

CITY OF GRAND PRAIRIE, TEXAS

Comprehensive Annual

Financial Report

Fiscal Year Ended September 30, 2016



Grand Prairie celebrated the grand opening of the new Fire Station No. 10 at the corner of Balboa and Grand Peninsula Drive near Joe Pool Lake in August 2016. The 12,332-square-foot facility features four drive-through apparatus bays, eight dorm rooms, officer's quarters, offices, a day room, commercial kitchen, workshop and a safe room designed to withstand a category 4/5 storm.

Grand Prairie
— T E X A S —

CITY OF GRAND PRAIRIE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2016

PREPARED BY THE FINANCE DEPARTMENT



Ron Jensen
Mayor

Diana G. Ortiz, RTA, CGFO
Chief Financial Officer

Tom Hart
City Manager

Cheryl Estes, CPA, CGFO
Controller



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**CITY OF GRAND PRAIRIE, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

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INTRODUCTORY SECTION



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March 21, 2017

To the Honorable Mayor,

Members of the City Council, and

Citizens of the City of Grand Prairie, Texas

The Comprehensive Annual Financial Report of the City of Grand Prairie (the City), for the fiscal year ended September 30, 2016, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City issue an annual report on its financial position and activity and that an independent firm of certified public accountants audit this report.

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

The City Council selected the firm of Weaver and Tidwell, L.L.P., Certified Public Accountants to audit these financial statements in accordance with auditing standards generally accepted in the United States of America. The independent auditor has issued an unmodified (clean) opinion on the City's financial statements for the year ended September 30, 2016, and the auditor's report is located at the front of the financial section of this report.

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

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

certain provisions of laws, regulations, contracts, grant agreements, and other matters; and the schedules of federal and state financial assistance and the auditors' findings and recommendations is not included in this report but may be obtained by contacting the City's Finance Department.

Early History of the City

Early settlers were enticed to the area through a series of Republic of Texas land grants offered by investors in 1841. In 1861, Alexander MacRae Dechman 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. Because of its location on the eastern edge of the vast prairie that stretched into West Texas, the railroad renamed Dechman in 1877 to Grand Prairie.

As the village of Grand Prairie grew, burgeoning neighborhoods brought problems, including fire hazards wrought by houses built too close together, the need for a public water system, and regulations to force residents to keep their property and outhouses clean. Therefore, 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. The City adopted its first Charter in 1948.

Today's Profile of the Government

Grand Prairie is located in North Central Texas and within Dallas, Tarrant, and Ellis counties. The City has a land area of 80 square miles, an estimated population of 184,620, and is readily accessible by an expanded thoroughfare system including State Highway 161 for traffic relief on State Highway 360 (north/south) and Interstate Highways 20 and 30 (east/west) through the City.

The City 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 City provides to its citizens a full range of services including police and fire protection, emergency ambulance service, water and sewer services, solid waste disposal, libraries and related programs, and parks, arts and recreation activities including two eighteen-hole golf courses. In addition, the city provides planning for future land use, traffic control, building inspections, and constructs and maintains City roads and streets.

Reporting Entity

All activities, organizations and functions for which the City is financially accountable are included in the City's financial statements. The City's legal entity includes general government activities, enterprise activities, and internal service activities. Enterprise activities include water, wastewater, solid waste, and storm water utility services, a City-operated airport, and two golf courses. Internal service activities include fleet and equipment services and risk management. Sixteen Public Improvement Districts and two Tax Increment Financing Districts, none of which are legally separate entities, are also included in the City's reporting entity.

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

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

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

Major Initiatives

- Grand Prairie continues to open and plan for new thoroughfares, increasing mobility through the City. Roadway improvement projects continue along Interstates 20 and 30 with the design and construction of frontage roads, and the widening of MacArthur Road north of I-30 to Hunter-Ferrell.
- The grand opening of Grand Central Park's new Epic Center is still on schedule to open in the fall of 2017. The Play Grand Adventure All-Inclusive Playground Project continues with its design and fundraising.
- Fire Station #10 was completed at South Grand Peninsula and Balboa.
- Main Street façade renovations and sidewalk improvements continue downtown in pursuit of destination restaurants.
- Design and construction plans are in the making to expand City facilities to meet the growing demand for City services. Expansion projects include Prairie Paws Adoption Center and the Service Center which houses the City's Streets, Signs, Fleet, and Transportation Departments.

Local Economy

Another positive year is outlined with the following indicators:

Residential

- Home sales median price reached \$191,500 which now exceeds Arlington and Cedar Hill.
- The average permit value of a new single-family home in Grand Prairie increased 17% from \$257,000 in 2015 to \$309,000 in 2016.
- New-home starts in Grand Prairie reached 397 in 2016, building more than one house a day.
- 900 homes are on the way in 2017 in five new developments. Six apartment/condominium complexes are underway for 2017, totaling more than 1,000 new units.

Commercial

- The City issued 5.2 million square feet of commercial, retail and industrial permits valued at \$192 million showing consistent growth since 2011.
- The IKEA Grand Prairie is scheduled to open in late 2017 at SH161 and Mayfield. Construction of the 290,000-square-foot IKEA will employ 500 workers, and includes 1,100 parking spaces and a 450-seat restaurant. Three hundred new jobs will be added to our economy when the store opens. The IKEA Grand Prairie will be the Metroplex's second store with only four stores located in Texas.
- Major development is expected around the IKEA site with plans for twenty-two restaurant sites, twenty-three retail sites, and one hotel.
- More property is available north, south and west of IKEA, including the property in Grand Central Park that voters authorized the City to sell for retail, hotel and restaurant development.

Not only do people want to live and work in Grand Prairie, they want to play here, too!

- Both Home 2 by Hilton and LaQuinta opened new hotels in 2016. Comfort Suites is opening in 2017, and Hilton Tru, Hyatt Place and Staybridge are coming in 2018. And this doesn't include the hotel interest around Grand Central Park and the Epic Center.

Long-Term Financial Planning

The City of Grand Prairie adopts and utilizes a comprehensive capital improvements plan. This plan documents both the planning and funding of major capital projects and purchases in a systematic manner with full consideration of the impact to the operating budget and tax requirements. By utilizing a disciplined practice of annually budgeting for capital reserves, many of these projects are completed on a pay-as-you-go basis thus avoiding additional debt.

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 includes accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management and expenditures control. The City also maintains comprehensive investment, debt management, and purchasing policies. These policies provide guidance to the City Council at the policy setting level, and to City management and staff in their daily financial decision-making. In addition to these policies, City Council formed a three-member Finance and Government Committee whose members 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. This healthy condition emphasizes the City's ability to weather any future economic downturns.

The City's financial condition is further supported with positive bond ratings. In February 2015, the City's water/wastewater revenue bond rating was elevated to the coveted AAA, the highest rating given by Fitch. Only eight cities in Texas are so rated. The AAA water/wastewater revenue bond rating from Fitch now matches the City's AAA rating from Standard & Poor's for water/wastewater revenue bonds. At the same time, the City's general obligation bond ratings were reaffirmed by both Standard & Poor's and Fitch at AAA and AA+, respectively. In October 2016, sales tax revenue bonds (taxable and tax-exempt) were upgraded by Fitch to AA and AA+, respectively.

Awards and Acknowledgements

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Prairie for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2015. This was the 30th 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.

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Hart", written over a horizontal line.

Tom Hart, City Manager

A handwritten signature in black ink, appearing to read "Diana G. Ortiz", written over a horizontal line.

Diana G. Ortiz, Chief Financial Officer



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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, 2015

Executive Director/CEO

**Mayor Pro Tem
Council Member
Jorja Clemson
District 1**

**Council Member
Tony Shotwell
District 5**

**Council Member
Jim Swafford
District 2**

**Council Member
Lila Thorn
District 3**

**Council Member
Richard Fregoe
District 4**

**Mayor
Ron Jensen**

**Council Member
Jeff Copeland
At Large
Place 7**

**Council Member
Greg Giessner
At Large
Place 8**

**Deputy Mayor Pro Tem
Council Member
Jeff Wooldridge
District 6**

**Grand Prairie
TEXAS**

2016 CITY COUNCIL

Mayor Ron Jensen, council members Jim Swafford and Richard Fregoe were elected to three-year terms in 2016. Council members Jorja Clemson, Jeff Copeland and Lila Thorn were elected to three-year terms in 2014. Council members Greg Giessner, Tony Shotwell and Jeff Wooldridge were elected to three-year terms in 2015. Regular City Council elections are conducted in May every year.

City Hall, 317 College St., Grand Prairie, TX 75050
 P.O. Box 534045, Grand Prairie, TX 75053
 972-237-8022 • gpbx.org/council

Updated: July 2016

**CITY OF GRAND PRAIRIE, TEXAS
 DIRECTORY OF CITY OFFICIALS
 MAYOR AND CITY COUNCIL**

Ron Jensen
 Jorja Clemson
 Jim Swafford
 Lila Thorn
 Richard Fregoe
 Tony Shotwell
 Jeff Wooldridge
 Jeff Copeland
 Greg Giessner

Mayor At Large
 Deputy Mayor Pro Tem - District 1
 Mayor Pro Tem - District 2
 District 3
 District 4
 District 5
 District 6
 At Large – Place 7
 At Large – Place 8

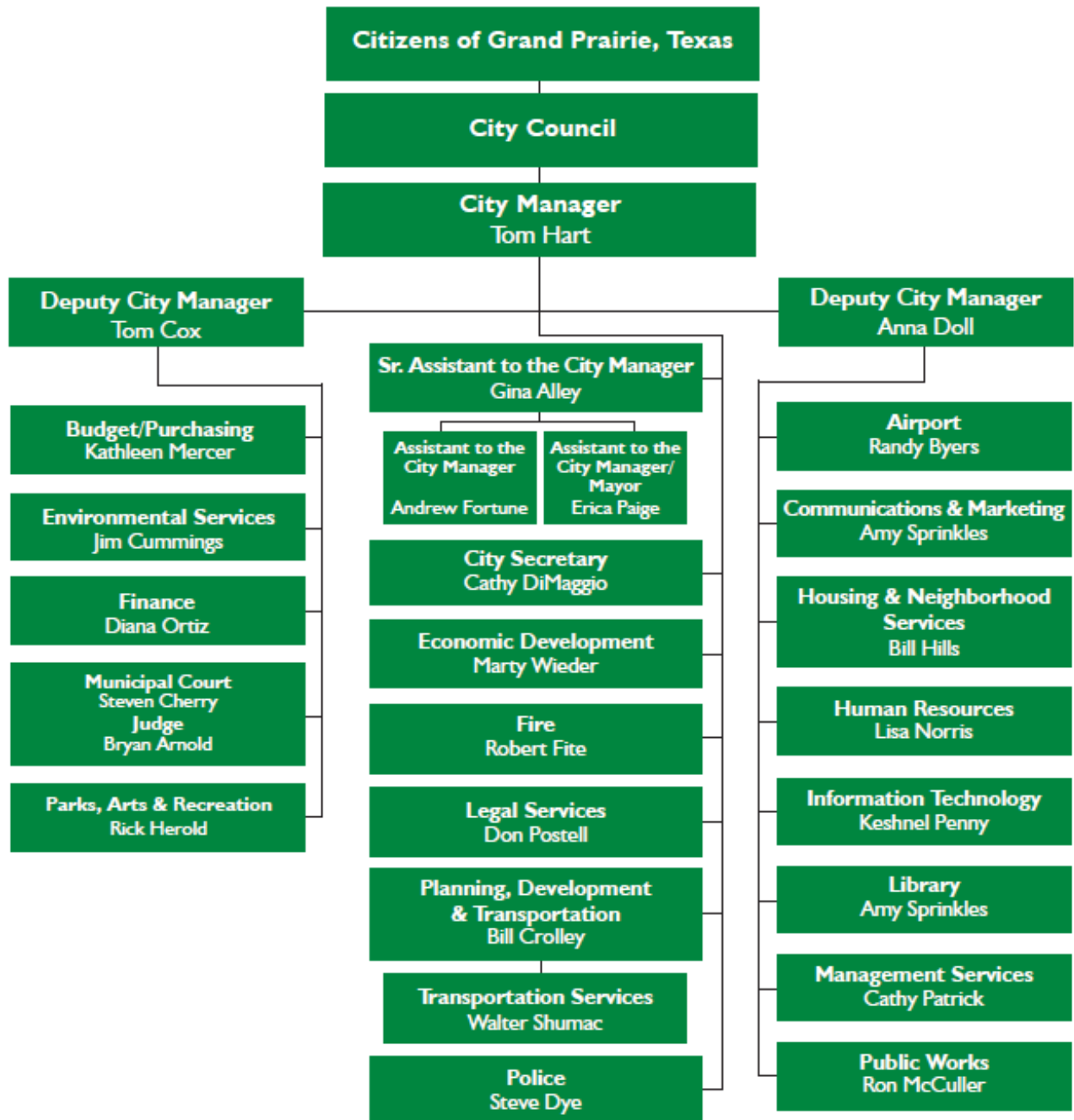
EXECUTIVE MANAGERS

Tom Hart
 Tom Cox
 Anna Doll
 Gina Alley
 Randy Byers
 Steven Cherry
 Kathleen Mercer
 Bill Crolley
 Jim Cummings
 Cathy DiMaggio
 Rick Herold
 Steve Dye
 Bill Hills
 Ron McCuller
 Robert Fite
 Lisa Norris
 Diana Ortiz
 Marty Wieder
 Keshnel Penny
 Don Postell
 Amy Sprinkles
 Bryan Arnold
 Walter Shumac
 Amy Sprinkles
 Cathy Patrick

City Manager
 Deputy City Manager
 Deputy City Manager
 Assistant to City Manager
 Airport Director
 Court Services Director
 Budget Director
 Director of Planning & Development
 Environmental Services Director
 City Secretary
 Parks, Arts & Recreation Director
 Police Chief
 Housing & Neighborhood Services Director
 Public Works Director
 Fire Chief
 Human Resources Director
 Chief Financial Officer
 Economic Development Director
 Information Technology Director
 City Attorney
 Library Director
 Municipal Court Judge
 Transportation Director
 Communications & Marketing Director
 Management Services Director

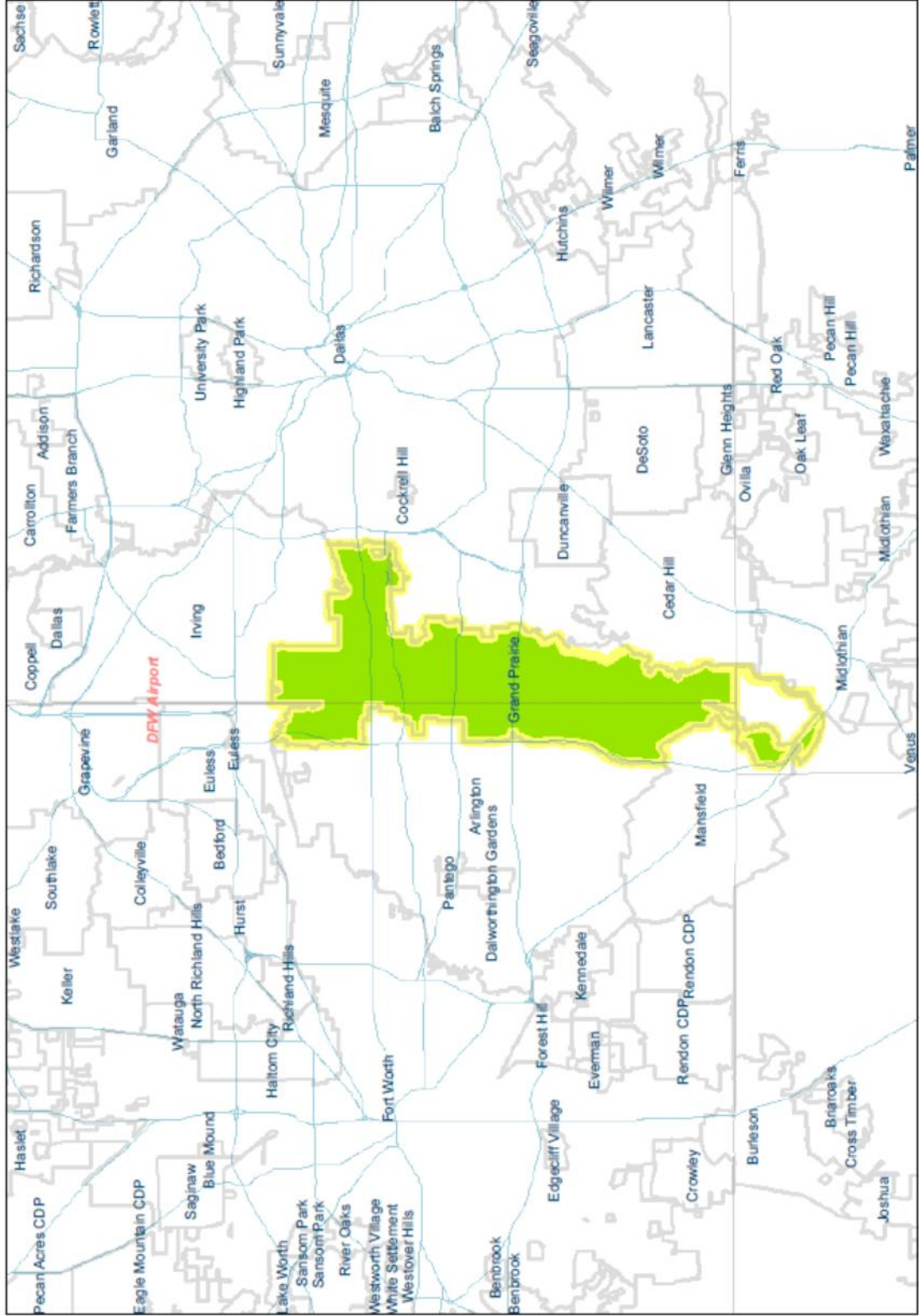


ORGANIZATIONAL CHART



City of Grand Prairie, Texas

Located in the middle of the Dallas-Fort Worth Metroplex



FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of City of Grand Prairie, Texas (the City) as of and for the year ended September 30, 2016, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21-30, budget to actual schedules for the General Fund and Section 8 Fund on pages 103 and 104 respectively, Schedule of Postemployment Healthcare Benefits Funding Progress on page 105, Schedule of Contributions-Texas Municipal Retirement System on page 106, and Schedule of Changes in Net Pension Liability and Related Ratios- Texas Municipal Retirement System on page 107 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 16, 2017



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MANAGEMENT'S DISCUSSION & ANALYSIS



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CITY OF GRAND PRAIRIE, TEXAS
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016
(Unaudited)

Management's discussion and analysis provides a narrative overview of the financial activities and changes in the financial position of the City of Grand Prairie, Texas (the City) for the fiscal year ended September 30, 2016. It is offered here by the management of the City to the readers of its financial statements. Readers are encouraged to consider the information presented here in conjunction with the information furnished in our letter of transmittal, the introductory section of the City's financial statement, and the accompanying notes.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2016 by \$645,106,433 (net position).
- The City's total net position increased \$19,680,716, for the fiscal year ended September 30, 2016, primarily due to increased capital contributions.
- At September 30, 2016, the City's governmental funds reported combined ending fund balances of \$223,890,764. The \$28,320,160 unassigned fund balance in the General Fund represents 26.2% of total General Fund expenditures and transfers.
- The City's total long-term liabilities of \$493,005,664 increased by \$112,407,521 (29.5%) during the current fiscal year. In fiscal year 2016, the City issued \$28,020,000 in Combination Tax and Revenue Certificates, \$74,825,000 in taxable Sales Tax Revenue Bonds, \$11,165,000 in General Obligation Refunding Bonds, and \$4,155,000 in Water and Wastewater System Revenue Refunding Bonds. See Table 4 in this report for further information regarding the City's long-term liabilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus is on the City as a whole and on individual major funds. It is intended to present a more comprehensive view of the City's financial activities.

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide financial statements - The government-wide financial statements include the Statement of Net Position and Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to that of a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, including capital assets and long-term liabilities, and deferred inflows of resources. The differences between these items are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the city's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and Statement of Activities divide the City's activities into two types:

Governmental Activities - Most of the City's basic services are reported here, including general government, public safety, planning, public works, transportation, housing, community development, cultural events, and library. Property taxes, sales taxes, and franchise fees provide the majority of financing for these activities.

Business-Type Activities - Activities for which the City charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include a water and wastewater system, a solid waste sanitary landfill, a storm water utility system, municipal airport, and municipal golf courses.

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

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

Fund financial statements - The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison. These reconciliations explain the differences between the government's activities as reported in the government-wide statements and the information presented in the governmental funds financial statements.

The City reports thirty individual governmental funds. Information is presented separately in the governmental fund's Balance Sheet and in the governmental fund's Statement of Revenues, Expenditures and Changes in Fund Balances for the City's six major funds - General Fund, Section 8 Fund, Streets CIP Fund, Grants Fund, Debt Service Fund, and the Epic CIP Fund. Data for other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds - The City maintains two different types of proprietary funds – enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities of the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater system, solid waste sanitary landfill, storm water utility, municipal airport, and municipal golf courses. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City has five enterprise funds of which two are major enterprise funds – the Water Wastewater Fund and the Solid Waste Fund. Data from other nonmajor enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle and equipment maintenance and the premiums, deductibles, and claims for all insurance programs (e.g. employee health, workers compensation, general liability, etc.). Because these services benefit both governmental and business-type functions, they have been allocated to both activities in the government-wide financial statements in proportion to services received. The City's two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the City's internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets of the City at September 30, 2016 were \$1,146,307,624, deferred outflows of resources were \$37,229,654, total liabilities were \$537,896,768, and deferred inflows of resources were \$534,077 resulting in a net position balance of \$645,106,433.

The largest portion of the City's net position, \$474,816,909 (73.6%), reflects its investment in capital assets (land, buildings and improvements, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

**Table 1
Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2015	9/30/2016	9/30/2015	9/30/2016	9/30/2015	9/30/2016
Cash and investments	\$ 175,488,544	\$ 243,047,843	\$ 81,917,758	\$ 80,327,337	\$ 257,406,302	\$ 323,375,180
Other assets	16,893,963	23,531,494	17,880,902	13,135,847	34,774,865	36,667,341
Capital assets, net	541,648,138	565,449,978	200,767,818	220,815,125	742,415,956	786,265,103
Total assets	<u>734,030,645</u>	<u>832,029,315</u>	<u>300,566,478</u>	<u>314,278,309</u>	<u>1,034,597,123</u>	<u>1,146,307,624</u>
Deferred outflows of resources	<u>13,353,371</u>	<u>33,411,232</u>	<u>1,501,931</u>	<u>3,818,422</u>	<u>14,855,302</u>	<u>37,229,654</u>
Current liabilities	30,439,455	34,308,773	11,037,999	10,582,331	41,477,454	44,891,104
Long-term bonded debt	240,541,533	326,313,952	58,166,319	54,918,271	298,707,852	381,232,223
Other noncurrent liabilities	69,689,941	96,234,527	12,200,350	15,538,914	81,890,291	111,773,441
Total liabilities	<u>340,670,929</u>	<u>456,857,252</u>	<u>81,404,668</u>	<u>81,039,516</u>	<u>422,075,597</u>	<u>537,896,768</u>
Deferred inflows of resources	<u>1,753,433</u>	<u>479,746</u>	<u>197,678</u>	<u>54,331</u>	<u>1,951,111</u>	<u>534,077</u>
Net Position						
Net Investment in capital assets	333,061,190	308,745,566	151,539,230	166,071,343	484,600,420	474,816,909
Restricted	53,392,543	57,404,183	8,904,795	15,366,214	62,297,338	72,770,397
Unrestricted	18,505,921	41,953,800	60,022,038	55,565,327	78,527,959	97,519,127
Total net position	<u>\$ 404,959,654</u>	<u>\$ 408,103,549</u>	<u>\$ 220,466,063</u>	<u>\$ 237,002,884</u>	<u>\$ 625,425,717</u>	<u>\$ 645,106,433</u>

A portion of the City's net position totaling \$72,770,397, or 11.3%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$97,519,127 may be used to meet the government's ongoing obligations to citizen's and creditors.

The City's net position increased by \$19,680,716 from the prior fiscal year due to a significant increase in capital contributions. While overall operating revenues and expenditures increased proportionately at

13%, residential and commercial developers contributed \$25,460,165 in new infrastructure (streets and water/sewer lines) in fiscal year 2016, an increase of \$20,145,278 or 379%, over fiscal year 2015.

The fiscal year 2016 compared to fiscal 2015 changes in the City's net position were as follows:

**Table 2
Changes in Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2015	9/30/2016	9/30/2015	9/30/2016	9/30/2015	9/30/2016
Revenues:						
Program revenues:						
Charges for services	\$ 34,849,122	\$ 45,025,523	\$ 84,487,779	\$ 90,232,226	\$ 119,336,901	\$ 135,257,749
Operating grants and contributions	33,329,097	37,024,064	43,714	37,320	33,372,811	37,061,384
Capital grants and contributions	1,232,805	8,807,012	4,082,082	16,653,153	5,314,887	25,460,165
General revenues:						
Property tax	73,070,467	77,923,990	-	-	73,070,467	77,923,990
Sales tax	53,494,773	57,076,997	-	-	53,494,773	57,076,997
Other tax	1,713,865	1,791,075	-	-	1,713,865	1,791,075
Franchise fees	14,089,158	13,928,847	-	-	14,089,158	13,928,847
Investment income	1,609,156	2,173,508	1,750	8,567	1,610,906	2,182,075
Total revenues	<u>213,388,443</u>	<u>243,751,016</u>	<u>88,615,325</u>	<u>106,931,266</u>	<u>302,003,768</u>	<u>350,682,282</u>
Expenses:						
Support services	22,102,591	23,045,026	-	-	22,102,591	23,045,026
Public safety services	80,359,190	91,860,495	-	-	80,359,190	91,860,495
Recreation and leisure services	26,746,861	29,709,690	-	-	26,746,861	29,709,690
Development services	77,263,159	88,963,122	-	-	77,263,159	88,963,122
Interest on long-term debt	8,019,147	12,374,896	-	-	8,019,147	12,374,896
Water and wastewater	-	-	61,381,944	66,351,005	61,381,944	66,351,005
Solid waste	-	-	10,143,394	11,438,507	10,143,394	11,438,507
Municipal airport	-	-	2,226,108	1,809,656	2,226,108	1,809,656
Municipal golf course	-	-	3,230,377	2,141,279	3,230,377	2,141,279
Storm water	-	-	1,694,556	3,307,890	1,694,556	3,307,890
Total expenses	<u>214,490,948</u>	<u>245,953,229</u>	<u>78,676,379</u>	<u>85,048,337</u>	<u>293,167,327</u>	<u>331,001,566</u>
Increases (decreases) in net position						
before transfers	(1,102,505)	(2,202,213)	9,938,946	21,882,929	8,836,441	19,680,716
Transfers	2,428,935	5,097,654	(2,428,935)	(5,097,654)	-	-
Capital asset reassignments	(25,800)	248,454	25,800	(248,454)	-	-
Change in net position	1,300,630	3,143,895	7,535,811	16,536,821	8,836,441	19,680,716
Net position - October 1	403,659,024	404,959,654	212,930,252	220,466,063	616,589,276	625,425,717
Net position - September 30	<u>\$ 404,959,654</u>	<u>\$ 408,103,549</u>	<u>\$ 220,466,063</u>	<u>\$ 237,002,884</u>	<u>\$ 625,425,717</u>	<u>\$ 645,106,433</u>

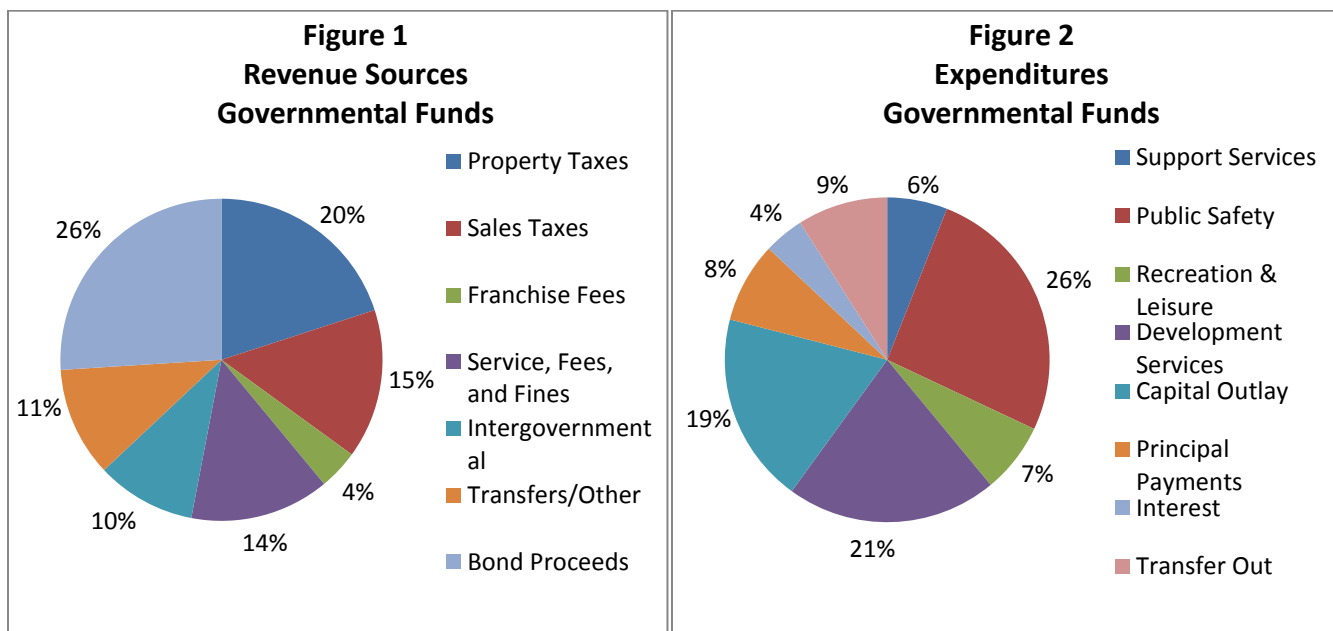
Governmental activities - Governmental activities increased the City's net position by \$3,143,895 in comparison with beginning net position, primarily due to an increase in capital contributions, when compared to fiscal year 2015. Net position of governmental operations accounts for 63.3% of total net position.

Business-type activities - Business-type activities increased the City's net position by \$16,536,821 in comparison with beginning net position. Total revenue for the business-type activities increased from the previous year by \$18,315,941 due to a 13% increase in charges for services and an increase in capital contributions from developers of \$7,334,400. Net position for business-type activities represents 36.7% of total primary government net position.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

At fiscal year-end 2016, the City's governmental funds (excluding internal service funds) reported combined ending fund balances of \$223,890,764, an increase of \$71,510,939 in comparison with the prior year. The unassigned fund balance portion is 12.6% and is available for spending at the government's discretion. The remainder is restricted for specific purposes and is not available for new spending. Specific purposes include non-spendable inventories and prepaid items (\$269,848); amounts restricted by statutes, bond covenants or granting agencies (\$128,793,036) either for debt service payments, grant-related use, special taxing districts, or for capital projects. In addition, committed funds (\$64,315,780) require formal action by City Council. Finally, funds may be assigned (\$2,191,940) by City Manager with the City Council's delegated authority. Figures 1 and 2 that follow show the distribution of governmental funds' sources of revenues and expenditures, \$241,116,618 and \$282,012,384, respectively, for fiscal year 2016.



The General Fund is the chief operating fund of the City. At fiscal year-end, unassigned fund balance of the General Fund was \$28,320,160, while total fund balance was \$31,011,895. 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 26.2% of total general fund operating expenditures, while total fund balance represents 28.7% of that same amount. General Fund's fund balance increased in the amount of \$3,263,249 from the prior fiscal year.

Other major funds with significant changes in fund balance include Streets CIP, Grants, Debt Service, and Epic CIP. The Streets CIP Fund increased by \$2,145,513 due to an overall increase in activity including street maintenance and construction. Increased activity was funded from bond proceeds issued for this purpose.

The Grants Fund decreased by \$1,672,691 due to increased spending related to the construction of frontage roads along IH30. This is a joint project between the City and TxDot with much of the City's matching funds being spent in fiscal year 2016.

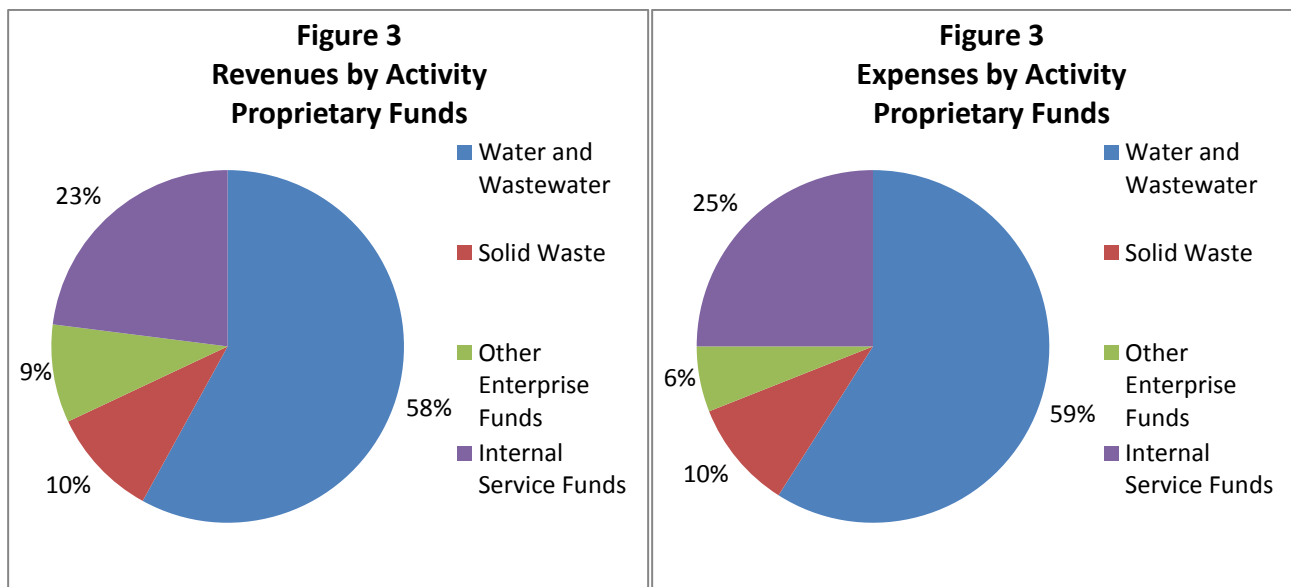
The Debt Service Fund increased by \$1,050,406 due to an increase in property tax revenues.

The Epic CIP Fund increased by \$66,326,138 due to the issuance of sales tax revenue bonds to fund the construction of this huge capital project.

The City also issued \$28,020,000 in certificates of obligation of which \$16,783,006 was allocated to Street CIP Fund and \$11,236,994 was allocated to nonmajor capital project funds.

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 \$235,415,349 and \$10,204,268, respectively, at September 30, 2016. The enterprise funds' net investment in capital assets represented 70% of total enterprise fund's net position. The internal service funds' net investment in capital assets represented 15.3% of total internal service funds' net position. The enterprise funds' unrestricted net position was 23.5% of their total net position, and internal service funds' unrestricted net position was 84.7% of their total funds' net position. The City's enterprise funds reported income before contributions and transfers of \$5,299,768 while the internal service funds reported a loss of \$146,992. 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 \$117,011,271 and expenses of \$110,193,269 (excluding non-operating revenues and expenses, and contributions and transfers) by activity.



General Fund Budgetary Highlights

Actual General Fund revenues were \$7,999,782, or 7%, higher than final budgeted revenues for fiscal year 2016. Property taxes, sales taxes, hotel/motel taxes, and franchise fees were 81.1% of General Fund budgeted revenues. Actual General Fund expenditures were \$1,959,791, or 1.8%, lower than

final budgeted expenditures for fiscal year 2016. Budgeted excess of revenues over expenditures before other financing sources and uses was \$4,476,281 compared to actual, or \$14,435,854, resulting in a net positive budget variance of \$9,959,573. The City traditionally budgets revenue conservatively and this practice frequently results in positive budgetary variances.

Net change in fund balances of the General Fund, including other financing sources and uses such as transfers, resulted in a net positive budget variance of \$10,410,638.

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 \$786,265,103. This investment includes land, buildings, improvements other than buildings (includes infrastructure), machinery and equipment, and construction in progress. The City's capital assets increased from prior year by \$43,849,147.

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

- Completed construction of Fire Station #10 at South Grand Peninsula and Balboa
- Continued construction of Grand Central Park's Epic Center
- Continued construction of frontage roads along Interstate 30
- Completed construction of Lynn Creek Parkway Phase II
- Completed construction of the North Dallas water supply line

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

**Table 3
Capital Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2015	9/30/2016	9/30/2015	9/30/2016	9/30/2015	9/30/2016
Land	\$ 44,780,245	\$ 45,048,889	\$ 4,197,596	\$ 4,471,796	\$ 48,977,841	\$ 49,520,685
Construction in progress	45,232,534	74,367,742	20,658,300	27,727,643	65,890,834	102,095,385
Depreciable capital assets	856,446,163	857,058,869	386,592,409	414,786,171	1,243,038,572	1,271,845,040
Accumulated depreciation	(404,810,804)	(411,025,522)	(210,680,487)	(226,170,485)	(615,491,291)	(637,196,007)
Total capital assets, net	<u>\$ 541,648,138</u>	<u>\$ 565,449,978</u>	<u>\$ 200,767,818</u>	<u>\$ 220,815,125</u>	<u>\$ 742,415,956</u>	<u>\$ 786,265,103</u>

Long-term debt - At September 30, 2016, the City had the following long-term liabilities:

**Table 4
Long-Term Debt**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2015	9/30/2016	9/30/2015	9/30/2016	9/30/2015	9/30/2016
Bonded debt	\$ 240,541,533	\$ 326,313,952	\$ 58,166,319	\$ 54,918,271	\$ 298,707,852	\$ 381,232,223
Compensated absences	15,246,671	16,462,244	414,156	457,916	15,660,827	16,920,160
Other post employment benefits	4,960,922	5,767,589	-	-	4,960,922	5,767,589
Net pension liability	45,568,993	71,236,569	5,137,343	8,067,465	50,706,336	79,304,034
Pollution liability	130,884	146,430	-	-	130,884	146,430
Closure and post closure liability	-	-	6,648,851	7,013,533	6,648,851	7,013,533
Other liabilities	3,782,471	2,621,695	-	-	3,782,471	2,621,695
Total long-term debt	\$ 310,231,474	\$ 422,548,479	\$ 70,366,669	\$ 70,457,185	\$ 380,598,143	\$ 493,005,664
Long-term debt to net position percentage	77%	104%	32%	30%	61%	76%

Of the total bonded debt, \$326,313,952, or 86%, is backed by the full faith and credit of the City with a property tax pledge.

During this fiscal year, the City issued \$102,845,000 in new bonded debt, refunded \$15,320,000 in old bonded debt, and retired principal on outstanding bonded debt totaling \$25,310,000. The City's total interest expense for all bonded debt was \$13,312,714.

Additional information is detailed in the Notes to Basic Financial Statements, pages 70 - 82.

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

	<u>Fitch</u>	<u>Standard & Poor's</u>
General obligation bonds	AA+	AAA
Sales tax revenue bonds (taxable)	AA	A
Sales tax revenue bonds (tax-exempt)	AA+	AA-
Water and wastewater revenue bonds	AAA	AAA

Economic Factors and Next Year's Budget and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2017 budget, tax rates, and fees that will be charged for business-type activities. One of the biggest factors continued to be the national economy. Building and development growth rates indicate healthy activities in the residential sector, and commercial-type permitting continues to increase. Although the City is built out and mature, there are still several areas available, mainly in the south sector with higher-end residential areas along Joe Pool Lake. The City's population as of August 2016 was 184,620, which is a 1.1% increase over last year. Grand Prairie's population continues to increase annually with even more growth expected as a result of continued development and mobility through the City. New and improved roadways among I20, I30, SH360, and SH161 continue to make additional demands on the City for increased services.

The following indicators were taken into account when adopting the budget for fiscal year 2017:

- An 11.02% increase in assessed property values;

- A 2% increase in sales tax collections when compared to prior fiscal year collections with no change in the City's sales tax rate; and
- The City's very strong financial position, favorable bond ratings, and continued low interest rates.

These indicators resulted in an increase in budgeted property tax revenues of \$4,730,589 for the General Fund and \$3,707,531 for the General Obligation Debt Service Fund. The City maintained the same property tax rate of \$0.669998 per \$100 valuation for fiscal year 2017.

Budgeted sales tax revenue was increased by \$540,386, or 2%, over prior fiscal year collections with no change in the sales tax rate.

The city expects a steady increase in other general revenues of governmental activities overall due to continued population growth and further developments.

The City's total approved operating appropriations for fiscal year 2017 is \$256,946,774, an increase of \$16,962,968, or 7%, when compared to prior fiscal year projected expenditures. General Fund approved appropriations for fiscal year 2017 is \$126,395,145, an increase of \$7,513,849, or 6.3%, over fiscal year 2016. Personnel services attributes to 75% of the total operating budget. This increase follows suit with additional staffing (full-time and part-time) to support public safety, a 3% merit increase, and increase in healthcare costs. Other changes in total budgeted operating appropriations include increases of \$7,019,336 in the Water/Wastewater Fund, and \$3,084,348 in the Epic Operating Fund.

Fiscal year 2017 budgeted appropriations for the General Obligation Debt Service Fund increased by \$7,112,702, or 35%, over fiscal year 2016 due to Cemetery, Airport, and CCPD debt service.

The City's approved appropriations for capital projects in fiscal year 2017 totals \$77,188,030. Planned capital projects include:

- \$19,929,170 in street and signal projects
- \$19,313,000 in water and wastewater requests
- \$12,543,120 in municipal facilities and infrastructure projects
- \$8,682,000 in park projects
- \$7,245,900 in storm drainage projects
- \$2,436,100 in fire equipment and infrastructure
- \$1,938,000 in library projects

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Controller, City of Grand Prairie, Texas, 326 W. Main Street, P.O. Box 534045, Grand Prairie, Texas, 75053-4045.

BASIC FINANCIAL STATEMENTS



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CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	Primary Government			Grand Prairie	Grand Prairie
	Governmental Activities	Business-Type Activities	Total	Sports Facilities Development	Housing Finance Corporation
ASSETS					
Cash and cash equivalents	\$ 107,439,838	\$ 17,942,546	\$ 125,382,384	\$ 2,235,296	\$ 658,105
Investments	6,376,843	47,818,411	54,195,254	7,996,600	75,065
Receivables, net	18,542,621	5,546,231	24,088,852	739,004	-
Intergovernmental receivables	5,799,795	5,438,040	11,237,835	-	-
Inventories and supplies	128,593	474,120	602,713	-	-
Prepays	648,020	89,921	737,941	-	27,339
Restricted assets:					
Cash and cash equivalents	7,668,811	1,994,585	9,663,396	-	1,401,634
Investments	121,562,351	12,571,795	134,134,146	-	-
Internal balances	(1,587,535)	1,587,535	-	-	-
Lease payments receivable	-	-	-	12,360,469	-
Estimated unguaranteed residual value	-	-	-	39,072,115	-
Capital assets:					
Nondepreciable	119,416,631	32,199,439	151,616,070	-	1,612,851
Depreciable, net	446,033,347	188,615,686	634,649,033	-	12,244,473
Total assets	832,029,315	314,278,309	1,146,307,624	62,403,484	16,019,467
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refundings	1,234,901	174,489	1,409,390	-	-
Related to TMRS pension	32,176,331	3,643,933	35,820,264	-	-
Total deferred outflows of resources	33,411,232	3,818,422	37,229,654	-	-
LIABILITIES					
Accounts payable	12,251,016	4,543,443	16,794,459	780	151,567
Retainage payable	1,292,491	549,365	1,841,856	-	-
Accrued interest	-	7,998	7,998	-	-
Accrued liabilities	9,527,281	705,924	10,233,205	-	477,300
Unearned revenue	9,078,141	442,753	9,520,894	-	-
Current liabilities payable from restricted assets:					
Accrued interest	2,118,544	353,220	2,471,764	-	-
Customer deposits	41,300	3,979,628	4,020,928	-	82,240
Noncurrent liabilities:					
Due within one year:					
Compensated absences	7,182,455	446,975	7,629,430	-	-
Environmental remediation obligation	146,430	-	146,430	-	-
Other liabilities	1,160,776	-	1,160,776	-	-
Current portion of long-term debt	22,735,000	5,163,512	27,898,512	-	297,639
Due in more than one year:					
Compensated absences	9,279,789	10,941	9,290,730	-	-
Other postemployment benefits	5,767,589	-	5,767,589	-	-
Closure and postclosure liability	-	7,013,533	7,013,533	-	-
Net pension liability	71,236,569	8,067,465	79,304,034	-	-
Other liabilities	1,460,919	-	1,460,919	-	-
Long-term debt	303,578,952	49,754,759	353,333,711	-	15,693,570
Total liabilities	456,857,252	81,039,516	537,896,768	780	16,702,316
DEFERRED INFLOWS OF RESOURCES					
Related to TMRS pension	479,746	54,331	534,077	-	-
NET POSITION					
Net investment in capital assets	308,745,566	166,071,343	474,816,909	-	(915,268)
Restricted for:					
Debt service	10,082,578	6,192,279	16,274,857	-	-
Capital projects	13,940,896	9,173,935	23,114,831	-	-
Public safety	13,315,636	-	13,315,636	-	-
Recreation and leisure	7,966,143	-	7,966,143	-	-
Development services	11,701,886	-	11,701,886	-	-
Other specific purposes	397,044	-	397,044	-	-
Facility lease	-	-	-	52,141,589	-
Unrestricted	41,953,800	55,565,327	97,519,127	10,261,115	232,419
Total net position	\$ 408,103,549	\$ 237,002,884	\$ 645,106,433	\$ 62,402,704	\$ (682,849)

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

FUNCTIONS/ACTIVITY	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 23,045,026	\$ 5,048,092	\$ 219,119	\$ -
Public safety services	91,860,495	18,121,839	3,908,881	-
Recreation and leisure services	29,709,690	9,686,261	4,979,810	250,000
Development services and other	88,963,122	12,169,331	27,916,254	8,557,012
Interest on long-term debt	12,374,896	-	-	-
Total governmental activities	<u>245,953,229</u>	<u>45,025,523</u>	<u>37,024,064</u>	<u>8,807,012</u>
Business-type activities:				
Water and wastewater	66,351,005	67,612,109	-	9,916,482
Solid waste	11,438,507	11,816,094	-	-
Municipal airport	2,141,279	2,678,090	37,320	1,500,000
Municipal golf course	3,307,890	2,494,513	-	-
Storm water	1,809,656	5,631,420	-	5,236,671
Total business-type activities	<u>85,048,337</u>	<u>90,232,226</u>	<u>37,320</u>	<u>16,653,153</u>
Total primary government	<u>\$ 331,001,566</u>	<u>\$ 135,257,749</u>	<u>\$ 37,061,384</u>	<u>\$ 25,460,165</u>
Component units:				
Grand Prairie Sports Facilities Development	\$ 8,569,604	\$ 1,345,276	\$ -	\$ 221,533
Grand Prairie Housing Finance Corporation	6,217,505	5,871,833	-	-
Total component units	<u>\$ 14,787,109</u>	<u>\$ 7,217,109</u>	<u>\$ -</u>	<u>\$ 221,533</u>

General revenues:
 Taxes
 Property taxes
 Sales taxes
 Hotel/motel and other taxes
 Franchise fees
 Investment income
 Transfers
 Capital asset reassignments
 Total general revenues and transfers

Change in net position
 Net position - beginning of year
 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		
\$ (17,777,815)	\$ -	\$ (17,777,815)	\$ -	\$ -
(69,829,775)	-	(69,829,775)	-	-
(14,793,619)	-	(14,793,619)	-	-
(40,320,525)	-	(40,320,525)	-	-
(12,374,896)	-	(12,374,896)	-	-
<u>(155,096,630)</u>	<u>-</u>	<u>(155,096,630)</u>	<u>-</u>	<u>-</u>
-	11,177,586	11,177,586	-	-
-	377,587	377,587	-	-
-	2,074,131	2,074,131	-	-
-	(813,377)	(813,377)	-	-
-	9,058,435	9,058,435	-	-
<u>-</u>	<u>21,874,362</u>	<u>21,874,362</u>	<u>-</u>	<u>-</u>
<u>(155,096,630)</u>	<u>21,874,362</u>	<u>(133,222,268)</u>	<u>-</u>	<u>-</u>
			(7,002,795)	-
			-	(345,672)
			<u>(7,002,795)</u>	<u>(345,672)</u>
77,923,990	-	77,923,990	-	-
57,076,997	-	57,076,997	-	-
1,791,075	-	1,791,075	-	-
13,928,847	-	13,928,847	-	-
2,173,508	8,567	2,182,075	75,791	1,873
5,097,654	(5,097,654)	-	-	-
248,454	(248,454)	-	-	-
<u>158,240,525</u>	<u>(5,337,541)</u>	<u>152,902,984</u>	<u>75,791</u>	<u>1,873</u>
3,143,895	16,536,821	19,680,716	(6,927,004)	(343,799)
<u>404,959,654</u>	<u>220,466,063</u>	<u>625,425,717</u>	<u>69,329,708</u>	<u>(339,050)</u>
<u>\$ 408,103,549</u>	<u>\$ 237,002,884</u>	<u>\$ 645,106,433</u>	<u>\$ 62,402,704</u>	<u>\$ (682,849)</u>

**CITY OF GRAND PRAIRIE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016**

	<u>General</u>	<u>Section 8</u>	<u>Streets CIP</u>
ASSETS			
Cash and cash equivalents	\$ 11,686,587	\$ 741,311	\$ 8,042,080
Investments	17,002,283	1,033,109	21,360,381
Property tax receivable, net	1,139,542	-	-
Sales tax receivable	5,158,288	-	-
Franchise fees receivable	2,658,775	-	-
Other receivables, net	2,425,746	-	-
Intergovernmental receivables	1,353,076	-	-
Due from other funds	-	-	-
Inventory	-	-	-
Prepays	81,857	-	-
Total assets	<u>41,506,154</u>	<u>1,774,420</u>	<u>29,402,461</u>
LIABILITIES			
Accounts payable	2,760,187	35,153	1,839,228
Retainage payable	-	-	113,091
Accrued liabilities	4,540,036	68,341	-
Due to other funds	-	-	-
Customer deposits	-	-	-
Unearned revenue	792,511	-	-
Total liabilities	<u>8,092,734</u>	<u>103,494</u>	<u>1,952,319</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	2,401,525	-	-
Total deferred inflows of resources	<u>2,401,525</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	81,857	-	-
Restricted	417,938	1,670,926	11,411,583
Committed	-	-	16,038,559
Assigned	2,191,940	-	-
Unassigned	28,320,160	-	-
Total fund balances	<u>31,011,895</u>	<u>1,670,926</u>	<u>27,450,142</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 41,506,154</u>	<u>\$ 1,774,420</u>	<u>\$ 29,402,461</u>

See accompanying notes to basic financial statements.

Grants	Debt Service	Epic CIP	Nonmajor Governmental Funds	Total Governmental Funds
\$ 6,244,921	\$ 1,758,489	\$ 48,889,705	\$ 34,557,227	\$ 111,920,320
1,900,000	10,000,000	20,012,749	46,630,672	117,939,194
-	435,016	-	-	1,574,558
-	-	-	5,146,204	10,304,492
-	-	-	77,631	2,736,406
425,338	7,617	63,979	1,004,485	3,927,165
4,446,719	-	-	-	5,799,795
-	-	-	3,402,683	3,402,683
-	-	-	30,911	30,911
-	-	-	157,080	238,937
<u>13,016,978</u>	<u>12,201,122</u>	<u>68,966,433</u>	<u>91,006,893</u>	<u>257,874,461</u>
762,764	-	1,626,805	4,498,401	11,522,538
274,377	-	889,364	15,659	1,292,491
50,695	-	-	1,189,126	5,848,198
-	-	3,402,683	-	3,402,683
-	-	-	41,300	41,300
6,493,376	-	-	1,792,254	9,078,141
<u>7,581,212</u>	<u>-</u>	<u>5,918,852</u>	<u>7,536,740</u>	<u>31,185,351</u>
-	396,821	-	-	2,798,346
-	396,821	-	-	2,798,346
-	-	-	187,991	269,848
5,435,766	11,804,301	55,673,874	42,378,648	128,793,036
-	-	7,373,707	40,903,514	64,315,780
-	-	-	-	2,191,940
-	-	-	-	28,320,160
<u>5,435,766</u>	<u>11,804,301</u>	<u>63,047,581</u>	<u>83,470,153</u>	<u>223,890,764</u>
<u>\$ 13,016,978</u>	<u>\$ 12,201,122</u>	<u>\$ 68,966,433</u>	<u>\$ 91,006,893</u>	<u>\$ 257,874,461</u>

**CITY OF GRAND PRAIRIE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

Total fund balance - total governmental funds \$ 223,890,764

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

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds (excluding internal service funds' capital assets of \$1,562,445). 563,887,534

Certain revenues are not available to pay for current-period expenditures; therefore, these revenues are deferred in the funds. 2,798,346

Certain assets and liabilities do not provide or require the use of current financial resources; therefore, these assets and liabilities are not reported in the governmental funds.

Accrued interest on long-term debt	(2,118,544)	
Unamortized loss of bond refundings	1,234,901	
Deferred pension contributions, and investment and actuarial experience (excluding internal service fund totals of \$476,053).	31,220,532	30,336,889

Internal service funds are used by management to charge cost of certain activities, such as employee health insurance, risk management insurance, and fleet services, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position (net of amount allocated to business-type activities of \$1,587,535). 8,616,733

Noncurrent liabilities are not due and payable in the current period; therefore, they are not reported in the governmental fund balance sheet. These noncurrent liabilities are as follows:

Long-term debt	(316,030,000)	
Unamortized bond premium/discount, net	(10,283,952)	
Compensated absences (excluding internal service fund totals of \$51,855)	(16,410,389)	
Other post employment benefits	(5,767,589)	
Net pension liability (excluding internal service fund totals of \$1,069,907)	(70,166,662)	
Environmental remediation obligation	(146,430)	
Other liabilities	(2,621,695)	(421,426,717)

Net position of governmental activities **\$ 408,103,549**

See accompanying notes to basic financial statements.



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**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>General</u>	<u>Section 8</u>	<u>Streets CIP</u>
REVENUES			
Property taxes	\$ 53,681,627	\$ -	\$ -
Sales taxes	27,922,103	-	-
Other taxes	280,846	-	-
Franchise fees	13,928,847	-	-
Charges for goods and services	5,796,986	2,686,904	92,522
Licenses and permits	3,457,438	339,867	-
Fines and forfeitures	7,740,514	-	-
Intergovernmental	2,741,448	24,702,660	-
General and administrative	4,274,142	-	-
Rents and royalties	86,553	-	-
Investment income	1,833,724	-	-
Contributions	107,441	-	-
Other	666,007	80,521	320,040
Total revenues	<u>122,517,676</u>	<u>27,809,952</u>	<u>412,562</u>
EXPENDITURES			
Current operations:			
Support services	18,145,433	-	-
Public safety services	73,478,242	-	-
Recreation and leisure services	2,398,214	-	-
Development services and other	12,391,453	27,747,485	9,310,200
Capital outlay	1,668,480	-	6,298,310
Debt service:			
Principal retirement	-	-	1,000,000
Interest and other charges	-	-	163,343
Total expenditures	<u>108,081,822</u>	<u>27,747,485</u>	<u>16,771,853</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,435,854</u>	<u>62,467</u>	<u>(16,359,291)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	11,326	-	568,253
Transfers out	(11,805,389)	(50,000)	(706,482)
Insurance recovery	-	-	-
Bonds issued	-	-	16,783,006
Premium on bonds issued	-	-	1,750,737
Refunding bonds issued	-	-	-
Payments to bond escrow agents	-	-	-
Proceeds from sale of capital assets	621,458	1,434	109,290
Total other financing sources (uses)	<u>(11,172,605)</u>	<u>(48,566)</u>	<u>18,504,804</u>
Net change in fund balances	3,263,249	13,901	2,145,513
Fund balances - beginning of year	<u>27,748,646</u>	<u>1,657,025</u>	<u>25,304,629</u>
Fund balances - end of year	<u>\$ 31,011,895</u>	<u>\$ 1,670,926</u>	<u>\$ 27,450,142</u>

See accompanying notes to basic financial statements.

Grants	Debt Service	Epic CIP	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 20,494,222	\$ -	\$ 4,023,294	\$ 78,199,143
-	-	-	28,994,118	56,916,221
-	-	-	1,510,229	1,791,075
-	-	-	-	13,928,847
919,935	-	-	9,512,192	19,008,539
-	-	-	164,437	3,961,742
-	-	-	3,872,033	11,612,547
10,622,089	-	-	48,635	38,114,832
-	-	-	-	4,274,142
-	-	-	4,077,682	4,164,235
24,996	332	311,428	3,028	2,173,508
167,681	-	4,500,000	564,993	5,340,115
-	10,127	-	554,977	1,631,672
<u>11,734,701</u>	<u>20,504,681</u>	<u>4,811,428</u>	<u>53,325,618</u>	<u>241,116,618</u>
-	-	-	1,442,867	19,588,300
2,645,730	-	-	5,626,558	81,750,530
154,376	-	-	19,473,277	22,025,867
2,829,095	-	-	13,986,180	66,264,413
8,990,823	-	20,545,009	21,497,512	59,000,134
-	12,806,000	-	7,994,000	21,800,000
-	6,949,409	660,935	3,809,453	11,583,140
<u>14,620,024</u>	<u>19,755,409</u>	<u>21,205,944</u>	<u>73,829,847</u>	<u>282,012,384</u>
<u>(2,885,323)</u>	<u>749,272</u>	<u>(16,394,516)</u>	<u>(20,504,229)</u>	<u>(40,895,766)</u>
1,251,615	170,000	7,062,280	13,930,972	22,994,446
(44,393)	-	-	(5,566,506)	(18,172,770)
-	-	-	88,101	88,101
-	-	74,825,000	11,236,994	102,845,000
-	949,342	833,374	1,254,933	4,788,386
-	10,270,000	-	895,000	11,165,000
-	(11,088,208)	-	(966,304)	(12,054,512)
5,410	-	-	15,462	753,054
<u>1,212,632</u>	<u>301,134</u>	<u>82,720,654</u>	<u>20,888,652</u>	<u>112,406,705</u>
(1,672,691)	1,050,406	66,326,138	384,423	71,510,939
<u>7,108,457</u>	<u>10,753,895</u>	<u>(3,278,557)</u>	<u>83,085,730</u>	<u>152,379,825</u>
<u>\$ 5,435,766</u>	<u>\$ 11,804,301</u>	<u>\$ 63,047,581</u>	<u>\$ 83,470,153</u>	<u>\$ 223,890,764</u>

**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, 2016**

Net change in fund balances - total governmental funds **\$ 71,510,939**

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

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 59,000,134

Depreciation on capital assets is reported in the government-wide statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds (except for internal service fund depreciation of \$75,025). (37,307,450)

Governmental funds do not report capital contributions. 2,193,952

The net effect of various transactions involving capital assets (i.e., disposals, sales, and reassignments) are not reported in the governmental funds. (685,823)

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

Bonds issued	(102,845,000)	
Refunding bonds issued	(11,165,000)	
Payments to bond escrow agents	12,054,512	
Bond principal retirement	20,800,000	
Bond premium issued	(4,788,386)	
Amortization of bond premiums/discounts	425,967	
Amortization of loss on refundings	(111,868)	(85,629,775)

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

Accrued interest	(1,105,854)	
Compensated absences	(1,208,554)	
Pollution remediation obligation	(15,546)	
Postemployment benefit obligation	(806,667)	
Change in pension liability	(4,352,784)	
Other liabilities	1,160,776	(6,328,629)

Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 191,569

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net operating loss of the internal service funds is reported with governmental activities (net of the amount allocated to business-type activities of \$69,992). 198,978

Change in net position of governmental activities **\$ 3,143,895**

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2016**

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 14,727,870	\$ 3,036,050	\$ 178,626	\$ 17,942,546	\$ 3,188,329
Investments	29,318,432	13,824,536	4,675,443	47,818,411	10,000,000
Accounts receivable, net	4,567,247	477,458	501,526	5,546,231	-
Intergovernmental receivable	5,400,720	-	37,320	5,438,040	-
Inventories and supplies	420,399	-	53,721	474,120	97,682
Prepays	89,921	-	-	89,921	409,083
Restricted assets:					
Cash and cash equivalents	1,994,585	-	-	1,994,585	-
Investments	12,501,419	-	70,376	12,571,795	-
Total current assets	<u>69,020,593</u>	<u>17,338,044</u>	<u>5,517,012</u>	<u>91,875,649</u>	<u>13,695,094</u>
Noncurrent assets:					
Capital assets:					
Land	1,963,711	1,748,378	759,707	4,471,796	737,566
Buildings	2,361,045	1,895,727	14,218,487	18,475,259	1,477,875
Equipment	24,196,308	10,489,866	1,980,276	36,666,450	1,528,146
Infrastructure	318,164,331	10,449,173	31,030,958	359,644,462	16,672
Construction in progress	26,223,557	159,650	1,344,436	27,727,643	227,700
Less: accumulated depreciation	(192,870,724)	(10,427,662)	(22,872,099)	(226,170,485)	(2,425,514)
Total noncurrent assets	<u>180,038,228</u>	<u>14,315,132</u>	<u>26,461,765</u>	<u>220,815,125</u>	<u>1,562,445</u>
Total assets	<u>249,058,821</u>	<u>31,653,176</u>	<u>31,978,777</u>	<u>312,690,774</u>	<u>15,257,539</u>
DEFERRED OUTFLOWS OF RESOURCES					
Debt refundings	174,489	-	-	174,489	-
Related to TMRS pension	2,195,893	808,861	639,179	3,643,933	483,258
Total deferred outflows of resources	<u>2,370,382</u>	<u>808,861</u>	<u>639,179</u>	<u>3,818,422</u>	<u>483,258</u>
LIABILITIES					
Current liabilities:					
Accounts payable	3,584,022	709,119	250,302	4,543,443	728,479
Retainage payable	549,365	-	-	549,365	-
Accrued interest	-	-	7,998	7,998	-
Accrued liabilities	484,087	138,074	83,763	705,924	3,679,083
Compensated absences	290,192	72,763	84,020	446,975	51,855
Unearned revenue	274,431	-	168,322	442,753	-
Current portion of long-term debt	4,510,000	513,512	140,000	5,163,512	-
Current liabilities payable from restricted assets:					
Accrued interest	353,220	-	-	353,220	-
Customer deposits	3,909,252	-	70,376	3,979,628	-
Total current liabilities	<u>13,954,569</u>	<u>1,433,468</u>	<u>804,781</u>	<u>16,192,818</u>	<u>4,459,417</u>
Noncurrent liabilities:					
Compensated absences	-	-	10,941	10,941	-
Closure and postclosure liability	-	7,013,533	-	7,013,533	-
Net pension liability	4,861,583	1,790,772	1,415,110	8,067,465	1,069,907
Long-term debt	47,831,968	742,791	1,180,000	49,754,759	-
Total noncurrent liabilities	<u>52,693,551</u>	<u>9,547,096</u>	<u>2,606,051</u>	<u>64,846,698</u>	<u>1,069,907</u>
Total liabilities	<u>66,648,120</u>	<u>10,980,564</u>	<u>3,410,832</u>	<u>81,039,516</u>	<u>5,529,324</u>
DEFERRED INFLOWS OF RESOURCES					
Related to TMRS pension	32,741	12,060	9,530	54,331	7,205
NET POSITION					
Net investment in capital assets	127,870,749	13,058,829	25,141,765	166,071,343	1,562,445
Restricted for:					
Debt Service	6,192,279	-	-	6,192,279	-
Capital projects	9,173,935	-	-	9,173,935	-
Unrestricted	41,511,379	8,410,584	4,055,829	53,977,792	8,641,823
Total net position	<u>\$ 184,748,342</u>	<u>\$ 21,469,413</u>	<u>\$ 29,197,594</u>	<u>\$ 235,415,349</u>	<u>\$ 10,204,268</u>

Reconciliation to government-wide Statement of Net Position:

Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds	1,587,535
Net position of business-type activities	<u>\$ 237,002,884</u>

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, 2016**

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES					
Water sales	\$ 39,054,285	\$ -	\$ -	\$ 39,054,285	\$ -
Wastewater services	24,983,819	-	-	24,983,819	-
Water and wastewater fees	2,515,993	-	-	2,515,993	-
Wastewater surcharges	722,154	-	-	722,154	-
Solid waste fees	-	11,796,881	-	11,796,881	-
Charges for services	-	-	8,898,294	8,898,294	4,382,994
Intergovernmental revenue	-	-	37,320	37,320	-
Insurance premiums	-	-	-	-	22,246,332
Miscellaneous	335,858	93,213	1,905,729	2,334,800	38,399
Total operating revenue	67,612,109	11,890,094	10,841,343	90,343,546	26,667,725
OPERATING EXPENSES					
Salaries and benefits	7,690,878	2,952,063	2,340,873	12,983,814	1,696,850
Supplies and miscellaneous purchases	915,823	379,721	752,687	2,048,231	2,378,667
Purchased services	6,672,050	5,525,657	1,966,463	14,164,170	1,426,255
Insurance costs	-	-	-	-	21,070,998
Water purchases	14,223,378	-	-	14,223,378	-
Wastewater treatment	15,346,644	-	-	15,346,644	-
General and administrative costs	3,508,628	308,290	214,608	4,031,526	-
Franchise fees	2,561,398	326,754	225,659	3,113,811	-
Miscellaneous	611,463	733,345	127,582	1,472,390	195,395
Depreciation	13,120,127	1,298,813	1,547,175	15,966,115	75,025
Total operating expenses	64,650,389	11,524,643	7,175,047	83,350,079	26,843,190
Operating income	2,961,720	365,451	3,666,296	6,993,467	(175,465)
NONOPERATING REVENUES (EXPENSES)					
Investment income	8,567	-	-	8,567	-
Gain (loss) on property disposition	69,136	(12,996)	1,807	57,947	28,473
Interest expense	(1,693,162)	-	(67,051)	(1,760,213)	-
Total nonoperating revenues (expenses)	(1,615,459)	(12,996)	(65,244)	(1,693,699)	28,473
Income (loss) before contributions and transfers	1,346,261	352,455	3,601,052	5,299,768	(146,992)
CONTRIBUTIONS AND TRANSFERS					
Capital contributions-impact fees	2,407,003	-	-	2,407,003	-
Capital contributions	7,509,479	-	6,736,671	14,246,150	-
Transfers out - capital assets	-	(248,454)	-	(248,454)	-
Transfers in - monetary	16,000	-	275,000	291,000	300,000
Transfers out - monetary	(1,345,826)	(394,828)	(3,648,000)	(5,388,654)	(24,022)
Total contributions and transfers	8,586,656	(643,282)	3,363,671	11,307,045	275,978
Change in net position	9,932,917	(290,827)	6,964,723	16,606,813	128,986
Net position - beginning of year	174,815,425	21,760,240	22,232,871	218,808,536	10,075,282
Net position - end of year	\$ 184,748,342	\$ 21,469,413	\$ 29,197,594	\$ 235,415,349	\$ 10,204,268
Reconciliation to government-wide Statement of Activities:					
Total change in net position				\$ 16,606,813	
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				(69,992)	
Change in net position of business-type activities				\$ 16,536,821	

See accompanying notes to basic financial statements.

CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Solid	Other	Total	Activities
	Wastewater	Waste	Nonmajor		Internal Service Funds
Cash flows from operating activities:					
Cash receipts from customers	\$ 68,293,776	\$ 12,128,305	\$ 8,883,586	\$ 89,305,667	\$ -
Cash receipts from insurance proceeds	-	-	-	-	4,184,353
Cash receipts from city and employee contributions	-	-	-	-	18,073,117
Cash receipts from interfund services provided	-	-	-	-	4,382,994
Cash receipts from other governments	-	-	26,378	26,378	-
Other operating cash receipts	335,858	93,213	1,905,729	2,334,800	38,399
Cash payments to suppliers for goods and services	(38,814,345)	(6,863,111)	(2,828,664)	(48,506,120)	(5,264,013)
Cash payments to employees for services	(7,330,940)	(2,341,473)	(2,255,075)	(11,927,488)	(1,590,381)
Cash payments for interfund services used	(2,561,398)	(326,754)	(225,659)	(3,113,811)	(20,748,091)
Other operating cash payments	(3,508,628)	(308,290)	(214,608)	(4,031,526)	-
Net cash provided by (used in) operating activities	16,414,323	2,381,890	5,291,687	24,087,900	(923,622)
Cash flows from noncapital financing activities:					
Transfers from other funds	16,000	-	275,000	291,000	300,000
Transfers to other funds	(1,345,826)	(394,828)	(3,648,000)	(5,388,654)	(24,022)
Net cash (used in) provided by noncapital financing activities	(1,329,826)	(394,828)	(3,373,000)	(5,097,654)	275,978
Cash flows from capital and related financing activities:					
Proceeds from capital lease	-	1,807,378	-	1,807,378	-
Proceeds from Texas Water Development Board	3,747,998	-	-	3,747,998	-
Proceeds from issuance of bonds	4,546,434	-	-	4,546,434	-
Capital impact fees from developers	3,227,116	-	-	3,227,116	-
Proceeds from disposition of capital assets	84,240	61,004	1,807	147,051	38,628
Acquisition and construction of capital assets	(18,018,969)	(3,243,858)	(1,346,343)	(22,609,170)	(686,207)
Principal paid on debt	(8,775,000)	(551,075)	(130,000)	(9,456,075)	-
Interest paid on debt	(1,712,068)	-	(67,823)	(1,779,891)	-
Bond issuance costs	(220,075)	-	-	(220,075)	-
Net cash used in capital and related financing activities	(17,120,324)	(1,926,551)	(1,542,359)	(20,589,234)	(647,579)
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	60,631,456	463,496	-	61,094,952	3,000,000
Purchase of investment securities	(66,544,919)	-	(1,000,000)	(67,544,919)	(1,000,000)
Interest received on investments	8,567	-	-	8,567	-
Net cash (used in) provided by investing activities	(5,904,896)	463,496	(1,000,000)	(6,441,400)	2,000,000
Net (decrease) increase in cash and equivalents	(7,940,723)	524,007	(623,672)	(8,040,388)	704,777
Cash and cash equivalents - beginning of year	24,663,178	2,512,043	802,298	27,977,519	2,483,552
Cash and cash equivalents - end of year	\$ 16,722,455	\$ 3,036,050	\$ 178,626	\$ 19,937,131	\$ 3,188,329
Reconciliation of operating income (loss) from operations to net cash from operating activities:					
Operating income (loss)	\$ 2,961,720	\$ 365,451	\$ 3,666,296	\$ 6,993,467	\$ (175,465)
Adjustments to operating income (loss) to net cash from operating activities:					
Depreciation	13,120,127	1,298,813	1,547,175	15,966,115	75,025
Provisions for uncollectible accounts	219,145	(45,432)	(10,049)	163,664	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	459,202	376,856	(6,853)	829,205	11,138
(Increase) decrease in inventories and supplies	25,402	-	(1,285)	24,117	32,112
Increase in prepaids	(89,921)	-	-	(89,921)	(30,000)
Increase (decrease) in accounts payable	(980,468)	(224,388)	52,972	(1,151,884)	(942,905)
Increase in retainage payable	-	-	(33,619)	(33,619)	-
Increase (decrease) in accrued liabilities	86,210	384,055	17,170	487,435	(26,434)
Increase in customer deposits	339,178	-	2,194	341,372	-
Decrease in unearned revenue	-	-	(10,942)	(10,942)	-
Increase in compensated absences	14,804	17,021	11,935	43,760	7,019
Increase in pension liability	258,924	209,514	56,693	525,131	125,888
Net cash provided by (used in) operating activities	\$ 16,414,323	\$ 2,381,890	\$ 5,291,687	\$ 24,087,900	\$ (923,622)
Noncash investing, capital and financing activities:					
Capital contributions from developers/granting agencies	\$ 7,509,479	\$ -	\$ 6,736,671	\$ 14,246,150	\$ -
Capital asset transfers from (to) governmental activities	-	248,454	-	248,454	-
	\$ 7,509,479	\$ 248,454	\$ 6,736,671	\$ 14,494,604	\$ -
Reconciliation of ending cash and cash equivalents to Statement of Net Position:					
Unrestricted cash and cash equivalents - end of year	\$ 14,727,870	\$ 3,036,050	\$ 178,626	\$ 17,942,546	\$ 3,188,329
Restricted cash and cash equivalents - end of year	1,994,585	-	-	1,994,585	-
Total cash and cash equivalents - end of year	\$ 16,722,455	\$ 3,036,050	\$ 178,626	\$ 19,937,131	\$ 3,188,329

See accompanying notes to basic financial statements.



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NOTES TO BASIC FINANCIAL STATEMENTS



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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, twelve miles west of downtown Dallas, eighteen miles east of downtown Fort Worth and six miles south of DFW International Airport. The City was incorporated in 1909, and adopted the Council-Manager form of government in 1948.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accounts as published in *Audits of State and Local Governments*.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including legally separate entities as component units within the City's reporting entity are set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards. Based on this criterion, the City reports the following component units as part of the financial reporting entity:

Blended Component Units

Grand Prairie Crime Control and Prevention District

The City of Grand Prairie Crime Control and Prevention District (CCPD) was created in May 2007 under the provisions of the Crime Control and Prevention Act and authority of Chapter 363, Texas Local Government Code, as amended (Act) by Resolution No. 2007-02 of the Grand Prairie City Council. The purpose of the CCPD is to provide crime control and crime prevention strategies, specific treatment and prevention programs, and court and prosecution services including the cost of personnel, administration, expansion, enhancement, and capital expenditures, and any other programs as authorized by Chapter 363.

Under the authority of the Act, the voters of Grand Prairie approved a proposition to levy and collect an additional quarter-cent sales and use tax for the purpose of funding the CCPD which became effective October 1, 2007. In 2012, citizens voted to continue/renew the quarter-cent sales and use tax for this same purpose.

The CCPD's governing body is substantively the same as the governing body of the City as the seven members of the CCPD's Board of Directors are all City council members. The City has operational responsibility for the CCPD, and the CCPD provides all of its services to the City. If the District is dissolved, its assets will become the City's property. For these reasons, the CCPD is reported as a blended component unit of the City and is reported as a special revenue fund within the City's governmental activities. This special revenue fund was established specifically to account for the accumulation and use of the quarter-cent sales tax revenue collected for the CCPD.

Discretely Presented Component Units

Grand Prairie Sports Facilities Development Corporation

The Sports Corporation was incorporated on June 10, 1992, under the provisions of the Development Corporation Act of 1979, as amended, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended (Act) by Resolution No. 2841 of the Grand Prairie City Council. The purpose of the Sports Corporation is to promote economic development within the City in order to reduce unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City by developing, implementing, providing and financing projects authorized under the Act.

The Act provides that the City may levy a one-half cent sales and use tax for the benefit of the Sports Corporation if the tax is authorized by a majority of the qualified voters in an election. On January 18, 1992, a majority of the voters approved a proposition to levy and collect an additional one-half cent sales and use tax for the purpose of constructing a horse racetrack. The one-half cent sales and use tax increase became effective April 1, 1993 to cover the costs of the project or the principal, interest and other costs relating to any bonds or obligations issued to pay the costs of the project or to refund bonds or obligations issued to pay the costs of the project. All bonds were redeemed on September 15, 2007. The sales tax was discontinued on September 30, 2007.

The City continues to receive significant financial benefits from the Sports Corporation as excess earnings of the Sports Corporation are paid to the City; and, if dissolved, all assets of the Sports Corporation become the City's property. Although the Sports Corporation is a legally separate entity, the City has the ability to impose its will upon the Sports Corporation as its Board of Directors are all appointed by the City Council, and four of the seven-member board are actual City Council members. For this reason, the Sports Corporation is presented as part of the City's reporting entity as a discretely presented component unit. Discretely presented component units are presented in a separate column alongside the City's financial information.

Separately-audited financial statements for the Sports Corporation, for fiscal years ended September 30, 2015 and before, may be obtained by writing the City of Grand Prairie, Attn: Finance Director, 326 W. Main Street, Grand Prairie, TX 75050.

Grand Prairie Housing Finance Corporation

The Grand Prairie Housing Finance Corporation (HFC) was created to issue tax-exempt revenue bonds to supply mortgage financing for low income home buyers and multi-family development. While the entity is legally, financially and administratively autonomous, the governing body of the City of Grand Prairie may, at its sole discretion, and at any time, amend HFC's Articles of Incorporation, and alter or change its structure, programs or activities, or terminate or dissolve it. Additionally, members of the Board of Directors are appointed by and may be removed by the City Council. However, the City is not financially obligated for any debt of the HFC. For these reasons, the HFC is presented as part of the City's reporting entity as a discretely presented component unit.

The HFC's financial information, for its calendar year ended December 31, 2015, is included in the City's financial statements in a separate column alongside the City's. Separate audited financial statements may be obtained by writing Grand Prairie Housing Finance Corporation, Attn: Executive Director, P. O. Box 532758, Grand Prairie, TX 75053-2758.

Related Autonomous Entities

Grand Prairie Health Facilities Development Authority

The Grand Prairie Health Facilities Development Authority (HFDA) was created to issue tax-exempt revenue bonds to finance medical facilities. While the HFDA's revenue bonds were defeased, the HFDA continues to exist only to make decisions from time to time regarding the defeased bonds. The City exercises no control over the HFDA or its budget.

Grand Prairie Industrial Development Authority

The Grand Prairie Industrial Development Authority (GPIDA) was created to issue tax-exempt industrial revenue bonds to assist in the City's economic development and to evaluate tax abatement applications. The City exercises no control over the GPIDA's management, budget or operations.

C. Implementation of New Accounting Standards

For fiscal year ended September 30, 2016, the City implemented the following new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB).

GASB No. 72 – Fair Value Measurement and Application

GASB No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset, or the price paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The impact of this implementation is discussed in Note 2.

GASB No. 73 – Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB 68 and Amendments to Certain Provision of GASB Statements 67 and 68.

GASB No.73's objective is to improve the usefulness of information about pensions included in the financial reports of state and local governments for making decisions and assessing accountability. This Statement applies to all state and governmental entities. The implementation of this statement did not impact the City's financial statements.

GASB No. 76 – The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments

GASB No.76's objective is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. The implementation of this statement did not impact the City's financial statements.

D. Basis of Presentation

Government-Wide Financial Statements

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

The Statement of Activities reports the change in the City's net position from October 1, 2015 to September 30, 2016. This statement demonstrates the degree to which the direct expenses of a given function of the government are offset by program revenues. Specifically, the City has identified the following functions of government – support services, public safety services, recreation and leisure services, development services, water and wastewater services, solid waste services, storm water services, airport operations, and golf course operations. *Direct expenses* are those that are clearly identifiable with a specific function of City government. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as *general revenues* in the statement of activities.

Fund Financial Statements

In addition to the government-wide financial statements, the City also reports separate financial statements for major functions or activities of the government. These financial statements are organized on the basis of funds with governmental resources allocated to and accounted for based upon the purposes for which they are spent and the means by which spending activities are controlled. Separate statements are presented for governmental activities and proprietary activities.

Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenditures/expenses, and fund balances. The fund financial statements present each major fund as a separate column, while all nonmajor funds are aggregated and presented in a single column. Major funds are calculated using specific methods outlined in GASB Statement No. 34, or City management may also deem funds as major for presentation purposes.

At September 30, 2016, major governmental funds include the following:

General Fund

The General Fund is the primary operating fund of the City. This fund is used to account for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

expenditures, fixed charges and capital improvement costs not paid through other funds are paid from the General Fund.

Section 8 Fund

This special revenue fund accounts for grant and contract revenue received from the federal government for providing housing assistance to low income families and for the administration of the program.

Street CIP Fund

This capital project fund accounts for the construction and renovation of thoroughfares and arterial streets and roads financed through general obligation bond proceeds and other dedicated sources.

Grants Fund

This special revenue fund accounts for the various federal, state and local grant revenue received by the City. All grants included in this fund are for specific projects with limited duration.

Debt Service Fund

The City's Debt Service Fund accounts for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted exclusively for debt service expenditures.

Epic CIP Fund

This capital project fund accounts for the proceeds from sales tax revenue bonds, current lending/borrowing arrangements, and other dedicated sources to be used in the construction of The Epic.

At September 30, 2016, major enterprise funds include the following:

Water/Wastewater Fund

This fund accounts for water and wastewater system services provided for residents of the City, including administration, operations, maintenance, debt service, billing and collection. The City purchased treated water from surrounding cities, and water is pumped from City-owned wells. Although the City owns the wastewater collection system, it has no treatment facilities. Wastewater treatment is provided by the Trinity River Authority. Contracts relating to purchased water and wastewater treatment are discussed in Note 2M. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Solid Waste Fund

This fund accounts for the City's landfill, garbage/recycling collection service, brush and litter collection, street sweeping, illegal dumping cleanup, Keep Grand Prairie Beautiful, and auto-related business programs, as well as a number of special purpose transfers related to reserves for landfill closure, post-closure costs and environmental remediation. All costs are financed through charges to sanitation customers.

E. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide financial statements and the fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position, and the operating statement presents increases (revenues) and decreases (expenses) in the net position. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred.

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when both *measurable* and *available*. *Measurable* means knowing, or being capable of calculating or estimating the amount to be received. *Available* means collectible within the current period or soon enough thereafter to pay current liabilities (generally sixty days). Also, under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded in the period when the related fund liability is incurred, except for general obligation bond principal and interest and expenditures related to compensated absences, which are recorded when due rather than when incurred.

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

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

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

Proprietary Funds

As mentioned earlier, proprietary funds use the economic resources measurement focus and the accrual basis of accounting. The accounting objectives for proprietary funds are the determination of net income, financial position, and cash flows. Proprietary fund equity is segregated into (1) net investment in capital assets; (2) restricted net position, and (3) unrestricted net position. Proprietary funds distinguish operating revenues and expenses from the non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports two types of proprietary funds – enterprise funds and internal services funds.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is 1) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or 2) where the City Council has decided that periodic determination of revenues earned, expenses incurred and/or operating income generated is appropriate for the purposes of capital maintenance, public policy, management control, and/or accountability. The City maintains five enterprise funds – water and wastewater services, solid waste services, storm water services, airport operations, and golf course operations. These enterprise funds are classified as business-type activities in both the government-wide and governmental fund financial statements.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the City, on a cost-reimbursement basis. The City has two internal service funds:

- Fleet Services Fund – accounts for a full range of services in managing and maintaining the City's fleet of vehicles and equipment.
- Risk Management Fund - accounts for premiums, deductibles and claims for the City's property, liability, workers compensation, and employee health and life insurance programs. The City reports all risk financing activities in the Risk Management Fund.

F. Assets, Liabilities, Deferred Outflows/Inflows Resources, and Net Position/Fund Balances

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings are recorded in the General Fund unless it is required by regulations or agreements to allocate to certain funds. In fiscal year 2016, the funds receiving allocation of interest earnings were the Grants Fund, Epic CIP Fund, Police Seizure Funds 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.

Receivables and Payables

Major revenue sources susceptible to accrual are recorded as receivables when they become both measurable and available. Expenditures incurred during the current fiscal year but not yet paid are recorded as payables at fiscal year-end.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at fiscal year-end are referred to as due to/from other funds.

Inventories and Prepaid Items

Inventory consists primarily of supplies and material and is recorded at cost when purchased and expensed when consumed. For the General Fund, inventory is expensed on an actual specific-cost basis. Special Revenue and Enterprise Funds' inventory is charged out on a first-in, first-out basis, except for fuel inventory which is charged out on a moving-average basis. Prepaid balances are for payment made by the City in the current year to provide services occurring in the subsequent fiscal year. The cost of prepaid items is expensed when consumed rather than when purchased.

CITY OF GRAND PRAIRIE, TEXAS
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SEPTEMBER 30, 2016

Accordingly, for both inventories and prepaid items, fund balance is classified as nonspendable for an amount equal to the cost to signify those funds are not available for spending.

Capital Assets and Depreciation

Capital assets (i.e. land, buildings, equipment, improvements other than buildings, infrastructure, and construction in progress) of all the funds are stated at historical cost or estimated historical cost if historical cost is not known. Donated capital assets 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

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position by the City that is applicable to a future reporting period, and as so will not be recognized as an outflow of resources (expenses/expenditures) until then. Deferred outflows of resources are reported in the government-wide Statement of Net Position for governmental and business-type activities and in the Statement of Net Position in the fund financial statements only for proprietary funds. The City has three items that qualify for reporting in this category.

- Deferred charges on debt refunding - results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension plan contributions – contributions made from the measurement date of the pension plan to the current fiscal year end (January – September). These contributions are deferred and recognized in the subsequent fiscal year.
- Pension investment experience – the difference between projected and actual earnings of pension plan investments. The difference is deferred and recognized as pension plan expense over a closed five-year period as required by GASB No. 68.

Deferred inflows of resources represents an acquisition of net position that is applicable to a future reporting period, and as so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflow of resources are reported in the basic financial statements the same as deferred outflows of resources. The City has two items that qualify for reporting in this category.

- Unavailable revenue – at the governmental fund level, property tax and ambulance receivables recorded but not expected to be collected within than sixty days after fiscal year end are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

- Pension actuarial experience – the difference between the expected and actual experience in the actuarial measurement of the total pension liability not recognized in the current year. This amount is deferred and amortized over a period of years determined by the plan actuary. The amortization period is based on the estimated average remaining service lives of employees that are provided with a pension through the pension plan (active and inactive employees) for the City determined at the beginning of the measurement date.

Compensated Absences

Employees are granted vacation benefits in varying amounts, depending on tenure with the City. These benefits accumulate pro rata by pay period. Payment for unused vacation will be made at upon separation of employment. Fire and police civil service employees who have completed their introductory period are paid up to ninety days sick leave upon separation of employment, excluding indefinite suspensions. The valuation of the civil service sick leave is at current pay rates. The valuation of accrued compensated absences includes salary-related payments such as the City's share of taxes and contributions to the retirement plan in accordance with GASB 16.

Accrued compensated absence liabilities are reported in the respective columns in the government-wide financial statements and in the proprietary fund financial statements. Compensated absences are only reported in governmental funds if they are owed to separated employees at the end of the fiscal year.

Pensions

For purposes of measuring net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the Fiduciary Net Position of TMRS, and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Postemployment Benefits

The City provides postemployment healthcare benefits to all vested employees upon retirement from the City. Employees are vested in the City's pension plan with twenty-five years or more of service, regardless of age, or five years or more of service at age sixty and above. Coverage is also available to dependents or surviving spouses of retirees. The City subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process. The City's plan qualifies as a single-employer, defined benefit plan. Complete details of the plan are listed in Note K starting on page 91.

Long-Term Debt

General obligation bonds and other debt issued for general government capital projects and acquisitions that are repaid from tax revenues are recorded in the governmental activities column in the government-wide Statement of Net Position. Debt issued to fund capital projects in the proprietary funds is recorded in both the business-type activities column in the government-wide Statement of Net Position and in the proprietary fund Statement of Net Position. Bond premiums and discounts, as well as deferred charges on refunded debt obligations, are deferred and amortized over the life of the bonds using the effective interest method in the government-wide financial statements and in the proprietary funds. Bonds payable are reported net of applicable bond premiums and discounts.

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Nature and Purpose of Classifications of Fund Equity

Restricted fund balances in the governmental funds are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments for specific purposes.

Committed fund balances can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution, which are considered equally restrictive for the purpose of committing fund balances. To remove or change the constraint, the City Council must take the same level of action.

Assigned fund balances are determined by City management based on City Council direction, in accordance with financial policies adopted by resolution. Assigned fund balances are constrained by the intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned fund balance represents the amount that does not meet the criteria for restricted, committed, or assigned.

Nonspendable fund balances represent inventories and prepaid items.

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

Minimum Fund Balance Policy

It is the desire of the City to maintain an adequate fund balance in the General Fund in order to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to maintain a minimum unassigned fund balance of fifty to sixty days of budgeted General Fund expenditures.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Restricted net position represents the difference between restricted assets and liabilities payable from these assets that is externally imposed by enabling legislation.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, plus deferred outflows from bond refundings, reduced by retainage payable and the outstanding balance of any debt used for acquisition, construction, or improvements of those assets, plus any unspent bond proceeds.

G. Budgetary Control

As set forth by the City Charter, the City Manager submits annual budgets to the City Council in August for the upcoming fiscal year. In September, the City Council adopts budgets for all governmental funds except for the Grants Fund, Police Seizure Funds, Public Improvement District Funds (PIDs), Tax Increment Financing District Funds (TIFs), and the Verizon Theatre Fund. For each governmental fund, budgeted appropriations (expenditures) may not exceed budgeted revenues plus beginning fund balances.

Capital project funds are controlled on a project basis and budgeted appropriations are carried forward each year until the project is completed.

**CITY OF GRAND PRAIRIE, TEXAS
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 SEPTEMBER 30, 2016**

2. DETAILED NOTES

A. Deposits and Investments

Cash and Cash Equivalents

At September 30, 2016, the City reported cash and cash equivalents in the Statement of Net Position as follows:

	Unrestricted	Restricted	Total
Cash	\$ 6,966,064	\$ -	\$ 6,966,064
Pooled investments	118,416,319	9,663,396	128,079,715
Total cash and cash equivalents	<u>\$ 125,382,383</u>	<u>\$ 9,663,396</u>	<u>\$ 135,045,779</u>

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

<u>Financial Institution</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Wells Fargo	\$ 6,939,452	\$ 7,950,330
Petty Cash	26,612	-
Total cash	<u>\$ 6,966,064</u>	<u>\$ 7,950,330</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. Per Wells Fargo Bank, N.A.’s contractual obligation to the City, the collateral value held at the Federal Reserve Bank in the City’s name at September 30, 2016 was \$9,001,494.

Grand Prairie Sports Facilities Development

At September 30, 2016, the carrying amount of the Sports Corporation’s deposits included in cash and cash equivalents was \$343,281 while the bank balance of the Sports Corporation’s deposits was \$344,350. The bank balance was entirely covered by collateral held by the Sports Corporation’s agent in the Sports Corporation’s name.

Grand Prairie Housing Finance Corporation

The bank balance of HFC at December 31, 2015, including restricted cash, totaled \$747,431 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 \$658,105. Restricted cash of \$89,326 (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 \$75,065, reserves of \$137,409, and bonds held by a trustee of \$1,174,899 as a debt service reserve.

Investments

The City and the Sports Corporation categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

CITY OF GRAND PRAIRIE, TEXAS
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- Level 1 inputs are quoted prices (unadjusted for identical assets or liabilities in active markets that a government can access at the measurement date.)
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the table below. The City's investment balances and weighted average maturity of such investments are as follows:

	9/30/2016	Fair Value Measurements Using			Weighted Average Maturity (Days)	Credit Risk
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Cash	\$ 6,966,064	\$ -	\$ -	\$ -		
Investments Measured at Amortized Cost:						
Investment Pools:						
Texpool	77,156,356	-	-	-	1	AAAm
Investments Measured at Net Asset Value (NAV):						
Investment Pools:						
TexStar	50,923,360	-	-	-	1	AAAm
Investments by Fair Value Level:						
U.S. Government Agency Securities:						
FAMCA	7,053,290	-	7,053,290	-	12	Not Rated
FFCB	53,033,960	-	53,033,960	-	108	AAA
FHLB	50,121,120	-	50,121,120	-	80	AAA
FHLMC	47,003,580	-	47,003,580	-	85	AAA
FNMA	31,117,450	-	31,117,450	-	77	AAA
Total	\$ 323,375,180	\$ -	\$ 188,329,400	\$ -		

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

The *Texpool* investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of \$1.00 per share, has weighted average maturities of sixty days or less and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

(excluding U.S. government securities) and can meet reasonably foreseeable redemptions. Texpool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The *TexStar* investment pool is an external investment pool measured at NAV. *TexStar's* strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pools. *TexStar* has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investment Policy

The City is required by Government Code Chapter 2256, the Public Funds Investment Act (Act), to adopt, implement, and publicize an investment policy. That policy must be written, primarily to emphasize safety of principal and liquidity; address 1) investment diversification, yield, and maturity, and 2) the quality and capability of investment management; include a list of the types of authorized investments in which the investing entity's funds may be invested; and, the maximum allowable stated maturity of any individual investment owned by the entity.

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

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establish appropriate polices. Authorized investments include obligations of the United States or its agencies and instrumentalities (except for mortgage pass-through securities), repurchase agreements, municipal securities, public funds investment pools, SEC 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, 2016.

**CITY OF GRAND PRAIRIE, TEXAS
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Investment Risk

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investments portfolio to less than twelve months.

Credit risk – State law limits investments in commercial paper if the commercial paper is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state. The City’s policy does not allow investments in commercial paper.

Concentration of credit risk – Investments shall be diversified to reduce the risk of loss resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities.

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

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

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

In addition, the City may invest in callable securities but shall limit the total amount to no more than 50% of the portfolio. The City did not invest in any securities different from the categories mentioned above during the 2015-2016 fiscal year.

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**CITY OF GRAND PRAIRIE, TEXAS
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SEPTEMBER 30, 2016**

Grand Prairie Sports Facilities Development

The Corp has recurring fair value measurements as presented in the table below. The Corp's investment balances and weighted average maturity of such investments are as follows:

	9/30/2016	Fair Value Measurements Using			Weighted Average Maturity (Days)	Credit Risk
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Cash	\$ 343,281	\$ -	\$ -	\$ -		
Investments Measured at Amortized Cost:						
Investment Pools:						
Texpool	1,892,015	-	-	-	1	AAAm
Investments by Fair Value Level:						
U.S. Government Agency Securities:						
FFCB	2,000,380	-	2,000,380	-	108	AAA
FHLB	1,998,344	-	1,998,344	-	80	AAA
FNMA	3,997,876	-	3,997,876	-	77	AAA
Total	\$ 10,231,896	\$ -	\$ 7,996,600	\$ -		

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, 2016 was \$1,892,015 in the Public Funds Investment Pool (TexPool) and \$7,996,600 in U.S. agency instrumentalities.

B. Receivables

At September 30, 2016, receivables, including applicable allowances for uncollectible accounts, consisted of the following:

Governmental Activities:	General	Grants	Debt Service	Epic CIP	Nonmajor Governmental	Total Governmental
Receivables:						
Property taxes	\$ 2,126,173	\$ -	826,511	\$ -	\$ -	\$ 2,952,684
Sales taxes	5,158,288	-	-	-	5,146,204	10,304,492
Franchise fees	2,658,775	-	-	-	77,631	2,736,406
Other	2,931,388	425,338	7,617	63,979	1,004,485	4,432,807
Total receivables, gross	12,874,624	425,338	834,128	63,979	6,228,320	20,426,389
Less:						
Allowance for uncollectibles	(1,492,273)	-	(391,495)	-	-	(1,883,768)
Total receivables, net	\$ 11,382,351	\$ 425,338	\$ 442,633	\$ 63,979	\$ 6,228,320	\$ 18,542,621

Continued on next page.

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

Business-Type Activities:	Water Wastewater	Solid Waste	Other Nonmajor	Total Business-Type
Receivables:				
Trade accounts	\$ 8,552,810	\$ 1,467,046	\$ 693,968	\$ 10,713,824
Less:				
Allowance for uncollectibles	<u>(3,985,563)</u>	<u>(989,588)</u>	<u>(192,442)</u>	<u>(5,167,593)</u>
Total receivables, net	<u>\$ 4,567,247</u>	<u>\$ 477,458</u>	<u>\$ 501,526</u>	<u>\$ 5,546,231</u>

C. Restricted Assets

At September 30, 2016, restricted assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 7,668,811	\$ 1,994,585	\$ 9,663,396
Investments	<u>121,562,351</u>	<u>12,571,795</u>	<u>134,134,146</u>
	<u>\$ 129,231,162</u>	<u>\$ 14,566,380</u>	<u>\$ 143,797,542</u>

Assets were restricted for the following purposes:

Purpose	Governmental Activities	Business-Type Activities	Total
Customer deposits	\$ 41,300	\$ 3,979,628	\$ 4,020,928
Debt service	12,201,122	6,545,499	18,746,621
Capital projects	83,608,031	4,041,253	87,649,284
Public safety	13,315,636	-	13,315,636
Recreation and leisure	7,966,143	-	7,966,143
Development services	11,701,886	-	11,701,886
Other specific purposes	<u>397,044</u>	<u>-</u>	<u>397,044</u>
Total restricted assets	<u>\$ 129,231,162</u>	<u>\$ 14,566,380</u>	<u>\$ 143,797,542</u>

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CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

D. Capital Assets

Capital asset activity for the year ended September 30, 2016 was as follows:

	Balance October 1, 2015	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2016
Governmental Activities:				
Non-depreciable capital assets:				
Land	\$ 44,780,245	\$ 16,993	\$ 251,651	\$ 45,048,889
Construction in progress	45,232,534	51,249,041	(22,113,833)	74,367,742
Total non-depreciable capital assets	90,012,779	51,266,034	(21,862,182)	119,416,631
Depreciable capital assets:				
Buildings	191,295,557	480,670	646,844	192,423,071
Equipment	90,358,512	8,100,034	(193,462)	98,265,084
Infrastructure	574,792,094	2,309,614	(10,730,994)	566,370,714
Total depreciable capital assets	856,446,163	10,890,318	(10,277,612)	857,058,869
Less accumulated depreciation for:				
Buildings	(59,482,147)	(6,133,887)	99,047	(65,516,987)
Equipment	(55,575,442)	(7,433,752)	2,640,042	(60,369,152)
Infrastructure	(289,753,215)	(23,814,836)	28,428,668	(285,139,383)
Total accumulated depreciation	(404,810,804)	(37,382,475)	31,167,757	(411,025,522)
Total depreciable capital assets, net	451,635,359	(26,492,157)	20,890,145	446,033,347
Total capital assets, net	<u>\$ 541,648,138</u>	<u>\$ 24,773,877</u>	<u>\$ (972,037)</u>	<u>\$ 565,449,978</u>
	Balance October 1, 2015	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2016
Business-Type Activities:				
Non-depreciable capital assets:				
Land	\$ 4,197,596	\$ 274,200	\$ -	\$ 4,471,796
Construction in progress	20,658,300	17,604,503	(10,535,160)	27,727,643
Total non-depreciable capital assets	24,855,896	17,878,703	(10,535,160)	32,199,439
Depreciable capital assets:				
Buildings	16,975,259	1,500,000	-	18,475,259
Equipment	32,195,166	5,019,960	(548,676)	36,666,450
Infrastructure	337,421,984	11,952,318	10,270,160	359,644,462
Total depreciable capital assets	386,592,409	18,472,278	9,721,484	414,786,171
Less accumulated depreciation for:				
Buildings	(7,150,820)	(553,318)	-	(7,704,138)
Equipment	(18,773,389)	(2,266,229)	435,976	(20,603,642)
Infrastructure	(184,756,278)	(13,120,859)	14,432	(197,862,705)
Total accumulated depreciation	(210,680,487)	(15,940,406)	450,408	(226,170,485)
Total depreciable capital assets, net	175,911,922	2,531,872	10,171,892	188,615,686
Total capital assets, net	<u>\$ 200,767,818</u>	<u>\$ 20,410,575</u>	<u>\$ (363,268)</u>	<u>\$ 220,815,125</u>

**CITY OF GRAND PRAIRIE, TEXAS
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Depreciation expense was charged to governmental and business-type activities as follows:

Governmental Activities:		Business-type Activities:	
Support services	\$ 3,040,111	Water and wastewater	\$ 13,094,418
Public safety services	6,076,369	Solid Waste	1,298,813
Recreation and leisure services	7,056,604	Other business-type activities	1,547,175
Development services	21,134,366		
Internal services funds (see note below)	75,025		
Total governmental activities	<u>\$ 37,382,475</u>	Total business-type	<u>\$ 15,940,406</u>

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

At September 30, 2016, a summary of changes in capital assets of the Sports Corporation was as follows:

	Balance October 1, 2015	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance September 30, 2016
Equipment	\$ 310,078	\$ -	\$ -	\$ 310,078
Less accumulated depreciation	(310,078)	-	-	(310,078)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

At September 30, 2016, a summary of changes in capital assets of the Housing Finance Corporation was as follows:

	Balance January 1, 2015	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance December 31, 2015
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	20,200,913	380,037	(277,233)	20,303,717
Less accumulated depreciation	(7,434,014)	(902,463)	277,233	(8,059,244)
Total depreciable capital assets, net	<u>12,766,899</u>	<u>(522,426)</u>	<u>-</u>	<u>12,244,473</u>
Housing Finance Corporation assets, net	<u>\$ 14,379,750</u>	<u>\$ (522,426)</u>	<u>\$ -</u>	<u>\$ 13,857,324</u>

E. Interfund Transactions

Interfund Receivables and Payables

Interfund receivables and payables are reported in the City's financial statements as due to/from other funds. At September 30, 2016, interfund balances existed between the Capital Lending Reserve Fund and the Park Venue CIP Fund for \$90,953, and between the Capital Lending Reserve Fund and Epic CIP Fund for \$3,493,636. In May 2014, citizens approved a quarter-cent sales tax to construct The Epic Center. Through an interfund borrowing agreement approved by the City Council, funds were loaned to the Epic CIP Fund to begin planning for this project. A portion of the funds loaned remain outstanding at September 30, 2016.

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

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and used rather than interfund transfers. Interfund services provided and used are arms-length transactions between departments or funds that would be treated as revenues, expenditures or expenses if they were with an external organization. The distinguishing aspect of interfund services provided and used are that each department or fund both gives and receives consideration.

Cost reimbursements for general and administrative services (indirect costs) are recorded as general and administrative revenue in the City's General Fund. Indirect costs are recorded as general and administrative expenses in the funds receiving these services.

For the year ended September 30, 2016, cost reimbursements were as follows:

<u>Fund</u>	<u>Amount</u>
Water and Wastewater Funds	\$ 3,508,628
Solid Waste Funds	370,267
Grant Fund	21,459
Storm Water Funds	82,413
Airport Fund	62,812
Other Nonmajor Governmental Funds	<u>228,563</u>
Total to General Fund	<u>\$ 4,274,142</u>

Franchise Fees

The City's enterprise funds, which use public right-of-way, pay franchise fees to the General Fund as if they were organizations separate from the City. These fees are not taxes, but are compensation to the City for the use of the City's right-of-way. These payments, 4% of gross revenues, are reported as interfund services provided and used rather than interfund transfers, and are reported as revenue (franchise fees) in the General Fund and expenses in the enterprise funds.

For the year ended September 30, 2016, franchise fees paid to the General Fund were as follows:

<u>Fund</u>	<u>Amount</u>
Water and Wastewater Funds	2,561,398
Solid Waste Funds	326,754
Storm Water Funds	<u>225,659</u>
Total	<u>\$ 3,113,811</u>

Interfund Transfers

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

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

At September 30, 2016, transfers between the City's governmental activities and the City's business-type activities consisted of the following:

Transfers out:	Transfers In					
	General Fund	Section 8 Fund	Streets CIP Fund	Grants Fund	Debt Service Fund	Epic CIP Fund
General Fund	\$ -	\$ -	\$ 550,033	470,127	\$ -	\$ 2,000,000
Section 8 Fund	-	-	-	-	50,000	-
Streets CIP Fund	-	-	-	706,482	-	-
Grants Fund	11,326	-	-	-	-	-
Nonmajor Governmental Funds	-	-	18,220	75,000	120,000	5,062,280
Internal Service Funds	-	-	-	-	-	-
Water & Wastewater Fund	-	-	-	-	-	-
Solid Waste Fund	-	-	-	-	-	-
Nonmajor Enterprise Funds	-	-	-	-	-	-
Total	\$ 11,326	\$ -	\$ 568,253	\$ 1,251,615	\$ 170,000	\$ 7,062,280

Transfers out:	Transfers In					
	Nonmajor Governmental Funds	Water Wastewater Fund	Solid Waste Fund	Other Nonmajor Enterprise Funds	Internal Service Fund	Total
General Fund	8,527,608	\$ -	-	\$ -	257,621	\$ 11,805,389
Section 8 Fund	-	-	-	-	-	50,000
Streets CIP Fund	-	-	-	-	-	706,482
Grants Fund	33,067	-	-	-	-	44,393
Nonmajor Governmental Funds	-	16,000	-	275,000	-	5,566,500
Internal Service Funds	24,022	-	-	-	-	24,022
Water & Wastewater Fund	1,315,157	-	-	-	30,669	1,345,826
Solid Waste Fund	383,118	-	-	-	11,710	394,828
Nonmajor Enterprise Funds	3,648,000	-	-	-	-	3,648,000
Total	\$ 13,930,972	\$ 16,000	\$ -	\$ 275,000	\$ 300,000	\$ 23,585,440

From Governmental Activities to Business-Type Activities:

- \$16,000 from PID Fund to Water and Wastewater Fund for capital project funding
- \$275,000 from Park Venue Sales Tax Fund to Municipal Golf Fund to cover fiscal operations

From Business-Type Activities to Governmental Activities:

- \$1,165,157 from Water and Wastewater Fund to Street Maintenance Fund for payments in lieu of property taxes
- \$83,118 from Solid Waste Fund to Street Maintenance Fund for payments in lieu of property taxes
- \$3,600,000 from Storm Water Utility Fund to Storm Drainage CIP Fund for capital project funding

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- \$200,000 from Solid Waste to Street Maintenance Fund for capital project funding
- \$150,000 from Water and Wastewater Fund to IT Acquisition Fund for technology acquisitions
- \$100,000 from Solid Waste to IT Acquisition Fund for technology acquisitions
- \$48,000 from Airport Fund to Capital Lending Reserve for repayment of interfund loan
- \$11,710 from Solid Waste Fund to Risk Management Fund to cover fiscal operations

Other significant transfers made between governmental funds included the following:

- \$5,368,452 from General Fund to Park Venue Fund to cover fiscal operations
- \$3,931,916 from Epic Sales Tax Fund to Epic CIP fund for capital project funding
- \$3,159,155 from General Fund to IT Acquisition Fund (annual appropriation)
- \$2,000,000 from General Fund to Epic CIP Fund for capital project funding
- \$1,130,364 from Capital Lending Reserve Fund to Epic CIP Fund for capital project funding
- \$706,482 from Streets CIP Fund to Grants Fund to fund grant-related capital projects
- \$568,253 from General Fund to Street CIP Fund for capital project funding
- \$451,907 from General Fund to Grants Fund to fund matching requirements related to operating grants
- \$257,621 from General Fund to Risk Management Fund to cover fiscal operations
- \$120,000 from Cemetery Fund to Debt Service Fund for the payment of debt

F. Deferred Outflows/Inflows of Resources

Deferred Inflows of Resources - Unavailable Revenue

The governmental funds report unavailable revenues from the following sources:

	General Fund	Debt Service Fund	Total
Property taxes	\$ 978,680	\$ 396,821	\$ 1,375,501
Ambulance	1,422,845	-	1,422,845
Total	<u>\$ 2,401,525</u>	<u>\$ 396,821</u>	<u>\$ 2,798,346</u>

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

G. Unearned Revenue

Unearned revenue is a liability for resources obtained prior to revenue recognition. Below is a summary of the City's unearned revenue as of September 30, 2016.

	Governmental Activities	Business-Type Activities	Total
Advanced funding agreement for street project - TxDot	\$ 6,302,092	\$ -	\$ 6,302,092
Prepaid pipeline lease	1,200,732	168,322	1,369,054
Prepaid arrangements - Cemetery Fund	1,193,417	-	1,193,417
Unspent grant funds - Texas Water Development Board	-	274,431	274,431
Prepaid rental deposits - Parks	190,616	-	190,616
Unspent program revenue - CDBG Program	150,113	-	150,113
Unspent program revenue - Neighborhood Stabilization Program	41,171	-	41,171
Total unearned revenue	<u>\$ 9,078,141</u>	<u>\$ 442,753</u>	<u>\$ 9,520,894</u>

H. Long-Term Obligations

Compensated Absences and Postemployment Benefits

Governmental activities record liabilities for compensated absences and retiree postemployment costs at the government-wide financial statement level. Generally, these liabilities are paid from the General Fund. Liabilities for business-type activities are recorded and liquidated in the fund that incurs the liability.

Long-Term Debt

Governmental Activities

Long-term debt in the governmental activities column of the government-wide Statement of Net Position consists of general obligation bonds (including refunding), certificates of obligation bonds, sales tax revenue bonds, and unamortized bond premium/discounts. The certificates of obligation bonds include bonds issued in 2010 for Tax Increment Financing Zones No. 2 project.

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

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CITY OF GRAND PRAIRIE, TEXAS
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Below is a summary of the changes in noncurrent liabilities of the City's primary government and component units:

	Balance October 1, 2015	Borrowings or Increase	Payments or Decrease	Balance September 30, 2016	Due Within One Year
Primary Government:					
Governmental activities:					
General obligation bonds	\$ 80,715,000	\$ 10,270,000	\$ (11,020,000)	\$ 79,965,000	\$ 8,995,000
Combination tax and revenue certificates of obligation	81,142,000	27,380,000	(12,677,000)	95,845,000	5,145,000
Tax increment and public improvement district bonds	19,888,000	1,535,000	(3,853,000)	17,570,000	3,140,000
Sales tax revenue bonds - Epic	-	74,825,000	-	74,825,000	-
Sales tax revenue bonds - Crime	32,205,000	-	(3,545,000)	28,660,000	3,890,000
Sales tax revenue bonds - Park Venue	20,670,000	-	(1,505,000)	19,165,000	1,565,000
Issuance premiums/discounts, net	5,921,533	4,788,386	(425,967)	10,283,952	-
Total long-term debt	240,541,533	118,798,386	(33,025,967)	326,313,952	22,735,000
Compensated absences	15,246,671	8,770,493	(7,554,920)	16,462,244	7,182,455
Other post employment benefits	4,960,922	806,667	-	5,767,589	-
Pension liability	45,568,993	43,088,633	(17,421,057)	71,236,569	-
Environmental remediation liability	130,884	281,424	(265,878)	146,430	146,430
Other liabilities	3,782,471	-	(1,160,776)	2,621,695	1,160,776
Total governmental activities	310,231,474	171,745,603	(59,428,598)	422,548,479	31,224,661
Business-type activities:					
Certificates of obligation	1,450,000	-	(130,000)	1,320,000	140,000
Water and wastewater revenue bonds	55,630,000	4,155,000	(8,775,000)	51,010,000	4,510,000
Obligations under capital leases	-	1,807,378	(551,075)	1,256,303	513,512
Issuance premiums/discounts, net	1,086,319	245,649	-	1,331,968	-
Total long-term debt	58,166,319	6,208,027	(9,456,075)	54,918,271	5,163,512
Compensated absences	414,156	653,676	(609,916)	457,916	446,975
Pension liability	5,137,343	4,865,655	(1,935,533)	8,067,465	-
Closure and post closure liability	6,648,851	364,682	-	7,013,533	-
Total business-type activities	70,366,669	12,092,040	(12,001,524)	70,457,185	5,610,487
Total primary government	\$ 380,598,143	\$ 183,837,643	\$ (71,430,122)	\$ 493,005,664	\$ 36,835,148
Component Unit Activities:					
Housing Finance Corporation:					
Notes payable	\$ 3,424,442	\$ 194,770	\$ (36,721)	\$ 3,582,491	\$ 53,921
Line of credit	83,812	-	(40,094)	43,718	43,718
Revenue bonds	8,005,000	-	(190,000)	7,815,000	200,000
Subordinate revenue bonds	4,550,000	-	-	4,550,000	-
Total component units	\$ 16,063,254	\$ 194,770	\$ (266,815)	\$ 15,991,209	\$ 297,639

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At September 30, 2016, long-term debt for the City's governmental activities consisted of the following:

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
General obligation bonds:					
Series 2007	4.0-4.50	2007	2027	33,098,000	\$ 18,350,000
Series 2008	4.0-5.50	2009	2029	8,985,000	6,785,000
Series 2010	2.0-4.25	2010	2030	5,480,000	4,185,000
Series 2011	2.0-5.3	2011	2031	11,550,000	6,380,000
Series 2011A	2.0-5.0	2011	2025	27,145,000	19,195,000
Series 2012	1.0-2.0	2012	2026	7,740,000	6,535,000
Series 2013	1.5-3.25	2013	2033	10,975,000	6,385,000
Series 2013A	3.0-4.125	2014	2034	2,220,000	2,060,000
Series 2015	1.750-5.0	2016	2027	10,270,000	10,090,000
Total general obligation bonds					<u>79,965,000</u>
Combination tax and revenue certificates of obligation					
Series 2007	4.0-4.50	2007	2027	6,610,000	4,270,000
Series 2008A	4.0-5.50	2009	2029	13,185,000	9,020,000
Series 2010	2.0-4.25	2010	2030	590,000	455,000
Series 2011	2.0-5.3	2011	2031	6,305,000	5,145,000
Series 2011A	2.0-4.0	2011	2031	7,430,000	6,170,000
Series 2013	2.0-3.25	2013	2033	8,830,000	7,845,000
Series 2013A	2.0-4.125	2014	2034	11,945,000	11,095,000
Series 2014	3.0-5.0	2015	2034	26,125,000	24,465,000
Series 2015	2.0-5.0	2016	2035	27,380,000	27,380,000
Total Combination tax and revenue certificates of obligation					<u>95,845,000</u>
Tax increment and public improvement district debt					
Series 2001 TIRZ 1	3 month LIBOR +.31%	2000	2022	17,900,000	8,305,000
Series 2007 PID 15	4.0-4.50	2007	2017	1,235,000	145,000
Series 2008A TIRZ 1	4.0-5.50	2008	2021	10,550,000	5,100,000
Series 2008A PID 1	4.0-5.50	2008	2019	1,500,000	520,000
Series 2011 TIRZ 1	2.0-5.3	2011	2020	655,000	310,000
Series 2013 TIRZ 1	2.0-3.25	2013	2020	2,820,000	1,675,000
Series 2015 TIRZ 1	1.750-5.0	2016	2027	895,000	875,000
Series 2015 PID 5	2.0-5.0	2016	2035	640,000	640,000
Total tax increment and public improvement district debt					<u>17,570,000</u>
Sales tax revenue debt					
Series 2007A Crime Control	12mo LIBOR*62.075+.75	2007	2017	5,000,000	800,000
Series 2008 Crime Control	6mo LIBOR*62.075+1.07	2008	2022	54,800,000	27,860,000
Total Crime Control					<u>28,660,000</u>
Series 2009 Park Venue subordinate	3.77	2009	2027	13,390,000	10,630,000
Series 2013 Park Venue	2.0-4.0	2013	2027	11,060,000	8,535,000
Total Park Venue					<u>19,165,000</u>
Sales tax revenue debt					
Series 2015 EPIC	3.721-5.032	2015	2040	74,825,000	74,825,000
Total EPIC					<u>74,825,000</u>
Total general obligation debt					316,030,000
Unamortized bond premiums/discounts					<u>10,283,952</u>
Total long-term debt - governmental activities					<u>\$ 326,313,952</u>

CITY OF GRAND PRAIRIE, TEXAS
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At September 30, 2016, changes in long-term debt for the City's governmental activities were as follows:

	Balance October 1, 2015	Borrowings or Increase	Payments or Decrease	Balance September 30, 2016	Due Within One Year
General obligation bonds:					
Series 2006-A	\$ 2,830,000	\$ -	\$ (2,830,000)	\$ -	\$ -
Series 2007	21,025,000	-	(2,675,000)	18,350,000	2,795,000
Series 2008	7,140,000	-	(355,000)	6,785,000	380,000
Series 2010	4,415,000	-	(230,000)	4,185,000	235,000
Series 2011	7,015,000	-	(635,000)	6,380,000	660,000
Series 2011A	21,050,000	-	(1,855,000)	19,195,000	1,935,000
Series 2012	7,110,000	-	(575,000)	6,535,000	585,000
Series 2013	7,990,000	-	(1,605,000)	6,385,000	1,595,000
Series 2013A	2,140,000	-	(80,000)	2,060,000	85,000
Series 2015	-	10,270,000	(180,000)	10,090,000	725,000
Total general obligation bonds	<u>80,715,000</u>	<u>10,270,000</u>	<u>(11,020,000)</u>	<u>79,965,000</u>	<u>8,995,000</u>
Combination tax and revenue certificates of obligation					
Series 2006-A	8,742,000	-	(8,742,000)	-	-
Series 2007	4,570,000	-	(300,000)	4,270,000	310,000
Series 2008A	9,610,000	-	(590,000)	9,020,000	500,000
Series 2010	480,000	-	(25,000)	455,000	25,000
Series 2011	5,390,000	-	(245,000)	5,145,000	250,000
Series 2011A	6,495,000	-	(325,000)	6,170,000	330,000
Series 2013	8,205,000	-	(360,000)	7,845,000	370,000
Series 2013A	11,525,000	-	(430,000)	11,095,000	435,000
Series 2014	26,125,000	-	(1,660,000)	24,465,000	1,740,000
Series 2015	-	27,380,000	-	27,380,000	1,185,000
Total Combination tax and revenue	<u>81,142,000</u>	<u>27,380,000</u>	<u>(12,677,000)</u>	<u>95,845,000</u>	<u>5,145,000</u>
Tax increment and public improvement district debt					
Series 2001 TIRZ 1	9,385,000	-	(1,080,000)	8,305,000	1,155,000
Series 2006A TIRZ 1	1,113,000	-	(1,113,000)	-	-
Series 2007 PID 15	285,000	-	(140,000)	145,000	145,000
Series 2008A TIRZ 1	5,980,000	-	(880,000)	5,100,000	920,000
Series 2008A PID 1	675,000	-	(155,000)	520,000	165,000
Series 2011 TIRZ 1	380,000	-	(70,000)	310,000	75,000
Series 2013 TIRZ 1	2,070,000	-	(395,000)	1,675,000	405,000
Series 2015 TIRZ 1	-	895,000	(20,000)	875,000	215,000
Series 2015 PID 5	-	640,000	-	640,000	60,000
Total tax increment and public	<u>19,888,000</u>	<u>1,535,000</u>	<u>(3,853,000)</u>	<u>17,570,000</u>	<u>3,140,000</u>
Sales tax revenue debt:					
Crime Control					
Series 2007A	1,570,000	-	(770,000)	800,000	800,000
Series 2008	30,635,000	-	(2,775,000)	27,860,000	3,090,000
Total Crime Control	<u>32,205,000</u>	<u>-</u>	<u>(3,545,000)</u>	<u>28,660,000</u>	<u>3,890,000</u>
Park Venue					
Series 2009 subordinate	11,505,000	-	(875,000)	10,630,000	915,000
Series 2013	9,165,000	-	(630,000)	8,535,000	650,000
Total Park Venue	<u>20,670,000</u>	<u>-</u>	<u>(1,505,000)</u>	<u>19,165,000</u>	<u>1,565,000</u>
EPIC					
Series 2015 EPIC	-	74,825,000	-	74,825,000	-
Total Baseball	<u>-</u>	<u>74,825,000</u>	<u>-</u>	<u>74,825,000</u>	<u>-</u>
Total change in long term debt	234,620,000	114,010,000	(32,600,000)	316,030,000	22,735,000
Unamortized bond premiums/discounts	5,921,533	4,788,386	(425,967)	10,283,952	-
Total change in long-term debt - governmental activities	<u>\$ 240,541,533</u>	<u>\$ 118,798,386</u>	<u>\$ (33,025,967)</u>	<u>\$ 326,313,952</u>	<u>\$ 22,735,000</u>

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On November 3, 2015, the City issued \$28,020,000 in Combination Tax and Revenue Certificates, Series 2015. The proceeds were used to fund public safety, library, street, and other City structure improvements.

On November 3, 2015, the City issued \$74,825,000 in taxable Sales Tax Revenue Bonds, Series 2015. The proceeds will be used to fund the Epic Center under construction at Central Park.

On November 3, 2015, the City issued \$11,165,000 in General Obligation Refunding Bonds, Series 2015. \$2,650,000 was used to advance refund the outstanding Series 2006A General Obligation Bonds, and \$9,150,000 was used to advance refund the outstanding Series 2006A Combination Tax and Revenue Certificate of Obligations. The net proceeds of \$12,054,513 (after payment of issuance costs) were used to pay the outstanding balance on the refunded bonds. As a result, the refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. There is no remaining outstanding principal at September 30, 2016 related to the refunded bonds. The refunding resulted in a decrease in the City's debt service payments of \$1,502,325, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$1,318,287.

Outstanding Bond Debt Defeasement

At September 30, 2016, certain outstanding debt of the city was considered to be defeased. The following table details such outstanding defeased debt:

<u>Type of Obligation</u>	<u>Defeased Debt Outstanding</u>
Certificates of Obligation	\$ 1,655,000
General Obligation Refunding Bonds	4,415,000
Total debt defeasement	<u>\$ 6,070,000</u>

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CITY OF GRAND PRAIRIE, TEXAS
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At September 30, 2016, the aggregate debt service payments for long-term debt through the final year of maturity for the City's governmental activities were as follows:

Fiscal Year	General Obligation Bonds			Certificates of Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 8,995,000	\$ 2,890,579	\$ 11,885,579	\$ 5,145,000	\$ 3,802,110	\$ 8,947,110
2018	8,950,000	2,559,813	11,509,813	5,335,000	3,619,363	8,954,363
2019	8,995,000	2,230,398	11,225,398	5,535,000	3,411,541	8,946,541
2020	8,055,000	1,903,535	9,958,535	5,780,000	3,169,966	8,949,966
2021	7,835,000	1,588,833	9,423,833	6,035,000	2,908,580	8,943,580
2022	7,405,000	1,315,448	8,720,448	6,315,000	2,632,801	8,947,801
2023	6,125,000	1,081,405	7,206,405	6,595,000	2,356,115	8,951,115
2024	5,715,000	869,474	6,584,474	6,860,000	2,096,896	8,956,896
2025	4,715,000	671,674	5,386,674	5,280,000	1,861,484	7,141,484
2026	4,310,000	486,214	4,796,214	5,130,000	1,640,478	6,770,478
2027	3,745,000	307,984	4,052,984	5,340,000	1,421,278	6,761,278
2028	1,585,000	183,230	1,768,230	5,065,000	1,209,230	6,274,230
2029	1,440,000	112,725	1,552,725	5,270,000	997,778	6,267,778
2030	775,000	63,753	838,753	4,505,000	795,121	5,300,121
2031	405,000	40,956	445,956	4,650,000	617,249	5,267,249
2032	375,000	26,856	401,856	3,765,000	470,573	4,235,573
2033	385,000	13,306	398,306	3,920,000	325,809	4,245,809
2034	155,000	3,197	158,197	3,490,000	167,759	3,657,759
2035	-	-	-	1,830,000	45,750	1,875,750
	<u>\$ 79,965,000</u>	<u>\$ 16,349,380</u>	<u>\$ 96,314,380</u>	<u>\$ 95,845,000</u>	<u>\$ 33,549,881</u>	<u>\$ 129,394,881</u>

Fiscal Year	Tax and Tax Increment Bonds (TIFs)			Sales Tax Revenue Bonds-Crime Control		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 3,140,000	\$ 1,499,350	\$ 4,639,350	\$ 3,890,000	\$ 925,378	\$ 4,815,378
2018	3,160,000	1,247,003	4,407,003	4,240,000	799,013	5,039,013
2019	3,305,000	979,150	4,284,150	4,650,000	666,521	5,316,521
2020	3,300,000	693,150	3,993,150	5,085,000	523,818	5,608,818
2021	2,720,000	401,413	3,121,413	5,550,000	362,321	5,912,321
2022	1,710,000	132,825	1,842,825	5,245,000	188,894	5,433,894
2023	75,000	7,950	82,950	-	-	-
2024	80,000	5,600	85,600	-	-	-
2025	80,000	2,000	82,000	-	-	-
	<u>\$ 17,570,000</u>	<u>\$ 4,968,441</u>	<u>\$ 22,538,441</u>	<u>\$ 28,660,000</u>	<u>\$ 3,465,945</u>	<u>\$ 32,125,945</u>

Continued on next page.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Fiscal Year	Sales Tax Revenue Bonds-Park Venue			Sales Tax Revenue Bonds-EPIC		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 1,565,000	\$ 644,053	\$ 2,209,053	\$ -	3,395,262	\$ 3,395,262
2018	1,615,000	595,704	2,210,704	-	3,395,262	3,395,262
2019	1,665,000	545,691	2,210,691	2,110,000	3,353,062	5,463,062
2020	1,720,000	490,514	2,210,514	2,195,000	3,266,962	5,461,962
2021	1,785,000	432,067	2,217,067	2,285,000	3,177,362	5,462,362
2022	1,860,000	371,136	2,231,136	2,375,000	3,084,162	5,459,162
2023	1,930,000	305,412	2,235,412	2,475,000	2,987,162	5,462,162
2024	2,010,000	232,566	2,242,566	2,575,000	2,886,162	5,461,162
2025	2,095,000	152,772	2,247,772	2,680,000	2,781,062	5,461,062
2026	2,105,000	71,785	2,176,785	2,785,000	2,675,647	5,460,647
2027	815,000	15,610	830,610	2,895,000	2,567,509	5,462,509
2028	-	-	-	3,010,000	2,449,919	5,459,919
2029	-	-	-	3,140,000	2,323,165	5,463,165
2030	-	-	-	3,275,000	2,187,743	5,462,743
2031	-	-	-	3,425,000	2,035,914	5,460,914
2032	-	-	-	3,590,000	1,868,185	5,458,185
2033	-	-	-	3,770,000	1,692,208	5,462,208
2034	-	-	-	3,955,000	1,507,503	5,462,503
2035	-	-	-	4,145,000	1,313,832	5,458,832
2036	-	-	-	4,355,000	1,105,153	5,460,153
2037	-	-	-	4,580,000	880,348	5,460,348
2038	-	-	-	4,815,000	643,970	5,458,970
2039	-	-	-	5,065,000	395,389	5,460,389
2040	-	-	-	5,325,000	133,977	5,458,977
	<u>\$ 19,165,000</u>	<u>\$ 3,857,310</u>	<u>\$ 23,022,310</u>	<u>\$ 74,825,000</u>	<u>\$ 52,106,920</u>	<u>\$ 126,931,920</u>

Fiscal Year	Total		
	Principal	Interest	Total
2017	\$ 22,735,000	\$ 13,156,732	\$ 35,891,732
2018	23,300,000	12,216,158	35,516,158
2019	26,260,000	11,186,363	37,446,363
2020	26,135,000	10,047,945	36,182,945
2021	26,210,000	8,870,576	35,080,576
2022	24,910,000	7,725,266	32,635,266
2023	17,200,000	6,738,044	23,938,044
2024	17,240,000	6,090,698	23,330,698
2025	14,850,000	5,468,992	20,318,992
2026	14,330,000	4,874,124	19,204,124
2027	12,795,000	4,312,381	17,107,381
2028	9,660,000	3,842,379	13,502,379
2029	9,850,000	3,433,668	13,283,668
2030	8,555,000	3,046,617	11,601,617
2031	8,480,000	2,694,119	11,174,119
2032	7,730,000	2,365,614	10,095,614
2033	8,075,000	2,031,323	10,106,323
2034	7,600,000	1,678,459	9,278,459
2035	5,975,000	1,359,582	7,334,582
2036	4,355,000	1,105,153	5,460,153
2037	4,580,000	880,348	5,460,348
2038	4,815,000	643,970	5,458,970
2039	5,065,000	395,389	5,460,389
2040	5,325,000	133,977	5,458,977
	<u>\$ 316,030,000</u>	<u>\$ 114,297,877</u>	<u>\$ 430,327,877</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Business-Type Activities

Long-term debt in the business-type activities column of the government-wide Statement of Net Position consists of general obligation refunding bonds, water and wastewater system revenue bonds, certificates of obligation bonds, and unamortized bond premiums/discounts. Bonds issued for business-type activities are secured by a pledge of the property tax levy of the City, but are self-supporting obligations which are paid from the respective net revenues of each activity. Bond proceeds are used to fund additions and improvements to the City's water and wastewater system, solid waste system, municipal golf courses, and municipal airport.

At September 30, 2016, long-term debt for the City's business-type activities consisted of the following:

	<u>Interest Rate %</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Water Wastewater:					
Revenue bonds					
Series 2007	4.0-4.50	2007	2027	15,845,000	\$ 10,195,000
Series 2008	3.5-5.50	2009	2029	4,940,000	3,715,000
Series 2010	0.0-2.587	2010	2030	4,995,000	3,795,000
Series 2011	2.0-4.25	2011	2031	8,940,000	4,415,000
Series 2011A	2.0-5.0	2011	2031	11,020,000	8,055,000
Series 2013	2.0-4.0	2013	2026	14,045,000	12,255,000
Series 2013A	0.0-0.31	2013	2019	1,805,000	905,000
Series 2014	0.0-1.990	2014	2030	4,000,000	3,520,000
Series 2015	2.25-4.0	2015	2027	4,155,000	<u>4,155,000</u>
Total bonds payable - water wastewater					51,010,000
Unamortized bond premiums/discounts					<u>1,331,968</u>
Total long-term debt - water wastewater					52,341,968
Municipal Airport:					
Certificates of obligation bonds					
Series 2004A	2.25-5.0	2004	2024	2,120,000	1,320,000
Solid Waste					
Obligations under capital lease					
D8T tractor	2.99	2016	2018	772,839	543,361
Landfill compactor	2.99	2016	2018	1,034,539	<u>712,942</u>
Total long-term debt - business-type activities					<u><u>\$ 54,918,271</u></u>

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CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

At September 30, 2016, changes in long-term debt for the City's business-type activities were as follows:

	Balance October 1, 2015	Borrowings or Increase	Payments or Decrease	Balance September 30, 2016	Due Within One Year
Water and wastewater:					
Revenue bonds					
Series 2006A	\$ 4,690,000	\$ -	\$ (4,690,000)	\$ -	\$ -
Series 2007	10,910,000	-	(715,000)	10,195,000	745,000
Series 2008	3,915,000	-	(200,000)	3,715,000	205,000
Series 2010	4,010,000	-	(215,000)	3,795,000	220,000
Series 2011	5,180,000	-	(765,000)	4,415,000	795,000
Series 2011A	8,640,000	-	(585,000)	8,055,000	685,000
Series 2013	13,320,000	-	(1,065,000)	12,255,000	1,005,000
Series 2013A	1,205,000	-	(300,000)	905,000	300,000
Series 2014	3,760,000	-	(240,000)	3,520,000	240,000
Series 2015	-	4,155,000	-	4,155,000	315,000
Total revenue bonds	55,630,000	4,155,000	(8,775,000)	51,010,000	4,510,000
Bond premiums/discounts	1,086,319	245,649	-	1,331,968	-
Total water and wastewater	56,716,319	4,400,649	(8,775,000)	52,341,968	4,510,000
Municipal airport:					
Certificate of obligation					
Series 2004A	1,450,000	-	(130,000)	1,320,000	140,000
Total municipal airport	1,450,000	-	(130,000)	1,320,000	140,000
Solid waste:					
Obligations under capital lease					
D8T tractor	-	772,839	(229,478)	543,361	213,232
Landfill compactor	-	1,034,539	(321,597)	712,942	300,280
Total general obligation bonds	-	1,807,378	(551,075)	1,256,303	513,512
Total solid waste	-	1,807,378	(551,075)	1,256,303	513,512
Total change in long-term debt - business-type activities	\$ 58,166,319	\$ 6,208,027	\$ (9,456,075)	\$ 54,918,271	\$ 5,163,512

On November 3, 2015, the City issued \$4,155,000 in Water and Wastewater System Revenue Refunding Bonds, Series 2015. \$4,395,000 was used to advance refund the outstanding Series 2006A Water and Wastewater System Revenue Bonds. The net proceeds of \$4,426,843 (after payment of issuance costs) and a City contribution of \$63,685 were used to pay the outstanding balance on the refunded bonds. As a result, the refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. There is no remaining outstanding principal at September 30, 2016 related to the refunded bonds. The refunding resulted in a decrease in the City's debt service payments of \$479,698, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$447,089.

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CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

At September 30, 2016, the aggregate debt service payments for long-term debt through the final year of maturity for the City's water and wastewater system were as follows:

Fiscal Year	Water and Wastewater System Revenue Bonds		
	Principal	Interest	Total
2017	\$ 4,510,000	\$ 1,637,666	\$ 6,147,666
2018	4,635,000	1,506,384	6,141,384
2019	4,785,000	1,357,514	6,142,514
2020	4,630,000	1,204,374	5,834,374
2021	4,790,000	1,044,819	5,834,819
2022	4,965,000	876,827	5,841,827
2023	4,605,000	715,318	5,320,318
2024	4,640,000	563,574	5,203,574
2025	4,075,000	417,540	4,492,540
2026	3,050,000	290,173	3,340,173
2027	2,785,000	176,974	2,961,974
2028	1,180,000	100,689	1,280,689
2029	1,225,000	57,558	1,282,558
2030	860,000	23,140	883,140
2031	275,000	5,500	280,500
Total	<u>\$ 51,010,000</u>	<u>\$ 9,978,050</u>	<u>\$ 60,988,050</u>

At September 30, 2016, long-term debt is being repaid solely from airport revenues. Aggregate debt service payments for long-term debt through the final year of maturity for the City's municipal airport were as follows:

Fiscal Year	Certificates of Obligation		
	Principal	Interest	Total
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>\$ 1,320,000</u>	<u>\$ 275,695</u>	<u>\$ 1,595,695</u>

Capital Lease Obligations – Solid Waste

The City entered into two capital lease agreements in July 2016 for the purchase of a D8T tractor and a landfill compactor. The leased property under the capital lease is classified as equipment with the total capitalized cost of \$1,807,378 and an amortized values of approximately \$1,807,378 at September 30, 2016. Amortization expense has been include in depreciation expense for the year ended September 30, 2016.

**CITY OF GRAND PRAIRIE, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2016**

The following is a schedule of future minimum payments under the capital leases together with the present value of the net minimum lease payments as of September 30, 2016.

Year Ending September 30	
2017	\$ 551,075
2018	765,000
	<u>1,316,075</u>
Less amount representing interest	59,772
	<u>\$ 1,256,303</u>

Water and Wastewater System Debt Service Coverage

The following covenants are included in various water and wastewater system revenue bond indenture ordinances:

- Net revenues (defined as gross revenues less expenses of operation and maintenance) are pledged for the payment of bond principal and interest.
- Additional water and wastewater system revenue bonds cannot be issued unless the “net earnings” (defined as gross revenues after deducting the expenses of operation and maintenance, excluding depreciation and certain other items specified in the ordinances) of the system for twelve consecutive months out of the fifteen months prior to the date of such bonds is equal to at least 1.25 times the average annual requirements for the payment of principal and interest on the then-outstanding bonds and any additional bonds then proposed to be issued.
- All revenues derived from the operations must be kept separate from other funds of the City.
- The amount required to meet interest and principal payments falling due on or before the next maturity dates of the bonds is to be paid into the water and wastewater system interest and redemption account during each year.

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CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

At September 30, 2016, compliance with these covenants can be demonstrated as follows:

System revenue (1)	\$ 70,027,679
Operating expenses:	
Water purchased	14,223,378
Sewage disposal contract	15,346,644
Other operating expenses	<u>21,960,240</u>
Total expenses (2)	<u>51,530,262</u>
Net revenue (available for debt service)	<u>\$ 18,497,417</u>
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2016	\$ 4,065,870
Coverage of average annual requirements based on September 30, 2016 revenue available for debt service	4.55

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

(2) Excludes depreciation expense.

Grand Prairie Housing Finance Corporation

The GPHFC has a general obligation note payable to a bank which was used to construct the Cotton Creek and Willow Tree Learning Center. The note bears a rate of 4.25% and is payable in equal monthly installments of \$12,438 through September 21, 2040.

In December, 2003, the HFC issued Independent Senior Living Center Revenue Bonds for \$13,890,000 to finance the construction and operations of its planned Senior Living Center facility. The bonds bear interest rates from 7.5% to 7.75% depending on longevity. Beginning January 1, 2014, 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.

Willow Tree Apartments has a \$145,000 line of credit which was obtained to allow Willow Tree to renovate the parking lot of the apartments. At December 31, 2015, the line had a balance of \$43,718. The line of credit accrues interest at 2.55% and was due September 4, 2016. The line of credit is secured by a certificate of deposit of Grand Prairie Housing Finance Corporation. The note was refinanced in early 2016.

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CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

A summary of long-term debt activity during the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Note payable	\$ 2,165,948	\$ 153,011	\$ (36,721)	\$ 2,282,238	\$ 53,921
Line of Credit	83,812	43,718	(83,812)	43,718	43,718
Revenue bonds	8,005,000	-	(190,000)	7,815,000	200,000
Subordinate bonds	4,550,000	-	-	4,550,000	-
Developer loan	1,258,494	41,759	-	1,300,253	-
Total	<u>\$ 16,063,254</u>	<u>\$ 238,488</u>	<u>\$ (310,533)</u>	<u>\$ 15,991,209</u>	<u>\$ 297,639</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:

Year Ending December 31	Note Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 53,292	\$ 95,965	\$ 200,000	\$ 600,181
2017	55,601	93,655	220,000	584,619
2018	58,011	91,246	235,000	567,978
2019	60,525	88,732	255,000	549,488
2020	63,148	86,109	265,000	529,838
2021-2025	359,240	387,043	1,720,000	2,294,000
2026-2030	444,129	302,154	2,515,000	1,497,494
2031-2035	549,078	197,205	2,405,000	384,205
2036-2040	639,214	67,457	-	-
Total	<u>\$ 2,282,238</u>	<u>\$ 1,409,566</u>	<u>\$ 7,815,000</u>	<u>\$ 7,007,803</u>

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, 2015, outstanding conduit debt was as follows:

Bond Series	Original Issue Amount	Outstanding Amount
2004B Single-Family Mortgage Revenue & Refunding Bonds	\$ 7,500,000	\$ 948,263

**CITY OF GRAND PRAIRIE, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2016**

Leases

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

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

On March 5, 2009, Magna Entertainment Corporation, the parent company of MEC, filed for bankruptcy under Chapter 11 federal bankruptcy protection. Subsequently, on September 14, 2009, Lone Star filed for bankruptcy protection.

On October 23, 2009, an auction for Lone Star was conducted with Global Gaming LSP, LLC (a wholly owned subsidiary of the Chickasaw Nation) winning the auction for \$47 million.

On May 13, 2011, Global Gaming obtained their license with the Texas Racing Commission. The sale was completed on May 16, 2011. Under the terms of the purchase agreement, Global Gaming has agreed to assume the lease agreement between Lone Star and the Sports Corporation.

The agreement states that upon completion of the project, Global Gaming will lease the facility for a period of thirty years. The lease became effective April 1997 and meets the requirements for accounting as a direct financing lease.

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

<u>Year</u>	<u>Amount</u>
2017	\$ 1,716,990
2018	1,756,920
2019	1,756,920
2020	1,756,920
2021	1,756,920
Thereafter	<u>10,810,913</u>
	19,555,583
Less interest	<u>6,486,109</u>
Net present value	13,069,474
Less current portion	<u>709,005</u>
Non-current portion	<u><u>\$ 12,360,469</u></u>

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CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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 (thirty years). Amortization for the year ended September 30, 2016 was \$3,748,178. Additional contingent rentals are recorded as revenue when received.

The capital lease is being amortized using the interest method over the thirty-year life of the lease. The Corporation has recorded lease rental and interest for the year ended September 30, 2016 as follows:

Nominal interest on the lease	\$ 1,599,601
Amortization of the lease	(544,144)
Net interest	<u>1,055,457</u>
Contingent rentals received (includes rent for simulcast facility prior to completion of project)	<u>237,331</u>
Total lease rental and interest	<u>\$ 1,292,788</u>

Closure and Post Closure Liability

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfills stop accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The City follows the provisions of GASB Statement No. 18 Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Costs. Accordingly, the City has recorded a closure and post closure care liability of \$7,013,533 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 43.78% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and post closure care of \$9,113,746 as the remaining estimated capacity is filled. The City expects to close the landfill in year 2037. Actual cost may be higher or lower due to inflation, changes in technology or changes in regulations.

**CITY OF GRAND PRAIRIE, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 SEPTEMBER 30, 2016**

Environmental Remediation Obligations

The City has recorded a liability and an asset related to environmental remediation in the amount of \$146,430, in the Statement of Net Position and 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.

- Transportation Center at 1821 W. Freeway for a release determination report and soil disposal.
- The City owns the building and is responsible for the asbestos abatement of the Copeland home located at 125 SW Dallas Street.
- The City owns the building and is responsible for the asbestos abatement of the old Fire Annex building located at 317 W Main Street.
- The City owns the buildings and is responsible for the asbestos abatement located at 318-321 W Main Street.

Environmental remediation liability activity in fiscal year 2016 was as follows:

Property Description	Beginning			Ending	
	Balance 9/30/2015	Additions	Reductions	Balance 9/30/2016	Current Portion
Transportation Center - 1821 W Freeway	\$ 30,128	\$ 46,927	\$ 32,460	\$ 44,595	\$ 44,595
Copeland Home Asbestos Abatement	21,510	59,760	-	81,270	81,270
Old Fire Annex Asbestos Abatement	79,246	-	79,246	-	-
318-321 W Main	-	36,750	16,185	20,565	20,565
Total	<u>\$ 130,884</u>	<u>\$ 143,437</u>	<u>\$ 127,891</u>	<u>\$ 146,430</u>	<u>\$ 146,430</u>

Other Liabilities

Outlet Mall Developer Agreement

Two payments are scheduled to be made from Tax Increment Financing District funds when the requirements of the agreement are met during the prior twelve month period.

Sales Tax Payback

During fiscal year 2008, the Texas Comptroller of Public Accounts notified the City of an error in sales tax payments made to the City. The error was the result of a local business reporting and paying taxes incorrectly to the State Comptroller over several years. The overpayment by the business resulted in an overpayment to the City for \$2,386,466. In 2012, a liability for this amount was recorded by the City and is repaid from future sales tax revenue over a period of thirteen years.

At September 30, 2016, amounts still owed were as follows:

Outlet Mall Developer	\$ 1,000,000
State Comptroller's Office	<u>1,621,695</u>
Total Other Liabilities	<u>\$ 2,621,695</u>

**CITY OF GRAND PRAIRIE, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
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I. Risk Management

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

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

<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 September 30, 2016 actuarial report, as of September 30, 2016, was \$1,966,347.

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, 2016 were \$1,662,550.

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At September 30, 2016, 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
2016	\$ 5,005,726	\$ 16,770,731	\$ 18,147,560	\$ 3,628,897
2015	\$ 4,532,519	\$ 15,633,569	\$ 15,160,362	\$ 5,005,726

J. Defined Benefit Pension Plan

Plan Description

The City of Grand Prairie participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	25 years at any age, 5 years at age 60 and above
Updated Service Credit	100% Repeating Transfers
Annuity Increase to retirees	70% of CPI Repeating

**CITY OF GRAND PRAIRIE, TEXAS
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Additional information related to the TMRS Plan is located in the TMRS CAFR.

Employees Covered by Benefit Terms

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	668
Inactive employees entitled to but not yet receiving benefits	420
Active employees	<u>1,231</u>
Total	<u>2,319</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Grand Prairie were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Grand Prairie were 16.61% and 15.84% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were \$12,870,593, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary Increases	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year-set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

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Actuarial assumptions used in the December 31, 2015 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

After the Asset Allocation Study analysis the experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with the emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs to TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumptions under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). As its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Balance at 12/31/2014	\$ 470,075,530	\$ 419,369,194	\$ 50,706,336
Changes for the year:			
Service cost	13,141,028	-	13,141,028
Interest	32,633,468	-	32,633,468
Change of benefit terms	-	-	-
Difference between expected and actual experience	1,187,598	-	1,187,598
Changes in assumptions	596,665	-	596,665
Contributions - employer	-	13,141,016	(13,141,016)
Contributions - employee	-	5,596,768	(5,596,768)
Net investment income	-	618,807	(618,807)
Benefit payments*	(20,907,275)	(20,907,275)	-
Administrative expense	-	(376,914)	376,914
Other changes	-	(18,616)	18,616
Net changes	26,651,484	(1,946,214)	28,597,698
Balance at 12/31/2015	\$ 496,727,014	\$ 417,422,980	\$ 79,304,034

* Includes refunds of employee contributions

Sensitivity of Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$151,062,011	\$79,304,034	\$20,462,593

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

Pension Expense and Deferred Inflows/Outflows of Resources

For the year ended September 30, 2016, the city recognized pension expense of \$17,874,395.

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At September 30, 2016, the City reported deferred inflows/outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience [actuarial (gains) or losses]	\$ -	\$ (534,077)
Difference in assumptions	479,211	
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	26,054,298	-
Employer's contributions to the pension plan subsequent to the measurement date	9,286,755	-
	<u>\$ 35,820,264</u>	<u>\$ (534,077)</u>

\$9,286,755 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended December 31	Net deferred outflows (inflows) of resources
2016	\$ 6,656,980
2017	6,656,980
2018	6,656,980
2019	6,000,394
2020	28,098
Total	<u>\$ 25,999,432</u>

K. Other Postemployment Benefits (OPEB)

Supplemental Death Benefits

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

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 2015	Plan Year 2016
Active employees	Yes	Yes
Retirees	Yes	Yes

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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 2016, 2015, and 2014, were \$143,803, \$128,816, and, \$125,077, 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
2013	0.03%	0.03%	100%
2014	0.03%	0.03%	100%
2015	0.03%	0.03%	100%

Retiree Health Benefits

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

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

TMRS Retirement / Plan option may include:

- Service retirement, 25 years of TMRS creditable service at any age, or
- Age 60 and 5 years of TMRS creditable service
- Disability/medical retirement at any age, if approved by TMRS

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

Benefits

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

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

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Spouse Coverage

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

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

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

Child / Dependent Coverage

New dependents gained during retirement (due to marriage or birth) may not be added to the City’s plan since they were not eligible at the time of retirement.

Opt-outs / Payment-in-lieu / Reimbursements

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

Types of Coverage Offered

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

Retiree 2016 Monthly Health Care Premiums (Employee Pays Portion)

	Monthly Health Care Premium
Gold (Under Age 65)	
Employee Only	\$ 208
Employee plus Spouse	514
Employee plus Child(ren)	326
Family	896
Silver (Under Age 65)	
Employee Only	149
Employee plus Spouse	353
Employee plus Child(ren)	293
Family	443
Bronze (Under Age 65)	
Employee Only	163
Employee plus Spouse	256
Employee plus Child(ren)	340
Family	486

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	<u>Premium</u>
Over 65 Retiree (Grandfathered by Age)	
Employee Only	\$ 97
Employee plus Spouse	147

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.

For the year ended September 30, 2016, the City's annual OPEB cost was as follows:

Annual required contribution	\$ 3,409,481
Interest on OPEB obligation	223,241
Adjustment to ARC	<u>(202,345)</u>
Annual OPEB cost (expense) end of year	3,430,377
Net estimated employer contributions	<u>2,623,710</u>
Increase/(decrease) in net OPEB obligation	806,667
Net OPEB obligation as of beginning of the year	<u>4,960,922</u>
Net OPEB obligation (asset) as of end of the year	<u><u>\$ 5,767,589</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for 2016 and the two preceding years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 2,648,271	100.3%	\$ 4,691,875
2015	\$ 3,047,338	91.2%	\$ 4,960,922
2016	\$ 3,430,377	76.5%	\$ 5,767,589

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, 2016 was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
12/31/2015	-	\$ 45,917,131	\$ 45,917,131	0%	\$ 75,113,792	61.1%

At September 30, 2016, under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$45,917,131.

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Actuarial Methods and Assumptions

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

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

Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions

Inflation rate	3.0% per annum
Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year amortization, closed
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
09/30/14	\$ 2,628,469	\$ 2,657,400	\$ 211,545	\$ 191,743	24.5200	\$ 2,648,271	\$ (9,129)	\$ 4,691,875
09/30/15	\$ 3,027,575	\$ 2,778,291	\$ 211,134	\$ 191,371	24.5200	\$ 3,047,338	\$ 269,047	\$ 4,960,922
09/30/16	\$ 3,409,481	\$ 2,623,710	\$ 223,241	\$ 202,345	24.5200	\$ 3,430,377	\$ 806,667	\$ 5,767,589

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L. Fund Balance

At September 30, 2016, fund balances were classified as follows:

	General	Section 8	Streets CIP	Grants	Debt Service	Epic CIP	Nonmajor Governmental Funds	Total
FUND BALANCES:								
Nonspendable:								
Inventory and prepaids	\$ 81,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,991	\$ 269,848
Spendable:								
Restricted for:								
Employee Welfare	59,773	-	-	-	-	-	-	59,773
Library Memorials	51,022	-	-	-	-	-	-	51,022
At Risk Youths	34,853	-	-	-	-	-	-	34,853
GPPD Boxing Program	17,425	-	-	-	-	-	-	17,425
Greg Hunter Scholarships	57,410	-	-	-	-	-	-	57,410
Prairie Paws Adoptions	176,285	-	-	-	-	-	-	176,285
Central Park Guardians	256	-	-	-	-	-	-	256
Section 8	-	1,670,926	-	-	-	-	-	1,670,926
Street Improvements	-	-	11,411,583	-	-	-	-	11,411,583
Grants	-	-	-	5,435,766	-	-	-	5,435,766
Debt Service	-	-	-	-	11,804,301	-	-	11,804,301
Epic	-	-	-	-	-	55,673,874	1,164,572	56,838,446
Park Venue	-	-	-	-	-	-	4,319,161	4,319,161
Streets	20,889	-	-	-	-	-	4,466,889	4,487,778
Crime	-	-	-	-	-	-	11,187,205	11,187,205
Hotel Motel	-	-	-	-	-	-	762,085	762,085
Police seizure	-	-	-	-	-	-	342,173	342,173
Municipal Court	-	-	-	-	-	-	373,294	373,294
Red Light Safety	-	-	-	-	-	-	1,041,732	1,041,732
Lake Parks	-	-	-	-	-	-	1,720,316	1,720,316
Public Improvement Districts	-	-	-	-	-	-	2,515,999	2,515,999
Tax Increment Financing	-	-	-	-	-	-	3,047,926	3,047,926
Other special revenue	25	-	-	-	-	-	371,376	371,401
Park Venue Capital Projects	-	-	-	-	-	-	1,961,694	1,961,694
Fire Capital Projects	-	-	-	-	-	-	511,516	511,516
Municipal Facilities Capital Projects	-	-	-	-	-	-	7,586,666	7,586,666
Other Capital Projects	-	-	-	-	-	-	1,006,044	1,006,044
Total Restricted	417,938	1,670,926	11,411,583	5,435,766	11,804,301	55,673,874	42,378,648	128,793,036
Committed to:								
Street Improvements	-	-	16,038,559	-	-	-	-	16,038,559
Epic CIP	-	-	-	-	-	7,373,707	-	7,373,707
Park Venue	-	-	-	-	-	-	2,970,955	2,970,955
Cable Operations	-	-	-	-	-	-	583,276	583,276
Lake Parks	-	-	-	-	-	-	609,080	609,080
Cemetery Operations	-	-	-	-	-	-	1,743,445	1,743,445
Verizon Theatre	-	-	-	-	-	-	2,428,944	2,428,944
Fire Capital Projects	-	-	-	-	-	-	721,617	721,617
Municipal Facilities Capital Projects	-	-	-	-	-	-	757,109	757,109
Drainage Capital Projects	-	-	-	-	-	-	11,869,721	11,869,721
Police Capital Projects	-	-	-	-	-	-	1,131,218	1,131,218
Other Capital Projects	-	-	-	-	-	-	1,832,660	1,832,660
Capital Lending/Reserve	-	-	-	-	-	-	16,255,489	16,255,489
Total Committed	-	-	16,038,559	-	-	7,373,707	40,903,514	64,315,780
Assigned to:								
Home Match Cash	184,100	-	-	-	-	-	-	184,100
KGPB Commissions	596	-	-	-	-	-	-	596
Impact Grand Prairie	4,979	-	-	-	-	-	-	4,979
Section 8 Relief	267,380	-	-	-	-	-	-	267,380
Building and Construction Management	3,879	-	-	-	-	-	-	3,879
Police Memorials	6,984	-	-	-	-	-	-	6,984
State Training (Police)	6,723	-	-	-	-	-	-	6,723
Fire- State Supplemental Funds	1,329,191	-	-	-	-	-	-	1,329,191
Parks Education Foundation	8,247	-	-	-	-	-	-	8,247
Westchester Park	12,740	-	-	-	-	-	-	12,740
Uptown Trust	56,869	-	-	-	-	-	-	56,869
First Offender Program	10,134	-	-	-	-	-	-	10,134
Kirby Creek Accessibility Garden	36,428	-	-	-	-	-	-	36,428
Take a Load Off Facility	224,646	-	-	-	-	-	-	224,646
US Marshals Service Agreement	39,044	-	-	-	-	-	-	39,044
Total Assigned	2,191,940	-	-	-	-	-	-	2,191,940
Unassigned								
	28,320,160	-	-	-	-	-	-	28,320,160
Total fund balances:	\$ 31,011,895	\$ 1,670,926	\$ 27,450,142	\$ 5,435,766	\$ 11,804,301	\$ 63,047,581	\$ 83,470,153	\$ 223,890,764

M. Contracts, Commitments, and Contingent Liabilities

Federal and State Grants

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

Litigation

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

Water Intake Facility Contract

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

Water Purchase Contracts

The City has a thirty-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 (MGD), and pays a fixed demand charge plus a volume charge. The demand charge is based on current maximum demand or the highest demand established during the five preceding years, whichever is greater. Thus, even if the City were to stop purchasing water from Dallas, its obligation to pay the demand charge (\$262,058) would extend for five years. The maximum may be increased in future years as needed. Grand Prairie has two intake points for City of Dallas water with a contractual right obligating the City of Dallas to meet Grand Prairie’s needs. Existing pipelines will provide up to 55 MGD.

A contract with the City of Fort Worth, effective until the year 2031, permits the City to purchase up to 2.5 MGD.

A contract with the City of Midlothian, executed in 2014 for a thirty-year term, permits the City to purchase up to an average of 4.5 MGD during the term of the contract. Beginning in January 2016, the City began purchasing water from the City of Midlothian at an average rate of 0.478 MGD.

A contract with the City of Arlington, executed in 2011 for a twenty-year term, allows the City to purchase up to 2.5 MGD maximum flow unless otherwise agreed to in writing. As of September 30, 2016, no water has been purchased through this contract.

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

Wastewater Treatment Contracts

The City has a 50 year contract with TRA, which will expire in 2023, for wastewater treatment. The City is billed for its prorated share of total wastewater costs, which was 11.88% during fiscal year 2016. 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.

Mountain Creek Regional Wastewater System Contract (System)

The City entered into a contract in 2002 which is in effect for the entire useful life of the System. Although the City does not yet deliver flows to this System, the City is obligated to pay annual minimum fees equivalent to 21.9 million gallons of flow. For the fiscal year ended September 30, 2016, the City paid \$68,690 to the System.

Master and Other Agreements

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

The City and the Texas Airhogs Baseball Club entered into agreements (development, lease, and other ancillary agreements) on June 26, 2007 to develop, construct and operate a minor league professional baseball stadium. The funding for the stadium was accomplished through a one-eighth cent sales tax approved by the citizens of Grand Prairie. Construction began in July 2007 and was completed in May 2008.

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

Stadium Lease – On October 19, 2016, the City entered into a four-year lease agreement with Nextel Promotional, LLC. In addition to Airhogs home baseball games, Nextel has unlimited use of the Stadium to hold other sporting and entertainment events. Nextel pays the City, in advance, a monthly lease payment of \$7,137 and ten percent of the total net profit generated by Nextel at, in, or through the stadium. Nextel is responsible for all utility services and the City is responsible for the maintenance of the building, landscaping, irrigation, art, and playgrounds.

Construction Commitments

The City has several approved outstanding major capital projects as of September 30, 2016. The City's total committed but unexpended expenditures for such authorized capital projects at year-end approximates \$50,125,377. Funding for these contracts will be received through various capital projects funds and enterprise funds.

**CITY OF GRAND PRAIRIE, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

N. Segment Information for Enterprise Funds

The City maintains five enterprise funds – water and wastewater, solid waste, golf, airport, and storm water utility activities. At September 30, 2016, the Municipal Airport Fund had outstanding revenue-backed certificates of obligations. Segment information for this Fund is as follows:

	<u>Municipal Airport</u>
<u>Condensed statement of net position:</u>	
Current assets	\$ 1,801,445
Capital assets	16,582,896
Deferred outflows of resources	122,365
Total assets and deferred outflows of resources	<u>18,506,706</u>
Current liabilities	523,156
Long-term liabilities	1,461,852
Deferred inflows of resources	1,824
Total liabilities and deferred inflows of resources	<u>1,986,832</u>
Net position: Net investment in capital assets	15,262,896
Net position: Unrestricted	1,256,978
Total net position	<u>\$ 16,519,874</u>
<u>Condensed statement of revenues, expenses and changes in net position:</u>	
Sales to customers	\$ 772,361
Intergovernmental revenue	37,320
Miscellaneous	1,905,729
Total operating revenues	<u>2,715,410</u>
Depreciation	795,733
Other operating expenses	1,276,835
Total operating expenses	<u>2,072,568</u>
Interest expense	<u>(67,051)</u>
Total nonoperating revenues (expenses)	<u>(67,051)</u>
Income before transfers	575,791
Capital contributions	1,500,000
Transfers out	<u>(48,000)</u>
Change in net position	2,027,791
Net position at the beginning of the year	14,492,083
Net position at the end of the year	<u>\$ 16,519,874</u>
<u>Condensed statement of cash flows:</u>	
Net cash provided (used) by:	
Operating activities	\$ 1,403,600
Noncapital financing activities	(48,000)
Capital and related financing activities	(1,523,467)
Investing activities	-
Beginning cash and cash equivalent balances	186,107
Ending cash and cash equivalent balances	<u>\$ 18,240</u>

O. Subsequent Events

On November 1, 2016, the City Council issued:

- \$37,125,000 in General Obligation Refunding Bonds, Series 2016. The proceeds will be used to refund a portion of certain general obligations and certificates of obligations.
- \$33,705,000 in Combination Tax and Revenue Certificates, Series 2016. The proceeds will be used to fund City capital improvements.
- \$17,625,000 in Water and Wastewater Revenue Refunding Bonds, Series 2016. The proceeds are to be used to refund a portion of certain Water Wastewater System obligations.

The City has evaluated all other events or transactions that occurred after September 30, 2016 up through March 16, 2017, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION



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**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Property tax	\$ 52,346,537	\$ 52,346,537	\$ 53,681,627	\$ 1,335,090
Sales tax	26,242,289	26,242,289	27,922,103	1,679,814
Other taxes	262,630	262,630	280,846	18,216
Franchise fees	14,002,025	14,002,025	13,928,847	(73,178)
Charges for goods and services	4,976,770	4,976,770	5,796,986	820,216
Licenses and permits	2,667,290	2,667,290	3,457,438	790,148
Fines and forfeitures	7,234,770	7,234,770	7,740,514	505,744
Intergovernmental revenue	1,062,016	1,062,016	2,741,448	1,679,432
General and administrative	4,274,142	4,274,142	4,274,142	-
Rents and royalties	64,740	64,740	86,553	21,813
Investment income	1,110,985	1,110,985	1,833,724	722,739
Contributions	500	500	107,441	106,941
Other	273,200	273,200	666,007	392,807
Total revenues	<u>114,517,894</u>	<u>114,517,894</u>	<u>122,517,676</u>	<u>7,999,782</u>
EXPENDITURES				
Support services	21,366,536	19,879,283	18,145,433	1,733,850
Public safety services	72,272,842	73,837,851	73,478,242	359,609
Recreation and leisure services	2,045,539	2,100,367	2,398,214	(297,847)
Development and other services	12,548,212	12,665,483	12,391,453	274,030
Capital outlay	1,447,500	1,558,629	1,668,480	(109,851)
Total expenditures	<u>109,680,629</u>	<u>110,041,613</u>	<u>108,081,822</u>	<u>1,959,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,837,265</u>	<u>4,476,281</u>	<u>14,435,854</u>	<u>9,959,573</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	11,326	11,326
Transfers out	(10,188,620)	(12,188,620)	(11,805,389)	383,231
Proceeds from sale of capital assets	564,950	564,950	621,458	56,508
Total other financing sources (uses)	<u>(9,623,670)</u>	<u>(11,623,670)</u>	<u>(11,172,605)</u>	<u>451,065</u>
Net change in fund balances	(4,786,405)	(7,147,389)	3,263,249	10,410,638
Fund balance - beginning of year	<u>27,748,646</u>	<u>27,748,646</u>	<u>27,748,646</u>	<u>-</u>
Fund balances - end of year	<u>\$ 22,962,241</u>	<u>\$ 20,601,257</u>	<u>\$ 31,011,895</u>	<u>\$ 10,410,638</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, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	
REVENUES				
Charges for goods and service	\$ 222,810	\$ 2,686,904	\$ 2,686,904	\$ -
Licenses and permits	236,500	339,867	339,867	-
Intergovernmental revenue	25,524,195	24,702,660	24,702,660	-
Investment income	500	-	-	-
Other	74,000	80,521	80,521	-
Total revenues	<u>26,058,005</u>	<u>27,809,952</u>	<u>27,809,952</u>	<u>-</u>
EXPENDITURES				
Development services and other	<u>25,989,417</u>	<u>27,747,485</u>	<u>27,747,485</u>	<u>-</u>
Total expenditures	<u>25,989,417</u>	<u>27,747,485</u>	<u>27,747,485</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>68,588</u>	<u>62,467</u>	<u>62,467</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(50,000)	(50,000)	-
Proceeds from sale of capital assets	-	1,434	1,434	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>(48,566)</u>	<u>(48,566)</u>	<u>-</u>
Net change in fund balances	18,588	13,901	13,901	-
Fund balance - beginning of year	<u>1,657,025</u>	<u>1,657,025</u>	<u>1,657,025</u>	<u>-</u>
Fund balances - end of year	<u>\$ 1,675,613</u>	<u>1,670,926</u>	<u>\$ 1,670,926</u>	<u>\$ -</u>

**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS
FUNDING PROGRESS
LAST EIGHT FISCAL YEARS**

City Fiscal Year	Actuarial Valuation Date	(a)	(b)	(c)	(d)	(e)	UAAL as a % of Covered Payroll (c) / (e)
		Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b) - (a)	Funded Percent (a) / (b)	Annual Covered Payroll	
2009	12/31/2008	-	\$ 15,782,172	\$ 15,782,172	0%	\$ 60,558,122	26.06%
2010	12/31/2009	-	25,220,971	25,220,971	0%	61,083,237	41.29%
2011	12/31/2010	-	28,244,542	28,244,542	0%	61,281,663	46.09%
2012	12/31/2011	-	29,395,343	29,395,343	0%	62,017,533	47.40%
2013	12/31/2012	-	32,048,413	32,048,413	0%	63,065,199	50.82%
2014	12/31/2013	-	33,019,361	33,019,361	0%	67,055,488	49.24%
2015	12/31/2014	-	44,797,238	44,797,238	0%	70,039,140	63.96%
2016	12/31/2015	-	45,917,131	45,917,131	0%	75,113,792	61.13%

Note: Information prior to fiscal year 2009 not available.

**CITY OF GRAND PRAIRIE, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS – TEXAS MUNICIPAL RETIREMENT SYSTEM
 LAST THREE YEARS**

	2014	2015	2016
Actuarially Determined Contribution	\$ 12,564,308	\$ 12,624,823	\$ 12,870,593
Contributions in relation to the actuarially determined contribution	<u>(12,564,308)</u>	<u>(12,624,823)</u>	<u>(12,870,593)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 71,874,373	\$ 75,773,968	\$ 79,933,264
Contributions as a percentage of covered employee payroll	17.48%	16.66%	16.10%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

OTHER INFORMATION

Notes There were no benefit changes during the year.

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

**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
TEXAS MUNICIPAL RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	Measurement Year 2014	Measurement Year 2015
Total pension liability		
Service Cost	\$ 11,158,122	\$ 13,141,028
Interest (on the Total Pension Liability)	31,213,003	32,633,468
Changes of benefit terms	-	-
Difference between expected and actual experience	(2,414,327)	1,187,598
Changes of assumptions	-	596,665
Benefit payments ¹	(20,404,488)	(20,907,275)
Net change in total pension liability	19,552,310	26,651,484
Total pension liability - beginning	450,523,220	470,075,530
Total pension liability - ending (a)	<u>\$ 470,075,530</u>	<u>\$ 496,727,014</u>
Plan fiduciary net position		
Contributions - employer	\$ 12,810,193	\$ 13,141,016
Contributions - employee	5,156,977	5,596,768
Net investment income	22,838,073	618,807
Benefit payments ¹	(20,404,488)	(20,907,275)
Administrative Expense	(238,441)	(376,914)
Other	(19,604)	(18,616)
Net change in plan fiduciary net position	20,142,710	(1,946,214)
Plan fiduciary net position - beginning	399,226,484	419,369,194
Plan fiduciary net position - ending (b)	<u>\$ 419,369,194</u>	<u>\$ 417,422,980</u>
Net pension liability (a) - (b)	<u>\$ 50,706,336</u>	<u>\$ 79,304,034</u>
Plan fiduciary net position as a percentage of the total pension liability (b) / (a)	89.21%	84.03%
Covered employee payroll	\$ 73,471,045	\$ 79,933,264
Net pension liability as a percentage of covered employee payroll	69.02%	99.21%

As of December 31

¹ Amounts reported includes refunds of employee contributions.

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

**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

A. Budget Law and Practice

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

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

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

B. Budgetary Control

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

OTHER SUPPLEMENTARY INFORMATION



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**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Property tax	\$ 20,055,203	20,055,203	20,494,222	\$ 439,019
Investment income	300	300	332	32
Other income	-	-	10,127	10,127
Total revenues	<u>20,055,503</u>	<u>20,055,503</u>	<u>20,504,681</u>	<u>449,178</u>
EXPENDITURES				
Debt service:				
Principal retirement	12,466,000	12,466,000	12,806,000	(340,000)
Interest	<u>7,737,242</u>	<u>7,737,242</u>	<u>6,949,409</u>	<u>787,833</u>
Total expenditures	<u>20,203,242</u>	<u>20,203,242</u>	<u>19,755,409</u>	<u>447,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(147,739)</u>	<u>(147,739)</u>	<u>749,272</u>	<u>897,011</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	170,000	170,000	170,000	-
Premium on debt issued	-	-	949,342	949,342
Refunding bonds issued	-	-	10,270,000	10,270,000
Payments for refunded debt	-	-	(11,088,208)	(11,088,208)
Total other financing sources	<u>170,000</u>	<u>170,000</u>	<u>301,134</u>	<u>131,134</u>
Net change in fund balances	22,261	22,261	1,050,406	1,028,145
Fund balances - beginning of year	<u>10,753,895</u>	<u>10,753,895</u>	<u>10,753,895</u>	<u>-</u>
Fund balances - end of the year	<u>\$ 10,776,156</u>	<u>10,776,156</u>	<u>\$ 11,804,301</u>	<u>\$ 1,028,145</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

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

- ◆ Park Venue Sales Tax – funded by a one-quarter cent sales and use tax levied by the citizens of Grand Prairie for the specific purpose of funding park and recreational services including the Senior Center, Uptown Theatre, Ruthe Jackson Center, and Bowles Life Center.
- ◆ Senior Center Sales Tax - principal on debt related to the construction of the Summit Center was paid off and all remaining revenue was committed by City Council for capital improvements related to the Summit Center. The one-eighth cent sales and use tax used to pay this debt was diverted by citizen vote to fund the construction of the Epic Center.
- ◆ Baseball Stadium Sales Tax - principal on debt related to the construction of the baseball stadium was paid off and all remaining revenue was committed by City Council for maintenance and improvements of the facility. The one-eighth cent sales and use tax used to pay this debt was diverted by citizen vote to fund the construction of the Epic Center.
- ◆ Street Sales Tax – funded by a one-quarter cent sales and use tax levied by the citizens of Grand Prairie for the specific purpose of maintaining and improving of the City's existing streets and alleys.
- ◆ Crime Sales Tax – funded by a one-quarter cent sales and use tax levied by the citizens of Grand Prairie to pay principal and interest on debt related to the construction of the Public Safety Building and to fund salaries and benefits for twenty-four new police officers.
- ◆ Epic Center Sales Tax – funded by a one-quarter cent sales and use tax levied by the citizens of Grand Prairie to pay principal and interest on debt related to the construction of the Epic Center.
- ◆ Hotel/Motel Occupancy Tax – accounts for the receipts and allocation of the City's seven percent hotel-motel tax revenue in accordance with the requirements of state law.
- ◆ Police Seizures – accounts for police-seized assets pending court cases and for forfeitures awarded by County courts from assets seized by the Grand Prairie Police Department.
- ◆ Municipal Court – accounts for fees collected through municipal court fines for the specific use of maintaining security for municipal court buildings and for municipal court technology.
- ◆ Cable Operations – accounts for the revenue collected through cable companies for government access programming. This revenue is committed by the City Council for the operations and improvements to the City's cable channel.
- ◆ Red Light Safety – accounts for street light camera operations and is funded from red light citations. The purpose of this fund is to improve major street intersection safety.
- ◆ Lake Parks – accounts for the activity of the City's four major parks surrounding Joe Pool Lake. All revenues generated are restricted for the operation of these parks by the lease agreement with U. S. Corps of Engineers.

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS**

- ◆ Cemetery – accounts for operations of Grand Prairie Memorial Gardens and Mausoleum. Net proceeds from operations are committed by the City Council for the perpetual care of the cemetery.
- ◆ Public Improvement Districts (PIDs) – accounts for the activity of the City's sixteen PIDs.
- ◆ Tax Increment Financing Districts (TIFs) – accounts for the activity of the City's two TIFs and if supported primarily from revenues collected through inter-local property tax increment funding.
- ◆ Verizon Theatre - accounts for monthly lease payments used to pay debt service on the bonds issued by the City for the purchase of the performance hall.
- ◆ Other Special Revenue – accounts for various fees collected through municipal court fines restricted for operations relating to Commercial Vehicle Enforcement, Juvenile Case Manager, Truancy Prevention Diversion, and Municipal Court Judicial Efficiency.

Budget to Actual Comparisons

These schedules present budget to actual comparisons for special revenue funds with legally adopted budgets that have not been presented as part of Required Supplementary Information. Each comparison schedule shows the original budget amounts, the final adopted amounts, and the actual financial results as presented in the financial statements. In addition, the variance between the final adopted budget amounts and the actual amounts is presented.

Capital Projects Funds

Capital Projects Funds are used to account for capital improvements which are financed by general obligation bond issues, certificate obligation bond issues, and other revenue sources restricted or committed specifically for capital projects.

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

**CITY OF GRAND PRAIRIE, TEXAS
 COMBINING BALANCE SHEETS
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2016**

	Special Revenue				
	Park Venue Sales Tax	Senior Center Sales Tax	Baseball Stadium Sales Tax	Streets Sales Tax	Crime Sales Tax
ASSETS					
Cash and cash equivalents	\$ 4,177,374	\$ -	\$ -	\$ 507,695	\$ 328,073
Investments	2,638,165	-	-	3,500,000	9,700,000
Sales tax receivable	1,289,572	-	-	1,289,572	1,277,488
Franchise fees receivable	-	-	-	-	-
Other receivables	36,684	-	-	-	-
Due from other funds	-	-	-	-	-
Inventory	21,251	-	-	-	-
Prepays	13,510	-	-	-	-
Total assets	8,176,556	-	-	5,297,267	11,305,561
LIABILITIES					
Accounts payable	426,279	-	-	830,378	33,888
Retainage payable	-	-	-	-	-
Accrued liabilities	218,484	-	-	-	84,468
Customer deposits	41,300	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	165,616	-	-	-	-
Total liabilities	851,679	-	-	830,378	118,356
FUND BALANCES					
Nonspendable	34,761	-	-	-	-
Restricted	4,319,161	-	-	4,466,889	11,187,205
Committed	2,970,955	-	-	-	-
Total fund balances	7,324,877	-	-	4,466,889	11,187,205
Total liabilities, deferred inflows of resources and fund balances	\$ 8,176,556	\$ -	\$ -	\$ 5,297,267	\$ 11,305,561

Special Revenue

Epic Center Sales Tax Fund	Hotel Motel Tax	Police Seizure	Municipal Court	Cable Operations	Red Light Safety	Lake Parks	Cemetery	PID
\$ -	\$ 321,459	\$ 432,463	\$ 289,371	\$ 89,291	\$ 1,205,936	\$ 1,086,554	\$ 1,965,401	\$ 2,941,140
-	300,000	-	100,000	420,803	400,000	1,410,523	700,000	-
1,289,572	-	-	-	-	-	-	-	-
-	-	-	-	77,631	-	-	-	-
-	180,868	-	-	-	295,374	-	301,779	1,271
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	9,660	-	-
125,000	-	-	-	-	-	18,570	-	-
<u>1,414,572</u>	<u>802,327</u>	<u>432,463</u>	<u>389,371</u>	<u>587,725</u>	<u>1,901,310</u>	<u>2,525,307</u>	<u>2,967,180</u>	<u>2,942,411</u>
125,000	25,566	14,993	12,833	1,519	140,391	86,097	20,974	426,087
-	-	-	-	-	-	-	-	-
-	14,676	75,297	3,244	2,930	719,187	56,584	9,344	325
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	25,000	1,193,417	-
<u>125,000</u>	<u>40,242</u>	<u>90,290</u>	<u>16,077</u>	<u>4,449</u>	<u>859,578</u>	<u>167,681</u>	<u>1,223,735</u>	<u>426,412</u>
125,000	-	-	-	-	-	28,230	-	-
1,164,572	762,085	342,173	373,294	-	1,041,732	1,720,316	-	2,515,999
-	-	-	-	583,276	-	609,080	1,743,445	-
<u>1,289,572</u>	<u>762,085</u>	<u>342,173</u>	<u>373,294</u>	<u>583,276</u>	<u>1,041,732</u>	<u>2,357,626</u>	<u>1,743,445</u>	<u>2,515,999</u>
<u>\$ 1,414,572</u>	<u>\$ 802,327</u>	<u>\$ 432,463</u>	<u>\$ 389,371</u>	<u>\$ 587,725</u>	<u>\$ 1,901,310</u>	<u>\$ 2,525,307</u>	<u>\$ 2,967,180</u>	<u>\$ 2,942,411</u>

Continued

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016**

	Special Revenue			Capital Projects		
	Tax Increment Financing Districts	Verizon Theatre	Other Special Revenue Funds	Park Venue CIP	Fire CIP	Municipal Facilities CIP
ASSETS						
Cash and cash equivalents	\$ 3,047,926	\$ 123,944	\$ 392,846	\$ 737,572	\$ 779,863	\$ 999,996
Investments	-	2,305,000	-	1,500,000	1,000,000	7,756,181
Sales tax receivable	-	-	-	-	-	-
Franchise fees receivable	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Total assets	3,047,926	2,428,944	392,846	2,237,572	1,779,863	8,756,177
LIABILITIES						
Accounts payable	-	-	16,883	184,925	546,730	397,074
Retainage payable	-	-	-	-	-	15,328
Accrued liabilities	-	-	4,587	-	-	-
Customer deposits	-	-	-	-	-	-
Due to other funds	-	-	-	90,953	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	21,470	275,878	546,730	412,402
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	3,047,926	-	371,376	1,961,694	511,516	7,586,666
Committed	-	2,428,944	-	-	721,617	757,109
Total fund balances	3,047,926	2,428,944	371,376	1,961,694	1,233,133	8,343,775
Total liabilities, deferred inflows of resources and fund balances	\$ 3,047,926	\$ 2,428,944	\$ 392,846	\$ 2,237,572	\$ 1,779,863	\$ 8,756,177

Capital Projects

Drainage CIP	Police CIP	Other CIP	Capital Lending/ Reserve	Elimination	Total Nonmajor Governmental Funds
\$ 2,618,549	\$ 1,136,408	\$ 3,004,677	\$ 8,370,689	\$ -	\$ 34,557,227
10,000,000	-	-	4,900,000	-	46,630,672
-	-	-	-	-	5,146,204
-	-	-	-	-	77,631
-	-	-	188,509	-	1,004,485
-	-	-	3,493,636	(90,953)	3,402,683
-	-	-	-	-	30,911
-	-	-	-	-	157,080
<u>12,618,549</u>	<u>1,136,408</u>	<u>3,004,677</u>	<u>16,952,834</u>	<u>(90,953)</u>	<u>91,006,893</u>
748,497	5,190	165,973	289,124	-	4,498,401
331	-	-	-	-	15,659
-	-	-	-	-	1,189,126
-	-	-	-	-	41,300
-	-	-	-	(90,953)	-
-	-	-	408,221	-	1,792,254
<u>748,828</u>	<u>5,190</u>	<u>165,973</u>	<u>697,345</u>	<u>(90,953)</u>	<u>7,536,740</u>
-	-	-	-	-	187,991
-	-	1,006,044	-	-	42,378,648
11,869,721	1,131,218	1,832,660	16,255,489	-	40,903,514
<u>11,869,721</u>	<u>1,131,218</u>	<u>2,838,704</u>	<u>16,255,489</u>	<u>-</u>	<u>83,470,153</u>
<u>\$ 12,618,549</u>	<u>\$ 1,136,408</u>	<u>\$ 3,004,677</u>	<u>\$ 16,952,834</u>	<u>\$ (90,953)</u>	<u>\$ 91,006,893</u>

Concluded

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Special Revenue				
	Park Venue Sales Tax	Senior Center Sales Tax	Baseball Stadium Sales Tax	Streets Sales Tax	Crime Sales Tax
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	7,268,076	-	-	7,268,076	7,189,890
Other taxes	-	-	-	-	-
Charges for goods and services	2,817,337	-	-	22,504	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Rents and royalties	653,348	-	-	-	-
Investment income	-	-	-	-	-
Contributions	192,660	-	-	-	-
Other	7,822	-	-	-	-
Total revenues	<u>10,939,243</u>	<u>-</u>	<u>-</u>	<u>7,290,580</u>	<u>7,189,890</u>
EXPENDITURES					
Current operations:					
Support services	-	-	-	-	-
Public safety services	-	-	-	-	1,797,827
Recreation and leisure services	12,021,830	-	5,000	-	-
Development services and other	-	-	-	7,976,222	-
Capital outlay	107,461	37,213	-	-	103,300
Debt service:					
Principal retirement	1,505,000	-	-	-	3,545,000
Interest charges	691,845	-	-	-	486,085
Total expenditures	<u>14,326,136</u>	<u>37,213</u>	<u>5,000</u>	<u>7,976,222</u>	<u>5,932,212</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,386,893)</u>	<u>(37,213)</u>	<u>(5,000)</u>	<u>(685,642)</u>	<u>1,257,678</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	8,454,975	-	-	1,448,275	-
Transfers out	(1,080,815)	(964,382)	(3,270,955)	-	-
Insurance recovery	-	-	-	-	-
Bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Refunding bond issued	-	-	-	-	-
Payments to bond escrow agents	-	-	-	-	-
Proceeds from sale of capital assets	4,038	-	-	-	-
Total other financing sources (uses)	<u>7,378,198</u>	<u>(964,382)</u>	<u>(3,270,955)</u>	<u>1,448,275</u>	<u>-</u>
Net change in fund balances	3,991,305	(1,001,595)	(3,275,955)	762,633	1,257,678
Fund balances - beginning of year	<u>3,333,572</u>	<u>1,001,595</u>	<u>3,275,955</u>	<u>3,704,256</u>	<u>9,929,527</u>
Fund balances - end of year	<u>\$ 7,324,877</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,466,889</u>	<u>\$ 11,187,205</u>

Special Revenue

Epic Center Sales Tax Fund	Hotel Motel Tax	Police Seizure	Municipal Court	Cable Operations	Red Light Safety	Lake Parks	Cemetery	PID
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,268,076	-	-	-	-	-	-	-	-
-	1,510,229	-	-	-	-	-	-	-
-	6,531	-	-	-	-	2,478,607	1,071,213	3,116,000
-	-	-	-	-	-	135,375	-	-
-	-	-	314,648	-	3,185,362	-	-	-
-	-	48,635	-	-	-	-	-	-
-	-	-	-	-	-	1,234,819	-	-
-	-	2,973	-	-	-	1	-	54
-	-	-	-	-	-	93,354	-	14,979
-	1,419	73,772	-	336,569	-	41,135	582	12,885
7,268,076	1,518,179	125,380	314,648	336,569	3,185,362	3,983,291	1,071,795	3,143,918
-	-	-	-	293,762	-	-	-	-
-	-	196,881	264,400	-	2,489,031	-	-	-
-	1,689,024	-	-	-	-	3,418,421	694,187	-
-	-	-	-	-	-	-	-	2,046,646
-	171,878	110,314	86,089	133,988	-	204,000	23,153	722,680
-	-	-	-	-	-	-	-	295,000
2,046,588	-	-	-	-	-	-	-	59,516
2,046,588	1,860,902	307,195	350,489	427,750	2,489,031	3,622,421	717,340	3,123,842
5,221,488	(342,723)	(181,815)	(35,841)	(91,181)	696,331	360,870	354,455	20,076
-	-	-	-	-	-	9,000	-	169,831
(3,931,916)	(91,500)	-	-	-	-	-	(120,000)	(16,000)
-	-	-	-	-	-	88,101	-	-
-	-	-	-	-	-	-	-	644,170
-	-	-	-	-	-	-	-	67,197
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	11,424	-	-
(3,931,916)	(91,500)	-	-	-	-	108,525	(120,000)	865,198
1,289,572	(434,223)	(181,815)	(35,841)	(91,181)	696,331	469,395	234,455	885,274
-	1,196,308	523,988	409,135	674,457	345,401	1,888,231	1,508,990	1,630,725
\$ 1,289,572	\$ 762,085	\$ 342,173	\$ 373,294	\$ 583,276	\$ 1,041,732	\$ 2,357,626	\$ 1,743,445	\$ 2,515,999

Continued

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Special Revenue			Capital Projects		
	Tax Increment Financing Districts	Verizon Theatre	Other Special Revenue Funds	Park Venue CIP	Fire CIP	Municipal Facilities CIP
REVENUES						
Property taxes	4,023,294	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Charges for goods and services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	5,049	-
Fines and forfeitures	-	-	372,023	-	-	-
Intergovernmental	-	-	-	-	-	-
Rents and royalties	-	1,183,581	-	-	-	-
Investment income	-	-	-	-	-	-
Contributions	-	-	-	250,000	-	-
Other	-	-	-	-	-	-
Total revenues	<u>4,023,294</u>	<u>1,183,581</u>	<u>372,023</u>	<u>250,000</u>	<u>5,049</u>	<u>-</u>
EXPENDITURES						
Current operations:						
Support services	1,149,105	-	-	-	-	-
Public safety services	-	-	415,645	-	412,203	-
Recreation and leisure services	-	-	-	704,955	-	-
Development services and other	-	-	-	-	-	1,138,999
Capital outlay	-	-	69,300	974,122	8,383,365	1,604,678
Debt service:						
Principal retirement	1,569,000	1,080,000	-	-	-	-
Interest charges	351,811	69,035	-	-	22,469	58,990
Total expenditures	<u>3,069,916</u>	<u>1,149,035</u>	<u>484,945</u>	<u>1,679,077</u>	<u>8,818,037</u>	<u>2,802,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>953,378</u>	<u>34,546</u>	<u>(112,922)</u>	<u>(1,429,077)</u>	<u>(8,812,988)</u>	<u>(2,802,667)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	650,000	-	-
Transfers out	-	-	(8,220)	-	-	-
Insurance recovery	-	-	-	-	-	-
Bonds issued	-	-	-	-	2,276,041	5,975,412
Premium on bonds issued	82,732	-	-	-	237,428	623,331
Refunding bond issued	895,000	-	-	-	-	-
Payments to bond escrow agents	(966,304)	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>11,428</u>	<u>-</u>	<u>(8,220)</u>	<u>650,000</u>	<u>2,513,469</u>	<u>6,598,743</u>
Net change in fund balances	964,806	34,546	(121,142)	(779,077)	(6,299,519)	3,796,076
Fund balances - beginning of year	2,083,120	2,394,398	492,518	2,740,771	7,532,652	4,547,699
Fund balances - end of year	<u>\$ 3,047,926</u>	<u>\$ 2,428,944</u>	<u>\$ 371,376</u>	<u>\$ 1,961,694</u>	<u>\$ 1,233,133</u>	<u>\$ 8,343,775</u>

Capital Projects					Total Nonmajor Governmental Funds
Drainage CIP	Police CIP	Other CIP	Capital Lending/ Reserve	Elimination	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,023,294
-	-	-	-	-	28,994,118
-	-	-	-	-	1,510,229
-	-	-	-	-	9,512,192
-	-	-	24,013	-	164,437
-	-	-	-	-	3,872,033
-	-	-	-	-	48,635
-	-	-	1,005,934	-	4,077,682
-	-	-	-	-	3,028
-	-	14,000	-	-	564,993
-	-	-	80,793	-	554,977
-	-	14,000	1,110,740	-	53,325,618
-	-	-	-	-	1,442,867
-	50,571	-	-	-	5,626,558
-	-	939,860	-	-	19,473,277
286,861	-	747,352	1,790,100	-	13,986,180
2,013,128	1,604,568	3,774,788	1,373,487	-	21,497,512
-	-	-	-	-	7,994,000
-	1,086	22,028	-	-	3,809,453
2,299,989	1,656,225	5,484,028	3,163,587	-	73,829,847
(2,299,989)	(1,656,225)	(5,470,028)	(2,052,847)	-	(20,504,229)
3,600,000	46,183	4,673,537	48,000	(5,168,829)	13,930,972
-	-	-	(1,251,547)	5,168,829	(5,566,506)
-	-	-	-	-	88,101
-	110,013	2,231,358	-	-	11,236,994
-	11,477	232,768	-	-	1,254,933
-	-	-	-	-	895,000
-	-	-	-	-	(966,304)
-	-	-	-	-	15,462
3,600,000	167,673	7,137,663	(1,203,547)	-	20,888,652
1,300,011	(1,488,552)	1,667,635	(3,256,394)	-	384,423
10,569,710	2,619,770	1,171,069	19,511,883	-	83,085,730
\$ 11,869,721	\$ 1,131,218	\$ 2,838,704	\$ 16,255,489	\$ -	\$ 83,470,153

Concluded

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – PARK VENUE SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Sales tax	\$ 6,824,972	\$ 6,824,972	\$ 7,268,076	\$ 443,104
Charges for goods and services	2,832,350	2,832,350	2,817,337	(15,013)
Rents and royalties	663,000	663,000	653,348	(9,652)
Contributions	47,000	47,000	192,660	145,660
Other	-	-	7,822	7,822
Total revenues	<u>10,367,322</u>	<u>10,367,322</u>	<u>10,939,243</u>	<u>571,921</u>
EXPENDITURES				
Current operations:				
Recreation and leisure services	12,008,400	12,076,879	12,021,830	55,049
Capital outlay	82,000	107,391	107,461	(70)
Debt service:				
Principal retirement	1,505,000	1,505,000	1,505,000	-
Interest charges	692,595	692,595	691,845	750
Total expenditures	<u>14,287,995</u>	<u>14,381,865</u>	<u>14,326,136</u>	<u>55,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,920,673)</u>	<u>(4,014,543)</u>	<u>(3,386,893)</u>	<u>627,650</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,652,539	8,623,494	8,454,975	(168,519)
Transfers out	(1,380,809)	(5,840,809)	(1,080,815)	4,759,994
Proceeds from sale of capital assets	-	-	4,038	4,038
Total other financing sources (uses)	<u>4,271,730</u>	<u>2,782,685</u>	<u>7,378,198</u>	<u>4,595,513</u>
Net change in fund balances	351,057	(1,231,858)	3,991,305	5,223,163
Fund balances - beginning of year	<u>3,333,572</u>	<u>3,333,572</u>	<u>3,333,572</u>	<u>-</u>
Fund balances - end of year	<u>\$ 3,684,629</u>	<u>\$ 2,101,714</u>	<u>\$ 7,324,877</u>	<u>\$ 5,223,163</u>

**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, 2016**

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Sales tax	\$ 568,748	\$ 568,748	\$ -	\$ (568,748)
Total revenues	568,748	568,748	-	(568,748)
EXPENDITURES				
Capital Outlay	-	-	37,213	(37,213)
Total expenditures	-	-	37,213	(37,213)
Excess (deficiency) of revenues over (under) expenditures	568,748	568,748	(37,213)	(605,961)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(1,129,730)	(964,382)	165,348
Total other financing sources (uses)	-	(1,129,730)	(964,382)	165,348
Net change in fund balances	568,748	(560,982)	(1,001,595)	(440,613)
Fund balances - beginning of year	1,001,595	1,001,595	1,001,595	-
Fund balances - end of year	<u>\$ 1,570,343</u>	<u>\$ 440,613</u>	<u>\$ -</u>	<u>\$ (440,613)</u>

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – BASEBALL STADIUM SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget- Favorable (Unfavorable)
REVENUES				
Sales tax	\$ 568,748	\$ 568,748	\$ -	\$ (568,748)
Total revenues	568,748	568,748	-	(568,748)
EXPENDITURES				
Current operations:				
Recreation and leisure	-	22,500	5,000	17,500
Total expenditures	-	22,500	5,000	17,500
Excess (deficiency) of revenues over (under) expenditures	568,748	546,248	(5,000)	(551,248)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(2,970,955)	(3,270,955)	(300,000)
Total other financing sources (uses)	-	(2,970,955)	(3,270,955)	(300,000)
Net change in fund balances	568,748	(2,424,707)	(3,275,955)	(851,248)
Fund balances - beginning of year	3,275,955	3,275,955	3,275,955	-
Fund balances - end of year	\$ 3,844,703	\$ 851,248	\$ -	\$ (851,248)

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – STREETS SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget- Favorable (Unfavorable)
REVENUES				
Sales tax	\$ 6,824,972	\$ 6,824,972	\$ 7,268,076	\$ 443,104
Charges for goods and services	-	-	22,504	22,504
Total revenues	6,824,972	6,824,972	7,290,580	465,608
EXPENDITURES				
Current operations:				
Development services and other	-	-	7,976,222	(7,976,222)
Total expenditures	-	-	7,976,222	(7,976,222)
Excess (deficiency) of revenues over (under) expenditures	6,824,972	6,824,972	(685,642)	(7,510,614)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,016,528	1,448,275	1,448,275	-
Total other financing sources (uses)	2,016,528	1,448,275	1,448,275	-
Net change in fund balances	8,841,500	8,273,247	762,633	(7,510,614)
Fund balances - beginning of year	3,704,256	3,704,256	3,704,256	-
Fund balances - end of year	<u>\$ 12,545,756</u>	<u>\$ 11,977,503</u>	<u>\$ 4,466,889</u>	<u>\$ (7,510,614)</u>

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – CRIME SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Sales tax	\$ 6,824,972	\$ 6,824,972	\$ 7,189,890	\$ 364,918
Total revenues	6,824,972	6,824,972	7,189,890	364,918
EXPENDITURES				
Current operations:				
Public safety services	2,077,044	2,286,374	1,797,827	488,547
Capital outlay	108,000	103,500	103,300	200
Debt service:				
Principal retirement	3,545,000	3,545,000	3,545,000	-
Interest charges	1,044,805	1,044,805	486,085	558,720
Total expenditures	6,774,849	6,979,679	5,932,212	1,047,467
Excess (deficiency) of revenues over (under) expenditures	50,123	(154,707)	1,257,678	1,412,385
Net change in fund balances	50,123	(154,707)	1,257,678	1,412,385
Fund balances - beginning of year	9,929,527	9,929,527	9,929,527	-
Fund balances - end of year	\$ 9,979,650	\$ 9,774,820	\$ 11,187,205	\$ 1,412,385

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – EPIC CENTER SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget- Favorable (Unfavorable)
REVENUES				
Sales tax	\$ 5,687,477	\$ 5,978,504	\$ 7,268,076	\$ 1,289,572
Total revenues	5,687,477	5,978,504	7,268,076	1,289,572
EXPENDITURES				
Debt service:				
Interest charges	2,357,457	2,046,588	2,046,588	-
Total expenditures	2,357,457	2,046,588	2,046,588	-
Excess (deficiency) of revenues over (under) expenditures	3,330,020	3,931,916	5,221,488	1,289,572
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,476,160)	(3,931,916)	(3,931,916)	-
Total other financing sources (uses)	(7,476,160)	(3,931,916)	(3,931,916)	-
Net change in fund balances	(4,146,140)	-	1,289,572	1,289,572
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ (4,146,140)	\$ -	\$ 1,289,572	\$ 1,289,572

**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, 2016**

	<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- Favorable (Unfavorable)</u>
REVENUES				
Other taxes	\$ 1,452,000	\$ 1,452,000	\$ 1,510,229	\$ 58,229
Charges for goods and services	10,500	10,500	6,531	(3,969)
Other	2,000	2,000	1,419	(581)
Total revenues	<u>1,464,500</u>	<u>1,464,500</u>	<u>1,518,179</u>	<u>53,679</u>
EXPENDITURES				
Current operations:				
Recreation and leisure services	1,844,460	1,847,983	1,689,024	158,959
Capital outlay	145,000	171,580	171,878	(298)
Total expenditures	<u>1,989,460</u>	<u>2,019,563</u>	<u>1,860,902</u>	<u>158,661</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(524,960)</u>	<u>(555,063)</u>	<u>(342,723)</u>	<u>212,340</u>
OTHER FINANCING USES				
Transfers out	<u>(91,500)</u>	<u>(91,500)</u>	<u>(91,500)</u>	<u>-</u>
Total other financing uses	<u>(91,500)</u>	<u>(91,500)</u>	<u>(91,500)</u>	<u>-</u>
Net change in fund balances	(616,460)	(646,563)	(434,223)	212,340
Fund balances - beginning of year	<u>1,196,308</u>	<u>1,196,308</u>	<u>1,196,308</u>	<u>-</u>
Fund balances - end of year	<u>\$ 579,848</u>	<u>\$ 549,745</u>	<u>\$ 762,085</u>	<u>\$ 212,340</u>

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – MUNICIPAL COURT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 321,574	\$ 321,574	\$ 314,648	\$ (6,926)
Total revenues	321,574	321,574	314,648	(6,926)
EXPENDITURES				
Current operations:				
Public safety	314,711	331,741	264,400	67,341
Capital outlay	65,000	167,532	86,089	81,443
Total expenditures	379,711	499,273	350,489	148,784
Excess (deficiency) of revenues over (under) expenditures	(58,137)	(177,699)	(35,841)	141,858
Fund balances - beginning of year	409,135	409,135	409,135	-
Fund balances - end of year	\$ 350,998	\$ 231,436	\$ 373,294	\$ 141,858

**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, 2016**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Other	\$ 333,720	\$ 333,720	\$ 336,569	\$ 2,849
Total revenues	333,720	333,720	336,569	2,849
EXPENDITURES				
Current operations:				
Support services	403,824	354,552	293,762	60,790
Capital outlay	137,000	244,034	133,988	110,046
Total expenditures	540,824	598,586	427,750	170,836
Excess (deficiency) of revenues over (under) expenditures	(207,104)	(264,866)	(91,181)	173,685
Fund balances - beginning of year	674,457	674,457	674,457	-
Fund balances - end of year	\$ 467,353	\$ 409,591	\$ 583,276	\$ 173,685

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – RED LIGHT SAFETY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>Final Budget- Favorable (Unfavorable)</u>
			<u>Basis</u>	
REVENUES				
Fines and forfeitures	\$ 1,886,386	\$ 2,603,282	\$ 3,185,362	\$ 582,080
Total revenues	<u>1,886,386</u>	<u>2,603,282</u>	<u>3,185,362</u>	<u>582,080</u>
EXPENDITURES				
Current operations:				
Public safety	<u>1,709,019</u>	<u>2,167,728</u>	<u>2,489,031</u>	<u>(321,303)</u>
Total expenditures	<u>1,709,019</u>	<u>2,167,728</u>	<u>2,489,031</u>	<u>(321,303)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>177,367</u>	<u>435,554</u>	<u>696,331</u>	<u>260,777</u>
Fund balances - beginning of year	<u>345,401</u>	<u>345,401</u>	<u>345,401</u>	<u>-</u>
Fund balances - end of year	<u>\$ 522,768</u>	<u>\$ 780,955</u>	<u>\$ 1,041,732</u>	<u>\$ 260,777</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, 2016**

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for goods and services	\$ 2,549,000	\$ 2,602,239	\$ 2,478,607	\$ (123,632)
Licenses and permits	180,000	150,000	135,375	(14,625)
Rents and royalties	926,100	1,125,100	1,234,819	109,719
Investment income	-	-	1	1
Contributions	75,000	75,000	93,354	18,354
Other	224,228	39,100	41,135	2,035
Total revenue	<u>3,954,328</u>	<u>3,991,439</u>	<u>3,983,291</u>	<u>(8,148)</u>
EXPENDITURES				
Current operations:				
Recreation and leisure services	3,553,076	3,584,904	3,418,421	166,483
Capital outlay	<u>225,000</u>	<u>225,000</u>	<u>204,000</u>	<u>21,000</u>
Total expenditures	<u>3,778,076</u>	<u>3,809,904</u>	<u>3,622,421</u>	<u>187,483</u>
Excess (deficiency) of revenues over (under) expenditures	<u>176,252</u>	<u>181,535</u>	<u>360,870</u>	<u>179,335</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,000	9,000	9,000	-
Insurance recovery	-	-	88,101	88,101
Proceeds from sale of capital assets	-	-	11,424	11,424
Total other financing sources (uses)	<u>9,000</u>	<u>9,000</u>	<u>108,525</u>	<u>99,525</u>
Net change in fund balances	185,252	190,535	469,395	278,860
Fund balances - beginning of year	<u>1,888,231</u>	<u>1,888,231</u>	<u>1,888,231</u>	<u>-</u>
Fund balances - end of year	<u>\$ 2,073,483</u>	<u>\$ 2,078,766</u>	<u>\$ 2,357,626</u>	<u>\$ 278,860</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, 2016**

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Charges for goods and services	\$ 890,240	\$ 992,490	\$ 1,071,213	\$ 78,723
Other	2,000	1,000	582	(418)
Total revenues	<u>892,240</u>	<u>993,490</u>	<u>1,071,795</u>	<u>78,305</u>
EXPENDITURES				
Current operations:				
Recreation and leisure services	640,650	681,914	694,187	(12,273)
Capital outlay	35,000	35,000	23,153	11,847
Total expenditures	<u>675,650</u>	<u>716,914</u>	<u>717,340</u>	<u>(426)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>216,590</u>	<u>276,576</u>	<u>354,455</u>	<u>77,879</u>
OTHER FINANCING USES				
Transfers out	(120,000)	(120,000)	(120,000)	-
Total other financing uses	<u>(120,000)</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>
Net change in fund balances	96,590	156,576	234,455	77,879
Fund balances - beginning of year	<u>1,508,990</u>	<u>1,508,990</u>	<u>1,508,990</u>	<u>-</u>
Fund balances - end of year	<u>\$ 1,605,580</u>	<u>\$ 1,665,566</u>	<u>\$ 1,743,445</u>	<u>\$ 77,879</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, 2016**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Fines and forfeitures	\$ 220,800	\$ 220,800	\$ 224,335	\$ 3,535
Total revenues	220,800	220,800	224,335	3,535
EXPENDITURES				
Current operations:				
Public safety	303,144	303,144	288,252	14,892
Total expenditures	303,144	303,144	288,252	14,892
Excess (deficiency) of revenues over (under) expenditures	(82,344)	(82,344)	(63,917)	18,427
Fund balances - beginning of year	274,085	274,085	274,085	-
Fund balances - end of year	\$ 191,741	\$ 191,741	\$ 210,168	\$ 18,427

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – TRUANCY PREVENTION AND DIVERSION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
REVENUES				
Fines and forfeitures	\$ 34,070	\$ 34,070	\$ 41,910	\$ 7,840
Total revenues	34,070	34,070	41,910	7,840
EXPENDITURES				
Current operations:				
Public safety	20,000	20,000	14,978	5,022
Total expenditures	20,000	20,000	14,978	5,022
Excess (deficiency) of revenues over (under) expenditures	14,070	14,070	26,932	12,862
Fund balances - beginning of year	58,293	58,293	58,293	-
Fund balances - end of year	\$ 72,363	\$ 72,363	\$ 85,225	\$ 12,862

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL – JUDICIAL EFFICIENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual GAAP Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 20,742	\$ 20,742	\$ 21,322	\$ 580
Total revenues	20,742	20,742	21,322	580
EXPENDITURES				
Current operations:				
Public safety	25,994	25,994	21,066	4,928
Total expenditures	25,994	25,994	21,066	4,928
Excess (deficiency) of revenues over (under) expenditures	(5,252)	(5,252)	256	5,508
Fund balances - beginning of year	56,104	56,104	56,104	-
Fund balances - end of year	\$ 50,852	\$ 50,852	\$ 56,360	\$ 5,508



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**CITY OF GRAND PRAIRIE, TEXAS
COMBINING FINANCIAL STATEMENTS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2016**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Council is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income (loss), is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The reporting entity has three nonmajor enterprise funds which include:

- ◆ Municipal Airport Fund – accounts for the Grand Prairie Municipal Airport, a general aviation airport which has revenues from fixed-base operators’ leases, City-owned hangar leases, and fuel sales. City employees operate and maintain airport facilities.

- ◆ Municipal Golf Fund – accounts for the operations and maintenance of the Prairie Lakes Golf Course and the Tangle Ridge Golf Course.

- ◆ Storm Water Utility Fund – accounts for the receipt of storm water utility fees for construction, operations, and maintenance of the City’s storm water drainage system.

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENTS OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2016**

	Municipal Airport	Municipal Golf	Storm Water Utility	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 18,240	\$ 110,228	\$ 50,158	\$ 178,626
Investments	1,525,443	400,000	2,750,000	4,675,443
Accounts receivable, net	122,896	28,219	350,411	501,526
Due from other governments	37,320	-	-	37,320
Inventories and supplies	27,170	26,551	-	53,721
Restricted assets:				
Investments	70,376	-	-	70,376
Total current assets	<u>1,801,445</u>	<u>564,998</u>	<u>3,150,569</u>	<u>5,517,012</u>
Noncurrent assets:				
Capital assets:				
Land	183,923	568,284	7,500	759,707
Buildings	12,363,652	1,854,835	-	14,218,487
Equipment	849,922	1,057,772	72,582	1,980,276
Infrastructure	11,082,511	9,999,709	9,948,738	31,030,958
Construction in progress	1,324,457	-	19,979	1,344,436
Less: accumulated depreciation	<u>(9,221,569)</u>	<u>(9,799,440)</u>	<u>(3,851,090)</u>	<u>(22,872,099)</u>
Total noncurrent assets	<u>16,582,896</u>	<u>3,681,160</u>	<u>6,197,709</u>	<u>26,461,765</u>
Total assets	<u>18,384,341</u>	<u>4,246,158</u>	<u>9,348,278</u>	<u>31,978,777</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to TMRS pension	<u>122,365</u>	<u>362,178</u>	<u>154,636</u>	<u>639,179</u>
LIABILITIES				
Current liabilities:				
Accounts payable	96,833	86,762	66,707	250,302
Accrued interest	7,998	-	-	7,998
Accrued liabilities	13,853	53,127	16,783	83,763
Compensated absences	25,774	45,179	13,067	84,020
Unearned revenue	168,322	-	-	168,322
Current portion of long-term debt	140,000	-	-	140,000
Current liabilities payable from restricted assets:				
Customer deposits	70,376	-	-	70,376
Total current liabilities	<u>523,156</u>	<u>185,068</u>	<u>96,557</u>	<u>804,781</u>
Noncurrent liabilities:				
Compensated absences	10,941	-	-	10,941
Net pension liability	270,911	801,843	342,356	1,415,110
Long-term debt	1,180,000	-	-	1,180,000
Total noncurrent liabilities	<u>1,461,852</u>	<u>801,843</u>	<u>342,356</u>	<u>2,606,051</u>
Total liabilities	<u>1,985,008</u>	<u>986,911</u>	<u>438,913</u>	<u>3,410,832</u>
DEFERRED INFLOWS OF RESOURCES				
Related to TMRS pension	<u>1,824</u>	<u>5,400</u>	<u>2,306</u>	<u>9,530</u>
NET POSITION				
Net investment in capital assets	15,262,896	3,681,160	6,197,709	25,141,765
Unrestricted	<u>1,256,978</u>	<u>(65,135)</u>	<u>2,863,986</u>	<u>4,055,829</u>
Total net position	<u>\$ 16,519,874</u>	<u>\$ 3,616,025</u>	<u>\$ 9,061,695</u>	<u>\$ 29,197,594</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Municipal Airport</u>	<u>Municipal Golf</u>	<u>Storm Water Utility</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES				
Charge for services	\$ 772,361	\$ 2,494,513	\$ 5,631,420	\$ 8,898,294
Intergovernmental revenue	37,320	-	-	37,320
Miscellaneous	1,905,729	-	-	1,905,729
Total operating revenues	<u>2,715,410</u>	<u>2,494,513</u>	<u>5,631,420</u>	<u>10,841,343</u>
OPERATING EXPENSES				
Salaries and benefits	425,291	1,410,088	505,494	2,340,873
Supplies and miscellaneous purchases	466,318	272,581	13,788	752,687
Purchased services	276,476	1,056,194	633,793	1,966,463
General and administrative costs	62,812	-	151,796	214,608
Franchise fees	-	-	225,659	225,659
Miscellaneous	45,938	48,407	33,237	127,582
Depreciation	795,733	509,440	242,002	1,547,175
Total operating expenses	<u>2,072,568</u>	<u>3,296,710</u>	<u>1,805,769</u>	<u>7,175,047</u>
Operating income (loss)	<u>642,842</u>	<u>(802,197)</u>	<u>3,825,651</u>	<u>3,666,296</u>
NONOPERATING REVENUES (EXPENSES)				
Gain on disposition of capital assets	-	1,807	-	1,807
Interest expense	(67,051)	-	-	(67,051)
Total nonoperating revenues (expenses)	<u>(67,051)</u>	<u>1,807</u>	<u>-</u>	<u>(65,244)</u>
Income (loss) before contributions and transfers	575,791	(800,390)	3,825,651	3,601,052
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	1,500,000	-	5,236,671	6,736,671
Transfers in	-	275,000	-	275,000
Transfers out	(48,000)	-	(3,600,000)	(3,648,000)
Change in net position	2,027,791	(525,390)	5,462,322	6,964,723
Net position - beginning of the year	<u>14,492,083</u>	<u>4,141,415</u>	<u>3,599,373</u>	<u>22,232,871</u>
Net position - end of year	<u>\$ 16,519,874</u>	<u>\$ 3,616,025</u>	<u>\$ 9,061,695</u>	<u>\$ 29,197,594</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENTS OF CASH FLOW
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Municipal Airport	Municipal Golf	Storm Water Utility	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Cash receipts from customers	\$ 722,126	\$ 2,502,355	\$ 5,659,105	\$ 8,883,586
Cash receipts from other governments	26,378	-	-	26,378
Other operating cash receipts	1,905,729	-	-	1,905,729
Cash payments to suppliers for goods and services	(789,183)	(1,343,181)	(696,300)	(2,828,664)
Cash payments to employees for services	(398,638)	(1,369,101)	(487,336)	(2,255,075)
Cash payments for interfund services used	-	-	(225,659)	(225,659)
Other operating cash payments	(62,812)	-	(151,796)	(214,608)
Net cash provided by (used in) operating activities	<u>1,403,600</u>	<u>(209,927)</u>	<u>4,098,014</u>	<u>5,291,687</u>
Cash flows from non-capital financing activities:				
Transfers from other funds	-	275,000	-	275,000
Transfers to other funds	(48,000)	-	(3,600,000)	(3,648,000)
Net cash (used in) provided by non-capital financing activities	<u>(48,000)</u>	<u>275,000</u>	<u>(3,600,000)</u>	<u>(3,373,000)</u>
Cash flows from capital and related financing activities:				
Proceeds from disposition of capital assets	-	1,807	-	1,807
Acquisition and construction of capital assets	(1,325,644)	-	(20,699)	(1,346,343)
Principal paid on debt	(130,000)	-	-	(130,000)
Interest paid on debt	(67,823)	-	-	(67,823)
Net cash (used in) provided by capital and related financing activities	<u>(1,523,467)</u>	<u>1,807</u>	<u>(20,699)</u>	<u>(1,542,359)</u>
Cash flows from investing activities:				
Purchase of investment securities	-	-	(1,000,000)	(1,000,000)
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Net (decrease) increase in cash and cash equivalents	(167,867)	66,880	(522,685)	(623,672)
Cash and cash equivalents - beginning of year	186,107	43,348	572,843	802,298
Cash and cash equivalents - end of year	<u>\$ 18,240</u>	<u>\$ 110,228</u>	<u>\$ 50,158</u>	<u>\$ 178,626</u>
Reconciliation of operating income (loss) from operations to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 642,842	\$ (802,197)	\$ 3,825,651	\$ 3,666,296
Adjustments to operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	795,733	509,440	242,002	1,547,175
Provisions for uncollectible accounts	-	-	(10,049)	(10,049)
Changes in assets and liabilities:				
(Increase) decrease in other accounts receivable	(52,429)	7,842	37,734	(6,853)
(Increase) decrease in inventories and supplies	(3,326)	2,041	-	(1,285)
Increase (decrease) in accounts payable	36,494	31,960	(15,482)	52,972
Decrease in retainage payable	(33,619)	-	-	(33,619)
Increase in accrued liabilities	2,742	11,982	2,446	17,170
Increase in customer deposits	2,194	-	-	2,194
Decrease in unearned revenue	(10,942)	-	-	(10,942)
Increase (decrease) in compensated absences	9,504	(2,599)	5,030	11,935
Increase in pension liability	14,407	31,604	10,682	56,693
Net cash provided by (used in) operating activities	<u>\$ 1,403,600</u>	<u>\$ (209,927)</u>	<u>\$ 4,098,014</u>	<u>\$ 5,291,687</u>
Noncash investing, capital, and financing activities:				
Capital contributions from developers/granting agencies	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ 5,236,671</u>	<u>\$ 6,736,671</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING FINANCIAL STATEMENTS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2016**

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

- ◆ Fleet Services Fund – accounts for a full range of services in managing and maintaining the City's fleet of vehicles and equipment. This fund does not own the city fleet.

- ◆ Risk Management Fund – accounts for premiums, deductibles, and claims for all types of City's insurance.

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENTS OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2016**

	Fleet Services	Risk Management	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 406,226	\$ 2,782,103	\$ 3,188,329
Investments	-	10,000,000	10,000,000
Inventories and supplies	97,682	-	97,682
Prepays	-	409,083	409,083
Total current assets	<u>503,908</u>	<u>13,191,186</u>	<u>13,695,094</u>
Noncurrent assets:			
Capital assets:			
Land	737,566	-	737,566
Buildings	1,477,875	-	1,477,875
Equipment	1,012,480	515,666	1,528,146
Infrastructure	16,672	-	16,672
Construction in progress	-	227,700	227,700
Less: accumulated depreciation	<u>(2,315,465)</u>	<u>(110,049)</u>	<u>(2,425,514)</u>
Total noncurrent assets	<u>929,128</u>	<u>633,317</u>	<u>1,562,445</u>
Total assets	<u>1,433,036</u>	<u>13,824,503</u>	<u>15,257,539</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to TMRS pension	<u>351,744</u>	<u>131,514</u>	<u>483,258</u>
LIABILITIES			
Current liabilities:			
Accounts payable	137,886	590,593	728,479
Accrued liabilities	39,491	3,639,592	3,679,083
Compensated absences	40,116	11,739	51,855
Total current liabilities	<u>217,493</u>	<u>4,241,924</u>	<u>4,459,417</u>
Noncurrent liabilities:			
Net pension liability	<u>778,742</u>	<u>291,165</u>	<u>1,069,907</u>
Total noncurrent liabilities	<u>778,742</u>	<u>291,165</u>	<u>1,069,907</u>
Total liabilities	<u>996,235</u>	<u>4,533,089</u>	<u>5,529,324</u>
DEFERRED INFLOWS OF RESOURCES			
Related to TMRS pension	<u>5,244</u>	<u>1,961</u>	<u>7,205</u>
NET POSITION			
Net investment in capital assets	929,128	633,317	1,562,445
Unrestricted	<u>(145,827)</u>	<u>8,787,650</u>	<u>8,641,823</u>
Total net position	<u>\$ 783,301</u>	<u>\$ 9,420,967</u>	<u>\$ 10,204,268</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Fleet Services	Risk Management	Total Internal Service Funds
OPERATING REVENUES			
Charge for services	\$ 4,382,994	\$ -	\$ 4,382,994
Insurance premiums	-	22,246,332	22,246,332
Miscellaneous	1,982	36,417	38,399
Total operating revenues	<u>4,384,976</u>	<u>22,282,749</u>	<u>26,667,725</u>
OPERATING EXPENSES			
Salaries and benefits	1,221,857	474,993	1,696,850
Supplies and miscellaneous purchases	2,147,737	230,930	2,378,667
Purchased services	931,951	494,304	1,426,255
Insurance claims	-	21,070,998	21,070,998
Miscellaneous	54,887	140,508	195,395
Depreciation	28,109	46,916	75,025
Total operating expenses	<u>4,384,541</u>	<u>22,458,649</u>	<u>26,843,190</u>
Operating income (loss)	<u>435</u>	<u>(175,900)</u>	<u>(175,465)</u>
NONOPERATING REVENUES (EXPENSES)			
Gain on disposition of capital assets	28,473	-	28,473
Total nonoperating revenues (expenses)	<u>28,473</u>	<u>-</u>	<u>28,473</u>
Income before contributions and transfers	28,908	(175,900)	(146,992)
CONTRIBUTIONS AND TRANSFERS			
Transfers in	-	300,000	300,000
Transfers out - monetary	-	(24,022)	(24,022)
Change in net position	28,908	100,078	128,986
Net position - beginning of year	<u>754,393</u>	<u>9,320,889</u>	<u>10,075,282</u>
Net position - end of year	<u>\$ 783,301</u>	<u>\$ 9,420,967</u>	<u>\$ 10,204,268</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENTS OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Fleet Services	Risk Management	Total Internal Service Funds
Cash flows from operating activities:			
Cash received from insurance proceeds	\$ -	\$ 4,184,353	\$ 4,184,353
Cash received from city and employee contributions	-	18,073,117	18,073,117
Cash received from interfund services provided	4,382,994	-	4,382,994
Other operating cash receipts	1,982	36,417	38,399
Cash payments to suppliers for goods and services	(3,130,785)	(2,133,228)	(5,264,013)
Cash payments to employees for services	(1,135,507)	(454,874)	(1,590,381)
Cash payments for interfund services used	-	(20,748,091)	(20,748,091)
Net cash provided by (used in) operating activities	<u>118,684</u>	<u>(1,042,306)</u>	<u>(923,622)</u>
Cash flows from non-capital financing activities:			
Transfers from other funds	-	300,000	300,000
Transfers to other funds	-	(24,022)	(24,022)
Net cash provided by non-capital financing activities	<u>-</u>	<u>275,978</u>	<u>275,978</u>
Cash flows from capital and related financing activities:			
Proceeds from capital assets disposals	38,628	-	38,628
Acquisition of capital assets	(163,180)	(523,027)	(686,207)
Net cash used in capital and related financing activities	<u>(124,552)</u>	<u>(523,027)</u>	<u>(647,579)</u>
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	-	3,000,000	3,000,000
Purchase of investment securities	-	(1,000,000)	(1,000,000)
Net cash provided by investing activities	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
Net (decrease) increase in cash and cash equivalents	(5,868)	710,645	704,777
Cash and cash equivalents - beginning of year	412,094	2,071,458	2,483,552
Cash and cash equivalents - end of year	<u>\$ 406,226</u>	<u>\$ 2,782,103</u>	<u>\$ 3,188,329</u>
Reconciliation of operating income (loss) from operations to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 435	\$ (175,900)	\$ (175,465)
Adjustments to operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	28,109	46,916	75,025
Changes in assets and liabilities:			
Decrease in other accounts receivables	-	11,138	11,138
Decrease in inventories and supplies	32,112	-	32,112
Increase in prepaids	-	(30,000)	(30,000)
Decrease in accounts payable	(28,322)	(914,583)	(942,905)
Increase (decrease) in accrued liabilities	9,201	(35,635)	(26,434)
Increase in compensated absences	6,194	825	7,019
Increase in pension liability	70,955	54,933	125,888
Net cash provided by (used in) operating activities	<u>\$ 118,684</u>	<u>\$ (1,042,306)</u>	<u>\$ (923,622)</u>



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STATISTICAL SECTION



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**CITY OF GRAND PRAIRIE, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2016
 STATISTICAL SECTION INDEX (UNAUDITED)**

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

	FISCAL YEAR			
	2007	2008	2009	2010
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$250,427,112	\$265,961,757	\$271,217,903	\$286,120,135
Restricted	5,260,954	5,491,185	9,302,232	9,792,214
Unrestricted	99,358,971	114,556,201	129,915,331	129,649,766
Total governmental activities net position	<u>\$355,047,037</u>	<u>\$386,009,143</u>	<u>\$410,435,466</u>	<u>\$425,562,115</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$134,270,404	\$129,219,761	\$139,067,912	\$134,524,036
Restricted	3,748,093	6,089,188	3,673,504	4,228,742
Unrestricted	46,861,049	56,978,613	60,527,614	68,647,313
Total business-type activities net position	<u>\$184,879,546</u>	<u>\$192,287,562</u>	<u>\$203,269,030</u>	<u>\$207,400,091</u>
PRIMARY GOVERNMENT				
Net investment in capital assets	\$384,697,516	\$395,181,518	\$410,285,815	\$420,644,171
Restricted	9,009,047	11,580,373	12,975,736	14,020,956
Unrestricted	146,220,020	171,534,814	190,442,945	198,297,079
Total primary government net position	<u>\$539,926,583</u>	<u>\$578,296,705</u>	<u>\$613,704,496</u>	<u>\$632,962,206</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.

2011	2012	2013	2014	2015	2016
\$279,371,594	\$311,048,653	\$316,856,535	\$319,412,513	\$333,061,190	308,745,566
83,793,231	63,267,418	69,081,215	108,444,110	53,392,543	57,404,183
62,743,136	47,893,511	40,378,407	13,160,490	18,505,921	41,953,800
<u>\$425,907,961</u>	<u>\$422,209,582</u>	<u>\$426,316,157</u>	<u>\$441,017,113</u>	<u>\$404,959,654</u>	<u>\$408,103,549</u>
\$137,253,007	\$139,042,561	\$141,678,428	\$143,297,680	\$151,539,230	\$166,071,343
3,988,491	4,601,419	4,695,502	5,444,619	8,904,795	15,366,214
68,859,665	71,929,058	66,726,233	68,399,617	60,022,038	55,565,327
<u>\$210,101,163</u>	<u>\$215,573,038</u>	<u>\$213,100,163</u>	<u>\$217,141,916</u>	<u>\$220,466,063</u>	<u>\$237,002,884</u>
\$416,624,601	\$450,091,214	\$458,534,963	\$462,710,193	\$484,600,420	\$474,816,909
87,781,722	67,868,837	73,776,717	113,888,729	62,297,338	72,770,397
131,602,801	119,822,569	107,104,640	81,560,107	78,527,959	97,519,127
<u>\$636,009,124</u>	<u>\$637,782,620</u>	<u>\$639,416,320</u>	<u>\$658,159,029</u>	<u>\$625,425,717</u>	<u>\$645,106,433</u>

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

	FISCAL YEAR			
	2007	2008	2009	2010
EXPENSES				
Governmental activities:				
Support services	\$ 22,481,067	\$ 19,829,891	\$ 17,647,031	\$ 17,278,851
Public safety services	70,124,744	76,192,160	70,728,042	81,872,640
Recreation and leisure services	19,168,072	20,548,092	24,302,491	21,517,961
Development services	38,630,596	51,061,087	56,491,002	58,153,994
Interest on long-term debt	8,421,424	10,329,775	12,141,929	10,618,864
Total governmental activities expenses	<u>\$ 158,825,903</u>	<u>\$ 177,961,005</u>	<u>\$ 181,310,495</u>	<u>\$ 189,442,310</u>
Business-type activities:				
Water and wastewater	\$ 40,211,646	\$ 43,521,711	\$ 46,025,037	\$ 48,888,158
Solid waste	9,599,260	8,147,843	8,316,221	8,931,468
Municipal airport	2,010,376	2,274,829	1,758,664	1,999,196
Municipal golf course	3,295,065	3,388,253	3,336,554	3,488,564
Storm water	1,034,458	1,076,876	1,344,716	1,692,009
Total business-type activities expenses	<u>56,150,805</u>	<u>58,409,512</u>	<u>60,781,192</u>	<u>64,999,395</u>
Total primary government expenses	<u>\$ 214,976,708</u>	<u>\$ 236,370,517</u>	<u>\$ 242,091,687</u>	<u>\$ 254,441,705</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
Support services	\$ 11,369,944	\$ 12,976,068	\$ 13,272,240	\$ 10,929,541
Public safety services	5,453,931	5,827,320	11,030,095	12,823,754
Recreation and leisure services	4,843,898	6,894,465	5,815,486	7,112,226
Development services	3,731,729	2,947,454	5,087,515	4,412,063
Operating grants and contributions	48,052,791	36,873,575	28,333,421	31,232,753
Capital grants and contributions	14,027,960	11,432,768	5,795,714	9,112,664
Total governmental activities program revenues	<u>\$ 87,480,253</u>	<u>\$ 76,951,650</u>	<u>\$ 69,334,471</u>	<u>\$ 75,623,001</u>
Business-type activities:				
Charges for services:				
Water and wastewater	\$ 41,221,192	\$ 43,493,084	\$ 46,898,346	\$ 46,459,483
Solid waste	9,023,648	9,103,212	10,290,559	10,100,502
Municipal airport	1,492,202	2,330,000	1,703,398	1,759,319
Municipal golf course	2,637,807	2,232,189	2,409,475	2,080,152
Storm water	2,691,742	2,974,336	3,073,155	4,685,730
Operating grants and contributions	1,668,944	270,729	468,397	-
Capital grants and contributions	8,109,411	5,519,297	3,742,875	2,444,475
Total business-type activities	<u>66,844,946</u>	<u>65,922,847</u>	<u>68,586,205</u>	<u>67,529,661</u>
Total primary government	<u>\$ 154,325,199</u>	<u>\$ 142,874,497</u>	<u>\$ 137,920,676</u>	<u>\$ 143,152,662</u>

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

2011	2012	2013	2014	2015	2016
\$ 19,100,748	\$ 17,928,238	\$ 17,503,253	\$ 20,400,867	\$ 22,102,591	\$ 23,045,026
88,336,343	72,934,512	76,439,796	80,333,290	80,359,190	91,860,495
22,368,768	24,071,731	25,847,664	25,255,982	26,746,861	29,709,690
74,251,224	84,171,971	79,057,014	75,473,059	77,263,159	88,963,122
9,817,549	9,227,801	8,125,389	7,922,519	8,019,147	12,374,896
\$ 213,874,632	\$ 208,334,253	\$ 206,973,116	\$ 209,385,717	\$ 214,490,948	\$ 245,953,229
\$ 52,658,416	\$ 55,186,501	\$ 59,993,534	\$ 61,468,207	\$ 61,381,944	\$ 66,351,005
9,079,737	9,485,700	9,773,626	9,712,711	10,143,394	11,438,507
2,809,039	2,650,503	2,793,094	3,484,297	2,226,108	2,141,279
3,521,660	3,527,637	3,487,758	3,314,435	3,230,377	3,307,890
1,537,846	1,617,905	1,909,737	1,635,198	1,694,556	1,809,656
69,606,698	72,468,246	77,957,749	79,614,848	78,676,379	85,048,337
\$ 283,481,330	\$ 280,802,499	\$ 284,930,865	\$ 289,000,565	\$ 293,167,327	\$ 331,001,566
\$ 5,981,676	\$ 5,000,964	\$ 4,914,303	\$ 4,701,456	\$ 4,809,384	\$ 5,048,092
16,384,019	13,752,467	15,557,404	16,190,902	13,623,499	18,121,839
8,886,903	8,256,815	9,686,041	9,055,820	9,772,737	9,686,261
7,991,012	5,866,787	5,670,741	7,152,325	6,643,502	12,169,331
37,588,585	31,329,503	33,339,115	34,980,362	33,329,097	37,024,064
2,664,489	6,290,285	5,242,216	4,020,110	1,232,805	8,807,012
\$ 79,496,684	\$ 70,496,821	\$ 74,409,820	\$ 76,100,975	\$ 69,411,024	\$ 90,856,599
\$ 54,761,115	\$ 57,610,991	\$ 57,632,524	\$ 60,115,296	\$ 63,421,631	\$ 67,612,109
9,984,080	10,664,949	10,568,982	10,802,865	11,470,007	11,816,094
3,791,577	3,048,547	2,973,572	2,978,121	2,001,854	2,678,090
2,244,356	2,306,811	2,262,430	1,909,090	2,021,800	2,494,513
5,015,547	5,125,840	5,367,769	5,436,780	5,572,487	5,631,420
-	-	30,291	42,697	43,714	37,320
1,792,377	2,465,951	3,089,677	4,402,822	4,082,082	16,653,153
77,589,052	81,223,089	81,925,245	85,687,671	88,613,575	106,922,699
\$ 157,085,736	\$ 151,719,910	\$ 156,335,065	\$ 161,788,646	\$ 158,024,599	\$ 197,779,298

(continued)

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

	FISCAL YEAR			
	2007	2008	2009	2010
NET (EXPENSES)/REVENUE				
Governmental activities	\$ (71,345,650)	\$ (101,009,355)	\$ (111,976,024)	\$ (113,819,309)
Business-type activities	10,694,141	7,513,335	7,805,013	2,530,266
Total primary government net expense	<u>\$ (60,651,509)</u>	<u>\$ (93,496,020)</u>	<u>\$ (104,171,011)</u>	<u>\$ (111,289,043)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property taxes	\$ 61,443,459	\$ 69,813,294	\$ 76,687,029	\$ 75,091,425
Sales taxes	31,919,487	39,665,104	40,376,226	39,891,881
Hotel/motel tax and other taxes	1,344,762	1,414,822	1,231,899	1,232,928
Franchise fees	11,375,535	11,847,401	12,531,556	12,060,211
Investment income	7,573,850	7,444,199	6,688,474	1,844,371
Miscellaneous	-	-	-	-
Contributions	-	2,553,427	-	-
Transfers-monetary	2,426,279	-	(1,112,837)	(1,542,012)
Transfers-capital assets	-	-	-	367,154
Total governmental activities	<u>\$ 116,083,372</u>	<u>\$ 132,738,247</u>	<u>\$ 136,402,347</u>	<u>\$ 128,945,958</u>
Business-type activities:				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Investment income	2,549,696	2,448,108	2,063,618	425,937
Transfers-monetary	(2,426,279)	(2,553,427)	1,112,837	1,542,012
Transfers-capital assets	-	-	-	(367,154)
Total business-type activities	<u>123,417</u>	<u>(105,319)</u>	<u>3,176,455</u>	<u>1,600,795</u>
Total primary government	<u>\$ 116,206,789</u>	<u>\$ 132,632,928</u>	<u>\$ 139,578,802</u>	<u>\$ 130,546,753</u>
CHANGES IN NET POSITION				
Governmental activities	\$ 44,737,722	\$ 31,728,892	\$ 24,426,323	\$ 15,126,649
Business-type activities	10,817,558	7,408,016	10,981,468	4,131,061
Total primary government	<u>\$ 55,555,280</u>	<u>\$ 39,136,908</u>	<u>\$ 35,407,791</u>	<u>\$ 19,257,710</u>

2011	2012	2013	2014	2015	2016
\$ (134,377,948)	\$ (137,837,432)	\$ (132,563,296)	\$ (133,284,742)	\$ (145,079,924)	\$ (155,096,630)
<u>7,982,354</u>	<u>8,754,843</u>	<u>3,967,496</u>	<u>6,072,823</u>	<u>9,937,196</u>	<u>21,874,362</u>
<u>\$ (126,395,594)</u>	<u>\$ (129,082,589)</u>	<u>\$ (128,595,800)</u>	<u>\$ (127,211,919)</u>	<u>\$ (135,142,728)</u>	<u>\$ (133,222,268)</u>
\$ 71,554,937	\$ 70,153,052	\$ 71,785,225	\$ 77,334,662	\$ 73,070,467	\$ 77,923,990
41,713,795	45,457,902	47,155,704	50,846,972	53,494,773	57,076,997
1,332,984	1,332,259	1,488,871	1,550,172	1,713,865	1,791,075
13,492,977	12,902,516	12,811,696	13,315,452	14,089,158	13,928,847
1,341,476	1,004,777	437,770	652,067	1,609,156	2,173,508
-	-	-	-	-	-
-	-	-	-	-	-
5,625,851	3,167,893	5,390,831	4,267,277	2,428,935	5,097,654
-	<u>120,654</u>	-	<u>19,096</u>	<u>(25,800)</u>	<u>248,454</u>
<u>\$ 135,062,020</u>	<u>\$ 134,139,053</u>	<u>\$ 139,070,097</u>	<u>\$ 147,985,698</u>	<u>\$ 146,380,554</u>	<u>\$ 158,240,525</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,343	5,579	4,242	1,021	1,750	8,567
(5,625,851)	(3,167,893)	(5,390,831)	(4,267,277)	(2,428,935)	(5,097,654)
-	<u>(120,654)</u>	-	<u>(19,096)</u>	<u>25,800</u>	<u>(248,454)</u>
<u>(5,619,508)</u>	<u>(3,282,968)</u>	<u>(5,386,589)</u>	<u>(4,285,352)</u>	<u>(2,401,385)</u>	<u>(5,337,541)</u>
<u>\$ 129,442,512</u>	<u>\$ 130,856,085</u>	<u>\$ 133,683,508</u>	<u>\$ 143,700,346</u>	<u>\$ 143,979,169</u>	<u>\$ 152,902,984</u>
\$ 684,072	\$ (3,698,379)	\$ 6,506,801	\$ 14,700,956	\$ 1,300,630	\$ 3,143,895
<u>2,362,846</u>	<u>5,471,875</u>	<u>(1,419,093)</u>	<u>1,787,471</u>	<u>7,535,811</u>	<u>16,536,821</u>
<u>\$ 3,046,918</u>	<u>\$ 1,773,496</u>	<u>\$ 5,087,708</u>	<u>\$ 16,488,427</u>	<u>\$ 8,836,441</u>	<u>\$ 19,680,716</u>

(concluded)

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

	FISCAL YEAR			
	2007	2008	2009	2010
GENERAL FUND				
Reserved	\$ 978,032	\$ 769,535	\$ 576,286	\$ 306,798
Unreserved/Unassigned	24,474,441	23,517,200	29,769,771	29,794,717
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total general fund	<u>\$ 25,452,473</u>	<u>\$ 24,286,735</u>	<u>\$ 30,346,057</u>	<u>\$ 30,101,515</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 9,009,855	\$ 9,713,094	\$ 13,783,052	\$ 11,783,598
Unreserved, reported in:				
Special revenue funds	51,481,507	152,319,219	69,553,793	39,727,431
Capital projects funds	36,334,868	36,672,982	75,403,545	60,591,611
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Total all other governmental funds	<u>\$ 96,826,230</u>	<u>\$ 198,705,295</u>	<u>\$ 158,740,390</u>	<u>\$ 112,102,640</u>

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

2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29,186,299	25,938,708	27,346,027	22,961,626	26,212,186	28,320,160
-	1,035	3,545	16,627	4,938	81,857
-	-	-	-	426,948	417,938
-	524,836	130,240	-	241,704	-
1,407,704	1,449,177	1,336,996	1,137,119	862,870	2,191,940
<u>\$ 30,594,003</u>	<u>\$ 27,913,756</u>	<u>\$ 28,816,808</u>	<u>\$ 24,115,372</u>	<u>\$ 27,748,646</u>	<u>\$ 31,011,895</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	(3,278,557)	-
265,296	98,473	41,103	30,775	31,655	187,991
89,928,651	70,226,080	81,264,054	96,095,975	84,657,833	128,375,098
34,061,536	26,402,391	28,992,783	24,920,817	43,220,248	64,315,780
<u>\$ 124,255,483</u>	<u>\$ 96,726,944</u>	<u>\$ 110,297,940</u>	<u>\$ 121,047,567</u>	<u>\$ 124,631,179</u>	<u>\$ 192,878,869</u>

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

	FISCAL YEAR			
	2007	2008	2009	2010
REVENUES				
Taxes	\$ 94,529,349	\$ 109,658,169	\$ 116,142,863	\$ 116,814,717
Licenses, fees, and permits	14,221,385	14,300,656	14,767,427	14,667,062
Fines and penalties	5,807,484	5,615,462	6,342,727	7,311,853
Charges for services	8,466,964	11,648,865	11,488,375	12,497,178
Special assessments	1,379,597	-	-	-
Intergovernmental	26,598,586	30,132,609	26,343,441	38,692,557
Investment income	7,391,922	7,239,258	6,472,181	1,767,720
Other revenues	25,059,295	15,655,620	10,735,637	7,707,687
Total revenues	<u>183,454,582</u>	<u>194,250,639</u>	<u>192,292,651</u>	<u>199,458,774</u>
EXPENDITURES				
Current operations:				
Support services	17,431,881	14,740,779	14,778,861	13,793,906
Public safety services	54,033,347	59,110,908	59,391,711	63,301,812
Recreation and leisure services	14,769,610	17,039,606	20,392,873	19,086,560
Development services	37,067,631	48,283,183	47,383,981	50,416,087
Capital outlay	29,577,246	62,450,315	92,227,467	65,612,028
Debt service:				
Principal retirement	9,632,819	13,268,068	15,331,241	29,423,291
Interest	8,350,646	10,693,686	12,635,091	10,841,888
Total expenditures	<u>170,863,180</u>	<u>225,586,545</u>	<u>262,141,225</u>	<u>252,475,571</u>
Excess of revenues over (under) expenditures	<u>12,591,402</u>	<u>(31,335,906)</u>	<u>(69,848,574)</u>	<u>(53,016,797)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in-monetary	29,302,328	51,850,485	63,865,188	60,024,949
Transfers out-monetary	(28,036,960)	(49,205,367)	(64,214,176)	(61,757,480)
Insurance recovery	-	-	-	-
Proceeds from sale of capital assets	12,410	-	500,660	505,123
Premium (discount) on debt issued	97,413	61,992	146,319	36,940
Bonds issued	21,460,000	129,440,000	35,645,000	7,425,000
Refunding bonds issued	-	17,278,000	-	13,390,000
Payment for refunded debt - escrow agent	-	(17,161,031)	-	(13,301,147)
Sale of assets held for resale	-	-	-	(188,881)
Total other financing sources	<u>22,835,191</u>	<u>132,264,079</u>	<u>35,942,991</u>	<u>6,134,505</u>
Net change in fund balances	<u>\$ 35,426,593</u>	<u>\$ 100,928,173</u>	<u>\$ (33,905,583)</u>	<u>\$ (46,882,292)</u>
Debt service as a percentage of noncapital expenditures	12.7%	14.7%	16.5%	21.5%

2011	2012	2013	2014	2015	2016
\$ 114,587,907	\$ 117,208,804	\$ 122,360,903	\$ 128,787,756	\$ 128,046,817	\$ 136,906,439
16,136,711	15,606,264	15,799,334	16,471,810	17,352,029	17,890,589
6,987,287	8,074,797	9,918,968	10,473,823	9,798,424	11,612,547
12,961,293	13,655,483	13,619,154	14,463,192	14,287,686	19,008,539
-	-	-	-	-	-
39,462,880	35,616,500	37,762,890	34,880,224	31,111,904	38,114,832
1,341,476	1,004,777	437,770	652,067	1,609,156	2,173,508
10,064,673	9,637,107	9,741,528	12,368,101	10,970,976	15,410,164
201,542,227	200,803,732	209,640,547	218,096,973	213,176,992	241,116,618
14,078,101	14,546,500	15,198,818	17,393,309	19,516,058	19,588,300
62,850,732	65,260,700	69,057,285	74,367,544	76,078,091	81,750,530
18,595,333	17,481,772	18,222,070	18,696,893	19,945,357	22,025,867
48,594,485	59,915,550	55,630,019	54,303,083	55,135,020	66,264,413
18,510,959	43,651,279	30,121,392	37,150,344	24,098,471	59,000,134
28,993,944	32,623,895	18,937,175	21,405,848	34,952,435	21,800,000
10,259,783	9,715,824	9,025,740	8,488,435	9,005,312	11,583,140
201,883,337	243,195,520	216,192,499	231,805,456	238,730,744	282,012,384
(341,110)	(42,391,788)	(6,551,952)	(13,708,483)	(25,553,752)	(40,895,766)
34,365,960	45,615,427	26,611,384	35,849,365	23,465,832	22,994,446
(28,708,944)	(42,447,534)	(22,220,553)	(31,582,088)	(20,965,643)	(18,172,770)
-	-	-	-	988,199	88,101
559,843	718,718	583,943	838,163	605,696	753,054
253,855	2,664,794	1,627,265	486,234	2,551,554	4,788,385
7,000,000	7,960,000	15,285,000	14,165,000	26,125,000	102,845,001
14,235,000	28,415,000	27,295,000	-	-	11,165,000
(14,305,695)	(30,743,403)	(28,156,039)	-	-	(12,054,512)
-	-	-	-	-	-
13,400,019	12,183,001	21,026,000	19,756,674	32,770,638	112,406,705
\$ 13,058,909	\$ (30,208,787)	\$ 14,474,048	\$ 6,048,191	\$ 7,216,886	\$ 71,510,939

21.4%

21.2%

15.0%

15.4%

20.5%

15.0%

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

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value
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
2014	5,727,082,026	6,270,916,334	2,155,635,830	9,842,362,530
2015	6,201,569,638	6,694,589,531	2,337,701,387	10,558,457,782
2016	6,554,865,229	6,984,603,149	2,443,858,378	11,095,610,000

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

Direct Tax Rate	Actual Taxable Value	Percentage of Actual Taxable Value
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%
0.669998	9,842,362,530	100.0%
0.669998	10,558,457,782	100.0%
0.669998	11,095,610,000	100.0%

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

	FISCAL YEAR			
	2007	2008	2009	2010
OVERLAPPING RATES				
City of Grand Prairie	0.669998	0.669998	0.669998	0.669998
Grand Prairie School District	1.465000	1.465000	1.465000	1.465000
Arlington School District	1.278000	1.272000	1.272000	1.335000
Cedar Hill School District	1.400000	1.500000	1.400000	1.440000
Irving School District	1.348500	1.391000	1.425000	1.465000
Mansfield School District	1.450000	1.750000	1.450000	1.496000
Midlothian School District	1.367500	1.407500	1.397500	1.397500
Dallas County	0.228100	0.228100	0.228100	0.243100
Dallas County Community College District	0.080400	0.089400	0.094900	0.099230
Dallas County Hospital District	0.254000	0.254000	0.274000	0.271000
Dallas County Flood Control District	2.835540	2.835540	2.835540	2.835540
Grand Prairie Met Utl & Reclam Dist.	2.050000	2.140000	2.180000	2.120000
Ellis County	0.364598	0.360091	0.360091	0.360091
Johnson County	0.356962	0.306708	0.300590	0.327500
Tarrant County	0.266500	0.264000	0.264000	0.264000
Tarrant County Hospital District	0.230397	0.227897	0.227897	0.227897
Tarrant County Junior College District	0.139380	0.137960	0.137670	0.137640
CITY DIRECT RATES				
Operations & Maintenance	0.481500	0.484892	0.484892	0.484892
Interest & Sinking	0.188498	0.185106	0.185106	0.185106
Total Direct Rates	0.669998	0.669998	0.669998	0.669998

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

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

2011	2012	2013	2014	2015	2016
0.669998	0.669998	0.669998	0.669998	0.669998	0.669998
1.465000	1.465000	1.465000	1.465000	1.595000	1.595000
1.305500	1.301000	1.292170	1.348110	1.412952	1.390080
1.440000	1.440000	1.525000	1.525000	1.525000	1.516000
1.465000	1.465000	1.465000	1.435000	1.445000	1.445000
1.496000	1.540000	1.540000	1.527100	1.510000	1.510000
1.540000	1.540000	1.540000	1.540000	1.540000	1.540000
0.243100	0.243100	0.243100	0.243100	0.243100	0.243100
0.099670	0.119375	0.124700	0.124775	0.123650	0.122933
0.271000	0.271000	0.278000	0.286000	0.286000	0.279400
2.900000	3.050000	2.750000	2.750000	2.650000	2.250000
2.065000	0.600000	0.600000	0.600000	0.600000	0.600000
0.380091	0.380091	0.380091	0.380091	0.380091	0.380091
0.330500	0.333229	0.365000	0.405400	0.407700	0.422663
0.264000	0.264000	0.264000	0.264000	0.264000	0.264000
0.227897	0.227897	0.227897	0.227897	0.227897	0.227897
0.148970	0.148970	0.149500	0.149500	0.149500	1.495000
0.484892	0.484892	0.484892	0.484892	0.484892	0.473549
0.185106	0.185106	0.185106	0.185106	0.185106	0.196449
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 NINE YEARS AGO**

<u>Taxpayer</u>	<u>2016</u>			<u>2007</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>
Grand Prairie Outlets	\$ 137,969,283	1	1.24%			
Bell Helicopter-Textron	120,960,693	2	1.09%	\$125,754,130	1	1.52%
Lockheed Martin	113,618,275	3	1.02%	38,461,810	7	0.46%
Poly America LP	95,734,588	4	0.86%	35,512,880	8	0.43%
Duke Realty LTD PS	79,191,810	5	0.71%			
Oncor Electric Delivery Co.	76,249,316	6	0.69%			
Mars Partners LTD	49,701,779	7	0.45%			
2803 Riverside Apt Investors LLC	48,000,000	8	0.43%			
MBS-Stone Lake LTD	43,233,691	9	0.39%			
PRCP-Dallas St Laurent LP	42,600,000	10	0.38%			
Prologis				122,925,950	2	1.48%
Texas Utilities Electric Co.				82,528,390	3	1.00%
Republic Beverage				52,513,090	4	0.63%
Southwestern Bell/Cingular				48,141,330	5	0.58%
Vought Aircraft Industries				41,590,660	6	0.50%
Hanson Pipe & Products				31,800,200	9	0.38%
PASSCO Town Riverside				31,017,940	10	0.37%
Total	<u>\$ 807,259,435</u>		<u>7.26%</u>	<u>\$610,246,380</u>		<u>7.35%</u>

Source of Information: Dallas County Tax Office

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

Fiscal Year Ended 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
2007	\$ 55,193,470	\$ 54,491,806	98.73%	\$ 595,838	\$ 55,087,644	99.81%
2008	60,505,696	58,990,868	97.50%	1,397,030	60,079,032	99.29%
2009	64,371,928	64,007,684	99.43%	240,055	65,208,950	101.30%
2010	64,003,959	62,945,888	98.35%	903,129	63,182,304	98.72%
2011	61,927,614	60,974,341	98.46%	777,417	61,914,233	99.98%
2012	62,888,700	61,808,360	98.28%	863,275	61,392,352	97.62%
2013	62,582,232	61,892,769	98.90%	494,131	62,386,900	99.69%
2014	65,666,244	64,917,939	98.86%	462,388	65,380,327	99.56%
2015	70,047,613	69,394,398	99.07%	330,487	69,724,885	99.54%
2016	74,306,335	73,535,755	98.96%	-	73,535,755	98.96%

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

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

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

Fiscal Year	Governmental Activities				Business-type Activities			
	General Obligation	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						
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
2014	88,822,435	31,990,000	121,635,000	4,424,272	59,880,000	2,022,566	1,575,000	1,271,958
2015	80,715,000	52,875,000	101,030,000	5,921,533	55,630,000	-	1,450,000	1,086,319
2016	79,965,000	122,650,000	113,415,000	10,283,952	51,010,000	-	1,320,000	1,331,968

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

¹ For average household income, see page 172.

Total Primary Government	Percentage of Average Household Income¹	Per Capita
\$ 248,650,667	0.02%	\$ 1,539
376,698,408	0.01%	2,260
397,982,392	0.02%	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%	1,771
311,621,231	0.02%	1,719
298,707,852	0.02%	1,636
379,975,920	0.01%	2,058

**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			
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%	1,156
2014	90,845,001	123,210,000	10,501,572	203,553,429	2.07%	1,123
2015	80,715,000	102,480,000	10,753,895	172,441,105	1.63%	944
2016	79,965,000	113,415,000	11,804,301	181,575,699	1.64%	984

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

**CITY OF GRAND PRAIRIE, TEXAS
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES OF DEBT (UNAUDITED)
AS OF SEPTEMBER 30, 2016**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Arlington Independent School District	\$ 813,958,853	19.27%	\$ 156,849,871
Cedar Hill Independent School District	122,812,031	3.32%	4,077,359
Dallas County	227,980,000	2.76%	6,292,248
Dallas County Community College District	294,050,000	2.76%	8,115,780
Dallas County Flood Control District #1	26,905,000	1.63%	438,552
Dallas County Hospital District	718,480,000	2.76%	19,830,048
Dallas County Schools	50,405,000	2.76%	1,391,178
Ellis County	41,096,315	0.16%	65,754
Grand Prairie Independent School District	604,758,613	91.05%	550,632,717
Irving Independent School District	465,815,000	0.70%	3,260,705
Mansfield Independent School District	797,175,000	10.21%	81,391,568
Midlothian Independent School District	231,874,270	1.04%	2,411,492
Tarrant County	344,185,000	3.99%	13,732,982
Tarrant County Hospital District	22,335,000	3.99%	891,167
Subtotal, overlapping debt			849,381,421
City direct debt²	253,440,000	100.00%	<u>253,440,000</u>
Total direct and overlapping debt			<u><u>\$ 1,102,821,421</u></u>

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

² Excludes refunded obligations.

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**

	FISCAL YEAR			
	2007	2008	2009	2010
Debt limit	\$207,066,179	\$ 230,226,734	\$ 243,939,492	\$239,442,989
Total net debt applicable to limit	<u>124,781,713</u>	<u>140,806,849</u>	<u>154,308,664</u>	<u>150,792,741</u>
Legal debt margin	<u>\$ 82,284,466</u>	<u>\$ 89,419,885</u>	<u>\$ 89,630,828</u>	<u>\$ 88,650,248</u>
Total net debt applicable to the limit as a percentage of debt limit	60.26%	61.16%	63.26%	62.98%

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

2011	2012	2013	2014	2015	2016
\$ 232,206,388	\$ 236,073,539	\$ 234,345,579	\$ 246,059,063	\$ 263,961,445	\$ 277,390,250
148,895,469	134,681,529	135,582,645	138,051,429	151,103,105	182,895,699
<u>\$ 83,310,919</u>	<u>\$ 101,392,010</u>	<u>\$ 98,762,934</u>	<u>\$ 108,007,634</u>	<u>\$ 112,858,340</u>	<u>\$ 94,494,551</u>
64.12%	57.05%	57.86%	56.10%	57.24%	65.93%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	11,095,610,000
Debt limit (2.5% of assessed value)	277,390,250
Debt applicable to limit:	
General obligation bonds	194,700,000
Less: Amount set aside for repayment of general obligation debt	(11,804,301)
Total net debt applicable to limit	<u>182,895,699</u>
Legal debt margin	<u>\$ 94,494,551</u>

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

Fiscal Year	Water Revenue Bonds						Coverage ³
	Utility Service Charges ¹	Less: Operating Expenses ²	Net Available Revenue	Debt Service			
				Principal	Interest		
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	59,031,386	40,660,224	18,371,162	4,445,000	2,346,060	2.71	
2014	61,910,609	43,852,520	18,058,089	3,900,000	2,072,826	3.02	
2015	65,213,261	45,664,940	19,548,321	4,250,000	1,846,017	3.21	
2016	70,027,679	51,530,262	18,497,417	4,380,000	1,812,079	2.99	

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

Sales Tax Revenue Bonds ⁴

Sales Tax Increment	Maximum Annual Debt Service	Coverage ⁵
\$ 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
6,391,068	2,247,772	2.84
6,752,015	2,247,772	3.00
7,268,076	2,692,441	2.70

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

Calendar Year	Population	Median Household Income	Per Capita Income	Median Age	Public School Enrollment	Unemployment Rate
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	32	26,927	7.0%
2013	179,630	53,267	22,370	32	27,780	6.5%
2014	181,230	55,080	23,164	31	27,740	5.4%
2015	182,610	56,028	23,286	31	29,427	4.0%
2016	184,620	56,028	23,516	32	29,339	3.7%

Sources of Information:

- Estimated Population: City of Grand Prairie Planning Department
North Central Texas Council of Governments
- Median Household Income: Claritas, ESRI
- Per Capital Income: 2000 Census, ACS, ESRI
City of Grand Prairie Economic Development
- Median Age: ESRI
- Public School Enrollment: Grand Prairie Independent School District
- Unemployment Rate: Texas Workforce Commission

**CITY OF GRAND PRAIRIE, TEXAS
 PRINCIPAL EMPLOYERS (UNAUDITED)
 LAST TEN FISCAL YEARS**

<u>Employer</u>	2016			2007		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Grand Prairie Independent School District	3,650	1	4.22%	2,900	1	1.88%
Lockheed Martin Missiles and Fire Control	2,500	2	2.89%	2,600	2	1.68%
Poly-America Inc.	2,000	3	2.31%	1,300	5	0.84%
City of Grand Prairie	1,421	4	1.64%	1,404	4	0.75%
Bell Helicopter-Textron	1,150	5	1.33%	1,100	6	0.71%
Lone Star Park at Grand Prairie	950	6	1.10%	1,400	3	0.91%
Triumph Aero Structures - Vought	950	7	1.10%			
Hanson Pipe & Products	950	8	1.10%	500	8	0.32%
Airbus Helicopters	850	9	0.98%			
Republic National Distributing	700	10	0.81%	500	10	0.57%
Siemens Energy And Automation, Inc.				600	7	0.69%
Office Depot Sales & Distribution Center				400	9	0.26%
Total	15,121		17.48%	12,704		8.61%

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

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government and Administration										
Budget and Research	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Building and Construction Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City Manager's Office	8.5	9.5	10.5	10.0	9.0	9.5	8.5	8.0	7.5	7.5
Economic Development	-	-	-	-	-	-	-	-	-	1.0
Environmental Services	19.0	20.5	21.5	20.0	20.0	20.0	21.0	21.5	25.5	29.5
Facility Services ¹	-	-	-	-	-	-	18.0	18.0	18.0	19.0
Finance ²	17.0	19.0	19.0	17.0	17.0	18.0	13.0	13.0	12.0	12.0
Fire	219.0	219.0	218.0	203.0	208.0	209.0	210.0	209.0	229.5	230.5
Housing and Neighborhood Services	32.0	32.5	31.5	33.0	35.0	35.5	35.5	35.5	34.5	34.5
Human Resources	10.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.5	11.0
Information Technology	26.5	26.5	26.0	24.0	24.0	24.0	24.0	27.5	29.5	29.5
Judiciary	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Legal Services	4.5	5.5	5.5	5.5	5.5	6.0	6.0	7.0	7.5	8.0
Library	37.5	38.0	38.0	36.0	32.5	31.0	29.5	29.5	28.5	29.5
Management Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Marketing	3.5	3.5	4.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Municipal Court	29.0	31.0	29.0	27.0	27.0	26.0	26.0	28.0	28.0	28.0
Parks and Recreation ¹	175.0	178.0	179.0	171.5	162.0	162.0	141.0	181.0	188.0	190.0
Planning and Development	61.5	62.0	59.0	52.0	46.0	46.0	45.5	45.5	47.0	38.0
Police	355.5	365.5	366.5	356.5	364.0	381.0	394.0	394.0	423.5	435.5
Public Works	66.0	67.0	66.0	61.0	61.0	61.0	61.0	61.0	61.0	61.5
Purchasing ²	-	-	-	-	-	-	5.0	5.0	5.0	5.0
Transportation	16.5	16.5	17.5	18.0	18.0	18.0	18.0	18.0	19.0	19.0
Enterprise Operations and Administrations										
Airport	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	6.0	6.0
Golf	25.0	25.0	25.0	21.0	19.0	18.0	19.0	29.0	29.0	29.0
Solid Waste	30.0	30.0	34.0	33.5	34.5	34.5	34.5	35.5	44.0	44.0
Storm Water	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0
Water/Wastewater	97.0	100.0	101.0	104.5	104.5	110.5	110.5	111.5	113.0	114.0
Internal Service Operations										
Equipment Services	17.0	17.0	17.0	15.0	15.0	15.0	16.0	16.0	16.5	17.0
Risk Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.5	2.5
Total	1,272.5	1,299.5	1,302.0	1,244.0	1,237.5	1,260.5	1,272.5	1,330.5	1,404.5	1,421.5

Full-time-equivalent (FTE) positions are calculated using both full-time and part-time City positions as reported in the City's Budget Book for the same fiscal year. Details regarding changes in positions by function/program may be found in the FY 2015-2016 Budget Book.

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

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

Source of Information: City Budget Office



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

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Police					
Stations	1	1	1	1	1
Public safety training complex	1	1	1	1	1
Storefronts	3	3	3	3	2
Fire stations	9	9	9	9	10
Other public works					
Streets (miles)	589	600	600	622	588
Acreage	52,096	52,096	51,108	51,105	51,108
Public parks	57	57	57	57	57
Baseball/softball diamonds	25	25	25	25	25
Soccer/football fields	21	21	21	21	21
Community/recreation centers	5	5	5	8	8
Public golf courses	2	2	2	2	2
Public swimming pools	4	4	4	4	4
Libraries	3	3	3	3	3
Cemetery	1	1	1	1	1
Water					
Water connections	60,187	61,365	62,190	62,077	63,289
Daily consumption (millions of gallons)	24.30	25.60	25.50	22.90	27.90
Wastewater					
Daily flow (millions of gallons)	15.80	14.10	14.40	15.50	16.30
Airports	1	1	1	1	1
Transit—minibuses	15	12	12	12	12

Source of Information: City departments.

2012	2013	2014	2015	2016
2	2	2	2	2
1	1	1	1	1
3	4	3	3	3
10	10	10	10	10
594	594	641	642	634
51,108	51,954	51,954	51,954	51,954
57	57	57	57	57
25	25	25	25	25
21	21	21	21	21
8	8	8	8	8
2	2	2	2	2
4	4	4	4	4
3	3	3	3	3
1	1	1	1	1
63,250	64,154	64,696	65,808	66,075
23.90	23.50	23.02	23.17	24.56
16.20	14.23	14.11	19.58	16.57
1	1	1	1	1
12	12	12	12	12

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

FISCAL YEAR	DALLAS WATER UTILITIES WATER PURCHASES			TRINITY RIVER AUTHORITY WASTEWATER TREATMENT		
	VOLUME	DEMAND	TOTAL	O&M	DEBT SERVICE	TOTAL
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
2014	2,770,446	7,062,206	9,832,652	4,234,724	7,602,156	11,836,880
2015	2,561,969	7,547,810	10,109,779	5,774,796	8,060,760	13,835,556
2016	3,687,583	8,228,711	11,916,294	5,895,397	8,559,504	14,454,901

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



TRINITY RIVER AUTHORITY

JOE POOL LAKE INTAKE	JOE POOL LAKE CORP OF ENGINEERS
\$ 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
7,190	397,690
6,750	387,511
6,782	396,612

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

Function	FISCAL YEAR				
	2007	2008	2009	2010	2011
Police					
911 calls received *	148,089	156,822	151,981	142,342	144,189
Non-emergency calls *	149,361	157,132	138,225	141,120	114,055
Calls for service *	136,435	130,532	127,776	144,256	150,244
Jail arrests *	6,611	7,059	10,204	7,152	10,869
Fire					
Total Fire and EMS calls *	15,904	15,678	15,589	15,589	16,817
Fire response calls for structure fires *	263	249	217	217	237
Street					
Number of miles of overlay streets	17	8	5	6	5
Number of street defects repaired	22,513	14,502	24,112	31,973	25,181
Number of linear ft of sidewalk repaired	9,645	40,499	12,135	25,158	21,113
Solid Waste					
Landfill refuse collected (tons)	187,349	180,855	168,387	163,080	162,358
Recyclables collected (tons)	6,228	6,081	6,288	5,145	4,881
Water					
Average daily consumption (thousands of gallons)	24,265	25,434	25,732	22,893	27,884
Wastewater					
Average daily sewage treatment (thousands of gallons)	15,787	14,303	14,501	15,518	16,347

* In calendar year

Source of Information: Various City departments.

2012	2013	2014	2015	2016
141,924	142,641	145,571	129,159	124,331
105,123	99,831	101,626	116,685	107,490
235,947	233,997	243,443	245,844	231,821
10,637	10,403	12,201	9,016	9,395
16,540	16,999	16,912	17,827	18,408
190	197	180	192	152
9	6	6	5	5
25,628	16,436	13,061	27,537	18,772
31,962	20,440	14,712	12,061	17,276
164,031	162,755	165,586	182,287	198,529
4,853	5,012	5,172	4,948	5,386
23,928	23,500	23,023	23,170	24,564
16,164	14,234	14,109	19,859	16,569