

CITY OF GRAND PRAIRIE, TEXAS
**Comprehensive Annual
Financial Report**

Fiscal Year Ended September 30th, 2012



The 420,000-square-foot retail outlet mall on I-20 and Great Southwest Parkway opened August 2012.

CITY OF GRAND PRAIRIE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2012

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, 2012
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INTRODUCTORY SECTION



February 28, 2013

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 ("City") for the fiscal year ended September 30, 2012. This report complies with Texas State Law which requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles ("GAAP") in the United States of America and audited in accordance with generally accepted auditing standards in the United States of America by a firm of licensed certified public accountants.

This report is published to provide the city council, citizens, city staff, bondholders and other interested parties with detailed information concerning the financial condition and activities of the City. The report consists of city management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the accuracy, completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the City established a comprehensive framework of internal control that is designed to protect the City's assets from loss, theft or misuse, and, to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal control should not exceed the benefits derived from them, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor issued an unqualified ("clean") opinion on the City of Grand Prairie's financial statements for the year ended September 30, 2012. The Independent Auditor's Report is located at the front of the Financial Section of this report.

This report is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes this transmittal letter, a listing of City Officials and an organizational chart of the City. The Financial Section includes the independent auditor's report on the basic financial statements, Management's Discussion and Analysis ("MD&A"), basic financial statements, the notes to the basic financial statements, and combining and individual fund statements and schedules. The MD&A is a narrative introduction, overview and analysis to accompany the basic financial statements and can be found immediately following the

independent auditor's report. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The Statistical Section includes financial and demographic information relevant to readers of the City's financial statements. The statistical data is generally presented on a multi-year basis.

In addition to issuance of the CAFR, the independent auditors have performed the Single Audits and issued auditor reports on the City's federal awards and on the City's state awards for the fiscal year ended September 30, 2012. The City's Single Audit Reports are 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. In addition, State Highway 161 which runs north/south and provides additional access and traffic relief 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 with 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 estimated at 175,960, the City provides a full range of services, including but not limited to police and fire protection; emergency ambulance services; development and code services; public libraries; construction and maintenance of streets, parks and recreational facilities; water, wastewater and storm water utility services; a municipal airport; municipal golf courses and other cultural events. Sixteen Public Improvement Districts and three Tax Increment Financing Districts, none of which are legally separate entities, are included in the City's reporting entity. A private contractor provides solid waste collection and disposal services for the City.

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.

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. Grand Prairie is the 7th largest city in the Dallas-Fort Worth metroplex, 16th largest city in Texas and 124th largest city in the United States. State Highway 161 opened in 2012 with 6.5 miles of main lanes through the city, 12 direct connector ramps and 33 bridges. The newly opened Grand Prairie Paragon Outlet Mall attracts 10 million people a year to the city.

Local Economy

Gross sales tax collection increased 12.76% in 2012 over 2011, indicating a strong outlook for 2013. Grand Prairie added retail in a big way in 2012 as Paragon Outlets was completed and some 100 brand name retailers opened their doors. The 420,000-square-foot outlet employs 1,700 people. Simon Property Group acquired Paragon in December 2012.

Commercial-industrial construction permitting was bolstered by Restoration Hardware's construction start in late 2012 on an 800,000-square-foot distribution center at SH 161 and Pioneer Parkway.

Industrial vacancy has been declining and pre-permitting activity has been increasing in the form of inquiries to economic development, signaling likelihood for new industrial construction permitting.

Residential home sale and foreclosure statistics have improved. In the third quarter of 2012, total home sales increased 4.3%, foreclosures declined 10.4% and average sales price per square foot was up 3.3% compared to the same time period in 2011.

Our existing businesses are doing better:

- American Eurocopter launched a new product, the X3 Helicopter
- LKQ Corporation expanded by purchasing ATK North America (179,000 square feet)
- Atlas Copco is expanding southwest business operations
- L & W Stamping is redeveloping a 61,000-square-foot manufacturing campus on Jefferson
- RSR Group is expanding its business and real estate footprint (100,000 square feet)
- Turbo Air opened Texas manufacturing (Texaking) by purchasing the old Steelcase site (315,000 square feet)
- Brighton Best International is expanding its international business component and real estate footprint (66,000 square feet)
- Richemont USA (Cartier, Van Cleef & Arpels, Piaget) is expanding its business and real estate footprint (60,000 square feet)
- B & E Industries is expanding its business and real estate footprint (102,000 square feet)

- Dry Force expanded its business and real estate footprint (65,000 square feet)
- Anchor Fabrications expanded business by purchasing ITW Equipment (200,000 square feet)

Grand Prairie unemployment has fallen gradually, but steadily. In 2011, the rate was 8.7%; it is estimated at 7% in 2012.

Long-term financial planning

The City of Grand Prairie utilizes a comprehensive capital improvements program 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

State Highway 161, south of Interstate 30, opened in summer 2012. Elsewhere, other significant highway and road improvement projects near completion combine with 161 to provide access to an estimated 3,500 acres of developable land:

- Frontage roads at Belt Line and I-30
- Frontage roads at I-30 and MacArthur
- Expansion of MacArthur north of I-30
- Expansion of Hunter Ferrell from Belt Line Road to MacArthur Road
- Extension and expansion of Lake Ridge, which connects traffic to the terminus of SH 161 at I-20
- Lynn Creek Parkway which will connect Lake Ridge to SH 161
- Sara Jane Parkway connecting to SH 161, providing a route from SH 161 to the Outlet Mall

A public-partnered project, Parkland/Grand Prairie Health Center was completed. The center provides pediatric, adult, geriatric and women, infant and specialty health services as well as psychiatry, psychology, social work, language assistance services.

Another public-partnered project, the Dallas County Sub-courthouse is under construction. Dallas County's Branch Justice Center began construction in June at Church and Second Street. The center will include the truancy and justice of the peace courts, juvenile probation department, constable and tax offices, and support spaces.

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.

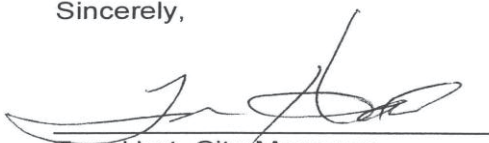
A Certificate of Achievement is valid for a period of one year only. The City has been awarded the GFOA Certificate of Achievement on its comprehensive annual financial reports each year for fiscal years ending 1985 through 2011. The City believes the 2012 CAFR continues to meet the program's requirements, and, we are submitting it to 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 unflinching 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, 2011

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.



Christopher P. Moirice

President

Jeffrey R. Enen

Executive Director



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1
Council Member
Mark Hepworth
District 1

2
Council Member
Jim Swafford
District 2

3
Council Member
Bill Thorn
District 3

4
Council Member
Richard Fregoe
District 4

5
Council Member
Tony Shotwell
District 5

6
Mayor Pro Tem
Council Member
Ron Jensen
District 6

Mayor
Charles England

Council Member
At Large
Greg Giessner
Place 8

Deputy Mayor
Pro Tem
Ruthe Jackson
Council Member
At Large
Place 7

Grand Prairie
— T E X A S —

**2012-2013
City Council**

Mayor Charles England, council members Jim Swafford and Richard Fregoe were elected to three-year terms in 2010. Council members Mark Hepworth, Ruthe Jackson and Bill Thorn were elected to three-year terms in 2011. Council members Ron Jensen, Greg Giessner and Tony Shotwell were elected to three-year terms in 2012. 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

DIRECTORY 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	Mayor Pro Tem -District 6
Ruthe Jackson	Deputy Mayor Pro Tem – At Large – Place 7
Greg Giessner	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
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
Steve Dye	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

ORGANIZATIONAL CHART





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FINANCIAL SECTION



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, 2012, 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 (a discretely presented component unit). Those financial statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Grand Prairie Housing Finance Corporation is based on the report of other auditors.

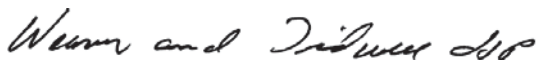
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the 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 as of September 30, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2013 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.

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

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual 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 fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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.

Dallas, Texas
February 28, 2013

MANAGEMENT'S DISCUSSION & ANALYSIS

**CITY OF GRAND PRAIRIE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012
(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, 2012. 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, 2012, by \$637,782,620. Of this amount, \$119,822,569 may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net assets).
- The City's net assets increased by \$1,773,496 for the fiscal year ended September 30, 2012. Capital contributions from private developers for improvements to the City's infrastructure accounted for \$809,186 or 45.6% of the increase in the City's net assets.
- The City's governmental funds reported combined ending fund balances of \$124,640,700 at September 30, 2012, a decrease of \$30,208,786 in comparison with restated beginning combined fund balances. Of the governmental funds reported combined fund balances, \$25,938,708 or 20.8% is available for spending within City guidelines (unassigned fund balance).
- The City's unassigned fund balance for the general fund was \$25,938,708 at year end or 29.9% of total general fund expenditures for the reported fiscal year.
- The City's total long-term liabilities of \$344,883,172 decreased by \$26,752,131 or 7.2% during the reported fiscal year. In fiscal year 2012, the City issued general obligation, certificates of obligation, water and wastewater revenue, a combined \$48,565,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise of 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.

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

The government-wide financial statements can be found on pages 15-17 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. 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 four major governmental funds: General 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 non-major 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 and Section 8 Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary funds. The City maintains two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities of the government-wide financial statements. The City uses enterprise funds to account for its 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 non-major 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.

The basic proprietary fund financial statements can be found on pages 22-24 of 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. The notes to the financial statements can be found on pages 25-80 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 81-86 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 87-116 of this report.

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 \$637,782,620 at year end. The City had total assets at year-end of \$1,011,657,893. The City's pooled cash and investments totaling \$218,631,047 and capital assets (e.g., land, buildings, equipment, infrastructure, and construction in progress), net of accumulated depreciation totaling \$762,562,134 represented 21.6% and 75.4%, 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 \$450,091,214 and represented 70.6% 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 Activities		Business-Type Activities		Total Primary Government	
	9/30/2011	9/30/2012	9/30/2011	9/30/2012	9/30/2011	9/30/2012
Cash & investments	\$ 169,661,941	\$ 136,086,846	\$ 76,732,385	\$ 82,544,201	\$ 246,394,326	\$ 218,631,047
Other assets	20,393,821	21,056,830	9,284,496	9,407,882	29,678,317	30,464,712
Capital assets, net	552,291,879	558,512,637	207,540,329	204,049,497	759,832,208	762,562,134
Total assets	<u>742,347,641</u>	<u>715,656,313</u>	<u>293,557,210</u>	<u>296,001,580</u>	<u>1,035,904,851</u>	<u>1,011,657,893</u>
Current liabilities	21,160,930	21,272,463	7,099,494	7,719,638	28,260,424	28,992,101
Long-term bonded debt	279,252,720	254,793,872	70,658,546	66,694,315	349,911,266	321,488,187
Other noncurrent liabilities	16,026,030	17,380,396	5,698,007	6,014,589	21,724,037	23,394,985
Total liabilities	<u>316,439,680</u>	<u>293,446,731</u>	<u>83,456,047</u>	<u>80,428,542</u>	<u>399,895,727</u>	<u>373,875,273</u>
Net assets:						
Invested in capital assets, net of related debt	279,371,594	311,048,653	137,253,007	139,042,561	416,624,601	450,091,214
Restricted	83,793,231	63,267,418	3,988,491	4,601,419	87,781,722	67,868,837
Unrestricted	<u>62,743,136</u>	<u>47,893,511</u>	<u>68,859,665</u>	<u>71,929,058</u>	<u>131,602,801</u>	<u>119,822,569</u>
Total net assets	<u>\$ 425,907,961</u>	<u>\$ 422,209,582</u>	<u>\$ 210,101,163</u>	<u>\$ 215,573,038</u>	<u>\$ 636,009,124</u>	<u>\$ 637,782,620</u>

A portion of the City's net assets totaling \$67,868,837 or 10.6% 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 \$1,773,496 in fiscal year 2012. As previously mentioned, \$809,186 or 45.6% 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 2012 compared to fiscal 2011 changes in the City's net assets were as follows:

Table 2

Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/2011	9/30/2012	9/30/2011	9/30/2012	9/30/2011	9/30/2012
Revenues:						
Program revenues:						
Charges for services	\$ 39,243,610	\$ 32,877,033	\$ 75,796,675	\$ 78,760,951	\$ 115,040,285	\$ 111,637,984
Operating grants and contributions	37,588,585	31,329,503	-	-	37,588,585	31,329,503
Capital grants and contributions	2,664,489	6,290,285	1,792,377	2,465,951	4,456,866	8,756,236
General revenues:						
Property tax	71,554,937	70,153,052	-	-	71,554,937	70,153,052
Sales tax	41,713,795	45,457,902	-	-	41,713,795	45,457,902
Other tax	1,332,984	1,332,259	-	-	1,332,984	1,332,259
Franchise fees	13,492,977	12,902,516	-	-	13,492,977	12,902,516
Investment income	1,341,476	1,004,777	6,343	5,579	1,347,819	1,010,356
Total revenues	<u>208,932,853</u>	<u>201,347,327</u>	<u>77,595,395</u>	<u>81,232,481</u>	<u>286,528,248</u>	<u>282,579,808</u>
Expenses:						
Support services	19,100,748	17,928,238	-	-	19,100,748	17,928,238
Public safety services	88,336,343	72,934,512	-	-	88,336,343	72,934,512
Recreation and leisure services	22,368,768	24,071,731	-	-	22,368,768	24,071,731
Development services and other	74,251,224	84,171,971	-	-	74,251,224	84,171,971
Interest on long-term debt	9,817,549	9,227,801	-	-	9,817,549	9,227,801
Water and wastewater	-	-	52,658,416	55,186,501	52,658,416	55,186,501
Municipal airport	-	-	2,809,039	2,650,503	2,809,039	2,650,503
Municipal golf course	-	-	3,521,660	3,527,637	3,521,660	3,527,637
Storm water	-	-	1,537,846	1,617,905	1,537,846	1,617,905
Solid waste	-	-	9,079,737	9,489,513	9,079,737	9,489,513
Total expenses	<u>213,874,632</u>	<u>208,334,253</u>	<u>69,606,698</u>	<u>72,472,059</u>	<u>283,481,330</u>	<u>280,806,312</u>
Increase (decrease) in net assets before transfers	(4,941,779)	(6,986,926)	7,988,697	8,760,422	3,046,918	1,773,496
Transfers	5,625,851	3,167,893	(5,625,851)	(3,167,893)	-	-
Capital assets reassignments	-	120,654	-	(120,654)	-	-
Change in net assets	684,072	(3,698,379)	2,362,846	5,471,875	3,046,918	1,773,496
Net assets - beginning of year - as previously stated	425,562,115	425,907,961	207,400,091	210,101,163	632,962,206	636,009,124
Change in accounting principle	(338,226)	-	338,226	-	-	-
Net assets - end of year	<u>\$ 425,907,961</u>	<u>\$ 422,209,582</u>	<u>\$ 210,101,163</u>	<u>\$ 215,573,038</u>	<u>\$ 636,009,124</u>	<u>\$ 637,782,620</u>

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 <u>9/30/2011</u>	Fiscal Year <u>9/30/2012</u>	Increase (Decrease)
Governmental activities:			
Property taxes	\$ 71,554,937	\$ 70,153,052	\$ (1,401,885)
Sales taxes	41,713,795	45,457,902	3,744,107
Other taxes	1,332,984	1,332,259	(725)
Franchise fees	13,492,977	12,902,516	(590,461)
Investment income	<u>1,341,476</u>	<u>1,004,777</u>	<u>(336,699)</u>
Total governmental activities	<u>129,436,169</u>	<u>130,850,506</u>	<u>1,414,337</u>
Business-type activities:			
Investment income	<u>6,343</u>	<u>5,579</u>	<u>(764)</u>
Total business-type activities	<u>6,343</u>	<u>5,579</u>	<u>(764)</u>
Total general revenues	<u>\$ 129,442,512</u>	<u>\$ 130,856,085</u>	<u>\$ 1,413,573</u>

Governmental activities. Governmental activities remained sluggish due to the slow pace of the economic recovery. There was a decrease in net assets of \$3,698,379 in comparison with beginning net assets. Total revenue for governmental activities (excluding transfers from business-type activities) decreased from the previous year by \$7,585,526. General Revenue which is primarily made up of property taxes, sales taxes, and franchise fees had a net increase of \$1,414,337. Property tax revenue declined by \$1,401,885 due to a portion of the Tax Increment Financing Districts being eliminated; however, net property tax values increased by 1.67%. Sales tax collections increased by \$3,744,107. Franchise fee revenue decreased \$590,461 as a result of lower gross revenues realized in the seasonally sensitive, utility industry. In addition, investment income continued to decrease by \$336,699 primarily due to the very low, market interest rates.

Net assets of governmental operations account for 66.2% of total net assets. Program revenues of the City include charges for service, operating grants and contributions, and, capital grants and contributions. Two revenue categories, charges for service and operating grants and contributions experienced a decrease from prior year totaling \$12,625,659.

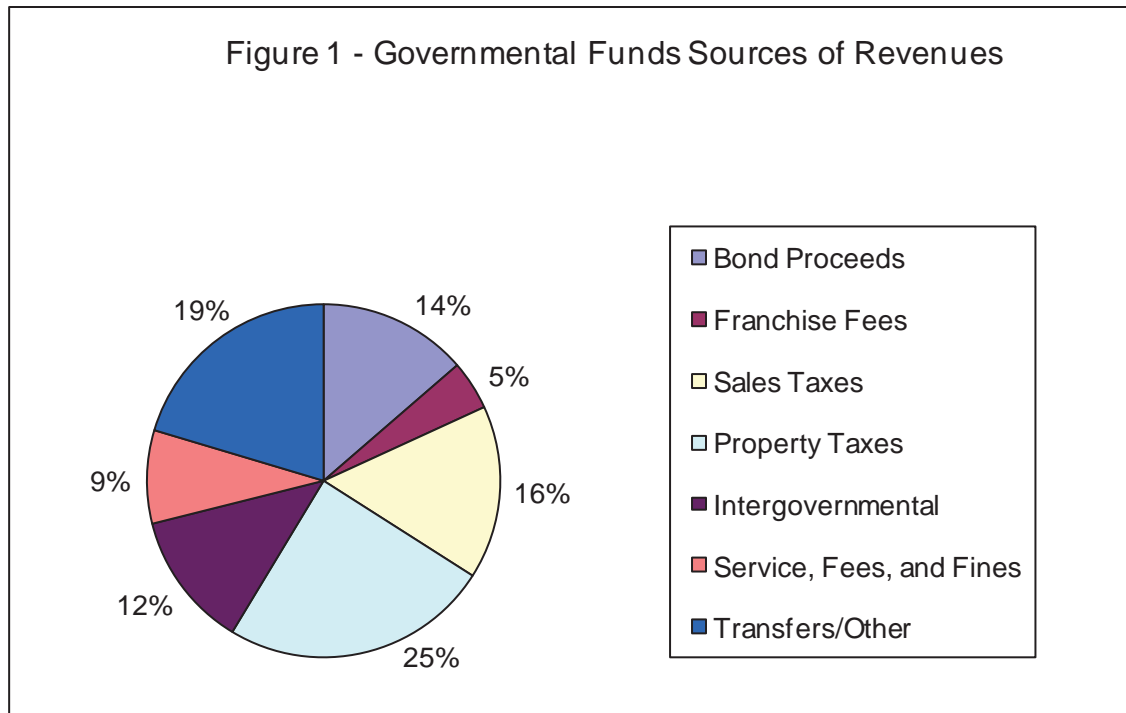
Business-type activities. Business-type activities increased the City's net assets by \$5,471,875 in comparison with beginning net assets. Total revenue for the business-type activities increased from the previous year by \$3,637,086 due to sound fiscal management, increased user rates and a harsh, drought year. This increase provided for a healthy, positive change in net assets before transfers. Of the increase, impact fees by private developers to the City's water and wastewater system infrastructure totaled \$1,084,505. Net assets for business type activities represent 33.8% of total primary government net assets. Table 2 summarizes the changes in business-type activities net assets.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

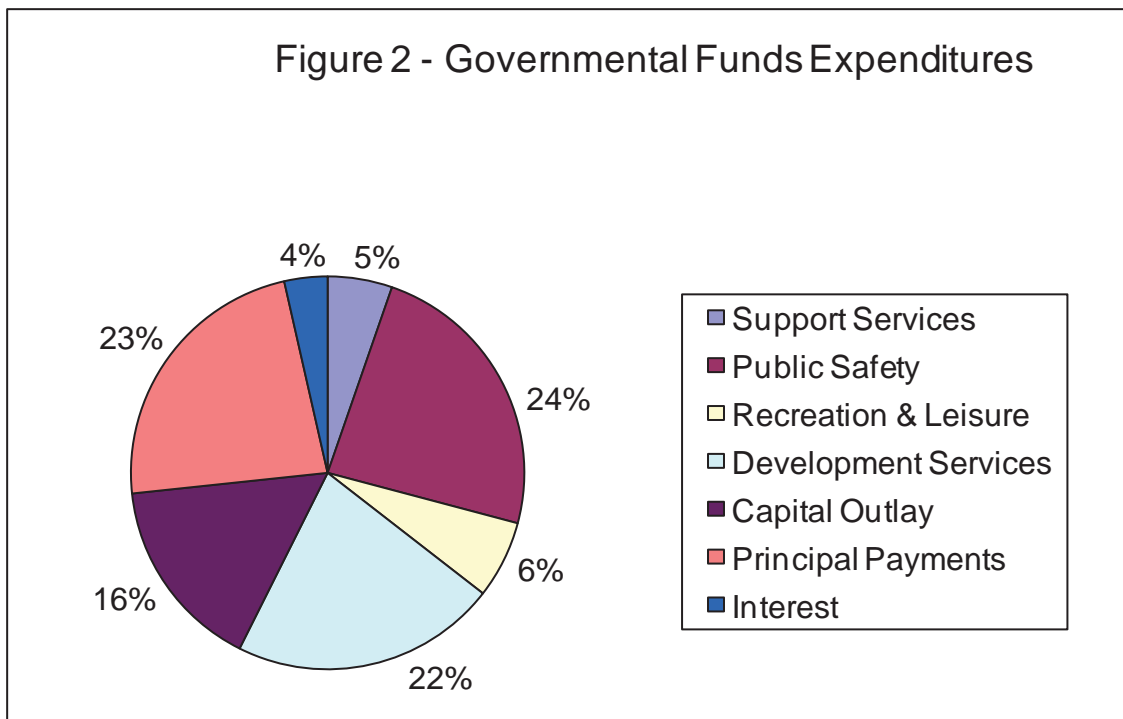
Governmental funds. The focus of City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of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

For fiscal year 2012, the City's governmental funds (excluding internal service funds) reported combined ending fund balances of \$124,640,700, a decrease of \$30,208,786 in comparison with the prior year. The unassigned fund balance portion is 20.8% 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 is non-spendable inventories (\$99,508); restricted by statutory, bond covenant or granting agency (\$70,226,080) for either debt service payments, grant-related use, special taxing districts or for capital projects; committed (\$26,927,227) by City Council; or, assigned by City Manager (\$1,449,177). Figures 1 and 2 that follow show the distribution of governmental funds' sources of revenues and expenditures, \$286,177,671 and \$316,386,457, respectively, for fiscal year 2012.



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 fiscal year-end, unassigned fund balance of the General Fund was \$25,938,708, while total fund balance was \$27,913,756. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29.9% of total general fund operating expenditures, while total fund balance represents 32.2% of that same amount. General Fund's fund balance decreased slightly (planned reduction) in the amount of \$2,680,247 from the prior fiscal year.

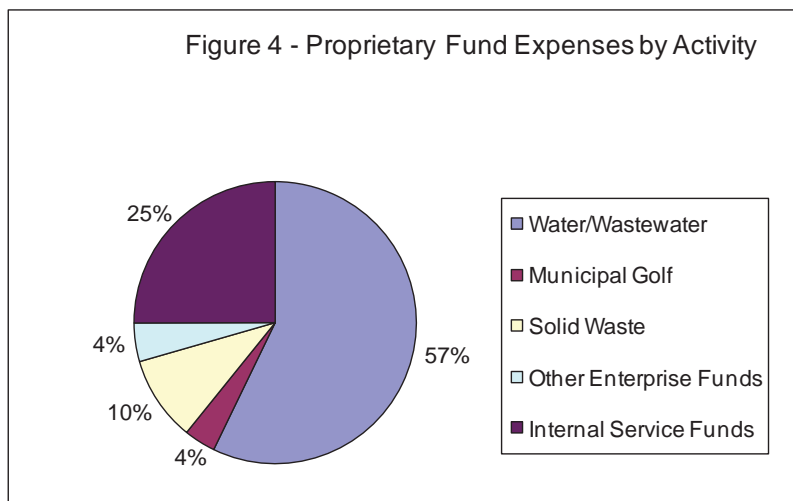
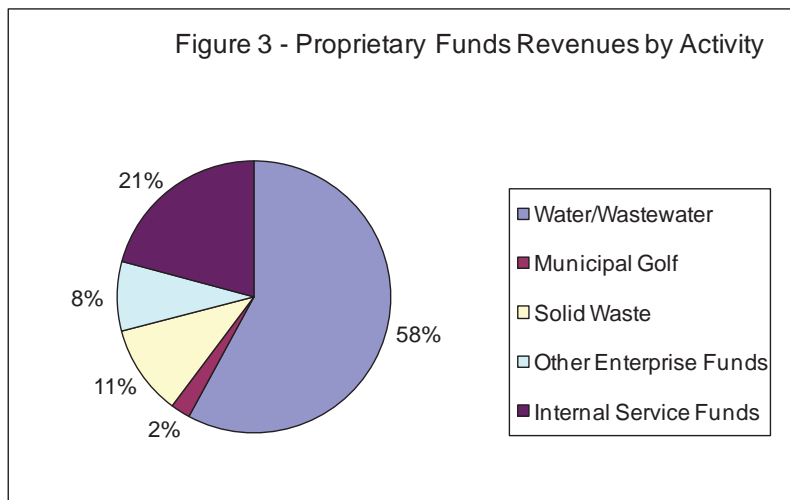
Fund balances of several other governmental funds changed significantly. Debt Service Fund balance increased by \$762,942 due to a combination of bond defeasance and refunding which reduced debt requirements. The fund balance total for non-major governmental funds decreased by \$16,674,980. This decrease in change to fund balance is comprised of special revenues' and capital projects' activities totaling \$9,948,881 and \$6,726,099, respectively.

Special revenue funds with significant changes to fund balance are the Senior Center, Baseball Stadium and Public Safety Building where extra debt service payments were made to reduce the amount of outstanding debt for principal and interest in fiscal year 2012. Surplus sales tax proceeds were accumulated in these funds in anticipation of making these early payments for debt service, thus also reducing the time frame for paying off their respective debt. In addition, the Tax Increment Fund (TIF) incurred a negative change to their fund balance as a disbursement for a mall project was realized. The Street Maintenance Sales Tax fund received large amounts of transfers in for projects that were not completed by the end of fiscal year. Grant funds received significant revenues for various transportation projects that are in progress.

Capital project funds also experienced positive changes to some of the projects' fund balances including Drainage, Municipal Facilities, Capital Lending and Others. These changes are primarily a result of project completion efforts and timing.

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 \$213,934,145 and \$9,092,854, respectively, at September 30, 2012. The enterprise funds' amount invested in capital assets, net of related debt represented 65% of total enterprise fund's net assets. The internal service funds' amount invested in capital assets, net of related debt represented 10.1% of total internal service funds' net assets. The enterprise funds' unrestricted net assets were 32.9% of their total net assets, and, internal service funds' unrestricted net assets were 89.9% of their total funds' net assets. The City's enterprise funds reported a sizable income before contributions and transfers of \$6,792,697 while the internal service funds reported a loss of \$3,333,848. The loss was primarily attributable to the Risk Management and Employee Insurance funds that managed premiums but incurred large claims towards fiscal year end. However, the City maintained a fund balance level that meets the City's financial policy targets. 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 \$99,470,923 and expenses of \$96,012,074 (excluding transfers and capital contributions) by activity.



General Fund Budgetary Highlights

For the reported fiscal year, revenues exceeded budgetary estimates by \$4,348,504. Expenditures were under budgetary estimates by \$1,440,036 resulting from continued city-wide efforts in cost containment and reductions in expenditures as the sluggish economy continued. These measures served the city well as the fund realized a nominal decrease in fund balance of \$2,680,247. The City traditionally budgets revenue conservatively and this practice 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 \$762,562,134. This investment includes land, buildings, improvements other than buildings (includes infrastructure), machinery and equipment, and construction in progress. The City's capital assets increased from prior year by \$2,729,926 primarily due to continued growth and development.

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

- Completed the renovation of City Council Chambers;
- Added retail with the completion of Paragon Outlets and approximately 100 brand name retailers opening their doors;
- Opened State Highway 161 south of Interstate 30 and completed Sara Jane Parkway providing a route from SH 161 to the Outlet Mall;
- Opened Forum Drive and Crossland Boulevard across SH 161;
- Continued with the extension and expansion of Lake Ridge Parkway;
- Opened the new Parkland/Grand Prairie Health Center; and
- Began construction of the Dallas County Courthouse.

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	
	9/30/2011	9/30/2012	9/30/2011	9/30/2012	9/30/2011	9/30/2012
Land	\$ 34,262,571	\$ 35,824,385	\$ 4,113,384	\$ 4,156,706	\$ 38,375,955	\$ 39,981,091
Construction in progress	37,359,555	51,821,889	8,807,010	12,359,914	46,166,565	64,181,803
Depreciable capital assets	749,736,766	773,101,322	345,088,883	351,769,149	1,094,825,649	1,124,870,471
Accumulated depreciation	<u>(269,067,013)</u>	<u>(302,234,959)</u>	<u>(150,468,948)</u>	<u>(164,236,272)</u>	<u>(419,535,961)</u>	<u>(466,471,231)</u>
Total capital assets, net	<u>\$ 552,291,879</u>	<u>\$ 558,512,637</u>	<u>\$ 207,540,329</u>	<u>\$ 204,049,497</u>	<u>\$ 759,832,208</u>	<u>\$ 762,562,134</u>

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

Long-term debt. At September 30, 2012, the City had the following long-term liabilities:

Table 5
Long-Term Debt

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/2011	9/30/2012	9/30/2011	9/30/2012	9/30/2011	9/30/2012
Bonded debt	\$ 279,252,720	\$ 254,793,872	\$ 70,658,546	\$ 66,694,315	\$ 349,911,266	\$ 321,488,187
Accrued compensated absences	13,154,156	13,508,230	380,014	398,351	13,534,170	13,906,581
Other Post Employment Benefit	2,824,044	3,709,278	-	-	2,824,044	3,709,278
Pollution liability	47,830	162,888	-	-	47,830	162,888
Closure and post closure liability	-	-	5,317,993	5,616,238	5,317,993	5,616,238
Total long-term debt	\$ 295,278,750	\$ 272,174,268	\$ 76,356,553	\$ 72,708,904	\$ 371,635,303	\$ 344,883,172
Long-term debt to net assets percentage	69%	64%	36%	34%	58%	54%

Of the total bonded debt, \$217,120,001 or 67.5% 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 \$48,565,000 in new bonded debt and repaid principal on bonds totaling \$79,299,996. The City's interest expense on its bonded debt was \$12,075,430 for the reported fiscal year.

Additional information is detailed in the Notes to Basic Financial Statements, section 3. b. 2.), pages 55-68.

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

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

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2013 budget, tax rates and fees that will be charged for the business-type activities. One of the biggest factors continued to be the national economy. Building and development growth rates remained sluggish in the residential sector while commercial type permitting increased. Although the City is largely built out and mature, there are still several areas available mainly in higher end, residential growth including a 1,000 acre peninsula on Joe Pool Lake. Also, due to the future construction of frontage roads along the interstates and the extension of a toll road through the City, commercial and retail activity is expected to bolster the City for some time. The City has experienced above-average population growth since 2000, which has placed additional demands on the City to maintain or expand services. The City's unemployment rate has fallen gradually, but steadily. In 2011, the rate was 8.7%; it is estimated at 7% in 2012.

These indicators are taken into account when adopting the General Fund Budget for fiscal year 2013:

- A decrease over prior year of 0.73% in property tax assessed values resulting in less property tax revenues. This revenue was reflected in the budgeted revenues with a decrease of \$178,845 as compared to prior fiscal year. The City has maintained a stable property tax rate and did not change it from 0.669998 per \$100 valuation for fiscal year 2012.
- A 5.7% increase in budgeted sales tax revenues as compared to prior fiscal year budget due to stronger than expected collections. There is no change in the City's sales tax rate.
- The City's very strong financial position, favorable bond ratings and continued low interest expense rates.

The City expects a slight increase in other general revenues of governmental activities overall. Investment income is expected to continue a decline from fiscal year 2012 due to lower interest rates earned on new investments of surplus cash compared to the higher rates on maturing securities and the completion of major capital projects.

The City's total approved operating appropriations and reserves for fiscal year 2013 is \$222,284,301, an increase of \$7,601,751 or 3.5% as compared to prior fiscal year original budget. The general fund approved appropriations for fiscal year 2013 is \$103,500,000, an increase of \$734,732 or 0.7% from prior year. The remaining change in total budgeted operating appropriations and reserves includes an increase of \$4,242,509 in the Water Wastewater Fund, \$423,224 in the Hotel Motel Tax Fund, \$2,476,680 in the Park Venue and \$234,557 in the Cemetery Fund.

The City's total approved planned capital projects for fiscal year 2013 includes \$35,911,031 in appropriation requests. The fiscal year 2013 planned capital projects includes \$12,883,460 for water and wastewater improvements, \$4,070,820 in street and signal improvements, \$4,980,000 in parks improvements, and \$3,848,535 in storm drainage improvements.

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, 2012**

	Primary Government			GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT	GRAND PRAIRIE HOUSING FINANCE CORPORATION
	Governmental Activities	Business-Type Activities	Total		
ASSETS					
Cash and cash equivalents	\$ 65,176,606	\$ 22,072,460	\$ 87,249,066	\$ 8,435,538	\$ 587,477
Investments	70,694,344	43,871,095	114,565,439	6,009,955	145,514
Receivables (net of allowance for uncollectibles):					
Property tax	2,020,582	-	2,020,582	-	-
Franchise fees	2,618,728	-	2,618,728	-	-
Sales tax	8,721,485	-	8,721,485	-	-
Lease payments receivable	-	-	-	427,729	-
Other receivables	3,164,563	6,045,370	9,209,933	21,628	-
Due from other governments	3,491,379	48,634	3,540,013	-	-
Internal balances	(1,638,893)	1,638,893	-	-	-
Inventories and supplies	157,169	609,641	766,810	-	-
Prepays	121,591	11,562	133,153	-	19,368
Deferred charges	2,400,226	1,053,782	3,454,008	-	316,945
Restricted assets:					
Cash and cash equivalents	215,896	8,932,967	9,148,863	-	1,166,524
Investments	-	7,667,679	7,667,679	-	-
Lease payments receivable	-	-	-	14,574,546	-
Estimated unguaranteed residual value	-	-	-	52,338,706	-
Capital assets:					
Land	35,824,385	4,156,706	39,981,091	-	1,612,851
Buildings	179,951,144	11,434,451	191,385,595	-	19,848,850
Equipment	82,209,307	26,009,801	108,219,108	310,078	-
Infrastructure	510,940,871	314,324,897	825,265,768	-	-
Construction in progress	51,821,889	12,359,914	64,181,803	-	-
Less: accumulated depreciation	(302,234,959)	(164,236,272)	(466,471,231)	(310,078)	(6,184,433)
Total capital assets	558,512,637	204,049,497	762,562,134	-	15,277,268
Total assets	715,656,313	296,001,580	1,011,657,893	81,808,102	17,513,096
LIABILITIES					
Current liabilities:					
Accounts payable	7,967,470	3,161,356	11,128,826	44,349	125,482
Accrued liabilities	9,118,105	1,433,480	10,551,585	-	502,612
Customer deposits	33,420	2,912,713	2,946,133	-	51,226
Unearned revenue	4,153,468	212,089	4,365,557	-	-
Noncurrent liabilities:					
Due within one year:					
Accrued compensated absences	4,883,568	380,417	5,263,985	-	-
Current portion of long-term debt	18,937,175	4,162,825	23,100,000	-	336,970
Environmental remediation obligation	162,888	-	162,888	-	-
Due in more than one year:					
Accrued compensated absences	8,624,662	17,934	8,642,596	-	-
OPEB liability	3,709,278	-	3,709,278	-	-
Closure and postclosure liability	-	5,616,238	5,616,238	-	-
Long-term debt	235,856,697	62,531,490	298,388,187	-	16,277,391
Total liabilities	293,446,731	80,428,542	373,875,273	44,349	17,293,681
NET ASSETS					
Invested in capital assets, net of related debt	311,048,653	139,042,561	450,091,214	-	(195,578)
Restricted for:					
Debt service	8,269,996	4,601,419	12,871,415	-	-
Special revenue purposes	38,854,729	-	38,854,729	-	-
Capital projects purposes	16,142,693	-	16,142,693	-	-
Facility lease	-	-	-	67,340,981	-
Replacement reserve	-	-	-	-	112,595
Unrestricted	47,893,511	71,929,058	119,822,569	14,422,772	302,398
Total net assets	\$ 422,209,582	\$ 215,573,038	\$ 637,782,620	\$ 81,763,753	\$ 219,415

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

FUNCTIONS/ACTIVITY	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 17,928,238	\$ 5,000,964	\$ 250,766	\$ -
Public safety services	72,934,512	13,752,467	2,440,479	-
Recreation and leisure services	24,071,731	8,256,815	259,950	-
Development services and other	84,171,971	5,866,787	28,378,308	6,290,285
Interest on long-term debt	9,227,801	-	-	-
Total governmental activities	<u>208,334,253</u>	<u>32,877,033</u>	<u>31,329,503</u>	<u>6,290,285</u>
Business-type activities:				
Water and wastewater	55,186,501	57,610,991	-	2,465,951
Municipal airport	2,650,503	3,048,547	-	-
Municipal golf course	3,527,637	2,306,811	-	-
Storm water	1,617,905	5,125,840	-	-
Solid waste	9,489,513	10,668,762	-	-
Total business-type activities	<u>72,472,059</u>	<u>78,760,951</u>	<u>-</u>	<u>2,465,951</u>
Total primary government	<u>\$ 280,806,312</u>	<u>\$ 111,637,984</u>	<u>\$ 31,329,503</u>	<u>\$ 8,756,236</u>
Component units:				
Grand Prairie Sports Facilities Development	4,525,942	1,696,582	-	1,983,157
Grand Prairie Housing Finance Corporation	5,551,159	5,481,068	-	-
Total component units:	<u>\$ 10,077,101</u>	<u>\$ 7,177,650</u>	<u>\$ -</u>	<u>\$ 1,983,157</u>

General revenues:

Taxes:

Property tax

Sales tax

Hotel/motel tax and other taxes

Franchise fees based on gross receipt

Investment income

Transfers

Capital assets reassignments

Total general revenues and transfers

Change in net assets

Net assets - beginning of year

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		
\$ (12,676,508)	\$ -	\$ (12,676,508)	\$ -	\$ -
(56,741,566)	-	(56,741,566)	-	-
(15,554,966)	-	(15,554,966)	-	-
(43,636,591)	-	(43,636,591)	-	-
(9,227,801)	-	(9,227,801)	-	-
<u>(137,837,432)</u>	<u>-</u>	<u>(137,837,432)</u>	<u>-</u>	<u>-</u>
-	4,890,441	4,890,441	-	-
-	398,044	398,044	-	-
-	(1,220,826)	(1,220,826)	-	-
-	3,507,935	3,507,935	-	-
-	1,179,249	1,179,249	-	-
<u>-</u>	<u>8,754,843</u>	<u>8,754,843</u>	<u>-</u>	<u>-</u>
<u>(137,837,432)</u>	<u>8,754,843</u>	<u>(129,082,589)</u>	<u>-</u>	<u>-</u>
			(846,203)	-
			-	(70,091)
			<u>(846,203)</u>	<u>(70,091)</u>
70,153,052	-	70,153,052	-	-
45,457,902	-	45,457,902	-	-
1,332,259	-	1,332,259	-	-
12,902,516	-	12,902,516	-	-
1,004,777	5,579	1,010,356	47,454	4,903
3,167,893	(3,167,893)	-	-	-
120,654	(120,654)	-	-	-
<u>134,139,053</u>	<u>(3,282,968)</u>	<u>130,856,085</u>	<u>47,454</u>	<u>4,903</u>
(3,698,379)	5,471,875	1,773,496	(798,749)	(65,188)
<u>425,907,961</u>	<u>210,101,163</u>	<u>636,009,124</u>	<u>82,562,502</u>	<u>284,603</u>
<u>\$ 422,209,582</u>	<u>\$ 215,573,038</u>	<u>\$ 637,782,620</u>	<u>\$ 81,763,753</u>	<u>\$ 219,415</u>

**CITY OF GRAND PRAIRIE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012**

	<u>General</u>	<u>Section 8</u>	<u>Street Improvements</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 14,410,502	\$ 1,504,024	\$ 18,522,355	\$ 5,944,550	\$ 18,792,763	\$ 59,174,194
Investments	11,421,032	2,803,109	2,040,829	1,608,761	47,059,989	64,933,720
Property tax receivable	1,459,094	-	-	561,488	-	2,020,582
Sales tax receivable	4,373,196	-	-	-	4,348,289	8,721,485
Franchise fees receivable	2,545,379	-	-	-	73,349	2,618,728
Other receivables	2,128,937	-	-	1,691	654,598	2,785,226
Due from other governments	-	-	-	-	3,491,379	3,491,379
Due from other funds	200,000	-	-	-	-	200,000
Prepays	1,035	-	-	-	98,473	99,508
Total assets	\$ 36,539,175	\$ 4,307,133	\$ 20,563,184	\$ 8,116,490	\$ 74,518,840	\$ 144,044,822
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 2,264,359	\$ 27,197	\$ 1,351,906	\$ -	\$ 4,119,626	\$ 7,763,088
Accrued liabilities	2,642,423	35,212	373,126	-	958,425	4,009,186
Customer deposits	-	-	-	-	33,420	33,420
Due to other funds	-	-	-	-	100,000	100,000
Deferred revenue	3,718,637	-	269,013	538,018	2,972,760	7,498,428
Total liabilities	8,625,419	62,409	1,994,045	538,018	8,184,231	19,404,122
Fund Balance:						
Nonspendable	1,035	-	-	-	98,473	99,508
Restricted	-	4,244,724	18,569,139	7,578,472	39,833,745	70,226,080
Committed	524,836	-	-	-	26,402,391	26,927,227
Assigned	1,449,177	-	-	-	-	1,449,177
Unassigned	25,938,708	-	-	-	-	25,938,708
Total fund balance	27,913,756	4,244,724	18,569,139	7,578,472	66,334,609	124,640,700
Total liabilities and fund balance	\$ 36,539,175	\$ 4,307,133	\$ 20,563,184	\$ 8,116,490	\$ 74,518,840	\$ 144,044,822

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012**

Total fund balance - total governmental funds \$ 124,640,700

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 \$920,657. 557,591,980

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. 3,344,960

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet. (1,087,449)

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 \$1,638,893). 7,453,961

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	\$ (92,070,458)	
Certificates of obligation	(79,880,000)	
Sales tax revenue bonds	(25,290,000)	
Sales tax venue revenue bonds	(14,905,000)	
Sales tax venue certificates of obligation	(40,895,000)	
Unamortized bond issuance costs	2,400,226	
Unamortized bond premium/discount, net, and loss on refunding	(2,980,920)	
Unamortized loss of refunding	1,227,506	
Compensated absences (excludes Internal service fund total of \$39,472)	(13,468,758)	
Other post employment benefits	(3,709,278)	
Environmental remediation obligation	(162,888)	(269,734,570)

Net assets of governmental activities \$ 422,209,582

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, 2012**

	General	Section 8	Street Improvements	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUE						
Property tax	\$ 42,719,247	\$ -	\$ -	\$ 16,316,870	\$ 11,382,526	\$ 70,418,643
Sales tax	22,544,649	-	-	-	22,913,253	45,457,902
Other taxes	205,844	-	-	-	1,126,415	1,332,259
Franchise fees	12,902,516	-	-	-	-	12,902,516
Charges for goods and services	4,488,395	80,516	1,163,973	-	7,923,754	13,656,638
Licenses and permits	2,316,295	188,553	-	-	197,745	2,702,593
Fines and forfeitures	5,961,650	-	-	-	2,113,147	8,074,797
Intergovernmental revenue	823,061	22,523,061	1,337,550	-	10,932,828	35,616,500
General and administrative revenue	3,941,254	-	-	-	-	3,941,254
Investment income	991,537	10,000	-	303	2,937	1,004,777
Rents and royalties	598,067	-	-	-	2,750,372	3,348,439
Contributions	-	7,606	-	-	914,885	922,491
Other	704,192	85,537	915	-	634,279	1,424,923
Total revenue	<u>98,196,707</u>	<u>22,895,273</u>	<u>2,502,438</u>	<u>16,317,173</u>	<u>60,892,141</u>	<u>200,803,732</u>
EXPENDITURES						
Current operations:						
Support services	11,555,552	-	-	-	2,990,948	14,546,500
Public safety services	61,227,749	-	-	-	4,032,951	65,260,700
Recreation and leisure services	1,682,121	-	-	-	15,799,651	17,481,772
Development services and other	11,500,744	24,811,387	1,658,907	-	21,944,512	59,915,550
Capital outlay	847,480	-	22,355,056	-	20,448,743	43,651,279
Debt service:						
Principal retirement	-	-	-	16,009,895	16,614,000	32,623,895
Interest charges	-	-	73,757	6,448,526	3,193,541	9,715,824
Total expenditures	<u>86,813,646</u>	<u>24,811,387</u>	<u>24,087,720</u>	<u>22,458,421</u>	<u>85,024,346</u>	<u>243,195,520</u>
Excess (deficiency) of revenue over (under) expenditures	<u>11,383,061</u>	<u>(1,916,114)</u>	<u>(21,585,282)</u>	<u>(6,141,248)</u>	<u>(24,132,205)</u>	<u>(42,391,788)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,917,373	-	9,213,852	7,001,603	27,482,599	45,615,427
Transfers out	(16,573,722)	(50,000)	(3,348,836)	(368,054)	(22,106,922)	(42,447,534)
Premium on debt issued	-	-	22,360	2,472,442	169,992	2,664,794
Bonds issued	-	-	6,047,519	-	1,912,481	7,960,000
Refunding bond issued	-	-	-	26,870,000	1,545,000	28,415,000
Payment to refunded bond escrow agent	-	-	-	(29,071,801)	(1,671,602)	(30,743,403)
Proceeds from sale of capital assets	593,041	-	-	-	125,677	718,718
Total other financing sources (uses)	<u>(14,063,308)</u>	<u>(50,000)</u>	<u>11,934,895</u>	<u>6,904,190</u>	<u>7,457,225</u>	<u>12,183,002</u>
Net change in fund balance	(2,680,247)	(1,966,114)	(9,650,387)	762,942	(16,674,980)	(30,208,786)
Fund balance - beginning of year	<u>30,594,003</u>	<u>6,210,838</u>	<u>28,219,526</u>	<u>6,815,530</u>	<u>83,009,589</u>	<u>154,849,486</u>
Fund balance - end of year	<u>\$ 27,913,756</u>	<u>\$ 4,244,724</u>	<u>\$ 18,569,139</u>	<u>\$ 7,578,472</u>	<u>\$ 66,334,609</u>	<u>\$ 124,640,700</u>

See accompanying notes to basic financial statements.

**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, 2012**

Net change in fund balances - total governmental funds \$ (30,208,786)

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. 43,651,279

The net effect of various transactions involving capital assets (i.e., disposals, sales, and trade-ins) is a decrease to net assets. (2,036,423)

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 \$45,897. (36,244,515)

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. 809,186

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	(38,645,852)	
Bond principal retirement	63,367,298	
Amortization bond related cost (deferred charge, premium/discount, deferred loss)	<u>(39,403)</u>	24,682,043

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	(348,747)	
Change in accrued interest	94,081	
Change in Other Post Employment Benefit	(885,234)	
Change in Pollution Remediation Obligation	<u>(115,058)</u>	(1,254,958)

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. (265,591)

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 loss of the internal service funds is reported with governmental activities net of the amount allocated to business-type activities (\$498,226). (2,830,614)

Change in net assets of governmental activities \$ (3,698,379)

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012**

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Water	Other	Total	
	Wastewater	Nonmajor		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 19,593,230	\$ 2,479,230	\$ 22,072,460	\$ 6,002,412
Investments	27,706,736	16,164,359	43,871,095	5,760,624
Accounts receivable, net	4,969,894	1,075,476	6,045,370	-
Other receivables	-	-	-	379,337
Prepays	-	11,562	11,562	22,083
Due from other governments	-	48,634	48,634	-
Inventories and supplies	546,247	63,394	609,641	157,169
Deferred charges	1,026,661	27,121	1,053,782	-
Current restricted assets:				
Cash and cash equivalents	8,745,274	187,693	8,932,967	215,896
Investments	7,452,106	215,573	7,667,679	-
Total current assets	<u>70,040,148</u>	<u>20,273,042</u>	<u>90,313,190</u>	<u>12,537,521</u>
Capital assets:				
Land	1,648,621	2,508,085	4,156,706	737,566
Buildings	2,361,045	9,073,406	11,434,451	1,477,875
Equipment	18,181,494	7,828,307	26,009,801	2,150,273
Infrastructure	281,916,950	32,407,947	314,324,897	16,672
Construction in progress	10,508,200	1,851,714	12,359,914	-
Less: accumulated depreciation	<u>(140,413,150)</u>	<u>(23,823,122)</u>	<u>(164,236,272)</u>	<u>(3,461,729)</u>
Total capital assets	<u>174,203,160</u>	<u>29,846,337</u>	<u>204,049,497</u>	<u>920,657</u>
Total assets	<u>244,243,308</u>	<u>50,119,379</u>	<u>294,362,687</u>	<u>13,458,178</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,137,777	1,023,579	3,161,356	204,382
Accrued liabilities	535,839	376,780	912,619	4,021,470
Due to other funds	-	-	-	100,000
Accrued compensated absences	221,704	158,713	380,417	37,221
Unearned revenue	-	212,089	212,089	-
Current liabilities payable from restricted assets:				
Customer deposits	2,850,687	62,026	2,912,713	-
Accrued liabilities	497,446	23,415	520,861	-
Current portion of long-term debt	<u>3,845,000</u>	<u>317,825</u>	<u>4,162,825</u>	<u>-</u>
Total current liabilities	<u>10,088,453</u>	<u>2,174,427</u>	<u>12,262,880</u>	<u>4,363,073</u>
Noncurrent liabilities:				
Accrued compensated absences	-	17,934	17,934	2,251
Closure and postclosure liability	-	5,616,238	5,616,238	-
Long-term debt	<u>58,468,750</u>	<u>4,062,740</u>	<u>62,531,490</u>	<u>-</u>
Total noncurrent liabilities	<u>58,468,750</u>	<u>9,696,912</u>	<u>68,165,662</u>	<u>2,251</u>
Total liabilities	<u>68,557,203</u>	<u>11,871,339</u>	<u>80,428,542</u>	<u>4,365,324</u>
NET ASSETS				
Invested in capital assets, net of related debt	113,576,789	25,465,772	139,042,561	920,657
Restricted for debt service	4,601,419	-	4,601,419	-
Unrestricted	<u>57,507,897</u>	<u>12,782,268</u>	<u>70,290,165</u>	<u>8,172,197</u>
Total net assets	<u>\$ 175,686,105</u>	<u>\$ 38,248,040</u>	<u>\$ 213,934,145</u>	<u>\$ 9,092,854</u>
Reconciliation to government-wide Statement of Net Assets:				
Adjustments to reflect the consolidations of internal service funds activities related to enterprise funds			<u>1,638,893</u>	
Net assets of business-type activities			<u>\$ 215,573,038</u>	

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF REVENUE, EXPENSE AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Water	Other	Total	
	Wastewater	Nonmajor		
OPERATING REVENUE				
Sales to customers	\$ 34,304,231	\$ 19,627,118	\$ 53,931,349	\$ 4,317,496
Wastewater charges to customers	20,610,386	-	20,610,386	-
Water and wastewater fees	1,742,647	-	1,742,647	-
Wastewater surcharges	682,994	-	682,994	-
Intergovernmental revenue	-	346,940	346,940	-
Insurance premiums	-	-	-	16,029,988
Miscellaneous	270,733	1,172,089	1,442,822	352,615
Total operating revenue	<u>57,610,991</u>	<u>21,146,147</u>	<u>78,757,138</u>	<u>20,700,099</u>
OPERATING EXPENSE				
Salaries and benefits	6,038,321	3,740,999	9,779,320	1,154,658
Supplies and miscellaneous purchases	839,825	2,351,398	3,191,223	3,113,976
Purchased services	4,977,428	6,964,831	11,942,259	944,517
Insurance costs	-	-	-	18,627,587
Water purchases	10,951,192	-	10,951,192	-
Wastewater treatment	11,581,458	-	11,581,458	-
Miscellaneous	806,927	588,941	1,395,868	155,419
Depreciation	11,899,267	2,148,051	14,047,318	45,897
Franchise fees	2,193,337	516,826	2,710,163	-
General and administrative costs	2,979,458	444,488	3,423,946	-
Total operating expense	<u>52,267,213</u>	<u>16,755,534</u>	<u>69,022,747</u>	<u>24,042,054</u>
Net operating income (loss)	<u>5,343,778</u>	<u>4,390,613</u>	<u>9,734,391</u>	<u>(3,341,955)</u>
NONOPERATING REVENUE (EXPENSE)				
Investment income	5,579	-	5,579	-
Gain (loss) on property disposition	(88,555)	5,022	(83,533)	8,107
Interest expense	(2,538,028)	(325,712)	(2,863,740)	-
Total nonoperating revenue (expense)	<u>(2,621,004)</u>	<u>(320,690)</u>	<u>(2,941,694)</u>	<u>8,107</u>
Income (loss) before contributions and transfers	2,722,774	4,069,923	6,792,697	(3,333,848)
Capital contributions-impact fees	1,084,505	-	1,084,505	-
Capital contributions	1,381,446	-	1,381,446	-
Capital assets contribution from government activities	-	-	-	5,008
Capital assets contribution to government activities	(120,654)	-	(120,654)	-
Transfers in	16,000	4,428,687	4,444,687	-
Transfers out	(2,560,366)	(5,052,214)	(7,612,580)	-
Change in net assets	2,523,705	3,446,396	5,970,101	(3,328,840)
Net assets - beginning of the year	173,162,400	34,801,644	207,964,044	12,421,694
Net assets - end of the year	<u>\$ 175,686,105</u>	<u>\$ 38,248,040</u>	<u>\$ 213,934,145</u>	<u>\$ 9,092,854</u>
Reconciliation to government-wide Statement of Activities:				
Change in net assets of enterprise funds			5,970,101	
Adjustments to reflect the consolidations of internal service funds activities related to enterprise funds			(498,226)	
Change in net assets of business-type activities			<u>\$ 5,471,875</u>	

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Water Wastewater	Other Nonmajor	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 57,403,698	\$ 20,852,402	\$ 78,256,100	\$ 20,347,858
Cash received from intergovernmental	-	298,307	298,307	-
Cash payments to suppliers for goods and services	(28,573,738)	(9,291,777)	(37,865,515)	(22,514,335)
Cash payments to employees for services	(6,034,819)	(3,726,163)	(9,760,982)	(1,149,330)
Cash payments to other funds for services	(5,172,795)	(717,325)	(5,890,120)	(59,260)
Cash payments from other funds for services	-	-	-	455,206
Other operating cash receipts	-	37	37	-
Other operating cash payments	(536,194)	(293,324)	(829,518)	-
Net cash provided by (used in) operating activities	<u>17,086,152</u>	<u>7,122,157</u>	<u>24,208,309</u>	<u>(2,919,861)</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	-	7,731,515	7,731,515	-
Transfers to other funds	(2,544,366)	(8,355,042)	(10,899,408)	-
Net cash used in noncapital financing activities	<u>(2,544,366)</u>	<u>(623,527)</u>	<u>(3,167,893)</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Capital outlays	(7,163,699)	(3,120,584)	(10,284,283)	(87,126)
Proceeds from capital assets disposals	-	5,022	5,022	13,115
Loss from capital assets disposals	(88,555)	-	(88,555)	-
Interest paid on bonds	(2,638,851)	(336,378)	(2,975,229)	-
Interest paid on line of credit	-	-	-	-
Repayment of principal on bonds	(11,019,990)	(3,964,243)	(14,984,233)	-
Impact fees received	1,084,505	-	1,084,505	-
Proceeds from issuance of bonds	11,020,000	-	11,020,000	-
Contributions	988,595	-	988,595	-
Net cash used in capital and related financing activities	<u>(7,817,995)</u>	<u>(7,416,183)</u>	<u>(15,234,178)</u>	<u>(74,011)</u>
Cash flows from investing activities:				
Investment earnings received on cash and investments	5,579	-	5,579	-
Sale of investments	35,135,532	15,386,138	50,521,670	6,467,193
Purchase of investments	(34,783,260)	(15,689,540)	(50,472,800)	(5,706,614)
Net cash provided by (used in) investing activities	<u>357,851</u>	<u>(303,402)</u>	<u>54,449</u>	<u>760,579</u>
Net increase (decrease) in cash and equivalents	7,081,642	(1,220,955)	5,860,687	(2,233,293)
Cash and cash equivalents - beginning of year	<u>21,256,862.0</u>	<u>3,887,878</u>	<u>25,144,740</u>	<u>8,451,601</u>
Cash and cash equivalents - end of year	<u>\$ 28,338,504</u>	<u>\$ 2,666,923</u>	<u>\$ 31,005,427</u>	<u>\$ 6,218,308</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:				
Net operating income (loss)	\$ 5,343,778	\$ 4,390,613	\$ 9,734,391	\$ (3,341,955)
Adjustments to net operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	11,899,267	2,148,051	14,047,318	45,897
Changes in assets and liabilities:				
Decrease (Increase) in accounts receivable	(611,209)	98,511	(512,698)	(352,239)
Decrease (Increase) in inventories and supplies	6,364	(3,788)	2,576	31,600
Increase in prepaids	-	-	-	(22,084)
Increase in accounts payable	173,398	253,383	426,781	713,593
Increase in accrued liabilities	93,849	232,841	326,690	-
Decrease in customer deposits	(2,673,484)	(1,347)	(2,674,831)	-
Increase (Decrease) in deferred revenue	2,850,687	(10,942)	2,839,745	-
Increase in accrued compensated absences	3,502	14,835	18,337	5,327
Net cash provided by (used in) operating activities	<u>\$ 17,086,152</u>	<u>\$ 7,122,157</u>	<u>\$ 24,208,309</u>	<u>\$ (2,919,861)</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets from developers	<u>\$ 392,851</u>			

NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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 accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB’s *Codification of Governmental Accounting and Financial Reporting Standards*, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the City are described below.

b. Financial Reporting Entity

The City’s basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City’s reporting entity, as set forth in GASB’s Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The City holds the corporate powers of the organization
- The City appoints a voting majority of the organization’s board
- The City is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the City
- There is fiscal dependency by the organization on the City

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,

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

streets and transportation, water and wastewater, solid waste collection and disposal, environmental health, leisure services and general aviation airport.

- 1) 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, provides services almost entirely to the primary government, and almost exclusively benefits the primary government.

Component Unit – Grand Prairie Crime Control and Prevention District

The Grand Prairie Crime Control and Prevention District (“District”) is used to account for the accumulation and use of quarter-cent sales tax proceeds dedicated to fund a new Public Safety Facility. The District is reported as a special revenue fund of the primary government. The Board of Directors of the District is substantively the same as the City Council. There are seven directors on this board, and, all of them are council members constituting a voting majority of the City Council. Upon dissolution of the District, the entity’s assets will be distributed to the City. This unit provides all its services to the City. Financial information for this unit may be obtained from the City.

- 2) 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 basic financial statements.

Component Unit – Sports Corporation

Although the Sports Corporation is legally, financially and administratively autonomous, its Board of Directors is 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

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

welfare of, for, and on behalf of the City by developing, implementing, providing and financing projects authorized under the Act.

The Act provides that the City may levy a one-half cent sales and use tax for the benefit of the Sports Corporation if the tax is authorized by a majority of the qualified voters in an election. On January 18, 1992, a majority of the voters approved a proposition to levy and collect an additional one-half cent sales and use tax for the purpose of constructing a horse racetrack. The one-half cent sales and use tax increase became effective April 1, 1993 to cover the costs of the project or the principal, interest and other costs relating to any bonds or obligations issued to pay the costs of the project or to refund bonds or obligations issued to pay the 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, 2012 financial statements for the Sports Corporation may be obtained at its administrative office.

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 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. The financial information for HFC is included in the statements for its fiscal year ended December 31, 2011. Complete separate December 31, 2011 financial statements for HFC year-end 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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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 the 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, 2011 to September 30, 2012. 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 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

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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 is 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 or any fund that management considers as major. 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, 2012, are as follows: general fund, section 8 fund, street improvement 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.

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.

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 includes 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 of the 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 60 days in arrears. The City recognizes sales taxes revenues using the modified accrual basis. 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, Baseball Stadium, Summit Venue, and Park Venue Fund pursuant to City ordinances. The Crime Control and Prevention District 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. 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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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 (amounts received within 60 days of year-end).

- 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. 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.

Proprietary funds distinguish operating revenues and expenses from the non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. 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

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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 recorded in the General Fund unless it is required by regulations or agreements to allocate to certain funds. In FY2012, the funds receiving allocation of interest earnings were: Section 8 Fund, Debt Service Fund, Police Seizure Fund, Public Improvement Districts Fund, and the Water/Wastewater Fund. 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.

2) Inventories

Inventory is recorded at cost when purchased 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.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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	20-40 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, 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. Encumbered amounts for specific purposes which have not been previously classified as restricted, committed, or assigned are classified as assigned fund balance. On October 1, each year encumbrances are carried forward, along with the prior year's related appropriation, and added to the new year's budget. As of September 30th, 2012 the City had \$214,449 of General Fund balance assigned to encumbrances.

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

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. Employees may not use vacation leave before it is earned. Payment for unused vacation will be made at the termination of employment, retirement or death of employees. Fire and police civil service employees who have completed their introductory period are paid up to 90 days sick leave upon separation of employment, excluding indefinite suspensions. The valuation of the civil service sick leave is at current pay rates. The valuation of accrued compensated absences includes salary-related payments such as the City's share of taxes and contributions to the retirement plan in accordance with GASB 16. Long-term accrued compensated absences and those related amounts to be paid in

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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 currently administers a deductible program for Workers Compensation, all Liability, Property, Airport, and Crime claims through the Texas Municipal League Intergovernmental Risk Pool (TMLIRP), a public entity risk pool. The TMLIRP sustains itself through member premiums and stop loss coverage for excess claims through commercial insurers. The City issued a Request for Proposal in June 2009 for 2010-2011 coverage for all lines of coverage in the Risk program, including Workers Compensation, Liability, Property, Crime, Airport and Animal Mortality coverage. Based on proposal results, the City selected to renew with the TMLIRP.

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

The renewal included changes to Workers Compensation deductibles from \$200,000 to \$350,000 and removal of the aggregate retention. All liability deductibles (General, Law Enforcement, Public Officials, and Auto Liability) increased from \$50,000 to \$300,000 with no changes to the per occurrence or aggregate limits. The Mobile Equipment Deductible increased from \$1,000 to \$10,000.

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.

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Accordingly, claims are reevaluated annually to consider the effects of inflation, plan benefit designs, recent claim settlement trends, claim expense, and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The total accrued liabilities for the Risk Management Fund based on the recent December 31, 2011 actuarial report, as of September 30, 2012, was \$2,728,668.

The City offers group health coverage to its employees and retirees in plans administered by United Health Care using an escrow account funded by the City with both employee and City contributions. The City allows retired employees under age 65 to continue participating in its group health insurance program after retirement with a portion of premiums paid by the City. The amount of premiums paid by retirees is based on the retirement date, length of service with the City, plan selected and dependents covered at the time of retirement. The City retains risk for up to \$225,000 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, 2012 were \$1,241,246.

Below is the change in estimates of accrual liabilities for health coverage for the risk management fund:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2012	\$ 3,372,165	\$ 14,945,750	\$ 14,348,001	\$ 3,969,914
2011	\$ 3,307,678	\$ 12,013,558	\$ 11,949,071	\$ 3,372,165

7) Post-Employment Benefits Other than Pension Benefits

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

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

TMRS Retirement / Plan option may include:

- Service retirement, 25 years of TMRS creditable service at any age, or
- Age 60 and 5 years of TMRS creditable service

- Disability/Medical retirement at any age, if approved by TMRS

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

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, the plan selected, and dependent coverage when they retire. The base retiree health care premium is based on the accrual rate, claims costs, and budget for the prior fiscal year.

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

Spouse Coverage

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

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

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

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.

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.

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Types of Coverage Offered

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

Employee / Retiree 2012 Monthly Health Care Premiums (Employee Pays Portion)

<u>Group</u>	Monthly Health Care Premium	
	<u>PRIOR TO 12/1/2005</u>	<u>AFTER 11/30/2005</u>
Gold (Under Age 65)		
Employee Only	\$531	\$577
Employee plus Spouse	\$1,082	\$1,175
Surviving Spouse	\$551	\$598
Employee plus Child(ren)	\$850	\$921
Family	\$1,558	\$1,686
Silver (Under Age 65)		
Employee Only	\$455	\$501
Employee plus Spouse	\$908	\$1,001
Surviving Spouse	\$455	\$500
Employee plus Child(ren)	\$714	\$785
Family	\$1,299	\$1,427
Bronze (Under Age 65)		
Employee Only	\$417	\$463
Employee plus Spouse	\$838	\$931
Surviving Spouse	\$421	\$468
Employee plus Child(ren)	\$636	\$707
Family	\$1,156	\$1,284

<u>Group</u>	<u>Monthly Health Care Premium</u>
Over 65 Retiree (Grandfathered by Age)	
Employee (10-14 years of service)	\$116
Employee (15-19 years of service)	\$119
Employee (20-24 years of service)	\$99
Employee (25-29 years of service)	\$58
Employee (30+ years of service)	\$37
Employee plus spouse (10-14 years of service)	\$264
Employee plus spouse (15-19 years of service)	\$226
Employee plus spouse (20-24 years of service)	N/A
Employee plus spouse (25-29 years of service)	\$123
Employee plus spouse (30+ years of service)	\$88

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The Under Age 65 monthly premiums shown above are rates based on 0-5 years of credited service. Employee /retiree premiums will reduce as years of service increase.

Funding Policy and Annual OPEB Cost

The City's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, 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	\$ 2,294,853
Interest on OPEB obligation	127,082
Adjustment to ARC	<u>(115,187)</u>
Annual OPEB cost (expense) end of year	2,306,748
Net estimated employer contributions	<u>1,421,514</u>
Increase in net OPEB obligation	885,234
Net OPEB obligation as of beginning of the year	<u>2,824,044</u>
Net OPEB obligation (asset) as of end of the year	<u><u>\$ 3,709,278</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for 2012 and the two preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB</u>	
		<u>Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	2,130,397	40.4%	1,814,706
2011	2,122,449	52.4%	2,824,044
2012	2,306,748	61.6%	3,709,278

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, 2012 is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
9/30/2012		\$ 29,395,343	\$ 29,395,343	0%	\$ 62,017,533	47.40%

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Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$29,395,343 at September 30, 2012.

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.

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

Inflation rate	3.0% per annum
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
Amortization period	30-year open amortization
Salary Growth	3.0% per annum
Healthcare cost trend rate	Initial rate of 9.0% declining to an ultimate rate of 4.5% after 9 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides 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.

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Fiscal Year Ended	Employer Annual Required Contribution	Employer Amount Contributed	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 NOO + (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
09/30/08	\$ 1,477,994	\$ 990,121	\$ -	\$ -	23.9854	\$ 1,477,994	\$ 487,873	\$ 487,873
09/30/09	\$ 1,522,334	\$ 1,467,368	\$ 21,954	\$ 20,340	23.9854	\$ 1,523,948	\$ 56,580	\$ 544,453
09/30/10	\$ 2,128,596	\$ 860,144	\$ 24,500	\$ 22,699	23.9854	\$ 2,130,397	\$ 1,270,253	\$ 1,814,706
09/30/11	\$ 2,114,805	\$ 1,113,112	\$ 81,662	\$ 74,018	24.5200	\$ 2,122,449	\$ 1,009,337	\$ 2,824,044
09/30/12	\$ 2,294,853	\$ 1,421,514	\$ 127,082	\$ 115,187	24.5200	\$ 2,306,748	\$ 885,234	\$ 3,709,278

8) Environmental Remediation Obligations

The City has recorded a liability and an asset related to environmental remediation in the amount of \$162,888, on the Statement of Net Assets and on the Statement of Activities. The estimates of the liabilities are prepared by the Environmental Professional Group and by the City's Environmental Quality Manager and based on a range of expected outlays, net of expected cost recoveries, if any, for the type and amount of pollution contamination detected. The estimates are reviewed and adjusted periodically for price changes, additional contamination and any other changes detected.

- The City of Grand Prairie is the process of redeveloping Fire Station #1 located at 510-516 West Main Street. The City is responsible for removal of underground storage tanks contaminates found in soil and groundwater.
- The City of Grand Prairie owns land and was responsible for the asbestos abatement and leak petroleum storage tank (LPST) at 100 West Church Street. The asbestos abatement completed in FY2010. LPST closure received from Texas Commission on Environmental Quality (TCEQ) in FY2012.
- The City of Grand Prairie owns the building and is responsible for the asbestos abatement at 317 College Street. The Council Chambers renovation process was completed in June 2012.

Environmental remediation liability activity in fiscal year 2012 was as follows:

Property Description	Beginning Balance 9/30/2011	Additions	Reductions	Ending Balance 9/30/2012	Current Portion
Fire Station #1 510-516 West Main St	\$ -	\$ 199,980	\$ 39,476	\$ 160,504	\$ 160,504
100 Block West Church St	9,830	-	7,446	2,384	2,384
Council Chamber - 317 College St	38,000	-	38,000	-	-
Total	\$ 47,830	\$ 199,980	\$ 84,922	\$ 162,888	\$ 162,888

9) Depository Contract

The City operates under a depository contract in accordance with State law.

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10) Deferred Revenue

At fiscal year-end five 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 \$2,806,942 and \$538,018, respectively. Because the total amount of \$3,344,960 represents earned revenue, they are included as property tax revenue at the government-wide level. Also in the General Fund, pipeline lease deposits of \$911,695 are reported as deferred revenue until the agreement is fulfilled. In the Street Improvement Fund, \$269,013 is reported as deferred revenue in consideration of a future paving assessment. Because these two amounts represent unearned revenue, they are each presented at both the fund level and government-wide level. Deferred Revenue in Other Governmental Funds totals \$2,972,760; of this amount, \$139,175 is recorded in the Park Venue Fund for rental deposits on events to be held in a subsequent fiscal year; \$815,442 is recorded in the Cemetery on deposits held for customers who have scheduled pre-need arrangements, \$1,901,077 is recorded in the grant fund on advance funding received from federal and/or state agencies for fulfillment of grant projects that will be completed in a subsequent fiscal year, \$103,366 is recorded in CDBG for revenues received from program specific housing projects that are scheduled to be completed in a subsequent fiscal year, \$1,200 and \$12,500 recorded in PID and CAP lending funds, respectively.

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.

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, Crime Tax Sales Tax Fund, Park Venue Fund, Senior Center Sales Tax Fund, Hotel/Motel Tax Fund, Police Seizure Fund, Municipal Court Fund, and Cable Operation Fund. The expenditures budgeted in each fund may not exceed the budgeted revenues, including beginning fund balance.

The Section 8 budget is presented annually and is based on a combination of historical data and estimated appropriations from the Department of Housing and Urban Development (HUD) Section 8 program.

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HUD provides each housing authority an annual baseline for the management of the voucher program (a statistical unit of measure). While this baseline is only a statistical unit of measure, economic factors can affect the financial component of each submitted voucher (unit).

Policy decisions at the federal level, increases in rental subsidies, and the expansion of the number of clients served due to unforeseen circumstances may require a higher voucher subsidy and can affect the financial component of each voucher. Accordingly, expenditures may exceed budget, but only to the extent that this increase will be offset by a like increase in revenues as received from HUD for the management and administration of the Section 8 voucher program. HUD monitors the financial activity and unit activity of the Section 8 program each month through required submissions via the Voucher Management System (VMS).

Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles. That is, revenues are budgeted in the year they are realized, and expenditures are budgeted in the year when goods or services are received. The amounts in Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual for the general fund are reported on a GAAP 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.

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

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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.

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 and Section 8 Funds.

d. Deficit Fund Equity

As of September 30, 2012, the City had no funds with deficit fund equity.

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

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

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establish appropriate polices. 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

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regulated money market mutual funds and collateralized or insured certificates of deposit. The City adheres to the requirements of the Act. Additionally, investment practices of the City are in accordance with local polices.

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, 2012.

The City's investments are stated at fair value, using the following methods and assumptions as of September 30, 2012:

- 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, and TexStar,
 - (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 the respective fund 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 \$82,193,132 in TexPool as of September 30, 2012. 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 uses amortized cost rather than fair 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.

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The City invested \$12,828,652 in TexSTAR as of September 30, 2012. J.P. Morgan Investment Management, Inc. (JPMIM) and First Southwest Asset Management, Inc. (FSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board. JPMIM provides investment management services, and FSAM provides participant services and marketing. Custodial, transfer agency, fund accounting and depository services are provided by JP Morgan Chase Bank, NA and or its subsidiary J.P. Morgan Investor Services Co. Finally, TexSTAR is rated AAAM by Standard and Poor's.

TexSTAR uses amortized cost rather than fair value to report net assets to compute share prices. Accordingly, the fair value of the position in TexSTAR is the same as the value of TexSTAR shares.

The City's policy is to hold investments until maturity or until fair 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.

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

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

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

The City's carrying amount of cash, cash equivalents and investments as of September 30, 2012 as reflected in the primary government's financial statements, are:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash	\$ 1,160,249	\$ 215,896	\$ 1,376,145
Pooled Investments			
Cash and cash equivalents	86,088,817	8,932,967	95,021,784
Investments	<u>114,565,439</u>	<u>7,667,679</u>	<u>122,233,118</u>
Total pooled investments	<u>200,654,256</u>	<u>16,600,646</u>	<u>217,254,902</u>
Total	<u>\$ 201,814,505</u>	<u>\$ 16,816,542</u>	<u>\$ 218,631,047</u>

Chapter 2257 Collateral for Public Funds of the Government Code requires that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. On November 9, 2010, the FDIC issued a Final Rule implementing Section 343 of the Dodd-Frank Wall Street Reform and Consumer protection Act that provides for unlimited insurance coverage of noninterest-bearing transaction accounts. Beginning December 31, 2010, through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account at all FDIC-insured institutions. The unlimited insurance coverage is available to all depositors; including consumers, businesses, and government entities at all FDIC banks including the City's depository Wells Fargo Bank, N.A. All of the City of Grand Prairie deposits are covered by Section 343 of the Dodd Frank Act, making the City's requirement for collateral at the FDIC not necessary until December 31, 2012. Due to Wells Fargo Bank, N.A. contractual obligation to the City, the collateral value held at the Federal Reserve Bank in the City's name at year end was \$2,034,370.

The City's cash equivalents of \$95,021,784 were also covered by collateral held by the City's agent in the City's name.

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As of September 30, 2012, the City had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Risk</u>
Federal Farm Credit Bank	\$ 44,046,756	616	AAA
Federal Home Loan Bank	45,147,944	575	AAA
Federal Home Loan Mortgage Corp.	26,030,600	707	AAA
Federal National Mortgage Assoc.	7,007,818	665	AAA
TexPool	82,193,132	1	AAAm
TexStar	12,828,652	1	AAAm
	<u>\$ 217,254,902</u>	<u>*351</u>	

*Portfolio Weighted Average Maturity

Maturities of the City's investments at September 30, 2012 were as follows:

Cash equivalents	\$ 95,021,784
Under 30 days	-
30 days to 60 days	-
61 days to 90 days	2,006,740
91 days to 1 year	20,059,112
After 1 year	100,167,266
Total	<u>\$ 217,254,902</u>

The City did not invest in any securities different from the categories mentioned above during the 2011-2012 fiscal year.

At September 30, 2012, the carrying amount of the Sports Corporation's deposits included in cash and cash equivalents was \$250,107 while the bank balance of the Sports Corporation's deposits was \$255,096. The bank balance was entirely covered by collateral held by the Sports Corporation's agent in the Sports Corporation's name.

As of September 30, 2012, the Corporation had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Risk</u>
TexPool	\$ 8,185,431	1	AAAm
U.S. Governmental Obligations	6,009,955	803	AAA
Total	<u>\$ 14,195,386</u>	<u>340</u>	

Portfolio Weighted Average Maturity

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

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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, 2012 was \$8,185,431 in the Public Funds Investment Pool (TexPool) and \$6,009,955 in U.S agency instrumentalities.

The bank balance of HFC at December 31, 2011, including restricted cash, totaled \$638,703 all of which was covered by FDIC insurance and collateral held by the depository institution in HFC's name. HFC's unrestricted cash and cash equivalents had a balance of \$587,477. Restricted cash of \$51,226 "tenant security deposits" represents cash held on deposit by HFC for insurance proceeds received for damages to federally funded assets. The liability is recorded until final disposition of the proceeds is requested by HUD. Other assets include temporary investments of 145,514, reserves of \$112,595, and bonds held by a trustee of \$1,002,703 as a debt service reserve.

2) Capital Assets

Capital assets balances and transactions for the year ended September 30, 2012 are summarized below for governmental activities:

	Balance October 1, 2011	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2012
Non-depreciable capital assets:				
Land	\$ 34,262,571	\$ 1,724,427	\$ (162,613)	\$ 35,824,385
Construction in progress	37,359,555	38,406,033	(23,943,699)	51,821,889
Total non-depreciable capital assets	<u>71,622,126</u>	<u>40,130,460</u>	<u>(24,106,312)</u>	<u>87,646,274</u>
Depreciable capital assets:				
Buildings	177,388,793	2,596,339	(33,988)	179,951,144
Equipment	81,011,292	4,910,012	(3,711,997)	82,209,307
Infrastructure	491,336,681	19,948,542	(344,352)	510,940,871
Total depreciable capital assets	<u>749,736,766</u>	<u>27,454,893</u>	<u>(4,090,337)</u>	<u>773,101,322</u>
Less accumulated depreciation for:				
Buildings	(35,796,696)	(5,583,852)	27,469	(41,353,079)
Equipment	(41,412,140)	(5,867,828)	2,801,264	(44,478,704)
Infrastructure	(191,858,177)	(24,838,732)	293,733	(216,403,176)
Total accumulated depreciation	<u>(269,067,013)</u>	<u>(36,290,412)</u>	<u>3,122,466</u>	<u>(302,234,959)</u>
Total depreciable capital assets, net	<u>480,669,753</u>	<u>(8,835,519)</u>	<u>(967,871)</u>	<u>470,866,363</u>
Governmental activities capital assets, net	<u>\$ 552,291,879</u>	<u>\$ 31,294,941</u>	<u>\$ (25,074,183)</u>	<u>\$ 558,512,637</u>

Additions include developers contribution \$809,186.

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Capital asset balances for business-type activities for the year ended September 30, 2012 are summarized below:

	Balance October 1, 2011	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2012
Non-depreciable capital assets:				
Land	\$ 4,113,384	\$ 43,322	\$ -	\$ 4,156,706
Construction in progress	8,807,010	9,015,994	(5,463,090)	12,359,914
Total non-depreciable capital assets	12,920,394	9,059,316	(5,463,090)	16,516,620
Depreciable capital assets:				
Buildings	10,987,546	446,905	-	11,434,451
Equipment	24,608,339	1,548,937	(147,475)	26,009,801
Infrastructure	309,492,998	5,126,898	(294,999)	314,324,897
Total depreciable capital assets	345,088,883	7,122,740	(442,474)	351,769,149
Less accumulated depreciation for:				
Buildings	(5,108,467)	(442,652)	-	(5,551,119)
Equipment	(13,367,610)	(1,498,903)	147,475	(14,719,038)
Infrastructure	(131,992,871)	(12,105,763)	132,519	(143,966,115)
Total accumulated depreciation	(150,468,948)	(14,047,318)	279,994	(164,236,272)
Total depreciable capital assets, net	194,619,935	(6,924,578)	(162,480)	187,532,877
Governmental activities capital assets, net	<u>\$ 207,540,329</u>	<u>\$ 2,134,738</u>	<u>\$ (5,625,570)</u>	<u>\$ 204,049,497</u>

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

Support services	\$ 2,746,167	Water and wastewater	\$ 11,899,267
Public safety services	5,254,958		
Recreation and leisure services	6,071,005		
Development services	22,172,385	Other business-type	2,148,051
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	45,897		
Total governmental	<u>\$ 36,290,412</u>	Total business-type	<u>\$ 14,047,318</u>

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

	Balance October 1, 2011	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2012
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, 2011	Additions/ Completions	Disposals/ Reclasses	Balance December 31, 2011
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	19,982,040	374,976	(508,166)	19,848,850
Less accumulated depreciation	(5,803,190)	(889,409)	508,166	(6,184,433)
Total depreciable capital assets, net	14,178,850	(514,433)	-	13,664,417
Housing Finance Corporation assets, net	<u>\$ 15,791,701</u>	<u>\$ (514,433)</u>	<u>\$ -</u>	<u>\$ 15,277,268</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 847 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.

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Plan provisions for the City were as follows (as of 4/19/2007*):

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, 2011 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, 2011, valuation is effective for rates beginning January 1, 2012).

The funded status as of December 31, 2011, the most recent actuarial valuation date, and two preceding years is presented below:

Actuarial Valuation Date	December 31, 2011	December 31, 2010	December 31, 2009
Actuarial Value of Assets	\$ 323,972,818	\$ 299,459,271	\$ 195,807,917
Actuarial Accrued Liability (AAL)	385,345,197	365,426,666	283,654,428
Funded Ratio	84.1%	81.9%	69.0%
Unfunded AAL (UAAL)	\$ 61,372,379	\$ 65,967,395	\$ 87,846,511
Annual Covered Payroll	64,693,060	65,426,278	66,030,734
UAAL as a percentage of Covered Payroll	94.9%	100.8%	133.0%
Net Pension Obligation (NPO) at the Beginning of the period	\$ -	\$ -	\$ -
Annual Pension Cost			
Annual Required Contribution (ARC)	\$ 11,720,530	\$ 10,466,084	\$ 9,792,823
Contribution Made	11,720,530	10,466,084	9,792,823
NPO at the End of the Period	\$ -	\$ -	\$ -

Actuarial Assumptions – The City also uses the following assumptions:

Actuarial Valuation Date	December 31, 2011	December 31, 2010	December 31, 2009
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level of Percent of Payroll	Level of Percent of Payroll	Level of Percent of Payroll
Remaining Amortization Period	26.1 Years/Closed	27.1 Years/Closed	28 Years/Closed
Amortization Period for new Gains/Losses	30 Years	30 Years	30 Years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Investment Rate of Return	7.0%	7.0%	7.5%
Projected Salary Increases	Service	Service	Service
Inflation	3.0%	3.0%	3.0%
Cost-of-Living Adjustments	2.1% (3.0% CPI)	2.1% (3.0% CPI)	2.1% (3.0% CPI)

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Note: The TMRS Board of Trustees has adopted a 10-year smoothing method with a 25% corridor to determine the System's actuarial value of assets (AVA). This "smoothing method" is intended to help reduce the volatility of the contribution rates from one year to the next.

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

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

Supplemental Death Benefits Fund	Plan Year 2011	Plan Year 2012
Active employees	Yes	Yes
Retirees	Yes	Yes

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended 2012, 2011, and 2010 were \$19,803, \$20,495 and \$19,608, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates:
RETIREE-only portion of the rate

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2009	0.03%	0.03%	100%
2010	0.03%	0.03%	100%
2011	0.03%	0.03%	100%

The City of Grand Prairie is one of 847 municipalities having their benefit plan administered by TMRS. Each of the 847 municipalities has an annual actuarial valuation performed. All assumptions for the December 31, 2011 valuations are contained in the 2011 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

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2) Long-Term Debt

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

	Balance October 1, 2011	Borrowings or Increase	Payments or Decrease	Balance September 30, 2012	Due Within One Year
<u>Governmental Activities</u>					
General obligation bonds	\$ 91,693,399	\$ 27,400,000	\$ (27,022,941)	\$ 92,070,458	\$ 7,532,175
Certificates of obligation bonds	94,652,457	8,975,000	(23,747,457)	79,880,000	5,145,000
Sales tax revenue bonds	26,300,000	-	(1,010,000)	25,290,000	1,235,000
Sales tax venue revenue bonds	20,390,000	-	(5,485,000)	14,905,000	2,425,000
Sales tax venue certificates of obligation	46,225,000	-	(5,330,000)	40,895,000	2,600,000
Issuance premiums/discounts, net	536,595	2,664,794	(220,469)	2,980,920	-
Deferred loss on refunding	(544,731)	(771,900)	89,125	(1,227,506)	-
Compensated absences	13,154,156	5,392,507	(5,038,433)	13,508,230	4,883,568
Other post employment benefits	2,824,044	885,234	-	3,709,278	-
Environmental remediation liability	47,830	199,980	(84,922)	162,888	162,888
Total governmental activities	<u>295,278,750</u>	<u>44,745,615</u>	<u>(67,850,097)</u>	<u>272,174,268</u>	<u>23,983,631</u>
<u>Business-Type Activities</u>					
General obligation bonds	4,936,601	1,170,000	(3,772,058)	2,334,543	197,825
Certificates of obligation bonds	3,402,540	-	(1,462,540)	1,940,000	120,000
Water and wastewater revenue bonds	62,375,000	11,020,000	(11,470,000)	61,925,000	3,845,000
Issuance premiums/discounts, net	98,871	578,203	(40,708)	636,366	-
Deferred loss on refunding	(154,466)	-	12,872	(141,594)	-
Closure and post closure liability	5,317,993	298,245	-	5,616,238	-
Compensated absences	380,014	514,791	(496,454)	398,351	380,417
Total business-type activities	<u>76,356,553</u>	<u>13,581,239</u>	<u>(17,228,888)</u>	<u>72,708,904</u>	<u>4,543,242</u>
Total primary government	<u>\$ 371,635,303</u>	<u>\$ 58,326,854</u>	<u>\$ (85,078,985)</u>	<u>\$ 344,883,172</u>	<u>\$ 28,526,873</u>
<u>Component Unit Activities</u>					
Housing Finance Corporation:					
Notes payable	\$ 3,427,248	\$ 45,552	\$ (37,251)	\$ 3,435,549	\$ 48,158
Line of Credit	163,656	-	(24,844)	138,812	138,812
Revenue bonds	8,630,000	-	(140,000)	8,490,000	150,000
Subordinate Revenue bonds	4,550,000	-	-	4,550,000	-
Total component units	<u>\$ 16,770,904</u>	<u>\$ 45,552</u>	<u>\$ (202,095)</u>	<u>\$ 16,614,361</u>	<u>\$ 336,970</u>

The General Fund is typically used to liquidate the net other post-employment benefit obligation.

On November 16, 2010, the City renewed its \$7.5 million line of credit; \$5 million general obligation line of credit and \$2.5 million water and wastewater system line of credit with Bank of America, Texas for a three-year term. As of September 30, 2012, 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 refunding, sales tax revenue bonds,

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certificates of obligation bonds, a line of credit, and accrued compensated absence. The certificates of obligation bonds include bonds issued in 2010 for Tax Increment Financing Zones No. 2 project.

(i) General Obligation Debt

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

On November 22, 2011 the City issued \$30,115,000 in General Obligation Refunding and Improvement Bonds, Series 2011A, of which \$530,000 was for public safety and street improvements and \$29,585,000 was for a current refunding of prior issues. The City also issued \$7,430,000 in Combination Tax and Revenue Certificates of Obligation, Series 2011A for fire, street, and other City structure improvements.

(ii) Bond Refunding

The refunding bonds mentioned above and approximately \$8,782,008 of cash on hand were utilized to facilitate both a current refunding and an advance refunding of \$39,740,000 of prior issued debt. As a result, the refunded bonds are considered to be defeased and the liability was removed from the City's financial records in fiscal year 2012. The reacquisition price exceeded the net carrying amount of the old debt by \$771,901. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. This advanced refunding was undertaken to reduce total debt service payments over the next eighteen years by approximately \$14,793,312 and to obtain an economic gain of \$3,566,273.

(iii) Defeased Debt Outstanding

At September 30, 2012, certain outstanding debt of the city is considered to be defeased. The following table details such outstanding defeased debt:

<u>Type of Obligation</u>	<u>Defeased Debt Outstanding</u>
General Obligation Bonds	\$ 1,095,000
Certificates of Obligation	3,475,000
General Obligation Refunding Bonds	2,000,000
	<u>\$ 6,570,000</u>

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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 2002	4.5-5.0	2002	2022	6,550,000	\$ -
Series 2002-A	3.9-4.875	2002	2022	9,900,000	-
Series 2004	2.0-4.50	2004	2024	4,855,000	-
Series 2004-A	2.0-4.75	2004	2024	6,170,000	-
Series 2005 Refunding	2.75-4.50	2005	2025	14,260,000	7,360,000
Series 2005-A	3.75-4.25	2005	2025	2,215,000	525,000
Series 2006	3.9-5.0	2006	2026	3,300,000	2,625,000
Series 2006-A	4.125-4.375	2006	2027	4,000,000	3,320,000
Series 2007	4.0-4.50	2007	2027	33,098,000	27,940,458
Series 2008	4.0-5.50	2009	2029	8,985,000	8,120,000
Series 2010	2.0-4.25	2010	2030	5,480,000	5,065,000
Series 2011	2.0-5.3	2011	2031	11,550,000	9,970,000
Series 2011A	2.0-5.0	2011	2025	27,145,000	27,145,000
Total general obligation bonds					<u>92,070,458</u>
Certificates of obligation bonds:					
Tax and revenue bonds:					
Series 2002-C	3.85-4.75	2002	2022	2,650,000	-
Series 2004	2.5-4.45	2004	2024	2,894,000	-
Series 2004-B	2.0-4.75	2004	2024	8,280,000	-
Series 2005	2.75-4.50	2005	2025	2,935,000	1,050,000
Series 2006	4.0-5.50	2006	2026	8,291,250	5,875,000
Series 2006-A	4.125-4.375	2006	2027	11,947,500	10,100,000
Series 2007	4.0-4.50	2007	2027	6,610,000	5,400,000
Series 2008A	4.0-5.50	2009	2029	13,185,000	11,240,000
Series 2010	2.0-4.25	2010	2030	590,000	550,000
Series 2011	2.0-5.3	2011	2031	6,305,000	6,080,000
Series 2011A	2.0-4.0	2011	2031	7,430,000	7,430,000
Total tax and revenue bonds					<u>47,725,000</u>
Tax and tax increment bonds					
Series 2001	3 month LIBOR + .31%	2000	2022	17,900,000	12,215,000
Series 2002B	4.5-5.0	2001	2020	2,800,000	-
Series 2004B	2.0-4.75	2004	2024	1,170,000	-
Series 2005A	2.75-4.50	2005	2020	710,000	320,000
Series 2006	4.0-5.50	2006	2020	1,575,000	1,075,000
Series 2006-A	4.125-4.375	2006	2020	2,498,470	1,685,000
Series 2006-A	4.125-4.375	2006	2020	1,468,000	1,010,000
Series 2006-A	4.125-4.375	2006	2020	1,546,030	-
Series 2007	4.0-4.50	2007	2017	1,235,000	675,000
Series 2008A	4.0-5.50	2008	2021	10,550,000	8,405,000
Series 2008A	4.0-5.50	2008	2019	1,500,000	1,110,000
Series 2010	2.0-4.25	2010	2020	1,355,000	1,110,000
Series 2011	2.0-5.3	2011	2020	655,000	585,000
Series 2011	2.0-5.3	2011	2020	2,725,000	2,445,000
Series 2011A	2.0-5.0	2011	2025	1,545,000	1,520,000
Total tax and tax increment bonds					<u>32,155,000</u>
Parks & recreation bonds					
Series 2004	2.5-4.45	2004	2024	484,000	-
Series 2004B	2.0-4.75	2004	2024	5,915,000	-
Series 2008A	4.0-5.50	2008	2029	1,425,000	-
Total parks & recreation					<u>-</u>
Sales Tax Venue CO's					
Series 2007A Crime Control	12 month LIBOR * 62.075 + .75	2007	2017	5,000,000	3,705,000
Series 2008 Crime Control	6 month LIBOR * 62.075+ 1.07	2008	2024	54,800,000	37,190,000
Total sales tax venue bonds					<u>40,895,000</u>
Total certificate of obligation bonds					<u>120,775,000</u>
Sales tax revenue bonds:					
Series 2001	4.125-5.125	2001	2027	11,055,000	1,810,000
Series 2001A	4.125-5.0	2001	2027	8,500,000	510,000
Series 2002	4.0-5.0	2002	2027	5,000,000	3,655,000
Series 2005	3.5-4.25	2005	2026	6,705,000	6,345,000
Series 2009	3.77	2009	2027	13,390,000	12,970,000
Total sales tax revenue bonds					<u>25,290,000</u>
Sales Tax Venue Bonds					
Series 2007 Taxable Baseball	12 month LIBOR + .61%	2007	2019	16,850,000	5,980,000
Series 2007 Senior Center	12 month LIBOR * 62.075 + .75	2007	2019	3,000,000	2,420,000
Series 2008 Senior Center	6 month LIBOR * 62.075+ 1.28	2008	2024	16,850,000	6,505,000
Total sales tax venue bonds					<u>14,905,000</u>
Premiums/discounts, net	N/A	N/A	N/A	N/A	2,980,920
Deferred loss on refunding	N/A	N/A	N/A	N/A	(1,227,506)
Compensated absences	N/A	N/A	N/A	N/A	13,508,230
Other Post Employment Benefit	N/A	N/A	N/A	N/A	3,709,278
Environmental remediation liability	N/A	N/A	N/A	N/A	162,888
Total governmental long-term debt					<u>\$ 272,174,268</u>

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

	Balance October 1, 2011	Borrowings or Increase	Payments or Decrease	Balance September 30, 2012	Due Within One Year
General obligation bonds:					
Series 2002	\$ 4,360,000	\$ -	\$ (4,360,000)	\$ -	\$ -
Series 2002-A	6,475,000	-	(6,475,000)	-	-
Series 2004	3,525,000	-	(3,525,000)	-	-
Series 2004-A	3,900,000	-	(3,900,000)	-	-
Series 2005 Refunding	10,530,000	-	(3,170,000)	7,360,000	1,075,000
Series 2005-A	1,715,000	-	(1,190,000)	525,000	100,000
Series 2006	2,750,000	-	(125,000)	2,625,000	130,000
Series 2006-A	3,470,000	-	(150,000)	3,320,000	155,000
Series 2007	29,723,399	-	(1,782,941)	27,940,458	1,867,175
Series 2008	8,420,000	-	(300,000)	8,120,000	315,000
Series 2010	5,275,000	-	(210,000)	5,065,000	215,000
Series 2011	11,550,000	-	(1,580,000)	9,970,000	1,655,000
Series 2011A	-	27,400,000	(255,000)	27,145,000	2,020,000
Total general obligation bonds	91,693,399	27,400,000	(27,022,941)	92,070,458	7,532,175
Certificates of obligation bonds:					
Tax and revenue bonds:					
Series 2002-C	1,230,000	-	(1,230,000)	-	-
Series 2004	1,744,723	-	(1,744,723)	-	-
Series 2004-B	5,275,000	-	(5,275,000)	-	-
Series 2005	1,905,000	-	(855,000)	1,050,000	105,000
Series 2006	6,465,000	-	(590,000)	5,875,000	295,000
Series 2006-A	10,511,000	-	(411,000)	10,100,000	431,000
Series 2007	5,655,000	-	(255,000)	5,400,000	265,000
Series 2008A	11,915,000	-	(675,000)	11,240,000	520,000
Series 2010	570,000	-	(20,000)	550,000	20,000
Series 2011	6,305,000	-	(225,000)	6,080,000	225,000
Series 2011A	-	7,430,000	-	7,430,000	305,000
	51,575,723	7,430,000	(11,280,723)	47,725,000	2,166,000
Tax and tax increment bonds:					
Series 2001	13,035,000	-	(820,000)	12,215,000	880,000
Series 2002-B	1,705,000	-	(1,705,000)	-	-
Series 2004B	740,000	-	(740,000)	-	-
Series 2005-A	470,000	-	(150,000)	320,000	45,000
Series 2006	1,170,000	-	(95,000)	1,075,000	95,000
Series 2006-A	1,859,000	-	(174,000)	1,685,000	184,000
Series 2006-A	1,110,000	-	(100,000)	1,010,000	105,000
Series 2006-A	1,160,000	-	(1,160,000)	-	-
Series 2007	795,000	-	(120,000)	675,000	125,000
Series 2008A	9,150,000	-	(745,000)	8,405,000	775,000
Series 2008A	1,245,000	-	(135,000)	1,110,000	140,000
Series 2010	1,235,000	-	(125,000)	1,110,000	125,000
Series 2011	655,000	-	(70,000)	585,000	65,000
Series 2011	2,725,000	-	(280,000)	2,445,000	285,000
Series 2011A	-	1,545,000	(25,000)	1,520,000	155,000
	37,054,000	1,545,000	(6,444,000)	32,155,000	2,979,000
Parks & recreation bonds:					
Series 2004	352,734	-	(352,734)	-	-
Series 2004B	4,335,000	-	(4,335,000)	-	-
Series 2008A	1,335,000	-	(1,335,000)	-	-
	6,022,734	-	(6,022,734)	-	-
Total certificate of obligation bonds	94,652,457	8,975,000	(23,747,457)	79,880,000	5,145,000
Sales tax revenue bonds:					
Series 2001	2,180,000	-	(370,000)	1,810,000	390,000
Series 2001-A	510,000	-	-	510,000	-
Series 2002	3,820,000	-	(165,000)	3,655,000	175,000
Series 2005	6,400,000	-	(55,000)	6,345,000	190,000
Series 2009	13,390,000	-	(420,000)	12,970,000	480,000
Total sales tax revenue bonds	26,300,000	-	(1,010,000)	25,290,000	1,235,000
Sales tax venue revenue bonds:					
Series 2007	8,800,000	-	(2,820,000)	5,980,000	1,660,000
Series 2007	2,715,000	-	(295,000)	2,420,000	310,000
Series 2007A certificate of obligation bonds	4,365,000	-	(660,000)	3,705,000	685,000
Series 2008	8,875,000	-	(2,370,000)	6,505,000	455,000
Series 2008 certificate of obligation bonds	41,860,000	-	(4,670,000)	37,190,000	1,915,000
Total sales tax venue bonds	66,615,000	-	(10,815,000)	55,800,000	5,025,000
Premiums/discounts, net	536,595	2,664,794	(220,469)	2,980,920	-
Deferred loss on refunding	(544,731)	(771,901)	89,126	(1,227,506)	-
Compensated absences:	13,154,156	5,392,507	(5,038,433)	13,508,230	4,883,568
Other post employment benefits	2,824,044	885,234	-	3,709,278	-
Environmental remediation liability	47,830	199,980	(84,922)	162,888	162,888
Total	\$ 295,278,750	\$ 44,745,614	\$ (67,850,096)	\$ 272,174,268	\$ 23,983,631

**CITY OF GRAND PRAIRIE, TEXAS
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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		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 7,532,175	\$ 3,689,321	\$ 11,221,496	\$ 2,166,000	\$ 2,005,392	\$ 4,171,392	\$ 2,979,000	\$ 2,564,209	\$ 5,543,209
2014	7,375,848	3,420,104	10,795,952	2,256,000	1,922,019	4,178,019	3,109,000	2,349,520	5,458,520
2015	7,378,800	3,125,436	10,504,236	2,361,000	1,835,539	4,196,539	3,264,000	2,118,103	5,382,103
2016	7,486,753	2,823,333	10,310,086	2,446,000	1,746,368	4,192,368	3,424,000	1,869,927	5,293,927
2017	7,758,743	2,511,695	10,270,438	2,431,000	1,654,129	4,085,129	3,604,000	1,603,422	5,207,422
2018	7,680,734	2,180,046	9,860,780	2,456,000	1,559,202	4,015,202	3,644,000	1,319,034	4,963,034
2019	7,697,405	1,862,070	9,559,475	2,566,000	1,458,263	4,024,263	3,839,000	1,017,911	4,856,911
2020	6,745,000	1,558,770	8,303,770	2,673,000	1,349,409	4,022,409	3,862,000	700,155	4,562,155
2021	6,240,000	1,275,095	7,515,095	3,060,000	1,228,034	4,288,034	2,795,000	391,394	3,186,394
2022	5,770,000	1,032,979	6,802,979	3,205,000	1,092,702	4,297,702	1,635,000	122,625	1,757,625
2023	4,670,000	820,806	5,490,806	3,120,000	953,094	4,073,094	-	-	-
2024	4,240,000	629,006	4,869,006	3,265,000	810,144	4,075,144	-	-	-
2025	3,200,000	465,956	3,665,956	3,420,000	658,028	4,078,028	-	-	-
2026	2,790,000	329,645	3,119,645	3,525,000	498,382	4,023,382	-	-	-
2027	2,650,000	202,568	2,852,568	3,095,000	345,309	3,440,309	-	-	-
2028	1,265,000	108,993	1,373,993	1,800,000	229,590	2,029,590	-	-	-
2029	1,110,000	49,463	1,159,463	1,890,000	138,512	2,028,512	-	-	-
2030	430,000	12,025	442,025	990,000	68,725	1,058,725	-	-	-
2031	50,000	1,325	51,325	1,000,000	23,087	1,023,087	-	-	-
	<u>\$ 92,070,458</u>	<u>\$ 26,098,636</u>	<u>\$ 118,169,094</u>	<u>\$ 47,725,000</u>	<u>\$ 19,575,928</u>	<u>\$ 67,300,928</u>	<u>\$ 32,155,000</u>	<u>\$ 14,056,300</u>	<u>\$ 46,211,300</u>

Fiscal Year	Venue Sales Tax Revenue Bonds			Park Venue Sales Tax Revenue Bonds			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 5,025,000	\$ 1,296,278	\$ 6,321,278	\$ 1,235,000	\$ 1,004,216	\$ 2,239,216	\$ 18,937,175	\$ 10,559,416	\$ 29,496,591
2014	5,515,000	1,755,790	7,270,790	1,360,000	951,644	2,311,644	19,615,848	10,399,077	30,014,925
2015	6,035,000	1,535,742	7,570,742	1,425,000	894,948	2,319,948	20,463,800	9,509,768	29,973,568
2016	5,360,000	1,303,315	6,663,315	1,480,000	837,357	2,317,357	20,196,753	8,580,300	28,777,053
2017	5,125,000	1,104,768	6,229,768	1,550,000	778,976	2,328,976	20,468,743	7,652,990	28,121,733
2018	5,625,000	935,230	6,560,230	1,615,000	716,984	2,331,984	21,020,734	6,710,496	27,731,230
2019	6,190,000	754,505	6,944,505	1,680,000	652,218	2,332,218	21,972,405	5,744,967	27,717,372
2020	6,130,000	559,094	6,689,094	1,745,000	584,659	2,329,659	21,155,000	4,752,087	25,907,087
2021	5,550,000	362,321	5,912,321	1,830,000	509,995	2,339,995	19,475,000	3,766,839	23,241,839
2022	5,245,000	158,894	5,403,894	1,920,000	431,074	2,351,074	17,775,000	2,838,274	20,613,274
2023	-	-	-	2,005,000	351,518	2,356,518	9,795,000	2,125,418	11,920,418
2024	-	-	-	2,100,000	264,804	2,364,804	9,605,000	1,703,954	11,308,954
2025	-	-	-	2,195,000	174,203	2,369,203	8,815,000	1,298,187	10,113,187
2026	-	-	-	2,215,000	84,435	2,299,435	8,530,000	912,462	9,442,462
2027	-	-	-	935,000	19,685	954,685	6,680,000	567,562	7,247,562
2028	-	-	-	-	-	-	3,065,000	338,583	3,403,583
2029	-	-	-	-	-	-	3,000,000	187,975	3,187,975
2030	-	-	-	-	-	-	1,420,000	80,750	1,500,750
2031	-	-	-	-	-	-	1,050,000	24,412	1,074,412
	<u>\$ 55,800,000</u>	<u>\$ 9,765,937</u>	<u>\$ 65,565,937</u>	<u>\$ 25,290,000</u>	<u>\$ 8,256,716</u>	<u>\$ 33,546,716</u>	<u>\$ 253,040,458</u>	<u>\$ 77,753,517</u>	<u>\$ 330,793,975</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, closure and post closure liability.

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:

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
Water and wastewater					
Revenue bonds:					
Series 2004	2.5-4.45	2004	2024	7,110,000	\$ -
Series 2004-A	2.0-4.75	2004	2024	5,615,000	-
Series 2005	2.75-4.50	2005	2025	5,725,000	4,220,000
Series 2005-A	3.5-4.25	2005	2025	10,230,000	7,450,000
Series 2006	4.0-5.5	2006	2026	4,840,000	3,915,000
Series 2006-A	4.25-4.375	2006	2027	6,625,000	5,500,000
Series 2007	4.0-4.50	2007	2027	15,845,000	12,890,000
Series 2008	3.5-5.50	2009	2029	4,940,000	4,460,000
Series 2010	0.0-2.587	2010	2030	4,995,000	4,620,000
Series 2011	2.0-4.25	2011	2031	8,940,000	7,850,000
Series 2011A	2.0-5.0	2011	2031	11,020,000	11,020,000
Total revenue bonds					<u>61,925,000</u>
Premiums/discounts, net					530,343
Deferred loss on refunding					(141,594)
Compensated absences					221,704
Total water and wastewater long-term debt					<u>62,535,453</u>
Solid waste					
Closure and post closure liability	N/A	N/A	N/A	N/A	5,616,238
Compensated absences	N/A	N/A	N/A	N/A	78,986
Total solid waste long-term debt					<u>5,695,224</u>
Municipal airport					
General obligation bonds:					
Series 1998B	3.25-4.9	1998	2012	1,238,648	-
Certificates of obligation bonds:					
Series 2004A	2.25-5.0	2004	2024	2,120,000	1,810,000
Compensated absences	N/A	N/A	N/A	N/A	36,800
Total municipal airport long-term debt					<u>1,846,800</u>
Municipal golf					
General obligation bonds:					
Series 2002	4.5-5.0	2002	2022	835,000	-
Series 2004A	2.0-4.75	2004	2024	3,510,000	-
Series 2007	4.0-4.50	2007	2019	1,482,000	1,254,543
Series 2011A	2.0-5.0	2011	2025	1,170,000	1,080,000
Total general obligation bonds					<u>2,334,543</u>
Certificate of obligation bonds:					
Series 2004	2.50-4.45	2004	2024	717,000	-
Series 2004B	2.0-4.75	2004	2024	1,215,000	-
Series 2006	4.0-5.50	2006	2026	153,750	130,000
Total certificate of obligation bonds					<u>130,000</u>
Premiums/discounts, net	N/A	N/A	N/A	N/A	106,023
Compensated absences	N/A	N/A	N/A	N/A	44,005
Total municipal golf long-term debt					<u>2,614,571</u>
Storm Water					
Compensated absences					<u>16,856</u>
Total business-type activities' long-term debt					<u>\$ 72,708,904</u>

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

	Balance October 1, 2011	Borrowings or Increase	Payments or Decrease	Balance September 30, 2012	Due Within One Year
Water and wastewater					
Revenue bonds:					
Series 2004	\$ 4,215,000	\$ -	\$ (4,215,000)	\$ -	\$ -
Series 2004-A	4,095,000	-	(4,095,000)	-	-
Series 2005	4,460,000	-	(240,000)	4,220,000	250,000
Series 2005-A	7,880,000	-	(430,000)	7,450,000	445,000
Series 2006	4,105,000	-	(190,000)	3,915,000	200,000
Series 2006-A	5,745,000	-	(245,000)	5,500,000	255,000
Series 2007	13,500,000	-	(610,000)	12,890,000	635,000
Series 2008	4,625,000	-	(165,000)	4,460,000	175,000
Series 2010	4,810,000	-	(190,000)	4,620,000	195,000
Series 2011	8,940,000	-	(1,090,000)	7,850,000	1,110,000
Series 2011A	-	11,020,000	-	11,020,000	580,000
Total revenue bonds	62,375,000	11,020,000	(11,470,000)	61,925,000	3,845,000
Premiums/discount, net	93,206	469,744	(32,607)	530,343	-
Deferred loss on refunding	(154,466)	-	12,872	(141,594)	-
Compensated absences	218,202	296,006	(292,504)	221,704	221,704
Total water and wastewater long-term debt	62,531,942	11,785,750	(11,782,239)	62,535,453	4,066,704
Solid waste					
Closure and post closure liability	5,317,993	298,245	-	5,616,238	-
Compensated absences	72,720	124,433	(118,167)	78,986	78,986
Total solid waste long-term debt	5,390,713	422,678	(118,167)	5,695,224	78,986
Municipal airport					
General obligation bonds:					
Series 1998-B	65,000	-	(65,000)	-	-
Certificates of Obligation					
Series 2004A	1,855,000	-	(45,000)	1,810,000	115,000
Compensated absences	36,299	21,002	(20,501)	36,800	18,866
Total municipal airport long-term debt	1,956,299	21,002	(130,501)	1,846,800	133,866
Municipal golf					
General obligation bonds:					
Series 2002	835,000	-	(835,000)	-	-
Series 2004A	2,660,000	-	(2,660,000)	-	-
Series 2007	1,376,601	-	(122,058)	1,254,543	127,825
Series 2011A	-	1,170,000	(90,000)	1,080,000	70,000
Total general obligation bonds	4,871,601	1,170,000	(3,707,058)	2,334,543	197,825
Certificate of obligation bonds:					
Series 2004	522,540	-	(522,540)	-	-
Series 2004B	890,000	-	(890,000)	-	-
Series 2006	135,000	-	(5,000)	130,000	5,000
Total certificate of obligation bonds	1,547,540	-	(1,417,540)	130,000	5,000
Premiums/discount, net	5,665	108,459	(8,101)	106,023	-
Compensated absences	39,270	46,860	(42,125)	44,005	44,005
Total municipal golf long-term debt	6,464,076	1,325,319	(5,174,824)	2,614,571	246,830
Storm water					
Compensated absences	13,523	26,490	(23,157)	16,856	16,856
Total business-type activities' long-term debt	\$ 76,356,553	\$ 13,581,239	\$ (17,228,888)	\$ 72,708,904	\$ 4,543,242

CITY OF GRAND PRAIRIE, TEXAS
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(i) Water and Wastewater System Debt

On November 22, 2011 the City issued \$11,020,000 in Water and Wastewater system Refunding and Improvement Bonds, Series 2011A, of which \$3,630,000 was for the City's combined water and wastewater system and \$7,390,000 was for a current refunding of prior issues.

The refunding bonds mentioned above were used to refund \$7,590,000 of prior issued debt. As a result, the refunded bonds were defeased and the liability was removed from the City's financial records in fiscal year 2012. This current refunding was undertaken to reduce total debt service payments over the next thirteen years by approximately \$580,656 and to obtain an economic gain of \$541,384.

- Defeased Debt Outstanding

At September 30, 2012, all of the previously defeased debt has been paid off.

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.

CITY OF GRAND PRAIRIE, TEXAS
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- 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, 2012, the City was in compliance with these covenants.

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>
2013	\$ 3,845,000	\$ 2,326,883	\$ 6,171,883
2014	3,950,000	2,204,398	6,154,398
2015	4,000,000	2,074,627	6,074,627
2016	3,785,000	1,940,131	5,725,131
2017	4,010,000	1,802,525	5,812,525
2018	4,180,000	1,648,026	5,828,026
2019	4,355,000	1,480,713	5,835,713
2020	4,250,000	1,308,634	5,558,634
2021	4,435,000	1,131,633	5,566,633
2022	4,625,000	943,917	5,568,917
2023	4,290,000	759,759	5,049,759
2024	4,340,000	585,992	4,925,992
2025	3,805,000	416,237	4,221,237
2026	2,800,000	274,731	3,074,731
2027	2,525,000	160,448	2,685,448
2028	915,000	87,755	1,002,755
2029	955,000	49,534	1,004,534
2030	585,000	20,404	605,404
2031	275,000	5,500	280,500
Total	<u>\$ 61,925,000</u>	<u>\$ 19,221,847</u>	<u>\$ 81,146,847</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, 2012, compliance with this requirement can be demonstrated as follows:

Revenue (1)	\$ 58,701,075
Operating expense (excluding depreciation):	
Water purchased	10,951,192
Sewage disposal contract	11,581,458
Other	<u>17,835,299</u>
Total expense (2)	40,367,949
Available for debt service	\$ 18,333,126
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2012	\$ 4,270,887
Coverage of average annual requirements based on September 30, 2012 revenue available for debt service	4.29

- (1) Includes operating revenues plus investment income and impact fees
- (2) Excludes depreciation expense.

CITY OF GRAND PRAIRIE, TEXAS
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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 and 2007, 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 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>
2013	\$ 197,825	\$ 93,370	\$ 291,195
2014	239,152	86,817	325,969
2015	251,200	79,014	330,214
2016	263,248	70,827	334,075
2017	276,257	62,192	338,449
2018	284,266	52,823	337,089
2019	297,595	34,680	332,275
2020	95,000	18,895	113,895
2021	100,000	14,520	114,520
2022	105,000	10,760	115,760
2023	110,000	6,800	116,800
2024	115,000	2,300	117,300
Total	<u>\$ 2,334,543</u>	<u>\$ 532,998</u>	<u>\$ 2,867,541</u>

Certificate of Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 5,000	\$ 5,538	\$ 10,538
2014	5,000	5,262	10,262
2015	5,000	5,025	10,025
2016	10,000	4,725	14,725
2017	10,000	4,325	14,325
2018	10,000	3,919	13,919
2019	10,000	3,500	13,500
2020	10,000	3,075	13,075
2021	10,000	2,650	12,650
2022	10,000	2,219	12,219
2023	10,000	1,781	11,781
2024	10,000	1,344	11,344
2025	10,000	900	10,900
2026	15,000	337	15,337
Total	<u>\$ 130,000</u>	<u>\$ 44,600</u>	<u>\$ 174,600</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
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(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:

Certificate of Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 115,000	\$ 83,035	\$ 198,035
2014	120,000	78,260	198,260
2015	125,000	72,973	197,973
2016	130,000	67,072	197,072
2017	140,000	60,660	200,660
2018	145,000	53,891	198,891
2019	150,000	46,979	196,979
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>\$ 1,810,000</u>	<u>\$ 577,035</u>	<u>\$ 2,387,035</u>

CITY OF GRAND PRAIRIE, TEXAS
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(c) Grand Prairie Housing Finance Corporation Long-Term Debt

The GPHFC has a general obligation note payable to a bank which was used to construct the Cotton Creek and Willow Tree Learning Center. The note bears a rate of 6.25% and is payable in equal monthly installments of \$15,576 through June 10, 2020.

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, 2010. The bonds are non-recourse liabilities collateralized solely by the land and construction in progress, less the accrued interest.

A summary of long-term debt activity during the fiscal year ended December 31, 2011 follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Note payable	\$ 2,339,585	\$ -	\$ (37,251)	\$ 2,302,334	\$ 48,158
Line of Credit	163,656	-	(24,844)	138,812	138,812
Revenue bonds	8,630,000	-	(140,000)	8,490,000	150,000
Subordinate bonds	4,550,000	-	-	4,550,000	-
Developer loan	1,087,663	45,552	-	1,133,215	-
Total	<u>\$ 16,770,904</u>	<u>\$ 45,552</u>	<u>\$ (202,095)</u>	<u>\$ 16,614,361</u>	<u>\$ 336,970</u>

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

Future maturities of the debt are as follows:

Fiscal Year Ending December 31	Note Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2012	\$ 48,158	\$ 154,331	\$ 150,000	\$ 651,744
2013	51,522	150,966	160,000	640,306
2014	54,836	147,652	175,000	628,119
2015	58,363	144,125	190,000	614,619
2016	62,118	140,371	200,000	600,181
2017-2021	2,027,337	422,272	1,270,000	2,740,903
2022-2026	-	-	1,855,000	2,158,181
2027-2031	-	-	2,715,000	1,298,513
2032-2034	-	-	1,775,000	210,025
Total	<u>\$ 2,302,334</u>	<u>\$ 1,159,717</u>	<u>\$ 8,490,000</u>	<u>\$ 9,542,591</u>

CITY OF GRAND PRAIRIE, TEXAS
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The Subordinate Lien Revenue Bonds are not scheduled above as their payments are contingent upon cash flow and payment amounts and periods are uncertain.

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.

At December 31, 2011, outstanding conduit debt was as follows:

<u>Bond Series</u>	<u>Original Issue Amount</u>	<u>Outstanding Amount</u>
2001 Single-Family Mortgage Revenue Bonds	\$ 14,160,000	\$ -
2004B Single-Family Mortgage Revenue & Refunding Bonds	7,500,000	2,395,086
2003 Re-Offering Senior Living Center Priority	8,630,000	8,490,000
2003 Re-Offering Senior Living Center Subordinate	<u>4,550,000</u>	<u>4,550,000</u>
	Total	<u>\$ 15,435,086</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 \$5,616,238 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 35.99% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and post closure care of \$9,608,854 as the remaining estimated capacity is filled. The City expects to close the landfill in year 2063. Actual cost may be higher or lower due to inflation, changes in technology or changes in regulations.

c. Fund Equity, Net Assets, and Fund Balance

1) Fund Equity

A fund's equity is generally the difference between its assets and liabilities.

2) 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.

3) Net Assets: Restricted

This component of net assets reports liquid assets which have third-party (statutory, bond covenant or granting agency) limitations on their use.

4) 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.

5) Fund Balance Disclosure

In accordance with Governmental Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, an accounting distinction is made between the portions of fund equity that are spendable and non-spendable. These are broken up into five categories:

- Non-spendable – includes amounts that are not in a spendable form or are required to be maintained intact, for example Inventory or permanent funds.
- Restricted – includes amounts that can be spent only for specific purposes either constitutionally or through enabling legislation (e.g., grants and child safety fees).
- Committed – includes amounts that can be used only for the specific purposes pursuant to constraints imposed by the City Council Ordinance action. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end.
- Assigned – comprises amounts intended to be used by the government for specific purposes. The City Council has delegated responsibility to assign fund balances to the City Manager or his designee. Intent can be expressed by the governing body or

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

by an official or body to which the governing body delegates the authority. In governmental funds, other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

- Unassigned – the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

The City of Grand Prairie shall approve all commitments by the City Council Ordinance formal action. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. A commitment can only be modified or removed by the same formal action.

When it is appropriate for fund balance to be assigned, the City of Grand Prairie delegates the responsibility to assign funds to the City Manager or his/her designee. Assignments may occur subsequent to fiscal year-end.

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

The City of Grand Prairie will utilize funds in the following spending order:

- Restricted
- Committed
- Assigned
- Unassigned

A schedule of City fund balances is provided in the following page.

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
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	General Fund	Section 8	Street Improvements	Debt Service	Non Major Capital Projects Funds	Non Major Special Revenue Funds	Total
FUND BALANCES:							
Nonspendable:							
Pre-paids	\$ 1,035	\$ -	\$ -	\$ -	\$ -	\$ 98,473	\$ 99,508
Spendable:							
Restricted for:							
Section 8	-	4,244,724	-	-	-	-	4,244,724
Street Improvements	-	-	18,569,139	-	-	-	18,569,139
Debt Service	-	-	-	7,578,472	-	-	7,578,472
Fire Capital	-	-	-	-	3,982,785	-	3,982,785
Park Venue	-	-	-	-	-	7,536,617	7,536,617
Senior Center	-	-	-	-	-	1,142,216	1,142,216
Hotel Motel	-	-	-	-	-	1,266,828	1,266,828
Police seizure	-	-	-	-	-	996,166	996,166
Tax Increment Financing	-	-	-	-	-	5,093,763	5,093,763
Lake/Parks	-	-	-	-	-	2,899,744	2,899,744
Baseball stadium	-	-	-	-	-	1,178,204	1,178,204
Streets	-	-	-	-	-	2,795,223	2,795,223
Crime fund operations	-	-	-	-	-	2,258,085	2,258,085
Cemetery	-	-	-	-	-	557,174	557,174
Grants	-	-	-	-	-	5,632,775	5,632,775
Other purposes	-	-	-	-	-	928,594	928,594
Other Special Revenue	-	-	-	-	-	2,434,961	2,434,961
Public Improvement Districts	-	-	-	-	-	1,130,610	1,130,610
Total Restricted	-	4,244,724	18,569,139	7,578,472	3,982,785	35,850,960	70,226,080
Committed to:							
Municipal Facilities	-	-	-	-	1,799,054	-	1,799,054
CAP Lending	-	-	-	-	8,328,351	-	8,328,351
Drainage Capital	-	-	-	-	7,032,700	-	7,032,700
Other Capital projects	-	-	-	-	8,202,923	-	8,202,923
Pool Investment	524,836	-	-	-	-	-	524,836
Cemetery	-	-	-	-	-	960,202	960,202
Economic Development	-	-	-	-	-	79,161	79,161
Total Committed	524,836	-	-	-	25,363,028	1,039,363	26,927,227
Assigned to:							
Encumbrances	214,449	-	-	-	-	-	214,449
Home Match Cash Fund	279,599	-	-	-	-	-	279,599
Employee Welfare	32,742	-	-	-	-	-	32,742
Library Memorials	17,934	-	-	-	-	-	17,934
At Risk Youths	34,720	-	-	-	-	-	34,720
Impact Grand Prairie	53	-	-	-	-	-	53
Anti Drug Program	12,924	-	-	-	-	-	12,924
Greg Hunter Scholarship	49,220	-	-	-	-	-	49,220
Police Memorials	6,984	-	-	-	-	-	6,984
Shattered Dreams	2,756	-	-	-	-	-	2,756
State Training (Police)	15,191	-	-	-	-	-	15,191
Animal Shelter Contributions	257,677	-	-	-	-	-	257,677
Parks Education Foundation	1,450	-	-	-	-	-	1,450
Westchester Park	12,740	-	-	-	-	-	12,740
Uptown Trust	99,613	-	-	-	-	-	99,613
First Offender Program	19,026	-	-	-	-	-	19,026
Kirby Creek Accessibility Garden	51,480	-	-	-	-	-	51,480
Take a Load Off Facility	199,043	-	-	-	-	-	199,043
US Marshals Service Agreement	89,043	-	-	-	-	-	89,043
Baseball Repair & Maintenance	40,000	-	-	-	-	-	40,000
Other projects	12,533	-	-	-	-	-	12,533
Total Assigned	1,449,177	-	-	-	-	-	1,449,177
Unassigned	25,938,708	-	-	-	-	-	25,938,708
Total fund balances:	\$ 27,913,756	\$ 4,244,724	\$ 18,569,139	\$ 7,578,472	\$ 29,345,813	\$ 36,988,796	\$ 124,640,700

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

d. Interfund Transactions

The composition of interfund balances as of September 30, 2012, is as follows:

1) Interfund Receivables/Payables

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

	Due from Other Funds	Due to Other Funds
	<u> </u>	<u> </u>
General Fund	\$ 200,000	\$ -
CDBG Fund	-	100,000
Equipment Services Fund	-	100,000
	<u>\$ 200,000</u>	<u>\$ 200,000</u>

The General Fund receivable represents cash provided to Other Special Revenue Funds for temporary funding of reimbursement – basis grants.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
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2) Interfund Transfers

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

	Transfers In				
	General Fund	Section 8	Street Improvements	Debt Service	Nonmajor Governmental Funds
<u>Transfers out:</u>					
General Fund	\$ -	\$ -	\$ -	\$ 4,790,337	\$ 11,783,385
Section 8	-	-	-	50,000	-
Street Improvements	-	-	-	-	3,348,836
Debt Service	-	-	-	-	-
Nonmajor					
Governmental Funds	1,917,373	-	9,213,852	2,161,266	4,737,798
Internal Service Funds	-	-	-	-	-
Water/wastewater	-	-	-	-	2,560,366
Nonmajor					
Enterprise Funds	-	-	-	-	5,052,214
Total	<u>\$ 1,917,373</u>	<u>\$ -</u>	<u>\$ 9,213,852</u>	<u>\$ 7,001,603</u>	<u>\$ 27,482,599</u>
	Transfers In				
	Water Wastewater	Municipal Golf	Solid Waste	Municipal Airport	Total
<u>Transfers out:</u>					
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 16,573,722
Section 8	-	-	-	-	50,000
Street Improvements	-	-	-	-	3,348,836
Debt Service	-	368,054	-	-	368,054
Nonmajor					
Governmental Funds	16,000	4,060,633	-	-	22,106,922
Internal Service Funds	-	-	-	-	-
Water/wastewater	-	-	-	-	2,560,366
Nonmajor					
Enterprise Funds	-	-	-	-	5,052,214
Total	<u>\$ 16,000</u>	<u>\$ 4,428,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,060,114</u>

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, and (4) move capital assets from one fund to another.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
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3) 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 aspect of interfund services provided and used are that each department or fund both gives and receives consideration.

Total reimbursement for "indirect cost" to the General Fund is considered general and administrative revenue. Amounts from other funds are included in general and administrative expenses. Significant cost reimbursements made during the year were as follows:

<u>Fund</u>	<u>Amount</u>
Water and Wastewater Funds	\$ 2,979,458
Solid Waste Funds	319,626
Section 8 Housing Grant Fund	158,918
Storm Water Funds	71,044
Airport Fund	53,818
Other Nonmajor Governmental Funds	<u>358,390</u>
Total to General Fund	<u>\$ 3,941,254</u>

4) 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:

<u>Fund</u>	<u>Amount</u>
Water and Wastewater Funds	\$ 2,193,337
Solid Waste Funds	311,793
Storm Water Funds	<u>205,033</u>
Total	<u>\$ 2,710,163</u>

5) 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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
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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 Funds	\$ 1,195,941
Solid Waste Funds	80,513
	<hr/>
Total	\$ 1,276,454
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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.

On March 5, 2009, Magna Entertainment Corp (MEC) the parent company of MEC Lone Star Park LP filed for bankruptcy under Chapter 11 federal bankruptcy protection. Subsequently on September 14, 2009 Lone Star filed for bankruptcy protection. Since the bankruptcy filing, Lone Star has been current on all rent payments with the exception of \$5,289 of additional rent that is due the Corporation for September 2009.

On October 23, 2009, an auction for Lone Star was conducted with Global Gaming LSP, LLC (a wholly owned subsidiary of the Chickasaw Nation) winning the auction for \$47 million. On May 13, 2011, Global Gaming obtained their license with the Texas Racing Commission. The sale was completed on May 16, 2011. Under the terms of the purchase agreement Global Gaming has agreed to assume the lease agreement between Lone Star and the Corporation.

The agreement states that upon completion of the project, Global Gaming 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>
2013	\$ 1,597,200
2014	1,597,200
2015	1,597,200
2016	1,597,200
2017	1,716,990
Thereafter	17,838,591
	<hr/>
	25,944,381
Less interest	10,942,106
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Net present value	\$ 15,002,275
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CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
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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 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, 2012 was \$3,624,884. Additional contingent rentals are recorded as revenue when received.

The capital lease is being amortized using the interest method over the 30-year life of the lease. The Corporation has recorded lease rental and interest for the year ended September 30, 2012 as follows:

Nominal interest on the lease	\$ 1,563,300
Amortization of the lease	<u>(359,529)</u>
Net interest	1,203,771
Contingent rentals received (includes rent for simulcast facility prior to completion of project)	<u>223,357</u>
Total lease rental and interest	<u><u>\$ 1,427,128</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.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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 2031, 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 2042, 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 (\$202,785 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 12.72% during fiscal year 2012. 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, 2012

f. Master and Other Agreements

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.

On March 15, 2011, City Council unanimously approved the assignment and transfer for the lease of the baseball stadium from GPPB to ISB, Inc.

g. Construction Commitments

The City has several approved outstanding major capital projects as of September 30, 2012. The City’s total committed but unexpended expenditures for such authorized capital projects at year-end approximates \$38,294,864. 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, 2012

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	\$ 2,575,788
Capital assets	9,639,472
Total assets	<u>12,215,260</u>
Current liabilities	475,652
Long-term liabilities	1,712,934
Total liabilities	<u>2,188,586</u>
Net assets invested in capital assets, net of related debt	7,829,472
Unrestricted net assets	2,197,202
Total net assets	<u>\$ 10,026,674</u>
<u>Condensed statement of revenue, expense and changes in net assets:</u>	
Sales to customers	\$ 1,618,740
Intergovernmental revenue	346,940
Other revenue	1,082,867
Total operating revenue	<u>3,048,547</u>
Depreciation	472,133
Other operating expenses	2,076,211
Total operating expenses	<u>2,548,344</u>
Interest expense	<u>(89,789)</u>
Total nonoperating revenue (expense)	<u>(89,789)</u>
Income before transfers	410,414
Transfers out	<u>(271,701)</u>
Change in net assets	138,713
Net assets at the beginning of the year	9,887,961
Net assets at the end of the year	<u>\$ 10,026,674</u>
<u>Condensed statement of cash flows:</u>	
Net cash provided (used) by:	
Operating activities	\$ 1,092,652
Noncapital financing activities	(271,701)
Capital and related financing activities	(1,893,877)
Investing activities	491,649
Beginning cash and cash equivalent balances	1,203,485
Ending cash and cash equivalent balances	<u>\$ 622,208</u>

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

6. SUBSEQUENT EVENTS

On October 16, 2012 the City Council issued:

- \$495,000 in Water and Wastewater System Revenue Bonds, New Series 2012. The proceeds are to be used for construction and will remain in the Texas Water Development Board Clean Water State Revolving Fund (Tier III) until committed.
- \$87,000 in the Loan Forgiveness Portion of the Water and Wastewater System Revenue Bonds, New Series 2012.

On December 11, 2012 the City Council issued:

- \$8,755,000 in General Obligation Refunding Bonds, Series 2012. The proceeds are to be used to refund General Obligation and Combination Tax and Revenue Certificate of Obligation Bonds.

The City has evaluated all other events or transactions that occurred after September 30, 2012 up through February 28, 2013, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budget		Actual	Variance
	Original	Final	GAAP Basis	with Final Budget - Positive (Negative)
REVENUE				
Property tax	\$ 42,441,374	\$ 42,441,374	\$ 42,719,247	\$ 277,873
Sales tax	20,097,958	20,097,958	22,544,649	2,446,691
Other taxes	189,600	189,600	205,844	16,244
Franchise fees	12,516,922	12,516,922	12,902,516	385,594
Charges for goods and services	4,317,328	4,317,328	4,488,395	171,067
Licenses and permits	2,233,316	2,233,316	2,316,295	82,979
Fines and forfeitures	5,279,616	5,279,616	5,961,650	682,034
Intergovernmental revenue	738,657	738,657	823,061	84,404
General and administrative	3,930,091	3,930,091	3,941,254	11,163
Investment income	1,510,705	1,510,705	991,537	(519,168)
Rents and royalties	300,000	300,000	598,067	298,067
Other	292,636	292,636	704,192	411,556
Total revenue	93,848,203	93,848,203	98,196,707	4,348,504
EXPENDITURES				
Current:				
Support services	12,557,114	12,757,720	11,555,552	1,202,168
Public safety services	61,106,739	61,111,608	61,227,749	(116,141)
Recreation and leisure services	1,794,823	1,747,239	1,682,121	65,118
Development and other services	11,794,848	11,779,384	11,500,744	278,640
Capital outlay	770,500	857,731	847,480	10,251
Debt service	4,790,337	-	-	-
Total expenditures	92,814,361	88,253,682	86,813,646	1,440,036
Excess of revenue over expenditures	1,033,842	5,594,521	11,383,061	5,788,540
OTHER FINANCING SOURCES (USES)				
Transfers in	1,366,484	1,366,484	1,917,373	550,889
Transfers out	(10,722,345)	(16,856,511)	(16,573,722)	282,789
Proceeds from sale of capital assets	500,000	500,000	593,041	93,041
Total other financing sources (uses)	(8,855,861)	(14,990,027)	(14,063,308)	926,719
Net change in fund balance	(7,822,019)	(9,395,506)	(2,680,247)	6,715,259
Fund balance - beginning of year	30,594,003	30,594,003	30,594,003	-
Fund balance - end of year	\$ 22,771,984	\$ 21,198,497	\$ 27,913,756	\$ 6,715,259

**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – SECTION 8 FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Positive (Negative)
REVENUE				
Charges for goods and service	\$ 91,822	\$ 80,516	\$ 80,516	\$ -
Licenses and permits	197,920	188,553	188,553	-
Intergovernmental revenue	22,050,489	22,487,800	22,523,061	35,261
Investment income	6,250	10,000	10,000	-
Contributions	-	7,606	7,606	-
Other	37,500	85,537	85,537	-
Total revenue	22,383,981	22,860,012	22,895,273	35,261
EXPENDITURES				
Current operations:				
Development services and other	22,732,808	24,933,220	24,811,387	121,833
Total expenditures	22,732,808	24,933,220	24,811,387	121,833
Excess (deficiency) of revenues over (under) expenditures	(348,827)	(2,073,208)	(1,916,114)	157,094
OTHER FINANCING SOURCES (USES)				
Transfers in	282,750	-	-	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	232,750	(50,000)	(50,000)	-
Net change in fund balance	(116,077)	(2,123,208)	(1,966,114)	157,094
Fund balance - beginning of year	6,210,838	6,210,838	6,210,838	-
Fund balance - end of year	\$ 6,094,761	\$ 4,087,630	\$ 4,244,724	\$ 157,094



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**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE 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 (UAAL) (2) - (1)
2004	12/31/2003	\$ 142,198,405	\$ 177,576,317	80.1%	\$ 35,377,912
2005	12/31/2004	152,470,087	187,718,712	81.2%	35,248,625
2006	12/31/2005	157,030,678	194,053,949	80.9%	37,023,271
2007	12/31/2006	167,101,197	208,328,802	80.2%	41,227,605
2008	12/31/2007	174,692,032	252,870,914	69.1%	78,178,882
2009	12/31/2008	184,115,536	270,661,623	68.0%	86,546,087
2010	12/31/2009	195,807,917	283,654,428	69.0%	87,846,511
2011	12/31/2010	299,459,271	365,426,666	81.9%	65,967,395
2012	12/31/2011	323,972,818	385,345,197	84.1%	61,372,379

Nine 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 2004 through 2012. This information can be referred to in separately issued financial reports of the pension fund.

(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability (UAAL) as a Percentage of Covered Payroll (4)/(5)	Annual Required Contributions	Actual Contributions
\$ 49,764,580	71.1%	\$ 6,590,869	\$ 6,590,869
52,997,624	66.5%	7,222,849	7,222,849
53,849,572	68.8%	7,715,790	7,715,790
56,817,617	72.6%	7,577,405	7,577,405
61,880,950	126.3%	8,203,635	8,203,635
67,018,137	129.1%	8,955,152	8,955,152
66,030,734	133.0%	9,792,823	9,792,823
65,426,278	100.8%	10,466,084	10,466,084
64,693,060	94.9%	11,720,530	11,720,530

**CITY OF GRAND PRAIRIE, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POST EMPLOYMENT BENEFITS
 SCHEDULE OF FUNDING PROGRESS**

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Unit Credit Method	Unfunded Actuarial Liability (UAAL)	Funded Percent	Covered Payroll	UAAL as a % of Payroll
2010	12/31/2009	-	25,220,971	25,220,971	0%	61,083,237	41.29%
2011	9/30/2010	-	28,244,542	28,244,542	0%	61,281,663	46.09%
2012	9/30/2012	-	29,395,343	29,395,343	0%	62,017,533	47.40%

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

**CITY OF GRAND PRAIRIE, TEXAS
MAJOR FUND OTHER SCHEDULES
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Budget		Actual GAAP Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUE				
Property tax	\$ 16,654,566	\$ 16,654,566	\$ 16,316,870	\$ (337,696)
Investment income	-	-	303	303
Total revenue	16,654,566	16,654,566	16,317,173	(337,393)
EXPENDITURES				
Debt service:				
Principal retirement	9,452,160	16,470,090	16,009,895	460,195
Interest	6,538,920	6,466,151	6,448,526	17,625
Total expenditures	15,991,080	22,936,241	22,458,421	477,820
Excess (deficiency) of revenue over (under) expenditures	663,486	(6,281,675)	(6,141,248)	140,427
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	7,001,603	7,001,603	-
Transfers out	(314,075)	(368,054)	(368,054)	-
Premium on debt issued	-	-	2,472,442	2,472,442
Refunding bond issued	-	-	26,870,000	26,870,000
Payments for refunded debt	-	-	(29,071,801)	(29,071,801)
Total other financing sources (uses)	(164,075)	6,633,549	6,904,190	270,641
Net change in fund balance	499,411	351,874	762,942	411,068
Fund balance - beginning of year	6,815,530	6,815,530	6,815,530	-
Fund balance - end of the year	\$ 7,314,941	\$ 7,167,404	\$ 7,578,472	\$ 411,068



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**CITY OF GRAND PRAIRIE, TEXAS
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 restricted or committed to expenditures for specific purposes other than for debt service or capital projects.

- ◆ Other Special Revenue Funds – account for operations of various small funds and includes Red Safety Fund, Commercial Vehicle, Theater , and Economic Development.
- ◆ 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.
- ◆ Senior Center Sales Tax – accounts for the operation of the Active Adult Center for the citizens of Grand Prairie.
- ◆ 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 committed for the operations and improvements to the City's cable channel.
- ◆ 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 and revenues that were received from Trinity River Authority.
- ◆ Baseball Stadium Fund – accounts for the City's baseball stadium and ongoing rental income and debt service.
- ◆ Street Sales Tax Fund – accounts for the quarter cent sales tax to maintain existing streets and alleys that was effective April 1, 2002.
- ◆ Crime Sales Tax Fund – accounts for the Crime Sales Tax revenue collected by the City.
- ◆ Cemetery Fund – accounts for the Memorial Gardens operations and related revenues received by the City.
- ◆ Grants Fund – accounts for the various federal, state and local grant revenue received by the City. All grants included in this fund are for specific projects with limited duration.
- ◆ Community Development Block Grant (CDBG) Fund – accounts for the CDBG revenue received by the City from US Department of Housing and Urban Development .
- ◆ Public Improvement Districts (PID) Fund – accounts for the activity of the City's sixteen PIDs.
- ◆ Juvenile Case Manager Fund – accounts for the salary and benefits of a juvenile case manager employed under Article 45.056 Texas Code of Criminal Procedure.

Capital Projects Funds

Capital Projects Funds are used to account for capital improvements which are financed by the city's general obligation bond issues and other restricted, committed and assigned resources for capital projects.

- ◆ Senior Center Fund – accounts for the construction/improvement and other expenditures related to 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 (MFAC) – accounts for the construction and capital improvements of the City's facilities.
- ◆ Capital Lending Reserve Fund – established for financing one-time, non-recurring capital projects.
- ◆ Drainage Fund – accounts for the construction/improvements and other expenditures related to City's drainage system.
- ◆ Crime Tax Construction in Progress (CIP) Fund – accounts for the construction/improvements and other expenditures related to the City's public safety building.
- ◆ Other Capital Projects Funds – includes Capital Reserve Fund, Street Projects Fund, Equipment Acquisition Fund, and Certificates of Obligation Fund.

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012**

	Special Revenue Funds			
	Other Special Revenue Funds	Park Venue	Senior Center Sales Tax	Hotel Motel Tax
ASSETS				
Cash and cash equivalents	\$ 730,840	\$ 4,794,830	\$ 45,566	\$ 613,993
Investments	2,123,855	3,223,344	550,000	530,000
Sales tax receivable	-	1,093,299	546,650	-
Franchise fees receivable	-	-	-	-
Other receivables	157,196	48,482	-	141,203
Due from other governments	-	-	-	-
Prepaid expenditures	-	1,277	-	-
Total assets	3,011,891	9,161,232	1,142,216	1,285,196
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	147,733	1,328,055	-	11,853
Accrued liabilities	350,036	122,688	-	6,515
Due to funds	-	-	-	-
Customer deposits	-	33,420	-	-
Deferred revenue	-	139,175	-	-
Total liabilities	497,769	1,623,338	-	18,368
Fund balance:				
Nonspendable	-	1,277	-	-
Restricted	2,434,961	7,536,617	1,142,216	1,266,828
Committed	79,161	-	-	-
Total fund balance	2,514,122	7,537,894	1,142,216	1,266,828
Total liabilities and fund balance	\$ 3,011,891	\$ 9,161,232	\$ 1,142,216	\$ 1,285,196

Police Seizure	Municipal Court	Cable Operations	Tax Increment Financing Districts	Lake Parks
\$ 1,039,648	\$ 285,942	\$ 161,254	\$ 3,893,763	\$ 740,087
50,000	-	200,000	1,200,000	2,292,298
-	-	-	-	-
-	-	73,349	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,089,648</u>	<u>285,942</u>	<u>434,603</u>	<u>5,093,763</u>	<u>3,032,385</u>
12,185	44,677	2,128	-	105,259
81,297	1,821	1,543	-	27,382
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>93,482</u>	<u>46,498</u>	<u>3,671</u>	<u>-</u>	<u>132,641</u>
-	-	-	-	-
996,166	239,444	430,932	5,093,763	2,899,744
-	-	-	-	-
<u>996,166</u>	<u>239,444</u>	<u>430,932</u>	<u>5,093,763</u>	<u>2,899,744</u>
<u>\$ 1,089,648</u>	<u>\$ 285,942</u>	<u>\$ 434,603</u>	<u>\$ 5,093,763</u>	<u>\$ 3,032,385</u>

(continued)

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012**

	Special Revenue Funds			
	Pool Investment	Baseball Stadium	Street Sales Tax	Crime Sales Tax
ASSETS				
Cash and cash equivalents	\$ -	\$ 31,554	\$ 1,597,418	\$ 89,694
Investments	-	600,000	700,000	1,100,000
Sales tax receivable	-	546,650	1,093,299	1,068,391
Franchise fees receivable	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	-	-	-	-
Prepaid expenditures	-	-	-	-
Total assets	-	1,178,204	3,390,717	2,258,085
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	-	-	566,239	-
Accrued liabilities	-	-	29,255	-
Due to funds	-	-	-	-
Customer deposits	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	595,494	-
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	1,178,204	2,795,223	2,258,085
Committed	-	-	-	-
Total fund balance	-	1,178,204	2,795,223	2,258,085
Total liabilities and fund balance	\$ -	\$ 1,178,204	\$ 3,390,717	\$ 2,258,085

<u>Cemetery</u>	<u>Grants</u>	<u>CDBG</u>	<u>PID</u>	<u>Juvenile Case Manager</u>	<u>Total Special Revenue Funds</u>
\$ 1,337,848	\$ 81,236	\$ 89,830	\$ 1,234,169	\$ 263,893	\$ 17,031,565
800,000	5,500,000	-	-	-	18,869,497
-	-	-	-	-	4,348,289
-	-	-	-	-	73,349
235,439	-	-	1,379	-	583,699
-	3,353,256	138,123	-	-	3,491,379
-	97,196	-	-	-	98,473
<u>2,373,287</u>	<u>9,031,688</u>	<u>227,953</u>	<u>1,235,548</u>	<u>263,893</u>	<u>44,496,251</u>
32,205	1,126,289	15,644	103,738	3,000	3,499,005
8,264	274,351	8,943	-	2,675	914,770
-	-	100,000	-	-	100,000
-	-	-	-	-	33,420
815,442	1,901,077	103,366	1,200	-	2,960,260
<u>855,911</u>	<u>3,301,717</u>	<u>227,953</u>	<u>104,938</u>	<u>5,675</u>	<u>7,507,455</u>
-	97,196	-	-	-	98,473
557,174	5,632,775	-	1,130,610	258,218	35,850,960
960,202	-	-	-	-	1,039,363
<u>1,517,376</u>	<u>5,729,971</u>	<u>-</u>	<u>1,130,610</u>	<u>258,218</u>	<u>36,988,796</u>
<u>\$ 2,373,287</u>	<u>\$ 9,031,688</u>	<u>\$ 227,953</u>	<u>\$ 1,235,548</u>	<u>\$ 263,893</u>	<u>\$ 44,496,251</u>

(continued)

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012**

	Capital Projects Funds			
	Senior Center	Fire Capital	Municipal Facilities MFAC	Capital Lending Reserve
ASSETS				
Cash and cash equivalents	\$ 59,742	\$ 72,130	\$ 57,562	\$ 119,952
Investments	100,000	3,958,927	1,800,000	8,200,000
Sales tax receivable	-	-	-	-
Franchise tax receivable	-	-	-	-
Other receivables	-	-	-	70,899
Due from other governments	-	-	-	-
Prepaid expenditures	-	-	-	-
Total assets	159,742	4,031,057	1,857,562	8,390,851
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	43,913	48,272	58,508	50,000
Accrued liabilities	2,360	-	-	-
Due to funds	-	-	-	-
Customer deposits	-	-	-	-
Deferred revenue	-	-	-	12,500
Total liabilities	46,273	48,272	58,508	62,500
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	3,982,785	-	-
Committed	113,469	-	1,799,054	8,328,351
Total fund balance	113,469	3,982,785	1,799,054	8,328,351
Total liabilities and fund balance	\$ 159,742	\$ 4,031,057	\$ 1,857,562	\$ 8,390,851

Drainage	Crime Tax CIP	Other Capital Projects Funds	Total Capital Projects Funds	Total Non-major Governmental Funds
\$ 73,429	\$ 27,462	\$ 1,350,921	\$ 1,761,198	\$ 18,792,763
7,171,184	-	6,960,381	28,190,492	47,059,989
-	-	-	-	4,348,289
-	-	-	-	73,349
-	-	-	70,899	654,598
-	-	-	-	3,491,379
-	-	-	-	98,473
<u>7,244,613</u>	<u>27,462</u>	<u>8,311,302</u>	<u>30,022,589</u>	<u>74,518,840</u>
174,143	19,423	226,362	620,621	4,119,626
37,770	3,525	-	43,655	958,425
-	-	-	-	100,000
-	-	-	-	33,420
-	-	-	12,500	2,972,760
<u>211,913</u>	<u>22,948</u>	<u>226,362</u>	<u>676,776</u>	<u>8,184,231</u>
-	-	-	-	98,473
-	-	-	3,982,785	39,833,745
7,032,700	4,514	8,084,940	25,363,028	26,402,391
<u>7,032,700</u>	<u>4,514</u>	<u>8,084,940</u>	<u>29,345,813</u>	<u>66,334,609</u>
<u>\$ 7,244,613</u>	<u>\$ 27,462</u>	<u>\$ 8,311,302</u>	<u>\$ 30,022,589</u>	<u>\$ 74,518,840</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Special Revenue Funds			
	Other Special Revenue Funds	Park Venue	Senior Center Sales Tax	Hotel Motel Tax
REVENUE				
Property tax	\$ -	\$ -	\$ -	\$ -
Sales tax	-	5,762,747	2,881,375	-
Other taxes	-	-	-	1,126,415
Charges for goods and service	-	2,735,109	-	7,921
Licenses and permits	-	-	-	-
Fines and forfeitures	1,712,818	-	-	-
Intergovernmental revenue	-	-	-	-
Rents and royalties	940,255	619,152	-	-
Investment income	-	-	-	-
Contributions	-	121,174	-	-
Other	-	3,500	-	22,456
Total revenue	<u>2,653,073</u>	<u>9,241,682</u>	<u>2,881,375</u>	<u>1,156,792</u>
EXPENDITURES				
Current operations:				
Support services	-	-	-	931,338
Public safety services	1,570,759	-	-	-
Recreation and leisure services	-	12,018,132	-	-
Development services and other	42,000	-	-	-
Capital outlay	484,279	1,007,272	-	-
Debt service:				
Principal retirement	820,000	1,010,000	2,665,000	-
Interest charges	93,042	1,052,962	183,149	-
Total expenditures	<u>3,010,080</u>	<u>15,088,366</u>	<u>2,848,149</u>	<u>931,338</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(357,007)</u>	<u>(5,846,684)</u>	<u>33,226</u>	<u>225,454</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	6,687,467	-	-
Transfers out	-	(492,514)	-	(92,366)
Premium on debt issued	-	-	-	-
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>6,194,953</u>	<u>-</u>	<u>(92,366)</u>
Net change in fund balance	(357,007)	348,269	33,226	133,088
Fund balance - beginning of year	<u>2,871,129</u>	<u>7,189,625</u>	<u>1,108,990</u>	<u>1,133,740</u>
Fund balance - end of year	<u>\$ 2,514,122</u>	<u>\$ 7,537,894</u>	<u>\$ 1,142,216</u>	<u>\$ 1,266,828</u>

Police Seizure	Municipal Court	Cable Operations	Tax Increment Financing Districts	Lake Parks
\$ -	\$ -	\$ -	\$ 11,382,526	\$ -
-	-	-	-	-
-	-	-	-	2,009,585
-	-	-	-	194,696
-	242,618	-	-	-
152,908	-	-	-	-
-	-	-	-	862,776
2,893	-	-	-	-
-	-	-	-	-
2,582	-	290,580	-	120,405
<u>158,383</u>	<u>242,618</u>	<u>290,580</u>	<u>11,382,526</u>	<u>3,187,462</u>
-	-	172,204	1,885,471	-
344,550	190,295	-	-	-
-	-	-	-	2,880,739
-	-	-	-	-
95,044	29,960	63,426	-	473,874
-	-	-	3,714,000	-
-	-	-	962,918	-
<u>439,594</u>	<u>220,255</u>	<u>235,630</u>	<u>6,562,389</u>	<u>3,354,613</u>
(281,211)	22,363	54,950	4,820,137	(167,151)
-	-	-	1,214,425	9,000
-	-	-	(11,096,352)	(2,169,142)
-	-	-	143,221	-
-	-	-	1,545,000	-
-	-	-	(1,671,602)	-
-	-	-	-	-
-	-	-	(9,865,308)	(2,160,142)
(281,211)	22,363	54,950	(5,045,171)	(2,327,293)
<u>1,277,377</u>	<u>217,081</u>	<u>375,982</u>	<u>10,138,934</u>	<u>5,227,037</u>
<u>\$ 996,166</u>	<u>\$ 239,444</u>	<u>\$ 430,932</u>	<u>\$ 5,093,763</u>	<u>\$ 2,899,744</u>

(continued)

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Special Revenue Funds			
	Pool Investment	Baseball Stadium	Street Sales Tax	Crime Sales Tax
REVENUE				
Property tax	\$ -	\$ -	\$ -	\$ -
Sales tax	-	2,881,375	5,762,748	5,625,008
Other taxes	-	-	-	-
Charges for goods and service	-	-	185,526	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental revenue	-	-	-	-
Rents and royalties	-	-	-	-
Investment income	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total revenue	<u>-</u>	<u>2,881,375</u>	<u>5,948,274</u>	<u>5,625,008</u>
EXPENDITURES				
Current operations:				
Support services	-	-	-	-
Public safety services	-	-	-	-
Recreation and leisure services	-	-	-	-
Development services and other	-	-	9,444,575	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	2,820,000	-	5,330,000
Interest charges	-	123,429	-	669,119
Total expenditures	<u>-</u>	<u>2,943,429</u>	<u>9,444,575</u>	<u>5,999,119</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>(62,054)</u>	<u>(3,496,301)</u>	<u>(374,111)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,476,454	-
Transfers out	(328,405)	-	-	-
Premium on debt issued	-	-	-	-
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(328,405)</u>	<u>-</u>	<u>1,476,454</u>	<u>-</u>
Net change in fund balance	<u>(328,405)</u>	<u>(62,054)</u>	<u>(2,019,847)</u>	<u>(374,111)</u>
Fund balance - beginning of year	<u>328,405</u>	<u>1,240,258</u>	<u>4,815,070</u>	<u>2,632,196</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 1,178,204</u>	<u>\$ 2,795,223</u>	<u>\$ 2,258,085</u>

Cemetery	Grants	CDBG	PID	Juvenile Case Manager	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,382,526
-	-	-	-	-	22,913,253
-	-	-	-	-	1,126,415
755,354	2,254	-	2,228,005	-	7,923,754
-	-	-	-	-	194,696
-	-	-	-	157,711	2,113,147
-	7,805,144	2,974,776	-	-	10,932,828
-	-	-	-	-	2,422,183
-	-	-	44	-	2,937
-	-	-	3,712	-	124,886
-	81,532	-	7,402	-	528,457
<u>755,354</u>	<u>7,888,930</u>	<u>2,974,776</u>	<u>2,239,163</u>	<u>157,711</u>	<u>59,665,082</u>
-	1,935	-	-	-	2,990,948
-	1,584,451	-	-	142,542	3,832,597
596,345	232,989	-	-	-	15,728,205
-	673,173	2,959,261	1,764,360	-	14,883,369
-	9,045,717	-	142,451	-	11,342,023
-	-	-	255,000	-	16,614,000
-	-	-	82,853	-	3,167,472
<u>596,345</u>	<u>11,538,265</u>	<u>2,959,261</u>	<u>2,244,664</u>	<u>142,542</u>	<u>68,558,614</u>
<u>159,009</u>	<u>(3,649,335)</u>	<u>15,515</u>	<u>(5,501)</u>	<u>15,169</u>	<u>(8,893,532)</u>
-	3,864,252	36,907	157,514	-	13,446,019
(100,000)	(6,401)	(222,484)	(16,000)	-	(14,523,664)
-	-	-	-	-	143,221
-	-	-	-	-	1,545,000
-	-	-	-	-	(1,671,602)
-	5,677	-	-	-	5,677
<u>(100,000)</u>	<u>3,863,528</u>	<u>(185,577)</u>	<u>141,514</u>	<u>-</u>	<u>(1,055,349)</u>
59,009	214,193	(170,062)	136,013	15,169	(9,948,881)
<u>1,458,367</u>	<u>5,515,778</u>	<u>170,062</u>	<u>994,597</u>	<u>243,049</u>	<u>46,937,677</u>
<u>\$ 1,517,376</u>	<u>\$ 5,729,971</u>	<u>\$ -</u>	<u>\$ 1,130,610</u>	<u>\$ 258,218</u>	<u>\$ 36,988,796</u>

(continued)

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Capital Project Funds			
	Senior Center	Fire Capital	Municipal Facilities MFAC	Capital Lending Reserve
REVENUE				
Property tax	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Other taxes	-	-	-	-
Charges for goods and service				
Licenses and permits	-	3,049	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental revenue	-	-	-	-
Rents and royalties	-	-	-	328,189
Investment income	-	-	-	-
Contributions	-	-	789,999	-
Other	-	1	-	63,026
Total revenue	<u>-</u>	<u>3,050</u>	<u>789,999</u>	<u>391,215</u>
EXPENDITURES				
Current operations:				
Support services	-	-	-	-
Public safety services	-	200,354	-	-
Recreation and leisure services	71,446	-	-	-
Development services and other	-	-	4,178,060	-
Capital outlay	92,290	1,591,654	2,634,268	-
Debt service:				
Principal retirement	-	-	-	-
Interest charges	-	14,160	4,806	-
Total expenditures	<u>163,736</u>	<u>1,806,168</u>	<u>6,817,134</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(163,736)</u>	<u>(1,803,118)</u>	<u>(6,027,135)</u>	<u>391,215</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,289,857	1,908,790	554,087
Transfers out	-	-	-	(6,474,423)
Premium on debt issued	-	-	-	-
Bonds issued	-	1,212,227	411,464	-
Refunding bonds issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>2,502,084</u>	<u>2,320,254</u>	<u>(5,920,336)</u>
Net change in fund balance	(163,736)	698,966	(3,706,881)	(5,529,121)
Fund balance - beginning of year	<u>277,205</u>	<u>3,283,819</u>	<u>5,505,935</u>	<u>13,857,472</u>
Fund balance - end of year	<u>\$ 113,469</u>	<u>\$ 3,982,785</u>	<u>\$ 1,799,054</u>	<u>\$ 8,328,351</u>

<u>Drainage</u>	<u>Crime Tax CIP</u>	<u>Other Capital Projects Funds</u>	<u>Total Capital Projects Funds</u>	<u>Total Non-major Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 11,382,526
-	-	-	-	22,913,253
-	-	-	-	1,126,415
-	-	-	-	7,923,754
-	-	-	3,049	197,745
-	-	-	-	2,113,147
-	-	-	-	10,932,828
-	-	-	328,189	2,750,372
-	-	-	-	2,937
-	-	-	789,999	914,885
-	-	42,795	105,822	634,279
-	-	42,795	1,227,059	60,892,141
-	-	-	-	2,990,948
-	-	-	200,354	4,032,951
-	-	-	71,446	15,799,651
1,094,420	-	1,788,663	7,061,143	21,944,512
2,928,026	171,274	1,689,208	9,106,720	20,448,743
-	-	-	-	16,614,000
-	-	7,103	26,069	3,193,541
4,022,446	171,274	3,484,974	16,465,732	85,024,346
(4,022,446)	(171,274)	(3,442,179)	(15,238,673)	(24,132,205)
4,400,000	36,246	5,847,600	14,036,580	27,482,599
-	-	(1,108,835)	(7,583,258)	(22,106,922)
-	-	26,771	26,771	169,992
-	-	288,790	1,912,481	3,457,481
-	-	-	-	(1,671,602)
-	-	120,000	120,000	125,677
4,400,000	36,246	5,174,326	8,512,574	7,457,225
377,554	(135,028)	1,732,147	(6,726,099)	(16,674,980)
6,655,146	139,542	6,352,793	36,071,912	83,009,589
\$ 7,032,700	\$ 4,514	\$ 8,084,940	\$ 29,345,813	\$ 66,334,609

(concluded)

**CITY OF GRAND PRAIRIE, TEXAS
INDIVIDUAL FUND SCHEDULES
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
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.
- ◆ Senior Center Sales Tax Fund – accounts for the operation of the City's active adult center. Approved by the Grand Prairie voters, a one-eighth cent sales and use tax was levied for the benefit of the Senior Center Sales Tax 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.
- ◆ 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.
- ◆ Crime Sales Tax Fund – accounts for the Crime Sales Tax revenue collected by the City.

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – PARK VENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Final Budget-</u> <u>Positive</u> <u>(Negative)</u>
REVENUE				
Sales tax	\$ 5,024,490	\$5,024,490	\$ 5,762,747	\$ 738,257
Charges for goods and services	2,606,030	2,606,030	2,735,109	129,079
Contributions	49,000	93,900	121,174	27,274
Rents and royalties	683,520	683,520	619,152	(64,368)
Other	-	3,500	3,500	-
Total revenue	<u>8,363,040</u>	<u>8,411,440</u>	<u>9,241,682</u>	<u>830,242</u>
EXPENDITURES				
Current operations:				
Recreation and leisure services	12,068,871	12,263,469	12,018,132	245,337
Capital outlay	25,000	117,613	1,007,272	(889,659)
Debt service:				
Principal retirement	1,010,000	1,010,000	1,010,000	-
Interest expense	1,054,112	1,054,112	1,052,962	1,150
Total expenditures	<u>14,157,983</u>	<u>14,445,194</u>	<u>15,088,366</u>	<u>(643,172)</u>
Deficiency of revenues under expenditures	<u>(5,794,943)</u>	<u>(6,033,754)</u>	<u>(5,846,684)</u>	<u>187,070</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,900,506	6,900,506	6,687,467	(213,039)
Transfers out	<u>(482,809)</u>	<u>(482,809)</u>	<u>(492,514)</u>	<u>(9,705)</u>
Total other financing sources	<u>6,417,697</u>	<u>6,417,697</u>	<u>6,194,953</u>	<u>(222,744)</u>
Net change in fund balance	622,754	383,943	348,269	(35,674)
Fund balance - beginning of year	<u>7,189,625</u>	<u>7,189,625</u>	<u>7,189,625</u>	<u>-</u>
Fund balance - end of year	<u>\$ 7,812,379</u>	<u>\$7,573,568</u>	<u>\$ 7,537,894</u>	<u>\$ (35,674)</u>

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – SENIOR CENTER SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	
REVENUE				
Sales tax	\$ 2,512,245	\$ 2,512,245	\$ 2,881,375	\$ 369,130
Total revenue	<u>2,512,245</u>	<u>2,512,245</u>	<u>2,881,375</u>	<u>369,130</u>
EXPENDITURES				
Debt service:				
Principal retirement	388,356	2,665,000	2,665,000	-
Interest expense	<u>370,000</u>	<u>184,197</u>	<u>183,149</u>	<u>1,048</u>
Total expenditures	<u>758,356</u>	<u>2,849,197</u>	<u>2,848,149</u>	<u>1,048</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,753,889</u>	<u>(336,952)</u>	<u>33,226</u>	<u>370,178</u>
Net change in fund balance	1,753,889	(336,952)	33,226	370,178
Fund balance - beginning of year	<u>1,108,990</u>	<u>1,108,990</u>	<u>1,108,990</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,862,879</u>	<u>\$ 772,038</u>	<u>\$ 1,142,216</u>	<u>\$ 370,178</u>

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – HOTEL/MOTEL TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
Other taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,126,415	\$ 126,415
Charges for goods and services	12,000	12,000	7,921	(4,079)
Other	-	-	22,456	22,456
Total revenues	<u>1,012,000</u>	<u>1,012,000</u>	<u>1,156,792</u>	<u>144,792</u>
EXPENDITURES				
Current operations:				
Support services	1,000,119	1,160,990	931,338	229,652
Capital outlay	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>1,100,119</u>	<u>1,260,990</u>	<u>931,338</u>	<u>329,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(88,119)</u>	<u>(248,990)</u>	<u>225,454</u>	<u>474,444</u>
OTHER FINANCING USES				
Transfers out	<u>(93,500)</u>	<u>(92,366)</u>	<u>(92,366)</u>	<u>-</u>
Total other financing uses	<u>(93,500)</u>	<u>(92,366)</u>	<u>(92,366)</u>	<u>-</u>
Net change in fund balance	<u>(181,619)</u>	<u>(341,356)</u>	<u>133,088</u>	<u>474,444</u>
Fund balance - beginning of year	<u>1,133,740</u>	<u>1,133,740</u>	<u>1,133,740</u>	<u>-</u>
Fund balance - end of year	<u>\$ 952,121</u>	<u>\$ 792,384</u>	<u>\$ 1,266,828</u>	<u>\$ 474,444</u>

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – MUNICIPAL COURT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
Fines and forfeitures	\$ 210,163	\$ 210,163	\$ 242,618	\$ 32,455
Total revenues	210,163	210,163	242,618	32,455
EXPENDITURES				
Current operations:				
Public safety	178,051	193,104	190,295	2,809
Capital outlay	50,000	86,403	29,960	56,443
Total expenditures	228,051	279,507	220,255	59,252
Excess (deficiency) of revenues over (under) expenditures	(17,888)	(69,344)	22,363	91,707
Net change in fund balance	(17,888)	(69,344)	22,363	91,707
Fund balance - beginning of year	217,081	217,081	217,081	-
Fund balance - end of year	\$ 199,193	\$ 147,737	\$ 239,444	\$ 91,707

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – CABLE OPERATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
Other	\$ 254,928	\$ 254,928	\$ 290,580	\$ 35,652
Total revenue	<u>254,928</u>	<u>254,928</u>	<u>290,580</u>	<u>35,652</u>
EXPENDITURES				
Current operations:				
Support services	187,383	198,254	172,204	26,050
Capital outlay	120,000	120,000	63,426	56,574
Total expenditures	<u>307,383</u>	<u>318,254</u>	<u>235,630</u>	<u>82,624</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(52,455)</u>	<u>(63,326)</u>	<u>54,950</u>	<u>118,276</u>
Net change in fund balance	(52,455)	(63,326)	54,950	118,276
Fund balance - beginning of year	<u>375,982</u>	<u>375,982</u>	<u>375,982</u>	<u>-</u>
Fund balance - end of year	<u>\$ 323,527</u>	<u>\$ 312,656</u>	<u>\$ 430,932</u>	<u>\$ 118,276</u>

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL – CRIME SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
Sales tax	\$ 5,024,490	\$ 5,024,490	\$ 5,625,008	\$ 600,518
Total revenue	<u>5,024,490</u>	<u>5,024,490</u>	<u>5,625,008</u>	<u>600,518</u>
EXPENDITURES				
Debt service:				
Principal retirement	1,670,000	5,330,000	5,330,000	-
Interest expense	1,448,399	672,996	669,119	3,877
Total expenditures	<u>3,118,399</u>	<u>6,002,996</u>	<u>5,999,119</u>	<u>3,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,906,091</u>	<u>(978,506)</u>	<u>(374,111)</u>	<u>604,395</u>
Net change in fund balance	1,906,091	(978,506)	(374,111)	604,395
Fund balance - beginning of year	<u>2,632,196</u>	<u>2,632,196</u>	<u>2,632,196</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,538,287</u>	<u>\$ 1,653,690</u>	<u>\$ 2,258,085</u>	<u>\$ 604,395</u>

**CITY OF GRAND PRAIRIE, TEXAS
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 four non-major enterprise funds which include:

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

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2012**

	Municipal Airport	Municipal Golf	Storm Water Utility	Solid Waste	Total Nonmajor Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 435,321	\$ 217,836	\$ 74,283	\$ 1,751,790	\$ 2,479,230
Investments	1,600,000	326,327	1,400,000	12,838,032	16,164,359
Accounts receivable, net	241,552	-	336,696	497,228	1,075,476
Prepays	-	11,562	-	-	11,562
Due from other governments	48,634	-	-	-	48,634
Inventories and supplies	63,394	-	-	-	63,394
Deferred charges	-	27,121	-	-	27,121
Current restricted assets:					
Cash and cash equivalents	186,887	-	-	806	187,693
Investments	-	215,573	-	-	215,573
Total current assets	2,575,788	798,419	1,810,979	15,087,856	20,273,042
Capital assets:					
Land	183,923	568,284	7,500	1,748,378	2,508,085
Buildings	5,454,058	1,854,835	-	1,764,513	9,073,406
Equipment	709,013	1,245,399	12,590	5,861,305	7,828,307
Infrastructure	7,745,725	9,931,537	4,712,067	10,018,618	32,407,947
Construction in progress	1,650,430	-	7,614	193,670	1,851,714
Less: accumulated depreciation	(6,103,677)	(7,691,558)	(2,810,779)	(7,217,108)	(23,823,122)
Total capital assets	9,639,472	5,908,497	1,928,992	12,369,376	29,846,337
Total assets	12,215,260	6,706,916	3,739,971	27,457,232	50,119,379
LIABILITIES					
Current liabilities:					
Accounts payable	30,254	142,802	58,826	791,697	1,023,579
Accrued liabilities	27,556	31,226	9,041	308,957	376,780
Accrued compensated absences	18,866	44,005	16,856	78,986	158,713
Unearned revenue	212,089	-	-	-	212,089
Current liabilities payable from restricted assets:					
Customer deposits	61,220	-	-	806	62,026
Accrued liabilities	10,667	12,748	-	-	23,415
Current portion of long-term debt	115,000	202,825	-	-	317,825
Total current liabilities	475,652	433,606	84,723	1,180,446	2,174,427
Noncurrent liabilities:					
Accrued compensated absences	17,934	-	-	-	17,934
Closure and post closure liability	-	-	-	5,616,238	5,616,238
Long-term debt	1,695,000	2,367,740	-	-	4,062,740
Total noncurrent liabilities	1,712,934	2,367,740	-	5,616,238	9,696,912
Total liabilities	2,188,586	2,801,346	84,723	6,796,684	11,871,339
NET ASSETS					
Invested in capital assets, net of related debt	7,829,472	3,337,932	1,928,992	12,369,376	25,465,772
Unrestricted	2,197,202	567,638	1,726,256	8,291,172	12,782,268
Total net assets	\$ 10,026,674	\$ 3,905,570	\$ 3,655,248	\$ 20,660,548	\$ 38,248,040

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENSE, AND
CHANGES IN FUND NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Municipal Airport</u>	<u>Municipal Golf</u>	<u>Storm Water Utility</u>	<u>Solid Waste</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUE					
Sales to customers	\$ 1,618,740	\$ 2,306,811	\$ 5,125,840	\$ 10,575,727	\$ 19,627,118
Intergovernmental revenue	346,940	-	-	-	346,940
Miscellaneous	1,082,867	-	-	89,222	1,172,089
Total operating revenue	<u>3,048,547</u>	<u>2,306,811</u>	<u>5,125,840</u>	<u>10,664,949</u>	<u>21,146,147</u>
OPERATING EXPENSE					
Salaries and benefits	338,740	932,230	397,661	2,072,368	3,740,999
Supplies and miscellaneous purchases	1,463,763	293,708	34,907	559,020	2,351,398
Purchased services	175,839	1,411,963	587,113	4,789,916	6,964,831
Miscellaneous	44,051	40,259	87,421	417,210	588,941
Depreciation	472,133	567,334	221,022	887,562	2,148,051
Franchise fees	-	-	205,033	311,793	516,826
General and administrative costs	53,818	-	71,044	319,626	444,488
Total operating expense	<u>2,548,344</u>	<u>3,245,494</u>	<u>1,604,201</u>	<u>9,357,495</u>	<u>16,755,534</u>
Operating income (loss)	<u>500,203</u>	<u>(938,683)</u>	<u>3,521,639</u>	<u>1,307,454</u>	<u>4,390,613</u>
NONOPERATING REVENUE (EXPENSE)					
Gain on sale of capital assets	-	1,209	-	3,813	5,022
Interest expense	(89,789)	(235,923)	-	-	(325,712)
Total nonoperating revenue (expense)	<u>(89,789)</u>	<u>(234,714)</u>	<u>-</u>	<u>3,813</u>	<u>(320,690)</u>
Income (loss) before transfers	410,414	(1,173,397)	3,521,639	1,311,267	4,069,923
Transfers in	-	4,428,687	-	-	4,428,687
Transfers out	(271,701)	-	(4,400,000)	(380,513)	(5,052,214)
Change in net assets	138,713	3,255,290	(878,361)	930,754	3,446,396
Net assets - beginning of year	9,887,961	650,280	4,533,609	19,729,794	34,801,644
Net assets - end of year	<u>\$ 10,026,674</u>	<u>\$ 3,905,570</u>	<u>\$ 3,655,248</u>	<u>\$ 20,660,548</u>	<u>\$ 38,248,040</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Municipal Airport	Municipal Golf	Storm Water Utility	Solid Waste	Total Nonmajor Enterprise Funds
Cash flows from operating activities:					
Cash received from customers	\$ 2,915,280	\$ 2,306,811	\$ 5,096,671	\$ 10,533,640	\$ 20,852,402
Cash received from intergovernmental	298,307	-	-	-	298,307
Cash payments to suppliers for goods and services	(1,733,415)	(1,636,246)	(751,796)	(5,170,320)	(9,291,777)
Cash payments to employees for services	(338,239)	(927,494)	(394,328)	(2,066,102)	(3,726,163)
Cash payments to other funds for services	(37,871)	(43,549)	(260,610)	(375,295)	(717,325)
Other operating cash receipts	-	37	-	-	37
Other operating cash payments	(11,410)	-	(31,109)	(250,805)	(293,324)
Net cash provided by (used in) operating activities	<u>1,092,652</u>	<u>(300,441)</u>	<u>3,658,828</u>	<u>2,671,118</u>	<u>7,122,157</u>
Cash flows from non-capital financing activities:					
Transfers from other funds	902,800	4,678,687	-	2,150,028	7,731,515
Transfers to other funds	(1,174,501)	(250,000)	(4,400,000)	(2,530,541)	(8,355,042)
Net cash provided by (used in) non-capital financing activities	<u>(271,701)</u>	<u>4,428,687</u>	<u>(4,400,000)</u>	<u>(380,513)</u>	<u>(623,527)</u>
Cash flows from capital and related financing activities:					
Capital outlays	(1,694,088)	-	(31,391)	(1,395,105)	(3,120,584)
Proceeds from capital assets disposals	-	1,209	-	3,813	5,022
Interest paid on bonds and line of credit	(89,789)	(246,589)	-	-	(336,378)
Repayment of principal on bonds	(110,000)	(3,854,243)	-	-	(3,964,243)
Net cash used in capital and related financing activities	<u>(1,893,877)</u>	<u>(4,099,623)</u>	<u>(31,391)</u>	<u>(1,391,292)</u>	<u>(7,416,183)</u>
Cash flows from investing activities:					
Sale of investments	2,076,648	-	2,190,241	11,119,249	15,386,138
Purchase of investments	(1,584,999)	-	(1,386,874)	(12,717,667)	(15,689,540)
Net cash provided by (used in) investing activities	<u>491,649</u>	<u>-</u>	<u>803,367</u>	<u>(1,598,418)</u>	<u>(303,402)</u>
Net increase (decrease) in cash and cash equivalents	(581,277)	28,623	30,804	(699,105)	(1,220,955)
Cash and cash equivalents - beginning of year	<u>1,203,485</u>	<u>189,213</u>	<u>43,479</u>	<u>2,451,701</u>	<u>3,887,878</u>
Cash and cash equivalents - end of year	<u>\$ 622,208</u>	<u>\$ 217,836</u>	<u>\$ 74,283</u>	<u>\$ 1,752,596</u>	<u>\$ 2,666,923</u>
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:					
Net operating income (loss)	\$ 500,203	\$ (938,683)	\$ 3,521,639	\$ 1,307,454	\$ 4,390,613
Adjustments to net operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	472,133	567,334	221,022	887,562	2,148,051
(Increase) decrease in other accounts receivable	169,767	-	(29,169)	(42,087)	98,511
Increase in inventories and supplies	(3,788)	-	-	-	(3,788)
Increase (decrease) in accounts payable	(40,342)	76,265	(54,171)	271,631	253,383
Increase (decrease) in accrued liabilities	6,467	(10,092)	(3,826)	240,292	232,841
Decrease in customer deposits	(1,347)	-	-	-	(1,347)
Decrease in deferred revenue	(10,942)	-	-	-	(10,942)
Increase in compensated absences	501	4,735	3,333	6,266	14,835
Net cash provided by (used in) operating activities	<u>\$ 1,092,652</u>	<u>\$ (300,441)</u>	<u>\$ 3,658,828</u>	<u>\$ 2,671,118</u>	<u>\$ 7,122,157</u>

**CITY OF GRAND PRAIRIE, TEXAS
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, 2012**

	<u>Equipment Services</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 59,690	\$ 5,942,722	\$ 6,002,412
Investments	-	5,760,624	5,760,624
Prepays	-	22,083	22,083
Other receivables	-	379,337	379,337
Inventories and supplies	157,169	-	157,169
Current restricted assets:			
Cash and cash equivalents	-	215,896	215,896
Total current assets	<u>216,859</u>	<u>12,320,662</u>	<u>12,537,521</u>
Capital assets:			
Land	737,566	-	737,566
Buildings	1,477,875	-	1,477,875
Equipment	2,044,689	105,584	2,150,273
Infrastructure	16,672	-	16,672
Less: accumulated depreciation	<u>(3,449,350)</u>	<u>(12,379)</u>	<u>(3,461,729)</u>
Total noncurrent assets	<u>827,452</u>	<u>93,205</u>	<u>920,657</u>
Total assets	<u>1,044,311</u>	<u>12,413,867</u>	<u>13,458,178</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	39,505	164,877	204,382
Other accrued liabilities	20,723	4,000,747	4,021,470
Accrued compensated absences	28,544	8,677	37,221
Due to other funds	100,000	-	100,000
Total current liabilities	<u>188,772</u>	<u>4,174,301</u>	<u>4,363,073</u>
Noncurrent liabilities:			
Accrued compensated absences	-	2,251	2,251
Total noncurrent liabilities	<u>-</u>	<u>2,251</u>	<u>2,251</u>
Total liabilities	<u>188,772</u>	<u>4,176,552</u>	<u>4,365,324</u>
NET ASSETS			
Invested in capital assets, net of related debt	827,452	93,205	920,657
Unrestricted	<u>28,087</u>	<u>8,144,110</u>	<u>8,172,197</u>
Total net assets	<u>\$ 855,539</u>	<u>\$ 8,237,315</u>	<u>\$ 9,092,854</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, 2012**

	<u>Equipment Services</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUE			
Sales to customers	\$ 4,317,496	\$ -	\$ 4,317,496
Insurance premiums	-	16,029,988	16,029,988
Miscellaneous	134	352,481	352,615
Total operating revenue	<u>4,317,630</u>	<u>16,382,469</u>	<u>20,700,099</u>
OPERATING EXPENSE			
Salaries and benefits	979,134	175,524	1,154,658
Supplies and miscellaneous purchases	3,104,934	9,042	3,113,976
Purchased services	536,195	408,322	944,517
Insurance costs	-	18,627,587	18,627,587
Miscellaneous	29,423	125,996	155,419
Depreciation	34,115	11,782	45,897
Total operating expense	<u>4,683,801</u>	<u>19,358,253</u>	<u>24,042,054</u>
Operating loss	<u>(366,171)</u>	<u>(2,975,784)</u>	<u>(3,341,955)</u>
NONOPERATING REVENUE			
Gain on sale of capital assets	8,107	-	8,107
Total nonoperating revenue	<u>8,107</u>	<u>-</u>	<u>8,107</u>
Loss before contributions and transfers	(358,064)	(2,975,784)	(3,333,848)
Capital assets contribution from government activities	5,008	-	5,008
Change in net assets	<u>(353,056)</u>	<u>(2,975,784)</u>	<u>(3,328,840)</u>
Net assets- beginning of year	<u>1,208,595</u>	<u>11,213,099</u>	<u>12,421,694</u>
Net assets - end of year	<u>\$ 855,539</u>	<u>\$ 8,237,315</u>	<u>\$ 9,092,854</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Equipment Services</u>	<u>Risk Management</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:			
Cash received from customers	\$ 4,317,631	\$ 16,030,227	\$ 20,347,858
Cash paid to other funds for services	(59,260)	-	(59,260)
Cash paid from other funds for services	-	455,206	455,206
Cash payments to suppliers for goods and services	(3,501,327)	(19,013,008)	(22,514,335)
Cash payments to employees for services	(976,115)	(173,215)	(1,149,330)
Net cash used in operating activities	<u>(219,071)</u>	<u>(2,700,790)</u>	<u>(2,919,861)</u>
Cash flows from capital and related financing activities:			
Capital outlays	(5,008)	(82,118)	(87,126)
Proceeds from capital assets disposals	13,115	-	13,115
Net cash provided by (used in) capital and related financing activities	<u>8,107</u>	<u>(82,118)</u>	<u>(74,011)</u>
Cash flows from investing activities			
Sale of investments	220,216	6,246,977	6,467,193
Purchase of investments	-	(5,706,614)	(5,706,614)
Net cash provided by investing activities	<u>220,216</u>	<u>540,363</u>	<u>760,579</u>
Net increase (decrease) in cash and cash equivalents	9,252	(2,242,545)	(2,233,293)
Cash and cash equivalents - beginning of year	50,438	8,401,163	8,451,601
Cash and cash equivalents - end of year	<u>\$ 59,690</u>	<u>\$ 6,158,618</u>	<u>\$ 6,218,308</u>
Reconciliation of loss from operations to net cash provided by (used in) operating activities:			
Net operating loss	\$ (366,171)	\$ (2,975,784)	\$ (3,341,955)
Adjustments to net operating loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	34,115	11,782	45,897
Change in assets and liabilities:			
Other accounts receivable	-	(352,239)	(352,239)
Prepays	-	(22,084)	(22,084)
Inventories and supplies	31,600	-	31,600
Accounts payable	78,366	635,227	713,593
Accrued compensated absences	3,019	2,308	5,327
Net cash used in operating activities	<u>\$ (219,071)</u>	<u>\$ (2,700,790)</u>	<u>\$ (2,919,861)</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, 2012**

Governmental funds capital assets:

Land	\$ 35,086,819
Buildings	178,473,269
Equipment	80,059,034
Infrastructure	510,924,199
Construction in progress	<u>51,821,889</u>
Total governmental funds capital assets	<u>\$ 856,365,210</u>

Investment in governmental funds capital assets by source:

Capital projects funds	\$ 51,821,889
General fund	771,650,217
Special revenue funds	1,055,431
Private and other	<u>31,837,673</u>
Total investment	<u>\$ 856,365,210</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, 2012**

Function and Activity	Land	Building	Equipment	Infrastructure	Total
Support Services:					
City Council	\$ -	\$ 10,000	\$ 53,608	\$ -	\$ 63,608
City Manager	388,520	4,611,585	510,342	132,897	5,643,344
Budget	-	39,949	10,000	-	49,949
City Secretary	-	-	83,944	-	83,944
City Attorney	-	20,739	138,936	-	159,675
Human Resources	-	248,294	598,345	-	846,639
Information Systems	-	6,750	6,427,411	643,869	7,078,030
Finance	154,695	-	231,187	21,271,692	21,657,574
Total support services	<u>543,215</u>	<u>4,937,317</u>	<u>8,053,773</u>	<u>22,048,458</u>	<u>35,582,763</u>
Public Safety:					
Fire	1,057,594	12,023,760	13,422,608	1,398,629	27,902,591
Police	725,971	56,106,282	24,358,464	654,509	81,845,226
Environmental Health	132,862	3,754,122	800,472	191,883	4,879,339
Municipal Court	186,003	2,261,062	597,391	143,016	3,187,472
Total public safety	<u>2,102,430</u>	<u>74,145,226</u>	<u>39,178,935</u>	<u>2,388,037</u>	<u>117,814,628</u>
Recreation and Leisure:					
Parks and Recreation	15,759,971	63,625,232	9,747,969	60,663,473	149,796,645
Library	49,904	7,016,694	4,490,206	432,969	11,989,773
Total recreation and leisure	<u>15,809,875</u>	<u>70,641,926</u>	<u>14,238,175</u>	<u>61,096,442</u>	<u>161,786,418</u>
Development Services:					
Planning	-	143,332	52,500	67,940	263,772
Building inspections	-	-	342,835	-	342,835
Economic Development	-	20,000	16,031	487,093	523,124
Housing & Community Development	712,738	260,232	481,464	1,044,571	2,499,005
Public Works	14,669,661	751,864	817,838	234,321,223	250,560,586
Transportation	110,733	18,132	9,051,874	11,429,378	20,610,117
Streets	-	-	7,825,609	178,041,057	185,866,666
Contingency	1,138,167	27,555,240	-	-	28,693,407
Total development services	<u>16,631,299</u>	<u>28,748,800</u>	<u>18,588,151</u>	<u>425,391,262</u>	<u>489,359,512</u>
Total	<u>\$ 35,086,819</u>	<u>\$ 178,473,269</u>	<u>\$ 80,059,034</u>	<u>\$ 510,924,199</u>	<u>\$ 804,543,321</u>
Construction in Progress					<u>51,821,889</u>
Total governmental funds capital assets					<u>\$ 856,365,210</u>

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 CHANGES IN CAPITAL ASSETS USED IN THE OPERATIONS OF
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY (SEE NOTE BELOW)
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Function and Activity	Balance October 1, 2011	Additions/ Completions	Disposals/ Reclassifications	Balance September 30, 2012
Support Services:				
City Council	\$ 10,000	\$ 53,608	\$ -	\$ 63,608
City Manager	3,847,398	1,895,464	(99,518)	5,643,344
Budget	49,949	-	-	49,949
City Secretary	83,944	-	-	83,944
City Attorney	153,385	6,290	-	159,675
Human Resources	846,639	-	-	846,639
Information Systems	6,780,083	297,947	-	7,078,030
Finance	21,468,836	188,738	-	21,657,574
Total support services	<u>33,240,234</u>	<u>2,442,047</u>	<u>(99,518)</u>	<u>35,582,763</u>
Public Safety:				
Fire	30,097,794	1,332,278	(3,527,481)	27,902,591
Police	79,990,811	2,290,590	(436,175)	81,845,226
Environmental Health	4,879,339	-	-	4,879,339
Municipal Court	3,163,012	24,460	-	3,187,472
Total public safety	<u>118,130,956</u>	<u>3,647,328</u>	<u>(3,963,656)</u>	<u>117,814,628</u>
Recreation and Leisure:				
Parks and Recreation	148,124,116	1,672,529	-	149,796,645
Library	11,884,190	155,238	(49,655)	11,989,773
Total recreation and leisure	<u>160,008,306</u>	<u>1,827,767</u>	<u>(49,655)</u>	<u>161,786,418</u>
Development Services:				
Planning	263,772	-	-	263,772
Building Inspection	342,835	-	-	342,835
Economic Development	497,620	25,504	-	523,124
Housing & Community Development	2,499,005	-	-	2,499,005
Public Works	229,051,218	21,739,459	(230,091)	250,560,586
Transportation	20,433,526	308,131	(131,540)	20,610,117
Streets	186,588,207	174,958	(896,499)	185,866,666
Contingency	28,693,407	-	-	28,693,407
Total development services	<u>468,369,590</u>	<u>22,248,052</u>	<u>(1,258,130)</u>	<u>489,359,512</u>
Construction in progress	<u>37,359,555</u>	<u>39,714,958</u>	<u>(25,252,624)</u>	<u>51,821,889</u>
Total governmental funds capital assets	<u>\$ 817,108,641</u>	<u>\$ 69,880,152</u>	<u>\$ (30,623,583)</u>	<u>\$ 856,365,210</u>

Note:

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



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SUPPLEMENTAL SCHEDULES

**CITY OF GRAND PRAIRIE, TEXAS
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 Airport Fund, the Municipal Golf Course Fund, the Solid Waste Fund, and the Risk Management Fund .

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING BALANCE SHEET
PARK VENUE FUND
SEPTEMBER 30, 2012**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Rainy Day</u>	<u>Total Park Venue</u>
ASSETS				
Cash and cash equivalents	\$ 4,618,732	\$ 158,707	\$ 17,391	\$ 4,794,830
Investment	1,500,000	1,723,344	-	3,223,344
Sales tax receivable	1,093,299	-	-	1,093,299
Other receivable	48,482	-	-	48,482
Prepaid expenditures	1,277	-	-	1,277
Total assets	<u>7,261,790</u>	<u>1,882,051</u>	<u>17,391</u>	<u>9,161,232</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	1,104,862	223,193	-	1,328,055
Accrued liabilities	122,688	-	-	122,688
Customer deposits	33,420	-	-	33,420
Deferred revenue	139,175	-	-	139,175
Total liabilities	<u>1,400,145</u>	<u>223,193</u>	<u>-</u>	<u>1,623,338</u>
Fund Balance:				
Nonspendable	1,277	-	-	1,277
Restricted	5,860,368	1,658,858	17,391	7,536,617
Total fund balance	<u>5,861,645</u>	<u>1,658,858</u>	<u>17,391</u>	<u>7,537,894</u>
Total liabilities and fund balance	<u>\$ 7,261,790</u>	<u>\$ 1,882,051</u>	<u>\$ 17,391</u>	<u>\$ 9,161,232</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
PARK VENUE FUND
SEPTEMBER 30, 2012**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Rainy Day</u>	<u>Elimination</u>	<u>Total Park Venue</u>
REVENUE					
Sales tax	\$ 5,762,747	\$ -	\$ -	\$ -	\$ 5,762,747
Charges for goods and services	2,735,109	-	-	-	2,735,109
Contributions	121,174	-	-	-	121,174
Rents and royalties	619,152	-	-	-	619,152
Miscellaneous	3,500	-	-	-	3,500
Total revenue	<u>9,241,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,241,682</u>
EXPENDITURES					
Current operations:					
Recreation and leisure services	11,858,533	159,599	-	-	12,018,132
Capital outlay	31,524	975,748	-	-	1,007,272
Debt service:					
Principal retirement	1,010,000	-	-	-	1,010,000
Interest expense	1,052,962	-	-	-	1,052,962
Total expenditures	<u>13,953,019</u>	<u>1,135,347</u>	<u>-</u>	<u>-</u>	<u>15,088,366</u>
Deficiency of revenue under expenditures	<u>(4,711,337)</u>	<u>(1,135,347)</u>	<u>-</u>	<u>-</u>	<u>(5,846,684)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	6,687,467	800,000	-	(800,000)	6,687,467
Transfers out	(1,280,809)	(11,705)	-	800,000	(492,514)
Total other financing sources	<u>5,406,658</u>	<u>788,295</u>	<u>-</u>	<u>-</u>	<u>6,194,953</u>
Change in fund balance	695,321	(347,052)	-	-	348,269
Fund balance - beginning of year	5,166,324	2,005,910	17,391	-	7,189,625
Fund balance - end of year	<u>\$ 5,861,645</u>	<u>\$ 1,658,858</u>	<u>\$ 17,391</u>	<u>\$ -</u>	<u>\$ 7,537,894</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, 2012**

	<u>Operating</u>	<u>Debt Service</u>	<u>Water Capital Projects</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 9,769,373	\$ 675,851	\$ 135,940
Investments	6,300,000	-	15,900,000
Accounts receivable, net	4,969,894	-	-
Inventories and supplies	546,247	-	-
Deferred charges	1,026,661	-	-
Current restricted assets:			
Cash and cash equivalents	3,845,000	-	4,900,274
Investments	2,850,687	4,601,419	-
Total current assets	<u>29,307,862</u>	<u>5,277,270</u>	<u>20,936,214</u>
Capital assets:			
Land	1,648,621	-	-
Buildings	2,361,045	-	-
Equipment	18,181,494	-	-
Improvements other than buildings	281,916,950	-	-
Construction in progress	10,508,200	-	-
Less: accumulated depreciation	(140,413,150)	-	-
Total capital assets	<u>174,203,160</u>	<u>-</u>	<u>-</u>
Total assets	<u>203,511,022</u>	<u>5,277,270</u>	<u>20,936,214</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,710,507	3,456	240,111
Accrued liabilities	230,479	-	221,418
Accrued compensated absences	221,704	-	-
Current liabilities payable from restricted assets:			
Customer deposits	2,850,687	-	-
Accrued liabilities	-	497,446	-
Current portion of long-term debt	3,845,000	-	-
Total current liabilities	<u>8,858,377</u>	<u>500,902</u>	<u>461,529</u>
Noncurrent liabilities:			
Long-term debt	58,468,750	-	-
Total noncurrent liabilities	<u>58,468,750</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>67,327,127</u>	<u>500,902</u>	<u>461,529</u>
NET ASSETS			
Invested in capital assets (net of related debt)	113,576,789	-	-
Restricted for debt service	-	4,601,419	-
Unrestricted	22,607,106	174,949	20,474,685
Total net assets	<u>\$ 136,183,895</u>	<u>\$ 4,776,368</u>	<u>\$ 20,474,685</u>

<u>Rate Stabilization</u>	<u>Wastewater Capital Projects</u>	<u>Water/ Wastewater Projects</u>	<u>Water/ Wastewater Capital Reserve</u>	<u>Total Water Wastewater</u>
\$ 59,976	\$ 8,893,822	\$ 55,458	\$ 2,810	\$ 19,593,230
3,168,432	165,273	2,100,000	73,031	27,706,736
-	-	-	-	4,969,894
-	-	-	-	546,247
-	-	-	-	1,026,661
-	-	-	-	8,745,274
-	-	-	-	7,452,106
<u>3,228,408</u>	<u>9,059,095</u>	<u>2,155,458</u>	<u>75,841</u>	<u>70,040,148</u>
-	-	-	-	1,648,621
-	-	-	-	2,361,045
-	-	-	-	18,181,494
-	-	-	-	281,916,950
-	-	-	-	10,508,200
-	-	-	-	(140,413,150)
-	-	-	-	174,203,160
<u>3,228,408</u>	<u>9,059,095</u>	<u>2,155,458</u>	<u>75,841</u>	<u>244,243,308</u>
-	183,703	-	-	2,137,777
-	83,942	-	-	535,839
-	-	-	-	221,704
-	-	-	-	2,850,687
-	-	-	-	497,446
-	-	-	-	3,845,000
-	<u>267,645</u>	-	-	<u>10,088,453</u>
-	-	-	-	58,468,750
-	-	-	-	58,468,750
-	<u>267,645</u>	-	-	<u>68,557,203</u>
-	-	-	-	113,576,789
-	-	-	-	4,601,419
<u>3,228,408</u>	<u>8,791,450</u>	<u>2,155,458</u>	<u>75,841</u>	<u>57,507,897</u>
<u>\$ 3,228,408</u>	<u>\$ 8,791,450</u>	<u>\$ 2,155,458</u>	<u>\$ 75,841</u>	<u>\$ 175,686,105</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, 2012**

	Operating	Debt Service	Water Capital Projects	Rate Stabilization
OPERATING REVENUE				
Sales to customers	\$ 34,304,231	\$ -	\$ -	\$ -
Wastewater charges to customers	20,610,386	-	-	-
Water and wastewater fees	1,742,647	-	-	-
Wastewater surcharges	682,994	-	-	-
Miscellaneous	270,733	-	-	-
Total operating revenue	<u>57,610,991</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSE				
Salaries and benefits	6,007,915	-	30,406	-
Supplies	796,088	-	41,796	-
Purchased services	3,775,596	-	817,142	-
Capital outlay	(6,185,032)	-	2,884,827	-
Water purchases	10,951,192	-	-	-
Wastewater treatment	11,581,448	-	-	-
Miscellaneous	621,411	-	175,948	-
Depreciation	11,899,267	-	-	-
Franchise fees	2,193,337	-	-	-
General and administrative costs	2,979,458	-	-	-
Principal payment on bonds	(4,080,000)	4,080,000	-	-
Total operating expense	<u>40,540,680</u>	<u>4,080,000</u>	<u>3,950,119</u>	<u>-</u>
Operating income (loss)	<u>17,070,311</u>	<u>(4,080,000)</u>	<u>(3,950,119)</u>	<u>-</u>
NONOPERATING REVENUE (EXPENSES)				
Investment income	-	-	5,579	-
Loss on sale of capital assets	(88,555)	-	-	-
Interest expense	(51,566)	(2,486,462)	-	-
Total nonoperating revenue (expenses)	<u>(140,121)</u>	<u>(2,486,462)</u>	<u>5,579</u>	<u>-</u>
Income (loss) before transfers and contributions	16,930,190	(6,566,462)	(3,944,540)	-
Capital contributions-impact fees	-	-	-	-
Capital contributions	1,381,446	-	-	-
Capital assets contribution to government activities	(120,654)	-	-	-
Transfers in	-	7,255,264	9,078,086	100,000
Transfers out	(20,438,453)	-	(185,009)	-
Change in fund balance	<u>(2,247,471)</u>	<u>688,802</u>	<u>4,948,537</u>	<u>100,000</u>
Fund balance - beginning of the year	138,431,366	4,087,566	15,526,148	3,128,408
Fund balance - end of the year	<u>\$ 136,183,895</u>	<u>\$ 4,776,368</u>	<u>\$ 20,474,685</u>	<u>\$ 3,228,408</u>

Interfund transfers in/out between the Operating fund, Debt Service fund, Water Capital Projects fund, Rate Stabilization fund Wastewater Capital Projects fund, Water/Wastewater Projects fund, and Water Wastewater Capital Reserve fund are eliminated on the Statement of Revenue, Expenses, and Change in Fund Net Assets, Proprietary Funds.

<u>Wastewater Capital Projects</u>	<u>Water/ Wastewater Projects</u>	<u>Water/ Wastewater Capital Reserve</u>	<u>Elimination</u>	<u>Total Water/ Wastewater</u>
\$ -	\$ -	\$ -	\$ -	\$ 34,304,231
-	-	-	-	20,610,386
-	-	-	-	1,742,647
-	-	-	-	682,994
-	-	-	-	270,733
-	-	-	-	57,610,991
-	-	-	-	6,038,321
1,941	-	-	-	839,825
384,690	-	-	-	4,977,428
3,300,205	-	-	-	-
-	-	-	-	10,951,192
10	-	-	-	11,581,458
9,568	-	-	-	806,927
-	-	-	-	11,899,267
-	-	-	-	2,193,337
-	-	-	-	2,979,458
-	-	-	-	-
3,696,414	-	-	-	52,267,213
(3,696,414)	-	-	-	5,343,778
-	-	-	-	5,579
-	-	-	-	(88,555)
-	-	-	-	(2,538,028)
-	-	-	-	(2,621,004)
(3,696,414)	-	-	-	2,722,774
-	1,084,505	-	-	1,084,505
-	-	-	-	1,381,446
-	-	-	-	(120,654)
2,676,597	-	-	(19,093,947)	16,000
(1,030,851)	-	-	19,093,947	(2,560,366)
(2,050,668)	1,084,505	-	-	2,523,705
10,842,118	1,070,953	75,841	-	173,162,400
<u>\$ 8,791,450</u>	<u>\$ 2,155,458</u>	<u>\$ 75,841</u>	<u>\$ -</u>	<u>\$ 175,686,105</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF NET ASSETS
MUNICIPAL AIRPORT FUND
SEPTEMBER 30, 2012**

ASSETS	Operating	Capital Projects	Grant	Total Municipal Airport
Current assets:				
Cash and cash equivalents	\$ 89,587	\$ 95,813	\$ 249,921	\$ 435,321
Investments	400,000	1,200,000	-	1,600,000
Accounts receivable, net	156,338	85,214	-	241,552
Inventories and supplies	63,394	-	-	63,394
Due from other governments	-	-	48,634	48,634
Current restricted assets:				
Cash and cash equivalents	186,887	-	-	186,887
Total current assets	<u>896,206</u>	<u>1,381,027</u>	<u>298,555</u>	<u>2,575,788</u>
Capital assets:				
Land	183,923	-	-	183,923
Buildings	4,110,568	-	1,343,490	5,454,058
Equipment	692,675	-	16,338	709,013
Infrastructure	5,745,725	-	2,000,000	7,745,725
Construction In Progress	535,125	-	1,115,305	1,650,430
Less: accumulated depreciation	(5,779,094)	-	(324,583)	(6,103,677)
Total capital assets	<u>5,488,922</u>	<u>-</u>	<u>4,150,550</u>	<u>9,639,472</u>
Total assets	<u>6,385,128</u>	<u>1,381,027</u>	<u>4,449,105</u>	<u>12,215,260</u>
LIABILITIES				
Current liabilities:				
Accounts payable	15,609	14,645	-	30,254
Accrued liabilities	10,228	17,328	-	27,556
Accrued compensated absences	18,866	-	-	18,866
Deferred revenue	212,089	-	-	212,089
Current liabilities payable from restricted assets:				
Customer deposits	61,220	-	-	61,220
Accrued liabilities	10,667	-	-	10,667
Current portion of long-term debt	115,000	-	-	115,000
Total current liabilities	<u>443,679</u>	<u>31,973</u>	<u>-</u>	<u>475,652</u>
Noncurrent liabilities:				
Accrued compensated absences	17,934	-	-	17,934
Long-term debt less the current portion	1,695,000	-	-	1,695,000
Total noncurrent liabilities	<u>1,712,934</u>	<u>-</u>	<u>-</u>	<u>1,712,934</u>
Total liabilities	<u>2,156,613</u>	<u>31,973</u>	<u>-</u>	<u>2,188,586</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,678,922	-	4,150,550	7,829,472
Unrestricted	549,593	1,349,054	298,555	2,197,202
Total net assets	<u>\$ 4,228,515</u>	<u>\$ 1,349,054</u>	<u>\$ 4,449,105</u>	<u>\$ 10,026,674</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF REVENUE, EXPENSE AND
CHANGES IN FUND NET ASSETS
MUNICIPAL AIRPORT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Grant</u>	<u>Elimination</u>	<u>Total Municipal Airport</u>
OPERATING REVENUE					
Sales to customers	\$ 1,618,740	\$ -	\$ -	\$ -	\$ 1,618,740
Intergovernmental revenue	-	-	346,940	-	346,940
Miscellaneous	670,148	413,493	(774)	-	1,082,867
Total operating revenue	<u>2,288,888</u>	<u>413,493</u>	<u>346,166</u>	<u>-</u>	<u>3,048,547</u>
OPERATING EXPENSE					
Salaries and benefits	338,740	-	-	-	338,740
Supplies	1,250,861	151,823	61,079	-	1,463,763
Purchased services	125,266	-	50,573	-	175,839
Miscellaneous	44,051	-	-	-	44,051
Capital outlay	(618,734)	618,734	-	-	-
Depreciation	336,909	-	135,224	-	472,133
General and administrative costs	53,818	-	-	-	53,818
Total operating expense	<u>1,530,911</u>	<u>770,557</u>	<u>246,876</u>	<u>-</u>	<u>2,548,344</u>
Operating income (loss)	<u>757,977</u>	<u>(357,064)</u>	<u>99,290</u>	<u>-</u>	<u>500,203</u>
NONOPERATING EXPENSE					
Interest expense	(89,789)	-	-	-	(89,789)
Total nonoperating expense	<u>(89,789)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(89,789)</u>
Income (loss) before transfers	668,188	(357,064)	99,290	-	410,414
Transfers in	-	300,000	602,800	(902,800)	-
Transfers out	(300,000)	(874,501)	-	902,800	(271,701)
Change in net assets	368,188	(931,565)	702,090	-	138,713
Net assets - beginning of the year	<u>3,860,327</u>	<u>2,280,619</u>	<u>3,747,015</u>	<u>-</u>	<u>9,887,961</u>
Net assets - end of the year	<u>\$ 4,228,515</u>	<u>\$1,349,054</u>	<u>\$4,449,105</u>	<u>\$ -</u>	<u>\$ 10,026,674</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
MUNICIPAL GOLF COURSE FUND
SEPTEMBER 30, 2012**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Total Municipal Golf</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 19,559	\$ 198,277	\$ 217,836
Investments	326,327	-	326,327
Prepays	11,562	-	11,562
Deferred charges	27,121	-	27,121
Current restricted assets:			
Investments	215,573	-	215,573
Total current assets	<u>600,142</u>	<u>198,277</u>	<u>798,419</u>
Capital assets:			
Land	568,284	-	568,284
Buildings	1,854,835	-	1,854,835
Equipment	1,245,399	-	1,245,399
Improvements other than buildings	9,931,537	-	9,931,537
Less: accumulated depreciation	<u>(7,691,558)</u>	<u>-</u>	<u>(7,691,558)</u>
Total capital assets	<u>5,908,497</u>	<u>-</u>	<u>5,908,497</u>
Total assets	<u>6,508,639</u>	<u>198,277</u>	<u>6,706,916</u>
LIABILITIES			
Current liabilities:			
Accounts payable	77,045	65,757	142,802
Accrued liabilities	24,881	6,345	31,226
Accrued compensated absences	44,005	-	44,005
Current liabilities payable from restricted assets:			
Accrued liabilities	12,748	-	12,748
Current portion of long-term debt	<u>202,825</u>	<u>-</u>	<u>202,825</u>
Total current liabilities	<u>361,504</u>	<u>72,102</u>	<u>433,606</u>
Noncurrent liabilities			
Long-term debt	<u>2,367,740</u>	<u>-</u>	<u>2,367,740</u>
Total noncurrent liabilities	<u>2,367,740</u>	<u>-</u>	<u>2,367,740</u>
Total liabilities	<u>2,729,244</u>	<u>72,102</u>	<u>2,801,346</u>
NET ASSETS			
Invested in capital assets, net of related debt	3,337,932	-	3,337,932
Unrestricted	<u>441,463</u>	<u>126,175</u>	<u>567,638</u>
Total net assets	<u>\$ 3,779,395</u>	<u>\$ 126,175</u>	<u>\$ 3,905,570</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, 2012**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Elimination</u>	<u>Total Municipal Golf</u>
OPERATING REVENUE				
Sales to customers	\$2,306,811	\$ -	\$ -	\$ 2,306,811
Total operating revenue	<u>2,306,811</u>	<u>-</u>	<u>-</u>	<u>2,306,811</u>
OPERATING EXPENSE				
Salaries and benefits	932,230	-	-	932,230
Supplies	285,715	7,993	-	293,708
Purchased services	1,281,419	130,544	-	1,411,963
Miscellaneous	40,259	-	-	40,259
Depreciation	567,334	-	-	567,334
Total operating expense	<u>3,106,957</u>	<u>138,537</u>	<u>-</u>	<u>3,245,494</u>
Operating loss	<u>(800,146)</u>	<u>(138,537)</u>	<u>-</u>	<u>(938,683)</u>
NONOPERATING REVENUE (EXPENSE)				
Gain on sale of capital assets	1,209	-	-	1,209
Interest expense	(235,923)	-	-	(235,923)
Total nonoperating expense	<u>(234,714)</u>	<u>-</u>	<u>-</u>	<u>(234,714)</u>
Loss before transfers	(1,034,860)	(138,537)		(1,173,397)
Transfers in	4,428,687	250,000	(250,000)	4,428,687
Transfers out	(250,000)	-	250,000	-
Change in net assets	<u>3,143,827</u>	<u>111,463</u>	<u>-</u>	<u>3,255,290</u>
Net assets - beginning of year	<u>635,568</u>	<u>14,712</u>	<u>-</u>	<u>650,280</u>
Net assets - end of year	<u>\$ 3,779,395</u>	<u>\$ 126,175</u>	<u>\$ -</u>	<u>\$ 3,905,570</u>

Interfund transfers between the Operating fund, and Capital Projects fund, are eliminated on the Statement of Revenue, Expenses, and Change in Fund Net Assets, Proprietary Funds.

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF NET ASSETS
SOLID WASTE FUND
SEPTEMBER 30, 2012**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Closure Liability</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 667,043	\$ 75,830	\$ 2,497
Investment	2,663,496	4,100,000	2,800,000
Accounts receivable, net	497,228	-	-
Current restricted assets			
Cash and cash equivalents	806	-	-
Total current assets	<u>3,828,573</u>	<u>4,175,830</u>	<u>2,802,497</u>
Capital assets:			
Land	1,748,378	-	-
Buildings	1,764,513	-	-
Equipment	5,861,305	-	-
Improvements other than buildings	10,018,618	-	-
Construction in progress	193,670	-	-
Less: accumulated depreciation	(7,217,108)	-	-
Total capital assets	<u>12,369,376</u>	<u>-</u>	<u>-</u>
Total assets	<u>16,197,949</u>	<u>4,175,830</u>	<u>2,802,497</u>
LIABILITIES			
Current liabilities:			
Accounts payable	719,417	7,395	-
Accrued liabilities	308,957	-	-
Accrued compensated absences	78,986	-	-
Current liabilities payable from restricted assets:			
Customer deposits	806	-	-
Total current liabilities	<u>1,108,166</u>	<u>7,395</u>	<u>-</u>
Noncurrent liabilities:			
Closure and post closure liability	5,616,238	-	-
Total noncurrent liabilities	<u>5,616,238</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>6,724,404</u>	<u>7,395</u>	<u>-</u>
NET ASSETS			
Invested in capital assets, net of related debt	12,369,376	-	-
Unrestricted	(2,895,831)	4,168,435	2,802,497
Total net assets	<u>\$ 9,473,545</u>	<u>\$ 4,168,435</u>	<u>\$ 2,802,497</u>

<u>Equipment Acquisition</u>	<u>Landfill Replacement</u>	<u>Liner Reserve</u>	<u>Total Solid Waste</u>
\$ 766,782	\$ 200,798	\$ 38,840	\$ 1,751,790
-	2,574,536	700,000	12,838,032
-	-	-	497,228
-	-	-	806
<u>766,782</u>	<u>2,775,334</u>	<u>738,840</u>	<u>15,087,856</u>
-	-	-	1,748,378
-	-	-	1,764,513
-	-	-	5,861,305
-	-	-	10,018,618
-	-	-	193,670
-	-	-	(7,217,108)
-	-	-	12,369,376
<u>766,782</u>	<u>2,775,334</u>	<u>738,840</u>	<u>27,457,232</u>
64,885	-	-	791,697
-	-	-	308,957
-	-	-	78,986
-	-	-	806
<u>64,885</u>	<u>-</u>	<u>-</u>	<u>1,180,446</u>
-	-	-	5,616,238
-	-	-	5,616,238
<u>64,885</u>	<u>-</u>	<u>-</u>	<u>6,796,684</u>
-	-	-	12,369,376
<u>701,897</u>	<u>2,775,334</u>	<u>738,840</u>	<u>8,291,172</u>
<u>\$ 701,897</u>	<u>\$ 2,775,334</u>	<u>\$ 738,840</u>	<u>\$ 20,660,548</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE REVENUE, EXPENSE, AND
CHANGES IN FUND NET ASSETS
SOLID WASTE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Closure Liability</u>
OPERATING REVENUE			
Sales to customers	\$ 10,575,727	\$ -	\$ -
Miscellaneous	89,222	-	-
Total operating revenue	<u>10,664,949</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSE			
Salaries and benefits	2,072,368	-	-
Supplies	526,988	32,032	-
Purchased services	4,711,467	78,449	-
Miscellaneous	417,210	-	-
Capital outlay	(1,495,105)	322,410	-
Depreciation	887,562	-	-
Franchise fee	311,793	-	-
General and administrative costs	319,626	-	-
Total operating expense	<u>7,751,909</u>	<u>432,891</u>	<u>-</u>
Operating income	<u>2,913,040</u>	<u>(432,891)</u>	<u>-</u>
NONOPERATING REVENUE			
Gain on sale of capital assets	-	-	-
Total nonoperating revenue	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions and transfers	2,913,040	(432,891)	-
Transfers in	-	950,000	200,000
Transfers out	(2,530,513)	-	-
Change in net assets	<u>382,527</u>	<u>517,109</u>	<u>200,000</u>
Net assets - beginning of the year	<u>9,091,018</u>	<u>3,651,326</u>	<u>2,602,497</u>
Net assets - end of the year	<u>\$ 9,473,545</u>	<u>\$ 4,168,435</u>	<u>\$ 2,802,497</u>

Interfund transfers in/out between the Operating fund, Capital Projects fund, Closure Liability fund, Equipment Acquisition fund, Landfill Replacement fund, and Liner Reserve fund are eliminated on the Statement of Revenue, Expenses, and Change in Fund Net Assets, Nonmajor Enterprise Funds.

Equipment Acquisition	Landfill Replacement	Liner Reserve	Elimination	Total Solid Waste
\$ -	\$ -	\$ -	\$ -	\$ 10,575,727
-	-	-	-	89,222
-	-	-	-	10,664,949
-	-	-	-	2,072,368
-	-	-	-	559,020
-	-	-	-	4,789,916
-	-	-	-	417,210
402,481	-	770,214	-	-
-	-	-	-	887,562
-	-	-	-	311,793
-	-	-	-	319,626
402,481	-	770,214	-	9,357,495
(402,481)	-	(770,214)	-	1,307,454
3,813	-	-	-	3,813
3,813	-	-	-	3,813
(398,668)	-	(770,214)	-	1,311,267
600,000	100,000	300,000	(2,150,000)	-
-	-	-	2,150,000	(380,513)
201,332	100,000	(470,214)	-	930,754
500,565	2,675,334	1,209,054	-	19,729,794
\$ 701,897	\$ 2,775,334	\$ 738,840	\$ -	\$ 20,660,548

**CITY OF GRAND PRAIRIE, TEXAS
 AGGREGATING SCHEDULE OF NET ASSETS
 RISK MANAGEMENT FUND
 SEPTEMBER 30, 2012**

	Risk Management	Employee Insurance	Total Risk Management
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 57,561	\$ 5,885,161	\$ 5,942,722
Investments	5,500,000	260,624	5,760,624
Prepaid	-	22,083	22,083
Other Receivables	-	379,337	379,337
Current restricted assets:			
Cash and cash equivalents	-	215,896	215,896
Total current assets	<u>5,557,561</u>	<u>6,763,101</u>	<u>12,320,662</u>
Capital assets:			
Equipment	36,558	69,026	105,584
Less: accumulated depreciation	(4,980)	(7,399)	(12,379)
Total capital assets	<u>31,578</u>	<u>61,627</u>	<u>93,205</u>
Total assets	<u>5,589,139</u>	<u>6,824,728</u>	<u>12,413,867</u>
LIABILITIES			
Current liabilities:			
Accounts payable	134,944	29,933	164,877
Accrued liabilities	2,730,524	1,270,223	4,000,747
Accrued compensated absences	3,458	5,219	8,677
Total current liabilities	<u>2,868,926</u>	<u>1,305,375</u>	<u>4,174,301</u>
Noncurrent liabilities:			
Accrued compensated absences	2,251	-	2,251
Total noncurrent liabilities	<u>2,251</u>	<u>-</u>	<u>2,251</u>
Total liabilities	<u>2,871,177</u>	<u>1,305,375</u>	<u>4,176,552</u>
NET ASSETS			
Invested in capital assets, net of related debt	31,578	61,627	93,205
Unrestricted	2,686,384	5,457,726	8,144,110
Total net assets	<u>\$ 2,717,962</u>	<u>\$ 5,519,353</u>	<u>\$ 8,237,315</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE REVENUE, EXPENSE, AND
CHANGES IN FUND NET ASSETS
RISK MANAGEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Risk Management	Employee Insurance	Total Risk Management
OPERATING REVENUE			
Insurance premiums	\$ 3,202,028	\$ 12,827,960	\$ 16,029,988
Miscellaneous	-	352,481	352,481
Total operating revenue	<u>3,202,028</u>	<u>13,180,441</u>	<u>16,382,469</u>
OPERATING EXPENSE			
Salaries and benefits	83,405	92,119	175,524
Supplies	2,482	6,560	9,042
Purchased services	156,555	251,767	408,322
Insurance claims	2,567,847	16,059,740	18,627,587
Miscellaneous	58,896	67,100	125,996
Depreciation	4,726	7,056	11,782
Total operating expense	<u>2,873,911</u>	<u>16,484,342</u>	<u>19,358,253</u>
Operating income	<u>328,117</u>	<u>(3,303,901)</u>	<u>(2,975,784)</u>
Net assets - beginning of the year	<u>2,389,845</u>	<u>8,823,254</u>	<u>11,213,099</u>
Net assets - end of the year	<u>\$ 2,717,962</u>	<u>\$ 5,519,353</u>	<u>\$ 8,237,315</u>



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STATISTICAL SECTION

**CITY OF GRAND PRAIRIE, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED September 30, 2012
 STATISTICAL SECTION INDEX (UNAUDITED)**

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**CITY OF GRAND PRAIRIE, TEXAS
NET ASSETS BY COMPONENT (UNAUDITED)
LAST TEN FISCAL YEARS**

	FISCAL YEAR			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
GOVERNMENTAL ACTIVITIES				
Invested in capital assets net of related debt	\$ 148,513,124	\$ 174,584,254	\$ 237,535,813	\$ 255,230,188
Restricted	5,475,006	3,167,064	1,768,257	3,034,411
Unrestricted	51,355,387	65,238,004	41,171,528	52,044,716
Total governmental activities net assets	<u>\$ 205,343,517</u>	<u>\$ 242,989,322</u>	<u>\$ 280,475,598</u>	<u>\$ 310,309,315</u>
BUSINESS-TYPE ACTIVITIES				
Invested in capital assets net of related debt	\$ 112,136,902	\$ 110,683,391	\$ 130,998,728	\$ 133,275,493
Restricted	3,953,911	3,548,426	3,699,150	3,671,913
Unrestricted	27,853,395	40,273,290	30,147,871	37,114,582
Total business-type activities net assets	<u>\$ 143,944,208</u>	<u>\$ 154,505,107</u>	<u>\$ 164,845,749</u>	<u>\$ 174,061,988</u>
PRIMARY GOVERNMENT				
Invested in capital assets net of related debt	\$ 260,650,026	\$ 285,267,645	\$ 368,534,541	\$ 388,505,681
Restricted	9,428,917	6,715,490	5,467,407	6,706,324
Unrestricted	79,208,782	105,511,294	71,319,399	89,159,298
Total primary government net assets	<u>\$ 349,287,725</u>	<u>\$ 397,494,429</u>	<u>\$ 445,321,347</u>	<u>\$ 484,371,303</u>

The city implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definition" in fiscal year 2011, which changed classification of certain activities from governmental to business type activities. The beginning net assets in 2011 have been restated.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 250,427,112	\$ 265,961,757	\$ 271,217,903	\$ 286,120,135	\$ 279,371,594	\$ 311,048,653
5,260,954	5,491,185	9,302,232	9,792,214	83,793,231	63,267,418
99,358,971	114,556,201	129,915,331	129,649,766	62,743,136	47,893,511
<u>\$ 355,047,037</u>	<u>\$ 386,009,143</u>	<u>\$ 410,435,466</u>	<u>\$ 425,562,115</u>	<u>\$ 425,907,961</u>	<u>\$ 422,209,582</u>
\$ 134,270,404	\$ 129,219,761	\$ 139,067,912	\$ 134,524,036	\$ 137,253,007	\$ 139,042,561
3,748,093	6,089,188	3,673,504	4,228,742	3,988,491	4,601,419
46,861,049	56,978,613	60,527,614	68,647,313	68,859,665	71,929,058
<u>\$ 184,879,546</u>	<u>\$ 192,287,562</u>	<u>\$ 203,269,030</u>	<u>\$ 207,400,091</u>	<u>\$ 210,101,163</u>	<u>\$ 215,573,038</u>
\$ 384,697,516	\$ 395,181,518	\$ 410,285,815	\$ 420,644,171	\$ 416,624,601	\$ 450,091,214
9,009,047	11,580,373	12,975,736	14,020,956	87,781,722	67,868,837
146,220,020	171,534,814	190,442,945	198,297,079	131,602,801	119,822,569
<u>\$ 539,926,583</u>	<u>\$ 578,296,705</u>	<u>\$ 613,704,496</u>	<u>\$ 632,962,206</u>	<u>\$ 636,009,124</u>	<u>\$ 637,782,620</u>

**CITY OF GRAND PRAIRIE, TEXAS
CHANGES IN NET ASSETS (UNAUDITED)
LAST TEN FISCAL YEARS**

	FISCAL YEAR			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
EXPENSES				
Governmental activities:				
Support services	\$ 12,898,644	\$ 13,014,368	\$ 13,933,988	\$ 16,076,516
Public safety services	50,916,655	49,831,335	53,811,047	57,826,788
Recreation and leisure services	10,741,472	13,276,399	14,491,018	15,606,279
Development services and other	37,605,023	39,071,130	40,009,351	50,642,965
Interest on long-term debt	5,754,130	6,305,446	7,482,003	7,659,557
Total governmental activities expenses	<u>\$ 117,915,924</u>	<u>\$ 121,498,678</u>	<u>\$ 129,727,407</u>	<u>\$ 147,812,105</u>
Business-type activities:				
Water and wastewater	\$ 30,016,378	\$ 31,405,404	\$ 36,537,343	\$ 39,746,718
Municipal airport	1,621,636	1,739,208	6,422,295	2,156,251
Municipal golf course	3,197,612	3,234,336	3,451,846	3,390,562
Storm water	801,473	673,302	1,833,787	829,867
Solid waste	5,499,602	7,326,711	6,422,295	7,320,755
Total business-type activities expenses	<u>41,136,701</u>	<u>44,378,961</u>	<u>54,667,566</u>	<u>53,444,153</u>
Total primary government expenses	<u>\$ 159,052,625</u>	<u>\$ 165,877,639</u>	<u>\$ 184,394,973</u>	<u>\$ 201,256,258</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
Support services	\$ 3,413,628	\$ 5,365,705	\$ 6,462,531	\$ 9,856,362
Public safety services	7,331,038	8,040,487	8,567,505	8,982,681
Recreation and leisure services	2,775,590	2,505,920	2,947,751	3,502,325
Development services and other	2,426,826	4,091,489	3,826,062	6,108,583
Operating grants and contributions	25,635,211	27,628,031	28,456,869	33,141,279
Capital grants and contributions	3,140,512	26,900,978	25,867,397	8,409,834
Total governmental activities program revenues	<u>\$ 44,722,805</u>	<u>\$ 74,532,610</u>	<u>\$ 76,128,115</u>	<u>\$ 70,001,064</u>
Business-type activities:				
Charges for services:				
Water and wastewater	\$ 32,970,209	\$ 31,377,178	\$ 34,084,321	\$ 42,564,693
Municipal airport	1,219,517	1,314,710	1,654,152	1,496,579
Municipal golf course	2,406,774	2,053,784	2,397,915	2,587,757
Storm water	1,786,048	1,870,778	1,917,720	2,470,183
Solid waste	6,934,548	7,544,969	8,061,725	8,767,399
Operating grants and contributions	335,737	2,140,958	386,900	737,536
Capital grants and contributions	2,287,819	10,169,562	10,979,777	4,172,710
Total business-type activities	<u>47,940,652</u>	<u>56,471,939</u>	<u>59,482,510</u>	<u>62,796,857</u>
Total primary government	<u>\$ 92,663,457</u>	<u>\$ 131,004,549</u>	<u>\$ 135,610,625</u>	<u>\$ 132,797,921</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 22,481,067	\$ 19,829,891	\$ 17,647,031	\$ 17,278,851	\$ 19,100,748	\$ 17,928,238
70,124,744	76,192,160	70,728,042	81,872,640	88,336,343	72,934,512
19,168,072	20,548,092	24,302,491	21,517,961	22,368,768	24,071,731
38,630,596	51,061,087	56,491,002	58,153,994	74,251,224	84,171,971
8,421,424	10,329,775	12,141,929	10,618,864	9,817,549	9,227,801
<u>\$ 158,825,903</u>	<u>\$ 177,961,005</u>	<u>\$ 181,310,495</u>	<u>\$ 189,442,310</u>	<u>\$ 213,874,632</u>	<u>\$ 208,334,253</u>
\$ 40,211,646	\$ 43,521,711	\$ 46,025,037	\$ 48,888,158	\$ 52,658,416	\$ 55,186,501
2,010,376	2,274,829	1,758,664	1,999,196	2,809,039	2,650,503
3,295,065	3,388,253	3,336,554	3,488,564	3,521,660	3,527,637
1,034,458	1,076,876	1,344,716	1,692,009	1,537,846	1,617,905
9,599,260	8,147,843	8,316,221	8,931,468	9,079,737	9,489,513
56,150,805	58,409,512	60,781,192	64,999,395	69,606,698	72,472,059
<u>\$ 214,976,708</u>	<u>\$ 236,370,517</u>	<u>\$ 242,091,687</u>	<u>\$ 254,441,705</u>	<u>\$ 283,481,330</u>	<u>\$ 280,806,312</u>
\$ 11,369,944	\$ 12,976,068	\$ 13,272,240	\$ 10,929,541	\$ 5,981,676	\$ 5,000,964
5,453,931	5,827,320	11,030,095	12,823,754	16,384,019	13,752,467
4,843,898	6,894,465	5,815,486	7,112,226	8,886,903	8,256,815
3,731,729	2,947,454	5,087,515	4,412,063	7,991,012	5,866,787
48,052,791	36,873,575	28,333,421	31,232,753	37,588,585	31,329,503
14,027,960	11,432,768	5,795,714	9,112,664	2,664,489	6,290,285
<u>\$ 87,480,253</u>	<u>\$ 76,951,650</u>	<u>\$ 69,334,471</u>	<u>\$ 75,623,001</u>	<u>\$ 79,496,684</u>	<u>\$ 70,496,821</u>
\$ 41,221,192	\$ 43,493,084	\$ 46,898,346	\$ 46,459,483	\$ 54,761,115	\$ 57,610,991
1,492,202	2,330,000	1,703,398	1,759,319	3,791,577	3,048,547
2,637,807	2,232,189	2,409,475	2,080,152	2,244,356	2,306,811
2,691,742	2,974,336	3,073,155	4,685,730	5,015,547	5,125,840
9,023,648	9,103,212	10,290,559	10,100,502	9,984,080	10,668,762
1,668,944	270,729	468,397	-	-	-
8,109,411	5,519,297	3,742,875	2,444,475	1,792,377	2,465,951
66,844,946	65,922,847	68,586,205	67,529,661	77,589,052	81,226,902
<u>\$ 154,325,199</u>	<u>\$ 142,874,497</u>	<u>\$ 137,920,676</u>	<u>\$ 143,152,662</u>	<u>\$ 157,085,736</u>	<u>\$ 151,723,723</u>

(continued)

**CITY OF GRAND PRAIRIE, TEXAS
CHANGES IN NET ASSETS (UNAUDITED)
LAST TEN FISCAL YEARS**

	FISCAL YEAR			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
NET (EXPENSES)/REVENUE				
Governmental activities	\$ (73,193,119)	\$ (46,966,068)	\$ (53,599,292)	\$ (77,811,041)
Business-type activities	6,803,951	12,092,978	4,814,944	9,352,704
Total primary government net expense	<u>\$ (66,389,168)</u>	<u>\$ (34,873,090)</u>	<u>\$ (48,784,348)</u>	<u>\$ (68,458,337)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities:				
Taxes				
Property taxes	\$ 43,194,279	\$ 46,952,102	\$ 50,217,892	\$ 54,462,317
Sales taxes	22,560,923	23,970,012	24,833,472	29,289,416
Hotel/motel tax and other taxes	1,316,910	1,054,409	1,803,169	1,299,365
Franchise fees	9,400,450	6,294,469	9,870,488	15,658,628
Investment income	1,328,820	1,804,705	2,820,035	4,735,009
Miscellaneous	1,605,576	2,811,908	3,014,011	71,784
Contributions	23,973,681	-	-	-
Transfers-monetary	2,962,060	1,724,267	350,310	2,128,239
Transfers-capital assets	-	-	-	-
Total governmental activities	<u>\$ 106,342,699</u>	<u>\$ 84,611,872</u>	<u>\$ 92,909,377</u>	<u>\$ 107,644,758</u>
Business-type activities:				
Franchise fees	-	-	-	\$ 305,907
Investment income	1,231,038	192,188	288,044	1,685,867
Contributions	4,756,779	-	-	-
Transfers-monetary	(2,962,060)	(1,724,267)	(350,310)	(2,128,239)
Transfers-capital assets	-	-	-	-
Total business-type activities	<u>3,025,757</u>	<u>(1,532,079)</u>	<u>(62,266)</u>	<u>(136,465)</u>
Total primary government	<u>\$ 109,368,456</u>	<u>\$ 83,079,793</u>	<u>\$ 92,847,111</u>	<u>\$ 107,508,293</u>
CHANGE IN NET ASSETS				
Governmental activities	\$ 33,149,580	\$ 37,645,805	\$ 39,310,085	\$ 29,833,717
Business-type activities	9,829,708	10,560,899	4,752,678	9,216,239
Total primary government	<u>\$ 42,979,288</u>	<u>\$ 48,206,704</u>	<u>\$ 44,062,763</u>	<u>\$ 39,049,956</u>

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ (71,345,650)	\$ (101,009,355)	\$ (111,976,024)	\$ (113,819,309)	\$ (134,377,948)	\$ (137,837,432)
10,694,141	7,513,335	7,805,013	2,530,266	7,982,354	8,754,843
<u>\$ (60,651,509)</u>	<u>\$ (93,496,020)</u>	<u>\$ (104,171,011)</u>	<u>\$ (111,289,043)</u>	<u>\$ (126,395,594)</u>	<u>\$ (129,082,589)</u>
\$ 61,443,459	\$ 69,813,294	\$ 76,687,029	\$ 75,091,425	\$ 71,554,937	\$ 70,153,052
31,919,487	39,665,104	40,376,226	39,891,881	41,713,795	45,457,902
1,344,762	1,414,822	1,231,899	1,232,928	1,332,984	1,332,259
11,375,535	11,847,401	12,531,556	12,060,211	13,492,977	12,902,516
7,573,850	7,444,199	6,688,474	1,844,371	1,341,476	1,004,777
-	-	-	-	-	-
-	2,553,427	-	-	-	-
2,426,279	-	(1,112,837)	(1,542,012)	5,625,851	3,167,893
-	-	-	367,154	-	120,654
<u>\$ 116,083,372</u>	<u>\$ 132,738,247</u>	<u>\$ 136,402,347</u>	<u>\$ 128,945,958</u>	<u>\$ 135,062,020</u>	<u>\$ 134,139,053</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,549,696	2,448,108	2,063,618	425,937	6,343	5,579
-	-	-	-	-	-
(2,426,279)	(2,553,427)	1,112,837	1,542,012	(5,625,851)	(3,167,893)
-	-	-	(367,154)	-	(120,654)
<u>123,417</u>	<u>(105,319)</u>	<u>3,176,455</u>	<u>1,600,795</u>	<u>(5,619,508)</u>	<u>(3,282,968)</u>
<u>\$ 116,206,789</u>	<u>\$ 132,632,928</u>	<u>\$ 139,578,802</u>	<u>\$ 130,546,753</u>	<u>\$ 129,442,512</u>	<u>\$ 130,856,085</u>
\$ 44,737,722	\$ 31,728,892	\$ 24,426,323	\$ 15,126,649	\$ 684,072	\$ (3,698,379)
10,817,558	7,408,016	10,981,468	4,131,061	2,362,846	5,471,875
<u>\$ 55,555,280</u>	<u>\$ 39,136,908</u>	<u>\$ 35,407,791</u>	<u>\$ 19,257,710</u>	<u>\$ 3,046,918</u>	<u>\$ 1,773,496</u>

(concluded)

**CITY OF GRAND PRAIRIE, TEXAS
 FUND BALANCES
 GOVERNMENTAL FUNDS (UNAUDITED)
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
GENERAL FUND				
Reserved	\$ 360,916	\$ 836,805	\$ 1,245,756	\$ 1,202,824
Unreserved/Unassigned	15,667,085	18,301,467	16,467,282	23,797,074
Nonspendable	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total general fund	<u>\$ 16,028,001</u>	<u>\$ 19,138,272</u>	<u>\$ 17,713,038</u>	<u>\$ 24,999,898</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 30,102,504	\$ 11,156,665	\$ 21,832,554	\$ 20,495,695
Unreserved, reported in:				
Special revenue funds	16,588,446	32,888,043	29,473,920	23,834,504
Capital projects funds	24,209,669	30,843,788	14,339,856	17,522,013
Non Spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Total all other governmental funds	<u>\$ 70,900,619</u>	<u>\$ 74,888,496</u>	<u>\$ 65,646,330</u>	<u>\$ 61,852,212</u>

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 978,032	\$ 769,535	\$ 576,286	\$ 306,798	\$ -	\$ -
24,474,441	23,517,200	29,769,771	29,794,717	29,186,299	25,938,708
-	-	-	-	-	1,035
-	-	-	-	-	524,836
-	-	-	-	1,407,704	1,449,177
<u>\$ 25,452,473</u>	<u>\$ 24,286,735</u>	<u>\$ 30,346,057</u>	<u>\$ 30,101,515</u>	<u>\$ 30,594,003</u>	<u>\$ 27,913,756</u>
\$ 9,009,855	\$ 9,713,094	\$ 13,783,052	\$ 11,783,598	\$ -	\$ -
51,481,507	152,319,219	69,553,793	39,727,431	-	-
36,334,868	36,672,982	75,403,545	60,591,611	-	-
-	-	-	-	265,296	98,473
-	-	-	-	89,928,651	70,226,080
-	-	-	-	34,061,536	26,402,391
<u>\$ 96,826,230</u>	<u>\$ 198,705,295</u>	<u>\$ 158,740,390</u>	<u>\$ 112,102,640</u>	<u>\$ 124,255,483</u>	<u>\$ 96,726,944</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
REVENUE				
Taxes	\$ 68,044,675	\$ 72,588,819	\$ 76,112,349	\$ 85,051,098
Licenses, fees, and permits	10,903,573	12,396,830	12,650,409	18,962,716
Fines and penalties	4,469,958	5,059,013	5,462,053	5,537,867
Charges for services	6,370,072	6,739,443	7,209,753	7,537,479
Special assessments	-	642,734	742,184	980,999
Intergovernmental	27,139,404	27,302,184	25,146,652	31,315,423
Investment income	1,357,707	1,766,526	2,805,479	4,620,911
Other revenues	5,332,343	6,884,470	14,506,025	9,195,418
Total revenues	<u>123,617,732</u>	<u>133,380,019</u>	<u>144,634,904</u>	<u>163,201,911</u>
EXPENDITURES				
Current operations:				
Support services	10,659,348	10,780,154	11,346,466	12,875,349
Public safety services	43,792,760	43,621,824	46,304,166	49,046,924
Recreation and leisure services	9,439,447	11,617,974	12,457,293	13,194,080
Development services and other	32,024,258	33,628,488	33,607,969	40,658,989
Capital outlay	38,664,168	40,099,574	41,489,772	43,035,692
Debt service:				
Principal retirement	8,756,308	10,403,516	10,998,736	9,079,928
Interest	5,728,431	6,215,621	8,123,692	7,333,210
Total expenditures	<u>149,064,720</u>	<u>156,367,151</u>	<u>164,328,094</u>	<u>175,224,172</u>
Excess of revenues over (under) expenditures	<u>(25,446,988)</u>	<u>(22,987,132)</u>	<u>(19,693,190)</u>	<u>(12,022,261)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in-monetary	29,491,511	22,343,056	21,490,429	21,651,931
Transfers out-monetary	(26,972,478)	(20,434,112)	(21,037,549)	(19,402,662)
Proceeds from sale of capital assets	9,011,672	361,067	47,967	71,784
Premium (discount) on debt issued	-	-	(96,248)	27,700
Bonds issued	18,260,000	27,812,500	9,285,000	13,166,250
Refunding bonds issued	-	1,955,000	17,540,000	-
Payment for refunded debt - escrow agent	(9,645,000)	(1,952,232)	(16,380,000)	-
Sale of assets held for resale	-	-	-	-
Total other financing sources	<u>20,145,705</u>	<u>30,085,279</u>	<u>10,849,599</u>	<u>15,515,003</u>
Net change in fund balance	<u>\$ (5,301,283)</u>	<u>\$ 7,098,147</u>	<u>\$ (8,843,591)</u>	<u>\$ 3,492,742</u>
Debt service as a percentage of noncapital expenditures	13.1%	14.3%	15.6%	12.4%

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$	94,529,349	\$ 109,658,169	\$ 116,142,863	\$ 116,814,717	\$ 114,587,907	\$ 117,208,804
	14,221,385	14,300,656	14,767,427	14,667,062	16,136,711	15,605,109
	5,807,484	5,615,462	6,342,727	7,311,853	6,987,287	8,074,797
	8,466,964	11,648,865	11,488,375	12,497,178	12,961,293	13,656,638
	1,379,597	-	-	-	-	-
	26,598,586	30,132,609	26,343,441	38,692,557	39,462,880	35,616,500
	7,391,922	7,239,258	6,472,181	1,767,720	1,341,476	1,004,777
	25,059,295	15,655,620	10,735,637	7,707,687	10,064,673	9,637,107
	<u>183,454,582</u>	<u>194,250,639</u>	<u>192,292,651</u>	<u>199,458,774</u>	<u>201,542,227</u>	<u>200,803,732</u>
	17,431,881	14,740,779	14,778,861	13,793,906	14,078,101	14,546,500
	54,033,347	59,110,908	59,391,711	63,301,812	62,850,732	65,260,700
	14,769,610	17,039,606	20,392,873	19,086,560	18,595,333	17,481,772
	37,067,631	48,283,183	47,383,981	50,416,087	48,594,485	59,915,550
	29,577,246	62,450,315	92,227,467	65,612,028	18,510,959	43,651,279
	9,632,819	13,268,068	15,331,241	29,423,291	28,993,944	32,623,895
	8,350,646	10,693,686	12,635,091	10,841,888	10,259,783	9,715,824
	<u>170,863,180</u>	<u>225,586,545</u>	<u>262,141,225</u>	<u>252,475,572</u>	<u>201,883,337</u>	<u>243,195,520</u>
	<u>12,591,402</u>	<u>(31,335,906)</u>	<u>(69,848,574)</u>	<u>(53,016,798)</u>	<u>(341,110)</u>	<u>(42,391,788)</u>
	29,302,328	51,850,485	63,865,188	60,024,949	34,365,960	45,615,427
	(28,036,960)	(49,205,367)	(64,214,176)	(61,757,480)	(28,708,944)	(42,447,534)
	12,410	-	500,660	505,123	559,843	718,718
	97,413	61,992	146,319	36,940	253,855	2,664,794
	21,460,000	129,440,000	35,645,000	7,425,000	7,000,000	7,960,000
	-	17,278,000	-	13,390,000	14,235,000	28,415,000
	-	(17,161,031)	-	(13,301,147)	(14,305,695)	(30,743,403)
	-	-	-	(188,881)	-	-
	<u>22,835,191</u>	<u>132,264,079</u>	<u>35,942,991</u>	<u>6,134,504</u>	<u>13,400,019</u>	<u>12,183,002</u>
\$	<u>35,426,593</u>	<u>\$ 100,928,173</u>	<u>\$ (33,905,583)</u>	<u>\$ (46,882,294)</u>	<u>\$ 13,058,909</u>	<u>\$ (30,208,786)</u>

12.7%

14.7%

16.5%

21.5%

21.4%

21.2%

**CITY OF GRAND PRAIRIE, TEXAS
 ASSESSED AND ESTIMATED ACTUAL
 VALUES OF TAXABLE PROPERTY (UNAUDITED)
 LAST TEN FISCAL YEARS**

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value
2003	3,365,348,440	4,118,990,011	861,464,334	6,622,874,117
2004	3,719,467,190	3,974,213,570	896,269,064	6,797,411,696
2005	4,031,666,200	4,092,614,293	1,024,567,945	7,099,712,548
2006	4,361,834,090	4,320,530,688	1,105,005,542	7,577,359,236
2007	4,906,586,580	4,449,710,692	1,073,650,128	8,282,647,144
2008	5,469,305,770	5,178,753,981	1,438,990,381	9,209,069,370
2009	5,767,998,141	5,526,633,389	1,537,051,835	9,757,579,695
2010	5,603,083,057	5,828,420,792	1,853,784,284	9,577,719,565
2011	5,532,077,367	5,610,293,457	1,854,115,295	9,288,255,529
2012	5,579,393,002	5,842,463,648	1,978,915,099	9,442,941,551

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.

Direct Tax Rate	Actual Taxable Value	Percentage of Actual Taxable Value
0.669998	6,622,874,117	100.0%
0.669998	6,797,411,696	100.0%
0.669998	7,099,712,548	100.0%
0.669998	7,577,359,236	100.0%
0.669998	8,282,647,144	100.0%
0.669998	9,209,069,370	100.0%
0.669998	9,757,579,695	100.0%
0.669998	9,577,719,565	100.0%
0.669998	9,288,255,529	100.0%
0.669998	9,442,941,551	100.0%

**CITY OF GRAND PRAIRIE, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES (UNAUDITED)
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
OVERLAPPING RATES				
City of Grand Prairie	0.669998	0.669998	0.669998	0.669998
Grand Prairie School District	1.727100	1.751100	1.758600	1.629700
Arlington School District	1.735000	1.755000	1.745460	1.610000
Cedar Hill School District	1.701600	1.741300	1.848430	1.743300
Irving School District	1.815000	1.837000	1.814000	1.644000
Mansfield School District	1.682000	1.717000	1.772000	1.687500
Midlothian School District	1.720000	1.764500	1.787500	1.697500
Dallas County	0.203900	0.203900	0.213900	0.213900
Dallas County Community College District	0.778000	0.080300	0.081600	0.081000
Dallas County Hospital District	0.254000	0.254000	0.254000	0.254000
Dallas County Flood Control District	2.080000	2.060000	2.060000	2.835540
Grand Prairie Met Utl & Reclam Dist.	3.870000	2.450000	2.550000	2.050000
Ellis County	0.310200	0.315993	0.273090	0.349500
Johnson County	0.357300	0.382088	0.382088	0.369004
Tarrant County	0.272500	0.272500	0.272500	0.271500
Tarrant County Hospital District	0.235400	0.235397	0.235397	0.235397
Tarrant County Junior College District	0.139400	0.139380	0.139380	0.139380
CITY DIRECT RATES				
Operations & Maintenance	0.474711	0.474711	0.474711	0.474711
Interest & Sinking	0.195287	0.195287	0.195287	0.195287
Total Direct Rates	0.669998	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.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
0.669998	0.669998	0.669998	0.669998	0.669998	0.669998
1.465000	1.465000	1.465000	1.465000	1.465000	1.465000
1.278000	1.272000	1.272000	1.335000	1.305500	1.301000
1.400000	1.500000	1.400000	1.440000	1.440000	1.440000
1.348500	1.391000	1.425000	1.465000	1.465000	1.465000
1.450000	1.750000	1.450000	1.496000	1.496000	1.540000
1.367500	1.407500	1.397500	1.397500	1.540000	1.540000
0.228100	0.228100	0.228100	0.243100	0.243100	0.243100
0.080400	0.089400	0.094900	0.099230	0.099670	0.119375
0.254000	0.254000	0.274000	0.271000	0.271000	0.271000
2.835540	2.835540	2.835540	2.835540	2.900000	3.050000
2.050000	2.140000	2.180000	2.120000	2.065000	0.600000
0.364598	0.360091	0.360091	0.360091	0.380091	0.380091
0.356962	0.306708	0.300590	0.327500	0.330500	0.333229
0.266500	0.264000	0.264000	0.264000	0.264000	0.264000
0.230397	0.227897	0.227897	0.227897	0.227897	0.227897
0.139380	0.137960	0.137670	0.137640	0.148970	0.148970
0.481500	0.484892	0.484892	0.484892	0.484892	0.484892
0.188498	0.185106	0.185106	0.185106	0.185106	0.185106
0.669998	0.669998	0.669998	0.669998	0.669998	0.669998

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

<u>Taxpayer</u>	<u>2012</u>			<u>2002</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>
Bell Helicopter	\$ 114,212,433	1	1.21%	\$ 64,495,510	3	0.97%
Oncor Electric/Texas Utilities	75,950,591	2	0.80%	60,557,190	4	0.91%
Prologis	70,309,025	3	0.74%			
Triumph Group Vought Aircraft	70,234,670	4	0.74%			
Republic Beverage	66,319,408	5	0.70%	38,361,770	7	0.58%
Duke Realty Ltd. PS	48,500,000	6	0.51%			
Catellus Development Corp	40,784,230	7	0.43%			
Lockheed Martin Corp	39,335,733	8	0.42%	49,243,390	6	0.74%
CCDA Waters LLC	38,987,943	9	0.41%			
Cardinal Health 200 LLC	37,524,174	10	0.40%			
Amerisource Corporation	-		-	87,132,000	1	1.32%
Southwestern Bell	-		-	65,772,440	2	0.99%
Security Capital Industrial	-		-	58,057,085	5	0.88%
OTR	-		-	27,632,760	8	0.42%
Riverside Lane LTD	-		-	26,000,000	9	0.39%
Wizards of the Coast	-		-	24,526,390	10	0.37%
Total	\$ 602,158,207		6.38%	\$ 501,778,535		7.58%

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

**CITY OF GRAND PRAIRIE, TEXAS
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
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	55,193,470	54,491,806	98.73%	398,100	54,889,906	99.45%
2008	60,505,696	58,990,868	97.50%	1,088,164	60,079,032	99.29%
2009	65,518,513	64,007,684	97.69%	1,201,266	65,208,950	99.53%
2010	64,170,530	62,547,016	97.47%	635,288	63,182,304	98.46%
2011	62,231,126	61,173,197	98.30%	741,036	61,914,233	99.49%
2012	63,267,520	60,584,977	95.76%	-	60,584,977	95.76%

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, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE (UNAUDITED)
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-type Activities		
	General Obligation	Sales Tax Revenue	Certificates of Obligation	Water Revenue	General Obligation	Certificates of Obligation
	Bonds	Bonds		Bonds	Bonds	
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
2009	93,109,470	62,010,000	167,503,622	65,800,000	5,407,000	3,796,378
2010	92,907,260	54,510,000	153,892,541	66,875,000	5,227,000	3,537,459
2011	91,693,399	46,690,000	140,877,457	62,375,000	4,936,601	3,402,540
2012	92,070,458	40,195,000	120,775,000	61,925,000	2,334,543	1,940,000

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 2010 average household income figure provided by City of
Grand Prairie Department of Economic Development

Total Primary Government	Percentage of Average Household Income¹	Per Capita
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
376,421,560	0.01%	2,259
397,626,470	0.01%	2,360
376,949,260	0.02%	2,149
349,974,997	0.02%	1,989
319,240,001	0.02%	1,779

**CITY OF GRAND PRAIRIE, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING (UNAUDITED)
LAST TEN FISCAL YEARS**

Year	General Bonded Debt Outstanding			Total	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation	Less: Amounts Available in Debt Service Fund			
2003	69,574,911	59,415,000	2,672,201	126,317,710	1.91%	916
2004	75,114,010	75,950,000	3,167,064	147,896,946	2.18%	1,046
2005	78,232,717	71,750,000	1,768,257	148,214,460	2.09%	1,018
2006	76,195,000	78,210,000	3,339,608	151,065,392	1.99%	968
2007	74,588,220	91,855,000	5,086,643	161,356,577	1.95%	999
2008	94,916,630	151,709,930	5,333,711	241,292,849	2.62%	1,448
2009	98,516,470	171,300,000	7,250,736	262,565,734	2.69%	1,558
2010	98,134,260	157,430,000	7,573,519	247,990,741	2.59%	1,414
2011	96,630,000	144,279,997	6,815,530	234,094,467	2.52%	1,330
2012	94,405,001	122,715,000	8,116,490	209,003,511	2.21%	1,165

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

**CITY OF GRAND PRAIRIE, TEXAS
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES OF DEBT (UNAUDITED)
AS OF SEPTEMBER 30, 2012**

<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			
Arlington Independent School District	\$ 465,377,451	17.23%	\$ 80,184,535
Cedar Hill Independent School District	94,857,477	3.48%	3,301,040
Dallas County	121,605,000	2.85%	3,465,743
Dallas County Community College District	374,265,000	2.85%	10,666,553
Dallas County Flood Control District #1	30,035,000	1.31%	393,459
Dallas County Hospital District	705,000,000	2.85%	20,092,500
Ellis County	56,541,262	0.21%	118,737
Grand Prairie Independent School District	467,045,763	89.92%	419,967,550
Irving Independent School District	554,091,600	0.76%	4,211,096
Mansfield Independent School District	724,279,963	9.84%	71,269,148
Midlothian Independent School District	234,173,926	0.60%	1,405,044
Tarrant County	317,725,000	3.75%	11,914,688
Tarrant County Community College District	22,705,000	3.75%	851,438
Tarrant County Hospital District	26,285,000	3.75%	985,688
Subtotal, overlapping debt			628,827,219
City direct debt*	253,040,458	100.00%	253,040,458
Total direct and overlapping debt			<u>\$ 881,867,677</u>

* All outstanding long-term debt instruments related to governmental activities

** Estimated Percentage is based on a formula using assessed property values.

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

**CITY OF GRAND PRAIRIE, TEXAS
LEGAL DEBT MARGIN INFORMATION (UNAUDITED)
LAST TEN FISCAL YEARS**

	FISCAL YEAR			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt limit	\$ 165,571,853	\$ 169,935,292	\$ 177,492,814	\$ 189,433,981
Total net debt applicable to limit	<u>89,502,976</u>	<u>118,296,761</u>	<u>119,206,430</u>	<u>118,410,646</u>
Legal debt margin	<u><u>\$ 76,068,877</u></u>	<u><u>\$ 51,638,531</u></u>	<u><u>\$ 58,286,384</u></u>	<u><u>\$ 71,023,335</u></u>
Total net debt applicable to the limit as a percentage of debt limit	54.06%	69.61%	67.16%	62.51%

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 207,066,179	\$ 230,226,734	\$ 243,939,492	\$ 239,442,989	\$ 232,206,388	\$ 236,073,539
124,781,713	140,806,849	154,308,664	150,792,741	148,895,469	134,681,529
<u>\$ 82,284,466</u>	<u>\$ 89,419,885</u>	<u>\$ 89,630,828</u>	<u>\$ 88,650,248</u>	<u>\$ 83,310,919</u>	<u>\$ 101,392,010</u>
60.26%	61.16%	63.26%	62.98%	64.12%	57.05%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 9,442,941,551
Debt limit (2.5% of assessed value)	236,073,539
Debt applicable to limit:	
General obligation bonds	142,260,001
Less: Amount set aside for repayment of general obligation debt	<u>(7,578,472)</u>
Total net debt applicable to limit	<u>134,681,529</u>
Legal debt margin	<u>\$ 101,392,010</u>

**CITY OF GRAND PRAIRIE, TEXAS
 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 ³
				Principal	Interest	
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
2009	48,534,900	33,756,808	14,778,092	3,630,000	2,630,012	2.36
2010	47,944,122	36,040,449	11,903,673	3,920,000	2,737,505	1.79
2011	55,785,237	39,151,252	16,633,985	3,940,000	2,591,812	2.55
2012	58,701,075	40,367,949	18,333,126	4,080,000	2,538,028	2.77

- (1) Revenues include operating revenues plus impact fees and investment income.
- (2) Expenses exclude depreciation expense.
- (3) Bond covenants require coverage of no less than 1.25. The City financial policy coverage goal is 2.00.
- (4) The City's initial Park Venue Sales Tax Revenue Bonds were issued in fiscal year 2000.
- (5) Bond covenants require a coverage of no less than 1.25. The City financial policies require a coverage of no less than 1.50.

Sales Tax Revenue Bonds ⁴		
Sales Tax Increment	Maximum Annual Debt Service	Coverage ⁵
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
5,193,338	2,370,800	2.19
5,136,774	2,369,203	2.17
5,313,584	2,369,203	2.24
5,762,747	2,369,203	2.43

**CITY OF GRAND PRAIRIE, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
 LAST TEN FISCAL YEARS**

Calendar Year	Population	Median (1) Household Income	Per Capita Income	Median Age	Public School Enrollment	Unemployment Rate
2003	137,872	43,100	*	*	21,904	7.0%
2004	141,450	42,571	*	*	22,496	6.4%
2005	145,600	43,616	19,823	31	23,733	5.4%
2006	156,050	53,006	19,682	32	24,396	5.1%
2007	161,550	52,176	19,647	32	25,182	4.4%
2008	166,650	50,919	22,317	32	26,025	5.0%
2009	168,500	58,765	19,904	32	26,212	8.1%
2010	175,396	64,148	24,667	32	26,594	8.9%
2011	175,960	56,290	23,744	32	26,019	8.7%
2012	179,476	52,733	22,259	31.5	26,927	7.0%

Sources of Information:

Estimated Population:
 City of Grand Prairie Department of Planning
 North Texas Council of Governments
 Median Household Income
 ESRI
 Per Capital Income
 2000 Census, ACS, ESRI, City Of GP Eco Dev Dept.
 Median Age
 ESRI
 Public School Enrollment:
 Grand Prairie Independent School District 2010
 Unemployment Rate:
 Texas Workforce Commission

(1) Household Effective Buying Income used until 2005.
 Median Household Income provided by Claritas after 2005; ESRI After 2009
 * Not available.

**CITY OF GRAND PRAIRIE, TEXAS
 PRINCIPAL EMPLOYERS (UNAUDITED)
 CURRENT YEAR AND TEN YEARS AGO**

<u>Employer</u>	<u>2012</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Grand Prairie Independent School District	3,200	1	3.78%	2,500	2	4.06%
Lockheed Martin Missiles and Fire Control	3,000	2	3.54%	2,700	1	4.38%
Poly-America Inc.	2,000	3	2.36%	1,800	3	2.92%
Bell Helicopter-Textron	1,300	4	1.53%	1,000	6	1.62%
City of Grand Prairie	1,100	5	1.30%	1,088	5	1.77%
Lone Star Park at Grand Prairie	1,000	6	1.18%	1,400	4	2.27%
Vought Aircraft Industries	750	7	0.88%	600	7	0.97%
Walmart	600	8	0.71%	600	8	0.97%
American Eurocopter	500	9	0.59%			0.00%
Siemens Energy & Automation, Inc.	500	10	0.59%	500	10	0.81%
Southwest Airlines				500	9	0.81%
Total	13,950		19.19%	12,688		19.43%

Source of Information: City Of Grand Prairie Economic Development Department
 Texas Workforce Commission

**CITY OF GRAND PRAIRIE, TEXAS
 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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government and Administration										
City Manager's Office	8	8	8	8	8	10	10	9	8	8
Budget and Research	4	4	3	3	3	3	3	3	3	3
Management Services	4	4	3	3	3	3	3	3	3	3
Marketing	4	4	4	4	6	7	10	7	8	7
Economic Development	3	3	3	-	-	-	-	-	0	0
Legal Services	4	4	4	4	4	5	5	5	5	6
Municipal Court	26	26	27	28	28	29	27	25	25	24
Judiciary	3	3	3	4	4	5	5	5	5	5
Human Resources	10	10	9	9	9	11	11	10	10	10
Finance	17	17	17	17	17	19	19	17	17	18
Information Technology	24	24	23	26	26	26	26	24	24	24
Planning and Development	37	61	61	61	61	60	59	52	46	46
CDBG	6	5	5	5	5	5	6	7	7	7
Public Works	24	67	66	66	66	67	66	61	61	61
Transportation	75	8	8	8	8	8	9	8	8	8
Fire	189	189	194	198	209	209	215	203	208	209
Police	284	287	296	302	316	327	352	343	352	368
Building and Construction Management	11	1	1	1	1	1	1	1	1	1
Environmental Services	18	18	18	18	19	21	21	20	20	20
Library	28	28	28	31	31	32	38	36	32	31
Parks and Recreation	106	120	116	121	121	123	174	164	156	157
Grants	52	64	50	43	39	37	40	38	41	51
Enterprise Operations and Administrations										
Water/Wastewater	91	92	92	94	96	100	101	104	104	110
Solid Waste	25	25	25	28	30	32	34	33	34	34
Airport	5	5	5	5	5	5	5	5	5	5
Golf	25	25	20	20	20	20	25	21	19	18
Storm Water	-	-	-	2	6	6	6	6	6	6
Internal Service Operations										
Equipment Services	17	17	17	17	17	17	17	15	15	15
Risk Management	2	2	2	2	2	1	1	1	1	1
Total	<u>1,102</u>	<u>1,121</u>	<u>1,108</u>	<u>1,128</u>	<u>1,160</u>	<u>1,189</u>	<u>1,289</u>	<u>1,226</u>	<u>1,224</u>	<u>1,256</u>

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

Source of Information: City Budget Office.



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

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Police				
Stations	1	1	1	1
Public safety training complex	1	1	1	1
Storefronts	3	3	3	3
Fire stations	9	9	9	9
Other public works				
Streets (miles)	485	504	555	589
Acreage	52,096	52,096	52,096	52,096
Public parks	52	53	53	54
Baseball/softball diamonds	24	24	24	24
Soccer/football fields	21	18	18	18
Community/recreations centers	4	5	5	5
Public golf courses	2	2	2	2
Public swimming pools	4	5	5	5
Libraries	2	2	3	3
Cemeteries	-	1	1	1
Water				
Water connections	51,839	53,178	55,375	58,286
Daily consumption (millions of gallons)	20.40	21.00	25.10	27.00
Wastewater				
Daily flow (millions of gallons)	13.60	18.90	17.10	15.40
Airports	1	1	1	1
Transit—minibuses	11	11	11	12

Source of Information: various departments.



<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
1	1	1	1	1	1.5
1	1	1	1	1	1
3	3	3	3	2	3
9	9	9	9	9.5	9.5
589	600	600	622	588	594
52,096	52,096	51,108	51,105	51,108	51,108
57	57	57	57	57	57
25	25	25	25	25	25
21	21	21	21	21	21
5	5	5	8	8	8
2	2	2	2	2	2
4	4	4	4	4	4
3	3	3	3	3	3
1	1	1	1	1	1
60,187	61,365	62,190	62,077	63,289	63,250
24.30	25.60	25.50	22.90	27.90	23.90
15.80	14.10	14.40	15.50	16.30	16.20
1	1	1	1	1	1
15	12	12	12	12	12

**CITY OF GRAND PRAIRIE, TEXAS
WATER AND WASTEWATER CONTRACTS
COMPONENTS OF PAYMENTS MADE UNDER SELECTED CONTRACTS
(UNAUDITED)
LAST TEN FISCAL YEARS**

FISCAL YEAR	DALLAS WATER UTILITIES WATER PURCHASES			TRINITY RIVER AUTHORITY WASTEWATER TREATMENT		
	VOLUME	DEMAND	TOTAL	O&M	DEBT SERVICE	TOTAL
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
2009	3,119,852	5,893,558	9,013,410	3,687,602	4,849,504	8,537,106
2010	2,883,426	6,083,691	8,967,118	3,803,188	5,678,184	9,481,372
2011	3,342,225	6,329,489	9,671,714	4,146,626	6,660,202	10,806,828
2012	2,780,668	6,758,580	9,539,248	4,316,782	6,383,008	10,699,790

(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.

TRINITY RIVER AUTHORITY		
JOE POOL LAKE INTAKE	JOE POOL LAKE CORP OF ENGINEERS	WATER STORAGE FACILITY ¹
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	-
6,450	370,440	-
24,000	395,860	-
11,010	383,062	-
7,660	306,680	-

**CITY OF GRAND PRAIRIE, TEXAS
OPERATING INDICATORS BY FUNCTION (UNAUDITED)
LAST TEN FISCAL YEARS**

<u>Function</u>	<u>FISCAL YEAR</u>			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Police				
911 calls received *	**	**	146,265	152,348
Non-emergency calls *	**	**	166,840	160,846
Calls for service *	**	**	135,623	133,232
Jail Arrests *	**	**	6,624	6,493
Fire				
Total Fire and EMS calls *	**	**	17,749	15,060
Fire response calls for structure fires *	**	**	379	384
Street				
Number of miles of overlay streets	**	**	9	26
Number of street defects repaired	5,777	5,834	6,312	6,802
Number of linear ft of sidewalk repaired	13,848	21,284	28,164	17,706
Solid Waste				
Landfill refuse collected (tons)	147,105	154,672	161,597	177,929
Recyclables collected (tons)	3,048	3,478	5,230	6,058
Water				
Average Daily consumption (thousands of gallons)	20,366	21,156	25,048	27,042
Wastewater				
Average daily sewage treatment (thousands of gallons)	13,563	17,303	17,056	15,418

Source of Information: City Departments

* In calendar year

** Data not available

*** Includes 219 juvenile arrests

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
148,089	156,822	151,981	142,342	144,189	141,924
149,361	157,132	138,225	141,120	114,055	105,123
136,435	130,532	127,776	144,256	150,244	235,947
6,611	7,059	10,204	7,152	***10,869	10,637
15,904	15,678	15,589	15,589	16,817	16,540
263	249	217	217	237	190
17	8	5	6	5	9
22,513	14,502	24,112	31,973	25,181	25,628
9,645	40,499	12,135	25,158	21,113	31,962
187,349	180,855	168,387	163,080	162,358	164,031
6,228	6,081	6,288	5,145	4,881	4,853
24,265	25,434	25,732	22,893	27,884	23,928
15,787	14,303	14,501	15,518	16,347	16,164



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