the Certificates 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. The form of Bond Counsel's opinion relating to the Certificates is reproduced as Appendix C. 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 Certificates pertaining to the use, expenditure, and investment of the proceeds of the Certificates and will assume continuing compliance by the City with the provisions of the Ordinance subsequent to the issuance of the Certificates. The Certificate Ordinance contains covenants by the City with respect to, among other matters, the use of the proceeds of the Certificates and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Certificates are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of 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 Certificates to be includable in the gross income of the owners thereof from the date of the issuance of the Certificates.

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 Certificates is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Certificates 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 Certificates, the City may have different or conflicting interests from the owners

of the Certificates. Public awareness of any future audit of the Certificates could adversely affect the value and liquidity of the Certificates 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 Certificates. Prospective purchasers of the Certificates should be aware that the ownership of tax-exempt obligations such as the Certificates 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, 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 (“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. 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 Certificates. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Certificates.

Existing law may change to reduce or eliminate the benefit to holders of the Certificates of the exclusion of interest on the Certificates 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 Certificates. Prospective purchasers of the Certificates should consult with their own tax advisors with respect to any proposed or future changes in tax law.

TAX ACCOUNTING TREATMENT OF DISCOUNT AND PREMIUM ON CERTAIN CERTIFICATES. . .The initial public offering price of certain Certificates (the “Discount Certificates”) may be less than the amount payable on such Certificates at maturity. An amount equal to the difference between the initial public offering price of a Discount Certificate (assuming that a substantial amount of the Certificates 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 Certificate. A portion of such original issue discount allocable to the holding period of such Discount Certificate by the initial purchaser will, upon the disposition of such Discount Certificate (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 Certificates 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 Certificate, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Certificate 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, S corporations with “subchapter C” earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the 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 Certificate by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Certificate in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Certificate was held) is includable in gross income.

Owners of Discount Certificates should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Certificates for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Certificates. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Certificates 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 Certificates (the “Premium Certificates”) paid by an owner may be greater than the amount payable on such Certificates at maturity. An amount equal to the excess of a purchaser’s tax basis in a Premium Certificate over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Certificate 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

Certificate. 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 Certificate, the yield based on a call date that results in the lowest yield on the Certificate).

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

CONTINUING DISCLOSURE OF INFORMATION

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

ANNUAL REPORTS . . . The City will provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2023, financial information and operating data with respect to the City of the general type of information contained in Tables 1 through 5 and 7 through 14 and (2) within twelve months after the end of each fiscal year ending in or after 2023, audited financial statements of the City. Any financial statements so provided shall 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. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site 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, the City must provide updated information included in the above-referenced tables by March 31 in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) must be provided by September 30 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data.

NOTICE OF CERTAIN EVENTS . . . The City will provide notice of any of the following events with respect to the Certificates 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 Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties. In addition, the City will provide to the MSRB, in a timely manner, notice of any failure by the City to provide the required annual financial information described above under "- Annual Reports."

For these purposes, (A) any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, (B) for the purposes of any event described in the immediately preceding clauses (15) and (16), the term "Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule, and (C) the City intends the words used in the

immediately preceding clauses (15) and (16) and in the definition of Financial Obligation above to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

AVAILABILITY OF INFORMATION . . . The City has agreed to provide the foregoing financial and operating information only as described above. Investors may access continuing disclosure information filed with the MSRB free of charge via the Electronic Municipal Market Access (“EMMA”) system at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of certain specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although registered and beneficial owners of Certificates 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 Certificates 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 respective outstanding Certificates consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the registered and beneficial owners of the Certificates. 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 Certificates in the primary offering of the Certificates. If the City so amends its continuing disclosure agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “-Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . On January 4, 2024, Fitch upgraded the City’s Sale Tax Revenue Bonds, Taxable Series 2015 and Sales Tax Refunding Bonds, Taxable Series 2022 to “AA+” from “AA”. On January 22, 2024, notice of such rating change was filed with EMMA.

OTHER INFORMATION

RATINGS . . . The Certificates have been rated “AAA” with a stable outlook by S&P Global Ratings, a division of S&P Global Inc. (“S&P”) and “AA+” with a stable outlook by Fitch Ratings, Inc. (“Fitch”) without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings reflect only the views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if in the judgment of such companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Certificates.

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 CERTIFICATES FOR SALE . . . The sale of the Certificates 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 Certificates have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Certificates been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates 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, Government Code, as amended) provides that the Certificates are negotiable instruments, investment securities governed by, Chapter 8, Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Certificates be assigned a rating of not less than “A” or its equivalent as to investment quality by a national rating agency. See “OTHER INFORMATION – Ratings” above. In addition, various provisions

of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Certificates 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 Certificates are legal investments for various institutions in those states. No representation is made that the Certificates will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

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

LEGAL MATTERS. . . The City will furnish to the Underwriters a complete transcript of proceedings had incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of Texas approving the Initial Certificate to the effect that the Certificates 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 Certificates 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. Bond Counsel was not requested to participate, and did not take part, in the preparation of this 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 under the captions and subcaptions “PLAN OF FINANCING” (except the subcaption “Use of Certificate Proceeds”), “THE CERTIFICATES” (except for the information under the subcaptions “Book-Entry-Only System,” “Certificateholders’ Remedies” and the last sentence under “Tax Rate Limitation”), “TAX MATTERS” and “CONTINUING DISCLOSURE OF INFORMATION” (except for the information under the subcaption “Compliance with Prior Undertakings”), and the subcaptions “Registration and Qualification of Certificates for Sale,” “Legal Investments and Eligibility to Secure Public Funds in Texas” and “Legal Matters” (except for the last three sentences of the first paragraph thereof) under the caption “OTHER INFORMATION” in this Official Statement and such firm is of the opinion that the information relating to the Certificates and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Certificates, such information conforms to the provisions of the Certificate Ordinance. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Certificates is contingent on the sale and delivery of the Certificates. The legal opinion will accompany the Certificates deposited with DTC or will be printed on the Certificates in the event of the discontinuance of the Book-Entry-Only System. Additionally, certain legal matters will be passed upon for the City by West & Associates, L.L.P., Dallas, Texas, Disclosure Counsel to the City. The legal fees to be paid Disclosure Counsel for services rendered in connection with the issuance of the Certificates are contingent on the sale and delivery of the Certificates. Certain legal matters will be passed upon for the Underwriters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, counsel to the Underwriters.

The various legal opinions to be delivered concurrently with the delivery of the Certificates express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction 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.

INFECTIOUS DISEASE OUTBREAK – COVID-19 . . . In March 2020, the World Health Organization (the “WHO”) and the President of the United States (the “President”) separately declared the outbreak of a respiratory disease caused by a novel coronavirus (“COVID-19”) to be a public health emergency. On April 10, 2023, the President signed into law a bill that ended the national emergency declaration resulting from COVID-19, and on May 5, 2023, the WHO declared the outbreak of COVID-19 over as a global health emergency. There are currently no COVID-19 related operating limits imposed by executive order of the Governor for any business or other establishment in the State. The Governor retains the right to impose future restrictions on activities if needed in order to mitigate the effects of COVID-19. The City has not experienced any decrease in property values or unusual tax delinquencies as a result of COVID-19; however the City cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and reimposition of restrictions.

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

ordinances. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

FINANCIAL ADVISOR . . .HilltopSecurities is employed as Financial Advisor to the City in connection with the issuance of the Certificates. The Financial Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. HilltopSecurities, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

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

UNDERWRITERS FOR THE CERTIFICATES . . .The Underwriters have agreed, subject to certain conditions, to purchase the Certificates from the City, at a price equal to the initial offering prices to the public, as shown on page 2 hereof, less an underwriting discount of \$276,748.70. The Underwriters will be obligated to purchase all of the Certificates if any Certificates are purchased. The Certificates to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Certificates into investment trusts) at prices lower than the public offering prices of such Certificates, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

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

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

MISCELLANEOUS . . .In the Pricing Certificate, the Pricing Officer approved the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorized its further use in the reoffering of the Certificates by the Underwriters.

/s/ Cathy Patrick
Pricing Officer
City of Grand Prairie, Texas

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

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

- IH 20: an eight-lane east-west expressway that passes through south of the City, linking the City to Dallas and Fort Worth. West of Fort Worth, IH 20 leads to Abilene and Odessa. Eastward destinations on IH 20 are Tyler, Longview and Shreveport, La.
- IH 30: a six-lane east-west expressway that passes through north of the City and also links the City to Dallas and Fort Worth. IH 30 links to IH 20 in west Fort Worth. Eastward destinations on IH 30 are Greenville, Texarkana and Arkansas.
- SH 360: a six-lane north-south expressway running along the western edge of the city, a key route to Dallas-Fort Worth International Airport.
- President George Bush Turnpike: a four and six-lane north-south tollway runs 10.5 miles through Grand Prairie from the northern City limits to I-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 2022, Airports Council International (“ACI”) ranked DFW Airport second among United States airports and third globally for total number of aircraft operations. In 2022, the ACI report ranked DFW Airport second globally and domestically for passengers. In 2022, DFW served 72.2 million passengers and provided service to 194 domestic and 70 international destinations (www.dfwairport.com).

POPULATION

The estimated population for 2024 is 207,748. From the 2010 U.S. Census to the 2020 U.S. Census, the City's population increased from 175,396 to 196,100 or 12 percent.

DEMOGRAPHICS

2020 U.S. 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 U.S. 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	30.18%
Manufacturing	27.76%
Retail Trade	22.45%
Construction	9.84%
Accommodation/Food Services	2.53%
Admin/Support/Waste Mgmt/Remediation Services	1.50%
Other Services (except Public Administration)	1.41%
Real Estate/Rental/Leasing	0.70%
Transportation/Warehousing	1.90%
Professional/Scientific/Technical Services	0.33%
Arts/Entertainment/Recreation	0.67%
Information	0.14%
Agriculture/Forestry/Fishing/Hunting	0.02%
Finance/Insurance	0.16%
Educational Services	0.18%
Health Care/Social Assistance	0.10%
Other	0.14%

Source: Texas State Comptroller.

LABOR FORCE

	October	Average Annual				
	2023	2022	2021	2020	2019	2018
Civilian Labor Force	110,984	105,688	102,076	98,905	98,881	98,265
Employed	106,805	101,714	96,337	91,024	95,309	94,525
Unemployed	4,179	3,974	5,739	7,881	3,572	3,740
% of Unemployed	3.77%	3.76%	5.62%	7.97%	3.61%	3.81%

Source: Texas Workforce Commission.

TOP TEN EMPLOYERS

Company	Product-Service	Estimated Employees
Lockheed Martin Missiles and Fire Control	Research and Development in the Physical, Engineering, and Life Sciences	4,000
Grand Prairie Independent School District	Administration of Education Programs	3,800
Poly-America Inc.	Unsupported Plastics Film and Sheet (except Packaging) Manufacturing	2,000
City of Grand Prairie	Public Administration	1,614
Flex-N-Gate	Auto Accessory Manufacturing	1,200
Lear Seating	Manufacturing	1,105
Lone Star Park at Grand Prairie	Racetracks	950
Forterra Pipe & Products, Inc.	Concrete Pipe Manufacturing	950
Republic National Distributing	Alcohol Distributor	800
K & N Filters	Air Filter Manufacturer	800

Source: City's Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2022.

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, three indoor pools, 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, Illuvia water and light show, Bolder Adventure Indoor Adventure Park and Main Event Entertainment. In 2023, two conference hotels and parking garage were completed, including on-land interactive experiences, unique programming, and ever-changing rotation of entertainment.

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.

The following professional sports teams have home games within 5-25 minute commutes from the City: 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.

NCAA-event schools: NCAA-event, Division I schools in close proximity to the City include Southern Methodist University, Texas Christian University, and University of Texas Arlington 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.

Source: City of Grand Prairie Parks, Art, and Recreation Department; Visit Grand Prairie; Grand Prairie Chamber of Commerce.

EDUCATION

Seven public universities and eight independent universities, including health related education facilities, in the region totaled enrollment of 238,525 in 2021 (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 seven 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.

Source: Texas Higher Education Coordinating Board; Dallas Community College District; Tarrant County College District; Grand Prairie Independent School District; Municipal Advisory Council of Texas.

APPENDIX B

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

For the Year Ended September 30, 2022

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, 2022 (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. 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.

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CITY OF GRAND PRAIRIE, TEXAS

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2022



EpicCentral, Grand Prairie's 172-acre entertainment district, celebrated its soft opening in early 2023. Centrally located on State Highway 161, just north of Interstate 20, the destination will feature a water and light show, several restaurants, and by late 2023 a Hilton Garden Inn and Homewood Suites with a 12,000 square-foot convention center. Businesses already located in EpicCentral include Chicken N Pickle, Loop 9 BBQ, Bolder Adventure Park, Epic Waters Indoor Waterpark, The Epic and PlayGrand Adventures. Restaurants coming soon include The Finch, Vidorra Cocina de Mexico, Serious Slices, Sliders, and Shakes, and a new brunch restaurant by Milkshake Concepts.

City Of Grand Prairie, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended

September 30, 2022

Prepared By the Finance Department



Ron Jensen
Mayor

Steve Dye
City Manager

Cathy Patrick
Chief Financial Officer



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City of Grand Prairie, Texas
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended September 30, 2022
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Introductory Section



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March 29, 2023

To the Honorable Mayor,
Members of the City Council, and
Citizens of the City of Grand Prairie, Texas

The Annual Comprehensive Financial Report of the City of Grand Prairie (the City) for the fiscal year ending September 30, 2022, is hereby submitted as mandated by local ordinances and state statutes. These ordinances and regulations require that the City issue an annual report on its financial position and activity and that an independent firm of certified public accountants audits this report.

Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and for the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. All disclosures necessary to enable the reader to understand the City's financial activities have been included.

The City Council selected the firm of Weaver and Tidwell, L.L.P., Certified Public Accountants, to audit these financial statements in accordance with auditing standards generally accepted in the United States of America. The independent auditor has issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2022. The auditor's report is located at the front of the financial section of this report.

Management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

The City is also required to undergo audits in accordance with the auditing standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). These audits are conducted simultaneously with the City's annual financial statement audit. Information related to these audits, including the auditors' reports on the internal control structure; the City's compliance with specific provisions of laws, regulations, contracts, grant agreements, and other matters; and the schedules of federal and state financial

assistance and the auditors' findings and recommendations are not included in this report but may be obtained by contacting the City's Finance Department.

Early History of the City

Early settlers were enticed to the area through a series of Republic of Texas land grants offered by investors in 1841. In 1861, Alexander MacRae Dechman lived in Birdville until he discovered that he could trade his wagon and oxen for land in Dallas County and did so for 239.5 acres (now downtown). In 1863, he filed for the title on his prairie land with the county and granted right-of-way through this property to the railroad. People began to settle close to the railroad, a post office was opened, and Dechman filed a town plat. He gave every other lot to the Texas and Pacific Railroad in exchange for operating a depot there. The railroad tracks were extended through Dechman to Fort Worth, and service began on July 19, 1876. Because of its location on the eastern edge of the vast prairie that stretched into West Texas, the railroad renamed the town Grand Prairie in 1877.

The little village of Grand Prairie grew; on March 20, 1909, 110 of the town's 1,000 citizens held an election. Sixty-nine voted "for," and forty-one voted "against" incorporation to establish the City of Grand Prairie, Texas. The City adopted its first Charter in 1948.

Today's Profile of the Government

Grand Prairie is located in North Central Texas within Dallas, Tarrant, and Ellis counties. The City has a land area of 81 square miles and an estimated population of 200,640. It is readily accessible by an expanded thoroughfare system, including State Highway 161 for traffic relief on 360 (north/south) and Interstate Highways 20 and 30 (east/west) through the City.

The City is a Home Rule city and operates under a Council/Manager form of government. The Council comprises the Mayor and eight Council members elected for staggered, three-year terms. The Mayor is elected at-large, and the City Council consists of two at-large members and six single-member districts. Duties of the Council include enacting local legislation, adopting annual budgets, setting policies, and appointing the Municipal Court Judge and City Manager. The City Manager is the chief administrative officer responsible for carrying out procedures and daily management of the City.

The City provides its citizens with a full range of services, including police and fire protection, emergency ambulance service, water and sewer service, solid waste disposal, libraries and parks, and art and recreation programs. Parks-related programs received the Commission for Accreditation of Parks and Recreation Agencies in 2022 from the National Recreation and Parks Association and earned a National Gold Medal Award in 2008 and 2017. There are two eighteen-hole golf courses, nine community centers, five swimming pools, a cemetery, and more than 45 ball fields. The City has three full-service libraries featuring various classes and programs, including many cultural community-centric programs. In addition, the City provides planning for future land use, traffic control, and building inspections; and constructs and maintains City roads and streets.

Reporting Entity

All activities, organizations, and functions for which the City is financially accountable are included in the City's financial statements. The City's legal entity includes general government activities, enterprise activities, and internal service fund activities. Enterprise activities include water, wastewater, solid waste, stormwater utility services, a City-operated airport, and two golf courses. Internal service activities include

fleet and equipment services and risk management. Nineteen Public Improvement Districts and two Tax Increment Financing Districts, none of which are legally separate entities, are also included in the City's reporting entity.

Component units are legally separate entities required to be included in the City's reporting entity based on specific criteria outlined in the Codification of Governmental Accounting Standards, Section 2100, Defining the Financial Reporting Entity. Based on the requirements, the following entities are reported as discretely presented component units of the City. Discretely presented component units are reported in a column separate from the primary government within the financial statements.

- The Grand Prairie Sports Facilities Development Corporation owns Lone Star Park, a horse track facility at Grand Prairie.
- Grand Prairie Housing Finance Corporation (GPHFC), issues tax-exempt mortgage revenue bonds to provide affordable housing to low-to-moderate-income citizens. The GPHFC owns a Senior Assisted Living facility in a disadvantaged area and two apartment complexes that serve low to moderate-income citizens. In addition, The HFC owns a Learning Center that provides after-school educational and recreational programs for children living in the apartment complexes.
- Grand Prairie Local Government Corporation was created to promote economic development, including but not limited to the acquisition, development, and redevelopment of real property within the City.
- Grand Prairie Hotel Development Corporation was created in May 2021 to promote economic development, including but not limited to the acquisition, development, and redevelopment of real property within the City and the lease of City facilities, including a hotel and conference center. As of the date of this report, there is no activity in the HOC and is, therefore, not shown in the financial statements.

Although the Grand Prairie Crime Control and Prevention District (District) is considered a legally separate entity, it is included in the City's reporting entity as a blended component unit since the District's Board of Directors are all members of the City Council. The District is reported as a special revenue fund in the general government activities. It accounts for the accumulation and use of quarter-cent sales tax proceeds dedicated to funding the District program.

Major Initiatives

- Grand Prairie continues to open and plan for new roadways, increasing mobility through the City. Roadway improvement projects continue along Interstates 20 and 30 with the design and construction of frontage roads and the widening of the Great Southwest Parkway near 1-20.
- In the City's continued devotion to a vibrant downtown, plans are proceeding to turn back Main Street from TXDOT control to City jurisdiction. The City plan to reroute all truck traffic off Main Street and onto Jefferson Street, creating roundabout entries to downtown, with a narrowed Main Street to feature wider sidewalks and outdoor sidewalk space for retail and restaurants along Main Street.
- Epic Central construction continued with an anticipated opening in fall 2023. This development will include two hotels, a Convention center, multiple restaurants, an event lawn, and a featured water show.
- Continued redeveloping the AirHogs stadium to a Cricket Stadium with a partnership with American Cricket Enterprises. Play within the stadium should begin in FY 2023.

- Grand Prairie is experiencing explosive growth in the southern sector called Southgate. This land currently sits in our ET J and will be annexed in phases into our City. Developers are building and planning to create master-planned communities on 6,250 acres featuring an urban center, retail, restaurant, single-family homes, miles of hike and bike trails, parks, stocked ponds, playgrounds, a community center, and multiple amenity centers with pools. The developments will add an estimated \$6.5 billion value in single-family, commercial/retail, multi-family, and industrial with a 15-30 year build-out. The City's portion of the estimated property tax is almost \$41 million.

Local Economy

The City Council reduced the tax rate for the FY 2022-23 Budget by approximately ½ cent.

Sales tax continued to experience strong growth in FY 2022, with 31 % higher receipts than in FY 2021. The large and diverse economic base provides strong returns throughout the post-pandemic economic recovery.

According to WalletHub.com, the City of Grand Prairie is among the top 100 cities in the US for job opportunities. The National Unemployment rate dropped to 3.5%, with the Metroplex unemployment rate is 3.4%.

Grand Prairie received several awards and rankings in 2022; for instance, D Magazine named it the #1 Best Pickleball for a Party (at its new Chicken N Pickle), Wall/etHub.com called it the #2 Happiest City in DFW and #3 in Texas, GoBankingRates.com said Grand Prairie is the #3 Best City in Which to Live on \$5,000 a month, Grand Prairie is the #5 Best Place to Move in the USA by the New York Times, #9 Safest City in Texas by the FBI, and iHeart.com said it's a Top 10 Christmas Town in Texas. Grand Prairie continues to grow in both residential and commercial development.

Likewise, the City's Epic Waters Indoor Waterpark was named the #4 Best Indoor Water Park in the USA by FamilyVacayer.com, and Zavala's Barbecue was featured on Netflix's The Taco Chronicles.

Residential

- MLS reports that the median listing price for homes in Grand Prairie is \$394,000, with the average price per square foot at \$180.46 (Feb. 9, 2023).
- Grand Prairie is still a seller's market, meaning more people are looking to buy than homes available. The average days that a home is on the market is 47 days.
- New Single-Family permits issued in 2022 were 147 compared to 815 in 2021.

Commercial

- The City issued approximately 999,561 square feet of commercial, retail, and industrial permits.
- **Bolder Adventure Park** opened in September, featuring rock climbing, zip lines, and ropes courses.
- Grand Prairie welcomed its first **Sprouts Farmers Market** to the City in the spring of 2022.

- **Asia Times Square** welcomed several new tenants—including 7 Leaves and Paris Baguette—and was recognized as one of the top Asian-owned business locations in North Texas.
- **Siemens** announced plans to invest \$10 million in its Grand Prairie installation—as the semiconductor industry remained hot.
- Largest private employer **Lockheed Martin Missiles & Fire Control** continued its rapid pace—and called out its Air-Launched Rapid Response Weapon Team for a successful flight testing with the U.S. Air Force—as well as won numerous missile contracts.
- Manhattan Construction began converting the former AirHogs Stadium into Grand Prairie Stadium. Like several other regional sports franchises, the **Major League Cricket** franchise will carry a Dallas or Texas name (even though the venue is in Grand Prairie). And, of course, the added value is that this stadium will serve as the home for the **USA Men’s and Women’s Cricket** teams—and will likely also host several of the matches associated with the **International Cricket Council’s 2024 T-20 World Cup**.
- The U.S. Army selected **Bell Flight’s** V280 Valor as the winner of its Future Long-Range Assault Aircraft competition to replace the Blackhawk—meaning good things for the **Grand Prairie-based Drive Systems Center** (DSC), the designer and maker of all Bell Flight gearboxes.
- Integral Health Holdings will operate the former Texas General Hospital to be rebranded as **Grand Prairie Medical Center** (GPMC). Officials with Integral Health Holdings indicated they would open an emergency room and intend to operate a micro-hospital with critical care units. Integral Health Holdings is finalizing agreements with several physician groups to operate at GPMC, including ones associated with predecessor facilities Dallas/Fort Worth Medical Center and Renaissance Hospital, as well as elsewhere in Tarrant County and the Dallas County portion of Grand Prairie. And affiliate **Total Point Urgent Care** brought its corporate headquarters to GPMC.

Long-Term Financial Planning

The City of Grand Prairie adopts and utilizes a comprehensive capital improvements plan. This plan systematically documents the planning and funding of major capital projects and purchases with full consideration of the impact on the operating budget and tax requirements. The city utilizes capital reserves when possible to fund these projects.

Comprehensive financial management policies guide the City’s financial operations. The overriding goal of these policies is to enable the City to achieve a long-term, stable, and positive economic condition while conducting its operations consistent with the council-manager form of government established by the City Charter.

The watchwords of financial management include integrity, prudent stewardship, planning, accountability, and full disclosure. The scope of these policies provides accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, and expenditures

control. The City also maintains comprehensive investment, debt management, and purchasing policies. These policies guide the City Council at the policy-setting level and City management and staff in their daily financial decision-making. In addition to these policies, City Council formed a three-member Finance and Government Committee whose members guide City management in budgetary, audit, internal control, and other significant financial matters.

Due to solid management with strong financial policies, the City has achieved and maintained appropriate financial benchmarks and ratios, including sufficient fund balances in all funds, compliance with debt coverage ratios, and fiscally sound investment practices. This healthy condition emphasizes the City's ability to weather future economic downturns.

Positive bond ratings further support the City's financial condition. The City's general obligation bond ratings were reaffirmed by Standard & Poor's AAA. Fitch reaffirmed their AA rating with a positive outlook on the EPIC Sales Tax debt. The City also issued Pension Bonds rated by Standard & Poor's AAA, saving the City \$20.5 million in interest over 15 years.

Awards and Acknowledgements

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Prairie for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2021. This was the 36th consecutive year the City achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis was made possible by the dedicated services and hard work of the highly qualified staff in the City's Finance Department. Although much time and effort in preparation for this report lie in the Accounting Division, we sincerely appreciate the invaluable support of the Treasury and Budget division and all city departments.

Special thanks are extended to the Finance and Government Committee council members for their leadership and support of sound fiscal management and to all members of the City Council for their unfailing support for maintaining the highest standards of professionalism in the control of the City's finances.

Sincerely,



Steve Dye, City Manager



Cathy Patrick, Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

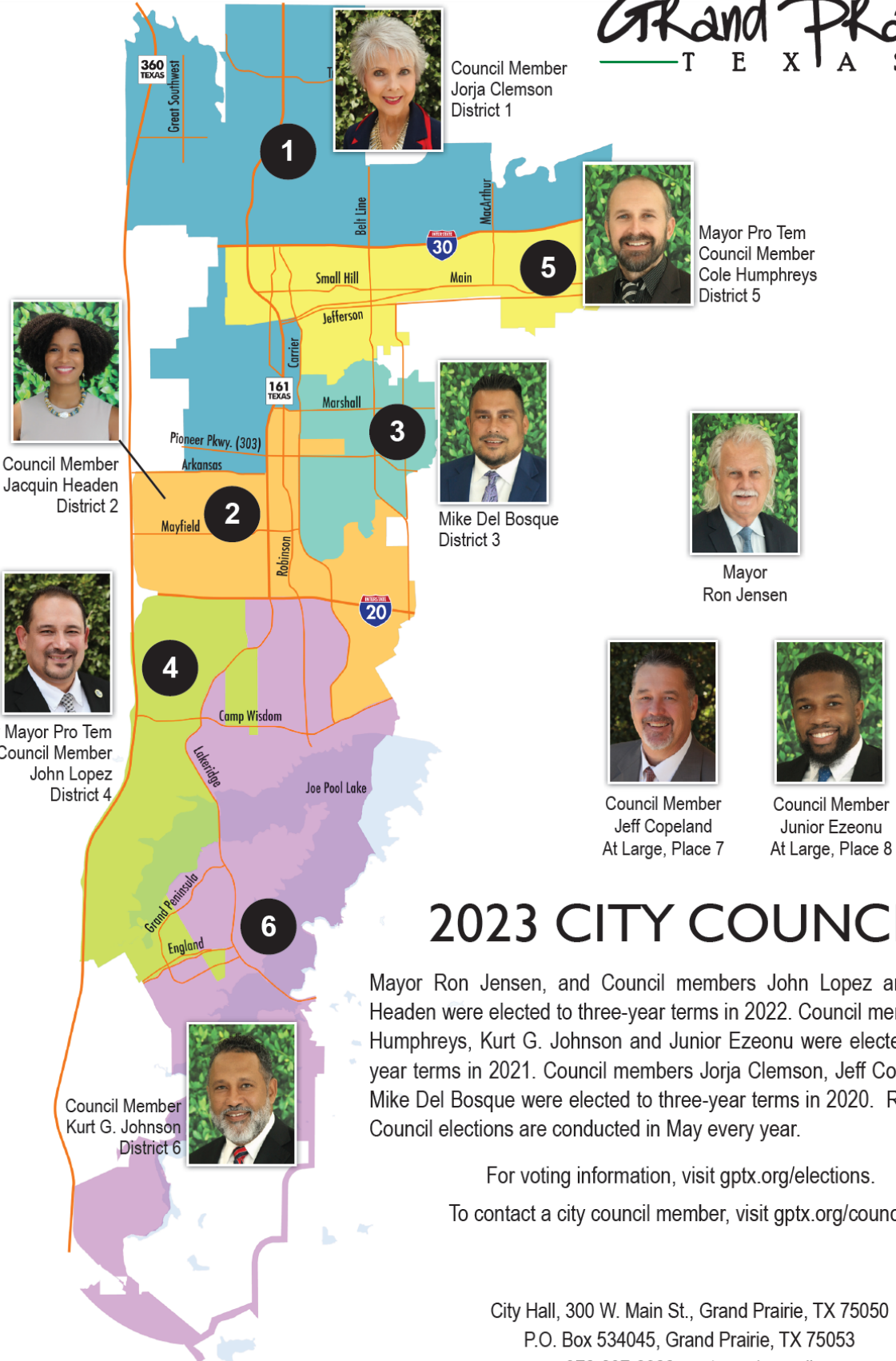
**City of Grand Prairie
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO



2023 CITY COUNCIL

Mayor Ron Jensen, and Council members John Lopez and Jacquin Headen were elected to three-year terms in 2022. Council members Cole Humphreys, Kurt G. Johnson and Junior Ezeonu were elected to three-year terms in 2021. Council members Jorja Clemson, Jeff Copeland and Mike Del Bosque were elected to three-year terms in 2020. Regular City Council elections are conducted in May every year.

For voting information, visit gptx.org/elections.

To contact a city council member, visit gptx.org/council.

City Hall, 300 W. Main St., Grand Prairie, TX 75050
P.O. Box 534045, Grand Prairie, TX 75053
972-237-8022 • gptx.org/council

City of Grand Prairie, Texas

Directory of City Officials

Mayor and City Council

2023 CITY OF GRAND PRAIRIE, TEXAS DIRECTORY OF CITY OFFICIALS

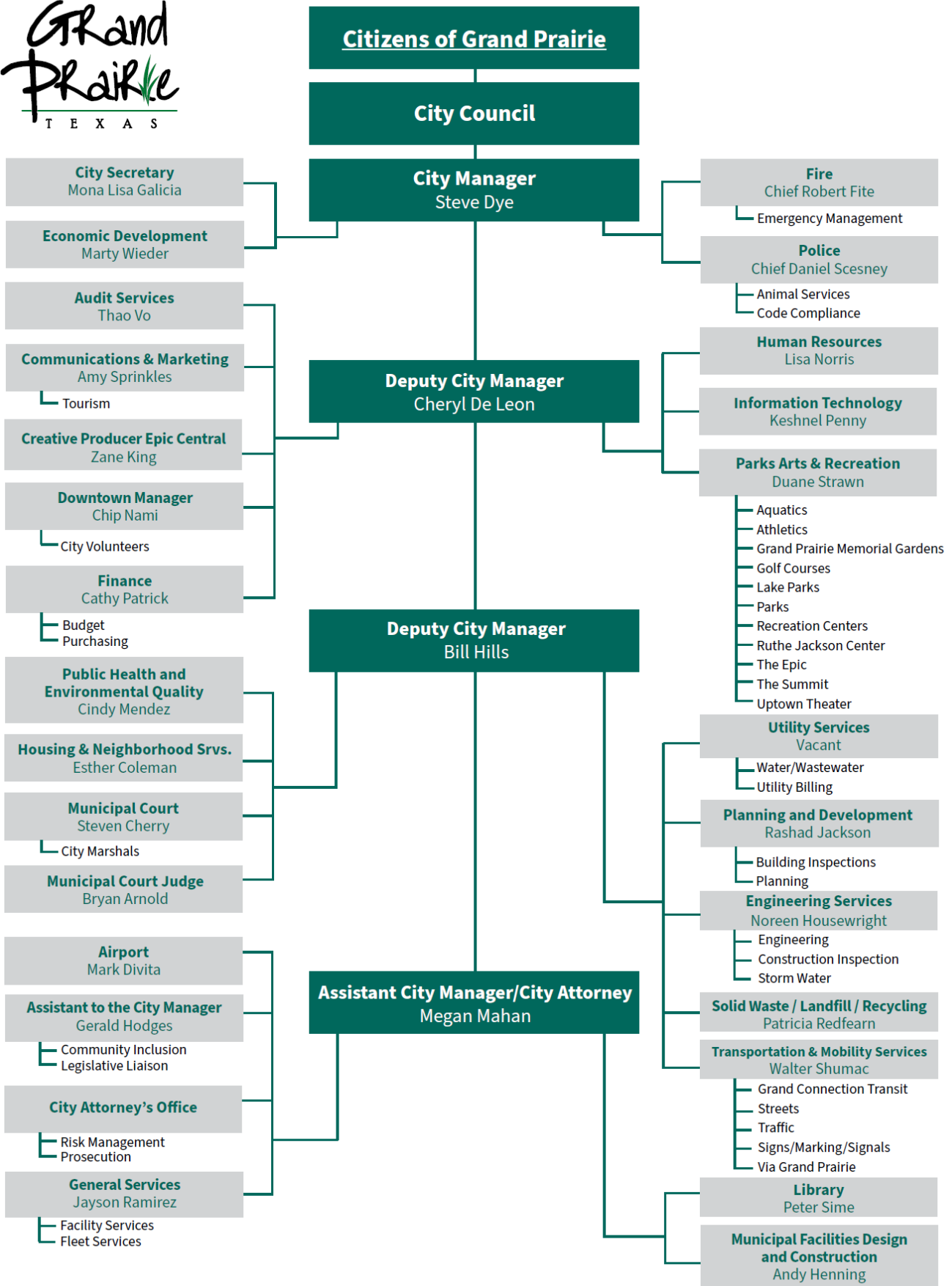
MAYOR AND CITY COUNCIL

Ron Jensen	Mayor
Jorja Clemson	District 1
Jacquín Headen	District 2
Mike Del Bosque	District 3
John Lopez	Deputy Mayor Pro Tem - District 4
Cole Humphreys	Mayor Pro Tem - District 5
Kurt G. Johnson	District 6
Jeff Copeland	At Large - Place 7
Junior Ezeonu	At Large - Place 8

EXECUTIVE MANAGERS

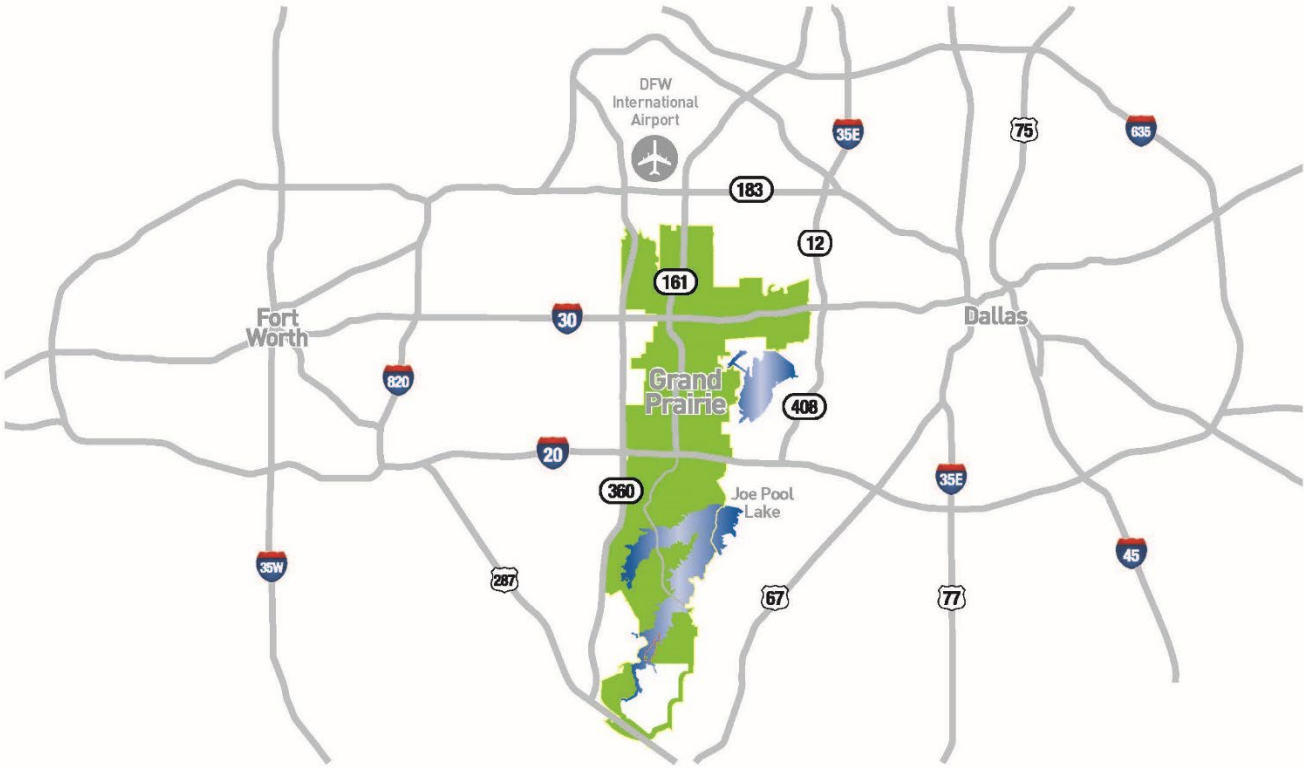
Steve Dye	City Manager
Cheryl DeLeon	Deputy City Manager
Bill Hills	Deputy City Manager
Megan Mahan	Assistant City Manager/City Attorney
Gerald Hodges	Assistant to the City Manager
Mark Divita	Airport Director
Thao Vo	Audit Services Director
Mona Lisa Galicia	City Secretary
Amy Sprinkles	Communications and Marketing Director
Peter Sime	Library Director
Steven Cherry	Court Services Director
Bryan Arnold	Municipal Court Judge
Marty Wieder	Economic Development Director
Cathy Patrick	Chief Financial Officer
Robert Fite	Fire Chief
Esther Coleman	Housing & Neighborhood Services Director
Lisa Norris	Human Resources Director
Jayson Ramirez	General Services Director
Keshnel Penny	Information Technology Director
Duane Strawn	Parks, Arts & Recreation Director
Rashad Jackson	Planning Director
Daniel Scesney	Police Chief
Cindy Mendez	Public Health and Environmental Quality Director
Patricia Redfearn	Solid Waste/Landfill/Recycling Director
Noreen Housewright	Engineering Services Director
Andy Henning	Municipal Facilities Design and Construction Director
Walter Shumac	Transportation & Mobility Services Director
Vacant	Utility Services Director

City of Grand Prairie, Texas
Organizational Chart



City of Grand Prairie, Texas

Map





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Financial Section



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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Grand Prairie, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the component unit financial statements of the Grand Prairie Housing Finance Corporation (a discretely presented component unit). Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for such an entity, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller general of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, pension and other post-employment benefits information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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

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

Other Information included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023 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 solely 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 the effectiveness of 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, 2023



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Management's Discussion and Analysis



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City of Grand Prairie, Texas

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2022
(Unaudited)

Management's discussion and analysis provide 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 ending September 30, 2022. 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 on September 30, 2022 by \$706,981,317 (net position).
- The City's total net position decreased by \$17,453,114, for the fiscal year ended September 30, 2022, primarily due to a decrease in property taxes and investment income and an increase in expenditures for City-wide services.
- On September 30, 2022, the City's governmental funds reported combined ending fund balances of \$257,324,689. The \$36,248,742 unassigned fund balance in the General Fund represents 17.7% of total General Fund expenditures and transfers.
- The City's total long-term liabilities of \$727,422,870 increased by \$31,648,330 (4.5%) during the current fiscal year. In fiscal year 2022, net bonded debt increased by \$64,828,020, 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 are 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 the 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, 2022
(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), Grand Prairie Housing Finance Corporation (HFC), and Grand Prairie Local Government Corporation (LGC) as component units. All 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 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

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2022
(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 TIF #1 Epic 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, 2022
 (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets of the City on September 30, 2022 were \$1,543,869,530, deferred outflows of resources were \$36,188,144, total liabilities were \$813,117,506, and deferred inflows of resources were \$59,958,851 resulting in a net position of \$706,981,317.

The largest portion of the City's net position, \$504,844,759 (71.4%), reflects its investment in capital assets (land, buildings and improvements, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

**Table 1
 Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2021	9/30/2022	9/30/2021	9/30/2022	9/30/2021	9/30/2022
Cash and investments	\$ 353,890,603	\$ 339,685,323	\$ 119,151,420	\$ 115,177,898	\$ 473,042,023	\$ 454,863,221
Other assets	17,721,010	11,207,771	17,806,415	32,486,284	35,527,425	43,694,055
Capital assets, net	727,302,684	778,027,290	252,307,837	267,284,964	979,610,521	1,045,312,254
Total assets	1,098,914,297	1,128,920,384	389,265,672	414,949,146	1,488,179,969	1,543,869,530
Deferred outflows of resources	20,659,107	32,896,664	2,877,890	3,291,480	23,536,997	36,188,144
Current liabilities	55,012,967	69,567,008	14,250,432	16,127,628	69,263,399	85,694,636
Long-term bonded debt	489,358,630	559,928,383	45,686,745	40,570,449	535,045,375	600,498,832
Other noncurrent liabilities	138,687,073	108,268,932	22,042,092	18,655,106	160,729,165	126,924,038
Total liabilities	683,058,670	737,764,323	81,979,269	75,353,183	765,037,939	813,117,506
Deferred inflows of resources	20,013,816	53,425,697	2,230,780	6,533,154	22,244,596	59,958,851
Net Position						
Net Investment in capital assets	356,640,773	278,165,484	207,008,523	226,679,275	563,649,296	504,844,759
Restricted	76,342,878	88,704,308	88,209,339	71,894,451	164,552,217	160,598,759
Unrestricted	(16,482,733)	3,757,236	12,715,651	37,780,563	(3,767,082)	41,537,799
Total net position	\$ 416,500,918	\$ 370,627,028	\$ 307,933,513	\$ 336,354,289	\$ 724,434,431	\$ 706,981,317

A portion of the City's net position totaling \$160,598,759, or 22.7%, represents resources that are subject to external restrictions on how they may be used.

The City's net position decreased by \$17,453,114 from the prior fiscal year due to a decrease of Investment Income and an increase in expenditures for City-wide services. The City also increased its homestead exemption by 2.5% in addition to lowering our property tax rate by half a cent.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2022
 (Unaudited)

The fiscal year 2022 compared to fiscal 2021 changes in the City's net position were as follows:

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2021	9/30/2022	9/30/2021	9/30/2022	9/30/2021	9/30/2022
Revenues:						
Program revenues:						
Charges for services	\$ 50,828,628	\$ 58,170,644	\$ 110,402,425	\$ 125,183,456	\$ 161,231,053	\$ 183,354,100
Operating grants and contributions	45,398,240	48,357,006	-	-	45,398,240	48,357,006
Capital grants and contributions	6,974,967	10,088,804	15,545,712	17,925,639	22,520,679	28,014,443
General revenues:						
Property tax	113,824,809	120,270,539	-	-	113,824,809	120,270,539
Sales tax	80,187,852	93,977,609	-	-	80,187,852	93,977,609
Other tax	2,366,924	3,584,865	-	-	2,366,924	3,584,865
Franchise fees	14,022,362	15,030,726	-	-	14,022,362	15,030,726
Investment income	333,285	(9,271,537)	1,116	19,242	334,401	(9,252,295)
Total revenues	313,937,067	340,208,656	125,949,253	143,128,337	439,886,320	483,336,993
Expenses:						
Support services	31,880,593	42,577,765	-	-	31,880,593	42,577,765
Public safety services	105,285,879	150,998,097	-	-	105,285,879	150,998,097
Recreation and leisure services	35,162,022	47,995,577	-	-	35,162,022	47,995,577
Development services	109,073,042	129,085,968	-	-	109,073,042	129,085,968
Interest on long-term debt	14,004,156	14,495,589	-	-	14,004,156	14,495,589
Water and wastewater	-	-	81,889,959	89,103,717	81,889,959	89,103,717
Solid waste	-	-	13,906,365	15,860,795	13,906,365	15,860,795
Municipal airport	-	-	2,974,666	3,428,622	2,974,666	3,428,622
Municipal golf course	-	-	3,141,846	3,756,007	3,141,846	3,756,007
Storm water	-	-	2,573,380	3,487,970	2,573,380	3,487,970
Total expenses	295,405,692	385,152,996	104,486,216	115,637,111	399,891,908	500,790,107
Increases (decreases) in net position before transfers	18,531,375	(44,944,340)	21,463,037	27,491,226	39,994,412	(17,453,114)
Transfers	1,889,338	(929,550)	(1,889,338)	929,550	-	-
Change in net position	20,420,713	(45,873,890)	19,573,699	28,420,776	39,994,412	(17,453,114)
Net position - beginning of year	396,080,205	416,500,918	288,359,814	307,933,513	684,440,019	724,434,431
Net position - end of year	\$ 416,500,918	\$ 370,627,028	\$ 307,933,513	\$ 336,354,289	\$ 724,434,431	\$ 706,981,317

Governmental activities – Governmental activities decreased the City's net position by \$45,873,890 in comparison with beginning net position, primarily due to an increase in City-wide services expenditures. Net position of governmental operations accounts for 52.4% of total net position.

Business-type activities – Business-type activities increased the City's net position by \$28,420,776 in comparison with beginning net position. Overall operating revenues and expenses increased proportionately. Net position for business-type activities represents 47.6% of total primary government net position.

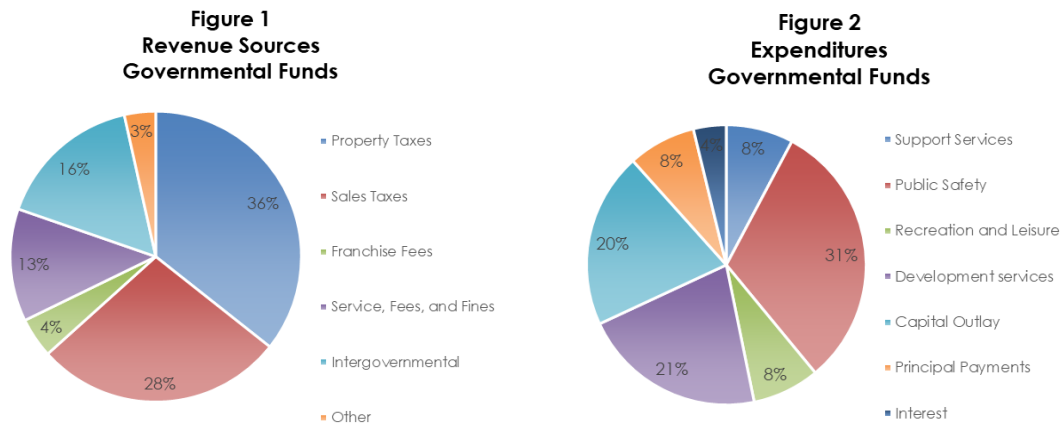
City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2022
 (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 2022, the City's governmental funds (excluding internal service funds) reported combined ending fund balances of \$257,324,689, a decrease of \$41,941,359 in comparison with the prior year. The unassigned fund balance portion is \$36,248,742 or 14.1% 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 (\$427,941); amounts restricted by bond covenants or granting agencies (\$149,135,366) either for debt service payments, grant-related use, special taxing districts, or for capital projects. In addition, committed funds (\$69,956,888) require formal action by City Council. Finally, funds may be assigned (\$1,555,752) 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, \$337,202,702 and \$489,670,412, respectively, for fiscal year 2022.



The General Fund is the chief operating fund of the City. At fiscal year-end, unassigned fund balance of the General Fund was \$36,248,742, while total fund balance was \$38,577,487. 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 16.7% of total general fund operating expenditures, while total fund balance represents 17.7% of that same amount. General Fund's fund balance decreased in the amount of \$11,428,887 from the prior fiscal year largely due to increased costs associated with personnel, supplies, materials, and purchased services.

Other major funds with significant changes in fund balance include Streets CIP, Grants, Debt Service and TIF #1 Epic CIP.

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2022
(Unaudited)

The Streets CIP Fund increased by \$7,208,683 due to an increase in street construction projects.

The Grants Fund increased by \$247,901 due primarily to transfers into the Grants Fund to pay the City's portion of federal and state-funded projects.

The Debt Service Fund decreased by \$1,872,634 due to principal retirement and Interest expenditures.

The TIF #1 Epic CIP Fund decreased by \$65,083,809 due to capital outlay expenditures.

The Nonmajor Capital Projects Funds had a collective increase in fund balance of \$29,169,119 primarily due to an increase in sales tax.

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 \$332,789,608 and \$24,026,555 respectively, at September 30, 2022. The enterprise funds' net investment in capital assets represented 68.1% of total enterprise fund's net position. The internal service funds' net investment in capital assets represented 7.7% of total internal service funds' net position. The enterprise funds' unrestricted net position was 10.3% of their total net position, and internal service funds' unrestricted net position was 92.3% of their total funds' net position. The City's enterprise funds and the internal service funds reported income before contributions and transfers of \$9,197,197 and \$2,882,368, 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 \$161,231,945 and expenses of \$148,065,280 (excluding non-operating revenues and expenses, and contributions and transfers) by activity.

Figure 3
Revenues by Activity
Proprietary Funds

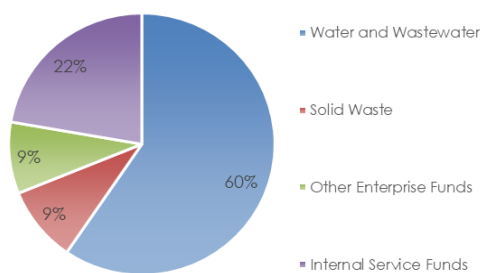
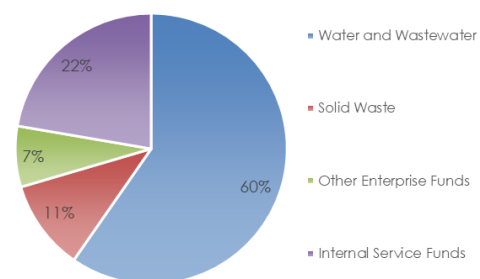


Figure 4
Expenses by Activity
Proprietary Funds



City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2022
 (Unaudited)

General Fund Budgetary Highlights

Actual General Fund revenues were \$939,079, or 0.6%, lower than final budgeted revenues for fiscal year 2022. Property taxes, sales taxes, and franchise fees were 90.0% of General Fund budgeted revenues. Actual General Fund expenditures were \$68,435,614, or 45.9%, higher than final budgeted expenditures for fiscal year 2022. Budgeted excess of revenues over expenditures before other financing sources and uses was \$6,175,930 compared to actual expenditures in excess of revenues of \$63,198,763, resulting in a net negative budget variance of \$69,374,693. 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 negative budget variance of \$943,598.

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 \$1,045,312,254. 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 \$65,701,733.

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

- Rehabilitation of Fire Station #6
- Updates and repairs to municipal facilities and HVAC systems
- Continued street rehabilitation
- Continued street assessment implementation
- Improvements to Wildlife Parkway, SW 5th, and Davis road
- 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	
	9/30/2021	9/30/2022	9/30/2021	9/30/2022	9/30/2021	9/30/2022
Land	\$ 55,166,552	\$ 59,658,291	\$ 5,123,353	\$ 8,663,492	\$ 60,289,905	\$ 68,321,783
Construction in progress	91,876,079	115,349,165	34,514,261	30,621,389	126,390,340	145,970,554
Depreciable/amortized assets	1,158,411,197	1,231,051,620	472,139,576	508,438,066	1,630,550,773	1,739,489,686
Accumulated depreciation/amortizati	(578,151,144)	(628,031,786)	(259,469,353)	(280,437,983)	(837,620,497)	(908,469,769)
Total capital assets, net	\$ 727,302,684	\$ 778,027,290	\$ 252,307,837	\$ 267,284,964	\$ 979,610,521	\$ 1,045,312,254

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

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2022
 (Unaudited)

Long-term debt – At September 30, 2022, the City had the following long-term liabilities:

**Table 4
 Long-Term Debt**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2021	9/30/2022	9/30/2021	9/30/2022	9/30/2021	9/30/2022
Bonded debt	\$ 489,358,630	\$ 559,928,383	\$ 45,686,745	\$ 39,945,012	\$ 535,045,375	\$ 599,873,395
Compensated absences	21,087,037	23,747,417	623,744	599,265	21,710,781	24,346,682
Other post employment benefits	64,258,793	54,339,835	6,685,833	5,984,139	70,944,626	60,323,974
Net pension liability	49,226,664	22,005,541	5,649,497	2,423,345	54,876,161	24,428,886
Lease liabilities	-	4,743,892	-	625,437	-	5,369,329
Pollution liability	27,350	23,900	-	-	27,350	23,900
Closure and post closure liability	-	-	9,083,018	9,648,357	9,083,018	9,648,357
Other liabilities	4,087,229	3,408,347	-	-	4,087,229	3,408,347
Total long-term debt	\$ 628,045,703	\$ 668,197,315	\$ 67,728,837	\$ 59,225,555	\$ 695,774,540	\$ 727,422,870
Long-term debt to net position percentage	151%	180%	22%	18%	96%	103%

Of the total bonded debt, \$559,928,384 or 93.3% is backed by the full faith and credit of the City with a property tax pledge.

In February 2022, the City issued \$24,255,000 in Combination Tax and Revenue Certificates of Obligation, Series 2022. The Certificates were issued for the purpose of paying contractual obligations to be (i) renovating, improving and equipping existing buildings and facilities, to-wit: library renovations and municipal facilities renovations, (ii) improving and equipping fire station and police facilities, (iii) acquiring emergency vehicles for fire services, (iv) constructing and improving streets and bridges within the City, including the associated engineering for such streets and bridges and (v) professional services rendered in connection therewith.

In February 2022, the City issued \$61,550,000 in Sales Tax Refunding Bonds, Taxable Series 2022 at a significant interest savings.

In February 2022, the City issued three series of privately placed hybrid refunding bonds with Amegy bank. 2022A refunded \$17,136,000, 2022B refunded \$8,215,000 and 2022C refunded \$19,023,000 for significant interest savings.

In August 2022, the City issued \$77,715,000 in Taxable 2022 Pension Bonds. This allowed the city to pay down the prior service portion of its TMRS liability at a significant savings.

During this fiscal year, the City retired principal on outstanding bonded debt totaling \$40,452,000. The City's total interest expense for all bonded debt was \$17,166,824.

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:

	<u>Fitch</u>	<u>Standard & Poor's</u>
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, 2022
(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 2023 budget including tax rates and fees that will be charged for business-type activities. 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 2022 remained relatively flat for the current 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 the 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 2023:

- 12.22% increase in assessed property values;
- A new financial management policy, which caps budgeted recurring general fund expenditures from sales tax at 26% total revenues.

General Fund property tax revenues increased by over \$10 million. The approved property tax rate decreased by approximately half cent from .664998 to .66. Other budgeted revenue sources include an increase in the TIF Reimbursement, and minor increases to both franchise fees and charges for goods and services.

Budgeted sales tax across all funds is \$87,000,000, which is slightly below end-of-year projections for the current year. This is mainly due to a new financial management policy to ensure expenses are not growing at the same rapid rate as sales tax revenue.

The City's total approved budget for FY2022-23 is \$470,870,285, an increase from the prior year's budget. The General Fund approved budget is \$172,425,254. 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, a 3% non-civil services merit increase and significant market adjustments for public safety personnel in the General Fund.

The City's approved appropriations for capital projects in fiscal year 2023 totals \$113,761,672. Planned capital projects include:

- \$16,638,000 in water projects and \$10,951,000 in wastewater projects.
- \$23,352,700 in streets and signals projects
- \$16,739,000 in public safety facilities projects
- \$10,111,000 in storm drainage projects

City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued
For the Fiscal Year Ended September 30, 2022
(Unaudited)

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, 300 W. Main Street, P.O. Box 534045, Grand Prairie, Texas, 75053-4045.



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Basic Financial Statements



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City of Grand Prairie, Texas

Statement of Net Position

September 30, 2022

	Primary Government			Component Units
	Governmental	Business-Type	Total	
	Activities	Activities		
ASSETS				
Cash and cash equivalents	\$ 27,299,275	\$ 30,310,160	\$ 57,609,435	\$ 5,464,984
Investments	137,414,131	17,689,220	155,103,351	7,665,962
Receivables, net	28,456,359	8,342,144	36,798,503	72,418
Intergovernmental receivables	1,385,133	-	1,385,133	-
Lease receivables	2,816,560	970,241	3,786,801	8,117,713
Inventories and supplies	486,300	609,218	1,095,518	-
Prepays	628,100	-	628,100	57,471
Restricted assets:				
Cash and cash equivalents	12,190,704	2,977,263	15,167,967	1,479,756
Investments	162,781,213	64,201,255	226,982,468	-
Internal balances	(22,564,681)	22,564,681	-	-
Estimated unguaranteed residual value	-	-	-	20,811,265
Capital assets:				
Assets not being depreciated/amortized	175,007,456	39,284,881	214,292,337	12,661,607
Assets being depreciated/amortized, net	603,019,834	228,000,083	831,019,917	9,703,638
Total assets	1,128,920,384	414,949,146	1,543,869,530	66,034,814
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refundings	8,547,315	610,023	9,157,338	-
Related to OPEB	2,710,328	298,474	3,008,802	-
Related to TMRS pension	21,639,021	2,382,983	24,022,004	-
Total deferred outflows of resources	32,896,664	3,291,480	36,188,144	-
LIABILITIES				
Accounts payable	20,964,359	7,089,048	28,053,407	280,833
Retainage payable	333,106	645,263	978,369	-
Accrued liabilities	13,032,010	673,007	13,705,017	245,869
Unearned revenue	33,374,695	1,008,278	34,382,973	39,687
Current liabilities payable from restricted assets:				
Accrued interest	1,817,138	244,917	2,062,055	-
Customer deposits	45,700	6,467,115	6,512,815	101,240
Unearned revenue	-	-	-	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	10,505,271	473,285	10,978,556	-
Environmental remediation obligation	23,900	-	23,900	-
Other liabilities	678,882	-	678,882	-
Current portion of long-term debt	34,391,872	5,854,436	40,246,308	782,489
Due in more than one year:				
Compensated absences	13,242,146	125,980	13,368,126	-
Other postemployment benefits	54,339,835	5,984,139	60,323,974	-
Closure and postclosure liability	-	9,648,357	9,648,357	-
Net pension liability	22,005,541	2,423,345	24,428,886	-
Other liabilities	2,729,465	-	2,729,465	-
Long-term debt	530,280,403	34,716,013	564,996,416	13,986,136
Total liabilities	737,764,323	75,353,183	813,117,506	15,436,254
DEFERRED INFLOWS OF RESOURCES				
Related to leases	2,823,988	960,675	3,784,663	660,697
Related to OPEB	12,995,677	1,431,140	14,426,817	-
Related to TMRS pension	37,606,032	4,141,339	41,747,371	-
Total deferred outflows of resources	53,425,697	6,533,154	59,958,851	660,697
NET POSITION				
Net investment in capital assets	278,165,484	226,679,275	504,844,759	7,980,360
Restricted for:				
Debt service	930,028	5,868,450	6,798,478	-
Capital projects	-	66,026,001	66,026,001	-
Support Services	2,258,593	-	2,258,593	-
Public safety	8,153,942	-	8,153,942	-
Recreation and leisure	38,725,327	-	38,725,327	-
Development services	22,820,835	-	22,820,835	-
Other specific purposes	15,815,583	-	15,815,583	13,028,525
Facility lease	-	-	-	28,928,978
Unrestricted	3,757,236	37,780,563	41,537,799	-
Total net position	\$ 370,627,028	\$ 336,354,289	\$ 706,981,317	\$ 49,937,863

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, 2022

Functions/Activity	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 42,577,765	\$ 6,606,808	\$ 162,794	\$ -
Public safety services	150,998,097	11,948,303	4,035,083	-
Recreation and leisure services	47,995,577	17,883,171	579,478	-
Development services and other	129,085,968	21,732,362	43,579,651	10,088,804
Interest on long-term debt	14,495,589	-	-	-
Total governmental activities	385,152,996	58,170,644	48,357,006	10,088,804
Business-type activities:				
Water and wastewater	89,103,717	95,970,116	-	13,820,386
Solid waste	15,860,795	14,983,659	-	100,581
Municipal airport	3,428,622	2,845,332	-	-
Municipal golf course	3,756,007	3,327,831	-	-
Storm water	3,487,970	8,056,518	-	4,004,672
Total business-type activities	115,637,111	125,183,456	-	17,925,639
Total primary government	\$ 500,790,107	\$ 183,354,100	\$ 48,357,006	\$ 28,014,443
Component units:				
Grand Prairie Sports Facilities Development	\$ 5,282,613	\$ 905,270	\$ -	\$ 863,735
Grand Prairie Housing Finance Corporation	6,371,307	5,875,274	-	-
Grand Prairie Local Government Corporation	-	-	6,147,360	-
Total component units	\$ 11,653,920	\$ 6,780,544	\$ 6,147,360	\$ 863,735
General revenues:				
Taxes				
Property taxes				
Sales taxes				
Hotel/motel and other taxes				
Franchise fees (and those based on gross receipts)				
Investment income (losses)				
Loan forgiveness income				
Miscellaneous revenue				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Net position - end of year				

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

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

Governmental Activities	Business-Type Activities	Total	Component Units
\$ (35,808,163)	\$ -	\$ (35,808,163)	\$ -
(135,014,711)	-	(135,014,711)	-
(29,532,928)	-	(29,532,928)	-
(53,685,151)	-	(53,685,151)	-
(14,495,589)	-	(14,495,589)	-
(268,536,542)	-	(268,536,542)	-
-	20,686,785	20,686,785	-
-	(776,555)	(776,555)	-
-	(583,290)	(583,290)	-
-	(428,176)	(428,176)	-
-	8,573,220	8,573,220	-
-	27,471,984	27,471,984	-
<u>\$ (268,536,542)</u>	<u>\$ 27,471,984</u>	<u>\$ (241,064,558)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (3,513,608)
-	-	-	(496,033)
-	-	-	6,147,360
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,137,719</u>
\$ 120,270,539	\$ -	\$ 120,270,539	\$ -
93,977,609	-	93,977,609	-
3,584,865	-	3,584,865	-
15,030,726	-	15,030,726	-
(9,271,537)	19,242	(9,252,295)	(116,890)
-	-	-	119,096
-	-	-	239,369
(929,550)	929,550	-	-
<u>222,662,652</u>	<u>948,792</u>	<u>223,611,444</u>	<u>241,575</u>
(45,873,890)	28,420,776	(17,453,114)	2,379,294
<u>416,500,918</u>	<u>307,933,513</u>	<u>724,434,431</u>	<u>47,558,569</u>
<u>\$ 370,627,028</u>	<u>\$ 336,354,289</u>	<u>\$ 706,981,317</u>	<u>\$ 49,937,863</u>

City of Grand Prairie, Texas

Balance Sheet
 Governmental Funds
 September 30, 2022

	General	Section 8	Streets CIP
ASSETS			
Cash and cash equivalents	\$ 38,813	\$ 952,379	\$ 9,329,626
Investments	225,551,182	533,109	12,360,381
Property tax receivable, net	1,830,275	-	-
Sales tax receivable	8,297,258	-	-
Franchise fees receivable	2,454,045	-	-
Lease receivables	2,595,771	-	-
Other receivables, net	3,919,964	-	-
Intergovernmental receivables	268,223	-	-
Due from other funds	-	1,000,000	290,000
Inventory	295,963	-	-
Prepays	38,667	-	-
	<u>245,290,161</u>	<u>2,485,488</u>	<u>21,980,007</u>
LIABILITIES			
Accounts payable	5,596,148	178,599	1,076,965
Retainage payable	-	-	276,083
Accrued liabilities	2,998,724	48,296	-
Due to other funds	193,300,000	-	-
Customer deposits	-	-	-
Unearned revenue	461,688	-	-
	<u>202,356,560</u>	<u>226,895</u>	<u>1,353,048</u>
DEFERRED INFLOWS OF RESOURCES			
Related to leases	2,523,344	-	-
Unavailable revenue	1,832,770	-	-
	<u>4,356,114</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	334,630	-	-
Restricted	438,363	2,258,593	13,502,845
Committed	-	-	7,124,114
Assigned	1,555,752	-	-
Unassigned	36,248,742	-	-
	<u>38,577,487</u>	<u>2,258,593</u>	<u>20,626,959</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 245,290,161</u>	<u>\$ 2,485,488</u>	<u>\$ 21,980,007</u>

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

Grants	Debt Service	TIF #1 EPIC CIP	Nonmajor Governmental Funds	Total Governmental Funds
\$ 6,999,680	\$ 6,972	\$ 7,878	\$ 12,946,985	\$ 30,282,333
-	2,200,000	-	38,550,672	279,195,344
-	823,040	-	-	2,653,315
-	-	-	8,284,817	16,582,075
-	-	-	52,190	2,506,235
-	-	-	220,789	2,816,560
131,663	8,801	-	2,654,306	6,714,734
1,116,910	-	-	-	1,385,133
37,300,000	-	55,500,000	80,590,953	174,680,953
-	-	-	31,386	327,349
-	-	83,425	61,925	184,017
45,548,253	3,038,813	55,591,303	143,394,023	517,328,048
1,161,737	1,647	5,931,482	6,193,747	20,140,325
-	-	-	57,023	333,106
51,455	-	3,401,519	439,593	6,939,587
-	290,000	-	90,953	193,680,953
-	-	-	45,700	45,700
30,095,258	-	-	2,817,749	33,374,695
31,308,450	291,647	9,333,001	9,644,765	254,514,366
-	-	-	300,644	2,823,988
-	832,235	-	-	2,665,005
-	832,235	-	300,644	5,488,993
-	-	-	93,311	427,941
14,239,803	1,914,931	32,085,104	84,695,727	149,135,366
-	-	14,173,198	48,659,576	69,956,888
-	-	-	-	1,555,752
-	-	-	-	36,248,742
14,239,803	1,914,931	46,258,302	133,448,614	257,324,689
\$ 45,548,253	\$ 3,038,813	\$ 55,591,303	\$ 143,394,023	\$ 517,328,048

City of Grand Prairie, Texas

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2022

Total fund balance - total governmental funds \$ 257,324,689

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 \$1,850,502). 776,176,788

Certain revenues are not available to pay for current-period expenditures; therefore, these revenues are deferred in the funds. 2,665,005

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	\$ (1,817,138)	
Unamortized loss of bond refunding	8,547,315	
Deferred pension and OPEB contributions, and investment and actuarial experience (excluding internal service fund totals of \$416,753).	<u>(25,835,607)</u>	(19,105,430)

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 \$3,564,681). 20,461,874

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 (excluding internal service fund totals of \$2,122)	\$ (539,928,770)	
Unamortized bond premium/discount, net	(24,741,383)	
Compensated absences (excluding internal service fund totals of \$87,329)	(23,660,088)	
Other post-employment benefits (excluding internal service fund totals of \$862,633)	(53,477,202)	
Net pension liability (excluding internal service fund totals of \$349,333)	(21,656,208)	
Environmental remediation obligation	(23,900)	
Other liabilities	<u>(3,408,347)</u>	<u>(666,895,898)</u>

Net position of governmental activities \$ 370,627,028



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City of Grand Prairie, Texas
Statement of Revenues, Expenditures,
and Changes in Fund Balances of
Governmental Funds
For the Year Ended September 30, 2022

	General	Section 8	Streets CIP
REVENUES			
Property taxes	\$ 76,978,418	\$ -	\$ -
Sales taxes	46,306,003	-	-
Other taxes	512,483	-	-
Franchise fees	15,030,726	-	-
Charges for goods and services	6,330,214	9,598,477	-
Licenses and permits	3,912,829	287,578	-
Fines and forfeitures	5,365,427	-	-
Intergovernmental	2,337,015	38,631,430	-
General and administrative	5,711,236	-	-
Rents and royalties	249,133	-	-
Lease interest income	-	-	-
Investment income (losses)	(9,358,717)	-	-
Contributions	77,352	-	530,737
Other	807,928	28,545	-
Total revenues	154,260,047	48,546,030	530,737
EXPENDITURES			
Current operations:			
Support services	37,794,625	-	-
Public safety services	141,209,072	-	-
Recreation and leisure services	9,698,425	-	-
Development services and other	20,653,720	48,454,732	5,103,058
Capital outlay	6,725,441	282,600	3,714,612
Debt service:			
Principal retirement	579,929	6,636	-
Interest and other charges	797,598	526	267,307
Total expenditures	217,458,810	48,744,494	9,084,977
Excess (deficiency) of revenues over (under) expenditures	(63,198,763)	(198,464)	(8,554,240)
OTHER FINANCING SOURCES (USES)			
Transfers in	4,000,000	-	132,519
Transfers out	(36,635,834)	-	(3,627,500)
Proceeds from bonds issued	77,515,000	-	17,809,542
Premium on bonds issued	-	-	1,448,362
Refunding bonds issued	-	-	-
Payments to bond escrow agents	-	-	-
Proceeds from lease arrangements	5,016,328	16,732	-
Proceeds from sale of assets	1,874,382	-	-
Total other financing sources (uses)	51,769,876	16,732	15,762,923
Net change in fund balances	(11,428,887)	(181,732)	7,208,683
Fund balances - beginning of year	50,006,374	2,440,325	13,418,276
Fund balances - end of year	\$ 38,577,487	\$ 2,258,593	\$ 20,626,959

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

Grants	Debt Service	TIF #1 EPIC CIP	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 37,247,627	\$ -	\$ 6,016,065	\$ 120,242,110
-	-	-	46,992,724	93,298,727
-	-	-	3,072,382	3,584,865
-	-	-	-	15,030,726
-	-	-	15,932,190	31,860,881
-	-	-	314,868	4,515,275
-	-	-	509,511	5,874,938
12,930,624	-	-	736,472	54,635,541
-	-	-	-	5,711,236
-	-	-	5,472,020	5,721,153
-	-	-	24,645	24,645
2	-	85,186	1,992	(9,271,537)
123,321	-	-	4,035,351	4,766,761
-	-	-	370,908	1,207,381
13,053,947	37,247,627	85,186	83,479,128	337,202,702
-	-	-	276,399	38,071,024
1,689,787	-	-	9,695,409	152,594,268
230,345	-	2,381,944	25,746,588	38,057,302
13,925,086	-	-	15,930,045	104,066,641
1,426,993	-	64,287,051	23,466,636	99,903,333
1,887	25,907,000	-	11,922,078	38,417,530
190	14,473,507	-	3,021,186	18,560,314
17,274,288	40,380,507	66,668,995	90,058,341	489,670,412
(4,220,341)	(3,132,880)	(66,583,809)	(6,579,213)	(152,467,710)
4,613,755	-	1,500,000	48,284,689	58,530,963
(234,774)	(189,375)	-	(19,963,811)	(60,651,294)
-	-	-	6,445,459	101,770,001
-	462,688	-	524,177	2,435,227
-	105,927,637	-	-	105,927,637
-	(104,940,704)	-	-	(104,940,704)
5,872	-	-	433,368	5,472,300
83,389	-	-	24,450	1,982,221
4,468,242	1,260,246	1,500,000	35,748,332	110,526,351
247,901	(1,872,634)	(65,083,809)	29,169,119	(41,941,359)
13,991,902	3,787,565	111,342,111	104,279,495	299,266,048
\$ 14,239,803	\$ 1,914,931	\$ 46,258,302	\$ 133,448,614	\$ 257,324,689

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, 2022

Net change in fund balances - total governmental funds		\$ (41,941,359)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
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.		99,903,333
Depreciation and amortization 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 and amortization totalling \$289,480).		(51,596,338)
Governmental funds do not report capital contributions.		2,580,480
The net effect of various transactions involving capital assets (i.e., disposals, sales, and reassignments) are not reported in the governmental funds.		(510,366)
<p>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.</p>		
Bonds issued	\$ (101,770,001)	
Refunding bonds issued	(105,927,637)	
Payments to bond escrow agents	104,940,704	
Proceeds from lease arrangements	(5,472,300)	
Bond principal retirement	38,417,530	
Bond premium issued	(2,435,227)	
Amortization of bond premiums/discounts	4,343,053	
Amortization of loss on refundings	<u>(368,010)</u>	(68,271,888)
<p>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.</p>		
Accrued interest	\$ 786,704	
Compensated absences	(2,636,825)	
Pollution remediation obligation	3,450	
Post-employment benefit obligation	9,943,149	
Pension liability	26,771,397	
Deferred pension and OPEB contributions, and investment and actuarial experience	(24,833,000)	
Other liabilities	<u>678,882</u>	10,713,757
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(307,500)
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 \$517,158).		<u>3,555,991</u>
Change in net position of governmental activities		<u><u>\$ (45,873,890)</u></u>

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, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Solid	Nonmajor		Activities
	Wastewater	Waste	Enterprise	Total	Internal
			Funds		Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 21,253,172	\$ 5,231,329	\$ 3,825,659	\$ 30,310,160	\$ 9,207,646
Investments	3,900,000	11,924,536	1,864,684	17,689,220	21,000,000
Accounts receivable, net	6,991,397	597,934	752,813	8,342,144	-
Lease receivables	526,431	-	443,810	970,241	-
Due from other funds	19,000,000	-	-	19,000,000	-
Inventories and supplies	505,646	-	103,572	609,218	158,951
Prepays	-	-	-	-	444,083
Restricted assets:					
Cash and cash equivalents	2,977,263	-	-	2,977,263	-
Investments	64,120,120	-	81,135	64,201,255	-
Total current assets	119,274,029	17,753,799	7,071,673	144,099,501	30,810,680
Noncurrent assets:					
Capital assets:					
Land	2,636,700	5,267,085	759,707	8,663,492	737,566
Buildings	2,718,617	1,995,673	16,924,978	21,639,268	2,014,390
Equipment	15,260,297	14,579,476	2,574,554	32,414,327	2,443,678
Infrastructure	387,295,517	13,333,619	52,892,074	453,521,210	200,000
Right to use leased assets	68,197	15,277	779,787	863,261	3,127
Construction in progress	30,251,556	72,646	297,187	30,621,389	-
Less: accumulated depreciation/ amortization	(229,676,234)	(16,203,698)	(34,558,051)	(280,437,983)	(3,548,259)
Total noncurrent assets	208,554,650	19,060,078	39,670,236	267,284,964	1,850,502
Total assets	327,828,679	36,813,877	46,741,909	411,384,465	32,661,182
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges for refundings	610,023	-	-	610,023	-
Related to OPEB	181,130	62,583	54,761	298,474	43,025
Related to TMRS pension	1,446,125	499,658	437,200	2,382,983	343,514
Total deferred outflows of resources	2,237,278	562,241	491,961	3,291,480	386,539
LIABILITIES					
Current liabilities:					
Accounts payable	5,577,537	1,076,235	435,276	7,089,048	824,034
Retainage payable	645,263	-	-	645,263	-
Accrued interest	242,490	-	2,427	244,917	-
Accrued liabilities	429,160	180,363	63,484	673,007	6,092,423
Compensated absences	268,303	91,342	113,640	473,285	72,865
Unearned revenue	905,606	-	102,672	1,008,278	-
Current portion of long-term debt	5,466,793	5,081	382,562	5,854,436	1,040
Current liabilities payable from restricted assets:					
Customer deposits	6,385,980	-	81,135	6,467,115	-
Total current liabilities	19,921,132	1,353,021	1,181,196	22,455,349	6,990,362
Noncurrent liabilities:					
Compensated absences	66,753	22,726	36,501	125,980	14,464
Other postemployment benefits	3,631,503	1,254,739	1,097,897	5,984,139	862,633
Closure and postclosure liability	-	9,648,357	-	9,648,357	-
Net pension liability	1,470,619	508,121	444,605	2,423,345	349,333
Long-term debt	34,146,854	5,287	563,872	34,716,013	1,082
Total noncurrent liabilities	39,315,729	11,439,230	2,142,875	52,897,834	1,227,512
Total liabilities	59,236,861	12,792,251	3,324,071	75,353,183	8,217,874
DEFERRED INFLOWS OF RESOURCES					
Related to leases	516,865	-	443,810	960,675	-
Related to OPEB	868,494	300,078	262,568	1,431,140	206,304
Related to TMRS pension	2,513,192	868,345	759,802	4,141,339	596,988
Total deferred inflows of resources	3,898,551	1,168,423	1,466,180	6,533,154	803,292
NET POSITION					
Net investment in capital assets	168,905,763	19,049,710	38,723,802	226,679,275	1,850,502
Restricted for:					
Debt service	5,868,450	-	-	5,868,450	-
Capital projects	63,256,233	2,769,768	-	66,026,001	-
Unrestricted	28,900,099	1,595,966	3,719,817	34,215,882	22,176,053
Total net position	\$ 266,930,545	\$ 23,415,444	\$ 42,443,619	\$ 332,789,608	\$ 24,026,555
Reconciliation to government-wide Statement of Net Position:					
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				3,564,681	
Net position of business-type activities				\$ 336,354,289	

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, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
OPERATING REVENUES					
Water sales	\$ 58,124,383	\$ -	\$ -	\$ 58,124,383	\$ -
Wastewater services	33,772,045	-	-	33,772,045	-
Water and wastewater fees	2,782,970	-	-	2,782,970	-
Wastewater surcharges	1,026,660	-	-	1,026,660	-
Solid waste fees	-	14,799,059	-	14,799,059	-
Charges for services	-	-	13,364,879	13,364,879	7,512,176
Intergovernmental revenue	-	100,581	89,670	190,251	-
Insurance premiums	-	-	-	-	28,377,316
Miscellaneous	290,366	184,600	775,132	1,250,098	32,108
Total operating revenue	95,996,424	15,084,240	14,229,681	125,310,345	35,921,600
OPERATING EXPENSES					
Salaries and benefits	13,715,737	4,760,368	4,221,202	22,697,307	3,469,253
Supplies and miscellaneous purchases	1,373,557	756,092	1,611,260	3,740,909	3,929,225
Purchased services	7,543,422	6,544,983	1,690,305	15,778,710	1,244,857
Insurance costs	-	-	-	-	23,269,780
Water purchases	19,169,792	-	-	19,169,792	-
Wastewater treatment	19,637,332	-	-	19,637,332	-
General and administrative costs	4,660,591	493,901	143,174	5,297,666	-
Franchise fees	3,639,719	419,007	322,653	4,381,379	-
Miscellaneous	1,989,918	831,425	324,855	3,146,198	808,342
Lease interest	-	-	-	-	101
Depreciation	16,585,718	2,180,945	2,438,286	21,204,949	289,480
Total operating expenses	88,315,786	15,986,721	10,751,735	115,054,242	33,011,038
Operating income	7,680,638	(902,481)	3,477,946	10,256,103	2,910,562
NONOPERATING REVENUES (EXPENSES)					
Lease interest income	21,879	-	-	21,879	-
Investment income	19,242	-	-	19,242	-
Gain (loss) on property disposition	78,706	59,551	-	138,257	(28,194)
Interest expense	(1,222,590)	(494)	(15,200)	(1,238,284)	-
Total nonoperating revenues (expenses)	(1,102,763)	59,057	(15,200)	(1,058,906)	(28,194)
Income before contributions and transfers	6,577,875	(843,424)	3,462,746	9,197,197	2,882,368
CONTRIBUTIONS AND TRANSFERS					
Capital contributions-impact fees	4,112,702	-	-	4,112,702	-
Capital contributions	9,659,497	-	4,004,672	13,664,169	-
Transfers in	4,641,239	1,598,089	2,237,703	8,477,031	1,244,696
Transfers out	(1,452,518)	(346,963)	(5,748,000)	(7,547,481)	(53,915)
Total contributions and transfers	16,960,920	1,251,126	494,375	18,706,421	1,190,781
Change in net position	23,538,795	407,702	3,957,121	27,903,618	4,073,149
Net position - beginning of year	243,391,750	23,007,742	38,486,498	304,885,990	19,953,406
Net position - end of year	\$ 266,930,545	\$ 23,415,444	\$ 42,443,619	\$ 332,789,608	\$ 24,026,555
Reconciliation to government-wide Statement of Activities:					
Total change in net position				\$ 27,903,618	
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				517,158	
Change in net position of business-type activities				<u>\$ 28,420,776</u>	

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, 2022

	Business-Type Activities - Enterprise Funds			Governmental
	Water Wastewater	Solid Waste	Other Nonmajor	Activities Internal Service Funds
Cash flows from operating activities:				
Cash receipts from customers	\$ 95,083,613	\$ 14,771,978	\$ 13,360,162	\$ 123,215,753
Cash receipts from city and employee contributions	-	-	-	28,461,376
Cash receipts from inter-fund services provided	-	-	-	7,512,176
Cash receipts from other governments	-	100,581	89,670	190,251
Other operating cash receipts	290,366	184,600	775,132	1,250,098
Cash payments to suppliers for goods and services	(51,332,256)	(6,769,661)	(3,479,439)	(61,581,356)
Cash payments to employees for services	(14,835,329)	(5,006,222)	(4,466,580)	(24,308,131)
Cash payments for interfund services used	(12,000,000)	-	(322,653)	(12,322,653)
Other operating cash payments	(5,629,637)	(1,250,432)	(143,174)	(7,023,243)
Net cash provided by (used in) operating activities	11,576,757	2,030,844	5,813,118	19,420,719
Cash flows from noncapital financing activities:				
Transfers from other funds	4,641,239	1,598,089	2,237,703	8,477,031
Transfers to other funds	(1,452,518)	(346,963)	(5,748,000)	(7,547,481)
Contributions from other governments	1,294,630	-	-	1,294,630
Net cash provided by (used in) noncapital financing activities	4,483,351	1,251,126	(3,510,297)	2,224,180
Cash flows from capital and related financing activities:				
Proceeds from issuance of lease liabilities	68,197	-	-	68,197
Capital impact fees from developers	4,112,702	-	-	4,112,702
Proceeds from disposition of capital assets	78,706	77,682	-	156,388
Acquisition and construction of capital assets	(17,057,370)	(5,691,503)	(290,630)	(23,039,503)
Principal paid on debt	(5,314,562)	(4,909)	(388,353)	(5,707,824)
Interest paid on debt	(1,214,044)	(494)	(16,242)	(1,230,780)
Other fiscal fees paid	(10,901)	-	-	(10,901)
Net cash provided by (used in) capital and related financing activities	(19,337,272)	(5,619,224)	(695,225)	(25,651,721)
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	-	15,274	-	15,274
Interest received on investments	18,025	-	-	18,025
Net cash provided by (used in) investing activities	18,025	15,274	-	33,299
Net (decrease) increase in cash and equivalents	(3,259,139)	(2,321,980)	1,607,596	(3,973,523)
Cash and cash equivalents - beginning of year	27,489,574	7,553,309	2,218,063	37,260,946
Cash and cash equivalents - end of year	\$ 24,230,435	\$ 5,231,329	\$ 3,825,659	\$ 33,287,423
Reconciliation of operating income (loss) from operations to net cash from operating activities:				
Operating income (loss)	\$ 7,680,638	\$ (902,481)	\$ 3,477,946	\$ 10,256,103
Adjustments to operating income (loss) to net cash from operating activities:				
Depreciation/amortization	16,585,718	2,180,945	2,438,286	21,204,949
Provisions for uncollectible accounts	-	(38,276)	-	(38,276)
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(1,143,979)	11,195	(7,524)	(1,140,308)
(Increase) decrease in intergovernmental receivable	-	-	-	-
(Increase) decrease in other receivables	(12,000,000)	-	-	(12,000,000)
(Increase) decrease in inventories and supplies	9,107	-	(22,993)	(13,886)
(Increase) decrease in prepaids	-	-	-	-
Increase (decrease) in accounts payable	912,900	541,458	246,938	1,701,296
Increase (decrease) in retainage payable	130,431	-	-	130,431
Increase (decrease) in accrued liabilities	(294,368)	483,857	(66,022)	123,467
Increase (decrease) in customer deposits	521,534	-	2,807	524,341
Increase (decrease) in unearned revenue	-	-	(10,942)	(10,942)
Increase (decrease) in compensated absences	(60,177)	3,367	32,331	(24,479)
Increase (decrease) in OPEB liability	330,492	110,296	(5,929)	434,859
Increase (decrease) in pension liability	(1,095,539)	(359,517)	(271,780)	(1,726,836)
Net cash provided by (used in) operating activities	\$ 11,576,757	\$ 2,030,844	\$ 5,813,118	\$ 19,420,719
Noncash investing, capital and financing activities:				
Capital contributions from developers/granting agencies	\$ 9,659,497	\$ -	\$ 4,004,672	\$ 13,664,169
	\$ 9,659,497	\$ -	\$ 4,004,672	\$ 13,664,169
Reconciliation of ending cash and cash equivalents to Statement of Net Position:				
Unrestricted cash and cash equivalents - end of year	\$ 21,253,172	\$ 5,231,329	\$ 3,825,659	\$ 30,310,160
Restricted cash and cash equivalents - end of year	2,977,263	-	-	2,977,263
Total cash and cash equivalents - end of year	\$ 24,230,435	\$ 5,231,329	\$ 3,825,659	\$ 33,287,423

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

City of Grand Prairie, Texas
Statement of Net Position
Discretely Presented Component Units
September 30, 2022

	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	\$ 4,587,417	\$ 767,880	\$ 109,687	\$ 5,464,984
Investments	7,665,962	-	-	7,665,962
Receivables, net	72,418	-	-	72,418
Leases receivable	8,117,713	-	-	8,117,713
Prepays	-	57,471	-	57,471
Restricted assets:				
Cash and cash equivalents	-	1,479,756	-	1,479,756
Estimated unguaranteed residual value	20,811,265	-	-	20,811,265
Capital assets:				
Nondepreciable	-	1,612,851	11,048,756	12,661,607
Depreciable, net	-	9,703,638	-	9,703,638
Total assets	41,254,775	13,621,596	11,158,443	66,034,814
LIABILITIES				
Accounts payable	5,373	275,460	-	280,833
Accrued liabilities	-	245,869	-	245,869
Current liabilities payable from restricted assets:				
Customer deposits	-	101,240	-	101,240
Unearned revenue	-	39,687	-	39,687
Noncurrent liabilities:				
Due within one year:				
Current portion of long-term debt	-	383,740	-	383,740
Due in more than one year:				
Long-term debt	-	14,384,885	-	14,384,885
Total liabilities	5,373	15,430,881	-	15,436,254
DEFERRED INFLOWS OF RESOURCES				
Related to leases	660,697	-	-	660,697
Total deferred outflows of resources	660,697	-	-	660,697
NET POSITION				
Net investment in capital assets	-	(3,068,396)	11,048,756	7,980,360
Restricted for:				
Facility lease	28,928,978	-	-	28,928,978
Unrestricted	11,659,727	1,259,111	109,687	13,028,525
Total net position	\$ 40,588,705	\$ (1,809,285)	\$ 11,158,443	\$ 49,937,863

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



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City of Grand Prairie, Texas
Statement of Activities
Discretely Presented Component Units
For the Year Ended September 30, 2022

Functions/Activity	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component Units				
Governmental activities:				
Grand Prairie Local Government Corporation	\$ -	\$ -	\$ 6,147,360	\$ -
Total governmental activities	-	-	6,147,360	-
Business-type activities:				
Grand Prairie Sports Facilities Development	5,282,613	905,270	-	863,735
Grand Prairie Housing Finance Corporation	6,371,307	5,875,274	-	-
Total business-type activities	11,653,920	6,780,544	-	863,735
Total Component Units	\$ 11,653,920	\$ 6,780,544	\$ 6,147,360	\$ 863,735

General revenues:

Loan forgiveness income
Investment income (losses)
Miscellaneous revenue

Total general revenues

Change in net position

Net position - beginning of year

Net position - end of year

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

**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
\$ -	\$ -	\$ 6,147,360	\$ 6,147,360
-	-	6,147,360	6,147,360
(3,513,608)	-	-	(3,513,608)
-	(496,033)	-	(496,033)
(3,513,608)	(496,033)	-	(4,009,641)
<u>\$ (3,513,608)</u>	<u>\$ (496,033)</u>	<u>\$ 6,147,360</u>	<u>\$ 2,137,719</u>
\$ -	\$ 119,096	\$ -	\$ 119,096.00
(118,056)	1,166	-	(116,890)
-	-	239,369	239,369
(118,056)	120,262	239,369	241,575
(3,631,664)	(375,771)	6,386,729	2,379,294
44,220,369	(1,433,514)	4,771,714	47,558,569
<u>\$ 40,588,705</u>	<u>\$ (1,809,285)</u>	<u>\$ 11,158,443</u>	<u>\$ 49,937,863</u>



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Notes to the Basic Financial Statements



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City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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, 2021, 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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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 2022 and beyond are listed as follows:

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 implemented this statement in fiscal year 2022.

The GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, which improves financial reporting by addressing these relationships and availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The City is currently evaluating the impact of this Statement.

The GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), which provides guidance on the accounting and financial reporting of contractual arrangements. It defines SBITA; establishes that a SBITA results in a right-to-use subscription asset; provides capitalization criteria; and requires note disclosures. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City is currently evaluating the impact of this Statement.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 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, which increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that governing board typically would perform; mitigates costs associated with the reporting of certain defined contribution pension, OPEB and benefit plans other than pension or OPEB plans; and enhances the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement related to the accounting and financial reporting for Section 457 plans was effective for fiscal years beginning after June 15, 2021, and had no impact on the City's financial statements.

The GASB issued Statement No. 99, Omnibus 2022, that enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to extension of use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended and terminology updates related to Statements No. 53 and 63 are effective immediately and implemented in the current year. All other requirements of this Statement are effective for fiscal years beginning after June 15, 2022, or June 15, 2023. The City is currently evaluating the impact of this Statement.

The GASB issued Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, that enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

The GASB issued Statement No. 101, Compensated Absences, which will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

D. Basis of Presentation

Government-Wide Financial Statements

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

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

The Statement of Activities reports the change in the City's net position from October 1, 2021 to September 30, 2022. This statement demonstrates the degree to which the direct expenses of a given function of the government are offset by program revenues. Specifically, the City has identified the following functions of government – support services, public safety services, recreation and leisure services, development services, water and wastewater services, solid waste services, storm water services, airport operations, and golf course operations. *Direct expenses* are those that are clearly identifiable with a specific function of City government. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as *general revenues* in the statement of activities.

Fund Financial Statements

In addition to the government-wide financial statements, the City also reports separate financial statements for major functions or activities of the government. These financial statements are organized on the basis of funds with governmental resources allocated to and accounted for based on 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, 2022, 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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

TIF #1 Epic CIP Fund

This capital project fund accounts for construction, improvements, and other capital expenditures related to EPIC.

At September 30, 2022, 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, deferred outflows of resources, liabilities, and deferred inflows of resources (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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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

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

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

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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

F. 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 2022, the funds receiving allocation of interest earnings were the Grants Fund, TIF #1 Epic 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.

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.

Lease Receivables

The City is a lessor for noncancelable leases of property and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Inventories and Prepaid Items

Inventory consists primarily of supplies and materials 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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

Capital Assets and Depreciation/Amortization

Capital assets (i.e. land, buildings, equipment, improvements other than buildings, infrastructure, right-to-use assets, 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 represent a consumption of net position by the City that applies to future periods, 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.
- **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 applies to future periods, 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 sixty days after fiscal year end are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

- **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.
- **Deferred inflows related to leases**- collections of lease receivables are deferred in both the governmental fund and government-wide financial statements. These amounts are recognized in a systematic manner over the life of the lease.

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.

Lease Payables

The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary funds financial statements.

At implementation of GASB Statement No. 87, the City initially measured the lease liabilities at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

The City monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

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 post-employment 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 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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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

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, 2022, the City reported cash and cash equivalents in the Statement of Net Position as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash	\$ 1,561,219	\$ 2,977,263	\$ 4,538,482
Pooled investments	48,348,216	12,190,704	60,538,920
Total cash and cash equivalents	\$ 49,909,435	\$ 15,167,967	\$ 65,077,402

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

City of Grand Prairie, Texas

Notes to the Basic Financial Statements
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Financial Institution	Book Balance	Bank Balance
Wells Fargo and BNY Mellon	\$ 4,507,726	\$ 5,425,409
Petty Cash	30,756	-
Total cash	\$ 4,538,482	\$ 5,425,409

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 on September 30, 2022 was \$9,455,698.

Grand Prairie Sports Facilities Development

At September 30, 2022, the carrying amount of the Sports Corporation's deposits included in cash and cash equivalents was \$95,618 while the bank balance of the Sports Corporation's deposits was \$96,768. 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, 2021, including restricted cash, totaled \$2,247,636 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 \$767,880. Restricted cash of \$115,118 (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 \$155,141 and bonds held by a trustee of \$1,209,497 as a debt service reserve.

Grand Prairie Local Government Corporation

At September 30, 2022, the carrying amount of the Local Government Corporation's deposits included in cash and cash equivalents was \$112,687 and the bank balance was \$110,134. 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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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.

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, 2022	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	\$ 4,538,482	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
TexPool	20,312,423	-	-	-	1	AAAm
Investments measured at net asset value (NAV):						
Investment Pools:						
TexStar	40,226,497	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
US Treasuries	89,570,012	-	89,570,012	-	604	AAA
Municipal bonds	45,222,767	-	45,222,767	-	334	AAA
FAMCA	54,559,258	-	54,559,258	-	485	Not Rated
FFCB	79,360,948	-	79,360,948	-	391	AAA
FHLB	71,645,553	-	71,645,553	-	477	AAA
FHLMC	23,430,590	-	23,430,590	-	105	AAA
FNMA	25,996,691	-	25,996,691	-	405	AAA
Total	\$ 454,863,221	\$ -	\$ 389,785,819	\$ -		

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

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

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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 the 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.

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 establishing 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 on September 30, 2022.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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.

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, 2022	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	\$ 95,618	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
TexPool	4,491,799	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
FHLB	7,665,962	-	7,665,962	-	477	AAA
Total	\$ 12,253,379	\$ -	\$ 7,665,962	\$ -		

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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

City and Grand Prairie Sports Facilities Development Investment Portfolio

The asset mix of the City's and Sports Corporation 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 <u>% Maximum</u>	Sports Corporation <u>% Maximum</u>
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 2021-2022 fiscal year.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

B. Receivables

At September 30, 2022, 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	\$ 2,663,943	\$ -	\$ 1,144,990	\$ -	\$ -	\$ 3,808,933
Sales taxes	8,297,258	-	-	8,284,817	-	16,582,075
Franchise fees	2,454,045	-	-	52,190	-	2,506,235
Leases	2,595,771	-	-	220,789	-	2,816,560
Other	4,827,490	131,663	8,801	2,654,306	-	7,622,260
Intergovernmental	268,223	1,116,910	-	-	-	1,385,133
Total receivables, gross	21,106,730	1,248,573	1,153,791	11,212,102	-	34,721,196
Less:						
Allowance for uncollectibles	(1,741,194)	-	(321,950)	-	-	(2,063,144)
Total receivables, net	\$ 19,365,536	\$ 1,248,573	\$ 831,841	\$ 11,212,102	\$ -	\$ 32,658,052

Business-Type Activities:	Water Wastewater	Solid Waste	Other Nonmajor	Total Business-Type
Receivables:				
Trade accounts	\$ 12,339,265	\$ 1,844,712	\$ 1,036,117	\$ 15,220,094
Leases	526,431	-	443,810	970,241
Other	-	41,115	-	41,115
Total receivables, gross	12,865,696	1,885,827	1,479,927	16,231,450
Less:				
Allowance for uncollectibles	(5,347,868)	(1,287,893)	(283,304)	(6,919,065)
Total receivables, net	\$ 7,517,828	\$ 597,934	\$ 1,196,623	\$ 9,312,385

Leases-Lessor

The City is a lessor for non-cancelable leases of the right-to-use of land, buildings, and infrastructure for which the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. The interest rates for the leases approximate 4% annually, and the terms range from 2 to 28 years.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The City has \$3,786,801 remaining in lease receivables and \$3,784,663 remaining in deferred inflow as of September 30, 2022. The City recorded lease revenue including interest of \$3,809 in the fiscal year.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

As of September 30, 2022, the expected lease receipts through the expiration of all leases for which the City is a lessor is as follows:

Fiscal Year	Governmental Activities Lease Receivables		
	Principal	Interest	Total
2023	\$ 393,538	\$ 102,527	\$ 496,065
2024	164,816	94,184	259,000
2025	171,520	87,480	259,000
2026	178,497	80,503	259,000
2027	185,758	73,242	259,000
2028-2032	1,009,708	247,292	1,257,000
2033-2036	712,723	47,277	760,000
	<u>\$ 2,816,560</u>	<u>\$ 732,505</u>	<u>\$ 3,549,065</u>

Fiscal Year	Business-Type Activities Lease Receivables		
	Principal	Interest	Total
2023	\$ 213,731	\$ 35,273	\$ 249,004
2024	206,256	26,873	233,129
2025	162,172	19,010	181,182
2026	35,167	14,729	49,896
2027	19,034	13,770	32,804
2028-2032	82,678	57,972	140,650
2033-2037	80,469	42,596	123,065
2038-2042	90,204	25,475	115,679
2043-2047	78,124	6,768	84,892
2048-2050	2,406	114	2,520
	<u>\$ 970,241</u>	<u>\$ 242,580</u>	<u>\$ 1,212,821</u>

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

At September 30, 2022, receivables of the Sports Corporation, a component unit of the City with business-type activities, were as follows:

Component Units	Grand Prairie Sports Facilities Development	Total Component Unit
Receivables:		
Trade accounts	\$ 72,418	\$ 72,418
Leases	8,117,713	8,117,713
Total receivables	<u>\$ 8,190,131</u>	<u>\$ 8,190,131</u>

The Sports Corporation is a lessor for a non-cancellable ground lease, for which the Corporation recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements. The interest rate for this lease is 4% and the term is 34 years, maturing in fiscal year 2041.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

At the commencement of a lease, the Sports Corporation initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The Sports Corporation has \$660,697 remaining for this lease receivable and \$660,697 remaining in deferred inflow as of September 30, 2022. The Sports Corporation recorded lease revenue from this lease, including interest of \$50,000 in the fiscal year.

As of September 30, 2022, the expected lease receipts through the expiration of this lease are as follows:

Fiscal Year	Sports Corporation Lease Receivable		
	Principal	Interest	Total
2023	\$ 23,732	\$ 26,268	\$ 50,000
2024	24,681	25,319	50,000
2025	25,669	24,331	50,000
2026	26,695	23,305	50,000
2027	27,763	22,237	50,000
2028-2032	156,390	93,610	250,000
2033-2037	190,272	59,728	250,000
2038-2042	185,495	18,505	204,000
	<u>\$ 660,697</u>	<u>\$ 293,303</u>	<u>\$ 954,000</u>

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 purchase.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

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

Year	Amount
2023	\$ 1,932,612
2024	1,932,612
2025	1,932,612
2026	1,932,612
Thereafter	1,191,777
	<u>8,922,225</u>
Less interest	1,465,209
	<u>7,457,016</u>
Net present value	7,457,016
Less current portion	1,393,450
	<u>6,063,566</u>
Non-current portion	\$ 6,063,566

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

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

The lease has been accounted for as a financed purchase. 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 amortization would be, and the fixed lease payments receivable. Therefore, this amount is being amortized over the life of the lease (thirty years).

C. Restricted Assets

At September 30, 2022, restricted assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 12,190,704	\$ 2,977,263	\$ 15,167,967
Investments	162,781,213	64,201,255	226,982,468
	<u>\$ 174,971,917</u>	<u>\$ 67,178,518</u>	<u>\$ 242,150,435</u>

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

Assets were restricted for the following purposes:

Purpose	Governmental Activities	Business-Type Activities	Total
Customer deposits	\$ 45,700	\$ 6,385,980	\$ 6,431,680
Debt service	3,733,012	5,844,044	9,577,056
Capital projects	97,356,567	54,948,494	152,305,061
Support services	143,054	-	143,054
Public safety	6,778,205	-	6,778,205
Recreation and leisure	33,882,270	-	33,882,270
Development services	27,309,255	-	27,309,255
Other specific purposes	5,723,854	-	5,723,854
Total restricted assets	\$ 174,971,917	\$ 67,178,518	\$ 242,150,435

D. Capital Assets

Capital asset activity for the year ended September 30, 2022 was as follows:

Governmental Activities	Balance October 1, 2021	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2022
Assets not being depreciated/amortized:				
Land	\$ 55,166,552	\$ 4,097,810	\$ 393,929	\$ 59,658,291
Construction in progress	91,876,079	76,221,734	(52,748,648)	115,349,165
Total assets not being depreciated/amortized	147,042,631	80,319,544	(52,354,719)	175,007,456
Assets being depreciated/amortized:				
Buildings	364,458,557	690,264	6,725,110	371,873,931
Equipment	129,309,873	6,765,622	4,810,266	140,885,761
Right to use leased assets	-	5,475,428	-	5,475,428
Infrastructure	664,642,767	9,661,683	38,512,050	712,816,500
Total assets being depreciated/amortized	1,158,411,197	22,592,997	50,047,426	1,231,051,620
Less accumulated depreciation/amortization for:				
Buildings	(103,586,353)	(12,099,235)	244,563	(115,441,025)
Equipment	(88,937,299)	(10,816,929)	1,550,987	(98,203,241)
Right to use leased assets	-	(706,255)	-	(706,255)
Infrastructure	(385,627,492)	(28,263,396)	209,623	(413,681,265)
Total accumulated depreciation/amortization	(578,151,144)	(51,885,815)	2,005,173	(628,031,786)
Total assets being depreciated/amortized, net	580,260,053	(29,292,818)	52,052,599	603,019,834
Total capital assets, net	\$ 727,302,684	\$ 51,026,726	\$ (302,120)	\$ 778,027,290

City of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2022

Business-Type Activities	Balance October 1, 2021	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2022
Assets not being depreciated/amortized:				
Land	\$ 5,123,353	\$ 3,548,170	\$ (8,031)	\$ 8,663,492
Construction in progress	34,514,261	16,481,875	(20,374,747)	30,621,389
Total assets not being depreciated/amortized	39,637,614	20,030,045	(20,382,778)	39,284,881
Assets being depreciated/amortized:				
Buildings	21,541,956	53,116	44,196	21,639,268
Equipment	29,602,895	2,904,392	(92,960)	32,414,327
Right to use leased assets	-	863,261	-	863,261
Infrastructure	420,994,725	12,404,678	20,121,807	453,521,210
Total assets being depreciated/amortized	472,139,576	16,225,447	20,073,043	508,438,066
Less accumulated depreciation/amortization for:				
Buildings	(10,457,609)	(785,559)	(44,937)	(11,288,105)
Equipment	(15,357,355)	(3,068,051)	281,256	(18,144,150)
Right to use leased assets	-	(331,959)	-	(331,959)
Infrastructure	(233,654,389)	(17,019,380)	-	(250,673,769)
Total accumulated depreciation/amortization	(259,469,353)	(21,204,949)	236,319	(280,437,983)
Total assets being depreciated/amortized, net	212,670,223	(4,979,502)	20,309,362	228,000,083
Total capital assets, net	\$ 252,307,837	\$ 15,050,543	\$ (73,416)	\$ 267,284,964

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

Governmental activities:		Business-type activities:	
Support services	\$ 5,568,351	Water and wastewater	\$ 16,585,718
Public safety services	8,202,078	Solid waste	2,180,945
Recreation and leisure services	11,382,591	Other business-type activities	2,438,286
Development services	26,443,315		
Internal services funds (see note below)	289,480		
		Total business-type activities	\$ 21,204,949
Total governmental activities	\$ 51,885,815		

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

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

At September 30, 2022, a summary of changes in capital assets of the Sports Corporation was as follows:

Sports Corporation	Balance October 1, 2021	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance September 30, 2022
Equipment	\$ 310,078	\$ -	\$ -	\$ 310,078
Less accumulated depreciation	(310,078)	-	-	(310,078)
Total	\$ -	\$ -	\$ -	\$ -

At December 31, 2021, a summary of changes in capital assets of the Housing Finance Corporation was as follows:

Housing Finance Corporation	Balance January 1, 2021	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance December 31, 2021
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	21,032,766	538,427	(267,217)	21,303,976
Less accumulated depreciation	(10,810,670)	(1,056,885)	267,217	(11,600,338)
Total depreciable capital assets, net	10,222,096	(518,458)	-	9,703,638
Housing Finance Corporation assets, net	\$ 11,834,947	\$ (518,458)	\$ -	\$ 11,316,489

At September 30, 2022, a summary of changes in capital assets of the Local Government Corporation was as follows:

Local Government Corporation	Balance October 1, 2021	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance September 30, 2022
Non-depreciable capital assets:				
Land	\$ 4,885,331	\$ 5,641,572		\$ 10,526,903
Construction in progress	50,000	471,853		521,853
Total non-depreciable capital assets	4,935,331	6,113,425	-	11,048,756
Local Government Corporation assets, total	\$ 4,935,331	\$ 6,113,425	\$ -	\$ 11,048,756

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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, 2022, is as follows:

Receivable Fund	Payable Fund			Total
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	
Section 8 Fund	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Streets CIP Fund	-	290,000	-	290,000
Grants Fund	37,300,000	-	-	37,300,000
TIF #1 EPIC CIP Fund	55,500,000	-	-	55,500,000
Nonmajor Governmental Funds	80,500,000	-	90,953	80,590,953
Water & Wastewater Fund	19,000,000	-	-	19,000,000
	<u>\$ 193,300,000</u>	<u>\$ 290,000</u>	<u>\$ 90,953</u>	<u>193,680,953</u>

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

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 is 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, 2022, cost reimbursements were as follows:

Fund	Amount
Water and wastewater funds	\$ 4,660,591
Solid waste funds	512,922
Storm water funds	150,707
Airport fund	65,347
Other nonmajor governmental funds	321,669
Total to general fund	<u><u>\$ 5,711,236</u></u>

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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, 2022, franchise fees paid to the General Fund were as follows:

Fund	Amount
Water and wastewater funds	\$ 3,639,719
Solid waste funds	419,007
Storm water funds	322,653
Total	\$ 4,381,379

Interfund Transfers

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

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

At September 30, 2022, 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	TIF #1 EPIC CIP Fund
General Fund	\$ -	\$ -	\$ -	\$ 916,843	\$ -	\$ -
Streets CIP Fund	-	-	-	3,627,500	-	-
Grants Fund	-	-	132,519	-	-	-
Debt Service Fund	-	-	-	-	-	-
Nonmajor Governmental Funds	4,000,000	-	-	69,412	-	1,500,000
Internal Service Funds	-	-	-	-	-	-
Water & Wastewater Fund	-	-	-	-	-	-
Solid Waste Fund	-	-	-	-	-	-
Nonmajor Enterprise Funds	-	-	-	-	-	-
Total	\$ 4,000,000	\$ -	\$ 132,519	\$ 4,613,755	\$ -	\$ 1,500,000

Continued

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

Transfers out	Transfers In					Total
	Nonmajor Governmental Funds	Water Wastewater Fund	Solid Waste Fund	Other Nonmajor Enterprise Funds	Internal Service Fund	
General Fund	\$ 26,998,649	\$ 4,625,239	\$ 1,598,089	\$ 1,398,328	\$ 1,098,686	\$ 36,635,834
Streets CIP Fund	-	-	-	-	-	3,627,500
Grants Fund	102,255	-	-	-	-	234,774
Debt Service Fund	-	-	-	189,375	-	189,375
Nonmajor Governmental Funds	13,728,399	16,000	-	650,000	-	19,963,811
Internal Service Funds	53,915	-	-	-	-	53,915
Water & Wastewater Fund	1,452,518	-	-	-	-	1,452,518
Solid Waste Fund	300,953	-	-	-	46,010	346,963
Nonmajor Enterprise Funds	5,648,000	-	-	-	100,000	5,748,000
Total	\$ 48,284,689	\$ 4,641,239	\$ 1,598,089	\$ 2,237,703	\$ 1,244,696	\$ 68,252,690

Significant transfers consist of funding for various operations, pooled cash coverage, capital projects, infrastructure needs, IT acquisitions, payments in lieu of taxes, repayments of interfund loans, and grant matching requirements.

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	\$ 1,811,366	\$ 832,235	\$ 2,643,601
Ambulance	21,404	-	21,404
Total	\$ 1,832,770	\$ 832,235	\$ 2,665,005

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

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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, 2022.

	Governmental Activities	Business-Type Activities	Total
Prepaid pipeline lease	\$ 725,831	\$ 102,672	\$ 828,503
Prepaid arrangements - Cemetery Fund	2,278,790	-	2,278,790
Unspent grant funds - Texas Water Development Board	-	905,606	905,606
Prepaid rental deposits - Parks	202,775	-	202,775
Park Venue Fund deposits on events to be held	26,004	-	26,004
Event revenue	46,037	-	46,037
Unspent grant funding	30,095,258	-	30,095,258
Total unearned revenue	\$ 33,374,695	\$ 1,008,278	\$ 34,382,973

H. Long-Term Obligations

Compensated Absences and Postemployment Benefits

Governmental activities record liabilities for compensated absences and retiree post-employment 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 premiums/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.

City of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2022

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

	Balance October 1, 2021	Borrowings or Increase	Payments or Decrease	Balance September 30, 2022	Due Within One Year
Primary government:					
Governmental activities:					
General obligation bonds	\$ 117,175,000	\$ 44,374,000	\$ (14,812,000)	\$ 146,737,000	\$ 7,443,000
Combination tax and revenue certificates of obligation	245,965,000	24,255,000	(52,265,000)	217,955,000	17,305,000
Tax increment and public improvement district bonds	9,050,000	-	(2,170,000)	6,880,000	545,000
General obligation pension bonds	-	77,515,000	-	77,515,000	3,230,000
Sales tax revenue bonds - Epic	68,235,000	-	(57,720,000)	10,515,000	2,475,000
Sales tax revenue bonds - Crime Control	5,245,000	-	(5,245,000)	-	-
Sales tax revenue bonds - Park Venue	16,485,000	61,550,000	(2,450,000)	75,585,000	2,770,000
Issuance premiums/discounts, net	27,203,630	2,435,227	(4,897,474)	24,741,383	-
Total long-term debt	489,358,630	210,129,227	(139,559,474)	559,928,383	33,768,000
Compensated absences	21,087,037	5,318,954	(2,658,574)	23,747,417	10,505,271
Other post-employment benefits liability	64,258,793	-	(9,918,958)	54,339,835	-
Net pension liability	49,226,664	-	(27,221,123)	22,005,541	-
Lease liabilities	-	5,475,428	(731,536)	4,743,892	623,872
Environmental remediation liability	27,350	3,000	(6,450)	23,900	23,900
Other liabilities	4,087,229	-	(678,882)	3,408,347	678,882
Total governmental activities	628,045,703	220,926,609	(180,774,997)	668,197,315	45,599,925
Business-type activities:					
Certificates of obligation	555,000	-	(175,000)	380,000	185,000
Water and wastewater revenue bonds	42,035,800	-	(5,295,000)	36,740,800	5,445,000
Issuance premiums/discounts, net	3,095,945	-	(271,733)	2,824,212	-
Total long-term debt	45,686,745	-	(5,741,733)	39,945,012	5,630,000
Compensated absences	623,744	60,177	(84,656)	599,265	473,285
Other post-employment benefits liability	6,685,833	-	(701,694)	5,984,139	-
Net pension liability	5,649,497	-	(3,226,152)	2,423,345	-
Lease liabilities	-	863,262	(237,825)	625,437	224,436
Closure and post closure liability	9,083,018	565,339	-	9,648,357	-
Total business-type activities	67,728,837	1,488,778	(9,992,060)	59,225,555	6,327,721
Total primary government	\$ 695,774,540	\$ 222,415,387	\$ (190,767,057)	\$ 727,422,870	\$ 51,927,646
Component unit activities:					
Housing Finance Corporation:					
Paycheck Protection Program- Note Payable	\$ 119,096	\$ 279,653	\$ -	\$ 398,749	\$ 398,749
Line of credit	3,500,282	41,759	(67,165)	3,474,876	68,740
Revenue bonds	6,640,000	-	(295,000)	6,345,000	315,000
Subordinate revenue bonds	4,550,000	-	-	4,550,000	-
Total Housing Finance Corporation	14,809,378	321,412	(362,165)	14,768,625	782,489
Local Government Corporation					
Environmental remediation liability	239,369	-	(239,369)	-	-
Total Local Government Corporation	239,369	-	(239,369)	-	-
Total component units	\$ 15,048,747	\$ 321,412	\$ (601,534)	\$ 14,768,625	\$ 782,489

City of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2022

At September 30, 2022, 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	\$ 2,815,000
Series 2013	1.5-3.25	2013	2033	10,975,000	325,000
Series 2013A	3.0-4.125	2014	2034	2,220,000	105,000
Series 2015	1.75-5.0	2016	2027	10,270,000	2,810,000
Series 2016	3.0-5.0	2016	2030	33,810,000	18,025,000
Series 2019	5.00	2020	2031	19,475,000	11,680,000
Series 2021	0.969-4.0	2021	2041	66,945,000	66,945,000
Series 2022A	2.0	2022	2034	17,136,000	17,022,000
Series 2022B	2.02	2022	2034	8,215,000	8,176,000
Series 2022C	2.04	2022	2035	19,023,000	18,834,000
Total general obligation bonds					146,737,000
General obligation pension bonds					
Series 2022	3.1-4.4	2022	2031	77,515,000	77,515,000
Total general obligation pension bonds					77,515,000
Combination tax and revenue certificates of obligation					
Series 2013	2.0-3.25	2013	2033	8,830,000	430,000
Series 2013A	2.0-4.125	2014	2034	11,945,000	555,000
Series 2014	3.0-5.0	2015	2034	26,125,000	4,795,000
Series 2015	2.0-5.0	2016	2035	27,380,000	4,500,000
Series 2016	2.0-4.0	2016	2036	33,705,000	24,940,000
Series 2017	2.25-5.0	2017	2037	36,515,000	22,790,000
Series 2018	2.0-4.0	2018	2039	40,605,000	34,945,000
Series 2019A	2.0-5.0	2019	2039	34,910,000	29,415,000
Series 2019B	1.5-3.0	2019	2034	34,305,000	31,995,000
Series 2021	2.0-4.5	2021	2041	23,215,000	22,765,000
Series 2021A	0.969-4.0	2021	2036	16,935,000	16,935,000
Series 2022	2.0-4.0	2022	2036	24,255,000	23,890,000
Total combination tax and revenue certificates of obligation					217,955,000
Tax increment and public improvement district debt					
Series 2015 PID 5	2.0-5.0	2016	2035	640,000	235,000
Series 2019 TIRZ 1	1.5-2.5	2019	2026	7,105,000	6,645,000
Total tax increment and public improvement district debt					6,880,000
Series 2009 Park Venue subordinate	3.77	2009	2027	13,390,000	5,115,000
Series 2013 Park Venue	2.0-4.0	2013	2027	11,060,000	3,840,000
Series 2016 Park Venue	2.0-4.0	2016	2036	6,730,000	5,410,000
Series 2022 Park Venue	2.1-3.0	2022	2037	61,550,000	61,220,000
Total Park Venue					75,585,000
Sales tax revenue debt					
Series 2015 EPIC	3.721-5.032	2015	2040	74,825,000	10,515,000
Total EPIC					10,515,000
Total general obligation debt					535,187,000
Unamortized bond premiums/discounts					24,741,383
Total long-term debt - governmental activities					\$ 559,928,383

City of Grand Prairie, Texas
Notes to the Basic Financial Statements
September 30, 2022

At September 30, 2022, changes in long-term debt for the City's governmental activities were as follows:

	Balance October 1, 2021	Borrowings or Increase	Payments or Decrease	Balance September 30, 2022	Due Within One Year
General obligation bonds:					
Series 2012	\$ 3,475,000	\$ -	\$ (660,000)	\$ 2,815,000	\$ 675,000
Series 2013	3,000,000	-	(2,675,000)	325,000	325,000
Series 2013A	1,615,000	-	(1,510,000)	105,000	105,000
Series 2015	6,015,000	-	(3,205,000)	2,810,000	910,000
Series 2016	20,440,000	-	(2,415,000)	18,025,000	2,540,000
Series 2019	15,685,000	-	(4,005,000)	11,680,000	2,855,000
Series 2021	66,945,000	-	-	66,945,000	-
Series 2022A	-	17,136,000	(114,000)	17,022,000	-
Series 2022B	-	8,215,000	(39,000)	8,176,000	23,000
Series 2022C	-	19,023,000	(189,000)	18,834,000	10,000
Total general obligation bonds	117,175,000	44,374,000	(14,812,000)	146,737,000	7,443,000
General obligation pension bonds:					
Series 2022	-	77,515,000	-	77,515,000	3,230,000
	-	77,515,000	-	77,515,000	3,230,000
Combination tax and revenue certificates of obligation					
Series 2013	5,915,000	-	(5,485,000)	430,000	430,000
Series 2013A	8,780,000	-	(8,225,000)	555,000	555,000
Series 2014	14,815,000	-	(10,020,000)	4,795,000	2,350,000
Series 2015	21,100,000	-	(16,600,000)	4,500,000	1,440,000
Series 2016	26,265,000	-	(1,325,000)	24,940,000	1,375,000
Series 2017	26,415,000	-	(3,625,000)	22,790,000	3,460,000
Series 2018	36,925,000	-	(1,980,000)	34,945,000	2,090,000
Series 2019A	31,295,000	-	(1,880,000)	29,415,000	1,950,000
Series 2019B	34,305,000	-	(2,310,000)	31,995,000	2,350,000
Series 2021	23,215,000	-	(450,000)	22,765,000	450,000
Series 2021A	16,935,000	-	-	16,935,000	-
Series 2022	-	24,255,000	(365,000)	23,890,000	855,000
Total combination tax and revenue certificates of obligation	245,965,000	24,255,000	(52,265,000)	217,955,000	17,305,000
Tax increment and public improvement district debt					
Series 2001 TIRZ 1	1,635,000	-	(1,635,000)	-	-
Series 2015 PID 5	310,000	-	(75,000)	235,000	80,000
Series 2019 - TIRZ 1	7,105,000	-	(460,000)	6,645,000	465,000
Total tax increment and public improvement district debt	9,050,000	-	(2,170,000)	6,880,000	545,000
Sales tax revenue debt:					
Crime Control					
Series 2008	5,245,000	-	(5,245,000)	-	-
Total Crime Control	5,245,000	-	(5,245,000)	-	-
Park Venue					
Series 2009 subordinate	6,245,000	-	(1,130,000)	5,115,000	1,175,000
Series 2013	4,570,000	-	(730,000)	3,840,000	755,000
Series 2016 Park Venue	5,670,000	-	(260,000)	5,410,000	260,000
Series 2022	-	61,550,000	(330,000)	61,220,000	580,000
Total Park Venue	16,485,000	61,550,000	(2,450,000)	75,585,000	2,770,000
EPIC					
Series 2015 EPIC	68,235,000	-	(57,720,000)	10,515,000	2,475,000
Total EPIC	68,235,000	-	(57,720,000)	10,515,000	2,475,000
Total change in long term debt	462,155,000	207,694,000	(134,662,000)	535,187,000	33,768,000
Unamortized bond premiums/discounts	27,203,630	2,435,227	(4,897,474)	24,741,383	-
Total change in long-term debt - governmental activities	\$ 489,358,630	\$ 210,129,227	\$ (139,559,474)	\$ 559,928,383	\$ 33,768,000

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

In February 2022, the City issued \$24,255,000 in Combination Tax and Revenue Certificates of Obligation, Series 2022. The Certificates were issued for the purpose of paying contractual obligations to be (i) renovating, improving and equipping existing buildings and facilities, to-wit: library renovations and municipal facilities renovations, (ii) improving and equipping fire station and police facilities, (iii) acquiring emergency vehicles for fire services, (iv) constructing and improving streets and bridges within the City, including the associated engineering for such streets and bridges and (v) professional services rendered in connection therewith.

In February 2022, the City issued \$61,550,000 in Sales Tax Refunding Bonds, Series 2022. \$55,345,000 was used to refund the outstanding Sales Tax Revenue Bonds, Taxable Series 2015, leaving no remaining outstanding principal as of September 30, 2022. As a result, the fully refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. The refunding resulted in a decrease in the City's debt service payments of \$7,523,615, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$5,848,825.

In February 2022, the City issued privately placed hybrid refunding bonds with Amegy bank including \$17,136,000 in General Obligation Refunding Bonds, Series 2022A; \$8,215,000 in General Obligation Refunding Bonds, Series 2022B; and \$19,023,000 in General Obligation Refunding Bonds, Series 2022C. \$7,700,000 was used to refund the outstanding Combination Tax and Revenue Certificates of Obligation Bonds, Series 2013A; \$1,410,000 General Obligation Bonds, Series 2013A; \$5,065,000 Combination Tax and Revenue Certificates of Obligation Bonds, Series 2013; \$2,360,000 General Obligation Refunding and Improvement Bonds, Series 2013; \$7,790,000 Combination Tax and Revenue Certificates Obligation, Series 2014; \$15,195,000 Combination Tax and Revenue Certificates of Obligation, Series 2015; and \$2,110,000 General Obligation Refunding Bonds, Series 2015 leaving no remaining outstanding principal on these bonds as of September 30, 2022. As a result, the fully refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. The refunding resulted in a decrease in the City's debt service payments of \$2,870,346, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$2,696,795.

In August 2022, the City issued \$77,715,000 in taxable General Obligation Pension Bonds, Series 2022. This allowed the city to pay down the prior service portion of its TMRS liability at a significant savings.

Outstanding Bond Debt Defeasement

At September 30, 2022, 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	\$ 97,020,000
Total debt defeasement	\$ 97,020,000

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

At September 30, 2022, 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
2023	\$ 7,443,000	\$ 3,857,375	\$ 11,300,375	\$ 17,305,000	\$ 7,224,626	\$ 24,529,626
2024	11,171,000	3,495,588	14,666,588	18,225,000	6,581,995	24,806,995
2025	11,067,000	3,072,232	14,139,232	12,110,000	6,010,090	18,120,090
2026	12,090,000	2,692,303	14,782,303	11,085,000	5,578,701	16,663,701
2027	12,396,000	2,358,737	14,754,737	11,385,000	5,181,530	16,566,530
2028	10,109,000	2,055,223	12,164,223	11,810,000	4,756,565	16,566,565
2029	10,179,000	1,788,232	11,967,232	12,260,000	4,315,148	16,575,148
2030	8,914,000	1,553,103	10,467,103	12,700,000	3,865,509	16,565,509
2031	8,736,000	1,354,885	10,090,885	13,145,000	3,420,112	16,565,112
2032	8,003,000	1,176,779	9,179,779	13,595,000	2,976,373	16,571,373
2033	8,174,000	1,013,964	9,187,964	14,030,000	2,534,009	16,564,009
2034	7,509,000	852,334	8,361,334	14,490,000	2,080,132	16,570,132
2035	5,711,000	711,510	6,422,510	11,835,000	1,653,426	13,488,426
2036	3,940,000	603,744	4,543,744	12,230,000	1,246,727	13,476,727
2037	4,040,000	505,391	4,545,391	8,810,000	879,700	9,689,700
2038	4,145,000	398,085	4,543,085	7,530,000	595,200	8,125,200
2039	4,255,000	287,961	4,542,961	7,795,000	332,025	8,127,025
2040	4,370,000	174,887	4,544,887	2,985,000	160,800	3,145,800
2041	4,485,000	58,798	4,543,798	3,060,000	85,325	3,145,325
2042	-	-	-	1,570,000	23,550	1,593,550
	<u>\$ 146,737,000</u>	<u>\$ 28,011,131</u>	<u>\$ 174,748,131</u>	<u>\$ 217,955,000</u>	<u>\$ 59,501,543</u>	<u>\$ 277,456,543</u>

Fiscal Year	Tax and Tax Increment Bonds (TIFs)			Sales Tax Revenue Bonds-EPIC		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 545,000	\$ 148,333	\$ 693,333	\$ 2,475,000	\$ 363,330	\$ 2,838,330
2024	550,000	136,834	686,834	2,575,000	262,330	2,837,330
2025	565,000	123,450	688,450	2,680,000	157,230	2,837,230
2026	5,220,000	58,203	5,278,203	2,785,000	51,815	2,836,815
	<u>\$ 6,880,000</u>	<u>\$ 466,820</u>	<u>\$ 7,346,820</u>	<u>\$ 10,515,000</u>	<u>\$ 834,705</u>	<u>\$ 11,349,705</u>

Fiscal Year	Sales Tax Revenue Bonds-Park Venue			Pension Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 2,770,000	\$ 2,047,595	\$ 4,817,595	\$ 3,230,000	\$ 2,752,151	\$ 5,982,151
2024	2,870,000	1,969,810	4,839,810	3,400,000	2,768,864	6,168,864
2025	2,975,000	1,885,670	4,860,670	3,710,000	2,653,344	6,363,344
2026	3,085,000	1,805,210	4,890,210	4,035,000	2,525,647	6,560,647
2027	4,705,000	1,695,205	6,400,205	4,380,000	2,384,821	6,764,821
2028	4,015,000	1,563,905	5,578,905	4,135,000	2,240,308	6,375,308
2029	4,125,000	1,454,860	5,579,860	4,460,000	2,092,039	6,552,039
2030	4,220,000	1,357,870	5,577,870	4,805,000	1,929,192	6,734,192
2031	4,325,000	1,254,543	5,579,543	5,165,000	1,749,950	6,914,950
2032	4,430,000	1,144,595	5,574,595	5,555,000	1,551,845	7,106,845
2033	4,555,000	1,027,605	5,582,605	5,970,000	1,330,734	7,300,734
2034	4,675,000	904,953	5,579,953	6,420,000	1,083,458	7,503,458
2035	4,800,000	776,516	5,576,516	6,900,000	809,334	7,709,334
2036	4,940,000	638,193	5,578,193	7,415,000	506,488	7,921,488
2037	4,565,000	500,951	5,065,951	7,935,000	173,737	8,108,737
2038	4,700,000	365,400	5,065,400	-	-	-
2039	4,840,000	222,300	5,062,300	-	-	-
2040	4,990,000	74,850	5,064,850	-	-	-
	<u>\$ 75,585,000</u>	<u>\$ 20,690,031</u>	<u>\$ 96,275,031</u>	<u>\$ 77,515,000</u>	<u>\$ 26,551,912</u>	<u>\$ 104,066,912</u>

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

Fiscal Year	Total		
	Principal	Interest	Total
2023	\$ 33,768,000	\$ 16,393,410	\$ 50,161,410
2024	38,791,000	15,215,421	54,006,421
2025	33,107,000	13,902,016	47,009,016
2026	38,300,000	12,711,879	51,011,879
2027	32,866,000	11,620,293	44,486,293
2028	30,069,000	10,616,001	40,685,001
2029	31,024,000	9,650,279	40,674,279
2030	30,639,000	8,705,674	39,344,674
2031	31,371,000	7,779,490	39,150,490
2032	31,583,000	6,849,592	38,432,592
2033	32,729,000	5,906,312	38,635,312
2034	33,094,000	4,920,877	38,014,877
2035	29,246,000	3,950,786	33,196,786
2036	28,525,000	2,995,152	31,520,152
2037	25,350,000	2,059,779	27,409,779
2038	16,375,000	1,358,685	17,733,685
2039	16,890,000	842,286	17,732,286
2040	12,345,000	410,537	12,755,537
2041	7,545,000	144,123	7,689,123
2042	1,570,000	23,550	1,593,550
	<u>\$ 535,187,000</u>	<u>\$ 136,056,142</u>	<u>\$ 671,243,142</u>

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 that 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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

At September 30, 2022, 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	\$ 2,365,000
Series 2011	2.0-4.25	2011	2031	8,940,000	130,000
Series 2013	2.0-4.0	2013	2026	14,045,000	4,810,000
Series 2014	0.0-1.990	2014	2030	4,000,000	2,075,000
Series 2015	2.25-4.0	2015	2027	4,155,000	2,295,000
Series 2016	2.0-5.0	2016	2036	17,625,000	12,930,000
Series 2017	0.0-0.8	2017	2030	5,110,000	3,160,000
Series 2017A	2.0-4.0	2017	2036	2,755,000	2,600,000
Series 2019	0.0-0.49	2019	2039	3,730,800	3,250,800
Series 2020	5	2020	2031	4,290,000	3,125,000
Total bonds payable - water wastewater					36,740,800
Unamortized bond premiums/discounts					2,824,212
Total long-term debt - water wastewater					39,565,012
Municipal airport:					
Certificates of obligation bonds					
Series 2004A	2.25-5.0	2004	2024	2,120,000	380,000
Total long-term debt - business-type activities					\$ 39,945,012

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

At September 30, 2022, changes in long-term debt for the City's business-type activities were as follows:

	Balance October 1, 2021	Borrowings or Increase	Payments or Decrease	Balance September 30, 2022	Due Within One Year
Water and wastewater:					
Revenue bonds					
Series 2010	\$ 2,620,000	\$ -	\$ (255,000)	\$ 2,365,000	\$ 265,000
Series 2011	770,000	-	(640,000)	130,000	130,000
Series 2013	6,210,000	-	(1,400,000)	4,810,000	1,435,000
Series 2014	2,320,000	-	(245,000)	2,075,000	245,000
Series 2015	2,700,000	-	(405,000)	2,295,000	420,000
Series 2016	14,070,000	-	(1,140,000)	12,930,000	1,525,000
Series 2017	3,550,000	-	(390,000)	3,160,000	390,000
Series 2017A	2,650,000	-	(50,000)	2,600,000	195,000
Series 2019	3,410,800	-	(160,000)	3,250,800	160,000
Series 2020	3,735,000	-	(610,000)	3,125,000	680,000
Total revenue bonds	42,035,800	-	(5,295,000)	36,740,800	5,445,000
Bond premiums/discounts	3,095,945		(271,733)	2,824,212	-
Total water and wastewater	45,131,745	-	(5,566,733)	39,565,012	5,445,000
Municipal airport:					
Certificate of obligation					
Series 2004A	555,000	-	(175,000)	380,000	185,000
Total municipal airport	555,000	-	(175,000)	380,000	185,000
Total change in long-term debt - business-type activities	\$ 45,686,745	\$ -	\$ (5,741,733)	\$ 39,945,012	\$ 5,630,000

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

At September 30, 2022, 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
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	2,865,800	313,748	3,179,548
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	160,000	392	160,392
Total	\$ 36,740,800	\$ 4,761,243	\$ 41,502,043

At September 30, 2022, 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
2023	\$ 185,000	\$ 14,375	\$ 199,375
2024	195,000	4,875	199,875
Total	\$ 380,000	\$ 19,250	\$ 399,250

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 are to be paid into the water and wastewater system interest and redemption account during each year.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

At September 30, 2022, compliance with these covenants can be demonstrated as follows:

System revenue ⁽¹⁾	\$ 100,128,368
Operating expenses:	
Water purchased	19,169,792
Sewage disposal contract	19,543,751
Other operating expenses	<u>33,016,525</u>
Total expenses ⁽²⁾	<u>71,730,068</u>
Net revenue (available for debt service)	<u>\$ 28,398,300</u>
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2022	\$ 2,441,297
Coverage of average annual requirements based on September 30, 2022 revenue available for debt service	11.63

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

(2) Excludes depreciation expense.

Grand Prairie Housing Finance Corporation

The GPHFC has a general obligation note payable to a bank that 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 continue 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. Forgiveness of this note has been shown as non-operating revenues on the statement of revenues, expenses and changed in net position

In March 2021, The Senior Living Center, under the umbrella of the management company, received an additional \$398,750 with a second loan under the Paycheck Protection Program. The loan is subject to a note dated April 1, 2021 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the 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 repaid at any time with no prepayment penalty. The note was forgiven in February 2022 and will be shown as nonoperating revenues in 2022.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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	\$ 279,653	\$ -	\$ 398,749	\$ 398,749
Note payable	1,991,231	-	(67,165)	1,924,066	68,740
Revenue bonds	6,640,000	-	(295,000)	6,345,000	315,000
Subordinate bonds	4,550,000	-	-	4,550,000	-
Developer loan	1,509,051	41,759	-	1,550,810	-
Total	\$ 14,809,378	\$ 321,412	\$ (362,165)	\$ 14,768,625	\$ 782,489

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
2022	\$ 68,740	\$ 80,517	\$ 315,000	\$ 485,731
2023	71,718	77,538	340,000	460,738
2024	74,827	74,429	370,000	434,000
2025	78,069	71,187	400,000	404,550
2026	81,354	67,902	430,000	372,163
2027-2031	463,377	282,907	2,085,000	1,124,331
2032-2036	572,873	173,409	2,405,000	384,206
2037-2040	513,108	42,852	-	-
Total	\$ 1,924,066	\$ 870,741	\$ 6,345,000	\$ 3,665,719

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

Leases- Lessee

The City has entered into multiple lease agreements as lessee for the right-to-use land, building, and equipment over the term of the lease. The City is required to make periodic payments at its incremental borrowing rate or the interest rate stated or implied within the leases. Effective October 1, 2021, the City implemented GASB Statement No. 87, Leases. At implementation of this statement, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term.

The City's lessee arrangements incur interest at rates of approximately 4% annually; all of which are accounted for within the City's governmental and business-type activities. All such arrangements range between 3 and 20 years in length.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

The annual debt service requirement to amortize the other lease liabilities outstanding at September 30, 2022, is as follows:

Fiscal Year	Governmental Activities Lease Liabilities		
	Principal	Interest	Total
2023	\$ 623,872	\$ 185,851	\$ 809,723
2024	581,628	160,786	742,414
2025	478,911	139,515	618,426
2026	460,396	120,659	581,055
2027	439,842	103,166	543,008
2028-2032	1,787,476	259,487	2,046,963
2033-2037	190,272	59,728	250,000
2038-2041	181,495	18,505	200,000
	<u>\$ 4,743,892</u>	<u>\$ 1,047,697</u>	<u>\$ 5,791,589</u>

Fiscal Year	Business Type Lease Liabilities		
	Principal	Interest	Total
2023	\$ 224,436	\$ 2,406	\$ 226,842
2024	396,837	866	397,703
2025	4,164	42	4,206
	<u>\$ 625,437</u>	<u>\$ 3,314</u>	<u>\$ 628,751</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 \$9,648,357 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 51.49% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and post-closure care of \$9,013,310 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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

Environmental Remediation Obligations

The City and the Grand Prairie Local Government Corporation have recorded liabilities related to environmental remediation in the amount of \$23,900 and \$0, 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 City owns the building and is responsible for the asbestos abatement located at 207 W. Main Street.
- The Grand Prairie Local Government Corporation owns the building and is responsible for the asbestos abatement located at 1000 W Main Street.

Environmental remediation liability activity for the primary government in fiscal year 2022 was as follows:

Property Description	Beginning Balance 9/30/2021	Additions	Reductions	Ending Balance 9/30/2022	Current Portion
Copeland Home Asbestos Abatement	\$ 20,900	\$ -	\$ -	\$ 20,900	\$ 20,900
Indoor Air Assessment Service Center	6,450	-	(6,450)	-	-
2017 W. Main Street	-	3,000	-	3,000	3,000
Total	\$ 27,350	\$ 3,000	\$ (6,450)	\$ 23,900	\$ 23,900

Environmental remediation liability activity for the discretely presented component unit, the Grand Prairie Local Government Corporation, in fiscal year 2022 was as follows:

Property Description	Beginning Balance 9/30/2021	Additions	Reductions	Ending Balance 9/30/2022	Current Portion
Bella Vista Asbestos Abatement	\$ 239,369	\$ -	\$ (239,369)	\$ -	\$ -
Total	\$ 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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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, 2022, the total liability equaled \$3,408,347.

I. Risk Management

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

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

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

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

The City's operating funds are charged premiums for coverage provided by the Risk Management Fund based on approved annual budgets with adjustments based on estimates of the amounts needed to pay prior and current-year claims. These inter-fund premiums are used to reduce the number 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, 2022 actuarial report was \$3,970,819.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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, 2022 were \$1,967,273.

At September 30, 2022, 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
2022	\$ 6,812,118	\$ 19,426,262	\$ 20,300,288	\$ 5,938,092
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

J. Defined Benefit Pension Plan

Plan Description

The City participates as one of 901 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.tmrs.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 benefits in one of seven payment 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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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	20 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.

Employees Covered by Benefit Terms

At the December 31, 2021 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	<u>1,372</u>
Total	<u>2,924</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are 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 17.44% and 17.23% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$18,294,897 and were equal to the required contributions.

Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 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

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

Salary increases were based on a service-related table. Mortality rates for post-retirement were based on the 2020 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Mortality rates for pre-retirement were based on PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Actuarial assumptions used in the December 31, 2021 valuation were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2019. They were first adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

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 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Real Return	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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, 2020	\$ 647,637,265	\$ 592,761,106	\$ 54,876,161
Changes for the year:			
Service cost	19,169,875		19,169,875
Interest	43,353,610		43,353,610
Change of benefit terms			-
Difference between expected and actual experience	9,672,049		9,672,049
Changes in assumptions		(29,893,010)	29,893,010
Contributions - employer		18,294,897	(18,294,897)
Contributions - employee		7,432,874	(7,432,874)
Net investment income		77,270,134	(77,270,134)
Benefit payments*	(29,893,010)		(29,893,010)
Administrative expense		(357,548)	357,548
Other changes		2,452	(2,452)
Net changes	42,302,524	72,749,799	(30,447,275)
Balance at December 31, 2021	<u>\$ 689,939,789</u>	<u>\$ 665,510,905</u>	<u>\$ 24,428,886</u>

* 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
\$ 121,619,455	\$ 24,428,886	\$ (55,321,332)

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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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

For the year ended September 30, 2022, the city recognized pension expense of \$5,650,410.

At September 30, 2022, 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]	\$ 9,042,558	\$ (2,037,225)
Difference in assumptions	464,984	-
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	-	(39,710,146)
Employer's contributions to the pension plan subsequent to the measurement date	14,514,462	-
	\$ 24,022,004	\$ (41,747,371)

The \$14,514,462 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, 2023. 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
2022	\$ (5,105,236)
2023	(14,738,990)
2024	(6,881,568)
2025	(5,609,792)
2026	95,757
Total	\$ (32,239,829)

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

September 30, 2022

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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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

Employees Covered by Benefit Terms

For retiree health insurance at the September 30, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	157
Active employees	1,334
	<hr/>
Total	1,491
	<hr/> <hr/>

For TMRS supplemental death at the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	684
Inactive employees entitled to but not yet receiving benefits	144
Active employees	1,380
	<hr/>
Total	2,208
	<hr/> <hr/>

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
	<hr/>
Over 65 Retiree (Grandfathered by age)	
Employee only	\$ 249
Employee plus spouse	338

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

	Monthly Health Care Premium		
	<hr/>		
Group		EPO	HDHP
Retiree Only	\$	293	\$ 192
Retiree + Spouse		551	404
Retiree + Children		606	324
Family		809	593

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

Total OPEB Liability

The City of Grand Prairie retiree health insurance total OPEB liability of \$54,616,488 was measured as of September 30, 2022, and was determined by an actuarial valuation as of that date.

The City of Grand Prairie TMRS supplemental death total OPEB liability of \$5,707,488 measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The retiree health insurance total OPEB liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.00%
Salary Increases	3.50%
Discount Rate	4.40%
Mortality rates - retirees	PUB-2010 (50% General, 50% Safety) Table projected using MP-2021

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, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Discount Rate	1.84%
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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

The discount rate is the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Change in OPEB Liability Retiree Health Insurance	Total OPEB Liability
Balance at September 30, 2021	\$ 65,656,336
Changes for the year:	
Service cost	4,499,147
Interest	1,655,278
Difference between expected and actual experience	(9,740,425)
Changes in assumptions	(5,338,583)
Benefit payments*	(2,115,267)
Net changes	(11,039,850)
Balance at September 30, 2022	\$ 54,616,486

Change in OPEB Liability TMRS Supplemental Death	Total OPEB Liability
Balance at December 31, 2020	\$ 5,288,290
Changes for the year:	
Service cost	254,608
Interest	107,145
Difference between expected and actual experience	(220)
Changes in assumptions	174,360
Benefit payments*	(116,695)
Net changes	419,198
Balance at December 31, 2021	\$ 5,707,488

*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 4.40%, 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 (3.40%) or 1 percentage point higher (5.40%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
1% Decrease	Current Discount Rate	1% Increase
\$ 60,352,172	\$ 54,616,486	\$ 49,602,403

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

The following presents the total OPEB liability of the City's TMRS supplemental plan calculated using the discount rate of 1.84%, 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 (0.84%) or 1 percentage point higher (2.84%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
Current		
1% Decrease	Discount Rate	1% Increase
\$ 6,973,707	\$ 5,707,488	\$ 4,732,240

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
\$ 48,661,295	\$ 54,616,486	\$ 61,722,369

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

For the year ended September 30, 2022, the City recognized total OPEB expense of \$1,677,487 which included \$1,072,037 related to Retiree Health Insurance and \$605,450 related to TMRS Supplemental Death.

At September 30, 2022, 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	\$ -	\$ (9,415,112)
Difference in assumptions	1,988,622	(4,775,941)
Difference in projected and actual earnings on OPEB plan investments	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	-	-
	<u>\$ 1,988,622</u>	<u>\$ (14,191,053)</u>

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

TMRS Supplemental Death

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in expected and actual experience	\$ -	\$ (235,764)
Difference in assumptions	986,448	-
Difference in projected and actual earnings on OPEB plan investments	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	33,732	-
	<u>\$ 1,020,180</u>	<u>\$ (235,764)</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$33,732 will be recognized as a reduction of the total OPEB liability in the City's financial statements September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

Retiree Health Insurance

<u>Measurement Period Ended September 30,</u>	<u>Net deferred outflows (inflows) of resources</u>
2023	\$ (2,967,123)
2024	(2,104,486)
2025	(2,104,486)
2026	(2,513,168)
2027	(2,513,168)
Total	<u>\$ (12,202,431)</u>

TMRS Supplemental Death

<u>Measurement Year Ended December 31,</u>	<u>Net deferred outflows (inflows) of resources</u>
2022	\$ 193,459
2023	186,381
2024	143,291
2025	105,115
2026	101,496
Thereafter	20,942
Total	<u>\$ 750,684</u>

City of Grand Prairie, Texas
 Notes to the Basic Financial Statements
 September 30, 2022

L. Fund Balance and Net Position

At September 30, 2022, fund balances were classified as follows:

	General	Section 8	Streets CIP	Grants	Debt Service	TIF #1 EPIC CIP	Nonmajor Governmental Funds	Total
Fund balances								
Nonspendable:								
Inventory and prepaids	\$ 334,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,311	\$ 427,941
Spendable:								
Restricted for:								
Employee Welfare	143,054	-	-	-	-	-	-	143,054
Library Memorials	40,274	-	-	-	-	-	-	40,274
At Risk Youths	39,627	-	-	-	-	-	-	39,627
Street Plan Review	20,873	-	-	-	-	-	-	20,873
State Training (Fire)	1,521	-	-	-	-	-	-	1,521
Prairie Paws Adoptions	193,014	-	-	-	-	-	-	193,014
Section 8	-	2,258,593	-	-	-	-	-	2,258,593
Street Improvements	-	-	13,502,845	-	-	-	-	13,502,845
Grants	-	-	-	14,239,803	-	-	-	14,239,803
Debt Service	-	-	-	-	1,914,931	-	-	1,914,931
TIF #1 EPIC CIP	-	-	-	-	-	32,085,104	-	32,085,104
Park Venue	-	-	-	-	-	-	11,234,223	11,234,223
Streets	-	-	-	-	-	-	4,416,611	4,416,611
Crime	-	-	-	-	-	-	7,094,755	7,094,755
EPIC Center	-	-	-	-	-	-	15,141,072	15,141,072
Hotel Motel	-	-	-	-	-	-	2,723,559	2,723,559
Police Seizure	-	-	-	-	-	-	551,811	551,811
Municipal Court	-	-	-	-	-	-	102,259	102,259
Red Light Safety	-	-	-	-	-	-	1,137,417	1,137,417
Lake Parks	-	-	-	-	-	-	5,209,862	5,209,862
Tree Preservation	-	-	-	-	-	-	65,200	65,200
Public Improvement Districts	-	-	-	-	-	-	5,083,551	5,083,551
Tax Increment Financing	-	-	-	-	-	-	17,737,284	17,737,284
Other special revenue	-	-	-	-	-	-	405,117	405,117
Park Venue Capital Projects	-	-	-	-	-	-	2,447,562	2,447,562
Fire Capital Projects	-	-	-	-	-	-	1,830,439	1,830,439
Municipal Facilities Capital Projects	-	-	-	-	-	-	7,451,961	7,451,961
Police Capital Projects	-	-	-	-	-	-	630,787	630,787
Other Capital Projects	-	-	-	-	-	-	1,432,257	1,432,257
Total restricted	438,363	2,258,593	13,502,845	14,239,803	1,914,931	32,085,104	84,695,727	149,135,366
Committed to:								
Street Improvements	-	-	7,124,114	-	-	-	-	7,124,114
TIF #1 EPIC CIP	-	-	-	-	-	14,173,198	-	14,173,198
Cable Operations	-	-	-	-	-	-	452,892	452,892
Verizon Theatre	-	-	-	-	-	-	816,040	816,040
Cemetery	-	-	-	-	-	-	5,723,856	5,723,856
Drainage Capital Projects	-	-	-	-	-	-	13,774,045	13,774,045
Other Capital Projects	-	-	-	-	-	-	15,767,140	15,767,140
Capital Lending/Reserve	-	-	-	-	-	-	12,125,603	12,125,603
Total committed	-	-	7,124,114	-	-	14,173,198	48,659,576	69,956,888
Assigned to:								
Home Match Cash	67,382	-	-	-	-	-	-	67,382
KGPB Commissions	1,814	-	-	-	-	-	-	1,814
Youth Scholarship Fund	5,102	-	-	-	-	-	-	5,102
State Training (Police)	40,739	-	-	-	-	-	-	40,739
Fire- State Supplemental Funds	1,105,418	-	-	-	-	-	-	1,105,418
Hall of Fame Trust Fund	14,321	-	-	-	-	-	-	14,321
Kirby Creek Accessibility Garden	7,791	-	-	-	-	-	-	7,791
US Marshals Service Agreement	275,365	-	-	-	-	-	-	275,365
GPPD Boxing Program	24,331	-	-	-	-	-	-	24,331
GPPD Explorer Program	12,931	-	-	-	-	-	-	12,931
GPPD Mounted Patrol	558	-	-	-	-	-	-	558
Total assigned	1,555,752	-	-	-	-	-	-	1,555,752
Unassigned	36,248,742	-	-	-	-	-	-	36,248,742
Total fund balances	\$ 38,577,487	\$ 2,258,593	\$ 20,626,959	\$ 14,239,803	\$ 1,914,931	\$ 46,258,302	\$ 133,448,614	\$ 257,324,689

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

At September 30, 2022 the net position restricted for other specific purposes in the governmental activities equaled \$15,815,583 and was primarily made up of fund balance restricted at the fund level for the General Fund and the Grants Fund.

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 to construct and operate water treatment for the transmission and storage facilities necessary to supply treated water to several area cities. The City has also agreed to contractually pay TRA annually an amount sufficient to 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. Currently Grand Prairie can take 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 (\$312,607, per MGD) 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 2 MGD during the term of the contract. Beginning in February 2015, the City began purchasing water from the City of Midlothian, the average rate in FY 2022 was 1.5 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, 2022, 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 18.34% during fiscal year 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.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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. In FY 22, we contributed 6.44% to this system. The City is obligated to pay annual minimum fees equivalent to 21.9 million gallons of flow. For the fiscal year ending September 30, 2022, the City paid \$388,200.

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 the 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 the lessee and operator of the Performance Hall. The lease between the City and Anschutz Texas, L. P. expires September 30, 2023. Monthly lease payments from the lessee of the Performance Hall is used to paying 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 in 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 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, 2022. The City's total committed but unexpended expenditures for such authorized capital projects at year-end approximates \$62,815,768. Funding for these contracts will be received through various capital projects funds and enterprise funds.

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

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, 2022, 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	\$ 1,733,493
Capital assets	14,583,447
Deferred outflows of resources	86,499
Total assets and deferred outflows of resources	16,403,439
Current liabilities	439,547
Long-term liabilities	480,051
Deferred inflows of resources	623,567
Total liabilities and deferred inflows of resources	1,543,165
Net position: Net investment in capital assets	14,200,247
Net position: Unrestricted	660,027
Total net position	\$ 14,860,274
Condensed statement of revenues, expenses and changes in net position:	
Sales to customers	\$ 1,980,530
Intergovernmental revenue	89,670
Miscellaneous	775,132
Total operating revenues	2,845,332
Depreciation	1,023,850
Other operating expenses	2,405,910
Total operating expenses	3,429,760
Interest expense	(13,485)
Total nonoperating revenues (expenses)	(13,485)
Loss before transfers	(597,913)
Transfers in	435,235
Transfers out	(148,000)
Change in net position	(310,678)
Net position at the beginning of the year	15,170,952
Net position at the end of the year	\$ 14,860,274
Condensed statement of cash flows:	
Net cash provided (used) by:	
Operating activities	325,488
Noncapital financing activities	287,235
Capital and related financing activities	(244,157)
Investing activities	-
Beginning cash and cash equivalent balances	347,935
Ending cash and cash equivalent balances	\$ 716,501

City of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2022

O. Tax Abatements and Economic Incentive Agreements

The City has incentive agreements with companies that may refund or rebate certain 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 on 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 agreed 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 2021 certified roll (used for the 2022 fiscal year), the City's abatement agreements with two companies resulted in \$34,154,519 in appraised values, totaling \$227,127 in taxes abated on the 2021 certified tax roll (used for the 2022 fiscal year).

P. Subsequent Events

On November 9, 2022, the City issued \$8,000,000 General Obligation Bonds, Series 2022. The proceeds of the issuance are intended for promoting economic development throughout the City, through street and other infrastructure expansion.

On November 16, 2022, the City issued in \$10,765,000 Water and Wastewater Revenue Bonds, Series 2022. The proceeds of the issuance are intended for improving, extending, and/or repairing the City's Water and Wastewater systems.

On February 15, 2023, the City issued \$46,000,000 in Combination Tax and Revenue Certificates of Obligation, Series 2023. The proceeds of the issuance are intended for use on street projects and some repairs, updates on existing police, fire, and municipal facilities; and designing, constructing, and equipping a new public safety building.

The City has evaluated all events or transactions that occurred after September 30, 2022 through March 29, 2023, the date the financial statements were available to be issued. During this period, there were no subsequent events requiring disclosure other than the item noted above.

Required Supplementary Information



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City of Grand Prairie, Texas

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – General Fund

For the Year Ended September 30, 2022

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Property tax	\$ 77,682,955	\$ 77,682,955	\$ 76,978,418	\$ (704,537)
Sales tax	37,657,270	37,657,270	46,306,003	8,648,733
Other taxes	256,420	256,420	512,483	256,063
Franchise fees	14,157,473	14,157,473	15,030,726	873,253
Charges for goods and services	5,082,935	5,082,935	6,330,214	1,247,279
Licenses and permits	3,312,500	3,312,500	3,912,829	600,329
Fines and forfeitures	5,481,262	5,481,262	5,365,427	(115,835)
Intergovernmental revenue	1,443,830	1,443,830	2,337,015	893,185
General and administrative	5,711,236	5,711,236	5,711,236	-
Rents and royalties	220,500	220,500	249,133	28,633
Investment income	3,500,150	3,500,150	(9,358,717)	(12,858,867)
Contributions	11,450	11,450	77,352	65,902
Other	681,145	681,145	807,928	126,783
Total revenues	155,199,126	155,199,126	154,260,047	(939,079)
EXPENDITURES				
Support services	35,219,093	35,219,093	37,794,625	(2,575,532)
Public safety services	94,381,380	94,381,380	141,209,072	(46,827,692)
Recreation and leisure services	3,039,691	3,039,691	9,698,425	(6,658,734)
Development and other services	14,901,991	14,901,991	20,653,720	(5,751,729)
Capital outlay	1,477,116	1,477,116	6,725,441	(5,248,325)
Debt service:				
Principal payments	-	-	579,929	(579,929)
Interest expense	3,925	3,925	797,598	(793,673)
Total expenditures	149,023,196	149,023,196	217,458,810	(68,435,614)
Excess (deficiency) of revenues over (under) expenditures	6,175,930	6,175,930	(63,198,763)	(69,374,693)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,000,000	4,000,000
Transfers out	(17,933,014)	(17,933,014)	(36,635,834)	(18,702,820)
Proceeds from bonds issued	-	-	77,515,000	77,515,000
Proceeds from lease arrangements	-	-	5,016,328	5,016,328
Proceeds from sale of capital assets	1,271,795	1,271,795	1,874,382	602,587
Total other financing sources (uses)	(16,661,219)	(16,661,219)	51,769,876	68,431,095
Net change in fund balances	(10,485,289)	(10,485,289)	(11,428,887)	(943,598)
Fund balance - beginning of year	50,006,374	50,006,374	50,006,374	-
Fund balances - end of year	\$ 39,521,085	\$ 39,521,085	\$ 38,577,487	\$ (943,598)

City of Grand Prairie, Texas

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget To Actual – Section 8 Fund
 For the Year Ended September 30, 2022

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for goods and service	\$ 9,718,762	\$ 9,718,762	\$ 9,598,477	\$ (120,285)
Licenses and permits	396,576	396,576	287,578	(108,998)
Intergovernmental	37,507,668	37,507,668	38,631,430	1,123,762
Other	40,000	40,000	28,545	(11,455)
Total revenues	47,663,006	47,663,006	48,546,030	883,024
EXPENDITURES				
Development services and other	12,875,856	12,875,856	48,454,732	(35,578,876)
Capital outlay	-	-	282,600	(282,600)
Debt service:				
Principal retirement	-	6,636	6,636	-
Interest and other charges	-	526	526	-
Total expenditures	12,875,856	12,883,018	48,744,494	(35,861,476)
Excess (deficiency) of revenues over (under) expenditures	34,787,150	34,779,988	(198,464)	(34,978,452)
OTHER FINANCING SOURCES (USES)				
Proceeds from lease arrangements	-	-	16,732	16,732
Total other financing sources (uses)	-	-	16,732	16,732
Net change in fund balances	34,787,150	34,779,988	(181,732)	(34,961,720)
Fund balance - beginning of year	2,440,325	2,440,325	2,440,325	-
Fund balances - end of year	\$ 37,227,475	\$ 37,220,313	\$ 2,258,593	\$ (34,961,720)

City of Grand Prairie, Texas

Required Supplementary Information Schedule of Changes in Postemployment Benefits – Retiree Health Plan Last Five Years

	Year Ended September 30, 2022	Year Ended September 30, 2021	Year Ended September 30, 2020	Year Ended September 30, 2019	Year Ended September 30, 2018
Total OPEB liability					
Service cost	\$ 4,499,145	\$ 4,393,270	\$ 2,196,598	\$ 2,115,572	\$ 2,173,026
Interest	1,655,278	1,578,726	2,214,000	2,162,740	2,210,196
Difference between expected and actual experience	(9,740,425)	-	(1,525,154)	-	(3,213,084)
Change in assumptions	(5,338,583)	-	3,977,244	-	(1,962,733)
Benefit payments	(2,115,265)	(2,859,417)	(1,502,382)	(2,895,397)	(2,566,843)
Net changes	(11,039,850)	3,112,579	5,360,306	1,382,915	(3,359,438)
Total OPEB liability - beginning	65,656,336	62,543,757	57,183,451	55,800,536	59,159,975
Total OPEB liability - ending	\$ 54,616,486	\$ 65,656,336	\$ 62,543,757	\$ 57,183,451	\$ 55,800,537
Covered payroll	\$ 100,109,281	\$ 95,252,838	\$ 93,333,982	\$ 88,677,027	\$ 82,283,716
Total OPEB liability as a percentage of covered payroll	54.56%	68.93%	67.01%	64.49%	67.81%

Notes to schedule:

Valuation Date: September 30, 2022

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Inflation	3.00%
Salary Increases	3.50%
Discount Rate	4.40%
Retirees' share of benefit-related cost	\$0
Mortality rates - retirees	PUB-2010 (50% safety, 50% general) table projected using MP-2021

Note:

The City implemented GASB 75 in FY 2018; therefore, the required information for this schedule will be built over the next five years.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the above OPEB plan.

City of Grand Prairie, Texas

Required Supplementary Information Schedule of Changes in Postemployment Benefits – Texas Municipal Retirement System Last Four Years

	Measurement Period December 31, 2021	Measurement Period December 31, 2020	Measurement Period December 31, 2019	Measurement Period December 31, 2018
Total OPEB liability				
Service cost	\$ 254,608	\$ 191,195	\$ 147,917	\$ 149,994
Interest	107,145	123,620	158,603	122,449
Difference between expected and actual experience	(220)	(93,363)	(760,883)	600,432
Change in assumptions	174,360	687,282	692,831	(257,696)
Benefit payments	(116,695)	(40,252)	(39,444)	(37,499)
Net changes	419,198	868,482	199,024	577,680
Total OPEB liability - beginning	5,288,290	4,419,808	4,220,784	3,643,104
Total OPEB liability - ending	\$ 5,707,488	\$ 5,288,290	\$ 4,419,808	\$ 4,220,784
Covered payroll	\$ 106,086,747	\$ 100,628,856	\$ 98,611,365	\$ 93,746,412
Total OPEB liability as a percentage of covered payroll	5.38%	5.26%	4.48%	4.50%

Notes to schedule:

Valuation Date: December 31, 2021

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Discount Rate	1.84%
Retirees' share of benefit-related cost	\$0
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.

Note:

The City implemented GASB 75 in FY 2018; therefore, the required information for this schedule will be built over the next six years.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the above OPEB plan.

City of Grand Prairie, Texas
 Required Supplementary Information
 Schedule of Contributions –
 Texas Municipal Retirement System
 Last Nine Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contributions	\$ 12,564,308	\$ 12,624,823	\$ 12,870,593	\$ 14,209,636	\$ 14,427,366	\$ 15,114,190	\$ 16,638,630	\$ 16,938,302	\$ 18,294,897
Contributions in relation to the actuarially determined contribution	(12,564,308)	(12,624,823)	(12,870,593)	(14,209,636)	(14,427,366)	(15,114,190)	(16,638,630)	(16,938,302)	(18,294,897)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 71,874,373	\$ 75,773,968	\$ 79,933,264	\$ 87,729,762	\$ 92,501,160	\$ 97,088,542	\$ 101,022,198	\$ 103,708,360	\$ 114,088,711
Contributions as a percentage of covered payroll	17.48%	16.66%	16.10%	16.20%	15.60%	15.57%	16.47%	16.33%	16.04%

Notes to the Schedule of Contributions

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen months later.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	24 years (longest ladder amortization ladder)
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other information

Notes: There were no benefit changes during the year.

Note: The City implemented GASB 68 in FY 2015; therefore, the required information for this schedule will be built in the next year.

City Of Grand Prairie, Texas

Required Supplementary Information Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System Last Eight Fiscal Years

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
Total pension liability								
Service Cost	\$ 11,158,122	\$ 13,141,028	\$ 14,199,234	\$ 15,171,279	\$ 16,602,489	\$ 17,424,628	\$ 18,113,194	\$ 19,169,875
Interest (on the Total Pension Liability)	31,213,003	32,633,468	33,350,744	35,239,052	37,557,203	39,278,509	41,452,842	43,353,610
Changes of benefit terms	-	-	-	-	4,761,778	-	-	-
Difference between expected and actual experience	(2,414,327)	1,187,598	565,461	1,775,160	(2,432,011)	2,850,261	(2,363,879)	9,672,049
Changes of assumptions	-	596,665	-	-	-	1,142,147	-	-
Benefit payments ¹	(20,404,488)	(20,907,275)	(19,483,058)	(21,770,002)	(24,869,802)	(28,406,023)	(29,248,955)	(29,893,010)
Net change in total pension liability	19,552,310	26,651,484	28,632,381	30,415,489	31,619,657	32,289,522	27,953,202	42,302,524
Total pension liability - beginning	450,523,220	470,075,530	496,727,014	525,359,395	555,774,884	587,394,541	619,684,063	647,637,265
Total pension liability - ending (a)	470,075,530	496,727,014	525,359,395	555,774,884	587,394,541	619,684,063	647,637,265	689,939,789
Plan fiduciary net position								
Contributions - employer	12,810,193	13,141,016	12,990,875	14,427,366	15,114,190	16,638,630	16,938,302	18,294,897
Contributions - employee	5,156,977	5,596,768	5,806,017	6,292,394	6,565,122	6,905,686	7,047,274	7,432,874
Net investment income	22,838,073	618,807	28,210,612	61,623,079	(15,122,712)	75,171,025	42,208,241	77,270,134
Benefit payments ¹	(20,404,488)	(20,907,275)	(19,483,058)	(21,770,002)	(24,869,801)	(28,406,022)	(29,248,955)	(29,893,010)
Administrative Expense	(238,441)	(376,914)	(318,599)	(319,350)	(292,270)	(424,746)	(273,140)	(357,548)
Other	(19,604)	(18,616)	(17,165)	(16,184)	(15,270)	(12,758)	(10,657)	2,452
Net change in plan fiduciary net position	20,142,710	(1,946,214)	27,188,682	60,237,303	(18,620,741)	69,871,815	36,661,065	72,749,799
Plan fiduciary net position - beginning	399,226,484	419,369,194	417,422,980	444,611,662	504,848,965	486,228,224	556,100,039	592,761,104
Plan fiduciary net position - ending (b)	419,369,194	417,422,980	444,611,662	504,848,965	486,228,224	556,100,039	592,761,104	665,510,903
Net pension liability (a) - (b)	\$ 50,706,336	\$ 79,304,034	\$ 80,747,733	\$ 50,925,919	\$ 101,166,317	\$ 63,584,024	\$ 54,876,161	\$ 24,428,886
Plan fiduciary net position as a percentage of the total pension liability (b) / (a)	89.21%	84.03%	84.63%	90.84%	82.78%	89.74%	91.53%	96.46%
Covered payroll	\$ 73,471,045	\$ 87,729,762	\$ 82,939,452	\$ 88,720,932	\$ 93,746,412	\$ 98,611,365	\$ 100,628,856	\$ 106,086,747
Net pension liability as a percentage of covered payroll	69.02%	90.40%	97.36%	57.40%	107.91%	64.48%	54.53%	23.03%

As of December 31

¹ Amounts reported includes refunds of employee contributions.

Note: The City implemented GASB 68 in FY 2015; therefore, the required information for this schedule will be built over the next two years.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the above pension plan.

City Of Grand Prairie, Texas

Required Supplementary Information

Notes to the Required Supplementary Information

A. Budget Law and Practice

Annual budgets are adopted on a basis that is consistent with accounting principles generally accepted in the United States. The City uses the modified accrual basis of accounting and the current financial resources measurement focus for all adopted budgets. Encumbered appropriations are carried forward to the next fiscal year and become part of the new fiscal year's appropriations, while unencumbered appropriations lapse at fiscal year-end. Appropriations for certain special revenue funds and capital project funds are controlled on a project basis and are carried forward each year until the project is completed or the grant receipts are expended.

The City's five-year capital projects plan is updated and approved annually during the budget process. The City Council approves annual appropriations and funding sources.

The Section 8 budget is presented annually on a calendar-year basis and is based on a combination of historical data and estimated appropriations from the Department of Housing and Urban Development (HUD) Section 8 program. Policy decisions at the federal level, increases in rental subsidies, and the expansion of the number of clients served due to unforeseen circumstances may require a higher voucher subsidy and can affect the financial component of each voucher. Accordingly, expenditures may exceed budget, but only to the extent that this increase will be offset by a like increase in revenues as received from HUD for the management and administration of the Section 8 voucher program. HUD monitors the financial activity and unit activity of the Section 8 program each month through required submissions via the Voucher Management System (VMS).

B. Budgetary Control

The legal level of budgetary control is at the fund level for all governmental and enterprise funds. The City Manager is authorized to amend budgeted appropriations between line items, categories, and departments within the same fund as long as total appropriations for the fund do not change. Any amendments that change total appropriations at the fund level must be approved by the City Council.



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Other Supplementary Information



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City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Debt Service Fund

For the Year Ended September 30, 2022

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Property tax	\$ 37,298,993	\$ 37,298,993	\$ 37,247,627	\$ (51,366)
Total revenues	37,298,993	37,298,993	37,247,627	(51,366)
EXPENDITURES				
Debt service:				
Principal retirement	23,579,500	23,579,500	25,907,000	(2,327,500)
Interest	13,772,647	13,772,647	14,473,507	(700,860)
Total expenditures	37,352,147	37,352,147	40,380,507	(3,028,360)
Excess (deficiency) of revenues over (under) expenditures	(53,154)	(53,154)	(3,132,880)	(3,079,726)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(189,375)	(189,375)
Premium on debt issued	-	-	462,688	462,688
Refunding bonds issued	-	-	105,927,637	105,927,637
Payments for refunded debt	-	-	(104,940,704)	(104,940,704)
Total other financing sources	-	-	1,260,246	1,260,246
Net change in fund balances	(53,154)	(53,154)	(1,872,634)	(1,819,480)
Fund balances - beginning of year	3,787,565	3,787,565	3,787,565	-
Fund balances - end of the year	\$ 3,734,411	3,734,411	\$ 1,914,931	\$ (1,819,480)

City of Grand Prairie, Texas
Combining Financial Statements
Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used by the City to account for revenues derived from specific taxes, fees, donations, and grants which are restricted or committed for specific purposes other than for debt service or capital projects.

- “ Park Venue Sales Tax – funded by a one-quarter cent sales and use tax levied by the citizens of Grand Prairie for the specific purpose of funding park and recreational services including the Senior Center, Uptown Theatre, Ruthe Jackson Center, Bowles Life Center, and the Baseball Stadium.
- “ Street Sales Tax – funded by a one-quarter cent sales and use tax levied by the citizens of Grand Prairie for the specific purpose of maintaining and improving of the City's existing streets and alleys.
- “ Crime Sales Tax – funded by a one-quarter cent sales and use tax levied by the citizens of Grand Prairie to pay principal and interest on debt related to the construction of the Public Safety Building and to fund salaries and benefits for twenty-four new police officers.
- “ Epic Center Sales Tax – funded by a one-quarter cent sales and use tax levied by the citizens of Grand Prairie to pay principal and interest on debt related to the construction of the Epic Center.
- “ Hotel/Motel Occupancy Tax – accounts for the receipts and allocation of the City's seven percent hotel-motel tax revenue in accordance with the requirements of state law.
- “ Police Seizures – accounts for police-seized assets pending court cases and for forfeitures awarded by County courts from assets seized by the Grand Prairie Police Department.
- “ Municipal Court – accounts for fees collected through municipal court fines for the specific use of maintaining security for municipal court buildings and for municipal court technology.
- “ Cable Operations – accounts for the revenue collected through cable companies for government access programming. This revenue is committed by the City Council for the operations and improvements to the City's cable channel.
- “ Red Light Safety – accounts for street light camera operations and is funded from red light citations. The purpose of this fund is to improve major street intersection safety.
- “ Lake Parks – accounts for the activity of the City's four major parks surrounding Joe Pool Lake. All revenues generated are restricted for the operation of these parks by the lease agreement with U. S. Corps of
- “ Tree Preservation - accounts for the funds and activity dedicated to preserving the City's trees.
- “ Cemetery – accounts for operations of Grand Prairie Memorial Gardens and Mausoleum. Net proceeds from operations are committed by the City Council for the perpetual care of the cemetery.
- “ Public Improvement Districts (PIDs) – accounts for the activity of the City's nineteen PIDs.
- “ Tax Increment Financing Districts (TIFs) – accounts for the activity of the City's two TIFs and is supported primarily from revenues collected through inter-local property tax increment funding.

City of Grand Prairie, Texas
Combining Financial Statements
Nonmajor Governmental Funds

- “ Verizon Theatre - accounts for monthly lease payments used to pay debt service on the bonds issued by the City for the purchase of the performance hall.
- “ Commercial Vehicle Enforcement – accounts for various fees collected through municipal court fines restricted for operations relating to commercial vehicle enforcement.
- “ Juvenile Case Manager – accounts for various fees collected through municipal court fines restricted for operations relating to the Juvenile Case Manager.
- “ Truancy Prevention Diversion – accounts for various fees collected through municipal court fines restricted for operations relating to truancy prevention.
- “ Municipal Court Judicial Efficiency – accounts for various fees collected through municipal court fines restricted for operations relating to judicial efficiency.

Budget to Actual Comparisons

These schedules present budget to actual comparisons for special revenue funds with legally adopted budgets

Capital Projects Funds

Capital Projects Funds are used to account for capital improvements which are financed by general obligation

- “ Park Venue – accounts for construction, improvements, and other capital expenditures related to the City's park system and is financed partly from funds transferred from the Park Venue Special Revenue Fund.
- “ Fire – accounts for construction, improvements, and other capital expenditures related to the City's Fire Department.
- “ Municipal Facilities (MFAC) – accounts for construction, improvements, and other capital expenditures related to City departments that do not utilize a separate capital project fund.
- “ Drainage – accounts for construction, improvements, and other capital expenditures related to the City's drainage system.
- “ Police – accounts for construction, improvements, and other capital expenditures related to the City's Police Department.
- “ Other Capital Projects – accounts for construction, improvements, and other capital expenditures related to other City departments including the Senior Center, Lake Parks (other than Park Venue), Crime Tax, Library, and one-time equipment acquisition funds.
- “ Capital Lending and Reserve – established for short-term financing of capital projects and for one-time, non-recurring capital expenditures not budgeted in other capital project funds.

City of Grand Prairie, Texas
Combining Balance Sheets
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue				
	Park			Epic Center	
	Venue	Streets	Crime	Sales Tax	Hotel
	Sales Tax	Sales Tax	Sales Tax	Fund	Motel Tax
ASSETS					
Cash and cash equivalents	\$ 302,737	\$ 47,984	\$ 237,862	\$ 75,644	\$ 333,855
Investments	2,638,165	1,000,000	4,700,000	-	300,000
Sales tax receivable	2,074,314	2,074,314	2,061,875	2,074,314	-
Franchise fees receivable	-	-	-	-	-
Lease receivables	-	-	-	-	-
Other receivables	22,235	-	8,368	36,274	353,083
Due from other funds	7,000,000	2,500,000	500,000	13,219,636	2,000,000
Inventory	14,042	-	-	8,582	-
Prepays	3,225	-	-	-	-
Total assets	12,054,718	5,622,298	7,508,105	15,414,450	2,986,938
LIABILITIES					
Accounts payable	421,341	1,205,687	283,243	154,128	253,319
Retainage payable	-	-	-	-	-
Accrued liabilities	133,412	-	130,107	84,664	10,060
Customer deposits	45,700	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	202,775	-	-	26,004	-
Total liabilities	803,228	1,205,687	413,350	264,796	263,379
DEFERRED INFLOWS OF RESOURCES					
Related to leases	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable	17,267	-	-	8,582	-
Restricted	11,234,223	4,416,611	7,094,755	15,141,072	2,723,559
Committed	-	-	-	-	-
Total fund balances	11,251,490	4,416,611	7,094,755	15,149,654	2,723,559
Total liabilities, deferred inflows of resources and fund balances	\$ 12,054,718	\$ 5,622,298	\$ 7,508,105	\$ 15,414,450	\$ 2,986,938

Special Revenue

Police Seizure	Municipal Court	Cable Operations	Red Light Safety	Lake Parks	Tree Preservation	Cemetery	PID	Tax Increment Financing Districts
\$ 121,656	\$ 11,467	\$ 10,961	\$ 495,762	\$ 467,811	\$ 65,200	\$ 182,163	\$ 29,283	\$ 48,242
-	100,000	420,803	200,000	1,410,523	-	700,000	-	-
-	-	-	-	-	-	-	-	-
-	-	52,190	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,411	-	-	627,565	-	-	635,400	27,672	-
500,000	-	-	500,000	3,500,000	-	6,500,000	5,500,000	19,000,000
-	-	-	-	8,762	-	-	-	-
-	-	-	-	14,933	-	-	43,767	-
623,067	111,467	483,954	1,823,327	5,402,029	65,200	8,017,563	5,600,722	19,048,242
45,595	6,435	27,561	685,910	86,811	-	2,493	473,404	1,310,958
-	-	-	-	-	-	-	-	-
25,661	2,773	3,501	-	35,624	-	12,424	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	46,037	-	2,278,790	-	-
71,256	9,208	31,062	685,910	168,472	-	2,293,707	473,404	1,310,958
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	23,695	-	-	43,767	-
551,811	102,259	-	1,137,417	5,209,862	65,200	-	5,083,551	17,737,284
-	-	452,892	-	-	-	5,723,856	-	-
551,811	102,259	452,892	1,137,417	5,233,557	65,200	5,723,856	5,127,318	17,737,284
<u>\$ 623,067</u>	<u>\$ 111,467</u>	<u>\$ 483,954</u>	<u>\$ 1,823,327</u>	<u>\$ 5,402,029</u>	<u>\$ 65,200</u>	<u>\$ 8,017,563</u>	<u>\$ 5,600,722</u>	<u>\$19,048,242</u>

Continued

City of Grand Prairie, Texas
Combining Balance Sheets
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue				
	Verizon Theatre	Commercial Vehicle Enforcement	Juvenile Case Manager	Truancy Prevention Diversion	Judicial Efficiency
ASSETS					
Cash and cash equivalents	\$ (779,105)	\$ 19,089	\$ 35,655	\$ 35,448	\$ 68,483
Investments	1,425,000	-	-	-	-
Sales tax receivable	-	-	-	-	-
Franchise fees receivable	-	-	-	-	-
Lease Receivables	220,789	-	-	-	-
Other receivables	-	-	-	-	-
Due from other funds	250,000	250,000	-	-	-
Inventory	-	-	-	-	-
Prepays	-	-	-	-	-
Total assets	1,116,684	269,089	35,655	35,448	68,483
LIABILITIES					
Accounts payable	-	765.00	1,073	-	353
Retainage payable	-	-	-	-	-
Accrued liabilities	-	-	-	1,367	-
Customer deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	765	1,073	1,367	353
DEFERRED INFLOWS OF RESOURCES					
Related to leases	300,644	-	-	-	-
Total deferred inflows of resources	300,644	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	268,324	34,582	34,081	68,130
Committed	816,040	-	-	-	-
Total fund balances	816,040	268,324	34,582	34,081	68,130
Total liabilities, deferred inflows of resources and fund balances	\$ 1,116,684	\$ 269,089	\$ 35,655	\$ 35,448	\$ 68,483

Capital Projects

Park Venue CIP	Fire CIP	Municipal Facilities CIP	Drainage CIP	Police CIP	Other CIP	Capital Lending/ Reserve	Total Nonmajor Governmental Funds
\$ 471,249	\$ 264,735	\$ 509,398	\$ 506,742	\$142,462	\$ 9,160,376	\$ 81,826	\$ 12,946,985
1,800,000	1,300,000	6,756,181	10,500,000	-	300,000	5,000,000	38,550,672
-	-	-	-	-	-	-	8,284,817
-	-	-	-	-	-	-	52,190
-	-	-	-	-	-	942,298	220,789
-	-	-	-	-	-	-	2,654,306
500,000	500,000	500,000	3,000,000	500,000	8,000,000	6,371,317	80,590,953
-	-	-	-	-	-	-	31,386
-	-	-	-	-	-	-	61,925
2,771,249	2,064,735	7,765,579	14,006,742	642,462	17,460,376	12,395,441	143,394,023
232,734	234,296	313,618	175,674	11,675	260,979	5,695	6,193,747
-	-	-	57,023	-	-	-	57,023
-	-	-	-	-	-	-	439,593
-	-	-	-	-	-	-	45,700
90,953	-	-	-	-	-	-	90,953
-	-	-	-	-	-	264,143	2,817,749
323,687	234,296	313,618	232,697	11,675	260,979	269,838	9,644,765
-	-	-	-	-	-	-	300,644
-	-	-	-	-	-	-	300,644
-	-	-	-	-	-	-	93,311
2,447,562	1,830,439	7,451,961	-	630,787	1,432,257	-	84,695,727
-	-	-	13,774,045	-	15,767,140	12,125,603	48,659,576
2,447,562	1,830,439	7,451,961	13,774,045	630,787	17,199,397	12,125,603	133,448,614
\$ 2,771,249	\$ 2,064,735	\$ 7,765,579	\$ 14,006,742	\$ 642,462	\$ 17,460,376	\$ 12,395,441	\$ 143,394,023

Concluded

City of Grand Prairie, Texas

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended September 30, 2022

	Special Revenue				
	Park			Epic Center	
	Venue	Streets	Crime	Sales Tax	Hotel
	Sales Tax	Sales Tax	Sales Tax	Fund	Motel Tax
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	11,765,408	11,765,408	11,696,500	11,765,408	-
Other taxes	-	-	-	-	3,072,382
Charges for goods and services	2,314,067	-	-	1,321,254	4,297
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	251,500	-	-
Rents and royalties	621,632	-	-	147,253	-
Lease Interest Income	-	-	-	-	-
Investment income	-	-	-	-	-
Contributions	191,841	-	-	3,590,153	-
Other	-	-	-	-	227
Total revenues	14,892,948	11,765,408	11,948,000	16,824,068	3,076,906
EXPENDITURES					
Current operations:					
Support services	-	-	-	-	-
Public safety services	-	-	7,542,525	-	-
Recreation and leisure services	13,311,977	-	-	3,425,093	2,127,975
Development services and other	-	6,573,380	-	-	-
Capital outlay	380,311	5,586,464	1,111	30,437	17,567
Debt service:					
Principal retirement	2,163,556	-	5,245,000	2,706,063	5,861
Interest charges	458,754	-	85,352	2,361,959	565
Total expenditures	16,314,598	12,159,844	12,873,988	8,523,552	2,151,968
Excess (deficiency) of revenues over (under) expenditures	(1,421,650)	(394,436)	(925,988)	8,300,516	924,938
OTHER FINANCING SOURCES (USES)					
Transfers in	7,127,204	1,600,736	-	116,666	-
Transfers out	(4,697,605)	-	-	(1,900,000)	(71,500)
Proceeds from bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Proceeds from lease arrangements	260,620	-	-	5,491	17,567
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	2,690,219	1,600,736	-	(1,777,843)	(53,933)
Net change in fund balances	1,268,569	1,206,300	(925,988)	6,522,673	871,005
Fund balances - beginning of year	9,982,921	3,210,311	8,020,743	8,626,981	1,852,554
Fund balances - end of year	\$ 11,251,490	\$ 4,416,611	\$ 7,094,755	\$ 15,149,654	\$ 2,723,559

Special Revenue

Police Seizure	Municipal Court	Cable Operations	Red Light Safety	Lake Parks	Tree Preservation	Cemetery	PID	Tax Increment Financing Districts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,016,065
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	4,342,660	-	2,535,344	5,414,568	-
-	-	-	-	225,655	65,200	-	-	-
-	223,851	-	-	-	-	-	-	-
484,972	-	-	-	-	-	-	-	-
-	-	-	-	1,770,719	-	-	-	-
-	-	-	-	-	-	-	-	-
1,992	-	-	-	-	-	-	-	-
-	-	-	-	10,000	-	-	18,357	-
68,048	-	224,026	-	74,840	-	-	3,767	-
555,012	223,851	224,026	-	6,423,874	65,200	2,535,344	5,436,692	6,016,065
-	-	276,399	-	-	-	-	-	-
242,856	340,250	-	59,804	-	-	-	-	1,140,783
-	-	-	-	3,911,276	-	1,128,838	-	-
-	-	-	-	-	-	-	5,187,961	-
-	-	-	-	105,545	-	390,330	538,915	1,310,958
-	-	-	-	11,801	-	1,515	153,282	-
-	-	-	-	2,054	-	152	11,918	-
242,856	340,250	276,399	59,804	4,030,676	-	1,520,835	5,892,076	2,451,741
312,156	(116,399)	(52,373)	(59,804)	2,393,198	65,200	1,014,509	(455,384)	3,564,324
-	-	-	-	(741,000)	-	-	227,589	-
-	-	-	-	-	-	-	(16,000)	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	39,771	-	4,714	105,205	-
-	-	-	-	7,450	-	17,000	-	-
-	-	-	-	(693,779)	-	21,714	316,794	-
312,156	(116,399)	(52,373)	(59,804)	1,699,419	65,200	1,036,223	(138,590)	3,564,324
239,655	218,658	505,265	1,197,221	3,534,138	-	4,687,633	5,265,908	14,172,960
\$ 551,811	\$ 102,259	\$ 452,892	\$ 1,137,417	\$ 5,233,557	\$ 65,200	\$ 5,723,856	\$ 5,127,318	\$ 17,737,284

Continued

City of Grand Prairie, Texas

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended September 30, 2022

	Special Revenue				
	Verizon Theatre	Commercial Vehicle Enforcement	Juvenile Case Manager	Truancy Prevention Diversion	Judicial Efficiency
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Charges for goods and services	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	148,661	12,911	117,864	6,224
Intergovernmental	-	-	-	-	-
Rents and royalties	969,278	-	-	-	-
Lease Interest Income	24,645	-	-	-	-
Investment income	-	-	-	-	-
Contributions	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	993,923	148,661	12,911	117,864	6,224
EXPENDITURES					
Current operations:					
Support services	-	-	-	-	-
Public safety services	-	37,692	-	98,001	5,569
Recreation and leisure services	-	-	-	-	-
Development services and other	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	1,635,000	-	-	-	-
Interest charges	3,691	-	-	-	-
Total expenditures	1,638,691	37,692	-	98,001	5,569
Excess (deficiency) of revenues over (under) expenditures	(644,768)	110,969	12,911	19,863	655
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Proceeds from lease arrangements	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(644,768)	110,969	12,911	19,863	655
Fund balances - beginning of year	1,460,808	157,355	21,671	14,218	67,475
Fund balances - end of year	\$ 816,040	\$ 268,324	\$ 34,582	\$ 34,081	\$ 68,130

Capital Projects

Park Venue CIP	Fire CIP	Municipal Facilities CIP	Drainage CIP	Police CIP	Other CIP	Capital Lending/ Reserve	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,016,065
-	-	-	-	-	-	-	46,992,724
-	-	-	-	-	-	-	3,072,382
-	-	-	-	-	-	-	15,932,190
-	-	-	-	-	-	24,013	314,868
-	-	-	-	-	-	-	509,511
-	-	-	-	-	-	-	736,472
-	-	-	-	-	-	1,963,138	5,472,020
-	-	-	-	-	-	-	24,645
-	-	-	-	-	-	-	1,992
225,000	-	-	-	-	-	-	4,035,351
-	-	-	-	-	-	-	370,908
225,000	-	-	-	-	-	1,987,151	83,479,128
-	-	-	-	-	-	-	276,399
-	167,929	-	-	60,000	-	-	9,695,409
1,695,024	-	-	-	-	146,405	-	25,746,588
-	-	1,476,546	501,558	-	2,078,059	112,541	15,930,045
1,769,920	1,603,259	1,947,588	2,597,466	160,195	2,739,723	4,286,847	23,466,636
-	-	-	-	-	-	-	11,922,078
-	39,492	47,350	-	8,874	1,025	-	3,021,186
3,464,944	1,810,680	3,471,484	3,099,024	229,069	4,965,212	4,399,388	90,058,341
(3,239,944)	(1,810,680)	(3,471,484)	(3,099,024)	(229,069)	(4,965,212)	(2,412,237)	(6,579,213)
3,750,000	-	-	5,600,000	-	16,455,494	14,148,000	48,284,689
(59,412)	-	-	-	-	-	(13,219,294)	(19,963,811)
-	2,631,198	3,154,708	-	591,272	68,281	-	6,445,459
-	213,982	256,557	-	48,085	5,553	-	524,177
-	-	-	-	-	-	-	433,368
-	-	-	-	-	-	-	24,450
3,690,588	2,845,180	3,411,265	5,600,000	639,357	16,529,328	928,706	35,748,332
450,644	1,034,500	(60,219)	2,500,976	410,288	11,564,116	(1,483,531)	29,169,119
1,996,918	795,939	7,512,180	11,273,069	220,499	5,635,281	13,609,134	104,279,495
<u>\$ 2,447,562</u>	<u>\$ 1,830,439</u>	<u>\$ 7,451,961</u>	<u>\$ 13,774,045</u>	<u>\$ 630,787</u>	<u>\$ 17,199,397</u>	<u>\$ 12,125,603</u>	<u>\$ 133,448,614</u>

Concluded

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Park Venue Sales Tax

For the Year Ended September 30, 2022

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Sales tax	\$ 9,611,192	\$ 9,611,192	\$ 11,765,408	\$ 2,154,216
Charges for goods and services	3,138,625	3,138,625	2,314,067	(824,558)
Rents and royalties	699,825	699,825	621,632	(78,193)
Contributions	120,500	120,500	191,841	71,341
Total revenues	13,570,142	13,570,142	14,892,948	1,322,806
EXPENDITURES				
Current operations:				
Recreation and leisure services	14,888,373	14,888,373	13,311,977	1,576,396
Capital outlay	192,000	192,000	380,311	(188,311)
Debt service:				
Principal retirement	2,120,000	2,120,000	2,163,556	(43,556)
Interest charges	499,468	499,468	458,754	40,714
Total expenditures	17,699,841	17,699,841	16,314,598	1,385,243
Excess (deficiency) of revenues over (under) expenditures	(4,129,699)	(4,129,699)	(1,421,650)	2,708,049
OTHER FINANCING SOURCES (USES)				
Transfers in	7,059,949	7,059,949	7,127,204	67,255
Transfers out	(4,947,605)	(4,947,605)	(4,697,605)	250,000
Proceeds from lease arrangements	-	-	260,620	260,620
Total other financing sources (uses)	2,112,344	2,112,344	2,690,219	577,875
Net change in fund balances	(2,017,355)	(2,017,355)	1,268,569	3,285,924
Fund balances - beginning of year	9,982,921	9,982,921	9,982,921	-
Fund balances - end of year	\$ 7,965,566	\$ 7,965,566	\$ 11,251,490	\$ 3,285,924

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Streets Sales Tax

For the Year Ended September 30, 2022

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Sales tax	\$ 9,611,192	\$ 9,611,192	\$ 11,765,408	\$ 2,154,216
Total revenues	9,611,192	9,611,192	11,765,408	2,154,216
EXPENDITURES				
Current operations:				
Development services and other	-	-	6,573,380	(6,573,380)
Capital outlay	-	-	5,586,464	(5,586,464)
Total expenditures	-	-	12,159,844	(12,159,844)
Excess (deficiency) of revenues over (under) expenditures	9,611,192	9,611,192	(394,436)	(10,005,628)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,600,736	1,600,736	1,600,736	-
Total other financing sources (uses)	1,600,736	1,600,736	1,600,736	-
Net change in fund balances	11,211,928	11,211,928	1,206,300	(10,005,628)
Fund balances - beginning of year	3,210,311	3,210,311	3,210,311	-
Fund balances - end of year	\$ 14,422,239	\$ 14,422,239	\$ 4,416,611	\$ (10,005,628)

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Crime Sales Tax Fund

For the Year Ended September 30, 2022

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	
REVENUES				
Sales tax	\$ 9,611,192	\$ 9,611,192	\$ 11,696,500	\$ 2,085,308
Intergovernmental revenue	204,696	204,696	251,500	46,804
Total revenues	9,815,888	9,815,888	11,948,000	2,132,112
EXPENDITURES				
Current operations:				
Public safety services	7,691,030	7,691,030	7,542,525	148,505
Capital outlay	-	-	1,111	(1,111)
Debt service:				
Principal retirement	5,245,000	5,245,000	5,245,000	-
Interest charges	231,230	231,230	85,352	145,878
Total expenditures	13,167,260	13,167,260	12,873,988	293,272
Excess (deficiency) of revenues over (under) expenditures	(3,351,372)	(3,351,372)	(925,988)	2,425,384
Fund balances - beginning of year	8,020,743	8,020,743	8,020,743	-
Fund balances - end of year	\$ 4,669,371	\$ 4,669,371	\$ 7,094,755	\$ 2,425,384

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Epic Center Sales Tax Fund

For the Year Ended September 30, 2022

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Sales tax	\$ 9,611,192	\$ 9,611,192	\$ 11,765,408	\$ 2,154,216
Charges for goods and services	2,647,500	2,647,500	1,321,254	(1,326,246)
Rents and royalties	160,000	160,000	147,253	(12,747)
Contributions	1,209,500	1,209,500	3,590,153	2,380,653
Total revenues	13,628,192	13,628,192	16,824,068	3,195,876
EXPENDITURES				
Current operations:				
Recreation and leisure services	4,960,516	4,960,516	3,425,093	1,535,423
Capital outlay	30,000	30,000	30,437	(437)
Debt service:				
Principal retirement	2,375,000	2,375,000	2,706,063	(331,063)
Interest charges	3,085,112	3,085,112	2,361,959	723,153
Total expenditures	10,450,628	10,450,628	8,523,552	1,927,076
Excess (deficiency) of revenues over (under) expenditures	3,177,564	3,177,564	8,300,516	5,122,952
OTHER FINANCING SOURCES (USES)				
Transfers in	116,666	116,666	116,666	-
Transfers out	(1,900,000)	(1,900,000)	(1,900,000)	-
Proceeds from lease arrangements	-	-	5,491	5,491
Total other financing sources (uses)	(1,783,334)	(1,783,334)	(1,777,843)	5,491
Net change in fund balances	1,394,230	1,394,230	6,522,673	5,128,443
Fund balances - beginning of year	8,626,981	8,626,981	8,626,981	-
Fund balances - end of year	\$ 10,021,211	\$ 10,021,211	\$ 15,149,654	\$ 5,128,443

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget To Actual – Hotel/Motel Sales Tax Fund

For the Year Ended September 30, 2022

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Other taxes	\$ 2,025,000	\$ 2,025,000	\$ 3,072,382	\$ 1,047,382
Charges for goods and services	3,250	3,250	4,297	1,047
Other	1,000	1,000	227	(773)
Total revenues	2,029,250	2,029,250	3,076,906	1,047,656
EXPENDITURES				
Current operations:				
Recreation and leisure services	2,483,079	2,483,079	2,127,975	355,104
Capital outlay	-	-	17,567	(17,567)
Debt service:				
Principal	-	-	5,861	(5,861)
Interest Charges	-	-	565	(565)
Total expenditures	2,483,079	2,483,079	2,151,968	336,972
Excess (deficiency) of revenues over (under) expenditures	(453,829)	(453,829)	924,938	1,378,767
OTHER FINANCING USES				
Transfers out	(71,500)	(71,500)	(71,500)	-
Proceeds from lease arrangements	-	-	17,567	17,567
Total other financing uses	(71,500)	(71,500)	(53,933)	17,567
Net change in fund balances	(525,329)	(525,329)	871,005	1,396,334
Fund balances - beginning of year	1,852,554	1,852,554	1,852,554	-
Fund balances - end of year	\$ 1,327,225	\$ 1,327,225	\$ 2,723,559	\$ 1,396,334

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Municipal Court Funds

For the Year Ended September 30, 2022

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Fines and forfeitures	\$ 224,300	\$ 224,300	\$ 223,851	\$ (449)
Total revenues	224,300	224,300	223,851	(449)
EXPENDITURES				
Current operations:				
Public safety	361,103	361,103	340,250	20,853
Total expenditures	361,103	361,103	340,250	20,853
Excess (deficiency) of revenues over (under) expenditures	(136,803)	(136,803)	(116,399)	20,404
Fund balances - beginning of year	218,658	218,658	218,658	-
Fund balances - end of year	\$ 81,855	\$ 81,855	\$ 102,259	\$ 20,404

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Cable Operations Fund

For the Year Ended September 30, 2022

	Budget		Actual	Variance with
	Original	Final	GAAP	Final Budget- Favorable (Unfavorable)
			Basis	
REVENUES				
Other	\$ 254,000	\$ 254,000	\$ 224,026	\$ (29,974)
Total revenues	254,000	254,000	224,026	(29,974)
EXPENDITURES				
Current operations:				
Support services	276,502	276,502	276,399	103
Total expenditures	276,502	276,502	276,399	103
Excess (deficiency) of revenues over (under) expenditures	(22,502)	(22,502)	(52,373)	(29,871)
Fund balances - beginning of year	505,265	505,265	505,265	-
Fund balances - end of year	\$ 482,763	\$ 482,763	\$ 452,892	\$ (29,871)

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Red Light Safety Fund

For the Year Ended September 30, 2022

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget- Favorable (Unfavorable)
EXPENDITURES				
Current operations:				
Public safety services	\$ 59,500	\$ 59,500	\$ 59,804	\$ (304)
Total expenditures	59,500	59,500	59,804	(304)
Excess (deficiency) of revenues over (under) expenditures	(59,500)	(59,500)	(59,804)	(304)
Fund balances - beginning of year	1,197,221	1,197,221	1,197,221	-
Fund balances - end of year	\$ 1,137,721	\$ 1,137,721	\$ 1,137,417	\$ (304)

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Lake Parks Fund

For the Year Ended September 30, 2022

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Charges for goods and services	\$ 3,560,500	\$ 3,560,500	\$ 4,342,660	\$ 782,160
Licenses and permits	175,000	175,000	225,655	50,655
Rents and royalties	1,447,000	1,447,000	1,770,719	323,719
Contributions	30,000	30,000	10,000	(20,000)
Other	36,500	36,500	74,840	38,340
Total revenue	5,249,000	5,249,000	6,423,874	1,174,874
EXPENDITURES				
Current operations:				
Recreation and leisure services	4,471,501	4,471,501	3,911,276	560,225
Capital outlay	316,690	316,690	105,545	211,145
Debt service:				
Principal retirement	260,000	260,000	11,801	248,199
Interest charges	70,500	70,500	2,054	68,446
Total expenditures	5,118,691	5,118,691	4,030,676	1,088,015
Excess (deficiency) of revenues over (under) expenditures	130,309	130,309	2,393,198	2,262,889
OTHER FINANCING SOURCES (USES)				
Transfers in	(741,000)	(741,000)	(741,000)	-
Proceeds from lease arrangements	-	-	39,771	39,771
Proceeds from sale of capital assets	-	-	7,450	7,450
Total other financing sources (uses)	(741,000)	(741,000)	(693,779)	47,221
Net change in fund balances	(610,691)	(610,691)	1,699,419	2,310,110
Fund balances - beginning of year	3,534,138	3,534,138	3,534,138	-
Fund balances - end of year	\$ 2,923,447	\$ 2,923,447	\$ 5,233,557	\$ 2,310,110

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Cemetery Fund

For the Year Ended September 30, 2022

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Charges for goods and services	\$ 1,475,000	\$ 1,475,000	\$ 2,535,344	\$ 1,060,344
Total revenues	1,475,000	1,475,000	2,535,344	1,060,344
EXPENDITURES				
Current operations:				
Recreation and leisure services	1,163,245	1,163,245	1,128,838	34,407
Capital outlay	17,400	17,400	390,330	(372,930)
Debt Service				
Principal payments	-	-	1,515	(1,515)
Interest Charges	-	-	152	(152)
Total expenditures	1,180,645	1,180,645	1,520,835	(340,190)
Excess (deficiency) of revenues over (under) expenditures	294,355	294,355	1,014,509	720,154
OTHER FINANCING USES				
Proceeds from sale of capital assets	-	-	17,000	17,000
Proceeds from lease arrangements	-	-	4,714	4,714
Transfers out	(60,000)	(60,000)	-	60,000
Total other financing uses	(60,000)	(60,000)	21,714	81,714
Net change in fund balances	234,355	234,355	1,036,223	801,868
Fund balances - beginning of year	4,687,633	4,687,633	4,687,633	-
Fund balances - end of year	\$ 4,921,988	\$ 4,921,988	\$ 5,723,856	\$ 801,868

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Juvenile Case Manager Fund

For the Year Ended September 30, 2022

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget- Favorable (Unfavorable)
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 12,911	\$ 12,911
Total revenues	-	-	12,911	12,911
Excess (deficiency) of revenues over (under) expenditures	-	-	12,911	12,911
Fund balances - beginning of year	-	-	21,671	21,671
Fund balances - end of year	\$ -	\$ -	\$ 34,582	\$ 34,582

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Truancy Prevention Diversion Fund

For the Year Ended September 30, 2022

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 125,150	\$ 125,150	\$ 117,864	\$ (7,286)
Total revenues	125,150	125,150	117,864	(7,286)
EXPENDITURES				
Current operations:				
Public safety services	103,182	103,182	98,001	5,181
Total expenditures	103,182	103,182	98,001	5,181
Excess (deficiency) of revenues over (under) expenditures	21,968	21,968	19,863	(2,105)
Net change in fund balances	21,968	21,968	19,863	(2,105)
Fund balances - beginning of year	14,218	14,218	14,218	-
Fund balances - end of year	\$ 36,186	\$ 36,186	\$ 34,081	\$ (2,105)

City of Grand Prairie, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Judicial Efficiency Fund

For the Year Ended September 30, 2022

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 10,726	\$ 10,726	\$ 6,224	\$ (4,502)
Total revenues	10,726	10,726	6,224	(4,502)
EXPENDITURES				
Current operations:				
Public safety services	10,600	10,600	5,569	5,031
Total expenditures	10,600	10,600	5,569	5,031
Excess (deficiency) of revenues over (under) expenditures	126	126	655	529
Fund balances - beginning of year	67,475	67,475	67,475	-
Fund balances - end of year	\$ 67,601	\$ 67,601	\$ 68,130	\$ 529

City of Grand Prairie, Texas
Combining Financial Statements
Nonmajor Enterprise Funds
September 30, 2022

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Council is 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 where the City Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income (loss), is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The reporting entity has three nonmajor enterprise funds which include:

- “ Municipal Airport Fund – accounts for the Grand Prairie Municipal Airport, a general aviation airport which has revenues from fixed-base operators' leases, City-owned hangar leases, and fuel sales. City employees operate and maintain airport facilities.
- “ Municipal Golf Fund – accounts for the operations and maintenance of the Prairie Lakes Golf Course and the Tangle Ridge Golf Course.
- “ Storm Water Utility Fund – accounts for the receipt of storm water utility fees for construction, operations, and maintenance of the City's storm water drainage system.

City of Grand Prairie, Texas
Combining Statements of Net Position
Nonmajor Enterprise Funds
September 30, 2022

	Municipal Airport	Municipal Golf	Storm Water Utility	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 716,501	\$ 1,692,102	\$ 1,417,056	\$ 3,825,659
Investments	214,684	400,000	1,250,000	1,864,684
Lease receivables	443,810	-	-	443,810
Accounts receivable, net	211,030	30,107	511,676	752,813
Inventories and supplies	66,333	37,239	-	103,572
Restricted assets:				
Investments	81,135	-	-	81,135
Total current assets	1,733,493	2,159,448	3,178,732	7,071,673
Noncurrent assets:				
Capital assets:				
Land	183,923	568,284	7,500	759,707
Buildings	15,070,143	1,854,835	-	16,924,978
Equipment	911,139	907,563	755,852	2,574,554
Infrastructure	12,719,595	9,975,109	30,197,370	52,892,074
Right to use leased assets	4,714	775,073	-	779,787
Construction in progress	297,187	-	-	297,187
Less: accumulated depreciation/ amortization	(14,603,254)	(12,274,614)	(7,680,183)	(34,558,051)
Total noncurrent assets	14,583,447	1,806,250	23,280,539	39,670,236
Total assets	16,316,940	3,965,698	26,459,271	46,741,909
DEFERRED OUTFLOWS OF RESOURCES				
Related to OPEB	9,629	25,876	19,256	54,761
Related to TMRS pension	76,870	206,589	153,741	437,200
Total deferred outflows	86,499	232,465	172,997	491,961
LIABILITIES				
Current liabilities:				
Accounts payable	19,887	91,043	324,346	435,276
Accrued interest	2,427	-	-	2,427
Accrued liabilities	8,961	36,281	18,242	63,484
Compensated absences	37,897	44,680	31,063	113,640
Unearned revenue	102,672	-	-	102,672
Current portion of long-term debt	186,568	195,994	-	382,562
Current liabilities payable from restricted assets:				
Customer deposits	81,135	-	-	81,135
Total current liabilities	439,547	367,998	373,651	1,181,196
Noncurrent liabilities:				
Compensated absences	12,210	11,116	13,175	36,501
Other post-employment benefits	193,037	518,786	386,074	1,097,897
Net pension liability	78,172	210,088	156,345	444,605
Long-term debt	196,632	367,240	-	563,872
Total noncurrent liabilities	480,051	1,107,230	555,594	2,142,875
Total liabilities	919,598	1,475,228	929,245	3,324,071
DEFERRED INFLOWS OF RESOURCES				
Related to leases	443,810	-	-	443,810
Related to OPEB	46,165	124,071	92,332	262,568
Related to TMRS pension	133,592	359,027	267,183	759,802
Total deferred inflows of resources	623,567	483,098	359,515	1,466,180
NET POSITION				
Net investment in capital assets	14,200,247	1,243,016	23,280,539	38,723,802
Unrestricted	660,027	996,821	2,062,969	3,719,817
Total net position	\$ 14,860,274	\$ 2,239,837	\$ 25,343,508	\$ 42,443,619

City of Grand Prairie, Texas

Combining Statements of Revenues, Expenses,
and Changes In Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Municipal Airport	Municipal Golf	Storm Water Utility	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charge for services	\$ 1,980,530	\$ 3,327,831	\$ 8,056,518	\$ 13,364,879
Intergovernmental revenue	89,670	-	-	89,670
Miscellaneous	775,132	-	-	775,132
Total operating revenues	2,845,332	3,327,831	8,056,518	14,229,681
OPERATING EXPENSES				
Salaries and benefits	712,463	1,963,268	1,545,471	4,221,202
Supplies and miscellaneous purchases	1,250,181	317,832	43,247	1,611,260
Purchased services	317,568	853,728	519,009	1,690,305
General and administrative costs	65,347	-	77,827	143,174
Franchise fees	-	-	322,653	322,653
Miscellaneous	60,351	100,413	164,091	324,855
Depreciation/amortization	1,023,850	565,419	849,017	2,438,286
Total operating expenses	3,429,760	3,800,660	3,521,315	10,751,735
Operating income (loss)	(584,428)	(472,829)	4,535,203	3,477,946
NONOPERATING REVENUES (EXPENSES)				
Interest expense	(13,485)	(1,715)	-	(15,200)
Total nonoperating revenues (expenses)	(13,485)	(1,715)	-	(15,200)
Income (loss) before contributions and transfers	(597,913)	(474,544)	4,535,203	3,462,746
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	-	-	4,004,672	4,004,672
Transfers in	435,235	1,310,748	491,720	2,237,703
Transfers out	(148,000)	-	(5,600,000)	(5,748,000)
Total contributions and transfers	287,235	1,310,748	(1,103,608)	494,375
Change in net position	(310,678)	836,204	3,431,595	3,957,121
Net position - beginning of the year	15,170,952	1,403,633	21,911,913	38,486,498
Net position - end of year	\$ 14,860,274	\$ 2,239,837	\$ 25,343,508	\$ 42,443,619

City of Grand Prairie, Texas
Combining Statements of Cash Flow
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Municipal Airport	Municipal Golf	Storm Water Utility	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Cash receipts from customers	\$ 1,951,273	\$ 3,344,093	\$ 8,064,796	\$ 13,360,162
Cash receipts from other governments	89,670	-	-	89,670
Other operating cash receipts	775,132	-	-	775,132
Cash payments to suppliers for goods and services	(1,670,132)	(1,331,662)	(477,645)	(3,479,439)
Cash payments to employees for services	(755,108)	(2,215,812)	(1,495,660)	(4,466,580)
Cash payments for interfund services used	-	-	(322,653)	(322,653)
Other operating cash payments	(65,347)	-	(77,827)	(143,174)
Net cash provided by (used in) operating activities	325,488	(203,381)	5,691,011	5,813,118
Cash flows from non-capital financing activities:				
Transfers from other funds	435,235	1,310,748	491,720	2,237,703
Transfers to other funds	(148,000)	-	(5,600,000)	(5,748,000)
Net cash provided by (used in) non-capital financing activities	287,235	1,310,748	(5,108,280)	(3,510,297)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(53,116)	(58,549)	(178,965)	(290,630)
Principal paid on debt	(176,514)	(211,839)	-	(388,353)
Interest paid on debt	(14,527)	(1,715)	-	(16,242)
Net cash provided by (used in) capital and related financing activities	(244,157)	(272,103)	(178,965)	(695,225)
Net (decrease) increase in cash and cash equivalents	368,566	835,264	403,766	1,607,596
Cash and cash equivalents - beginning of year	347,935	856,838	1,013,290	2,218,063
Cash and cash equivalents - end of year	\$ 716,501	\$ 1,692,102	\$ 1,417,056	\$ 3,825,659
Reconciliation of operating income (loss) from operations to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (584,428)	\$ (472,829)	\$ 4,535,203	\$ 3,477,946
Adjustments to operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	1,023,850	565,419	849,017	2,438,286
Changes in assets and liabilities:				
(Increase) decrease in other accounts receivable	(32,064)	16,262	8,278	(7,524)
(Increase) decrease in inventories and supplies	(10,303)	(12,690)	-	(22,993)
Increase (decrease) in accounts payable	(6,845)	(13,208)	266,991	246,938
Increase (decrease) in accrued liabilities	(13,942)	(33,791)	(18,289)	(66,022)
Increase (decrease) in customer deposits	2,807	-	-	2,807
Increase (decrease) in unearned revenue	(10,942)	-	-	(10,942)
Increase (decrease) in compensated absences	6,090	9,156	17,085	32,331
Increase (decrease) in OPEB liability	4,126	(86,673)	76,618	(5,929)
Increase (decrease) in pension liability	(52,861)	(175,027)	(43,892)	(271,780)
Net cash provided by (used in) operating activities	\$ 325,488	\$ (203,381)	\$ 5,691,011	\$ 5,813,118
Noncash investing, capital, and financing activities:				
Capital contributions from developers/granting agencies	\$ -	\$ -	\$ 4,004,672	\$ 4,004,672

City of Grand Prairie, Texas
Combining Financial Statements
Internal Service Funds
September 30, 2022

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the city:

- “ Fleet Services Fund – accounts for a full range of services in managing and maintaining the City's fleet of vehicles and equipment. This fund does not own the city fleet.
- “ Risk Management Fund – accounts for premiums, deductibles, and claims for all types of City's insurance.

City of Grand Prairie, Texas
Combining Statements of Net Position
Internal Service Funds
September 30, 2022

	Fleet Services	Risk Management	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,143,286	\$ 7,064,360	\$ 9,207,646
Investments	2,000,000	19,000,000	21,000,000
Inventories and supplies	158,951	-	158,951
Prepays	-	444,083	444,083
Total current assets	4,302,237	26,508,443	30,810,680
Noncurrent assets:			
Capital assets:			
Land	737,566	-	737,566
Buildings	1,786,690	227,700	2,014,390
Equipment	1,505,213	938,465	2,443,678
Infrastructure	200,000	-	200,000
Right to use leased assets	3,127	-	3,127
Less: accumulated depreciation/ amortization	(2,843,831)	(704,428)	(3,548,259)
Total noncurrent assets	1,388,765	461,737	1,850,502
Total assets	5,691,002	26,970,180	32,661,182
DEFERRED OUTFLOWS OF RESOURCES			
Related to OPEB	34,300	8,725	43,025
Related to TMRS pension	273,851	69,663	343,514
Total deferred outflows	308,151	78,388	386,539
LIABILITIES			
Current liabilities:			
Accounts payable	89,850	734,184	824,034
Accrued liabilities	31,053	6,061,370	6,092,423
Long-term debt due within one year	1,040	-	1,040
Compensated absences	52,361	20,504	72,865
Total current liabilities	174,304	6,816,058	6,990,362
Noncurrent liabilities:			
Compensated absences	13,027	1,437	14,464
Other post-employment benefits	687,693	174,940	862,633
Net pension liability	278,489	70,844	349,333
Long-term debt	1,082	-	1,082
Total noncurrent liabilities	980,291	247,221	1,227,512
Total liabilities	1,154,595	7,063,279	8,217,874
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	164,466	41,838	206,304
Related to TMRS pension	475,920	121,068	596,988
Total deferred inflows of resources	640,386	162,906	803,292
NET POSITION			
Net investment in capital assets	1,388,765	461,737	1,850,502
Unrestricted	2,815,407	19,360,646	22,176,053
Total net position	\$ 4,204,172	\$ 19,822,383	\$ 24,026,555

City of Grand Prairie, Texas

Combining Statements of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2022

	Fleet Services	Risk Management	Total Internal Service Funds
OPERATING REVENUES			
Charge for services	\$ 7,512,176	\$ -	\$ 7,512,176
Insurance premiums	-	28,377,316	28,377,316
Miscellaneous	9,252	22,856	32,108
Total operating revenues	7,521,428	28,400,172	35,921,600
OPERATING EXPENSES			
Salaries and benefits	2,690,514	778,739	3,469,253
Supplies and miscellaneous purchases	3,928,942	283	3,929,225
Purchased services	922,126	322,731	1,244,857
Insurance claims	-	23,269,780	23,269,780
Miscellaneous	233,259	575,083	808,342
Interest expense	101	-	101
Depreciation/ amortization	143,524	145,956	289,480
Total operating expenses	7,918,466	25,092,572	33,011,038
Operating income (loss)	(397,038)	3,307,600	2,910,562
NONOPERATING REVENUES (EXPENSES)			
Gain (loss) on disposition of capital assets	250	(28,444)	(28,194)
Total nonoperating revenues (expenses)	250	(28,444)	(28,194)
Income before contributions and transfers	(396,788)	3,279,156	2,882,368
CONTRIBUTIONS AND TRANSFERS			
Transfers in	921,886	322,810	1,244,696
Transfers out	-	(53,915)	(53,915)
Change in net position	525,098	3,548,051	4,073,149
Net position - beginning of year	3,679,074	16,274,332	19,953,406
Net position - end of year	\$ 4,204,172	\$ 19,822,383	\$ 24,026,555

City of Grand Prairie, Texas
Combining Statements of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2022

	Fleet Services	Risk Management	Total Internal Service Funds
Cash flows from operating activities:			
Cash received from city and employee contributions	\$ -	\$ 28,461,376	\$ 28,461,376
Cash received from interfund services provided	7,512,176	-	7,512,176
Other operating cash receipts	9,252	22,856	32,108
Cash payments to suppliers for goods and services	(5,164,793)	(634,018)	(5,798,811)
Cash payments to employees for services	(2,765,020)	(1,600,230)	(4,365,250)
Cash payments for interfund services used	-	(23,269,780)	(23,269,780)
Net cash provided by (used in) operating activities	(408,385)	2,980,204	2,571,819
Cash flows from non-capital financing activities:			
Transfers from other funds	921,886	322,810	1,244,696
Transfers to other funds	-	(53,915)	(53,915)
Net cash provided by (used in) non-capital financing activities	921,886	268,895	1,190,781
Cash flows from capital and related financing activities:			
Proceeds from capital assets disposals	250	(28,444)	(28,194)
Acquisition of capital assets	(413,493)	16,335	(397,158)
Lease payments	(1,005)	-	(1,005)
Interest paid on debt	(101)	-	(101)
Net cash provided by (used in) capital and related financing activities	(414,349)	(12,109)	(426,458)
Net (decrease) increase in cash and cash equivalents	99,152	3,236,990	3,336,142
Cash and cash equivalents - beginning of year	2,044,134	3,827,370	5,871,504
Cash and cash equivalents - end of year	\$ 2,143,286	\$ 7,064,360	\$ 9,207,646
Reconciliation of operating income (loss) from operations to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (397,038)	\$ 3,307,600	\$ 2,910,562
Adjustments to operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization	143,524	145,956	289,480
Changes in assets and liabilities:			
(Increase) decrease in prepaids	-	81,678	81,678
(Increase) decrease in inventories and supplies	(72,111)	-	(72,111)
(Increase) decrease in other receivables	-	84,060	84,060
Increase (decrease) in accounts payable	(8,254)	182,401	174,147
Increase (decrease) in accrued liabilities	(44,888)	(812,868)	(857,756)
Increase (decrease) in compensated absences	12,683	7,801	20,484
Increase (decrease) in OPEB liability	146,795	27,372	174,167
Increase (decrease) in pension liability	(189,096)	(43,796)	(232,892)
Net cash provided by (used in) operating activities	\$ (408,385)	\$ 2,980,204	\$ 2,571,819

City of Grand Prairie, Texas

Governmental Fund- Discretely Presented Component Unit

September 30, 2022

Component Units are required to be presented alongside the City's financial statements as the City is ultimately financially accountable for them. The City has one discretely presented component unit that qualifies as a governmental fund.

Local Government Corporation – for the purpose of aiding, assisting, and acting on behalf of the City, in the performance of its governmental functions to promote economic development through acquisition, development, and redevelopment of real property within the City.

City of Grand Prairie, Texas

Balance Sheet

Governmental Fund- Discretely Presented Component Unit

Local Government Corporation

September 30, 2022

	Local Government Corporation
ASSETS	
Cash and cash equivalents	<u>\$ 109,687</u>
Total assets	109,687
FUND BALANCES	
Restricted	<u>109,687</u>
Total fund balances	<u><u>\$ 109,687</u></u>

City of Grand Prairie, Texas

Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Position
Governmental Fund- Discretely Presented Component Unit
Local Government Corporation
September 30, 2022

Total fund balance - total governmental fund \$ 109,687

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.

11,048,756

Net position of governmental activities

\$ 11,158,443

City of Grand Prairie, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance
Government Fund- Discretely Presented Component Unit
Local Government Corporation
For the Year Ended September 30, 2022

	Local Government Corporation
REVENUES	
Operating grants and contributions	<u>\$ 6,147,360</u>
Total revenues	6,147,360
EXPENDITURES	
Capital outlay	<u>6,113,425</u>
Total expenditures	<u>6,113,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,935</u>
Net change in fund balances	33,935
Fund balances - beginning of year	<u>75,752</u>
Fund balances - end of year	<u><u>\$ 109,687</u></u>

City of Grand Prairie, Texas

Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Activities to the Statement of Activities
Governmental Fund- Discretely Presented Component Unit
Local Government Corporation
For the Year Ended September 30, 2022

Net change in fund balances - total governmental fund \$ 33,935

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. 6,113,425

Miscellaneous revenues related to the satisfaction of the component unit's long-term liabilities on their behalf do not provide current financial resources and, therefore are not reported as revenues in the governmental funds. 239,369

Change in net position of governmental activities \$ 6,386,729



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Statistical Section



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City of Grand Prairie, Texas

Annual Comprehensive Financial Report

For the Year Ended September 30, 2022

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City of Grand Prairie, Texas
 Net Position by Component (Unaudited)
 Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 316,856,535	\$ 319,412,513	\$ 333,061,190	\$ 308,745,566
Restricted	69,081,215	108,444,110	53,392,543	57,404,183
Unrestricted	40,378,407	13,160,490	18,505,921	41,953,800
Total governmental activities net position	\$ 426,316,157	\$ 441,017,113	\$ 404,959,654	\$ 408,103,549
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 141,678,428	\$ 143,297,680	\$ 151,539,230	\$ 166,071,343
Restricted	4,695,502	5,444,619	8,904,795	15,366,214
Unrestricted	66,726,233	68,399,617	60,022,038	55,565,327
Total business-type activities net position	\$ 213,100,163	\$ 217,141,916	\$ 220,466,063	\$ 237,002,884
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 458,534,963	\$ 462,710,193	\$ 484,600,420	\$ 474,816,909
Restricted	73,776,717	113,888,729	62,297,338	72,770,397
Unrestricted	107,104,640	81,560,107	78,527,959	97,519,127
Total primary government net position	\$ 639,416,320	\$ 658,159,029	\$ 625,425,717	\$ 645,106,433

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 278,750,450	\$ 266,214,537	\$ 311,019,615	\$ 336,590,522	\$ 356,640,773	\$ 278,165,484
80,454,171	81,030,788	58,899,457	58,788,228	76,342,878	88,704,308
46,202,814	10,497,407	4,163,774	701,455	(16,482,733)	3,757,236
<u>\$ 405,407,435</u>	<u>\$ 357,742,732</u>	<u>\$ 374,082,846</u>	<u>\$ 396,080,205</u>	<u>\$ 416,500,918</u>	<u>\$ 370,627,028</u>
\$ 174,505,410	\$ 173,815,271	\$ 176,239,658	\$ 193,394,660	\$ 207,008,523	\$ 226,679,275
34,704,441	45,622,261	59,346,971	61,272,475	88,209,339	71,894,451
40,424,846	38,998,317	35,349,141	33,692,679	12,715,651	37,780,563
<u>\$ 249,634,697</u>	<u>\$ 258,435,849</u>	<u>\$ 270,935,770</u>	<u>\$ 288,359,814</u>	<u>\$ 307,933,513</u>	<u>\$ 336,354,289</u>
\$ 453,255,860	\$ 440,029,808	\$ 487,259,273	\$ 529,985,182	\$ 563,649,296	\$ 504,844,759
115,158,612	126,653,049	118,246,428	120,060,703	164,552,217	160,598,759
86,627,660	49,495,724	39,512,915	34,394,134	(3,767,082)	41,537,799
<u>\$ 655,042,132</u>	<u>\$ 616,178,581</u>	<u>\$ 645,018,616</u>	<u>\$ 684,440,019</u>	<u>\$ 724,434,431</u>	<u>\$ 706,981,317</u>

City of Grand Prairie, Texas

Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
EXPENSES				
Governmental activities:				
Support services	\$ 17,503,253	\$ 20,400,867	\$ 22,102,591	\$ 23,045,026
Public safety services	76,439,796	80,333,290	80,359,190	91,860,495
Recreation and leisure services	25,847,664	25,255,982	26,746,861	29,709,690
Development services	79,057,014	75,473,059	77,263,159	88,963,122
Interest on long-term debt	8,125,389	7,922,519	8,019,147	12,374,896
Total governmental activities expenses	206,973,116	209,385,717	214,490,948	245,953,229
Business-type activities:				
Water and wastewater	59,993,534	61,468,207	61,381,944	66,351,005
Solid waste	9,773,626	9,712,711	10,143,394	11,438,507
Municipal airport	2,793,094	3,484,297	2,226,108	2,141,279
Municipal golf course	3,487,758	3,314,435	3,230,377	3,307,890
Storm water	1,909,737	1,635,198	1,694,556	1,809,656
Total business-type activities expenses	77,957,749	79,614,848	78,676,379	85,048,337
Total primary government expenses	284,930,865	289,000,565	293,167,327	331,001,566
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
Support services	4,914,303	4,701,456	4,809,384	5,048,092
Public safety services	15,557,404	16,190,902	13,623,499	18,121,839
Recreation and leisure services	9,686,041	9,055,820	9,772,737	9,686,261
Development services	5,670,741	7,152,325	6,643,502	12,169,331
Operating grants and contributions	33,339,115	34,980,362	33,329,097	37,024,064
Capital grants and contributions	5,242,216	4,020,110	1,232,805	8,807,012
Total governmental activities program revenues	74,409,820	76,100,975	69,411,023	90,856,599
Business-type activities:				
Charges for services:				
Water and wastewater	57,632,524	60,115,296	63,421,631	67,612,109
Solid waste	10,568,982	10,802,865	11,470,007	11,816,094
Municipal airport	2,973,572	2,978,121	2,001,854	2,678,090
Municipal golf course	2,262,430	1,909,090	2,021,800	2,494,513
Storm water	5,367,769	5,436,780	5,572,487	5,631,420
Operating grants and contributions	30,291	42,697	43,714	37,320
Capital grants and contributions	3,089,677	4,402,822	4,082,082	16,653,153
Total business-type activities	81,925,245	85,687,671	88,613,575	106,922,699
Total primary government	156,335,065	161,788,646	158,024,598	197,779,298

Note: Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the change in net position as previously stated.

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 26,731,588	\$ 27,614,430	\$ 30,669,782	\$ 31,310,741	\$ 31,880,593	\$ 42,577,765
100,253,923	101,033,502	109,767,831	113,728,877	105,285,879	150,998,097
32,962,890	34,529,152	35,232,643	32,949,455	35,162,022	47,995,577
90,088,069	97,241,362	102,740,890	110,126,929	109,073,042	129,085,968
12,108,299	12,481,762	14,987,576	12,689,169	14,004,156	14,495,589
262,144,769	272,900,208	293,398,722	300,805,171	295,405,692	385,152,996
70,569,705	72,412,983	74,389,255	73,211,370	81,889,959	89,103,717
12,317,620	12,339,638	13,009,026	13,044,195	13,906,365	15,860,795
2,572,623	2,744,301	2,962,253	2,529,664	2,974,666	3,428,622
3,497,955	3,309,267	3,458,592	3,452,349	3,141,846	3,756,007
2,425,177	2,446,788	2,647,816	2,497,132	2,573,380	3,487,970
91,383,080	93,252,977	96,466,942	94,734,710	104,486,216	115,637,111
353,527,849	366,153,185	389,865,664	395,539,881	399,891,908	500,790,107
5,364,023	5,539,941	5,980,183	6,872,544	6,341,600	6,606,808
21,150,257	17,180,107	16,094,926	12,049,004	11,816,379	11,948,303
11,059,324	13,029,253	13,181,720	9,275,408	13,532,065	17,883,171
12,775,450	13,913,703	15,932,228	15,092,783	19,138,584	21,732,362
35,572,942	35,266,428	39,865,579	63,784,399	45,398,240	48,357,006
8,305,146	3,971,782	8,575,572	417,050	6,974,967	10,088,804
94,227,142	88,901,214	99,630,208	107,491,188	103,201,835	116,616,454
72,668,796	77,556,058	74,890,101	80,576,747	82,449,178	95,970,116
12,863,659	13,208,778	14,117,342	14,245,989	14,941,131	14,983,659
1,862,633	2,238,508	2,189,495	1,906,648	2,108,698	2,845,332
2,573,002	2,453,543	2,283,669	2,386,574	2,975,689	3,327,831
6,356,774	6,864,323	7,210,656	7,682,534	7,927,729	8,056,518
47,918	67,537	31,007	96,306	-	-
12,892,511	11,983,724	15,541,642	10,069,185	15,545,712	17,925,639
109,265,293	114,372,471	116,263,912	116,963,983	125,948,137	143,109,095
203,492,435	203,273,685	215,894,120	224,455,171	229,149,972	259,725,549

City of Grand Prairie, Texas

Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
NET (EXPENSES)/REVENUE				
Governmental activities	\$ (132,563,296)	\$ (133,284,742)	\$ (145,079,925)	\$ (155,096,630)
Business-type activities	3,967,496	6,072,823	9,937,196	21,874,362
Total primary government net expense	\$ (128,595,800)	\$ (127,211,919)	\$ (135,142,729)	\$ (133,222,268)
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property taxes	\$ 71,785,225	\$ 77,334,662	\$ 73,070,467	\$ 77,923,990
Sales taxes	47,155,704	50,846,972	53,494,773	57,076,997
Hotel/motel tax and other taxes	1,488,871	1,550,172	1,713,865	1,791,075
Franchise fees	12,811,696	13,315,452	14,089,158	13,928,847
Investment income	437,770	652,067	1,609,156	2,173,508
Transfers-monetary	5,390,831	4,267,277	2,428,935	5,097,654
Transfers-capital assets	-	19,096	(25,800)	248,454
Total governmental activities	139,070,097	147,985,698	146,380,554	158,240,525
Business-type activities:				
Franchise fees	-	-	-	-
Investment income	4,242	1,021	1,750	8,567
Transfers-monetary	(5,390,831)	(4,267,277)	(2,428,935)	(5,097,654)
Transfers-capital assets	-	(19,096)	25,800	(248,454)
Total business-type activities	(5,386,589)	(4,285,352)	(2,401,385)	(5,337,541)
Total primary government	133,683,508	143,700,346	143,979,169	152,902,984
CHANGES IN NET POSITION				
Governmental activities	6,506,801	14,700,956	1,300,629	3,143,895
Business-type activities	(1,419,093)	1,787,471	7,535,811	16,536,821
Total primary government	\$ 5,087,708	\$ 16,488,427	\$ 8,836,440	\$ 19,680,716

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (167,917,627)	\$ (183,998,994)	\$ (193,768,514)	\$ (193,313,983)	\$ (192,203,857)	\$(268,536,542)
17,882,213	21,119,494	19,796,970	22,229,273	21,461,921	27,471,984
<u>\$ (150,035,414)</u>	<u>\$ (162,879,500)</u>	<u>\$ (173,971,544)</u>	<u>\$ (171,084,710)</u>	<u>\$ (170,741,936)</u>	<u>\$(241,064,558)</u>
\$ 84,925,774	\$ 94,648,690	\$ 106,378,593	\$ 116,020,990	\$ 113,824,809	\$ 120,270,539
60,585,824	64,250,717	69,672,182	70,808,392	80,187,852	93,977,609
2,015,917	2,208,298	2,231,019	1,794,491	2,366,924	3,584,865
9,996,934	14,485,521	14,796,138	13,903,806	14,022,362	15,030,726
2,425,419	3,506,788	9,776,886	7,952,664	333,285	(9,271,537)
5,271,645	6,272,419	7,253,810	4,830,999	1,889,338	-
-	-	-	-	-	-
165,221,513	185,372,433	210,108,628	215,311,342	212,624,570	223,592,202
-	-	-	-	-	-
21,245	43,661	65,360	25,770	-	19,242
(5,271,645)	(6,272,419)	(7,253,810)	(4,830,999)	1,116	-
-	-	(108,599)	-	(1,889,338)	-
(5,250,400)	(6,228,758)	(7,297,049)	(4,805,229)	(1,888,222)	19,242
159,971,113	179,143,675	202,811,579	210,506,113	210,736,348	223,611,444
(2,696,114)	1,373,439	16,340,114	21,997,359	20,420,713	(44,944,340)
12,631,813	14,890,736	12,499,921	17,424,044	19,573,699	27,491,226
<u>\$ 9,935,699</u>	<u>\$ 16,264,175</u>	<u>\$ 28,840,035</u>	<u>\$ 39,421,403</u>	<u>\$ 39,994,412</u>	<u>\$ (17,453,114)</u>
<i>Concluded</i>					

City of Grand Prairie, Texas

Fund Balances

Governmental Funds (Unaudited)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2013	2014	2015	2016
GENERAL FUND				
Unassigned	\$ 27,346,027	\$ 22,961,626	\$ 26,212,186	\$ 28,320,160
Nonspendable	3,545	16,627	4,938	81,857
Restricted	-	-	426,948	417,938
Committed	130,240	-	241,704	-
Assigned	1,336,996	1,137,119	862,870	2,191,940
Total general fund	<u>\$ 28,816,808</u>	<u>\$ 24,115,372</u>	<u>\$ 27,748,646</u>	<u>\$ 31,011,895</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	41,103	30,775	31,655	187,991
Restricted	81,264,054	96,095,975	84,657,833	128,375,098
Committed	28,992,783	24,920,817	43,220,248	64,315,780
Unassigned	-	-	(3,278,557)	-
Total all other governmental funds	<u>\$ 110,297,940</u>	<u>\$ 121,047,567</u>	<u>\$ 124,631,179</u>	<u>\$ 192,878,869</u>

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 27,974,657	\$ 30,344,160	\$ 41,554,116	\$ 47,731,260	\$ 46,567,628	\$ 36,248,742
12,867	2,743	-	35,344	432,009	334,630
415,230	466,299	505,059	543,119	594,260	438,363
-	-	-	-	-	334,630
2,943,951	2,931,849	3,121,096	12,338,707	2,412,477	1,555,752
<u>\$ 31,346,705</u>	<u>\$ 33,745,051</u>	<u>\$ 45,180,271</u>	<u>\$ 60,648,430</u>	<u>\$ 50,006,374</u>	<u>\$ 38,912,117</u>
28,492	76,272	75,907	35,876	59,464	93,311
94,489,508	84,458,973	133,008,150	107,378,467	188,479,120	148,697,003
74,729,604	52,841,228	81,520,543	66,052,337	60,721,090	69,956,888
(947,692)	(629,198)	-	-	-	-
<u>\$ 168,299,912</u>	<u>\$ 136,747,275</u>	<u>\$ 214,604,600</u>	<u>\$ 173,466,680</u>	<u>\$ 249,259,674</u>	<u>\$ 218,747,202</u>

City of Grand Prairie, Texas
Change in Fund Balances
Governmental Funds (Unaudited)
Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
REVENUES				
Taxes	\$ 122,360,903	\$ 128,787,756	\$ 128,046,817	\$ 136,906,439
Licenses, fees, and permits	15,799,334	16,471,810	17,352,029	17,890,589
Fines and penalties	9,918,968	10,473,823	9,798,424	11,612,547
Charges for services	13,619,154	14,463,192	14,287,686	19,008,539
Intergovernmental	37,762,890	34,880,224	31,111,904	38,114,832
Investment income	437,770	652,067	1,609,156	2,173,508
Other revenues	9,741,528	12,368,101	10,970,976	15,410,164
Total revenues	209,640,547	218,096,973	213,176,992	241,116,618
EXPENDITURES				
Current operations:				
Support services	15,198,818	17,393,309	19,516,058	19,588,300
Public safety services	69,057,285	74,367,544	76,078,091	81,750,530
Recreation and leisure services	18,222,070	18,696,893	19,945,357	22,025,867
Development services	55,630,019	54,303,083	55,135,020	66,264,413
Capital outlay	30,121,392	37,150,344	24,098,471	59,000,134
Debt service:				
Principal retirement	18,937,175	21,405,848	34,952,435	21,800,000
Interest	9,025,740	8,488,435	9,005,312	11,583,140
Total expenditures	216,192,499	231,805,456	238,730,744	282,012,384
Excess of revenues over (under) expenditures	(6,551,952)	(13,708,483)	(25,553,752)	(40,895,766)
OTHER FINANCING SOURCES (USES)				
Transfers in-monetary	26,611,384	35,849,365	23,465,832	22,994,446
Transfers out-monetary	(22,220,553)	(31,582,088)	(20,965,643)	(18,172,770)
Insurance recovery	-	-	988,199	88,101
Proceeds from sale of capital assets	583,943	838,163	605,696	753,054
Premium (discount) on debt issued	1,627,265	486,234	2,551,554	4,788,385
Bonds issued	15,285,000	14,165,000	26,125,000	102,845,001
Refunding bonds issued	27,295,000	-	-	11,165,000
Payment for refunded debt - escrow agent	(28,156,039)	-	-	(12,054,512)
Proceeds from lease arrangements	-	-	-	-
Total other financing sources	21,026,000	19,756,674	32,770,638	112,406,705
Net change in fund balances	\$ 14,474,048	\$ 6,048,191	\$ 7,216,886	\$ 71,510,939
Debt service as a percentage of noncapital expenditures	15.0%	15.4%	20.5%	15.0%

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 147,741,668	\$ 161,126,311	\$ 177,800,911	\$ 187,737,594	\$ 195,932,003	\$ 217,125,702
17,417,402	17,914,962	18,527,161	17,391,273	18,605,808	19,546,001
11,364,139	11,342,338	10,326,139	6,239,056	6,247,413	5,874,938
21,507,834	24,837,174	28,166,142	23,507,913	27,048,695	31,860,881
38,100,982	35,840,373	37,021,321	63,519,235	44,944,122	54,635,541
2,425,419	3,506,788	9,776,886	7,952,664	333,285	24,645
12,694,334	12,228,046	15,100,674	11,574,218	14,763,526	8,134,994
251,251,778	266,795,992	296,719,234	317,921,953	307,874,852	337,202,702
22,703,145	24,662,284	26,079,838	26,386,107	25,734,614	38,071,024
88,005,227	94,732,585	97,367,410	99,283,284	103,912,676	152,594,268
24,800,496	26,336,423	28,661,888	25,106,602	26,124,266	38,057,302
66,982,812	75,317,973	78,875,185	86,609,926	84,420,479	104,066,641
85,802,825	83,420,486	64,550,906	61,990,328	66,180,209	99,903,333
24,400,000	25,005,000	31,085,000	34,785,000	34,875,000	38,417,530
12,839,071	13,774,026	15,684,195	15,890,125	15,772,930	18,560,314
325,533,576	343,248,777	342,304,422	350,051,372	357,020,174	489,670,412
(74,281,798)	(76,452,785)	(45,585,188)	(32,129,419)	(49,145,322)	(152,467,710)
27,108,570	35,830,314	38,021,660	43,999,920	90,172,311	58,530,963
(22,102,792)	(29,782,701)	(28,737,537)	(38,938,702)	(88,082,896)	(60,651,294)
-	-	-	-	-	-
898,895	1,022,331	1,126,997	1,173,262	1,839,420	1,982,221
9,244,207	3,713,550	7,541,613	2,734,530	3,272,425	2,435,227
40,614,999	36,515,000	116,925,000	-	107,095,000	101,770,001
36,945,000	-	-	19,475,000	-	105,927,637
(42,671,228)	-	-	(21,984,352)	-	(104,940,704)
-	-	-	-	-	5,472,300
50,037,651	47,298,494	134,877,733	6,459,658	114,296,260	110,526,351
\$ (24,244,147)	\$ (29,154,291)	\$ 89,292,545	\$ (25,669,761)	\$ 65,150,938	\$ (41,941,359)

15.5%

14.9%

16.8%

17.6%

17.4%

14.6%

City of Grand Prairie, Texas
 Assessed and Estimated Actual
 Values of Taxable Property (Unaudited)
 Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Direct Tax Rate	Actual Taxable Value	Percentage of Actual Taxable Value
2013	5,595,104,146	5,820,246,325	2,041,527,294	9,373,823,177	0.669998	9,373,823,177	100.0%
2014	5,727,082,026	6,270,916,334	2,155,635,830	9,842,362,530	0.669998	9,842,362,530	100.0%
2015	6,201,569,638	6,694,589,531	2,337,701,387	10,558,457,782	0.669998	10,558,457,782	100.0%
2016	6,554,865,229	6,984,603,149	2,443,858,378	11,095,610,000	0.669998	11,095,610,000	100.0%
2017	6,438,258,351	8,996,790,075	3,117,157,618	12,317,890,808	0.669998	12,317,890,808	100.0%
2018	7,205,616,896	9,745,440,048	3,429,449,736	13,521,607,208	0.669998	13,521,607,208	100.0%
2019	8,170,636,070	10,341,456,342	3,757,076,819	14,755,015,593	0.669998	14,755,015,593	100.0%
2020	8,702,702,995	11,622,970,621	4,000,550,508	16,325,123,108	0.669998	16,325,123,108	100.0%
2021	9,263,788,979	11,908,708,152	4,192,196,016	16,980,301,115	0.669998	16,980,301,115	100.0%
2022	10,265,520,735	12,199,094,378	4,338,880,633	18,125,734,480	0.664998	18,125,734,480	100.0%

Taxable assessed values include values under protest as claimed by property owners or estimated by appraisal districts in the event property owner's claim is upheld.



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City of Grand Prairie, Texas

Direct and Overlapping Property Tax Rates (Unaudited)

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

	Fiscal Year			
	2013	2014	2015	2016
OVERLAPPING RATES				
City of Grand Prairie	0.669998	0.669998	0.669998	0.669998
Grand Prairie School District	1.465000	1.465000	1.595000	1.595000
Arlington School District	1.292170	1.348110	1.412952	1.390080
Cedar Hill School District	1.525000	1.525000	1.525000	1.516000
Irving School District	1.465000	1.435000	1.445000	1.445000
Mansfield School District	1.540000	1.527100	1.510000	1.510000
Midlothian School District	1.540000	1.540000	1.540000	1.540000
Dallas County	0.243100	0.243100	0.243100	0.243100
Dallas County Community College District	0.124700	0.124775	0.123650	0.122933
Dallas County Hospital District	0.278000	0.286000	0.286000	0.279400
Dallas County Flood Control District	2.750000	2.750000	2.650000	2.250000
Grand Prairie Met Util & Reclam Dist.	0.600000	0.600000	0.600000	0.600000
Ellis County	0.380091	0.380091	0.380091	0.380091
Johnson County	0.365000	0.405400	0.407700	0.422663
Tarrant County	0.264000	0.264000	0.264000	0.254000
Tarrant County Hospital District	0.227897	0.227897	0.227897	0.227897
Tarrant County Junior College District	0.149500	0.149500	0.149500	0.144730
CITY DIRECT RATES				
Operations & Maintenance	0.484892	0.484892	0.484892	0.473549
Interest & Sinking	0.185106	0.185106	0.185106	0.196449
Total Direct Rates	0.669998	0.669998	0.669998	0.669998

Totals are not provided for columns since they would be meaningless as some jurisdictions are mutually exclusive.

Source of Information: Dallas Central Appraisal District, Dallas County Tax Office, Tarrant Appraisal District, Johnson County Tax Office, and Ellis County Appraisal District

Fiscal Year

2017	2018	2019	2020	2021	2022
0.669998	0.669998	0.669998	0.669998	0.669998	0.664998
1.595000	1.595000	1.538350	1.509700	1.509700	1.376300
1.368670	1.368670	1.298670	1.387100	1.387100	1.360800
1.516000	1.376000	1.306000	1.283300	1.283300	1.238400
1.431400	1.401100	1.305100	1.275100	1.275100	1.207700
1.540000	1.540000	1.460000	1.446400	1.446400	1.418300
1.540000	1.540000	1.470000	1.379800	1.379800	1.352000
0.243100	0.243100	0.243100	0.239740	0.239740	0.227946
0.124238	0.124000	0.124000	0.124000	0.124000	0.123510
0.279400	0.279400	0.269500	0.266100	0.266100	0.255000
2.000000	1.800000	1.500000	1.400000	1.400000	1.300000
0.600000	0.600000	0.600000	0.600000	0.600000	0.600000
0.380091	0.338984	0.329557	0.320194	0.320194	0.310708
0.441700	0.441700	0.384700	0.384700	0.384700	0.379700
0.244000	0.234000	0.234000	0.234000	0.234000	0.229000
0.224429	0.224429	0.224429	0.224429	0.224429	0.224429
0.140060	0.136070	0.130170	0.130170	0.130170	0.130170
0.473549	0.471196	0.463696	0.457127	0.460638	0.452091
0.196449	0.198802	0.206302	0.212871	0.209360	0.212907
0.669998	0.669998	0.669998	0.669998	0.669998	0.664998

City of Grand Prairie, Texas

Principal Property Tax Payers (Unaudited)

Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
CH AZ Wildlife 4 6 LP	\$ 209,865,280	1	1.16%			
Lockheed Martin Corp	172,545,330	2	0.95%	\$51,933,864	5	0.55%
WMCI Dallas V LLC	160,750,000	3	0.89%			
Duke Secured Financing 2009	152,604,967	4	0.84%	49,711,770	6	0.53%
Oncor Electric Delivery	129,737,646	5	0.72%	75,714,431	2	0.81%
Poly America LP	116,956,012	6	0.65%	\$52,886,190	4	0.56%
Prologis	104,793,700	7	0.58%			
BVJV Grand Prairie LLC	99,500,000	8	0.55%			
Republic Beverage	89,787,761	9	0.50%	72,807,551	3	0.78%
FRBH Silverbrook LLC	82,800,000	10	0.46%			
Bell Textron Inc.				112,686,821	1	1.20%
Catellus Development Corp				41,187,640	7	0.44%
Mars Partners LTD				39,927,513	8	0.43%
Cardinal Health 200 Inc				37,825,531	9	0.40%
Walmart				37,689,354	10	0.40%
Total	\$ 1,319,340,696		7.30%	\$ 572,370,665		6.10%

Source of Information: Dallas County Tax Office

City of Grand Prairie, Texas

Property Tax Levies and Collections (Unaudited)

Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections from Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	62,582,232	61,892,769	98.90%	602,800	62,495,569	99.86%
2014	65,666,244	64,917,939	98.86%	628,018	65,545,957	99.82%
2015	70,047,613	69,394,398	99.07%	537,585	69,931,983	99.83%
2016	74,306,335	73,535,755	98.96%	628,010	74,163,765	99.81%
2017	81,305,307	80,079,624	98.49%	1,069,622	81,149,246	99.81%
2018	88,709,078	87,616,588	98.77%	882,924	88,499,512	99.76%
2019	98,194,923	96,928,611	98.71%	739,299	97,667,910	99.46%
2020	106,940,678	105,665,085	98.81%	877,462	106,542,547	99.63%
2021	113,882,697	112,698,548	98.96%	622,605	113,321,153	99.51%
2022	121,629,982	120,364,252	98.96%	-	120,364,252	98.96%

Amounts above exclude property tax revenue assessed and collected for Tax Increment Financing Districts.

Tax Lien and Assessment Date: January 1 each year
 Taxes due: October 1 of the same year
 Taxes delinquent: February 1 of the following year

City of Grand Prairie, Texas

Ratios of Outstanding Debt by Type (Unaudited)

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				
	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Obligation	Issuance Premium/Discounts Net	Water Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Issuance Premium/Discounts Net	Capital Lease
2013	94,188,283	36,030,000	118,470,000	4,278,492	59,780,000	2,261,718	1,700,000	1,372,785	-
2014	88,822,435	31,990,000	121,635,000	4,424,272	59,880,000	2,022,566	1,575,000	1,271,958	-
2015	80,715,000	52,875,000	101,030,000	5,921,533	55,630,000	-	1,450,000	1,086,319	-
2016	79,965,000	122,650,000	113,415,000	10,283,952	51,010,000	-	1,320,000	1,331,968	1,256,303
2017	79,130,000	123,925,000	126,385,000	18,506,395	56,490,000	-	1,180,000	3,505,394	956,022
2018	70,210,000	117,810,000	152,930,000	20,701,245	54,435,000	-	1,035,000	4,014,433	330,129
2019	60,820,000	109,120,000	259,255,000	26,528,815	52,695,000	-	885,000	3,752,233	-
2020	59,055,000	101,960,000	230,835,000	26,089,621	46,625,000	-	725,000	4,917,391	-
2021	117,175,000	89,965,000	254,920,000	27,203,630	41,485,000	-	555,000	3,095,945	-
2022	224,252,000	86,100,000	224,835,000	24,027,686	36,190,000	-	380,000	2,824,212	-

Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.

¹ For average household income, see page 167.

Total Primary Government	Percentage of Average Household Income¹	Per Capita
318,081,278	0.02%	1,771
311,621,231	0.02%	1,719
298,707,852	0.02%	1,636
381,232,223	0.02%	2,065
410,077,811	0.01%	2,192
421,465,807	0.01%	2,225
513,056,048	0.01%	2,676
470,207,012	0.01%	2,409
534,399,575	0.01%	2,654
598,608,898	0.01%	2,996

City of Grand Prairie, Texas

Ratios of General Bonded Debt Outstanding (Unaudited)

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation	Less: Amounts Available in Debt Service Fund	Total		
2013	96,450,001	120,170,000	9,051,355	207,568,646	2.21%	1,156
2014	90,845,001	123,210,000	10,501,572	203,553,429	2.07%	1,123
2015	80,715,000	102,480,000	10,753,895	172,441,105	1.63%	944
2016	79,965,000	113,415,000	11,804,301	181,575,699	1.64%	984
2017	79,130,000	126,385,000	8,754,196	196,760,804	1.60%	1,052
2018	70,210,000	152,930,000	5,535,816	217,604,184	1.61%	1,149
2019	60,820,000	259,255,000	3,734,760	316,340,240	2.14%	1,650
2020	59,055,000	230,835,000	2,489,225	287,400,775	1.76%	1,472
2021	117,175,000	254,920,000	3,787,564	368,307,436	2.17%	1,836
2022	224,252,000	224,835,000	5,659,255	443,427,745	2.45%	2,220

Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.

City of Grand Prairie, Texas

Direct and Overlapping
 Governmental Activities of Debt (Unaudited)
 As of September 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Arlington Independent School District	\$ 1,185,949,956	18.75%	\$ 222,365,617
Cedar Hill Independent School District	95,225,144	5.76%	5,484,968
Dallas County	236,605,000	3.13%	7,405,737
Dallas County Community College District	110,835,000	3.13%	3,469,135
Dallas County Flood Control District #1	19,230,000	0.71%	136,533
Dallas County Hospital District	575,530,000	3.05%	17,525,027
Ellis County	28,755,000	0.13%	37,382
Grand Prairie Independent School District	401,935,000	89.09%	358,083,892
Irving Independent School District	314,700,000	0.72%	2,265,840
Mansfield Independent School District	824,064,839	13.42%	110,589,501
Midlothian Independent School District	412,745,000	0.36%	1,485,882
Tarrant County	404,360,000	4.08%	16,497,888
Tarrant Co College Dist	610,315,000	4.08%	24,900,852
Tarrant County Hospital District	12,825,000	4.08%	523,260
Subtotal, overlapping debt			770,771,514
City direct debt²	449,467,000	100.00%	449,467,000
Total direct and overlapping debt			\$ 1,220,238,514

¹ Estimated percentage is based on a formula using assessed property values.

² Excludes refunded obligations and non-property tax debt reported in governmental funds.

Source of Information: Municipal Advisory Council of Texas
 City of Grand Prairie Finance Department - per O/S

City of Grand Prairie, Texas

Legal Debt Margin Information (Unaudited)

Last Ten Fiscal Years

	Fiscal Year			
	2013	2014	2015	2016
Debt limit	\$ 234,345,579	\$ 246,059,063	\$ 263,961,445	\$ 277,390,250
Total net debt applicable to limit	135,582,645	138,051,429	151,103,105	181,575,699
Legal debt margin	\$ 98,762,934	\$ 108,007,634	\$ 112,858,340	\$ 95,814,551
Total net debt applicable to the limit as a percentage of debt limit	57.86%	56.10%	57.24%	65.46%

Details regarding the City's debt limit can be found in the notes to the basic financial statements.

	2022
Assessed value	\$ 18,125,734,480
Debt limit (2.5% of assessed value)	453,143,362
Debt applicable to limit:	
General obligation bonds	449,087,000
Less: Amount set aside for repayment of general obligation debt	(5,659,255)
Total net debt applicable to limit	443,427,745
Legal debt margin	\$ 9,715,617

Fiscal Year

2017	2018	2019	2020	2021	2022
\$ 307,947,270	\$ 338,040,180	\$ 368,875,390	\$ 408,128,078	\$ 424,507,528	\$ 453,143,362
196,760,804	217,604,184	316,340,240	287,400,775	368,307,436	443,427,745
<u>\$ 111,186,466</u>	<u>\$ 120,435,996</u>	<u>\$ 52,535,150</u>	<u>\$ 120,727,303</u>	<u>\$ 56,200,092</u>	<u>\$ 9,715,617</u>
63.89%	64.37%	85.76%	70.42%	86.76%	97.86%

City of Grand Prairie, Texas
Pledged Revenue Coverage (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Water Revenue Bonds						Sales Tax Revenue Bonds ⁴		
	Utility Service Charges ¹	Less: Operating Expenses ²	Net Available Revenue	Debt Service		Coverage ³	Sales Tax Increment	Maximum Annual Debt Service	Coverage ⁵
				Principal	Interest				
2013	59,031,386	40,660,224	18,371,162	4,445,000	2,346,060	2.71	6,223,346	2,247,772	2.77
2014	61,910,609	43,852,520	18,058,089	3,900,000	2,072,826	3.02	6,391,068	2,247,772	2.84
2015	65,213,261	46,785,802	18,427,459	4,250,000	1,846,017	3.02	6,752,015	2,247,772	3.00
2016	70,027,679	51,530,262	18,497,417	4,380,000	1,693,162	3.05	7,268,076	2,692,441	2.70
2017	74,668,468	55,531,071	19,137,397	4,510,000	1,637,666	3.11	7,667,736	2,692,441	2.85
2018	80,293,189	56,480,299	23,812,890	4,810,000	1,702,265	3.66	8,207,902	2,692,178	3.05
2019	76,853,323	57,095,478	19,757,845	5,202,200	1,604,918	2.90	8,790,989	2,691,674	3.27
2020	82,440,094	58,388,037	24,052,057	4,850,445	1,442,083	3.82	8,936,324	2,663,493	3.36
2021	87,351,497	66,479,968	20,871,529	4,848,267	1,388,654	3.35	10,084,006	2,663,493	3.79
2022	100,125,633	71,730,068	28,395,565	5,023,267	1,214,044	4.55	11,765,408	2,663,493	4.42

¹ Revenues include operating revenues plus impact fees and investment income.

² Expenses exclude depreciation expense.

³ Bond covenants require coverage of no less than 1.25.
The City's financial policy coverage goal is 2.00.

⁴ The City's initial Park Venue Sales Tax Revenue Bonds were issued in fiscal year 2000.

⁵ Bond covenants require a coverage of no less than 1.25.

City of Grand Prairie, Texas
 Demographic And Economic Statistics (Unaudited)
 Last Ten Fiscal Years

Calendar Year	Population	Median Household Income	Per Capita Income	Median Age	Public School Enrollment	Unemployment Rate
2013	179,630	53,267	22,370	32	27,780	6.5%
2014	181,230	55,080	23,164	31	27,740	5.4%
2015	182,610	56,028	23,286	31	29,427	4.0%
2016	184,620	57,851	23,516	32	29,339	3.7%
2017	187,050	59,675	23,695	32	29,339	3.4%
2018	189,430	59,563	23,864	32	30,000	3.4%
2019	191,720	63,882	25,681	33	30,000	3.1%
2020	195,200	67,388	26,761	33	30,000	7.4%
2021	200,640	69,408	26,761	33	30,000	4.4%
2022	199,780	75,885	29,504	33	27,000	3.4%

Sources of Information:

Estimated Population: North Central Texas Council of Governments, GP website
 Median Household Income: CLRsearch.com, GP Website
 Per Capita Income: CLRsearch.com, Census.gov
 Median Age: ESRI GP Website
 Public School Enrollment: GPISD website (District Improvement Plan)
 Unemployment Rate: Bureau of Labor Statistics Dallas-Fort Worth-Arlington

City of Grand Prairie, Texas
Principal Employers (Unaudited)
Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lockheed Martin Missiles and Fire Control	4,000	1	4.25%	3,000	2	3.47%
Grand Prairie Independent School District	3,800	2	4.03%	3,300	1	3.81%
Poly-America Inc.	2,000	3	2.12%	1,800	3	2.08%
City of Grand Prairie	1,614	4	1.71%	1,200	5	1.39%
Flex-N-Gate	1,200	5	1.27%			
Lear Seating	1,105	6	1.17%			
Lone Star Park at Grand Prairie	950	7	1.01%	1,100	6	1.27%
Forterra Pipe & Products, Inc.	950	8	1.01%	400	10	0.46%
Republic National Distributing	800	9	0.85%			
K & N Filters	800	10	0.85%			
Bell Helicopter-Textron				1,300	4	1.50%
Vought Aircraft Industries				700	7	0.81%
American Eurocopter				500	8	0.58%
Siemens Energy And Automation, Inc.				500	9	0.58%
Total	17,219		18.27%	13,800		15.95%

Source of Information: Municipal Advisory Council of Texas
Texas Workforce Commission

City of Grand Prairie, Texas

Full-Time-Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government and Administration										
Budget and Research	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Building and Construction Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City Manager's Office	8.5	8.0	7.5	7.5	8.5	9.5	10.5	9.5	9.5	11.0
Economic Development	-	-	-	1.0	4.5	4.5	4.0	4.0	6.0	7.0
Environmental Services ³	21.0	21.5	25.5	29.5	31.0	36.5	37.0	38.0	41.0	9.0
Facility Services ¹	18.0	18.0	18.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Finance ²	13.0	13.0	12.0	12.0	12.5	15.5	17.0	17.0	17.0	18.5
Fire	210.0	209.0	229.5	230.5	233.5	236.5	240.5	243.5	247.5	249.5
Housing and Neighborhood Services	35.5	35.5	34.5	34.5	34.5	36.5	36.5	36.5	34.5	37.0
Human Resources	10.0	10.0	10.5	11.0	11.0	11.0	11.5	11.5	10.5	10.5
Information Technology	24.0	27.5	29.5	29.5	29.0	31.0	32.0	32.0	29.0	33.0
Judiciary	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Legal Services	6.0	7.0	7.5	8.0	8.0	9.0	9.0	9.0	9.0	9.0
Library	29.5	29.5	28.5	29.5	32.5	35.0	36.0	36.0	35.0	36.0
Management Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	5.0
Marketing	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Municipal Court	26.0	28.0	28.0	28.0	31.5	32.0	27.0	27.0	28.5	30.0
Parks and Recreation ¹	141.0	181.0	188.0	190.0	194.0	254.7	226.5	235.5	232.0	238.7
Planning and Development	45.5	45.5	47.0	38.0	39.0	39.5	39.5	39.5	39.5	30.0
Police	394.0	394.0	423.5	435.5	453.5	468.5	484.0	488.0	484.5	483.5
Public Works	61.0	61.0	61.0	61.5	61.5	65.5	65.5	65.5	59.5	76.0
Purchasing ²	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0
Transportation	18.0	18.0	19.0	19.0	19.0	21.0	22.0	22.0	20.0	20.0
Enterprise Operations and Administrations										
Airport	5.5	5.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Golf	19.0	29.0	29.0	29.0	29.0	29.0	27.3	27.3	27.3	27.3
Solid Waste	34.5	35.5	44.0	44.0	44.0	44.0	47.5	55.5	54.5	55.5
Storm Water	7.0	7.0	7.0	7.0	8.0	9.0	10.0	10.0	10.0	13.0
Water/Wastewater	110.5	111.5	113.0	114.0	120.5	124.0	127.0	136.0	134.0	145.5
Internal Service Operations										
Equipment Services	16.0	16.0	16.5	17.0	18.5	18.5	18.5	22.5	22.5	23.5
Risk Management	1.0	1.5	1.5	2.5	2.5	2.0	2.5	2.5	2.5	3.5
Total	1,272.5	1,330.5	1,404.5	1,421.5	1,469.0	1,575.7	1,576.3	1,614.3	1,599.8	1,614.0

Full-time-equivalent (FTE) positions are calculated using both full-time and part-time City positions as reported in the City's Budget Book for the same fiscal year. Details regarding changes in positions by function/program may be found in the FY 2017-2018 Budget Book.

¹ Until fiscal year 2013, Facility Services was reported as a function of Parks and Recreation.

² Until fiscal year 2013, Purchasing was reported as a function of Finance.

³ Starting fiscal year 2022, Environmental Services was renamed Public Health and split between Solid Waste and Police.

Source of Information: City Budget Office

City of Grand Prairie, Texas

Capital Assets Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2013	2014	2015	2016	2017
Police					
Stations	2	2	2	2	2
Public safety training complex	1	1	1	1	1
Storefronts	4	3	3	3	3
Fire stations	10	10	10	10	10
Other public works					
Streets (miles)	594	641	642	634	631
Acreage	51,954	51,954	51,954	51,954	51,984
Public parks	57	57	57	57	57
Baseball/softball diamonds	25	25	25	25	25
Soccer/football fields	21	21	21	21	21
Community/recreation centers	8	8	8	8	8
Public golf courses	2	2	2	2	2
Public swimming pools	4	4	4	4	4
Libraries	3	3	3	3	3
Cemetery	1	1	1	1	1
Water					
Water connections	64,154	64,696	65,808	66,075	66,075
Daily consumption (millions of gallons)	23.50	23.02	23.17	24.56	25.00
Wastewater					
Daily flow (millions of gallons)	14.23	14.11	19.58	16.57	15.92
Airports	1	1	1	1	1
Transit—minibuses	12	12	12	12	12

Source of Information: City departments.

Fiscal Year

2018	2019	2020	2021	2022
2	2	2	2	2
1	1	1	1	1
3	3	3	3	3
10	10	10	10	10
632	634	641	653	658
51,984	52,070	52,044	52,127	52,122
57	57	57	57	57
25	25	25	25	25
21	21	21	21	21
9	9	9	9	9
2	2	2	2	2
5	5	5	5	5
3	3	3	3	3
1	1	1	1	1
67,794	69,333	70,944	72,483	75,580
26.06	24.67	25.30	24.16	27.52
16.40	20.58	18.38	17.76	15.70
1	1	1	1	1
12	13	13	13	13

City of Grand Prairie, Texas

Water and Wastewater Contracts

Components of Payments Made under Selected Contracts
(Unaudited)

Last Ten Fiscal Years

Fiscal Year	Dallas Water Utilities Water Purchases			Trinity River Authority Wastewater Treatment			Trinity River Authority	
	Volume	Demand	Total	O&M	Debt Service	Total	Joe Pool	Joe Pool
							Lake	Lake Corp of Engineers
2013	2,901,935	6,854,133	9,756,068	4,360,828	6,546,256	10,907,084	7,390	381,637
2014	2,770,446	7,062,206	9,832,652	4,234,724	7,602,156	11,836,880	7,190	397,690
2015	2,561,969	7,547,810	10,109,779	5,774,796	8,060,760	13,835,556	6,750	387,511
2016	3,687,583	8,228,711	11,916,294	5,895,397	8,559,504	14,454,901	6,782	396,612
2017	3,246,558	9,119,618	12,366,176	5,107,743	8,731,748	13,839,491	7,703	225,107
2018	3,624,469	9,479,477	13,103,946	5,612,671	10,134,974	15,747,645	8,334	5,324
2019	2,096,198	7,556,649	9,652,847	7,054,098	11,646,796	18,700,894	9,422	14,105
2020	3,518,313	10,108,439	13,626,752	6,266,764	11,529,790	17,796,554	8,652	19,791
2021	2,747,196	10,337,927	13,085,123	6,860,206	14,131,494	20,991,700	787	1,822
2022	3,838,743	11,816,541	15,655,284	6,025,051	13,906,900	19,931,951	9,428	15,967

The City has contracted with the City of Dallas for water purchases and the Trinity River Authority for wastewater treatment. The City's obligation for water demand charges continues even if the City does not purchase water. Similarly, the obligation to TRA for Debt Service continues whether the City contributes to the wastewater flow or not. These contracts are explained in more detail the Notes to the Basic Financial



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City of Grand Prairie, Texas

Operating Indicators by Function (Unaudited)

Last Ten Fiscal Years

Function	Fiscal Year			
	2013	2014	2015	2016
Police				
911 calls received *	142,641	145,571	129,159	124,331
Non-emergency calls *	99,831	101,626	116,685	107,490
Calls for service *	233,997	243,443	245,844	231,821
Jail arrests *	10,403	12,201	9,016	9,395
Fire				
Total Fire and EMS calls *	16,999	16,912	17,827	18,408
Fire response calls for structure fires *	197	180	192	152
Street				
Number of miles of overlay streets	6	6	5	5
Number of street defects repaired	16,436	13,061	27,537	18,772
Number of linear ft of sidewalk repaired	20,440	14,712	12,061	17,276
Solid Waste				
Landfill refuse collected (tons)	162,755	165,586	182,287	198,529
Recyclables collected (tons)	5,012	5,172	4,948	5,386
Water				
Average daily consumption (thousands of gallons)	23,500	23,023	23,170	24,564
Wastewater				
Average daily sewage treatment (thousands of gallons)	14,234	14,109	19,859	16,569

* In calendar year

Source of Information: Various City departments.

2017	2018	2019	2020	2021	2022
130,994	125,497	122,373	121,774	128,445	116,711
118,117	119,617	114,287	106,693	113,059	114,749
205,213	225,612	236,660	228,467	234,162	229,646
9,387	8,765	9,400	4,799	5,630	5,952
18,648	19,180	18,297	18,444	21,439	22,302
164	183	165	181	180	179
11	4	6	5	9	3
6,809	7,480	6,723	5,088	3,742	1,934
18,437	30,734	19,243	32,984	40,694	38,053
224,599	221,919	246,174	249,053	263,743	254,717
5,468	6,104	5,692	5,174	4,511	4,600
25,613	25,348	24,672	25,309	24,165	27,522
16,307	17,573	20,585	18,386	17,769	15,698

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

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[CLOSING DATE]

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IN REGARD to the authorization and issuance of the “City of Grand Prairie, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2024,” dated January 15, 2024, in the principal amount of \$52,775,000 (the “Certificates”), 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 Certificates and the exclusion of the interest on the Certificates 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 Certificates, or the sufficiency of the security for or the value or marketability of the Certificates.

THE CERTIFICATES are issued in fully registered form only and in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Certificates mature on February 15 in each of the years specified in a pricing certificate (the “Pricing Certificate”) executed pursuant to an ordinance adopted by the City Council of the City authorizing the issuance of the Certificates (the “Certificate Ordinance” and, jointly with the Pricing Certificate, the “Ordinance”), unless redeemed prior to maturity in accordance with the terms stated on the Certificates. The Certificates 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 Certificates, including the Ordinance and an examination of the initial Certificate 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 Certificates 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 Certificates, 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 Certificates 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, payable from an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the City, and are additionally payable from and secured by a limited pledge of the Net Revenues (as defined in the Ordinance) of the City’s combined water and wastewater system in the manner and to the extent provided in the Ordinance, except to the

extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with the general principles of equity.

2. 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 Certificates 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 Certificates. Ownership of tax-exempt obligations such as the Certificates 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.

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