

City of Grand Prairie, Texas

Comprehensive Annual Financial Report

Fiscal Year Ended September 30th, 2008



2008 was the inaugural year for the new QuikTrip Park which houses the Minor League Baseball Team "Grand Prairie Airhogs", American Association Southern Division Champions.



CITY OF GRAND PRAIRIE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2008

PREPARED BY THE FINANCE DEPARTMENT



Charles England
Mayor

Diana Ortiz, RTA
Chief Financial Officer

Tom Hart
City Manager

Li Jen Lee, CPA
Controller

**CITY OF GRAND PRAIRIE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2008**

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INTRODUCTORY SECTION



March 30, 2009



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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Grand Prairie, Texas for the fiscal year ended September 30, 2008. It was prepared by the City's financial staff and audited by Weaver & Tidwell, L.L.P.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants, have issued an unqualified ("clean") opinion on the City of Grand Prairie's financial statements for the year ended September 30, 2008. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The letter of transmittal is designed to complement and should be read in conjunction with the MD&A.

In addition to issuance of the CAFR, the independent auditors have performed a Single Audit and issued auditor reports on the City's federal awards for the fiscal year ended September 30, 2008. The City's Single Audit Report is separately available by contacting the City's Finance Department.

Profile of the City of Grand Prairie, Texas

The City of Grand Prairie is located 12 miles west of downtown Dallas, 18 miles east of downtown Fort Worth and 6 miles south of D/FW International Airport. The City lies within the Texas Counties of Dallas, Tarrant and Ellis, and, covers approximately 80 square miles. Grand Prairie is readily accessible by State Highway 360 which runs north/south and Interstate Highways 20 and 30 that run east/west through the city.

The City of Grand Prairie was incorporated in 1909 and is a Home Rule city operating under a Council/Manager form of government. The Council is comprised of the Mayor and eight Council members who are elected for staggered, three-year terms. The Mayor is elected at large, and, the City Council is elected by two at-large 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 policies and for the daily management of the City.

Serving a population of approximately 166,650, the City provides a full range of services, including but not limited to police and fire protection; public libraries; the construction and maintenance of streets, and other infrastructure; water and wastewater service; solid waste collection and disposal; storm water utility; a municipal airport; municipal golf courses, and other recreational activities and cultural events. Fifteen Public Improvement Districts and three Tax Increment Financing Districts, none of which are legally separate entities, are included in the City's reporting entity.

The City's financial statements also include two component units that are legally separate entities, yet fiscally dependent on the primary government. The component units are the Grand Prairie Sports Facilities Development Corporation (the "Sports Corporation"), which owns the Lone Star Park at Grand Prairie horse track facility, and the Grand Prairie Housing Finance Corporation (HFC), which was created to issue tax-exempt mortgage revenue bonds to provide affordable housing to low-to-moderate income citizens. Additional information on these component units can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City of Grand Prairie's financial planning and control. According to the City Charter, the City Manager annually prepares and submits a budget to the City Council. The budget is filed with the City Secretary and open for public inspection. The council reviews the proposed budget and holds a public hearing at which time interested citizens may express their opinion regarding the budget. City Council approves the budget in September and it takes effect for the next fiscal year, beginning October 1.

The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditure of any fund must be approved by the City Council. The level of budgetary control is the fund level budget in all funds. Internal financial reports sufficient for management to plan, monitor and control the city's financial affairs are generated and distributed monthly. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled project by project. Revenue budgets are reviewed monthly.

Economic Condition

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

The City of Grand Prairie is ideally located in the heart of the Dallas/Fort Worth metroplex. It is situated midway between Dallas and Fort Worth and just minutes south of the DFW International Airport and Dallas Love Field. Thus, the economic vitality of the region significantly impacts the economic health of Grand Prairie. D/FW is the largest metropolitan area in Texas and has sustained tremendous growth during the past decade. Among this growth, Grand Prairie was recognized as one of the nation's fastest growing cities with more than 100,000 residents, according to the U.S. Census Bureau. In fact, Money magazine named Grand Prairie in the "Top 100 Best Places to Live". They based it on financial, educational, recreational and other indicators to develop this list.

Local Economy

Growth rates fell off amid the national mortgage credit crisis and economic recession. New home permits were down from 1055 in 2007 to 551 in 2008, a 48 percent decline, compared with 2007. Commercial permits were down 9 percent for 2008 and square feet permitted were down 44 percent. Commercial activity from 2007 to 2008 was up in terms of dollar value, driven largely by Prime Retail's outlet mall permit (566,218 square feet at \$55 million) filed in September, 2008.

Prime Outlets announced in Fall, 2008 the names of 20 merchants signing leases to open stores at Prime Outlets – Grand Prairie, planned for Interstate 20 and State Highway 360 to serve the Dallas/Fort worth region. The signed merchants join anchor stores Neiman Marcus Last Call and Saks Fifth Avenue OFF 5th. Prime Outlets has a portfolio of 21 outlet centers throughout the U.S. and Puerto Rico.

Real estate developer Crow Holdings completed one distribution building in 2008, Trinity Overlook, in north Grand Prairie, and started two others at the Grand Lakes industrial park in northeast Grand Prairie, Interstate 30 east of MacArthur. The projects add nearly 1 million square feet of industrial space and close to \$40 million in property value.

Farley's & Sathers Candy Company/Shippers Warehouse consolidated its Grand Prairie and Arlington operations at a 1.06 million square-foot distribution building at Grand Lakes in Grand Prairie. Real estate industry insiders cited the deal as the largest industrial lease in Texas in almost 10 years and the largest nationally in three years.

Other Grand Prairie newsmakers during 2008 were:

- Brighton-Best International leased 93,325 square feet at Duke Realty's recently finished 393,000 square foot Crosspoint III industrial building at Shady Grove and Roy Orr Blvd. Brighton distributes fasteners.
- GEEP Texas: Geep Texas, an electronics recycling company, expanded to the north Great Southwest Industrial District, hiring 13 employees and adding \$3.5 million in new recycling equipment.
- Baumann Springs consolidated its United States manufacturing in Grand Prairie, relocating its Charlotte, North Carolina plant. The move expands the Grand Prairie operation to 92,000 square feet. Baumann projects an added capital investment of \$4.5 million in personal property, equipment and inventory and anticipates adding 30-40 new full-time employees.
- Office furniture maker Coalesse announced expansion of operations at Grand Prairie's Vecta plant. Coalesse is a division of Michigan-based office furniture maker Steelcase Inc., known also as Vecta in Grand Prairie.
- Vecta Grand Prairie expects an added capital investment of \$3.5 million in personal property and inventory and \$750,000 in real property.

Long-term financial planning

The City of Grand Prairie has developed a comprehensive capital improvements document. This process has allowed the City Council to fund several major infrastructure improvements, park enhancements and capital purchases in a systematic manner with full consideration of the impact to the operating budget and tax requirements. Many of these projects have been completed on a pay-as-you-go basis. Utilizing a disciplined practice of annually budgeting for capital reserves, the City has effectively funded various capital projects thus avoiding additional debt expenditures.

Relevant financial policies

The City's financial operations are guided by comprehensive financial management policies introduced by a Purpose Statement that includes the following: "The overriding goal of the Financial Management Policies is to enable the city to achieve a long-term, stable and positive financial condition while conducting its operations consistent with the council-manager form of government established in the City Charter. The watchwords of the city's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure."

The Purpose Statement also includes that "The scope of the policies spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control, and debt management." The City also maintains, as separate documents, comprehensive Investment, Debt Management and Purchasing Policies. They provide guidance both to the City staff in daily, financial decision-making, and, to the City Council at a policy setting level. The policies are annually reviewed by the City Council.

The City of Grand Prairie has been served very well by these comprehensive financial policies. The City has achieved and maintained numerous, financially healthy benchmarks and ratios including sufficient fund balances in all funds, compliance with debt coverage ratios and fiscally sound investment practices. In turn, this financially healthy condition has been an important and positive factor in the evaluation of the City's borrowing needs through bond sales. The City's high credit rating directly affects the City's borrowing costs reflected in lower interest rates and reduced interest expenditures.

Finally, City Council has a three-member Finance and Government Committee whose members provide guidance to the City in budgetary, audit, internal control and other significant financial matters.

Major initiatives

2008 marked significant public sector improvements – the Belt Line bridge, State Highway 161 frontage roads, a new senior center, a new public safety headquarter facility and a new community arts theater.

- Belt Line bridge over Union Pacific Railroad at Jefferson and Main was completed. The bridge now provides nearly 40,000 cars a daily route over the railroad track.

- Frontages for SH 161 opened from Interstate 20 in south Grand Prairie to W. North Carrier in north Grand Prairie, offering a new north-south route and relieving north-south traffic congestion along Great Southwest Parkway and Carrier Parkway.
- Following the opening in the Fall, 2008, the 1950s era Uptown Theater now hosts performing arts and serves as home of the Arts Council. The City restored the historic theater after buying it and two adjacent spaces on Main Street, between Center and 2nd streets.

Awards

The City's dedication to full financial disclosure is evidenced by its participation in the Government Finance Officers' Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement") program.

To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents confirm to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

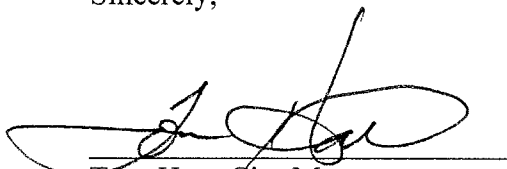
A Certificate of Achievement is valid for a period of one year only. The City has been awarded the GFOA Certificate of Achievement on its comprehensive annual financial reports each year for fiscal years ending 1985 through 2007. The City believes the 2008 CAFR continues to meet the program's requirements, and, we are submitting it to the GFOA to determine its eligibility for another certificate and prestigious award.

Acknowledgements

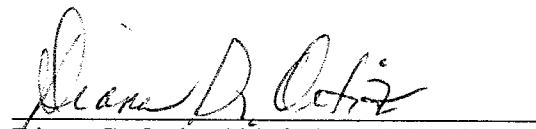
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department and the Budget and Economic Development Departments for their assistance with related information.

Thanks are also extended to the City Council and Finance and Government Committee for their unfailing support of sound financial management and for maintaining the highest standards of professionalism in the management of the City's finances.

Sincerely,



Tom Hart, City Manager



Diana G. Ortiz, Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grand Prairie
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

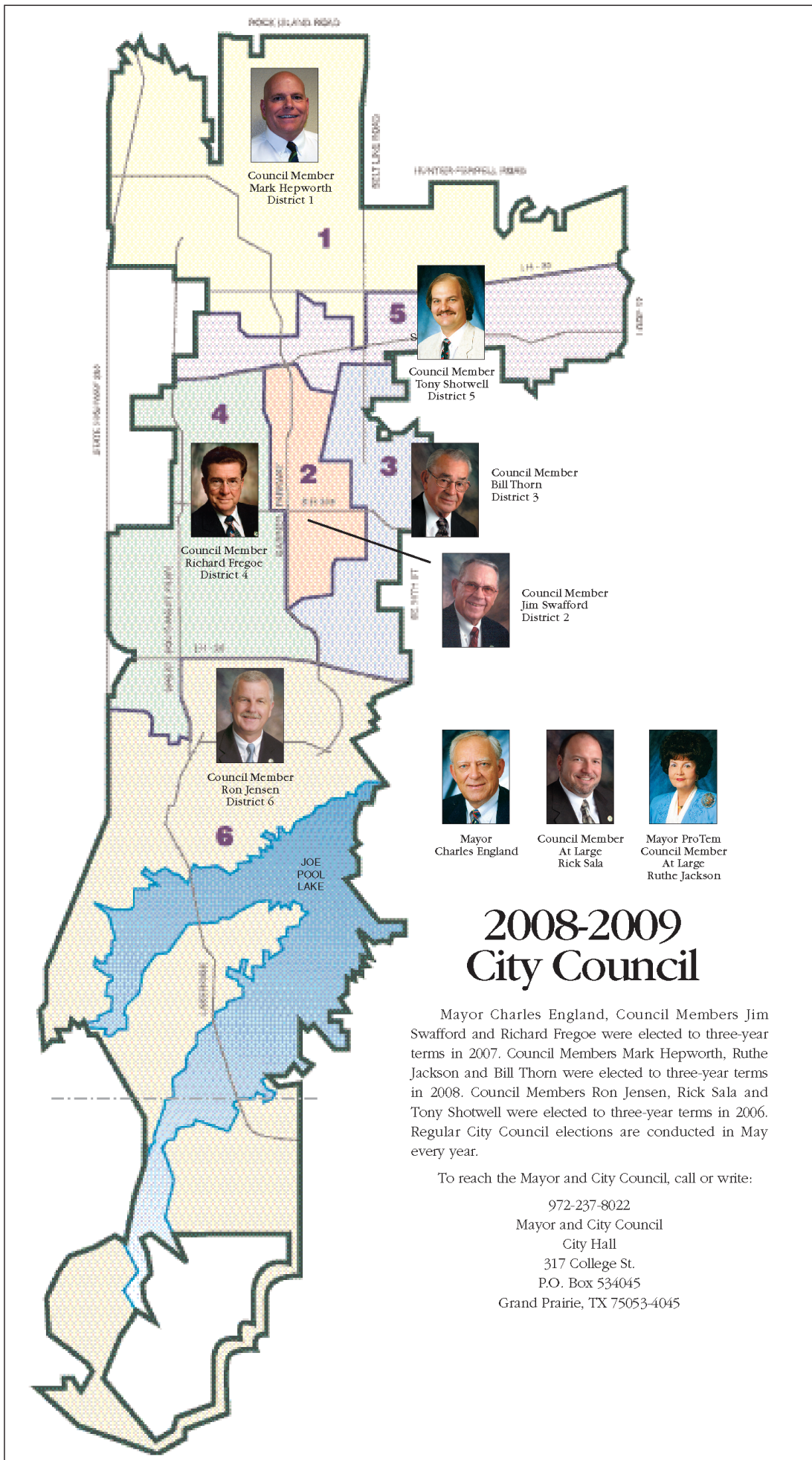


President

Executive Director



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Council Member
Mark Hepworth
District 1



Council Member
Tony Shotwell
District 5



Council Member
Richard Fregoe
District 4



Council Member
Bill Thorn
District 3



Council Member
Jim Swafford
District 2



Council Member
Ron Jensen
District 6



Mayor
Charles England



Council Member
At Large
Rick Sala



Mayor Pro Tem
Council Member
At Large
Ruth Jackson

2008-2009 City Council

Mayor Charles England, Council Members Jim Swafford and Richard Fregoe were elected to three-year terms in 2007. Council Members Mark Hepworth, Ruth Jackson and Bill Thorn were elected to three-year terms in 2008. Council Members Ron Jensen, Rick Sala and Tony Shotwell were elected to three-year terms in 2006. Regular City Council elections are conducted in May every year.

To reach the Mayor and City Council, call or write:

972-237-8022
Mayor and City Council
City Hall
317 College St.
P.O. Box 534045
Grand Prairie, TX 75053-4045

CITY OF GRAND PRAIRIE, TEXAS

DIRECTOR OF CITY OFFICIALS

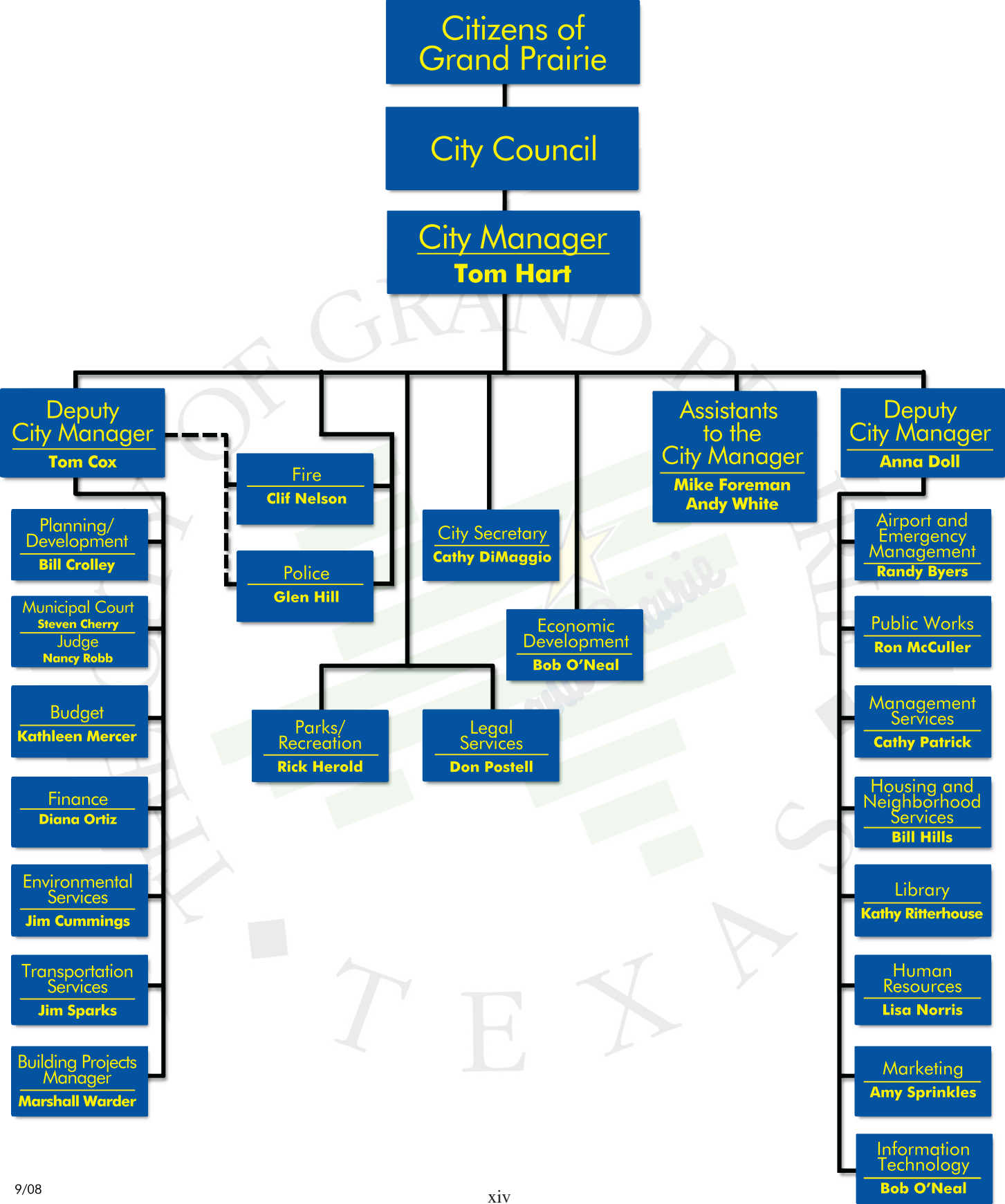
MAYOR AND CITY COUNCIL

Charles England	Mayor At Large
Mark Hepworth	District 1
Jim Swafford	District 2
Bill Thorn	District 3
Richard Fregoe	District 4
Tony Shotwell	District 5
Ron Jensen	District 6
Ruthe Jackson	Mayor Pro Tem – At Large – Place 7
Rick Sala	At Large – Place 8

EXECUTIVE MANAGERS

Tom Hart	City Manager
Tom Cox	Deputy City Manager
Anna Doll	Deputy City Manager
Andy White	Assistant to City Manager
Mike Foreman	Assistant to City Manager
Randy Byers	Airport Director
Steven Cherry	Court Services Director
Kathleen Mercer	Budget Director
Bill Crolley	Director of Planning & Development
Jim Cummings	Environmental Services Director
Cathy DiMaggio	City Secretary
Rick Herold	Parks & Recreation Director
Glen Hill	Police Chief
Bill Hills	Housing & Neighborhood Services Director
Ron McCuller	Public Works Director
Clif Nelson	Fire Chief
Lisa Norris	Human Resources Director
Diana Ortiz	Chief Financial Officer
Bob O'Neal	Economic Development & Information Technology Director
Don Postell	City Attorney
Kathy Ritterhouse	Library Director
Nancy Robb	Municipal Court Judge
Jim Sparks	Transportation Director
Amy Sprinkles	Marketing Director
Cathy Patrick	Management Services Director

City of Grand Prairie Organizational Chart





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FINANCIAL SECTION





**WEAVER
AND
TIDWELL**

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of
the City Council
CITY OF GRAND PRAIRIE, TEXAS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Grand Prairie (the "City") as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the component unit financial statements for the Grand Prairie Housing Finance Corporation. Those financial statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Grand Prairie Housing Finance Corporation is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

In our opinion the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Prairie at September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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AN INDEPENDENT MEMBER OF
BAKER TILLY
INTERNATIONAL

OFFICES IN

DALLAS

FORT WORTH

HOUSTON

SAN ANTONIO

City of Grand Prairie, Texas
Page Two

The accompanying management's discussion and analysis, and budget to actual schedules for the General Fund, Crime Tax Fund and Section 8 Fund and schedule of funding progress are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the basic financial statements taken as a whole. The introductory section, combining and individual non-major fund financial statements and schedules and statistical tables listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. The combining and individual non-major fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such data.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 30, 2009

MANAGEMENT'S DISCUSSION & ANALYSIS



**CITY OF GRAND PRAIRIE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
(Unaudited)**

As management of the City of Grand Prairie, Texas (the "City"), we offer to readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. Also, unless otherwise indicated, all amounts presented are for the City's primary government and exclude any component unit.

FINANCIAL HIGHLIGHTS

- ◆ The assets of the City exceeded its liabilities (*net assets*) at September 30, 2008 by \$578,296,705. Of this amount, \$171,534,814 may be used to meet the government's ongoing obligations to citizens and creditors (*unrestricted net assets*).
- ◆ The City's net assets increased by \$38,370,122 for the fiscal year ended September 30, 2008. Capital contributions from private developers for improvements to the City's infrastructure accounted for \$6,492,391 or 16.9% of the increase in city net assets.
- ◆ The City's governmental funds reported combined ending fund balances of \$222,992,030 at September 30, 2008, an increase of \$100,713,327 in comparison with prior year combined fund balances. Of the governmental funds reported combined fund balances, \$212,509,401 or 95.3% is available for spending within City guidelines (*unreserved fund balance*).
- ◆ The City's unreserved fund balance for the general fund was \$23,517,200 at year end or 27.7% of total general fund expenditures for the reported fiscal year.
- ◆ The City's total long-term liabilities of \$394,411,479 increased by \$134,322,398 or 51.6% during the reported fiscal year. In fiscal year 2008, the City issued general obligation, certificates of obligation, water and wastewater revenue, and TIF-related certificates of obligation and Sales Tax Revenue bonds totaling a combined \$164,045,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. Such supplementary information is unaudited and is presented to provide the reader with additional information for further analysis.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to that of a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include public safety, recreation and leisure, development services, and the general government support services. Development services includes among other services the City's planning, public works, transportation, housing, and community development activities. The business-type activities of the City include water and wastewater system, a solid waste sanitary landfill, a storm water drainage utility system, a municipal airport, and municipal golf courses.

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. The City does not have any funds that are used to account for resources held for the benefit of parties outside the government (fiduciary funds).

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

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

The City has five major governmental funds: General Fund, Crime Tax Fund, Section 8 Fund, Street Improvements Fund, and Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriating budget for its General Fund and certain other governmental funds of significance to governance. Budgetary comparison schedules have been provided for the General Fund, Section 8 Fund and Crime Tax Fund to demonstrate compliance with this budget.

Proprietary funds. The City maintains two different types of proprietary 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 respective water and wastewater system, solid waste sanitary landfill, storm water utility, municipal airport, and municipal golf courses operating, investing, and financing activities. 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.

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 one is a major enterprise fund: the Water Wastewater Fund. Data from the other enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report. 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$578,296,705 at year end. The City had total assets at year end of \$1,003,171,516. The City's pooled cash and investments totaling \$305,891,431 and capital assets (e.g., land, buildings, equipment, infrastructure, and construction in progress), net of accumulated depreciation totaling \$672,510,792 represented 30.49% and 67.04%, respectively, of total government assets.

The City's investment in capital assets, less any related debt used to acquire those assets that is still outstanding, totaled \$395,181,518 and represented 68.3% of the City's total net assets at year end. The City uses its capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this 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 assets at year end compared to the prior year.

Table 1

Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	9/30/2007	9/30/2008	9/30/2007	9/30/2008	9/30/2007	9/30/2008
Cash & investments	\$ 131,277,131	\$ 235,342,287	\$ 55,877,620	\$ 70,549,144	\$ 187,154,751	\$ 305,891,431
Other assets	12,423,781	18,171,570	6,212,483	6,597,723	18,636,264	24,769,293
Capital assets, net	426,341,023	470,451,718	196,729,228	202,059,074	623,070,251	672,510,792
Total assets	<u>570,041,935</u>	<u>723,965,575</u>	<u>258,819,331</u>	<u>279,205,941</u>	<u>828,861,266</u>	<u>1,003,171,516</u>
Current liabilities	22,247,674	22,893,342	6,597,928	7,569,990	28,845,602	30,463,332
Long-term bonded debt	185,791,917	302,296,157	62,458,824	74,128,348	248,250,741	376,424,505
Other noncurrent liabilities	6,955,307	12,766,933	4,883,033	5,220,041	11,838,340	17,986,974
Total liabilities	<u>214,994,898</u>	<u>337,956,432</u>	<u>73,939,785</u>	<u>86,918,379</u>	<u>288,934,683</u>	<u>424,874,811</u>
Net assets:						
Invested in capital assets, net of related debt	250,427,112	265,961,757	134,270,404	129,219,761	384,697,516	395,181,518
Restricted	5,260,954	5,491,185	3,748,093	3,343,171	9,009,047	8,834,356
Unrestricted	99,358,971	114,556,201	46,861,049	59,724,630	146,220,020	174,280,831
Total net assets	<u>\$ 355,047,037</u>	<u>\$ 386,009,143</u>	<u>\$ 184,879,546</u>	<u>\$ 192,287,562</u>	<u>\$ 539,926,583</u>	<u>\$ 578,296,705</u>

A portion of the City's net assets totaling \$11,580,373 or 2.0% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizen's and creditors.

At the fiscal year end, the City is able to report positive balances in all three categories of net assets, for both governmental and business-type activities.

The City's net assets increased by \$38,370,122 in fiscal year 2008. As previously mentioned, \$6,492,391 or 16.9% of the increase is attributable to the revenue recognition of private developer capital contributions for improvements to the City's infrastructure. The remaining increase represents the degree to which revenues have exceeded expenses.

The fiscal year 2008 compared to fiscal 2007 changes in the City's net assets were as follows:

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/07	9/30/08	9/30/07	9/30/08	9/30/07	9/30/08
Revenues:						
Program revenues:						
Charges for services	\$ 25,399,502	\$ 28,645,307	\$ 57,066,591	\$ 60,132,821	\$ 82,466,093	\$ 88,778,128
Operating grants and contributions	48,052,791	36,873,575	1,668,944	270,729	49,721,735	37,144,304
Capital grants and contributions	14,027,960	11,432,768	8,109,411	5,519,297	22,137,371	16,952,065
General revenues:						
Property tax	61,443,459	69,813,294	-	-	61,443,459	69,813,294
Sales tax	31,919,487	39,665,104	-	-	31,919,487	39,665,104
Other tax	1,344,762	1,414,822	-	-	1,344,762	1,414,822
Franchise fees	11,375,535	11,847,401	-	-	11,375,535	11,847,401
Investment income	7,573,850	7,444,199	2,549,696	2,448,108	10,123,546	9,892,307
Total revenues	201,137,346	207,136,470	69,394,642	68,370,955	270,531,988	275,507,425
Expenses:						
Support services	22,481,067	19,829,891	-	-	22,481,067	19,829,891
Public safety	70,124,744	76,192,160	-	-	70,124,744	76,192,160
Recreation and leisure	19,168,072	20,548,092	-	-	19,168,072	20,548,092
Development and other services	38,630,596	51,061,087	-	-	38,630,596	51,061,087
Interest on long-term debt	8,421,424	10,329,775	-	-	8,421,424	10,329,775
Water and wastewater	-	-	40,211,646	43,521,711	40,211,646	43,521,711
Municipal golf course	-	-	3,295,065	3,388,253	3,295,065	3,388,253
Solid waste	-	-	9,599,260	8,147,843	9,599,260	8,147,843
Municipal airport	-	-	2,010,376	2,274,829	2,010,376	2,274,829
Storm water utility	-	-	1,034,458	1,076,876	1,034,458	1,076,876
Total expenses	158,825,903	177,961,005	56,150,805	58,409,512	214,976,708	236,370,517
Increase in net assets before transfers	42,311,443	29,175,465	13,243,837	9,961,443	55,555,280	39,136,908
Transfers	2,426,279	2,553,427	(2,426,279)	(2,553,427)	-	-
Change in net assets	44,737,722	31,728,892	10,817,558	7,408,016	55,555,280	39,136,908
Net assets - beginning of year						
-as previously stated	310,309,315	355,047,037	174,061,988	184,879,546	484,371,303	539,926,583
Prior period adjustment	-	(766,786)	-	-	-	(766,786)
Net assets - end of year	\$ 355,047,037	\$ 386,009,143	\$ 184,879,546	\$ 192,287,562	\$ 539,926,583	\$ 578,296,705

The changes in the City's general revenues from prior year excluding contributions and transfers were as follows:

Table 3

General Revenue Comparison
For the Year End

	Fiscal Year 9/30/07	Fiscal Year 9/30/08	Increase (Decrease)
Governmental activities:			
Property taxes	\$ 61,443,459	\$ 69,813,294	\$ 8,369,835
Sales taxes	31,919,487	39,665,104	7,745,617
Other taxes	1,344,762	1,414,822	70,060
Franchise fees	11,375,535	11,847,401	471,866
Investment income	7,573,850	7,444,199	(129,651)
Total governmental activities	113,657,093	130,184,820	16,527,727
Business-type activities:			
Investment income	2,549,696	2,448,108	(101,588)
Total business-type activities	2,549,696	2,448,108	(101,588)
Total general revenues	\$ 116,206,789	\$ 132,632,928	\$ 16,426,139

Property tax revenue increased \$8,369,835 due primarily to a 9.7% increase in net taxable assessed property values. Sales tax revenue increased \$7,745,617 due to a state reallocation of prior years' sales tax payments. Franchise fee revenue increased \$471,866 because of increased gross revenues of payors. Investment income decreased by \$231,239 because the changes in interest earning rate.

Governmental activities. Net assets for governmental activities increased by \$30,962,106, thereby accounting for 80.7% of the total increase in the government's net assets. Of the increase, contributions of infrastructure by private developers to the city represented 16.9%. An increase in governmental general revenues (excludes operating transfers) compared to prior fiscal year represented 53.4% of the total increase in governmental net assets. The remaining increase represents the degree to which program revenues exceeded expenses. The City's operating grants and contributions revenues decreased by \$11,179,216 reflecting decreases in grant funding. Increases in charges for services resulted from a high level of development activity and increases in fines and forfeitures due to vigorous collection efforts. The \$2,595,192 decrease in capital grants and contributions was primarily due to a decline in development and the local economy.

Expenses for governmental activities also increased. Fuel prices, rising costs of health insurance and increased interest expense due to debt issuance were the primary factors.

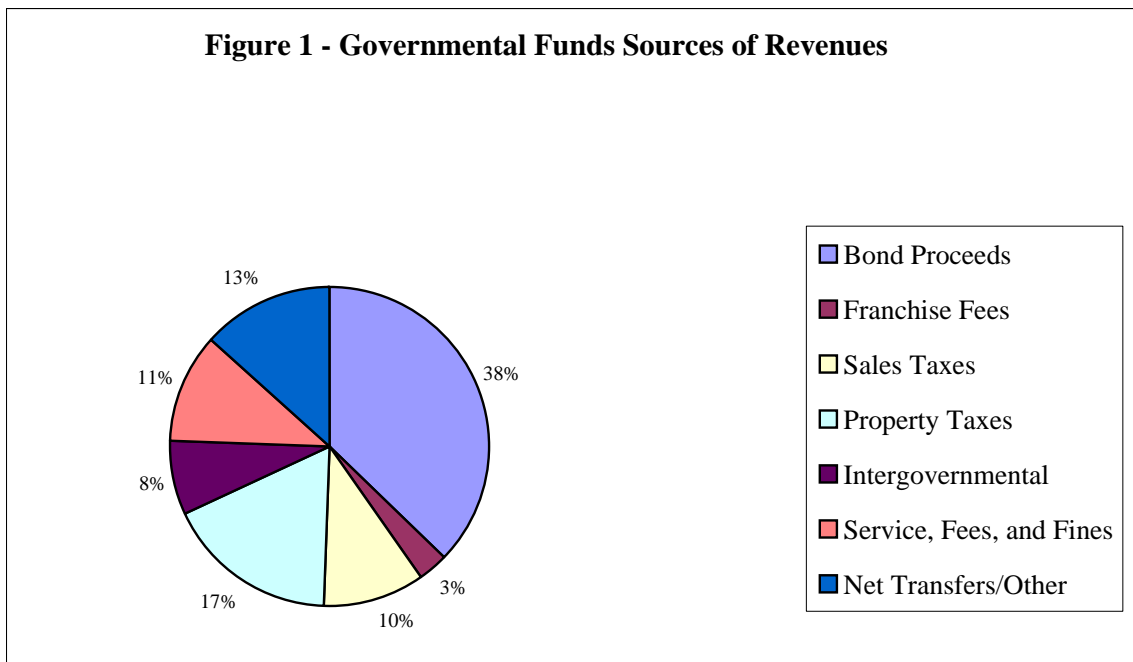
Business-type activities. Business-type activities increased the City's net assets by \$7,408,016, accounting for 19.3 percent of the total growth in the primary government's net assets. Of the increase, impact fees by private developers to the City's water and wastewater system infrastructure represented \$2,250,784 or 30.4 percent. Table 2 summarizes the changes in business-type activities net assets.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

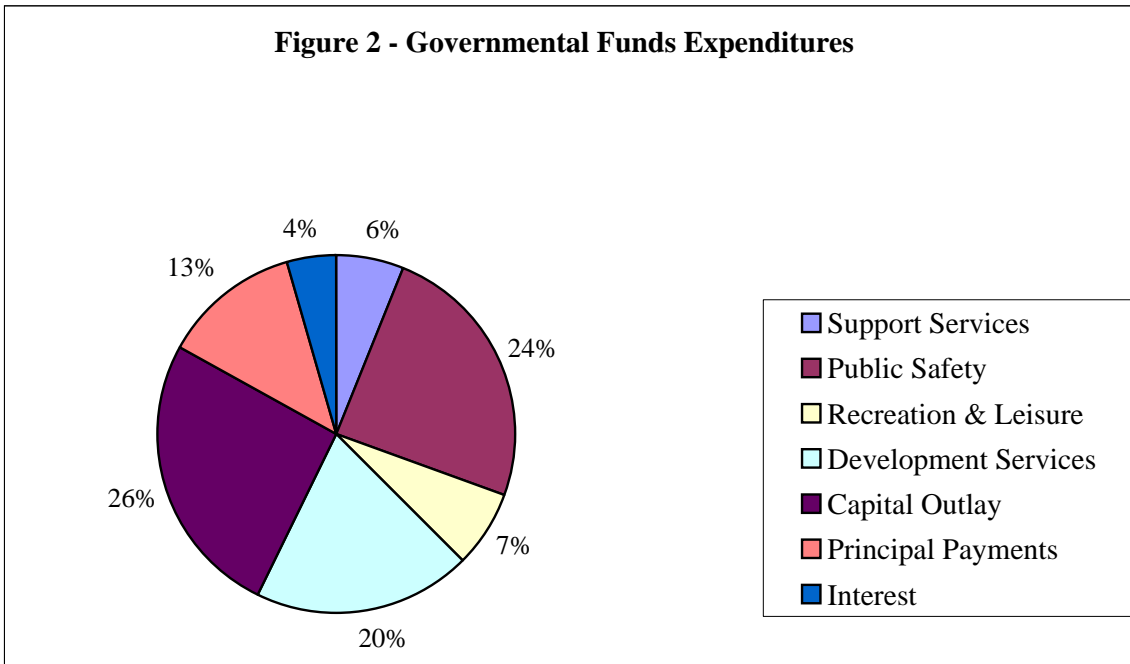
Governmental funds. The focus of City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of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

For fiscal year 2008, the City's governmental funds (excluding internal service funds) reported combined ending fund balances of \$222,992,030, an increase of \$100,713,327 in comparison with the prior year. The unreserved fund balance portion is 95.3% and is available for spending at the government's discretion. The remainder is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate inventories, contracts and purchase orders of the prior period - \$4,047,084, and 2) to pay debt service - \$6,435,546. Figures 1 and 2 that follow show the distribution of governmental funds sources of revenues - \$392,819,124 and expenditures - \$291,890,951 respectively, for fiscal year 2008.



Other sources of revenues include general fund general and administrative charges, transfers, gain on sale of capital assets, and other operating revenues.

Figure 2 - Governmental Funds Expenditures



The General Fund is the chief operating fund of the City. At the fiscal year end, unreserved fund balance of the General Fund was \$23,517,200, while total fund balance was \$24,286,735. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 27.7% of total general fund expenditures, while total fund balance represents 28.6% of that same amount. The City's General Fund balance decreased by \$1,165,738 in fiscal year 2008.

Fund balances of several other governmental funds changed significantly. Fund balances of the Crime Tax Fund and Street Improvements Fund increased by \$67,141,241 and \$5,583,885, respectively, due to bonds issued. Section 8 Fund saw an increase of \$1,791,457 in fund balance due to increased HUD funding and Debt Service Fund increased by \$247,068 due to increased property tax revenue. The fund balance of the nonmajor governmental funds increased by \$27,330,260 because of increased sales tax revenue and unspent proceeds of bonds issued during the year.

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

The net assets of the City's enterprise funds and internal service funds were \$190,998,527 and \$7,463,000, respectively at September 30, 2008. The City's internal service funds reported a gain before transfers and capital contributions of \$2,869,567. The enterprise funds' amount invested in capital assets, net of related debt represented 67.0% of total enterprise funds net assets. The enterprise funds unrestricted net assets were 31.3% of total enterprise funds net assets. The internal service funds' amount invested in capital assets, net of related debt represented 11.6% of total internal service funds' net assets. The internal service funds unrestricted net assets were 88.4% of total internal service funds' net assets. 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 \$85,764,105 and expenses of \$76,482,938 (excluding transfers and capital contributions) by activity.

Figure 3 - Proprietary Funds Revenues by Activity

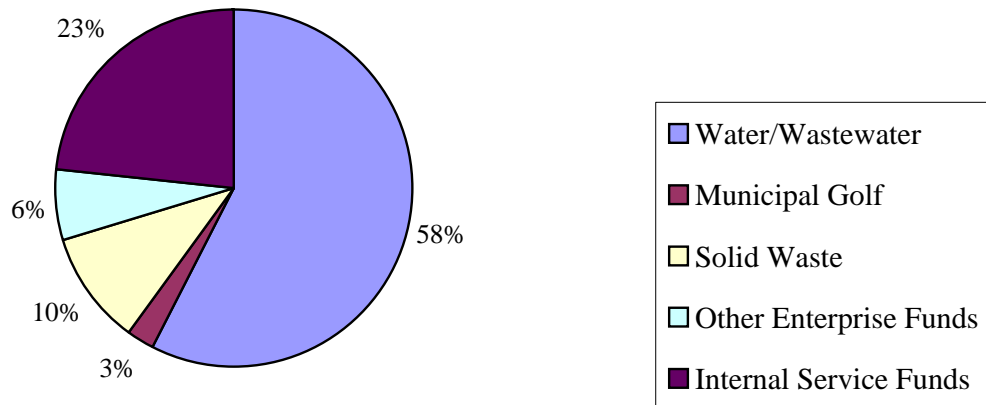
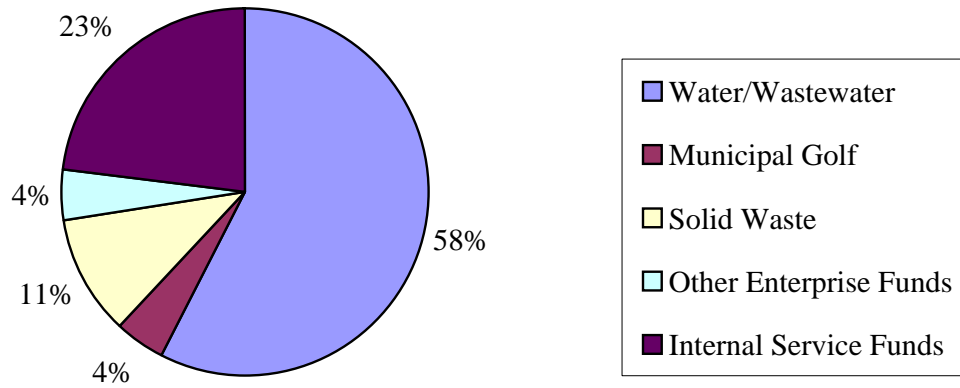


Figure 4 - Proprietary Fund Expenses by Activity



General Fund Budgetary Highlights

For the reported fiscal year, revenues fell short of budgetary estimates by \$180,640. Expenditures were under budgetary estimates by \$3,174,387 primarily due to salary savings resulting from vacancies in the following departments: Public Safety, Public Works and Information Technology. The fund realized a decrease in fund balance of \$1,165,738 due to an unexpected downturn of the economy resulting in lower than expected revenues. The City traditionally budgets revenue conservatively which frequently results in positive budgetary variances.

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 \$672,510,792. This investment includes land, buildings, improvements other than buildings (includes infrastructure), machinery and equipment, and construction in progress. The City's capital assets increased by \$49,440,541 in fiscal year 2008.

Major capital asset events during the reported fiscal year included the following:

- ◆ Private developer capital contributions of \$6,492,391 to the City's streets, water, sewer, and drainage infrastructure in connection with various residential and commercial developments.
- ◆ Capital outlay totaling \$5,081,163 for equipment, improvements in the Crime Tax District.
- ◆ Capital outlay totaling \$9,386,640 for Street Improvement Fund includes various streets, sidewalks, entryways, pedestrian pathways and intersections in the City.
- ◆ Water and wastewater capital improvements totaling \$10,230,085.

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

Table 4

Capital Assets*

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/07	9/30/08	9/30/07	9/30/08	9/30/07	9/30/08
Land	\$ 24,953,662	\$ 25,449,216	\$ 3,251,674	\$ 3,305,140	\$ 28,205,336	\$ 28,754,356
Construction in progress	112,131,145	154,949,829	38,757,123	49,330,575	150,888,268	204,280,404
Depreciable capital assets	460,910,356	480,105,569	259,858,455	264,717,912	720,768,811	744,823,481
Accumulated depreciation	(171,654,140)	(190,052,896)	(105,138,024)	(115,294,553)	(276,792,164)	(305,347,449)
Total capital assets, net	<u>\$ 426,341,023</u>	<u>\$ 470,451,718</u>	<u>\$ 196,729,228</u>	<u>\$ 202,059,074</u>	<u>\$ 623,070,251</u>	<u>\$ 672,510,792</u>

* See note 3.a.2 for more detailed information on the City's capital assets.

Long-term debt. At September 30, 2008, the City had the following long-term liabilities excluding amounts due within one year:

Table 5

Long-Term Debt*

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/07	9/30/08	9/30/07	9/30/08	9/30/07	9/30/08
Bonded debt	\$ 185,791,917	\$ 302,296,157	\$ 62,458,824	\$ 74,128,348	\$ 248,250,741	\$ 376,424,505
Accrued compensated absences	11,340,991	12,279,060	320,014	362,938	11,661,005	12,641,998
Other Post Employment Benefit	-	487,873	-	-	-	487,873
Closure and post closure liability	-	-	4,596,339	4,857,103	4,596,339	4,857,103
Total long-term debt	\$ 197,132,908	\$ 315,063,090	\$ 67,375,177	\$ 79,348,389	\$ 264,508,085	\$ 394,411,479
Long-term debt to net assets percentage	56%	82%	36%	41%	49%	68%

Of the total bonded debt, \$246,626,630 or 65.5% is debt backed by the full faith and credit of the government with a property tax pledge.

During the reported fiscal year, the City issued \$164,045,000 in new bonded debt and repaid principal on bonds totaling \$35,915,271. The City's interest expense on its bonded debt was \$13,743,823 for the reported fiscal year.

The City's bond ratings by Moody's and Fitch IBCA are currently as follows:

	<u>Moody's</u>	<u>Fitch IBCA</u>	<u>Standard & Poor's</u>
General obligation bonds	n/a	AA	AA+
Sales tax revenue bonds	A1	AA-	n/a
Water and wastewater revenue bonds	n/a	AA	AA+

* See Note 3.b.2 to the financial statements for more detailed information on the City's long-term debt.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2009 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. The population growth experienced by the City has stimulated residential and commercial development activity. The continued growth in population has placed additional demands on the City to maintain or expand services. The City's unemployment rate is currently approximately 5.5% which is typical for cities in the region.

These indicators are taken into account when adopting the General Fund budget for fiscal year 2009:

- ◆ An increase in property tax assessed values for a twelfth consecutive year resulting in additional budgeted property tax revenues of \$3,564,758. The City's net taxable assessed property values increased by 6% to \$9,757,579,695 for fiscal 2008 as compared to prior fiscal year. The City did not change the property tax rate of 0.669998 per \$100 taxable value for fiscal year 2008.
- ◆ A 5.9% increase in budgeted sales taxes revenues as compared to prior fiscal year budget due to an expected continued improvement to the economy. There is no change in the City's sales tax rate.
- ◆ The City's favorable bond ratings and continued low interest earnings and expense rates.

The City expects an overall increase in other general revenues of governmental activities from increased activity. Investment income is expected to remain relatively the same as fiscal year 2008 because interest rates on new investments of surplus cash are lower than those on maturing securities.

The City's total approved operating appropriations and reserves for fiscal year 2009 is \$193,492,055 an increase of \$3,602,041 or 1.9% as compared to prior fiscal year original budget. The general fund approved appropriations for fiscal year 2009 is \$97,576,519, an increase of \$475,896 or 0.5% from prior year. The remaining change in total budgeted operating appropriations and reserves includes an increase of \$3,827,005 in the Water Wastewater Fund. In addition, the City has approved an increase in debt service appropriations of \$602,241.

The City's total approved planned capital projects for fiscal year 2009 includes \$55,257,964 in appropriation requests. The fiscal year 2009 planned capital projects includes \$16,661,518 for water and wastewater improvements, \$21,262,644 in street and signal improvements, \$1,534,500 in parks improvements and \$7,196,616 in storm drainage improvement.

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, 317 College Street, P.O. Box 534045, Grand Prairie, Texas, 75053-4045.

BASIC FINANCIAL STATEMENTS



CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008

ASSETS	Primary Government			GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT	GRAND PRAIRIE HOUSING FINANCE CORPORATION
	Governmental Activities	Business-Type Activities	Total		
Current assets:					
Cash and cash equivalents	\$ 10,999,921	\$ 6,848,997	\$ 17,848,918	\$ 11,151,363	\$ 370,033
Investments	20,337,378	58,029,878	78,367,256	-	-
Receivables (net of allowance for uncollectibles):					
Property tax	2,352,559	-	2,352,559	-	-
Franchise fees	2,300,827	-	2,300,827	-	-
Sales tax	7,563,226	-	7,563,226	-	-
Lease payments receivable	-	-	-	195,616	-
Other receivables	2,547,232	4,032,592	6,579,824	128,811	48,864
Due from other governments	2,763,340	-	2,763,340	-	-
Internal balances	(1,289,035)	1,289,035	-	-	-
Inventories and supplies	168,828	429,159	597,987	-	-
Current restricted assets:					
Cash and cash equivalents	102,588,226	-	102,588,226	-	861,439
Investments	101,416,762	5,670,269	107,087,031	-	-
Total current assets	251,749,264	76,299,930	328,049,194	11,475,790	1,280,336
Noncurrent assets:					
Lease payments receivable	-	-	-	15,802,407	-
Deferred charges	1,764,593	846,937	2,611,530	-	-
Estimated unguaranteed residential value	-	-	-	62,161,503	-
Capital assets:					
Land	25,449,216	3,305,140	28,754,356	-	1,612,851
Buildings	61,084,246	7,375,577	68,459,823	-	21,011,176
Equipment	61,197,247	22,437,193	83,634,440	-	-
Infrastructure	357,824,076	234,905,142	592,729,218	-	-
Construction in progress	154,949,829	49,330,575	204,280,404	-	-
Less accumulated depreciation	(190,052,896)	(115,294,553)	(305,347,449)	-	(5,175,826)
Total noncurrent assets	472,216,311	202,906,011	675,122,322	77,963,910	17,448,201
Total assets	723,965,575	279,205,941	1,003,171,516	89,439,700	18,728,537
LIABILITIES					
Current liabilities:					
Accounts payable	14,734,164	3,599,341	18,333,505	63,200	133,037
Accrued liabilities	7,541,133	1,495,133	9,036,266	-	755,731
Unearned revenue	618,045	94,540	712,585	-	-
Customer deposits	-	2,380,976	2,380,976	-	46,910
Noncurrent liabilities:					
Due within one year:					
Accrued compensated absences	4,938,128	339,315	5,277,443	-	-
Current portion of long term debt	13,021,241	4,048,919	17,070,160	-	311,004
Due in more than one year:					
Accrued compensated absences	7,340,932	23,623	7,364,555	-	-
OPEB liability	487,873	-	487,873	-	-
Closure and postclosure liability	-	4,857,103	4,857,103	-	-
Construction loan payable	-	-	-	-	3,372,959
Long term debt	289,274,916	70,079,429	359,354,345	-	13,560,000
Total liabilities	337,956,432	86,918,379	424,874,811	63,200	18,179,641
Invested in capital assets (net of related debt)	265,961,757	129,219,761	395,181,518	-	136,802
Restricted for:					
Debt service	5,491,185	3,343,171	8,834,356	-	126,234
Facility lease	-	-	-	78,159,526	-
Unrestricted	114,556,201	59,724,630	174,280,831	11,216,974	285,860
Total net assets	\$ 386,009,143	\$ 192,287,562	\$ 578,296,705	\$ 89,376,500	\$ 548,896

See accompanying notes to basic financial statements.

CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

FUNCTIONS/ACTIVITY	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 19,829,891	\$ 12,976,068	\$ -	\$ -
Public safety services	76,192,160	5,827,320	963,194	-
Recreation and leisure services	20,548,092	6,894,465	3,901,051	-
Development services and other	51,061,087	2,947,454	32,009,330	11,432,768
Interest on long-term debt	10,329,775	-	-	-
Total governmental activities	<u>177,961,005</u>	<u>28,645,307</u>	<u>36,873,575</u>	<u>11,432,768</u>
Business-type activities:				
Water and wastewater	43,521,711	43,493,084	-	5,519,297
Municipal golf course	3,388,253	2,232,189	-	-
Solid waste	8,147,843	9,103,212	-	-
Municipal airport	2,274,829	2,330,000	270,729	-
Storm water	1,076,876	2,974,336	-	-
Total business-type activities	<u>58,409,512</u>	<u>60,132,821</u>	<u>270,729</u>	<u>5,519,297</u>
Total primary government	<u>\$ 236,370,517</u>	<u>\$ 88,778,128</u>	<u>\$ 37,144,304</u>	<u>\$ 16,952,065</u>
Component units:				
Grand Prairie Sports Facilities Development	4,029,263	2,867,636	-	(3,175,138)
Grand Prairie Housing Finance Corporation	5,573,554	4,183,595	-	-
Component units:	<u>\$ 9,602,817</u>	<u>\$ 7,051,231</u>	<u>\$ -</u>	<u>\$ (3,175,138)</u>
			General revenues:	
			Taxes:	
			Property tax	
			Sales tax	
			Hotel/motel tax and other taxes	
			Franchise fees based on gross receipt	
			Investment income	
			Transfers	
			Total general revenues and transfers	
			Change in net assets	
			Net assets-beginning of year-	
			as previously stated	
			Prior period adjustment	
			Net assets - end of year	

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Assets Primary Government			GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT	GRAND PRAIRIE HOUSING FINANCE CORPORATION
Governmental Activities	Business-Type Activities	Total		
\$ (6,853,823)	\$ -	\$ (6,853,823)	\$ -	\$ -
(69,401,646)	-	(69,401,646)	-	-
(9,752,576)	-	(9,752,576)	-	-
(4,671,535)	-	(4,671,535)	-	-
(10,329,775)	-	(10,329,775)	-	-
<u>(101,009,355)</u>	<u>-</u>	<u>(101,009,355)</u>	<u>-</u>	<u>-</u>
-	5,490,670	5,490,670	-	-
-	(1,156,064)	(1,156,064)	-	-
-	955,369	955,369	-	-
-	325,900	325,900	-	-
-	1,897,460	1,897,460	-	-
-	<u>7,513,335</u>	<u>7,513,335</u>	-	-
<u>(101,009,355)</u>	<u>7,513,335</u>	<u>(93,496,020)</u>	<u>-</u>	<u>-</u>
			(4,336,765)	-
			-	(1,389,959)
			<u>(4,336,765)</u>	<u>(1,389,959)</u>
69,813,294	-	69,813,294	-	-
39,665,104	-	39,665,104	-	-
1,414,822	-	1,414,822	-	-
11,847,401	-	11,847,401	-	-
7,444,199	2,448,108	9,892,307	329,884	84,101
2,553,427	(2,553,427)	-	-	-
<u>132,738,247</u>	<u>(105,319)</u>	<u>132,632,928</u>	<u>329,884</u>	<u>84,101</u>
31,728,892	7,408,016	39,136,908	(4,006,881)	(1,305,858)
355,047,037	184,879,546	539,926,583	93,383,381	1,854,754
<u>(766,786)</u>	<u>-</u>	<u>(766,786)</u>	<u>-</u>	<u>-</u>
<u>\$ 386,009,143</u>	<u>\$ 192,287,562</u>	<u>\$ 578,296,705</u>	<u>\$ 89,376,500</u>	<u>\$ 548,896</u>

**CITY OF GRAND PRAIRIE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS -
SEPTEMBER 30, 2008**

	<u>General</u>	<u>Crime Tax</u>	<u>Section 8</u>	<u>Street Improvements</u>	<u>Debt Service</u>
ASSETS					
Cash and cash equivalents	\$ 5,637,102	\$ 24,126,764	\$ 2,816,002	\$ 20,648,581	\$ 1,323,738
Investments	15,446,189	42,227,945	2,262,550	8,712,883	3,921,110
Property tax receivable	1,679,174	-	-	-	673,385
Sales tax receivable	3,830,890	859,170	-	-	-
Franchise fees receivable	2,300,827	-	-	-	-
Other receivables	143,913	-	643	-	737
Due from other funds	2,210,000	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ 31,248,095</u>	<u>\$ 67,213,879</u>	<u>\$ 5,079,195</u>	<u>\$ 29,361,464</u>	<u>\$ 5,918,970</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 4,562,514	\$ 342,830	\$ 71,228	\$ 3,555,759	\$ 500
Accrued liabilities	940,673	55,088	381	278,302	-
Customer deposits	-	-	-	-	-
Due to funds	-	-	-	-	-
Deferred revenue	1,458,173	-	-	-	584,759
Total liabilities	<u>6,961,360</u>	<u>397,918</u>	<u>71,609</u>	<u>3,834,061</u>	<u>585,259</u>
Fund Balance:					
Reserved for:					
Encumbrances	769,535	-	-	-	-
Bond debt service	-	-	-	-	5,333,711
Unreserved, designated for:					
Capital projects	-	-	-	25,527,403	-
Unreserved, undesignated in:					
General Fund	23,517,200	-	-	-	-
Special Revenue Funds	-	66,815,961	5,007,586	-	-
Total fund balance	<u>24,286,735</u>	<u>66,815,961</u>	<u>5,007,586</u>	<u>25,527,403</u>	<u>5,333,711</u>
Total liabilities and fund balance	<u>\$ 31,248,095</u>	<u>\$ 67,213,879</u>	<u>\$ 5,079,195</u>	<u>\$ 29,361,464</u>	<u>\$ 5,918,970</u>

See accompanying notes to basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 53,673,141	\$ 108,225,328
44,292,274	116,862,951
-	2,352,559
2,873,166	7,563,226
-	2,300,827
2,401,938	2,547,231
-	2,210,000
2,763,340	2,763,340
<u>\$ 106,003,859</u>	<u>\$ 244,825,462</u>

\$ 6,076,249	\$ 14,609,080
1,061,345	2,335,789
17,586	17,586
2,210,000	2,210,000
618,045	2,660,977
<u>9,983,225</u>	<u>21,833,432</u>

3,277,548	4,047,083
1,101,835	6,435,546
11,145,579	36,672,982
-	23,517,200
<u>80,495,672</u>	<u>152,319,219</u>
<u>96,020,634</u>	<u>222,992,030</u>
<u>\$ 106,003,859</u>	<u>\$ 244,825,462</u>



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**CITY OF GRAND PRAIRIE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008**

Total fund balance - total governmental funds \$ 222,992,030

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet. This is the amount of governmental capital assets excluding internal service capital assets of \$863,534. 469,588,184

Certain receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds. 2,042,933

Interest payable on long term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds balance sheet. (1,529,120)

Internal service funds are used by management to charge cost of certain activities, such as employee health insurance, risk management insurance, and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net assets (net of amount allocated to business-type activities of \$1,289,035). 6,173,965

Noncurrent liabilities and the current portion of general long term debt are not reported as liabilities in the governmental fund balance sheet. This amount represents total noncurrent liabilities related to governmental activities. These noncurrent liabilities are as follows:

General obligation bonds	\$ (89,329,630)	
Certificates of obligation	(87,874,703)	
Sales tax revenue bonds	(28,605,000)	
Sales tax venue revenue bonds	(96,500,000)	
Unamortized bond issuance costs	1,764,593	
Unamortized bond premium/discount, net, and loss on refunding	(260,797)	
Unamortized loss of refunding	273,973	
Compensated Absences	(12,239,412)	
Other Post Employment Benefits	(487,873)	(313,258,849)

Net assets of governmental activities \$ 386,009,143

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>General</u>	<u>Crime Tax</u>	<u>Section 8</u>	<u>Street Improvements</u>	<u>Debt Service Fund</u>
REVENUE					
Property tax	\$ 41,235,958	\$ -	\$ -	\$ -	\$ 15,755,963
Sales tax	21,100,484	4,842,905	-	-	-
Other taxes	334,103	-	-	-	-
Franchise fees	11,847,401	-	-	-	-
Charges for goods and service	4,981,472	-	-	-	-
Licenses and permits	2,264,955	-	-	-	-
Fines and forfeitures	5,116,428	-	-	-	-
Intergovernmental revenue	681,153	-	22,847,034	-	-
General and administrative revenue	2,790,340	-	-	-	-
Investment income	1,238,374	216,716	98,358	666,786	352,392
Contributions	266,667	-	-	-	-
Other	349,334	-	135,450	175,491	-
Total revenue	<u>92,206,669</u>	<u>5,059,621</u>	<u>23,080,842</u>	<u>842,277</u>	<u>16,108,355</u>
EXPENDITURES					
Current operations:					
Support services	11,176,252	-	-	-	-
Public safety services	57,495,086	-	-	-	-
Recreation and leisure services	2,063,500	-	-	-	-
Development services and other	13,148,455	-	21,007,711	3,108,743	-
Capital outlay	1,016,040	5,081,163	138,446	9,386,640	-
Debt service:					
Principal retirement	-	-	-	-	9,201,568
Interest charges	-	163,627	-	172,148	6,330,207
Total expenditures	<u>84,899,333</u>	<u>5,244,790</u>	<u>21,146,157</u>	<u>12,667,531</u>	<u>15,531,775</u>
Excess (deficiency) of revenue over (under) expenditures	<u>7,307,336</u>	<u>(185,169)</u>	<u>1,934,685</u>	<u>(11,825,254)</u>	<u>576,580</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,001,642	7,620,120	36,346	2,967,112	50,000
Transfers out	(10,474,716)	-	(179,574)	(2,380,992)	(624,758)
Premium on debt issued	-	-	-	-	34,567
Bonds issued	-	59,706,290	-	16,823,019	93,710
Refunding bond issued	-	-	-	-	17,278,000
Payment for refunded debt	-	-	-	-	(17,161,031)
Total other financing sources (uses)	<u>(8,473,074)</u>	<u>67,326,410</u>	<u>(143,228)</u>	<u>17,409,139</u>	<u>(329,512)</u>
Net change in fund balance	(1,165,738)	67,141,241	1,791,457	5,583,885	247,068
Prior period adjustment	-	-	-	-	-
Fund balance - beginning of year	<u>25,452,473</u>	<u>(325,280)</u>	<u>3,216,129</u>	<u>19,943,518</u>	<u>5,086,643</u>
Fund balance - end of the year	<u>\$ 24,286,735</u>	<u>\$ 66,815,961</u>	<u>\$ 5,007,586</u>	<u>\$ 25,527,403</u>	<u>\$ 5,333,711</u>

See accompanying notes to basic financial statements.

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 11,586,322	\$ 68,578,243
13,721,715	39,665,104
1,080,719	1,414,822
-	11,847,401
6,667,393	11,648,865
188,300	2,453,255
499,034	5,615,462
6,604,422	30,132,609
-	2,790,340
4,666,632	7,239,258
7,542,449	7,809,116
4,395,889	5,056,164
<u>56,952,875</u>	<u>194,250,639</u>
3,564,527	14,740,779
1,615,822	59,110,908
14,976,106	17,039,606
11,018,274	48,283,183
46,828,026	62,450,315
4,066,500	13,268,068
4,027,704	10,693,686
<u>86,096,959</u>	<u>225,586,545</u>
<u>(29,144,084)</u>	<u>(31,335,906)</u>
39,175,265	51,850,485
(35,545,327)	(49,205,367)
27,425	61,992
52,816,981	129,440,000
-	17,278,000
-	(17,161,031)
<u>56,474,344</u>	<u>132,264,079</u>
27,330,260	100,928,173
(214,846)	(214,846)
68,905,220	122,278,703
<u>\$ 96,020,634</u>	<u>\$ 222,992,030</u>



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**CITY OF GRAND PRAIRIE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Net change in fund balances - total governmental funds \$ 100,928,173

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 and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 62,450,315

The net effect of various transactions involving capital assets (ie., sales, trade ins, and contributions) is to decrease net assets. (387,244)

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds. This is the amount of governmental depreciation excluding internal service funds depreciation \$72,294. (20,960,361)

Governmental funds do not report developers' contributions as revenues, whereas these amounts are reported in the statement of activities as contributions not restricted to specific programs. 3,623,652

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

Bonds issued, net of premium on issuance and issuance costs	(145,938,778)	
Bond principal retirement	30,429,099	
Amortization bond related cost (deferred charge, premium/discount, deferred loss)	(248,108)	(115,757,787)

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

Change in compensated absences	(934,277)	
Change in accrued interest	(477,303)	
Change in Other Post Employment Benefit	(487,873)	(1,899,453)

Some property tax and intergovernmental revenues will not be collected for several months after the city's fiscal year end. These are not considered "available" revenues in the governmental funds until received. Change in amount deferred on fund statements. 1,235,051

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 revenue of the internal service funds is reported with governmental activities net of the amount allocated to business-type activities (\$486,271). 2,496,546

Change in net assets of governmental activities \$ 31,728,892

See accompanying notes to basic financial statements.

CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2008

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water	Other	Total	Internal
	Wastewater	Nonmajor		Service
				Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,280,462	\$ 2,568,535	\$ 6,848,997	\$ 5,255,367
Investments	45,566,329	12,463,549	58,029,878	4,891,189
Accounts receivable, net	3,297,785	734,807	4,032,592	-
Inventories and supplies	380,078	49,081	429,159	168,828
Deferred charges	827,380	19,557	846,937	-
Current restricted assets:				
Cash and cash equivalents				107,452
Investments	5,670,269	-	5,670,269	-
Total current assets	60,022,303	15,835,529	75,857,832	10,422,836
Capital assets:				
Land	804,555	2,500,585	3,305,140	737,566
Buildings	2,361,045	5,014,532	7,375,577	1,477,875
Equipment	15,161,595	7,275,598	22,437,193	1,725,144
Infrastructure	210,058,015	24,847,127	234,905,142	16,672
Construction in progress	43,217,167	6,113,408	49,330,575	-
Less accumulated depreciation	(98,258,593)	(17,035,960)	(115,294,553)	(3,093,723)
Total capital assets	173,343,784	28,715,290	202,059,074	863,534
Total assets	233,366,087	44,550,819	277,916,906	11,286,370
LIABILITIES				
Current liabilities:				
Accounts payable	3,050,312	549,029	3,599,341	125,649
Accrued liabilities	534,662	343,797	878,459	3,658,073
Accrued compensated absences	195,196	144,119	339,315	35,649
Unearned revenue	-	94,540	94,540	-
Current liabilities payable from restricted assets:				
Customer deposits	2,327,023	53,953	2,380,976	-
Accrued liabilities	577,063	39,611	616,674	-
Current portion of long term debt	3,630,000	418,919	4,048,919	-
Total current liabilities	10,314,256	1,643,968	11,958,224	3,819,371
Noncurrent liabilities:				
Accrued compensated absences	-	23,623	23,623	3,999
Closure and postclosure liability	-	4,857,103	4,857,103	-
Long term debt	60,869,324	9,210,105	70,079,429	-
Total noncurrent liabilities	60,869,324	14,090,831	74,960,155	3,999
Total liabilities	71,183,580	15,734,799	86,918,379	3,823,370
NET ASSETS				
Invested in capital assets (net of related debt)	108,844,460	19,086,266	127,930,726	863,534
Restricted for debt service	3,343,171	-	3,343,171	-
Unrestricted	49,994,876	9,729,754	59,724,630	6,599,466
Total net assets	\$ 162,182,507	\$ 28,816,020	\$ 190,998,527	\$ 7,463,000
Reconciliation to government-wide Statement of Net Assets:				
Adjustments to reflect the consolidations of internal service funds activities related to enterprise funds			1,289,035	
Net assets of business-type activities			\$ 192,287,562	

CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF REVENUE, EXPENSE AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water	Other	Total	Internal
	Wastewater	Nonmajor		Service
				Funds
OPERATING REVENUE				
Sales to customers	\$ 24,727,529	\$ 16,619,249	\$ 41,346,778	\$ 4,249,282
Wastewater charges to customers	15,385,150	-	15,385,150	-
Water and wastewater fees	906,620	-	906,620	-
Wastewater surcharges	589,489	-	589,489	-
Intergovernmental revenue	-	270,729	270,729	-
Insurance premiums	-	-	-	16,198,290
Miscellaneous	1,884,296	20,488	1,904,784	9,150
Total operating revenue	43,493,084	16,910,466	60,403,550	20,456,722
OPERATING EXPENSE				
Salaries and personal benefits	5,741,064	3,519,494	9,260,558	1,160,922
Supplies and miscellaneous purchases	480,285	2,197,046	2,677,331	2,898,341
Purchased services	3,971,102	6,240,357	10,211,459	1,060,362
Insurance costs	-	-	-	12,310,879
Water purchases	9,214,660	-	9,214,660	-
Wastewater treatment	8,359,440	-	8,359,440	-
Miscellaneous	234,741	167,264	402,005	84,357
Depreciation	9,138,311	1,654,841	10,793,152	72,294
Franchise fees	1,594,601	401,646	1,996,247	-
General and administrative costs	2,358,499	210,001	2,568,500	-
Total operating expense	41,092,703	14,390,649	55,483,352	17,587,155
Operating income	2,400,381	2,519,817	4,920,198	2,869,567
NONOPERATING REVENUE				
(EXPENSE)				
Impact fees	2,250,784	-	2,250,784	-
Investment income	1,892,936	555,172	2,448,108	204,941
Loss on property disposition	-	(300,302)	(300,302)	-
Interest expense	(2,686,046)	(426,083)	(3,112,129)	-
Total nonoperating revenue (expense)	1,457,674	(171,213)	1,286,461	204,941
Income before contributions and transfers	3,858,055	2,348,604	6,206,659	3,074,508
Transfers in	28,554,452	3,194,574	31,749,026	23,892
Transfers out	(29,500,017)	(4,802,436)	(34,302,453)	(115,583)
Capital contributions	3,268,513	-	3,268,513	-
Change in net assets	6,181,003	740,742	6,921,745	2,982,817
Net assets - beginning of the year	156,001,504	28,075,278	184,076,782	4,480,183
Net assets - end of the year	\$ 162,182,507	\$ 28,816,020	\$ 190,998,527	\$ 7,463,000
Reconciliation to government-wide Statement of Activities:				
Change in net assets of enterprise funds			6,921,745	
Adjustments to reflect the consolidations of internal service funds activities related to enterprise funds			486,271	
Change in net assets of business-type activities			\$ 7,408,016	

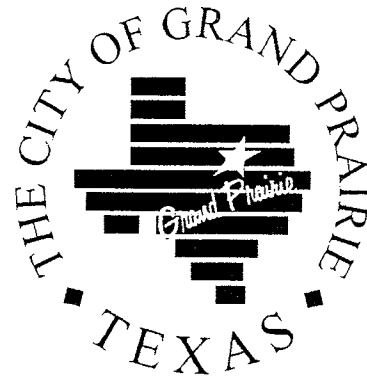
See accompanying notes to basic financial statements.



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**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS			Governmental Activities Internal Service Funds
	Water Wastewater	Other Nonmajor	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 43,682,225	\$ 16,830,224	\$ 60,512,449	\$ 20,453,888
Cash received from other funds for services	-	270,729	270,729	-
Cash payments to suppliers for goods and services	(21,362,483)	(7,949,441)	(29,311,924)	(16,317,665)
Cash payments to employees for services	(5,730,630)	(3,487,004)	(9,217,634)	(1,155,329)
Cash payments to other funds for services	(1,793,654)	(845,919)	(2,639,573)	(633,477)
Other operating cash (payments)	(1,805,800)	(438,109)	(2,243,909)	(582)
Net cash provided by operating activities	<u>12,989,658</u>	<u>4,380,480</u>	<u>17,370,138</u>	<u>2,346,835</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	28,554,452	3,194,574	31,749,026	23,892
Transfers to other funds	(29,500,017)	(4,802,436)	(34,302,453)	(115,583)
Net cash (used) by non-capital financing activities	<u>(945,565)</u>	<u>(1,607,862)</u>	<u>(2,553,427)</u>	<u>(91,691)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital outlays	(11,164,350)	(2,124,460)	(13,288,810)	(8,566)
Proceeds from capital assets disposals	-	134,023	134,023	-
Interest paid on bonds and line of credit	(2,916,653)	(442,163)	(3,358,816)	-
Repayment of principal on bonds	(3,794,281)	(1,863,195)	(5,657,476)	-
Impact fees received	2,250,784	-	2,250,784	-
Proceeds from issuance of bonds	15,845,000	1,482,000	17,327,000	-
Net cash provided (used) by capital and related financing activities	<u>220,500</u>	<u>(2,813,795)</u>	<u>(2,593,295)</u>	<u>(8,566)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment earnings received on cash and investments	1,892,936	555,176	2,448,112	204,941
Sale of investments	31,124	804,393	835,517	11,273
(Purchase) of investments	(12,500,132)	(423,930)	(12,924,062)	(2,000,000)
Net cash provided (used) in investing activities	<u>(10,576,072)</u>	<u>935,639</u>	<u>(9,640,433)</u>	<u>(1,783,786)</u>
Net increase in cash and equivalents	1,688,521	894,462	2,582,983	462,792
Cash and cash equivalents - beginning of year	2,591,941	1,674,073	4,266,014	4,900,027
Cash and cash equivalents - end of year	<u>\$ 4,280,462</u>	<u>\$ 2,568,535</u>	<u>\$ 6,848,997</u>	<u>\$ 5,362,819</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:				
Net operating income	\$ 2,400,381	\$ 2,519,817	\$ 4,920,198	\$ 2,869,567
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	9,138,311	1,654,841	10,793,152	72,294
Changes in operating assets and liabilities:				
(Increase) Decrease in other accounts receivable	90,855	(211,819)	(120,964)	(2,834)
(Increase) Decrease in inventories and supplies	(2,007)	(1,864)	(3,871)	98,672
Increase (Decrease) in accounts payable	1,253,398	196,498	1,449,896	(694,656)
Increase in customer deposits	98,286	1,832	100,118	-
(Decrease) in deferred revenue	-	(72,079)	(72,079)	-
Increase in accrued compensated absences	10,434	32,490	42,924	3,792
Increase in other accrued current liabilities	-	260,764	260,764	-
Net cash provided by operating activities	<u>\$ 12,989,658</u>	<u>\$ 4,380,480</u>	<u>\$ 17,370,138</u>	<u>\$ 2,346,835</u>



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NOTES TO BASIC FINANCIAL STATEMENTS



CITY OF GRAND PRAIRIE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

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CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

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 6 miles south of DFW International Airport. The City was incorporated in 1909, and adopted the Council-Manager form of government in 1948.

The services provided by the City are diverse. The financial position, results of operations and budgets (where legally adopted) of these multi-faceted services are all included in the City's financial "reporting entity," as more fully described in the immediately subsequent section of this Note.

The City reports in accordance with accounting principles generally accepted in the United States of America ("GAAP") as established by the Governmental Accounting Standards Board ("GASB") and the Financial Accounting Standards Board ("FASB"). The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide concise explanation, including required disclosures of budgetary matters, assets, liabilities, fund equity, revenues, expenditures/expenses, and other information considered important to gaining a clear picture of the City's financial position and results of operations as of and for the fiscal year ended September 30, 2008.

b. Financial Reporting Entity

Knowledge of the definitions for the following terms is important to the reader's understanding of the Notes:

Reporting Entity – The primary government and all related component units are combined to constitute the financial reporting entity.

Primary Government – The core or nucleus of the financial reporting entity. The City's services include primarily the traditional local government responsibilities of public safety, streets and transportation, water and wastewater, solid waste collection and disposal, environmental health, leisure services and general aviation airport.

Blended Component Units – A legally separate governmental unit that is an extension of the primary government whereby the component unit's governing body is substantively the same as the primary government, provide services almost entirely to the primary government and almost exclusively benefits the primary government.

Discretely Presented Component Units – A legally separate governmental unit or organization for which the elected officials of the primary government are financially accountable, and which is reported in a column separate from the primary government within the combined financial statements.

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

1) Component Unit – Sports Corporation

Although the Sports Corporation is legally, financially and administratively autonomous, its Board of Directors are appointed by the Grand Prairie City Council. Additionally, four of the seven Sports Corporation board members are members of the Grand Prairie City Council. Therefore, the Sports Corporation should be included within the financial reporting entity of the City; as such, the financial statements of the component unit have been included in the financial reporting entity as a discretely presented component unit. The component unit column is reported as a separate column in the combined financial statements to emphasize it as a legally separate entity from the City.

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. The one-half cent sales and use tax may be used to pay 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 cost of the project. All bonds were redeemed on September 15, 2007. The sales tax was discontinued on September 30, 2007.

The activities of the Sports Corporation are similar to those of proprietary funds, and, therefore, are reported as an enterprise fund. The activities of the Sports Corporation are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of the Sports Corporation are included in a single fund. Transactions are accounted for using the accrual basis of accounting.

Complete September 30, 2008 financial statements for the Sports Corporation may be obtained at its administrative office.

2) Component Unit – 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

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

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. The city is not financially obligated for any debt of the HFC. Complete separate December 31, 2007 financial statements for HFC may be obtained from the City.

3) Related Autonomous Entities

Related autonomous entities are those entities whose boards of directors are appointed by the City Council, but over which the City is not financially accountable, and are therefore excluded from the reporting entity. These include:

- Grand Prairie Health Facilities Development Authority – created to issue tax-exempt revenue bonds to finance medical facilities. The Authority's bonds have been defeased, and the Authority only exists to make decisions from time to time regarding the defeased bonds. The City exercises no control over the Authority or its budget.
- Grand Prairie Industrial Development Authority – 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 Authority's management, budget or operations.

c. Government-wide financial statements and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component unit. Activity for the primary government and its component unit are reported separately in the government-wide financial statements. The effect of interfund activity between governmental activities and business-type activities has been eliminated in these statements except that business-type activities include charges for administrative overhead services provided by the governmental activities.

Governmental activities are supported in part by property taxes, sales taxes, franchise fees, and grant revenues from the federal government and the State of Texas. Governmental activities are reported separately from *business-type activities*, which rely to a large extent 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, wastewater tap fees and reconnection fees.

The statement of activities reports the change in the City's net assets from October 1, 2007 to September 30, 2008. This statement demonstrates the degree to which the direct expenses of a given function of 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 sales, wastewater services, solid waste services, storm water services, airport operations, and

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues* in the statement of activities.

In addition to the government-wide financial statements, the City also reports separate financial statements for major governmental funds and proprietary funds; these statements are classified as *fund financial statements*. The fund financial statements are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are ordered into two distinct categories: governmental and proprietary. Information in the fund financial statements are reported on a major fund basis. The calculation of major funds is conducted by the City each year under the methods outlined in GASB Statement No. 34. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The major funds at September 30, 2008, are as follows: general fund, crime tax fund, street improvement fund, section 8 fund, a debt service fund, and water/wastewater fund. Non-major funds are reported in the aggregate as "Other Funds." The various funds are summarized by type in the fund financial statements.

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.

Crime Tax Fund: This fund accounts for the construction of the City's new public safety building. Approved by the Grand Prairie voters, a one-quarter cent sales and use tax was levied for the benefit of the Crime Control District. Proceeds from the one-quarter cent sales tax is being used to pay for debt issued to construct the public safety building.

Section 8 Fund: The fund accounts for grants received from the federal government for providing housing assistance to low income families.

Street Improvements Fund: This fund accounts for the costs of street improvements in the City financed through general obligation bond proceeds, and other dedicated sources.

CITY OF GRAND PRAIRIE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

Debt Service Fund: The City's Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on the City's general obligation (property tax supported) debt.

Major enterprise fund is 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 has no treatment facilities for water or wastewater. Treated water is purchased from the Dallas Water Utilities ("DWU") and Trinity River Authority ("TRA"), and water is pumped from City-owned wells. The City owns the wastewater collection system and all wastewater treatment is provided by the TRA. The contracts with DWU and TRA are discussed elsewhere in the Notes.

d. Measurement Focus and Basis of Accounting

1) Governmental Funds

The City uses the modified accrual basis of accounting and the flow of current financial resources measurement focus for all governmental funds. 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 60 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 which is recorded when due rather than when incurred.

Major revenue sources susceptible to accrual in the governmental funds include:

- Sales taxes are collected by the State and remitted to the City monthly in 60 days arrears. The City recognizes sales taxes revenues when collected from the State. Additional amounts estimated to be collectible in time to be a resource payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with General Accepted Accounting Principles have been recognized as revenue. The City allocates its sales taxes revenues to the General Fund, Street Maintenance Fund, and Park Venue Fund pursuant to City ordinances. The Sports Corporation receives monthly sales taxes revenues from the State separate from the City.
- Franchise fees are remitted regularly by franchise owners for gas, electric, telephone and cable utilities. Franchise fees are also paid by the City's Water and Wastewater Fund, Solid Waste Fund and Storm Water Utility Fund. The fees are not taxes, but compensate the City for the use of public right-of-way by the utilities.

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

Amounts earned but not collected at fiscal year end are recorded as accounts receivable. Amounts earned at fiscal year end and collected within 60 days are recorded as revenue.

- Property taxes are billed and collected by the Dallas County Tax Assessor based on assessed taxable values each January 1 as determined by the Dallas Central Appraisal District using exemptions approved by the City. Taxes are levied and due on the next October 1 and are past due after February 1 of the following year. Tax liens are automatic on January 1 for each year of tax levy. Property tax receivables are recorded on October 1 when taxes are assessed with a reserve estimate for un-collectibles. Property tax revenues are recorded as the taxes are collected. Delinquent tax payments are recognized as revenue when both measurable and available. Additional amounts estimated to be collectible in time to be a resource payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with General Accepted Accounting Principles have been recognized as revenue.
- Intergovernmental grant revenues are recognized when available and the qualifying expenditures have been incurred and all other grant requirements have been met for expenditure-driven grants.
- Interest revenues are recognized as earned as they are measurable and available.
- Interfund services provided and/or used by other funds are reported as “general and administrative revenue/expenses” and represent direct charges/payments for services provided to one or more other funds. Allocations of indirect costs are included in transfers in/out between funds and not reported as revenues or expenditures.

2) Proprietary Funds

The accrual basis of accounting and flow of economic resources measurement focus are used in all proprietary fund types. Under the accrual basis of accounting, revenues are recognized when earned, and expenses (including depreciation) are recorded when the liability is incurred. Private-sector standards of accounting and financial reporting (as issued by the Financial Accounting Standards Board) issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

The accounting objectives for proprietary funds are the determination of net income, financial position and cash flows. Proprietary fund equity is segregated into (1) invested in capital assets, net of related debt; (2) restricted net assets, and (3) unrestricted net assets.

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

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

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 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 enterprise funds of the City are classified as business-type activities in the government-wide statements of net assets and activities.

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, which include:

- Equipment 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 and workers compensation and employee health and life insurance programs. The City reports all risk financing activities in the Risk Management Fund.

e. Assets, Liabilities, Fund Balance/Net Assets and Other

1) Pooled Cash, Investments and Temporary Deposits

The City's cash, investments and temporary deposits are pooled for investment. Interest earnings are allocated to the City's funds during the year based upon the City's adopted budget. For purposes of the statements of cash flows, the City considers cash on hand, demand deposits and investments with original maturities of three months or less to be cash equivalents.

CITY OF GRAND PRAIRIE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

2) Inventories

Inventory is recorded at cost when purchased, with a corresponding reservation of fund balance shown for governmental fund-type inventories, and charged to expenditures when consumed. General Fund supplies and materials inventory are recorded as expenditures on an actual specific cost basis. The Water and Wastewater Fund supplies and materials inventory is charged out on a first-in, first-out basis. Equipment Services Fund, included as "Other Governmental Funds" in the fund financial statements, charges supplies and materials out on a first-in, first-out basis and its gasoline inventory is charged out on a moving average basis. The Municipal Airport Fund, included as "Other Proprietary Funds" charges fuel inventory on a moving average basis.

3) Capital Assets and Depreciation

Capital assets (i.e. land, buildings, equipment, improvements other than buildings, which includes the City's infrastructure, and construction in progress) of all the funds are stated at historical cost or estimated historical cost if historical cost is not known. Donated capital assets are recorded at their fair 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	20-50 years
Machinery and Equipment	5-15 years
Improvements other than Buildings	20-40 years
Infrastructure	20-40 years

4) Encumbrances

Encumbrance accounting is used for the General Fund, Crime Tax Fund, Street Improvement Fund and other governmental funds. Encumbrances are recorded when a purchase order is issued, and encumbrances are not considered expenditures until a liability for payment is incurred. Encumbrances are reported as a reservation of fund balance on the governmental funds' balance sheet, and on October 1, each year are carried forward, along with the prior year's related appropriation, and added to the new year's budget.

In addition to encumbrances, a separate work order system based upon approved contracts is used to manage disbursements for capital projects.

CITY OF GRAND PRAIRIE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

5) Compensated Absences

Employees are granted vacation benefits in varying amounts, depending on tenure with the City. These benefits accumulate pro rata by pay period. The employee's right to use accumulated vacation and to receive an accumulated vacation payment upon termination vests after six months of employment. Fire and police civil service employees and other employees hired prior to 1976 are paid up to 90 days sick leave upon retirement. The valuation of the frozen civil service sick leave is at current pay rates, while the valuation of the frozen noncivil service sick leave was at 1985 wage levels. 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. Long-term accrued compensated absences and those related amounts to be paid in the next fiscal year are reported in the respective columns in the government-wide financial statements and in the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate the liability for governmental activities' compensated absences. Long-term accrued compensated absences are not expected to be liquidated with expendable available financial resources and are not reported in the governmental fund financial statements.

6) Risk Management

The City has its workers' compensation, liability, and property insurance coverage with the Texas Municipal League Intergovernmental Risk Pool (the "TML Risk Pool"), a public entity risk pool currently operating as a common risk management and insurance program for more than 2,000 members. The City pays annual premiums to the TML Risk Pool for such insurance coverage. The TML Risk Pool is self-sustaining through annual member premiums and stop loss reinsurance coverage through various commercial insurers for excess claims. The City administers a deductible program for workers' compensation, all liability, and auto/property claims. All such claims are accounted for within the Risk Management Fund, an internal service fund. The City's workers' compensation liability coverage is up to \$200,000 per occurrence subject to an annual aggregate retention of \$850,000 in fiscal year 2008. All liability coverage lines (general, automobile, law enforcement, errors and omissions, and aviation) have a \$50,000 deductible and are generally subject to the following liability limits:

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	
Airport Liability	\$10,000,000	\$10,000,000

CITY OF GRAND PRAIRIE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

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

Liabilities of the Risk Management Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, timing of filed claims, adjudication of claim benefits, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, plan benefit designs, recent claim settlement trends (including frequency and amount of pay-outs), 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 February 2009 actuarial report, as of September 30, 2008, was \$2,261,873. The City's claims actually were lower than projected from the 2006 actuarial report. Below is the change as reported in the report since 2006.

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 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 \$200,000 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, 2008 were \$1,317,429.

	Beginning of Fiscal Year <u>Liability</u>	Claims and Change in <u>Estimates</u>	Claim <u>Payments</u>	End of Fiscal Year <u>Liability</u>
2008	\$3,920,507	\$9,971,974	\$10,313,179	\$3,579,302
2007	2,698,976	13,224,710	12,003,179	3,920,507

7) Other Post Employment 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:

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

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

TMRS Retirement / Plan option may include:

- Service retirement (25 yrs of TMRS creditable service)
- Age 60 and 5 years of TMRS creditable service
- Disability/Medical retirement

Eligibility requirements do not vary by type of retirement.

Benefits

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

Active employees do not contribute to the retiree health care premium.

Retiree benefits begin on the first day of the month following retirement. If a retiree is not eligible for employer-paid retiree health benefits, they may purchase medical coverage through COBRA. The rate will depend on the coverage level and the plan they select (i.e., Employee Only, Employee + Spouse, etc.). The rate is determined by the rate structure in place at that time + a 2% administrative fee. The City of Grand Prairie does not contribute to any portion of the COBRA premium.

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.

Spouse Coverage

Retired before 1/1/2008: 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

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

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.

Employees retiring from TMRS effective 12/31/2007 (for a 1/1/08 effective date) or later, and who wish to cover dependents during retirement, must have the dependents covered on their City plan for two full years prior to retirement. (For instance, to cover a spouse effective 1/1/08 for retirement, the spouse must have been covered under your employee plan continuously since 1/1/06).

Child / Dependent Coverage

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. A retiree may purchase coverage for dependents through COBRA. The rate will depend on the coverage level and the plan they select (i.e., Employee Only, Employee + Spouse, etc.). The rate is determined by the rate structure in place at that time + a 2% administrative fee. The City of Grand Prairie does not contribute to any portion of the COBRA premium.

Medicare

Covered participants are not required to apply for Medicare when eligible, but may remain on the City's insurance. Retirees, however, are required to move off the City's medical plan when they reach age 65 or become Medicare eligible. The City does not contribute to the retiree Medicare premiums.

Opt-outs / Payment-in-lieu / Reimbursements

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

Types of Coverage Offered

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

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2008

Employee / Retiree 2008 Monthly Health Care Premiums (Employee Pays Portion)

Group	Monthly Health Care Premium	
	<u>PRIOR TO</u> <u>12/01/2005</u>	<u>AFTER</u> <u>11/30/2005</u>
Gold (Under Age 65)		
Employee Only	521	566
Employee plus Spouse	1061	1152
Employee plus Child(ren)	834	903
Family	1527	1653
Silver (Under Age 65)		
Employee Only	447	492
Employee plus Spouse	890	981
Employee plus Child(ren)	700	769
Family	1273	1399
Bronze (Under Age 65)		
Employee Only	409	454
Employee plus Spouse	822	913
Employee plus Child(ren)	624	693
Family	1133	1259
Over 65 Retiree (Grandfathered by Age)		
Employee (10-14 years of service)		114
Employee (15-19 years of service)		117
Employee (20-24 years of service)		97
Employee (25-29 years of service)		56
Employee (30+ years of service)		35
Employee plus spouse (10-14 years of service)		259
Employee plus spouse (15-19 years of service)		221
Employee plus spouse (20-24 years of service)		N/A
Employee plus spouse (25-29 years of service)		118
Employee plus spouse (30+ years of service)		83

The Under Age 65 monthly premiums shown above are rates based on 5 years of credited service. Employee /retiree premiums will be reduced as years of service increase.

CITY OF GRAND PRAIRIE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

Funding Policy and Annual OPEB Cost

The City's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2007 as required by GASB. The City's annual OPEB cost for the current year is as follows:

Annual required contribution	\$1,477,994
Interest on OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost (expense) end of year	<u>\$1,477,994</u>
Net estimated employer contributions	<u>(\$990,121)</u>
Increase in net OPEB obligation	\$487,873
Net OPEB obligation – as of beginning of the year	-
Net OPEB obligation (asset) – as of end of the year	<u><u>\$487,873</u></u>

Funding status and funding progress

The funded status of the City's retiree health care plan, under GASB Statement No. 45, as of September 30, 2007 is as follows:

Actuarial Valuation Date as of September 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
2007	-	\$15,782,172	\$15,782,172	0%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$15,782,172 at September 30, 2007.

Actuarial methods and assumptions

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

CITY OF GRAND PRAIRIE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

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

Actuarial Methods and Assumptions

Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll

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

City of Grand Prairie - OPEB Disclosure as of 09/30/2008

Fiscal Year Ended	Employer Annual Required Contribution	Employer Amount Contributed (est.)	Interest on NOO (9) x 4.5%	ARC Adjustment (9) / (6)	Amortization Factor	OPEB Cost (2) + (4) - (5)	Change in NOO (7) - (3)	NOO Balance NPO + (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
09/30/07	-	-	-	-	-	-	-	-
09/30/08	\$1,477,994	\$990,121	-	-	13.22380	\$1,477,994	\$487,873	\$487,873

8) Depository Contract

The City operates under a depository contract in accordance with State law. All of the City's demand deposit accounts are interest bearing.

9) Deferred Revenue

At fiscal year-end four funds reported deferred revenue. In the general fund and debt service fund, deferred revenue is reported for property tax receivables expected to be collected later than 60-days after the end of the fiscal year. These amounts are \$1,458,173 and \$584,759, respectively. Because the total amount of \$2,042,932 represents unavailable revenue, they are included as property tax revenue at the government-wide level. In the Other Special Revenue funds and the Parks Venue special revenue fund, deposits for scheduled rentals and upcoming events are recorded as deferred income until the rental periods or events are completed. These amounts are \$563,667 and \$54,378, respectively. Because the total amount of

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

\$618,045 represents unearned revenue, these amounts are presented at both the fund level and government-wide level.

f. New Accounting Principles

The GASB issued Statement No. 49, which addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the document excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and postclosure care and nuclear power plant decommissioning. As of September 30, 2007, the City plans to implement the provisions of the Statement in fiscal year 2009.

The GASB has issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

The GASB has issued Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments." This statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. Effective date: For periods beginning after June 15, 2008.

The GASB has issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Effective date: For periods beginning after June 15, 2009.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

a. Budget Law and Practice

Accounting Standards literature defines three levels of budgetary control which may be employed. These are: (1) appropriated budget, (2) legally authorized nonappropriated budget review and approval process, which is outside the appropriated budget process, and (3) nonbudgeted financial activities, which are not subject to the appropriated budget and the appropriation process or to any legally authorized nonappropriated budget review and approval process, but still are important for sound financial management and oversight.

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

The City Manager submits annual budgets to the City Council for all budgeted funds in August in accordance with the City Charter. In September, the City Council legally adopted annual fiscal year appropriated budgets for the City's General Fund, Debt Service Fund, Park Venue Fund, Hotel/Motel Tax Fund, Police Seizure Fund, Municipal Court Fund, Cable Operation Fund and Section 8 Fund. The expenditures budgeted in each fund may not exceed the budgeted revenues, including beginning fund balance.

All budgets are prepared on the cash and encumbrances financial flow basis. That is, revenues are budgeted in the year receipt is expected, and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The amounts in Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the general fund are reported on this basis. Encumbered appropriations are carried forward to the next fiscal year and become part of the new year's appropriations, while unencumbered appropriations lapse at fiscal year-end. Appropriations for certain nonbudgeted special revenue funds and capital projects funds are controlled on a project basis and are carried forward each year until the project is completed or the grant receipts are expended.

Encumbrances and the related appropriations outstanding at the end of a year are carried forward into the next year, and these carried-forward appropriations then become part of the new year's appropriations. This is because it is not possible to distinguish between current and prior year's appropriations in the City's computer system. Therefore, both expenditures related to prior year encumbrances and encumbrances outstanding at the end of the current year are called expenditures for budgetary reporting purposes.

The City's capital projects are planned in an annually updated five-year capital budget which encompasses all capital resources.

b. Budgetary Control

Appropriations are approved by the City Council by fund for all budgeted funds. All appropriation amendments are subject to final approval by the City Council.

For day-to-day management purposes, line item budgets are prepared. Revenues are budgeted by type and source. Expenditures are budgeted by function, by organization level, i.e., department, division and program, and by detailed type or character code, i.e., personal services, maintenance and operation, capital outlay, debt service and transfers. Appropriations are budgeted at the fund level. If budget amendments (increase in appropriations) are necessary they must be approved by the City Council. Budget adjustments (transfers between line items within the fund) are allowed as long as the adjustments do not exceed the total budgeted appropriations for the fund.

The differences between the City's budget-basis and GAAP-basis actual revenues and expenditures are due to accruals recorded in GAAP-basis, while encumbrances are reported in the budget-basis, and differences in classification.

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

c. Budget Amendments

During the fiscal year it was necessary to amend the original budget by City Council action. The original budget and amended budget are presented in the Schedules of Revenue, Expenditures, and Changes in Fund Balance – Budget to Actual Comparison for the General, Crime Tax, and Section 8 Funds.

d. Deficit Fund Equity

As of September 30, 2008 the City had no funds with deficit fund equities.

3. DETAILED NOTES ON ALL FUNDS

a. Assets

1) Deposits, Investments and Investment Policies

The City invests in United States Treasury notes and United States Agency Securities. These investments are recorded at fair value, which is defined as the amount at which a willing buyer and seller would exchange the security.

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.

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 investment policies require that repurchase agreements be made pursuant to a master agreement, the collateral is a U. S. Treasury bill, note or bond; the security is held in safekeeping by the City’s custodial agent; and the investment is transacted “delivery vs. payment” so that the City’s interest in the underlying security is perfected. The City does not invest in reverse repurchase agreements. No City monies were invested in repurchase agreements at September 30, 2008.

The City’s investments are stated at fair value, using the following methods and assumptions as of September 30, 2008:

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio did not hold investments in any of the following:
 - (a) Items required to be reported at amortized cost, except investments in TexPool (see below),

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2008

- (b) Items in external pools that are not SEC-registered,
 - (c) Items subject to involuntary participation in an external pool.
 - (d) Items associated with a fund other than the fund to which the income is assigned;
- 3) Any unrealized gain/loss resulting from the valuation is recognized in respective funds that participates in the City's investment pool;
- 4) The gain/loss resulting from valuation is reported within the revenue account "investment income" on the Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds, and the Statement of Revenues, Expenses and Changes in Net Assets for the Proprietary Funds.

The City invested \$79,046,728 in TexPool as of September 30, 2008. The Texas State of Comptroller of Public Accounts exercises oversight responsibility over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both Participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAA by Standard & Poors. As a requirement to maintain the rating weekly portfolio, information must be submitted to Standard & Poors, as well as the office of the Comptroller of Public Accounts for review.

TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

The City's policy is to hold investments until maturity or until market values equal or exceed cost.

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.

CITY OF GRAND PRAIRIE, TEXAS

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

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.

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

	<u>% Maximum</u>
1. U.S. Treasury Bills and Notes	100
2. U.S. Agency or Instrumentality Obligations (each type)	25 (a)
3. Repurchase Agreements	20
4. Municipal Securities (total)	40
5. Municipal Securities (out-of-state)	20
6. Certificates of Deposit (per institution)	20
7. Money Market Mutual Fund	50 (b)
8. Public Funds Investment Pool	50

- (a) Total agency investments limited to no more than 100% of the total portfolio.
- *(b) State law allows up to 80% of monthly average fund balance, excluding bond proceeds. The City limits its exposure to 50% to reduce risk.

In addition, the City may invest in callable securities but shall limit the total amount to no more than 50% of the portfolio.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

The City's carrying amount of cash, cash equivalents and investments as of September 30, 2008 as reflected in the primary government's financial statements, are:

	Unrestricted	Restricted	Total
Cash	\$ (1,370,499)	\$ 107,452	\$ (1,263,047)
Pooled investments:			
Cash and cash equivalents	19,220,296	102,480,775	121,701,071
Investments	<u>78,366,377</u>	<u>107,087,030</u>	<u>185,453,407</u>
Total pooled investments	<u>97,586,673</u>	<u>209,567,805</u>	<u>307,154,478</u>
Total	<u>\$ 96,216,174</u>	<u>\$ 209,675,257</u>	<u>\$305,891,431</u>

At year-end, the bank balance of the City's unrestricted cash was \$430,340. The City's deposits was a credit balance primarily consisting of outstanding checks. Of the bank balance, \$200,000 was covered by federal depository insurance and \$230,340 was covered by collateral held by the City's agent in the City's name. Statutes require collateral pledged for deposits to be held in the City's name by the trust department of a bank.

The City's cash equivalents of \$121,701,071 were also covered by collateral held by the City's agent in the City's name.

As of September 30, 2008, the City had the following investments:

	Fair Value	Weighted Average Maturity (Days)	Credit Risk
Federal Farm Credit Bank	\$ 50,426,635	670	AAA
Federal Home Loan Bank	57,616,336	563	AAA
Federal Home Loan Mortgage Corp.	23,161,825	513	AAA
Federal National Mortgage Assoc.	45,142,812	610	AAA
U. S. Treasury Notes	9,105,799	46	
TexPool	79,046,728	1	AAAm
Money market funds	<u>42,654,343</u>	<u>1</u>	AAAm
Total	<u>\$ 307,154,478</u>	<u>343</u>	

Portfolio weighted average maturity

Maturities of the City's investments at September 30, 2008 were as follows:

Cash equivalents	\$ 121,701,071
Under 30 days	3,002,812
30 days to 60 days	3,012,656
61 days to 90 days	6,098,768
91 days to 1 year	40,598,836
After 1 year	<u>132,740,335</u>
Total	<u>\$ 307,154,478</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

The City did not invest in any securities different from the categories mentioned above during the 2007-2008 fiscal year.

At September 30, 2008, the carrying amount of the Sports Corporation's deposits included in cash and cash equivalents was \$93,868 while the bank balance of the Sports Corporation's deposits was \$102,681. The bank balance was entirely covered by Federal depository insurance or collateral held by the Sports Corporation's agent in the Sports Corporation's name.

The Sports Corporation is authorized to invest in obligations of the U. S. or its agencies and instrumentalities, certain repurchase agreements, municipal securities with a rating of at least A, collateralized or insured certificates of deposit, and SEC-registered, no-load money market mutual funds comprised of securities allowed under the Public Funds Investments Act and public funds investment pools. At year-end, all investments of the Sports Corporation were held by the Sports Corporation's agent in the Sports Corporation's name. The fair value of investments owned at September 30, 2008 was \$11,057,495 in money market funds. These amounts are not categorized in accordance with GASB Statement No. 3 because they are not evidenced by securities that exist in physical or book entry form.

The bank balance of HFC at December 31, 2007, including restricted cash, totaled \$423,372 all of which was covered by FDIC insurance and collateral held by the depository institution in HFC's name. Restricted cash of \$53,339 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. The remaining restricted cash amount comprises tenant security deposits.

Capital Assets

Capital assets balances and transactions for the year ended September 30, 2008 are summarized below for governmental activities:

	Balance October 1, 2007	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2008
Non-depreciable capital assets:				
Land	\$ 24,953,662	\$ 495,554	\$ -	\$ 25,449,216
Construction in progress	112,131,145	44,601,212	(1,782,528)	154,949,829
Total non-depreciable capital assets	<u>137,084,807</u>	<u>45,096,766</u>	<u>(1,782,528)</u>	<u>180,399,045</u>
Depreciable capital assets:				
Buildings	62,313,227	489,481	(1,718,462)	61,084,246
Equipment	58,436,464	4,983,530	(2,222,747)	61,197,247
Infrastructure	340,160,665	17,966,521	(303,110)	357,824,076
Total depreciable capital assets	<u>460,910,356</u>	<u>23,439,532</u>	<u>(4,244,319)</u>	<u>480,105,569</u>
Less accumulated depreciation for:				
Buildings	(23,740,390)	(2,110,818)	762,208	(25,089,000)
Equipment	(30,307,016)	(3,374,202)	1,717,192	(31,964,026)
Infrastructure	(117,606,734)	(15,547,635)	154,499	(132,999,870)
Total accumulated depreciation	<u>(171,654,140)</u>	<u>(21,032,655)</u>	<u>2,633,899</u>	<u>(190,052,896)</u>
Total depreciable capital assets, net	<u>289,256,216</u>	<u>2,406,877</u>	<u>(1,610,420)</u>	<u>290,052,673</u>
Governmental activities capital assets, net	<u>\$ 426,341,023</u>	<u>\$ 47,503,643</u>	<u>\$ (3,392,948)</u>	<u>\$ 470,451,718</u>

Note: Additions include \$353,121 of capital assets and deletions include \$905,061 capital assets related to prior period adjustments. (See Note 6)

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

Capital asset balances for business-type activities for the year ended September 30, 2008 are summarized below:

	Balance October 1, 2007	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2008
Non-depreciable capital assets				
Land	\$ 3,251,674	\$ 53,466	\$ -	\$ 3,305,140
Construction in progress	38,757,123	10,963,520	(390,068)	49,330,575
Total non-depreciable capital assets	42,008,797	11,016,986	(390,068)	52,635,715
Depreciable capital assets				
Buildings	7,375,577	-	-	7,375,577
Equipment	21,298,666	2,215,690	(1,077,163)	22,437,193
Infrastructure	231,184,212	3,720,930	-	234,905,142
Total depreciable capital assets	259,858,455	5,936,620	(1,077,163)	264,717,912
Less accumulated depreciation for:				
Buildings	(3,968,691)	(239,230)	-	(4,207,921)
Equipment	(9,714,242)	(1,356,347)	636,621	(10,433,968)
Infrastructure	(91,455,090)	(9,197,574)	-	(100,652,664)
Total accumulated depreciation	(105,138,023)	(10,793,151)	636,621	(115,294,553)
Total depreciable capital assets, net	154,720,432	(4,856,531)	(440,542)	149,423,359
Business-type activities' capital assets, net	<u>\$ 196,729,229</u>	<u>\$ 6,160,455</u>	<u>\$ (830,610)</u>	<u>\$ 202,059,074</u>

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

Support Services	\$ 2,227,690	Water and Wastewater	\$ 9,138,311
Public Safety Services	8,933,099		
Recreation and Leisure Services	2,575,100		
Development Services	7,296,766	Other Business-type	1,654,841
Total governmental	<u>\$ 21,032,655</u>	Total business-type	<u>\$ 10,793,152</u>

A summary of changes in capital assets of the Sports Corporation is as follows:

	Balance October 1, 2007	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2008
Equipment	\$ 310,078	\$ -	\$ -	\$ 310,078
Less accumulated depreciation	(310,078)	-	-	(310,078)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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A summary of changes in capital assets of the Housing Finance Corporation is as follows:

	Balance January 1, 2007	Additions/ Completions	Disposals/ Reclasses	Balance December 31, 2007
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	21,617,248	850	(606,922)	21,011,176
Less accumulated depreciation	(5,146,445)	(29,381)	-	(5,175,826)
Total depreciable capital assets, net	16,470,803	(28,531)	(606,922)	15,835,350
Housing Finance Corporation capital asset, net	<u>\$ 18,083,654</u>	<u>\$ (28,531)</u>	<u>\$ (606,922)</u>	<u>\$ 17,448,201</u>

b. Liabilities

1) Retirement Plan

Plan Description - The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 827 administered by TMRS, an agent multiple-employer public employee retirement system. TMRS issues a publicly-available annual financial report that may be obtained by writing to TMRS, P.O. Box 149153, Austin, Texas 78714-9153.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit (a theoretical amount) which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

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 actuarial constraints also in the statutes.

CITY OF GRAND PRAIRIE, TEXAS
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Plan provisions for the City were as follows (as of 4/19/07*):

Deposit rate	7%
Matching ratio (city/employee)	2 to 1
A member is vested after	5 years

Members can retire at certain ages, based on their years of service with the City. The Service Retirement Eligibilities for the city are: 5 years of service/age 60, 25 years of service any age.

Contributions - Under the state law governing TMRS, the actuary annually determines the City contribution rate. For the December 31, 2007 valuation, the TMRS Board determined that the Projected Unit Credit (PUC) funding method should be used, which facilitates advanced funding for future updated service credits and annuity increases that are adopted on an annually repeating basis. In addition, the Board also adopted a change in the amortization period from a 25-year "open" to a 25-year "closed" period. The projected unit credit method is used for determining the City contribution 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 (i.e., December 31, 2007 valuation is effective for rates beginning January 2009).

Actuarial Valuation Date	December 31, 2007	December 31, 2006	December 31, 2005
Actuarial Value of Assets	\$ 174,692,032	\$ 167,101,197	\$ 157,030,678
Actuarial Accrued Liability	221,792,477	208,328,802	194,053,949
Percentage Funded	78.8%	80.2%	80.9%
Unfunded (over-funded) Actuarial Accrued Liability (UAAL)	\$ 47,100,445	\$ 41,227,605	\$ 37,023,271
Annual Covered Payroll	61,880,950	56,817,617	53,849,572
UAAL as a Percentage of Covered Payroll	76.1%	72.6%	68.8%
Net Pension Obligation (NPO) at the Beginning of Period	\$ -	\$ -	\$ -
Annual Pension Cost:			
Annual Required Contribution (ARC)	\$ 8,203,635	\$ 7,577,405	\$ 7,715,790
Contribution Made	8,203,635	7,577,405	7,715,790
NPO at the End of the Period	\$ -	\$ -	\$ -

(* To ensure the most accurate future rates are determined for the City, TMRS adopted new actuarial cost method and assumptions at their December, 2007 meeting, to be effective for the 12/31/07 valuation.

CITY OF GRAND PRAIRIE
NOTES TO BASIC FINANCIAL STATEMENTS
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Actuarial Assumptions - The City also uses the following assumptions:

<u>Actuarial Valuation Date</u>	<u>December 31, 2007</u>	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Actuarial Cost Method	Projected Unit Credit	Unit Credit	Unit Credit
Amortization Method	Level of Percent of Payroll	Level of Percent of Payroll	Level of Percent of Payroll
Remaining Amortization Period	30 Years/Closed	25 Years/Open	25 Years/Open
Asset Valuation Method	Amortized Cost	Amortized Cost	Amortized Cost
Investment Rate of Return	7%	7%	7%
Projected Salary Increases	varies by age and service	None	None
Inflation	3.0%	3.5%	3.5%
Cost-of-Living Adjustments	2.1% (3.0%) CPI	None	None

The City of Grand Prairie is one of 827 municipalities having their benefit plan administered by TMRS. Each of the 827 municipalities have an annual actuarial valuation performed. All assumptions for the 12/31/07 valuations are contained in the 2007 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

2) Long-Term Debt

Below is a summary of the changes in long-term debt of the City's primary government and component unit:

	<u>Balance October 1, 2007</u>	<u>Borrowings or Increase</u>	<u>Payments or Decrease</u>	<u>Balance September 30, 2008</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
General obligation bonds	\$ 70,284,620	\$ 33,098,000	\$ (14,052,990)	\$ 89,329,630	\$ 5,205,160
Certificates of obligation bonds	86,119,781	17,120,000	(15,365,078)	87,874,703	6,831,081
Sale tax revenue bonds	29,540,000	-	(935,000)	28,605,000	985,000
Sale tax venue revenue bonds	-	96,500,000	-	96,500,000	-
Issuance premiums/discounts, net	247,442	61,992	(48,637)	260,797	-
Deferred loss on refunding	(399,926)	(76,032)	201,985	(273,973)	-
Compensated absences	11,340,991	6,192,447	(5,254,378)	12,279,060	4,938,128
Other post employment benefits	-	487,873	-	487,873	-
Total governmental activities	<u>197,132,908</u>	<u>153,384,280</u>	<u>(35,454,098)</u>	<u>315,063,090</u>	<u>17,959,369</u>
<u>Business-Type Activities</u>					
General obligation bonds	4,303,600	1,482,000	(198,600)	5,587,000	180,000
Certificates of obligation bonds	5,735,219	-	(1,699,922)	4,035,297	238,919
Water and wastewater revenue	52,315,000	15,845,000	(3,670,000)	64,490,000	3,630,000
Issuance premiums/discounts, net	105,005	(87,236)	(1,718)	16,051	-
Deferred loss on refunding	-	(6,967)	6,967	-	-
Closure and post closure liability	4,596,339	260,764	-	4,857,103	-
Compensated absences	320,014	497,470	(454,546)	362,938	339,315
Total business-type activities	<u>67,375,177</u>	<u>17,991,031</u>	<u>(6,017,819)</u>	<u>79,348,389</u>	<u>4,388,234</u>
Total primary government	<u>\$ 264,508,085</u>	<u>\$ 171,375,311</u>	<u>\$ (41,471,917)</u>	<u>\$ 394,411,479</u>	<u>\$ 22,347,603</u>
<u>Component Unit Activities</u>					
Housing Finance Corporation:					
Notes payable	3,356,455	135,262	(57,754)	3,433,963	61,004
Revenue bonds	13,890,000	80,000	(160,000)	13,810,000	250,000
Total component units	<u>\$ 17,246,455</u>	<u>\$ 215,262</u>	<u>\$ (217,754)</u>	<u>\$ 17,243,963</u>	<u>\$ 311,004</u>

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In 2007, the City renewed its \$7.5 million line of credit; \$5 million general obligation line of credit and \$2.5 water and wastewater system line of credit with Bank of America, Texas for a three-year term. As of September 30, 2008, there were no outstanding draws on the line of credits.

a) Governmental Activities Long-Term Debt

Long-term debt in the governmental type activities column of the government-wide financial statements consists of general obligation bonds, including refundings, sales tax revenue bonds, certificates of obligation bonds, a line of credit, and accrued compensated absence. The certificates of obligation bonds includes bonds issued in 2008 for Tax Increment Financing Zones No. 1, 2 and 3 projects.

(i) General Obligation Debt

In October 2007 the City issued \$33,098,000 in General Obligation Refunding and Improvement Bonds Series 2007. The proceeds of the bonds were used to provide \$16,030,000 of capital funds, refund \$17,068,000 of previously issued debt and to pay the cost of issuance.

In October 2007 the City issued \$17,120,000 in Certificates of Obligation Bonds, Series 2007. The proceeds were used for capital funds for governmental activities, TIF and PID projects.

At September 30, 2008, general obligation bonds authorized and unissued amounted to \$23,378,000. When issued, the proceeds will be allocated to various specified improvements.

(ii) Sales Tax Debt

Sales Tax Revenue Bonds were issued in prior years to finance improvements to the City's municipal parks and recreation system. The bonds are secured by a ¼ cent sales tax approved by the voters in November 1999 and effective in April 2000.

Sales Tax Venue Revenue Bonds were issued during the year to finance a minor league baseball stadium, senior center and public safety center. The bonds are secured by a 1/8 cent, 1/8 cent and 1/4 cent sales tax approved by the voters in May 2007 and effective in October 2007.

In November 2007 the City issued \$16,850,000 in Sales Tax Taxable Revenue Bonds Series 2007. The proceeds of the bonds were used to provide \$16,850,000 of capital funds for the minor league baseball stadium, and to pay the cost of issuance.

In November 2007 the City issued \$3,000,000 in Sales Tax Revenue Bonds Series 2007. The proceeds of the bonds were used to provide \$3,000,000 of capital funds for the senior center, and to pay the cost of issuance.

In November 2007 the City issued \$5,000,000 in Combination Tax and Revenue Certificates of Obligation Series 2007A. The proceeds of the bonds were used to provide \$5,000,000 of capital funds for the public safety center, and to pay the cost of issuance.

In June 2008 the City issued \$16,850,000 in Sales Tax Revenue Bonds Series 2008. The proceeds of the bonds were used to provide \$16,850,000 of capital funds for the senior center, and to pay the cost of issuance.

In June 2008 the City issued \$54,800,000 in Combination Tax and Revenue Certificates of Obligation Series 2008. The proceeds of the bonds were used to provide \$54,800,000 of capital funds for the public safety center, and to pay the cost of issuance.

CITY OF GRAND PRAIRIE, TEXAS
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Governmental type long-term debt is summarized as follows:

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
General obligation bonds:					
Series 1998-A	4.0-5.0	1998	2019	16,179,364	995,000
Series 1999	5.5	1998	2011	12,096,630	1,071,630
Series 2000	5.25-7.25	2000	2020	4,435,000	605,000
Series 2001	4.5-5.5	2001	2021	5,000,000	1,160,000
Series 2002	4.5-5.0	2002	2022	6,550,000	5,200,000
Series 2002-A	3.9-4.875	2002	2022	9,900,000	7,765,000
Series 2003	2.0-4.60	2003	2023	11,025,000	7,985,000
Series 2003-A	2.0-4.30	2003	2014	5,875,000	1,365,000
Series 2004	2.0-4.50	2004	2024	4,855,000	4,125,000
Series 2004-A	2.0-4.75	2004	2024	6,170,000	4,930,000
Series 2005 Refunding	2.75-4.50	2005	2025	14,260,000	12,685,000
Series 2005-A	3.75-4.25	2005	2025	2,215,000	1,975,000
Series 2006	3.9-5.0	2006	2026	3,300,000	3,095,000
Series 2006-A	4.125-4.375	2006	2027	4,000,000	3,875,000
Series 2007	4.0-4.50	2007	2027	33,098,000	32,498,000
Total general obligation bonds					89,329,630
Certificates of obligation bonds:					
Tax and revenue bonds:					
Series 1998-A	3.60-5.00	1998	2019	7,270,000	610,000
Series 2000	4.9-6.9	2000	2020	2,760,000	195,000
Series 2000-A	5.0-5.5	2000	2020	3,800,000	525,000
Series 2001	4.5-5.5	2001	2021	5,900,000	1,260,000
Series 2002-C	3.85-4.75	2002	2022	2,650,000	1,480,000
Series 2003-A	2.0-5.0	2003	2028	4,960,000	4,270,000
Series 2004	2.5-4.45	2004	2024	2,894,000	2,037,731
Series 2004-B	2.0-4.75	2004	2024	8,280,000	6,635,000
Series 2005	2.75-4.50	2005	2025	2,935,000	2,185,000
Series 2006	4.0-5.50	2006	2026	8,291,250	7,475,000
Series 2006-A	4.125-4.375	2006	2027	11,947,500	11,624,000
Series 2007	4.0-4.50	2007	2027	6,610,000	5,655,000
Total tax and revenue bonds					43,951,731
Tax and tax increment bonds					
Series 2001	3 month LIBOR +.31%	2000	2022	17,900,000	15,180,000
Series 2002B	4.5-5.0	2001	2020	2,800,000	2,125,000
Series 2003B	2.0-5.0	2003	2020	1,030,000	795,000
Series 2003C	2.0-5.0	2003	2020	4,340,000	3,340,000
Series 2004B	2.0-4.75	2004	2024	1,170,000	935,000
Series 2005A	2.75-4.50	2005	2020	710,000	595,000
Series 2006	4.0-5.50	2006	2020	1,575,000	1,425,000
Series 2006-A	4.125-4.375	2006	2020	2,498,470	2,351,000
Series 2006-A	4.125-4.375	2006	2020	1,468,000	1,385,000
Series 2006-A	4.125-4.375	2006	2020	1,546,030	1,445,000
Series 2007	4.0-4.50	2007	2011	1,200,000	915,000
Series 2007	4.0-4.50	2007	2011	8,075,000	6,850,000
Series 2007	4.0-4.50	2007	2017	1,235,000	1,125,000
Total tax and tax increment bonds					38,466,000
Parks & recreation bonds					
Series 2004	2.5-4.45	2004	2024	484,000	411,972
Series 2004B	2.0-4.75	2004	2024	5,915,000	5,045,000
Total parks & recreation					5,456,972
Sales Tax Venue CO's					
Series 2007A Crime Control	12 month LIBOR * 62.075 + .75	2007	2017	5,000,000	5,000,000
Series 2008 Crime Control	6 month LIBOR * 62.075+ 1.07	2008	2024	54,800,000	54,800,000
Total Sales Tax CO's					59,800,000
Total certificate of obligation bonds					147,674,703
Sales tax revenue bonds:					
Series 2000	5.4-7.4	2000	2025	3,670,000	460,000
Series 2000A	5.0-5.5	2000	2026	5,200,000	960,000
Series 2001	4.125-5.125	2001	2027	11,055,000	9,120,000
Series 2001A	4.125-5.0	2001	2027	8,500,000	7,240,000
Series 2002	4.0-5.0	2002	2027	5,000,000	4,270,000
Series 2005	3.5-4.25	2005	2026	6,705,000	6,555,000
Total sales tax revenue bonds					28,605,000
Sales Tax Venue Bonds					
Series 2007 Taxable Baseball	12 month LIBOR +.61%	2007	2019	16,850,000	16,850,000
Series 2007 Senior Center	12 month LIBOR * 62.075 + .75	2007	2019	3,000,000	3,000,000
Series 2008 Senior Center	6 month LIBOR * 62.075+ 1.28	2008	2024	16,850,000	16,850,000
Total sales tax venue bonds					36,700,000
Premiums/discouts, net	N/A	N/A	N/A	N/A	260,797
Deferred loss on refunding	N/A	N/A	N/A	N/A	(273,973)
Compensated absences	N/A	N/A	N/A	N/A	12,279,060
Other Post Employment Benefit	N/A	N/A	N/A	N/A	487,873
Total governmental long-term debt					\$ 315,063,090

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The changes in governmental type long-term debt is summarized below:

	Balance October 1, 2007	Borrowings or Increase	Payments or Decrease	Balance September 30, 2008	Due Within One Year
General obligation bonds:					
Series 1998-A	7,781,400	-	(6,786,400)	995,000	485,000
Series 1999	1,508,220	-	(436,590)	1,071,630	335,160
Series 2000	785,000	-	(180,000)	605,000	190,000
Series 2001	3,950,000	-	(2,790,000)	1,160,000	210,000
Series 2002	5,455,000	-	(255,000)	5,200,000	265,000
Series 2002-A	8,155,000	-	(390,000)	7,765,000	410,000
Series 2003	8,630,000	-	(645,000)	7,985,000	675,000
Series 2003-A	1,845,000	-	(480,000)	1,365,000	490,000
Series 2004	4,315,000	-	(190,000)	4,125,000	195,000
Series 2004-A	5,250,000	-	(320,000)	4,930,000	330,000
Series 2005 Refunding	13,355,000	-	(670,000)	12,685,000	690,000
Series 2005-A	2,055,000	-	(80,000)	1,975,000	85,000
Series 2006	3,200,000	-	(105,000)	3,095,000	110,000
Series 2006-A	4,000,000	-	(125,000)	3,875,000	130,000
Series 2007	-	33,098,000	(600,000)	32,498,000	605,000
Total general obligation bonds	70,284,620	33,098,000	(14,052,990)	89,329,630	5,205,160
Certificates of obligation bonds:					
Tax and revenue bonds:					
Series 1998-A	4,480,000	-	(3,870,000)	610,000	300,000
Series 2000	250,000	-	(55,000)	195,000	60,000
Series 2000-A	2,955,000	-	(2,430,000)	525,000	165,000
Series 2001	4,270,000	-	(3,010,000)	1,260,000	230,000
Series 2002-C	1,555,000	-	(75,000)	1,480,000	80,000
Series 2003-A	4,415,000	-	(145,000)	4,270,000	150,000
Series 2004	2,130,960	-	(93,229)	2,037,731	96,559
Series 2004-B	7,060,000	-	(425,000)	6,635,000	435,000
Series 2005	2,375,000	-	(190,000)	2,185,000	90,000
Series 2006	7,893,000	-	(418,000)	7,475,000	440,000
Series 2006-A	11,947,500	-	(323,500)	11,624,000	351,000
Series 2007	-	6,610,000	(955,000)	5,655,000	-
	49,331,460	6,610,000	(11,989,729)	43,951,731	2,397,559
Tax and tax increment bonds:					
Series 2001	15,800,000	-	(620,000)	15,180,000	665,000
Series 2002-B	2,250,000	-	(125,000)	2,125,000	135,000
Series 2003-B	845,000	-	(50,000)	795,000	50,000
Series 2003-C	3,550,000	-	(210,000)	3,340,000	220,000
Series 2004B	995,000	-	(60,000)	935,000	65,000
Series 2005-A	635,000	-	(40,000)	595,000	40,000
Series 2006	1,500,000	-	(75,000)	1,425,000	80,000
Series 2006-A	2,498,470	-	(147,470)	2,351,000	159,000
Series 2006-A	1,468,000	-	(83,000)	1,385,000	90,000
Series 2006-A	1,546,030	-	(101,030)	1,445,000	90,000
Series 2007	-	1,200,000	(285,000)	915,000	295,000
Series 2007	-	8,075,000	(1,225,000)	6,850,000	2,190,000
Series 2007	-	1,235,000	(110,000)	1,125,000	105,000
	31,087,500	10,510,000	(3,131,500)	38,466,000	4,184,000
Parks & recreation bonds:					
Series 2004	430,821	-	(18,849)	411,972	19,522
Series 2004B	5,270,000	-	(225,000)	5,045,000	230,000
	5,700,821	-	(243,849)	5,456,972	249,522
Total certificate of obligation bonds	86,119,781	17,120,000	(15,365,078)	87,874,703	6,831,081
Sales tax revenue bonds:					
Series 2000	560,000	-	(100,000)	460,000	105,000
Series 2000-A	1,090,000	-	(130,000)	960,000	140,000
Series 2001	9,430,000	-	(310,000)	9,120,000	325,000
Series 2001-A	7,450,000	-	(210,000)	7,240,000	220,000
Series 2002	4,405,000	-	(135,000)	4,270,000	145,000
Series 2005	6,605,000	-	(50,000)	6,555,000	50,000
Total sales tax revenue bonds	29,540,000	-	(935,000)	28,605,000	985,000
Sales tax venue revenue bonds:					
Series 2007	-	16,850,000	-	16,850,000	-
Series 2007	-	3,000,000	-	3,000,000	-
Series 2007A	-	5,000,000	-	5,000,000	-
Series 2008	-	16,850,000	-	16,850,000	-
Series 2008	-	54,800,000	-	54,800,000	-
Total sales tax venue bonds	-	96,500,000	-	96,500,000	-
Premiums/discounts, net	247,442	61,992	(48,637)	260,797	-
Deferred loss on refunding	(399,926)	(76,032)	201,985	(273,973)	-
Compensated absences:	11,340,991	6,192,447	(5,254,378)	12,279,060	4,938,128
Other post employment benefits	-	487,873	-	487,873	-
Total	\$ 197,132,908	\$ 153,384,280	\$ (35,454,098)	\$ 315,063,090	\$ 17,959,369

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The aggregate debt service payments through final year of maturity for the City's governmental general obligation bonds, certificates of obligation bonds, and sale tax revenue bonds are as follows:

Fiscal Year	General Obligation Bonds			Certificates of Obligation Bonds			TIF Certificates of Obligation Bonds			Parks/Cemetery Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	5,205,160	3,658,194	8,863,354	2,287,559	1,687,268	3,974,827	4,184,000	3,136,942	7,320,942	359,522	385,062	744,584
2010	5,407,210	3,445,329	8,852,539	2,207,559	1,596,752	3,804,311	4,374,000	2,890,158	7,264,158	364,522	373,083	737,605
2011	5,618,861	3,215,707	8,834,568	1,990,889	1,510,214	3,501,103	4,569,000	2,629,253	7,198,253	380,195	359,881	740,076
2012	5,737,942	2,981,476	8,719,418	2,064,218	1,427,154	3,491,372	1,989,000	2,410,009	4,399,009	395,868	345,392	741,260
2013	5,872,175	2,742,000	8,614,175	2,150,878	1,339,277	3,490,155	2,094,000	2,232,702	4,326,702	412,214	329,454	741,668
2014	5,975,848	2,496,068	8,471,916	1,959,207	1,250,564	3,209,771	2,214,000	2,042,594	4,256,594	427,887	312,365	740,252
2015	6,143,800	2,249,011	8,392,811	1,817,537	1,171,058	2,988,595	2,339,000	1,840,056	4,179,056	448,561	294,291	742,852
2016	6,186,752	1,996,367	8,183,119	1,894,196	1,094,318	2,988,514	2,474,000	1,624,294	4,098,294	469,907	274,385	744,292
2017	6,408,743	1,736,049	8,144,792	1,982,526	1,013,176	2,995,702	2,614,000	1,394,076	4,008,076	490,580	252,679	743,259
2018	6,230,734	1,469,955	7,700,689	2,079,185	927,422	3,006,607	2,609,000	1,151,453	3,760,453	516,926	229,790	746,716
2019	6,187,405	1,211,335	7,398,740	2,187,514	836,128	3,023,642	2,769,000	895,220	3,664,220	537,599	205,794	743,393
2020	5,150,000	972,533	6,122,533	2,281,174	739,604	3,020,778	2,932,000	621,499	3,553,499	563,946	180,493	744,439
2021	4,585,000	757,137	5,342,137	2,649,833	632,596	3,282,429	1,670,000	362,706	2,032,706	590,292	153,726	744,018
2022	4,070,000	562,587	4,632,587	2,741,492	515,004	3,256,496	1,635,000	122,625	1,757,625	616,638	125,697	742,335
2023	2,955,000	404,429	3,359,429	2,483,152	400,201	2,883,353	-	-	-	642,985	96,159	739,144
2024	2,530,000	282,452	2,812,452	2,519,811	289,224	2,809,035	-	-	-	679,331	64,601	743,932
2025	1,975,000	182,252	2,157,252	1,975,000	189,094	2,164,094	-	-	-	225,000	42,625	267,625
2026	1,640,000	101,588	1,741,588	1,890,000	103,181	1,993,181	-	-	-	235,000	31,125	266,125
2027	1,450,000	32,434	1,482,434	1,385,000	30,597	1,415,597	-	-	-	245,000	19,125	264,125
2028	-	-	-	-	-	-	-	-	-	260,000	6,500	266,500
Total	<u>\$ 89,329,630</u>	<u>\$ 30,496,903</u>	<u>\$ 119,826,533</u>	<u>\$ 40,546,730</u>	<u>\$ 16,752,832</u>	<u>\$ 57,299,562</u>	<u>\$ 38,466,000</u>	<u>\$ 23,353,587</u>	<u>\$ 61,819,587</u>	<u>\$ 8,861,973</u>	<u>\$ 4,082,227</u>	<u>\$ 12,944,200</u>

(1) Per this table (aggregate debt service payments):

Certificates of Obligation Bonds	\$ 40,546,730
Parks/Cemetery Certificates of Obligation Bonds	8,861,973
	<u>\$ 49,408,703</u>

Per previous table (changes in governmental long-term debt):

Certificates of Obligation Bonds	\$ 43,951,731
Parks and Recreation Certificates of Obligation Bonds	5,456,972
	<u>\$ 49,408,703</u>

CITY OF GRAND PRAIRIE, TEXAS
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Venue Sales Tax Revenue Bonds			Park Venue Sales Tax Revenue Bonds			Total		
Principal	Interest	Total	Principal (1)	Interest	Total	Principal	Interest	Total
-	3,500,792	3,500,792	985,000	1,321,434	2,306,434	13,021,241	13,689,692	26,710,933
-	3,482,085	3,482,085	1,035,000	1,273,710	2,308,710	13,388,291	13,061,117	26,449,408
4,050,000	3,482,085	7,532,085	1,090,000	1,223,509	2,313,509	17,698,945	12,420,649	30,119,594
4,485,000	3,325,144	7,810,144	1,140,000	1,171,039	2,311,039	15,812,028	11,660,214	27,472,242
4,955,000	3,134,039	8,089,039	1,200,000	1,117,167	2,317,167	16,684,267	10,894,639	27,578,906
5,465,000	2,934,891	8,399,891	1,255,000	1,061,418	2,316,418	17,296,942	10,097,900	27,394,842
6,020,000	2,717,199	8,737,199	1,325,000	1,003,519	2,328,519	18,093,898	9,275,134	27,369,032
6,620,000	2,486,022	9,106,022	1,380,000	943,306	2,323,306	19,024,855	8,418,692	27,443,547
7,245,000	2,219,556	9,464,556	1,455,000	879,119	2,334,119	20,195,849	7,494,655	27,690,504
7,910,000	1,937,097	9,847,097	1,525,000	810,549	2,335,549	20,870,845	6,526,266	27,397,111
8,650,000	1,635,398	10,285,398	1,600,000	738,071	2,338,071	21,931,518	5,521,946	27,453,464
6,805,000	1,310,712	8,115,712	1,675,000	661,839	2,336,839	19,407,120	4,486,680	23,893,800
7,465,000	1,090,825	8,555,825	1,765,000	581,172	2,346,172	18,725,125	3,578,162	22,303,287
8,170,000	853,481	9,023,481	1,860,000	495,381	2,355,381	19,093,130	2,674,775	21,767,905
8,925,000	593,660	9,518,660	1,955,000	404,400	2,359,400	16,961,137	1,898,849	18,859,986
9,735,000	310,595	10,045,595	2,060,000	307,856	2,367,856	17,524,142	1,254,728	18,778,870
-	-	-	2,165,000	205,800	2,370,800	6,340,000	619,771	6,959,771
-	-	-	2,200,000	100,122	2,300,122	5,965,000	336,016	6,301,016
-	-	-	935,000	23,375	958,375	4,015,000	105,531	4,120,531
-	-	-	-	-	-	260,000	6,500	266,500
<u>\$96,500,000</u>	<u>\$ 35,013,581</u>	<u>\$ 131,513,581</u>	<u>\$ 28,605,000</u>	<u>\$ 14,322,786</u>	<u>\$ 42,927,786</u>	<u>\$ 302,309,333</u>	<u>\$ 124,021,916</u>	<u>\$ 426,331,249</u>

CITY OF GRAND PRAIRIE, TEXAS
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b) Business Type Activities Long-Term Debt

Long-term debt in the business-type activities column of the government-wide financial statements consists of general obligation refunding bonds, water and wastewater system revenue bonds, certificates of obligation bonds, a line of credit, accrued compensated absence

Debt is issued to fund improvements for the following activities: the water and wastewater system, the solid waste system, the golf courses and the airport.

The long-term debt for the business-type activities is summarized as follows:

	<u>Interest Rate</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Water and wastewater					
Revenue bonds:					
Series 1998	4.3-5.0	1998	2019	3,575,000	2,440,000
Series 2002	4.5-5.0	2002	2022	4,100,000	3,255,000
Series 2002-A	4.0-4.5	2002	2022	2,650,000	2,045,000
Series 2003	2.0-4.6	2003	2023	12,610,000	6,000,000
Series 2004	2.5-4.45	2004	2024	7,110,000	5,535,000
Series 2004-A	2.0-4.75	2004	2024	5,615,000	4,775,000
Series 2005	2.75-4.50	2005	2025	5,725,000	5,125,000
Series 2005-A	3.5-4.25	2005	2025	10,230,000	9,090,000
Series 2006	4.0-5.5	2006	2026	4,840,000	4,615,000
Series 2006-A	4.25-4.375	2006	2027	6,625,000	6,420,000
Series 2007	4.0-4.50	2007	2027	15,845,000	15,190,000
Total revenue bonds					<u>64,490,000</u>
Premiums/discounts, net	N/A	N/A	N/A	N/A	9,324
Compensated absences	N/A	N/A	N/A	N/A	195,196
Total water and wastewater long-term debt					<u>64,694,520</u>
Solid waste					
Closure and post closure liability	N/A	N/A	N/A	N/A	4,857,103
Compensated absences	N/A	N/A	N/A	N/A	68,182
Total solid waste long-term debt					<u>4,925,285</u>
Municipal airport					
General obligation bonds:					
Series 1998B	3.25-4.9	1998	2012	1,238,648	225,000
Certificates of obligation bonds:					
Series 2004A	2.25-5.0	2004	2024	2,120,000	1,995,000
Compensated absences	N/A	N/A	N/A	N/A	28,123
Total municipal airport long-term debt					<u>2,248,123</u>
Municipal golf					
General obligation bonds:					
Series 2002	4.5-5.0	2002	2022	835,000	835,000
Series 2004A	2.0-4.75	2004	2024	3,510,000	3,045,000
Series 2007	4.0-4.50	2007	2019	1,482,000	1,482,000
Total general obligation bonds					<u>5,362,000</u>
Certificate of obligation bonds:					
Series 1998B	3.6-5.0	1998	2019	2,600,000	245,000
Series 2004	2.50-4.45	2004	2024	717,000	610,297
Series 2004B	2.0-4.75	2004	2024	1,215,000	1,035,000
Series 2006	4.0-5.50	2006	2026	153,750	150,000
Total certificate of obligation bonds					<u>2,040,297</u>
Premiums/discounts, net	N/A	N/A	N/A	N/A	6,727
Compensated absences	N/A	N/A	N/A	N/A	57,632
Total municipal golf long-term debt					<u>7,466,656</u>
Allocation from internal service funds					
Compensated absences	N/A	N/A	N/A	N/A	39,648
Storm Water					
Compensated absences	N/A	N/A	N/A	N/A	13,805
Total business-type activities' long-term debt					<u>\$ 79,348,389</u>

CITY OF GRAND PRAIRIE, TEXAS
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The changes in long-term debt for business type activities is summarized as follows:

	Balance October 1, 2007	Borrowings or Increases	Payments or Decreases	Balance September 30, 2008	Due Within One Year
Water and wastewater					
General obligation bonds:					
Series 1998-A	\$ 28,600	\$ -	\$ (28,600)	\$ -	\$ -
Revenue bonds:					
Series 1998	2,605,000	-	(165,000)	2,440,000	170,000
Series 2002	3,415,000	-	(160,000)	3,255,000	165,000
Series 2002-A	2,150,000	-	(105,000)	2,045,000	105,000
Series 2003	7,025,000	-	(1,025,000)	6,000,000	1,025,000
Series 2004	5,945,000	-	(410,000)	5,535,000	425,000
Series 2004-A	4,985,000	-	(210,000)	4,775,000	220,000
Series 2005	5,330,000	-	(205,000)	5,125,000	215,000
Series 2005-A	9,465,000	-	(375,000)	9,090,000	390,000
Series 2006	4,770,000	-	(155,000)	4,615,000	160,000
Series 2006-A	6,625,000	-	(205,000)	6,420,000	215,000
Series 2007	-	15,845,000	(655,000)	15,190,000	540,000
Total revenue bonds	52,315,000	15,845,000	(3,670,000)	64,490,000	3,630,000
Premiums/discount, net	105,005	(93,963)	(1,718)	9,324	-
Deferred loss on refunding	-	(6,967)	6,967	-	-
Compensated absences	184,762	289,138	(278,704)	195,196	195,196
Total water and wastewater long-term debt	52,633,367	16,033,208	(3,972,055)	64,694,520	3,825,196
Solid waste					
Closure and post closure liability	4,596,339	260,764	-	4,857,103	-
Compensated absences	54,197	103,884	(89,899)	68,182	68,182
Total solid waste long-term debt	4,650,536	364,648	(89,899)	4,925,285	68,182
Municipal airport					
General obligation bonds:					
Series 1998-B	275,000	-	(50,000)	225,000	55,000
Certificates of Obligation					
Series 2004A	2,040,000	-	(45,000)	1,995,000	40,000
Compensated absences	24,811	25,594	(22,282)	28,123	16,187
Total municipal airport long-term debt	2,339,811	25,594	(117,282)	2,248,123	111,187
Municipal golf					
General obligation bonds:					
Series 2002	835,000	-	-	835,000	-
Series 2004A	3,165,000	-	(120,000)	3,045,000	125,000
Series 2007	-	1,482,000	-	1,482,000	-
Total general obligation bonds	4,000,000	1,482,000	(120,000)	5,362,000	125,000
Certificate of obligation bonds:					
Series 1998-A	1,825,000	-	(1,580,000)	245,000	120,000
Series 2004	638,219	-	(27,922)	610,297	28,919
Series 2004B	1,080,000	-	(45,000)	1,035,000	45,000
Series 2006	152,000	-	(2,000)	150,000	5,000
Total certificate of obligation bonds	3,695,219	-	(1,654,922)	2,040,297	198,919
Premiums/discount, net	-	6,727	-	6,727	-
Compensated absences	42,789	60,717	(45,874)	57,632	45,945
Total municipal golf long-term debt	7,738,008	1,549,444	(1,820,796)	7,466,656	369,864
Storm water					
Compensated absences	13,455	18,137	(17,787)	13,805	13,805
Total business-type activities' long-term debt	\$ 67,375,177	\$ 17,991,031	\$ (6,017,819)	\$ 79,348,389	\$ 4,388,234

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

(i) Water and Wastewater System Debt

In October 2007 the City issued \$15,845,000 in Water Wastewater System Revenue Bonds, Series 2007. The proceeds of the bonds were used to provide \$15,845,000 of capital funds, and to pay the cost of issuance.

Water and wastewater system long-term debt consists of general obligation refunding bonds, and revenue bonds, which are all being repaid with water and wastewater system revenues.

Although not required by state laws, City Council in the past has chosen to have the electorate vote to authorize revenue bond issuance. During the fiscal year ended September 30, 2005, the City issued the remaining authorized water and wastewater system revenue bonds. At this time the city plans to issue non voted authorized revenue bonds in the future.

The following covenants are included in each of the 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 12 consecutive months out of the 15 months prior to the date of such bonds is equal to at least 1.25 times the average annual requirements for the payment of principal and interest on the then outstanding bonds and any additional bonds then proposed to be issued.
- All revenues derived from the operations must be kept separate from other funds of the City.
- The amount required to meet interest and principal payments falling due on or before the next maturity dates of the bonds is to be paid into the water and wastewater system interest and redemption account during each year.

At September 30, 2008, the City was in compliance with these covenants.

CITY OF GRAND PRAIRIE, TEXAS
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Debt service to maturity on the City's outstanding water and wastewater system bond debt is summarized as follows:

Water and Wastewater System Revenue Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 3,630,000	\$ 2,630,012	\$ 6,260,012
2010	3,765,000	2,491,796	6,256,796
2011	3,595,000	2,350,799	5,945,799
2012	3,505,000	2,210,900	5,715,900
2013	3,640,000	2,068,654	5,708,654
2014	3,465,000	1,926,682	5,391,682
2015	3,520,000	1,758,018	5,278,018
2016	3,305,000	1,644,488	4,949,488
2017	3,445,000	1,502,539	4,947,539
2018	3,605,000	1,351,977	4,956,977
2019	3,765,000	1,193,119	4,958,119
2020	3,650,000	1,032,741	4,682,741
2021	3,815,000	870,459	4,685,459
2022	3,990,000	698,873	4,688,873
2023	3,635,000	530,603	4,165,603
2024	3,560,000	371,757	3,931,757
2025	3,000,000	226,904	3,226,904
2026	1,955,000	117,088	2,072,088
2027	1,645,000	36,700	1,681,700
Total	<u>\$ 64,490,000</u>	<u>\$ 25,014,109</u>	<u>\$ 89,504,109</u>

CITY OF GRAND PRAIRIE, TEXAS
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Water and Wastewater System Debt Service Coverage

According to the terms of the ordinance which authorized the sale of Water and Wastewater Revenue Bonds, the Water and Wastewater system will produce net revenues each year in an amount reasonably estimated to be not less than 1.25 times the average annual principal and interest requirements of the outstanding bonds. At September 30, 2008, compliance with this requirement can be demonstrated as follows:

Revenue ⁽¹⁾	\$ 47,636,804
Operating expense (excluding depreciation):	
Water purchased	9,214,660
Sewage disposal contract	8,359,440
Other	14,380,292
Total expense ⁽²⁾	31,954,392
Available for debt service	\$ 15,682,412
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2008	\$ 4,712,164
Coverage of average annual requirements based on September 30, 2008 revenue available for debt service	3.33

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

(2) Excludes depreciation expense.

The City's Debt Management Policies prescribe that the coverage ratio is at 2.0 for all outstanding debt. Total debt service on a cash basis in 2008 was \$6,710,935 for a coverage of 2.82

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
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(ii) Municipal Golf Course Long-Term Debt

Municipal Golf Course Long-Term Debt consists of general obligation refunding bonds issued in 2004, certificates of obligation bonds issued in 1993, 1998, 2004, 2006 and 2007 used to finance the construction of the Tangle Ridge Golf Course, improvements to other municipal golf courses and accrued compensated absences. The long-term debt are currently being repaid from the General Fund and the Debt Service Fund.

Debt service to maturity of outstanding bonds are summarized as follows:

General Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 125,000	\$ 228,903	\$ 353,903
2010	130,000	223,878	353,878
2011	235,399	217,493	452,892
2012	257,058	209,568	466,626
2013	267,825	200,702	468,527
2014	314,152	190,586	504,738
2015	331,200	179,356	510,556
2016	343,248	167,481	510,729
2017	356,257	154,976	511,233
2018	374,266	141,622	515,888
2019	397,595	118,426	516,021
2020	405,000	93,044	498,044
2021	425,000	74,369	499,369
2022	445,000	54,794	499,794
2023	465,000	34,028	499,028
2024	490,000	11,637	501,637
Total	<u>\$ 5,362,000</u>	<u>\$ 2,300,863</u>	<u>\$ 7,662,863</u>

CITY OF GRAND PRAIRIE, TEXAS
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Certificate of Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 198,919	\$ 81,681	\$ 280,600
2010	208,919	73,609	282,528
2011	84,916	68,017	152,933
2012	90,914	64,844	155,758
2013	92,908	61,198	154,106
2014	93,905	57,387	151,292
2015	99,904	53,473	153,377
2016	106,897	49,187	156,084
2017	112,894	44,479	157,373
2018	114,889	39,592	154,481
2019	120,886	34,520	155,406
2020	127,880	29,136	157,016
2021	129,875	23,515	153,390
2022	136,869	17,646	154,515
2023	143,864	11,360	155,224
2024	150,858	4,613	155,471
2025	10,000	900	10,900
2026	15,000	338	15,338
Total	<u>\$ 2,040,297</u>	<u>\$ 715,495</u>	<u>\$ 2,755,792</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

(iii) Municipal Airport Long-Term Debt

Municipal Airport Fund long term debt consists 1998 general obligation refunding bonds, 2004 Certificates of Obligations and accrued compensated absences. The long-term debt is being repaid solely from airport revenues.

Debt service to maturity on outstanding bonds is summarized as follows:

General Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 55,000	\$ 10,705	\$ 65,705
2010	50,000	8,175	58,175
2011	55,000	5,825	60,825
2012	65,000	3,185	68,185
Total	<u>\$ 225,000</u>	<u>\$ 27,890</u>	<u>\$ 252,890</u>

Certificate of Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 40,000	\$ 91,648	\$ 131,648
2010	50,000	90,123	140,123
2011	50,000	88,248	138,248
2012	45,000	86,291	131,291
2013	115,000	83,035	198,035
2014	120,000	78,260	198,260
2015	125,000	72,972	197,972
2016	130,000	67,072	197,072
2017	140,000	60,660	200,660
2018	145,000	53,891	198,891
2019	150,000	46,978	196,978
2020	160,000	39,710	199,710
2021	170,000	31,830	201,830
2022	175,000	23,375	198,375
2023	185,000	14,375	199,375
2024	195,000	4,875	199,875
Total	<u>\$ 1,995,000</u>	<u>\$ 933,343</u>	<u>\$ 2,928,343</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

c) Grand Prairie Housing Finance Corporation Long-Term Debt

The HFC has a general obligation note payable to a bank which was used to construct the Cotton Creek and Willow Tree Learning Center. The note bears a rate of 7% and is payable in equal monthly installments of \$19,380 through July 1, 2027.

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% and are payable semi-annually with interest only through July 1, 2007. The bonds are nonrecourse liabilities collateralized solely by the land and construction in progress, less the accrued interest.

A summary of long-term debt activity during the fiscal year ended December 31, 2007 follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Note payable	\$ 2,529,332	\$ -	\$ (57,754)	\$ 2,471,578	\$ 61,004
Revenue bonds	13,890,000	80,000	(160,000)	13,810,000	250,000
Developer loan	827,123	135,262	-	962,385	-
Total	<u>\$ 17,246,455</u>	<u>\$ 215,262</u>	<u>\$ (217,754)</u>	<u>\$ 17,243,963</u>	<u>\$ 311,004</u>

Future maturities of the debt are as follows:

Fiscal Year Ending December 31	Note Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2008	\$ 61,004	\$ 171,556	\$ 250,000	\$ 1,904,519
2009	65,916	166,644	185,000	1,046,850
2010	70,681	161,879	195,000	1,032,788
2011	75,791	156,769	215,000	1,017,787
2012	80,824	151,736	230,000	1,001,287
2013-2017	502,855	659,945	1,435,000	4,716,563
2018-2022	712,944	449,856	2,085,000	4,068,559
2023-2027	901,563	153,386	3,050,000	3,106,169
2028-2032	-	-	4,465,000	1,693,537
2032-2034	-	-	1,700,000	142,494
Total	<u>\$ 2,471,578</u>	<u>\$ 2,071,771</u>	<u>\$ 13,810,000</u>	<u>\$ 19,730,553</u>

Conduit Debt – Mortgage Revenue Bonds

The HFC issues Single Family and Multi-Family Mortgage Revenue Bonds. The proceeds of the bonds are placed in trust to be used for the origination of qualifying single- or multi-family mortgages or to refund, at any time, bonds previously issued by HFC. The bonds are to be paid only from the funds placed in trust, and these funds can be used only for purposes specified in the bond indenture. HFC is liable to the bondholders only to the extent of the related revenues and assets pledged under the indenture. Therefore, these transactions are accounted for as conduit debt, and the principal amount of the bonds outstanding and assets held by the trustee are not reflected on the face of the financial statements.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

At December 31, 2007, outstanding conduit debt was as follows:

<u>Bond Series</u>	<u>Original Issue Amount</u>	<u>Outstanding Amount</u>
1993 Multi-Family Mortgage Revenue Refunding Bonds (Windridge Grand Prairie Associated, Ltd.)	\$ 9,000,000	\$ 9,000,000
1993 Multi-Family Mortgage Revenue Refunding Bonds (Lincoln Property Company No. 2188)	13,500,000	13,500,000
1997-1 Single-Family Mortgage Revenue Bonds	4,995,000	210,344
1998A Single-Family Mortgage Revenue & Refunding Bonds	17,419,000	2,685,193
1998B-1 Single-Family Mortgage Revenue Refunding Bonds	6,365,000	185,368
1998B-2 Single-Family Mortgage Revenue Bonds	1,575,000	
2001 Single-Family Mortgage Revenue Bonds	14,160,000	2,144,435
2003 Senior Living Center	13,810,000	13,810,000
2004B Single-Family Mortgage Revenue & Refunding Bonds	7,500,000	5,159,833
	Total	<u>\$ 46,695,173</u>

3) 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 \$4,857,103 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 33.45% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and post closure care of \$9,664,908 as the remaining estimated capacity is filled. The City expects to close the landfill in year 2041. Actual cost may be higher or lower due to inflation, changes in technology or changes in regulations.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

c. Fund Equity and Net Assets

1) Reserved Fund Balance

Reservations of fund equity show amounts that are not available for expenditure or are legally restricted for specific uses. The purpose for each reserve is indicated by the account title on the face of the balance sheet for the governmental fund financial statements.

2) Designated Fund Balance

Designations of fund equity are used to show the amounts within unreserved fund balance for governmental funds which are intended to be used for specific purposes and reflect tentative managerial plans, but are not legally restricted.

3) Net Assets: Invested in capital assets, net of related debt

This component of net assets is reported in the proprietary fund financial statements and in the government-wide financial statements and represents the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

4) Net Assets: Restricted for Debt Service

This component of net assets is reported in the proprietary fund financial statements and in the government-wide financial statements and represents the difference between assets and liabilities of the debt service funds that consists of assets with constraints placed on their use by the bond covenants.

5) Net Assets: Unrestricted

This component of net assets is reported in the proprietary fund financial statements and in the government-wide financial statements and represents the difference between assets and liabilities that is not reported in Net Assets Invested in Capital Assets, Net of Related Debt or Net Assets restricted for specific purposes.

d. Interfund Transactions

The composition of interfund balances as of September 30, 2008, is as follows:
Outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

1) Interfund Transfers:

The following is a summary of interfund transfers which were made for normal operations of the city:

	Transfers in					
	General Fund	Crime Tax	Section 8	Street Improvements	Debt Service	Nonmajor Governmental Funds
<u>Transfers out:</u>						
General Fund	\$ -	\$ -	\$ 36,346	\$ -	\$ -	\$ 10,346,455
Crime Tax	-	-	-	-	-	-
Section 8	129,574	-	-	-	50,000	-
Street Improvements	-	-	-	-	-	2,380,992
Debt Service	-	-	-	-	-	-
Nonmajor						
Governmental Funds	1,291,270	7,620,120	-	2,917,112	-	21,008,800
Internal Service Funds	115,583	-	-	-	-	-
Water/wastewater	316,093	-	-	50,000	-	3,134,664
Solid Waste	119,646	-	-	-	-	409,854
Nonmajor						
Enterprise Funds	29,476	-	-	-	-	1,894,500
Total	\$ 2,001,642	\$ 7,620,120	\$ 36,346	\$ 2,967,112	\$ 50,000	\$ 39,175,265

	Transfers in					
	Internal Service Funds	Water Wastewater	Municipal Golf	Solid Waste	Municipal Airport	Total
<u>Transfers out:</u>						
General Fund	\$ -	\$ 56,059	\$ -	\$ 11,856	\$ 24,000	\$ 10,474,716
Crime Tax	-	-	-	-	-	-
Section 8	-	-	-	-	-	179,574
Street Improvements	-	-	-	-	-	2,380,992
Debt Service	-	-	624,758	-	-	624,758
Nonmajor						
Governmental Funds	23,892	2,499,133	185,000	-	-	35,545,327
Internal Service Funds	-	-	-	-	-	115,583
Water/wastewater	-	25,999,260	-	-	-	29,500,017
Solid Waste	-	-	-	2,040,000	-	2,569,500
Nonmajor						
Enterprise Funds	-	-	-	-	308,960	2,232,936
Total	\$ 23,892	\$ 28,554,452	\$ 809,758	\$ 2,051,856	\$ 332,960	\$ 83,623,403

Transfers are used 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.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

2) 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 transactions, and are treated as revenue in the General Fund and expense in the other funds. 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 aspects of interfund services provided and used are that each department or fund both gives and receives consideration.

Significant cost reimbursements made during the year were as follows:

Fund	Amount
Water and Wastewater Funds	\$ 2,358,499
Solid Waste Funds	192,243
Section 8 Housing Grant Fund	124,409
CDBG Funds	55,609
Storm Water Funds	48,913
Total to General Fund	<u>\$ 2,779,673</u>

3) Franchise Fees

The City's enterprises which use the public right-of-way funds 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 water lines, sewer lines, etc. These payments, 4% of gross revenues, are reported as interfund services provided and used rather than interfund transactions, and are treated as revenue (reported as franchise fees) in the General Fund and expense in the enterprise funds. Such fees paid during the year were:

Fund	Amount
Water and Wastewater Fund	\$ 1,594,601
Solid Waste Fund	209,423
Storm Water Fund	192,223
Total	<u>\$ 1,996,247</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

4) Payments in Lieu of Property Taxes

Two of the City's enterprise funds, the Water and Wastewater Fund and Solid Waste Fund, make payments in lieu of property taxes to the Street Maintenance Fund, which is included in "Other Governmental Funds", 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' fixed assets. Since the calculation methodology is not the same as that applied to similar activities in the private sector in several respects, the payments are recorded as transfers out rather than as an operating expense. Payments made during the year were as follows:

<u>Fund</u>	<u>Amount</u>
Water and Wastewater Fund	\$ 1,048,683
Solid Waste Fund	<u>73,773</u>
Total	<u>\$ 1,122,456</u>

e. Leases

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. The agreement states that upon completion of the project, MEC will lease the facility for a period of 30 years. The lease became effective April 1997 and meets the requirements for accounting as a direct financing lease. The future base rent payments under the lease are as follows:

<u>Year</u>	<u>Amount</u>
2009	\$ 1,452,000
2010	1,452,000
2011	1,452,000
2012	1,560,900
2013	1,597,200
Thereafter	<u>24,347,184</u>
	31,861,284
Less interest	<u>(15,863,261)</u>
Net present value	<u>\$ 15,998,023</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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:

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

The lease has been accounted for as a capital lease. However, only the base rent payments are determinable and are included in the lease payments receivable at the net present value of future rent payments. The remaining portion of the of the Facility is recorded as estimated unguaranteed residual value of the lease. Its fair value is estimated to be approximately equal to the differences between the original cost plus capitalized improvements of the Facility, net of what accumulated depreciation would be, and the fixed lease payments receivable. Therefore, this amount is being amortized over the life of the lease (30 years). Amortization for the year ended September 30, 2008 was \$3,904,024. Additional contingent rentals are recorded as revenue when received. During the year ended September 30, 2007, the Corporation incurred additional costs for improvements to the leased facilities of \$671,448 and received contribution revenue of \$671,448, for a total addition to the cost of the facility of \$1,342,896. This amount increased the unguaranteed residual value of the lease.

Management believes that there have not been events which impaired the residual value of the lease.

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

	<u>2008</u>
Nominal interest on the lease	\$ 1,454,400
Amortization of the lease	(180,809)
Net interest	<u>1,273,591</u>
Contingent rentals received (includes rent for simulcast facility prior to completion of project)	<u>347,710</u>
Total lease rental and interest	<u><u>\$ 1,621,301</u></u>

4. CONTRACTS, COMMITMENTS AND CONTINGENT LIABILITIES

a. Federal 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.

b. 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.

c. Water Intake Facility Contract

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

d. Water Purchase Contracts

According to the terms of a take-or-pay contract between the City and TRA, the City is entitled to 10.56% of the raw water yield of Lake Joe Pool which yields 15.1 million gallons of water a day. The City is paying for its prorated share of the project over a 50-year amortization period, 10 years from the date the reservoir gates were closed in January 1986. It is estimated that the City's total liability will be approximately \$7,032,000.

A contract with the City of Fort Worth, effective until the year 2010, permits the City to purchase up to 2.5 million gallons of treated water daily.

The City has a 30-year contract with the City of Dallas, which expires in 2012, for the purchase of water. Grand Prairie currently takes up to 33.8 million gallons a day, 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 (\$161,503 per million gallons per day) 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 million gallons per day.

e. Wastewater Treatment Contract

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 10.74% during fiscal year 2008. 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 BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

f. Master and Other Agreements

The Sports Corporation, Lone Star and Lone Star Jockey Club Development Corp. (“LSJC”) entered into an agreement (the “Master Agreement”) to design and develop a pari-mutuel horse racetrack (the “Facility”). 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. MEC Lone Star currently holds the license to operate the “Class 1” racetrack.

The City and Texas NextStage, LP (“NextStage”) entered into agreements (Development Agreement, Lease Agreements and other ancillary agreements) on January 10, 2001, to design, develop and construct a performance hall (the “Performance Hall”). Construction of the Performance Hall began in July 2000 and was completed in February 2001. Under the agreements, the City purchased the Performance Hall from NextStage for \$15 million with the proceeds from the \$17.9 million TIF tax and tax increment certificate of obligation bond issue in fiscal year 2001. NextStage initially leased the Performance Hall from the City under a 21-year lease. Effective September 18, 2002, Anschutz Texas, L. P. assumed the lease obligations of NextStage and became lessee and operator of the Performance Hall. The lease between the City and Anschutz Texas, L. P. expires January 23, 2023. Monthly lease payments from the lessee of the Performance Hall are used to pay debt service on bonds issued by the City for the purchase of the Performance Hall.

Baseball Stadium Agreements- The Citizens of Grand Prairie approved a 1/8 cent sales tax to build a minor league professional baseball stadium. The City of Grand Prairie (City) and Grand Prairie Professional Baseball, LP (GPPB) entered into an agreement on June 26, 2007 to develop, construct and operate a minor league professional baseball stadium. This was accomplished through the use of development, lease and sublease agreements. Construction began in July, 2007 and was completed in May of 2008.

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

Stadium Sublease-GPPB and the City entered into a sublease agreement for GPPB to operate the baseball stadium facility. GPPB pays monthly rent of \$16,667 of which one-fourth is for lease of land and three-fourths is for lease of improvements. Additional rent is paid annually and due March 31 of each year. The following schedule determines the additional rent level: 0% of adjusted net income between \$0-\$399,999; 25% of adjusted net income between \$400,000-\$800,000 and 50% of adjusted net income over \$800,000. This lease agreement expires the earlier of May 15, 2028 or termination of underlying lease.

g. Construction Commitments

The City has several approved outstanding major capital projects as of September 30, 2008. The City’s total committed but unexpended expenditures for such authorized capital projects at year-end approximates \$63,304,237. Funding for these contracts will be received through various capital projects funds and enterprise funds.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

5. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains five enterprise funds for water and wastewater, golf, solid waste, airport and storm water utility activities. Segment information for the non-major enterprise fund with outstanding revenue-backed certificates of obligation debt is as follows:

	<u>Municipal Airport</u>
<u>Condensed statement of net assets:</u>	
Current assets	\$ 3,009,952
Capital assets	6,407,548
Total assets	<u>9,417,500</u>
Current liabilities	362,028
Long term liabilities	2,136,936
Total liabilities	<u>2,498,964</u>
Net assets invested in capital assets, net of related debt	4,187,548
Unrestricted net assets	2,730,988
Total net assets	<u>\$ 6,918,536</u>
<u>Condensed statement of revenue, expense and changes in net assets:</u>	
Sales to customers	\$ 2,329,182
Other revenue	271,547
Total operating revenue	<u>2,600,729</u>
Depreciation	291,194
Other operating expense	1,888,033
Total operating expense	<u>2,179,227</u>
Investment income	74,757
Interest expense	(106,428)
Total nonoperating revenue (expense)	<u>(31,671)</u>
Income (loss) before transfers	389,831
Transfers in	332,960
Transfers out	<u>(312,270)</u>
Change in net assets	410,521
Net assets at the beginning of the year	6,508,015
Net assets at the end of the year	<u>\$ 6,918,536</u>
<u>Condensed statement of cash flows:</u>	
Net cash provided (used) by:	
Operating activities	\$ 521,624
Noncapital financing activities	20,690
Capital and related financing activities	(512,182)
Investing activities	156,578
Beginning cash and cash equivalent balances	517,670
Ending cash and cash equivalent balances	<u>\$ 704,380</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

6. PRIOR PERIOD ADJUSTMENT

There was a prior period adjustment of \$214,846 which decreased the Other Special Revenue Funds' fund balance and Government Wide net assets. The \$214,846 represents collections for prepaid cemetery services which had not been performed by the end of the prior fiscal year.

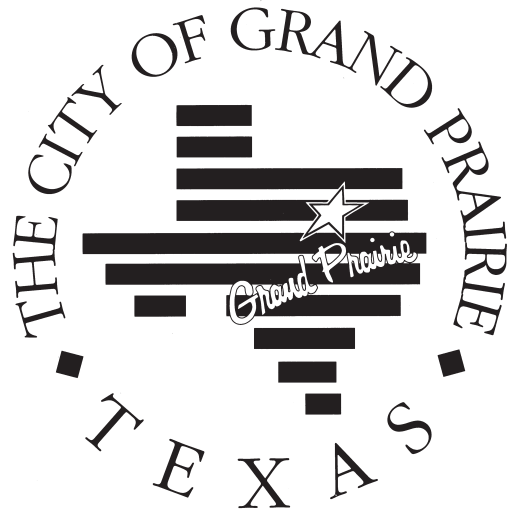
There was a prior period adjustment of \$551,940 which is the net of two separate corrections to Government Wide capital assets. The first correction was made to capitalize a land purchase of \$353,121 that was expensed in a prior accounting period. The second correction of \$905,061 was made to correct beginning capital assets for an asset disposal that occurred in a prior accounting period. The net effect of these adjustments was to decrease beginning Government Wide net assets and beginning Government Wide capital assets by \$551,940.

7. SUBSEQUENT EVENTS

On November 4, 2008 the City issued:

- ◆ \$8,985,000 in General Obligation Refunding and Improvement Bonds, Series 2008 for facility and infrastructure improvements.
- ◆ \$26,660,000 in Combination Tax and Revenue Certificates of Obligation, Series 2008 for equipment, facility, infrastructure improvements, TIF and PID projects.
- ◆ \$4,940,000 in Water and Wastewater System Revenue Bonds, Series 2008 for water and wastewater system improvements.

REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Budget		Actual		Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final	GAAP Basis	Adjustments		
REVENUE						
Property tax	\$ 41,578,645	\$ 41,578,645	\$ 41,235,958	\$ (3,140)	\$ 41,232,818	\$ (345,827)
Sales tax	20,321,755	20,321,755	21,100,484	(70,590)	21,029,894	708,139
Other taxes	245,600	245,600	334,103	(72,985)	261,118	15,518
Franchise fees	11,767,522	11,767,522	11,847,401	(126,146)	11,721,255	(46,267)
Charges for goods and services	4,719,310	4,719,310	4,981,472	(875)	4,980,597	261,287
Licenses and permits	2,611,235	2,611,235	2,264,955	-	2,264,955	(346,280)
Fines and forfeitures	5,280,290	5,280,290	5,116,428	-	5,116,428	(163,862)
Intergovernmental revenue	713,574	713,574	681,153	-	681,153	(32,421)
General and administrative costs	2,806,818	2,806,818	2,790,340	-	2,790,340	(16,478)
Investment income	1,234,358	1,234,358	1,238,374	173,787	1,412,161	177,803
Other	418,950	418,950	616,001	(228,023)	387,978	(30,972)
Total revenue	<u>91,698,057</u>	<u>91,698,057</u>	<u>92,206,669</u>	<u>(327,972)</u>	<u>91,878,697</u>	<u>180,640</u>
EXPENDITURES						
Current operations:						
Support services	13,637,802	12,122,764	11,176,252	-	11,176,252	946,512
Public safety services	55,897,643	57,674,609	57,495,086	(760,647)	56,734,439	940,170
Recreation and leisure services	2,074,371	2,135,793	2,063,500	(70,821)	1,992,679	143,114
Development services and other services	13,529,946	13,763,445	13,148,455	(264,323)	12,884,132	879,313
Capital outlay	1,024,000	1,413,040	1,016,040	131,722	1,147,762	265,278
Total expenditures	<u>86,163,762</u>	<u>87,109,651</u>	<u>84,899,333</u>	<u>(964,069)</u>	<u>83,935,264</u>	<u>3,174,387</u>
Excess of revenue over expenditures	<u>5,534,295</u>	<u>4,588,406</u>	<u>7,307,336</u>	<u>636,097</u>	<u>7,943,433</u>	<u>3,355,027</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,996,377	1,996,377	2,001,642	(1,237,993)	763,649	-
Transfers out	(10,571,645)	(10,603,788)	(10,474,716)	-	(10,474,716)	129,072
Total other financing sources (uses)	<u>(8,575,268)</u>	<u>(8,607,411)</u>	<u>(8,473,074)</u>	<u>(1,237,993)</u>	<u>(9,711,067)</u>	<u>129,072</u>
Net change in fund balance	<u>\$ (3,040,973)</u>	<u>\$ (4,019,005)</u>	<u>\$ (1,165,738)</u>	<u>\$ (601,896)</u>	<u>\$ (1,767,634)</u>	<u>\$ 3,484,099</u>

Note: Differences between GAAP-basis actual and budget-basis actual are due to accruals which are treated as revenues/expenditures in GAAP-basis statements but not in Budget basis statements, while encumbrances are reported in the budget-basis, and differences in classification.

Sales tax revenue was greater than budgeted due to a state reallocation that was not included in budget calculations. Support services expenditures were significantly less than budgeted due to lower than anticipated utility charges.

**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
CRIME TAX FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Budget		Actual		Variance with Final Budget- Positive (Negative)	
	Original	Final	GAAP Basis	Adjustments		Budgetary Basis
REVENUE						
Sales tax	\$ 4,233,699	\$ 4,233,699	\$ 4,842,905	\$ (859,170)	\$ 3,983,735	\$ (249,964)
Investment Income	45,820	45,820	216,716	(164,782)	51,934	6,114
Total revenue	4,279,519	4,279,519	5,059,621	(1,023,952)	4,035,669	(243,850)
EXPENDITURES						
Current operations:						
Capital outlay	-	-	5,081,163	(5,081,163)	-	-
Debt service:						
Principal retirement	1,950,000	1,950,000	-	-	-	1,950,000
Interest expense	-	-	163,627	-	163,627	(163,627)
Total expenditures	1,950,000	1,950,000	5,244,790	(5,081,163)	163,627	1,786,373
Excess (deficiency) of revenues over (under) expenditures	2,329,519	2,329,519	(185,169)	4,057,211	3,872,042	1,542,523
OTHER FINANCING SOURCES (USES)						
Transfers in	6,120,120	6,120,120	7,620,120	-	7,620,120	1,500,000
Bond issued	-	-	59,706,290	-	59,706,290	59,706,290
Total other financing sources (uses)	6,120,120	6,120,120	67,326,410	-	67,326,410	1,500,000
Net change in fund balance	\$ 8,449,639	\$ 8,449,639	\$ 67,141,241	\$ 4,057,211	\$ 71,198,452	\$ 3,042,523

Note: Differences between GAAP-basis actual and budget-basis actual are due to accruals which are treated as revenues/expenditures in GAAP basis statements but not in Budget basis statements, while encumbrances are reported in the budget-basis and differences in classification. Capital projects are budgeted on a project basis

**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
SECTION 8 FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

			Actual			Variance with Final Budget- Positive (Negative)
	Original	Final	GAAP Basis	Adjustments	Budgetary Basis	
REVENUE						
Intergovernmental revenue	\$ 22,928,530	\$ 22,928,530	\$ 22,847,034	\$ -	\$ 22,847,034	\$ (81,496)
Investment income	-	148,000	98,358	49,642	148,000	-
Other	-	-	135,450	-	135,450	135,450
Total revenue	<u>22,928,530</u>	<u>23,076,530</u>	<u>23,080,842</u>	<u>49,642</u>	<u>23,130,484</u>	<u>53,954</u>
EXPENDITURES						
Current operations:						
Development services	22,928,530	22,928,530	21,007,711	-	21,007,711	1,920,819
Capital outlay	-	-	138,446	-	138,446	(138,446)
Total expenditures	<u>22,928,530</u>	<u>22,928,530</u>	<u>21,146,157</u>	<u>-</u>	<u>21,146,157</u>	<u>1,782,373</u>
Excess of revenues over expenditures	<u>-</u>	<u>148,000</u>	<u>1,934,685</u>	<u>49,642</u>	<u>1,984,327</u>	<u>1,836,327</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	34,724	34,724	36,346	-	36,346	1,622
Transfers out	(166,910)	(166,910)	(179,574)	-	(179,574)	12,664
Total other financing sources (uses)	<u>(132,186)</u>	<u>(132,186)</u>	<u>(143,228)</u>	<u>-</u>	<u>(143,228)</u>	<u>-</u>
Net change in fund balance	<u>\$ (132,186)</u>	<u>\$ 15,814</u>	<u>\$ 1,791,457</u>	<u>\$ 49,642</u>	<u>\$ 1,841,099</u>	<u>\$ 1,836,327</u>

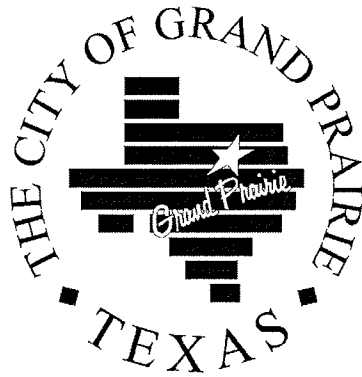
Note: Differences between GAAP-basis actual and budget-basis actual are due to accruals which are treated as revenues/expenditures in GAAP basis statements but not in Budget basis statements, while encumbrances are reported in the budget-basis, and differences in classification. Original budget was increased for additional amounts awarded by HUD.

**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SEVEN-YEAR ANALYSIS OF FUNDING PROGRESS**

Fiscal Year	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Percentage Funded (1)/(2)	(4) Unfunded Actuarial Accrued Liability (AAL) (2) - (1)	(5) Covered Payroll
2002	12/31/2001	\$ 116,891,035	\$ 142,819,377	81.85%	\$ 25,928,342	\$ 45,368,136
2003	12/31/2002	131,709,701	161,002,282	81.81%	29,292,581	48,080,684
2004	12/31/2003	142,198,405	177,576,317	80.08%	35,377,912	49,764,580
2005	12/31/2004	152,470,087	187,718,712	81.22%	35,248,625	52,997,624
2006	12/31/2005	157,030,678	194,053,949	80.92%	37,023,271	53,849,572
2007	12/31/2006	167,101,197	208,328,802	80.21%	41,227,605	56,817,617
2008	12/31/2007	174,692,032	252,870,914	69.08%	78,178,882	61,880,950

Seven year historical trend information designed to provide information about the fund's progress made in accumulating sufficient assets to pay benefits when due is available for plan years 2002 through 2008. This information can be referred to in separately issued financial reports of the pension fund.

(6) Unfunded Actuarial Accrued Liability (AAL) as a Percentage of Covered Payroll (4)/(5)	Annual Required Contributions	Actual Contributions
57.15%	\$ 5,930,448	\$ 5,930,448
60.92%	6,542,656	6,542,656
71.09%	6,590,869	6,590,869
66.51%	7,222,849	7,222,849
68.75%	7,715,790	7,715,790
72.56%	7,577,405	7,577,405
126.34%	8,203,635	8,203,635



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MAJOR FUND OTHER SCHEDULES



CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budget		Actual			Variance with Final Budget- Positive (Negative)
	Original	Final	GAAP Basis	Adjustments	Budgetary Basis	
REVENUE						
Property tax	\$ 15,641,590	\$ 15,846,472	\$ 15,755,963	\$ 2,021	\$ 15,757,984	\$ (88,488)
Investment income	339,096	384,346	352,392	34,942	387,334	2,988
Total revenue	<u>15,980,686</u>	<u>16,230,818</u>	<u>16,108,355</u>	<u>36,963</u>	<u>16,145,318</u>	<u>(85,500)</u>
EXPENDITURES						
Current operations:						
Support services	45,000	40,000	-	-	-	40,000
Debt service:						
Principal retirement	7,966,525	9,945,556	9,201,568	309,922	9,511,490	434,066
Interest	7,605,322	6,144,570	6,330,207	(159,449)	6,170,758	(26,188)
Total expenditures	<u>15,616,847</u>	<u>16,130,126</u>	<u>15,531,775</u>	<u>150,473</u>	<u>15,682,248</u>	<u>447,878</u>
Excess (deficiency) of revenue over (under) expenditures	<u>363,839</u>	<u>100,692</u>	<u>576,580</u>	<u>(113,510)</u>	<u>463,070</u>	<u>362,378</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	186,263	50,000	50,000	-	50,000	-
Transfers out	-	-	(624,758)	624,758	-	-
Debt issued	-	-	93,710	-	93,710	93,710
Premium on debt issued	-	-	34,567	-	34,567	34,567
Refunding bond issued	-	-	17,278,000	(17,278,000)	-	-
Payments to refunding escrow agent	-	-	(17,161,031)	17,161,031	-	-
Total other financing sources (uses)	<u>186,263</u>	<u>50,000</u>	<u>(329,512)</u>	<u>507,789</u>	<u>178,277</u>	<u>128,277</u>
Net change in fund balance	<u>\$ 550,102</u>	<u>\$ 150,692</u>	<u>\$ 247,068</u>	<u>\$ 394,279</u>	<u>\$ 641,347</u>	<u>\$ 490,655</u>

Note: An amendment to the original budget was made due to bonds being issued after the original budget was adopted. Principal expenditures were lower than budgeted due to lower principal paid on refunding and bond payment structure. Property tax revenue from delinquent taxes was lower than anticipated.

Differences between GAAP-basis actual and budget-basis actual are due to accruals which are treated as revenues/expenditures in GAAP-basis statements but not in Budget basis statements, while encumbrances are reported in the budget-basis, and differences in classification.



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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



COMBINING FINANCIAL STATEMENTS

NON-MAJOR 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 designated to finance particular functions or activities of the city. The City has seventeen non-major special revenue funds which include:

- ◆ Other Special Revenue Funds – accounts for various miscellaneous grants from the federal, state, or local governments. All grants included in this fund are for specific projects with limited duration. Other separately funded projects are Home Revenue Fund, Employee Welfare Fund, Expendable Fund, Cemetery Fund, Theater Fund, Library Memorials Fund, Pooled Investment Fund, Public Improvement Districts Funds, and Emergency Fund are under this heading. In addition, the Community Development Block Grant Funds are now included under this heading. This fund were reported separately in the prior year.
- ◆ Park Venue Fund – accounts for the operation and construction of the City's park system. Approved by the Grand Prairie voters, a one-quarter cent sales and use tax was levied for the benefit of the Park Venue Fund.
- ◆ Hotel/Motel Tax Fund – accounts for the receipts and allocation of the City's 7% hotel-motel tax revenue in accordance with the requirements of state law.
- ◆ Police Seizure Fund – accounts for police seizure assets for pending court cases and for money awarded to the City by county courts from assets seized by the Grand Prairie Police Department.
- ◆ Senior Center Fund – accounts for the operation and construction of the Active Adult Center for the citizens of Grand Prairie.
- ◆ Fire Capital Fund – accounts for the construction/improvement of fire related facilities and capital purchase of fire related equipment for the safety of the citizens and businesses in the City.
- ◆ Municipal Facilities Fund – accounts for the construction and capital improvements of the City's facilities
- ◆ Municipal Court Fund – accounts for fees collected to maintain security for municipal court buildings, judicial efficiency, and municipal court technology.
- ◆ Cable Operations Fund - accounts for the revenue collected through the cable company for government access programming. Expenditures in this special revenue fund are designated for the operations and improvements to the City's cable channel.
- ◆ Street Maintenance Fund – accounts for the quarter cent sales tax to maintain existing streets and alleys that was effective April 1, 2002.
- ◆ Tax Increment Financing Districts (TIF) Fund – accounts for the activity of the City's three TIFs. Revenues collected are primarily inter-local property tax increment funding.
- ◆ Lake Parks – accounts for the activity of the 4 major parks surrounding Joe Pool Lake that were received from Trinity River Authority.
- ◆ Gas Well Revenue Fund - accounts for the proceeds generated from City gas wells and expenditures for authorized projects.
- ◆ Baseball Stadium Fund - accounts for the City's baseball stadium and ongoing rental income and debt service.

Other Capital Projects

Other Capital Projects is used to account for capital improvements which are financed by the city's general obligation bond issues and other designated resources. The Police Station Fund, Storm Drainage Fund, Library Improvements Fund, Capital Reserve Fund, Street Projects Fund, Equipment Acquisition Fund, and Certificates of Obligation Fund are now included under this heading. These funds were reported separately in prior years.

CITY OF GRAND PRAIRIE, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2008

Special Revenue Funds

	Other Special Revenue Funds	Park Venue	Hotel Motel	Police Seizure	Senior Center	Fire Capital	Municipal Facilities MFAC	Municipal Court
ASSETS								
Cash and cash equivalents	\$ 9,212,822	\$ 1,922,289	\$ 941,405	\$ 542,128	\$ 21,379,775	\$ 735,439	\$ 215,893	\$ 190,532
Investments	1,787,774	8,184,557	32,080	-	3,559,120	7,577,944	4,990,726	1,290
Sales tax receivable	-	957,722	-	-	478,861	-	-	-
Other receivables	2,147,393	136,045	118,500	-	-	-	-	-
Due from other governments	2,763,340	-	-	-	-	-	-	-
Total assets	\$ 15,911,329	\$ 11,200,613	\$ 1,091,985	\$ 542,128	\$ 25,417,756	\$ 8,313,383	\$ 5,206,619	\$ 191,822
LIABILITIES AND FUND BALANCE								
Liabilities :								
Accounts payable	\$ 351,271	\$ 768,852	\$ 6,865	\$ 995	\$ 3,390,708	\$ -	\$ 743,510	\$ 3,731
Accrued liabilities	427,604	9,395	12,258	-	784	-	187,644	-
Due to funds	2,210,000	-	-	-	-	-	-	-
Customer deposits	-	17,586	-	-	-	-	-	-
Deferred revenue	563,667	54,378	-	-	-	-	-	-
Total liabilities	3,552,542	850,211	19,123	995	3,391,492	-	931,154	3,731
Fund balance:								
Reserved for:								
Encumbrances	-	187,780	331,358	111,265	-	-	-	19,639
Bond debt service	-	-	-	-	-	-	-	-
Unreserved, designated for:								
Capital projects	-	-	-	-	-	-	-	-
Unreserved, undesignated in:								
Special revenue funds	12,358,787	10,162,622	741,504	429,868	22,026,264	8,313,383	4,275,465	168,452
Total fund balance	12,358,787	10,350,402	1,072,862	541,133	22,026,264	8,313,383	4,275,465	188,091
Total liabilities and fund balance	\$ 15,911,329	\$ 11,200,613	\$ 1,091,985	\$ 542,128	\$ 25,417,756	\$ 8,313,383	\$ 5,206,619	\$ 191,822

Special Revenue Funds

Cable Operations	Street Maintenance	Tax Increment Financing Districts	Lake Parks	Gas Well Revenue	Baseball Stadium	Total Special Revenue Funds	Other Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 126,700	\$ 3,868,052	\$ 5,759,473	\$ 942,202	\$ 5,075,062	\$ 935,674	\$ 51,847,446	\$ 1,825,695	\$ 53,673,141
-	8,504	1,213,853	3,051,236	2,938,338	1,002,516	34,347,938	9,944,336	44,292,274
-	957,722	-	-	-	478,861	2,873,166	-	2,873,166
-	-	-	-	-	-	2,401,938	-	2,401,938
-	-	-	-	-	-	2,763,340	-	2,763,340
<u>\$ 126,700</u>	<u>\$ 4,834,278</u>	<u>\$ 6,973,326</u>	<u>\$ 3,993,438</u>	<u>\$ 8,013,400</u>	<u>\$ 2,417,051</u>	<u>\$ 94,233,828</u>	<u>\$ 11,770,031</u>	<u>\$ 106,003,859</u>
\$ 2,274	\$ 436,554	\$ -	\$ 160,726	\$ 2,132	\$ 15,542	\$ 5,883,160	\$ 192,524	\$ 6,075,684
3,242	29,460	-	20,854	-	195,566	886,807	175,103	1,061,910
-	-	-	-	-	-	2,210,000	-	2,210,000
-	-	-	-	-	-	17,586	-	17,586
-	-	-	-	-	-	618,045	-	618,045
<u>5,516</u>	<u>466,014</u>	<u>-</u>	<u>181,580</u>	<u>2,132</u>	<u>211,108</u>	<u>9,615,598</u>	<u>367,627</u>	<u>9,983,225</u>
5,272	1,425,461	-	11,948	928,000	-	3,020,723	256,825	3,277,548
-	-	1,101,835	-	-	-	1,101,835	-	1,101,835
-	-	-	-	-	-	-	11,145,579	11,145,579
<u>115,912</u>	<u>2,942,803</u>	<u>5,871,491</u>	<u>3,799,910</u>	<u>7,083,268</u>	<u>2,205,943</u>	<u>80,495,672</u>	<u>-</u>	<u>80,495,672</u>
<u>121,184</u>	<u>4,368,264</u>	<u>6,973,326</u>	<u>3,811,858</u>	<u>8,011,268</u>	<u>2,205,943</u>	<u>84,618,230</u>	<u>11,402,404</u>	<u>96,020,634</u>
<u>\$ 126,700</u>	<u>\$ 4,834,278</u>	<u>\$ 6,973,326</u>	<u>\$ 3,993,438</u>	<u>\$ 8,013,400</u>	<u>\$ 2,417,051</u>	<u>\$ 94,233,828</u>	<u>\$ 11,770,031</u>	<u>\$ 106,003,859</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Special Revenue Funds

	Other Special Revenue Funds	Park Venue	Hotel Motel	Police Seizure	Senior Center	Fire Capital	Municipal Facilities MFAC	Municipal Court
REVENUE								
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales tax	-	5,488,686	-	-	2,744,343	-	-	-
Other taxes	-	-	1,080,719	-	-	-	-	-
Charges for goods and service	2,969,146	2,254,671	12,078	-	-	-	-	-
Licenses and permits	4,445	-	-	-	-	-	-	-
Fines and forfeitures	272,292	-	-	-	-	-	-	226,742
Intergovernmental revenue	6,120,272	-	-	484,150	-	-	-	-
Investment income	2,734,993	584,797	35,759	16,935	87,803	108,843	-	14,646
Contributions	510,933	1,431,136	-	5,717	-	-	-	-
Other	1,065,050	-	-	-	250,000	4,032	1,970,442	-
Total revenue	13,677,131	9,759,290	1,128,556	506,802	3,082,146	112,875	1,970,442	241,388
EXPENDITURES								
Current operations:								
Support services	1,082,077	-	920,826	-	-	-	-	-
Public safety services	1,159,327	-	-	180,470	-	94,207	-	181,818
Recreation and leisure services	697,372	11,882,126	-	-	-	-	-	-
Development services and other	3,886,029	-	-	-	-	-	339,883	-
Capital outlay	5,374,715	1,546,830	-	20,225	1,848,120	1,116,808	3,922,806	75,000
Debt service:								
Principal retirement	730,000	935,000	-	-	-	-	-	-
Interest charges	722,708	1,370,747	-	-	169,927	43,599	3,318	-
Total expenditures	13,652,228	15,734,703	920,826	200,695	2,018,047	1,254,614	4,266,007	256,818
Excess (deficiency) of revenue over (under) expenditures	24,903	(5,975,413)	207,730	306,107	1,064,099	(1,141,739)	(2,295,565)	(15,430)
OTHER FINANCING SOURCES (USES):								
Transfers in	3,213,293	10,336,541	100,000	-	1,250,000	1,768,011	2,684,238	-
Transfers out	(1,951,308)	(5,493,001)	(320,410)	-	(137,835)	(170,788)	-	(61,258)
Premium on debt issued	-	-	-	-	-	-	-	-
Bonds issued	1,235,000	-	-	-	19,850,000	4,735,731	358,750	-
Total other financing sources (uses)	2,496,985	4,843,540	(220,410)	-	20,962,165	6,332,954	3,042,988	(61,258)
Net change in fund balance	2,521,888	(1,131,873)	(12,680)	306,107	22,026,264	5,191,215	747,423	(76,688)
Prior Period Adjustment	(214,846)	-	-	-	-	-	-	-
Fund balance - beginning of year	10,051,745	11,482,275	1,085,542	235,026	-	3,122,168	3,528,042	264,779
Fund balance - end of year	\$ 12,358,787	\$ 10,350,402	\$ 1,072,862	\$ 541,133	\$ 22,026,264	\$ 8,313,383	\$ 4,275,465	\$ 188,091

Special Revenue Funds

Cable Operations	Street Maintenance	Tax Increment Financing Districts	Lake Parks	Gas Well Revenue	Baseball Stadium	Total Special Revenue Funds	Other Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 11,586,322	\$ -	\$ -	\$ -	\$ 11,586,322	\$ -	\$ 11,586,322
-	5,488,686	-	-	-	-	13,721,715	-	13,721,715
-	-	-	-	-	-	1,080,719	-	1,080,719
-	-	-	1,431,498	-	-	6,667,393	-	6,667,393
-	-	-	183,855	-	-	188,300	-	188,300
-	-	-	-	-	-	499,034	-	499,034
-	-	-	-	-	-	6,604,422	-	6,604,422
12,358	160,825	151,589	258,198	54,246	35,340	4,256,332	410,300	4,666,632
-	-	-	129,107	-	2,744,344	4,821,237	2,721,212	7,542,449
124,964	-	-	971,077	6,532	-	4,392,097	3,792	4,395,889
137,322	5,649,511	11,737,911	2,973,735	60,778	2,779,684	53,817,571	3,135,304	56,952,875
179,075	-	1,382,549	-	-	-	3,564,527	-	3,564,527
-	-	-	-	-	-	1,615,822	-	1,615,822
-	-	-	2,115,207	-	281,401	14,976,106	-	14,976,106
-	5,438,206	-	-	2,132	-	9,666,250	1,352,024	11,018,274
30,580	29,460	11,394,654	620,813	-	17,370,622	43,350,633	3,477,393	46,828,026
-	-	2,401,500	-	-	-	4,066,500	-	4,066,500
-	-	973,966	-	-	738,698	4,022,963	4,741	4,027,704
209,655	5,467,666	16,152,669	2,736,020	2,132	18,390,721	81,262,801	4,834,158	86,096,959
(72,333)	181,845	(4,414,758)	237,715	58,646	(15,611,037)	(27,445,230)	(1,698,854)	(29,144,084)
-	1,322,456	7,391,616	286,263	5,000,000	804,253	34,156,671	5,018,594	39,175,265
-	(700,000)	(10,986,334)	(1,305,933)	(7,101,468)	(5,000,000)	(33,228,335)	(2,316,992)	(35,545,327)
-	-	27,425	-	-	-	27,425	-	27,425
-	-	9,275,000	-	-	16,850,000	52,304,481	512,500	52,816,981
-	622,456	5,707,707	(1,019,670)	(2,101,468)	12,654,253	53,260,242	3,214,102	56,474,344
(72,333)	804,301	1,292,949	(781,955)	(2,042,822)	(2,956,784)	25,815,012	1,515,248	27,330,260
-	-	-	-	-	-	(214,846)	-	(214,846)
193,517	3,563,963	5,680,377	4,593,813	10,054,090	5,162,727	59,018,064	9,887,156	68,905,220
\$ 121,184	\$ 4,368,264	\$ 6,973,326	\$ 3,811,858	\$ 8,011,268	\$ 2,205,943	\$ 84,618,230	\$ 11,402,404	\$ 96,020,634



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INDIVIDUAL FUND SCHEDULES

BUDGET TO ACTUAL SCHEDULES

Appropriations are approved by the City Council by fund for all budgeted funds. During the fiscal year it was necessary to amend the original budget by City Council action. The original budget and amended budget are presented for the following funds:

- ◆ Park Venue Fund-accounts for the operation and construction of the City's park system. Approved by the Grand Prairie voters, a one-quarter cent sales and use tax was levied for the benefit of the Park Venue Fund.
- ◆ Hotel/Motel Tax Fund – accounts for the receipts and allocation of the City's 7% hotel-motel tax revenue in accordance with the requirements of state law.
- ◆ Police Seizure Fund – accounts for police seizure assets for pending court cases and for money awarded to the City by county courts from assets seized by the Grand Prairie Police Department.
- ◆ Municipal Court Fund – accounts for fees collected to maintain security for municipal court buildings, judicial efficiency, and municipal court technology.
- ◆ Cable Operations Fund – accounts for the revenue collected through the cable company for government access programming. Expenditures in this special revenue fund are designated for the operations and improvements to the City's cable channel.

CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
PARK VENUE FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	<u>Budget</u>		<u>Actual</u>	<u>Adjustments</u>	<u>Budgetary</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>		<u>Basis</u>	
REVENUE						
Sales tax	\$ 5,080,439	\$ 5,080,439	\$ 5,488,686	\$ 15,899	\$ 5,504,585	\$ 424,146
Charges for goods and services	2,699,701	2,699,701	2,254,671	220	2,254,891	(444,810)
Investment Income	610,423	610,423	584,797	(111,992)	472,805	(137,618)
Contributions	1,425,000	1,425,000	1,431,136	-	1,431,136	6,136
Total revenue	9,815,563	9,815,563	9,759,290	(95,873)	9,663,417	(152,146)
EXPENDITURES						
Current operations:						
Recreation and leisure services	12,167,618	12,167,618	11,882,126	(138,771)	11,743,355	424,263
Capital outlay	275,081	275,081	1,546,830	(1,271,749)	275,081	-
Debt service:						
Principal retirement	935,000	935,000	935,000	-	935,000	-
Interest expense	1,370,747	1,370,747	1,370,747	-	1,370,747	-
Total expenditures	14,748,446	14,748,446	15,734,703	(1,410,520)	14,324,183	424,263
Excess (deficiency) of revenues over (under) expenditures	(4,932,883)	(4,932,883)	(5,975,413)	1,314,647	(4,660,766)	272,117
OTHER FINANCING SOURCES (USES)						
Transfers in	7,679,963	10,336,541	10,336,541	-	10,336,541	-
Transfers out	(5,493,001)	(5,493,001)	(5,493,001)	-	(5,493,001)	-
Total other financing sources (uses)	2,186,962	4,843,540	4,843,540	-	4,843,540	-
Net change in fund balance	\$ (2,745,921)	\$ (89,343)	\$ (1,131,873)	\$ 1,314,647	\$ 182,774	\$ 272,117

Note: Differences between GAAP-basis actual and budget-basis actual are due to accruals which are treated as revenues/expenditures in GAAP basis statements but not in Budget basis statements, and differences in classification. GAAP basis for capital outlay included \$1,271,749 expended from a capital project fund. Capital project fund capital outlay is not included in the operating budget. Charges for goods and services are slightly below budgeted amounts due to lower than anticipated attendance. Sales tax revenue was greater than budgeted due to a state reallocation that was not included in budget calculations.

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
HOTEL/MOTEL TAX FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budget		Actual			Variance with Final Budget- Positive (Negative)
	Original	Final	GAAP Basis	Adjustments	Budgetary Basis	
REVENUE						
Other taxes	\$ 1,088,000	\$ 1,088,000	\$ 1,080,719	\$ -	\$ 1,080,719	\$ (7,281)
Charges for goods and services	8,500	8,500	12,078	-	12,078	3,578
Investment income	16,149	16,149	35,759	-	35,759	19,610
Total revenues	<u>1,112,649</u>	<u>1,112,649</u>	<u>1,128,556</u>	<u>-</u>	<u>1,128,556</u>	<u>15,907</u>
EXPENDITURES						
Current operations:						
Support services	<u>1,077,926</u>	<u>1,077,926</u>	<u>920,826</u>	<u>-</u>	<u>920,826</u>	<u>157,100</u>
Total expenditures	<u>1,077,926</u>	<u>1,077,926</u>	<u>920,826</u>	<u>-</u>	<u>920,826</u>	<u>157,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,723</u>	<u>34,723</u>	<u>207,730</u>	<u>-</u>	<u>207,730</u>	<u>173,007</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	100,000	100,000	100,000	-	100,000	-
Transfers out	<u>(320,410)</u>	<u>(320,410)</u>	<u>(320,410)</u>	<u>-</u>	<u>(320,410)</u>	<u>-</u>
Total other financing sources (uses)	<u>(220,410)</u>	<u>(220,410)</u>	<u>(220,410)</u>	<u>-</u>	<u>(220,410)</u>	<u>-</u>
Net changes in fund balance	<u>\$ (185,687)</u>	<u>\$ (185,687)</u>	<u>\$ (12,680)</u>	<u>\$ -</u>	<u>\$ (12,680)</u>	<u>\$ 173,007</u>

Note: Support services were less than budgeted due to decreased spending for City promotion and advertising during the year.

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
POLICE SEIZURE FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budget		Actual		Variance with Final Budget- Positive (Negative)	
	Original	Final	GAAP Basis	Adjustments		Budgetary Basis
REVENUE						
Intergovernmental revenue	\$ 119,070	\$ 119,070	\$ 484,150	\$ -	\$ 484,150	\$ 365,080
Investment income	12,434	12,434	16,935	-	16,935	4,501
Contributions	5,630	5,717	5,717	-	5,717	-
Total revenue	<u>137,134</u>	<u>137,221</u>	<u>506,802</u>	<u>-</u>	<u>506,802</u>	<u>369,581</u>
EXPENDITURES						
Current operations:						
Public safety services	137,370	137,370	180,470	(43,100)	137,370	-
Capital outlay	-	128,225	20,225	43,100	63,325	64,900
Total expenditures	<u>137,370</u>	<u>265,595</u>	<u>200,695</u>	<u>-</u>	<u>200,695</u>	<u>64,900</u>
Net change in fund balance	<u>\$ (236)</u>	<u>\$ (128,374)</u>	<u>\$ 306,107</u>	<u>\$ -</u>	<u>\$ 306,107</u>	<u>\$ 434,481</u>

Note: Differences between GAAP-basis actual and budget-basis actual are due to accruals which are treated as revenues/expenditures in GAAP-basis statements but not in Budget basis statements, while encumbrances are reported in the budget-basis, and differences in classification.

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
MUNICIPAL COURT FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budget		Actual		Budgetary Basis	Variance with Final Budget-Positive (Negative)
	Original	Final	GAAP Basis	Adjustments		
REVENUE						
Fines and forfeitures	\$ 244,375	\$ 244,375	\$ 226,742	\$ -	\$ 226,742	\$ (17,633)
Investment income	8,709	8,709	14,646	-	14,646	5,937
Total revenues	<u>253,084</u>	<u>253,084</u>	<u>241,388</u>	<u>-</u>	<u>241,388</u>	<u>(11,696)</u>
EXPENDITURES						
Current operations:						
Public safety	130,116	130,116	181,818	-	181,818	(51,702)
Capital Outlay	-	54,764	75,000	-	75,000	(20,236)
Total expenditures	<u>130,116</u>	<u>184,880</u>	<u>256,818</u>	<u>-</u>	<u>256,818</u>	<u>(71,938)</u>
Excess (deficiency) of revenues over (under) expenditures	122,968	68,204	(15,430)	-	(15,430)	(83,634)
OTHER FINANCING SOURCES (USES)						
Transfers out	61,321	61,321	(61,258)	-	(61,258)	(122,579)
Total other financing sources (uses)	<u>61,321</u>	<u>61,321</u>	<u>(61,258)</u>	<u>-</u>	<u>(61,258)</u>	<u>(122,579)</u>
Net change in fund balance	<u>\$ 184,289</u>	<u>\$ 129,525</u>	<u>\$ (76,688)</u>	<u>\$ -</u>	<u>\$ (76,688)</u>	<u>\$ (206,213)</u>

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
CABLE OPERATIONS FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budget		Actual		Budgetary Basis	Variance with Final Budget-Positive (Negative)
	Original	Final	GAAP Basis	Adjustments		
REVENUE						
Investment income	\$ 10,635	\$ 10,635	\$ 12,358	\$ 304	\$ 12,662	\$ 2,027
Other	122,112	122,112	124,964	-	124,964	2,852
Total revenue	132,747	132,747	137,322	304	137,626	4,879
EXPENDITURES						
Current operations:						
Support services	170,958	169,847	179,075	17,900	196,975	(27,128)
Capital Outlay	45,000	47,611	30,580	(17,031)	13,549	34,062
Total expenditures	215,958	217,458	209,655	869	210,524	6,934
Excess (deficiency) of revenue over (under) expenditures	(83,211)	(84,711)	(72,333)	(565)	(72,898)	11,813
Net change in fund balance	\$ (83,211)	\$ (84,711)	\$ (72,333)	\$ (565)	\$ (72,898)	\$ 11,813

Note: Differences between GAAP-basis actual and budget-basis actual are due to accruals which are treated as revenues/expenditures in GAAP-basis statements but not in Budget basis statements, while encumbrances are reported in the budget-basis, and differences in classification.

COMBINING FINANCIAL STATEMENTS

NON-MAJOR 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 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 two non-major enterprise funds which include:

- ◆ Municipal Golf Fund – accounts for the operations and maintenance of the Prairie Lakes Golf Course and the Tangle Ridge Golf Course.
- ◆ Solid Waste Utility Fund – accounts for the operations of the City's refuse collection and disposal services.
- ◆ Municipal Airport Fund – The Grand Prairie Municipal Airport is 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.
- ◆ 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 STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2008**

	Municipal Golf	Solid Waste	Municipal Airport	Storm Water Utility	Total Nonmajor Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 44,313	\$ 1,615,324	\$ 704,380	\$ 204,518	\$ 2,568,535
Investments	369,124	8,790,501	2,197,781	1,106,143	12,463,549
Accounts receivables	42,217	408,897	58,710	224,983	734,807
Inventories and supplies	-	-	49,081	-	49,081
Deferred charges	19,557	-	-	-	19,557
Total current assets	<u>475,211</u>	<u>10,814,722</u>	<u>3,009,952</u>	<u>1,535,644</u>	<u>15,835,529</u>
Capital assets:					
Land	568,284	1,748,378	183,923	-	2,500,585
Buildings	1,854,835	726,069	2,433,628	-	5,014,532
Equipment	1,149,326	5,552,847	573,425	-	7,275,598
Infrastructure	8,051,689	7,022,002	5,397,087	4,376,349	24,847,127
Construction in progress	2,117,259	1,643,362	2,352,787	-	6,113,408
Less accumulated depreciation	(5,357,629)	(5,191,211)	(4,533,302)	(1,953,818)	(17,035,960)
Total capital assets	<u>8,383,764</u>	<u>11,501,447</u>	<u>6,407,548</u>	<u>2,422,531</u>	<u>28,715,290</u>
Total assets	<u>8,858,975</u>	<u>22,316,169</u>	<u>9,417,500</u>	<u>3,958,175</u>	<u>44,550,819</u>
LIABILITIES					
Current liabilities:					
Accounts payable	121,275	420,934	3,200	3,620	549,029
Accrued liabilities	5,181	221,695	99,954	16,967	343,797
Accrued compensated absences	45,945	68,182	16,187	13,805	144,119
Unearned revenue	-	-	94,540	-	94,540
Current liabilities payable from restricted assets:					
Customer deposits	-	806	53,147	-	53,953
Accrued liabilities	39,611	-	-	-	39,611
Current portion of long term debt	323,919	-	95,000	-	418,919
Total current liabilities	<u>535,931</u>	<u>711,617</u>	<u>362,028</u>	<u>34,392</u>	<u>1,643,968</u>
Noncurrent liabilities:					
Accrued compensated absences	11,687	-	11,936	-	23,623
Closure and post closure liability	-	4,857,103	-	-	4,857,103
Long term debt	7,085,105	-	2,125,000	-	9,210,105
Total noncurrent liabilities	<u>7,096,792</u>	<u>4,857,103</u>	<u>2,136,936</u>	<u>-</u>	<u>14,090,831</u>
Total liabilities	<u>7,632,723</u>	<u>5,568,720</u>	<u>2,498,964</u>	<u>34,392</u>	<u>15,734,799</u>
NET ASSETS					
Invested in capital assets (net of related debt)	974,740	11,501,447	4,187,548	2,422,531	19,086,266
Unrestricted	251,512	5,246,002	2,730,988	1,501,252	9,729,754
Total net assets	<u>\$ 1,226,252</u>	<u>\$ 16,747,449</u>	<u>\$ 6,918,536</u>	<u>\$ 3,923,783</u>	<u>\$ 28,816,020</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENSE, AND
CHANGES IN FUND NET ASSETS-
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Municipal Golf</u>	<u>Solid Waste</u>	<u>Municipal Airport</u>	<u>Storm Water Utility</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUE					
Sales to customers	\$ 2,222,089	\$ 9,093,642	\$ 2,329,182	\$ 2,974,336	\$ 16,619,249
Intergovernmental revenue	-	-	270,729	-	270,729
Miscellaneous	10,100	9,570	818	-	20,488
Total operating revenue	<u>2,232,189</u>	<u>9,103,212</u>	<u>2,600,729</u>	<u>2,974,336</u>	<u>16,910,466</u>
OPERATING EXPENSE					
Personal services	1,059,842	1,763,560	353,627	342,465	3,519,494
Supplies	294,812	522,127	1,352,795	27,312	2,197,046
Purchased services	1,268,764	4,609,151	181,611	180,831	6,240,357
Miscellaneous	1,261	47,359	-	118,644	167,264
Depreciation	482,980	669,714	291,194	210,953	1,654,841
Franchise fee	-	209,423	-	192,223	401,646
General and administrative costs	-	192,243	-	17,758	210,001
Total operating expense	<u>3,107,659</u>	<u>8,013,577</u>	<u>2,179,227</u>	<u>1,090,186</u>	<u>14,390,649</u>
Operating income (loss)	<u>(875,470)</u>	<u>1,089,635</u>	<u>421,502</u>	<u>1,884,150</u>	<u>2,519,817</u>
NONOPERATING REVENUE (EXPENSE)					
Investment income	62,664	375,330	74,757	42,421	555,172
Loss on sale of capital assets	-	(300,302)	-	-	(300,302)
Interest expense	(319,655)	-	(106,428)	-	(426,083)
Total nonoperating revenue (expense)	<u>(256,991)</u>	<u>75,028</u>	<u>(31,671)</u>	<u>42,421</u>	<u>(171,213)</u>
Income (loss) before transfers	(1,132,461)	1,164,663	389,831	1,926,571	2,348,604
Transfers in	809,758	2,051,856	332,960	-	3,194,574
Transfers out	-	(2,569,500)	(312,270)	(1,920,666)	(4,802,436)
Change in net assets	<u>(322,703)</u>	<u>647,019</u>	<u>410,521</u>	<u>5,905</u>	<u>740,742</u>
Net assets - beginning of year	<u>1,548,955</u>	<u>16,100,430</u>	<u>6,508,015</u>	<u>3,917,878</u>	<u>28,075,278</u>
Net assets - end of year	<u>\$ 1,226,252</u>	<u>\$ 16,747,449</u>	<u>\$ 6,918,536</u>	<u>\$ 3,923,783</u>	<u>\$ 28,816,020</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Municipal Golf	Solid Waste	Municipal Airport	Storm Water Utility	Total Non-Major Enterprise Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>					
Cash received from customers	\$ 2,191,781	\$ 9,360,638	\$ 2,298,468	\$ 2,979,337	\$ 16,830,224
Csh received from other funds for services	-	-	270,729	-	270,729
Cash payments to suppliers for goods and services	(1,518,039)	(4,418,523)	(1,683,390)	(329,489)	(7,949,441)
Cash payments to employees for services	(1,044,999)	(1,749,575)	(350,315)	(342,115)	(3,487,004)
Cash payments to other funds for services	(389,618)	(360,182)	(13,868)	(82,251)	(845,919)
Other operating cash receipts (payments)	(177)	(256,821)	-	(181,111)	(438,109)
Net Cash Provided (Used) By Operating Activities	<u>(761,052)</u>	<u>2,575,537</u>	<u>521,624</u>	<u>2,044,371</u>	<u>4,380,480</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>					
Transfers from other funds	809,758	2,051,856	332,960	-	3,194,574
Transfers to other funds	-	(2,569,500)	(312,270)	(1,920,666)	(4,802,436)
Net Cash Provided (Used) From Non-Capital Financing Activities	<u>809,758</u>	<u>(517,644)</u>	<u>20,690</u>	<u>(1,920,666)</u>	<u>(1,607,862)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>					
Capital outlays	(180,751)	(1,632,955)	(310,754)	-	(2,124,460)
Proceeds from capital assets disposal	-	134,023	-	-	134,023
Interest paid on bonds and line of credit	(335,735)	-	(106,428)	-	(442,163)
Repayment of principal on bonds	(1,768,195)	-	(95,000)	-	(1,863,195)
Proceeds from issuance of bonds	1,482,000	-	-	-	1,482,000
Net Cash (Used) By Capital and Related Financing Activities	<u>(802,681)</u>	<u>(1,498,932)</u>	<u>(512,182)</u>	<u>-</u>	<u>(2,813,795)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>					
Investment earnings received on cash and investments	62,664	375,334	74,757	42,421	555,176
Sale of investments	711,998	-	81,821	10,574	804,393
(Purchase) of investments	-	(423,930)	-	-	(423,930)
Net Cash (Used) In Investing Activities	<u>774,662</u>	<u>(48,596)</u>	<u>156,578</u>	<u>52,995</u>	<u>935,639</u>
Net increase in cash and equivalents	20,687	510,365	186,710	176,700	894,462
Cash and Cash Equivalents - Beginning of Year	23,626	1,104,959	517,670	27,818	1,674,073
Cash and Cash Equivalents - End of Year	<u>\$ 44,313</u>	<u>\$ 1,615,324</u>	<u>\$ 704,380</u>	<u>\$ 204,518</u>	<u>\$ 2,568,535</u>
<u>RECONCILIATION OF INCOME OR (LOSS) FROM OPERATIONS TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>					
Net operating income or (loss)	\$ (875,470)	\$ 1,089,635	\$ 421,502	\$ 1,884,150	\$ 2,519,817
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	482,980	669,714	291,194	210,953	1,654,841
Changes In operating assets and liabilities:					
(Increase) Decrease in other accounts receivable	(40,408)	257,426	38,715	5,001	260,734
(Increase) in inventories and supplies	-	-	(1,864)	-	(1,864)
Increase (Decrease) in accounts payable	(342,997)	284,013	(160,988)	(56,083)	(276,055)
Increase in customer deposits	-	-	1,832	-	1,832
(Decrease) in deferred revenue	-	-	(72,079)	-	(72,079)
Increase in accrued compensated absences	14,843	13,985	3,312	350	32,490
Increase in other accrued current liabilities	-	260,764	-	-	260,764
Net Cash Provided (Used) By Operating Activities	<u>\$ (761,052)</u>	<u>\$ 2,575,537</u>	<u>\$ 521,624</u>	<u>\$ 2,044,371</u>	<u>\$ 4,380,480</u>

COMBINING 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:

- ◆ Equipment Services Fund – accounts for a full range of services in managing and maintaining the City’s fleet of vehicles and equipment. The 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 STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2008**

	<u>Equipment Services</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 156,572	\$ 5,098,795	\$ 5,255,367
Investments	1,072,909	3,818,280	4,891,189
Inventories and supplies	168,828	-	168,828
Current restricted assets:			
Cash and cash equivalents	-	107,452	107,452
Total current assets	<u>1,398,309</u>	<u>9,024,527</u>	<u>10,422,836</u>
Capital assets:			
Land	737,566	-	737,566
Buildings	1,477,875	-	1,477,875
Equipment	1,725,144	-	1,725,144
Infrastructure	16,672	-	16,672
Less accumulated depreciation	<u>(3,093,723)</u>	<u>-</u>	<u>(3,093,723)</u>
Total noncurrent assets	<u>863,534</u>	<u>-</u>	<u>863,534</u>
Total assets	<u>2,261,843</u>	<u>9,024,527</u>	<u>11,286,370</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	75,712	49,937	125,649
Other accrued liabilities	-	3,658,073	3,658,073
Accrued compensated absences	<u>29,420</u>	<u>6,229</u>	<u>35,649</u>
Total current liabilities	<u>105,132</u>	<u>3,714,239</u>	<u>3,819,371</u>
Noncurrent liabilities:			
Accrued compensated absences	<u>-</u>	<u>3,999</u>	<u>3,999</u>
Total noncurrent liabilities	<u>-</u>	<u>3,999</u>	<u>3,999</u>
Total liabilities	<u>105,132</u>	<u>3,718,238</u>	<u>3,823,370</u>
NET ASSETS			
Invested in capital assets (net of related debt)	863,534	-	863,534
Unrestricted	<u>1,293,177</u>	<u>5,306,289</u>	<u>6,599,466</u>
Total net assets	<u>\$ 2,156,711</u>	<u>\$ 5,306,289</u>	<u>\$ 7,463,000</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENSE, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Equipment Services</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUE			
Sales to customers	\$ 4,249,282	\$ -	\$ 4,249,282
Insurance premiums	-	16,198,290	16,198,290
Miscellaneous	9,150	-	9,150
Total operating revenue	<u>4,258,432</u>	<u>16,198,290</u>	<u>20,456,722</u>
OPERATING EXPENSE			
Personnel services	952,634	208,288	1,160,922
Supplies	2,893,647	4,694	2,898,341
Purchased services	432,142	628,220	1,060,362
Insurance costs	-	12,310,879	12,310,879
Miscellaneous	30,324	54,033	84,357
Depreciation	72,294	-	72,294
Total operating expense	<u>4,381,041</u>	<u>13,206,114</u>	<u>17,587,155</u>
Operating income (loss)	<u>(122,609)</u>	<u>2,992,176</u>	<u>2,869,567</u>
NONOPERATING REVENUE (EXPENSE)			
Investment income	47,087	157,854	204,941
Total nonoperating revenue	<u>47,087</u>	<u>157,854</u>	<u>204,941</u>
Income (loss) before contributions and transfers	<u>(75,522)</u>	<u>3,150,030</u>	<u>3,074,508</u>
Transfers in	-	23,892	23,892
Transfers out	(19,007)	(96,576)	(115,583)
Change in net assets	(94,529)	3,077,346	2,982,817
Net assets at beginning of the year	2,251,240	2,228,943	4,480,183
Net assets at the end of the year	<u>\$ 2,156,711</u>	<u>\$ 5,306,289</u>	<u>\$ 7,463,000</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Equipment Services</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 4,255,598	\$ 16,198,290	\$ 20,453,888
Cash payments to suppliers for goods and services	(3,176,898)	(13,140,767)	(16,317,665)
Cash payments to employees for services	(950,476)	(204,853)	(1,155,329)
Cash payments to other funds for services	(60,324)	(573,153)	(633,477)
Other operating cash receipts (payments)	(582)	-	(582)
Net cash provided by operating activities	<u>67,318</u>	<u>2,279,517</u>	<u>2,346,835</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	23,892	23,892
Transfers to other funds	(19,007)	(96,576)	(115,583)
Net cash (used) by non-capital financing activities	<u>(19,007)</u>	<u>(72,684)</u>	<u>(91,691)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital outlays	(8,566)	-	(8,566)
Net cash (used) by capital and related financing activities	<u>(8,566)</u>	<u>-</u>	<u>(8,566)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings received on cash and investments	47,087	157,854	204,941
Sale of investments	10,256	1,017	11,273
(Purchase) of investments	-	(2,000,000)	(2,000,000)
Net cash provided (used) in investing activities	<u>57,343</u>	<u>(1,841,129)</u>	<u>(1,783,786)</u>
Net increase in cash and equivalents	97,088	365,704	462,792
Cash and cash equivalents - beginning of year	59,484	4,840,543	4,900,027
Cash and cash equivalents - end of year	<u>\$ 156,572</u>	<u>\$ 5,206,247</u>	<u>\$ 5,362,819</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:			
Net operating income or (loss)	\$ (122,609)	\$ 2,992,176	\$ 2,869,567
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	72,294	-	72,294
Changes in operating assets and liabilities:			
(Increase) in other accounts receivable	(2,834)	-	(2,834)
Decrease in inventories and supplies	98,672	-	98,672
Increase (Decrease) in accounts payable	21,438	(716,094)	(694,656)
Increase in accrued compensated absences	357	3,435	3,792
Net cash provided by operating activities	<u>\$ 67,318</u>	<u>\$ 2,279,517</u>	<u>\$ 2,346,835</u>

CAPITAL ASSETS OF GOVERNMENTAL FUNDS



**CITY OF GRAND PRAIRIE, TEXAS
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE (SEE NOTE BELOW)
 AS OF SEPTEMBER 30, 2008**

Governmental funds capital assets:

Land	\$ 24,711,650
Buildings	59,606,371
Equipment	59,472,103
Infrastructure	357,807,404
Construction in progress	<u>154,949,829</u>
Total governmental funds capital assets	<u>\$ 656,547,357</u>

Investment in governmental funds capital assets by source:

Capital projects funds	\$ 66,383,787
General Fund	558,204,806
Special revenue funds	930,276
Private and other	<u>31,028,488</u>
Total investment	<u>\$ 656,547,357</u>

Note:

This schedule presents only the capital asset balances related to governmental funds and excludes internal service funds.

CITY OF GRAND PRAIRIE, TEXAS
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY (SEE NOTE BELOW)
AS OF SEPTEMBER 30, 2008

Function and Activity	Land	Building	Equipment	Infrastructure	Total
Support Services:					
City Council	\$ -	\$ 8,000	\$ -	\$ 21,151	\$ 29,151
City Manager	5,893,758	3,063,606	632,587	383,697	9,973,648
Budget	-	39,949	10,000	-	49,949
City Attorney	-	6,545	138,936	-	145,481
Human Resources	-	248,294	575,655	-	823,949
Information Systems	-	6,750	3,082,972	643,869	3,733,591
Finance	1,292,862	27,616,736	1,439,113	15,841,890	46,190,601
Total support services	7,186,620	30,989,880	5,879,263	16,890,607	60,946,370
Public Safety:					
Fire	536,269	4,016,585	12,903,176	1,225,283	18,681,313
Police	725,971	7,109,428	18,971,287	808,927	27,615,613
Environmental Health	132,862	423,881	364,065	185,310	1,106,118
Municipal Court	186,003	2,261,062	370,465	143,016	2,960,546
Total public safety	1,581,105	13,810,956	32,608,993	2,362,536	50,363,590
Recreation and Leisure:					
Parks and Recreation	10,052,463	7,861,535	5,244,060	16,242,726	39,400,784
Library	49,904	6,213,868	3,503,541	432,969	10,200,282
Total recreation and leisure	10,102,367	14,075,403	8,747,601	16,675,695	49,601,066
Development Services:					
Planning	-	143,332	52,500	67,940	263,772
Building inspections	-	-	102,600	-	102,600
Economic Development	-	20,000	-	461,589	481,589
Housing & Community Development	671,937	236,555	728,088	654,769	2,291,349
Public Works	4,994,014	273,935	264,250	161,893,560	167,425,759
Transportation	110,733	18,132	6,606,451	8,369,199	15,104,515
Streets	64,874	38,178	4,482,357	150,431,509	155,016,918
Total development services	5,841,558	730,132	12,236,246	321,878,566	340,686,502
Total	\$ 24,711,650	\$ 59,606,371	\$ 59,472,103	\$ 357,807,404	\$ 501,597,528
Construction in Progress					154,949,829
Total governmental funds capital assets					\$ 656,547,357

Note:
This schedule presents only the capital asset balances related to governmental funds and excludes internal service funds.

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF CHANGE IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY (SEE NOTE BELOW)
FOR YEAR ENDED SEPTEMBER 30, 2008

Function and Activity	Balance October 1, 2007	Additions/ Completions	Disposals/ Reclassifications	Balance September 30, 2008
Support Services:				
City Council	\$ 29,151	\$ -	\$ -	\$ 29,151
City Manager	9,641,044	430,354	(97,750)	9,973,648
Budget	49,949	-	-	49,949
City Attorney	145,481	-	-	145,481
Human Resources	823,949	-	-	823,949
Information Systems	2,665,712	1,067,879	-	3,733,591
Finance	34,439,087	11,751,514	-	46,190,601
Total support services	47,794,373	13,249,747	(97,750)	60,946,370
Public Safety:				
Fire	18,865,049	515,454	(699,190)	18,681,313
Police	26,910,498	1,198,576	(493,461)	27,615,613
Environmental Health	1,069,362	53,389	(16,633)	1,106,118
Municipal Court	2,960,546	-	-	2,960,546
Total public safety	49,805,455	1,767,419	(1,209,284)	50,363,590
Recreation and Leisure:				
Parks and Recreation	38,765,899	2,356,172	(1,721,287)	39,400,784
Library	9,748,902	490,330	(38,950)	10,200,282
Total recreation and leisure	48,514,801	2,846,502	(1,760,237)	49,601,066
Development Services:				
Planning	233,772	30,000	-	263,772
Building Inspection	102,600	-	-	102,600
Economic Development	481,589	-	-	481,589
Housing & Community Development	1,733,910	567,239	(9,800)	2,291,349
Public Works	163,654,457	3,771,302	-	167,425,759
Transportation	15,543,528	161,905	(600,918)	15,104,515
Streets	154,100,863	1,324,878	(408,823)	155,016,918
Total development services	335,850,719	5,855,324	(1,019,541)	340,686,502
Construction in progress	112,131,145	44,601,212	(1,782,528)	154,949,829
Total governmental funds capital assets	\$ 594,096,493	\$ 68,320,204	\$ (5,869,340)	\$ 656,547,357

Note:

This schedule presents only the capital asset balances related to governmental funds and excludes internal service funds.



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SUPPLEMENTAL SCHEDULES



SUPPLEMENTAL SCHEDULES

The schedules in this section, although not required for fair presentation in conformity with Generally Accepted Accounting Principles, present other information deemed useful. The information consists of schedules which aggregate the several funds which exist internally in the City's accounting system into the the Park Venue Fund, Water and Wastewater Fund, the Municipal Golf Course Fund, the Solid Waste Fund, the Airport Fund, and the Risk Management Fund .

**CITY OF GRAND PRAIRIE, TEXAS
 AGGREGATING BALANCE SHEET
 PARK VENUE FUND
 SEPTEMBER 30, 2008**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Total Park Venue</u>
ASSETS			
Cash and cash equivalents	\$ 1,514,449	\$ 407,840	\$ 1,922,289
Investment	3,750,085	4,434,472	8,184,557
Other Receivables	136,045	-	136,045
Sales Tax	957,722	-	957,722
	<u>6,358,301</u>	<u>4,842,312</u>	<u>11,200,613</u>
LIABILITIES AND FUND BALANCE			
Liabilities :			
Accounts payable	725,786	43,066	768,852
Accrued liabilities	-	9,395	9,395
Customer deposits	17,586	-	17,586
Deferred revenue	54,378	-	54,378
	<u>797,750</u>	<u>52,461</u>	<u>850,211</u>
Fund Balance:			
Reserved for:			
Encumbrances	187,780	-	187,780
Unreserved, undesignated in:			
Special revenue fund	5,372,771	4,789,851	10,162,622
	<u>5,560,551</u>	<u>4,789,851</u>	<u>10,350,402</u>
Total fund balance	<u>5,560,551</u>	<u>4,789,851</u>	<u>10,350,402</u>
Total liabilities and fund balance	<u>\$ 6,358,301</u>	<u>\$ 4,842,312</u>	<u>\$ 11,200,613</u>

**CITY OF GRAND PRAIRIE, TEXAS
 AGGREGATING SCHEDULE OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 PARK VENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Total Park Venue</u>
REVENUE			
Sales tax	\$ 5,488,686	\$ -	\$ 5,488,686
Charges for goods and services	2,254,671	-	2,254,671
Investment income	242,592	342,205	584,797
Contributions	6,136	1,425,000	1,431,136
Total revenue	<u>7,992,085</u>	<u>1,767,205</u>	<u>9,759,290</u>
EXPENDITURES			
Current operations:			
Recreation and leisure services	11,853,256	28,870	11,882,126
Capital outlay	188,493	1,358,337	1,546,830
Debt service:			
Principal retirement	935,000	-	935,000
Interest expense	1,370,747	-	1,370,747
Total expenditures	<u>14,347,496</u>	<u>1,387,207</u>	<u>15,734,703</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(6,355,411)</u>	<u>379,998</u>	<u>(5,975,413)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	7,683,706	2,652,835	10,336,541
Transfers out	<u>(2,788,748)</u>	<u>(2,704,253)</u>	<u>(5,493,001)</u>
Total other financing sources (uses)	<u>4,894,958</u>	<u>(51,418)</u>	<u>4,843,540</u>
Change in fund balance	(1,460,453)	328,580	(1,131,873)
Fund balance - beginning of year	<u>7,021,004</u>	<u>4,461,271</u>	<u>11,482,275</u>
Fund balance - end of year	<u>\$ 5,560,551</u>	<u>\$ 4,789,851</u>	<u>\$ 10,350,402</u>

Interfund transfers in/out between the Operating fund and Capital Projects fund are eliminated on the Statement of Revenue, Expenditures, and Change in Fund Balance.

CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF NET ASSETS
WATER AND WASTEWATER FUND
SEPTEMBER 30, 2008

	<u>Operating</u>	<u>Debt Service</u>	<u>Water Capital Projects</u>	<u>Rate Stabilization</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,810,946	\$ 908,543	\$ 468,512	\$ 75,119
Investments	10,254,452	196,723	12,943,753	2,374,390
Accounts receivable	3,297,785	-	-	-
Inventories and supplies	380,078	-	-	-
Deferred charges	827,380	-	-	-
Current restricted assets:				
Investments	2,327,098	3,343,171	-	-
Total current assets	<u>18,897,739</u>	<u>4,448,437</u>	<u>13,412,265</u>	<u>2,449,509</u>
Capital assets:				
Land	804,555	-	-	-
Buildings	2,361,045	-	-	-
Equipment	15,161,595	-	-	-
Improvements other than buildings	210,058,015	-	-	-
Construction in progress	43,217,167	-	-	-
Less: Accumulated depreciation	(98,258,593)	-	-	-
Total capital assets	<u>173,343,784</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>192,241,523</u>	<u>4,448,437</u>	<u>13,412,265</u>	<u>2,449,509</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,683,781	-	1,309,208	-
Accrued liabilities	134,085	-	232,947	-
Accrued compensated absences	195,196	-	-	-
Current liabilities payable from restricted assets:				
Customer deposits	2,327,023	-	-	-
Accrued liabilities	-	577,063	-	-
Current portion of long term debt	3,630,000	-	-	-
Total current liabilities	<u>7,970,085</u>	<u>577,063</u>	<u>1,542,155</u>	<u>-</u>
Noncurrent liabilities				
Long term debt	60,869,324	-	-	-
Total noncurrent liabilities	<u>60,869,324</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>68,839,409</u>	<u>577,063</u>	<u>1,542,155</u>	<u>-</u>
NET ASSETS				
Invested in capital assets (net of related debt)	108,844,460	-	-	-
Restricted for debt service	-	3,343,171	-	-
Unrestricted	14,557,654	528,203	11,870,110	2,449,509
Total net assets	<u>\$ 123,402,114</u>	<u>\$ 3,871,374</u>	<u>\$ 11,870,110</u>	<u>\$ 2,449,509</u>

<u>Wastewater Capital Projects</u>	<u>Water/ Wastewater Projects</u>	<u>Water/ Wastewater Capital Reserve</u>	<u>Total Water Wastewater</u>
\$ 688,402	\$ 326,130	\$ 2,810	\$ 4,280,462
14,234,462	5,489,334	73,215	45,566,329
-	-	-	3,297,785
-	-	-	380,078
-	-	-	827,380
-	-	-	5,670,269
<u>14,922,864</u>	<u>5,815,464</u>	<u>76,025</u>	<u>60,022,303</u>
-	-	-	804,555
-	-	-	2,361,045
-	-	-	15,161,595
-	-	-	210,058,015
-	-	-	43,217,167
-	-	-	(98,258,593)
-	-	-	173,343,784
<u>14,922,864</u>	<u>5,815,464</u>	<u>76,025</u>	<u>233,366,087</u>
57,323	-	-	3,050,312
167,630	-	-	534,662
-	-	-	195,196
-	-	-	2,327,023
-	-	-	577,063
-	-	-	3,630,000
<u>224,953</u>	<u>-</u>	<u>-</u>	<u>10,314,256</u>
-	-	-	60,869,324
-	-	-	60,869,324
<u>224,953</u>	<u>-</u>	<u>-</u>	<u>71,183,580</u>
-	-	-	108,844,460
-	-	-	3,343,171
14,697,911	5,815,464	76,025	49,994,876
<u>\$ 14,697,911</u>	<u>\$ 5,815,464</u>	<u>\$ 76,025</u>	<u>\$ 162,182,507</u>

**CITY OF GRAND PRAIRIE, TEXAS
 AGGREGATING SCHEDULE OF REVENUE, EXPENSE AND
 CHANGES IN FUND NET ASSETS
 WATER AND WASTEWATER FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Operating</u>	<u>Debt Service</u>	<u>Water Capital Projects</u>	<u>Rate Stabilization</u>
OPERATING REVENUE				
Sales to customers	\$ 24,727,529	\$ -	\$ -	\$ -
Wastewater charges to customers	15,385,150	-	-	-
Water and wastewater fees	906,620	-	-	-
Wastewater surcharges	589,489	-	-	-
Miscellaneous	1,537,780	-	177,423	-
Total operating revenue	<u>43,146,568</u>	<u>-</u>	<u>177,423</u>	<u>-</u>
OPERATING EXPENSE				
Personal Services	5,741,064	-	-	-
Supplies	480,285	-	-	-
Purchased Services	3,971,102	-	-	-
Capital outlay	(10,230,085)	-	7,009,412	-
Water purchases	9,214,660	-	-	-
Wastewater treatment	8,359,440	-	-	-
Miscellaneous	234,741	-	-	-
Depreciation	9,138,311	-	-	-
Franchise fees	1,594,601	-	-	-
General and administrative costs	2,358,499	-	-	-
Principal payment on bonds	(3,698,600)	3,698,600	-	-
Total operating expense	<u>27,164,018</u>	<u>3,698,600</u>	<u>7,009,412</u>	<u>-</u>
Operating income (loss)	<u>15,982,550</u>	<u>(3,698,600)</u>	<u>(6,831,989)</u>	<u>-</u>
NONOPERATING REVENUE (EXPENSES)				
Impact fees	-	-	-	-
Investment income	438,422	286,072	715,546	(22,697)
Interest expense	(46,312)	(2,639,734)	-	-
Total nonoperating revenue (expenses)	<u>392,110</u>	<u>(2,353,662)</u>	<u>715,546</u>	<u>(22,697)</u>
Income (loss) before transfers and contributions	16,374,660	(6,052,262)	(6,116,443)	(22,697)
Transfers in	429,060	6,491,519	9,599,716	-
Transfers out	(25,077,116)	-	(2,044,846)	-
Capital contributions	3,268,513	-	-	-
Change in net assets	<u>(5,004,883)</u>	<u>439,257</u>	<u>1,438,427</u>	<u>(22,697)</u>
Net assets - beginning of the year	<u>128,406,997</u>	<u>3,432,117</u>	<u>10,431,683</u>	<u>2,472,206</u>
Net assets - end of the year	<u>\$ 123,402,114</u>	<u>\$ 3,871,374</u>	<u>\$ 11,870,110</u>	<u>\$ 2,449,509</u>

Wastewater Capital Projects	Water/ Wastewater Projects	Water Wastewater Capital Reserve	Total Water Wastewater
\$ -	\$ -	\$ -	\$ 24,727,529
-	-	-	15,385,150
-	-	-	906,620
-	-	-	589,489
169,093	-	-	1,884,296
<u>169,093</u>	<u>-</u>	<u>-</u>	<u>43,493,084</u>
-	-	-	5,741,064
-	-	-	480,285
-	-	-	3,971,102
3,220,673	-	-	-
-	-	-	9,214,660
-	-	-	8,359,440
-	-	-	234,741
-	-	-	9,138,311
-	-	-	1,594,601
-	-	-	2,358,499
-	-	-	-
<u>3,220,673</u>	<u>-</u>	<u>-</u>	<u>41,092,703</u>
<u>(3,051,580)</u>	<u>-</u>	<u>-</u>	<u>2,400,381</u>
-	2,250,784	-	2,250,784
522,525	(46,232)	(700)	1,892,936
-	-	-	(2,686,046)
<u>522,525</u>	<u>2,204,552</u>	<u>(700)</u>	<u>1,457,674</u>
(2,529,055)	2,204,552	(700)	3,858,055
12,034,157	-	-	28,554,452
(878,055)	(1,500,000)	-	(29,500,017)
-	-	-	3,268,513
<u>8,627,047</u>	<u>704,552</u>	<u>(700)</u>	<u>6,181,003</u>
<u>6,070,864</u>	<u>5,110,912</u>	<u>76,725</u>	<u>156,001,504</u>
<u>\$ 14,697,911</u>	<u>\$ 5,815,464</u>	<u>\$ 76,025</u>	<u>\$ 162,182,507</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF NET ASSETS
MUNICIPAL GOLF COURSE FUND
SEPTEMBER 30, 2008**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Total Municipal Golf</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,125	\$ 36,188	\$ 44,313
Investments	292,635	76,489	369,124
Accounts receivable	42,217	-	42,217
Current restricted assets:			
Deferred charges	19,557	-	19,557
Total current assets	<u>362,534</u>	<u>112,677</u>	<u>475,211</u>
Capital assets:			
Land	568,284	-	568,284
Buildings	1,854,835	-	1,854,835
Equipment	1,149,326	-	1,149,326
Improvements other than buildings	8,051,689	-	8,051,689
Construction in progress	2,117,259	-	2,117,259
Less: Accumulated depreciation	<u>(5,357,629)</u>	<u>-</u>	<u>(5,357,629)</u>
Total capital assets	<u>8,383,764</u>	<u>-</u>	<u>8,383,764</u>
Total assets	<u>8,746,298</u>	<u>112,677</u>	<u>8,858,975</u>
LIABILITIES			
Current liabilities:			
Accounts payable	121,275	-	121,275
Accrued liabilities	5,181	-	5,181
Accrued compensated absences	45,945	-	45,945
Current liabilities payable from restricted assets:			
Accrued liabilities	39,611	-	39,611
Current portion of long term debt	<u>323,919</u>	<u>-</u>	<u>323,919</u>
Total current liabilities	<u>535,931</u>	<u>-</u>	<u>535,931</u>
Noncurrent liabilities			
Accrued compensated absences	11,687	-	11,687
Long term debt	<u>7,085,105</u>	<u>-</u>	<u>7,085,105</u>
Total noncurrent liabilities	<u>7,096,792</u>	<u>-</u>	<u>7,096,792</u>
Total liabilities	<u>7,632,723</u>	<u>-</u>	<u>7,632,723</u>
NET ASSETS			
Invested in capital assets (net of related debt)	974,740	-	974,740
Unrestricted	<u>138,835</u>	<u>112,677</u>	<u>251,512</u>
Total net assets	<u>\$ 1,113,575</u>	<u>\$ 112,677</u>	<u>\$ 1,226,252</u>

**CITY OF GRAND PRAIRIE, TEXAS
 AGGREGATING SCHEDULE OF REVENUE, EXPENSE, AND
 CHANGES IN FUND NET ASSETS
 MUNICIPAL GOLF COURSE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Total Municipal Golf</u>
OPERATING REVENUE			
Sales to customers	\$ 2,222,089	\$ -	\$ 2,222,089
Miscellaneous	10,100	-	10,100
Total operating revenue	<u>2,232,189</u>	<u>-</u>	<u>2,232,189</u>
OPERATING EXPENSE			
Personal services	1,059,842	-	1,059,842
Supplies	294,812	-	294,812
Purchased services	1,268,764	-	1,268,764
Capital outlay	(90,973)	90,973	-
Miscellaneous	1,261	-	1,261
Depreciation	482,980	-	482,980
Total operating expense	<u>3,016,686</u>	<u>90,973</u>	<u>3,107,659</u>
Operating loss	<u>(784,497)</u>	<u>(90,973)</u>	<u>(875,470)</u>
NONOPERATING REVENUE (EXPENSE)			
Investment income	42,502	20,162	62,664
Interest expense	(319,655)	-	(319,655)
Total nonoperating revenue (expense)	<u>(277,153)</u>	<u>20,162</u>	<u>(256,991)</u>
Loss before transfers	<u>(1,061,650)</u>	<u>(70,811)</u>	<u>(1,132,461)</u>
Transfers in	624,758	185,000	809,758
Change in net assets	(436,892)	114,189	(322,703)
Net assets - beginning of year	<u>1,550,467</u>	<u>(1,512)</u>	<u>1,548,955</u>
Net assets - end of year	<u>\$ 1,113,575</u>	<u>\$ 112,677</u>	<u>\$ 1,226,252</u>

CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF NET ASSETS
SOLID WASTE FUND
SEPTEMBER 30, 2008

	<u>Operating</u>	<u>Capital Projects</u>	<u>Closure Liability</u>	<u>Equipment Acquisition</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 660,168	\$ 419,009	\$ 90,821	\$ 69,335
Investment	867,178	2,580,455	1,991,674	578,397
Accounts receivable	408,897	-	-	-
Total current assets	<u>1,936,243</u>	<u>2,999,464</u>	<u>2,082,495</u>	<u>647,732</u>
Capital assets:				
Land	1,748,378	-	-	-
Buildings	726,069	-	-	-
Equipment	5,552,847	-	-	-
Improvements other than buildings	7,022,002	-	-	-
Construction in progress	1,643,362	-	-	-
Less accumulated depreciation	(5,191,211)	-	-	-
Total capital assets	<u>11,501,447</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>13,437,690</u>	<u>2,999,464</u>	<u>2,082,495</u>	<u>647,732</u>
LIABILITIES				
Current liabilities:				
Accounts payable	401,082	19,852	-	-
Accrued liabilities	221,695	-	-	-
Accrued compensated absences	68,182	-	-	-
Current liabilities payable from restricted assets:				
Customer deposits	806	-	-	-
Total current liabilities	<u>691,765</u>	<u>19,852</u>	<u>-</u>	<u>-</u>
Noncurrent liabilities:				
Closure and post closure liability	4,857,103	-	-	-
Total noncurrent liabilities	<u>4,857,103</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,548,868</u>	<u>19,852</u>	<u>-</u>	<u>-</u>
NET ASSETS				
Invested in capital assets (net of related debt)	11,501,447	-	-	-
Unrestricted	(3,612,625)	2,979,612	2,082,495	647,732
Total net assets	<u>\$ 7,888,822</u>	<u>\$ 2,979,612</u>	<u>\$ 2,082,495</u>	<u>\$ 647,732</u>

<u>Landfill Replacement</u>	<u>Liner Reserve</u>	<u>Total Solid Waste</u>
\$ 200,799	\$ 175,192	\$ 1,615,324
2,180,384	592,413	8,790,501
-	-	408,897
<u>2,381,183</u>	<u>767,605</u>	<u>10,814,722</u>
-	-	1,748,378
-	-	726,069
-	-	5,552,847
-	-	7,022,002
-	-	1,643,362
-	-	(5,191,211)
-	-	<u>11,501,447</u>
<u>2,381,183</u>	<u>767,605</u>	<u>22,316,169</u>
-	-	420,934
-	-	221,695
-	-	68,182
-	-	<u>806</u>
-	-	<u>711,617</u>
-	-	<u>4,857,103</u>
-	-	<u>4,857,103</u>
-	-	<u>5,568,720</u>
-	-	11,501,447
<u>2,381,183</u>	<u>767,605</u>	<u>5,246,002</u>
<u>\$ 2,381,183</u>	<u>\$ 767,605</u>	<u>\$ 16,747,449</u>

**CITY OF GRAND PRAIRIE, TEXAS
 AGGREGATING SCHEDULE OF REVENUE, EXPENSE, AND
 CHANGES IN FUND NET ASSETS
 SOLID WASTE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Closure Liability</u>	<u>Equipment Acquisition</u>
OPERATING REVENUE				
Sales to customers	\$ 8,959,619	\$ -	\$ -	\$ 134,023
Miscellaneous	9,570	-	-	-
Total operating revenue	<u>8,969,189</u>	<u>-</u>	<u>-</u>	<u>134,023</u>
OPERATING EXPENSE				
Personal Services	1,763,560	-	-	-
Supplies	522,127	-	-	-
Purchased Services	4,609,151	-	-	-
Miscellaneous	47,359	-	-	-
Capital outlay	(1,575,318)	595,847	-	979,471
Depreciation	669,714	-	-	-
Franchise fee	209,423	-	-	-
General and administrative costs	192,243	-	-	-
Total operating expense	<u>6,438,259</u>	<u>595,847</u>	<u>-</u>	<u>979,471</u>
Operating income	<u>2,530,930</u>	<u>(595,847)</u>	<u>-</u>	<u>(845,448)</u>
NONOPERATING REVENUE (EXPENSE)				
Investment income	109,811	316,210	(19,038)	(5,529)
Loss on sale of capital assets	(300,302)	-	-	-
Total nonoperating revenue (expense)	<u>(190,491)</u>	<u>316,210</u>	<u>(19,038)</u>	<u>(5,529)</u>
Income (loss) before contributions and transfers	2,340,439	(279,637)	(19,038)	(850,977)
Transfers in	11,856	1,065,000	75,000	825,000
Transfers out	(2,569,500)	-	-	-
Change in net assets	<u>(217,205)</u>	<u>785,363</u>	<u>55,962</u>	<u>(25,977)</u>
Net assets - beginning of the year	8,106,027	2,194,249	2,026,533	673,709
Net assets - end of the year	<u>\$ 7,888,822</u>	<u>\$ 2,979,612</u>	<u>\$ 2,082,495</u>	<u>\$ 647,732</u>

Landfill Replacement	Liner Reserve	Total Solid Waste
\$ -	\$ -	\$ 9,093,642
-	-	9,570
-	-	9,103,212
-	-	1,763,560
-	-	522,127
-	-	4,609,151
-	-	47,359
-	-	-
-	-	669,714
-	-	209,423
-	-	192,243
-	-	8,013,577
-	-	1,089,635
(20,461)	(5,663)	375,330
-	-	(300,302)
(20,461)	(5,663)	75,028
(20,461)	(5,663)	1,164,663
25,000	50,000	2,051,856
-	-	(2,569,500)
4,539	44,337	647,019
2,376,644	723,268	16,100,430
\$ 2,381,183	\$ 767,605	\$ 16,747,449

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF NET ASSETS
MUNICIPAL AIRPORT FUND
SEPTEMBER 30, 2008**

ASSETS	Operating	Capital Projects	Grant	Total Municipal Airport
Current assets:				
Cash and cash equivalents	\$ 544,838	\$ 5,277	\$ 154,265	\$ 704,380
Investments	618	2,197,163	-	2,197,781
Accounts receivable	58,710	-	-	58,710
Inventory and supplies	49,081	-	-	49,081
Total current assets	<u>653,247</u>	<u>2,202,440</u>	<u>154,265</u>	<u>3,009,952</u>
Capital assets:				
Land	183,923	-	-	183,923
Buildings	2,433,628	-	-	2,433,628
Equipment	573,425	-	-	573,425
Infrastructure	5,397,087	-	-	5,397,087
Construction In Progress	2,352,787	-	-	2,352,787
Less: accumulated depreciation	(4,533,302)	-	-	(4,533,302)
Total capital assets	<u>6,407,548</u>	<u>-</u>	<u>-</u>	<u>6,407,548</u>
Total assets	<u>7,060,795</u>	<u>2,202,440</u>	<u>154,265</u>	<u>9,417,500</u>
LIABILITIES				
Current liabilities:				
Accounts payable	-	3,200	-	3,200
Accrued liabilities	12,033	87,921	-	99,954
Accrued compensated absences	16,187	-	-	16,187
Unearned revenue	94,540	-	-	94,540
Current liabilities payable from restricted assets:				
Customer deposits	53,147	-	-	53,147
Current portion of long-term debt	95,000	-	-	95,000
Total current liabilities	<u>270,907</u>	<u>91,121</u>	<u>-</u>	<u>362,028</u>
Noncurrent liabilities:				
Accrued compensated absences	11,936	-	-	11,936
Long-term debt less the current portion	2,125,000	-	-	2,125,000
Total noncurrent liabilities	<u>2,136,936</u>	<u>-</u>	<u>-</u>	<u>2,136,936</u>
Total liabilities	<u>2,407,843</u>	<u>91,121</u>	<u>-</u>	<u>2,498,964</u>
NET ASSETS				
Investment in capital assets, net of related debt	4,187,548	-	-	4,187,548
Unrestricted	465,404	2,111,319	154,265	2,730,988
Total net assets	<u>\$ 4,652,952</u>	<u>\$ 2,111,319</u>	<u>\$ 154,265</u>	<u>\$ 6,918,536</u>

**CITY OF GRAND PRAIRIE, TEXAS
MUNICIPAL AIRPORT FUND
AGGREGATING SCHEDULE OF REVENUE, EXPENSE AND
CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Grant</u>	<u>Total Municipal Airport</u>
OPERATING REVENUE				
Sales to customers	\$ 2,329,182	\$ -	\$ -	\$ 2,329,182
Intergovernmental revenue	52,479	-	218,250	270,729
Miscellaneous	818	-	-	818
Total operating revenue	<u>2,382,479</u>	<u>-</u>	<u>218,250</u>	<u>2,600,729</u>
OPERATING EXPENSE				
Personal services	353,627	-	-	353,627
Supplies	1,352,795	-	-	1,352,795
Purchased services	66,849	-	114,762	181,611
Capital outlay	(232,154)	156,452	75,702	-
Depreciation	291,194	-	-	291,194
Total operating expense	<u>1,832,311</u>	<u>156,452</u>	<u>190,464</u>	<u>2,179,227</u>
Operating income (loss)	<u>550,168</u>	<u>(156,452)</u>	<u>27,786</u>	<u>421,502</u>
NONOPERATING REVENUE (EXPENSE)				
Investment income	26,718	48,039	-	74,757
Interest expense	(106,428)	-	-	(106,428)
Total nonoperating revenue (expense)	<u>(79,710)</u>	<u>48,039</u>	<u>-</u>	<u>(31,671)</u>
Income (loss) before transfers	<u>470,458</u>	<u>(108,413)</u>	<u>27,786</u>	<u>389,831</u>
Transfers in	56,481	150,000	126,479	332,960
Transfers out	(153,310)	(158,960)	-	(312,270)
Change in net assets	373,629	(117,373)	154,265	410,521
Net assets - beginning of the year	<u>4,279,323</u>	<u>2,228,692</u>	<u>-</u>	<u>6,508,015</u>
Net assets - end of the year	<u>\$ 4,652,952</u>	<u>\$ 2,111,319</u>	<u>\$ 154,265</u>	<u>\$ 6,918,536</u>

Transfers in/out between the Airport's Operating fund, Capital Projects fund, and Grant fund are eliminated on the Statement of Revenue, Expenses, and Change in Fund Net Assets, Nonmajor Enterprise Funds.

CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF NET ASSETS
RISK MANAGEMENT FUND
SEPTEMBER 30, 2008

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total Risk Management</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 207,424	\$ 4,891,371	\$ 5,098,795
Investments	1,802,072	2,016,208	3,818,280
Current restricted assets:			
Cash and cash equivalents	-	107,452	107,452
Total current assets	<u>2,009,496</u>	<u>7,015,031</u>	<u>9,024,527</u>
LIABILITIES			
Current liabilities:			
Accounts payable	46,631	3,306	49,937
Accrued liabilities	2,262,000	1,396,073	3,658,073
Accrued compensated absences	1,986	4,243	6,229
Total current liabilities	<u>2,310,617</u>	<u>1,403,622</u>	<u>3,714,239</u>
Noncurrent liabilities:			
Accrued compensated absences	3,999	-	3,999
Total noncurrent liabilities	<u>3,999</u>	<u>-</u>	<u>3,999</u>
Total liabilities	<u>2,314,616</u>	<u>1,403,622</u>	<u>3,718,238</u>
NET ASSETS			
Unrestricted	<u>(305,120)</u>	<u>5,611,409</u>	<u>5,306,289</u>
Total net assets	<u>\$ (305,120)</u>	<u>\$ 5,611,409</u>	<u>\$ 5,306,289</u>

CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF REVENUE, EXPENSE, AND
CHANGES IN FUND NET ASSETS
RISK MANAGEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Risk Management	Employee Insurance	Total Risk Management
OPERATING REVENUE			
Insurance premiums	\$ 3,314,275	\$ 12,884,015	\$ 16,198,290
Total operating revenue	<u>3,314,275</u>	<u>12,884,015</u>	<u>16,198,290</u>
OPERATING EXPENSE			
Personal services	82,266	126,022	208,288
Supplies	2,184	2,510	4,694
Purchased services	469,380	158,840	628,220
Insurance claims	2,259,748	10,051,131	12,310,879
Miscellaneous	50,509	3,524	54,033
Total operating expense	<u>2,864,087</u>	<u>10,342,027</u>	<u>13,206,114</u>
Operating income	<u>450,188</u>	<u>2,541,988</u>	<u>2,992,176</u>
NONOPERATING REVENUE			
Investment income	83,651	74,203	157,854
Total nonoperating revenue	<u>83,651</u>	<u>74,203</u>	<u>157,854</u>
Income before transfers	<u>533,839</u>	<u>2,616,191</u>	<u>3,150,030</u>
Transfers in	-	23,892	23,892
Transfers out	<u>(48,288)</u>	<u>(48,288)</u>	<u>(96,576)</u>
Change in net assets	485,551	2,591,795	3,077,346
Net assets - beginning of the year	<u>(790,671)</u>	<u>3,019,614</u>	<u>2,228,943</u>
Net assets - end of the year	<u>\$ (305,120)</u>	<u>\$ 5,611,409</u>	<u>\$ 5,306,289</u>



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STATISTICAL SECTION



CITY OF GRAND PRAIRIE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2008
STATISTICAL SECTION INDEX

(Unaudited)

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CITY OF GRAND PRAIRIE
NET ASSETS BY COMPONENT (Unaudited)
LAST SEVEN FISCAL YEARS

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
GOVERNMENTAL ACTIVITIES							
Invested in capital assets							
net of related debt	\$ 121,332,136	\$ 148,513,124	\$ 174,584,254	\$ 237,535,813	\$ 255,230,188	\$ 250,427,112	\$ 265,961,757
Restricted	5,042,851	5,475,006	3,167,064	1,768,257	3,034,411	5,260,954	5,491,185
Unrestricted	45,841,403	51,355,387	65,238,004	41,171,528	52,044,716	99,358,971	114,556,201
Total governmental activities net assets	<u>\$ 172,216,390</u>	<u>\$ 205,343,517</u>	<u>\$ 242,989,322</u>	<u>\$ 280,475,598</u>	<u>\$ 310,309,315</u>	<u>\$ 355,047,037</u>	<u>\$ 386,009,143</u>
BUSINESS-TYPE ACTIVITIES							
Invested in capital assets							
net of related debt	\$ 119,326,515	\$ 112,136,902	\$ 110,683,391	\$ 130,998,728	\$ 133,275,493	\$ 134,270,404	\$ 129,219,761
Restricted	3,953,911	3,953,911	3,548,426	3,699,150	3,671,913	3,748,093	6,089,188
Unrestricted	10,834,075	27,853,395	40,273,290	30,147,871	37,114,582	46,861,049	56,978,613
Total business-type activities net assets	<u>\$ 134,114,501</u>	<u>\$ 143,944,208</u>	<u>\$ 154,505,107</u>	<u>\$ 164,845,749</u>	<u>\$ 174,061,988</u>	<u>\$ 184,879,546</u>	<u>\$ 192,287,562</u>
PRIMARY GOVERNMENT							
Invested in capital assets							
net of related debt	\$ 240,658,651	\$ 260,650,026	\$ 285,267,645	\$ 368,534,541	\$ 388,505,681	\$ 384,697,516	\$ 395,181,518
Restricted	8,996,762	9,428,917	6,715,490	5,467,407	6,706,324	9,009,047	11,580,373
Unrestricted	56,675,478	79,208,782	105,511,294	71,319,399	89,159,298	146,220,020	171,534,814
Total primary government net assets	<u>\$ 306,330,891</u>	<u>\$ 349,287,725</u>	<u>\$ 397,494,429</u>	<u>\$ 445,321,347</u>	<u>\$ 484,371,303</u>	<u>\$ 539,926,583</u>	<u>\$ 578,296,705</u>

The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

**CITY OF GRAND PRAIRIE
CHANGES IN NET ASSETS (Unaudited)
LAST SEVEN FISCAL YEARS**

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
EXPENSES							
Governmental activities:							
Support services	\$ 20,991,474	\$ 12,898,644	\$ 13,014,368	\$ 13,933,988	\$ 16,076,516	\$ 22,481,067	\$ 19,829,891
Public safety services	37,944,230	50,916,655	49,831,335	53,811,047	57,826,788	70,124,744	76,192,160
Recreation and leisure services	9,303,477	10,741,472	13,276,399	14,491,018	15,606,279	19,168,072	20,548,092
Development services and other	34,779,148	37,605,023	39,071,130	40,009,351	50,642,965	38,630,596	51,061,087
Interest on long-term debt	5,387,551	5,754,130	6,305,446	7,482,003	7,659,557	8,421,424	10,329,775
Total governmental activities expenses	<u>\$ 108,405,880</u>	<u>\$ 117,915,924</u>	<u>\$ 121,498,678</u>	<u>\$ 129,727,407</u>	<u>\$ 147,812,105</u>	<u>\$ 158,825,903</u>	<u>\$ 177,961,005</u>
Business-type activities:							
Water and wastewater	\$ 26,245,172	\$ 30,016,378	\$ 31,405,404	\$ 36,537,343	\$ 39,746,718	\$ 40,211,646	43,521,711
Municipal golf course	3,178,483	3,197,612	3,234,336	3,451,846	3,390,562	3,295,065	3,388,253
Solid waste	6,813,103	5,499,602	7,326,711	6,422,295	7,320,755	9,599,260	8,147,843
Municipal airport	1,610,437	1,621,636	1,739,208	6,422,295	2,156,251	2,010,376	2,274,829
Storm water	395,860	801,473	673,302	1,833,787	829,867	1,034,458	1,076,876
Total business-type activities expenses	<u>38,243,055</u>	<u>41,136,701</u>	<u>44,378,961</u>	<u>54,667,566</u>	<u>53,444,153</u>	<u>56,150,805</u>	<u>58,409,512</u>
Total primary government expenses	<u>\$ 146,648,935</u>	<u>\$ 159,052,625</u>	<u>\$ 165,877,639</u>	<u>\$ 184,394,973</u>	<u>\$ 201,256,258</u>	<u>\$ 214,976,708</u>	<u>\$ 236,370,517</u>
PROGRAM REVENUES							
Governmental activities:							
Charges for services:							
Support services	\$ 4,340,965	\$ 3,413,628	\$ 5,365,705	\$ 6,462,531	\$ 9,856,362	\$ 11,369,944	\$ 12,976,068
Public safety services	7,563,754	7,331,038	8,040,487	8,567,505	8,982,681	5,453,931	5,343,170
Recreation and leisure services	3,155,122	2,775,590	2,505,920	2,947,751	3,502,325	4,843,898	6,769,501
Development services and other	1,976,957	2,426,826	4,091,489	3,826,062	6,108,583	3,731,729	2,947,454
Operating grants and contributions	19,437,597	25,635,211	27,628,031	28,456,869	33,141,279	48,052,791	37,482,689
Capital grants and contributions	2,528,385	3,140,512	26,900,978	25,867,397	8,409,834	14,027,960	11,432,768
Total governmental activities program revenues	<u>\$ 39,002,780</u>	<u>\$ 44,722,805</u>	<u>\$ 74,532,610</u>	<u>\$ 76,128,115</u>	<u>\$ 70,001,064</u>	<u>\$ 87,480,253</u>	<u>\$ 76,951,650</u>
Business-type activities:							
Charges for services:							
Water and wastewater	\$ 30,761,023	\$ 32,970,209	\$ 31,377,178	\$ 34,084,321	\$ 42,564,693	\$ 41,221,192	\$ 43,493,084
Municipal golf course	2,689,782	2,406,774	2,053,784	2,397,915	2,587,757	2,637,807	2,232,189
Solid waste	8,040,556	6,934,548	7,544,969	8,061,725	8,767,399	9,023,648	9,103,212
Municipal airport	1,079,182	1,219,517	1,314,710	1,654,152	1,496,579	1,492,202	2,330,000
Storm water	1,447,147	1,786,048	1,870,778	1,917,720	2,470,183	2,691,742	2,974,336
Operating grants and contributions	301,378	335,737	2,140,958	386,900	737,536	1,668,944	270,729
Capital grants and contributions	386,078	2,287,819	10,169,562	10,979,777	4,172,710	8,109,411	5,519,297
Total business-type activities	<u>44,705,146</u>	<u>47,940,652</u>	<u>56,471,939</u>	<u>59,482,510</u>	<u>62,796,857</u>	<u>66,844,946</u>	<u>65,922,847</u>
Total primary government	<u>\$ 83,707,926</u>	<u>\$ 92,663,457</u>	<u>\$ 131,004,549</u>	<u>\$ 135,610,625</u>	<u>\$ 132,797,921</u>	<u>\$ 154,325,199</u>	<u>\$ 142,874,497</u>

(continued)

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

CITY OF GRAND PRAIRIE
CHANGES IN NET ASSETS (Unaudited)
LAST SIX FISCAL YEARS

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
NET (EXPENSES)/REVENUE							
Governmental activities	\$ (69,403,100)	\$ (73,193,119)	\$ (46,966,068)	\$ (53,599,292)	\$ (77,811,041)	\$ (71,345,650)	\$ (101,009,355)
Business-type activities	6,462,091	6,803,951	12,092,978	10,402,908	9,352,704	10,694,141	7,513,335
Total primary government net expense	<u>\$ (62,941,009)</u>	<u>\$ (66,389,168)</u>	<u>\$ (34,873,090)</u>	<u>\$ (43,196,384)</u>	<u>\$ (68,458,337)</u>	<u>\$ (60,651,509)</u>	<u>\$ (93,496,020)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS							
Governmental activities:							
Taxes							
Property taxes	\$ 41,553,955	\$ 43,194,279	\$ 46,952,102	\$ 50,217,892	\$ 54,462,317	\$ 61,443,459	\$ 69,813,294
Sales taxes	21,203,525	22,560,923	23,970,012	24,833,472	29,289,416	31,919,487	39,665,104
Hotel/motel tax and other taxes	1,596,337	1,316,910	1,054,409	1,803,169	1,299,365	1,344,762	1,414,822
Franchise fees	7,972,998	9,400,450	6,294,469	9,870,488	15,658,628	11,375,535	11,847,401
Investment income	3,666,447	1,328,820	1,804,705	2,820,035	4,735,009	7,573,850	7,444,199
Miscellaneous	3,707,524	1,605,576	2,811,908	3,014,011	71,784	-	-
Contributions	24,477,021	23,973,681	-	-	-	-	2,553,427
Transfers	8,317,016	2,962,060	1,724,267	350,310	2,128,239	2,426,279	-
Total government activities	<u>\$ 112,494,823</u>	<u>\$ 106,342,699</u>	<u>\$ 84,611,872</u>	<u>\$ 92,909,377</u>	<u>\$ 107,644,758</u>	<u>\$ 116,083,372</u>	<u>\$ 132,738,247</u>
Business-type activities:							
Franchise fees	\$ -	\$ -	\$ -	\$ -	\$ 305,907	\$ -	\$ -
Investment income	1,331,174	1,231,038	192,188	288,044	1,685,867	2,549,696	2,448,108
Miscellaneous	79,018	-	-	-	-	-	-
Contributions	6,485,360	4,756,779	-	-	-	-	-
Transfers	(6,817,016)	(2,962,060)	(1,724,267)	(350,310)	(2,128,239)	(2,426,279)	(2,553,427)
Total business-type activities	<u>1,078,536</u>	<u>3,025,757</u>	<u>(1,532,079)</u>	<u>(62,266)</u>	<u>(136,465)</u>	<u>123,417</u>	<u>(105,319)</u>
Total primary government	<u>\$ 113,573,359</u>	<u>\$ 109,368,456</u>	<u>\$ 83,079,793</u>	<u>\$ 92,847,111</u>	<u>\$ 107,508,293</u>	<u>\$ 116,206,789</u>	<u>\$ 132,632,928</u>
CHANGE IN NET ASSETS							
Governmental activities	\$ 43,091,723	\$ 33,149,580	\$ 37,645,805	\$ 39,310,085	\$ 29,833,717	\$ 44,737,722	\$ 31,728,892
Business-type activities	7,540,627	9,829,708	10,560,899	10,340,642	9,216,239	10,817,558	7,408,016
Total primary government	<u>\$ 50,632,350</u>	<u>\$ 42,979,288</u>	<u>\$ 48,206,704</u>	<u>\$ 49,650,727</u>	<u>\$ 39,049,956</u>	<u>\$ 55,555,280</u>	<u>\$ 39,136,908</u>

(concluded)

CITY OF GRAND PRAIRIE
FUND BALANCES
GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
GENERAL FUND				
Reserved	\$ 803,079	\$ 579,831	\$ 302,996	\$ 436,845
Unreserved	14,143,382	14,584,676	15,278,877	15,463,442
Total general fund	<u>\$ 14,946,461</u>	<u>\$ 15,164,507</u>	<u>\$ 15,581,873</u>	<u>\$ 15,900,287</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 5,974,275	\$ 9,110,022	\$ 27,746,778	\$ 25,660,997
Unreserved, reported in:				
Special revenue funds	1,606,741	7,680,800	14,388,561	13,084,153
Capital projects funds	21,044,248	21,620,470	17,812,263	37,584,468
Total all other governmental funds	<u>\$ 28,625,264</u>	<u>\$ 38,411,292</u>	<u>\$ 59,947,602</u>	<u>\$ 76,329,618</u>

Fiscal Year					
<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 360,916	\$ 836,805	\$ 1,245,756	\$ 1,202,824	\$ 978,032	\$ 769,535
15,667,085	18,301,467	16,467,282	23,797,074	24,474,441	23,517,200
<u>\$ 16,028,001</u>	<u>\$ 19,138,272</u>	<u>\$ 17,713,038</u>	<u>\$ 24,999,898</u>	<u>\$ 25,452,473</u>	<u>\$ 24,286,735</u>
\$ 30,102,504	\$ 11,156,665	\$ 21,832,554	\$ 20,495,695	\$ 9,009,855	9,713,094
16,588,446	32,888,043	29,473,920	23,834,504	51,481,507	152,319,219
24,209,669	30,843,788	14,339,856	17,522,013	36,334,868	36,672,982
<u>\$ 70,900,619</u>	<u>\$ 74,888,496</u>	<u>\$ 65,646,330</u>	<u>\$ 61,852,212</u>	<u>\$ 96,826,230</u>	<u>\$ 198,705,295</u>

**CITY OF GRAND PRAIRIE
CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS (Unaudited)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
REVENUE					
Taxes	\$ 47,859,677	\$ 53,342,991	\$ 58,647,973	\$ 63,671,664	\$ 68,044,675
Licenses, fees, and permits	9,809,807	9,888,653	10,251,428	10,088,745	10,903,573
Fines and penalties	3,158,246	3,223,742	3,741,634	4,443,912	4,469,958
Charges for services	2,480,327	2,611,006	3,591,063	5,894,731	6,370,072
Special assessments	-	-	-	-	-
Intergovernmental	10,685,707	11,947,950	14,689,886	19,530,698	27,139,404
Investment income	1,640,409	2,951,193	4,288,072	3,413,448	1,357,707
Other revenues	2,649,447	3,385,903	3,416,977	9,068,303	5,332,343
Total revenues	<u>78,283,620</u>	<u>87,351,438</u>	<u>98,627,033</u>	<u>116,111,501</u>	<u>123,617,732</u>
EXPENDITURES					
Current Operations:					
Support services	8,158,823	8,568,829	8,835,077	10,366,935	10,659,348
Public safety services	30,716,976	34,833,262	37,745,355	40,249,161	43,792,760
Recreation and leisure services	5,481,809	5,656,485	6,549,849	9,063,565	9,439,447
Development services and other	17,669,229	19,589,061	22,573,437	29,138,777	32,024,258
Capital Outlay	15,913,803	24,119,457	23,946,525	55,333,121	38,664,168
Debt service:					
Principal retirement	5,696,580	7,291,072	8,138,784	8,565,663	8,756,308
Interest	3,216,859	3,306,518	4,226,636	5,271,595	5,728,431
Total expenditures	<u>86,854,079</u>	<u>103,364,684</u>	<u>112,015,663</u>	<u>157,988,817</u>	<u>149,064,720</u>
Excess of revenues over (under) expenditures	<u>(8,570,459)</u>	<u>(16,013,246)</u>	<u>(13,388,630)</u>	<u>(41,877,316)</u>	<u>(25,446,988)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	7,763,421	13,700,793	17,002,611	44,935,245	29,491,511
Transfers out	(5,415,010)	(8,653,776)	(12,081,428)	(34,971,010)	(26,972,478)
Sale of capital assets	-	-	-	357,569	9,011,672
Premium (discount) on debt issued	-	-	-	-	-
Bonds issued	10,400,000	4,435,000	5,000,000	-	18,260,000
Refunding bonds issued	-	-	-	-	-
Payment for refunded debt	-	-	-	-	(9,645,000)
Other sources (uses)	7,786,318	16,535,303	25,421,123	45,300,000	-
Total other financing sources (uses)	<u>20,534,729</u>	<u>26,017,320</u>	<u>35,342,306</u>	<u>55,621,804</u>	<u>20,145,705</u>
Net change in fund balance	<u>\$ 11,964,270</u>	<u>\$ 10,004,074</u>	<u>\$ 21,953,676</u>	<u>\$ 13,744,488</u>	<u>\$ (5,301,283)</u>
Debt service as a percentage of noncapital expenditures	12.6%	13.4%	14.0%	13.5%	13.1%

See accompanying notes to basic financial statements.

Fiscal Year

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$	72,588,819	\$ 76,112,349	\$ 85,051,098	\$ 94,529,349	109,658,169
	12,396,830	12,650,409	18,962,716	14,221,385	14,300,656
	5,059,013	5,462,053	5,537,867	5,807,484	5,615,462
	6,739,443	7,209,753	7,537,479	8,466,964	11,648,865
	642,734	742,184	980,999	1,379,597	-
	27,302,184	25,146,652	31,315,423	26,598,586	30,132,609
	1,766,526	2,805,479	4,620,911	7,391,922	7,239,258
	6,884,470	14,506,025	9,195,418	25,059,295	15,655,620
	<u>133,380,019</u>	<u>144,634,904</u>	<u>163,201,911</u>	<u>183,454,582</u>	<u>194,250,639</u>
	10,780,154	11,346,466	12,875,349	17,431,881	14,740,779
	43,621,824	46,304,166	49,046,924	54,033,347	59,110,908
	11,617,974	12,457,293	13,194,080	14,769,610	17,039,606
	33,628,488	33,607,969	40,658,989	37,067,631	48,283,183
	40,099,574	41,489,772	43,035,692	29,577,246	62,450,315
	10,403,516	10,998,736	9,079,928	9,632,819	13,268,068
	6,215,621	8,123,692	7,333,210	8,350,646	10,693,686
	<u>156,367,151</u>	<u>164,328,094</u>	<u>175,224,172</u>	<u>170,863,180</u>	<u>225,586,545</u>
	<u>(22,987,132)</u>	<u>(19,693,190)</u>	<u>(12,022,261)</u>	<u>12,591,402</u>	<u>(31,335,906)</u>
	22,343,056	21,490,429	21,651,931	29,302,328	51,850,485
	(20,434,112)	(21,037,549)	(19,402,662)	(28,036,960)	(49,205,367)
	361,067	47,967	71,784	12,410	-
	-	(96,248)	27,700	97,413	61,992
	27,812,500	9,285,000	13,166,250	21,460,000	129,440,000
	1,955,000	17,540,000	-	-	17,278,000
	(1,952,232)	(16,380,000)	-	-	(17,161,031)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>30,085,279</u>	<u>10,849,599</u>	<u>15,515,003</u>	<u>22,835,191</u>	<u>132,264,079</u>
\$	<u>7,098,147</u>	<u>\$ (8,843,591)</u>	<u>\$ 3,492,742</u>	<u>\$ 35,426,593</u>	<u>\$ 100,928,173</u>

14.3%

15.6%

12.4%

12.7%

14.7%

**CITY OF GRAND PRAIRIE
 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	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1999	2,080,427,937	3,363,366,506	638,247,507	4,805,546,936	0.679998	4,805,547,636	100.0%
2000	2,203,704,922	3,643,452,792	695,812,138	5,151,345,576	0.674998	5,151,345,576	100.0%
2001	2,488,966,095	3,845,366,055	709,946,637	5,624,385,513	0.669998	5,624,385,513	100.0%
2002	3,042,298,390	3,807,725,309	709,946,637	6,140,077,062	0.669998	6,140,929,228	100.0%
2003	3,365,348,440	4,118,990,011	861,464,334	6,622,874,117	0.669998	6,622,874,117	100.0%
2004	3,719,467,190	3,974,213,570	896,269,064	6,797,411,696	0.669998	6,797,411,696	100.0%
2005	4,031,666,200	4,092,614,293	1,024,567,945	7,099,712,548	0.669998	7,099,712,548	100.0%
2006	4,361,834,090	4,320,530,688	1,105,005,542	7,577,359,236	0.669998	7,577,359,236	100.0%
2007	4,906,586,580	4,449,710,692	1,073,650,128	8,282,647,144	0.669998	8,282,647,144	100.0%
2008	5,469,305,770	5,178,753,981	1,438,990,381	9,209,069,370	0.669998	9,209,069,370	100.0%

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



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CITY OF GRAND PRAIRIE
DIRECT AND OVERLAPPING PROPERTY TAX RATES (Unaudited)
LAST TEN FISCAL YEARS
(rate per \$100 of assessed value)

	FISCAL YEAR				
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
OVERLAPPING RATES					
City of Grand Prairie	0.679998	0.674998	0.669998	0.669998	0.669998
Grand Prairie School District	1.507700	1.608100	1.667100	1.667100	1.727100
Arlington School District	1.593500	1.624400	1.654400	1.740500	1.735000
Cedar Hill School District	1.779000	1.600000	1.630000	1.680000	1.701600
Irving School District	1.678400	1.695000	1.695000	1.770600	1.815000
Mansfield School District	1.712000	1.687000	1.671400	1.682000	1.682000
Midlothian School District	1.659900	1.709701	1.720000	1.720000	1.720000
Dallas County	0.201000	0.196000	0.196000	0.196000	0.203900
Dallas County Community College District	0.050000	0.050000	0.060000	0.060000	0.778000
Dallas County Hospital District	0.196000	0.254000	0.254000	0.254000	0.254000
Dallas County Flood Control District	1.918800	2.874876	3.284940	3.284940	2.080000
Grand Prairie Met Utl & Reclam Dist.	2.080000	1.520000	3.130000	3.710000	3.870000
Ellis County	0.253100	0.365194	0.302018	0.310170	0.310200
Johnson County	0.337500	0.341310	0.447350	0.455000	0.357300
Tarrant County	0.264800	0.274785	0.274785	0.272500	0.272500
Tarrant County Hospital District	0.234100	0.234070	0.234070	0.232400	0.235400
Tarrant County Junior College District	0.106400	0.106410	0.106410	0.139380	0.139400
CITY DIRECT RATES					
Operations & Maintenance	0.481514	0.479381	0.474711	0.474711	0.474711
Interest & Sinking	0.198484	0.195617	0.195287	0.195287	0.195287
Total Direct Rates	0.679998	0.674998	0.669998	0.669998	0.669998

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

Totals are not provided for columns since they would be meaningless.
Some of the jurisdictions are mutually exclusive.

FISCAL YEAR

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
0.669998	0.669998	0.669998	0.669998	0.669980
1.751100	1.758600	1.629700	1.465000	1.465000
1.755000	1.745460	1.610000	1.278000	1.272000
1.741300	1.848430	1.743300	1.400000	1.500000
1.837000	1.814000	1.644000	1.348500	1.391000
1.717000	1.772000	1.687500	1.450000	1.750000
1.764500	1.787500	1.697500	1.367500	1.407500
0.203900	0.213900	0.213900	0.228100	0.228100
0.080300	0.081600	0.081000	0.080400	0.089400
0.254000	0.254000	0.254000	0.254000	0.254000
2.060000	2.060000	2.835540	2.835540	2.835540
2.450000	2.550000	2.050000	2.050000	2.140000
0.315993	0.273090	0.349500	0.364598	0.360091
0.382088	0.382088	0.369004	0.356962	0.306708
0.272500	0.272500	0.271500	0.266500	0.264000
0.235397	0.235397	0.235397	0.230397	0.227897
0.139380	0.139380	0.139380	0.139380	0.137960
0.474711	0.474711	0.474711	0.481500	0.484892
0.195287	0.195287	0.195287	0.188498	0.185106
0.669998	0.669998	0.669998	0.669998	0.669998

**CITY OF GRAND PRAIRIE
 PRINCIPAL PROPERTY TAX PAYERS (Unaudited)
 CURRENT YEAR AND TEN YEARS AGO**

<u>Taxpayer</u>	<u>2008</u>			<u>1998</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Allegiance Healthcare	\$ -			\$ 34,934,570	7	0.73%
Amerisource Corp.	-			35,574,620	5	0.74%
Bell Helicopter	170,853,372	1	1.86%	74,318,700	2	1.55%
CP Regency Business Park	-			27,111,360	10	0.56%
Hanson Pipe & Products	54,895,090	4	0.60%	-		
Isuzu Motors of America				35,483,830	6	0.74%
Lockheed Martin	42,100,886	6	0.46%	41,935,410	4	0.87%
Northrop Grumman				162,915,490	1	3.39%
Office Depot				33,709,390	8	0.70%
Oncor Electric	84,727,716	2	0.92%			
Republic Beverage	64,048,492	3	0.70%	-		
Catellus Comm Group LLC	54,205,440	5	0.59%	-		
Towns of Riverside TIC 27 Et al.	39,838,750	7	0.43%	-		
Cardinal Health 200 Inc.	37,729,377	8	0.41%	52,765,490	3	1.10%
First Industrial Texas LP	33,004,824	9	0.36%	33,085,210	9	0.69%
WLA Barrington V LP	31,061,160	10	0.34%	-		
Total	\$ 612,465,107		6.65%	\$ 531,834,070		11.07%

Source of Information: City of Grand Prairie Department of Economic Development

**CITY OF GRAND PRAIRIE
PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited)
LAST TEN FISCAL YEARS**

Fiscal Year Ended 9/30	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
1999	32,677,613	32,002,909	97.93%	452,220	32,455,129	99.32%
2000	34,771,480	33,923,383	97.56%	507,905	34,431,288	99.02%
2001	37,683,270	36,942,345	98.03%	483,911	37,426,256	99.32%
2002	41,144,103	39,869,884	96.90%	455,763	40,325,647	98.01%
2003	44,368,289	42,884,922	96.66%	452,343	43,337,265	97.68%
2004	45,542,522	44,702,813	98.16%	700,297	45,403,110	99.69%
2005	47,526,939	46,083,028	96.96%	556,050	46,639,078	98.13%
2006	50,768,155	48,635,892	95.80%	1,167,668	49,803,560	98.10%
2007	55,153,870	54,491,806	98.80%	1,407,676	55,899,482	101.35%
2008	60,505,696	59,691,118	98.65%	1,923,100	61,614,218	101.83%

Above amounts exclude property tax revenue.

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
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	Water Revenue Bonds	General Obligation Bonds	Certificates of Obligation
1999	56,852,028	-	12,150,000	28,490,000	2,469,053	8,385,000
2000	56,908,146	8,870,000	17,725,000	25,615,000	3,040,426	6,990,000
2001	55,766,853	28,280,000	22,140,000	22,780,610	2,485,597	6,650,000
2002	65,806,621	32,735,000	44,770,000	25,770,000	2,827,847	5,760,000
2003	67,197,982	32,045,000	53,750,000	25,965,000	2,376,929	5,665,000
2004	69,613,825	31,325,000	69,758,000	32,759,612	5,500,185	6,192,000
2005	73,234,687	31,285,000	65,728,928	46,116,347	4,998,030	6,021,072
2006	71,436,114	30,430,000	72,251,106	48,300,000	4,758,886	5,958,894
2007	70,284,620	29,540,000	86,119,781	52,315,000	4,303,600	5,735,219
2008	89,329,630	65,305,000	147,674,703	64,490,000	5,587,000	4,035,227

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

(1) Household Effective Buying Income used until 2005.
FY 2008 average household income figure provided by City of Grand Prairie
Department of Economic Development

Total Primary Government	Percentage of Average Household Income¹	Per Capita
108,346,081	0.04%	941
119,148,572	0.04%	935
138,103,060	0.04%	1,046
177,669,468	0.03%	1,321
186,999,911	0.02%	1,356
215,148,622	0.02%	1,521
227,384,064	0.02%	1,562
233,135,000	0.03%	1,494
248,298,220	0.02%	1,537
441,726,560	0.01%	2,651

CITY OF GRAND PRAIRIE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING (Unaudited)
LAST TEN YEARS

General Bonded Debt Outstanding					
Year	General Obligation Bonds	Certificates of Obligation	Total	Percentage of Actual Taxable Value of Property	Per Capita
1999	56,908,146	17,725,000	74,633,146	1.55%	648
2000	55,766,853	22,140,000	77,906,853	1.51%	611
2001	65,806,621	44,770,000	110,576,621	1.97%	838
2002	67,197,982	53,750,000	120,947,982	1.97%	900
2003	69,613,825	69,758,000	139,371,825	2.10%	1,011
2004	73,234,687	47,820,928	121,055,615	1.78%	856
2005	71,436,114	72,251,106	143,687,220	2.02%	987
2006	71,436,114	72,251,106	143,687,220	1.90%	921
2007	70,284,620	86,119,781	156,404,401	1.89%	968
2008	89,329,630	147,674,703	237,004,333	2.57%	1,422

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

**CITY OF GRAND PRAIRIE
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES OF DEBT (Unaudited)
As of September 30, 2008**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Dallas County	\$ 158,486,552	2.76%	\$ 4,374,229
Ellis County	68,416,262	0.01%	6,842
Tarrant County	346,495,000	3.50%	12,127,325
Dallas County Flood Control District# 1	31,240,100	36.98%	11,552,589
Grand Prairie Metropolitan URD	8,505,000	100.00%	8,505,000
Arlington ISD	421,113,782	18.10%	76,221,595
Cedar Hill ISD	111,947,711	3.81%	4,265,208
Grand Prairie ISD	471,736,394	94.07%	443,762,426
Irving ISD	461,081,610	0.74%	3,412,004
Mansfield ISD	701,849,741	7.53%	52,849,285
Midlothian ISD	169,159,130	0.28%	473,646
Dallas County CCD	298,185,000	2.76%	8,229,906
Tarrant County Hospital District	29,585,000	3.50%	1,035,475
Tarrant County Jr. College District	49,005,000	3.50%	1,715,175
Subtotal, overlapping debt			628,530,704
City direct debt	146,140,560	100.00%	146,140,560
Total direct and overlapping debt			\$ 774,671,264

Source of Information: First Southwest Company
City of Grand Prairie Finance Department

**CITY OF GRAND PRAIRIE
LEGAL DEBT MARGIN INFORMATION (Unaudited)
LAST TEN FISCAL YEARS**

	Fiscal Year				
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Debt limit	\$ 120,138,691	\$ 128,783,639	\$ 140,609,638	\$ 153,523,231	\$ 165,571,853
Total net debt applicable to limit	<u>68,398,265</u>	<u>73,476,493</u>	<u>76,626,068</u>	<u>84,833,770</u>	<u>89,502,976</u>
Legal debt margin	<u>\$ 51,740,426</u>	<u>\$ 55,307,146</u>	<u>\$ 63,983,570</u>	<u>\$ 68,689,461</u>	<u>\$ 76,068,877</u>
Total net debt applicable to the limit as a percentage of debt limit	56.93%	57.05%	54.50%	55.26%	54.06%

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

Fiscal Year				
2004	2005	2006	2007	2008
\$ 169,935,292	\$ 177,492,814	\$ 189,433,981	\$ 207,066,179	\$ 230,226,734
118,296,761	119,206,430	118,410,646	124,781,713	140,806,849
<u>\$ 51,638,531</u>	<u>\$ 58,286,384</u>	<u>\$ 71,023,335</u>	<u>\$ 82,284,466</u>	<u>\$ 89,419,885</u>
69.61%	67.16%	62.51%	60.26%	61.16%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	\$ 9,209,069,370
Debt limit (2.5% of assessed value)	230,226,734
Debt applicable to limit:	
General obligation bonds	146,140,560
Less: Amount set aside for repayment of general obligation debt	<u>(5,333,711)</u>
Total net debt applicable to limit	<u>140,806,849</u>
Legal debt margin	<u>\$ 89,419,885</u>

**CITY OF GRAND PRAIRIE
 PLEDGED REVENUE COVERAGE (Unaudited)
 LAST TEN FISCAL YEARS**

Fiscal Year	Water Revenue Bonds					
	Utility Service Charges ¹	Less: Operating Expenses ²	Net Available Revenue	Debt Service		Coverage ⁴
				Principal	Interest	
1999	30,932,103	19,523,937	11,408,166	2,973,286	1,402,830	2.61
2000	33,453,515	20,397,571	13,055,944	2,758,226	1,311,421	3.21
2001	34,224,480	21,124,415	13,100,065	3,299,666	1,252,427	2.88
2002	31,950,014	19,738,275	12,166,739	3,789,539	1,116,228	2.48
2003	34,561,157	21,804,379	12,756,778	2,862,022	1,075,100	3.24
2004	34,493,334	23,310,775	11,182,559	2,937,217	894,036	2.92
2005	35,760,835	26,859,732	8,901,103	2,609,596	1,462,684	2.19
2006	45,853,437	30,419,541	15,433,896	2,540,000	1,718,216	3.62
2007	46,946,426	29,316,250	17,630,176	2,610,000	2,208,853	3.66
2008	47,636,804	31,954,392	15,682,412	3,670,000	2,534,846	2.53

- (1) Revenues include operating revenues plus impact fees and investment income.
- (2) Expenses exclude depreciation expense.
- (3) In 2002, franchise fees were excluded from operating expenses.
 If they had been included, the coverage ratio would have been 2.24.
 In all other years, franchise fees are included in operating expense.
- (4) Bond covenants require coverage of no less than 1.25.
 The City financial policies require coverage of no less than 1.50.
- (5) The City's initial Park Venue Sales Tax Revenue Bonds were issued in fiscal year 2000.
- (6) Bond covenants require a coverage of no less than 1.25. The City
 financial policies require a coverage of no less than 1.50.

Sales Tax Revenue Bonds⁵

Sales Tax Increment	Maximum Annual Debt Service⁶	Coverage
-	-	-
1,920,188	670,119	2.87
3,945,644	2,053,888	1.92
3,846,684	2,399,263	1.6
3,760,154	2,399,263	1.57
3,995,002	2,399,263	1.67
4,151,075	2,370,800	1.75
4,906,292	2,370,800	2.07
5,476,985	2,370,800	2.31
5,488,686	2,370,800	2.32

**CITY OF GRAND PRAIRE
 DEMOGRAPHIC AND ECONOMIC STATISTICS (Unaudited)
 LAST TEN FISCAL YEARS**

Calendar Year	Population	Median (1) Household Income (thousands of dollars)	Median Age	Public School Enrollment	Unemployment Rate
1998	113,646	\$ 43,686	*	19,205	2.8%
1999	115,150	44,753	*	19,524	3.3%
2000	127,427	47,084	31	20,246	3.5%
2001	132,000	50,019	*	20,926	4.0%
2002	134,450	51,786	*	21,391	6.1%
2003	137,872	43,100	*	21,904	7.0%
2004	141,450	42,571	*	22,496	6.4%
2005	145,600	43,616	31	23,733	5.4%
2006	156,050	53,006	32	24,396	5.1%
2007	161,550	52,176	32	25,182	4.4%
2008	166,650	50,919	32	26,025	5.0%

Sources of Information:

Estimated Population:
 City of Grand Prairie Department of Planning
 U.S. Census Bureau
 Household Effective Buying Income:
 Sales and Marketing Management Magazine
 Median Household Income
 Claritas
 Median Age
 Census 2000
 Claritas 2006, 2007, 2008
 Public School Enrollment:
 Grand Prairie Independent School District
 Unemployment Rate:
 Texas Workforce Commission

(1) Household Effective Buying Income used until 2005.
 Median Household Income provided by Claritas after 2005

* Not available.

**CITY OF GRAND PRAIRIE
PRINCIPAL EMPLOYERS (Unaudited)
CURRENT YEAR AND TEN YEARS AGO**

Employer	2008			1998		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Grand Prairie Independent School District	3,200	1	2.07%	—	—	—
Lockheed Martin Missles and Fire Control	2,600	2	1.68%	3,000	1	2.72%
Poly-America Inc.	1,400	3	0.91%	1,100	5	1.00%
Bell Helicopter-Textron	1,300	4	0.84%	1,100	4	1.00%
Lone Star Park at Grand Prairie	1,200	5	0.78%	1,500	2	1.36%
City of Grand Prairie	1,200	5	0.78%	—	—	—
Vought Aircraft Industries	700	6	0.45%	—	—	—
Siemens Energy & Automation Inc.	600	7	0.39%	500	10	0.45%
Hanson Pipe & Products Inc.	500	8	0.32%	—	—	—
Wal-Mart	500	8	0.32%	—	—	—
American Eurocopter	500	8	0.32%	—	—	—
Pollock Paper Distributors	500	8	0.32%	—	—	—
Arnold Transportation	500	8	0.32%	—	—	—
SAIA Motor Freight Line Inc.	500	8	0.32%	—	—	—
VIP Printing Inc.	400	9	0.26%	—	—	—
Turbomeca Engine Corp.	400	9	0.26%	—	—	—
Vecta Contract	300	10	0.19%	—	—	—
Printpak	300	10	0.19%	—	—	—
Hampson Tekstars	300	10	0.19%	—	—	—
Northrop Grumman	—	—	—	1,200	3	1.09%
Southwest Airlines	—	—	—	750	6	0.68%
Trinity Contractors, Isnc.	—	—	—	700	7	0.63%
Gifford-Hill American, Inc.	—	—	—	500	9	0.45%
D-FW Medical Center	—	—	—	600	8	0.54%
Total	16,900		10.94%	10,950		9.91%

Source of Information: North Central Texas Council of Governments

**CITY OF GRAND PRAIRIE
 FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Full-time-Equivalent Employees as of September 30</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government and Administration										
City Manager's Office	8	8	8	6	8	8	8	8	8	10
Budget and Research	4	4	4	4	4	4	3	3	3	3
Management Services	4	4	4	4	4	4	3	3	3	3
Marketing	3	4	4	4	4	4	4	4	6	7
Economic Development	3	4	5	3	3	3	3	-	-	0
Legal Services	6	6	6	6	4	4	4	4	4	5
Municipal Court	29	28	26	26	26	26	27	28	28	29
Judiciary	-	-	2	3	3	3	3	4	4	5
Human Resources	9	10	10	10	10	10	9	9	9	11
Finance	26	27	17	17	17	17	17	17	17	19
Information Technology	16	16	20	24	24	24	23	26	26	26
Planning and Development	21	39	39	37	37	61	61	61	61	60
Housing and Neighborhood	13	4	6	6	6	5	5	5	5	5
Public Works	79	81	25	24	24	67	66	66	66	67
Transportation	21	22	77	75	75	8	8	8	8	8
Fire	145	188	189	189	189	189	194	198	209	327
Police	275	284	294	281	284	287	296	302	316	209
Building and Construction Management	-	-	12	11	11	1	1	1	1	1
Environmental Services	17	19	19	18	18	18	18	18	19	21
Library	19	21	29	28	28	28	28	31	31	32
Parks and Recreation	73	75	83	103	106	120	116	121	121	123
Grants	37	38	38	51	52	64	50	43	39	37
Enterprise Operations and Administrations										
Water/Wastewater	83	84	86	88	91	92	92	94	96	100
Solid Waste	19	20	20	21	25	25	25	28	30	32
Airport	5	5	5	5	5	5	5	5	5	5
Golf	22	25	25	25	25	25	20	20	20	20
Storm Water	-	-	-	-	-	-	-	2	6	6
Internal Service Operations										
Equipment Services	16	16	17	17	17	17	17	17	17	17
Risk Management	3	2	2	2	2	2	2	2	2	1
Total	<u>956</u>	<u>1,034</u>	<u>1,072</u>	<u>1,088</u>	<u>1,102</u>	<u>1,121</u>	<u>1,108</u>	<u>1,128</u>	<u>1,160</u>	<u>1,189</u>

Source of Information: City Budget Office.

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

**CITY OF GRAND PRAIRIE
 CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM (Unaudited)
 LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Public safety training complex	-	-	-	1	1	1	1	1	1	1
Storefronts	4	5	3	3	3	3	3	3	3	3
Fire stations	8	8	9	9	9	9	9	9	9	9
Other public works										
Streets (miles)	450.0	485.2	485.2	485.2	485.2	504.0	555.0	589.0	589.0	600.3
Acreage	52,096	52,096	52,096	52,096	52,096	52,096	52,096	52,096	52,096	52,096
Public parks	41	41	47	52	52	53	53	54	57	57
Baseball/softball diamonds	25	25	24	24	24	24	24	24	25	25
Soccer/football fields	20	20	20	21	21	18	18	18	21	21
Community/recreations centers	4	4	4	4	4	5	5	5	5	5
Public golf courses	2	2	2	2	2	2	2	2	2	2
Public swimming pools	4	4	3	4	4	5	5	5	4	4
Libraries	1	1	2	2	2	2	3	3	3	3
Cemeteries	-	-	-	-	-	1	1	1	1	1
Water										
Water connections	46,857	47,907	48,919	50,739	51,839	53,178	55,375	58,286	60,187	61,365
Daily consumption (millions of gallons)	20.7	19.4	19.2	19.3	20.4	21.0	25.1	27.0	24.3	25.6
Wastewater										
Daily flow (millions of gallons)	15.3	16.1	14.3	14.3	13.6	18.9	17.1	15.4	15.8	14.1
Airports	1	1	1	1	1	1	1	1	1	1
Transit—minibuses	11	11	11	11	11	11	11	12	15	12

Source of Information: various departments.

**CITY OF GRAND PRAIRIE
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		
	VOLUME	DEMAND	TOTAL	O&M	DEBT SERVICE	TOTAL
1999	1,869,023	2,970,373	4,839,396	1,806,972	3,809,336	5,616,308
2000	2,321,406	2,853,922	5,175,328	1,965,923	4,018,144	5,984,067
2001	2,208,970	3,247,573	5,456,543	2,234,410	3,403,837	5,638,247
2002	2,271,851	3,178,301	5,450,152	2,350,719	2,993,555	5,344,274
2003	1,993,884	3,382,202	5,376,086	2,325,760	2,989,560	5,315,320
2004	2,291,253	3,926,081	6,217,334	2,676,536	3,480,936	6,157,472
2005	2,563,201	4,223,143	6,786,344	3,737,732	3,961,277	7,699,009
2006	2,840,265	5,173,555	8,013,820	3,221,410	4,177,739	7,399,149
2007	2,407,021	5,681,405	8,088,426	3,150,985	4,214,287	7,365,272
2008	2,785,551	5,458,801	8,244,352	3,628,734	4,009,898	7,638,632

(1) Debt retired in FY 2004 from reserve on hand and the Trinity River Authority.
The principal payment was \$275,000.

The City has contracted with City of Dallas for water purchases and the Trinity River Authority for wastewater treatment. The City's obligation for Dallas Water Utilities 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 the Notes to Financial Statements under Contracts, Commitments, and Contingent Liabilities.

O & M means Operations and Maintenance.

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TRINITY RIVER AUTHORITY

JOE POOL LAKE INTAKE	JOE POOL LAKE CORP OF ENGINEERS	WATER STORAGE FACILITY ¹
166,106	419,593	266,485
172,285	418,141	254,485
162,124	384,304	266,235
163,768	380,965	259,665
166,413	390,546	369,260
160,163	349,084	-
185,136	416,034	-
44,249	380,806	-
13,782	271,575	-
6,810	366,430	-

**CITY OF GRAND PRAIRIE
OPERATING INDICATORS BY FUNCTION (Unaudited)
LAST FOUR FISCAL YEARS**

<u>Function</u>	<u>Fiscal Years</u>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Police				
911 calls received *	146,265	152,348	148,089	156,822
Non-emergency calls *	166,840	160,846	149,361	157,132
Calls for service *	135,623	133,232	136,435	130,532
Jail Arrests *	6,624	6,493	6,611	7,059
Fire				
Total Fire and EMS calls *	17,749	15,060	15,904	15,678
Fire response calls for structure fires *	379	384	263	249
Street				
Number of miles of overlay streets	9	26	17	8
Number of lane miles crack sealed	20	11	38	49
Number of street defects repaired	6,312	6,802	22,513	14,502
Number of linear ft of sidewalk repaired	28,164	17,706	9,645	40,499
Solid Waste				
Landfill refuse collected (tons)	161,597	177,929	187,349	180,855
Recyclables collected (tons)	5,230	6,058	6,228	6,081
Water				
Average Daily consumption (thousands of gallons)	25,048	27,042	24,265	25,417
Wastewater				
Average daily sewage treatment (thousands of gallons)	17,056	15,418	15,787	14,038

Source of Information: City Departments

Note: Data is only available for FY 2005, 2006,2007 and 2008

* In calendar year