

# CITY OF GRAND PRAIRIE, TEXAS

# Comprehensive Annual

# Financial Report

Fiscal Year Ended September 30th, 2013



*The Sports Facilities Development Corp presents Charles England with a statue at City Hall – honoring his 21 years of service as Grand Prairie Mayor.*



# **CITY OF GRAND PRAIRIE, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2013**

**PREPARED BY THE FINANCE DEPARTMENT**



**Ron Jensen**  
Mayor

**Diana G. Ortiz, RTA, CGFO**  
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, 2013  
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# INTRODUCTORY SECTION





March 3, 2014

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

### Introduction

We are pleased to present the City of Grand Prairie (City) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2013. The CAFR was prepared by the City's Finance Department and surpasses our responsibilities under the City's Charter and State law, which requires the City to publish annual financial statements presented in conformity with generally accepted accounting principles (GAAP) by an independent certified public accountant. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with City management. We assert that the data, as presented, is accurate in all material respects and is organized in a manner which fairly sets forth the financial position and results of operations of the City as measured by the financial activity of its various funds.

City management is responsible for establishing and maintaining a system of internal controls designed to provide reasonable, but not absolute, assurance that the assets of the City are protected from loss, theft or misuse, and for the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

Weaver and Tidwell, L.L.P., an independent firm of certified public accountants, has issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended September 30, 2013. The independent auditors' report is located at the front of the financial section of this report.

The CAFR is presented in three sections:

- **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 auditors' report on the basic financial statements, Management's Discussion and Analysis (MD&A), the basic financial statements, the notes to the basic financial statements, and combining and individual fund statements and schedules. The MD&A provides a narrative introduction, overview, and analysis of the

basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

- **The Statistical Section** includes selected financial and demographic information generally presented on a multi-year basis.

The City is also required to undergo audits in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-profit Organizations*; and the State of Texas Uniform Grant Management Standards. These audits (Single Audits) are conducted simultaneously with the City's annual financial statement audit. Information related to the Single Audits, including the auditors' reports on the internal control structure; the City's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters; the schedules of federal and state financial assistance; and the auditors' findings and recommendations, is not included in this report but may be obtained by contacting the City's Finance Department.

#### The Reporting Entity and Its Services

The City of Grand Prairie 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 consists of two at-large members and six single-member districts. Duties of the Council include enacting local legislation, adopting annual budgets, setting policies and appointing the Municipal Court Judge and City Manager. The City Manager is the chief administrative officer responsible for carrying out policies and for the daily management of the City.

The financial statements of the City include all activities, organizations, and functions for which the City is financially accountable. The City provides a full range of municipal services including, but not limited to, police and fire protection; emergency medical services; development and code services; public libraries; traffic and municipal courts; solid waste collection; construction and maintenance of streets; and parks and recreational facilities. In addition to general government activities, enterprise and internal service fund activities are considered part of the City's legal entity. Enterprise and internal service fund activities include water, wastewater and storm water utility services; a municipal airport; municipal golf courses; and other cultural and annual events. Sixteen Public Improvement Districts and three Tax Increment Financing Districts, none of which are legally separate entities, are also included in the City's reporting entity.

Although the Grand Prairie Crime Control and Prevention District (District) is a separate legal entity, it is included in the City's reporting entity as a blended component unit. The District's Board of Directors is substantially the same as the City Council. The District is reported as a special revenue fund of the primary government and is used to account for the accumulation and use of quarter-cent sales tax proceeds dedicated to fund the District.

Discretely presented component units are other legally separate entities which are also included in the City's reporting entity based on the criteria set forth in the Codification of Governmental Accounting Standards, Section 2100, *Defining the Financial Reporting Entity*. The criteria considered in determining the activities to be reported within the City's financial statements are included in Note 1, Section b. Based on those criteria, the following organizations are included as discretely presented component units of the City for financial reporting purposes:

- The Grand Prairie Sports Facilities Development Corporation (Sports Corporation) which owns Lone Star Park at Grand Prairie, a horse track facility.
- Grand Prairie Housing Finance Corporation (HFC) which issues tax-exempt mortgage revenue bonds to provide affordable housing to low-to-moderate income citizens.

### History and Population

Early settlers were enticed to Grand Prairie's area by Peters Colony, a series of Republic of Texas land grants offered by investors in 1841. In 1861, Alexander MacRae Dechman was living in Birdville, when he learned he could trade his wagon and oxen for land in Dallas County. Dechman traded for 239.5 acres (now downtown), and in 1863 filed title on his prairie land with the county. He eventually abandoned the idea of living on the land and instead granted right-of-way through the property to the railroad. As people began to settle close to the railroad, a post office was opened, and in 1876, Dechman filed a town plat, giving every other lot to the Texas and Pacific Railroad in exchange for operating a depot there. The railroad tracks were extended through Dechman to Fort Worth, and service began on July 19, 1876. In 1877, the railroad renamed Dechman Grand Prairie because of its location on the eastern edge of the vast prairie that stretched into West Texas.

As the village of Grand Prairie grew, burgeoning neighborhoods brought problems, including fire hazards wrought by houses built too close together, a need for a public water systems and regulations to force residents to keep their property and outhouses clean. On March 20, 1909, 110 of the town's 1,000 citizens turned out to vote, with sixty-nine voting for and forty-one against incorporation, establishing what is now the City of Grand Prairie, Texas.

Today, the City of Grand Prairie serves a population of 181,303, covers approximately eighty square miles within the Texas counties of Dallas, Tarrant and Ellis, and is located twelve miles west of downtown Dallas, eighteen miles east of downtown Fort Worth, and six miles south of DFW International Airport. Grand Prairie is readily accessible by State Highway 360 which runs north/south and Interstate Highways 20 and 30 which run east/west through the City. In addition, newly constructed State Highway 161, which also runs north/south, provides additional access and traffic relief through the City.

### Budgetary Information

The annual budget serves as the foundation for the City of Grand Prairie's financial planning and control. In accordance with state law and the City Charter, the City Council, in collaboration with the Mayor, City Manager, and City Departments, adopts annual budgets for the General Fund, Debt Service Fund, Special Revenue Funds, Internal Service Funds, Proprietary Funds, and Capital Project Funds. All budgets are prepared and adopted using the modified accrual

basis of accounting. Proprietary Fund budgets, also called Enterprise Funds, exclude depreciation and amortization, and include debt service and capital expenditures. No City expenditures may be made without an appropriation, and no money shall ever be appropriated unless funds are currently available or will be available within the same fiscal year.

The level of budgetary control is at the fund level. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Personnel expenditures are monitored and controlled at a position level, and capital expenditures are monitored and controlled project-by-project. Internal financial reports sufficient for City management and the City Council to plan, monitor and control the City's financial affairs are generated and distributed quarterly along with an analysis of the results.

### Economic Condition

The City of Grand Prairie is ideally located in the heart of the Dallas/Fort Worth Metroplex (DFW). Situated midway between Dallas and Fort Worth and just minutes south of the DFW International Airport and Dallas Love Field, the economic vitality of the region significantly impacts the economic health of Grand Prairie. DFW's ideal location and diverse economy favorably contributes to businesses relocating to this area resulting in DFW being one of the fastest-growing economic regions in the country. Grand Prairie is the seventh largest city in DFW, the fifteenth largest city in Texas, and the 129th largest city in the United States.

### Local Economy

Residential home sales and foreclosure statistics improved in 2013 when compared to 2012. Single-family detached permit counts increased 18.9%, and foreclosures decreased by 37.5%. The unemployment rate also improved decreasing to 6.5% in 2013.

Sales tax growth rate continues to increase but slowed in 2013 now that the Grand Prairie Outlet Mall is a year old. General Fund sales tax revenues increased by 6.9% after refunds and one-time payments.

Retail market capacity continues to increase while the vacancy rate continues to decrease. Retail vacancy rate was 7% in 2013, down from 8.6% in 2012. Construction started on Asia Times Square II in 2013 which continues the redevelopment of a vacated Wal-Mart and Sam's. The redeveloped space includes an electronic store, four restaurants, and office and event spaces.

Significant growth in the City's commercial industry continued into 2013. Restoration Hardware (RH) completed construction of an 860,445 square foot, \$37 million distribution center this year. For the third quarter of 2013, RH ranked as the largest lease in DFW. Other commercial permits added an additional 1.9 million square feet (77% increase from 2012), resulting in \$73.4 million in added value (22.5% increase from 2012).

The industrial vacancy rate decreased to 8.9% (approximately 4 million square feet) in 2013. Notable industrial leases in 2013 included Continental Tires, API Logistics Warehouse Management, Perimeter Logistics, Johns Manville, Dreisbach, Ameritech Millworks, Safety Tubs, ThyssenKrupp, Hazen Final Mile, and Lear Operations.

#### Long-Term Financial Planning

The City of Grand Prairie adopts and utilizes a comprehensive capital improvements program document. This process allows 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 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. The overriding goal of these 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 by the City Charter. The watchwords of financial management include integrity, prudent stewardship, planning, accountability, and full disclosure. The scope of these policies spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, and expenditure control. The City also maintains, as separate documents, comprehensive investment, debt management, and purchasing policies. These policies provide guidance to the City Council at a policy setting level and to City management and staff in their daily financial decision making. In addition to these policies, City Council has a three-member Finance and Government Committee whose members provide guidance to City management in budgetary, audit, internal control, and other significant financial matters.

Due to strong management with strong financial policies, the City has achieved and maintained pertinent financial 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 was an important and positive factor in the evaluation of the City's borrowing needs through bond sales. In March 2013, the City received a AAA general obligation (GO) bond rating, the highest rating given by Standard & Poors. Only 21 cities are so rated. The AAA GO bond rating now matches the City's AAA revenue bond rating, which the City has enjoyed for several years. Grand Prairie is one of only eight cities in Texas rated AAA for revenue bonds. Needless to say, this high credit rating directly affects the City's borrowing costs reflected in lower interest rates and reduced interest expenditures.

#### Major Initiatives/Highlights

The newly-constructed State Highway (SH) 161 now provides access to an estimated 3,500 acres of developable land. Other significant highway and road improvement projects completed or underway that will provide ease of access and incentives for future development include:

- Lynn Creek Parkway connecting Lake Ridge Road to SH 360

- Sara Jane Parkway at SH 161 providing a route from SH 161 to the Outlet Mall
- Extension and expansion of Lake Ridge Road, which connects traffic to the terminus of SH 161 at I-20
- Frontage roads at Belt Line and I-30
- Frontage roads at I-30 and MacArthur

Other initiative/highlights include:

- Voters re-approved the ¼ cent sales tax for funding the Grand Prairie Crime Control and Prevention District.
- Voters re-approved the ¼ cent sales tax for street maintenance.
- Launched Phase II of the Main Street Façade Renovation Project.

### Awards

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Prairie for its CAFR for the fiscal year ended September 30, 2012. This was the 27<sup>th</sup> consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### Acknowledgements

The preparation of this report on a timely basis could not have been accomplished without the dedicated services and hard work of a highly qualified staff. The City of Grand Prairie has such a staff in the City's Finance Department. Although much time and effort in preparation for this report lies in the Accounting Division, other Divisions and Departments offered invaluable support. We would like to express our appreciation to the Finance Administration and Cash & Debt Divisions, the Budget Department, and the Economic Development Department who assisted and contributed to the preparation of this report.

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

Sincerely,

  
 Tom Hart, City Manager

  
 Diana G. Ortiz, Chief Financial Officer



Government Finance Officers Association

**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, 2012**

Executive Director/CEO





Council Member  
Jorja Clemson  
District 1



Council Member  
Tony Shotwell  
District 5



Council Member  
Jim Swafford  
District 2



Mayor  
Ron Jensen



Mayor Pro Tem  
Greg Giessner  
Council Member  
At Large  
Place 8



Council Member  
Jeff Copeland  
Place 7



Deputy Mayor Pro Tem,  
Council Member  
Richard Fregoe  
District 4



Lila Thorn  
District 3



Council Member  
Jeff Wooldridge  
District 6

# Grand Prairie TEXAS

## 2013-2014 City Council

(as of January 2014)

Mayor Ron Jensen, council members Jim Swafford and Richard Fregoe were elected to three-year terms in 2013. Council Member Jorja Clemson was elected in May 2013 to fill a council seat vacancy for District 1, to serve the remaining one year of that term. Council Member Jeff Wooldridge was elected in May 2013 to fill a council seat vacancy for District 6, to serve the remaining two years of that term. Council members Greg Giessner and Tony Shotwell were elected to three-year terms in 2012. Council Member Jeff Copeland was elected in November 2013 to fill a council seat vacancy for Place 7 At Large, to serve the remaining six months of that term. Council Member Lila Thorn was elected in December 2013 in a runoff election to fill a council seat vacancy for District 3, to serve the remaining five months of that term. Regular City Council elections are conducted in May every year.

Mayor and City Council • 972-237-8022  
City Hall, 317 College St., Grand Prairie, TX 75050  
P.O. Box 534045, Grand Prairie, TX 75053

[www.gptx.org/council](http://www.gptx.org/council)

**CITY OF GRAND PRAIRIE, TEXAS**

**DIRECTORY OF CITY OFFICIALS**

**MAYOR AND CITY COUNCIL**

Ron Jensen	Mayor At Large
Jorja Clemson	District 1
Jim Swafford	District 2
Lila Thorn	District 3
Richard Fregoe	Deputy Mayor Pro Tem - District 4
Tony Shotwell	District 5
Jeff Wooldridge	District 6
Jeff Copeland	At Large – Place 7
Greg Giessner	Mayor Pro Tem - 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, Arts & Recreation Director
Steve Dye	Police Chief
Bill Hills	Housing & Neighborhood Services Director
Ron McCuller	Public Works Director
Robert Fite	Fire Chief
Lisa Norris	Human Resources Director
Diana Ortiz	Chief Financial Officer
Bob O’Neal	Economic Development & Information Technology Director
Don Postell	City Attorney
Amy Sprinkles	Library Director
Nancy Robb	Municipal Court Judge
Jim Sparks	Transportation Director
Amy Sprinkles	Communications & Marketing Director
Cathy Patrick	Management Services Director

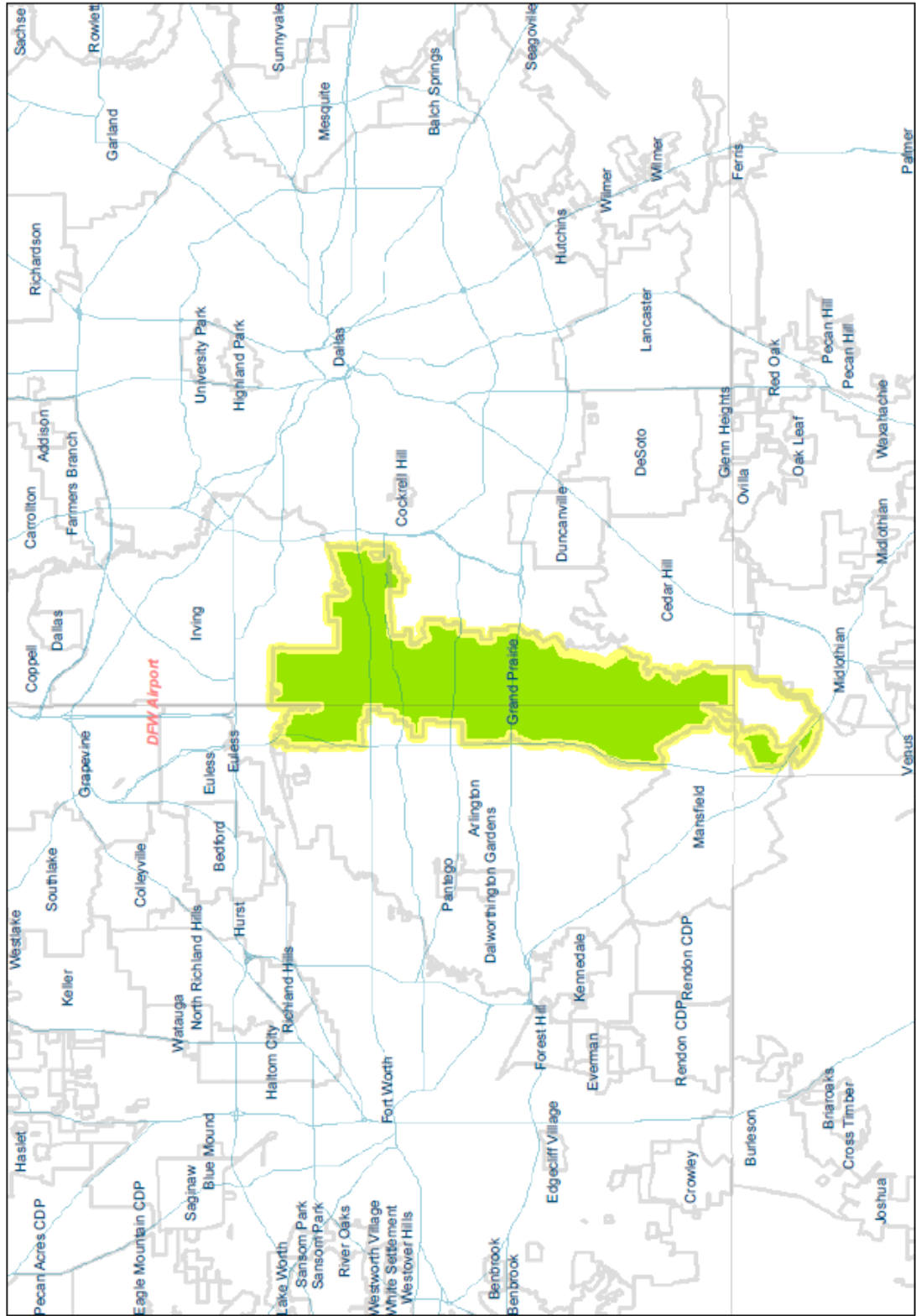
# ORGANIZATIONAL CHART



Updated January 2014

# City of Grand Prairie, Texas

Located in the middle of the Dallas-Fort Worth Metroplex





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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 City of Grand Prairie, Texas (the City) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the component unit financial statements for the Grand Prairie Housing Finance Corporation (a discretely presented component unit). Those financial statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Grand Prairie Housing Finance Corporation is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in government auditing standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Prairie, Texas as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As described in Note 7 to the financial statements, in 2013, the City adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-16, budget to actual schedules for the General Fund and Section 8 Fund on pages 91 and 92 respectively, Texas Municipal Retirement System – Schedule of Funding Progress on page 93, and Other Post Employment Benefits – Schedule of Funding Progress on page 94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

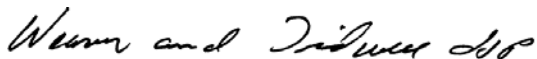


The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
March 3, 2014



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# MANAGEMENT'S DISCUSSION & ANALYSIS



**CITY OF GRAND PRAIRIE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013  
(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, 2013. 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 and deferred outflows of the City exceeded its liabilities (net position) at September 30, 2013, by \$639,416,320. Of this amount, \$107,104,640 may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net position).
- The City's net position increased by \$5,087,708 for the fiscal year ended September 30, 2013.
- The City's governmental funds reported combined ending fund balances of \$139,114,748 at September 30, 2013, an increase of \$14,474,048 in comparison with the prior year fund balances. Of the governmental funds reported combined fund balances, \$27,346,027 or 19.7% is available for spending within City guidelines (unassigned fund balance).
- The City's unassigned fund balance for the general fund was \$27,346,027 at year end or 30.3% of total general fund expenditures for the reported fiscal year.
- The City's total long-term liabilities of \$349,401,448 increased by \$3,149,176 or 0.9% during the reported fiscal year. In fiscal year 2013, the City issued general obligation, certificates of obligation, water and wastewater revenue, a combined \$59,050,000.

**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 position presents information on all of the City's assets, deferred outflows/inflows and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 include, 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 17-19 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 20-23 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 24-26 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 27-90 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 91-94 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 95-128 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$639,416,320 at year end. The City had total assets at year-end of \$1,015,100,748. The City's pooled cash and investments totaling \$232,388,897 and capital assets (e.g., land, buildings, equipment, infrastructure, and construction in progress), net of accumulated depreciation totaling \$757,649,344 represented 22.9% and 74.6%, 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 \$458,534,963 and represented 71.7% of the City's total net position 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 position at year end compared to the prior year.

Table 1

Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/2012	9/30/2013	9/30/2012	9/30/2013	9/30/2012	9/30/2013
Cash & investments	\$ 136,086,846	\$ 151,488,999	\$ 82,544,201	\$ 80,899,898	\$ 218,631,047	\$ 232,388,897
Other assets	21,056,830	17,333,606	9,407,882	7,728,901	30,464,712	25,062,507
Capital assets, net	558,512,637	553,818,748	204,049,497	203,830,596	762,562,134	757,649,344
Total assets	<u>715,656,313</u>	<u>722,641,353</u>	<u>296,001,580</u>	<u>292,459,395</u>	<u>1,011,657,893</u>	<u>1,015,100,748</u>
Deferred outflows of resources	1,227,506	1,277,211	141,594	148,417	1,369,100	1,425,628
Current liabilities	21,272,463	19,718,505	7,719,638	7,990,103	28,992,101	27,708,608
Long-term bonded debt	256,021,378	252,966,775	66,835,908	65,114,503	322,857,286	318,081,278
Other noncurrent liabilities	17,380,396	24,917,127	6,014,590	6,403,043	23,394,986	31,320,170
Total liabilities	<u>294,674,237</u>	<u>297,602,407</u>	<u>80,570,136</u>	<u>79,507,649</u>	<u>375,244,373</u>	<u>377,110,056</u>
Net position:						
Net investment in capital assets	311,048,653	316,856,535	139,042,561	141,678,428	450,091,214	458,534,963
Restricted	63,267,418	69,081,215	4,601,419	4,695,502	67,868,837	73,776,717
Unrestricted	47,893,511	40,378,407	71,929,058	66,726,233	119,822,569	107,104,640
Total net position	<u>\$ 422,209,582</u>	<u>\$ 426,316,157</u>	<u>\$ 215,573,038</u>	<u>\$ 213,100,163</u>	<u>\$ 637,782,620</u>	<u>\$ 639,416,320</u>

A portion of the City's net position totaling \$73,776,717 or 11.5% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position 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 position, for both governmental and business-type activities.

The City's net position increased by \$5,087,708 in fiscal year 2013. As previously mentioned, \$379,642 or 7.5% 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 2013 compared to fiscal 2012 changes in the City's net position were as follows:

Table 2

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/2012	9/30/2013	9/30/2012	9/30/2013	9/30/2012	9/30/2013
Revenues:						
Program revenues:						
Charges for services	\$ 32,877,033	\$ 35,828,489	\$ 78,757,138	\$ 79,598,224	\$ 111,634,171	\$ 115,426,713
Operating grants and contributions	31,329,503	33,339,115	-	-	31,329,503	33,339,115
Capital grants and contributions	6,290,285	5,242,216	2,465,951	2,589,677	8,756,236	7,831,893
General revenues:						
Property tax	70,153,052	71,785,225	-	-	70,153,052	71,785,225
Sales tax	45,457,902	47,155,704	-	-	45,457,902	47,155,704
Other tax	1,332,259	1,488,871	-	-	1,332,259	1,488,871
Franchise fees	12,902,516	12,811,696	-	-	12,902,516	12,811,696
Investment income	1,004,777	437,770	5,579	4,242	1,010,356	442,012
Total revenues	<u>201,347,327</u>	<u>208,089,086</u>	<u>81,228,668</u>	<u>82,192,143</u>	<u>282,575,995</u>	<u>290,281,229</u>
Expenses:						
Support services	17,928,238	18,633,541	-	-	17,928,238	18,633,541
Public safety services	72,934,512	76,382,993	-	-	72,934,512	76,382,993
Recreation and leisure services	24,071,731	24,830,027	-	-	24,071,731	24,830,027
Development services	84,171,971	79,001,166	-	-	84,171,971	79,001,166
Interest on long-term debt	9,227,801	8,125,389	-	-	9,227,801	8,125,389
Water and wastewater	-	-	55,186,501	60,180,052	55,186,501	60,180,052
Municipal airport	-	-	2,650,503	2,789,279	2,650,503	2,789,279
Municipal golf course	-	-	3,527,637	3,487,758	3,527,637	3,487,758
Storm water	-	-	1,617,905	1,924,420	1,617,905	1,924,420
Solid waste	-	-	9,485,700	9,838,896	9,485,700	9,838,896
Total expenses	<u>208,334,253</u>	<u>206,973,116</u>	<u>72,468,246</u>	<u>78,220,405</u>	<u>280,802,499</u>	<u>285,193,521</u>
Increase (decrease) in net position before transfers	(6,986,926)	1,115,970	8,760,422	3,971,738	1,773,496	5,087,708
Transfers	3,167,893	5,390,831	(3,167,893)	(5,390,831)	-	-
Capital assets' reassignments	120,654	-	(120,654)	-	-	-
Change in net position	(3,698,379)	6,506,801	5,471,875	(1,419,093)	1,773,496	5,087,708
Net position - beginning of year - as previously stated	425,907,961	422,209,582	210,101,163	215,573,038	636,009,124	637,782,620
Cumulative effect of change in accounting principle	-	(2,400,226)	-	(1,053,782)	-	(3,454,008)
Net position - end of year	<u>\$ 422,209,582</u>	<u>\$ 426,316,157</u>	<u>\$ 215,573,038</u>	<u>\$ 213,100,163</u>	<u>\$ 637,782,620</u>	<u>\$ 639,416,320</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>9/30/2012</u>	Fiscal Year <u>9/30/2013</u>	Increase (Decrease)
Governmental activities:			
Property taxes	\$ 70,153,052	\$ 71,785,225	\$ 1,632,173
Sales taxes	45,457,902	47,155,704	1,697,802
Other taxes	1,332,259	1,488,871	156,612
Franchise fees	12,902,516	12,811,696	(90,820)
Investment income	<u>1,004,777</u>	<u>437,770</u>	<u>(567,007)</u>
 Total governmental activities	 <u>130,850,506</u>	 <u>133,679,266</u>	 <u>2,828,760</u>
Business-type activities:			
Investment income	<u>5,579</u>	<u>4,242</u>	<u>(1,337)</u>
 Total business-type activities	 <u>5,579</u>	 <u>4,242</u>	 <u>(1,337)</u>
 Total general revenues	 <u>\$ 130,856,085</u>	 <u>\$ 133,683,508</u>	 <u>\$ 2,827,423</u>

**Governmental activities.** As a part of the State of Texas, specifically the Dallas/Fort Worth (“DFW”) metroplex, the City of Grand Prairie benefits from its economic strengths. In addition, the City maintains financial management practices that adhere to strong institutionalized policies for sustainable results. There was an increase in net position of \$6,506,801 in comparison with beginning net position. Total revenue for governmental activities (excluding transfers from business-type activities) increased from the previous year by \$6,741,759. General Revenue which is primarily made up of property taxes, sales taxes, and franchise fees had a net increase of \$2,828,760. Property tax revenue increased by \$1,632,173 primarily due to the termination of part of a Tax Increment Financing District and but also experienced a slight decrease of net property tax values of 0.73%. Sales tax collections increased by \$1,697,802 due to a mixture of growth and new businesses opening, with the increase mainly being attributed to the Premium Outlet Mall. Franchise fee revenue decreased \$90,820 as a result of lower gross revenues realized in the seasonally sensitive, utility industry. In addition, investment income continued to decrease by \$567,007 primarily due to the very low, market interest rates.

Net position of governmental operations accounts for 66.7% of total net position. Program revenues of the City include charges for service, operating grants and contributions, and capital grants and contributions. Two revenue categories, charges for services and operating grants and contributions, experienced a healthy increase from prior year totaling \$4,961,068.

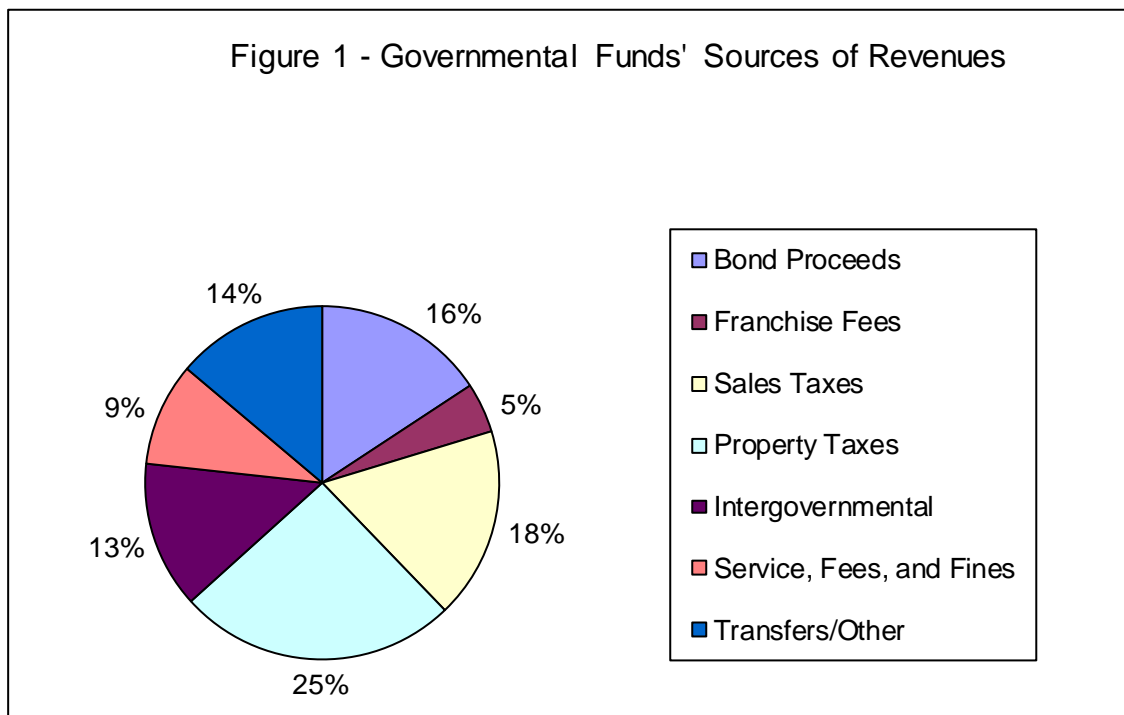
**Business-type activities.** Business-type activities decreased the City's net position by \$1,419,093 in comparison with beginning net position. Total revenue for the business-type activities increased from the previous year by \$963,475 due to sound fiscal management, increased user rates and a harsh, drought year. This increase provided for a healthy, positive change in net position before transfers. Of the increase, impact fees by private developers to the City's water and wastewater system infrastructure totaled \$1,394,620. Net position for business type activities represents 33.3% of total primary government net position. Table 2 summarizes the changes in business-type activities net position.

## 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.

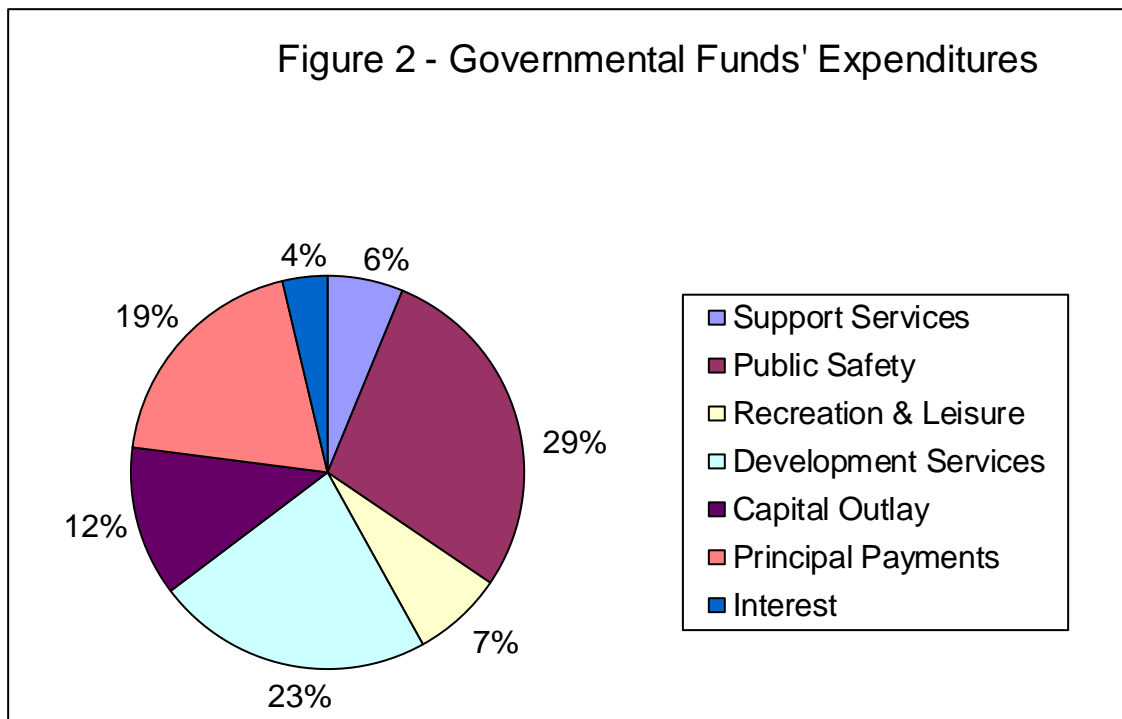
**Governmental funds.** The focus of City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure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

At fiscal year-end 2013, the City's governmental funds (excluding internal service funds) reported combined ending fund balances of \$139,114,748, an increase of \$14,474,048 in comparison with the prior year. The unassigned fund balance portion is 19.7% and is available for spending at the government's discretion. The remainder is restricted for specific purposes and is not available for new spending. Specific purposes include non-spendable inventories (\$44,648); restricted amounts by statutory, bond covenants or granting agency (\$81,264,054) either for debt service payments, grant-related use, special taxing districts, or for capital projects. In addition, committed funds (\$29,123,023) require formal action by City Council. Finally, funds may be assigned (\$1,336,996) by City Manager with the City Councils' delegated authority. Figures 1 and 2 that follow show the distribution of governmental funds' sources of revenues and expenditures, \$281,043,139 and \$266,569,091, respectively, for fiscal year 2013.



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 \$27,346,027, while total fund balance was \$28,816,808. 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 30.3% of total general fund operating expenditures, while total fund balance represents 31.9% of that same amount. General Fund's fund balance increased slightly in the amount of \$903,052 from the prior fiscal year.

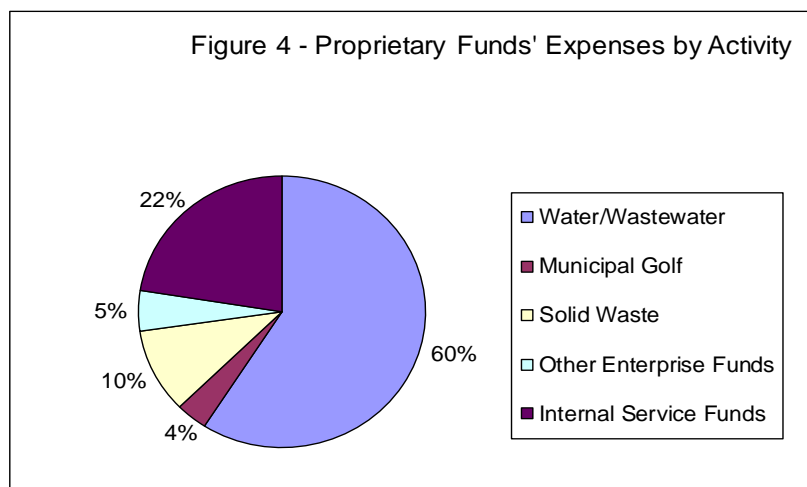
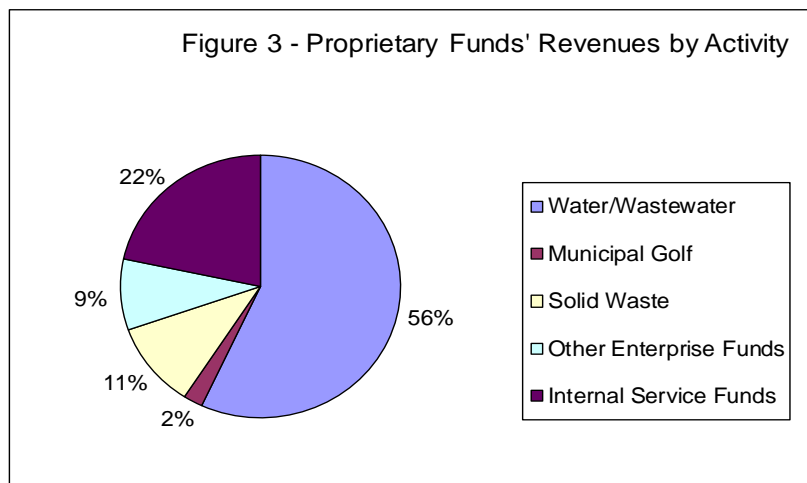
Fund balances of several other governmental funds changed significantly. Debt Service Fund balance increased by \$1,472,883 due to a combination of bond defeasance and refunding which reduced debt requirements. The fund balance total for other non-major governmental funds increased by \$10,288,543. This increase to fund balance is comprised of special revenues' and capital projects' activities totaling \$5,263,928 and \$5,024,615, respectively.

Special revenue funds with significant changes to fund balance are the Senior Center (Summit), Park Venue and Crime Tax Funds. Surplus sales tax receipts accumulated in these funds in anticipation of making early debt service payments. Thus the time frame for paying off their respective debt would be shortened.

Capital project funds also experienced significant positive changes to some of the projects' fund balances including Fire, Drainage, Municipal Facilities, Capital Lending and Others. These changes are primarily a result of the timing of receipts and use from bond proceeds for projects' completion.

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

The net position of the City's enterprise funds and internal service funds were \$211,503,160 and \$10,047,761, respectively, at September 30, 2013. The enterprise funds' net investment in capital assets represented 67% of total enterprise fund's net position. The internal service funds' net investment in capital assets represented 9.8% of total internal service funds' net position. The enterprise funds' unrestricted net position was 30.8% of their total net position, and, internal service funds' unrestricted net position was 90.2% of their total funds' net position. The City's enterprise funds reported a moderate income before contributions and transfers of \$1,423,951 while the internal service funds reported a loss of \$45,093. 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 continues to maintain 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 \$101,577,583 and expenses of \$100,198,725 (excluding transfers and capital contributions) by activity.



## General Fund Budgetary Highlights

For the reported fiscal year, revenues exceeded budgetary estimates by \$4,236,440. Expenditures were under budgetary estimates by \$2,347,663 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 increase in fund balance of \$903,052. 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 \$757,649,344. This investment includes land, buildings, improvements other than buildings (includes infrastructure), machinery and equipment, and construction in progress. The City's capital assets decreased from prior year by \$4,912,790 primarily due to equipment disposals and other adjustments.

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

- Opening of all SH 161 access and frontage roads for I-30 and I-20;
- Opening the new Dallas County Sub-Courthouse;
- Launching Phase II for the Main Street façade renovation project;
- Ground breaking for a new Fire Station 1;
- Began renovation of the Dalworth Recreation center.

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	
	9/30/2012	9/30/2013	9/30/2012	9/30/2013	9/30/2012	9/30/2013
Land	\$ 35,824,385	\$ 40,112,883	\$ 4,156,706	\$ 4,161,706	\$ 39,981,091	\$ 44,274,589
Construction in progress	51,821,889	58,019,820	12,359,914	22,024,631	64,181,803	80,044,451
Depreciable capital assets	773,101,322	795,064,684	351,769,149	358,621,326	1,124,870,471	1,153,686,010
Accumulated depreciation	<u>(302,234,959)</u>	<u>(339,378,639)</u>	<u>(164,236,272)</u>	<u>(180,977,067)</u>	<u>(466,471,231)</u>	<u>(520,355,706)</u>
Total capital assets, net	<u>\$ 558,512,637</u>	<u>\$ 553,818,748</u>	<u>\$ 204,049,497</u>	<u>\$ 203,830,596</u>	<u>\$ 762,562,134</u>	<u>\$ 757,649,344</u>

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

**Long-term debt.** At September 30, 2013, the City had the following long-term liabilities:

Table 5

Long-Term Debt

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/2012	9/30/2013	9/30/2012	9/30/2013	9/30/2012	9/30/2013
Bonded debt	\$254,793,872	\$252,966,775	\$ 66,694,315	\$ 65,114,503	\$321,488,187	\$318,081,278
Accrued compensated absences	13,508,230	14,112,100	398,351	409,347	13,906,581	14,521,447
Other Post Employment Benefits	3,709,278	4,701,004	-	-	3,709,278	4,701,004
Pollution liability	162,888	-	-	-	162,888	-
Closure and post closure liability	-	-	5,616,238	5,993,696	5,616,238	5,993,696
Other liabilities	-	6,104,023	-	-	-	6,104,023
<b>Total long-term debt</b>	<b>\$272,174,268</b>	<b>\$277,883,902</b>	<b>\$ 72,708,904</b>	<b>\$ 71,517,546</b>	<b>\$344,883,172</b>	<b>\$349,401,448</b>
Long-term debt to net position percentage	64%	65%	34%	34%	54%	55%

Of the total bonded debt, \$216,620,000 or 68.1% is debt backed by the full faith and credit of the government with a property tax pledge.

During this fiscal year, the City issued \$59,050,000 in new bonded debt, and retired/refunded principal on bonds totaling \$65,860,000. In addition, the City's interest expense for its bonded debt was \$10,908,384.

Additional information is detailed in the Notes to Basic Financial Statements, section 3. c. 3., pages 52-64.

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

	Fitch	Standard & Poor's
General obligation bonds	AA+	AAA
Sales tax revenue bonds	AA	AA-
Water and wastewater revenue bonds	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 2014 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. The City population as of January 1, 2013 is 178,290 which is a 0.7% increase over prior year. Grand Prairie's population continues to increase annually with even more growth expected as a result of continued development along the I-20 corridor, SH161 expansion, and around the Tangle Ridge and Lake Ridge areas, which has placed additional demands on the City to maintain or expand services.

These indicators are taken into account when adopting the Budget for fiscal year 2014:

- An increase over prior year of 5% in property tax assessed values resulting in more property tax revenues. This revenue was reflected in the budgeted revenues with an increase of \$2.2M in the General Fund and \$850K in the General Obligation Debt Fund 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 2013.
- A 9.1% 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 2013 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 2014 is \$236,390,830, an increase of \$14,106,529 or 6% as compared to prior fiscal year original budget. The General Fund approved appropriations for fiscal year 2014 is \$111,439,962, an increase of \$7,939,962 or 7.7% from prior year. The remaining change in total budgeted operating appropriations and reserves includes an increase of \$4,815,062 in the Water Wastewater Fund, \$306,696 in the Cable Fund, \$344,699 in the Park Venue Fund, \$420,072 in the Solid Waste Fund, \$221,439 in the Storm Water Fund and \$252,327 in the Prairie Lights Fund

The City's total approved planned capital projects for fiscal year 2014 includes \$51,875,452 in appropriation requests. The fiscal year 2014 planned capital projects includes \$19,954,545 for water and wastewater improvements, \$14,496,063 in street and signal improvements, \$2,027,500 in parks improvements and \$3,080,000 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 POSITION  
SEPTEMBER 30, 2013**

	Primary Government			GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT	GRAND PRAIRIE HOUSING FINANCE CORPORATION
	Governmental Activities	Business-Type Activities	Total		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 73,625,826	\$ 22,109,561	\$ 95,735,387	\$ 7,066,064	\$ 629,389
Investments	77,686,227	43,257,890	120,944,117	7,994,693	146,760
Receivables (net of allowance for uncollectibles):					
Property tax	1,667,207	-	1,667,207	-	-
Franchise fees	2,579,342	-	2,579,342	-	-
Sales tax	8,539,669	-	8,539,669	-	-
Accounts receivables	-	5,600,377	5,600,377	-	-
Lease payments receivable	-	-	-	462,759	-
Other receivables	3,588,244	-	3,588,244	22,266	-
Due from other governments	2,321,525	31,148	2,352,673	-	-
Internal balances	(1,597,003)	1,597,003	-	-	-
Inventories and supplies	167,891	500,373	668,264	-	-
Prepays	66,731	-	66,731	-	19,322
Deferred charges	-	-	-	-	302,539
Restricted assets:					
Cash and cash equivalents	176,946	7,534,191	7,711,137	-	1,284,046
Investments	-	7,998,256	7,998,256	-	-
Lease payments receivable	-	-	-	14,111,784	-
Estimated unguaranteed residual value	-	-	-	48,787,324	-
Capital assets:					
Land	40,112,883	4,161,706	44,274,589	-	1,612,851
Buildings	182,308,148	11,940,153	194,248,301	-	19,808,852
Equipment	87,438,086	27,855,111	115,293,197	310,078	-
Infrastructure	525,318,450	318,826,062	844,144,512	-	-
Construction in progress	58,019,820	22,024,631	80,044,451	-	-
Less: accumulated depreciation	(339,378,639)	(180,977,067)	(520,355,706)	(310,078)	(6,523,831)
Total capital assets	553,818,748	203,830,596	757,649,344	-	14,897,872
Total assets	722,641,353	292,459,395	1,015,100,748	78,444,890	17,279,928
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	1,277,211	148,417	1,425,628	-	-
Total deferred outflows of resources	1,277,211	148,417	1,425,628	-	-
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	6,600,817	2,948,298	9,549,115	5,675	126,751
Accrued liabilities	9,998,408	1,271,301	11,269,709	-	496,988
Customer deposits	31,500	3,207,926	3,239,426	-	65,569
Unearned revenue	3,087,780	562,578	3,650,358	-	-
<b>Noncurrent liabilities:</b>					
<b>Due within one year:</b>					
Accrued compensated absences	5,011,248	390,857	5,402,105	-	-
Current portion of long-term debt	20,405,848	4,264,152	24,670,000	-	327,527
Other liabilities	1,160,776	-	1,160,776	-	-
<b>Due in more than one year:</b>					
Accrued compensated absences	9,100,852	18,490	9,119,342	-	-
OPEB liability	4,701,004	-	4,701,004	-	-
Closure and postclosure liability	-	5,993,696	5,993,696	-	-
Other liabilities	4,943,247	-	4,943,247	-	-
Long-term debt	232,560,927	60,850,351	293,411,278	-	16,115,590
Total liabilities	297,602,407	79,507,649	377,110,056	5,675	17,132,425
<b>NET POSITION</b>					
Net investment in capital assets	316,856,535	141,678,428	458,534,963	-	(306,944)
Restricted for:					
Debt service	12,030,171	4,695,502	16,725,673	-	-
Special revenue purposes	43,312,871	-	43,312,871	-	-
Capital projects purposes	13,738,173	-	13,738,173	-	-
Facility lease	-	-	-	63,361,867	-
Replacement reserve	-	-	-	-	98,988
Unrestricted	40,378,407	66,726,233	107,104,640	15,077,348	355,459
Total net position	\$ 426,316,157	\$ 213,100,163	\$ 639,416,320	\$ 78,439,215	\$ 147,503

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

FUNCTIONS/ACTIVITY	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 18,633,541	\$ 4,932,252	\$ 350,344	\$ -
Public safety services	76,382,993	15,552,663	2,524,228	-
Recreation and leisure services	24,830,027	9,672,833	332,998	-
Development services and other	79,001,166	5,670,741	30,131,545	5,242,216
Interest on long-term debt	8,125,389	-	-	-
Total governmental activities	<u>206,973,116</u>	<u>35,828,489</u>	<u>33,339,115</u>	<u>5,242,216</u>
Business-type activities:				
Water and wastewater	60,180,052	57,819,042	-	2,589,677
Municipal airport	2,789,279	3,500,048	-	-
Municipal golf course	3,487,758	2,262,430	-	-
Storm water	1,924,420	5,382,452	-	-
Solid waste	9,838,896	10,634,252	-	-
Total business-type activities	<u>78,220,405</u>	<u>79,598,224</u>	<u>-</u>	<u>2,589,677</u>
Total primary government	<u>\$ 285,193,521</u>	<u>\$ 115,426,713</u>	<u>\$ 33,339,115</u>	<u>\$ 7,831,893</u>
Component units:				
Grand Prairie Sports Facilities Development	4,836,492	1,448,377	-	39,578
Grand Prairie Housing Finance Corporation	5,560,426	5,484,700	-	-
Total component units:	<u>\$ 10,396,918</u>	<u>\$ 6,933,077</u>	<u>\$ -</u>	<u>\$ 39,578</u>

General revenues:  
Taxes:  
    Property tax  
    Sales tax  
    Hotel/motel tax and other taxes  
    Franchise fees based on gross receipt  
    Investment income  
Transfers  
Total general revenues and transfers

Change in net position

Net position - beginning of year (as previously stated)  
Cumulative effect of change in accounting principle

Net position - end of year

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position Primary Government			GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT	GRAND PRAIRIE HOUSING FINANCE CORPORATION
Governmental Activities	Business-Type Activities	Total		
\$ (13,350,945)	\$ -	\$ (13,350,945)	\$ -	\$ -
(58,306,102)	-	(58,306,102)	-	-
(14,824,196)	-	(14,824,196)	-	-
(37,956,664)	-	(37,956,664)	-	-
(8,125,389)	-	(8,125,389)	-	-
<u>(132,563,296)</u>	<u>-</u>	<u>(132,563,296)</u>	<u>-</u>	<u>-</u>
-	228,667	228,667	-	-
-	710,769	710,769	-	-
-	(1,225,328)	(1,225,328)	-	-
-	3,458,032	3,458,032	-	-
-	795,356	795,356	-	-
<u>-</u>	<u>3,967,496</u>	<u>3,967,496</u>	<u>-</u>	<u>-</u>
<u>(132,563,296)</u>	<u>3,967,496</u>	<u>(128,595,800)</u>	<u>-</u>	<u>-</u>
			(3,348,537)	-
			-	(75,726)
			<u>(3,348,537)</u>	<u>(75,726)</u>
71,785,225	-	71,785,225	-	-
47,155,704	-	47,155,704	-	-
1,488,871	-	1,488,871	-	-
12,811,696	-	12,811,696	-	-
437,770	4,242	442,012	23,999	3,814
5,390,831	(5,390,831)	-	-	-
<u>139,070,097</u>	<u>(5,386,589)</u>	<u>133,683,508</u>	<u>23,999</u>	<u>3,814</u>
6,506,801	(1,419,093)	5,087,708	(3,324,538)	(71,912)
422,209,582	215,573,038	637,782,620	81,763,753	219,415
(2,400,226)	(1,053,782)	(3,454,008)	-	-
<u>\$ 426,316,157</u>	<u>\$ 213,100,163</u>	<u>\$ 639,416,320</u>	<u>\$ 78,439,215</u>	<u>\$ 147,503</u>

**CITY OF GRAND PRAIRIE, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	General	Section 8	Street Improvements	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 13,512,697	\$1,633,474	\$19,399,779	\$ 6,416,664	\$ 26,176,025	\$ 67,138,639
Investments	14,302,915	1,783,109	3,040,829	2,608,761	49,189,989	70,925,603
Property tax receivable	1,206,846	-	-	460,361	-	1,667,207
Sales tax receivable	4,278,578	-	-	-	4,261,091	8,539,669
Franchise fees receivable	2,511,168	-	-	-	68,174	2,579,342
Other receivables	2,560,643	-	-	2,920	994,092	3,557,655
Due from other governments	-	-	-	-	2,321,525	2,321,525
Due from other funds	200,000	-	-	-	-	200,000
Prepays	3,545	-	-	-	41,103	44,648
<b>Total assets</b>	<b>\$ 38,576,392</b>	<b>\$3,416,583</b>	<b>\$22,440,608</b>	<b>\$ 9,488,706</b>	<b>\$ 83,051,999</b>	<b>\$ 156,974,288</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 2,454,144	\$ 32,181	\$ 623,225	\$ -	\$ 3,433,957	\$ 6,543,507
Accrued liabilities	3,266,988	38,966	270,373	-	1,002,546	4,578,873
Customer deposits	-	-	-	-	31,500	31,500
Due to other funds	-	-	-	-	100,000	100,000
Unearned revenue	957,923	-	269,013	-	1,860,844	3,087,780
<b>Total liabilities</b>	<b>6,679,055</b>	<b>71,147</b>	<b>1,162,611</b>	<b>-</b>	<b>6,428,847</b>	<b>14,341,660</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	3,080,529	-	-	437,351	-	3,517,880
<b>Total deferred inflows of resources</b>	<b>3,080,529</b>	<b>-</b>	<b>-</b>	<b>437,351</b>	<b>-</b>	<b>3,517,880</b>
<b>FUND BALANCES</b>						
Nonspendable	3,545	-	-	-	41,103	44,648
Restricted	-	3,345,436	21,277,997	9,051,355	47,589,266	81,264,054
Committed	130,240	-	-	-	28,992,783	29,123,023
Assigned	1,336,996	-	-	-	-	1,336,996
Unassigned	27,346,027	-	-	-	-	27,346,027
<b>Total fund balances</b>	<b>28,816,808</b>	<b>3,345,436</b>	<b>21,277,997</b>	<b>9,051,355</b>	<b>76,623,152</b>	<b>139,114,748</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 38,576,392</b>	<b>\$3,416,583</b>	<b>\$22,440,608</b>	<b>\$ 9,488,706</b>	<b>\$ 83,051,999</b>	<b>\$ 156,974,288</b>

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

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**Total fund balance - total governmental funds** \$ 139,114,748

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet. This is the amount of governmental capital assets excluding internal service capital assets of \$982,218. 552,836,530

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. 3,517,880

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. (1,032,764)

Internal service funds are used by management to charge cost of certain activities, such as employee health insurance, risk management insurance, and fleet maintenance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position (net of amount allocated to business-type activities of \$1,597,003). 8,450,758

Noncurrent liabilities and the current portion of general long-term debt and other liabilities 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	\$ (96,708,283)	
Certificates of obligation	(77,655,000)	
Sales tax revenue bonds	(23,550,000)	
Sales tax venue revenue bonds	(12,480,000)	
Sales tax venue certificates of obligation	(38,295,000)	
Unamortized bond premium/discount, net	(4,278,492)	
Unamortized loss of refunding	1,277,211	
Compensated absences (excludes Internal service fund total of \$35,696)	(14,076,404)	
Other post employment benefits	(4,701,004)	
Other liabilities	(6,104,023)	(276,570,995)

**Net position of governmental activities** \$ 426,316,157

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	General	Section 8	Street Improvements	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property tax	\$44,109,200	\$ -	\$ -	\$ 16,841,515	\$ 10,661,590	\$ 71,612,305
Sales tax	24,499,912	-	-	-	24,759,815	49,259,727
Other taxes	215,234	-	-	-	1,273,637	1,488,871
Franchise fees	12,761,696	-	-	-	50,000	12,811,696
Charges for goods and services	5,107,012	78,849	-	-	8,433,293	13,619,154
Licenses and permits	2,613,439	193,451	-	-	180,748	2,987,638
Fines and forfeitures	6,935,918	-	-	-	2,983,050	9,918,968
Intergovernment	560,986	24,156,289	2,634,693	-	10,410,922	37,762,890
General and administrative	4,071,376	-	-	-	-	4,071,376
Rents and royalties	327,695	-	-	-	2,850,281	3,177,976
Investment income	426,338	10,000	-	292	1,140	437,770
Contributions	-	10,250	-	-	1,098,086	1,108,336
Other	693,037	97,025	-	-	593,778	1,383,840
Total revenues	<u>102,321,843</u>	<u>24,545,864</u>	<u>2,634,693</u>	<u>16,841,807</u>	<u>63,296,340</u>	<u>209,640,547</u>
<b>EXPENDITURES</b>						
Current operations:						
Support services	12,020,318	-	-	-	3,178,500	15,198,818
Public safety services	63,614,878	-	-	-	5,442,407	69,057,285
Recreation and leisure services	1,785,968	-	-	-	16,436,102	18,222,070
Development services and other	11,815,802	25,412,652	1,949,866	-	16,451,699	55,630,019
Capital outlay	1,033,229	-	8,156,546	-	20,931,617	30,121,392
Debt service:						
Principal retirement	-	-	-	9,698,175	9,239,000	18,937,175
Interest charges	-	-	43,315	5,936,294	3,046,131	9,025,740
Total expenditures	<u>90,270,195</u>	<u>25,412,652</u>	<u>10,149,727</u>	<u>15,634,469</u>	<u>74,725,456</u>	<u>216,192,499</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,051,648</u>	<u>(866,788)</u>	<u>(7,515,034)</u>	<u>1,207,338</u>	<u>(11,429,116)</u>	<u>(6,551,952)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	17,500	6,187,894	155,000	20,250,990	26,611,384
Transfers out	(11,732,539)	(50,000)	(18,436)	(301,732)	(10,117,846)	(22,220,553)
Premium on bonds issued	-	-	-	737,761	889,504	1,627,265
Bonds issued	-	-	4,054,434	-	11,230,566	15,285,000
Refunding bond issued	-	-	-	15,080,000	12,215,000	27,295,000
Payment to refunded bond escrow agent	-	-	-	(15,405,484)	(12,750,555)	(28,156,039)
Proceeds from sale of capital assets	583,943	-	-	-	-	583,943
Total other financing sources (uses)	<u>(11,148,596)</u>	<u>(32,500)</u>	<u>10,223,892</u>	<u>265,545</u>	<u>21,717,659</u>	<u>21,026,000</u>
Net change in fund balances	903,052	(899,288)	2,708,858	1,472,883	10,288,543	14,474,048
Fund balances - beginning of year	27,913,756	4,244,724	18,569,139	7,578,472	66,334,609	124,640,700
Fund balances - end of year	<u>\$28,816,808</u>	<u>\$ 3,345,436</u>	<u>\$ 21,277,997</u>	<u>\$ 9,051,355</u>	<u>\$ 76,623,152</u>	<u>\$ 139,114,748</u>

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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**Net change in fund balances - total governmental funds** \$ 14,474,048

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 position, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount of capital assets recorded in the current period. 30,121,392

The net effect of various transactions involving capital assets (i.e., disposals, sales, and trade-ins) is a decrease to net position. (511,573)

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds. This is the amount of governmental depreciation excluding internal service funds depreciation \$51,336. (38,744,911)

Governmental funds do not report developers' contributions (\$379,642) or incentive obligation to developers (\$4,000,000) as revenues, whereas these amounts are reports in the statement of activities as contributions or long term obligations as applicable. 4,379,642

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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonds issued, plus premium on issuance	(44,207,265)	
Bond principal retirement	47,093,214	
Amortization bond related cost (premium/discount, deferred loss)	218,359	3,104,308

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	(607,646)	
Change in accrued interest	54,685	
Change in Other Post Employment Benefits	(991,726)	
Change in Pollution Remediation Obligation	162,888	
Change in Other Liabilities	(6,104,023)	(7,485,822)

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. 172,920

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 (\$41,890). 996,797

**Change in net position of governmental activities** \$ 6,506,801

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2013**

	Business-Type Activities-Enterprise Funds			Governmental
	Water	Other	Total	Activities
	Wastewater	Nonmajor		Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 19,735,885	\$ 2,373,676	\$ 22,109,561	\$ 6,487,187
Investments	27,133,705	16,124,185	43,257,890	6,760,624
Accounts receivable, net	4,574,287	1,026,090	5,600,377	-
Other receivables	-	-	-	30,589
Prepays	-	-	-	22,083
Due from other governments	-	31,148	31,148	-
Inventories and supplies	427,962	72,411	500,373	167,891
Current restricted assets:				
Cash and cash equivalents	7,337,263	196,928	7,534,191	176,946
Investments	7,742,509	255,747	7,998,256	-
Total current assets	66,951,611	20,080,185	87,031,796	13,645,320
Capital assets:				
Land	1,653,621	2,508,085	4,161,706	737,566
Buildings	2,361,045	9,579,108	11,940,153	1,477,875
Equipment	19,303,457	8,551,654	27,855,111	1,691,811
Infrastructure	285,615,797	33,210,265	318,826,062	16,672
Construction in progress	20,720,063	1,304,568	22,024,631	-
Less: accumulated depreciation	(155,047,175)	(25,929,892)	(180,977,067)	(2,941,706)
Total capital assets	174,606,808	29,223,788	203,830,596	982,218
Total assets	241,558,419	49,303,973	290,862,392	14,627,538
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	148,417	-	148,417	-
Total deferred outflows of resources	148,417	-	148,417	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	2,321,679	626,619	2,948,298	57,310
Accrued liabilities	622,348	196,916	819,264	4,386,771
Due to other funds	-	-	-	100,000
Accrued compensated absences	249,542	141,315	390,857	33,781
Unearned revenue	361,431	201,147	562,578	-
Current liabilities payable from restricted assets:				
Customer deposits	3,141,090	66,836	3,207,926	-
Accrued liabilities	430,350	21,687	452,037	-
Current portion of long-term debt	3,900,000	364,152	4,264,152	-
Total current liabilities	11,026,440	1,618,672	12,645,112	4,577,862
Noncurrent liabilities:				
Accrued compensated absences	-	18,490	18,490	1,915
Closure and postclosure liability	-	5,993,696	5,993,696	-
Long-term debt	57,151,208	3,699,143	60,850,351	-
Total noncurrent liabilities	57,151,208	9,711,329	66,862,537	1,915
Total liabilities	68,177,648	11,330,001	79,507,649	4,579,777
<b>NET POSITION</b>				
Net investment in capital assets	116,517,935	25,160,493	141,678,428	982,220
Restricted for debt service	4,695,502	-	4,695,502	-
Unrestricted	52,315,751	12,813,479	65,129,230	9,065,541
Total net position	\$ 173,529,188	\$ 37,973,972	\$ 211,503,160	\$ 10,047,761
Reconciliation to government-wide Statement of Net Position:				
Adjustments to reflect the consolidations of internal service funds activities related to enterprise funds			1,597,003	
Net position of business-type activities			\$ 213,100,163	

See accompanying notes to basic financial statements.



**CITY OF GRAND PRAIRIE, TEXAS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Business-Type Activities-Enterprise Funds			Governmental
	Water	Other	Total	Activities
	Wastewater	Nonmajor		Internal Service Funds
<b>OPERATING REVENUES</b>				
Sales to customers	\$ 33,686,226	\$ 19,903,119	\$ 53,589,345	\$ 4,758,357
Wastewater charges to customers	21,384,096	-	21,384,096	-
Water and wastewater fees	1,709,556	-	1,709,556	-
Wastewater surcharges	684,472	-	684,472	-
Intergovernmental revenue	-	530,291	530,291	-
Insurance premiums	-	-	-	17,078,312
Miscellaneous	354,692	1,345,772	1,700,464	28,914
Total operating revenue	<u>57,819,042</u>	<u>21,779,182</u>	<u>79,598,224</u>	<u>21,865,583</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	6,529,641	3,974,635	10,504,276	1,179,922
Supplies and miscellaneous purchases	1,068,906	2,336,706	3,405,612	3,321,807
Purchased services	4,609,048	7,122,035	11,731,083	1,006,924
Insurance costs	-	-	-	16,299,723
Water purchases	10,924,656	-	10,924,656	-
Wastewater treatment	11,790,989	-	11,790,989	-
Miscellaneous	615,328	693,137	1,308,465	160,498
Depreciation	14,681,552	2,638,526	17,320,078	51,336
Franchise fees	2,193,657	528,681	2,722,338	-
General and administrative costs	3,114,517	459,541	3,574,058	-
Total operating expense	<u>55,528,294</u>	<u>17,753,261</u>	<u>73,281,555</u>	<u>22,020,210</u>
Net operating income (loss)	<u>2,290,748</u>	<u>4,025,921</u>	<u>6,316,669</u>	<u>(154,627)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	4,242	-	4,242	-
Gain (loss) on property disposition	3,954	(86,341)	(82,387)	109,534
Bond issuance costs	(258,297)	(1,961)	(260,258)	-
Interest expense	(2,346,060)	(176,104)	(2,522,164)	-
Contribution to other government	(2,032,151)	-	(2,032,151)	-
Total nonoperating revenues (expenses)	<u>(4,628,312)</u>	<u>(264,406)</u>	<u>(4,892,718)</u>	<u>109,534</u>
Income (loss) before contributions and transfers	(2,337,564)	3,761,515	1,423,951	(45,093)
Capital contributions-impact fees	1,394,620	-	1,394,620	-
Capital contributions	1,195,057	-	1,195,057	-
Transfers in	1,373,000	699,012	2,072,012	1,000,000
Transfers out	(2,755,369)	(4,707,474)	(7,462,843)	-
Change in net position	<u>(1,130,256)</u>	<u>(246,947)</u>	<u>(1,377,203)</u>	<u>954,907</u>
Net position - beginning of year as previously stated	175,686,105	38,248,040	213,934,145	9,092,854
Cumulative effect of change in accounting principle	(1,026,661)	(27,121)	(1,053,782)	-
Restated Net Position -beginning of year	<u>174,659,444</u>	<u>38,220,919</u>	<u>212,880,363</u>	<u>9,092,854</u>
Net position - end of year	<u>\$ 173,529,188</u>	<u>\$ 37,973,972</u>	<u>\$ 211,503,160</u>	<u>\$ 10,047,761</u>
Reconciliation to government-wide Statement of Activities:				
Change in net position of enterprise funds			(1,377,203)	
Adjustments to reflect the consolidations of internal service funds activities related to enterprise funds			(41,890)	
Change in net position of business-type activities			<u>(1,419,093)</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, 2013**

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Water Wastewater	Other Nonmajor	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 58,505,052	\$ 21,327,117	\$ 79,832,169	\$ 22,214,332
Cash received from intergovernmental	-	512,805	512,805	-
Cash payments to suppliers for goods and services	(28,209,697)	(9,641,254)	(37,850,951)	(20,405,964)
Cash payments to employees for services	(6,480,743)	(3,974,624)	(10,455,367)	(1,179,437)
Cash payments to other funds for services	(5,746,597)	(1,265,606)	(7,012,203)	(158,301)
Other operating cash payments	6,829	(446,914)	(440,085)	(21,441)
Net cash provided by operating activities	18,074,844	6,511,524	24,586,368	449,189
<b>Cash flows from noncapital financing activities:</b>				
Transfers from other funds	1,373,000	699,012	2,072,012	1,000,000
Transfers to other funds	(2,755,369)	(4,707,474)	(7,462,843)	-
Contribution to other government	(2,032,151)	-	(2,032,151)	-
Net cash provided by (used in) noncapital financing activities	(3,414,520)	(4,008,462)	(7,422,982)	1,000,000
<b>Cash flows from capital and related financing activities:</b>				
Capital outlays	(14,613,441)	(2,232,157)	(16,845,598)	(112,898)
Capital grant	361,431	-	361,431	-
Proceeds from capital assets disposals	3,954	129,838	133,792	109,534
Loss from capital assets disposals	-	-	-	-
Interest paid on bonds	(2,372,412)	(184,237)	(2,556,649)	-
Interest paid on line of credit	-	-	-	-
Repayment of principal on bonds	(4,010,000)	(437,825)	(4,447,825)	-
Impact fees received	1,394,620	-	1,394,620	-
Proceeds from issuance of bonds	2,300,000	125,000	2,425,000	-
Contributions	723,298	-	723,298	-
Net cash used in capital and related financing activities	(16,212,550)	(2,599,381)	(18,811,931)	(3,364)
<b>Cash flows from investing activities:</b>				
Investment earnings received on cash and investments	4,242	-	4,242	-
Sale of investments	33,356,552	4,673,945	38,030,497	5,413,575
Purchase of investments	(33,073,924)	(4,673,945)	(37,747,869)	(6,413,575)
Net cash provided by (used in) investing activities	286,870	-	286,870	(1,000,000)
Net increase (decrease) in cash and equivalents	(1,265,356)	(96,319)	(1,361,675)	445,825
Cash and cash equivalents - beginning of year	28,338,504	2,666,923	31,005,427	6,218,308
Cash and cash equivalents - end of year	\$ 27,073,148	\$ 2,570,604	\$ 29,643,752	\$ 6,664,133
<b>Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:</b>				
Net operating income (loss)	\$ 2,290,748	\$ 4,025,921	\$ 6,316,669	\$ (154,627)
Adjustments to net operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	14,681,552	2,638,526	17,320,078	51,336
Provisoin for non-collectibles receivables	186,518	80,461	266,979	-
Changes in assets and liabilities:				
Decrease (Increase) in accounts receivable	209,089	(13,589)	195,500	348,749
Decrease (Increase) in inventories and supplies	118,285	(9,017)	109,268	(10,722)
Decrease in prepaids	-	11,562	11,562	-
Increase (Decrease) in accounts payable	183,902	(396,960)	(213,058)	(147,072)
Increase in accrued liabilities	86,509	197,594	284,103	365,301
Increase in customer deposits	290,403	4,810	295,213	-
Decrease in unearned revenue	-	(10,942)	(10,942)	-
Increase (Decrease) in accrued compensated absences	27,838	(16,842)	10,996	(3,776)
Net cash provided by operating activities	\$ 18,074,844	\$ 6,511,524	\$ 24,586,368	\$ 449,189
Noncash investing, capital and financing activities:				
Contributions of capital assets from developers	\$ 471,759	-	-	-
Unrestricted cash and cash equivalents-end of year	\$ 19,735,885	\$ 2,373,676	\$ 22,109,561	\$ 6,487,187
Restricted cash and cashequivalents-end of year	7,337,263	196,928	7,534,191	176,946
Total cash and cash equivalents -end of year	\$ 27,073,148	\$ 2,570,604	\$ 29,643,752	\$ 6,664,133

See accompanying notes to basic financial statements.

# NOTES TO BASIC FINANCIAL STATEMENTS



**CITY OF GRAND PRAIRIE, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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**CITY OF GRAND PRAIRIE, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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**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 (GAAP) to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). 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, 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 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

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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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, 2013 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, 2012. Complete separate December 31, 2012 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 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



**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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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 position and the statement of activities) 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 position from October 1, 2012 to September 30, 2013. 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 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

**CITY OF GRAND PRAIRIE, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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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, 2013, 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

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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“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 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).

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- 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 position, and (3) unrestricted net position.

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

**Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Council is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of revenues earned, expenses incurred and/or net income (loss), is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The enterprise funds of the City are classified as business-type activities in the government-wide statements of net position 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, Deferred Outflows/Inflows Resources, and Net Position/Fund Balances**

#### **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 fiscal year 2013, 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) Depository Contract**

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

#### **3) 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.

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4) 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

5) Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position by the City that is applicable to a future reporting period and as so will not be recognized as an outflow of resources (expenses/expenditures) until then.

The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represents an acquisition of net position that is applicable to a future reporting period and as so will not be recognized as an inflow of resources (revenue) until that time.

Governmental funds' receivables expected to be collected later than 60-days after the end of the fiscal year are recorded as deferred inflows of resources.

The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position.

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6) 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 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.

7) 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 30, 2013 the City had \$186,320 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.

8) Nature and Purpose of Classifications of Fund Equity

Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution, which are considered equally restrictive for the purpose of committing fund balance. The City Council must take the same level of

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action to remove or change the constraint. Assigned fund balances are constrained by the intent to be used for specific purposes, neither restricted nor committed.

The City Council has authorized the City's City Manager as the official authorized to assign fund balance to a specific purpose as approved by the fund balance policy.

For the classification of Governmental Fund balances, the City considers expenditures to have been made from the most restrictive classification first when more than one classification is available.

9) Minimum Fund Balance Policy

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

10) Net Position

Net position represents the difference between assets plus deferred outflows of resources, on the one hand, and liabilities plus deferred inflows of resources, on the other.

Net investment in capital assets consists of capital assets net of accumulated depreciation, capital-related deferred outflows of resources and capital-related borrowings and deferred inflows of resources.

Net position-restricted is the difference between 1) non-capital assets whose use is restricted and 2) related liabilities and deferred inflows of resources.

**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



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adopted annual fiscal year appropriated budgets for the City's General Fund, Debt Service Fund, Park Venue Fund, Senior Center Sales Tax Fund, Hotel/Motel Tax Fund, Municipal Court Fund, and Cable Operation Fund, Lake Parks Fund, Crime Tax Sales Tax Fund, Cemetery Fund, and Juvenile Case Manager 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.

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.

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**b. Budgetary Control**

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

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

**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, 2013, 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.

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

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

The investment policies require that repurchase agreements be made pursuant to a master agreement, the collateral is a U. S. Treasury bill, note or bond; the security is held in safekeeping by the City’s custodial agent; and the investment is transacted “delivery vs. payment” so that the City’s interest in the underlying security is perfected. The City does not invest in reverse repurchase agreements. No City monies were invested in repurchase agreements at September 30, 2013.

The City’s investments are stated at fair value, using the following methods and assumptions as of September 30, 2013:

- 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 Position for the Proprietary Funds.

The City invested \$73,632,102 in TexPool as of September 30, 2013. 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

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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. The City invested \$21,369,535 in TexSTAR as of September 30, 2013. 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.

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The asset mix requirements are as follows:

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

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

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

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

The City's carrying amount of cash, cash equivalents and investments as of September 30, 2013 as reflected in the primary government's financial statements, are:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash	\$ 8,267,941	\$ 176,946	\$ 8,444,887
Pooled Investments			
Cash and cash equivalents	87,467,446	7,534,191	95,001,637
Investments	<u>120,944,117</u>	<u>7,998,256</u>	<u>128,942,373</u>
Total pooled investments	<u>208,411,563</u>	<u>15,532,447</u>	<u>223,944,010</u>
Total	<u>\$ 216,679,504</u>	<u>\$ 15,709,393</u>	<u>\$ 232,388,897</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

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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 \$6,350,795.

The City's cash equivalents of \$95,001,637 were also covered by collateral held by the City's agent in the City's name.

As of September 30, 2013, the City had the following investments:

	Fair Value	Weighted Average Maturity (Days)	Credit Risk
Federal Farm Credit Bank	\$ 54,932,260	682	AAA
Federal Home Loan Bank	48,024,603	513	AAA
Federal Home Loan Mortgage Corp.	15,009,210	634	AAA
Federal National Mortgage Assoc.	7,977,290	887	AAA
Farmer MAC	2,999,010	564	AAA
TexPool	73,632,102	1	AAAm
TexStar	21,369,535	1	AAAm
Total	<u>\$ 223,944,010</u>	<u>*360</u>	

\*Portfolio Weighted Average Maturity

Maturities of the City's investments at September 30, 2013 were as follows:

Cash equivalents	\$ 95,001,637
Under 30 days	-
30 days to 60 days	-
61 days to 90 days	5,001,920
91 days to 1 year	27,046,160
After 1 year	96,894,293
Total	<u>\$ 223,944,010</u>

The City did not invest in any securities different from the categories mentioned above during the 2012-2013 fiscal year.

At September 30, 2013, the carrying amount of the Sports Corporation's deposits included in cash and cash equivalents was \$423,239 while the bank balance of the Sports Corporation's deposits was \$424,035. The bank balance was entirely covered by collateral held by the Sports Corporation's agent in the Sports Corporation's name.

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As of September 30, 2013, the Corporation had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Risk</u>
TexPool	\$ 6,642,825	1	AAAm
U.S. Governmental Obligations	<u>7,994,693</u>	<u>546</u>	AAA
Total	<u>\$ 14,637,518</u>	<u>298</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 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, 2013 was \$6,642,825 in the Public Funds Investment Pool (TexPool) and \$7,994,693 in U.S agency instrumentalities.

The bank balance of HFC at December 31, 2012, including restricted cash, totaled \$696,514 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 \$629,389. Restricted cash of \$67,125 "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 \$146,760, reserves of \$97,432, and bonds held by a trustee of \$1,119,489 as a debt service reserve.

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2) Capital Assets

Capital assets balances and transactions for the year ended September 30, 2013 are summarized below for governmental activities:

	Balance October 1, 2012	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2013
Non-depreciable capital assets:				
Land	\$ 35,824,385	\$ 4,288,498	\$ -	\$ 40,112,883
Construction in progress	51,821,889	19,083,162	(12,885,231)	58,019,820
Total non-depreciable capital assets	87,646,274	23,371,660	(12,885,231)	98,132,703
Depreciable capital assets:				
Buildings	179,951,144	2,893,996	(536,992)	182,308,148
Equipment	82,209,307	6,842,476	(1,613,697)	87,438,086
Infrastructure	510,940,871	14,437,579	(60,000)	525,318,450
Total depreciable capital assets	773,101,322	24,174,051	(2,210,689)	795,064,684
Less accumulated depreciation for:				
Buildings	(41,353,079)	(6,337,007)	4,727	(47,685,359)
Equipment	(44,478,704)	(6,512,567)	1,587,840	(49,403,431)
Infrastructure	(216,403,176)	(25,946,673)	60,000	(242,289,849)
Total accumulated depreciation	(302,234,959)	(38,796,247)	1,652,567	(339,378,639)
Total depreciable capital assets, net	470,866,363	(14,622,196)	(558,122)	455,686,045
Governmental activities capital assets, net	<u>\$ 558,512,637</u>	<u>\$ 8,749,464</u>	<u>\$ (13,443,353)</u>	<u>\$ 553,818,748</u>

Additions include developers contribution of \$379,642.

Capital asset balances for business-type activities for the year ended September 30, 2013 are summarized below:

	Balance October 1, 2012	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2013
Non-depreciable capital assets:				
Land	\$ 4,156,706	\$ 5,000	\$ -	\$ 4,161,706
Construction in progress	12,359,914	13,840,963	(4,176,246)	22,024,631
Total non-depreciable capital assets	16,516,620	13,845,963	(4,176,246)	26,186,337
Depreciable capital assets:				
Buildings	11,434,451	580,102	(74,400)	11,940,153
Equipment	26,009,801	2,412,732	(567,422)	27,855,111
Infrastructure	314,324,897	4,654,807	(153,642)	318,826,062
Total depreciable capital assets	351,769,149	7,647,641	(795,464)	358,621,326
Less accumulated depreciation for:				
Buildings	(5,551,119)	(472,471)	21,389	(6,002,201)
Equipment	(14,719,038)	(1,940,027)	482,447	(16,176,618)
Infrastructure	(143,966,115)	(14,907,580)	75,447	(158,798,248)
Total accumulated depreciation	(164,236,272)	(17,320,078)	579,283	(180,977,067)
Total depreciable capital assets, net	187,532,877	(9,672,437)	(216,181)	177,644,259
Governmental activities capital assets, net	<u>\$ 204,049,497</u>	<u>\$ 4,173,526</u>	<u>\$ (4,392,427)</u>	<u>\$ 203,830,596</u>



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

Support services	\$ 3,225,048	Water and wastewater	\$ 14,681,552
Public safety services	5,981,721		
Recreation and leisure services	6,366,966		
Development services	23,171,176	Other business-type	2,638,526
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	<u>51,336</u>		
Total governmental	<u>\$ 38,796,247</u>	Total business-type	<u>\$ 17,320,078</u>

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

	Balance October 1, 2012	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2013
Equipment	\$ 310,078	\$ -	\$ -	\$ 310,078
Less accumulated depreciation	<u>(310,078)</u>	<u>-</u>	<u>-</u>	<u>(310,078)</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Balance January 1, 2012	Additions/ Completions	Disposals/ Reclasses	Balance December 31, 2012
Non-depreciable capital assets:				
Land	\$ 1,612,851	\$ -	\$ -	\$ 1,612,851
Total non-depreciable capital assets	<u>1,612,851</u>	<u>-</u>	<u>-</u>	<u>1,612,851</u>
Depreciable capital assets:				
Buildings	19,848,850	493,032	(533,030)	19,808,852
Less accumulated depreciation	<u>(6,184,433)</u>	<u>(872,428)</u>	<u>533,030</u>	<u>(6,523,831)</u>
Total depreciable capital assets, net	<u>13,664,417</u>	<u>(379,396)</u>	<u>-</u>	<u>13,285,021</u>
Housing Finance Corporation assets, net	<u>\$ 15,277,268</u>	<u>\$ (379,396)</u>	<u>\$ -</u>	<u>\$ 14,897,872</u>

**CITY OF GRAND PRAIRIE, TEXAS  
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**b. Deferred Outflows/inflows of Resources**

1) Deferred Outflows of Resources

The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position.

Below is the summary of City's deferred charges on refunding:

Governmental Activities	\$	1,277,211
Business-type Activities		148,417
Total	\$	<u>1,425,628</u>

2) Deferred inflows of Resources-Unavailable Revenue

The governmental funds report unavailable revenues from the following sources:

	General Fund	Debt Service Fund	Total
Property taxes	\$ 1,083,361	\$ 437,351	\$ 1,520,712
Ambulance	1,672,304	-	1,672,304
School Resources Officer	324,864	-	324,864
Total	<u>\$ 3,080,529</u>	<u>\$ 437,351</u>	<u>\$ 3,517,880</u>

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**c. Liabilities**

1) Risk Management

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

<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

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

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

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

Accordingly, claims are reevaluated annually to consider the effects of inflation, plan benefit designs, recent claim settlement trends, claim expense, and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The total accrued liabilities for the Risk Management Fund based on the recent December 31, 2012 actuarial report, as of September 30, 2013, was \$2,965,148.

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The City offers group health coverage to its employees and retirees in plans administered by United Health Care using an escrow account funded by the City with both employee and City contributions. The City allows retired employees under age 65 to continue participating in its group health insurance program after retirement with a portion of premiums paid by the City. The amount of premiums paid by retirees is based on the retirement date, length of service with the City, plan selected and dependents covered at the time of retirement. The City retains risk for up to \$400,000 per member per year, and transfers risk in excess of this amount to a reinsurer. Reported claims are charged to expense in the period the loss is incurred. The total accrued liabilities for health insurance as of September 30, 2013 were \$1,331,268.

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
2013	\$ 3,969,914	\$13,734,536	\$13,408,034	\$ 4,296,416
2012	\$ 3,372,165	\$14,945,750	\$14,348,001	\$ 3,969,914

2) Unearned Revenue

Unearned revenue is a liability for resources obtained prior to revenue recognition. Below is the summary of City's unearned revenue as of September 30, 2013.

General Fund pipeline lease prepaid	\$ 957,923
Street Improvement Fund future paving assessment	269,013
Grant Fund advance funding from granting agencies	658,397
Community Development Block Grant funding for future projects	98,535
ParkVenue Fund rental deposits on events to be held	155,823
Prairie Light Fund deposits for future events	68,000
Cemetery Fund deposits held for preneed arrangements	880,089
Governmental funds total	<u>\$ 3,087,780</u>
Texas Water Development Board forgiveness loan	\$ 361,431
Airport Fund pipeline lease prepaid	201,147
Enterprise Funds total	<u>\$ 562,578</u>

**CITY OF GRAND PRAIRIE, TEXAS  
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3) 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, 2012	Borrowings or Increase	Payments or Decrease	Balance September 30, 2013	Due Within One Year
<u>Governmental Activities</u>					
General obligation bonds	\$ 92,070,458	\$ 18,715,000	\$ (16,597,175)	\$ 94,188,283	\$ 7,585,848
Certificates of obligation bonds	79,880,000	12,805,000	(12,510,000)	80,175,000	5,890,000
Sales tax revenue bonds	25,290,000	11,060,000	(12,800,000)	23,550,000	1,415,000
Sales tax venue revenue bonds	14,905,000	-	(2,425,000)	12,480,000	2,625,000
Sales tax venue certificates of obligation	40,895,000	-	(2,600,000)	38,295,000	2,890,000
Issuance premiums/discounts, net	2,980,920	1,627,265	(329,693)	4,278,492	-
Compensated absences	13,508,230	5,814,905	(5,211,035)	14,112,100	5,011,248
Other post employment benefits	3,709,278	991,726	-	4,701,004	-
Environmental remediation liability	162,888	-	(162,888)	-	-
Other liabilities	-	6,104,023	-	6,104,023	1,160,776
Total governmental activities	<u>273,401,774</u>	<u>57,117,919</u>	<u>(52,635,791)</u>	<u>277,883,902</u>	<u>26,577,872</u>
<u>Business-Type Activities</u>					
General obligation bonds	2,334,543	125,000	(197,825)	2,261,718	239,152
Certificates of obligation bonds	1,940,000	-	(240,000)	1,700,000	125,000
Water and wastewater revenue bonds	61,925,000	16,345,000	(18,490,000)	59,780,000	3,900,000
Issuance premiums/discounts, net	636,366	816,036	(79,617)	1,372,785	-
Closure and post closure liability	5,616,238	377,458	-	5,993,696	-
Compensated absences	398,351	484,276	(473,280)	409,347	390,857
Total business-type activities	<u>72,850,498</u>	<u>18,147,770</u>	<u>(19,480,722)</u>	<u>71,517,546</u>	<u>4,655,009</u>
Total primary government	<u>\$ 346,252,272</u>	<u>\$ 75,265,689</u>	<u>\$ (72,116,513)</u>	<u>\$ 349,401,448</u>	<u>\$ 31,232,881</u>
<u>Component Unit Activities</u>					
Housing Finance Corporation:					
Notes payable	\$ 3,435,549	\$ 41,759	\$ (43,003)	\$ 3,434,305	\$ 48,715
Line of Credit	138,812	-	(20,000)	118,812	118,812
Revenue bonds	8,490,000	-	(150,000)	8,340,000	160,000
Subordinate Revenue bonds	4,550,000	-	-	4,550,000	-
Total component units	<u>\$ 16,614,361</u>	<u>\$ 41,759</u>	<u>\$ (213,003)</u>	<u>\$ 16,443,117</u>	<u>\$ 327,527</u>

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

On September 30, 2013, the City's \$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, expired.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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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, 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 December 11, 2012 the City issued \$8,630,000 in General Obligation Refunding Bonds, Series 2012. The proceeds were used to refund General Obligation and Combination Tax and Revenue Certificate of Obligation Bonds.

On March 19, 2013 the City issued \$11,240,000 in General Obligation Refunding and Improvement Bonds, Series 2013 of which \$3,635,000 was for public safety and street improvements and \$7,605,000 was for a current refunding of prior issues. The City also issued \$11,650,000 in Combination Tax and Revenue Certificates of Obligation, Series 2013, for fire, street, and other City structure improvements, and \$11,060,000 Sales Tax Revenue Refunding Bonds, Series 2013, for refunding Sales Tax Revenue Bonds.

(ii) Bond Refunding

The proceeds of the refunding bonds provided resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded 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 2013.

The General Obligation Refunding and Improvement Bonds, Series 2012, refunded \$8,500,000 of prior issue debt with the reacquisition price exceeding the net carrying amount of the old debt by \$180,986. 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 thirteen years by approximately \$1,492,424 and to obtain an economic gain of \$1,339,873.

The General Obligation Refunding and Improvement Bonds, Series 2013, refunded \$7,930,000 of prior issue debt with the net carrying amount of the old debt exceeding the reacquisition price by \$93,379. This amount is being netted against the new debt and

**CITY OF GRAND PRAIRIE, TEXAS**  
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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 \$793,531 and to obtain an economic gain of \$756,591.

The Sales Tax Revenue Refunding Bonds, Series 2013, refunded \$11,565,000 of prior issue debt with the reacquisition price of the old debt exceeding the net carrying amount by \$61,039. 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 fourteen years by \$1,768,853 and to obtain an economic gain of \$1,483,242.

(iii) Defeased Debt Outstanding

At September 30, 2013, 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	\$ 2,355,000
Certificates of Obligation	<u>8,700,000</u>
	<u>\$ 11,055,000</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 2005 Refunding	2.75-4.50	2005	2025	14,260,000	\$ -
Series 2005-A	3.75-4.25	2005	2025	2,215,000	-
Series 2006	3.9-5.0	2006	2026	3,300,000	140,000
Series 2006-A	4.125-4.375	2006	2027	4,000,000	3,165,000
Series 2007	4.0-4.50	2007	2027	33,098,000	26,073,283
Series 2008	4.0-5.50	2009	2029	8,985,000	7,805,000
Series 2010	2.0-4.25	2010	2030	5,480,000	4,850,000
Series 2011	2.0-5.3	2011	2031	11,550,000	8,315,000
Series 2011A	2.0-5.0	2011	2025	27,145,000	25,125,000
Series 2012 Refunding	1.0-2.0	2012	2026	7,740,000	7,740,000
Series 2013 Ref. & Improv.	1.5-3.25	2013	2033	10,975,000	10,975,000
Total general obligation bonds					94,188,283
Certificates of obligation bonds:					
Tax and revenue bonds:					
Series 2005	2.75-4.50	2005	2025	2,935,000	-
Series 2006	4.0-5.50	2006	2026	8,291,250	315,000
Series 2006-A	4.125-4.375	2006	2027	11,947,500	9,669,000
Series 2007	4.0-4.50	2007	2027	6,610,000	5,135,000
Series 2008A	4.0-5.50	2009	2029	13,185,000	10,720,000
Series 2010	2.0-4.25	2010	2030	590,000	530,000
Series 2011	2.0-5.3	2011	2031	6,305,000	5,855,000
Series 2011A	2.0-4.0	2011	2031	7,430,000	7,125,000
Series 2013	2.0-3.25	2013	2033	8,830,000	8,830,000
Total tax and revenue bonds					48,179,000
Tax and tax increment bonds					
Series 2001	3 month LIBOR +.31%	2000	2022	17,900,000	11,335,000
Series 2005A	2.75-4.50	2005	2020	710,000	-
Series 2006	4.0-5.50	2006	2020	1,575,000	100,000
Series 2006-A	4.125-4.375	2006	2020	2,498,470	1,501,000
Series 2006-A	4.125-4.375	2006	2020	1,468,000	905,000
Series 2007	4.0-4.50	2007	2017	1,235,000	550,000
Series 2008A	4.0-5.50	2008	2021	10,550,000	7,630,000
Series 2008A	4.0-5.50	2008	2019	1,500,000	970,000
Series 2010	2.0-4.25	2010	2020	1,355,000	985,000
Series 2011	2.0-5.3	2011	2020	655,000	520,000
Series 2011	2.0-5.3	2011	2020	2,725,000	2,160,000
Series 2011A	2.0-5.0	2011	2025	1,545,000	1,365,000
Series 2012	1.0-2.0	2012	2021	890,000	890,000
Series 2013	2.0-3.25	2013	2021	265,000	265,000
Series 2013	2.0-3.25	2013	2021	2,820,000	2,820,000
Total tax and tax increment bonds					31,996,000
Sales Tax Venue CO's					
Series 2007A Crime Control	12 month LIBOR * 62.075 + .75	2007	2017	5,000,000	3,020,000
Series 2008 Crime Control	6 month LIBOR * 62.075 + 1.07	2008	2024	54,800,000	35,275,000
Total sales tax venue bonds					38,295,000
Total certificate of obligation bonds					118,470,000
Sales tax revenue bonds:					
Series 2001	4.125-5.125	2001	2027	11,055,000	-
Series 2001A	4.125-5.0	2001	2027	8,500,000	-
Series 2002	4.0-5.0	2002	2027	5,000,000	-
Series 2005	3.5-4.25	2005	2026	6,705,000	-
Series 2009	3.77	2009	2027	13,390,000	12,490,000
Series 2013	2.0-4.0	2013	2027	11,060,000	11,060,000
Total sales tax revenue bonds					23,550,000
Sales Tax Venue Bonds					
Series 2007 Taxable Baseball	12 month LIBOR +.61%	2007	2019	16,850,000	4,320,000
Series 2007 Senior Center	12 month LIBOR * 62.075 + .75	2007	2019	3,000,000	2,110,000
Series 2008 Senior Center	6 month LIBOR * 62.075 + 1.28	2008	2024	16,850,000	6,050,000
Total sales tax venue bonds					12,480,000
Premiums/discounts, net	N/A	N/A	N/A	N/A	4,278,492
Compensated absences	N/A	N/A	N/A	N/A	14,112,100
Other Post Employment Benefits	N/A	N/A	N/A	N/A	4,701,004
Environmental remediation liability	N/A	N/A	N/A	N/A	-
Other liabilities	N/A	N/A	N/A	N/A	6,104,023
Total governmental long-term debt					\$ 277,883,902



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

	Balance October 1, 2012	Borrowings or Increase	Payments or Decrease	Balance September 30, 2013	Due Within One Year
<b>General obligation bonds:</b>					
Series 2005 Refunding	\$ 7,360,000	\$ -	\$ (7,360,000)	\$ -	\$ -
Series 2005-A	525,000	-	(525,000)	-	-
Series 2006	2,625,000	-	(2,485,000)	140,000	140,000
Series 2006-A	3,320,000	-	(155,000)	3,165,000	165,000
Series 2007	27,940,458	-	(1,867,175)	26,073,283	2,470,848
Series 2008	8,120,000	-	(315,000)	7,805,000	325,000
Series 2010	5,065,000	-	(215,000)	4,850,000	215,000
Series 2011	9,970,000	-	(1,655,000)	8,315,000	680,000
Series 2011A	27,145,000	-	(2,020,000)	25,125,000	2,100,000
Series 2012	-	7,740,000	-	7,740,000	65,000
Series 2013	-	10,975,000	-	10,975,000	1,425,000
Total general obligation bonds	92,070,458	18,715,000	(16,597,175)	94,188,283	7,585,848
<b>Certificates of obligation bonds:</b>					
Tax and revenue bonds:					
Series 2005	1,050,000	-	(1,050,000)	-	-
Series 2006	5,875,000	-	(5,560,000)	315,000	315,000
Series 2006-A	10,100,000	-	(431,000)	9,669,000	451,000
Series 2007	5,400,000	-	(265,000)	5,135,000	275,000
Series 2008A	11,240,000	-	(520,000)	10,720,000	540,000
Series 2010	550,000	-	(20,000)	530,000	25,000
Series 2011	6,080,000	-	(225,000)	5,855,000	230,000
Series 2011A	7,430,000	-	(305,000)	7,125,000	310,000
Series 2013	-	8,830,000	-	8,830,000	270,000
	47,725,000	8,830,000	(8,376,000)	48,179,000	2,416,000
Tax and tax increment bonds:					
Series 2001	12,215,000	-	(880,000)	11,335,000	940,000
Series 2005-A	320,000	-	(320,000)	-	-
Series 2006	1,075,000	-	(975,000)	100,000	100,000
Series 2006-A	1,685,000	-	(184,000)	1,501,000	189,000
Series 2006-A	1,010,000	-	(105,000)	905,000	110,000
Series 2007	675,000	-	(125,000)	550,000	130,000
Series 2008A	8,405,000	-	(775,000)	7,630,000	805,000
Series 2008A	1,110,000	-	(140,000)	970,000	145,000
Series 2010	1,110,000	-	(125,000)	985,000	130,000
Series 2011	585,000	-	(65,000)	520,000	70,000
Series 2011	2,445,000	-	(285,000)	2,160,000	285,000
Series 2011A	1,520,000	-	(155,000)	1,365,000	155,000
Series 2012	-	890,000	-	890,000	10,000
Series 2013	-	265,000	-	265,000	45,000
Series 2013	-	2,820,000	-	2,820,000	360,000
	32,155,000	3,975,000	(4,134,000)	31,996,000	3,474,000
Total certificate of obligation bonds	79,880,000	12,805,000	(12,510,000)	80,175,000	5,890,000
<b>Sales tax revenue bonds:</b>					
Series 2001	1,810,000	-	(1,810,000)	-	-
Series 2001-A	510,000	-	(510,000)	-	-
Series 2002	3,655,000	-	(3,655,000)	-	-
Series 2005	6,345,000	-	(6,345,000)	-	-
Series 2009	12,970,000	-	(480,000)	12,490,000	575,000
Series 2013	-	11,060,000	-	11,060,000	840,000
Total sales tax revenue bonds	25,290,000	11,060,000	(12,800,000)	23,550,000	1,415,000
<b>Sales tax venue revenue bonds:</b>					
Series 2007	5,980,000	-	(1,660,000)	4,320,000	1,755,000
Series 2007	2,420,000	-	(310,000)	2,110,000	320,000
Series 2007A certificate of obligation bonds	3,705,000	-	(685,000)	3,020,000	710,000
Series 2008	6,505,000	-	(455,000)	6,050,000	550,000
Series 2008 certificate of obligation bonds	37,190,000	-	(1,915,000)	35,275,000	2,180,000
Total sales tax venue bonds	55,800,000	-	(5,025,000)	50,775,000	5,515,000
Premiums/discounts, net	2,980,920	1,627,265	(329,693)	4,278,492	-
Compensated absences:	13,508,230	5,814,905	(5,211,035)	14,112,100	5,011,248
Other post employment benefits	3,709,278	991,726	-	4,701,004	-
Environmental remediation liability	162,888	-	(162,888)	-	-
Other liabilities	-	6,104,023	-	6,104,023	1,160,776
Total	\$ 273,401,774	\$ 57,117,919	\$ (52,635,791)	\$ 277,883,902	\$ 26,577,872

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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
2014	\$ 7,585,848	\$ 3,542,120	\$ 11,127,968	\$ 2,416,000	\$ 1,978,757	\$ 4,394,757	\$ 3,474,000	\$ 2,402,454	\$ 5,876,454
2015	8,023,800	3,164,744	11,188,544	2,271,000	1,816,284	4,087,284	3,664,000	2,140,784	5,804,784
2016	8,111,753	2,881,863	10,993,616	2,346,000	1,738,063	4,084,063	3,824,000	1,888,858	5,712,858
2017	8,373,743	2,590,587	10,964,330	2,311,000	1,657,524	3,968,524	4,009,000	1,618,804	5,627,804
2018	8,315,734	2,265,969	10,581,703	2,401,000	1,573,909	3,974,909	4,059,000	1,330,506	5,389,506
2019	8,347,405	1,951,867	10,299,272	2,496,000	1,484,070	3,980,070	4,254,000	1,025,173	5,279,173
2020	7,390,000	1,650,144	9,040,144	2,593,000	1,385,341	3,978,341	4,292,000	700,943	4,992,943
2021	6,915,000	1,363,441	8,278,441	2,960,000	1,272,935	4,232,935	2,785,000	389,663	3,174,663
2022	6,450,000	1,114,238	7,564,238	3,100,000	1,147,556	4,247,556	1,635,000	122,625	1,757,625
2023	5,360,000	894,480	6,254,480	2,995,000	1,018,901	4,013,901	-	-	-
2024	4,940,000	695,268	5,635,268	3,130,000	888,848	4,018,848	-	-	-
2025	3,910,000	524,933	4,434,933	3,265,000	751,651	4,016,651	-	-	-
2026	3,460,000	380,576	3,840,576	3,425,000	606,121	4,031,121	-	-	-
2027	2,845,000	246,349	3,091,349	3,575,000	452,211	4,027,211	-	-	-
2028	1,465,000	146,849	1,611,849	2,295,000	321,866	2,616,866	-	-	-
2029	1,315,000	81,244	1,396,244	2,400,000	215,714	2,615,714	-	-	-
2030	645,000	37,372	682,372	1,515,000	130,401	1,645,401	-	-	-
2031	270,000	19,875	289,875	1,545,000	68,373	1,613,373	-	-	-
2032	230,000	11,375	241,375	560,000	27,810	587,810	-	-	-
2033	235,000	3,819	238,819	580,000	9,425	589,425	-	-	-
	<u>\$ 94,188,283</u>	<u>\$ 23,567,113</u>	<u>\$ 117,755,396</u>	<u>\$ 48,179,000</u>	<u>\$ 18,545,760</u>	<u>\$ 66,724,760</u>	<u>\$ 31,996,000</u>	<u>\$ 11,619,810</u>	<u>\$ 43,615,810</u>

Fiscal Year	Venue Sales Tax Revenue Bonds			Park Venue Sales Tax Revenue Bonds			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 5,515,000	\$ 1,059,805	\$ 6,574,805	\$ 1,415,000	\$ 773,384	\$ 2,188,384	\$ 20,405,848	\$ 9,756,520	\$ 30,162,368
2015	6,035,000	1,535,742	7,570,742	1,465,000	731,667	2,196,667	21,458,800	9,389,221	30,848,021
2016	5,360,000	1,303,315	6,663,315	1,505,000	690,595	2,195,595	21,146,753	8,502,694	29,649,447
2017	5,125,000	1,104,768	6,229,768	1,565,000	644,053	2,209,053	21,383,743	7,615,736	28,999,479
2018	5,625,000	935,230	6,560,230	1,615,000	595,704	2,210,704	22,015,734	6,701,318	28,717,052
2019	6,190,000	754,505	6,944,505	1,665,000	545,691	2,210,691	22,952,405	5,761,306	28,713,711
2020	6,130,000	559,094	6,689,094	1,720,000	490,514	2,210,514	22,125,000	4,786,036	26,911,036
2021	5,550,000	362,321	5,912,321	1,785,000	432,067	2,217,067	19,995,000	3,820,427	23,815,427
2022	5,245,000	188,894	5,433,894	1,860,000	371,136	2,231,136	18,290,000	2,944,449	21,234,449
2023	-	-	-	1,930,000	305,412	2,235,412	10,285,000	2,218,793	12,503,793
2024	-	-	-	2,010,000	232,566	2,242,566	10,080,000	1,816,682	11,896,682
2025	-	-	-	2,095,000	152,772	2,247,772	9,270,000	1,429,356	10,699,356
2026	-	-	-	2,105,000	71,785	2,176,785	8,990,000	1,058,482	10,048,482
2027	-	-	-	815,000	15,610	830,610	7,235,000	714,170	7,949,170
2028	-	-	-	-	-	-	3,760,000	468,715	4,228,715
2029	-	-	-	-	-	-	3,715,000	296,958	4,011,958
2030	-	-	-	-	-	-	2,160,000	167,773	2,327,773
2031	-	-	-	-	-	-	1,815,000	88,248	1,903,248
2032	-	-	-	-	-	-	790,000	39,185	829,185
2033	-	-	-	-	-	-	815,000	13,244	828,244
	<u>\$ 50,775,000</u>	<u>\$ 7,803,674</u>	<u>\$ 58,578,674</u>	<u>\$ 23,550,000</u>	<u>\$ 6,052,956</u>	<u>\$ 29,602,956</u>	<u>\$ 248,688,283</u>	<u>\$ 67,589,313</u>	<u>\$ 316,277,596</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:

	<u>Interest Rate %</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
<b>Water and wastewater</b>					
Revenue bonds:					
Series 2005	2.75-4.50	2005	2025	5,725,000	\$ -
Series 2005-A	3.5-4.25	2005	2025	10,230,000	-
Series 2006	4.0-5.5	2006	2026	4,840,000	210,000
Series 2006-A	4.25-4.375	2006	2027	6,625,000	5,245,000
Series 2007	4.0-4.50	2007	2027	15,845,000	12,255,000
Series 2008	3.5-5.50	2009	2029	4,940,000	4,285,000
Series 2010	0.0-2.587	2010	2030	4,995,000	4,425,000
Series 2011	2.0-4.25	2011	2031	8,940,000	6,740,000
Series 2011A	2.0-5.0	2011	2031	11,020,000	10,440,000
Series 2012	0	2012	2015	495,000	330,000
Series 2013	2.0-4.0	2013	2026	14,045,000	14,045,000
Series 2013A	0.0-0.31	2013	2019	1,805,000	1,805,000
Total revenue bonds					<u>59,780,000</u>
Premiums/discounts, net					1,271,207
Compensated absences					249,542
Total water and wastewater long-term debt					<u>61,300,749</u>
<b>Solid waste</b>					
Closure and post closure liability	N/A	N/A	N/A	N/A	5,993,696
Compensated absences	N/A	N/A	N/A	N/A	73,775
Total solid waste long-term debt					<u>6,067,471</u>
<b>Municipal airport</b>					
Certificates of obligation bonds:					
Series 2004A	2.25-5.0	2004	2024	2,120,000	1,695,000
Compensated absences	N/A	N/A	N/A	N/A	35,250
Total municipal airport long-term debt					<u>1,730,250</u>
<b>Municipal golf</b>					
General obligation bonds:					
Series 2007	4.0-4.50	2007	2019	1,482,000	1,126,718
Series 2011A	2.0-5.0	2011	2025	1,170,000	1,010,000
Series 2012	1.0-2.0	2012	2026	125,000	125,000
Total general obligation bonds					<u>2,261,718</u>
Certificate of obligation bonds:					
Series 2006	4.0-5.50	2006	2026	153,750	5,000
Total certificate of obligation bonds					<u>5,000</u>
Premiums/discounts, net	N/A	N/A	N/A	N/A	101,578
Compensated absences	N/A	N/A	N/A	N/A	44,396
Total municipal golf long-term debt					<u>2,412,692</u>
<b>Storm Water</b>					
Compensated absences					6,384
Total business-type activities' long-term debt					<u>\$ 71,517,546</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, 2012	Borrowings or Increase	Payments or Decrease	Balance September 30, 2013	Due Within One Year
<b>Water and wastewater</b>					
Revenue bonds:					
Series 2005	\$ 4,220,000	\$ -	\$ (4,220,000)	\$ -	\$ -
Series 2005-A	7,450,000	-	(7,450,000)	-	-
Series 2006	3,915,000	-	(3,705,000)	210,000	210,000
Series 2006-A	5,500,000	-	(255,000)	5,245,000	270,000
Series 2007	12,890,000	-	(635,000)	12,255,000	660,000
Series 2008	4,460,000	-	(175,000)	4,285,000	180,000
Series 2010	4,620,000	-	(195,000)	4,425,000	205,000
Series 2011	7,850,000	-	(1,110,000)	6,740,000	815,000
Series 2011A	11,020,000	-	(580,000)	10,440,000	885,000
Series 2012	-	495,000	(165,000)	330,000	165,000
Series 2013	-	14,045,000	-	14,045,000	210,000
Series 2013A	-	1,805,000	-	1,805,000	300,000
Total revenue bonds	61,925,000	16,345,000	(18,490,000)	59,780,000	3,900,000
Premiums/discount, net	530,343	812,099	(71,235)	1,271,207	-
Compensated absences	221,704	309,048	(281,210)	249,542	249,542
Total water and wastewater long-term debt	62,677,047	17,466,147	(18,842,445)	61,300,749	4,149,542
<b>Solid waste</b>					
Closure and post closure liability	5,616,238	377,458	-	5,993,696	-
Compensated absences	78,986	95,122	(100,333)	73,775	73,775
Total solid waste long-term debt	5,695,224	472,580	(100,333)	6,067,471	73,775
<b>Municipal airport</b>					
Certificate of obligation bonds:					
Series 2004A	1,810,000	-	(115,000)	1,695,000	120,000
Compensated absences	36,800	21,258	(22,808)	35,250	19,315
Total municipal airport long-term debt	1,846,800	21,258	(137,808)	1,730,250	139,315
<b>Municipal golf</b>					
General obligation bonds:					
Series 2007	1,254,543	-	(127,825)	1,126,718	169,152
Series 2011A	1,080,000	-	(70,000)	1,010,000	70,000
Series 2012	-	125,000	-	125,000	-
Total general obligation bonds	2,334,543	125,000	(197,825)	2,261,718	239,152
Certificate of obligation bonds:					
Series 2006	130,000	-	(125,000)	5,000	5,000
Total certificate of obligation bonds	130,000	-	(125,000)	5,000	5,000
Premiums/discount, net	106,023	3,937	(8,382)	101,578	-
Compensated absences	44,005	47,390	(46,999)	44,396	41,841
Total municipal golf long-term debt	2,614,571	176,327	(378,206)	2,412,692	285,993
<b>Storm water</b>					
Compensated absences	16,856	11,458	(21,930)	6,384	6,384
Total business-type activities' long-term debt	\$ 72,850,498	\$ 18,147,770	\$ (19,480,722)	\$ 71,517,546	\$ 4,655,009

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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(i) Water and Wastewater System Debt

On October 16, 2012 the City issued \$495,000 in Water and Wastewater System Revenue Bonds, New Series 2012, and \$87,000 in a Loan Forgiveness Agreement with the Texas Water Development Board. 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.

On March 19, 2013 the City issued \$14,045,000 in Water and Wastewater System Revenue Refunding Bonds, New Series 2013. The proceeds were used to refund Water and Wastewater Revenue System Bonds.

On June 18, 2013 the City issued \$1,805,000 in Water and Wastewater System Revenue Bonds, New Series 2013A, and \$274,431 in a Loan Forgiveness Agreement with the Texas Water Development Board. 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.

The refunding bonds mentioned above were used to refund \$14,480,000 of prior issued debt. The proceeds of the refunding bonds provided resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded 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 2013. This current refunding was undertaken to reduce total debt service payments over the next thirteen years by approximately \$1,887,849 and to obtain an economic gain of \$1,801,904.

- Defeased Debt Outstanding

At September 30, 2013, 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>
Water Wastewater Revenue Series 2006	\$ 3,505,000
	<u>\$ 3,505,000</u>

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.

**CITY OF GRAND PRAIRIE, TEXAS**  
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The following covenants are included in each of the various water and wastewater system revenue bond indenture ordinances:

- Net revenues (defined as gross revenues less expenses of operation and maintenance) are pledged for the payment of bond principal and interest.
- Additional water and wastewater system revenue bonds cannot be issued unless the “net earnings” (defined as gross revenues after deducting the expenses of operation and maintenance, excluding depreciation and certain other items specified in the ordinances) of the system for 12 consecutive months out of the 15 months prior to the date of such bonds is equal to at least 1.25 times the average annual requirements for the payment of principal and interest on the then outstanding bonds and any additional bonds then proposed to be issued.

All revenues derived from the operations must be kept separate from other funds of the City.

- The amount required to meet interest and principal payments falling due on or before the next maturity dates of the bonds is to be paid into the water and wastewater system interest and redemption account during each year.

At September 30, 2013, 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>
2014	\$ 3,900,000	\$ 2,013,427	\$ 5,913,427
2015	4,010,000	1,901,534	5,911,534
2016	4,140,000	1,774,438	5,914,438
2017	4,265,000	1,647,331	5,912,331
2018	4,475,000	1,510,955	5,985,955
2019	4,770,000	1,354,922	6,124,922
2020	4,365,000	1,193,089	5,558,089
2021	4,535,000	1,028,188	5,563,188
2022	4,710,000	854,678	5,564,678
2023	4,355,000	689,967	5,044,967
2024	4,385,000	540,850	4,925,850
2025	3,820,000	396,670	4,216,670
2026	2,795,000	271,337	3,066,337
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>\$ 59,780,000</u>	<u>\$ 15,501,027</u>	<u>\$ 75,281,027</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, 2013, compliance with this requirement can be demonstrated as follows:

Revenue (1)	\$ 59,217,904
Operating expense (excluding depreciation):	
Water purchased	10,924,656
Sewage disposal contract	11,790,989
Other	<u>18,131,097</u>
Total expense (2)	40,846,742
Available for debt service	\$ 18,371,162
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2013	\$ 4,182,279
Coverage of average annual requirements based on September 30, 2013 revenue available for debt service	4.39

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

(2) Excludes depreciation expense.

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

Municipal Golf Course long-term debt consists of general obligation refunding bonds issued in 2007, 2011, and 2012, certificates of obligation bonds issued in 2006 used to finance the construction of the Prairie Lakes 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>
2014	\$ 239,152	\$ 88,867	\$ 328,019
2015	261,200	81,015	342,215
2016	273,248	72,727	345,975
2017	286,257	63,992	350,249
2018	294,266	54,497	348,763
2019	307,595	36,205	343,800
2020	105,000	20,270	125,270
2021	110,000	15,720	125,720
2022	115,000	11,760	126,760
2023	120,000	7,600	127,600
2024	125,000	2,900	127,900
2025	10,000	400	10,400
2026	15,000	150	15,150
Total	<u>\$ 2,261,718</u>	<u>\$ 456,103</u>	<u>\$ 2,717,821</u>

Certificate of Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 5,000	\$ 138	\$ 5,138
Total	<u>\$ 5,000</u>	<u>\$ 138</u>	<u>\$ 5,138</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 of the 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>
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>\$ 1,695,000</u>	<u>\$ 494,000</u>	<u>\$ 2,189,000</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% depending on longevity. Beginning January 1, 2011, semi-annual retirements of the Bonds began and continues through January 1, 2034. The bonds are non-recourse liabilities collateralized solely by the land and construction in progress, less the accrued interest.

A summary of long-term debt activity during the fiscal year ended December 31, 2012 follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Note payable	\$ 2,302,334		\$ (43,003)	\$ 2,259,331	\$ 48,715
Line of Credit	138,812		(20,000)	118,812	118,812
Revenue bonds	8,490,000		(150,000)	8,340,000	160,000
Subordinate bonds	4,550,000			4,550,000	-
Developer loan	1,133,215	41,759		1,174,974	-
Total	<u>\$ 16,614,361</u>	<u>\$ 41,759</u>	<u>\$ (213,003)</u>	<u>\$ 16,443,117</u>	<u>\$ 327,527</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
2013	\$ 48,715	\$ 139,902	\$ 160,000	\$ 640,306
2014	49,492	137,420	175,000	628,119
2015	52,676	136,878	190,000	614,619
2016	56,064	133,660	200,000	600,181
2017	59,670	130,233	220,000	584,619
2018-2022	1,992,714	504,637	1,365,000	2,642,016
2023-2027	-	-	2,005,000	2,011,319
2028-2032	-	-	2,925,000	1,084,225
2033-2034	-	-	1,100,000	85,444
Total	<u>\$ 2,259,331</u>	<u>\$ 1,182,730</u>	<u>\$ 8,340,000</u>	<u>\$ 8,890,848</u>

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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, 2012, 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	1,438,942
2003 Re-Offering Senior Living Center Priority	8,630,000	8,340,000
2003 Re-Offering Senior Living Center Subordinate	<u>4,550,000</u>	<u>4,550,000</u>
	Total	<u>\$ 14,328,942</u>

4) 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 849 administered by TMRS, an agent multiple-employer public employee retirement system.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at [www.TMRS.com](http://www.TMRS.com).

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,

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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. Plan provisions for the City were as follows:

	<u>Plan Year 2012</u>	<u>Plan Year 2013</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/25	60/5, 0/25
Updated Service Credit	100% Repeating Transfers	100% Repeating Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

**Contributions** – Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

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

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

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<u>Actuarial Valuation Date</u>	December 31, 2012	December 31, 2011	December 31, 2010
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	25.1 Years/Closed	26.1 Years/Closed	27.1 Years/Closed
Amortization Period for new	30 Years	30 Years	30 Years
Gains/Losses			
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Investment Rate of Return	7.0%	7.0%	7.0%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and 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)

Note: The TMRS Board of Trustees has adopted a 10-year smoothing method with a 10% 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 funded status as of December 31, 2012, the most recent actuarial valuation date, is presented 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>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2012	\$349,460,132	\$405,074,405	\$ 55,614,273	86.3%	\$ 66,435,664	83.7%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death

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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 2012	Plan Year 2013
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 2013, 2012, and 2011 were \$20,363, \$19,803, and \$20,495, 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
2010	0.03%	0.03%	100%
2011	0.03%	0.03%	100%
2012	0.03%	0.03%	100%

5) 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

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- 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.

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**Opt-outs / Payment-in-lieu / Reimbursements**

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

**Types of Coverage Offered**

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

**Employee / Retiree 2013 Monthly Health Care Premiums (Employee Pays Portion)**

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



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<u>Group</u>	<u>Monthly Health Care Premium</u>
<b>Over 65 Retiree (Grandfathered by Age)</b>	
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

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	\$ 2,418,429
Interest on OPEB obligation	166,918
Adjustment to ARC	<u>(151,293)</u>
Annual OPEB cost (expense) end of year	2,434,054
Net estimated employer contributions	<u>1,442,328</u>
Increase in net OPEB obligation	991,726
Net OPEB obligation as of beginning of the year	<u>3,709,278</u>
Net OPEB obligation (asset) as of end of the year	<u><u>\$ 4,701,004</u></u>

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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:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost</b>	<b>Net OPEB Obligation</b>
2011	\$2,122,449	52.4%	\$2,824,044
2012	2,306,748	61.6%	3,709,278
2013	2,434,053	59.3%	4,701,004

**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, 2013 is as follows:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll</b>	<b>UAAL as a % of Payroll</b>
9/30/2013	-	\$ 32,048,413	\$ 32,048,413	0%	\$63,065,199	50.80%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$32,048,413 at September 30, 2013.

**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:

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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.

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
09/30/13	\$ 2,418,429	\$ 1,442,328	\$ 166,918	\$ 151,293	24.5200	\$ 2,434,054	\$ 991,726	\$ 4,701,004

**6) 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 \$5,993,696 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 38.99% of the estimated capacity of the landfill.

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The City will recognize the remaining estimated cost of closure and post closure care of \$9,505,447 as the remaining estimated capacity is filled. The City expects to close the landfill in year 2037. Actual cost may be higher or lower due to inflation, changes in technology or changes in regulations.

7) Environmental Remediation Obligations

The City has recorded a liability and an asset related to environmental remediation in the amount of \$0, on the Statement of Net Position 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 in 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 2013 was as follows:

Property Description	Beginning Balance 9/30/2012	Additions	Reductions	Ending Balance 9/30/2013	Current Portion
Fire Station #1 510-516 West Main St	\$160,504	\$ -	\$ 160,504	\$ -	\$ -
100 Block West Church St	2,384	-	2,384	-	-
<b>Total</b>	<b>\$162,888</b>	<b>\$ -</b>	<b>\$ 162,888</b>	<b>\$ -</b>	<b>\$ -</b>

8) Other Liabilities

The liability amount to developer is scheduled to be repaid from Tax Increment Financing District Fund in four payments. Each payment will be made when the requirements of the agreement are met during the prior twelve month period.

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The liability amount to the State Comptroller of Texas is being repaid from future sales tax revenue over the next 14 years. The liability is for sales tax previously allocated to the City, but determined, though taxpayer audits, to be due back to the taxpayer.

Liability to Outlet Mall Developer	\$ 4,000,000
Liability to state comptroller office	<u>2,104,023</u>
Total Other Liabilities	<u>\$ 6,104,023</u>

**c. Fund Equity, Net Position, and Fund Balance**

1) Fund Equity

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

2) Net Position: Net Investment in Capital Assets

This component of net position is reported in the proprietary fund financial statements and in the government-wide financial statements and consists of capital assets net of accumulated depreciation, capital-related deferred outflows of resources and capital-related borrowings and deferred inflows of resources.

3) Net Position: Restricted

This component of net position reports funds with limitations imposed on their use through third-party (statutory, bond covenant or granting agency).

4) Net Position: Unrestricted

This component of net position is reported in the proprietary fund financial statements and in the government-wide financial statements and represents the difference between assets, deferred outflows/inflows resources and liabilities that is not reported in Net Investment in Capital Assets or Net Position 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.

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- 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 or Resolution 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 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 or Resolution 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.

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	General Fund	Section 8	Street Improvements	Debt Service	Non Major Capital Projects Funds	Non Major Special Revenue Funds	Total
<b>FUND BALANCES:</b>							
<b>Nonspendable:</b>							
Pre-paids	\$ 3,545	\$ -	\$ -	\$ -	\$ -	\$ 41,103	\$ 44,648
<b>Spendable:</b>							
<b>Restricted for:</b>							
Section 8	-	3,345,436	-	-	-	-	3,345,436
Street Improvements	-	-	21,277,997	-	-	-	21,277,997
Debt Service	-	-	-	9,051,355	-	-	9,051,355
Fire Capital	-	-	-	-	6,113,130	-	6,113,130
Park Venue	-	-	-	-	-	9,988,920	9,988,920
Senior Center	-	-	-	-	-	3,345,853	3,345,853
Hotel Motel	-	-	-	-	-	1,402,389	1,402,389
Police seizure	-	-	-	-	-	825,900	825,900
Tax Increment Financing	-	-	-	-	-	4,971,136	4,971,136
Lake/Parks	-	-	-	-	-	3,020,811	3,020,811
Baseball stadium	-	-	-	-	-	1,344,309	1,344,309
Streets	-	-	-	-	-	2,905,189	2,905,189
Crime fund operations	-	-	-	-	-	5,153,025	5,153,025
Cemetery	-	-	-	-	-	610,470	610,470
Grants	-	-	-	-	-	2,784,447	2,784,447
Other purposes	-	-	-	-	-	1,198,634	1,198,634
Other Special Revenue	-	-	-	-	-	2,499,119	2,499,119
Public Improvement Districts	-	-	-	-	-	1,425,934	1,425,934
<b>Total Restricted</b>	<b>-</b>	<b>3,345,436</b>	<b>21,277,997</b>	<b>9,051,355</b>	<b>6,113,130</b>	<b>41,476,136</b>	<b>81,264,054</b>
<b>Committed to:</b>							
Municipal Facilities	-	-	-	-	2,369,235	-	2,369,235
CAP Lending	-	-	-	-	8,868,934	-	8,868,934
Drainage Capital	-	-	-	-	8,055,315	-	8,055,315
Other Capital projects	-	-	-	-	8,963,814	-	8,963,814
Pool Investment	130,240	-	-	-	-	-	130,240
Cemetery	-	-	-	-	-	685,074	685,074
Economic Development	-	-	-	-	-	50,411	50,411
<b>Total Committed</b>	<b>130,240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,257,298</b>	<b>735,485</b>	<b>29,123,023</b>
<b>Assigned to:</b>							
Encumbrances	186,320	-	-	-	-	-	186,320
Home Match Cash Fund	108,257	-	-	-	-	-	108,257
Employee Welfare	41,661	-	-	-	-	-	41,661
Library Memorials	22,645	-	-	-	-	-	22,645
At Risk Youths	37,021	-	-	-	-	-	37,021
Impact Grand Prairie	592	-	-	-	-	-	592
Anti Drug Program	12,596	-	-	-	-	-	12,596
Greg Hunter Scholarship	51,765	-	-	-	-	-	51,765
Police Memorials	6,984	-	-	-	-	-	6,984
Shattered Dreams	1,896	-	-	-	-	-	1,896
State Training (Police)	7,200	-	-	-	-	-	7,200
Animal Shelter Contributions	281,936	-	-	-	-	-	281,936
Parks Education Foundation	7,826	-	-	-	-	-	7,826
Westchester Park	12,740	-	-	-	-	-	12,740
Uptown Trust	95,268	-	-	-	-	-	95,268
First Offender Program	15,666	-	-	-	-	-	15,666
Kirby Creek Accessibility Garden	51,480	-	-	-	-	-	51,480
Take a Load Off Facility	224,647	-	-	-	-	-	224,647
US Marshals Service Agreement	105,496	-	-	-	-	-	105,496
Baseball Repair & Maintenance	65,000	-	-	-	-	-	65,000
<b>Total Assigned</b>	<b>1,336,996</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,336,996</b>
<b>Unassigned</b>	<b>27,346,027</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,346,027</b>
<b>Total fund balances:</b>	<b>\$28,816,808</b>	<b>\$3,345,436</b>	<b>\$ 21,277,997</b>	<b>\$ 9,051,355</b>	<b>\$ 34,370,428</b>	<b>\$ 42,252,724</b>	<b>\$ 139,114,748</b>

**CITY OF GRAND PRAIRIE, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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**d. Interfund Transactions**

The composition of interfund balances as of September 30, 2013, 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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</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 and Internal Service Funds for temporary funding of reimbursement.



**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

2) Interfund Transfers

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

	Transfers In				Nonmajor Governmental Funds
	General Fund	Section 8	Street Improvements	Debt Service	
<u>Transfers out:</u>					
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 10,732,539
Section 8	-	-	-	50,000	-
Street Improvements	-	-	-	-	18,436
Debt Service	-	-	-	-	-
Nonmajor					
Governmental Funds	-	17,500	6,187,894	105,000	2,037,172
Water/wastewater	-	-	-	-	2,755,369
Nonmajor					
Enterprise Funds	-	-	-	-	4,707,474
<b>Total</b>	<b>\$ -</b>	<b>\$ 17,500</b>	<b>\$ 6,187,894</b>	<b>\$ 155,000</b>	<b>\$ 20,250,990</b>

	Transfers In				Total
	Water Wastewater	Municipal Golf	Solid Waste	Risk Fund	
<u>Transfers out:</u>					
General Fund	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 11,732,539
Section 8	-	-	-	-	50,000
Street Improvements	-	-	-	-	18,436
Debt Service	-	301,732	-	-	301,732
Nonmajor					
Governmental Funds	1,373,000	397,280	-	-	10,117,846
Water/wastewater	-	-	-	-	2,755,369
Nonmajor					
Enterprise Funds	-	-	-	-	4,707,474
<b>Total</b>	<b>\$ 1,373,000</b>	<b>\$ 699,012</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 29,683,396</b>

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

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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subsidies or matching funds for various grant programs, and (4) move capital assets from one fund to another.

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	\$ 3,114,517
Solid Waste Funds	330,296
Section 8 Housing Grant Fund	164,578
Storm Water Funds	73,324
Airport Fund	55,921
Other Nonmajor Governmental Funds	<u>332,740</u>
Total to General Fund	<u>\$ 4,071,376</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	\$ 2,193,657
Solid Waste Funds	313,381
Storm Water Funds	<u>215,300</u>
Total	<u>\$ 2,722,338</u>

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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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 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	\$ 1,197,062
Solid Waste Funds	79,474
Total	<u>\$ 1,276,536</u>

**e. Leases**

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

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.

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.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

<u>Year</u>	<u>Amount</u>
2014	\$ 1,597,200
2015	1,597,200
2016	1,597,200
2017	1,716,990
2018	1,756,920
Thereafter	<u>16,081,674</u>
	24,347,184
Less interest	<u>9,772,641</u>
Net present value	<u>14,574,543</u>
Less current portion	<u>462,759</u>
Non-current portion	<u>\$ 14,111,784</u>

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, 2013 was \$3,630,538. 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, 2013 as follows:

Nominal interest on the lease	\$ 1,599,600
Amortization of the lease	<u>(427,732)</u>
Net interest	1,171,868
Contingent rentals received (includes rent for simulcast facility prior to completion of project)	<u>217,080</u>
Total lease rental and interest	<u>\$ 1,388,948</u>

#### **4. CONTRACTS, COMMITMENTS AND CONTINGENT LIABILITIES**

a. Federal Grants

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

b. Litigation

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

c. Water Intake Facility Contract

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

d. Water Purchase Contracts

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

A contract with the City of Fort Worth, effective until the year 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 GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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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 2013. 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.

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. On April 1, 2011 Grand Prairie Baseball Club L.L.C. (GPBC) assumed the amended lease.

Stadium Sublease - From the effective date of the amended lease agreement through March 31, 2016, GPBC shall pay to the City a base rent of \$8,333 each month. If gross revenues for a lease year exceed \$2 million, GPBC shall pay an additional base rent of \$50,000. If gross revenues for a lease year exceed \$2.5 million, GPBC shall pay an additional base rent of \$100,000. From April 1, 2016 through the expiration or termination of this Sublease, GPBC shall pay to the City a base rent of \$16,667 each month.

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.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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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, 2013. 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.

h. Contingent Liabilities

In October 2013, the City's Public Works Department discovered that a water line was unplugged without the City's knowledge. As a result, it is estimated that the City has been using water of a neighboring city. The City is currently working to determine when this may have started, the hydraulic implications to both systems and the appropriate settlement for past water use.

On January 24, 2014, the City's Environmental Service Department discovered asbestos present in one of the City's office buildings. City management started the assessment process for the remediation and fiscal impact required. At the date of this report, estimates for a potential liability has not been established, therefore, there is no environmental related remediation liability accrued in this financial report.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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**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 position:</u>	
Current assets	\$ 2,372,282
Capital assets	9,877,599
Total assets	<u>12,249,881</u>
Current liabilities	448,936
Long-term liabilities	1,590,935
Total liabilities	<u>2,039,871</u>
Net position: Net investment in capital assets	8,182,599
Net position: Unrestricted	2,027,411
Total net position	<u>\$ 10,210,010</u>
<u>Condensed statement of revenues, expenses and changes in net position:</u>	
Sales to customers	\$ 1,687,109
Intergovernmental revenue	530,291
Miscellaneous	1,282,648
Total operating revenues	<u>3,500,048</u>
Depreciation	547,726
Other operating expenses	2,024,467
Total operating expenses	<u>2,572,193</u>
Loss on property disposition	(133,409)
Interest expense	(83,110)
Total nonoperating revenues (expenses)	<u>(216,519)</u>
Income before transfers	711,336
Transfers out	<u>(528,000)</u>
Change in net position	183,336
Net position at the beginning of the year	10,026,674
Net position at the end of the year	<u>\$ 10,210,010</u>
<u>Condensed statement of cash flows:</u>	
Net cash provided (used) by:	
Operating activities	\$ 1,456,423
Noncapital financing activities	(528,000)
Capital and related financing activities	(1,117,947)
Beginning cash and cash equivalent balances	622,208
Ending cash and cash equivalent balances	<u>\$ 432,684</u>



**CITY OF GRAND PRAIRIE, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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**6. SUBSEQUENT EVENTS**

On October 15, 2013 the City Council issued:

- \$2,220,000 in General Obligation Bonds, Series 2013A. The proceeds are to be used to fund street improvements.
- \$11,945,000 in Combination Tax and Revenue Certificates, Series 2013A. The proceeds are to be used to fund public safety, library, street, and other City structure improvements.

The City has evaluated all other events or transactions that occurred after September 30, 2013 up through March 3, 2014, the date the financial statements were available to be issued.

**7. CHANGE IN ACCOUNTING PRINCIPLES**

The GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on City's net position.

There is no effect of the change on beginning net position/fund balance at both the government-wide and fund levels.

The GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities, to improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

GASB concluded that debt issuance costs should be recognized as an outflow of resources in the reporting period in which they are incurred.

The effect of the change on beginning net positions of Governmental Activities and Business-Type Activities is listed below.

	Governmental Activities	Business-Type Activities
Beginning Net Position, as previously reported	\$ 422,209,582	\$ 215,573,038
Cumulative effect of change in accounting principle	(2,400,226)	(1,053,782)
Beginning Net Position, as restated	<u>\$ 419,809,356</u>	<u>\$ 214,519,256</u>

**CITY OF GRAND PRAIRIE, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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The GASB concluded that refunding debt gain/loss, the difference resulting from a current refunding, or an advance refunding, relates to future periods, and meets the definition of a deferred outflow of resources or a deferred inflow of resources, as applicable.

Loss on refunding debt was presented as Long-term debt in statement of net position. From 2013, loss on refunding debt is presented as deferred charges on refunding under deferred outflows of resources in statement of net position. There is no effect of change on beginning net positions of Governmental Activities and Business-Type Activities with this change.



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# REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF GRAND PRAIRIE, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	
<b>REVENUES</b>				
Property tax	\$ 43,311,923	\$ 43,311,923	\$ 44,109,200	\$ 797,277
Sales tax	23,189,393	23,189,393	24,499,912	1,310,519
Other taxes	204,553	204,553	215,234	10,681
Franchise fees	12,677,392	12,677,392	12,761,696	84,304
Charges for goods and services	4,355,135	4,355,135	5,107,012	751,877
Licenses and permits	2,126,504	2,126,504	2,613,439	486,935
Fines and forfeitures	5,753,804	5,753,804	6,935,918	1,182,114
Intergovernmental revenue	786,197	786,197	560,986	(225,211)
General and administrative	4,064,260	4,064,260	4,071,376	7,116
Investment income	900,791	900,791	426,338	(474,453)
Rents and royalties	350,000	350,000	327,695	(22,305)
Other	365,451	365,451	693,037	327,586
Total revenues	<u>98,085,403</u>	<u>98,085,403</u>	<u>102,321,843</u>	<u>4,236,440</u>
<b>EXPENDITURES</b>				
Current:				
Support services	14,684,347	13,812,114	12,020,318	1,791,796
Public safety services	63,002,349	63,909,757	63,614,878	294,879
Recreation and leisure services	1,746,804	1,841,218	1,785,968	55,250
Development and other services	11,815,039	11,954,851	11,815,802	139,049
Capital outlay	<u>1,134,763</u>	<u>1,099,918</u>	<u>1,033,229</u>	<u>66,689</u>
Total expenditures	<u>92,383,302</u>	<u>92,617,858</u>	<u>90,270,195</u>	<u>2,347,663</u>
Excess of revenues over expenditures	<u>5,702,101</u>	<u>5,467,545</u>	<u>12,051,648</u>	<u>6,584,103</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(11,893,378)	(11,901,862)	(11,732,539)	169,323
Proceeds from sale of capital assets	575,000	575,000	583,943	8,943
Total other financing sources (uses)	<u>(11,318,378)</u>	<u>(11,326,862)</u>	<u>(11,148,596)</u>	<u>178,266</u>
Net change in fund balances	(5,616,277)	(5,859,317)	903,052	6,762,369
Fund balances - beginning of year	<u>27,913,756</u>	<u>27,913,756</u>	<u>27,913,756</u>	<u>-</u>
Fund balances - end of year	<u>\$ 22,297,479</u>	<u>\$ 22,054,439</u>	<u>\$ 28,816,808</u>	<u>\$ 6,762,369</u>

**CITY OF GRAND PRAIRIE, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – SECTION 8 FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budget		Actual GAAP Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for goods and service	\$ 74,132	\$ 78,676	\$ 78,849	\$ 173
Licenses and permits	198,741	193,451	193,451	-
Intergovernmental revenue	23,695,609	24,169,020	24,156,289	(12,731)
Investment income	10,000	10,000	10,000	-
Contributions	-	10,250	10,250	-
Other	58,639	102,520	97,025	(5,495)
Total revenues	24,037,121	24,563,917	24,545,864	(18,053)
<b>EXPENDITURES</b>				
Current operations:				
Development services and other	23,928,435	25,407,712	25,412,652	(4,940)
Capital outlay	77,500	25,000	-	25,000
Total expenditures	24,005,935	25,432,712	25,412,652	20,060
Excess (deficiency) of revenues over (under) expenditures	31,186	(868,795)	(866,788)	2,007
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	17,500	17,500	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	(50,000)	(32,500)	(32,500)	-
Net change in fund balances	(18,814)	(901,295)	(899,288)	2,007
Fund balances - beginning of year	4,244,724	4,244,724	4,244,724	-
Fund balances - end of year	\$ 4,225,910	\$ 3,343,429	\$ 3,345,436	\$ 2,007

**CITY OF GRAND PRAIRIE, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL)</b>	<b>(3) Percentage Funded (1)/(2)</b>	<b>(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>(6) Unfunded Actuarial Accrued Liability (UAAL) as a Percentage of Covered Payroll (4)/(5)</b>
12/31/2003	\$ 142,198,405	\$ 177,576,317	80.1%	\$ 35,377,912	\$ 49,764,580	71.1%
12/31/2004	152,470,087	187,718,712	81.2%	35,248,625	52,997,624	66.5%
12/31/2005	157,030,678	194,053,949	80.9%	37,023,271	53,849,572	68.8%
12/31/2006	167,101,197	208,328,802	80.2%	41,227,605	56,817,617	72.6%
12/31/2007	174,692,032	252,870,914	69.1%	78,178,882	61,880,950	126.3%
12/31/2008	184,115,536	270,661,623	68.0%	86,546,087	67,018,137	129.1%
12/31/2009	195,807,917	283,654,428	69.0%	87,846,511	66,030,734	133.0%
12/31/2010	299,459,271	365,426,666	81.9%	65,967,395	65,426,278	100.8%
12/31/2011	323,972,818	385,345,197	84.1%	61,372,379	64,693,060	94.9%
12/31/2012	349,460,132	405,074,405	86.3%	55,614,273	66,435,664	83.7%

Ten 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 2013. This information can be referred to in separately issued financial reports of the pension fund.

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

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<b>Fiscal Year</b>	<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Liability (AAL) Unit Credit Method</b>	<b>Unfunded Actuarial Liability (UAL)</b>	<b>Funded Percent</b>	<b>Covered Payroll</b>	<b>UAL as a % of Payroll</b>
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%
2013	9/30/2013	-	32,048,413	32,048,413	0%	63,065,199	50.82%



# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



**CITY OF GRAND PRAIRIE, TEXAS  
MAJOR FUND OTHER SCHEDULES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budget		Actual GAAP Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 16,652,861	\$ 16,648,382	\$ 16,841,515	\$ 193,133
Investment income	-	300	292	(8)
Total revenues	16,652,861	16,648,682	16,841,807	193,125
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	9,698,175	9,698,175	9,698,175	-
Interest	6,597,139	6,155,434	5,936,294	219,140
Total expenditures	16,295,314	15,853,609	15,634,469	219,140
Excess (deficiency) of revenue over (under) expenditures	357,547	795,073	1,207,338	412,265
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	155,000	155,000	155,000	-
Transfers out	(301,732)	(301,732)	(301,732)	-
Premium on debt issued	-	737,761	737,761	-
Refunding bond issued	-	15,080,000	15,080,000	-
Payments for refunded debt	-	(15,405,484)	(15,405,484)	-
Total other financing sources (uses)	(146,732)	265,545	265,545	-
Net change in fund balances	210,815	1,060,618	1,472,883	412,265
Fund balances - beginning of year	7,578,472	7,578,472	7,578,472	-
Fund balances - end of the year	<u>\$ 7,789,287</u>	<u>\$ 8,639,090</u>	<u>\$ 9,051,355</u>	<u>\$ 412,265</u>



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**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING FINANCIAL STATEMENTS  
NON-MAJOR GOVERNMENTAL FUNDS**

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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, an 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. Approved by the Grand Prairie voters, an 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.
- ◆ 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. All funds received are restricted for the operation of these parks by the lease agreement with U. S. Corps of Engineers
- ◆ Baseball Stadium Fund – accounts for the operation of City's baseball stadium. Approved by the Grand Prairie voters, an one-eighth cent sales and use tax was levied for the benefit of the Baseball stadium.
- ◆ Street Sales Tax Fund – accounts for the quarter cent sales tax to maintain existing streets and alleys that was effective April 1, 2002.
- ◆ Crime Tax Sales Tax Fund – accounts for the Crime Tax Sales Tax revenue collected by the City. Approved by the Grand Prairie voters, an one-quarter cent sales and use tax.
- ◆ 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 collection of Juvenile Case Manager Fee paid by defendants and 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 or certificate obligation bond issues and other restricted, and committed 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.
- ◆ Other Capital Projects Funds – accounts for the activities of other capital projects including Crime Tax CIP fund, 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, 2013**

	<b>Special Revenue Funds</b>			
	<b>Other Special Revenue Funds</b>	<b>Park Venue</b>	<b>Senior Center Sales Tax</b>	<b>Hotel Motel Tax</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 850,964	\$ 5,052,631	\$ 261,031	\$ 727,129
Investments	2,123,855	4,823,344	2,550,000	530,000
Sales tax receivable	-	1,069,644	534,822	-
Franchise fees receivable	-	-	-	-
Other receivables	246,669	38,851	-	191,459
Due from other governments	-	-	-	-
Prepaid items	-	13,903	-	-
<b>Total assets</b>	<u>3,221,488</u>	<u>10,998,373</u>	<u>3,345,853</u>	<u>1,448,588</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	220,380	622,645	-	26,617
Accrued liabilities	451,578	185,582	-	19,582
Due to funds	-	-	-	-
Customer deposits	-	31,500	-	-
Unearned revenue	-	155,823	-	-
<b>Total liabilities</b>	<u>671,958</u>	<u>995,550</u>	<u>-</u>	<u>46,199</u>
<b>FUND BALANCES</b>				
Nonspendable	-	13,903	-	-
Restricted	2,499,119	9,988,920	3,345,853	1,402,389
Committed	50,411	-	-	-
<b>Total fund balances</b>	<u>2,549,530</u>	<u>10,002,823</u>	<u>3,345,853</u>	<u>1,402,389</u>
<b>Total liabilities and fund balances</b>	<u>\$ 3,221,488</u>	<u>\$ 10,998,373</u>	<u>\$ 3,345,853</u>	<u>\$ 1,448,588</u>

<b>Police Seizure</b>	<b>Municipal Court</b>	<b>Cable Operations</b>	<b>Tax Increment Financing Districts</b>	<b>Lake Parks</b>
\$ 879,992	\$ 359,576	\$ 269,462	\$ 4,571,136	\$ 901,938
50,000	-	200,000	400,000	2,272,298
-	-	-	-	-
-	-	68,174	-	-
20,553	-	-	-	-
-	-	-	-	-
-	-	-	-	27,200
<u>950,545</u>	<u>359,576</u>	<u>537,636</u>	<u>4,971,136</u>	<u>3,201,436</u>
23,324	1,158	2,273	-	50,132
101,321	1,970	1,950	-	35,293
-	-	-	-	-
-	-	-	-	-
-	-	-	-	68,000
<u>124,645</u>	<u>3,128</u>	<u>4,223</u>	<u>-</u>	<u>153,425</u>
-	-	-	-	27,200
825,900	356,448	533,413	4,971,136	3,020,811
-	-	-	-	-
<u>825,900</u>	<u>356,448</u>	<u>533,413</u>	<u>4,971,136</u>	<u>3,048,011</u>
<u>\$ 950,545</u>	<u>\$ 359,576</u>	<u>\$ 537,636</u>	<u>\$ 4,971,136</u>	<u>\$ 3,201,436</u>

(continued)

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013**

	<b>Special Revenue Funds</b>			
	<b>Baseball Stadium</b>	<b>Street Sales Tax</b>	<b>Crime Sales Tax</b>	<b>Cemetery</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 209,811	\$ 1,966,087	\$ 500,866	\$ 1,463,542
Investments	600,000	700,000	3,600,000	700,000
Sales tax receivable	534,822	1,069,644	1,052,159	-
Franchise fees receivable	-	-	-	-
Other receivables	-	-	-	237,254
Due from other governments	-	-	-	-
Prepaid expenditures	-	-	-	-
<b>Total assets</b>	<b>1,344,633</b>	<b>3,735,731</b>	<b>5,153,025</b>	<b>2,400,796</b>
<b>LIABILITIES</b>				
Accounts payable	324	823,725	-	193,999
Accrued liabilities	-	6,817	-	31,164
Due to funds	-	-	-	-
Customer deposits	-	-	-	-
Unearned revenue	-	-	-	880,089
<b>Total liabilities</b>	<b>324</b>	<b>830,542</b>	<b>-</b>	<b>1,105,252</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	1,344,309	2,905,189	5,153,025	610,470
Committed	-	-	-	685,074
<b>Total fund balances</b>	<b>1,344,309</b>	<b>2,905,189</b>	<b>5,153,025</b>	<b>1,295,544</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,344,633</b>	<b>\$ 3,735,731</b>	<b>\$ 5,153,025</b>	<b>\$ 2,400,796</b>

<b>Grants</b>	<b>CDBG</b>	<b>PID</b>	<b>Juvenile Case Manager</b>	<b>Total Special Revenue Funds</b>
\$ 628,008	\$ 43,888	\$ 1,588,943	\$ 313,905	\$ 20,588,909
1,000,000	-	-	-	19,549,497
-	-	-	-	4,261,091
-	-	-	-	68,174
-	186,227	5,472	-	926,485
2,316,359	5,166	-	-	2,321,525
-	-	-	-	41,103
<u>3,944,367</u>	<u>235,281</u>	<u>1,594,415</u>	<u>313,905</u>	<u>47,756,784</u>
363,379	25,845	168,481	2,087	2,524,369
138,144	10,901	-	3,045	987,347
-	100,000	-	-	100,000
-	-	-	-	31,500
<u>658,397</u>	<u>98,535</u>	<u>-</u>	<u>-</u>	<u>1,860,844</u>
<u>1,159,920</u>	<u>235,281</u>	<u>168,481</u>	<u>5,132</u>	<u>5,504,060</u>
-	-	-	-	41,103
2,784,447	-	1,425,934	308,773	41,476,136
-	-	-	-	735,485
<u>2,784,447</u>	<u>-</u>	<u>1,425,934</u>	<u>308,773</u>	<u>42,252,724</u>
<u>\$ 3,944,367</u>	<u>\$ 235,281</u>	<u>\$ 1,594,415</u>	<u>\$ 313,905</u>	<u>\$ 47,756,784</u>

(continued)



**CITY OF GRAND PRAIRIE, TEXAS  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2013**

	<b>Capital Projects Funds</b>			
	<b>Senior Center</b>	<b>Fire Capital</b>	<b>Municipal Facilities MFAC</b>	<b>Capital Lending Reserve</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 23,620	\$ 657,953	\$ 630,947	\$ 601,327
Investments	50,000	5,458,927	1,800,000	8,200,000
Sales tax receivable	-	-	-	-
Franchise tax receivable	-	-	-	-
Other receivables	-	-	-	67,607
Due from other governments	-	-	-	-
Prepaid expenditures	-	-	-	-
<b>Total assets</b>	<u>73,620</u>	<u>6,116,880</u>	<u>2,430,947</u>	<u>8,868,934</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	-	3,750	61,712	-
Accrued liabilities	-	-	-	-
Due to funds	-	-	-	-
Customer deposits	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>3,750</u>	<u>61,712</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	6,113,130	-	-
Committed	73,620	-	2,369,235	8,868,934
<b>Total fund balances</b>	<u>73,620</u>	<u>6,113,130</u>	<u>2,369,235</u>	<u>8,868,934</u>
<b>Total liabilities, fund balances</b>	<u>\$ 73,620</u>	<u>\$ 6,116,880</u>	<u>\$ 2,430,947</u>	<u>\$ 8,868,934</u>

<b>Drainage</b>	<b>Other Capital Projects Funds</b>	<b>Total Capital Projects Funds</b>	<b>Total Non-major Governmental Funds</b>
\$ 326,279	\$ 3,346,990	\$ 5,587,116	\$ 26,176,025
8,171,184	5,960,381	29,640,492	49,189,989
-	-	-	4,261,091
-	-	-	68,174
-	-	67,607	994,092
-	-	-	2,321,525
-	-	-	41,103
<u>8,497,463</u>	<u>9,307,371</u>	<u>35,295,215</u>	<u>83,051,999</u>
427,323	416,803	909,588	3,433,957
14,825	374	15,199	1,002,546
-	-	-	100,000
-	-	-	31,500
-	-	-	1,860,844
<u>442,148</u>	<u>417,177</u>	<u>924,787</u>	<u>6,428,847</u>
-	-	-	41,103
-	-	6,113,130	47,589,266
8,055,315	8,890,194	28,257,298	28,992,783
<u>8,055,315</u>	<u>8,890,194</u>	<u>34,370,428</u>	<u>76,623,152</u>
<u>\$ 8,497,463</u>	<u>\$ 9,307,371</u>	<u>\$ 35,295,215</u>	<u>\$ 83,051,999</u>

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Special Revenue Funds</b>			
	<b>Other Special Revenue Funds</b>	<b>Park Venue</b>	<b>Senior Center Sales Tax</b>	<b>Hotel Motel Tax</b>
<b>REVENUES</b>				
Property tax	\$ -	\$ -	\$ -	\$ -
Sales tax	-	6,223,346	3,111,672	-
Other taxes	-	-	-	1,273,637
Charges for goods and service	-	2,730,067	-	8,204
Licenses and permits	-	-	-	-
Fines and forfeitures	2,461,285	-	-	-
Intergovernment	-	-	-	-
Rents and royalties	980,166	568,958	-	-
Investment income	-	-	-	-
Contributions	-	1,093,999	-	-
Other	-	16,804	-	13,936
Total revenues	<u>3,441,451</u>	<u>10,633,174</u>	<u>3,111,672</u>	<u>1,295,777</u>
<b>EXPENDITURES</b>				
Current operations:				
Support services	-	-	-	1,054,234
Public safety services	2,375,442	-	-	-
Recreation and leisure services	-	12,432,414	-	-
Development services	28,750	-	-	-
Capital outlay	25,115	910,930	-	14,482
Debt service:				
Principal retirement	880,000	1,235,000	765,000	-
Interest charges	75,313	1,111,955	143,035	-
Total expenditures	<u>3,384,620</u>	<u>15,690,299</u>	<u>908,035</u>	<u>1,068,716</u>
Excess (deficiency) of revenues over (under) expenditures	<u>56,831</u>	<u>(5,057,125)</u>	<u>2,203,637</u>	<u>227,061</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	7,865,757	-	-
Transfers out	(21,423)	(545,809)	-	(91,500)
Premium on bonds issued	-	717,001	-	-
Bonds issued	-	-	-	-
Refunding bonds issued	-	11,060,000	-	-
Payment to refunded bond escrow agent	-	(11,574,895)	-	-
Total other financing sources (uses)	<u>(21,423)</u>	<u>7,522,054</u>	<u>-</u>	<u>(91,500)</u>
Net change in fund balances	35,408	2,464,929	2,203,637	135,561
Fund balances - beginning of year	<u>2,514,122</u>	<u>7,537,894</u>	<u>1,142,216</u>	<u>1,266,828</u>
Fund balances - end of year	<u>\$ 2,549,530</u>	<u>\$ 10,002,823</u>	<u>\$ 3,345,853</u>	<u>\$ 1,402,389</u>

<b>Police Seizure</b>	<b>Municipal Court</b>	<b>Cable Operations</b>	<b>Tax Increment Financing Districts</b>	<b>Lake Parks</b>
\$ -	\$ -	\$ -	\$ 10,661,590	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	2,439,299
-	-	-	-	177,179
-	312,799	-	-	-
267,217	-	-	-	-
-	-	-	-	914,437
1,085	-	-	-	-
-	-	-	-	375
9,429	-	294,138	-	130,064
<u>277,731</u>	<u>312,799</u>	<u>294,138</u>	<u>10,661,590</u>	<u>3,661,354</u>
-	-	173,920	1,948,495	-
241,662	180,726	-	-	-
-	-	-	-	3,041,956
-	-	-	-	-
206,335	15,069	17,737	6,000,000	480,131
-	-	-	1,834,000	-
-	-	-	793,003	-
<u>447,997</u>	<u>195,795</u>	<u>191,657</u>	<u>10,575,498</u>	<u>3,522,087</u>
(170,266)	117,004	102,481	86,092	139,267
-	-	-	1,408,307	9,000
-	-	-	(4,588,869)	-
-	-	-	172,503	-
-	-	-	2,820,000	-
-	-	-	1,155,000	-
-	-	-	(1,175,660)	-
-	-	-	(208,719)	9,000
(170,266)	117,004	102,481	(122,627)	148,267
<u>996,166</u>	<u>239,444</u>	<u>430,932</u>	<u>5,093,763</u>	<u>2,899,744</u>
<u>\$ 825,900</u>	<u>\$ 356,448</u>	<u>\$ 533,413</u>	<u>\$ 4,971,136</u>	<u>\$ 3,048,011</u>

(continued)

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Special Revenue Funds</b>			
	<b>Baseball Stadium</b>	<b>Street Sales Tax</b>	<b>Crime Sales Tax</b>	<b>Cemetery</b>
<b>REVENUES</b>				
Property tax	\$ -	\$ -	\$ -	\$ -
Sales tax	3,111,672	6,223,345	6,089,780	-
Other taxes	-	-	-	-
Charges for goods and service	-	54,048	-	758,559
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernment	-	-	-	-
Rents and royalties	-	-	-	-
Investment income	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total revenues	<u>3,111,672</u>	<u>6,277,393</u>	<u>6,089,780</u>	<u>758,559</u>
<b>EXPENDITURES</b>				
Current operations:				
Support services	-	-	-	-
Public safety services	-	-	-	-
Recreation and leisure services	137,673	-	-	590,007
Development services	-	7,643,963	-	-
Capital outlay	1,047,490	-	-	285,384
Debt service:				
Principal retirement	1,660,000	-	2,600,000	-
Interest charges	100,404	-	594,840	-
Total expenditures	<u>2,945,567</u>	<u>7,643,963</u>	<u>3,194,840</u>	<u>875,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>166,105</u>	<u>(1,366,570)</u>	<u>2,894,940</u>	<u>(116,832)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	1,476,536	-	-
Transfers out	-	-	-	(105,000)
Premium on debt issued	-	-	-	-
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,476,536</u>	<u>-</u>	<u>(105,000)</u>
Net change in fund balances	166,105	109,966	2,894,940	(221,832)
Fund balances - beginning of year	<u>1,178,204</u>	<u>2,795,223</u>	<u>2,258,085</u>	<u>1,517,376</u>
Fund balances - end of year	<u>\$ 1,344,309</u>	<u>\$ 2,905,189</u>	<u>\$ 5,153,025</u>	<u>\$ 1,295,544</u>

Grants	CDBG	PID	Juvenile Case Manager	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 10,661,590
-	-	-	-	24,759,815
-	-	-	-	1,273,637
1,843	-	2,424,952	-	8,416,972
-	-	-	-	177,179
-	-	-	208,966	2,983,050
8,010,912	2,132,793	-	-	10,410,922
-	-	-	-	2,463,561
-	-	55	-	1,140
-	-	3,712	-	1,098,086
120,344	-	6,718	-	591,433
<u>8,133,099</u>	<u>2,132,793</u>	<u>2,435,437</u>	<u>208,966</u>	<u>62,837,385</u>
1,851	-	-	-	3,178,500
2,186,833	-	-	158,411	5,143,074
227,715	-	-	-	16,429,765
640,573	2,115,293	1,828,534	-	12,257,113
6,765,172	-	141,422	-	15,909,267
-	-	265,000	-	9,239,000
-	-	72,453	-	2,891,003
<u>9,822,144</u>	<u>2,115,293</u>	<u>2,307,409</u>	<u>158,411</u>	<u>65,047,722</u>
<u>(1,689,045)</u>	<u>17,500</u>	<u>128,028</u>	<u>50,555</u>	<u>(2,210,337)</u>
743,835	-	183,296	-	11,686,731
(2,000,314)	(17,500)	(16,000)	-	(7,386,415)
-	-	-	-	889,504
-	-	-	-	2,820,000
-	-	-	-	12,215,000
<u>(1,256,479)</u>	<u>(17,500)</u>	<u>167,296</u>	<u>-</u>	<u>7,474,265</u>
<u>(2,945,524)</u>	<u>-</u>	<u>295,324</u>	<u>50,555</u>	<u>5,263,928</u>
<u>5,729,971</u>	<u>-</u>	<u>1,130,610</u>	<u>258,218</u>	<u>36,988,796</u>
<u>\$2,784,447</u>	<u>\$ -</u>	<u>\$ 1,425,934</u>	<u>\$ 308,773</u>	<u>\$ 42,252,724</u>

(continued)

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Capital Project Funds</b>			
	<b>Senior Center</b>	<b>Fire Capital</b>	<b>Municipal Facilities MFAC</b>	<b>Capital Lending Reserve</b>
<b>REVENUES</b>				
Property tax	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-
Other taxes	-	-	-	-
Franchise fees	-	-	-	50,000
Charges for goods and service	-	-	-	-
Licenses and permits	-	3,569	-	-
Fines and forfeitures	-	-	-	-
Intergovernment	-	-	-	-
Rents and royalties	-	-	-	386,720
Investment income	-	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>3,569</u>	<u>-</u>	<u>436,720</u>
<b>EXPENDITURES</b>				
Current operations:				
Support services	-	-	-	-
Public safety services	-	284,356	-	-
Recreation and leisure services	6,337	-	-	-
Development services	-	-	543,137	-
Capital outlay	33,512	1,326,952	521,165	-
Debt service:				
Principal retirement	-	-	-	-
Interest charges	-	71,136	41,469	-
Total expenditures	<u>39,849</u>	<u>1,682,444</u>	<u>1,105,771</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,849)</u>	<u>(1,678,875)</u>	<u>(1,105,771)</u>	<u>436,720</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	15,050	37,673	1,103,863
Transfers out	-	-	(573,536)	(1,000,000)
Premium on debt issued	-	-	-	-
Bonds issued	-	3,794,170	2,211,815	-
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>3,809,220</u>	<u>1,675,952</u>	<u>103,863</u>
Net change in fund balances	(39,849)	2,130,345	570,181	540,583
Fund balances - beginning of year	113,469	3,982,785	1,799,054	8,328,351
Fund balances - end of year	<u>\$ 73,620</u>	<u>\$ 6,113,130</u>	<u>\$ 2,369,235</u>	<u>\$ 8,868,934</u>

<b>Drainage</b>	<b>Other Capital Projects Funds</b>	<b>Total Capital Projects Funds</b>	<b>Total Non-major Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 10,661,590
-	-	-	24,759,815
-	-	-	1,273,637
-	-	50,000	50,000
-	16,321	16,321	8,433,293
-	-	3,569	180,748
-	-	-	2,983,050
-	-	-	10,410,922
-	-	386,720	2,850,281
-	-	-	1,140
-	-	-	1,098,086
-	2,345	2,345	593,778
-	18,666	458,955	63,296,340
-	-	-	3,178,500
-	14,977	299,333	5,442,407
-	-	6,337	16,436,102
1,313,417	2,338,032	4,194,586	16,451,699
1,366,076	1,774,645	5,022,350	20,931,617
-	-	-	9,239,000
-	42,523	155,128	3,046,131
2,679,493	4,170,177	9,677,734	74,725,456
(2,679,493)	(4,151,511)	(9,218,779)	(11,429,116)
3,800,000	3,607,673	8,564,259	20,250,990
(97,892)	(1,060,003)	(2,731,431)	(10,117,846)
-	-	-	889,504
-	2,404,581	8,410,566	11,230,566
-	-	-	12,215,000
-	-	-	(12,750,555)
3,702,108	4,952,251	14,243,394	21,717,659
1,022,615	800,740	5,024,615	10,288,543
7,032,700	8,089,454	29,345,813	66,334,609
\$ 8,055,315	\$ 8,890,194	\$ 34,370,428	\$ 76,623,152
			(concluded)





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**CITY OF GRAND PRAIRIE, TEXAS  
INDIVIDUAL FUND SCHEDULES  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL SCHEDULES**

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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, an 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, an 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.
- ◆ Lake Parks – accounts for the activity of the 4 major parks surrounding Joe Pool Lake. All funds received are restricted for the operation of these parks by the lease agreement with U. S. Corps of Engineers
- ◆ Crime Tax Sales Tax Fund – accounts for the Crime Sales Tax revenue collected by the City. Approved by the Grand Prairie voters, an one-quarter cent sales and use tax.
- ◆ Cemetery Fund- accounts for the Memorial Gardens operations and related revenues received by the City.
- ◆ Juvenile Case Manager Fund- accounts for the collection of Juvenile Case Manager Fee paid by defendants and the salary and benefits of a juvenile case manager employed under Article 45.056 Texas Code of Criminal Procedure.

**CITY OF GRAND PRAIRIE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – PARK VENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budget		Actual GAAP Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Sales tax	\$ 5,797,348	\$ 6,132,823	\$ 6,223,346	\$ 90,523
Charges for goods and services	2,612,526	2,764,356	2,730,067	(34,289)
Contributions	1,104,750	1,051,440	1,093,999	42,559
Rents and royalties	664,502	630,110	568,958	(61,152)
Other	-	16,825	16,804	(21)
Total revenues	10,179,126	10,595,554	10,633,174	37,620
<b>EXPENDITURES</b>				
Current operations:				
Recreation and leisure services	12,285,531	12,717,455	12,432,414	285,041
Capital outlay	57,500	774,389	910,930	(136,541)
Debt service:				
Principal retirement	1,235,000	1,235,000	1,235,000	-
Interest expense	1,008,716	1,219,836	1,111,955	107,881
Total expenditures	14,586,747	15,946,680	15,690,299	256,381
Deficiency of revenues under expenditures	(4,407,621)	(5,351,126)	(5,057,125)	294,001
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,965,448	7,912,092	7,865,757	(46,335)
Transfers out	(509,860)	(546,860)	(545,809)	1,051
Premium on refunding debt	-	717,001	717,001	-
Bond refunding issued	-	11,060,000	11,060,000	-
Payment for refunded debt	-	(11,574,895)	(11,574,895)	-
Total other financing sources	7,455,588	7,567,338	7,522,054	(45,284)
Net change in fund balances	3,047,967	2,216,212	2,464,929	248,717
Fund balances - beginning of year	7,537,894	7,537,894	7,537,894	-
Fund balances - end of year	\$ 10,585,861	\$ 9,754,106	\$ 10,002,823	\$ 248,717

**CITY OF GRAND PRAIRIE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – SENIOR CENTER SALES TAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	GAAP Basis	
<b>REVENUES</b>				
Sales tax	\$ 2,898,674	\$ 2,898,674	\$ 3,111,672	\$ 212,998
Total revenues	2,898,674	2,898,674	3,111,672	212,998
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	765,000	765,000	765,000	-
Interest expense	377,769	377,769	143,035	234,734
Total expenditures	1,142,769	1,142,769	908,035	234,734
Excess (deficiency) of revenues over (under) expenditures	1,755,905	1,755,905	2,203,637	447,732
Net change in fund balances	1,755,905	1,755,905	2,203,637	447,732
Fund balances - beginning of year	1,142,216	1,142,216	1,142,216	-
Fund balances - end of year	\$ 2,898,121	\$ 2,898,121	\$ 3,345,853	\$ 447,732

**CITY OF GRAND PRAIRIE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – HOTEL/MOTEL TAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<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>
<b>REVENUES</b>				
Other taxes	\$ 1,125,350	\$ 1,125,350	\$ 1,273,637	\$ 148,287
Charges for goods and services	10,000	10,000	8,204	(1,796)
Other	15,200	15,200	13,936	(1,264)
Total revenues	<u>1,150,550</u>	<u>1,150,550</u>	<u>1,295,777</u>	<u>145,227</u>
<b>EXPENDITURES</b>				
Current operations:				
Support services	1,125,343	1,150,548	1,054,234	96,314
Capital outlay	81,710	100,000	14,482	85,518
Total expenditures	<u>1,207,053</u>	<u>1,250,548</u>	<u>1,068,716</u>	<u>181,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(56,503)</u>	<u>(99,998)</u>	<u>227,061</u>	<u>327,059</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(91,500)	(91,500)	(91,500)	-
Total other financing uses	<u>(91,500)</u>	<u>(91,500)</u>	<u>(91,500)</u>	<u>-</u>
Net change in fund balances	(148,003)	(191,498)	135,561	327,059
Fund balances - beginning of year	1,266,828	1,266,828	1,266,828	-
Fund balances - end of year	<u>\$ 1,118,825</u>	<u>\$ 1,075,330</u>	<u>\$ 1,402,389</u>	<u>\$ 327,059</u>

**CITY OF GRAND PRAIRIE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – MUNICIPAL COURT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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	<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>
<b>REVENUES</b>				
Fines and forfeitures	\$ 222,909	\$ 222,909	\$ 312,799	\$ 89,890
Total revenues	<u>222,909</u>	<u>222,909</u>	<u>312,799</u>	<u>89,890</u>
<b>EXPENDITURES</b>				
Current operations:				
Public safety	189,766	215,314	180,726	34,588
Capital outlay	50,000	64,402	15,069	49,333
Total expenditures	<u>239,766</u>	<u>279,716</u>	<u>195,795</u>	<u>83,921</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,857)</u>	<u>(56,807)</u>	<u>117,004</u>	<u>173,811</u>
Net change in fund balances	(16,857)	(56,807)	117,004	173,811
Fund balances - beginning of year	<u>239,444</u>	<u>239,444</u>	<u>239,444</u>	<u>-</u>
Fund balances - end of year	<u>\$ 222,587</u>	<u>\$ 182,637</u>	<u>\$ 356,448</u>	<u>\$ 173,811</u>

**CITY OF GRAND PRAIRIE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – CABLE OPERATIONS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other	\$ 279,650	\$ 279,650	\$ 294,138	\$ 14,488
Total revenues	<u>279,650</u>	<u>279,650</u>	<u>294,138</u>	<u>14,488</u>
<b>EXPENDITURES</b>				
Current operations:				
Support services	201,582	210,732	173,920	36,812
Capital outlay	40,000	48,821	17,737	31,084
Total expenditures	<u>241,582</u>	<u>259,553</u>	<u>191,657</u>	<u>67,896</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,068</u>	<u>20,097</u>	<u>102,481</u>	<u>82,384</u>
Net change in fund balances	38,068	20,097	102,481	82,384
Fund balances - beginning of year	<u>430,932</u>	<u>430,932</u>	<u>430,932</u>	<u>-</u>
Fund balances - end of year	<u>\$ 469,000</u>	<u>\$ 451,029</u>	<u>\$ 533,413</u>	<u>\$ 82,384</u>

**CITY OF GRAND PRAIRIE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – LAKE PARKS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budget		Actual GAAP Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for goods and services	\$ 2,069,746	\$ 2,424,416	\$ 2,439,299	\$ 14,883
Licenses and permits	193,605	193,605	177,179	(16,426)
Rents and royalties	815,600	815,600	914,437	98,837
Contributions	80,000	375	375	-
Other	85,612	128,199	130,064	1,865
Total revenue	<u>3,244,563</u>	<u>3,562,195</u>	<u>3,661,354</u>	<u>99,159</u>
<b>EXPENDITURES</b>				
Current operations:				
Recreation and leisure services	2,821,316	3,051,097	3,041,956	9,141
Capital outlay	197,000	282,700	480,131	(197,431)
Total expenditures	<u>3,018,316</u>	<u>3,333,797</u>	<u>3,522,087</u>	<u>(188,290)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>226,247</u>	<u>228,398</u>	<u>139,267</u>	<u>(89,131)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	9,000	9,000	9,000	-
Total other financing sources (uses)	9,000	9,000	9,000	-
Net change in fund balances	235,247	237,398	148,267	(89,131)
Fund balances - beginning of year	<u>2,899,744</u>	<u>2,899,744</u>	<u>2,899,744</u>	<u>-</u>
Fund balances - end of year	<u>\$3,134,991</u>	<u>\$ 3,137,142</u>	<u>\$ 3,048,011</u>	<u>\$ (89,131)</u>



**CITY OF GRAND PRAIRIE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – CRIME TAX SALES TAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<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>
<b>REVENUES</b>				
Sales tax	\$ 5,758,957	\$ 5,758,957	\$ 6,089,780	\$ 330,823
Total revenues	<u>5,758,957</u>	<u>5,758,957</u>	<u>6,089,780</u>	<u>330,823</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	2,600,000	2,600,000	2,600,000	-
Interest expense	1,393,705	1,393,705	594,840	798,865
Total expenditures	<u>3,993,705</u>	<u>3,993,705</u>	<u>3,194,840</u>	<u>798,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,765,252</u>	<u>1,765,252</u>	<u>2,894,940</u>	<u>1,129,688</u>
Net change in fund balances	1,765,252	1,765,252	2,894,940	1,129,688
Fund balances - beginning of year	<u>2,258,085</u>	<u>2,258,085</u>	<u>2,258,085</u>	<u>-</u>
Fund balances - end of year	<u>\$ 4,023,337</u>	<u>\$ 4,023,337</u>	<u>\$ 5,153,025</u>	<u>\$ 1,129,688</u>

**CITY OF GRAND PRAIRIE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – CEMETERY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<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>
<b>REVENUES</b>				
Charges for goods and services	\$ 743,700	\$ 755,262	\$ 758,559	\$ 3,297
Total revenues	<u>743,700</u>	<u>755,262</u>	<u>758,559</u>	<u>3,297</u>
<b>EXPENDITURES</b>				
Current operations:				
Recreation and leisure services	614,654	590,008	590,007	1
Capital outlay	<u>297,287</u>	<u>513,484</u>	<u>285,384</u>	<u>228,100</u>
Total expenditures	<u>911,941</u>	<u>1,103,492</u>	<u>875,391</u>	<u>228,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(168,241)</u>	<u>(348,230)</u>	<u>(116,832)</u>	<u>231,398</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(105,000)</u>	<u>(105,000)</u>	<u>(105,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(105,000)</u>	<u>(105,000)</u>	<u>(105,000)</u>	<u>-</u>
Net change in fund balances	<u>(273,241)</u>	<u>(453,230)</u>	<u>(221,832)</u>	<u>231,398</u>
Fund balances - beginning of year	<u>1,517,376</u>	<u>1,517,376</u>	<u>1,517,376</u>	<u>-</u>
Fund balances - end of year	<u><u>\$1,244,135</u></u>	<u><u>\$ 1,064,146</u></u>	<u><u>\$1,295,544</u></u>	<u><u>\$ 231,398</u></u>

**CITY OF GRAND PRAIRIE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL – JUVENILE CASE MANAGER FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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	<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>
<b>REVENUES</b>				
Fines and forfeitures	\$ 142,492	\$ 142,492	\$ 208,966	\$ 66,474
Total revenues	<u>142,492</u>	<u>142,492</u>	<u>208,966</u>	<u>66,474</u>
<b>EXPENDITURES</b>				
Current operations:				
Public safety	<u>161,190</u>	<u>161,190</u>	<u>158,411</u>	<u>2,779</u>
Total expenditures	<u>161,190</u>	<u>161,190</u>	<u>158,411</u>	<u>2,779</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,698)</u>	<u>(18,698)</u>	<u>50,555</u>	<u>69,253</u>
Net change in fund balances	(18,698)	(18,698)	50,555	69,253
Fund balances - beginning of year	<u>258,218</u>	<u>258,218</u>	<u>258,218</u>	<u>-</u>
Fund balances - end of year	<u>\$ 239,520</u>	<u>\$ 239,520</u>	<u>\$ 308,773</u>	<u>\$ 69,253</u>

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING FINANCIAL STATEMENTS  
NON-MAJOR ENTERPRISE FUNDS**

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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 Fund – accounts for the operations of the City's refuse collection and disposal services.

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
SEPTEMBER 30, 2013**

	<b>Municipal Airport</b>	<b>Municipal Golf</b>	<b>Storm Water Utility</b>	<b>Solid Waste</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 235,756	\$ 102,623	\$ 14,955	\$ 2,020,342	\$ 2,373,676
Investments	1,600,000	286,153	1,400,000	12,838,032	16,124,185
Accounts receivable, net	236,039	-	331,179	458,872	1,026,090
Due from other governments	31,148	-	-	-	31,148
Inventories and supplies	72,411	-	-	-	72,411
Current restricted assets:					
Cash and cash equivalents	196,928	-	-	-	196,928
Investments	-	255,747	-	-	255,747
Total current assets	<u>2,372,282</u>	<u>644,523</u>	<u>1,746,134</u>	<u>15,317,246</u>	<u>20,080,185</u>
Capital assets:					
Land	183,923	568,284	7,500	1,748,378	2,508,085
Buildings	5,959,760	1,854,835	-	1,764,513	9,579,108
Equipment	816,248	1,219,268	45,696	6,470,442	8,551,654
Infrastructure	8,217,838	9,931,537	4,712,067	10,348,823	33,210,265
Construction in progress	1,211,365	33,654	-	59,549	1,304,568
Less: accumulated depreciation	(6,511,535)	(8,340,033)	(3,127,909)	(7,950,415)	(25,929,892)
Total capital assets	<u>9,877,599</u>	<u>5,267,545</u>	<u>1,637,354</u>	<u>12,441,290</u>	<u>29,223,788</u>
Total assets	<u>12,249,881</u>	<u>5,912,068</u>	<u>3,383,488</u>	<u>27,758,536</u>	<u>49,303,973</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	16,805	99,327	52,800	457,687	626,619
Accrued liabilities	14,741	34,263	9,769	138,143	196,916
Accrued compensated absences	19,315	41,841	6,384	73,775	141,315
Unearned revenue	201,147	-	-	-	201,147
Current liabilities payable from restricted assets:					
Customer deposits	66,836	-	-	-	66,836
Accrued liabilities	10,092	11,595	-	-	21,687
Current portion of long-term debt	120,000	244,152	-	-	364,152
Total current liabilities	<u>448,936</u>	<u>431,178</u>	<u>68,953</u>	<u>669,605</u>	<u>1,618,672</u>
Noncurrent liabilities:					
Accrued compensated absences	15,935	2,555	-	-	18,490
Closure and post closure liability	-	-	-	5,993,696	5,993,696
Long-term debt	1,575,000	2,124,143	-	-	3,699,143
Total noncurrent liabilities	<u>1,590,935</u>	<u>2,126,698</u>	<u>-</u>	<u>5,993,696</u>	<u>9,711,329</u>
Total liabilities	<u>2,039,871</u>	<u>2,557,876</u>	<u>68,953</u>	<u>6,663,301</u>	<u>11,330,001</u>
<b>NET POSITION</b>					
Net investment in capital assets	8,182,599	2,899,250	1,637,354	12,441,290	25,160,493
Unrestricted	2,027,411	454,942	1,677,181	8,653,945	12,813,479
Total net position	<u>\$ 10,210,010</u>	<u>\$ 3,354,192</u>	<u>\$ 3,314,535</u>	<u>\$ 21,095,235</u>	<u>\$ 37,973,972</u>

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Municipal Airport</b>	<b>Municipal Golf</b>	<b>Storm Water Utility</b>	<b>Solid Waste</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>					
Sales to customers	\$ 1,687,109	\$ 2,260,506	\$ 5,382,452	\$ 10,573,052	\$ 19,903,119
Intergovernmental revenue	530,291	-	-	-	530,291
Miscellaneous	1,282,648	1,924	-	61,200	1,345,772
Total operating revenues	<u>3,500,048</u>	<u>2,262,430</u>	<u>5,382,452</u>	<u>10,634,252</u>	<u>21,779,182</u>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	357,724	1,090,860	464,621	2,061,430	3,974,635
Supplies and miscellaneous purchases	1,360,923	269,981	27,970	677,832	2,336,706
Purchased services	212,038	1,323,218	748,327	4,838,452	7,122,035
Miscellaneous	37,861	40,635	76,493	538,148	693,137
Depreciation	547,726	674,606	317,130	1,099,064	2,638,526
Franchise fees	-	-	215,300	313,381	528,681
General and administrative costs	55,921	-	73,324	330,296	459,541
Total operating expenses	<u>2,572,193</u>	<u>3,399,300</u>	<u>1,923,165</u>	<u>9,858,603</u>	<u>17,753,261</u>
Operating income (loss)	<u>927,855</u>	<u>(1,136,870)</u>	<u>3,459,287</u>	<u>775,649</u>	<u>4,025,921</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain (loss) on property disposition	(133,409)	8,556	-	38,512	(86,341)
Bond issuance costs	-	(1,961)	-	-	(1,961)
Interest expense	(83,110)	(92,994)	-	-	(176,104)
Total nonoperating revenues (expenses)	<u>(216,519)</u>	<u>(86,399)</u>	<u>-</u>	<u>38,512</u>	<u>(264,406)</u>
Income (loss) before transfers	711,336	(1,223,269)	3,459,287	814,161	3,761,515
Transfers in	-	699,012	-	-	699,012
Transfers out	(528,000)	-	(3,800,000)	(379,474)	(4,707,474)
Change in net position	<u>183,336</u>	<u>(524,257)</u>	<u>(340,713)</u>	<u>434,687</u>	<u>(246,947)</u>
Net position - beginning of year (as previously stated)	10,026,674	3,905,570	3,655,248	20,660,548	38,248,040
Cumulative effect of change in accounting principle	-	(27,121)	-	-	(27,121)
Restated Net position -beginning of year	<u>10,026,674</u>	<u>3,878,449</u>	<u>3,655,248</u>	<u>20,660,548</u>	<u>38,220,919</u>
Net position - end of year	<u>\$ 10,210,010</u>	<u>\$ 3,354,192</u>	<u>\$ 3,314,535</u>	<u>\$ 21,095,235</u>	<u>\$ 37,973,972</u>

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Municipal Airport	Municipal Golf	Storm Water Utility	Solid Waste	Total Nonmajor Enterprise Funds
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 3,004,916	\$ 2,262,430	\$ 5,387,969	\$ 10,671,802	\$ 21,327,117
Cash received from intergovernmental	512,805	-	-	-	512,805
Cash payments to suppliers for goods and services	(1,597,917)	(1,623,998)	(778,642)	(5,640,697)	(9,641,254)
Cash payments to employees for services	(357,966)	(1,080,830)	(472,140)	(2,063,688)	(3,974,624)
Cash payments to other funds for services	(80,389)	(2,735)	(320,655)	(861,827)	(1,265,606)
Other operating cash payments	(25,026)	(45,616)	(50,368)	(325,904)	(446,914)
Net cash provided by (used in) operating activities	<u>1,456,423</u>	<u>(490,749)</u>	<u>3,766,164</u>	<u>1,779,686</u>	<u>6,511,524</u>
<b>Cash flows from non-capital financing activities:</b>					
Transfers from other funds	-	699,012	-	-	699,012
Transfers to other funds	(528,000)	-	(3,800,000)	(379,474)	(4,707,474)
Net cash provided by (used in) non-capital financing activities	<u>(528,000)</u>	<u>699,012</u>	<u>(3,800,000)</u>	<u>(379,474)</u>	<u>(4,008,462)</u>
<b>Cash flows from capital and related financing activities:</b>					
Capital outlays	(919,263)	(33,654)	(25,492)	(1,253,748)	(2,232,157)
Proceeds from capital assets disposals	-	8,556	-	121,282	129,838
Interest paid on bonds and line of credit	(83,684)	(100,553)	-	-	(184,237)
Repayment of principal on bonds	(115,000)	(322,825)	-	-	(437,825)
Proceeds from issuance of bonds	-	125,000	-	-	125,000
Net cash used in capital and related financing activities	<u>(1,117,947)</u>	<u>(323,476)</u>	<u>(25,492)</u>	<u>(1,132,466)</u>	<u>(2,599,381)</u>
Net increase (decrease) in cash and cash equivalents	(189,524)	(115,213)	(59,328)	267,746	(96,319)
Cash and cash equivalents - beginning of year	622,208	217,836	74,283	1,752,596	2,666,923
Cash and cash equivalents - end of year	<u>\$ 432,684</u>	<u>\$ 102,623</u>	<u>\$ 14,955</u>	<u>\$ 2,020,342</u>	<u>\$ 2,570,604</u>
<b>Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:</b>					
Net operating income (loss)	\$ 927,855	\$ (1,136,870)	\$ 3,459,287	\$ 775,649	\$ 4,025,921
Adjustments to net operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	547,726	674,606	317,130	1,099,064	2,638,526
Provision for non-collectibles receivables	(3,815)	-	14,683	69,593	80,461
(Increase) decrease in other accounts receivable	26,814	-	(9,166)	(31,237)	(13,589)
Increase in inventories and supplies	(9,017)	-	-	-	(9,017)
Decrease in prepaids	-	11,562	-	-	11,562
Decrease in accounts payable	(13,449)	(43,475)	(6,026)	(334,010)	(396,960)
Increase (decrease) in accrued liabilities	(12,815)	3,037	728	206,644	197,594
Increase (decrease) in customer deposits	5,616	-	-	(806)	4,810
Decrease in unearned revenue	(10,942)	-	-	-	(10,942)
Increase (decrease) in compensated absences	(1,550)	391	(10,472)	(5,211)	(16,842)
Net cash provided by (used in) operating activities	<u>\$ 1,456,423</u>	<u>\$ (490,749)</u>	<u>\$ 3,766,164</u>	<u>\$ 1,779,686</u>	<u>\$ 6,511,524</u>
Unrestricted cash and cash equivalents-end of year	\$ 235,756	\$ 102,623	\$ 14,955	\$ 2,020,342	\$ 2,373,676
Restricted cash and cashequivalents-end of year	196,928	-	-	-	196,928
Total cash and cash equivalents -end of year	<u>\$ 432,684</u>	<u>\$ 102,623</u>	<u>\$ 14,955</u>	<u>\$ 2,020,342</u>	<u>\$ 2,570,604</u>

## COMBINING FINANCIAL STATEMENTS

### INTERNAL SERVICE FUNDS

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

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



**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2013**

	<b>Equipment Services</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 34,743	\$ 6,452,444	\$ 6,487,187
Investments	-	6,760,624	6,760,624
Prepays	-	22,083	22,083
Other receivables	7,822	22,767	30,589
Inventories and supplies	167,891	-	167,891
Current restricted assets:			
Cash and cash equivalents	-	176,946	176,946
 Total current assets	 <u>210,456</u>	 <u>13,434,864</u>	 <u>13,645,320</u>
Capital assets:			
Land	737,566	-	737,566
Buildings	1,477,875	-	1,477,875
Equipment	1,473,329	218,482	1,691,811
Infrastructure	16,672	-	16,672
Less: accumulated depreciation	(2,913,119)	(28,587)	(2,941,706)
Total noncurrent assets	<u>792,323</u>	<u>189,895</u>	<u>982,218</u>
Total assets	<u>1,002,779</u>	<u>13,624,759</u>	<u>14,627,538</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	26,817	30,493	57,310
Other accrued liabilities	24,573	4,362,198	4,386,771
Accrued compensated absences	25,587	8,194	33,781
Due to other funds	100,000	-	100,000
Total current liabilities	<u>176,977</u>	<u>4,400,885</u>	<u>4,577,862</u>
Noncurrent liabilities:			
Accrued compensated absences	-	1,915	1,915
Total noncurrent liabilities	<u>-</u>	<u>1,915</u>	<u>1,915</u>
Total liabilities	<u>176,977</u>	<u>4,402,800</u>	<u>4,579,777</u>
<b>NET POSITION</b>			
Net investment in capital assets	792,326	189,894	982,220
Unrestricted	33,476	9,032,065	9,065,541
Total net position	<u>\$ 825,802</u>	<u>\$ 9,221,959</u>	<u>\$ 10,047,761</u>

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Equipment Services</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>			
Sales to customers	\$ 4,758,357	\$ -	\$ 4,758,357
Insurance premiums	-	17,078,312	17,078,312
Miscellaneous	-	28,914	28,914
Total operating revenues	<u>4,758,357</u>	<u>17,107,226</u>	<u>21,865,583</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,011,948	167,974	1,179,922
Supplies and miscellaneous purchases	3,262,567	59,240	3,321,807
Purchased services	557,264	449,660	1,006,924
Insurance costs	-	16,299,723	16,299,723
Miscellaneous	30,721	129,777	160,498
Depreciation	35,128	16,208	51,336
Total operating expenses	<u>4,897,628</u>	<u>17,122,582</u>	<u>22,020,210</u>
Operating loss	<u>(139,271)</u>	<u>(15,356)</u>	<u>(154,627)</u>
<b>NONOPERATING REVENUES</b>			
Gain on property disposition	109,534	-	109,534
Total nonoperating revenues	<u>109,534</u>	<u>-</u>	<u>109,534</u>
Loss before contributions and transfers	(29,737)	(15,356)	(45,093)
Transfers in	-	1,000,000	1,000,000
Change in net position	<u>(29,737)</u>	<u>984,644</u>	<u>954,907</u>
Net position- beginning of year	<u>855,539</u>	<u>8,237,315</u>	<u>9,092,854</u>
Net position - end of year	<u>\$ 825,802</u>	<u>\$ 9,221,959</u>	<u>\$ 10,047,761</u>

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Equipment Services</u>	<u>Risk Management</u>	<u>Internal Service Funds</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 4,750,536	\$ 17,463,796	\$ 22,214,332
Cash paid to other funds for services	(30,300)	(128,001)	(158,301)
Cash payments to suppliers for goods and services	(3,824,819)	(16,581,145)	(20,405,964)
Cash payments to employees for services	(1,011,055)	(168,382)	(1,179,437)
Other operating cash (payments)	(18,843)	(2,598)	(21,441)
Net cash provided by (used in) operating activities	<u>(134,481)</u>	<u>583,670</u>	<u>449,189</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfers from other funds	-	1,000,000	1,000,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
<b>Cash flows from capital and related financing activities:</b>			
Capital outlays	-	(112,898)	(112,898)
Proceeds from capital assets disposals	109,534	-	109,534
Net cash provided by (used in) capital and related financing activities	<u>109,534</u>	<u>(112,898)</u>	<u>(3,364)</u>
<b>Cash flows from investing activities</b>			
Sale of investments	-	5,413,575	5,413,575
Purchase of investments	-	(6,413,575)	(6,413,575)
Net cash used in investing activities	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Net increase (decrease) in cash and cash equivalents	(24,947)	470,772	445,825
Cash and cash equivalents - beginning of year	59,690	6,158,618	6,218,308
Cash and cash equivalents - end of year	<u>\$ 34,743</u>	<u>\$ 6,629,390</u>	<u>\$ 6,664,133</u>
<b>Reconciliation of loss from operations to net cash provided by (used in) operating activities:</b>			
Net operating loss	\$ (139,271)	\$ (15,356)	\$ (154,627)
Adjustments to net operating loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	35,128	16,208	51,336
Change in assets and liabilities:			
Other accounts receivable	(7,821)	356,570	348,749
Inventories and supplies	(10,722)	-	(10,722)
Accounts payable	(12,688)	(134,384)	(147,072)
Increase in accrued liabilities	3,850	361,451	365,301
Net cash provided by (used in) operating activities	<u>\$ (134,481)</u>	<u>\$ 583,670</u>	<u>\$ 449,189</u>
Unrestricted cash and cash equivalents-end of year	\$ 34,743	\$ 6,452,444	\$ 6,487,187
Restricted cash and cashequivalents-end of year	<u>-</u>	<u>176,946</u>	<u>176,946</u>
Total cash and cash equivalents -end of year	<u>\$ 34,743</u>	<u>\$ 6,629,390</u>	<u>\$ 6,664,133</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, 2013**

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**Governmental funds capital assets:**

Land	\$ 39,375,317
Buildings	180,830,273
Equipment	85,746,275
Infrastructure	525,301,778
Construction in progress	<u>58,019,820</u>
Total governmental funds capital assets	<u><u>\$ 889,273,463</u></u>

**Investment in governmental funds capital assets by source:**

Capital projects funds	\$ 58,019,820
General fund	796,453,040
Special revenue funds	3,442,007
Private and other	<u>31,358,596</u>
Total investment	<u><u>\$ 889,273,463</u></u>

Note:

This schedule presents only the capital asset balances related to governmental 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, 2013**

<u>Function and Activity</u>	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
Support Services:					
City Council	\$ -	\$ 165,791	\$ 62,009	\$ -	\$ 227,800
City Manager	388,520	4,611,585	672,828	333,875	6,006,808
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	575,655	-	823,949
Information Systems	-	6,750	6,567,082	716,431	7,290,263
Finance	154,695	218,566	231,187	21,373,033	21,977,481
Total support services	<u>543,215</u>	<u>5,311,674</u>	<u>8,341,641</u>	<u>22,423,339</u>	<u>36,619,869</u>
Public Safety:					
Fire	1,084,723	12,023,760	14,192,241	1,398,629	28,699,353
Police	725,971	57,299,595	25,457,102	747,463	84,230,131
Environmental Health	132,862	3,754,122	869,615	191,883	4,948,482
Municipal Court	186,003	2,261,062	698,833	143,016	3,288,914
Total public safety	<u>2,129,559</u>	<u>75,338,539</u>	<u>41,217,791</u>	<u>2,480,991</u>	<u>121,166,880</u>
Recreation and Leisure:					
Parks and Recreation	15,759,971	64,129,895	11,210,485	60,922,109	152,022,460
Library	49,904	7,016,694	4,736,100	432,969	12,235,667
Total recreation and leisure	<u>15,809,875</u>	<u>71,146,589</u>	<u>15,946,585</u>	<u>61,355,078</u>	<u>164,258,127</u>
Development Services:					
Planning	-	143,332	52,500	67,940	263,772
Building inspections	-	-	335,092	-	335,092
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	18,931,030	1,042,655	917,846	247,728,818	268,620,349
Transportation	110,733	18,132	10,570,183	11,732,891	22,431,939
Streets	-	-	7,867,142	177,981,057	185,848,199
Contingency	1,138,167	27,549,120	-	-	28,687,287
Total development services	<u>20,892,668</u>	<u>29,033,471</u>	<u>20,240,258</u>	<u>439,042,370</u>	<u>509,208,767</u>
Total	<u>\$ 39,375,317</u>	<u>\$ 180,830,273</u>	<u>\$ 85,746,275</u>	<u>\$ 525,301,778</u>	<u>\$ 831,253,643</u>
Construction in Progress					<u>58,019,820</u>
Total governmental funds capital assets					<u>\$ 889,273,463</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, 2013**

<b>Function and Activity</b>	<b>Balance October 1, 2012</b>	<b>Additions/ Completions</b>	<b>Disposals/ Reclassifications</b>	<b>Balance September 30, 2013</b>
<b>Support Services:</b>				
City Council	\$ 63,608	\$ 164,192	\$ -	\$ 227,800
City Manager	5,643,344	363,464	-	6,006,808
Budget	49,949	-	-	49,949
City Secretary	83,944	-	-	83,944
City Attorney	159,675	-	-	159,675
Human Resources	846,639	-	(22,690)	823,949
Information Systems	7,078,030	212,233	-	7,290,263
Finance	21,657,574	319,907	-	21,977,481
Total support services	<u>35,582,763</u>	<u>1,059,796</u>	<u>(22,690)</u>	<u>36,619,869</u>
<b>Public Safety:</b>				
Fire	27,902,591	1,678,481	(881,719)	28,699,353
Police	81,845,226	2,908,632	(523,727)	84,230,131
Environmental Health	4,879,339	69,143	-	4,948,482
Municipal Court	3,187,472	101,442	-	3,288,914
Total public safety	<u>117,814,628</u>	<u>4,757,698</u>	<u>(1,405,446)</u>	<u>121,166,880</u>
<b>Recreation and Leisure:</b>				
Parks and Recreation	149,796,645	2,335,013	(109,198)	152,022,460
Library	11,989,773	254,794	(8,900)	12,235,667
Total recreation and leisure	<u>161,786,418</u>	<u>2,589,807</u>	<u>(118,098)</u>	<u>164,258,127</u>
<b>Development Services:</b>				
Planning	263,772	-	-	263,772
Building Inspection	342,835	58,816	(66,559)	335,092
Economic Development	523,124	-	-	523,124
Housing & Community Development	2,499,005	-	-	2,499,005
Public Works	250,560,586	18,074,862	(15,099)	268,620,349
Transportation	20,610,117	1,838,952	(17,130)	22,431,939
Streets	185,866,666	96,035	(114,502)	185,848,199
Contingency	28,693,407	-	(6,120)	28,687,287
Total development services	<u>489,359,512</u>	<u>20,068,665</u>	<u>(219,410)</u>	<u>509,208,767</u>
Construction in progress	51,821,889	19,083,162	(12,885,231)	58,019,820
Total governmental funds capital	<u>\$ 856,365,210</u>	<u>\$ 47,559,128</u>	<u>\$ (14,650,875)</u>	<u>\$ 889,273,463</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**

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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, 2013**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Rainy Day</u>	<u>Total Park Venue</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,242,328	\$ 810,303	\$ -	\$ 5,052,631
Investment	100,000	4,723,344	-	4,823,344
Sales tax receivable	1,069,644	-	-	1,069,644
Other receivable	38,851	-	-	38,851
Prepaid expenditures	13,903	-	-	13,903
Total assets	<u>5,464,726</u>	<u>5,533,647</u>	<u>-</u>	<u>10,998,373</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	465,378	157,267	-	622,645
Accrued liabilities	163,125	22,457	-	185,582
Customer deposits	31,500	-	-	31,500
Unearned revenue	155,823	-	-	155,823
Total liabilities	<u>815,826</u>	<u>179,724</u>	<u>-</u>	<u>995,550</u>
Fund Balance:				
Nonspendable	13,903	-	-	13,903
Restricted	4,634,997	5,353,923	-	9,988,920
Total fund balance	<u>4,648,900</u>	<u>5,353,923</u>	<u>-</u>	<u>10,002,823</u>
Total liabilities and fund balance	<u>\$ 5,464,726</u>	<u>\$ 5,533,647</u>	<u>\$ -</u>	<u>\$ 10,998,373</u>

**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
PARK VENUE FUND  
SEPTEMBER 30, 2013**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Rainy Day</u>	<u>Elimination</u>	<u>Total Park Venue</u>
<b>REVENUES</b>					
Sales tax	\$ 6,223,346	\$ -	\$ -	\$ -	\$ 6,223,346
Charges for goods and services	2,730,067	-	-	-	2,730,067
Rents and royalties	568,958	-	-	-	568,958
Contributions	93,999	1,000,000	-	-	1,093,999
Miscellaneous	16,804	-	-	-	16,804
Total revenues	<u>9,633,174</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>10,633,174</u>
<b>EXPENDITURES</b>					
Current operations:					
Recreation and leisure services	12,210,525	221,889	-	-	12,432,414
Capital outlay	177,884	733,046	-	-	910,930
Debt service:					
Principal retirement	1,235,000	-	-	-	1,235,000
Interest expense	1,111,955	-	-	-	1,111,955
Total expenditures	<u>14,735,364</u>	<u>954,935</u>	<u>-</u>	<u>-</u>	<u>15,690,299</u>
Deficiency of revenues under expenditures	<u>(5,102,190)</u>	<u>45,065</u>	<u>-</u>	<u>-</u>	<u>(5,057,125)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	6,883,148	3,650,000	-	(2,667,391)	7,865,757
Transfers out	(3,195,809)	-	(17,391)	2,667,391	(545,809)
Premium on debt issued	717,001	-	-	-	717,001
Refunding bond issued	11,060,000	-	-	-	11,060,000
Payment to refunded bond escrow agent	<u>(11,574,895)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,574,895)</u>
Total other financing sources	<u>3,889,445</u>	<u>3,650,000</u>	<u>(17,391)</u>	<u>-</u>	<u>7,522,054</u>
Change in fund balance	(1,212,745)	3,695,065	(17,391)	-	2,464,929
Fund balance - beginning of year	<u>5,861,645</u>	<u>1,658,858</u>	<u>17,391</u>	<u>-</u>	<u>7,537,894</u>
Fund balance - end of year	<u>\$ 4,648,900</u>	<u>\$ 5,353,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,002,823</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 POSITION  
WATER AND WASTEWATER FUND  
SEPTEMBER 30, 2013**

	<u>Operating</u>	<u>Debt Service</u>	<u>Water Capital Projects</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 9,750,222	\$ -	\$ 373,334
Investments	6,300,000	-	14,400,000
Accounts receivable, net	4,574,287	-	-
Inventories and supplies	427,962	-	-
Current restricted assets:			
Cash and cash equivalents	3,900,000	524,433	2,912,830
Investments	3,141,090	4,601,419	-
Total current assets	<u>28,093,561</u>	<u>5,125,852</u>	<u>17,686,164</u>
Capital assets:			
Land	1,653,621	-	-
Buildings	2,361,045	-	-
Equipment	19,303,457	-	-
Improvements other than buildings	285,615,797	-	-
Construction in progress	20,720,063	-	-
Less: accumulated depreciation	<u>(155,047,175)</u>	<u>-</u>	<u>-</u>
Total capital assets	<u>174,606,808</u>	<u>-</u>	<u>-</u>
Total assets	<u>202,700,369</u>	<u>5,125,852</u>	<u>17,686,164</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	148,417	-	-
Total deferred outflows of resources	<u>148,417</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,643,077	-	457,575
Accrued liabilities	266,064	-	179,995
Accrued compensated absences	249,542	-	-
Unearned revenue	361,431	-	-
Current liabilities payable from restricted assets:			
Customer deposits	3,141,090	-	-
Accrued liabilities	-	430,350	-
Current portion of long-term debt	<u>3,900,000</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>9,561,204</u>	<u>430,350</u>	<u>637,570</u>
Noncurrent liabilities:			
Long-term debt less the current portion	<u>57,151,208</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>57,151,208</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>66,712,412</u>	<u>430,350</u>	<u>637,570</u>
<b>NET POSITION</b>			
Net investment in capital assets	116,517,935	-	-
Restricted for debt service	-	4,695,502	-
Unrestricted	<u>19,618,439</u>	<u>-</u>	<u>17,048,594</u>
Total net position	<u>\$ 136,136,374</u>	<u>\$ 4,695,502</u>	<u>\$ 17,048,594</u>

<b>Rate Stabilization</b>	<b>Wastewater Capital Projects</b>	<b>Water/ Wastewater Projects</b>	<b>Water/ Wastewater Capital Reserve</b>	<b>Total Water Wastewater</b>
\$ 159,976	\$ 9,002,275	\$ 450,078	\$ -	\$ 19,735,885
3,168,432	165,273	3,100,000	-	27,133,705
-	-	-	-	4,574,287
-	-	-	-	427,962
-	-	-	-	7,337,263
-	-	-	-	7,742,509
<u>3,328,408</u>	<u>9,167,548</u>	<u>3,550,078</u>	<u>-</u>	<u>66,951,611</u>
-	-	-	-	1,653,621
-	-	-	-	2,361,045
-	-	-	-	19,303,457
-	-	-	-	285,615,797
-	-	-	-	20,720,063
-	-	-	-	(155,047,175)
-	-	-	-	174,606,808
<u>3,328,408</u>	<u>9,167,548</u>	<u>3,550,078</u>	<u>-</u>	<u>241,558,419</u>
-	-	-	-	148,417
-	-	-	-	148,417
-	221,027	-	-	2,321,679
-	176,289	-	-	622,348
-	-	-	-	249,542
-	-	-	-	361,431
-	-	-	-	3,141,090
-	-	-	-	430,350
-	-	-	-	3,900,000
-	397,316	-	-	11,026,440
-	-	-	-	57,151,208
-	-	-	-	57,151,208
-	397,316	-	-	68,177,648
-	-	-	-	116,517,935
-	-	-	-	4,695,502
<u>3,328,408</u>	<u>8,770,232</u>	<u>3,550,078</u>	<u>-</u>	<u>52,315,751</u>
<u>\$ 3,328,408</u>	<u>\$ 8,770,232</u>	<u>\$ 3,550,078</u>	<u>\$ -</u>	<u>\$ 173,529,188</u>

**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
WATER AND WASTEWATER FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Operating	Debt Service	Water Capital Projects	Rate Stabilization
<b>OPERATING REVENUES</b>				
Water charges to customers	\$ 33,686,226	\$ -	\$ -	\$ -
Wastewater charges to customers	21,384,096	-	-	-
Water and wastewater fees	1,709,556	-	-	-
Wastewater surcharges	684,472	-	-	-
Miscellaneous	354,692	-	-	-
Total operating revenue	<u>57,819,042</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	6,529,641	-	-	-
Supplies	928,054	-	16,638	-
Purchased services	3,927,003	-	456,032	-
Capital outlay	(13,428,804)	-	7,765,963	-
Water purchases	10,924,656	-	-	-
Wastewater treatment	11,790,989	-	-	-
Miscellaneous	603,878	-	-	-
Depreciation	14,681,552	-	-	-
Franchise fees	2,193,657	-	-	-
General and administrative costs	3,114,517	-	-	-
Principal payment on bonds	(4,445,000)	4,445,000	-	-
Total operating expense	<u>36,820,143</u>	<u>4,445,000</u>	<u>8,238,633</u>	<u>-</u>
Operating income (loss)	<u>20,998,899</u>	<u>(4,445,000)</u>	<u>(8,238,633)</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	-	-	4,242	-
Gain on property position	3,954	-	-	-
Bond issuance costs	(258,297)	-	-	-
Interest expense	78,057	(2,424,117)	-	-
Contribution to other government	-	-	(2,032,151)	-
Total nonoperating revenues (expenses)	<u>(176,286)</u>	<u>(2,424,117)</u>	<u>(2,027,909)</u>	<u>-</u>
Income (loss) before transfers and contributions	20,822,613	(6,869,117)	(10,266,542)	-
Capital contributions-impact fees	-	-	-	-
Capital contributions	1,195,057	-	-	-
Transfers in	-	6,788,251	8,244,786	100,000
Transfers out	(21,038,530)	-	(1,404,335)	-
Change in net position	979,140	(80,866)	(3,426,091)	100,000
Net position - beginning of the year (as previously stated)	136,183,895	4,776,368	20,474,685	3,228,408
Cumulative effect of change in accounting principle	(1,026,661)	-	-	-
Restated net position -beginning of the year	<u>135,157,234</u>	<u>4,776,368</u>	<u>20,474,685</u>	<u>3,228,408</u>
Net position - end of the year	<u>\$ 136,136,374</u>	<u>\$ 4,695,502</u>	<u>\$ 17,048,594</u>	<u>\$ 3,328,408</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 Revenues Expenses, and Change in Net Position.

<b>Wastewater Capital Projects</b>	<b>Water/ Wastewater Projects</b>	<b>Water/ Wastewater Capital Reserve</b>	<b>Elimination</b>	<b>Total Water/ Wastewater</b>
\$ -	\$ -	\$ -	\$ -	\$ 33,686,226
-	-	-	-	21,384,096
-	-	-	-	1,709,556
-	-	-	-	684,472
-	-	-	-	354,692
-	-	-	-	57,819,042
-	-	-	-	6,529,641
124,214	-	-	-	1,068,906
226,013	-	-	-	4,609,048
5,662,841	-	-	-	-
-	-	-	-	10,924,656
-	-	-	-	11,790,989
11,450	-	-	-	615,328
-	-	-	-	14,681,552
-	-	-	-	2,193,657
-	-	-	-	3,114,517
-	-	-	-	-
6,024,518	-	-	-	55,528,294
(6,024,518)	-	-	-	2,290,748
-	-	-	-	4,242
-	-	-	-	3,954
-	-	-	-	(258,297)
-	-	-	-	(2,346,060)
-	-	-	-	(2,032,151)
-	-	-	-	(4,628,312)
(6,024,518)	-	-	-	(2,337,564)
-	1,394,620	-	-	1,394,620
-	-	-	-	1,195,057
6,007,272	-	-	(19,767,309)	1,373,000
(3,972)	-	(75,841)	19,767,309	(2,755,369)
(21,218)	1,394,620	(75,841)	-	(1,130,256)
8,791,450	2,155,458	75,841	-	175,686,105
-	-	-	-	(1,026,661)
8,791,450	2,155,458	75,841	-	174,659,444
<u>\$ 8,770,232</u>	<u>\$ 3,550,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,529,188</u>



**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE OF NET POSITION  
MUNICIPAL AIRPORT FUND  
SEPTEMBER 30, 2013**

<b>ASSETS</b>	<b>Operating</b>	<b>Capital Projects</b>	<b>Grant</b>	<b>Total Municipal Airport</b>
Current assets:				
Cash and cash equivalents	\$ 79,463	\$ 25,329	\$ 130,964	\$ 235,756
Investments	400,000	1,200,000	-	1,600,000
Accounts receivable, net	142,671	93,368	-	236,039
Prepaid	-	-	-	-
Due from other governments	-	-	31,148	31,148
Inventories and supplies	72,411	-	-	72,411
Current restricted assets:				
Cash and cash equivalents	196,928	-	-	196,928
Total current assets	<u>891,473</u>	<u>1,318,697</u>	<u>162,112</u>	<u>2,372,282</u>
Capital assets:				
Land	183,923	-	-	183,923
Buildings	4,036,168	-	1,923,592	5,959,760
Equipment	799,910	-	16,338	816,248
Infrastructure	6,217,838	-	2,000,000	8,217,838
Construction In Progress	51,367	-	1,159,998	1,211,365
Less: accumulated depreciation	(6,036,790)	-	(474,745)	(6,511,535)
Total capital assets	<u>5,252,416</u>	<u>-</u>	<u>4,625,183</u>	<u>9,877,599</u>
Total assets	<u>6,143,889</u>	<u>1,318,697</u>	<u>4,787,295</u>	<u>12,249,881</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	11,452	4,771	582	16,805
Accrued liabilities	14,741	-	-	14,741
Accrued compensated absences	19,315	-	-	19,315
Unearned revenue	201,147	-	-	201,147
Current liabilities payable from restricted assets:				
Customer deposits	66,836	-	-	66,836
Accrued liabilities	10,092	-	-	10,092
Current portion of long-term debt	120,000	-	-	120,000
Total current liabilities	<u>443,583</u>	<u>4,771</u>	<u>582</u>	<u>448,936</u>
Noncurrent liabilities:				
Accrued compensated absences	15,935	-	-	15,935
Long-term debt less the current portion	1,575,000	-	-	1,575,000
Total noncurrent liabilities	<u>1,590,935</u>	<u>-</u>	<u>-</u>	<u>1,590,935</u>
Total liabilities	<u>2,034,518</u>	<u>4,771</u>	<u>582</u>	<u>2,039,871</u>
<b>NET POSITION</b>				
Net investment in capital assets	3,557,416	-	4,625,183	8,182,599
Unrestricted	551,955	1,313,926	161,530	2,027,411
Total net position	<u>\$ 4,109,371</u>	<u>\$ 1,313,926</u>	<u>\$ 4,786,713</u>	<u>\$ 10,210,010</u>

**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
MUNICIPAL AIRPORT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Grant</u>	<u>Elimination</u>	<u>Total Municipal Airport</u>
<b>OPERATING REVENUES</b>					
Sales to customers	\$ 1,687,109	\$ -	\$ -	\$ -	\$ 1,687,109
Intergovernment	-	-	530,291	-	530,291
Miscellaneous	673,483	609,165	-	-	1,282,648
Total operating revenues	<u>2,360,592</u>	<u>609,165</u>	<u>530,291</u>	<u>-</u>	<u>3,500,048</u>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	357,724	-	-	-	357,724
Supplies	1,310,731	14,892	35,300	-	1,360,923
Purchased services	147,885	-	64,153	-	212,038
Miscellaneous	37,861	-	-	-	37,861
Capital outlay	(294,469)	294,469	-	-	-
Depreciation	397,564	-	150,162	-	547,726
General and administrative costs	55,921	-	-	-	55,921
Total operating expenses	<u>2,013,217</u>	<u>309,361</u>	<u>249,615</u>	<u>-</u>	<u>2,572,193</u>
Operating income (loss)	<u>347,375</u>	<u>299,804</u>	<u>280,676</u>	<u>-</u>	<u>927,855</u>
<b>NONOPERATING EXPENSES</b>					
Loss on property disposition	(133,409)	-	-	-	(133,409)
Interest expense	(83,110)	-	-	-	(83,110)
Total nonoperating expenses	<u>(216,519)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(216,519)</u>
Income (loss) before transfers	130,856	299,804	280,676	-	711,336
Transfers in	-	250,000	56,932	(306,932)	-
Transfers out	(250,000)	(584,932)	-	306,932	(528,000)
Change in net position	<u>(119,144)</u>	<u>(35,128)</u>	<u>337,608</u>	<u>-</u>	<u>183,336</u>
Net position - beginning 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>
Net position - end of the year	<u>\$ 4,109,371</u>	<u>\$ 1,313,926</u>	<u>\$ 4,786,713</u>	<u>\$ -</u>	<u>\$ 10,210,010</u>

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

**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE OF NET POSITION  
MUNICIPAL GOLF COURSE FUND  
SEPTEMBER 30, 2013**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Total Municipal Golf</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 36,681	\$ 65,942	\$ 102,623
Investments	286,153	-	286,153
Current restricted assets:			
Investments	255,747	-	255,747
Total current assets	<u>578,581</u>	<u>65,942</u>	<u>644,523</u>
Capital assets:			
Land	568,284	-	568,284
Buildings	1,854,835	-	1,854,835
Equipment	1,219,268	-	1,219,268
Improvements other than buildings	9,931,537	-	9,931,537
Construction in progress	33,654	-	33,654
Less: accumulated depreciation	<u>(8,340,033)</u>	<u>-</u>	<u>(8,340,033)</u>
Total capital assets	<u>5,267,545</u>	<u>-</u>	<u>5,267,545</u>
Total assets	<u>5,846,126</u>	<u>65,942</u>	<u>5,912,068</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	87,726	11,601	99,327
Accrued liabilities	34,263	-	34,263
Accrued compensated absences	41,841	-	41,841
Current liabilities payable from restricted assets:			
Accrued liabilities	11,595	-	11,595
Current portion of long-term debt	<u>244,152</u>	<u>-</u>	<u>244,152</u>
Total current liabilities	<u>419,577</u>	<u>11,601</u>	<u>431,178</u>
Noncurrent liabilities			
Accrued compensated absences	2,555	-	2,555
Long-term debt	<u>2,124,143</u>	<u>-</u>	<u>2,124,143</u>
Total noncurrent liabilities	<u>2,126,698</u>	<u>-</u>	<u>2,126,698</u>
Total liabilities	<u>2,546,275</u>	<u>11,601</u>	<u>2,557,876</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,899,250	-	2,899,250
Unrestricted	<u>400,601</u>	<u>54,341</u>	<u>454,942</u>
Total net position	<u>\$ 3,299,851</u>	<u>\$ 54,341</u>	<u>\$ 3,354,192</u>

**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
MUNICIPAL GOLF COURSE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Elimination</u>	<u>Total Municipal Golf</u>
<b>OPERATING REVENUES</b>				
Sales to customers	\$2,260,506	\$ -	\$ -	\$ 2,260,506
Miscellaneous	1,924	-	-	1,924
Total operating revenue	<u>2,262,430</u>	<u>-</u>	<u>-</u>	<u>2,262,430</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,090,860	-	-	1,090,860
Supplies	269,151	830	-	269,981
Purchased services	1,213,063	110,155	-	1,323,218
Capital outlay	(33,654)	33,654	-	-
Miscellaneous	40,635	-	-	40,635
Depreciation	674,606	-	-	674,606
Total operating expense	<u>3,254,661</u>	<u>144,639</u>	<u>-</u>	<u>3,399,300</u>
Operating loss	<u>(992,231)</u>	<u>(144,639)</u>	<u>-</u>	<u>(1,136,870)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gain on property disposition	8,556	-	-	8,556
Bond issuance costs	(1,961)	-	-	(1,961)
Interest expense	(92,994)	-	-	(92,994)
Total nonoperating expense	<u>(86,399)</u>	<u>-</u>	<u>-</u>	<u>(86,399)</u>
Loss before transfers	<u>(1,078,630)</u>	<u>(144,639)</u>	<u>-</u>	<u>(1,223,269)</u>
Transfers in	691,732	72,805	(65,525)	699,012
Transfers out	(65,525)	-	65,525	-
Change in net position	<u>(452,423)</u>	<u>(71,834)</u>	<u>-</u>	<u>(524,257)</u>
Net position - beginning of year (as previously stated)	<u>3,779,395</u>	<u>126,175</u>	<u>-</u>	<u>3,905,570</u>
Cumulative effect of change in accounting principle	<u>(27,121)</u>	<u>-</u>	<u>-</u>	<u>(27,121)</u>
Restated net position -beginning of year	3,752,274	126,175	-	3,878,449
Net position - end of year	<u>\$ 3,299,851</u>	<u>\$ 54,341</u>	<u>\$ -</u>	<u>\$ 3,354,192</u>

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

**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE OF NET POSITION  
SOLID WASTE FUND  
SEPTEMBER 30, 2013**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Closure Liability</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 648,947	\$ 160,413	\$ 202,497
Investment	2,663,496	4,100,000	2,800,000
Accounts receivable, net	458,872	-	-
Total current assets	<u>3,771,315</u>	<u>4,260,413</u>	<u>3,002,497</u>
Capital assets:			
Land	1,748,378	-	-
Buildings	1,764,513	-	-
Equipment	6,470,442	-	-
Improvements other than buildings	10,348,823	-	-
Construction in progress	59,549	-	-
Less: accumulated depreciation	(7,950,415)	-	-
Total capital assets	<u>12,441,290</u>	<u>-</u>	<u>-</u>
Total assets	<u>16,212,605</u>	<u>4,260,413</u>	<u>3,002,497</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	411,737	45,950	-
Accrued liabilities	138,143	-	-
Accrued compensated absences	73,775	-	-
Total current liabilities	<u>623,655</u>	<u>45,950</u>	<u>-</u>
Noncurrent liabilities:			
Closure and post closure liability	5,993,696	-	-
Total noncurrent liabilities	<u>5,993,696</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>6,617,351</u>	<u>45,950</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	12,441,290	-	-
Unrestricted	(2,846,036)	4,214,463	3,002,497
Total net position	<u>\$ 9,595,254</u>	<u>\$ 4,214,463</u>	<u>\$ 3,002,497</u>

<u>Equipment Acquisition</u>	<u>Landfill Replacement</u>	<u>Liner Reserve</u>	<u>Total Solid Waste</u>
\$ 468,847	\$ 300,798	\$ 238,840	\$ 2,020,342
-	2,574,536	700,000	12,838,032
-	-	-	458,872
<u>468,847</u>	<u>2,875,334</u>	<u>938,840</u>	<u>15,317,246</u>
-	-	-	1,748,378
-	-	-	1,764,513
-	-	-	6,470,442
-	-	-	10,348,823
-	-	-	59,549
-	-	-	(7,950,415)
<u>-</u>	<u>-</u>	<u>-</u>	<u>12,441,290</u>
<u>468,847</u>	<u>2,875,334</u>	<u>938,840</u>	<u>27,758,536</u>
-	-	-	457,687
-	-	-	138,143
<u>-</u>	<u>-</u>	<u>-</u>	<u>73,775</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>669,605</u>
-	-	-	5,993,696
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,993,696</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,663,301</u>
-	-	-	12,441,290
<u>468,847</u>	<u>2,875,334</u>	<u>938,840</u>	<u>8,653,945</u>
<u>\$ 468,847</u>	<u>\$ 2,875,334</u>	<u>\$ 938,840</u>	<u>\$ 21,095,235</u>

**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
SOLID WASTE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

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	<u>Operating</u>	<u>Capital Projects</u>	<u>Closure Liability</u>
<b>OPERATING REVENUES</b>			
Sales to customers	\$ 10,573,052	\$ -	\$ -
Miscellaneous	61,200	-	-
Total operating revenues	<u>10,634,252</u>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	2,061,430	-	-
Supplies	631,882	45,950	-
Purchased services	4,676,514	161,938	-
Miscellaneous	538,148	-	-
Capital outlay	(1,200,126)	196,084	-
Depreciation	1,099,064	-	-
Franchise fee	313,381	-	-
General and administrative costs	330,296	-	-
Total operating expenses	<u>8,450,589</u>	<u>403,972</u>	<u>-</u>
Operating income	<u>2,183,663</u>	<u>(403,972)</u>	<u>-</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gain (loss) on property disposition	(82,480)	-	-
Total nonoperating revenues	<u>(82,480)</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions and transfers	2,101,183	(403,972)	-
Transfers in	-	450,000	200,000
Transfers out	(1,979,474)	-	-
Change in net position	<u>121,709</u>	<u>46,028</u>	<u>200,000</u>
Net position - beginning of the year	<u>9,473,545</u>	<u>4,168,435</u>	<u>2,802,497</u>
Net position - end of the year	<u>\$ 9,595,254</u>	<u>\$ 4,214,463</u>	<u>\$ 3,002,497</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 Revenues, Expenses, and Change in Net Position, Nonmajor Enterprise Funds.

<b>Equipment Acquisition</b>	<b>Landfill Replacement</b>	<b>Liner Reserve</b>	<b>Elimination</b>	<b>Total Solid Waste</b>
\$ -	\$ -	\$ -	\$ -	\$10,573,052
-	-	-	-	61,200
-	-	-	-	10,634,252
-	-	-	-	2,061,430
-	-	-	-	677,832
-	-	-	-	4,838,452
-	-	-	-	538,148
1,004,042	-	-	-	-
-	-	-	-	1,099,064
-	-	-	-	313,381
-	-	-	-	330,296
1,004,042	-	-	-	9,858,603
(1,004,042)	-	-	-	775,649
120,992	-	-	-	38,512
120,992	-	-	-	38,512
(883,050)	-	-	-	814,161
650,000	100,000	200,000	(1,600,000)	-
-	-	-	1,600,000	(379,474)
(233,050)	100,000	200,000	-	434,687
701,897	2,775,334	738,840	-	20,660,548
<u>\$ 468,847</u>	<u>\$ 2,875,334</u>	<u>\$ 938,840</u>	<u>\$ -</u>	<u>\$ 21,095,235</u>



**CITY OF GRAND PRAIRIE, TEXAS  
 AGGREGATING SCHEDULE OF NET POSITION  
 RISK MANAGEMENT FUND  
 SEPTEMBER 30, 2013**

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total Risk Management</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 370,932	\$6,081,512	\$ 6,452,444
Investments	5,500,000	1,260,624	6,760,624
Prepaid	-	22,083	22,083
Other Receivables	-	22,767	22,767
Current restricted assets:			
Cash and cash equivalents	-	176,946	176,946
Total current assets	<u>5,870,932</u>	<u>7,563,932</u>	<u>13,434,864</u>
Capital assets:			
Equipment	149,456	69,026	218,482
Less: accumulated depreciation	(12,670)	(15,917)	(28,587)
Total capital assets	<u>136,786</u>	<u>53,109</u>	<u>189,895</u>
Total assets	<u>6,007,718</u>	<u>7,617,041</u>	<u>13,624,759</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	26,896	3,597	30,493
Accrued liabilities	2,967,264	1,394,934	4,362,198
Accrued compensated absences	3,574	4,620	8,194
Total current liabilities	<u>2,997,734</u>	<u>1,403,151</u>	<u>4,400,885</u>
Noncurrent liabilities:			
Accrued compensated absences	1,915	-	1,915
Total noncurrent liabilities	<u>1,915</u>	<u>-</u>	<u>1,915</u>
Total liabilities	<u>2,999,649</u>	<u>1,403,151</u>	<u>4,402,800</u>
<b>NET POSITION</b>			
Net investment in capital assets	136,785	53,109	189,894
Unrestricted	2,871,284	6,160,781	9,032,065
Total net position	<u>\$ 3,008,069</u>	<u>\$6,213,890</u>	<u>\$ 9,221,959</u>

**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
RISK MANAGEMENT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

---

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total Risk Management</u>
<b>OPERATING REVENUES</b>			
Insurance premiums	\$ 2,846,972	\$ 14,231,340	\$ 17,078,312
Miscellaneous	24,604	4,310	28,914
Total operating revenues	<u>2,871,576</u>	<u>14,235,650</u>	<u>17,107,226</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	86,509	81,465	167,974
Supplies	55,397	3,843	59,240
Purchased services	241,193	208,467	449,660
Insurance claims	2,130,007	14,169,716	16,299,723
Miscellaneous	60,673	69,104	129,777
Depreciation	7,690	8,518	16,208
Total operating expenses	<u>2,581,469</u>	<u>14,541,113</u>	<u>17,122,582</u>
Operating income	<u>290,107</u>	<u>(305,463)</u>	<u>(15,356)</u>
Income before transfers	<u>290,107</u>	<u>(305,463)</u>	<u>(15,356)</u>
Transfers in	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Change in net position	290,107	694,537	984,644
Net position - beginning of the year	<u>2,717,962</u>	<u>5,519,353</u>	<u>8,237,315</u>
Net position - end of the year	<u>\$ 3,008,069</u>	<u>\$ 6,213,890</u>	<u>\$ 9,221,959</u>



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# STATISTICAL SECTION



**CITY OF GRAND PRAIRIE, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013  
 STATISTICAL SECTION INDEX (UNAUDITED)**

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

	<b>FISCAL YEAR</b>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 174,584,254	\$ 237,535,813	\$ 255,230,188	\$ 250,427,112
Restricted	3,167,064	1,768,257	3,034,411	5,260,954
Unrestricted	65,238,004	41,171,528	52,044,716	99,358,971
Total governmental activities net position	<u>\$ 242,989,322</u>	<u>\$ 280,475,598</u>	<u>\$ 310,309,315</u>	<u>\$ 355,047,037</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 110,683,391	\$ 130,998,728	\$ 133,275,493	\$ 134,270,404
Restricted	3,548,426	3,699,150	3,671,913	3,748,093
Unrestricted	40,273,290	30,147,871	37,114,582	46,861,049
Total business-type activities net position	<u>\$ 154,505,107</u>	<u>\$ 164,845,749</u>	<u>\$ 174,061,988</u>	<u>\$ 184,879,546</u>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 285,267,645	\$ 368,534,541	\$ 388,505,681	\$ 384,697,516
Restricted	6,715,490	5,467,407	6,706,324	9,009,047
Unrestricted	105,511,294	71,319,399	89,159,298	146,220,020
Total primary government net position	<u>\$ 397,494,429</u>	<u>\$ 445,321,347</u>	<u>\$ 484,371,303</u>	<u>\$ 539,926,583</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 position in 2011 have been restated.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 265,961,757	\$ 271,217,903	\$ 286,120,135	\$ 279,371,594	\$ 311,048,653	\$ 316,856,535
5,491,185	9,302,232	9,792,214	83,793,231	63,267,418	69,081,215
114,556,201	129,915,331	129,649,766	62,743,136	47,893,511	40,378,407
<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>	<u>\$ 426,316,157</u>
\$ 129,219,761	\$ 139,067,912	\$ 134,524,036	\$ 137,253,007	\$ 139,042,561	\$ 141,678,428
6,089,188	3,673,504	4,228,742	3,988,491	4,601,419	4,695,502
56,978,613	60,527,614	68,647,313	68,859,665	71,929,058	66,726,233
<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>	<u>\$ 213,100,163</u>
\$ 395,181,518	\$ 410,285,815	\$ 420,644,171	\$ 416,624,601	\$ 450,091,214	\$ 458,534,963
11,580,373	12,975,736	14,020,956	87,781,722	67,868,837	73,776,717
171,534,814	190,442,945	198,297,079	131,602,801	119,822,569	107,104,640
<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>	<u>\$ 639,416,320</u>

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

	<b>FISCAL YEAR</b>			
	<u><b>2004</b></u>	<u><b>2005</b></u>	<u><b>2006</b></u>	<u><b>2007</b></u>
<b>EXPENSES</b>				
Governmental activities:				
Support services	\$ 13,014,368	\$ 13,933,988	\$ 16,076,516	\$ 22,481,067
Public safety services	49,831,335	53,811,047	57,826,788	70,124,744
Recreation and leisure services	13,276,399	14,491,018	15,606,279	19,168,072
Development services	39,071,130	40,009,351	50,642,965	38,630,596
Interest on long-term debt	6,305,446	7,482,003	7,659,557	8,421,424
Total governmental activities expenses	<u>\$ 121,498,678</u>	<u>\$ 129,727,407</u>	<u>\$ 147,812,105</u>	<u>\$ 158,825,903</u>
Business-type activities:				
Water and wastewater	\$ 31,405,404	\$ 36,537,343	\$ 39,746,718	\$ 40,211,646
Municipal airport	1,739,208	6,422,295	2,156,251	2,010,376
Municipal golf course	3,234,336	3,451,846	3,390,562	3,295,065
Storm water	673,302	1,833,787	829,867	1,034,458
Solid waste	7,326,711	6,422,295	7,320,755	9,599,260
Total business-type activities expenses	<u>44,378,961</u>	<u>54,667,566</u>	<u>53,444,153</u>	<u>56,150,805</u>
Total primary government expenses	<u>\$ 165,877,639</u>	<u>\$ 184,394,973</u>	<u>\$ 201,256,258</u>	<u>\$ 214,976,708</u>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
Support services	\$ 5,365,705	\$ 6,462,531	\$ 9,856,362	\$ 11,369,944
Public safety services	8,040,487	8,567,505	8,982,681	5,453,931
Recreation and leisure services	2,505,920	2,947,751	3,502,325	4,843,898
Development services	4,091,489	3,826,062	6,108,583	3,731,729
Operating grants and contributions	27,628,031	28,456,869	33,141,279	48,052,791
Capital grants and contributions	26,900,978	25,867,397	8,409,834	14,027,960
Total governmental activities program revenues	<u>\$ 74,532,610</u>	<u>\$ 76,128,115</u>	<u>\$ 70,001,064</u>	<u>\$ 87,480,253</u>
Business-type activities:				
Charges for services:				
Water and wastewater	\$ 31,377,178	\$ 34,084,321	\$ 42,564,693	\$ 41,221,192
Municipal airport	1,314,710	1,654,152	1,496,579	1,492,202
Municipal golf course	2,053,784	2,397,915	2,587,757	2,637,807
Storm water	1,870,778	1,917,720	2,470,183	2,691,742
Solid waste	7,544,969	8,061,725	8,767,399	9,023,648
Operating grants and contributions	2,140,958	386,900	737,536	1,668,944
Capital grants and contributions	10,169,562	10,979,777	4,172,710	8,109,411
Total business-type activities	<u>56,471,939</u>	<u>59,482,510</u>	<u>62,796,857</u>	<u>66,844,946</u>
Total primary government	<u>\$ 131,004,549</u>	<u>\$ 135,610,625</u>	<u>\$ 132,797,921</u>	<u>\$ 154,325,199</u>



	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	19,829,891	\$ 17,647,031	\$ 17,278,851	\$ 19,100,748	\$ 17,928,238	\$ 18,633,541
	76,192,160	70,728,042	81,872,640	88,336,343	72,934,512	76,382,993
	20,548,092	24,302,491	21,517,961	22,368,768	24,071,731	24,830,027
	51,061,087	56,491,002	58,153,994	74,251,224	84,171,971	79,001,166
	10,329,775	12,141,929	10,618,864	9,817,549	9,227,801	8,125,389
\$	<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>	<u>\$ 206,973,116</u>
\$	43,521,711	\$ 46,025,037	\$ 48,888,158	\$ 52,658,416	\$ 55,186,501	\$ 60,180,052
	2,274,829	1,758,664	1,999,196	2,809,039	2,650,503	2,789,279
	3,388,253	3,336,554	3,488,564	3,521,660	3,527,637	3,487,758
	1,076,876	1,344,716	1,692,009	1,537,846	1,617,905	1,924,420
	8,147,843	8,316,221	8,931,468	9,079,737	9,485,700	9,838,896
	58,409,512	60,781,192	64,999,395	69,606,698	72,468,246	78,220,405
\$	<u>236,370,517</u>	<u>\$ 242,091,687</u>	<u>\$ 254,441,705</u>	<u>\$ 283,481,330</u>	<u>\$ 280,802,499</u>	<u>\$ 285,193,521</u>
\$	12,976,068	\$ 13,272,240	\$ 10,929,541	\$ 5,981,676	\$ 5,000,964	\$ 4,932,252
	5,827,320	11,030,095	12,823,754	16,384,019	13,752,467	15,552,663
	6,894,465	5,815,486	7,112,226	8,886,903	8,256,815	9,672,833
	2,947,454	5,087,515	4,412,063	7,991,012	5,866,787	5,670,741
	36,873,575	28,333,421	31,232,753	37,588,585	31,329,503	33,339,115
	11,432,768	5,795,714	9,112,664	2,664,489	6,290,285	5,242,216
\$	<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>	<u>\$ 74,409,820</u>
\$	43,493,084	\$ 46,898,346	\$ 46,459,483	\$ 54,761,115	\$ 57,610,991	\$ 57,819,042
	2,330,000	1,703,398	1,759,319	3,791,577	3,048,547	3,500,048
	2,232,189	2,409,475	2,080,152	2,244,356	2,306,811	2,262,430
	2,974,336	3,073,155	4,685,730	5,015,547	5,125,840	5,382,452
	9,103,212	10,290,559	10,100,502	9,984,080	10,664,949	10,634,252
	270,729	468,397	-	-	-	-
	5,519,297	3,742,875	2,444,475	1,792,377	2,465,951	2,589,677
	65,922,847	68,586,205	67,529,661	77,589,052	81,223,089	82,187,901
\$	<u>142,874,497</u>	<u>\$ 137,920,676</u>	<u>\$ 143,152,662</u>	<u>\$ 157,085,736</u>	<u>\$ 151,719,910</u>	<u>\$ 156,597,721</u>

(continued)

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

	<b>FISCAL YEAR</b>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>NET (EXPENSES)/REVENUE</b>				
Governmental activities	\$ (46,966,068)	\$ (53,599,292)	\$ (77,811,041)	\$ (71,345,650)
Business-type activities	<u>12,092,978</u>	<u>4,814,944</u>	<u>9,352,704</u>	<u>10,694,141</u>
Total primary government net expense	<u>\$ (34,873,090)</u>	<u>\$ (48,784,348)</u>	<u>\$ (68,458,337)</u>	<u>\$ (60,651,509)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 46,952,102	\$ 50,217,892	\$ 54,462,317	\$ 61,443,459
Sales taxes	23,970,012	24,833,472	29,289,416	31,919,487
Hotel/motel tax and other taxes	1,054,409	1,803,169	1,299,365	1,344,762
Franchise fees	6,294,469	9,870,488	15,658,628	11,375,535
Investment income	1,804,705	2,820,035	4,735,009	7,573,850
Miscellaneous	2,811,908	3,014,011	71,784	-
Contributions	-	-	-	-
Transfers-monetary	1,724,267	350,310	2,128,239	2,426,279
Transfers-capital assets	-	-	-	-
Total governmental activities	<u>\$ 84,611,872</u>	<u>\$ 92,909,377</u>	<u>\$ 107,644,758</u>	<u>\$ 116,083,372</u>
Business-type activities:				
Franchise fees	-	-	305,907	\$ -
Investment income	192,188	288,044	1,685,867	2,549,696
Contributions	-	-	-	-
Transfers-monetary	(1,724,267)	(350,310)	(2,128,239)	(2,426,279)
Transfers-capital assets	-	-	-	-
Total business-type activities	<u>(1,532,079)</u>	<u>(62,266)</u>	<u>(136,465)</u>	<u>123,417</u>
Total primary government	<u>\$ 83,079,793</u>	<u>\$ 92,847,111</u>	<u>\$ 107,508,293</u>	<u>\$ 116,206,789</u>
<b>CHANGES IN NET POSITION</b>				
Governmental activities	\$ 37,645,804	\$ 39,310,085	\$ 29,833,717	\$ 44,737,722
Business-type activities	<u>10,560,899</u>	<u>4,752,678</u>	<u>9,216,239</u>	<u>10,817,558</u>
Total primary government	<u>\$ 48,206,703</u>	<u>\$ 44,062,763</u>	<u>\$ 39,049,956</u>	<u>\$ 55,555,280</u>

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ (101,009,355)	\$ (111,976,024)	\$ (113,819,309)	\$ (134,377,948)	\$ (137,837,432)	\$ (132,563,296)
<u>7,513,335</u>	<u>7,805,013</u>	<u>2,530,266</u>	<u>7,982,354</u>	<u>8,754,843</u>	<u>3,967,496</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>	<u>\$ (128,595,800)</u>
\$ 69,813,294	\$ 76,687,029	\$ 75,091,425	\$ 71,554,937	\$ 70,153,052	\$ 71,785,225
39,665,104	40,376,226	39,891,881	41,713,795	45,457,902	47,155,704
1,414,822	1,231,899	1,232,928	1,332,984	1,332,259	1,488,871
11,847,401	12,531,556	12,060,211	13,492,977	12,902,516	12,811,696
7,444,199	6,688,474	1,844,371	1,341,476	1,004,777	437,770
-	-	-	-	-	-
2,553,427	-	-	-	-	-
-	(1,112,837)	(1,542,012)	5,625,851	3,167,893	5,390,831
-	-	367,154	-	120,654	-
<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>	<u>\$ 139,070,097</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,448,108	2,063,618	425,937	6,343	5,579	4,242
-	-	-	-	-	-
(2,553,427)	1,112,837	1,542,012	(5,625,851)	(3,167,893)	(5,390,831)
-	-	(367,154)	-	(120,654)	-
<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>(5,386,589)</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>	<u>\$ 133,683,508</u>
\$ 31,728,892	\$ 24,426,323	\$ 15,126,649	\$ 684,072	\$ (3,698,379)	\$ 6,506,801
7,408,016	10,981,468	4,131,061	2,362,846	5,471,875	(1,419,093)
<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>	<u>\$ 5,087,708</u>

(concluded)

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

	FISCAL YEAR			
	2004	2005	2006	2007
<b>GENERAL FUND</b>				
Reserved	\$ 836,805	\$ 1,245,756	\$ 1,202,824	\$ 978,032
Unreserved/Unassigned	18,301,467	16,467,282	23,797,074	24,474,441
Nonspendable	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total general fund	<u>\$ 19,138,272</u>	<u>\$ 17,713,038</u>	<u>\$ 24,999,898</u>	<u>\$ 25,452,473</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 11,156,665	\$ 21,832,554	\$ 20,495,695	\$ 9,009,855
Unreserved, reported in:				
Special revenue funds	32,888,043	29,473,920	23,834,504	51,481,507
Capital projects funds	30,843,788	14,339,856	17,522,013	36,334,868
Non Spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Total all other governmental funds	<u>\$ 74,888,496</u>	<u>\$ 65,646,330</u>	<u>\$ 61,852,212</u>	<u>\$ 96,826,230</u>

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 769,535	\$ 576,286	\$ 306,798		\$ -	\$ -
23,517,200	29,769,771	29,794,717	29,186,299	25,938,708	27,346,027
-	-	-	-	1,035	3,545
-	-	-	-	524,836	130,240
-	-	-	1,407,704	1,449,177	1,336,996
<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>	<u>\$ 28,816,808</u>
\$ 9,713,094	\$ 13,783,052	\$ 11,783,598	\$ -	\$ -	\$ -
152,319,219	69,553,793	39,727,431	-	-	-
36,672,982	75,403,545	60,591,611	-	-	-
-	-	-	265,296	98,473	41,103
-	-	-	89,928,651	70,226,080	81,264,054
-	-	-	34,061,536	26,402,391	28,992,783
<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>	<u>\$ 110,297,940</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes	\$ 72,588,819	\$ 76,112,349	\$ 85,051,098	\$ 94,529,349
Licenses, fees, and permits	12,396,830	12,650,409	18,962,716	14,221,385
Fines and penalties	5,059,013	5,462,053	5,537,867	5,807,484
Charges for services	6,739,443	7,209,753	7,537,479	8,466,964
Special assessments	642,734	742,184	980,999	1,379,597
Intergovernmental	27,302,184	25,146,652	31,315,423	26,598,586
Investment income	1,766,526	2,805,479	4,620,911	7,391,922
Other revenues	6,884,470	14,506,025	9,195,418	25,059,295
Total revenues	<u>133,380,019</u>	<u>144,634,904</u>	<u>163,201,911</u>	<u>183,454,582</u>
<b>EXPENDITURES</b>				
Current operations:				
Support services	10,780,154	11,346,466	12,875,349	17,431,881
Public safety services	43,621,824	46,304,166	49,046,924	54,033,347
Recreation and leisure services	11,617,974	12,457,293	13,194,080	14,769,610
Development services	33,628,488	33,607,969	40,658,989	37,067,631
Capital outlay	40,099,574	41,489,772	43,035,692	29,577,246
Debt service:				
Principal retirement	10,403,516	10,998,736	9,079,928	9,632,819
Interest	6,215,621	8,123,692	7,333,210	8,350,646
Total expenditures	<u>156,367,151</u>	<u>164,328,094</u>	<u>175,224,172</u>	<u>170,863,180</u>
Excess of revenues over (under) expenditures	<u>(22,987,132)</u>	<u>(19,693,190)</u>	<u>(12,022,261)</u>	<u>12,591,402</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in-monetary	22,343,056	21,490,429	21,651,931	29,302,328
Transfers out-monetary	(20,434,112)	(21,037,549)	(19,402,662)	(28,036,960)
Proceeds from sale of capital assets	361,067	47,967	71,784	12,410
Premium (discount) on debt issued	-	(96,248)	27,700	97,413
Bonds issued	27,812,500	9,285,000	13,166,250	21,460,000
Refunding bonds issued	1,955,000	17,540,000	-	-
Payment for refunded debt - escrow agent	(1,952,232)	(16,380,000)	-	-
Sale of assets held for resale	-	-	-	-
Total other financing sources	<u>30,085,279</u>	<u>10,849,599</u>	<u>15,515,003</u>	<u>22,835,191</u>
Net change in fund balances	<u>\$ 7,098,147</u>	<u>\$ (8,843,591)</u>	<u>\$ 3,492,742</u>	<u>\$ 35,426,593</u>
Debt service as a percentage of noncapital expenditures	14.3%	15.6%	12.4%	12.7%

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 109,658,169	\$ 116,142,863	\$ 116,814,717	\$ 114,587,907	\$ 117,208,804	\$ 122,360,903
14,300,656	14,767,427	14,667,062	16,136,711	15,606,264	15,799,334
5,615,462	6,342,727	7,311,853	6,987,287	8,074,797	9,918,968
11,648,865	11,488,375	12,497,178	12,961,293	13,655,483	13,619,154
-	-	-	-	-	-
30,132,609	26,343,441	38,692,557	39,462,880	35,616,500	37,762,890
7,239,258	6,472,181	1,767,720	1,341,476	1,004,777	437,770
15,655,620	10,735,637	7,707,687	10,064,673	9,637,107	9,741,528
<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>	<u>209,640,547</u>
14,740,779	14,778,861	13,793,906	14,078,101	14,546,500	15,198,818
59,110,908	59,391,711	63,301,812	62,850,732	65,260,700	69,057,285
17,039,606	20,392,873	19,086,560	18,595,333	17,481,772	18,222,070
48,283,183	47,383,981	50,416,087	48,594,485	59,915,550	55,630,019
62,450,315	92,227,467	65,612,028	18,510,959	43,651,279	30,121,392
13,268,068	15,331,241	29,423,291	28,993,944	32,623,895	18,937,175
10,693,686	12,635,091	10,841,888	10,259,783	9,715,824	9,025,740
<u>225,586,545</u>	<u>262,141,225</u>	<u>252,475,571</u>	<u>201,883,337</u>	<u>243,195,520</u>	<u>216,192,499</u>
<u>(31,335,906)</u>	<u>(69,848,574)</u>	<u>(53,016,797)</u>	<u>(341,110)</u>	<u>(42,391,788)</u>	<u>(6,551,952)</u>
51,850,485	63,865,188	60,024,949	34,365,960	45,615,427	26,611,384
(49,205,367)	(64,214,176)	(61,757,480)	(28,708,944)	(42,447,534)	(22,220,553)
-	500,660	505,123	559,843	718,718	583,943
61,992	146,319	36,940	253,855	2,664,794	1,627,265
129,440,000	35,645,000	7,425,000	7,000,000	7,960,000	15,285,000
17,278,000	-	13,390,000	14,235,000	28,415,000	27,295,000
(17,161,031)	-	(13,301,147)	(14,305,695)	(30,743,403)	(28,156,039)
-	-	(188,881)	-	-	-
<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>21,026,000</u>
<u>\$ 100,928,173</u>	<u>\$ (33,905,583)</u>	<u>\$ (46,882,293)</u>	<u>\$ 13,058,909</u>	<u>\$ (30,208,786)</u>	<u>\$ 14,474,048</u>

14.7%

16.5%

21.5%

21.4%

21.2%

15.0%

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

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<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>
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
2013	5,595,104,146	5,820,246,325	2,041,527,294	9,373,823,177

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



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<b>Direct Tax Rate</b>	<b>Actual Taxable Value</b>	<b>Percentage of Actual Taxable Value</b>
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%
0.669998	9,373,823,177	100.0%

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

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	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>OVERLAPPING RATES</b>				
City of Grand Prairie	0.669998	0.669998	0.669998	0.669998
Grand Prairie School District	1.751100	1.758600	1.629700	1.465000
Arlington School District	1.755000	1.745460	1.610000	1.278000
Cedar Hill School District	1.741300	1.848430	1.743300	1.400000
Irving School District	1.837000	1.814000	1.644000	1.348500
Mansfield School District	1.717000	1.772000	1.687500	1.450000
Midlothian School District	1.764500	1.787500	1.697500	1.367500
Dallas County	0.203900	0.213900	0.213900	0.228100
Dallas County Community College District	0.080300	0.081600	0.081000	0.080400
Dallas County Hospital District	0.254000	0.254000	0.254000	0.254000
Dallas County Flood Control District	2.060000	2.060000	2.835540	2.835540
Grand Prairie Met Utl & Reclam Dist.	2.450000	2.550000	2.050000	2.050000
Ellis County	0.315993	0.273090	0.349500	0.364598
Johnson County	0.382088	0.382088	0.369004	0.356962
Tarrant County	0.272500	0.272500	0.271500	0.266500
Tarrant County Hospital District	0.235397	0.235397	0.235397	0.230397
Tarrant County Junior College District	0.139380	0.139380	0.139380	0.139380
<b>CITY DIRECT RATES</b>				
Operations & Maintenance	0.474711	0.474711	0.474711	0.481500
Interest & Sinking	0.195287	0.195287	0.195287	0.188498
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.

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<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</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
1.272000	1.272000	1.335000	1.305500	1.301000	1.292170
1.500000	1.400000	1.440000	1.440000	1.440000	1.525000
1.391000	1.425000	1.465000	1.465000	1.465000	1.465000
1.750000	1.450000	1.496000	1.496000	1.540000	1.540000
1.407500	1.397500	1.397500	1.540000	1.540000	1.540000
0.228100	0.228100	0.243100	0.243100	0.243100	0.243100
0.089400	0.094900	0.099230	0.099670	0.119375	0.124700
0.254000	0.274000	0.271000	0.271000	0.271000	0.278000
2.835540	2.835540	2.835540	2.900000	3.050000	2.750000
2.140000	2.180000	2.120000	2.065000	0.600000	0.600000
0.360091	0.360091	0.360091	0.380091	0.380091	0.380091
0.306708	0.300590	0.327500	0.330500	0.333229	0.365000
0.264000	0.264000	0.264000	0.264000	0.264000	0.264000
0.227897	0.227897	0.227897	0.227897	0.227897	0.227897
0.137960	0.137670	0.137640	0.148970	0.148970	0.149500
0.484892	0.484892	0.484892	0.484892	0.484892	0.484892
0.185106	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>2013</u>			<u>2003</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 - Textron	\$112,686,821	1	1.20%	\$73,370,970	2	1.08%
Oncor Electric Delivery	75,714,431	2	0.81%			
Republic Beverage	72,807,551	3	0.78%	50,912,560	6	0.75%
Poly America LP	52,886,190	4	0.56%			
Lockheed Martin Missles & Fire	51,933,864	5	0.55%	69,755,490	3	1.03%
Duke Realty Ltd. PS	49,711,770	6	0.53%			
Catellus Development Corp	41,187,640	7	0.44%	34,662,291	8	0.51%
Mars Partners LTD	39,927,513	8	0.43%			
Cardinal Health 200 LLC	37,825,531	9	0.40%			
Walmart	37,689,354	10	0.40%			
Amerisource Corporation	-		-	91,501,860	1	1.35%
Texas Utilities Electric Co.	-		-	61,299,010	4	0.90%
Southwestern Bell	-		-	56,309,260	5	0.83%
Prologis	-		-	50,233,093	7	0.74%
OTR	-		-	27,563,560	9	0.41%
General Electric/GE Capital	-		-	23,978,793	10	0.35%
<b>Total</b>	<b>\$ 572,370,665</b>		<b>6.11%</b>	<b>\$ 539,586,887</b>		<b>7.95%</b>

**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
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%	807,375	61,392,352	97.04%
2013	62,804,428	62,220,347	99.07%	-	62,220,347	99.07%

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	Issuance Premium/ Discounts Net	Water Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Issuance Premium/ Discounts Net
	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds
2004	\$ 69,613,825	\$ 31,325,000	\$ 69,758,000	\$ 112,191	\$ 32,759,612	\$ 5,500,185	\$ 6,192,000	\$ (19,477)
2005	73,234,687	31,285,000	65,728,928	127,567	46,116,347	4,998,030	6,021,072	68,284
2006	71,436,114	30,430,000	72,251,106	195,385	48,300,000	4,758,886	5,958,894	77,525
2007	70,284,620	29,540,000	86,119,781	247,442	52,315,000	4,303,600	5,735,219	105,005
2008	89,329,630	65,305,000	147,674,703	260,797	64,490,000	5,587,000	4,035,227	16,051
2009	93,109,470	62,010,000	167,503,622	351,344	65,800,000	5,407,000	3,796,378	4,578
2010	92,907,260	54,510,000	153,892,541	330,754	66,875,000	5,227,000	3,537,459	2,976
2011	91,693,399	46,690,000	140,877,457	536,595	62,375,000	4,936,601	3,402,540	98,871
2012	92,070,458	40,195,000	120,775,000	2,980,920	61,925,000	2,334,543	1,940,000	636,366
2013	94,188,283	36,030,000	118,470,000	4,278,492	59,780,000	2,261,718	1,700,000	1,372,785

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

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<b>Total Primary Government</b>	<b>Percentage of Average Household Income<sup>1</sup></b>	<b>Per Capita</b>
\$ 215,241,336	0.02%	\$ 1,521
227,579,915	0.02%	1,562
233,407,910	0.03%	1,494
248,650,667	0.02%	1,539
376,698,408	0.01%	2,260
397,982,392	0.01%	2,362
377,282,990	0.02%	2,151
350,610,463	0.02%	1,993
322,857,287	0.02%	1,799
318,081,278	0.02%	1,754

**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			
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	7,578,472	209,541,529	2.22%	1,168
2013	96,450,001	120,170,000	9,051,355	207,568,646	2.21%	1,145

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, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable **</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Arlington Independent School District	\$ 445,144,720	17.75%	\$ 79,013,188
Cedar Hill Independent School District	132,074,111	3.32%	4,384,860
Dallas County	136,430,000	2.79%	3,806,397
Dallas County Community College District	355,880,000	2.79%	9,929,052
Dallas County Flood Control District #1	29,325,000	1.63%	477,998
Dallas County Hospital District	705,000,000	2.79%	19,669,500
Dallas County Schools	67,675,000	2.79%	1,888,133
Ellis County	53,121,262	0.17%	90,306
Grand Prairie Independent School District	476,159,830	91.05%	433,543,525
Irving Independent School District	534,452,377	0.78%	4,168,729
Mansfield Independent School District	740,529,963	10.21%	75,608,109
Midlothian Independent School District	228,992,167	1.04%	2,381,519
Tarrant County	373,845,000	3.68%	13,757,496
Tarrant County Community College District	15,485,000	3.68%	569,848
Tarrant County Hospital District	25,375,000	3.68%	933,800
Subtotal, overlapping debt			<u>650,222,460</u>
<b>City direct debt*</b>	252,966,775	100.00%	<u>252,966,775</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 903,189,235</u></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:** Municipal Advisory Council of Texas  
City of Grand Prairie Finance Department

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

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	<b>FISCAL YEAR</b>			
	<u><b>2004</b></u>	<u><b>2005</b></u>	<u><b>2006</b></u>	<u><b>2007</b></u>
Debt limit	\$169,935,292	\$ 177,492,814	\$ 189,433,981	\$ 207,066,179
Total net debt applicable to limit	<u>118,296,761</u>	<u>119,206,430</u>	<u>118,410,646</u>	<u>124,781,713</u>
Legal debt margin	<u>\$ 51,638,531</u>	<u>\$ 58,286,384</u>	<u>\$ 71,023,335</u>	<u>\$ 82,284,466</u>
Total net debt applicable to the limit as a percentage of debt limit	69.61%	67.16%	62.51%	60.26%

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

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<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 230,226,734	\$ 243,939,492	\$ 239,442,989	\$ 232,206,388	\$ 236,073,539	\$ 234,345,579
140,806,849	154,308,664	150,792,741	148,895,469	134,681,529	135,582,645
<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>	<u>\$ 98,762,934</u>
61.16%	63.26%	62.98%	64.12%	57.05%	57.86%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value	\$ 9,373,823,177
Debt limit (2.5% of assessed value)	234,345,579
Debt applicable to limit:	
General obligation bonds	144,634,000
Less: Amount set aside for repayment of general obligation debt	(9,051,355)
Total net debt applicable to limit	<u>135,582,645</u>
Legal debt margin	<u>\$ 98,762,934</u>

**CITY OF GRAND PRAIRIE, TEXAS  
 PLEDGED REVENUE COVERAGE (UNAUDITED)  
 LAST TEN FISCAL YEARS**

Fiscal Year	Water Revenue Bonds						Coverage <sup>3</sup>
	Utility Service Charges <sup>1</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenue	Debt Service			
				Principal	Interest		
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	
2013	59,217,904	40,846,742	18,371,162	4,445,000	2,346,060	2.71	

- (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.

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<b>Sales Tax Revenue Bonds <sup>4</sup></b>		
<b>Sales Tax Increment</b>	<b>Maximum Annual Debt Service</b>	<b>Coverage <sup>5</sup></b>
\$ 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
6,223,346	2,247,772	2.77

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

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<b>Calendar Year</b>	<b>Population</b>	<b>Median (1) Household Income</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>Public School Enrollment</b>	<b>Unemployment Rate</b>
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%
2013	181,303	53,267	22,370	31.7	27,780	6.5%

**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**

<b>Employer</b>	<b>2013</b>			<b>2003</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Grand Prairie Independent School District	3,300	1	3.81%	2,500	2	3.97%
Lockheed Martin Missiles and Fire Control	3,000	2	3.47%	2,700	1	4.29%
Poly-America Inc.	1,800	3	2.08%	1,400	3	2.22%
Bell Helicopter-Textron	1,300	4	1.50%	1,000	5	1.59%
City of Grand Prairie	1,200	5	1.39%			0.00%
Lone Star Park at Grand Prairie	1,100	6	1.27%	1,400	4	2.22%
Triumph Aero Structures - Vought	700	7	0.81%	400	9	0.64%
Siemens Energy & Automation, Inc.	500	8	0.58%	400	10	0.64%
American Eurocopter	500	9	0.58%			0.00%
Hanson Pipe & Products	400	10	0.46%			0.00%
Walmart				600	6	0.95%
SAIA Motor Freight Line Inc				500	7	0.79%
Pollock Paper Distributors				500	8	0.79%
<b>Total</b>	<b>13,800</b>		<b>15.94%</b>	<b>11,400</b>		<b>18.10%</b>

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

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

<b>Function/Program</b>	<b>Full-time-Equivalent Employees as of September 30</b>									
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>General Government and Administration</b>										
City Manager's Office	8	8	8	8	10	10	9	8	8	8
Budget and Research	4	3	3	3	3	3	3	3	3	3
Management Services	4	3	3	3	3	3	3	3	3	3
Marketing	4	4	4	6	7	10	7	8	7	8
Economic Development	3	3	-	-	-	-	-	-	-	-
Legal Services	4	4	4	4	5	5	5	5	6	6
Municipal Court	26	27	28	28	29	27	25	25	24	24
Judiciary	3	3	4	4	5	5	5	5	5	5
Human Resources	10	9	9	9	11	11	10	10	10	10
Finance	17	17	17	17	19	19	17	17	18	18
Information Technology	24	23	26	26	26	26	24	24	24	24
Planning and Development	61	61	61	61	60	59	52	46	46	45
CDBG	5	5	5	5	5	6	7	7	7	7
Public Works	67	66	66	66	67	66	61	61	61	61
Transportation	8	8	8	8	8	9	8	8	8	8
Fire	189	194	198	209	209	215	203	208	209	210
Police	287	296	302	316	327	352	343	352	368	380
Building and Construction Management	1	1	1	1	1	1	1	1	1	1
Environmental Services	18	18	18	19	21	21	20	20	20	21
Library	28	28	31	31	32	38	36	32	31	29
Parks and Recreation	120	116	121	121	123	174	164	156	157	154
Grants	64	50	43	39	37	40	38	41	51	52
<b>Enterprise Operations and Administrations</b>										
Water/Wastewater	92	92	94	96	100	101	104	104	110	110
Solid Waste	25	25	28	30	32	34	33	34	34	34
Airport	5	5	5	5	5	5	5	5	5	5
Golf	25	20	20	20	20	25	21	19	18	19
Storm Water	-	-	2	6	6	6	6	6	6	7
<b>Internal Service Operations</b>										
Equipment Services	17	17	17	17	17	17	15	15	15	16
Risk Management	2	2	2	2	1	1	1	1	1	1
<b>Total</b>	<b><u>1,121</u></b>	<b><u>1,108</u></b>	<b><u>1,128</u></b>	<b><u>1,160</u></b>	<b><u>1,189</u></b>	<b><u>1,289</u></b>	<b><u>1,226</u></b>	<b><u>1,224</u></b>	<b><u>1,256</u></b>	<b><u>1,269</u></b>

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**

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<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</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)	504	555	589	589
Acreage	52,096	52,096	52,096	52,096
Public parks	53	53	54	57
Baseball/softball diamonds	24	24	24	25
Soccer/football fields	18	18	18	21
Community/recreation centers	5	5	5	5
Public golf courses	2	2	2	2
Public swimming pools	5	5	5	4
Libraries	2	3	3	3
Cemetery	1	1	1	1
Water				
Water connections	53,178	55,375	58,286	60,187
Daily consumption (millions of gallons)	21.00	25.10	27.00	24.30
Wastewater				
Daily flow (millions of gallons)	18.90	17.10	15.40	15.80
Airports	1	1	1	1
Transit—minibuses	11	11	12	15

**Source of Information:** various departments.



<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
1	1	1	1	1.5	1.5
1	1	1	1	1	1
3	3	3	2	3	4
9	9	9	9.5	9.5	9.5
600	600	622	588	594	594
52,096	51,108	51,105	51,108	51,108	51,954
57	57	57	57	57	57
25	25	25	25	25	25
21	21	21	21	21	21
5	5	8	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
61,365	62,190	62,077	63,289	63,250	64,154
25.60	25.50	22.90	27.90	23.90	23.50
14.10	14.40	15.50	16.30	16.20	14.23
1	1	1	1	1	1
12	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**

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FISCAL YEAR	DALLAS WATER UTILITIES WATER PURCHASES			TRINITY RIVER AUTHORITY WASTEWATER TREATMENT		
	VOLUME	DEMAND	TOTAL	O&M	DEBT SERVICE	TOTAL
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	8,967,117	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
2013	2,901,935	6,854,133	9,756,068	4,360,828	6,546,256	10,907,084

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.

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<b>TRINITY RIVER AUTHORITY</b>	
<b>JOE POOL LAKE INTAKE</b>	<b>JOE POOL LAKE CORP OF ENGINEERS</b>
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
7,390	381,637

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

<u>Function</u>	<u>FISCAL YEAR</u>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Police				
911 calls received *	**	146,265	152,348	148,089
Non-emergency calls *	**	166,840	160,846	149,361
Calls for service *	**	135,623	133,232	136,435
Jail Arrests *	**	6,624	6,493	6,611
Fire				
Total Fire and EMS calls *	**	17,749	15,060	15,904
Fire response calls for structure fires *	**	379	384	263
Street				
Number of miles of overlay streets	**	9	26	17
Number of street defects repaired	5,834	6,312	6,802	22,513
Number of linear ft of sidewalk repaired	21,284	28,164	17,706	9,645
Solid Waste				
Landfill refuse collected (tons)	154,672	161,597	177,929	187,349
Recyclables collected (tons)	3,478	5,230	6,058	6,228
Water				
Average Daily consumption (thousands of gallons)	21,156	25,048	27,042	24,265
Wastewater				
Average daily sewage treatment (thousands of gallons)	17,303	17,056	15,418	15,787

**Source of Information: City Departments**

\* In calendar year

\*\* Data not available

\*\*\* Includes 219 juvenile arrests

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<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
156,822	151,981	142,342	144,189	141,924	142,641
157,132	138,225	141,120	114,055	105,123	99,831
130,532	127,776	144,256	150,244	235,947	233,997
7,059	10,204	7,152	***10,869	10,637	10,403
15,678	15,589	15,589	16,817	16,540	16,999
249	217	217	237	190	197
8	5	6	5	9	6
14,502	24,112	31,973	25,181	25,628	16,436
40,499	12,135	25,158	21,113	31,962	20,440
180,855	168,387	163,080	162,358	164,031	162,755
6,081	6,288	5,145	4,881	4,853	5,012
25,434	25,732	22,893	27,884	23,928	23,500
14,303	14,501	15,518	16,347	16,164	14,234



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