



# CITY OF GRAND PRAIRIE, TEXAS

# Comprehensive Annual

# Financial Report

Fiscal Year Ended September 30, 2020



*Phase 1 of Grand Prairie's PlayGrand Adventures opened in January 2020. This free, all-access 10-acre playground is for children and adults of all abilities. Once the multi-phase project is completed, it will be one of the largest public playgrounds in the southwestern United States, and the largest specialized playground in Texas. The playground's nine planned play and discovery zones feature one-of-a kind play opportunities, encourage social/cognitive development and physical activity in a multi-sensory environment. PlayGrand Adventures is a project of the City of Grand Prairie Parks, Arts and Recreation Department, and one of several destinations at an emerging recreation and entertainment development known as EpicCentral Grand Prairie, which is owned by the City of Grand Prairie and located along the southern corridor of State Highway 161.*



# City Of Grand Prairie, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2020

Prepared By the Finance Department



**Ron Jensen**  
Mayor

**Tom Hart**  
City Manager

**Becky Brooks**  
Chief Financial Officer



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 For the Fiscal Year Ended September 30, 2020  
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# Introductory Section



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March 16, 2021

To the Honorable Mayor,

Members of the City Council, and

Citizens of the City of Grand Prairie, Texas

### **Overview – Our Road to Resilience**

There can be no financial report for fiscal year 2020 without providing some context of the impact of the coronavirus pandemic. The full brunt of the economic impact is yet to be known and may even continue to unravel for several years. But, we first recognized the implication in March 2020, about halfway through our fiscal year.

Even as we write this transmittal letter, an unprecedented winter storm has wreaked havoc on the community. Because it was not an impact to our financial position in fiscal year ended 2020, we will not dwell on its implications, other than to share that it is one more challenge that the City met dutifully and with the same strength of resilience.

As we shared with the City Council and the community during our summer deliberations for our current budget year, and the ensuing conclusion of our 2019-2020 year, the uncertainty of the pandemic was at the forefront of our fiscal concerns. The unprecedented experience created an anticipation of extreme financial pressure in the face of economic shutdowns, while being subjected to severe legislative constraints. City management reacted quickly with a variety of measures to ensure fiscal stability, including job freezes, program reductions, spending limitations and capital asset deferrals. We enhanced our revenue monitoring to closely watch for fluctuations in sales tax income. The nature of our stance was strategically conservative, and although we ultimately experienced better than anticipated numbers, it was appropriate to plan for a worst-case financial event.

Underpinning the financial considerations throughout this experience were our strong fiscal management policies and practices. If ever there was a time to call upon those principles, we felt it intensely during this cycle. Our advantage remained in the strength of our fiscal discipline and the ability to activate tactical measures to minimize the burden to the taxpayer and the community. We are grateful for the leadership of the City Council, and the support of the Finance and Government Committee for staying true to those principles and guiding the community through short-term needs, while considering long-term solutions.

Because this report is financial in nature, the bulk of the report and analysis will focus on numbers. Further, we believe we present a very positive statement as to our fiscal resiliency. However, it seems unforgivable to not speak to the human impact on our community, on our colleagues, friends and family. As of this letter, more than 20,712 members of the community have been infected with the virus. More

than 174 have lost their lives, including the loss of sitting Deputy Mayor Pro Tem and City Council Finance Committee Chair Jim Swafford and his wife. The community still suffers. While aid from federal and state agencies help greatly with the financial losses, only a community with a genuine character of resilience can come out stronger. Our city, with its combination of heartfelt leadership, perseverance, personifying our **Live Life Grand** philosophy and attitude. It is for our community, our taxpayers, ratepayers, business owners, and families that we compile this financial report within the context of our “Road to Resilience”.

Later in this transmittal letter and again in the management discussion and analysis segment, we offer some insights as to the impact of the pandemic on our financial condition as the year unfolded and ultimately is herein being reported.

## **Transmittal**

With that context, the Comprehensive Annual Financial Report of the City of Grand Prairie (the City), for the fiscal year ended September 30, 2020, 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, 2020, 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 lived in Birdville until he discovered that he could trade his wagon and oxen for land in Dallas County and did so for 239.5 acres (now downtown). In 1863, he filed for title on his prairie land with the county and granted right-of-way through this property to the railroad. People began to settle close to the railroad, a post office was opened, and Dechman filed a town plat. He gave every other lot to the Texas and Pacific Railroad in exchange for operating a depot there. The railroad tracks were extended through Dechman to Fort Worth, and service began on July 19, 1876. Because of its location on the eastern edge of the vast prairie that stretched into West Texas, the railroad renamed Dechman in 1877 to Grand Prairie.

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

## **Today's Profile of the Government**

Grand Prairie is located in North Central Texas and within Dallas, Tarrant, and Ellis counties. The City has a land area of 81 square miles, an estimated population of 191,720 and is readily accessible by an expanded thoroughfare system including State Highway 161 for traffic relief on 360 (north/south) and Interstate Highways 20 and 30 (east/west) through the City.

The City is a Home Rule city and operates under a Council/Manager form of government. The Council 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 service, and solid waste disposal. The City is also proud of its award-winning parks, art, and recreation programs. There are two eighteen-hole golf courses, eight community centers, four swimming pools, cemetery and over 45 ball fields. In addition, the city provides planning for future land use, traffic control, building inspections, and constructs and maintains City roads and streets. Completing the full-service amenities are three libraries and many cultural community-centric programs.

## **Reporting Entity**

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

two Tax Increment Financing Districts, none of which are legally separate entities, are also included in the City's reporting entity.

Component units are legally separate entities required to be included in the City's reporting entity based on 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 unites 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.

In late 2020, the City created both a Local Government Corporation (LGC) and a Public Facility Corporation (PFC). However, as of September 30, 2020, neither corporation had financial activity and so are not shown in this financial report, except as a note to the financial statements. The City expects that these entities will be shown discretely in subsequent years.

Although the Grand Prairie Crime Control and Prevention District (District) is considered a legal 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 or staff. 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 program.

### **Major Initiatives & Recognitions through 2020 to Present**

- Grand Prairie continues to open and plan for new roadways, increasing mobility through the City. Roadway improvement projects continue along Interstates 20 and 30 with the design and construction of frontage roads. Specific transportation projects include:
  - Widening of Great Southwest Parkway from Sara Jane to Mayfield Road
  - Start widening of Camp Wisdom from Carrier to Beltline
  - Seeton from Mira Flores to Day Miar
- Expanded City facilities and services to include:
  - Phase I of the City Hall Central building and Phase II renovations of City Hall East, which houses development services
  - Moved into Fire Station #4; equipped stations with new technology; and added blockage apparatus for greater roadway safety
  - Added GROW Butterfly Garden, security cameras and parking at libraries
  - Added a litter crew in Solid Waste
  - Added water capacity from Dallas and continued meter replacement program
  - Added Community Inclusion program in City Manager's Office

- COVID19 Specific Programming Adjustments
  - Converted recreation centers into socially distanced gyms
  - Provided virtual classes and programs through recreation and libraries
  - Converted in person city services to online services
  - Modified operational hours for city and private business, following state protocols
  
- Accolades continue to recognize Grand Prairie
  - #1 Best Place to Retire in Texas (self-made.io)
  - #1 (Tie) Best U.S. City for Black Americans (SmartAsset)
  - #1 Farmers Market in Texas (American Farmland Trust)
  - #3 Happiest City in Texas (WalletHub.com)
  - #8 Best Staycation in the U.S.A. (WalletHub.com)
  - #17 Best City to be Stuck at Home in U.S.A. (LawnStarter.com)
  - 4<sup>th</sup> Fastest Growing Real Estate Market in Texas (AceableAgent)

## **Local Economy**

Even within the constraints of the pandemic, a remarkably positive year is outlined with the following indicators:

### **Major Projects**

- Epic Central continues its destination attractions with the ground breaking for Chicken N Pickle, a 16,000-square-foot facility with restaurant and hospitality spaces, with potential neighbors Milk Shake's Stirr, Vidorra Cocina de Mexico and Loop 9 BBQ in the future adjacent restaurant lease spaces to open in coordination with our planned convention center hotel.
- Joining our industrial base is CarParts.com, just named the fastest growing auto parts site for aftermarket parts (SimilarWeb), and we believe will become one of our largest sales tax merchants. CarParts.com has already exceeded their employment total (200 rather than the projected 150) and contributed \$100,000 to Feed Texas in hopes of assisting Texas recovering from the recent winter freeze.
- Other employers and industries include: K&N Engineering, Optimal Elite Management (LED sign manufacturer relocating from California), CertiFit (automotive supplier based in Utah)
- Our largest private employer, Lockheed Martin – Missiles & Fire Control Headquarters has added about 500 employees, despite COVID, to reach approximately 4000; LMMFC also acquired Aerojet Rocketdyne and looks to relocate even more positions to Grand Prairie.
- The North American Headquarters of Airbus Helicopters and simulator partner Helisim opened the expanded North American Training Center for pilot and mechanic training classes.
- Latest in our series of economic coups is a lease agreement with American Cricket Enterprises to bring the 2<sup>nd</sup> major cricket stadium in the U.S. to our community, and refurbishing a prior minor league stadium into an \$11 million, "world class venue" (Forbes, November 19, 2020) to host a Major League Cricket team—as well as the U.S. Men's and Women's National Cricket squads.

## **Residential**

- Home sales have flattened but prices per square foot continue to climb, reaching over \$123 as of second quarter 2020.
- Median selling price for pre-owned homes maintained at \$237,000 for the same period.
- The average permit value of a new single-family home in Grand Prairie increased 7% from \$277,824 in 2018 to \$297,351 in 2019.
- New developments as of January 2021 include Greenway Trails with 600+ lots and Heritage Towne with 105 lots. Prairie Ridge, in our ETJ is starting first phase of a total 4,500 lots development, with prices between \$275,000 to \$400,000.

## **Commercial**

- The City issued 21 new permits, covering approximately 797,032 Thousand square feet of commercial, retail and industrial permits valued 27,145,353 million
- Industrial vacancy rates are settling around 4.6% and rental rates have doubled in the last few years.

## **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, which are reviewed and adopted annually by the City Council. 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. The City's water/wastewater revenue bonds' AAA ratings have been reaffirmed by two rating firms, Fitch and Standard and Poor's



and represent the highest ratings assigned. 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.

### **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 for the fiscal year ended September 30, 2019. This was the 34<sup>th</sup> consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. 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 Comprehensive Annual Financial Report 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 Development Departments.

### **Dedication**


We extend our sincerest thanks to the council 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. During this pandemic, we lost our long-standing chair of the committee Council Member Jim Swafford and his wife Judy. Jim was very instrumental in shaping the fiscal stability of this city and this community and will be greatly missed by the finance staff. We dedicate this Comprehensive Annual Financial Report in his honor and highlight his achievements on the following page.

Sincerely,



---

Tom Hart, City Manager



---

Becky L. Brooks, Chief Financial Officer

## DEDICATION

The Comprehensive Annual Financial Report for fiscal year ended September 30, 2020 is hereby dedicated posthumously to former Deputy Mayor Pro Tem Jim Swafford, Chairman of the Finance and Government Committee.



Mr. Swafford was elected to represent Grand Prairie City Council District 2 in 1998 and repeatedly thereafter through 2020. He also was named Mayor Pro Tem five times by the City Council. Swafford had previously served as a Council Member and Mayor Pro Tem from 1977-1979. Swafford was Vice President and Finance Chairman of the Grand Prairie Sports Facilities Development Corporation as well as Chairman of the City Council's Finance and Government Committee. Before being elected to the City Council, he had previously served on the city's Housing Finance Corporation, and TIF Districts 1 (Chairman), 2 and 3.

A long-time leader in the community known for his savvy financial skills, Swafford retired in 1996 as President and CEO of Nations Bank/Bank of America and its predecessor banks. He spent a lifetime helping others through a life of service. He sat on the Board of Directors of the Methodist Health System in Dallas; was a member of the Methodist Mansfield Hospital Advisory Board; was elected to the Grand Prairie Independent School District Board of Education and was its President 1985-1986. Swafford was an Honorary Life Member of South Grand Prairie Quarterback Club and the "Voice of the Warriors" for

more than 40 years. He served as President, Corporate Secretary and Asset Manager of the Grand Prairie Quality of Life Foundation, Inc.; won the Grand Prairie Chamber of Commerce Zeus Award in 1998; and was Vice-President and a Life Member of the Grand Prairie Chamber of Commerce (Member of the Year 1970 and 1976; Citizen of the Year 1996). He was Vice-President of the Grand Prairie Crime Commission; Past-President of the local Lions Club; member and director of the Grand Prairie Rotary Club; a Past Master of the Arlington Masonic Lodge; member of the DeMolay Legion of Honor; and a Board Member and Treasurer of the Grand Prairie YMCA. He and Judy were avid golfers, and he played a mean game of racquetball.

Upon his passing on December 1<sup>st</sup> from COVID19, Mayor Ron Jensen heartfully shared his thoughts. "This is a devastating loss for the city, both as a government and as a community. Our thoughts and prayers are with his family as they cope with the loss of both parents. I've known Jim more than 40 years and have lost a dear friend and confidant. Jim was a force of nature, with a sharp analytical mind, a memory for details, objective decision-making skills, combined with a servant's heart to help others. The City Council counted on his input, wisdom and blessing of the very intricate and complex nature of city government finances. This virus has taken two close friends from us. Jim and Judy will be greatly missed."

City Manager Tom Hart added "Jim was on the top of his game when it came to the budget and finances, and one of my great friends. This world is a little darker today. Jim was direct and funny, competitive and compassionate, honest and stalwart. He was the only person still on City Council who hired me in 1999. I'll miss his personal and professional support, conversations, golf advice, humor and thoughtfulness."

His profound influence in the financial leadership is evidenced in the continued resilient financial position of the City and in the legacy of fiscal stewardship on the City Council. Thank you, Mr. Swafford.

City Manager Tom Hart

Deputy City Manager, Cheryl Y. DeLeon

Deputy City Manager / Chief Operating Officer, Steve Dye

Chief Financial Officer, Becky L. Brooks

Controller, Susan Sanders

Budget Director, Kathleen Mercer

Treasury and Debt Manager, Brady D. Olsen



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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

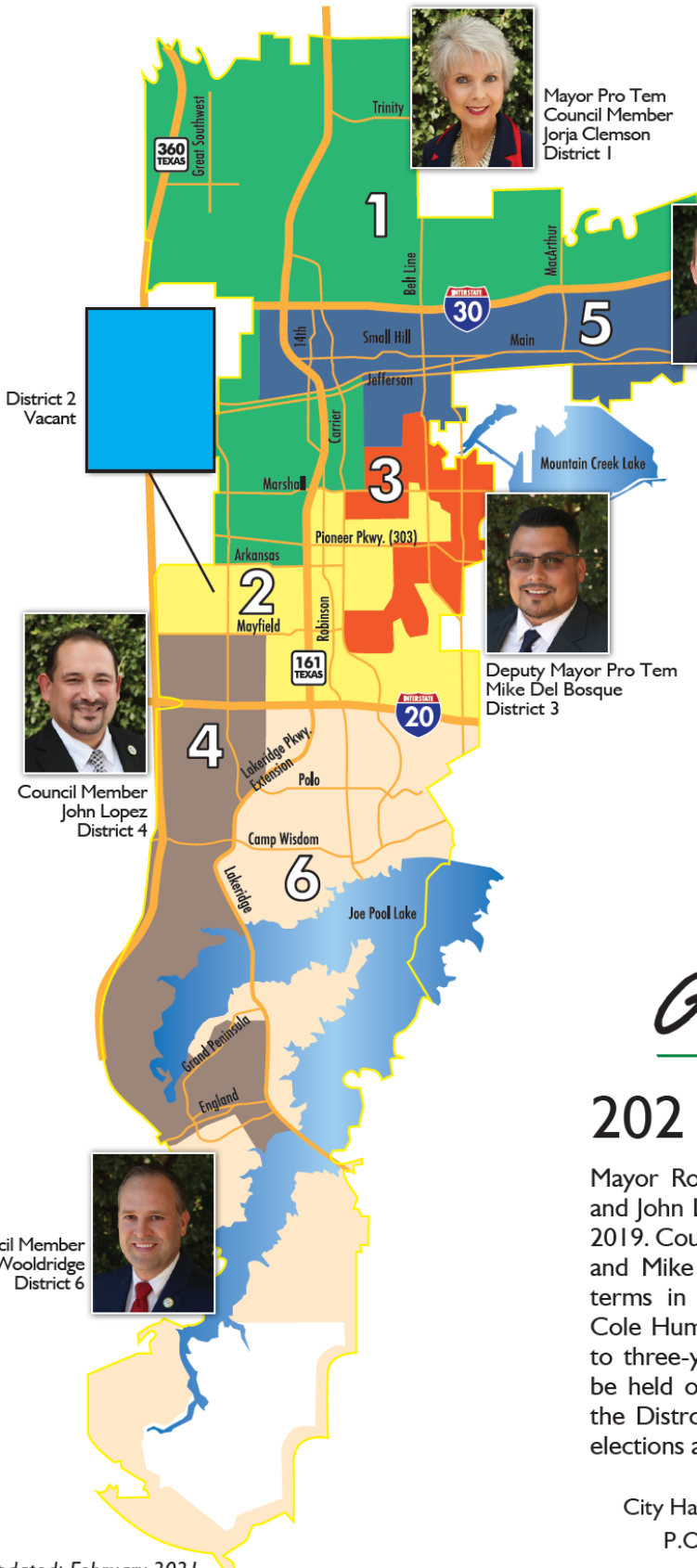
**City of Grand Prairie  
Texas**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morill*

Executive Director/CEO



Mayor Pro Tem  
Council Member  
Jorja Clemson  
District 1



Council Member  
Cole Humphreys  
District 5

District 2  
Vacant



Mayor  
Ron Jensen



Deputy Mayor Pro Tem  
Mike Del Bosque  
District 3



Council Member  
John Lopez  
District 4



Council Member  
Jeff Copeland  
At Large, Place 7



Council Member  
Greg Giessner  
At Large, Place 8



Council Member  
Jeff Wooldridge  
District 6

# Grand Prairie TEXAS

## 2021 CITY COUNCIL

Mayor Ron Jensen, council members Jim Swafford and John Lopez were elected to three-year terms in 2019. Council members Jorja Clemson, Jeff Copeland and Mike Del Bosque were elected to three-year terms in 2020. Council members Greg Giessner, Cole Humphreys and Jeff Wooldridge were elected to three-year terms in 2018. A special election will be held on February 27, 2021 to fill a vacancy for the District 2 unexpired term. Regular City Council elections are conducted in May every year.

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

Updated: February 2021

**City of Grand Prairie, Texas**

Directory of City Officials

Mayor and City Council

**CITY OF GRAND PRAIRIE, TEXAS**

**DIRECTORY OF CITY OFFICIALS**

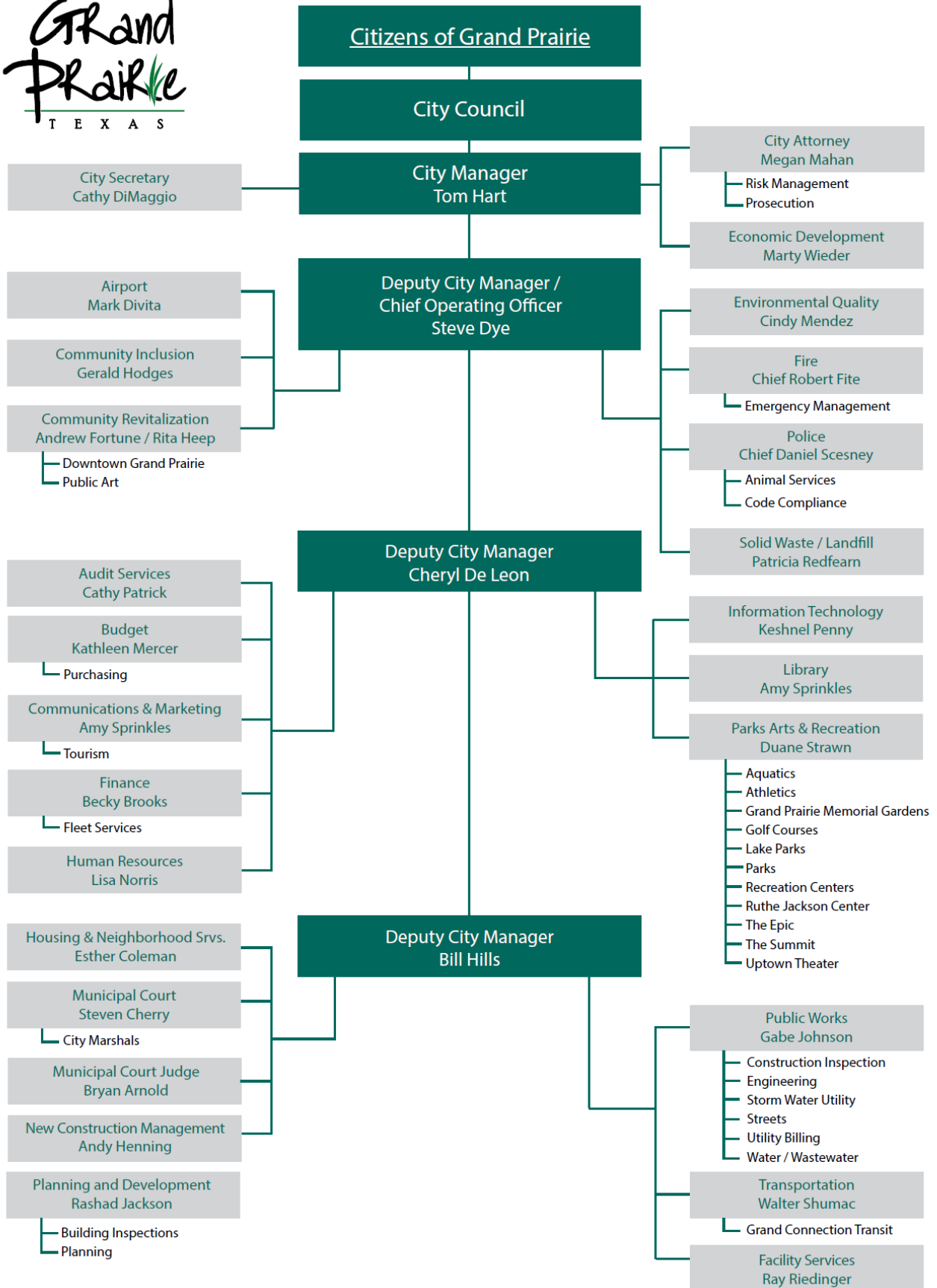
**MAYOR AND CITY COUNCIL**

Ron Jensen	Mayor At Large
Jorja Clemson	Mayor Pro Tem - District 1
Vacant	District 2
Mike Del Bosque	Deputy Mayor Pro Tem District 3
John Lopez	District 4
Cole Humphreys	District 5
Jeff Wooldridge	District 6
Jeff Copeland	At Large – Place 7
Greg Giessner	At Large – Place 8

**EXECUTIVE MANAGERS**

Tom Hart	City Manager
Cheryl DeLeon	Deputy City Manager
Bill Hills	Deputy City Manager
Steve Dye	Deputy City Manager / Chief Operating Officer
Mark Divita	Airport Director
Steven Cherry	Court Services Director
Kathleen Mercer	Budget Director
Mona Lisa Galicia	City Secretary
Duane Strawn	Parks, Arts & Recreation Director
Daniel Scesney	Police Chief
Esther Coleman	Housing & Neighborhood Services Director
Gabe Johnson	Public Works Director
Robert Fite	Fire Chief
Lisa Norris	Human Resources Director
Becky Brooks	Chief Financial Officer
Marty Wieder	Economic Development Director
Megan Mahan	City Attorney
Amy Sprinkles	Communications, Marketing and Library Director
Keshnel Penny	Information Technology Director
Bryan Arnold	Municipal Court Judge
Walter Shumac	Transportation Director
Cathy Patrick	Management Services Director

**City of Grand Prairie, Texas**  
Organizational Chart



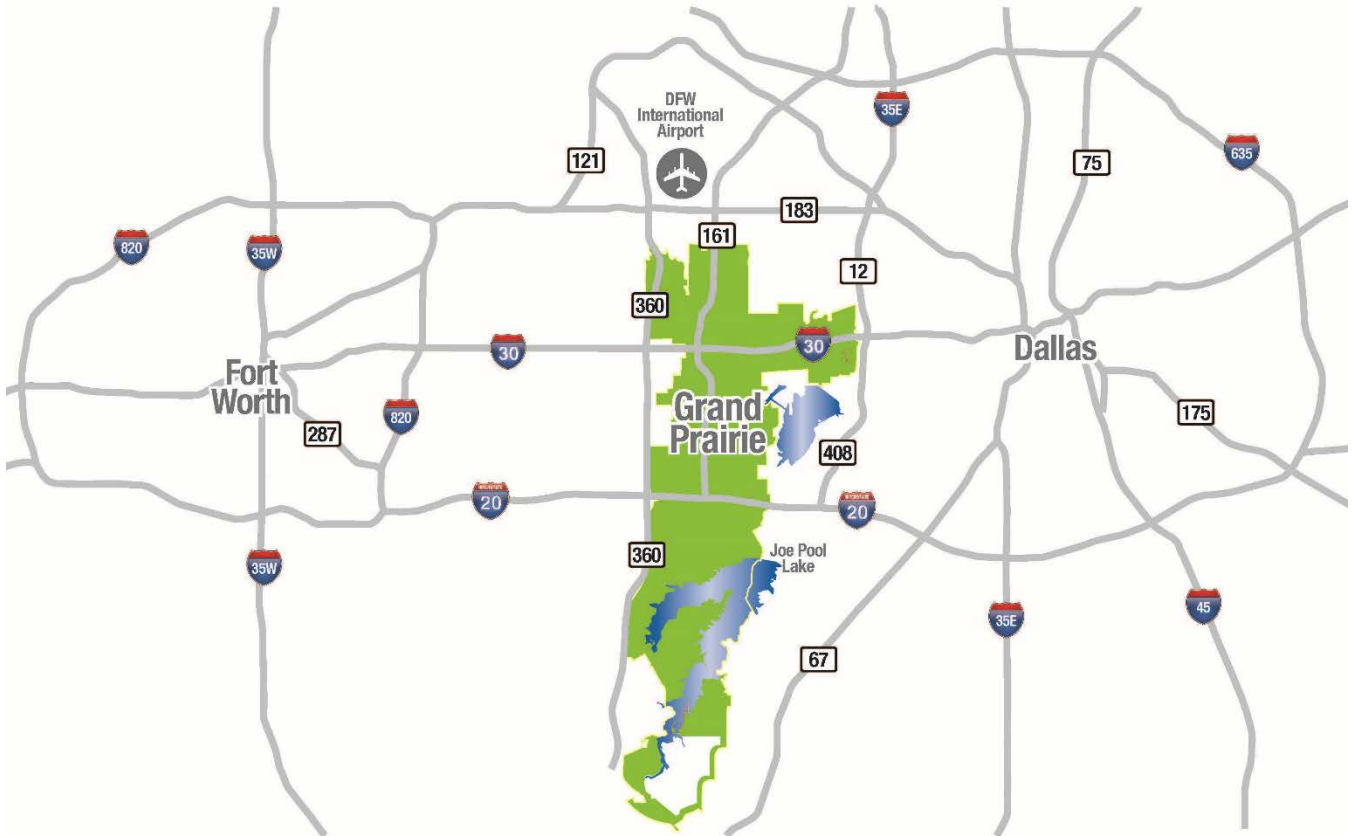


# City of Grand Prairie, Texas

Map

## City of Grand Prairie, Texas

Located in the middle of the Dallas-Fort Worth Metroplex





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# **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, 2020, 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.

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

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

## **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, 2020, 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, budget to actual schedules for the General Fund and Section 8 Fund, Schedule of Changes in Postemployment Benefits-Retiree Health Plan, Schedule of Changes in Postemployment Benefits-Texas Municipal Retirement System, Schedule of Contributions-Texas Municipal Retirement System, and Schedule of Changes in Net Pension Liability and Related Ratios- Texas Municipal Retirement System listed in the table of contents, 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.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2021, 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 11, 2021



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# **Management's Discussion and Analysis**



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## City of Grand Prairie, Texas

Management's Discussion and Analysis  
For the Fiscal Year Ended September 30, 2020  
(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, 2020. 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, 2020 by \$684,440,019 (net position).
- The City's total net position increased \$39,421,403, for the fiscal year ended September 30, 2020, primarily due to increased property tax assessments, sales tax collections, and grant contributions.
- At September 30, 2020, the City's governmental funds reported combined ending fund balances of \$234,115,110. The \$47,731,260 unassigned fund balance in the General Fund represents 32.9% of total General Fund expenditures and transfers.
- The City's total long-term liabilities of \$629,163,768 decreased by \$73,034,453 (10.4%) during the current fiscal year. In fiscal year 2020, net bonded debt decreased by \$43,908,750, with the remaining liability comprised of pension and employee related obligations See Table 4 in this report for further information regarding the City's long-term liabilities.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis 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.

## City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued  
For the Fiscal Year Ended September 30, 2020  
(Unaudited)

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

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

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

The government-wide financial statements include not only the City itself (known as the primary government), but also the Grand Prairie Sports Facilities Development Corporation, Inc. (the Sports Corporation) 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.

## City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued  
For the Fiscal Year Ended September 30, 2020  
(Unaudited)

The City reports thirty one individual governmental funds. Information is presented separately in the governmental fund's Balance Sheet and in the governmental fund's Statement of Revenues, Expenditures and Changes in Fund Balances for the City's six major funds - General Fund, Section 8 Fund, Streets CIP Fund, Grants Fund, Debt Service Fund, and the Epic 2 CIP Fund. Data for other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

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

## City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued  
 For the Fiscal Year Ended September 30, 2020  
 (Unaudited)

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets of the City at September 30, 2020 were \$1,362,784,154, deferred outflows of resources were \$24,443,572, total liabilities were \$679,577,059, and deferred inflows of resources were \$23,210,648 resulting in a net position of \$684,440,019.

The largest portion of the City's net position, \$529,985,182 (77.4%), reflects its investment in capital assets (land, buildings and improvements, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

**Table 1  
 Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020
Cash and investments	\$ 288,433,355	\$ 259,942,938	\$ 113,133,233	\$ 114,953,733	\$ 401,566,588	\$ 374,896,671
Other assets	20,685,432	26,581,255	11,679,221	12,403,270	32,364,653	38,984,525
Capital assets, net	685,704,072	703,895,868	236,585,491	245,007,090	922,289,563	948,902,958
<b>Total assets</b>	<b>994,822,859</b>	<b>990,420,061</b>	<b>361,397,945</b>	<b>372,364,093</b>	<b>1,356,220,804</b>	<b>1,362,784,154</b>
Deferred outflows of resources	39,225,451	21,526,904	4,344,178	2,309,822	43,569,629	23,836,726
Current liabilities	34,644,637	36,937,593	12,188,798	13,475,698	46,833,435	50,413,291
Long-term bonded debt	453,318,815	416,024,621	57,863,033	51,248,478	511,181,848	467,273,099
Other noncurrent liabilities	166,810,368	142,026,244	24,206,005	19,864,425	191,016,373	161,890,669
<b>Total liabilities</b>	<b>654,773,820</b>	<b>594,988,458</b>	<b>94,257,836</b>	<b>84,588,601</b>	<b>749,031,656</b>	<b>679,577,059</b>
Deferred inflows of resources	5,191,644	20,878,302	548,517	1,725,500	5,740,161	22,603,802
<b>Net Position</b>						
Net Investment in capital assets	311,019,615	336,590,522	176,239,658	193,394,660	487,259,273	529,985,182
Restricted	58,899,457	58,788,228	59,346,971	61,272,475	118,246,428	120,060,703
Unrestricted	4,163,774	701,455	35,349,141	33,692,679	39,512,915	34,394,134
<b>Total net position</b>	<b>\$ 374,082,846</b>	<b>\$ 396,080,205</b>	<b>\$ 270,935,770</b>	<b>\$ 288,359,814</b>	<b>\$ 645,018,616</b>	<b>\$ 684,440,019</b>

A portion of the City's net position totaling \$120,060,703, or 17.5%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a \$34,394,134.

The City's net position increased by \$39,421,403 from the prior fiscal year due to an increase in property taxes, sales taxes, charges for services, and grant contributions. Overall water and wastewater rates increased approximately 4%.

## City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued  
 For the Fiscal Year Ended September 30, 2020  
 (Unaudited)

The fiscal year 2020 compared to fiscal 2019 changes in the City's net position were as follows:

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020
Revenues:						
Program revenues:						
Charges for services	\$ 51,189,057	\$ 43,289,739	\$ 100,691,263	\$ 106,798,492	\$ 151,880,320	\$ 150,088,231
Operating grants and contributions	39,865,579	63,784,399	31,007	96,306	39,896,586	63,880,705
Capital grants and contributions	8,575,572	417,050	15,541,642	10,069,185	24,117,214	10,486,235
General revenues:						
Property tax	106,378,593	116,020,990	-	-	106,378,593	116,020,990
Sales tax	69,672,182	70,808,392	-	-	69,672,182	70,808,392
Other tax	2,231,019	1,794,491	-	-	2,231,019	1,794,491
Franchise fees	14,796,138	13,903,806	-	-	14,796,138	13,903,806
Investment income	9,776,886	7,952,664	65,360	25,770	9,842,246	7,978,434
Total revenues	302,485,026	317,971,531	116,329,272	116,989,753	418,814,298	434,961,284
Expenses:						
Support services	30,669,782	31,310,741	-	-	30,669,782	31,310,741
Public safety services	109,767,831	113,728,877	-	-	109,767,831	113,728,877
Recreation and leisure services	35,232,643	32,949,455	-	-	35,232,643	32,949,455
Development services	102,740,890	110,126,929	-	-	102,740,890	110,126,929
Interest on long-term debt	14,987,576	12,689,169	-	-	14,987,576	12,689,169
Water and wastewater	-	-	74,389,255	73,211,370	74,389,255	73,211,370
Solid waste	-	-	13,009,026	13,044,195	13,009,026	13,044,195
Municipal airport	-	-	2,962,253	2,529,664	2,962,253	2,529,664
Municipal golf course	-	-	3,458,592	3,452,349	3,458,592	3,452,349
Storm water	-	-	2,647,816	2,497,132	2,647,816	2,497,132
Total expenses	293,398,722	300,805,171	96,466,942	94,734,710	389,865,664	395,539,881
Increases (decreases) in net position						
before transfers	9,086,304	17,166,360	19,862,330	22,255,043	28,948,634	39,421,403
Transfers	7,253,810	4,830,999	(7,253,810)	(4,830,999)	-	-
Capital asset reassignments	-	-	(108,599)	-	(108,599)	-
Change in net position	16,340,114	21,997,359	12,499,921	17,424,044	28,840,035	39,421,403
Net position - beginning of year	357,742,732	374,082,846	258,435,849	270,935,770	616,178,581	645,018,616
<b>Net position - end of year</b>	<b>\$ 374,082,846</b>	<b>\$ 396,080,205</b>	<b>\$ 270,935,770</b>	<b>\$ 288,359,814</b>	<b>\$ 645,018,616</b>	<b>\$ 684,440,019</b>

**Governmental activities** – Governmental activities increased the City's net position by \$21,997,359 in comparison with beginning net position, primarily due to an overall increase in property tax assessments, when compared to fiscal year 2019 and additional federal funding received as part of the Coronavirus Relief Fund. This funding was passed-through Dallas and Tarrant County to the City to offset costs associated with effects of COVID-19 on the City. Net position of governmental operations accounts for 57.9% of total net position.

**Business-type activities** – Business-type activities increased the City's net position by \$17,424,044 in comparison with beginning net position. Overall operating revenues and expenses increased proportionately. Net position for business-type activities represents 42.1% of total primary government net position.

# City of Grand Prairie, Texas

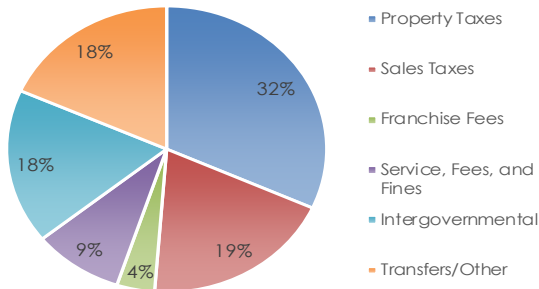
Management's Discussion and Analysis – Continued  
 For the Fiscal Year Ended September 30, 2020  
 (Unaudited)

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

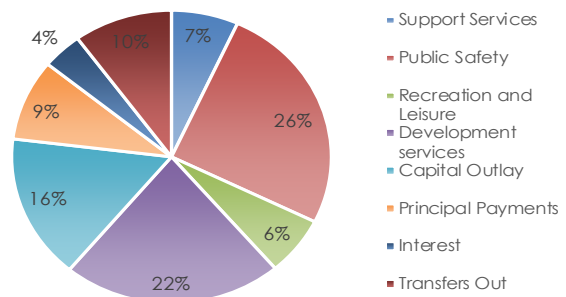
**Governmental funds** – The focus of City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure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

At fiscal year-end 2020, the City's governmental funds (excluding internal service funds) reported combined ending fund balances of \$234,115,110, a decrease of \$25,669,761 in comparison with the prior year. The unassigned fund balance portion is 20.4% 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 (\$71,220); amounts restricted by statutes, bond covenants or granting agencies (\$107,921,586) either for debt service payments, grant-related use, special taxing districts, or for capital projects. In addition, committed funds (\$66,052,337) require formal action by City Council. Finally, funds may be assigned (\$12,238,707) 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 including transfers, \$363,095,135 and \$388,990,079, respectively, for fiscal year 2020.

**Figure 1  
 Revenue Sources  
 Governmental Funds**



**Figure 2  
 Expenditures  
 Governmental Funds**



The General Fund is the chief operating fund of the City. At fiscal year-end, unassigned fund balance of the General Fund was \$47,731,260, while total fund balance was \$60,648,430. 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 47.2% of total general fund operating expenditures, while total fund balance represents 37.2% of that same amount. General Fund's fund balance increased in the amount of \$15,468,159 from the prior fiscal year largely due to \$10.7M in CARES funding received from the counties of Dallas and Tarrant.

Other major funds with significant changes in fund balance include Streets CIP, Grants, Debt Service and Epic 2 CIP. The Streets CIP Fund decreased by \$25,430,385 due to an overall increase in street construction funded from bond proceeds issued for this purpose.



## City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued  
For the Fiscal Year Ended September 30, 2020  
(Unaudited)

The Grants Fund increased by \$5,549,445 due primarily to transfers into the Grants Fund to pay the City's portion of federal and state funded projects.

The Debt Service Fund decreased by \$1,245,534 due to payments toward principal and interest.

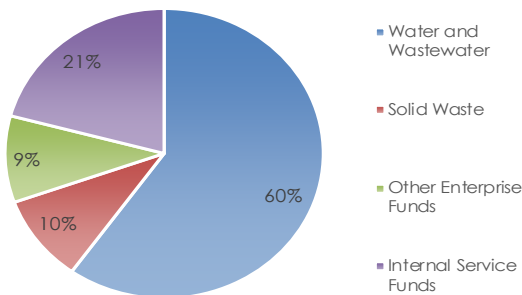
The Epic 2 CIP Fund decreased by \$2,348,769 due to engineering, design, and construction costs.

The Nonmajor Capital Projects Funds had a collective decrease in fund balance of \$22,105,861 due to significant projects taking place during the fiscal year.

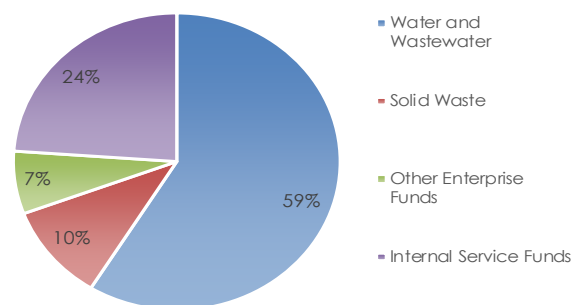
**Proprietary funds** – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position of the City's enterprise funds and internal service funds were \$285,216,940 and \$18,847,294 respectively, at September 30, 2020. The enterprise funds' net investment in capital assets represented 67.8% of total enterprise fund's net position. The internal service funds' net investment in capital assets represented 10.2% of total internal service funds' net position. The enterprise funds' unrestricted net position was 10.8% of their total net position, and internal service funds' unrestricted net position was 89.8% of their total funds' net position. The City's enterprise funds and the internal service funds reported income before contributions and transfers of \$11,974,394 and \$946,328, respectively. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the government-wide financial statements and business-type activities. The following Figures 3 and 4 show the proprietary funds' revenues of \$137,641,158 and expenses of \$124,206,503 (excluding non-operating revenues and expenses, and contributions and transfers) by activity.

**Figure 3  
Revenues by Activity  
Proprietary Funds**



**Figure 4  
Expenses by Activity  
Proprietary Funds**



## City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued  
 For the Fiscal Year Ended September 30, 2020  
 (Unaudited)

### General Fund Budgetary Highlights

Actual General Fund revenues were \$12,397,836, or 8.4%, higher than final budgeted revenues for fiscal year 2020. Property taxes, sales taxes, hotel/motel taxes, and franchise fees were 80.9% of General Fund budgeted revenues. Actual General Fund expenditures were \$6,285,345, or 4.7%, lower than final budgeted expenditures for fiscal year 2020. Budgeted excess of revenues over expenditures before other financing sources and uses was \$12,431,754 compared to actual of \$31,114,935, resulting in a net positive budget variance of \$18,683,181. 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 \$22,504,219.

### 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 \$948,902,958. 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 \$26,613,395.

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

- Continued ambulance and engine replacement
- Continued construction of Fire Station #4 and Fire Station #3 upgrades
- Continued street rehabilitation
- Continued street assessment implementation
- Continued sidewalk construction
- Continued improvements to water distribution and sewer system
- Wildlife Parkway Phase II construction

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	
	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020
Land	\$ 46,708,853	\$ 47,157,907	\$ 4,831,334	\$ 5,105,222	\$ 51,540,187	\$ 52,263,129
Construction in progress	168,140,079	180,158,846	28,648,888	34,107,743	196,788,967	214,266,589
Depreciable capital assets	991,496,881	1,032,253,541	432,339,063	449,698,086	1,423,835,944	1,481,951,627
Accumulated depreciation	(520,641,741)	(555,674,426)	(229,233,794)	(243,903,961)	(749,875,535)	(799,578,387)
<b>Total capital assets, net</b>	<b>\$ 685,704,072</b>	<b>\$ 703,895,868</b>	<b>\$ 236,585,491</b>	<b>\$ 245,007,090</b>	<b>\$ 922,289,563</b>	<b>\$ 948,902,958</b>

Additional information regarding capital assets can be found starting on page 54 in Note 2.D.

**City of Grand Prairie, Texas**

Management's Discussion and Analysis – Continued  
 For the Fiscal Year Ended September 30, 2020  
 (Unaudited)

**Long-term debt** – At September 30, 2020, the City had the following long-term liabilities:

**Table 4  
 Long-Term Debt**

	Governmental Activities		Business-type Activities		Total Primary Government	
	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020
	Bonded debt	\$ 453,318,815	\$ 416,024,620	\$ 57,863,033	\$ 51,248,478	\$ 511,181,848
Compensated absences	18,363,930	21,064,457	472,012	469,411	18,835,942	21,533,868
Other post employment benefits	55,519,084	60,687,581	5,885,150	6,275,983	61,404,234	66,963,564
Net pension liability	91,550,173	59,113,940	9,616,144	4,470,085	101,166,317	63,584,025
Pollution liability	77,037	20,900	-	-	77,037	20,900
Closure and post closure liability	-	-	8,232,699	8,648,946	8,232,699	8,648,946
Other liabilities	1,300,144	1,139,367	-	-	1,300,144	1,139,367
<b>Total long-term debt</b>	<b>\$ 620,129,183</b>	<b>\$ 558,050,865</b>	<b>\$ 82,069,038</b>	<b>\$ 71,112,903</b>	<b>\$ 702,198,221</b>	<b>\$ 629,163,768</b>
Long-term debt to net position percentage	166%	141%	30%	25%	109%	92%

Of the total bonded debt, \$416,024,620 or 89.0%, is backed by the full faith and credit of the City with a property tax pledge.

In November 2019, the City issued \$19,475,000 in General Obligation Refunding Bonds, Series 2019. \$21,545,000 was used to advance refund the outstanding Series 2011 and Series 2011A Combination Tax and Revenue Certificates of Obligation bonds; and the Series 2011 and Series 2011A General Obligation Refunding and Improvement bonds, leaving no remaining outstanding principal as of September 30, 2020.

In April 2020, the City issued \$4,290,000 in Water and Wastewater System Revenue Refunding Bonds, Series 2020. \$5,125,000 was used to advance refund the outstanding Series 2011A Water and Wastewater System Revenue Refunding and Improvement Bonds leaving no remaining outstanding principal as of September 30, 2020.

During this fiscal year, the City retired principal on outstanding bonded debt totaling \$40,180,000. The City's total interest expense for all bonded debt was \$17,227,808.

Additional information is detailed in the Note 2.H to the Basic Financial Statements starting on page 60.

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

	<u>Fitch</u>	<u>Standard &amp; 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

## City of Grand Prairie, Texas

Management's Discussion and Analysis – Continued  
For the Fiscal Year Ended September 30, 2020  
(Unaudited)

### Economic Factors and Next Year's Budget and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2020 budget including tax rates and fees that will be charged for business-type activities. One of the biggest factors continued to be the national economy and uncertainty caused by the pandemic. Building and development growth rates continue to increase overall; and indicate healthy activities in the residential sector and commercial type permitting. Although the City is largely built out and mature, there are still several areas available, mainly in the south sector with higher end residential areas along Joe Pool Lake. In addition, there is a leveling of multi-family developments, but a major increase in retail construction, in large part due to toll road 161 and emerging destination facilities, such as Epic and Epic Waters.

The City population as of September 2020 was 195,200 which is a 1.82% increase over prior year. Residential expansions continue in the south and new manufacturing and distribution companies continue to add growth to the City's economy. Even more growth is expected as a result of continued development and mobility through the City. Roadway improvements, like widening of Camp Wisdom, Great Southwest Parkway and I-30 frontage roads from SH 161 to McArthur continue to make additional demands on the City for increased services. Our diverse economy, the overall DFW metroplex economy and major transportation access all serve to create a synergy.

The following indicators were taken into account when adopting the budget for fiscal year 2021:

- 4.6% increase in assessed property values;
- A 3.79% decrease in budgeted sales tax collections from FY2020 projected collections to anticipate possible impacts of the pandemic. There was no change in the City's sales tax rate.
- 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 \$3,207,012 for the General Fund and \$978,931 for the General Obligation Debt Service Fund. The City maintained the same property tax rate of \$0.669998 per \$100 valuation for fiscal year 2021.

Budgeted sales tax revenues across all funds were decreased by \$4,363,487, or (6.11)% over prior fiscal year collections with no change in the sales tax rate.

The City's total approved operating appropriations for fiscal year 2021 is \$406,504,723, an increase of 1.88% as compared to prior fiscal year projected expenditures. General Fund approved appropriations for fiscal year 2021 is \$148,046,434, an increase of 1% over fiscal year 2020. Personnel services attributes to 74% of the total operating budget. This increase follows suit with additional staffing (full-time and part-time) to support general administration public safety overtime, civil service step program and other market adjustments. The increases were offset by removing budget for frozen positions, decreases in Employee and Retiree insurance contributions and lower fuel rates. Other changes in total budgeted operating appropriations include decreases in Parks Venue (\$2.1M), Capital Lending Reserves (\$3.8M) and Internal Services Funds (\$2.3M);

Fiscal year 2021 budgeted appropriations for the General Obligation Debt Service Fund decreased by \$1,389,922, or (3.9%) from fiscal year 2020.

## **City of Grand Prairie, Texas**

Management's Discussion and Analysis – Continued  
For the Fiscal Year Ended September 30, 2020  
(Unaudited)

The City's approved appropriations for capital projects in fiscal year 2021 totals \$50,053,324. Planned capital projects include:

- \$12,733,680 in street and signal projects
- \$17,118,500 in water and wastewater requests
- \$5,229,500 in storm drainage projects
- \$3,452,388 in fire equipment and stations' relocations
- \$5,593,016 in Municipal Facilities

### **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.



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# **Basic Financial Statements**



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**City of Grand Prairie, Texas**  
**Statement of Net Position**  
**September 30, 2020**

	Primary Government			Grand Prairie	Grand Prairie
	Governmental	Business-Type	Total	Sports	Housing
	Activities	Activities		Facilities	Finance
				Development	Corporation
<b>ASSETS</b>					
Cash and cash equivalents	\$ 101,510,207	\$ 30,106,353	\$ 131,616,560	\$ 9,115,357	\$ 576,342
Investments	3,051,540	17,406,047	20,457,587	2,023,379	-
Receivables, net	21,913,899	7,116,123	29,030,022	1,053,454	-
Intergovernmental receivables	6,992,879	-	6,992,879	-	-
Inventories and supplies	123,752	594,429	718,181	-	-
Prepays	479,427	1,764,016	2,243,443	-	37,674
Restricted assets:					
Cash and cash equivalents	12,099,512	2,956,906	15,056,418	-	1,457,661
Investments	143,281,679	64,484,427	207,766,106	-	-
Internal balances	(2,928,702)	2,928,702	-	-	-
Lease payments receivable	-	-	-	8,701,641	-
Estimated unguaranteed residual value	-	-	-	27,420,561	-
Capital assets:					
Nondepreciable	227,316,753	39,212,962	266,529,715	-	1,612,851
Depreciable, net	476,579,115	205,794,128	682,373,243	-	10,799,673
<b>Total assets</b>	<b>990,420,061</b>	<b>372,364,093</b>	<b>1,362,784,154</b>	<b>48,314,392</b>	<b>14,484,201</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refundings	2,501,041	804,849	3,305,890	-	-
Related to OPEB	3,573,235	336,474	3,909,709	-	-
Related to TMRS pension	15,452,628	1,168,499	16,621,127	-	-
<b>Total deferred outflows of resources</b>	<b>21,526,904</b>	<b>2,309,822</b>	<b>23,836,726</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts payable	16,641,643	5,714,498	22,356,141	19,386	160,451
Retainage payable	1,103,253	103,828	1,207,081	-	-
Accrued liabilities	13,640,802	1,033,122	14,673,924	-	267,500
Unearned revenue	2,988,010	1,030,161	4,018,171	-	-
Current liabilities payable from restricted assets:					
Accrued interest	2,531,885	315,588	2,847,473	-	-
Customer deposits	32,000	5,278,501	5,310,501	-	92,777
Noncurrent liabilities:					
Due within one year:					
Compensated absences	9,005,253	464,294	9,469,547	-	-
Environmental remediation obligation	20,900	-	20,900	-	-
Other liabilities	160,776	-	160,776	-	-
Current portion of long-term debt	34,875,000	5,290,000	40,165,000	-	328,148
Due in more than one year:					
Compensated absences	12,059,204	5,117	12,064,321	-	-
Other postemployment benefits	60,687,581	6,275,983	66,963,564	-	-
Closure and postclosure liability	-	8,648,946	8,648,946	-	-
Net pension liability	59,113,940	4,470,085	63,584,025	-	-
Other liabilities	978,591	-	978,591	-	-
Long-term debt	381,149,620	45,958,478	427,108,098	-	14,648,522
<b>Total liabilities</b>	<b>594,988,458</b>	<b>84,588,601</b>	<b>679,577,059</b>	<b>19,386</b>	<b>15,497,398</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to OPEB	3,657,592	423,304	4,080,896	-	-
Related to TMRS pension	17,220,710	1,302,196	18,522,906	-	-
<b>Total deferred outflows of resources</b>	<b>20,878,302</b>	<b>1,725,500</b>	<b>22,603,802</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	336,590,522	193,394,660	529,985,182	-	(1,349,049)
Restricted for:					
Debt service	677,354	5,596,271	6,273,625	-	-
Capital projects	2,574,708	55,676,204	58,250,912	-	-
Support Services	3,183,285	-	3,183,285	-	-
Public safety	12,791,188	-	12,791,188	-	-
Recreation and leisure	11,656,424	-	11,656,424	-	-
Development services	20,157,215	-	20,157,215	-	-
Other specific purposes	7,748,054	-	7,748,054	-	-
Facility lease	-	-	-	37,069,952	-
Replacement reserve	-	-	-	-	149,787
Unrestricted	701,455	33,692,679	34,394,134	11,225,054	186,065
<b>Total net position</b>	<b>\$ 396,080,205</b>	<b>\$ 288,359,814</b>	<b>\$ 684,440,019</b>	<b>\$ 48,295,006</b>	<b>\$ (1,013,197)</b>

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

**City of Grand Prairie, Texas**  
Statement of Activities  
For the Year Ended September 30, 2020

Functions/Activity	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 31,310,741	\$ 6,872,544	\$ 195,474	\$ -
Public safety services	113,728,877	12,049,004	23,757,161	-
Recreation and leisure services	32,949,455	9,275,408	507,507	-
Development services and other	110,126,929	15,092,783	39,324,257	417,050
Interest on long-term debt	12,689,169	-	-	-
Total governmental activities	300,805,171	43,289,739	63,784,399	417,050
Business-type activities:				
Water and wastewater	73,211,370	80,576,747	-	7,873,803
Solid waste	13,044,195	14,245,989	-	-
Municipal airport	2,529,664	1,906,648	96,306	-
Municipal golf course	3,452,349	2,386,574	-	-
Storm water	2,497,132	7,682,534	-	2,195,382
Total business-type activities	94,734,710	106,798,492	96,306	10,069,185
<b>Total primary government</b>	<b>\$ 395,539,881</b>	<b>\$ 150,088,231</b>	<b>\$ 63,880,705</b>	<b>\$ 10,486,235</b>
Component units:				
Grand Prairie Sports Facilities Development	\$ 4,540,434	\$ 985,025	\$ -	\$ 521,941
Grand Prairie Housing Finance Corporation	6,207,049	5,987,835	-	-
<b>Total component units</b>	<b>\$ 10,747,483</b>	<b>\$ 6,972,860</b>	<b>\$ -</b>	<b>\$ 521,941</b>
General revenues:				
Taxes				
Property taxes				
Sales taxes				
Hotel/motel and other taxes				
Franchise fees (and those based on gross receipts)				
Investment income				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
<b>Net position - end of year</b>				

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

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		
\$ (24,242,723)	\$ -	\$ (24,242,723)	\$ -	\$ -
(77,922,712)	-	(77,922,712)	-	-
(23,166,540)	-	(23,166,540)	-	-
(55,292,839)	-	(55,292,839)	-	-
(12,689,169)	-	(12,689,169)	-	-
(193,313,983)	-	(193,313,983)	-	-
-	15,239,180	15,239,180	-	-
-	1,201,794	1,201,794	-	-
-	(526,710)	(526,710)	-	-
-	(1,065,775)	(1,065,775)	-	-
-	7,380,784	7,380,784	-	-
-	22,229,273	22,229,273	-	-
(193,313,983)	22,229,273	(171,084,710)	-	-
			(3,033,468)	-
			-	(219,214)
			(3,033,468)	(219,214)
116,020,990	-	116,020,990	-	-
70,808,392	-	70,808,392	-	-
1,794,491	-	1,794,491	-	-
13,903,806	-	13,903,806	-	-
7,952,664	25,770	7,978,434	132,971	4,019
4,830,999	(4,830,999)	-	-	-
215,311,342	(4,805,229)	210,506,113	132,971	4,019
21,997,359	17,424,044	39,421,403	(2,900,497)	(215,195)
374,082,846	270,935,770	645,018,616	51,195,503	(798,002)
\$ 396,080,205	\$ 288,359,814	\$ 684,440,019	\$ 48,295,006	\$ (1,013,197)

**City of Grand Prairie, Texas**

Balance Sheet  
 Governmental Funds  
 September 30, 2020

	<b>General</b>	<b>Section 8</b>	<b>Streets CIP</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,386,209	\$ 2,819,363	\$ 3,242,696
Investments	53,209,057	533,109	15,360,381
Property tax receivable, net	1,830,275	-	-
Sales tax receivable	6,301,947	-	-
Franchise fees receivable	2,393,307	-	-
Other receivables, net	3,141,023	431	-
Intergovernmental receivables	1,336,126	-	-
Due from other funds	-	-	-
Inventory	-	-	-
Prepays	35,344	-	-
	<u>73,633,288</u>	<u>3,352,903</u>	<u>18,603,077</u>
Total assets			
<b>LIABILITIES</b>			
Accounts payable	3,734,460	72,928	2,544,208
Retainage payable	-	-	281,298
Accrued liabilities	6,137,750	96,690	-
Due to other funds	356,283	-	-
Customer deposits	-	-	-
Unearned revenue	571,962	-	-
	<u>10,800,455</u>	<u>169,618</u>	<u>2,825,506</u>
Total liabilities			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	2,184,403	-	-
	<u>2,184,403</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources			
<b>FUND BALANCES</b>			
Nonspendable	35,344	-	-
Restricted	543,119	3,183,285	5,825,575
Committed	-	-	9,951,996
Assigned	12,338,707	-	-
Unassigned	47,731,260	-	-
	<u>60,648,430</u>	<u>3,183,285</u>	<u>15,777,571</u>
Total fund balances			
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 73,633,288</u>	<u>\$ 3,352,903</u>	<u>\$ 18,603,077</u>

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

<b>Grants</b>	<b>Debt Service</b>	<b>Epic 2 CIP</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,817,994	\$ 181,479	\$ 40,254,473	\$ 55,371,006	\$ 110,073,220
-	2,200,000	-	54,030,672	125,333,219
-	823,041	-	-	2,653,316
-	-	-	6,294,842	12,596,789
-	-	-	62,212	2,455,519
190,836	5,517	-	869,477	4,207,284
5,656,753	-	-	-	6,992,879
-	-	-	3,449,919	3,449,919
-	-	-	35,876	35,876
-	-	-	-	35,344
<u>8,665,583</u>	<u>3,210,037</u>	<u>40,254,473</u>	<u>120,114,004</u>	<u>267,833,365</u>
1,159,614	798	2,300,958	6,202,649	16,015,615
-	-	259,564	562,391	1,103,253
133,562	-	-	857,040	7,225,042
-	-	-	3,093,636	3,449,919
-	-	-	32,000	32,000
107,380	-	-	2,308,668	2,988,010
<u>1,400,556</u>	<u>798</u>	<u>2,560,522</u>	<u>13,056,384</u>	<u>30,813,839</u>
-	720,013	-	-	2,904,416
-	720,013	-	-	2,904,416
-	-	-	35,876	71,220
7,265,027	2,489,226	29,000,000	59,615,354	107,921,586
-	-	8,693,951	47,406,390	66,052,337
-	-	-	-	12,338,707
-	-	-	-	47,731,260
<u>7,265,027</u>	<u>2,489,226</u>	<u>37,693,951</u>	<u>107,057,620</u>	<u>234,115,110</u>
<u>\$ 8,665,583</u>	<u>\$ 3,210,037</u>	<u>\$ 40,254,473</u>	<u>\$ 120,114,004</u>	<u>\$ 267,833,365</u>

**City of Grand Prairie, Texas**  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Position  
 September 30, 2020

<b>Total fund balance - total governmental funds</b>		\$ 234,115,110
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
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 \$1,913,868).		701,982,000
Certain revenues are not available to pay for current-period expenditures; therefore, these revenues are deferred in the funds.		2,904,416
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	(2,531,885)	
Unamortized loss of bond refundings	2,501,041	
Deferred pension and OPEB contributions, and investment and actuarial experience (excluding internal service fund totals of \$33,109).	<u>(1,819,334)</u>	(1,850,178)
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 \$2,928,702).		15,918,592
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	(389,935,000)	
Unamortized bond premium/discount, net	(26,089,620)	
Compensated absences (excluding internal service fund totals of \$47,428)	(21,017,029)	
Other post employment benefits (excluding internal service fund totals of \$780,473)	(59,907,109)	
Net pension liability (excluding internal service fund totals of \$233,230)	(58,880,710)	
Environmental remediation obligation	(20,900)	
Other liabilities	<u>(1,139,367)</u>	<u>(556,989,735)</u>
<b>Net position of governmental activities</b>		<b><u>\$ 396,080,205</u></b>

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



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**City of Grand Prairie, Texas**  
Statement of Revenues,  
Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2020

	<u>General</u>	<u>Section 8</u>	<u>Streets CIP</u>
<b>REVENUES</b>			
Property taxes	\$ 69,856,384	\$ -	\$ -
Sales taxes	34,938,179	-	-
Other taxes	255,906	-	-
Franchise fees	13,903,806	-	-
Charges for goods and services	4,978,448	6,466,819	-
Licenses and permits	2,981,599	286,411	-
Fines and forfeitures	5,758,341	-	-
Intergovernmental	11,918,632	37,308,327	-
General and administrative	5,194,377	-	-
Rents and royalties	334,055	-	-
Investment income	7,833,606	-	-
Contributions	57,674	-	-
Other	1,533,059	78,046	16,000
	<hr/>	<hr/>	<hr/>
Total revenues	159,544,066	44,139,603	16,000
<b>EXPENDITURES</b>			
Current operations:			
Support services	22,783,021	-	-
Public safety services	88,318,340	-	-
Recreation and leisure services	2,802,857	-	-
Development services and other	13,263,283	41,638,764	8,491,180
Capital outlay	1,261,630	80,055	11,136,779
Debt service:			
Principal retirement	-	-	-
Interest and other charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	128,429,131	41,718,819	19,627,959
Excess (deficiency) of revenues over (under) expenditures	31,114,935	2,420,784	(19,611,959)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	886,000
Transfers out	(16,762,667)	(20,833)	(6,704,426)
Premium on bonds issued	-	-	-
Refunding bonds issued	-	-	-
Payments to bond escrow agents	-	-	-
Proceeds from sale of assets	1,115,891	10,700	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(15,646,776)	(10,133)	(5,818,426)
Net change in fund balances	15,468,159	2,410,651	(25,430,385)
Fund balances - beginning of year	45,180,271	772,634	41,207,956
	<hr/>	<hr/>	<hr/>
<b>Fund balances - end of year</b>	<b>\$ 60,648,430</b>	<b>\$ 3,183,285</b>	<b>\$ 15,777,571</b>

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



<u>Grants</u>	<u>Debt Service</u>	<u>Epic 2 CIP</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 32,768,034	\$ -	\$ 12,671,070	\$ 115,295,488
-	-	-	35,709,436	70,647,615
-	-	-	1,538,585	1,794,491
-	-	-	-	13,903,806
1,234	-	-	12,061,412	23,507,913
-	-	-	219,457	3,487,467
-	-	-	480,715	6,239,056
13,834,330	-	-	457,946	63,519,235
-	-	-	-	5,194,377
-	-	-	3,350,467	3,684,522
783	-	109,264	9,011	7,952,664
136,675	-	-	360,517	554,866
-	-	-	513,348	2,140,453
<u>13,973,022</u>	<u>32,768,034</u>	<u>109,264</u>	<u>67,371,964</u>	<u>317,921,953</u>
-	-	-	3,603,086	26,386,107
3,886,801	-	-	7,078,143	99,283,284
172,569	-	103,474	22,027,702	25,106,602
12,817,572	-	-	10,399,127	86,609,926
532,787	-	5,854,559	43,124,518	61,990,328
-	23,255,000	-	11,530,000	34,785,000
-	10,986,624	-	4,903,501	15,890,125
<u>17,409,729</u>	<u>34,241,624</u>	<u>5,958,033</u>	<u>102,666,077</u>	<u>350,051,372</u>
(3,436,707)	(1,473,590)	(5,848,769)	(35,294,113)	(32,129,419)
9,043,471	20,833	3,500,000	30,549,616	43,999,920
(57,319)	(17,955)	-	(15,375,502)	(38,938,702)
-	2,734,530	-	-	2,734,530
-	19,475,000	-	-	19,475,000
-	(21,984,352)	-	-	(21,984,352)
-	-	-	46,671	1,173,262
<u>8,986,152</u>	<u>228,056</u>	<u>3,500,000</u>	<u>15,220,785</u>	<u>6,459,658</u>
5,549,445	(1,245,534)	(2,348,769)	(20,073,328)	(25,669,761)
1,715,582	3,734,760	40,042,720	127,130,948	259,784,871
<u>\$ 7,265,027</u>	<u>\$ 2,489,226</u>	<u>\$ 37,693,951</u>	<u>\$ 107,057,620</u>	<u>\$ 234,115,110</u>

## City of Grand Prairie, Texas

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities For the Year Ended September 30, 2020

<b>Net change in fund balances - total governmental funds</b>		\$ (25,669,761)
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.		61,990,328
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 \$255,432).		(43,625,326)
Governmental funds do not report capital contributions.		224,800
The net effect of various transactions involving capital assets (i.e., disposals, sales, and reassignments) are not reported in the governmental funds.		(685,351)
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.		
Refunding bonds issued	(19,475,000)	
Payments to bond escrow agents	21,984,352	
Bond principal retirement	34,785,000	
Bond premium issued	(2,734,530)	
Amortization of bond premiums/discounts	3,173,725	
Amortization of loss on refundings	(304,722)	37,428,825
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	331,794	
Compensated absences	(2,701,706)	
Pollution remediation obligation	56,137	
Postemployment benefit obligation	(5,148,106)	
Pension liability	31,357,768	
Deferred pension and OPEB contributions, and investment and actuarial experience	(33,030,763)	
Other liabilities	160,777	(8,974,099)
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		884,777
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 \$209,872).		423,166
<b>Change in net position of governmental activities</b>		<u>\$ 21,997,359</u>

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

**City of Grand Prairie, Texas**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2020**

	Business-Type Activities - Enterprise Funds				Governmental
	Water Wastewater	Solid Waste	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 20,753,804	\$ 7,130,223	\$ 2,222,326	\$ 30,106,353	\$ 3,536,499
Investments	3,611,148	11,924,536	1,870,363	17,406,047	21,000,000
Accounts receivable, net	5,855,325	583,809	676,989	7,116,123	991
Inventories and supplies	527,006	-	67,423	594,429	87,876
Prepays	1,764,016	-	-	1,764,016	444,083
Restricted assets:					
Cash and cash equivalents	2,956,906	-	-	2,956,906	-
Investments	64,408,971	-	75,456	64,484,427	-
Total current assets	99,877,176	19,638,568	4,912,557	124,428,301	25,069,449
Noncurrent assets:					
Capital assets:					
Land	2,597,138	1,748,378	759,707	5,105,223	737,566
Buildings	2,673,677	1,996,417	15,238,893	19,908,987	1,885,866
Equipment	14,529,471	11,126,331	2,451,986	28,107,788	2,370,415
Infrastructure	343,839,098	12,092,660	45,749,555	401,681,313	-
Construction in progress	30,907,973	1,240,959	1,958,807	34,107,739	-
Less: accumulated depreciation	(200,549,272)	(13,137,162)	(30,217,526)	(243,903,960)	(3,079,979)
Total noncurrent assets	193,998,085	15,067,583	35,941,422	245,007,090	1,913,868
Total assets	293,875,261	34,706,151	40,853,979	369,435,391	26,983,317
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Debt refundings	804,849	-	-	804,849	-
Related to OPEB	163,148	89,473	83,853	336,474	23,031
Related to TMRS pension	530,360	330,026	308,113	1,168,499	60,968
Total deferred outflows of resources	1,498,357	419,499	391,966	2,309,822	83,999
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	4,652,627	748,489	313,382	5,714,498	626,023
Retainage payable	103,828	-	-	103,828	-
Accrued interest	311,099	-	4,489	315,588	-
Accrued liabilities	644,480	257,441	131,201	1,033,122	6,415,760
Compensated absences	284,658	86,418	93,218	464,294	47,428
Unearned revenue	905,606	-	124,555	1,030,161	-
Current portion of long-term debt	5,120,000	-	170,000	5,290,000	-
Current liabilities payable from restricted assets:					
Customer deposits	5,203,045	-	75,456	5,278,501	-
Total current liabilities	17,225,343	1,092,348	912,301	19,229,992	7,089,211
Noncurrent liabilities:					
Compensated absences	-	-	5,117	5,117	-
Other postemployment benefits	3,711,568	1,312,574	1,251,841	6,275,983	780,473
Closure and postclosure liability	-	8,648,946	-	8,648,946	-
Net pension liability	2,028,888	1,262,512	1,178,685	4,470,085	233,230
Long-term debt	45,403,478	-	555,000	45,958,478	-
Total noncurrent liabilities	51,143,934	11,224,032	2,990,643	65,358,609	1,013,703
Total liabilities	68,369,277	12,316,380	3,902,944	84,588,601	8,102,914
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Related to OPEB	243,718	92,060	87,526	423,304	49,166
Related to TMRS pension	591,042	367,788	343,366	1,302,196	67,942
Total deferred inflows of resources	834,760	459,848	430,892	1,725,500	117,108
<b>NET POSITION</b>					
Net investment in capital assets	143,110,655	15,067,583	35,216,422	193,394,660	1,913,868
Restricted for:					
Debt service	5,596,271	-	-	5,596,271	-
Capital projects	55,676,204	-	-	55,676,204	-
Unrestricted	21,786,451	7,281,839	1,695,687	30,763,977	16,933,426
<b>Total net position</b>	<b>\$ 226,169,581</b>	<b>\$ 22,349,422</b>	<b>\$ 36,912,109</b>	<b>\$ 285,431,112</b>	<b>\$ 18,847,294</b>
<b>Reconciliation to government-wide Statement of Net Position:</b>					
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				2,928,702	
Net position of business-type activities				\$ 288,359,814	

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

**City of Grand Prairie, Texas**  
**Statement of Revenues, Expenses,**  
**And Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2020**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental</b>
	<b>Water Wastewater</b>	<b>Solid Waste</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Activities Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Water sales	\$ 47,152,407	\$ -	\$ -	\$ 47,152,407	\$ -
Wastewater services	29,819,236	-	-	29,819,236	-
Water and wastewater fees	2,411,560	-	-	2,411,560	-
Wastewater surcharges	864,098	-	-	864,098	-
Solid waste fees	-	14,038,889	-	14,038,889	-
Charges for services	-	-	11,267,391	11,267,391	5,949,825
Intergovernmental revenue	-	-	96,306	96,306	-
Insurance premiums	-	-	-	-	24,781,182
Miscellaneous	329,446	205,508	708,365	1,243,319	16,945
<b>Total operating revenue</b>	<b>80,576,747</b>	<b>14,244,397</b>	<b>12,072,062</b>	<b>106,893,206</b>	<b>30,747,952</b>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	7,804,068	3,268,113	2,777,127	13,849,308	1,532,939
Supplies and miscellaneous purchases	1,176,070	463,237	1,090,049	2,729,356	2,293,222
Purchased services	5,361,752	6,036,468	1,808,705	13,206,925	1,383,787
Insurance costs	-	-	-	-	23,886,341
Water purchases	17,194,531	-	-	17,194,531	-
Wastewater treatment	17,778,836	-	-	17,778,836	-
General and administrative costs	4,305,622	432,849	143,801	4,882,272	-
Franchise fees	3,085,068	386,274	308,279	3,779,621	-
Miscellaneous	1,682,090	844,531	240,202	2,766,823	454,277
Depreciation	14,426,053	1,675,747	2,111,033	18,212,833	255,432
<b>Total operating expenses</b>	<b>72,814,090</b>	<b>13,107,219</b>	<b>8,479,196</b>	<b>94,400,505</b>	<b>29,805,998</b>
Operating income	7,762,657	1,137,178	3,592,866	12,492,701	941,954
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	25,770	-	-	25,770	-
Gain (loss) on property disposition	28,963	62,517	6,110	97,590	4,374
Interest expense	(601,315)	-	(38,760)	(640,075)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(546,582)</b>	<b>62,517</b>	<b>(32,650)</b>	<b>(516,715)</b>	<b>4,374</b>
Income before contributions and transfers	7,216,075	1,199,695	3,560,216	11,975,986	946,328
<b>CONTRIBUTIONS AND TRANSFERS</b>					
Capital contributions-impact fees	1,837,577	-	-	1,837,577	-
Capital contributions	6,036,226	-	2,195,382	8,231,608	-
Transfers in - capital assets	122,405	-	-	122,405	-
Transfers out - capital assets	-	(122,405)	-	(122,405)	(83,071)
Transfers in	1,015,530	-	1,271,633	2,287,163	-
Transfers out	(1,911,808)	(298,354)	(4,908,000)	(7,118,162)	(230,219)
<b>Total contributions and transfers</b>	<b>7,099,930</b>	<b>(420,759)</b>	<b>(1,440,985)</b>	<b>5,238,186</b>	<b>(313,290)</b>
Change in net position	14,316,005	778,936	2,119,231	17,214,172	633,038
Net position - beginning of year	211,853,576	21,570,486	34,792,878	268,216,940	18,214,256
<b>Net position - end of year</b>	<b>\$ 226,169,581</b>	<b>\$ 22,349,422</b>	<b>\$ 36,912,109</b>	<b>\$ 285,431,112</b>	<b>\$ 18,847,294</b>
<b>Reconciliation to government-wide Statement of Activities:</b>					
Total change in net position				\$ 17,214,172	
Adjustments to reflect the consolidation of internal service fund activities related to Enterprise Funds				209,872	
Change in net position of business-type activities				<u>\$ 17,424,044</u>	

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

**City of Grand Prairie, Texas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2020**

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Water Wastewater	Solid Waste	Other Nonmajor		Activities Internal Service Funds
<b>Cash flows from operating activities:</b>					
Cash receipts from customers	\$ 81,358,733	\$ 14,089,297	\$ 11,390,211	\$ 106,838,241	\$ -
Cash receipts from city and employee contributions	-	-	-	-	24,781,182
Cash receipts from interfund services provided	-	-	-	-	5,949,825
Cash receipts from other governments	-	-	144,436	144,436	-
Other operating cash receipts	329,446	205,508	708,365	1,243,319	15,954
Cash payments to suppliers for goods and services	(46,772,925)	(6,250,885)	(3,017,137)	(56,040,947)	(4,420,798)
Cash payments to employees for services	(9,159,009)	(3,171,851)	(2,732,058)	(15,062,918)	36,878
Cash payments for interfund services used	-	-	(308,279)	(308,279)	(23,886,341)
Other operating cash payments	(4,767,158)	(1,230,805)	(143,801)	(6,141,764)	-
Net cash provided by (used in) operating activities	20,989,087	3,641,264	6,041,737	30,672,088	2,476,700
<b>Cash flows from noncapital financing activities:</b>					
Transfers from other funds	1,015,530	-	1,271,633	2,287,163	(83,071)
Transfers to other funds	(1,911,808)	(298,354)	(4,908,000)	(7,118,162)	(230,219)
Contributions from other governments	191,733	-	-	191,733	-
Net cash provided by (used in) noncapital financing activities	(704,545)	(298,354)	(3,636,367)	(4,639,266)	(313,290)
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from issuance of bonds	4,290,000	-	-	4,290,000	-
Capital impact fees from developers	1,837,577	-	-	1,837,577	-
Proceeds from disposition of capital assets	119,817	79,900	806,110	1,005,827	4,374
Acquisition and construction of capital assets	(13,759,977)	(2,387,429)	(2,422,297)	(18,569,703)	(542,775)
Principal paid on debt	(10,360,000)	-	(160,000)	(10,520,000)	-
Interest paid on debt	(1,442,083)	-	(39,710)	(1,481,793)	-
Net cash provided by (used in) capital and related financing activities	(19,314,666)	(2,307,529)	(1,815,897)	(23,438,092)	(538,401)
<b>Cash flows from investing activities:</b>					
Proceeds from sales and maturities of investments	4,399,732	1,699,996	-	6,099,728	-
Purchase of investment securities	-	-	-	-	(4,000,000)
Interest received on investments	25,770	-	-	25,770	-
Net cash provided by (used in) investing activities	4,425,502	1,699,996	-	6,125,498	(4,000,000)
Net (decrease) increase in cash and equivalents	5,395,378	2,735,377	589,473	8,720,228	(2,374,991)
Cash and cash equivalents - beginning of year	18,315,332	4,394,846	1,632,853	24,343,031	5,911,490
Cash and cash equivalents - end of year	\$ 23,710,710	\$ 7,130,223	\$ 2,222,326	\$ 33,063,259	\$ 3,536,499
<b>Reconciliation of operating income (loss) from operations to net cash from operating activities:</b>					
Operating income (loss)	\$ 7,762,657	\$ 1,137,178	\$ 3,592,866	\$ 12,492,701	\$ 941,954
Adjustments to operating income (loss) to net cash from operating activities:					
Depreciation	14,426,053	1,675,747	2,111,033	18,212,833	255,432
Provisions for uncollectible accounts	(300,903)	(72,693)	24,440	(349,156)	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	1,140,055	123,101	99,276	1,362,432	-
(Increase) decrease in due from other governments	-	-	48,130	48,130	-
(Increase) decrease in inventories and supplies	103,763	-	30,640	134,403	12,367
(Increase) decrease in prepaids	(1,764,016)	-	33,600	(1,730,416)	(991)
Increase (decrease) in accounts payable	652,992	250,246	64,577	967,815	(301,879)
Increase (decrease) in retainage payable	(17,575)	-	-	(17,575)	-
Increase (decrease) in accrued liabilities	68,722	431,423	4,124	504,269	2,139,995
Increase (decrease) in customer deposits	272,280	-	(896)	271,384	-
Increase (decrease) in unearned revenue	-	-	(11,122)	(11,122)	-
Increase (decrease) in compensated absences	13,972	(314)	(16,259)	(2,601)	(1,179)
Increase (decrease) in OPEB liability	89,412	55,638	51,944	196,994	10,278
Increase (decrease) in pension liability	(1,458,325)	40,938	9,384	(1,408,003)	(579,277)
Net cash provided by (used in) operating activities	\$ 20,989,087	\$ 3,641,264	\$ 6,041,737	\$ 30,672,088	\$ 2,476,700
<b>Noncash investing, capital and financing activities:</b>					
Capital contributions from developers/granting agencies	\$ 6,036,226	\$ -	\$ 2,195,382	\$ 8,231,608	\$ -
<b>Reconciliation of ending cash and cash equivalents to Statement of Net Position:</b>					
Unrestricted cash and cash equivalents - end of year	\$ 20,753,804	\$ 7,130,223	\$ 2,222,326	\$ 30,106,353	\$ 3,536,499
Restricted cash and cash equivalents - end of year	2,956,906	-	-	2,956,906	-
<b>Total cash and cash equivalents - end of year</b>	<b>\$ 23,710,710</b>	<b>\$ 7,130,223</b>	<b>\$ 2,222,326</b>	<b>\$ 33,063,259</b>	<b>\$ 3,536,499</b>

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



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## **Notes to the Basic Financial Statements**



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## City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

### Note 1. Summary of Significant Accounting Policies

#### A. Introduction

The City of Grand Prairie (City) is one of the Mid-Cities in the Dallas-Fort Worth Metroplex, 12 miles west of downtown Dallas, 18 miles east of downtown Fort Worth and six miles south of DFW International Airport. The City was incorporated in 1909, and adopted the Council-Manager form of government in 1948.

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

#### B. Financial Reporting Entity

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

##### Blended Component Units

###### Grand Prairie Crime Control and Prevention District

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

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

## City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

### Discretely Presented Component Units

#### Grand Prairie Sports Facilities Development Corporation

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

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

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

#### Grand Prairie Housing Finance Corporation

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

The HFC's financial information, for its calendar year ended December 31, 2018, is included in the City's financial statements in a separate column alongside the City's. Separate audited financial statements may be obtained by writing Grand Prairie Housing Finance Corporation, Attn: Executive Director, P. O. Box 532758, Grand Prairie, Texas 75053-2758.

### 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.

## City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

### 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 Next Fiscal Year**

The GASB pronouncements effective for fiscal year 2021 are listed as follows:

The GASB issued Statement No. 84, Fiduciary Activities, in January 2017. This statement establishes standards of accounting and financial reporting for fiduciary activities. This standard will become effective for the City in fiscal year 2021. The City has not yet determined the impact of this statement.

The GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes objectives to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and to simplify accounting for interest cost incurred before the end of a construction period. This standard becomes effective for the City in fiscal year 2021. The City has not yet determined the impact of this statement.

### **D. Basis of Presentation**

#### Government-Wide Financial Statements

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

The Statement of Activities reports the change in the City's net position from October 1, 2019 to September 30, 2020. 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.

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

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, 2020, major governmental funds include the following:

#### General Fund

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

#### Section 8 Fund

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

#### Street CIP Fund

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

#### Grants Fund

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

#### Debt Service Fund

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

#### Epic 2 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, 2020, 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.

## City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

### Solid Waste Fund

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

### **Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

### Government-Wide Financial Statements

The government-wide financial statements and the fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets 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.

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

#### Proprietary Funds

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

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

#### Enterprise Funds

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

#### Internal Service Funds

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

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

## **E. 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 2020, the funds receiving allocation of interest earnings were the Grants Fund, Epic 2 CIP Fund, and the Police Seizure Funds. For purposes of the statements of cash flows, the City considers cash on hand, demand deposits, and investments with original maturities of three months or less to be cash equivalents.

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

#### 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.

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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value on the date donated. An item is classified as an asset if the initial, individual cost is \$5,000 or greater. Capital assets of the City are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Assets subject to depreciation are depreciated using the straight-line method.

The estimated useful lives of all depreciable assets are as follows:

Buildings	20 - 40 years
Machinery and Equipment	5 - 15 years
Improvements other than Buildings	20 - 40 years
Infrastructure	20 - 40 years

#### Deferred Outflows/Inflows of Resources

Deferred outflows of resources 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 the following items that qualify for reporting in this category.

- **Deferred charges on debt refunding** – results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- **Pension and OPEB Employer contributions** – contributions made from the measurement date of the plans to the current fiscal year end (January to September). These contributions are deferred and recognized in the subsequent fiscal year.

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

- **Pension and OPEB investment experience** – the difference between projected and actual earnings of plan investments. The difference is deferred and recognized as pension plan expense over a closed five-year period as required by GASB No. 68 and 75.
- **Pension and OPEB assumption changes** – the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members as of the beginning of the measurement period.

Deferred inflows of resources represents an acquisition of net position that 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 the following items that qualify for reporting in this category.

- **Unavailable revenue** – at the governmental fund level, property tax and ambulance receivables recorded but not expected to be collected within 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.
- **Pension and OPEB actuarial experience** – the difference between the expected and actual experience in the actuarial measurement of the total pension and OPEB liability not recognized in the current year. This amount is deferred and amortized over a period of years determined by the plan actuary. The amortization period is based on the estimated average remaining service lives of employees that are provided with a pension or OPEB through the plans (active and inactive employees) for the City determined at the beginning of the measurement date.
- **OPEB assumption changes** – the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members as of the beginning of the measurement period.
- **Pension investment experience** – the difference between projected and actual earnings of plan investments. The difference is deferred and recognized as pension plan expense over a closed five-year period as required by GASB No. 68.

#### Compensated Absences

Employees are granted vacation benefits in varying amounts, depending on tenure with the City. These benefits accumulate pro rata by pay period. Payment for unused vacation will be made upon separation of employment. Fire and police civil service employees who have completed their introductory period are paid up to 90 days sick leave upon separation of employment, excluding indefinite suspensions. The valuation of the civil service sick leave is at current pay rates. The valuation of accrued compensated absences includes salary-related payments such as the City's share of taxes and contributions to the retirement plan in accordance with GASB 16.

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



## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

#### 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 78.

#### 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.

#### 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.

## City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

### Minimum Fund Balance Policy

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

### Net Position

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

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

## F. Budgetary Control

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

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

## Note 2. Detailed Notes

### A. Deposits and Investments

#### Cash and Cash Equivalents

At September 30, 2020, the City reported cash and cash equivalents in the Statement of Net Position as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash	\$ 15,117,508	\$ 2,956,906	\$ 18,074,414
Pooled investments	116,499,052	12,099,512	128,598,564
<b>Total cash and cash equivalents</b>	<b><u>\$ 131,616,560</u></b>	<b><u>\$ 15,056,418</u></b>	<b><u>\$ 146,672,978</u></b>

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 and BNY Mellon	\$ 18,048,158	\$ 19,256,441
Petty Cash	26,256	-
<b>Total cash</b>	<b><u>\$ 18,074,414</u></b>	<b><u>\$ 19,256,441</u></b>

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

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Chapter 2257 Collateral for Public Funds of the Government Code requires that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The above book balance includes monies held in escrow, pushing the book balance above the collateral value. Per Wells Fargo Bank, N.A. and BNY Mellon's contractual obligation to the City, the collateral value held in the City's name at September 30, 2020 was \$9,207,300.

#### Grand Prairie Sports Facilities Development

At September 30, 2020, the carrying amount of the Sports Corporation's deposits included in cash and cash equivalents was \$91,736 while the bank balance of the Sports Corporation's deposits was \$91,736. 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, 2020, including restricted cash, totaled \$2,034,003 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 \$576,342. Restricted cash of \$102,289 (tenant security deposits) represents cash held on deposit by HFC for insurance proceeds received for damages to federally funded assets. The liability is recorded until final disposition of the proceeds is requested by HUD. Other assets include reserves of \$140,275 and bonds held by a trustee of \$1,215,097 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.

- 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.

**City Of Grand Prairie, Texas**  
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September 30, 2020

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

	September 30, 2020	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	\$ 18,074,414	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
TexPool	125,551,866	-	-	-	1	AAAm
Investments measured at net asset value (NAV):						
Investment Pools:						
TexStar	3,046,698	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
US Treasuries	5,162,100	-	5,162,100	-	592	AAA
Municipal bonds	51,733,440	-	51,733,440	-	533	AAA
FAMCA	31,419,030	-	31,419,030	-	582	Not Rated
FFCB	61,016,987	-	61,016,987	-	395	AAA
FHLB	53,651,955	-	53,651,955	-	497	AAA
FHLMC	8,976,951	-	8,976,951	-	289	AAA
FNMA	16,263,230	-	16,263,230	-	365	AAA
<b>Total</b>	<b>\$ 374,896,671</b>	<b>\$ -</b>	<b>\$ 228,223,693</b>	<b>\$ -</b>		

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 (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.

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

#### 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 policies. Authorized investments include obligations of the United States or its agencies and instrumentalities (except for mortgage pass-through securities), repurchase agreements, municipal securities, public funds investment pools, SEC regulated money market mutual funds and collateralized or insured certificates of deposit. The City adheres to the requirements of the Act. Additionally, investment practices of the City are in accordance with local policies.

The investment policies require that repurchase agreements be made pursuant to a master agreement, the collateral is a U. S. Treasury bill, note or bond; the security is held in safekeeping by the City's custodial agent; and the investment is transacted "delivery vs. payment" so that the City's interest in the underlying security is perfected. The City does not invest in reverse repurchase agreements. No City monies were invested in repurchase agreements at September 30, 2020.

#### 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.

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

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 <sup>a</sup>
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 <sup>b</sup>
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 2019-2020 fiscal year.

### Grand Prairie Sports Facilities Development

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

	September 30, 2020	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	\$ 96,165	\$ -	\$ -	\$ -		
Investments measured at amortized cost:						
Investment Pools:						
TexPool	9,019,192	-	-	-	1	AAAm
Investments by fair value level:						
U.S. government agency securities:						
FHLB	2,023,379	-	2,023,379	-	193	AAA
<b>Total</b>	<b>\$ 11,138,736</b>	<b>\$ -</b>	<b>\$ 2,023,379</b>	<b>\$ -</b>		

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, 2020 was \$9,019,192 in the Public Funds Investment Pool (TexPool) and \$1,998,418 in U.S. agency instrumentalities.

**City Of Grand Prairie, Texas**  
Notes to the Basic Financial Statements  
September 30, 2020

**B. Receivables**

At September 30, 2020, receivables, including applicable allowances for uncollectible accounts, consisted of the following:

Governmental Activities	General	Section 8	Grants	Debt Service	Nonmajor Governmental	Internal Service	Total Governmental
Receivables:							
Property taxes	\$ 2,663,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,808,932
Sales taxes	6,301,947	-	-	-	6,294,842	-	12,596,789
Franchise fees	2,393,307	-	-	-	62,212	-	2,455,519
Other	3,752,804	431	190,836	5,517	869,477	991	4,825,573
Total receivables, gross	15,111,999	431	190,836	5,517	7,226,531	991	23,686,813
Less:							
Allowance for uncollectibles	(1,445,447)	-	-	-	-	-	(1,767,397)
Total receivables, net	<u>\$ 13,666,552</u>	<u>\$ 431</u>	<u>\$ 190,836</u>	<u>\$ 5,517</u>	<u>\$ 7,226,531</u>	<u>\$ 991</u>	<u>\$ 21,919,416</u>

Business-Type Activities:	Water Wastewater	Solid Waste	Other Nonmajor	Total Business-Type
Receivables:				
Trade accounts	10,723,180	\$ 1,794,174	\$ 934,467	\$ 13,451,821
Other	-	16,680	-	16,680
Total receivables, gross	10,723,180	1,810,854	934,467	13,468,501
Less:				
Allowance for uncollectibles	(4,867,855)	(1,227,045)	(257,478)	(6,352,378)
<b>Total receivables, net</b>	<u>\$ 5,855,325</u>	<u>\$ 583,809</u>	<u>\$ 676,989</u>	<u>\$ 7,116,123</u>

**C. Restricted Assets**

At September 30, 2020, restricted assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 12,099,512	\$ 2,956,906	\$ 15,056,418
Investments	143,281,679	64,484,427	207,766,106
	<u>\$ 155,381,191</u>	<u>\$ 67,441,333</u>	<u>\$ 222,822,524</u>

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

Assets were restricted for the following purposes:

Purpose	Governmental Activities	Business-Type Activities	
Customer deposits	\$ 38,000	\$ 5,203,046	\$ 5,241,046
Debt service	2,489,225	6,562,083	9,051,308
Capital projects	103,301,790	55,676,204	158,977,994
Support services	-	-	-
Public safety	13,288,354	-	13,288,354
Recreation and leisure	13,713,025	-	13,713,025
Development services	19,879,460	-	19,879,460
Other specific purposes	2,671,337	-	2,671,337
<b>Total restricted assets</b>	<b>\$ 155,381,191</b>	<b>\$ 67,441,333</b>	<b>\$ 222,822,524</b>

#### D. Capital Assets

Capital asset activity for the year ended September 30, 2020 was as follows:

Governmental Activities	Balance October 1, 2019	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2020
Non-depreciable capital assets:				
Land	\$ 46,708,853	\$ 438,654	\$ 10,400	\$ 47,157,907
Construction in progress	168,140,079	51,801,634	(39,782,867)	180,158,846
Total non-depreciable capital assets	214,848,932	52,240,288	(39,772,467)	227,316,753
Depreciable capital assets:				
Buildings	231,755,795	1,153,876	24,110,845	257,020,516
Equipment	126,745,099	4,251,315	(604,432)	130,391,982
Infrastructure	632,995,987	6,437,938	5,407,118	644,841,043
Total depreciable capital assets	991,496,881	11,843,129	28,913,531	1,032,253,541
Less accumulated depreciation for:				
Buildings	(85,788,647)	(8,470,544)	149,359	(94,109,832)
Equipment	(76,396,066)	(10,932,057)	2,950,575	(84,377,548)
Infrastructure	(358,457,028)	(24,478,157)	5,748,139	(377,187,046)
Total accumulated depreciation	(520,641,741)	(43,880,758)	8,848,073	(555,674,426)
Total depreciable capital assets, net	470,855,140	(32,037,629)	37,761,604	476,579,115
<b>Total capital assets, net</b>	<b>\$ 685,704,072</b>	<b>\$ 20,202,659</b>	<b>\$ (2,010,863)</b>	<b>\$ 703,895,868</b>



**City Of Grand Prairie, Texas**  
Notes to the Basic Financial Statements  
September 30, 2020

Business-Type Activities	Balance October 1, 2019	Additions	Transfers/ Disposals/ Reclassification	Balance September 30, 2020
Non-depreciable capital assets:				
Land	\$ 4,831,334	\$ 273,888	\$ -	\$ 5,105,222
Construction in progress	28,648,888	14,076,324	(8,617,469)	34,107,743
Total non-depreciable capital assets	33,480,222	14,350,212	(8,617,469)	39,212,965
Depreciable capital assets:				
Buildings	19,790,824	303,167	(185,004)	19,908,987
Equipment	25,178,492	3,884,146	(954,851)	28,107,787
Infrastructure	387,369,747	177,500	14,134,065	401,681,312
Total depreciable capital assets	432,339,063	4,364,813	12,994,210	449,698,086
Less accumulated depreciation for:				
Buildings	(9,351,323)	(624,844)	185,001	(9,791,166)
Equipment	(12,379,743)	(2,656,431)	982,214	(14,053,960)
Infrastructure	(207,502,728)	(14,931,558)	2,375,448	(220,058,838)
Total accumulated depreciation	(229,233,794)	(18,212,833)	3,542,663	(243,903,964)
Total depreciable capital assets, net	203,105,269	(13,848,020)	16,536,873	205,794,122
<b>Total capital assets, net</b>	<b>\$ 236,585,491</b>	<b>\$ 502,192</b>	<b>\$ 7,919,404</b>	<b>\$ 245,007,087</b>

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

Governmental activities:		Business-type activities:	
Support services	\$ 4,171,389	Water and wastewater	\$ 14,426,053
Public safety services	8,336,730	Solid waste	1,675,747
Recreation and leisure services	8,496,761	Other business-type activities	2,111,033
Development services	22,620,446		
Internal services funds (see note below)	255,432		
<b>Total governmental activities</b>	<b>\$ 43,880,758</b>	<b>Total business-type activities</b>	<b>\$ 18,212,833</b>

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, 2020, a summary of changes in capital assets of the Sports Corporation was as follows:

	Balance October 1, 2019	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance September 30, 2020
Equipment	\$ 310,078	\$ -	\$ -	\$ 310,078
Less accumulated depreciation	(310,078)	-	-	(310,078)
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

At September 30, 2020, a summary of changes in capital assets of the Housing Finance Corporation was as follows:

	Balance January 1, 2020	Additions/ Completions	Transfers/ Disposals/ Reclasses	Balance December 31, 2020
Non-depreciable capital assets:				
Land	\$ 1,612,851	\$ -	\$ -	\$ 1,612,851
Total non-depreciable capital assets	1,612,851	-	-	1,612,851
Depreciable capital assets:				
Buildings	20,885,524	574,091	(373,251)	21,086,364
Less accumulated depreciation	(9,653,405)	(1,006,537)	373,251	(10,286,691)
Total depreciable capital assets, net	11,232,119	(432,446)	-	10,799,673
Housing Finance Corporation assets, net	<u>\$ 12,844,970</u>	<u>\$ (432,446)</u>	<u>\$ -</u>	<u>\$ 12,412,524</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, 2020, 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 Center/Sales Tax Fund for \$3,002,683. 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 2 CIP Fund to begin planning for this project. A portion of the funds loaned remain outstanding at September 30, 2020.

At September 30, 2020, interfund balances existed between the Red Light Safety Fund and the General Fund for \$356,283.

### Cost Reimbursements

The cost of the City's central general and administrative services is allocated to the designated special revenue and enterprise funds. These costs are reported as interfund services provided and used rather than interfund transfers. Interfund services provided and used are arms-length transactions between departments or funds that would be treated as revenues, expenditures or expenses if they were with an external organization. The distinguishing aspect of interfund services provided and used 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.

**City Of Grand Prairie, Texas**  
 Notes to the Basic Financial Statements  
 September 30, 2020

For the year ended September 30, 2020, cost reimbursements were as follows:

Fund	Amount
Water and wastewater funds	\$ 4,305,622
Solid waste funds	449,742
Storm water funds	100,305
Airport fund	76,479
Other nonmajor governmental funds	262,229
<b>Total to general fund</b>	<b>\$ 5,194,377</b>

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, 2020, franchise fees paid to the General Fund were as follows:

Fund	Amount
Water and wastewater funds	\$ 3,085,068
Solid waste funds	386,274
Storm water funds	308,279
<b>Total</b>	<b>\$ 3,779,621</b>

Interfund Transfers

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

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

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

At September 30, 2020, 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 2 CIP Fund
General Fund	\$ -	\$ -	\$ -	\$ 1,017,829	\$ -	\$ -
Section 8 Fund	-	-	-	-	20,833	-
Streets CIP Fund	-	-	-	6,641,426	-	-
Grants Fund	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Nonmajor Governmental Funds	-	-	886,000	886,716	-	3,500,000
Internal Service Funds	-	-	-	-	-	-
Water & Wastewater Fund	-	-	-	497,500	-	-
Solid Waste Fund	-	-	-	-	-	-
Nonmajor Enterprise Funds	-	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 886,000</b>	<b>\$ 9,043,471</b>	<b>\$ 20,833</b>	<b>\$ 3,500,000</b>

Transfers out	Transfers In					
	Nonmajor Governmental Funds	Water Wastewater Fund	Solid Waste Fund	Other Nonmajor Enterprise Funds	Internal Service Fund	Total
General Fund	\$ 14,848,838	\$ 896,000	\$ -	\$ -	\$ -	\$16,762,667
Section 8 Fund	-	-	-	-	-	20,833
Streets CIP Fund	63,000	-	-	-	-	6,704,426
Grants Fund	53,789	3,530	-	-	-	57,319
Debt Service Fund	-	-	-	17,955	-	17,955
Nonmajor Governmental Funds	8,733,108	116,000	-	1,253,678	-	15,375,502
Internal Service Funds	230,219	-	-	-	-	230,219
Water & Wastewater Fund	1,414,308	-	-	-	-	1,911,808
Solid Waste Fund	298,354	-	-	-	-	298,354
Nonmajor Enterprise Funds	4,908,000	-	-	-	-	4,908,000
<b>Total</b>	<b>\$ 30,549,616</b>	<b>\$ 1,015,530</b>	<b>\$ -</b>	<b>\$ 1,271,633</b>	<b>\$ -</b>	<b>\$46,287,083</b>

Significant transfers from Governmental Activities to Business-Type Activities:

- \$896,000 from General Fund to Water and Wastewater Fund for capital projects
- \$100,000 from TIF Fund to Water and Wastewater Fund for Stadium Drive construction work

**City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

Significant transfers from Business-Type Activities to Governmental Activities:

- \$150,000 from Water and Wastewater Fund to IT Acquisition Fund for technology services
- \$1,264,308 from Water and Wastewater Fund to Street Maintenance Fund for payments in lieu of property taxes
- \$497,500 from Water and Wastewater Fund to Grants Fund for project funding
- \$200,000 from Solid Waste Fund to Street Maintenance Fund for capital project funding
- \$98,354 from Solid Waste Fund to Street Maintenance Fund for payments in lieu of property taxes
- \$4,860,000 from Storm Water Utility Fund to Storm Drainage CIP Fund for capital project funding
- \$48,000 from Airport Fund to Capital Lending Reserve for repayment of interfund loan

Other significant transfers made between governmental funds included the following:

- \$6,598,102 from General to Park Venue, along with other sources, for fiscal operations
- \$1,940,000 from General to IT & Equipment Acquisition funds (annual appropriation)
- \$1,017,829 from General to Grants to fund matching requirements related to operating grants
- \$5,304,000 from the General Fund to the Capital Reserve and Capital and Lending Funds for future capital needs and improvements
- \$1,000,000 from the General Fund to the Other CIP Funds for future capital needs and improvements
- \$6,641,426 from the Streets CIP Fund to the Grants Fund to fund the City's portion of federal and state funded projects
- \$1,000,000 from Epic Sales Tax Fund to Epic 2 CIP for capital project funding
- \$3,500,000 from Park Venue to Park Capital Fund for improvements to infrastructure and equipment at city wide parks
- \$200,000 from Lake Parks to Lake Parks CIP for improvements to park amenities
- \$2,500,000 from Capital Reserve and Capital and Lending Funds to EPIC 2 CIP for building improvements & equipment
- \$876,716 from the Park Venue CIP Fund to the Grants Fund to fund the City's portion of federal and state funded projects

**F. Deferred Outflows/Inflows of Resources**

Deferred Inflows of Resources - Unavailable Revenue

The governmental funds report unavailable revenues from the following sources:

	General Fund	Debt Service Fund	Total
Property taxes	\$ 1,928,676	\$ 720,013	\$ 2,648,689
Ambulance	255,727	-	255,727
<b>Total</b>	<b>\$ 2,184,403</b>	<b>\$ 720,013</b>	<b>\$ 2,904,416</b>

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

## City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

### 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, 2020.

	Governmental Activities	Business-Type Activities	Total
Prepaid pipeline lease	\$ 884,131	\$ 124,555	\$ 1,008,686
Prepaid arrangements - Cemetery Fund	1,817,439	-	1,817,439
Unspent grant funds - Texas Water Development Board	-	905,606	905,606
Prepaid rental deposits - Parks	178,789	-	178,789
Park Venue Fund deposits on events to be held	271	-	271
Unspent grant funding	107,380	-	107,380
<b>Total unearned revenue</b>	<b>\$ 2,988,010</b>	<b>\$ 1,030,161</b>	<b>\$ 4,018,171</b>

### 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.

**City Of Grand Prairie, Texas**  
Notes to the Basic Financial Statements  
September 30, 2020

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

	Balance October 1, 2019	Borrowings or Increase	Payments or Decrease	Balance September 30, 2020	Due Within One Year
Primary government:					
Governmental activities:					
General obligation bonds	\$ 60,820,000	\$ 19,475,000	\$ (21,240,000)	\$ 59,055,000	\$ 8,825,000
Combination tax and revenue certificates of obligation	241,865,000	-	(22,560,000)	219,305,000	13,490,000
Tax increment and public district bonds	14,985,000	-	(3,260,000)	11,725,000	2,675,000
Sales tax revenue bonds - Epic	72,715,000	-	(2,195,000)	70,520,000	2,285,000
Sales tax revenue bonds - Crime	15,880,000	-	(5,085,000)	10,795,000	5,550,000
Sales tax revenue bonds - Park Venue	20,525,000	-	(1,990,000)	18,535,000	2,050,000
Issuance premiums/discounts, net	26,528,815	2,734,530	(3,173,725)	26,089,620	-
<b>Total long-term debt</b>	<b>453,318,815</b>	<b>22,209,530</b>	<b>(59,503,725)</b>	<b>416,024,620</b>	<b>34,875,000</b>
Compensated absences	18,363,930	10,992,831	(8,292,304)	21,064,457	9,005,253
Other post-employment benefits liability	55,519,083	8,692,822	(3,524,324)	60,687,581	-
Net pension liability	91,550,173	56,611,033	(89,047,266)	59,113,940	-
Environmental remediation liability	77,037	-	(56,137)	20,900	20,900
Other liabilities	1,300,144	-	(160,777)	1,139,367	160,776
<b>Total governmental activities</b>	<b>620,129,182</b>	<b>98,506,216</b>	<b>(160,584,533)</b>	<b>558,050,865</b>	<b>44,061,929</b>
Business-type activities:					
Certificates of obligation	885,000	-	(160,000)	725,000	170,000
Water and wastewater revenue bonds	53,225,800	4,290,000	(10,360,000)	47,155,800	5,120,000
Obligations under capital leases	-	-	-	-	-
Issuance premiums/discounts, net	3,752,233	262,200	(646,755)	3,367,678	-
<b>Total long-term debt</b>	<b>57,863,033</b>	<b>4,552,200</b>	<b>(11,166,755)</b>	<b>51,248,478</b>	<b>5,290,000</b>
Compensated absences	472,012	371,254	(373,855)	469,411	464,294
Other post-employment benefits liability	5,885,150	694,371	(303,538)	6,275,983	-
Net pension liability	9,616,144	4,522,017	(9,668,076)	4,470,085	-
Closure and post closure liability	8,232,699	416,247	-	8,648,946	-
<b>Total business-type activities</b>	<b>82,069,038</b>	<b>10,556,089</b>	<b>(21,512,224)</b>	<b>71,112,903</b>	<b>5,754,294</b>
<b>Total primary government</b>	<b>\$ 702,198,220</b>	<b>\$ 109,062,305</b>	<b>\$ (182,096,757)</b>	<b>\$ 629,163,768</b>	<b>\$ 49,816,223</b>
Component unit activities:					
Housing Finance Corporation:					
Notes payable/developer loan	\$ 3,540,524	\$ 41,759	\$ (60,613)	\$ 3,521,670	\$ 63,148
Revenue bonds	7,160,000	-	(255,000)	6,905,000	265,000
Subordinate revenue bonds	4,550,000	-	-	4,550,000	-
<b>Total component units</b>	<b>\$ 15,250,524</b>	<b>\$ 41,759</b>	<b>\$ (315,613)</b>	<b>\$ 14,976,670</b>	<b>\$ 328,148</b>

**City Of Grand Prairie, Texas**  
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September 30, 2020

At September 30, 2020, 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 2011	2.0-5.3	2011	2031	\$ 11,550,000	\$ -
Series 2011A	2.0-5.0	2011	2025	30,960,000	-
Series 2012	1.0-2.0	2012	2026	27,400,000	4,120,000
Series 2013	1.5-3.25	2013	2033	10,975,000	3,310,000
Series 2013A	3.0-4.125	2014	2034	2,220,000	1,710,000
Series 2015	1.75-5.0	2016	2027	10,270,000	7,065,000
Series 2016	3.0-5.0	2016	2030	33,810,000	23,375,000
Series 2020	5.00	2020	2031	19,475,000	<u>19,475,000</u>
Total general obligation bonds					59,055,000
Combination tax and revenue certificates of obligation					
Series 2011	2.0-5.3	2011	2031	6,305,000	-
Series 2011A	2.0-4.0	2011	2031	7,430,000	-
Series 2013	2.0-3.25	2013	2033	8,830,000	6,320,000
Series 2013A	2.0-4.125	2014	2034	11,945,000	9,280,000
Series 2014	3.0-5.0	2015	2034	26,125,000	16,940,000
Series 2015	2.0-5.0	2016	2035	27,380,000	22,445,000
Series 2016	2.0-4.0	2016	2036	33,705,000	28,180,000
Series 2017	2.25-5.0	2017	2037	36,515,000	29,915,000
Series 2018	2.0-4.0	2018	2039	40,605,000	38,810,000
Series 2019A	2.0-5.0	2019	2039	34,910,000	33,110,000
Series 2019B	1.5-3.0	2019	2034	34,305,000	<u>34,305,000</u>
Total combination tax and revenue certificates of obligation					219,305,000
Tax increment and public improvement district debt					
Series 2001 TIRZ 1	3-month LIBOR +.31%	2000	2022	17,900,000	3,160,000
Series 2011 TIRZ 1	2.0-5.3	2011	2020	655,000	-
Series 2013 TIRZ 1	2.0-3.25	2013	2020	2,820,000	-
Series 2015 TIRZ 1	1.750-5.0	2016	2027	895,000	-
Series 2015 PID 5	2.0-5.0	2016	2035	640,000	380,000
Series 2016 TIRZ 1	3.0-5.0	2016	2030	3,135,000	1,080,000
Series 2019 PID	1.5-2.5	2019	2026	7,105,000	<u>7,105,000</u>
Total tax increment and public improvement district debt					11,725,000
Sales tax revenue debt					
Series 2008 Crime Control	6mo LIBOR*62.075+1.0	2008	2022	54,800,000	<u>10,795,000</u>
Total Crime Control					10,795,000
Series 2009 Park Venue subordinate	3.77	2009	2027	13,390,000	6,740,000
Series 2013 Park Venue	2.0-4.0	2013	2027	11,060,000	5,860,000
Series 2016 Park Venue	2.0-4.0	2016	2036	6,730,000	<u>5,935,000</u>
Total Park Venue					18,535,000
Sales tax revenue debt					
Series 2015 EPIC	3.721-5.032	2015	2040	74,825,000	<u>70,520,000</u>
Total EPIC					<u>70,520,000</u>
Total general obligation debt					389,935,000
Unamortized bond premiums/discounts					<u>26,089,620</u>
<b>Total long-term debt - governmental activities</b>					<b><u>\$ 416,024,620</u></b>



**City Of Grand Prairie, Texas**  
Notes to the Basic Financial Statements  
September 30, 2020

At September 30, 2020, changes in long-term debt for the City's governmental activities were as follows:

	Balance October 1, 2019	Borrowings or Increase	Payments or Decrease	Balance September 30, 2020	Due Within One Year
<b>General obligation bonds:</b>					
Series 2011	\$ 4,340,000	\$ -	\$ (4,340,000)	\$ -	\$ -
Series 2011A	11,845,000	-	(11,845,000)	-	-
Series 2012	4,745,000	-	(625,000)	4,120,000	645,000
Series 2013	3,770,000	-	(460,000)	3,310,000	310,000
Series 2013A	1,800,000	-	(90,000)	1,710,000	95,000
Series 2015	7,855,000	-	(790,000)	7,065,000	1,050,000
Series 2016	26,465,000	-	(3,090,000)	23,375,000	2,935,000
Series 2020	-	19,475,000	-	19,475,000	3,790,000
<b>Total general obligation bonds</b>	<b>60,820,000</b>	<b>19,475,000</b>	<b>(21,240,000)</b>	<b>59,055,000</b>	<b>8,825,000</b>
<b>Combination tax and revenue certificates of obligation</b>					
Series 2011	4,375,000	-	(4,375,000)	-	-
Series 2011A	5,155,000	-	(5,155,000)	-	-
Series 2013	6,715,000	-	(395,000)	6,320,000	405,000
Series 2013A	9,755,000	-	(475,000)	9,280,000	500,000
Series 2014	18,965,000	-	(2,025,000)	16,940,000	2,125,000
Series 2015	23,745,000	-	(1,300,000)	22,445,000	1,345,000
Series 2016	30,060,000	-	(1,880,000)	28,180,000	1,915,000
Series 2017	33,275,000	-	(3,360,000)	29,915,000	3,500,000
Series 2018	40,605,000	-	(1,795,000)	38,810,000	1,885,000
Series 2019A	34,910,000	-	(1,800,000)	33,110,000	1,815,000
Series 2019B	34,305,000	-	-	34,305,000	-
<b>Total combination tax and revenue certificates of obligation</b>	<b>241,865,000</b>	<b>-</b>	<b>(22,560,000)</b>	<b>219,305,000</b>	<b>13,490,000</b>
<b>Tax increment and public improvement district debt</b>					
Series 2001 TIRZ 1	4,580,000	-	(1,420,000)	3,160,000	1,525,000
Series 2011 TIRZ 1	80,000	-	(80,000)	-	-
Series 2013 TIRZ 1	435,000	-	(435,000)	-	-
Series 2015 TIRZ 1	225,000	-	(225,000)	-	-
Series 2015 PID 5	450,000	-	(70,000)	380,000	70,000
Series 2016 - TIRZ 1	2,110,000	-	(1,030,000)	1,080,000	1,080,000
Series 2019 - PID	7,105,000	-	-	7,105,000	-
<b>Total tax increment and public</b>	<b>14,985,000</b>	<b>-</b>	<b>(3,260,000)</b>	<b>11,725,000</b>	<b>2,675,000</b>
<b>Sales tax revenue debt:</b>					
<b>Crime Control</b>					
Series 2008	15,880,000	-	(5,085,000)	10,795,000	5,550,000
<b>Total Crime Control</b>	<b>15,880,000</b>	<b>-</b>	<b>(5,085,000)</b>	<b>10,795,000</b>	<b>5,550,000</b>
<b>Park Venue</b>					
Series 2009 subordinate	7,770,000	-	(1,030,000)	6,740,000	495,000
Series 2013	6,550,000	-	(690,000)	5,860,000	1,290,000
Series 2016 Park Venue	6,205,000	-	(270,000)	5,935,000	265,000
<b>Total Park Venue</b>	<b>20,525,000</b>	<b>-</b>	<b>(1,990,000)</b>	<b>18,535,000</b>	<b>2,050,000</b>
<b>EPIC</b>					
Series 2015 EPIC	72,715,000	-	(2,195,000)	70,520,000	2,285,000
<b>Total EPIC</b>	<b>72,715,000</b>	<b>-</b>	<b>(2,195,000)</b>	<b>70,520,000</b>	<b>2,285,000</b>
<b>Total change in long term debt</b>	<b>426,790,000</b>	<b>19,475,000</b>	<b>(56,330,000)</b>	<b>389,935,000</b>	<b>34,875,000</b>
Unamortized bond premiums/discounts	26,528,815	2,734,530	(3,173,725)	26,089,620	-
<b>Total change in long-term debt - governmental activities</b>	<b>\$ 453,318,815</b>	<b>\$ 22,209,530</b>	<b>\$ (59,503,725)</b>	<b>\$ 416,024,620</b>	<b>\$ 34,875,000</b>

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

In November 2019, the City issued \$19,475,000 in General Obligation Refunding Bonds, Series 2019. \$21,545,000 was used to advance refund the outstanding Series 2011 and Series 2011A Combination Tax and Revenue Certificates of Obligation bonds; and the Series 2011 and Series 2011A General Obligation Refunding and Improvement bonds, leaving no remaining outstanding principal as of September 30, 2020. As a result, the fully refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. The refunding resulted in a decrease in the City's debt service payments of \$2,195,440, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$1,981,602.

#### Outstanding Bond Debt Defeasement

At September 30, 2020, certain outstanding debt of the city was considered to be defeased. The following table details such outstanding defeased debt:

Type of Obligation	Defeased Debt Outstanding
General obligation refunding bonds	\$ 200,000
<b>Total debt defeasement</b>	<b>\$ 200,000</b>

At September 30, 2020, 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
2021	\$ 8,825,000	\$ 2,430,163	\$ 11,255,163	\$ 13,490,000	\$ 8,042,674	\$ 21,532,674
2022	8,590,000	2,047,500	10,637,500	15,700,000	7,469,970	23,169,970
2023	7,410,000	1,706,175	9,116,175	16,005,000	6,865,388	22,870,388
2024	7,095,000	1,400,075	8,495,075	16,605,000	6,272,196	22,877,196
2025	6,185,000	1,111,644	7,296,644	10,915,000	5,761,131	16,676,131
2026	5,880,000	840,119	6,720,119	10,940,000	5,350,819	16,290,819
2027	5,390,000	575,088	5,965,088	11,255,000	4,935,028	16,190,028
2028	3,005,000	370,363	3,375,363	11,695,000	4,496,556	16,191,556
2029	2,960,000	226,513	3,186,513	12,145,000	4,043,891	16,188,891
2030	1,560,000	122,603	1,682,603	12,605,000	3,579,866	16,184,866
2031	1,240,000	61,757	1,301,757	13,080,000	3,110,569	16,190,569
2032	375,000	26,856	401,856	13,550,000	2,640,573	16,190,573
2033	385,000	13,306	398,306	14,045,000	2,142,557	16,187,557
2034	155,000	3,197	158,197	13,990,000	1,611,028	15,601,028
2035	-	-	-	9,595,000	1,145,806	10,740,806
2036	-	-	-	8,065,000	786,300	8,851,300
2037	-	-	-	6,045,000	504,100	6,549,100
2038	-	-	-	4,695,000	289,300	4,984,300
2039	-	-	-	4,885,000	97,700	4,982,700
	<u>\$ 59,055,000</u>	<u>\$ 10,935,359</u>	<u>\$ 69,990,359</u>	<u>\$ 219,305,000</u>	<u>\$ 69,145,452</u>	<u>\$ 288,450,452</u>

**City Of Grand Prairie, Texas**  
Notes to the Basic Financial Statements  
September 30, 2020

Fiscal Year	Tax and Tax Increment Bonds (TIFs)			Sales Tax Revenue Bonds-Crime Control		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 2,675,000	\$ 553,378	\$ 3,228,378	\$ 5,550,000	\$ 1,641,740	\$ 7,191,740
2022	2,170,000	282,912	2,452,912	5,245,000	797,677	6,042,677
2023	540,000	148,333	688,333	-	-	-
2024	555,000	136,834	691,834	-	-	-
2025	565,000	123,450	688,450	-	-	-
2026	5,220,000	58,203	5,278,203	-	-	-
	<u>\$ 11,725,000</u>	<u>\$ 1,303,110</u>	<u>\$ 13,028,110</u>	<u>\$ 10,795,000</u>	<u>\$ 2,439,417</u>	<u>\$ 13,234,417</u>

Fiscal Year	Sales Tax Revenue Bonds-Park Venue			Sales Tax Revenue Bonds-EPIC		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 2,050,000	\$ 496,968	\$ 2,546,968	\$ 2,285,000	\$ 3,177,362	\$ 5,462,362
2022	2,120,000	448,418	2,568,418	2,375,000	3,084,162	5,459,162
2023	2,190,000	401,203	2,591,203	2,475,000	2,987,162	5,462,162
2024	2,270,000	341,118	2,611,118	2,575,000	2,886,162	5,461,162
2025	2,360,000	275,203	2,635,203	2,680,000	2,781,062	5,461,062
2026	2,450,000	213,493	2,663,493	2,785,000	2,675,647	5,460,647
2027	1,170,000	166,038	1,336,038	2,895,000	2,567,509	5,462,509
2028	370,000	142,438	512,438	3,010,000	2,449,919	5,459,919
2029	385,000	127,338	512,338	3,140,000	2,323,165	5,463,165
2030	400,000	111,638	511,638	3,275,000	2,187,743	5,462,743
2031	420,000	95,238	515,238	3,425,000	2,035,914	5,460,914
2032	435,000	78,138	513,138	3,590,000	1,868,185	5,458,185
2033	455,000	60,338	515,338	3,770,000	1,692,208	5,462,208
2034	470,000	43,600	513,600	3,955,000	1,507,503	5,462,503
2035	485,000	28,081	513,081	4,145,000	1,313,832	5,458,832
2036	505,000	10,100	515,100	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>\$ 18,535,000</u>	<u>\$ 3,039,350</u>	<u>\$ 21,574,350</u>	<u>\$ 70,520,000</u>	<u>\$ 38,696,372</u>	<u>\$ 109,216,372</u>

**City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

Fiscal Year	Total		
	Principal	Interest	Total
2021	\$ 34,875,000	\$ 16,342,285	\$ 51,217,285
2022	36,200,000	14,130,639	50,330,639
2023	28,620,000	12,108,261	40,728,261
2024	29,100,000	11,036,385	40,136,385
2025	22,705,000	10,052,490	32,757,490
2026	27,275,000	9,138,281	36,413,281
2027	20,710,000	8,243,663	28,953,663
2028	18,080,000	7,459,276	25,539,276
2029	18,630,000	6,720,907	25,350,907
2030	17,840,000	6,001,850	23,841,850
2031	18,165,000	5,303,478	23,468,478
2032	17,950,000	4,613,752	22,563,752
2033	18,655,000	3,908,409	22,563,409
2034	18,570,000	3,165,328	21,735,328
2035	14,225,000	2,487,719	16,712,719
2036	12,925,000	1,901,553	14,826,553
2037	10,625,000	1,384,448	12,009,448
2038	9,510,000	933,270	10,443,270
2039	9,950,000	493,089	10,443,089
2040	5,325,000	133,977	5,458,977
	<u>\$ 389,935,000</u>	<u>\$ 125,559,060</u>	<u>\$ 515,494,060</u>

## City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

### 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, 2020, long-term debt for the City's business-type activities consisted of the following:

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
Water and wastewater:					
Revenue bonds					
Series 2010	0.0-2.587	2010	2030	\$ 4,995,000	\$ 2,870,000
Series 2011	2.0-4.25	2011	2031	8,940,000	1,380,000
Series 2011A	2.0-5.0	2011	2031	11,020,000	-
Series 2013	2.0-4.0	2013	2026	14,045,000	7,570,000
Series 2014	0.0-1.990	2014	2030	4,000,000	2,560,000
Series 2015	2.25-4.0	2015	2027	4,155,000	3,090,000
Series 2016	2.0-5.0	2016	2036	17,625,000	15,180,000
Series 2017	0.0-0.8	2017	2030	5,110,000	3,940,000
Series 2017A	2.0-4.0	2017	2036	2,755,000	2,705,000
Series 2019	0.0-0.49	2019	2039	3,730,800	3,570,800
Series 2020	5.00	2020	2031	4,290,000	4,290,000
Total bonds payable - water wastewater					47,155,800
Unamortized bond premiums/discounts					3,367,678
Total long-term debt - water wastewater					50,523,478
Municipal airport:					
Certificates of obligation bonds					
Series 2004A	2.25-5.0	2004	2024	2,120,000	725,000
<b>Total long-term debt - business-type activities</b>					<b>\$ 51,248,478</b>

**City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

At September 30, 2020, changes in long-term debt for the City's business-type activities were as follows:

	Balance October 1, 2019	Borrowings or Increase	Payments or Decrease	Balance September 30, 2020	Due Within One Year
Water and wastewater:					
Revenue bonds					
Series 2010	\$ 3,110,000	\$ -	\$ (240,000)	\$ 2,870,000	\$ 250,000
Series 2011	1,965,000	-	(585,000)	1,380,000	610,000
Series 2011A	5,905,000	-	(5,905,000)	-	-
Series 2013	8,890,000	-	(1,320,000)	7,570,000	1,360,000
Series 2014	2,800,000	-	(240,000)	2,560,000	240,000
Series 2015	3,475,000	-	(385,000)	3,090,000	390,000
Series 2016	16,265,000	-	(1,085,000)	15,180,000	1,110,000
Series 2017	4,330,000	-	(390,000)	3,940,000	390,000
Series 2017A	2,755,000	-	(50,000)	2,705,000	55,000
Series 2019	3,730,800	-	(160,000)	3,570,800	160,000
Series 2019	-	4,290,000	-	4,290,000	555,000
Total revenue bonds	53,225,800	4,290,000	(10,360,000)	47,155,800	5,120,000
Bond premiums/discounts	3,752,233	262,200	(646,755)	3,367,678	-
Total water and wastewater	56,978,033	4,552,200	(11,006,755)	50,523,478	5,120,000
Municipal airport:					
Certificate of obligation					
Series 2004A	885,000	-	(160,000)	725,000	170,000
Total municipal airport	885,000	-	(160,000)	725,000	170,000
<b>Total change in long-term debt - business-type activities</b>	<b>\$57,863,033</b>	<b>\$4,552,200</b>	<b>\$(11,166,755)</b>	<b>\$ 51,248,478</b>	<b>\$5,290,000</b>

In April 2020, the City issued \$4,290,000 in Water and Wastewater System Revenue Refunding Bonds, Series 2020. \$5,125,000 was used to advance refund the outstanding Series 2011A Water and Wastewater System Revenue Refunding and Improvement Bonds leaving no remaining outstanding principal as of September 30, 2020. As a result, the fully refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. The refunding resulted in a decrease in the City's debt service payments of \$670,409, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$309,360.

**City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

At September 30, 2020, 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
2021	\$ 5,120,000	\$ 1,388,655	\$ 6,508,655
2022	5,295,000	1,214,044	6,509,044
2023	5,445,000	1,061,202	6,506,202
2024	5,620,000	882,439	6,502,439
2025	5,140,000	703,150	5,843,150
2026	4,145,000	545,598	4,690,598
2027	3,900,000	409,031	4,309,031
2028	2,315,000	313,748	2,628,748
2029	2,380,000	247,088	2,627,088
2030	2,055,000	185,141	2,240,141
2031	1,090,000	137,278	1,227,278
2032	850,000	103,280	953,280
2033	880,000	74,736	954,736
2034	610,000	50,912	660,912
2035	630,000	32,016	662,016
2036	650,000	12,256	662,256
2037	160,000	1,832	161,832
2038	160,000	1,144	161,144
2039	710,800	392	711,192
<b>Total</b>	<b>\$ 47,155,800</b>	<b>\$ 7,363,942</b>	<b>\$ 54,519,742</b>

At September 30, 2020, 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
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
<b>Total</b>	<b>\$ 725,000</b>	<b>\$ 74,455</b>	<b>\$ 799,455</b>

**City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

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.

At September 30, 2020, compliance with these covenants can be demonstrated as follows:

System revenue <sup>(1)</sup>	\$ 82,440,094	
Operating expenses:		
Water purchased	17,194,531	
Sewage disposal contract	17,699,189	
Other operating expenses	<u>23,494,317</u>	
Total expenses <sup>(2)</sup>	<u>58,388,037</u>	
<b>Net revenue (available for debt service)</b>	<b><u>\$ 24,052,057</u></b>	
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2020	\$ 3,089,544	
Coverage of average annual requirements based on September 30, 2020 revenue available for debt service	7.78	

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

(2) Excludes depreciation expense.



## City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

### 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, 2011, semi-annual retirements of the Bonds began and continues through January 1, 2034. The bonds are non-recourse liabilities collateralized solely by the land and construction in progress, less the accrued interest.

A summary of long-term debt activity during the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Note payable	\$ 2,114,992	\$ -	\$ (60,613)	\$ 2,054,379	\$ 63,148
Revenue bonds	7,160,000	-	(255,000)	6,905,000	265,000
Subordinate bonds	4,550,000	-	-	4,550,000	-
Developer loan	1,425,532	41,759	-	1,467,291	-
<b>Total</b>	<b>\$ 15,250,524</b>	<b>\$ 41,759</b>	<b>\$ (315,613)</b>	<b>\$ 14,976,670</b>	<b>\$ 328,148</b>

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
2020	\$ 63,148	\$ 86,109	\$ 265,000	\$ 529,837
2021	65,885	83,372	295,000	508,981
2022	68,740	80,517	315,000	485,731
2023	71,719	77,538	340,000	460,738
2024	74,824	74,429	370,000	434,000
2025-2029	425,682	320,602	2,335,000	1,681,944
2030-2034	526,271	220,013	2,985,000	604,306
2035-2039	650,629	95,655	-	-
2040	107,481	1,889	-	-
<b>Total</b>	<b>\$ 2,054,379</b>	<b>\$ 1,040,124</b>	<b>\$ 6,905,000</b>	<b>\$ 4,705,537</b>

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

### Leases

#### 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.

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

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:

Year	Amount
2021	\$ 1,756,920
2022	1,888,689
2023	1,932,612
2024	1,932,612
2025	1,932,612
Thereafter	3,124,389
	<u>12,567,834</u>
Less interest	2,840,830
	<u>9,727,004</u>
Net present value	9,727,004
Less current portion	1,025,364
	<u>8,701,640</u>
<b>Non-current portion</b>	<b>\$ 8,701,640</b>

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

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

The lease has been accounted for as a 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, 2020 was \$4,305,040. Additional contingent rentals are recorded as revenue when received.

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

The capital lease is being amortized using the interest method over the 30-year life of the lease. The Corporation has recorded lease rental and interest for the year ended September 30, 2020 as follows:

Nominal interest on the lease	\$ 1,759,320
Amortization of the lease	<u>(1,025,364)</u>
Net interest	733,956
Contingent rentals received (includes rent for simulcast facility prior to completion of project)	<u>125,745</u>
Total lease rental and interest	<u>\$ 859,701</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 \$8,648,946 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 49.69% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and post closure care of \$8,943,097 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.

#### Environmental Remediation Obligations

The City has recorded a liability and an asset related to environmental remediation in the amount of \$20,900, 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.

- The City owns the building and is responsible for the asbestos abatement of the Copeland home located at 125 SW Dallas Street.

**City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

Environmental remediation liability activity in fiscal year 2020 was as follows:

Property Description	Beginning Balance 9/30/2019	Additions	Reductions	Ending Balance 9/30/2020	Current Portion
Copeland Home Asbestos Abatement	\$ 20,900	\$ -	\$ -	\$ 20,900	\$ 20,900
Service Center	13,742	-	(13,742)	-	-
Development Center Abatement	42,395	-	(42,395)	-	-
Total	\$ 77,037	\$ -	\$ (56,137)	\$ 20,900	\$ 20,900

**Other Liabilities**

Sales Tax Payback

During fiscal year 2008, the Texas Comptroller of Public Accounts notified the City of an error in sales tax payments made to the City. The error was the result of a local business reporting and paying taxes incorrectly to the State Comptroller over several years. The overpayment by the business resulted in an overpayment to the City for \$2,386,466. In 2012, a liability for this amount was recorded by the City and is repaid from future sales tax revenue over a period of thirteen years. As of September 30, 2020, the liability equaled \$1,139,367.

**I. Risk Management**

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

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

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

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

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

**City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

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, 2020 actuarial report was \$4,321,886.

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, 2020 were \$1,961,897.

At September 30, 2020, 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
2020	\$ 4,145,960	\$ 19,807,058	\$ 17,669,235	\$ 6,283,783
2019	3,971,327	15,449,741	15,275,108	4,145,960
2018	3,861,819	16,301,886	16,192,378	3,971,327

**J. Defined Benefit Pension Plan**

Plan Description

The City participates as one of 888 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 that can be obtained at [www.tmr.com](http://www.tmr.com).

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

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

#### 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

Additional information related to the TMRS Plan is located in the TMRS Comprehensive Annual Financial Report.

#### Employees Covered by Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	824
Inactive employees entitled to but not yet receiving benefits	643
Active employees	<u>1,386</u>
<b>Total</b>	<u><u>2,853</u></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 16.30% and 16.09% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$17,153,461, and were equal to the required contributions.

#### Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

#### Actuarial Assumptions

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary Increases	3.0% to 11.50% per year including inflation
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 Tables with Blue Collar Adjustment, 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 three-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.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal Actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.54%
Private Equity	5.0%	7.75%
<b>Total</b>	<b>100.0%</b>	

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

#### Discount Rate

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

#### Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balance at December 31, 2018	\$ 587,394,541	\$ 486,228,225	\$ 101,166,316
Changes for the year:			
Service cost	17,424,628	-	17,424,628
Interest	39,278,509	-	39,278,509
Change of benefit terms	-	-	-
Difference between expected and actual experience	2,850,261	-	2,850,261
Changes in assumptions	1,142,147	-	1,142,147
Contributions - employer	-	16,638,630	(16,638,630)
Contributions - employee	-	6,905,686	(6,905,686)
Net investment income	-	75,171,025	(75,171,025)
Benefit payments*	(28,406,023)	(28,406,023)	-
Administrative expense	-	(424,746)	424,746
Other changes	-	(12,759)	12,759
Net changes	32,289,522	69,871,813	(37,582,291)
Balance at December 31, 2019	<u>\$ 619,684,063</u>	<u>\$ 556,100,038</u>	<u>\$ 63,584,025</u>

\* Includes refunds of employee contributions

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
1% Decrease	Current Single Rate	1% Increase
\$ 151,726,229	\$ 63,584,025	\$ (8,768,674)

#### 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.tms.com](http://www.tms.com).



**City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

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

For the year ended September 30, 2020, the city recognized pension expense of \$19,217,668.

At September 30, 2020, 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]	\$ 3,241,408	\$ (1,510,796)
Difference in assumptions	925,824	
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	-	(17,012,110)
Employer's contributions to the pension plan subsequent to the measurement date	12,453,895	-
	<u>\$ 16,621,127</u>	<u>\$ (18,522,906)</u>

The \$12,453,895 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, 2021. 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
2020	\$ (4,169,174)
2021	(4,247,429)
2022	1,823,672
2023	(7,810,082)
2024	47,339
Total	<u>\$ (14,355,674)</u>

**K. Other Postemployment Benefits (OPEB)**

**Plan Description**

Supplemental Death Benefits

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

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

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

#### Retiree Health Benefits

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

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

TMRS Retirement / Plan option may include:

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

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

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

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

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

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

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

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

**City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

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

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

Employees Covered by Benefit Terms

For retiree health insurance at the September 30, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	167
Active employees	1,328
	<hr/>
<b>Total</b>	<b>1,495</b>
	<hr/> <hr/>

For TMRS supplemental death at the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	627
Inactive employees entitled to but not yet receiving benefits	125
Active employees	1,386
	<hr/>
<b>Total</b>	<b>2,138</b>
	<hr/> <hr/>

Contributions

For retiree health insurance, retirees and their spouses currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums.

Monthly retiree contribution rates are as follows:

Retiree 2018 Monthly Health Care Premiums (Employee Pays Portion)

	Monthly Health Care Premium
	<hr/>
Over 65 Retiree (Grandfathered by age)	
Employee only	\$ 241
Employee plus spouse	238

Total OPEB Liability

The City of Grand Prairie retiree health insurance total OPEB liability of \$62,543,756 was measured as of September 30, 2020, and was determined by an actuarial valuation as of that date.

The City of Grand Prairie TMRS supplemental death total OPEB liability of \$4,419,807 measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

#### Actuarial Assumptions

The retiree health insurance total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50%
Discount Rate	2.41%
Mortality rates - retirees	RP-2014 Combined Table projected using MP-2019

The discount rate was selected by City of Grand Prairie based on the Bond Buyer 20-Bond General Obligation Index to reflect yields on long-term municipal bonds as of the measurement date.

The TMRS supplemental death total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Discount Rate	2.75%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The discount rate was based on the Fidelity index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

**City Of Grand Prairie, Texas**  
Notes to the Basic Financial Statements  
September 30, 2020

Change in OPEB Liability Retiree Health Insurance	Total OPEB Liability
Balance at September 30, 2019	\$ 57,183,450
Changes for the year:	
Service cost	2,196,598
Interest	2,214,000
Difference between expected and actual experience	(1,525,154)
Changes in assumptions	3,977,244
Benefit payments*	(1,502,382)
Net changes	5,360,306
Balance at September 30, 2020	\$ 62,543,756
Change in OPEB Liability TMRS Supplemental Death	Total OPEB Liability
Balance at December 31, 2018	\$ 4,220,784
Changes for the year:	
Service cost	147,917
Interest	158,603
Difference between expected and actual experience	(760,883)
Changes in assumptions	692,831
Benefit payments*	(39,444)
Net changes	199,024
Balance at December 31, 2019	\$ 4,419,808

\*Due to the Plan being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City's retiree health insurance calculated using the discount rate of 3.83%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.83%) or 1 percentage point higher (4.83%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
1% Decrease	Current Discount Rate	1% Increase
\$ 68,016,956	\$ 62,543,756	\$ 55,575,295

**City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

The following presents the total OPEB liability of the City's TMRS supplemental plan calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current discount rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate		
Current		
1% Decrease	Discount Rate	1% Increase
\$ 5,342,149	\$ 4,419,808	\$ 3,702,234

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the City's retiree health insurance, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Rate		
Current		
1% Decrease	Discount Rate	1% Increase
\$ 54,304,846	\$ 62,543,756	\$ 69,883,962

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

For the year ended September 30, 2020, the City recognized total OPEB expense of \$2,841,498 which included \$2,454,262 related to Retiree Health Insurance and \$387,236 related to TMRS Supplemental Death.

At September 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following resources:

Retiree Health Insurance

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ -	\$ 2,877,504
Difference in assumptions	3,314,370	981,366
Difference in projected and actual earnings on OPEB plan investments	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	-	-
	<u>\$ 3,314,370</u>	<u>\$ 3,858,870</u>

**City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

TMRS Supplemental Death

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Difference in expected and actual experience	\$ -	\$ 222,026
Difference in assumptions	566,036	-
Difference in projected and actual earnings on OPEB plan investments	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	29,303	
	<u>\$ 595,339</u>	<u>\$ 222,026</u>

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$29,303 will be recognized as a reduction of the total OPEB liability in the City's financial statements September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

Retiree Health Insurance

Measurement Period Ended September 31,	Net deferred outflows (inflows) of resources
<u>                    </u>	<u>                    </u>
2021	\$ (453,955)
2022	(453,955)
2023	(453,955)
2024	408,682
2024	408,683
<b>Total</b>	<u>\$ (544,500)</u>

TMRS Supplemental Death

Measurement Year Ended December 31,	Net deferred outflows (inflows) of resources
<u>                    </u>	<u>                    </u>
2020	\$ 81,600
2021	81,600
2022	81,600
2023	74,522
2024	31,432
Thereafter	(6,744)
<b>Total</b>	<u>\$ 344,010</u>

**City Of Grand Prairie, Texas**  
**Notes to the Basic Financial Statements**  
**September 30, 2020**

**L. Fund Balance**

At September 30, 2020, fund balances were classified as follows:

	General	Section 8	Streets CIP	Grants	Debt Service	Epic 2 CIP	Nonmajor Governmental Funds	Total
Fund balances								
Nonspendable:								
Inventory and prepaids	\$ 35,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,876	\$ 71,220
Spendable:								
Restricted for:								
Employee Welfare	114,302	-	-	-	-	-	-	114,302
Library Memorials	42,952	-	-	-	-	-	-	42,952
At Risk Youths	38,337	-	-	-	-	-	-	38,337
Greg Hunter Scholarships	62,040	-	-	-	-	-	-	62,040
State Training (Fire)	882	-	-	-	-	-	-	882
Prairie Paws Adoptions	263,733	-	-	-	-	-	-	263,733
Section 8	-	3,183,285	-	-	-	-	-	3,183,285
Street Improvements	-	-	5,825,575	-	-	-	-	5,825,575
Grants	-	-	-	7,265,027	-	-	-	7,265,027
Debt Service	-	-	-	-	2,489,226	-	-	2,489,226
Epic 2 CIP & Epic Central	-	-	-	-	-	29,000,000	2,294,049	31,294,049
Park Venue	-	-	-	-	-	-	5,423,721	5,423,721
Streets	20,873	-	-	-	-	-	3,870,063	3,890,936
Crime	-	-	-	-	-	-	9,783,904	9,783,904
Hotel Motel	-	-	-	-	-	-	916,715	916,715
Police Seizure	-	-	-	-	-	-	381,833	381,833
Municipal Court	-	-	-	-	-	-	288,598	288,598
Red Light Safety	-	-	-	-	-	-	2,019,236	2,019,236
Lake Parks	-	-	-	-	-	-	3,021,939	3,021,939
Public Improvement Districts	-	-	-	-	-	-	4,497,148	4,497,148
Tax Increment Financing	-	-	-	-	-	-	18,790,004	18,790,004
Other special revenue	-	-	-	-	-	-	278,398	278,398
Park Venue Capital Projects	-	-	-	-	-	-	2,553,836	2,553,836
Fire Capital Projects	-	-	-	-	-	-	2,931,267	2,931,267
Municipal Facilities Capital Projects	-	-	-	-	-	-	1,629,556	1,629,556
Other Capital Projects	-	-	-	-	-	-	935,087	935,087
Total restricted	543,119	3,183,285	5,825,575	7,265,027	2,489,226	29,000,000	59,615,354	107,921,586
Committed to:								
Epic 2 CIP	-	-	-	-	-	8,693,951	-	8,693,951
Street Improvements	-	-	9,951,996	-	-	-	-	9,951,996
Park Venue	-	-	-	-	-	-	1,816,440	1,816,440
Cable Operations	-	-	-	-	-	-	660,032	660,032
Verizon Theatre	-	-	-	-	-	-	2,249,165	2,249,165
Cemetery	-	-	-	-	-	-	3,475,813	3,475,813
Fire Capital Projects	-	-	-	-	-	-	3,236,220	3,236,220
Municipal Facilities Capital Projects	-	-	-	-	-	-	7,227,846	7,227,846
Drainage Capital Projects	-	-	-	-	-	-	12,446,024	12,446,024
Police Capital Projects	-	-	-	-	-	-	708,041	708,041
Other Capital Projects	-	-	-	-	-	-	6,214,940	6,214,940
Capital Lending/Reserve	-	-	-	-	-	-	9,371,869	9,371,869
Total committed	-	-	9,951,996	-	-	8,693,951	47,406,390	66,052,337
Assigned to:								
Post-Pandemic One-Time Costs	9,100,000	-	-	-	-	-	-	9,100,000
Home Match Cash	608,954	-	-	-	-	-	-	608,954
KGPB Commissions	1,299	-	-	-	-	-	-	1,299
Youth Scholarship Fund	3,771	-	-	-	-	-	-	3,771
Police Memorials	6,984	-	-	-	-	-	-	6,984
State Training (Police)	17,136	-	-	-	-	-	-	17,136
Fire- State Supplemental Funds	2,272,678	-	-	-	-	-	-	2,272,678
Hall of Fame Trust Fund	14,158	-	-	-	-	-	-	14,158
First Offender Program	19,449	-	-	-	-	-	-	19,449
Kirby Creek Accessibility Garden	26,913	-	-	-	-	-	-	26,913
US Marshals Service Agreement	235,388	-	-	-	-	-	-	235,388
GPPD Boxing Program	17,494	-	-	-	-	-	-	17,494
GPPD Explorer Program	13,925	-	-	-	-	-	-	13,925
GPPD Mounted Patrol	558	-	-	-	-	-	-	558
Total assigned	12,338,707	-	-	-	-	-	-	12,338,707
Unassigned	47,731,260	-	-	-	-	-	-	47,731,260
<b>Total fund balances</b>	<b>\$60,648,430</b>	<b>\$3,183,285</b>	<b>\$15,777,571</b>	<b>\$7,265,027</b>	<b>\$2,489,226</b>	<b>\$37,693,951</b>	<b>\$107,057,620</b>	<b>\$234,115,110</b>



## City Of Grand Prairie, Texas

Notes to the Basic Financial Statements

September 30, 2020

### **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 30-year contract with the City of Dallas, which expires in 2042, for the purchase of water. Grand Prairie currently takes up to 33.8 million gallons a day (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 30-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 20-year term, allows the City to purchase up to 2.5 MGD maximum flow unless otherwise agreed to in writing. As of September 30, 2020, no water has been purchased through this contract.

#### Wastewater Treatment Contracts

The City has a 50 year contract with TRA, which will expire in 2023, for wastewater treatment. The City is billed for its prorated share of total wastewater costs, which was 20.5% during fiscal year 2020. The City must pay its prorated share of the debt service related to wastewater treatment facilities until the debt matures whether it contributes to flow or not.

## City Of Grand Prairie, Texas

### Notes to the Basic Financial Statements

September 30, 2020

#### 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, 2020, the City paid \$40,368 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, 2020. The City's total committed but unexpended expenditures for such authorized capital projects at year-end approximates \$85,569,753. 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, 2020

**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, 2020, the Municipal Airport Fund had outstanding revenue-backed certificates of obligations. Segment information for this Fund is as follows:

	Municipal Airport
Condensed statement of net position:	
Current assets	\$ 798,634
Capital assets	16,508,555
Deferred outflows of resources	34,666
Total assets and deferred outflows of resources	17,341,855
Current liabilities	527,369
Long-term liabilities	870,668
Deferred inflows of resources	42,911
Total liabilities and deferred inflows of resources	1,440,948
Net position: Net investment in capital assets	15,783,555
Net position: Unrestricted	117,352
<b>Total net position</b>	<b>\$ 15,900,907</b>
Condensed statement of revenues, expenses and changes in net position:	
Sales to customers	\$ 1,205,500
Intergovernmental revenue	96,306
Miscellaneous	701,148
Total operating revenues	2,002,954
Depreciation	882,286
Other operating expenses	1,613,772
Total operating expenses	2,496,058
Interest expense	(38,760)
Total nonoperating revenues (expenses)	(38,760)
Loss before transfers	(531,864)
Transfers in	621,633
Transfers out	(48,000)
Change in net position	41,769
Net position at the beginning of the year	15,859,138
<b>Net position at the end of the year</b>	<b>\$ 15,900,907</b>
Condensed statement of cash flows:	
Net cash provided (used) by:	
Operating activities	466,933
Noncapital financing activities	573,633
Capital and related financing activities	(1,677,202)
Investing activities	-
Beginning cash and cash equivalent balances	983,907
<b>Ending cash and cash equivalent balances</b>	<b>\$ 347,271</b>

## **City Of Grand Prairie, Texas**

Notes to the Basic Financial Statements

September 30, 2020

### **O. Tax Abatements and Economic Incentive Agreements**

The City has incentive agreements with companies which may refund or rebate certain amounts of taxes based on performance indicators. These agreements are governed by Chapter 312 of the Texas Local Government Code. Recipients may be eligible based on their impact to the City's economy, as usually measured by job creation. Agreements may also contain recapture or 'clawback' provisions in the event of non-performance of the agreement standards. The City's Management Services division reviews the performance of the companies under these agreements for their compliance with stated standards. As of the 2019 certified roll (used for 2020 fiscal year) the City's abatement agreements with three companies resulted in \$5,584,790 in appraised values, totaling \$57,518 in taxes abated on the 2019 certified tax roll (used for the 2020 fiscal year).

### **P. Subsequent Events**

In February 2021, the City issued \$23,215,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2021. Proceeds from the sale are expected to be used to acquire, construct, improve, and equip facilities; and construct street improvements.

The City has evaluated all other events or transactions that occurred after September 30, 2020 up through March 11, 2021, the date the financial statements were available to be issued.

## **Required Supplementary Information**

**City of Grand Prairie, Texas**

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – General Fund

For the Year Ended September 30, 2020

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
<b>REVENUES</b>				
Property tax	\$ 71,142,843	\$ 71,142,843	\$ 69,856,384	\$ (1,286,459)
Sales tax	33,341,635	33,341,635	34,938,179	1,596,544
Other taxes	305,220	305,220	255,906	(49,314)
Franchise fees	14,245,455	14,245,455	13,903,806	(341,649)
Charges for goods and services	5,674,580	5,674,580	4,978,448	(696,132)
Licenses and permits	3,108,845	3,108,845	2,981,599	(127,246)
Fines and forfeitures	7,442,640	7,442,640	5,758,341	(1,684,299)
Intergovernmental revenue	2,532,905	2,532,905	11,918,632	9,385,727
General and administrative	5,194,377	5,194,377	5,194,377	-
Rents and royalties	101,150	101,150	334,055	232,905
Investment income	3,251,670	3,251,670	7,833,606	4,581,936
Contributions	4,585	4,585	57,674	53,089
Other	800,325	800,325	1,533,059	732,734
Total revenues	147,146,230	147,146,230	159,544,066	12,397,836
<b>EXPENDITURES</b>				
Support services	27,484,726	25,323,832	22,783,021	2,540,811
Public safety services	88,965,948	90,534,783	88,318,340	2,216,443
Recreation and leisure services	2,945,875	2,993,412	2,802,857	190,555
Development and other services	14,563,156	14,650,514	13,263,283	1,387,231
Capital outlay	950,000	1,208,010	1,261,630	(53,620)
Debt service:				
Interest expense	3,925	3,925	-	3,925
Total expenditures	134,913,630	134,714,476	128,429,131	6,285,345
Excess (deficiency) of revenues over (under) expenditures	12,232,600	12,431,754	31,114,935	18,683,181
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	50,000	-	(50,000)
Transfers out	(20,554,704)	(20,554,704)	(16,762,667)	3,792,037
Proceeds from sale of capital assets	1,036,890	1,036,890	1,115,891	79,001
Total other financing sources (uses)	(19,517,814)	(19,467,814)	(15,646,776)	3,821,038
Net change in fund balances	(7,285,214)	(7,036,060)	15,468,159	22,504,219
Fund balance - beginning of year	45,180,271	45,180,271	45,180,271	-
<b>Fund balances - end of year</b>	<b>\$ 37,895,057</b>	<b>\$ 38,144,211</b>	<b>\$ 60,648,430</b>	<b>\$ 22,504,219</b>

**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, 2020

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
<b>REVENUES</b>				
Charges for goods and service	\$ 6,909,192	\$ 6,909,192	\$ 6,466,819	\$ (442,373)
Licenses and permits	343,576	343,576	286,411	(57,165)
Intergovernmental revenue	27,664,115	27,664,115	37,308,327	9,644,212
Other	75,000	75,000	78,046	3,046
Total revenues	34,991,883	34,991,883	44,139,603	9,147,720
<b>EXPENDITURES</b>				
Development services and other	9,552,340	9,552,340	41,638,764	(32,086,424)
Capital outlay	-	-	80,055	(80,055)
Total expenditures	9,552,340	9,552,340	41,718,819	(32,166,479)
Excess (deficiency) of revenues over (under) expenditures	25,439,543	25,439,543	2,420,784	(23,018,759)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(50,000)	(50,000)	(20,833)	29,167
Proceeds from sale of capital assets	-	-	10,700	10,700
Total other financing sources (uses)	(50,000)	(50,000)	(10,133)	39,867
Net change in fund balances	25,389,543	25,389,543	2,410,651	(22,978,892)
Fund balance - beginning of year	772,634	772,634	772,634	-
<b>Fund balances - end of year</b>	<b>\$ 26,162,177</b>	<b>\$ 26,162,177</b>	<b>\$ 3,183,285</b>	<b>\$ (22,978,892)</b>

**City of Grand Prairie, Texas**

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

	Year Ended September 30, 2020	Year Ended September 30, 2019
Total OPEB liability		
Service cost	\$ 2,196,598	\$ 2,115,571
Interest	2,214,000	2,162,740
Difference between expected and actual experience	(1,525,154)	-
Change in assumptions	3,977,244	-
Benefit payments	(1,502,382)	(2,895,397)
Net changes	5,360,306	1,382,914
Total OPEB liability - beginning	57,183,450	55,800,536
Total OPEB liability - ending	<u>\$ 62,543,756</u>	<u>\$ 57,183,450</u>
Covered payroll	<u>\$ 93,333,982</u>	<u>\$ 88,677,027</u>
Total OPEB liability as a percentage of covered payroll	67.01%	64.49%

**Notes to schedule:**

Valuation Date: September 30, 2020

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.50%
Discount Rate	2.41%
Retirees' share of benefit-related cost	\$0
Mortality rates - retirees	RP-2014 Combined Table projected using MP-2019

**Note:** The City implemented GASB 75 in FY 2018; 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 Postemployment Benefits –  
 Texas Municipal Retirement System  
 Last Three Years

	Measurement Period December 31, 2019	Measurement Period December 31, 2018
Total OPEB liability		
Service cost	\$ 147,917	\$ 149,994
Interest	158,603	122,449
Difference between expected and actual experience	(760,883)	600,432
Change in assumptions	692,831	(257,696)
Benefit payments	(39,444)	(37,499)
Net changes	199,024	577,680
Total OPEB liability - beginning	4,220,784	3,643,104
<b>Total OPEB liability - ending</b>	<b>\$ 4,419,808</b>	<b>\$ 4,220,784</b>
Covered payroll	<b>\$ 98,611,365</b>	<b>\$ 93,746,412</b>
Total OPEB liability as a percentage of covered payroll	4.48%	4.50%

**Notes to schedule:**

Valuation Date: December 31, 2019

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Discount Rate	2.75%
Retirees' share of benefit-related cost	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality rates - service retirees

2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality rates - disabled retirees

2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for

**Note:** The City implemented GASB 75 in FY 2018; 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 Contributions –  
 Texas Municipal Retirement System  
 Last Seven Years

	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contributions	\$ 12,564,308	\$12,624,823	\$12,870,593	\$14,209,636	\$14,427,366	\$15,114,190	\$16,638,630
Contributions in relation to the actuarially determined contribution	(12,564,308)	(12,624,823)	(12,870,593)	(14,209,636)	(14,427,366)	(15,114,190)	(16,638,630)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 71,874,373	\$75,773,968	\$79,933,264	\$87,729,762	\$92,501,160	\$97,088,542	\$98,611,365
Contributions as a percentage of covered payroll	17.48%	16.66%	16.10%	16.20%	15.60%	15.57%	16.87%

**Notes to the Schedule of Contributions**

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	26 years
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other information**

Notes There were no benefit changes during the year.

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

# City Of Grand Prairie, Texas

## Required Supplementary Information

### Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System Last Six Fiscal Years

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
<b>Total pension liability</b>						
Service Cost	\$ 11,158,122	\$ 13,141,028	\$ 14,199,234	\$ 15,171,279	\$ 16,602,489	\$ 17,424,628
Interest (on the Total Pension Liability)	31,213,003	32,633,468	33,350,744	35,239,052	37,557,203	39,278,509
Changes of benefit terms	-	-	-	-	4,761,778	-
Difference between expected and actual experience	(2,414,327)	1,187,598	565,461	1,775,160	(2,432,011)	2,850,261
Changes of assumptions	-	596,665	-	-	-	1,142,147
Benefit payments <sup>1</sup>	(20,404,488)	(20,907,275)	(19,483,058)	(21,770,002)	(24,869,802)	(28,406,023)
Net change in total pension liability	19,552,310	26,651,484	28,632,381	30,415,489	31,619,657	32,289,522
Total pension liability - beginning	450,523,220	470,075,530	496,727,014	525,359,395	555,774,884	587,394,541
Total pension liability - ending (a)	470,075,530	496,727,014	525,359,395	555,774,884	587,394,541	619,684,063
<b>Plan fiduciary net position</b>						
Contributions - employer	12,810,193	13,141,016	12,990,875	14,427,366	15,114,190	16,638,630
Contributions - employee	5,156,977	5,596,768	5,806,017	6,292,394	6,565,122	6,905,686
Net investment income	22,838,073	618,807	28,210,612	61,623,079	(15,122,712)	75,171,025
Benefit payments <sup>1</sup>	(20,404,488)	(20,907,275)	(19,483,058)	(21,770,002)	(24,869,801)	(28,406,022)
Administrative Expense	(238,441)	(376,914)	(318,599)	(319,350)	(292,270)	(424,746)
Other	(19,604)	(18,616)	(17,165)	(16,184)	(15,270)	(12,759)
Net change in plan fiduciary net position	20,142,710	(1,946,214)	27,188,682	60,237,303	(18,620,741)	69,871,814
Plan fiduciary net position - beginning	399,226,484	419,369,194	417,422,980	444,611,662	504,848,965	486,228,224
Plan fiduciary net position - ending (b)	419,369,194	417,422,980	444,611,662	504,848,965	486,228,224	556,100,038
<b>Net pension liability (a) - (b)</b>	<b>\$ 50,706,336</b>	<b>\$ 79,304,034</b>	<b>\$ 80,747,733</b>	<b>\$ 50,925,919</b>	<b>\$ 101,166,317</b>	<b>\$ 63,584,025</b>
Plan fiduciary net position as a percentage of the total pension liability (b) / (a)	89.21%	84.03%	84.63%	90.84%	82.78%	89.74%
Covered payroll	\$ 73,471,045	\$ 87,729,762	\$ 82,939,452	\$ 88,720,932	\$ 93,746,412	\$ 98,611,365
Net pension liability as a percentage of covered payroll	69.02%	90.40%	97.36%	57.40%	107.91%	64.48%

As of December 31

<sup>1</sup> 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 five years.

## **City Of Grand Prairie, Texas**

Required Supplementary Information

Notes to the Required Supplementary Information

### **A. Budget Law and Practice**

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

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

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

### **B. Budgetary Control**

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

## **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, 2020

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
<b>REVENUES</b>				
Property tax	\$ 33,018,320	\$ 33,018,320	\$ 32,768,034	\$ (250,286)
Total revenues	33,018,320	33,018,320	32,768,034	(250,286)
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	23,245,000	23,245,000	23,255,000	(10,000)
Interest	12,459,355	12,459,355	10,986,624	1,472,731
Total expenditures	35,704,355	35,704,355	34,241,624	1,462,731
Excess (deficiency) of revenues over (under) expenditures	(2,686,035)	(2,686,035)	(1,473,590)	1,212,445
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000	50,000	20,833	(29,167)
Transfers out	-	-	(17,955)	(17,955)
Premium on debt issued	-	-	2,734,530	2,734,530
Refunding bonds issued	-	-	19,475,000	19,475,000
Payments for refunded debt	-	-	(21,984,352)	(21,984,352)
Total other financing sources	50,000	50,000	228,056	178,056
Net change in fund balances	(2,636,035)	(2,636,035)	(1,245,534)	1,390,501
Fund balances - beginning of year	3,734,760	3,734,760	3,734,760	-
<b>Fund balances - end of the year</b>	<b>\$ 1,098,725</b>	<b>1,098,725</b>	<b>\$ 2,489,226</b>	<b>\$ 1,390,501</b>

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

**Special Revenue Funds**

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

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



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

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

Budget to Actual Comparisons

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

**Capital Projects Funds**

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

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

**City of Grand Prairie, Texas**  
Combining Balance Sheets  
Nonmajor Governmental Funds  
September 30, 2020

	<b>Special Revenue</b>				
	<b>Park Venue Sales Tax</b>	<b>Streets Sales Tax</b>	<b>Crime Sales Tax</b>	<b>Epic Center Sales Tax Fund</b>	<b>Hotel Motel Tax</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,830,317	\$ 2,287,784	\$ 930,170	\$ 3,906,773	\$ 503,966
Investments	2,638,165	1,000,000	7,700,000	-	300,000
Sales tax receivable	1,575,487	1,575,487	1,568,381	1,575,487	-
Franchise fees receivable	-	-	-	-	-
Other receivables	29,392	-	-	48,784	152,515
Due from other funds	-	-	-	-	-
Inventory	16,403	-	-	12,040	-
<b>Total assets</b>	<b>8,089,764</b>	<b>4,863,271</b>	<b>10,198,551</b>	<b>5,543,084</b>	<b>956,481</b>
<b>LIABILITIES</b>					
Accounts payable	351,100	993,208	145,707	157,910	15,741
Retainage payable	-	-	-	-	-
Accrued liabilities	271,311	-	268,940	76,131	24,025
Customer deposits	32,000	-	-	-	-
Due to other funds	-	-	-	3,002,683	-
Unearned revenue	178,789	-	-	271	-
<b>Total liabilities</b>	<b>833,200</b>	<b>993,208</b>	<b>414,647</b>	<b>3,236,995</b>	<b>39,766</b>
<b>FUND BALANCES</b>					
Nonspendable	16,403	-	-	12,040	-
Restricted	5,423,721	3,870,063	9,783,904	2,294,049	916,715
Committed	1,816,440	-	-	-	-
<b>Total fund balances</b>	<b>7,256,564</b>	<b>3,870,063</b>	<b>9,783,904</b>	<b>2,306,089</b>	<b>916,715</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 8,089,764</b>	<b>\$ 4,863,271</b>	<b>\$ 10,198,551</b>	<b>\$ 5,543,084</b>	<b>\$ 956,481</b>

**Special Revenue**

<b>Police Seizure</b>	<b>Municipal Court</b>	<b>Cable Operations</b>	<b>Red Light Safety</b>	<b>Lake Parks</b>	<b>Cemetery</b>	<b>PID</b>	<b>Tax Increment Financing Districts</b>
\$ 412,656	\$ 201,989	\$ 190,369	\$ 267,744	\$ 1,758,802	\$ 4,224,508	\$ 4,788,660	\$18,790,004
-	100,000	420,803	1,600,000	1,410,523	700,000	-	-
-	-	-	-	-	-	-	-
-	-	62,212	-	-	-	-	-
15,537	-	-	2,567	1,954	421,656	34,765	-
-	-	-	356,283	-	-	-	-
-	-	-	-	7,433	-	-	-
428,193	301,989	673,384	2,226,594	3,178,712	5,346,164	4,823,425	18,790,004
20,977	7,104	4,136	136,054	69,765	33,267	326,277	-
-	-	-	-	-	-	-	-
25,383	6,287	9,216	71,304	79,575	19,645	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,817,439	-	-
46,360	13,391	13,352	207,358	149,340	1,870,351	326,277	-
-	-	-	-	7,433	-	-	-
381,833	288,598	-	2,019,236	3,021,939	-	4,497,148	18,790,004
-	-	660,032	-	-	3,475,813	-	-
381,833	288,598	660,032	2,019,236	3,029,372	3,475,813	4,497,148	18,790,004
<u>\$ 428,193</u>	<u>\$ 301,989</u>	<u>\$ 673,384</u>	<u>\$ 2,226,594</u>	<u>\$ 3,178,712</u>	<u>\$ 5,346,164</u>	<u>\$ 4,823,425</u>	<u>\$18,790,004</u>

*Continued*

**City of Grand Prairie, Texas**  
Combining Balance Sheets  
Nonmajor Governmental Funds  
September 30, 2020

	<b>Special Revenue</b>				
	<b>Verizon Theatre</b>	<b>Commercial Vehicle Enforcement</b>	<b>Juvenile Case Manager</b>	<b>Truancy Prevention Diversion</b>	<b>Judicial Efficiency</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 80,106	\$ 81,300	\$ 1,944	\$ 135,582	\$ 67,268
Investments	2,105,000	-	-	-	-
Sales tax receivable	-	-	-	-	-
Franchise fees receivable	-	-	-	-	-
Other receivables	64,059	-	-	-	-
Due from other funds	-	-	-	-	-
Inventory	-	-	-	-	-
<b>Total assets</b>	<b>2,249,165</b>	<b>81,300</b>	<b>1,944</b>	<b>135,582</b>	<b>67,268</b>
<b>LIABILITIES</b>					
Accounts payable	-	433	1,944	-	96
Retainage payable	-	-	-	-	-
Accrued liabilities	-	-	-	5,223	-
Customer deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>433</b>	<b>1,944</b>	<b>5,223</b>	<b>96</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	80,867	-	130,359	67,172
Committed	2,249,165	-	-	-	-
<b>Total fund balances</b>	<b>2,249,165</b>	<b>80,867</b>	<b>-</b>	<b>130,359</b>	<b>67,172</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$2,249,165</b>	<b>\$ 81,300</b>	<b>\$ 1,944</b>	<b>\$ 135,582</b>	<b>\$ 67,268</b>

**Capital Projects**

<b>Park Venue CIP</b>	<b>Fire CIP</b>	<b>Municipal Facilities CIP</b>	<b>Drainage CIP</b>	<b>Police CIP</b>	<b>Other CIP</b>	<b>Capital Lending/ Reserve</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 709,946	\$ 351,226	\$ 1,580,941	\$ 765,367	\$708,041	\$7,139,360	\$ 1,656,183	\$ 55,371,006
2,500,000	6,500,000	9,256,181	12,500,000	-	300,000	5,000,000	54,030,672
-	-	-	-	-	-	-	6,294,842
-	-	-	-	-	-	-	62,212
-	-	-	-	-	779	97,469	869,477
-	-	-	-	-	-	3,093,636	3,449,919
-	-	-	-	-	-	-	35,876
<b>3,209,946</b>	<b>6,851,226</b>	<b>10,837,122</b>	<b>13,265,367</b>	<b>708,041</b>	<b>7,440,139</b>	<b>9,847,288</b>	<b>120,114,004</b>
485,087	563,554	1,686,502	758,581	-	281,956	163,250	6,202,649
80,070	120,185	293,218	60,762	-	8,156	-	562,391
-	-	-	-	-	-	-	857,040
-	-	-	-	-	-	-	32,000
90,953	-	-	-	-	-	-	3,093,636
-	-	-	-	-	-	312,169	2,308,668
<b>656,110</b>	<b>683,739</b>	<b>1,979,720</b>	<b>819,343</b>	<b>-</b>	<b>290,112</b>	<b>475,419</b>	<b>13,056,384</b>
-	-	-	-	-	-	-	35,876
2,553,836	2,931,267	1,629,556	-	-	935,087	-	59,615,354
-	3,236,220	7,227,846	12,446,024	708,041	6,214,940	9,371,869	47,406,390
<b>2,553,836</b>	<b>6,167,487</b>	<b>8,857,402</b>	<b>12,446,024</b>	<b>708,041</b>	<b>7,150,027</b>	<b>9,371,869</b>	<b>107,057,620</b>
<b>\$ 3,209,946</b>	<b>\$ 6,851,226</b>	<b>\$10,837,122</b>	<b>\$13,265,367</b>	<b>\$708,041</b>	<b>\$7,440,139</b>	<b>\$ 9,847,288</b>	<b>\$ 120,114,004</b>

*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, 2020

	<b>Special Revenue</b>				
	<b>Park Venue Sales Tax</b>	<b>Streets Sales Tax</b>	<b>Crime Sales Tax</b>	<b>Epic Center Sales Tax Fund</b>	<b>Hotel Motel Tax</b>
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	8,936,324	8,936,324	8,900,464	8,936,324	-
Other taxes	-	-	-	-	1,538,585
Charges for goods and services	1,351,900	-	-	1,155,200	3,302
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	197,199	-	-
Rents and royalties	409,197	-	-	-	-
Investment income	-	-	-	-	-
Contributions	235,646	-	-	85,575	-
Other	-	-	-	-	832
<b>Total revenues</b>	<b>10,933,067</b>	<b>8,936,324</b>	<b>9,097,663</b>	<b>10,177,099</b>	<b>1,542,719</b>
<b>EXPENDITURES</b>					
Current operations:					
Support services	-	-	-	-	-
Public safety services	-	-	5,513,427	-	-
Recreation and leisure services	11,649,461	-	-	3,939,956	1,318,897
Development services and other	-	3,854,440	-	-	-
Capital outlay	119,629	5,087,999	1,279,103	-	-
Debt service:					
Principal retirement	990,000	-	5,085,000	2,195,000	-
Interest charges	757,891	-	700,082	3,266,962	-
<b>Total expenditures</b>	<b>13,516,981</b>	<b>8,942,439</b>	<b>12,577,612</b>	<b>9,401,918</b>	<b>1,318,897</b>
Excess (deficiency) of revenues over (under) expenditures	(2,583,914)	(6,115)	(3,479,949)	775,181	223,822
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	6,714,391	1,562,662	6,737	-	-
Transfers out	(4,368,047)	-	(200,000)	(1,400,000)	(71,500)
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,346,344</b>	<b>1,562,662</b>	<b>(193,263)</b>	<b>(1,400,000)</b>	<b>(71,500)</b>
Net change in fund balances	(237,570)	1,556,547	(3,673,212)	(624,819)	152,322
Fund balances - beginning of year	7,494,134	2,313,516	13,457,116	2,930,908	764,393
<b>Fund balances - end of year</b>	<b>\$ 7,256,564</b>	<b>\$ 3,870,063</b>	<b>\$ 9,783,904</b>	<b>\$ 2,306,089</b>	<b>\$ 916,715</b>

**Special Revenue**

<b>Police Seizure</b>	<b>Municipal Court</b>	<b>Cable Operations</b>	<b>Red Light Safety</b>	<b>Lake Parks</b>	<b>Cemetery</b>	<b>PID</b>	<b>Tax Increment Financing Districts</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,671,070
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,060,438	1,554,654	4,935,918	-
-	-	-	-	189,415	-	-	-
-	234,177	-	-	-	-	-	-
260,607	-	-	-	140	-	-	-
-	-	-	-	1,417,694	-	-	-
9,011	-	-	-	-	-	-	-
-	-	-	-	34,090	-	5,206	-
17,400	-	261,715	153,075	43,913	203	22,910	-
287,018	234,177	261,715	153,075	4,745,690	1,554,857	4,964,034	12,671,070
-	-	256,649	-	-	-	-	3,346,437
404,255	330,454	-	460,338	-	-	-	-
-	-	-	-	3,523,275	854,862	-	-
-	-	-	-	-	-	3,557,157	-
67,983	9,361	-	305,308	385,019	90,335	510,784	2,627,031
-	-	-	-	-	-	70,000	1,770,000
-	-	-	-	750	-	15,900	86,277
472,238	339,815	256,649	765,646	3,909,044	945,197	4,153,841	7,829,745
(185,220)	(105,638)	5,066	(612,571)	836,646	609,660	810,193	4,841,325
-	-	-	-	9,000	-	226,265	-
-	-	-	-	(200,000)	-	(16,000)	(1,155,000)
-	-	-	-	26,671	20,000	-	-
-	-	-	-	(164,329)	20,000	210,265	(1,155,000)
(185,220)	(105,638)	5,066	(612,571)	672,317	629,660	1,020,458	3,686,325
567,053	394,236	654,966	2,631,807	2,357,055	2,846,153	3,476,690	15,103,679
<u>\$ 381,833</u>	<u>\$ 288,598</u>	<u>\$ 660,032</u>	<u>\$ 2,019,236</u>	<u>\$ 3,029,372</u>	<u>\$ 3,475,813</u>	<u>\$ 4,497,148</u>	<u>\$ 18,790,004</u>

*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, 2020

	<b>Special Revenue</b>				
	<b>Verizon Theatre</b>	<b>Commercial Vehicle Enforcement</b>	<b>Juvenile Case Manager</b>	<b>Truancy Prevention Diversion</b>	<b>Judicial Efficiency</b>
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Charges for goods and services	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	67,285	84,980	80,543	13,730
Intergovernmental	-	-	-	-	-
Rents and royalties	1,254,086	-	-	-	-
Investment income	-	-	-	-	-
Contributions	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>1,254,086</b>	<b>67,285</b>	<b>84,980</b>	<b>80,543</b>	<b>13,730</b>
<b>EXPENDITURES</b>					
Current operations:					
Support services	-	-	-	-	-
Public safety services	-	25,737	331	220,590	9,459
Recreation and leisure services	-	-	-	-	-
Development services and other	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	1,420,000	-	-	-	-
Interest charges	75,639	-	-	-	-
<b>Total expenditures</b>	<b>1,495,639</b>	<b>25,737</b>	<b>331</b>	<b>220,590</b>	<b>9,459</b>
Excess (deficiency) of revenues over (under) expenditures	(241,553)	41,548	84,649	(140,047)	4,271
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	84,971	-
Transfers out	-	-	(84,971)	-	-
Proceeds from sale of capital assets	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(84,971)</b>	<b>84,971</b>	<b>-</b>
Net change in fund balances	(241,553)	41,548	(322)	(55,076)	4,271
Fund balances - beginning of year	2,490,718	39,319	322	185,435	62,901
<b>Fund balances - end of year</b>	<b>\$ 2,249,165</b>	<b>\$ 80,867</b>	<b>\$ -</b>	<b>\$ 130,359</b>	<b>\$ 67,172</b>



**Capital Projects**

<b>Park Venue CIP</b>	<b>Fire CIP</b>	<b>Municipal Facilities CIP</b>	<b>Drainage CIP</b>	<b>Police CIP</b>	<b>Other CIP</b>	<b>Capital Lending/ Reserve</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,671,070
-	-	-	-	-	-	-	35,709,436
-	-	-	-	-	-	-	1,538,585
-	-	-	-	-	-	-	12,061,412
-	6,029	-	-	-	-	24,013	219,457
-	-	-	-	-	-	-	480,715
-	-	-	-	-	-	-	457,946
-	-	-	-	-	-	269,490	3,350,467
-	-	-	-	-	-	-	9,011
-	-	-	-	-	-	-	360,517
-	-	-	-	-	13,300	-	513,348
-	6,029	-	-	-	13,300	293,503	67,371,964
-	-	-	-	-	-	-	3,603,086
-	111,452	-	-	2,100	-	-	7,078,143
721,308	-	-	-	-	19,943	-	22,027,702
-	-	1,358,660	481,134	-	677,252	470,484	10,399,127
3,907,671	5,292,518	14,979,363	5,368,680	-	2,189,145	904,589	43,124,518
-	-	-	-	-	-	-	11,530,000
-	-	-	-	-	-	-	4,903,501
4,628,979	5,403,970	16,338,023	5,849,814	2,100	2,886,340	1,375,073	102,666,077
(4,628,979)	(5,397,941)	(16,338,023)	(5,849,814)	(2,100)	(2,873,040)	(1,081,570)	(35,294,113)
4,050,000	6,552	3,300,000	5,029,000	-	3,808,038	5,752,000	30,549,616
(876,716)	-	-	-	-	-	(7,003,268)	(15,375,502)
-	-	-	-	-	-	-	46,671
3,173,284	6,552	3,300,000	5,029,000	-	3,808,038	(1,251,268)	15,220,785
(1,455,695)	(5,391,389)	(13,038,023)	(820,814)	(2,100)	934,998	(2,332,838)	(20,073,328)
4,009,531	11,558,876	21,895,425	13,266,838	710,141	6,215,029	11,704,707	127,130,948
<u>\$ 2,553,836</u>	<u>\$ 6,167,487</u>	<u>\$ 8,857,402</u>	<u>\$ 12,446,024</u>	<u>\$ 708,041</u>	<u>\$ 7,150,027</u>	<u>\$ 9,371,869</u>	<u>\$ 107,057,620</u>

*Concluded*

**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, 2020

	<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>
<b>REVENUES</b>				
Sales tax	\$ 8,503,963	\$ 8,503,963	\$ 8,900,464	\$ 396,501
Intergovernmental revenue	399,395	399,395	197,199	(202,196)
Total revenues	8,903,358	8,903,358	9,097,663	194,305
<b>EXPENDITURES</b>				
Current operations:				
Public safety services	6,571,843	6,615,862	5,513,427	1,102,435
Capital outlay	107,345	109,075	1,279,103	(1,170,028)
Debt service:				
Principal retirement	5,085,000	5,085,000	5,085,000	-
Interest charges	700,082	700,082	700,082	-
Total expenditures	12,464,270	12,510,019	12,577,612	(67,593)
Excess (deficiency) of revenues over (under) expenditures	(3,560,912)	(3,606,661)	(3,479,949)	126,712
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	6,737	6,737
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	(193,263)	6,737
Net change in fund balances	(3,760,912)	(3,806,661)	(3,673,212)	133,449
Fund balances - beginning of year	13,457,116	13,457,116	13,457,116	-
<b>Fund balances - end of year</b>	<b>\$ 9,696,204</b>	<b>\$ 9,650,455</b>	<b>\$ 9,783,904</b>	<b>\$ 133,449</b>

**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, 2020

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
<b>REVENUES</b>				
Sales tax	\$ 8,503,963	\$ 8,503,963	\$ 8,936,324	\$ 432,361
Charges for goods and services	4,082,500	2,882,500	1,155,200	(1,727,300)
Contributions	150,000	150,000	85,575	(64,425)
Total revenues	12,736,463	11,536,463	10,177,099	(1,359,364)
<b>EXPENDITURES</b>				
Current operations:				
Recreation and Leisure Services	5,185,658	5,177,658	3,939,956	1,237,702
Debt service:				
Principal retirement	2,195,000	2,195,000	2,195,000	-
Interest charges	3,267,912	3,267,912	3,266,962	950
Total expenditures	10,648,570	10,640,570	9,401,918	1,238,652
Excess (deficiency) of revenues over (under) expenditures	2,087,893	895,893	775,181	(120,712)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,400,000)	(1,400,000)	(1,400,000)	-
Total other financing sources (uses)	(1,400,000)	(1,400,000)	(1,400,000)	-
Net change in fund balances	687,893	(504,107)	(624,819)	(120,712)
Fund balances - beginning of year	2,930,908	2,930,908	2,930,908	-
<b>Fund balances - end of year</b>	<b>\$ 3,618,801</b>	<b>\$ 2,426,801</b>	<b>\$ 2,306,089</b>	<b>\$ (120,712)</b>

**City of Grand Prairie, Texas**

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget To Actual – Hotel/Motel Sales Tax Fund

For the Year Ended September 30, 2020

	<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>
<b>REVENUES</b>				
Other taxes	\$ 2,450,000	\$ 2,450,000	\$ 1,538,585	\$ (911,415)
Charges for goods and services	5,300	5,300	3,302	(1,998)
Other	7,500	7,500	832	(6,668)
Total revenues	2,462,800	2,462,800	1,542,719	(920,081)
<b>EXPENDITURES</b>				
Current operations:				
Recreation and leisure services	2,393,204	2,393,204	1,318,897	1,074,307
Total expenditures	2,393,204	2,393,204	1,318,897	1,074,307
Excess (deficiency) of revenues over (under) expenditures	69,596	69,596	223,822	154,226
<b>OTHER FINANCING USES</b>				
Transfers out	(291,500)	(291,500)	(71,500)	220,000
Total other financing uses	(291,500)	(291,500)	(71,500)	220,000
Net change in fund balances	(221,904)	(221,904)	152,322	374,226
Fund balances - beginning of year	764,393	764,393	764,393	-
<b>Fund balances - end of year</b>	<b>\$ 542,489</b>	<b>\$ 542,489</b>	<b>\$ 916,715</b>	<b>\$ 374,226</b>

**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, 2020

	<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>
<b>REVENUES</b>				
Fines and forfeitures	\$ 382,845	\$ 382,845	\$ 234,177	\$ (148,668)
Total revenues	382,845	382,845	234,177	(148,668)
<b>EXPENDITURES</b>				
Current operations:				
Public safety	384,238	403,618	330,454	73,164
Capital outlay	-	-	9,361	(9,361)
Total expenditures	384,238	403,618	339,815	63,803
Excess (deficiency) of revenues over (under) expenditures	(1,393)	(20,773)	(105,638)	(84,865)
Fund balances - beginning of year	394,236	394,236	394,236	-
<b>Fund balances - end of year</b>	<u>\$ 392,843</u>	<u>\$ 373,463</u>	<u>\$ 288,598</u>	<u>\$ (84,865)</u>

**City of Grand Prairie, Texas**

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget to Actual – Cable Operations Fund

For the Year Ended September 30, 2020

	<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>
<b>REVENUES</b>				
Other	\$ 275,530	\$ 275,530	\$ 261,715	\$ (13,815)
Total revenues	275,530	275,530	261,715	(13,815)
<b>EXPENDITURES</b>				
Current operations:				
Support services	325,370	325,370	256,649	68,721
Total expenditures	325,370	325,370	256,649	68,721
Excess (deficiency) of revenues over (under) expenditures	(49,840)	(49,840)	5,066	54,906
Fund balances - beginning of year	654,966	654,966	654,966	-
<b>Fund balances - end of year</b>	<u>\$ 605,126</u>	<u>\$ 605,126</u>	<u>\$ 660,032</u>	<u>\$ 54,906</u>

**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, 2020

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget-Favorable (Unfavorable)
<b>REVENUES</b>				
Other	\$ -	\$ -	\$ 153,075	\$ 153,075
Total revenues	-	-	153,075	153,075
<b>EXPENDITURES</b>				
Current operations:				
Public safety	-	-	460,338	(460,338)
Capital outlay	-	-	305,308	(305,308)
Total expenditures	-	-	765,646	(765,646)
Excess (deficiency) of revenues over (under) expenditures	-	-	(612,571)	(612,571)
Fund balances - beginning of year	2,631,807	2,631,807	2,631,807	-
<b>Fund balances - end of year</b>	<b>\$ 2,631,807</b>	<b>\$ 2,631,807</b>	<b>\$ 2,019,236</b>	<b>\$ (612,571)</b>

**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, 2020

	<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>
<b>REVENUES</b>				
Charges for goods and services	\$ 3,463,500	\$ 3,463,500	\$ 3,060,438	\$ (403,062)
Licenses and permits	175,000	175,000	189,415	14,415
Intergovernmental	-	-	140	140
Rents and royalties	1,447,000	1,447,000	1,417,694	(29,306)
Contributions	35,000	35,000	34,090	(910)
Other	36,500	36,500	43,913	7,413
Total revenue	5,157,000	5,157,000	4,745,690	(411,310)
<b>EXPENDITURES</b>				
Current operations:				
Recreation and leisure services	4,279,356	4,130,863	3,523,275	607,588
Capital outlay	451,000	434,500	385,019	49,481
Debt service:				
Interest charges	185,000	185,000	750	184,250
Total expenditures	4,915,356	4,750,363	3,909,044	841,319
Excess (deficiency) of revenues over (under) expenditures	241,644	406,637	836,646	430,009
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	9,000	9,000	9,000	-
Transfers out	(200,000)	(200,000)	(200,000)	-
Proceeds from sale of capital assets	-	-	26,671	26,671
Total other financing sources (uses)	(191,000)	(191,000)	(164,329)	26,671
Excess (deficiency) of revenues over (under) expenditures	50,644	215,637	672,317	456,680
Fund balances - beginning of year	2,357,055	2,357,055	2,357,055	-
<b>Fund balances - end of year</b>	<b>\$ 2,407,699</b>	<b>\$ 2,572,692</b>	<b>\$ 3,029,372</b>	<b>\$ 456,680</b>



**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, 2020

	<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>
<b>REVENUES</b>				
Charges for goods and services	\$ 1,188,700	\$ 1,188,700	\$ 1,554,654	\$ 365,954
Other	1,000	1,000	203	(797)
Total revenues	1,189,700	1,189,700	1,554,857	365,157
<b>EXPENDITURES</b>				
Current operations:				
Recreation and leisure services	851,614	900,929	854,862	46,067
Capital outlay	100,000	90,335	90,335	-
Total expenditures	951,614	991,264	945,197	46,067
Excess (deficiency) of revenues over (under) expenditures	238,086	198,436	609,660	411,224
<b>OTHER FINANCING USES</b>				
Proceeds from sale of capital assets	-	-	20,000	20,000
Total other financing uses	-	-	20,000	20,000
Net change in fund balances	238,086	198,436	629,660	431,224
Fund balances - beginning of year	2,846,153	2,846,153	2,846,153	-
<b>Fund balances - end of year</b>	<b>\$ 3,084,239</b>	<b>\$ 3,044,589</b>	<b>\$ 3,475,813</b>	<b>\$ 431,224</b>

**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, 2020

	<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>
<b>REVENUES</b>				
Fines and forfeitures	\$ 41,710	\$ 41,710	\$ 84,980	\$ 43,270
Total revenues	41,710	41,710	84,980	43,270
<b>EXPENDITURES</b>				
Current operations:				
Public safety	41,710	79,163	331	78,832
Total expenditures	41,710	79,163	331	78,832
Excess (deficiency) of revenues over (under) expenditures	-	(37,453)	84,649	122,102
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	41,710.00	(79,163)	(84,971)	(5,808)
Total other financing sources (uses)	41,710	(79,163)	(84,971)	(5,808)
Net change in fund balances	41,710	(116,616)	(322)	116,294
Fund balances - beginning of year	322	322	322	-
<b>Fund balances - end of year</b>	<u>\$ 42,032</u>	<u>\$ (116,294)</u>	<u>\$ -</u>	<u>\$ 116,294</u>

**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, 2020

	<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>
<b>REVENUES</b>				
Fines and forfeitures	\$ 217,228	\$ 217,228	\$ 80,543	\$ (136,685)
Total revenues	217,228	217,228	80,543	(136,685)
<b>EXPENDITURES</b>				
Current operations:				
Public safety	257,671	257,671	220,590	37,081
Total expenditures	257,671	257,671	220,590	37,081
Excess (deficiency) of revenues over (under) expenditures	(40,443)	(40,443)	(140,047)	(99,604)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	41,710	41,710	84,971	43,261
Total other financing sources (uses)	41,710	41,710	84,971	43,261
Net change in fund balances	1,267	1,267	(55,076)	(56,343)
Fund balances - beginning of year	185,435	185,435	185,435	-
<b>Fund balances - end of year</b>	<u>\$ 186,702</u>	<u>\$ 186,702</u>	<u>\$ 130,359</u>	<u>\$ (56,343)</u>

**City of Grand Prairie, Texas**  
Combining Financial Statements  
Nonmajor Enterprise Funds  
September 30, 2020

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, 2020

	<b>Municipal Airport</b>	<b>Municipal Golf</b>	<b>Storm Water Utility</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 347,271	\$ 518,674	\$ 1,356,381	\$ 2,222,326
Investments	220,363	400,000	1,250,000	1,870,363
Accounts receivable, net	110,701	41,309	524,979	676,989
Inventories and supplies	44,843	22,580	-	67,423
Restricted assets:				
Investments	75,456	-	-	75,456
<b>Total current assets</b>	<b>798,634</b>	<b>982,563</b>	<b>3,131,360</b>	<b>4,912,557</b>
Noncurrent assets:				
Capital assets:				
Land	183,923	568,284	7,500	759,707
Buildings	13,384,058	1,854,835	-	15,238,893
Equipment	897,394	1,007,189	547,403	2,451,986
Infrastructure	12,719,595	9,999,709	23,030,251	45,749,555
Construction in progress	1,958,807	-	-	1,958,807
Less: accumulated depreciation	(12,635,222)	(11,600,195)	(5,982,109)	(30,217,526)
<b>Total noncurrent assets</b>	<b>16,508,555</b>	<b>1,829,822</b>	<b>17,603,045</b>	<b>35,941,422</b>
<b>Total assets</b>	<b>17,307,189</b>	<b>2,812,385</b>	<b>20,734,405</b>	<b>40,853,979</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to OPEB	8,398	45,811	29,644	83,853
Related to TMRS pension	26,268	168,911	112,934	308,113
<b>Total deferred outflows</b>	<b>34,666</b>	<b>214,722</b>	<b>142,578</b>	<b>391,966</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	102,148	114,595	96,639	313,382
Accrued interest	4,489	-	-	4,489
Accrued liabilities	22,055	74,490	34,656	131,201
Compensated absences	28,666	48,890	15,662	93,218
Unearned revenue	124,555	-	-	124,555
Current portion of long-term debt	170,000	-	-	170,000
Current liabilities payable from restricted assets:				
Customer deposits	75,456	-	-	75,456
<b>Total current liabilities</b>	<b>527,369</b>	<b>237,975</b>	<b>146,957</b>	<b>912,301</b>
Noncurrent liabilities:				
Compensated absences	5,117	-	-	5,117
Other postemployment benefits	210,064	673,228	368,549	1,251,841
Net pension liability	100,487	646,168	432,030	1,178,685
Long-term debt	555,000	-	-	555,000
<b>Total noncurrent liabilities</b>	<b>870,668</b>	<b>1,319,396</b>	<b>800,579</b>	<b>2,990,643</b>
<b>Total liabilities</b>	<b>1,398,037</b>	<b>1,557,371</b>	<b>947,536</b>	<b>3,902,944</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to OPEB	13,639	47,203	26,684	87,526
Related to TMRS pension	29,272	188,239	125,855	343,366
<b>Total deferred inflows of resources</b>	<b>42,911</b>	<b>235,442</b>	<b>152,539</b>	<b>430,892</b>
<b>NET POSITION</b>				
Net investment in capital assets	15,783,555	1,829,822	17,603,045	35,216,422
Unrestricted	117,352	(595,528)	2,173,863	1,695,687
<b>Total net position</b>	<b>\$ 15,900,907</b>	<b>\$ 1,234,294</b>	<b>\$ 19,776,908</b>	<b>\$ 36,912,109</b>

## City of Grand Prairie, Texas

Combining Statements of Revenues, Expenses,  
and Changes In Net Position  
Nonmajor Enterprise Funds  
For the Year Ended September 30, 2020

	<b>Municipal Airport</b>	<b>Municipal Golf</b>	<b>Storm Water Utility</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>				
Charge for services	\$ 1,205,500	\$ 2,379,357	\$ 7,682,534	\$ 11,267,391
Intergovernmental revenue	96,306	-	-	96,306
Miscellaneous	701,148	7,217	-	708,365
Total operating revenues	2,002,954	2,386,574	7,682,534	12,072,062
<b>OPERATING EXPENSES</b>				
Salaries and benefits	377,408	1,597,260	802,459	2,777,127
Supplies and miscellaneous purchases	799,681	272,821	17,547	1,090,049
Purchased services	303,514	1,021,281	483,910	1,808,705
General and administrative costs	76,479	-	67,322	143,801
Franchise fees	-	-	308,279	308,279
Miscellaneous	56,690	75,358	108,154	240,202
Depreciation	882,286	503,861	724,886	2,111,033
Total operating expenses	2,496,058	3,470,581	2,512,557	8,479,196
Operating income (loss)	(493,104)	(1,084,007)	5,169,977	3,592,866
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gain (loss) on disposition of capital assets	-	6,110	-	6,110
Interest expense	(38,760)	-	-	(38,760)
Total nonoperating revenues (expenses)	(38,760)	6,110	-	(32,650)
Income (loss) before contributions and transfers	(531,864)	(1,077,897)	5,169,977	3,560,216
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital contributions	-	-	2,195,382	2,195,382
Transfers in	621,633	650,000	-	1,271,633
Transfers out	(48,000)	-	(4,860,000)	(4,908,000)
Total contributions and transfers	573,633	650,000	(2,664,618)	(1,440,985)
Change in net position	41,769	(427,897)	2,505,359	2,119,231
Net position - beginning of the year	15,859,138	1,662,191	17,271,549	34,792,878
<b>Net position - end of year</b>	<b>\$ 15,900,907</b>	<b>\$ 1,234,294</b>	<b>\$ 19,776,908</b>	<b>\$ 36,912,109</b>

**City of Grand Prairie, Texas**  
Combining Statements of Cash Flow  
Nonmajor Enterprise Funds  
For the Year Ended September 30, 2020

	<b>Municipal Airport</b>	<b>Municipal Golf</b>	<b>Storm Water Utility</b>	<b>Total Nonmajor Enterprise Funds</b>
Cash flows from operating activities:				
Cash receipts from customers	\$ 1,221,587	\$ 2,371,674	\$ 7,796,950	\$ 11,390,211
Cash receipts from other governments	144,436	-	-	144,436
Other operating cash receipts	701,148	7,217	-	708,365
Cash payments to suppliers for goods and services	(1,059,813)	(1,366,190)	(591,134)	(3,017,137)
Cash payments to employees for services	(463,946)	(1,529,994)	(738,118)	(2,732,058)
Cash payments for interfund services used	-	-	(308,279)	(308,279)
Other operating cash payments	(76,479)	-	(67,322)	(143,801)
<b>Net cash provided by (used in) operating activities</b>	<b>466,933</b>	<b>(517,293)</b>	<b>6,092,097</b>	<b>6,041,737</b>
Cash flows from non-capital financing activities:				
Transfers from other funds	621,633	650,000	-	1,271,633
Transfers to other funds	(48,000)	-	(4,860,000)	(4,908,000)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>573,633</b>	<b>650,000</b>	<b>(4,860,000)</b>	<b>(3,636,367)</b>
Cash flows from capital and related financing activities:				
Proceeds from disposition of capital assets	800,000	6,110	-	806,110
Acquisition and construction of capital assets	(2,277,492)	(92,910)	(51,895)	(2,422,297)
Principal paid on debt	(160,000)	-	-	(160,000)
Interest paid on debt	(39,710)	-	-	(39,710)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(1,677,202)</b>	<b>(86,800)</b>	<b>(51,895)</b>	<b>(1,815,897)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(636,636)</b>	<b>45,907</b>	<b>1,180,202</b>	<b>589,473</b>
Cash and cash equivalents - beginning of year	983,907	472,767	176,179	1,632,853
<b>Cash and cash equivalents - end of year</b>	<b>\$ 347,271</b>	<b>\$ 518,674</b>	<b>\$ 1,356,381</b>	<b>\$ 2,222,326</b>
Reconciliation of operating income (loss) from operations to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (493,104)	\$ (1,084,007)	\$ 5,169,977	\$ 3,592,866
Adjustments to operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	882,286	503,861	724,886	2,111,033
Provisions for uncollectible accounts	-	-	24,440	24,440
Changes in assets and liabilities:				
(Increase) decrease in other accounts receivable	16,983	(7,683)	89,976	99,276
(Increase) decrease in due from other governments	48,130	-	-	48,130
(Increase) decrease in inventories and supplies	16,436	14,204	-	30,640
(Increase) decrease in prepaids	-	33,600	-	33,600
Increase (decrease) in accounts payable	91,391	(50,980)	24,166	64,577
Increase (decrease) in accrued liabilities	3,187	6,626	(5,689)	4,124
Increase (decrease) in customer deposits	(896)	-	-	(896)
Increase (decrease) in unearned revenue	(10,942)	(180)	-	(11,122)
Increase (decrease) in compensated absences	6,631	(14,879)	(8,011)	(16,259)
Increase (decrease) in OPEB liability	4,429	28,476	19,039	51,944
Increase (decrease) in pension liability	(97,598)	53,669	53,313	9,384
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 466,933</b>	<b>\$ (517,293)</b>	<b>\$ 6,092,097</b>	<b>\$ 6,041,737</b>
<b>Noncash investing, capital, and financing activities:</b>				
<b>Capital contributions from developers/granting agencies</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,195,382</b>	<b>\$ 2,195,382</b>

**City of Grand Prairie, Texas**  
Combining Financial Statements  
Internal Service Funds  
September 30, 2020

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, 2020

	<b>Fleet Services</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,652,022	\$ 1,884,477	\$ 3,536,499
Investments	2,000,000	19,000,000	21,000,000
Other receivables	991	-	991
Inventories and supplies	87,876	-	87,876
Prepays	-	444,083	444,083
Total current assets	3,740,889	21,328,560	25,069,449
Noncurrent assets:			
Capital assets:			
Land	737,566	-	737,566
Buildings	1,658,166	227,700	1,885,866
Equipment	1,353,512	1,016,903	2,370,415
Less: accumulated depreciation	(2,612,407)	(467,572)	(3,079,979)
Total noncurrent assets	1,136,837	777,031	1,913,868
Total assets	4,877,726	22,105,591	26,983,317
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to OPEB	11,013	12,018	23,031
Related to TMRS pension	16,388	44,580	60,968
Total deferred outflows	27,401	56,598	83,999
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	137,155	488,868	626,023
Accrued liabilities	78,914	6,336,846	6,415,760
Compensated absences	41,808	5,620	47,428
Total current liabilities	257,877	6,831,334	7,089,211
Noncurrent liabilities:			
Other postemployment benefits	608,839	171,634	780,473
Net pension liability	62,691	170,539	233,230
Total noncurrent liabilities	671,530	342,173	1,013,703
Total liabilities	929,407	7,173,507	8,102,914
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to OPEB	37,069	12,097	49,166
Related to TMRS pension	18,263	49,679	67,942
Total deferred inflows of resources	55,332	61,776	117,108
<b>NET POSITION</b>			
Net investment in capital assets	1,136,837	777,031	1,913,868
Unrestricted	2,783,551	14,149,875	16,933,426
<b>Total net position</b>	<b>\$ 3,920,388</b>	<b>\$ 14,926,906</b>	<b>\$ 18,847,294</b>

**City of Grand Prairie, Texas**

Combining Statements of Revenues, Expenses, and  
 Changes in Net Position  
 Internal Service Funds  
 For the Year Ended September 30, 2020

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUES</b>			
Charge for services	\$ 5,949,825	\$ -	\$ 5,949,825
Insurance premiums	-	24,781,182	24,781,182
Miscellaneous	5,523	11,422	16,945
Total operating revenues	<u>5,955,348</u>	<u>24,792,604</u>	<u>30,747,952</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,108,744	424,195	1,532,939
Supplies and miscellaneous purchases	2,269,342	23,880	2,293,222
Purchased services	993,628	390,159	1,383,787
Insurance claims	-	23,886,341	23,886,341
Miscellaneous	115,375	338,902	454,277
Depreciation	114,643	140,789	255,432
Total operating expenses	<u>4,601,732</u>	<u>25,204,266</u>	<u>29,805,998</u>
Operating income (loss)	1,353,616	(411,662)	941,954
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gain on disposition of capital assets	6,516	(2,142)	4,374
Total nonoperating revenues (expenses)	<u>6,516</u>	<u>(2,142)</u>	<u>4,374</u>
Income before contributions and transfers	1,360,132	(413,804)	946,328
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Capital asset transfers to government activities	(83,071)	-	(83,071)
Transfers in	-	-	-
Transfers out	(125,000)	(105,219)	(230,219)
Change in net position	<u>1,152,061</u>	<u>(519,023)</u>	<u>633,038</u>
Net position - beginning of year	<u>2,768,327</u>	<u>15,445,929</u>	<u>18,214,256</u>
<b>Net position - end of year</b>	<u><u>\$ 3,920,388</u></u>	<u><u>\$ 14,926,906</u></u>	<u><u>\$ 18,847,294</u></u>

**City of Grand Prairie, Texas**  
Combining Statements of Cash Flows  
Internal Service Funds  
For the Year Ended September 30, 2020

	<b>Fleet Services</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>Cash flows from operating activities:</b>			
Cash received from city and employee contributions	\$ -	\$ 24,781,182	\$ 24,781,182
Cash received from interfund services provided	5,949,825	-	5,949,825
Other operating cash receipts	4,532	11,422	15,954
Cash payments to suppliers for goods and services	(3,327,686)	(1,093,112)	(4,420,798)
Cash payments to employees for services	(1,685,279)	1,722,157	36,878
Cash payments for interfund services used	-	(23,886,341)	(23,886,341)
Net cash provided by (used in) operating activities	941,392	1,535,308	2,476,700
<b>Cash flows from non-capital financing activities:</b>			
Transfers from other funds	(83,071)	-	(83,071)
Transfers to other funds	(125,000)	(105,219)	(230,219)
Net cash provided by (used in) non-capital financing activities	(208,071)	(105,219)	(313,290)
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from capital assets disposals	6,516	(2,142)	4,374
Acquisition of capital assets	(218,164)	(324,611)	(542,775)
Net cash provided by (used in) capital and related financing activities	(211,648)	(326,753)	(538,401)
<b>Cash flows from investing activities:</b>			
Purchase of investment securities	-	(4,000,000)	(4,000,000)
Net cash provided by investing activities	-	(4,000,000)	(4,000,000)
Net (decrease) increase in cash and cash equivalents	521,673	(2,896,664)	(2,374,991)
Cash and cash equivalents - beginning of year	1,130,349	4,781,141	5,911,490
<b>Cash and cash equivalents - end of year</b>	<b>\$ 1,652,022</b>	<b>\$ 1,884,477</b>	<b>\$ 3,536,499</b>
<b>Reconciliation of operating income (loss) from operations to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 1,353,616	\$ (411,662)	\$ 941,954
Adjustments to operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	114,643	140,789	255,432
Changes in assets and liabilities:			
(Increase) decrease in inventories and supplies	12,367	-	12,367
(Increase) decrease in other receivables	(991)	-	(991)
Increase (decrease) in accounts payable	38,292	(340,171)	(301,879)
Increase (decrease) in accrued liabilities	14,842	2,125,153	2,139,995
Increase (decrease) in compensated absences	2,834	(4,013)	(1,179)
Increase (decrease) in OPEB liability	2,762	7,516	10,278
Increase (decrease) in pension liability	(596,973)	17,696	(579,277)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 941,392</b>	<b>\$ 1,535,308</b>	<b>\$ 2,476,700</b>



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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, 2020  
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**City of Grand Prairie, Texas**  
 Net Position by Component (Unaudited)  
 Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 279,371,594	\$ 311,048,653	\$ 316,856,535	\$ 319,412,513
Restricted	83,793,231	63,267,418	69,081,215	108,444,110
Unrestricted	62,743,136	47,893,511	40,378,407	13,160,490
<b>Total governmental activities net position</b>	<b>\$ 425,907,961</b>	<b>\$ 422,209,582</b>	<b>\$ 426,316,157</b>	<b>\$ 441,017,113</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 137,253,007	\$ 139,042,561	\$ 141,678,428	\$ 143,297,680
Restricted	3,988,491	4,601,419	4,695,502	5,444,619
Unrestricted	68,859,665	71,929,058	66,726,233	68,399,617
<b>Total business-type activities net position</b>	<b>\$ 210,101,163</b>	<b>\$ 215,573,038</b>	<b>\$ 213,100,163</b>	<b>\$ 217,141,916</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 416,624,601	\$ 450,091,214	\$ 458,534,963	\$ 462,710,193
Restricted	87,781,722	67,868,837	73,776,717	113,888,729
Unrestricted	131,602,801	119,822,569	107,104,640	81,560,107
<b>Total primary government net position</b>	<b>\$ 636,009,124</b>	<b>\$ 637,782,620</b>	<b>\$ 639,416,320</b>	<b>\$ 658,159,029</b>

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 has been restated.



**Fiscal Year**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 333,061,190	\$ 308,745,566	\$ 278,750,450	\$ 266,214,537	\$ 311,019,615	\$ 336,590,522
53,392,543	57,404,183	80,454,171	81,030,788	58,899,457	58,788,228
18,505,921	41,953,800	46,202,814	10,497,407	4,163,774	701,455
<u>\$ 404,959,654</u>	<u>\$ 408,103,549</u>	<u>\$ 405,407,435</u>	<u>\$ 357,742,732</u>	<u>\$ 374,082,846</u>	<u>\$ 396,080,205</u>
\$ 151,539,230	\$ 166,071,343	\$ 174,505,410	\$ 173,815,271	\$ 176,239,658	\$ 193,394,660
8,904,795	15,366,214	34,704,441	45,622,261	59,346,971	61,272,475
60,022,038	55,565,327	40,424,846	38,998,317	35,349,141	33,692,679
<u>\$ 220,466,063</u>	<u>\$ 237,002,884</u>	<u>\$ 249,634,697</u>	<u>\$ 258,435,849</u>	<u>\$ 270,935,770</u>	<u>\$ 288,359,814</u>
\$ 484,600,420	\$ 474,816,909	\$ 453,255,860	\$ 440,029,808	\$ 487,259,273	\$ 529,985,182
62,297,338	72,770,397	115,158,612	126,653,049	118,246,428	120,060,703
78,527,959	97,519,127	86,627,660	49,495,724	39,512,915	34,394,134
<u>\$ 625,425,717</u>	<u>\$ 645,106,433</u>	<u>\$ 655,042,132</u>	<u>\$ 616,178,581</u>	<u>\$ 645,018,616</u>	<u>\$ 684,440,019</u>

# City of Grand Prairie, Texas

## Changes in Net Position

### Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
<b>EXPENSES</b>				
Governmental activities:				
Support services	\$ 19,100,748	\$ 17,928,238	\$ 17,503,253	\$ 20,400,867
Public safety services	88,336,343	72,934,512	76,439,796	80,333,290
Recreation and leisure services	22,368,768	24,071,731	25,847,664	25,255,982
Development services	74,251,224	84,171,971	79,057,014	75,473,059
Interest on long-term debt	9,817,549	9,227,801	8,125,389	7,922,519
Total governmental activities expenses	213,874,632	208,334,253	206,973,116	209,385,717
Business-type activities:				
Water and wastewater	52,658,416	55,186,501	59,993,534	61,468,207
Solid waste	9,079,737	9,485,700	9,773,626	9,712,711
Municipal airport	2,809,039	2,650,503	2,793,094	3,484,297
Municipal golf course	3,521,660	3,527,637	3,487,758	3,314,435
Storm water	1,537,846	1,617,905	1,909,737	1,635,198
Total business-type activities expenses	69,606,698	72,468,246	77,957,749	79,614,848
Total primary government expenses	283,481,330	280,802,499	284,930,865	289,000,565
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
Support services	5,981,676	5,000,964	4,914,303	4,701,456
Public safety services	16,384,019	13,752,467	15,557,404	16,190,902
Recreation and leisure services	8,886,903	8,256,815	9,686,041	9,055,820
Development services	7,991,012	5,866,787	5,670,741	7,152,325
Operating grants and contributions	37,588,585	31,329,503	33,339,115	34,980,362
Capital grants and contributions	2,664,489	6,290,285	5,242,216	4,020,110
Total governmental activities program revenues	79,496,684	70,496,821	74,409,820	76,100,975
Business-type activities:				
Charges for services:				
Water and wastewater	54,761,115	57,610,991	57,632,524	60,115,296
Solid waste	9,984,080	10,664,949	10,568,982	10,802,865
Municipal airport	3,791,577	3,048,547	2,973,572	2,978,121
Municipal golf course	2,244,356	2,306,811	2,262,430	1,909,090
Storm water	5,015,547	5,125,840	5,367,769	5,436,780
Operating grants and contributions	-	-	30,291	42,697
Capital grants and contributions	1,792,377	2,465,951	3,089,677	4,402,822
Total business-type activities	77,589,052	81,223,089	81,925,245	85,687,671
Total primary government	157,085,736	151,719,910	156,335,065	161,788,646

Note: Certain prior year amounts have been reclassified for consistency with the current period presentation. These recl

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 22,102,591	\$ 23,045,026	\$ 26,731,588	\$ 27,614,430	\$ 30,669,782	\$ 31,310,741
80,359,190	91,860,495	100,253,923	101,033,502	109,767,831	113,728,877
26,746,861	29,709,690	32,962,890	34,529,152	35,232,643	32,949,455
77,263,159	88,963,122	90,088,069	97,241,362	102,740,890	110,126,929
8,019,147	12,374,896	12,108,299	12,481,762	14,987,576	12,689,169
214,490,948	245,953,229	262,144,769	272,900,208	293,398,722	300,805,171
61,381,944	66,351,005	70,569,705	72,412,983	74,389,255	73,211,370
10,143,394	11,438,507	12,317,620	12,339,638	13,009,026	13,044,195
2,226,108	2,141,279	2,572,623	2,744,301	2,962,253	2,529,664
3,230,377	3,307,890	3,497,955	3,309,267	3,458,592	3,452,349
1,694,556	1,809,656	2,425,177	2,446,788	2,647,816	2,497,132
78,676,379	85,048,337	91,383,080	93,252,977	96,466,942	94,734,710
293,167,327	331,001,566	353,527,849	366,153,185	389,865,664	395,539,881
4,809,384	5,048,092	5,364,023	5,539,941	5,980,183	6,872,544
13,623,499	18,121,839	21,150,257	17,180,107	16,094,926	12,049,004
9,772,737	9,686,261	11,059,324	13,029,253	13,181,720	9,275,408
6,643,502	12,169,331	12,775,450	13,913,703	15,932,228	15,092,783
33,329,097	37,024,064	35,572,942	35,266,428	39,865,579	63,784,399
1,232,805	8,807,012	8,305,146	3,971,782	8,575,572	417,050
69,411,023	90,856,599	94,227,142	88,901,214	99,630,208	107,491,188
63,421,631	67,612,109	72,668,796	77,556,058	74,890,101	80,576,747
11,470,007	11,816,094	12,863,659	13,208,778	14,117,342	14,245,989
2,001,854	2,678,090	1,862,633	2,238,508	2,189,495	1,906,648
2,021,800	2,494,513	2,573,002	2,453,543	2,283,669	2,386,574
5,572,487	5,631,420	6,356,774	6,864,323	7,210,656	7,682,534
43,714	37,320	47,918	67,537	31,007	96,306
4,082,082	16,653,153	12,892,511	11,983,724	15,541,642	10,069,185
88,613,575	106,922,699	109,265,293	114,372,471	116,263,912	116,963,983
158,024,598	197,779,298	203,492,435	203,273,685	215,894,120	224,455,171

*Continued*

ifications had no effect on the change in net position as previously stated.

# City of Grand Prairie, Texas

## Changes in Net Position

### Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
<b>NET (EXPENSES)/REVENUE</b>				
Governmental activities	\$ (134,377,948)	\$ (137,837,432)	\$ (132,563,296)	\$ (133,284,742)
Business-type activities	7,982,354	8,754,843	3,967,496	6,072,823
<b>Total primary government net expense</b>	<b>\$ (126,395,594)</b>	<b>\$ (129,082,589)</b>	<b>\$ (128,595,800)</b>	<b>\$ (127,211,919)</b>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 71,554,937	\$ 70,153,052	\$ 71,785,225	\$ 77,334,662
Sales taxes	41,713,795	45,457,902	47,155,704	50,846,972
Hotel/motel tax and other taxes	1,332,984	1,332,259	1,488,871	1,550,172
Franchise fees	13,492,977	12,902,516	12,811,696	13,315,452
Investment income	1,341,476	1,004,777	437,770	652,067
Transfers-monetary	5,625,851	3,167,893	5,390,831	4,267,277
Transfers-capital assets	-	120,654	-	19,096
Total governmental activities	135,062,020	134,139,053	139,070,097	147,985,698
Business-type activities:				
Franchise fees	-	-	-	-
Investment income	6,343	5,579	4,242	1,021
Transfers-monetary	(5,625,851)	(3,167,893)	(5,390,831)	(4,267,277)
Transfers-capital assets	-	(120,654)	-	(19,096)
Total business-type activities	(5,619,508)	(3,282,968)	(5,386,589)	(4,285,352)
Total primary government	129,442,512	130,856,085	133,683,508	143,700,346
<b>CHANGES IN NET POSITION</b>				
Governmental activities	684,072	(3,698,379)	6,506,801	14,700,956
Business-type activities	2,362,846	5,471,875	(1,419,093)	1,787,471
<b>Total primary government</b>	<b>\$ 3,046,918</b>	<b>\$ 1,773,496</b>	<b>\$ 5,087,708</b>	<b>\$ 16,488,427</b>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ (145,079,925)	\$ (155,096,630)	\$ (167,917,627)	\$ (183,998,994)	\$ (193,768,514)	\$(193,313,983)
9,937,196	21,874,362	17,882,213	21,119,494	19,796,970	22,229,273
<u>\$ (135,142,729)</u>	<u>\$ (133,222,268)</u>	<u>\$ (150,035,414)</u>	<u>\$ (162,879,500)</u>	<u>\$ (173,971,544)</u>	<u>\$(171,084,710)</u>
\$ 73,070,467	\$ 77,923,990	\$ 84,925,774	\$ 94,648,690	\$ 106,378,593	\$ 116,020,990
53,494,773	57,076,997	60,585,824	64,250,717	69,672,182	70,808,392
1,713,865	1,791,075	2,015,917	2,208,298	2,231,019	1,794,491
14,089,158	13,928,847	9,996,934	14,485,521	14,796,138	13,903,806
1,609,156	2,173,508	2,425,419	3,506,788	9,776,886	7,952,664
2,428,935	5,097,654	5,271,645	6,272,419	7,253,810	4,830,999
(25,800)	248,454	-	-	-	-
146,380,554	158,240,525	165,221,513	185,372,433	210,108,628	215,311,342
-	-	-	-	-	-
1,750	8,567	21,245	43,661	65,360	25,770
(2,428,935)	(5,097,654)	(5,271,645)	(6,272,419)	(7,253,810)	(4,830,999)
25,800	(248,454)	-	-	(108,599)	-
(2,401,385)	(5,337,541)	(5,250,400)	(6,228,758)	(7,297,049)	(4,805,229)
143,979,169	152,902,984	159,971,113	179,143,675	202,811,579	210,506,113
1,300,629	3,143,895	(2,696,114)	1,373,439	16,340,114	21,997,359
7,535,811	16,536,821	12,631,813	14,890,736	12,499,921	17,424,044
<u>\$ 8,836,440</u>	<u>\$ 19,680,716</u>	<u>\$ 9,935,699</u>	<u>\$ 16,264,175</u>	<u>\$ 28,840,035</u>	<u>\$ 39,421,403</u>
<i>Concluded</i>					

**City of Grand Prairie, Texas**

Fund Balances

Governmental Funds (Unaudited)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2011	2012	2013	2014
<b>GENERAL FUND</b>				
Unassigned	\$ 29,186,299	\$ 25,938,708	\$ 27,346,027	\$ 22,961,626
Nonspendable	-	1,035	3,545	16,627
Restricted	-	-	-	-
Committed	-	524,836	130,240	-
Assigned	1,407,704	1,449,177	1,336,996	1,137,119
Total general fund	<u>\$ 30,594,003</u>	<u>\$ 27,913,756</u>	<u>\$ 28,816,808</u>	<u>\$ 24,115,372</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	265,296	98,473	41,103	30,775
Restricted	89,928,651	70,226,080	81,264,054	96,095,975
Committed	34,061,536	26,402,391	28,992,783	24,920,817
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 124,255,483</u>	<u>\$ 96,726,944</u>	<u>\$ 110,297,940</u>	<u>\$ 121,047,567</u>

<b>Fiscal Year</b>					
<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 26,212,186	\$ 28,320,160	\$ 27,974,657	\$ 30,344,160	\$ 41,554,116	\$ 47,731,260
4,938	81,857	12,867	2,743	-	35,344
426,948	417,938	415,230	466,299	505,059	543,119
241,704	-	-	-	-	-
862,870	2,191,940	2,943,951	2,931,849	3,121,096	12,338,707
<u>\$ 27,748,646</u>	<u>\$ 31,011,895</u>	<u>\$ 31,346,705</u>	<u>\$ 33,745,051</u>	<u>\$ 45,180,271</u>	<u>\$ 60,648,430</u>
31,655	187,991	28,492	76,272	75,907	35,876
84,657,833	128,375,098	94,489,508	84,458,973	133,008,150	107,378,467
43,220,248	64,315,780	74,729,604	52,841,228	81,520,543	66,052,337
(3,278,557)	-	(947,692)	(629,198)	-	-
<u>\$ 124,631,179</u>	<u>\$ 192,878,869</u>	<u>\$ 168,299,912</u>	<u>\$ 136,747,275</u>	<u>\$ 214,604,600</u>	<u>\$ 173,466,680</u>

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

	Fiscal Year			
	2011	2012	2013	2014
<b>REVENUES</b>				
Taxes	\$ 114,587,907	\$ 117,208,804	\$ 122,360,903	\$ 128,787,756
Licenses, fees, and permits	16,136,711	15,606,264	15,799,334	16,471,810
Fines and penalties	6,987,287	8,074,797	9,918,968	10,473,823
Charges for services	12,961,293	13,655,483	13,619,154	14,463,192
Intergovernmental	39,462,880	35,616,500	37,762,890	34,880,224
Investment income	1,341,476	1,004,777	437,770	652,067
Other revenues	10,064,673	9,637,107	9,741,528	12,368,101
Total revenues	201,542,227	200,803,732	209,640,547	218,096,973
<b>EXPENDITURES</b>				
Current operations:				
Support services	14,078,101	14,546,500	15,198,818	17,393,309
Public safety services	62,850,732	65,260,700	69,057,285	74,367,544
Recreation and leisure services	18,595,333	17,481,772	18,222,070	18,696,893
Development services	48,594,485	59,915,550	55,630,019	54,303,083
Capital outlay	18,510,959	43,651,279	30,121,392	37,150,344
Debt service:				
Principal retirement	28,993,944	32,623,895	18,937,175	21,405,848
Interest	10,259,783	9,715,824	9,025,740	8,488,435
Total expenditures	201,883,337	243,195,520	216,192,499	231,805,456
Excess of revenues over (under) expenditures	(341,110)	(42,391,788)	(6,551,952)	(13,708,483)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in-monetary	34,365,960	45,615,427	26,611,384	35,849,365
Transfers out-monetary	(28,708,944)	(42,447,534)	(22,220,553)	(31,582,088)
Insurance recovery	-	-	-	-
Proceeds from sale of capital assets	559,843	718,718	583,943	838,163
Premium (discount) on debt issued	253,855	2,664,794	1,627,265	486,234
Bonds issued	7,000,000	7,960,000	15,285,000	14,165,000
Refunding bonds issued	14,235,000	28,415,000	27,295,000	-
Payment for refunded debt - escrow agent	(14,305,695)	(30,743,403)	(28,156,039)	-
Sale of assets held for resale	-	-	-	-
Total other financing sources	13,400,019	12,183,002	21,026,000	19,756,674
<b>Net change in fund balances</b>	<b>\$ 13,058,909</b>	<b>\$ (30,208,786)</b>	<b>\$ 14,474,048</b>	<b>\$ 6,048,191</b>
Debt service as a percentage of noncapital expenditures	21.4%	21.2%	15.0%	15.4%



Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 128,046,817	\$ 136,906,439	\$ 147,741,668	\$ 161,126,311	\$ 177,800,911	\$ 187,737,594
17,352,029	17,890,589	17,417,402	17,914,962	18,527,161	17,391,273
9,798,424	11,612,547	11,364,139	11,342,338	10,326,139	6,239,056
14,287,686	19,008,539	21,507,834	24,837,174	28,166,142	23,507,913
31,111,904	38,114,832	38,100,982	35,840,373	37,021,321	63,519,235
1,609,156	2,173,508	2,425,419	3,506,788	9,776,886	7,952,664
10,970,976	15,410,164	12,694,334	12,228,046	15,100,674	11,574,218
213,176,992	241,116,618	251,251,778	266,795,992	296,719,234	317,921,953
19,516,058	19,588,300	22,703,145	24,662,284	26,079,838	26,386,107
76,078,091	81,750,530	88,005,227	94,732,585	97,367,410	99,283,284
19,945,357	22,025,867	24,800,496	26,336,423	28,661,888	25,106,602
55,135,020	66,264,413	66,982,812	75,317,973	78,875,185	86,609,926
24,098,471	59,000,134	85,802,825	83,420,486	64,550,906	61,990,328
34,952,435	21,800,000	24,400,000	25,005,000	31,085,000	34,785,000
9,005,312	11,583,140	12,839,071	13,774,026	15,684,195	15,890,125
238,730,744	282,012,384	325,533,576	343,248,777	342,304,422	350,051,372
(25,553,752)	(40,895,766)	(74,281,798)	(76,452,785)	(45,585,188)	(32,129,419)
23,465,832	22,994,446	27,108,570	35,830,314	38,021,660	43,999,920
(20,965,643)	(18,172,770)	(22,102,792)	(29,782,701)	(28,737,537)	(38,938,702)
988,199	88,101	-	-	-	-
605,696	753,054	898,895	1,022,331	1,126,997	1,173,262
2,551,554	4,788,385	9,244,207	3,713,550	7,541,613	2,734,530
26,125,000	102,845,001	40,614,999	36,515,000	116,925,000	-
-	11,165,000	36,945,000	-	-	19,475,000
-	(12,054,512)	(42,671,228)	-	-	(21,984,352)
-	-	-	-	-	-
32,770,638	112,406,705	50,037,651	47,298,494	134,877,733	6,459,658
<u>\$ 7,216,886</u>	<u>\$ 71,510,939</u>	<u>\$ (24,244,147)</u>	<u>\$ (29,154,291)</u>	<u>\$ 89,292,545</u>	<u>\$ (25,669,761)</u>
20.5%	15.0%	15.5%	14.9%	16.8%	17.6%

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

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Direct Tax Rate</b>	<b>Actual Taxable Value</b>	<b>Percentage of Actual Taxable Value</b>
2011	\$ 5,532,077,367	\$ 5,610,293,457	\$ 1,854,115,295	\$ 9,288,255,529	0.669998	\$ 9,288,255,529	100.0%
2012	5,579,393,002	5,842,463,648	1,978,915,099	9,442,941,551	0.669998	9,442,941,551	100.0%
2013	5,595,104,146	5,820,246,325	2,041,527,294	9,373,823,177	0.669998	9,373,823,177	100.0%
2014	5,727,082,026	6,270,916,334	2,155,635,830	9,842,362,530	0.669998	9,842,362,530	100.0%
2015	6,201,569,638	6,694,589,531	2,337,701,387	10,558,457,782	0.669998	10,558,457,782	100.0%
2016	6,554,865,229	6,984,603,149	2,443,858,378	11,095,610,000	0.669998	11,095,610,000	100.0%
2017	6,438,258,351	8,996,790,075	3,117,157,618	12,317,890,808	0.669998	12,317,890,808	100.0%
2018	7,205,616,896	9,745,440,048	3,429,449,736	13,521,607,208	0.669998	13,521,607,208	100.0%
2019	8,170,636,070	10,341,456,342	3,757,076,819	14,755,015,593	0.669998	14,755,015,593	100.0%
2020	8,702,702,995	11,622,970,621	4,000,550,508	16,325,123,108	0.669998	16,325,123,108	100.0%

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



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## City of Grand Prairie, Texas

Direct and Overlapping Property Tax Rates (Unaudited)

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

	Fiscal Year			
	2011	2012	2013	2014
<b>OVERLAPPING RATES</b>				
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	1.305500	1.301000	1.292170	1.348110
Cedar Hill School District	1.440000	1.440000	1.525000	1.525000
Irving School District	1.465000	1.465000	1.465000	1.435000
Mansfield School District	1.496000	1.540000	1.540000	1.527100
Midlothian School District	1.540000	1.540000	1.540000	1.540000
Dallas County	0.243100	0.243100	0.243100	0.243100
Dallas County Community College District	0.099670	0.119375	0.124700	0.124775
Dallas County Hospital District	0.271000	0.271000	0.278000	0.286000
Dallas County Flood Control District	2.900000	3.050000	2.750000	2.750000
Grand Prairie Met Utl & Reclam Dist.	2.065000	0.600000	0.600000	0.600000
Ellis County	0.380091	0.380091	0.380091	0.380091
Johnson County	0.330500	0.333229	0.365000	0.405400
Tarrant County	0.264000	0.264000	0.264000	0.264000
Tarrant County Hospital District	0.227897	0.227897	0.227897	0.227897
Tarrant County Junior College District	0.148970	0.148970	0.149500	0.149500
<b>CITY DIRECT RATES</b>				
Operations & Maintenance	0.484892	0.484892	0.484892	0.484892
Interest & Sinking	0.185106	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

**Fiscal Year**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
0.669998	0.669998	0.669998	0.669998	0.669998	0.669998
1.595000	1.595000	1.595000	1.595000	1.538350	1.509700
1.412952	1.390080	1.368670	1.368670	1.298670	1.387100
1.525000	1.516000	1.516000	1.376000	1.306000	1.283300
1.445000	1.445000	1.431400	1.401100	1.305100	1.275100
1.510000	1.510000	1.540000	1.540000	1.460000	1.446400
1.540000	1.540000	1.540000	1.540000	1.470000	1.379800
0.243100	0.243100	0.243100	0.243100	0.243100	0.239740
0.123650	0.122933	0.124238	0.124000	0.124000	0.124000
0.286000	0.279400	0.279400	0.279400	0.269500	0.266100
2.650000	2.250000	2.000000	1.800000	1.500000	1.400000
0.600000	0.600000	0.600000	0.600000	0.600000	0.600000
0.380091	0.380091	0.380091	0.338984	0.329557	0.320194
0.407700	0.422663	0.441700	0.441700	0.384700	0.384700
0.264000	0.254000	0.244000	0.234000	0.234000	0.234000
0.227897	0.227897	0.224429	0.224429	0.224429	0.224429
0.149500	0.144730	0.140060	0.136070	0.130170	0.130170
0.484892	0.473549	0.473549	0.471196	0.463696	0.457127
0.185106	0.196449	0.196449	0.198802	0.206302	0.212871
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

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Lockheed Martin	\$ 152,386,756	1	0.93%	\$ 39,335,733	8	0.42%
Duke Secured Financing 2009	133,934,040	2	0.82%	48,500,000	6	0.52%
Oncor Electric Delivery	118,651,300	3	0.73%	75,950,591	2	0.82%
Poly America LP	110,105,000	4	0.67%			
Grand Prairie Outlets LLC	95,000,000	5	0.58%			
Bell Textron Inc.	82,426,784	6	0.50%	114,212,433	1	1.23%
CHI Wildlife 4 6 LP	80,504,150	7	0.49%			
Triumph Group Aerostructures Inc.	76,538,943	8	0.47%	70,234,670	4	0.76%
Blue Atlantic Riverside LP	72,500,000	9	0.44%			
Kimco Weber Lake Prairie TC LP	56,219,992	10	0.34%			
Republic Beverage				66,319,408	5	0.71%
CCDA Waters LLC				38,987,943	9	0.42%
Cardinal Health 200 Inc				37,524,174	10	0.40%
Catellus Development Corp				40,784,230	7	0.44%
Prologis				70,309,025	3	0.76%
<b>Total</b>	<b>\$ 978,266,965</b>		<b>5.97%</b>	<b>\$ 602,158,207</b>		<b>6.48%</b>

Source of Information: Dallas County Tax Office

# City of Grand Prairie, Texas

## Property Tax Levies and Collections (Unaudited)

### Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections from Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 61,927,614	\$ 60,974,341	98.46%	\$ 815,612	\$ 61,914,233	99.98%
2012	62,888,700	61,808,360	98.28%	976,816	61,392,352	97.62%
2013	62,582,232	61,892,769	98.90%	592,565	62,485,334	99.85%
2014	65,666,244	64,917,939	98.86%	612,870	65,530,809	99.79%
2015	70,047,613	69,394,398	99.07%	517,001	69,911,399	99.81%
2016	74,306,335	73,535,755	98.96%	597,877	74,133,632	99.77%
2017	81,305,307	80,079,624	98.49%	1,025,028	81,104,652	99.75%
2018	88,709,078	87,616,588	98.77%	778,996	88,395,584	99.65%
2019	98,194,923	96,928,611	98.71%	402,738	97,331,349	99.12%
2020	106,940,678	105,665,085	98.81%	-	105,665,085	98.81%

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

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

**City of Grand Prairie, Texas**  
Ratios of Outstanding Debt by Type (Unaudited)  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities			
	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Obligation	Issuance Premium/Discounts Net	Water Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Issuance Premium/Discounts Net	Capital Lease
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	1,256,303
2017	79,130,000	123,925,000	126,385,000	18,506,395	56,490,000	-	1,180,000	3,505,394	956,022
2018	70,210,000	117,810,000	152,930,000	20,701,245	54,435,000	-	1,035,000	4,014,433	330,129
2019	60,820,000	109,120,000	259,255,000	26,528,815	52,695,000	-	885,000	3,752,233	-
2020	59,055,000	101,960,000	230,835,000	26,089,621	46,625,000	-	725,000	4,917,391	-

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

<sup>1</sup> For average household income, see page 151.



	<b>Total Primary Government</b>	<b>Percentage of Average Household Income<sup>1</sup></b>	<b>Per Capita</b>
\$	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
	381,232,223	0.02%	2,065
	410,077,811	0.01%	2,192
	421,465,807	0.01%	2,225
	513,056,048	0.01%	2,676
	470,207,012	0.01%	2,409

## City of Grand Prairie, Texas

### Ratios of General Bonded Debt Outstanding (Unaudited)

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation	Less: Amounts Available in Debt Service Fund	Total		
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
2017	79,130,000	126,385,000	8,754,196	196,760,804	1.60%	1,052
2018	70,210,000	152,930,000	5,535,816	217,604,184	1.61%	1,149
2019	60,820,000	259,255,000	3,734,760	316,340,240	2.14%	1,650
2020	59,055,000	230,835,000	2,489,225	287,400,775	1.76%	1,472

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, 2020

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>1</sup></b>	<b>Estimated Share of Direct and Overlapping Debt</b>
Debt repaid with property taxes			
Arlington Independent School District	\$ 978,886,926	18.30%	\$ 179,136,307
Cedar Hill Independent School District	102,472,591	5.05%	5,174,866
Dallas County	130,445,000	2.87%	3,743,772
Dallas County Community College District	135,375,000	2.87%	3,885,263
Dallas County Flood Control District #1	22,050,000	0.72%	158,760
Dallas County Hospital District	622,000,000	2.87%	17,851,400
Dallas County Schools	27,204,352	2.87%	780,765
Ellis County	33,200,000	0.09%	29,880
Grand Prairie Independent School District	452,125,000	90.66%	409,896,525
Irving Independent School District	376,200,000	0.75%	2,821,500
Mansfield Independent School District	895,790,000	13.49%	120,842,071
Midlothian Independent School District	441,403,728	0.34%	1,500,773
Tarrant County	240,445,000	3.93%	9,449,489
Tarrant County Hospital District	16,135,000	3.93%	634,106
Subtotal, overlapping debt			755,905,475
<b>City direct debt<sup>2</sup></b>	<b>301,605,000</b>	<b>100.00%</b>	<b>301,605,000</b>
<b>Total direct and overlapping debt</b>			<b>\$ 1,057,510,475</b>

<sup>1</sup> Estimated percentage is based on a formula using assessed property values.

<sup>2</sup> Excludes refunded obligations and non-property tax debt reported in governmental funds.

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

## City of Grand Prairie, Texas

### Legal Debt Margin Information (Unaudited)

Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Debt limit	\$ 232,206,388	\$ 236,073,539	\$ 234,345,579	\$ 246,059,063
Total net debt applicable to limit	148,895,469	134,681,529	135,582,645	138,051,429
Legal debt margin	\$ 83,310,919	\$ 101,392,010	\$ 98,762,934	\$ 108,007,634
Total net debt applicable to the limit as a percentage of debt limit	64.12%	57.05%	57.86%	56.10%

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

	2020
Assessed value	\$ 16,325,123,108
Debt limit (2.5% of assessed value)	408,128,078
Debt applicable to limit:	
General obligation bonds	289,890,000
Less: Amount set aside for repayment of general obligation debt	(2,489,225)
Total net debt applicable to limit	287,400,775
Legal debt margin	\$ 120,727,303

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 263,961,445	\$ 277,390,250	\$ 307,947,270	\$ 338,040,180	\$ 368,875,390	\$ 408,128,078
151,103,105	181,575,699	196,760,804	217,604,184	316,340,240	287,400,775
<u>\$ 112,858,340</u>	<u>\$ 94,494,551</u>	<u>\$ 111,186,466</u>	<u>\$ 120,435,996</u>	<u>\$ 52,535,150</u>	<u>\$ 120,727,303</u>
57.24%	65.46%	63.89%	64.37%	85.76%	70.42%

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

Fiscal Year	Water Revenue Bonds						Sales Tax Revenue Bonds <sup>4</sup>		
	Utility Service Charges <sup>1</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Coverage <sup>3</sup>	Sales Tax Increment	Maximum Annual Debt Service	Coverage <sup>5</sup>
				Principal	Interest				
2011	\$ 55,785,237	\$ 39,151,252	\$ 16,633,985	\$ 3,940,000	\$ 2,591,812	2.55	\$ 5,313,584	\$ 2,369,203	2.24
2012	58,701,075	40,367,949	18,333,126	4,080,000	2,538,028	2.77	5,762,747	2,369,203	2.43
2013	59,031,386	40,660,224	18,371,162	4,445,000	2,346,060	2.71	6,223,346	2,247,772	2.77
2014	61,910,609	43,852,520	18,058,089	3,900,000	2,072,826	3.02	6,391,068	2,247,772	2.84
2015	65,213,261	46,785,802	18,427,459	4,250,000	1,846,017	3.02	6,752,015	2,247,772	3.00
2016	70,027,679	51,530,262	18,497,417	4,380,000	1,693,162	3.05	7,268,076	2,692,441	2.70
2017	74,668,468	55,531,071	19,137,397	4,510,000	1,637,666	3.11	7,667,736	2,692,441	2.85
2018	80,293,189	56,480,299	23,812,890	4,810,000	1,702,265	3.66	8,207,902	2,692,178	3.05
2019	76,853,323	57,095,478	19,757,845	5,202,200	1,604,918	2.90	8,790,989	2,691,674	3.27
2020	82,440,094	58,388,037	24,052,057	4,850,445	1,442,083	3.82	8,936,324	2,663,493	3.36

<sup>1</sup> Revenues include operating revenues plus impact fees and investment income.

<sup>2</sup> Expenses exclude depreciation expense.

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

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

<sup>5</sup> Bond covenants require a coverage of no less than 1.25.  
The City's financial policy requires a coverage of no less than 1.50.

## 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
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	57,851	23,516	32	29,339	3.7%
2017	187,050	59,675	23,695	32	29,339	3.4%
2018	189,430	59,563	23,864	32	30,000	3.4%
2019	191,720	63,882	25,681	32.5	30,000	3.1%
2020	195,200	67,388	26,761	33.4	30,000	7.4%

#### Sources of Information:

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

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Grand Prairie Independent School District	4,000	1	4.26%	3,200	1	4.40%
Lockheed Martin Missiles and Fire Control	4,000	2	4.26%	2,700	2	3.71%
Poly-America Inc.	2,000	3	2.13%	2,000	3	2.75%
City of Grand Prairie	1,614	4	1.72%	1,100	5	1.51%
Bell Helicopter-Textron	1,200	5	1.28%	1,300	4	1.79%
Lear Seating	1,105	6	1.18%	1,000	6	1.38%
Lone Star Park at Grand Prairie	950	7	1.01%			
Forterra Pipe & Products, Inc.	950	8	1.01%			
Republic National Distributing	800	9	0.85%			
Flex-N-Gate	800	10	0.85%			
Vought Aircraft Industries				700	7	0.96%
American Eurocopter				500	8	0.69%
Walmart				500	9	0.69%
Siemens Energy And Automation, Inc.				500	10	0.69%
Total	<u>17,419</u>		<u>18.55%</u>	<u>13,500</u>		<u>18.57%</u>

**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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	9.0	9.5	8.5	8.0	7.5	7.5	8.5	9.5	10.5	9.5
Economic Development	-	-	-	-	-	1.0	4.5	4.5	4.0	4.0
Environmental Services	20.0	20.0	21.0	21.5	25.5	29.5	31.0	36.5	37.0	38.0
Facility Services <sup>1</sup>	-	-	18.0	18.0	18.0	19.0	19.0	19.0	19.0	19.0
Finance <sup>2</sup>	17.0	18.0	13.0	13.0	12.0	12.0	12.5	15.5	17.0	17.0
Fire	208.0	209.0	210.0	209.0	229.5	230.5	233.5	236.5	240.5	243.5
Housing and Neighborhood Services	35.0	35.5	35.5	35.5	34.5	34.5	34.5	36.5	36.5	36.5
Human Resources	10.0	10.0	10.0	10.0	10.5	11.0	11.0	11.0	11.5	11.5
Information Technology	24.0	24.0	24.0	27.5	29.5	29.5	29.0	31.0	32.0	32.0
Judiciary	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Legal Services	5.5	6.0	6.0	7.0	7.5	8.0	8.0	9.0	9.0	9.0
Library	32.5	31.0	29.5	29.5	28.5	29.5	32.5	35.0	36.0	36.0
Management Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Marketing	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Municipal Court	27.0	26.0	26.0	28.0	28.0	28.0	31.5	32.0	27.0	27.0
Parks and Recreation <sup>1</sup>	162.0	162.0	141.0	181.0	188.0	190.0	194.0	254.7	226.5	235.5
Planning and Development	46.0	46.0	45.5	45.5	47.0	38.0	39.0	39.5	39.5	39.5
Police	364.0	381.0	394.0	394.0	423.5	435.5	453.5	468.5	484.0	488.0
Public Works	61.0	61.0	61.0	61.0	61.0	61.5	61.5	65.5	65.5	65.5
Purchasing <sup>2</sup>	-	-	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0
Transportation	18.0	18.0	18.0	18.0	19.0	19.0	19.0	21.0	22.0	22.0
Enterprise Operations and Administrations										
Airport	5.5	5.5	5.5	5.5	6.0	6.0	6.0	6.0	6.0	6.0
Golf	19.0	18.0	19.0	29.0	29.0	29.0	29.0	29.0	27.3	27.3
Solid Waste	34.5	34.5	34.5	35.5	44.0	44.0	44.0	44.0	47.5	55.5
Storm Water	6.0	6.0	7.0	7.0	7.0	7.0	8.0	9.0	10.0	10.0
Water/Wastewater	104.5	110.5	110.5	111.5	113.0	114.0	120.5	124.0	127.0	136.0
Internal Service Operations										
Equipment Services	15.0	15.0	16.0	16.0	16.5	17.0	18.5	18.5	18.5	22.5
Risk Management	1.0	1.0	1.0	1.5	1.5	2.5	2.5	2.0	2.5	2.5
<b>Total</b>	<b>1,237.5</b>	<b>1,260.5</b>	<b>1,272.5</b>	<b>1,330.5</b>	<b>1,404.5</b>	<b>1,421.5</b>	<b>1,469.0</b>	<b>1,575.7</b>	<b>1,576.3</b>	<b>1,614.3</b>

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

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

<sup>2</sup> Until fiscal year 2013, Purchasing was reported as a function of Finance.

**Source of Information:** City Budget Office

## City of Grand Prairie, Texas

### Capital Assets Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2011	2012	2013	2014	2015
Police					
Stations	1	2	2	2	2
Public safety training complex	1	1	1	1	1
Storefronts	2	3	4	3	3
Fire stations	10	10	10	10	10
Other public works					
Streets (miles)	588	594	594	641	642
Acreage	51,108	51,108	51,954	51,954	51,954
Public parks	57	57	57	57	57
Baseball/softball diamonds	25	25	25	25	25
Soccer/football fields	21	21	21	21	21
Community/recreation centers	8	8	8	8	8
Public golf courses	2	2	2	2	2
Public swimming pools	4	4	4	4	4
Libraries	3	3	3	3	3
Cemetery	1	1	1	1	1
Water					
Water connections	63,289	63,250	64,154	64,696	65,808
Daily consumption (millions of gallons)	27.90	23.90	23.50	23.02	23.17
Wastewater					
Daily flow (millions of gallons)	16.30	16.20	14.23	14.11	19.58
Airports	1	1	1	1	1
Transit—minibuses	12	12	12	12	12

**Source of Information:** City departments.

**Fiscal Year**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
2	2	2	2	2
1	1	1	1	1
3	3	3	3	3
10	10	10	10	10
634	631	632	634	641
51,954	51,984	51,984	52,070	52,044
57	57	57	57	57
25	25	25	25	25
21	21	21	21	21
8	8	9	9	9
2	2	2	2	2
4	4	5	5	5
3	3	3	3	3
1	1	1	1	1
66,075	66,075	67,794	69,333	70,944
24.56	25.00	26.06	24.67	25.30
16.57	15.92	16.40	20.58	18.38
1	1	1	1	1
12	12	12	13	13

**City of Grand Prairie, Texas**

Water and Wastewater Contracts

Components of Payments Made under Selected Contracts  
(Unaudited)

Last Ten Fiscal Years

Fiscal Year	Dallas Water Utilities			Trinity River Authority			Trinity River Authority	
	Water Purchases			Wastewater Treatment			Joe Pool	Joe Pool
	Volume	Demand	Total	O&M	Debt Service	Total	Lake Intake	Lake Corp of Engineers
2011	3,342,225	6,329,489	9,671,714	4,146,626	6,660,202	10,806,828	11,010	383,062
2012	2,780,668	6,758,580	9,539,248	4,316,782	6,383,008	10,699,790	7,660	306,680
2013	2,901,935	6,854,133	9,756,068	4,360,828	6,546,256	10,907,084	7,390	381,637
2014	2,770,446	7,062,206	9,832,652	4,234,724	7,602,156	11,836,880	7,190	397,690
2015	2,561,969	7,547,810	10,109,779	5,774,796	8,060,760	13,835,556	6,750	387,511
2016	3,687,583	8,228,711	11,916,294	5,895,397	8,559,504	14,454,901	6,782	396,612
2017	3,246,558	9,119,618	12,366,176	5,107,743	8,731,748	13,839,491	7,703	225,107
2018	3,624,469	9,479,477	13,103,946	5,612,671	10,134,974	15,747,645	8,334	5,324
2019	2,096,198	7,556,649	9,652,847	7,054,098	11,646,796	18,700,894	9,422	14,105
2020	3,518,313	10,108,439	13,626,752	6,266,764	11,529,790	17,796,554	8,652	19,791

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.



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## City of Grand Prairie, Texas

### Operating Indicators by Function (Unaudited)

Last Ten Fiscal Years

Function	Fiscal Year				
	2011	2012	2013	2014	2015
Police					
911 calls received *	144,189	141,924	142,641	145,571	129,159
Non-emergency calls *	114,055	105,123	99,831	101,626	116,685
Calls for service *	150,244	235,947	233,997	243,443	245,844
Jail arrests *	10,869	10,637	10,403	12,201	9,016
Fire					
Total Fire and EMS calls *	16,817	16,540	16,999	16,912	17,827
Fire response calls for structure fires *	237	190	197	180	192
Street					
Number of miles of overlay streets	5	9	6	6	5
Number of street defects repaired	25,181	25,628	16,436	13,061	27,537
Number of linear ft of sidewalk repaired	21,113	31,962	20,440	14,712	12,061
Solid Waste					
Landfill refuse collected (tons)	162,358	164,031	162,755	165,586	182,287
Recyclables collected (tons)	4,881	4,853	5,012	5,172	4,948
Water					
Average daily consumption (thousands of gallons)	27,884	23,928	23,500	23,023	23,170
Wastewater					
Average daily sewage treatment (thousands of gallons)	16,347	16,164	14,234	14,109	19,859

\* In calendar year

**Source of Information:** Various City departments.

<b>Fiscal Year</b>				
<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
124,331	130,994	125,497	122,373	121,774
107,490	118,117	119,617	114,287	106,693
231,821	205,213	225,612	236,660	228,467
9,395	9,387	8,765	9,400	4,799
18,408	18,648	19,180	18,297	18,444
152	164	183	165	181
5	11	4	6	5
18,772	6,809	7,480	6,723	5,088
17,276	18,437	30,734	19,243	32,984
198,529	224,599	221,919	246,174	249,053
5,386	5,468	6,104	5,692	5,174
24,564	25,613	25,348	24,672	25,309
16,569	16,307	17,573	20,585	18,386